

# Journal of Marketing Vistas

**Volume 9, No 2, July-December 2019**

## **A Study on the Influence of Nuclear Family Members in Buying Decisions**

Shazeed Ahmed

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## **Alternative Research Paradigms in Marketing: History, Critical Theory and Technology Inspired Research!**

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## **Influence of the Dimensions of Attitude on Consumer Purchase Intention of Online Electronic Products in India**

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## **Survival Game or Shifting the Gear: The Kia Motors in India**

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## **Study on Applicability of Consumer Protection Laws on the Services Offered by Banking Institutions – A Case Study**

Praveen Kumar Pandey and Prashant Kumar Pandey





## Aims and Scope

**Journal of Marketing Vistas** provides a platform to marketing professionals from academia and industry to exchange information on emerging marketing practices and theory across industry around the globe.

Articles in the Journal furnish information on trends in areas including, but not limited to, Strategic Marketing, Promotion Management, New Product Management, Pricing Decisions, Product-Line Management, Competitive Strategy, Buyer Behaviour, Marketing Research, Market Information System, International Marketing, Services Marketing, Segmentation Targeting and Positioning, Sales Force Management, Retail Management, Customer Relationships Management and e-Marketing.

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# Journal of Marketing Vistas

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## Editorial

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Though it is looking like an old statement, it is obvious that technological changes are impacting the buying behavior. Shopping has become an experience and purchases are online. Emergence of data science and big data has given a new dimension to marketing strategy globally. Bases for segmenting customers are ever changing due to the changes in the tech tools. Marketers used to study the consumer behavior in a market place about how a consumer search, evaluate, select, buy, use and dispose of a product or service. Whereas today, it has become the study of consumer eye behavior because consumer is searching over screen, evaluating over screen, selecting, buying and disposing of the products over screen.

Retail e-commerce revenue is increasing at an increased pace and expected to reach \$ 62.3 bn. by 2023 estimated by Statista.com. The core competency of small and medium retailers is taken away by the online retailers and their existence is at the stake today. Jeff Bezos proudly announced, during his visit to India that 5, 50,000 small and medium businesses are using Amazon.com.

Consumer household decisions are more complex in nuclear families. There may be an apprehension that the choice would be unanimous in nuclear families, but the research proved that each member of the family plays a vital role in deciding a brand, depending on the product. In case of fast food, children decide the brand. In case of household items, women play a vital role in deciding the brand. The outcome of this research is useful for marketers in STP decisions.

Interestingly, marketing has become an area of integrating discipline for various streams. Marketing research has three dimensions that were critically mentioned in the article, viz., Historical Marketing, Neuro Marketing and Critical Marketing. The article opens up discussions for further developments in these areas.

A new era in automobile sector in India opened up in Andhra Pradesh with the establishment of Kia Motors. Slowdown of the automobile sector and transition of models from diesel to petrol to electric engines are the main forces shaking not only the small players, but also the major brands in the country. How Kia is going to change gears to the top gear when the market is in the cusp of change is well presented in the form of a case study titled, 'Survival game or shifting the gear'.

Financial services sector gives a pivotal role to the customer. Online services offered to the customers by Banks and Insurance sectors are providing more convenience and at the same time more insecurity to the customers. This is where customers' rights are questioned and interference of law. Protecting the rights of the customers along with convenience and security is addressed as a case study mentioning the acts related to customer rights protection.

We encourage research based articles related to the various marketing areas in this Journal. However, articles based on descriptive research, expert views and case studies are also finding place due to their high quality inferences.

**Dr. M. Meher Karuna**  
*Managing Editor*

# A Study on the Influence of Nuclear Family Members in Buying Decisions

Shazeed Ahmed\*

## Abstract

A nuclear family is a vital segment of the population in the market and regarded as an essential buying unit in the consumers market. A nuclear family comprises of the husband, wife and the children. These individual members play different buying roles in a nuclear family, which ultimately shapes the buying behaviour before the final purchase of any product or service. This study has been carried out to know how different members of a nuclear family exercise their influence in buying decisions with certain identified products. It was an exploratory study and was conducted concerning products namely potato chips, cholesterol-free refined oil and face wash in the fast-moving consumer goods sector and flat HDTV, ceiling fan, sofa set, android phones, washing machine and electric mixer in the consumer durables sector. A total of 400 sampling units were selected for the study through simple convenience sampling. The survey was conducted through the administration of a questionnaire through direct face to face interaction. The study, reveals that in the exercise of purchase decisions of the identified products, different members of the nuclear family exert varying degrees of influence. These are vital information for marketers for framing marketing policies in the area of sales promotion and advertisements for the identified products under study.

**Keywords:** Advertisements, Decisions, Influencer, Nuclear, Rationale

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## Introduction

Human beings by nature are social animals and hence live in a society. A family is a group of people living together in the society. It is a fundamental sociological unit. In a family, people are bonded together either by blood relation or by marriage. Today in any modern society, amongst the myriad types of families that live, one principal constituent is a nuclear family. A nuclear family is a small size family. It comprises of the husband, the wife and the children. Nuclear families do not have elderly parents, nor do they have the concept of extended family. With the rapid growth and massive urbanization of societies, joint families are breaking down and leading to the emergence of nuclear families. Often marketers consider nuclear family as a basic consuming unit. The term influence is an art to exert persuading powers with particular meaningful rationale for taking any decision. Influence implies when the action of a person paves the way to transform

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the conduct of another person in some conventional way. In any professional organization, before conducting buying transactions, different buying centres play diverse roles based upon the responsibilities assigned and the concerned interests of the stakeholders. But in an individual family, the characters are not clearly defined since the members are not professionally trained to play their part. These roles are commonly known as family role structure decisions in buying. In the consumers market, the way different members of the families influence and take decisions are essential from the marketing point of view.

According to Forbes India Magazine (2017), the last quarter of the century has witnessed a steady disintegration of the joint family system and the emergence of nuclear families. Urban India has seen a robust rise of nuclear families which is meager in size, and where 88 per cent of the families have members in the range of three to four in total. Among these families, a paltry eleven per cent has more than two children. Factors like the urge to build financial strength, nurturing children to be less reliant or self-dependent and the need to encourage children to enhance personal along with academic progress have been instrumental for the emergence of nuclear families (Nerlekar, 2017). According to Vardhan (2015), the trend is towards nuclear homes as there is a surge in the break-down of prominent Indian families. As a result, the majority of the middle-class people are now sticking to smaller families. Singh (2003) opines that in India with the spread of urbanisation, initiation of the demographic transition, education and increasing occupational differentiation, rapid changes have been seen in the constitution of households and conventional family system. The nuclear family has gradually appeared as the dominant form of the household unit, especially in urban areas.

In any family, in the purchase and consumption of products and services, there are six roles that members play. These roles are namely the role of Initiator, Influencer, Decider, Financer, Purchaser and User. An *Initiator* instigates the feeling for a new product among the family members and gathers information to help in decision making. An *Influencer* tries to convince the other members on the need of the product in the family. A *Decider* exerts the ultimate decision power in choosing the eventual purchase of a product. A *Financer* arranges for financing the transaction. A *Buyer* goes to the market to physically take possession of the product. And a *User* is the person who is the final consumer of the product. The act of buying a product or service is the result of a different procedure of family role structure decisions. These roles are exercised by various members of the family differently. The variations are the outcome of changes in demography, degree of cohesion among members, level of communication and the nature of the product to be purchased. Though all the roles are equally significant, from a marketer's point of view, an *Influencer* has a lot of say in the final buying decision. The influencer provides the rationale and factual information in the family to stimulate the act of buying something among other members. And from the perspective of a consumer behavior analyst, knowing the behavior of an Influencer is essential. It is because of the *Influencer's* need and aspirations, marketer frames policies for advertisements and sales promotion.

### **Objective of the Study**

This research is undertaken to know how different members of a nuclear family (namely husband, wife and children) act as an influencer in the final purchase

decision of a few selected products under FMCG and durable sector. It has also been undertaken to help the marketers to recognize the target audience for sales promotion and advertisements that are required in the marketing of the selected.

## Literature Review

Studies related to the influence of nuclear family members in the conduct of decisions about purchasing on various products are comparatively less. A few studies associated with the varying roles of family members have been reviewed and discussed below.

*Kakati and Ahmed (2016)* carried out a study on family role structure decisions in the purchase of FMCGs and consumer durables. The study revealed that in the purchase of FMCG goods, the husbands along with elderly persons, exercised an equally significant role and they exercised a minor role as an influencer. In the purchase of durables goods, the wives exercised the role of an initiator, influencer and decider in a major way. Furthermore, in the durable sector, elderly persons exercised the role of an influencer and children exercised a major role as an initiator and a minor role as an influencer. *Ahamad and Chandra Shekhar (2014)* in their research work, attempted to know family decision process and the roles exercised by family members in the purchase of consumer durables. The study revealed that in the purchase of television, the demand initiation and influence was mostly by children, but for the refrigerator and washing machine, the influence was mainly from the females. The research work also revealed that children were exercising an increasingly significant role in the purchase decisions of the family, which is attributed to the sociological changes taking place. *Manoharan and Vijayalakshmi (2012)* in their research work on the role assumed by members of the family in the purchase of television found that there was a joint decision during the various stages of buying a television in a family. *Juyal and Singh (2009)* in their research article on the role of the family in family buying decisions, found that wife exercised a major part in acquiring grocery, food and home decoration items. The study found that in the purchase of durables like phone, car, insurance, husbands exercised a significant role. The study also revealed that in matters of vacations and schooling for children, there was joint influence both from the husband and wife. Lastly, in matters of purchase of items like milk and newspapers, the influence was a unilateral decision. *Flurry and Veeck (2009)* carried out a study of the role of children in the family decision-making process. The study revealed that the influence exerted by children varied by product category and by the nature of the purchase decision. The study also expressed surprise on the aspect of the less dominant role of a child in family purchase decisions even though the one-child policy is prevalent. *Kaur and Singh (2006)* through their research work, studied the influence of children in the purchase decisions of Indian families. The study reveals that though children are devoid of purchasing power, they are a crucial entity in any family. They influence family buying decisions and are the potential consumers of the country. *Verma and Kapoor (2003)* in their research work studied the intricacies involved in the decision-making process of a family to the purchase of consumer durables. The study reveals that in the purchase of car, washing machine and refrigerator, all the members of the family equally exert influence in a purchase decision. In the purchase of an audio system, children exercised a highly significant role and parents exercised a minor role. Further,



in the purchase of a personal computer, children exercised a significant role, and the husband exercised a minor role. Moreover, in the purchase of television sets, children exerted a major influence and parents exerted a minor influence. *Sengupta and Verma (2000)*, through their research work on the role exercised by husband and wife on purchase decisions, revealed that the influence of husband is conventionally greater than that of a wife. And in the purchase of durables, joint decisions are taken by both the husband and the wife. Further, the study revealed that children persuaded significantly in decisions related to the selection of brand of products. *Beatty and Talpade (1994)* through their research work, attempted to establish a relationship between the importance of a product and the role assumed by children in the purchase decisions. The study revealed that the level of knowledge of children has an impact on their influence in taking decisions on specifically identified products. The study also found that with an increase in the purchasing power of a family, the influence of children on selected durables also increases. *Cunningham and Green (1974)* in their research work, attempted to know the different purchasing roles exercised in a family. The study further divulges that the market underwent radical changes in terms of influence in buying and purchase decisions. The study revealed that in the purchase of an automobile, earlier it was a male-dominated decision but has shifted to a joint affair in the family with time. *Davis (1970)* in the research work, attempted to know the dimensions of marital roles in the consumer buying decision. The study also tried to find out the role of the husband and the wife in the purchase of automobiles and living room furniture. The study found wide variations in the roles exercised by husband-wife. The study also found varied perceptions among husbands and wives as to who had the greater influence. *Blood and Wolfe (1960)* in their research work found that husband normally are engaged with an instrumental role, and the wives engage with a significant role in the course of decision making in purchase matters in a family. Further, divulging from the study that the influence of husband is distinctively greater than the wife in purchase decisions. *Wolgast (1958)* in the research work conducted, attempted to find out the influencing power of husbands and wives in purchase decisions. The study found that conventionally economic decisions were made jointly by husbands and wives. The husband exercised a significant role in the purchase of a personal car and wife exercised a significant role in the purchase of the home appliance.

From the literature reviewed, it can be inferred that the influence of the members of the family in purchase decisions has considerable variations. Sometimes the husband plays significant, in some situations, it is the wife, in some cases, it is the children, and in some cases, it is a joint decision by all the members of the family.

### **Need and Rationale for Choosing the Products**

A total of nine products are selected for the study, which are potato chips, cholesterol-free refined oil and face wash in the *fast-moving consumer goods* sector. And the chosen study also considers a flat HDTV, ceiling fan, sofa set, android phones, washing machine and electric mixer in the *durables* sector. These products have been chosen based upon the researcher's judgment because they are prevalent and are high in demand among nuclear families in the consumers market. Moreover, these selected products fall under the sunrise industries category. It will further enable marketers to market these products better.

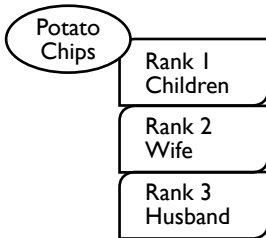
## Methodology

The study has been conducted in the city of Guwahati metro, which is known as the gateway of northeast India. It is the main transit point that provides the link to all other states of the northeast. The research design of the study was exploratory and undertaken in the second quarter of 2018 – the sampling units comprised of the nuclear families in the city. A total of 400 sampling units have been selected based upon convenience. The questions asked are to elicit the responses related to the person who influences in making purchase decisions of the respective product in the nuclear family. The questionnaire seeks to get information on nine products. Against each product chosen, the question asked is to find out the person in the family (which may be father, mother or children or in a joint capacity) who exercise different forms of influence in the purchase of each product. Statistical techniques used for data analysis were simple counts and percentage. In the study of data, for calculating counts and percentages, in some nuclear families, influences were from two or more members simultaneously in the purchase of each product. As a result, for each product, total counts and percentages appeared to be more than 400 of the actual sample size and more than 100 of total percentage respectively.

## Analysis

The first product chosen for the study was *potato chips*. The research conducted was to find out the influence of individual members of each nuclear family in the purchase of potato chips. The results of the field study are given in Figure-1 (Rank of influencers based on the extent of influence in descending order) and Table-1 (Influencers respective tally of influence in the purchase of potato chips).

**Figure-1:** Rank of Influencers



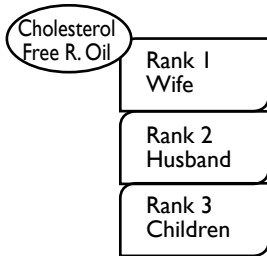
**Table-1:** Influencer's Respective Tally of Influence in the Purchase of Potato Chips

Member	Total Counts	Percentage
Husband	20	05 percent
Wife	28	07 percent
Children	372	93 percent

*Analysis and findings:* Results of the field study revealed that in the nuclear family, children exert the most significant influence by acting 93 per cent times in the purchase of potato chips. Husbands and wives exert a very insignificant influence by acting 05 and 07 per cent times respectively in the purchase of potato chips. Hence children's can be considered as the major influencers in the purchase of potato chips in the market.

The second product chosen for the study was *cholesterol-free refined oil*. The results of the field study are given in Figure-2 (Rank of Influencer's according to the degree of influence in descending order) and Table-2 (Influencer's respective tally of influence in the purchase of cholesterol-free refined oil).

**Figure-2:** Rank of Influencers



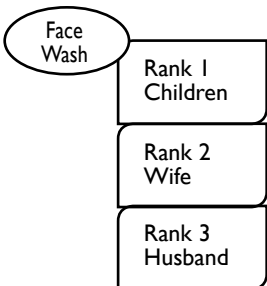
**Table-2:** Influencer's respective tally of influence in the purchase of Cholesterol Free Refined Oil

Member	Total Counts	Percentage
Husband	124	31 percent
Wife	332	83 percent
Children	08	02 percent

*Analysis and findings:* Results of the field study revealed that, in a nuclear family, wives play a highly significant role by acting 83 per cent times in the purchase and she is followed by the husband who plays a minor role by acting 31 per cent times in the purchase of cholesterol-free refined oil. Children represent the least role by acting 02 per cent times in the purchase of cholesterol-free refined oil. Hence wives are the main influences in the purchase of cholesterol-free refined oil in the market.

The third product chosen for the study was *face wash*. The results of the field study are given in Figure-3 (Rank of Influencer's according to the degree of influence in descending order) and Table-3 (Influencer's respective tally of influence in the purchase of face wash).

**Figure-3:** Rank of Influencers



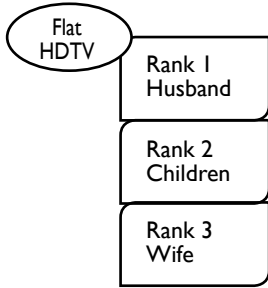
**Table-3:** Influencer's respective tally of Influence in the purchase of Face Wash

Member	Total Counts	Percentage
Husband	84	21 percent
Wife	244	61 percent
Children	324	81 percent

*Analysis and findings:* Results of the field study revealed that, in a nuclear family, children exercise a highly significant role by acting 81 per cent times in the purchase of face wash. Wives exert the second significant vital role by acting 61 per cent times in the bargain. On the other hand, husband exerts a minor influence by acting 21 per cent times in the purchase of face wash. Hence children and wife are the main influences in the purchase of face wash in the market.

The fourth product chosen for the study was *Flat HDTV*. The results of the field study are given in Figure-4 (Rank of Influencer's according to the degree of influence in descending order) and Table-4 (Influencer's respective tally of control in the purchase of Flat HDTV).

**Figure-4:** Rank of Influencers



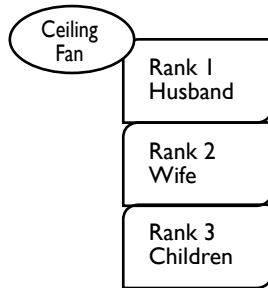
**Table-4:** Influencer’s respective tally of influence in the purchase of Flat HDTV

Member	Total Counts	Percentage
Husband	304	76 percent
Wife	112	28 percent
Children	192	48 percent

*Analysis and findings:* Results of the field study revealed that, in a nuclear family, husband exerts the highest level of influence by acting 76 per cent times in the purchase of a Flat HDTV. Children also exercise a significant role by acting 48 per cent times in the purchase of Flat HDTV. On the other hand, wives exert the least influence by acting 28 per cent times in the purchase. Hence husband and children are the main influences in the purchase of Flat HDTV.

The fifth product chosen for the study was *Ceiling Fan*. The results of the field study are given in Figure-5 (Rank of Influencer’s according to the degree of influence in descending order) and Table-5 (Influencer’s respective tally of influence in the purchase of Ceiling Fan).

**Figure-5:** Rank of Influencers



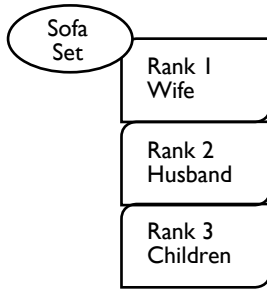
**Table-5:** Influencer’s Respective Tally of Influence in the Purchase of Ceiling Fan

Member	Total Counts	Percentage
Husband	324	81 percent
Wife	124	31 percent
Children	44	11 percent

*Analysis and findings:* Results of the field study revealed that, in a nuclear family, husband exercises the most significant role by acting 81 per cent times in the purchase of ceiling fan. Wives also exert considerable influence by acting 31 per cent times in the purchase. Children exert the least influence by acting 11 per cent times in the purchase of ceiling fan. Hence husbands and wives play a significant role in influencing the purchase of ceiling fans.

The sixth product chosen for the study was *Sofa Set*. The results of the field study are given in Figure-6 (Rank of Influencers according to the degree of influence in descending order) and Table-6 (Influencer’s respective tally of influence in the purchase of sofa set).

**Figure-6:** Rank of Influencers



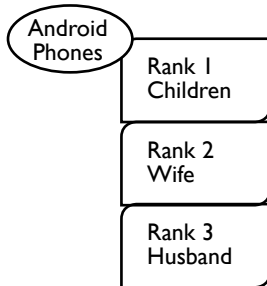
**Table-6:** Influencer's Respective Tally of Influence in the Purchase of Sofa Set

Member	Total Counts	Percentage
Husband	176	44 percent
Wife	340	85 percent
Children	64	16 percent

*Analysis and findings:* Results of the field study revealed that, in a nuclear family, wives play a highly significant role by acting 85 per cent times in the purchase of a sofa set. Husbands also play a considerable role by acting 44 per cent times in the purchase. Children's play a minor role by moving 16 per cent times in the deal. Hence wives and husbands are the significant players in influencing the purchase of a sofa set.

The seventh product chosen for the study was *Android Phones*. The results of the field study are given in Figure-7 (Rank of influencers according to the degree of influence in descending order) and Table-7 (Influencer's respective tally of influence in the purchase of android phones).

**Figure-7:** Rank of Influencers



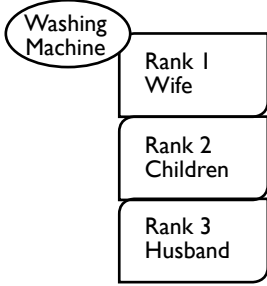
**Table-7:** Influencer's Respective Tally of Influence in the Purchase of Android Phones

Member	Total Counts	Percentage
Husband	45	11.25 percent
Wife	49	12.25 percent
Children	379	94.75 percent

*Analysis and findings:* Results of the field study revealed that, in a nuclear family, children exercise the most significant influence by acting 94.75 per cent times in the purchase of android phones. Wives exert a minor influence by acting 12.25 per cent times in the purchase. Husbands exert a minor influence by acting 11.25 per cent times in the buying of android phones. Hence children are the major influencers in the purchase of android phones.

The eighth product chosen for the study was *Washing Machine*. The results of the field study are given in Figure 8 (Rank of Influencer's according to the degree of influence in descending order) and Table-8 (Influencer's respective tally of influence in the purchase of washing machines).

**Figure-8:** Rank of Influencers



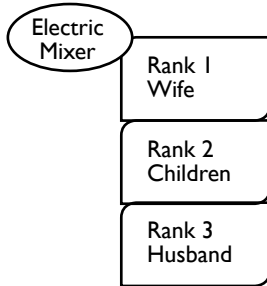
**Table-8:** Influencer's Respective Tally of Influence in the Purchase of Washing Machine

Member	Total Counts	Percentage
Husband	74	18.50 percent
Wife	341	85.25 percent
Children	211	52.75 percent

*Analysis and findings:* Results of the field study revealed that, in a nuclear family, wives exercise the most significant influence by acting 85.25 per cent times in the purchase of washing machines. Children also exert a considerable influence by acting 52.75 per cent times in the purchase of washing machine. Husband exerts a minor influence by acting 18.50 per cent times in the bargain. Hence wives and children are the major influencers in the purchase of washing machines.

The ninth product chosen for the study was *Electric Mixer*. The results of the field study are given in Figure-9 (Rank of influencers according to the degree of influence in descending order) and Table-9 (Influencer's respective tally of influence in the purchase of electric mixer).

**Figure-9:** Rank of Influencers



**Table-9:** Influencer's Respective Tally of Influence in the Purchase of Washing Machine

Member	Total Counts	Percentage
Husband	104	26.00 percent
Wife	349	87.25 percent
Children	206	51.50 percent

*Analysis and findings:* Results of the field study revealed that, in transaction done in a nuclear family, wives exert the most significant influence by acting 87.25 per cent times in the purchase of electric mixer. Children also exert a considerable influence by working 51.50 per cent times in the bargain. Husbands exert the least influence by acting 26 per cent times in the purchase of electric mixer. Hence wives and children are the major role players in influencing the purchase of electric mixers.

### Marketing Implications

The findings of the study have significant ramifications for marketers. In the marketing of *Potato Chips*, marketers can use children as the target audience in the sales promotion and advertisement of the product. In the marketing of *Cholesterol Free Refined Oil*, marketers can use wives as the target audience in the sales promotion and advertisement of the product. In the marketing of *Face Wash*,

marketers can use children and wife as the target audience in the sales promotion and approval of the product. In the marketing of a *Flat HDTV*, marketers can use husband and children as the target audience in the sales promotion and advertisement of the product. In the marketing of *Ceiling Fan*, marketers can use husbands to the target audience in the sales promotion and advertisement of the product. In the marketing of a *Sofa Set*, marketers can use wives and husband as the target audience in the sales promotion and advertisement of the product. In the marketing of *Android Phones*, marketers can use children as the target audience in the sales promotion and advertisement of the product. In the marketing of *Washing Machine*, marketers can use wives and children as the target audience in the sales promotion and advertisement of the product. Lastly, in the marketing of *Electric Mixer*, marketers can use wives and children as the target audience in the sales promotion and advertisement of the product.

### **Limitations and Scope for Further Study**

The study is confined to only three products in the *fast-moving consumer goods* sector and six products in the *durable* sector. The market finding pertains to a specific time and is cross-sectional in design. Therefore it may change over time and due to changes in lifestyle, values, economic conditions and impact of globalization. To make the findings more representative and extend the validity of the findings, over the time, the design of the study can be made longitudinal.

Additional products can be selected in both sectors to make the study more comprehensive. In conducting further studies, the role of members in the purchase of services can be explored. The new research can be performed using similar objectives and methodology in the other geographical regions of the country and the world. Considering other family forms the entire stages of the family life cycle can make the study more exciting and open up a new area of discourse.

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### QUESTIONNAIRE

Mention the person(s) in your family who influences in the purchase decision of the products given below with tick sign for the appropriate answer from the various alternatives given.

Sl. No.	Product	Husband	Wife	Children
1	Potato Chips			
2	Cholesterol Free Refined Oil			
3	Face Wash			
4	Flat HDTV			
5	Ceiling Fan			
6	Sofa Set			
7	Android Phones			
8	Washing Machine			
9	Electric Mixer			





# Alternative Research Paradigms in Marketing: History, Critical Theory and Technology Inspired Research!

Roshni Das\*

## Abstract

Positivistic marketing research has yielded much 'law-like generalizations' (Kerin & Sethuraman, 1999) that are difficult to refute both intuitively and empirically and consequently, it has generated much usable theory in marketing literature. There is however an increasing trend of encountering 'empirical isolates' or variables, concepts or data that are hard to theorise because they do not follow the assumptions of the 'normalization Law', that is one of the fundamental bases of positivistic research. We argue, therefore, that there is a need to look at the alternative research paradigms that are gradually developing a foothold in marketing. In particular, we review three of them: History, Critical Theory and Technology inspired research with methodological affiliations of each stream.

**Keywords:** Critical Theory, History, Marketing Research, Neuromarketing

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## Introduction

### *What Makes a Good Theory?*

Bacharach (1989), in his seminal paper, defines a theory as "a statement of relations among concepts within a set of boundary assumptions and constraints". He further argues that the two criteria that should go into evaluating a theory are: 'Logical and Empirical Adequacy' and 'Explanatory potential and Predictive ability'. The three research paradigms that we discuss in this paper, viz: History, Critical Theory and Technology inspired research; have their struggles with these two criteria. What can be surmised from the current research literature is, however, that each of them is suited for a specific genre of questions, the kind which has either been previously neglected by traditional researchers or ignored because of a lack of appropriate theoretical tools.

### **Using History to Build Better Theories**

As regards the first criterion, i.e. 'Logical and Empirical Adequacy', we borrow the example given by Hunt, (2011) in her seminal article: '*On the Intersection of*

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*marketing history and marketing theory*', where she talks about the controversy between 'product differentiation' versus 'market segmentation'. She argues that because the latter construct is relatively well-defined, the source of ambiguity is the former. This ambiguity, in turn, creates the neo-classical economic hangover of early marketing theorists which emphasizes that businesses should pursue a Pareto-optimal equilibrium by adopting a homogeneous product strategy, in the process, ignoring the underlying heterogeneity of consumer preferences. Hunt painstakingly draws out the flaws in that form of logic, and the process makes a valuable nomological contribution.

The second criterion is exceedingly difficult to achieve and frequently cited as a shortcoming in historical research by detractors and is a persistent question in the realm of the philosophy of science. Hunt argues that only such qualitative methods advocate, as is not versed in the history of marketing thought would make, the flawed assumption that 'positivism is dead' or 'disgusting' and that as such it forms a sufficient justification for selecting interpretivism. It is precisely the kind of 'adumbrationism' or 'dogmatic devotion' that was warned about by Merton(1973). The theory born out of such an endeavour would be malformed because the method has not been a natural progression from the research question or the analytical requirements of the empirical data but has instead artificially imposed as a product of rhetoric

To understand the theorising capability of History, we take the following three questions by Hunt (2011) as our point of departure: Does the study of History have anything to offer to Marketing? And if the answer to the previous question is yes; then how can History possibly help marketing scholars build better theories?

### ***Why History makes us uncomfortable***

History rouses discomfort because it gives us a feeling of static-ness, of being 'caught in time' and of being inert. It somehow convinces us that the human being is a passive agent, a victim of his/her situations and as such subject to the inertia of a pre-determined course of action, not unlike the theory of neo-institutionalism in organization studies. It is the same thing the latter creates among Strategy scholars because it denies the agency of organizational actors. However, that wherein lies the flaw in our epistemological thought process. We forget that History is not a static concept; instead, it rejuvenates and reappears as repercussions or 'ripples' into the far future as well. To repeat an over-used cliché, "History repeats itself" unless we decide to learn from it. Hence there is an imperative to take the long view, or as Fernand Braudel (q.v. Braudel & Wallerstein, 2009) calls it, the 'Long Duree'.

### ***Good Historical Analysis leads to Good Theory***

To get a sense of the present historical questions that researchers are investigating in an attempt to build theory; let us look at a select sample of studies (Table-1) from the CHARM 2015 conference proceedings. CHARM stands for 'Conference on Historical Analysis & Research in Marketing', which is one of a kind in this research domain. The following papers pertain to the 17<sup>th</sup> Biennial conference organised by the CHARM association at Long Beach, California USA.

Author	Research Question Explored by the study	Implications for Addressing Contemporary Theoretical Problems
Boothman (2015)	It reviews the evolution of North American retailing across a span of 150 years. A transition to rare-packaged and branded products unleashed retailing's potential. To cope with a perceived 'crisis of distribution,' over-production with warehouses of unsold goods, three types of mass distributors emerged: catalogue operations, department stores, and chain retailers.'	The essay deals with questions such as how economies of density, network strategies, and information technology influenced competitive positions. Even now, in emerging economies, the same cycle is playing out.
Davis, (2015)	This paper uses the biographical narrative approach as described by Jones (1998; 2012) and Savitt (2011) to study the careers of pioneering African-American women who served in significant managerial and entrepreneurial roles in the advertising business in the US from the 1960s to the present.	Helps to understand gender, race, intersectionality and intersection of institutional history and culture of the industry concerning opportunities, especially for women of color.
Erdoğan, Torlak, Yılmaz, & İşlek (2015)	Studies Anatolian business practices as found in Akhi organizations which are part of ancient Turkish culture and has a motto like "Customer is the benefactor". There are many principles included for 'virtuous behavior' to be conducted by businesses and the concept of rights for the customers.	First, it argues that the existing & dominant Anglo-Saxon marketing theory not attuned to studying all indigenous businesses. Second, it has implications for ethical discourse in marketing, and if they can be transferred to traditional businesses.
Mulky, (2015)	Traces the creation, growth, contributions and ills of the nationwide Public Distribution System (PDS) in India (1939-2001)	Addresses lapses in policy-making & implementation that make an essential government service such as PDS inefficient; the same kind of problems are observed in many emerging economies.
Usui, (2015)	Documents the life and thought of Japanese critical intellectual and marketing practitioner, Seiji Tsutsumi. He explored concepts such as 'ethics for capitalists', the issue of 'developmentalism' in the Japanese economy, the 'revolution of distribution' and 'Criticism of Consumer Society'(the last one being a book).	Tsutsumi's thoughts have immensely influenced contemporary business practices in Japan and deserve more exploration.

Archival research methods (Armstrong, 1991; Das, Jain, & Mishra, *Forthcoming*) are some methodological tools that can be used in this research. We conclude that Hunt's arguments are entirely convincing and have immense implications for future research in marketing. At a time when several other reluctant disciplines such as Organization studies and Strategy have already paid heed to the call for re-analyzing ontological and epistemological origins of constructs and in the process been enriched in their analysis of contemporary problems; Marketing cannot afford to be far behind.

## **Critical Theorising in Marketing**

The Critical tradition in marketing in recent times has received considerable impetus from the acceptance of social science discourse and methodologies alongside the reigning positivistic culture in the mainstream. They have endured the theoretical criterion-related debates and gained substantial ground with empirical publications. We review two substreams of research in particular within this paradigm: (1) Symbolic interactionism, and (2) Ethnomethodology and Phenomenology.

### ***Symbolic Interactionism***

Symbolic Interactionism was an outcome of the thought of George Herbert Mead (1934), Herbert Blumer (1986) and Charles Horton Cooley (1902). Its central premise is that human beings respond to stimuli based on the meanings they ascribe to them; and these meanings are a product of social interaction and individual interpretation (Ritzer, 2011). A principal method of collecting data here is through participant observation because human interaction is mediated by the use of symbols and signification and by interpretation of these symbols, it has also spawned the tradition of 'symbolism'. This tradition, in turn, has extensively exploited for advertising and promotion activities in marketing. Symbolic interactionism is distinct from Behaviorism (Watson, 1958) in that in the latter, there is no scope for processing or 'interpretation' between the stimulus and the response.

The consumer behavior literature is replete with examples of this tradition of research. An illustration can be Wells', (2012) new use of the metaphorization technique to make sense of the information-searching and consuming habits of people. She applies the metaphor of 'Foraging' and the principles of evolutionary psychology to come up with practicably useful insights. On a similar vein, Littlefield, (2010) has explored the construction of masculinity in the deer hunting culture and by extension, the domination of nature by men, very much akin to the domination of women; from the 'eco-feminist' lens. This kind of in-depth cultural analysis while demolishing stereotypes at one end, also gives essential psychological readings on the other end.

### ***Ethnomethodology and Phenomenology***

Phenomenology, as a school of thought, was developed by first Husserl (1970) and then Schutz (1962). Its central premise is that human beings experience or perceive the world or instead, 'lifeworld' (in Schutz's terms) through typifications or 'bracketing' which in due course of time get obscured from common sense, become internalized and thus transform into the natural attitude of the actor. It thus attempts to make sense of human consciousness.

Askegaard & Linnet, (2011) push the boundaries of the phenomenological thought system and Consumer culture theory (CCT) by arguing that the latter has been hijacked by the “identity project” in emphasizing that consumption is a function of one’s own lived experiences, comprehension abilities (rational or irrational) and self-reflexivity and empowerment. In the process, what has marginalized are the institutionalized contexts of consumption, whether, socio-cultural, historical, community-based or ideological or in other words, forces that go beyond the notion of individualism. They cite as instances studies such as the one on natural health communities (Thompson & Troester, 2002); the social construction of lifestyles (Holt, 1997); the commercial mythology of the American South (Thompson & Tian, 2008) and others; thus concluding that existential phenomenology that goes beyond the consumer’s lived experiences, as a tradition of research has the potential for becoming an independent research stream on its own.

The ethnomethodological perspective, an offshoot of the phenomenology tradition was founded initially by Harold Garfinkel, (1964; 1996) and later built upon by Alfred Schutz (1962), Edmund Husserl, (1970), Martin Heidegger, (1988) and others. They are similar in that, and both are called variants of ‘Social Constructionism’ (Hilbert, 1986) and “Sociologies of everyday life” (Weigert, 1981). Ethnomethodology is distinct in that it is concerned with the process of how the mutually shared social order is created; rather than take the ‘facticity’ of social facts (Durkheim, 1972) for granted, it seeks to uncover the mundane, routine and ‘un-reflexive’ responses of everyday life that help to form them. Understandably, it lays a lot of stress on natural language and has, in the process, spawned a wholly new methodology of research called ‘conversation analysis’. Ethnomethodological studies of practices at work have helped improve design for engineers in the domain of Human-Computer Interaction. (Baker & Hart, 2008).

## **Technology Inspired Research**

“The computer is a great equalizer” (Baker & Hart, 2008). See Gummesson’s (2001) excellent paper documenting his difficult journey though time, experimenting with methodologies to make sense of the marketing process. He pleads that the ’90s with the influx of computers, the world-wide-web, social networking, online tools and sophisticated programming is an altogether different challenge for marketing practitioners and academics on how to do research, which problems to investigate and what methods to employ best. Computers have served to narrow the gap between qualitative and quantitative approaches in previously unthinkable ways. The manual processes of content analysis of texts, for instance, can now be digitised and transferred to the computer and resolved fast with sophisticated coding and structure, multiple data entries and linking of data facilitating, in turn, more significant number of interviews and qualitative data to be collected on the field (for CATA: Computer-Aided Text Analysis software, see: Wolfe, Gephart, & Johnson, 1993). The Internet: e-mail and websites, can act as conduits for information dissemination or advertising, facilitate online buying i.e. distribution of products and also help in gathering data i.e. aid market research. Rural consumers have been quick to adopt the mobile of-course and also it has been possible to introduce technology enabled services in ‘last mile’ areas owing to availability of bandwidth. Two such praise-worthy applications

for public consumption may be ‘e-panchayats’ and the ‘Business Correspondent’ service. Technology has therefore spawned new research questions in marketing. In this article, rather than substantive issues of technology in marketing, what we are interested more is ‘how’ the development of technology is altering the way in which marketing researchers do their work. To that end, we discuss the emerging discipline of Neuromarketing in the subsequent section.

### ***Neuro-marketing***

Neuromarketing also referred to as ‘Consumer neuroscience’ and ‘neuroeconomics’ is a transdisciplinary field which is in a state of flux regarding all aspects of scientific debates as applicable to societal welfare. As the higher level heading suggests, it has been inspired by advancements made in Bio-imaging technologies in the last decade. Let us now look at the debates it has generated. First, there is considerable technology-enabled regarding the name of the field itself. Scholars (Hammou, Galib, & Melloul, 2013) suggest that the term ‘neuro’ has been subjected to considerable abuse based on notions of intellectual fashion and the idea that “cutting straight to the brain” can lend significant and more scientific status to the said studies. Second, it is not clear who the current stakeholders in research are: the private sector commercial organisations or public sector academic scientists. Eser, Isin, & Tolon, (2011) found academicians to be more skeptical in their adoption attitude towards this field compared to the private sector and also compared to consumers who have taken part as subjects in neuro-marketing studies. Third, there is as yet no theoretical perspective in this field that has gained any substantial peer support (Hammou et al., 2013; Garcia & Saad, 2008). Fourth, the technologies associated with this paradigm, such as functional magnetic resonance imaging (fMRI), electroencephalography (EEG), magneto-encephalography (MEG), and transcranial magnetic Stimulation (TMS), positron emission tomography (PET), magneto-encephalography (MEG) and galvanic skin response (GSR), among others have their own associated cost, logistical, methodological and inferential biases (Andrejevic, 2012). Bercea, (2013) argues that it is difficult to categorise the field as purely a quantitative or qualitative one; as it includes both; while (Belden, 2008) proposes that future researchers will need to develop reliable experimental protocols (regular or natural experiments (i.e. experiments in natural human settings)) to make sense of these technologies if they can afford them that is. Fifth, the jury is still out as to how neuromarketing might bring insights that are more relevant than existing discursive research paradigms (Andrejevic, 2012) and that might serve actually to justify all the other controversies surrounding it. Finally, the issue that has attracted some of the most potent critiques is to do with the ethics of the entire process (Lee, Broderick, & Chamberlain, 2007) Is the idea of looking into the brain or subconscious itself to be criticised or is it the marketing practices that companies are employing based on the more worrisome research outcomes (Ariely & Berns, 2010).

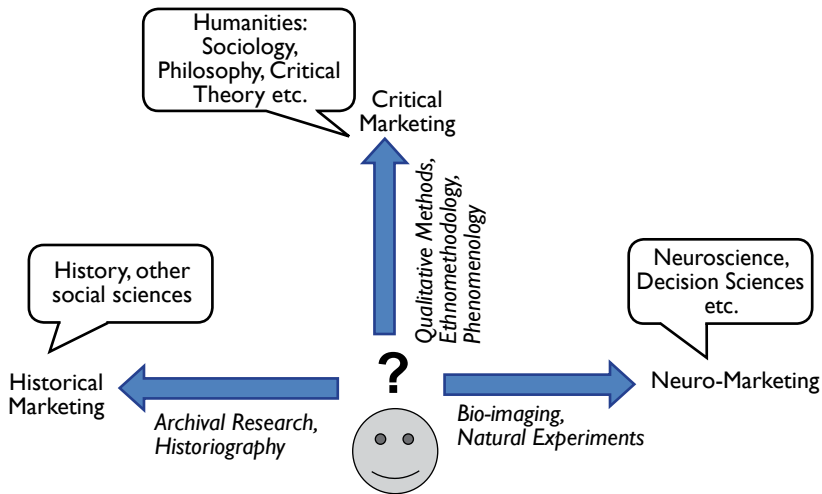
The above review of the neuromarketing field is far from sufficient and only provides a bird’s eye view of the field. Two points become clear from looking at the literature though one is that the current debates are intensifying at the same rate that more academic and commercial interest is coalescing around the emerging neuro-technologies. The other point is that future researchers who are interested in this upcoming field must pay attention to the fact that they will need complementary

competencies in an additional subject matter apart from the marketing discipline itself, to do justice to this rather complex and contentious research stream..

## Conclusion

Figure-1 below surmises the overarching philosophy for reviewing the three research paradigms in this paper. The research techniques are in italics along with the arrows while the callouts represent the respective parent disciplines.

**Figure-1:** Alternative Research Paradigms in Marketing



As globalization and mainstreaming progress, so does the emphasis on the marginal and non-mainstream become more pronounced. This article set out to provide a structure to the progression of critical debates in marketing and where it is headed in terms of outcomes on the actors (marketers, consumers and other stakeholders in the marketing system; REF for MS) involved. To that end, we feel, it has met its objective. However, it has limitations in terms of the coverage of methodologies employed as they are still evolving. Going forward, researchers can use this discussion to decide which genre(s) they might be interested to pursue in future and further refine their theoretical and philosophical positions in it.

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# Influence of the Dimensions of Attitude on Consumer Purchase Intention of Online Electronic Products in India

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## Abstract

In the past few years, online shopping has become more prevalent in the Indian market, resulting in some factors having significantly positive influencing consumer behavior towards online purchasing. In the present time, the use of technology is a daily affair. Technological advancement is helpful in convenience shopping. However, Online shopping and factors influencing online shopping behaviour of the consumer have been explored. The present study experimentally analyses the effect of the factors influencing (subjective norms, website design, products description and online consumer reviews, attitude and intention) of a consumer to using online shopping. It is a pilot study to find out the feasibility of actual research. The data was collected from 200 respondents using an online questionnaire. The data analyzed is by using correlation and regression analysis. Results suggest that subjective norms, website design, products description and online consumer reviews were influencing the attitude and intention of the consumer to using online shopping. Subjective norms and the website design are the first concern of consumers; products description and online consumer reviews are new factors in the context of online shopping.

**Keywords:** Consumer Behavior, Online, Shopping, Technological Advancement

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## Introduction

In India, the online retail industry growing very fast, with tremendous changes. Snapdeal, Flipkart Myantra.com and Amazon are the leading online retailers. The market shares of organized retailers will continuously shrink in the next five years, a report predicted by (ASSOCHAM, 2016). It is expected that the percentage of e-commerce will increase from 2% in 2014 to 11% in 2019, and the market share of organized physical retail stores estimated is to decrease from 17% to 13% (RAI, 2016). In India, 32%, internet user shop online as compared to 14% in 2011, a report presented by (Credit Suisse AG, 2016). According to the Govind Shirkhande, managing director, shopper stop, presented a report on most significant interruption from online companies and the departmental stores also

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joining the online mode of retailing. For fashion and apparel brands that were cover 10-15% of their overall market share by the online channel. In the case of electronic gadgets, Xiaomi brands include the most significant part of the sale by online channels (Ashish Jhalani, e-tailing India, 2016).

The impact of online shopping can be seen on brick-and-mortar retail and organised physical retail. To avoid the fear of online shopping, the organized retailers need to increase their space area of the shop for providing more variety of products under one roof and modify their current marketing strategies. The area of retail shop increased from 70.3 million sq.ft. in 2014 to 92.1 million sq.ft. in 2019, after this modification the growth rate of 5.6% in modern retailing. In the metropolitan area of India will require modern retailing with 4.3 million sq.ft. per annum during 2015-19. Online shopping is the priority of Indian consumers because of innovation in technology and awareness of people about the use of technology. As a developing country in India per person, income is meagre, so Indian consumer gives more preference to high discounted products. It is the primary reason for the increasing growth rate of online shopping in India. Availability of unique products with high discount is a perfect strategy of an online retailer for the Indian market. Online sale proportion in India is very high in the Asia-pacific region and capture high market share in larger cities where organized retailing is more popular. Online consumers are gaining more benefit as they can get more discount, better-price, unique products with more convenience of shopping without moving one store to another. Flipkart, Amazon, snap deal is working for consumers as a single window for purchasing multiple products at one time. They are using attractive promotional strategies for attracting new buyers and retain the old one. The online retailers find out the customers need of merchandize that is not available in stores like a unique electronic gadget, international brands, books from international publication etc. However, there is strong evidence from the previous studies that many consumers use the internet for getting products information by attractive website designing. The more preferred products by online consumers are electronic gadgets, fashion products, grocery and books. These are standardized products with international warranties. It is the reason that consumer attracting towards online shopping.

Some Previous studies were related to the risk concept of online shopping and it was found that consumers feel fear from online shopping due to some possible losses from online transaction. Perceived risk is most important factor in such type of studies that influencing online shopping behavior of consumers (Thakur & Srivastava, 2015).

Now, organized retailers are using omnichannel retailing strategies to avoid online competition. The top adopts this strategy organized physical retailer their market share is high like Tata Croma runs 97 stores, Reliance digital 1000 own stores while Videocon durable chain upcoming 800 sores (BS reporter, Mumbai, 2015).

## **Research Questions**

- How do influencing factors (subjective norms, website design, products description and online consumer reviews) make impact on attitude towards online shopping?
- How does attitude make an impact on behavioral intention towards online shopping?

## **Review of Literature**

It is noteworthy to investigate what research work has been done throughout the world in the context of “online shopping behavior of the consumers”. This part of report a critique review of existing research studies understanding to explore the factors influencing online shopping behavior of consumers.

Online shopping is trendy among the Indian youth (generation Z) Thamizhvanan & Xavier (2013) was explored some factors about online purchasing. Generation Z is highly involved in online purchasing because they like to use technology in their daily life. The study was to explore some factors that were creating a firm intention for purchasing through online shopping. The factors under study were impulses buying, brand orientation, prior shopping experience – branding strategy as a brand orientation factor helpful to build strong brand image and consumer trust. The study was about 95 respondents to represent the whole population based on an online survey. The result of the study indicates that all three factors (impulse online buying, prior experience and online trust) were creating purchase intention. Gupta & Khincha (2015) examine consumer behaviour by analysis of before and after the shopping experience of the consumer. It was about to find out the consumer expectation before shopping and consumer satisfaction after shopping. Study of consumer shopping experience is critical to frame marketing strategies. Here, researcher analysis some factors which creates an impact on online shopping. Consumer expectation and consumer satisfaction both were important factors which fill the gap of dissatisfaction if the achievement is up to the level of expectation. The study was explained that this gap could be filled by use of positive word of mouth, attractive website design and service quality. A study conducted by Arasuraja, G. & Subrahmaian (2015) about the factors influencing online shopping behaviour of the consumer. The study based on an in-depth interview of the to know about their shopping preferences. The three major elements (price, quality and online trust) were under investigation. If the amount of the product is high, the consumer expects high quality; however, there is a positive relationship between price and quality of products. Online trust can be build by offering the product as per their merit. All three factors are interdependent. It was suggested by the researcher that price strategy based on differentiation of the market.

Manimalar, R. & James (2016) studied about gaining consumer trust by using loyalty and corporate social responsibility. Consumer trust was a mediating factor measuring the effect on brand loyalty and corporate social responsibility by utilising SEM the mediating impact measured by the researcher. If consumer having confidence in a firm, they should be loyal, and consumer trust and brand loyalty are having a direct positive relationship. In the other side, consumer trust can be built by corporate social responsibility (including all ethical issues during the selling process). Therefore, consumer trust was creating a mediating effect on brand loyalty and CSR. Chen & Ma (2016) examined the study on customer satisfaction after online shopping. This study is on some factors which create consumer satisfaction through online shopping. The possibilities of dissatisfaction due to online risk can be overcome by fulfilling a gap between consumer expectations and building trust in the brand. It was found that there is a positive relationship between consumer brand expectation and belief in shopping. It was suggested that retailers would overcome risk or inconvenience. Dai & Jiang (2016)

have to measure the impact of a consumer review on online shopping of consumer. It was an experimental study to measuring the dimension of review and their effect on the consumer decision-making process – the researcher to measure the moderating impact of management response used structural equation modeling. Review valence, review quality and the number of reviews have a positive impact on consumer decision of buying online. Positive or negative management response has influencing consumer behavior. The researcher gave the future suggestion to retailers that two-way communication is good for business, and the health review process can do it. A retailer needs to promote to the customer to post the views through social media about their shopping experience. Pei, Wu, & Dai (2016) studied the evaluation process by using social media in cross countries. The factor understudy was the price, quality, delivery time, the mode of payment.

Edoardo Fornari et al. (2016) was measuring the migration effect on online purchasing. Synergy effect and migration effect on stores and online purchasing measuring by using a proposed model. Physical stores retailers using multi-channel to increase their sales and online retailer using a mono-channel retailing model. Synergy effect influence stores to purchase by strong brand image and migration effect measure by shifting rate of the consumer from one channel to another channel of shopping. Irfan & Nusair (2016) study was based on TAM used of technology in shopping. The growth rate of online shopping is very high due to the innovation of technology. Structural equation modeling used by the researcher to measure factors including trust, PU, PEOU, website design, service, enjoyment and attitude. Perceived value and perceived ease of use profoundly influence consumer behaviour.

Kalia (2016) examined the purchasing frequency of consumer using online shopping webographic was a significant factor measure of internet experience, web-skill, shopping experience, time spent on shopping, available data and internet plan. Webography includes online buyers characteristics and the study examined the relationship between web-ographic and buying frequency. The result of the research indicates that the buying frequency will be high if webographic feature is more. There is a positive relationship between buying frequency and webographic characteristics. Aldhmour (2016) was using the TAM model for measuring consumer behavior towards online shopping with proposed model verified by AMOS software. The factors under study were subjective norms, PE, PEOU, risk, product involvement and attitude. The mediating effect measured by the researcher was on all elements by the attitude, which showed a very positive impact on consumer behavior.

Jinhai, Li. et al. (2017) did a study about internet Wom and online review. These were the two major factors understudy for measuring shopping habit of the consumer. A positive review was increasing online shopping habit of the consumer by rating and ranking method of iwom and review posted by the consumer on social media. Liu, Wu, & Cui. (2017) did an explorative study about website service quality and consumer trust in online shopping. Online sale can be increased by offering website service quality. S-O-R learning model has been used by the author to repeat consumer action further on traditional and transactional views. Husain, S. (2017) examined the relationship between trusts, satisfaction and consumer loyalty of online shopping. Online shopping trust of consumer build by consumer satisfaction and consumer satisfaction lead to consumer loyalty. As

a result of the study, a satisfied consumer showing high trust and trusted would be consumer loyal. It was a survey of 175 respondents, analysed by using the purchasing cycle model of the consumer. The model consists of three stages of purchasing (pre-purchasing, purchasing and post purchasing) in online shopping. Cong, Y. and Zheng, Y.Q. (2017) it was a review-based study to analyse various thoughts of previous researchers critically. The major studied factors based were on the TAM model, including E-wom, review posted by a consumer on social media, trust and risk in shopping. E-wom was the most influencing factor which created a positive consumer behavior towards shopping. E-wom posted by the consumer using social networking, social media, comment box etc.

## The Objective of the Study

- To investigate the factors that influence consumer's attitude towards online shopping of electronic products
- To find out the relationship between consumer attitude and behavioural intention of consumers towards online shopping of electronic products

## Hypothesis Testing

H1: There is a significant relationship between Subjective Norms and attitude of the consumer towards online shopping of electronic products.

H2: There is a significant relationship between Website design and attitude of the consumer towards online shopping of electronic products.

H3: There is a significant relationship between product description and attitude of the consumer towards online shopping of electronic products.

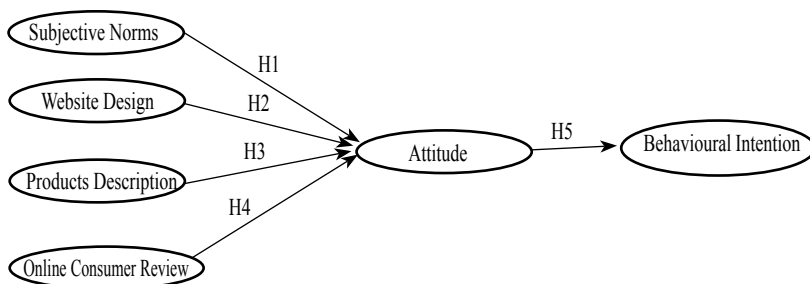
H4: There is a significant relationship between online consumer review and attitude of the consumer towards online shopping of electronic products.

H5: There is a significant relationship between attitude and Behavioral intention of consumer towards online shopping of electronic products.

## Theoretical Framework

The theoretical framework used in this research work built was to examine the behavioral intention of consumers towards online shopping. The framework of the study was about the relationship between influencing factors and consumer attitude towards online shopping and the relationship between attitude and behavioural intention towards online shopping.

Figure-I: Proposed Model



## **Research Methodology**

The purpose of the study is analyzing factors influencing online shopping behaviour of consumers. It has been examining the effect of subjective norms, website design, products description, online consumer review on attitude towards online shopping and impact of attitude on behavioural intention to measuring online shopping behaviour of consumers. For testing the hypotheses of the study, regression analysis was used. Some essential requirement for applying the regression model that is:

- There should not be a correlation between errors; mean errors should be independent
- Normal distribution

To check independence between errors, Durbin-Watson test was used. The value of Durbin-Watson test should be between 1.5 and 2.5 to reject correlation errors.

Independent variables of the study are:

- Subjective norms
- Website design
- Products description
- Online consumers review

Dependent variables of the study are:

- Attitude
- Behavioral intention

A survey is conducted with the help of structured questionnaire for collecting information about the demographic profile of respondents and various questions related to the experience of internet usage, the purpose of online shopping, type of products purchase online etc. our respondent is online shoppers. The survey conducted was during the time from October 2016 to March 2017. Due to lack of time, data collected are from NCR Delhi & Haryana. Convenience sampling methods used are for getting a response from population and numbers of respondents were 200. The 170 respondents selected were for finding the result and out of which 30 respondents did not purchase anything online. A present questionnaire based on five-point Likert scale here, 1=strongly disagree and 5=strongly agree.

## **Data Collection & Analysis**

The data collected based on the tools (Questionnaires) was developed edited, and the analysis was done by using statistical software (SPSS, MS EXCEL). The data entry and tabulation plan were prepared according to the study plan. Primarily, descriptive statistics will be applied to draw inferences from the collected data. For acceptance and reject of framed hypothesis, further analysis was done. Correlation analyses and regression analyses were to be used to find out the inter factors relationship. Subsequently, the results presented were with the help of appropriate tables, diagrams and graphics.

**Table-1: Sources of variables under study in online shopping**

Sources	Variables
Javadi M. et al. (2012), Nagra G., & Gopal R. (2013) Baubonienė Z. & Gulevičiūtė G. (2015) Lim et al. (2015)	Online Shopping Behaviour
Zarrd H., & Debabi M. (2012) Hunda N. et al. (2012) Ranadive A. (2015) Husbullah et al. (2015) Aldhmour (2016)	Intention
Lim et al. (2015) Husbullah et al. (2015) Hunda N. et al. (2012) Aldhmour (2016) Irfan & Nusair (2016)	Attitude, Subjective Norms, Website Usability,
Jinhai, Li. et al. (2017) Pei, Wu, & Dai (2016)	Consumer Review

**Table-2: Demographic Profile of Consumer**

Demographic Factors	Category	Percentage
Gender	Male	35.3
	Female	64.7
Age (year)	20-25	15.7
	26-30	29.3
	31-35	34.6
	>40	20.4
	Matriculation	9.6
Education	Intermediate	9.3
	Bachelors	37.8
	Masters or above	49.3
	Students	37.1
Occupation	Service	41.8
	Business	14.7
	Unemployment	6.5
Income	below 10000	22.9
	10000-25000	10.6
	25000-50000	38.8
	50000-100000	19.4
	above 100000	8.2

Source by author



Table-2 given below indicate the respondent's demographical profile according to the response provided by respondents female that are 64.7 % give more participation in online shopping rather than man. Age group 31-35 respondent more use of internet shopping in their daily life and based on education, most respondents above are the masters. The respondents who are serviceman, women and students are the highest users of online shopping 41.8% & 37.1%. People whose income is 25000 to 50000 per month show more interest in online shopping with a percentage level of 38.8%. It is a high percentage compared to other income groups.

Table-3 shows the reliability of all the variables by computing overall Cronbach's Alpha using SPSS 21. The value of the reliability test comes out to be .916; all 56 items is under study. The lowest limit suggests by the Hair, Anderson and Black for Cronbach's alpha to be .70, below this value internal consistency of the variables is small and may not be reliable for study. All the variable of our research study having good reliability value. This analysis represents that none of the variables (attitude, subjective norms, Website design, Products description, Online consumers review and behavioral intention) has less than Cronbach's alpha .70 and all variable are reliable.

**Table-3:** Reliability Test Result (n=56)

**Reliability Statistics**

Cronbach's Alpha	N of Items
.916	56

The summary represents the mean and standard deviation of each factor (attitude, subjective norms, Website design, Products description, Online consumers review and behavioral intention).

**Table-4:** Descriptive Statistics

	N	Mean	Std. Deviation
1.1 I have a firm intention to purchase products through online shopping	170	3.465	.9979
1.2 I will always purchase electronic gadgets through online shopping	170	3.765	1.0620
1.3 I like to spend more on electronic gadgets for a comfortable lifestyle	170	3.965	.8277
1.4 I would like to purchase electronic products by online shopping to avoid inconveniences	170	3.888	.8800
1.5 I can save my time to buy electronic gadgets through online shopping.	170	3.941	.8951
1.6 I feel sometimes online shopping is risky because of security issues	170	3.871	.9074
1.7 I shop online as there is no embarrassment if I do not buy	170	3.659	.9977
1.8 Online shopping makes my shopping easy	170	3.753	1.0077
1.9 Online shopping gives me better control on my expenses	170	3.582	.9891

	<b>N</b>	<b>Mean</b>	<b>Std. Deviation</b>
I.10 Using Internet for shopping requires a lot of mental effort	170	3.388	1.1676
I.11 Online shopping procedure is cumbersome and frustrating	170	3.165	1.2001
A.1 online shopping is appealing & in trend	170	3.429	1.0923
A.2 online shopping is essential for making change in lifestyle	170	3.500	1.0392
A.3 I have a favourable opinion regarding online shopping	170	3.547	1.0773
A.4 I give preference to buy online rather than going to a store	170	3.253	1.0882
A5. I feel online retailers provide high discount on sale	170	3.371	1.1244
A6. I feel online retailers offer distinctive products at a low price compared to store purchasing.	170	3.453	1.0607
SN.1 My friends suggest me to use of online shopping for electronic gadget	170	3.247	1.0310
SN.2 People whose opinions I value prefer that online shopping is good for gadgets.	170	3.282	1.0560
SN.3 Most families that are important to my family suggest using of online shopping.	170	3.100	1.1391
SN.4 People who influence my behavior suggest me to use of online shopping.	170	3.171	1.1718
SN5. My peer/colleague groups suggest me to use online shopping for an electronic gadget.	170	3.224	1.1345
WD1.The website provides in-depth information.	170	3.359	1.0854
WD2.Website designing is lovely and positively influences the consumer for online shopping	170	3.594	.9940
WD3. It is a speedy process and easy to complete a transaction	170	3.671	1.0075
WD4.The website provided useful and interesting information	170	3.653	.9926
WD5.The website is easy to navigate	170	3.718	.9560
WD6.The website provide valid links	170	3.641	.9944
WD7. The information provided by the website is fair and objective	170	3.447	1.0435
WD8. The website is securely transmitted, store, and display personal information/data	170	3.459	1.0609
WD9.The information is presented in a way that users can find the information quickly	170	3.618	1.0209
PD1.Availability of real product image on the screen	170	3.212	1.1051
PD2. Online retailers provide detail Product information to judge the products	170	3.435	.9724
PD3.Availability of price comparison of different products	170	3.441	1.0822
PD4. Availability of quality comparison of different products to taking purchasing decision	170	3.382	1.1098
PD5.Availability of on-screen projection of shopping list	170	3.371	1.1244
PD6. Detail Information about sales and unique products offered by online retailers	170	3.429	1.0195
OCR1. Online consumer review share real experience about online shopping	170	3.382	1.0607
OCR2. Online product reviews are helpful for decision making	170	3.547	1.1097
OCR3. It creates consumer awareness about online shopping	170	3.741	1.1631
OCR4. Number of reviews influence consumer's shopping decision	170	3.706	.9949

	N	Mean	Std. Deviation
OCR5. I always read online product reviews which are posted by other users	170	3.765	.9564
OCR6. Online product reviews make me feel confident for purchasing the relevant products	170	3.794	.9845
OCR7. If I don't read the online product reviews, I will worry about my decision	170	3.653	1.0506
OCR8. These reviews will crucially affect my purchase decision	170	3.753	1.0252
OCR9. Overall, I think these reviews are credible	170	3.729	.9594
PQ1 Online retailers had good quality of products	170	3.412	1.0747
PQ2 Online retailers often provide the products of my choice	170	3.394	1.0508
PQ3 Online retailers had different variety and range of products	170	3.612	1.0216
PQ4 Online retailers offer best products for consumers	170	3.406	1.1014
PQ5 Online retailer's provide the choice when the desired products are not available	170	3.435	1.0653
RI1 I consider online shopping as my first choice.	170	3.276	1.0879
RI2 I would like to shop online for electronic gadget again in the future.	170	3.453	.9855
RI3 I will repurchase other products/services at online.	170	3.547	.9550
RI4 I encourage others to purchase electronic gadget through online shopping	170	3.671	.9087
RI5 I intend to continue using online shopping rather than use traditional shopping	170	3.676	.9521
Valid N (listwise)	170		

Source by author

## Correlation Analysis

Table-5 shows the inter factors correlation and the value of correlation coefficients of the pair factors not exceed the value 0.9. It shows the satisfactory validity and scale have sufficient validity.

**Table-5: Bi-variate Correlation Analysis**

Variables	Attitude	Subjective Norms	Website Design	Products Description	Online Consumers Review	Behavioural Intention
Attitude	1.000	.410**	.402**	.397**	.262**	.169*
Subjective Norms	.410**	1.000	.357**	.325**	.314**	.220**
Website design	.402**	.357**	1.000	.412**	.460**	.112
Products description	.397**	.325**	.412**	1.000	.365**	.281**
Online consumers review	.262**	.314**	.460**	.365**	1.000	.214**
Behavioural Intention	.169*	.220**	.112	.281**	.214**	1.000

\*\* Correlation is significant at the level of 0.01 level (Two tailed)

## Multiple Regression Analysis

Table-6, given below, shows the model summary to measure the impact of all independent variables on the dependent variable. Result of numerous Regression analyses used to analyze the effect of independent variables on the dependent

variable. After the analysis of the outcome, the table shows the various regression model summary and overall fit statistics. The researchers found that the adjusted R square of the model is .265 with R square .282. It means that the multiple regressions explain 28.2% of the variance in the data. The Durbin Watson  $d=1.938$ , which is between the two critical values,  $1.5 < d < 2.5$ .

**Table-6: Model Summary<sup>b</sup>**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	R Square Change	Change Statistics			Sig. F Change	Durbin-Watson
						F Change	df1	df2		
I	.531 <sup>a</sup>	.282	.265	.67069	.282	16.212	4	165	.000	1.938

a. Predictors: (Constant), Online\_Review, Subjective\_Norms, Product\_discription, Website\_Design

b. Dependent Variable: Attitude

**Table-7: ANOVA<sup>a</sup>**

Model		Sum of Squares	df	Mean Square	F	Sig.
I	Regression	29.169	4	7.292	16.212	.000 <sup>b</sup>
	Residual	74.220	165	.450		
	Total	103.390	169			

a. Dependent Variable: Attitude

b. Predictors: (Constant), Online\_Review, Subjective\_Norms, Product\_discription, Website\_Design

Table-7 shows the following output in the F-test and the multiple regressions shows the Null hypothesis. Thus we can assume that the model explains a substantial amount of variation in consumer attitude.

**Table-8: Coefficients<sup>a</sup>**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Correlations			Collinearity Statistics		
	B	Std. Error				Beta	Zero-order	Partial	Part	Tolerance	VIF
(Constant)	.986	.347		2.837	.005						
I	Subjective_Norms	.246	.069	.260	3.566	.000	.410	.267	.235	.818	1.223
	Website_Design	.254	.093	.217	2.740	.007	.402	.209	.181	.692	1.444
	Product_discription	.221	.075	.223	2.961	.004	.397	.225	.195	.766	1.305
	Online_Review	-.001	.090	-.001	-.009	.993	.262	-.001	-.001	.737	1.358

a. Dependent Variable: Attitude

Table-8 shows the all variable into the multiple regressions, and it is found that only subjective norms, website designs and product description are significant predictors. The researchers can measure their impact on dependent variables and it is clear that subjective criteria have a higher impact than website design and product description by comparing the standardized coefficients (beta=.260, .217 and .223). The information in the table also helps to check the multicollinearity in multiple regression model. Tolerance should be  $> 0.01$  and VIF  $< 10$  of all variables, which they are. Hence, alternative hypothesis H1, H2 and H3 are accepted there is a significant impact of subjective norms, website designs and product description on attitude and alternative Hypothesis H4 rejected is due to the insignificant impact on attitude.

Objective 2: To find out the relationship between consumer attitude and behavioural intention of consumers towards online shopping

### **Linear Regression Analysis**

Table-9, given below, shows the model summary to measure the impact of attitude on behavioural intention dependent variable. Result of linear Regression analysis used to analyze the impact of the independent variable on the dependent variable. After the analysis of the outcome, the table shows the linear regression model summary and overall fit statistics. The researchers found that the adjusted R square of the model is .019 with R square .025. It means that the multiple regressions explain 2% of the variance in the data. The Durbin Watson  $d = 2.002$ , which is between the two critical values,  $1.5 < d < 2.5$ .

**Table-9:** Model Summary<sup>b</sup>

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	R Square Change	Change Statistics			Sig. F Change	Durbin-Watson
						F Change	df1	df2		
1	.159 <sup>a</sup>	.025	.019	.39074	.025	4.345	1	168	.039	2.002

a. Predictors: (Constant), Attitude

b. Dependent Variable: Consumer\_Behaviour

The following output is the F-test. The F test is significant at p-value 0.039; thus, we can assume that the model explains substantial amount of variance in behavioral intention.

**Table-10:** Coefficients<sup>a</sup>

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Correlations		
	B	Std. Error	Beta			Zero-order	Partial	Part
1 (Constant)	3.396	.135		25.156	.000			
1 Attitude	.080	.038	.159	2.085	.039	.159	.159	.159

a. Dependent Variable: Consumer\_Behaviour

Table-10 shows the linear regressions, and it is found that behavioral intention is significant predictors with p-value .039, which is less than p-value 0.05. The researchers can measure their impact on dependent variables and it is clear that attitude has a positive implication on the behavioral intention of online consumer. Hence, alternative hypothesis H5 accepted is due to the significant impact of attitude on the behavioral intention of online consumers.

### **Managerial Implication**

The finding of the study will help the marketing managers in understanding consumer behaviour towards online shopping. It can improve the marketers in making an appropriate targeted marketing strategy for potential buyers. It can also provide information about consumers as to how they make their buying decision and what factors profoundly influence them. So, the online marketers would be able to divide whole markets into different market segments according to consumer's needs and product preference.

## Conclusion

The study aimed to examine the factors influencing online shopping behaviour of consumer towards electronic products in India. It found that consumers are aware of new technology and adopted it in their daily life. Online shopping is trendy and in trends in the Indian market. This study is based on the TPB model, Ajzen 1991 some factors are re-introduced with new time, place and product. From the present study, it found that subjective norms, website design and the product description considered were as the most significant factor for creating positive consumer attitude towards online shopping and online review creating no effect on the mood of consumers. The individual impact of view on behavioral intention is substantial. The finding of the study was supporting to testing the model of Theory of Planned Behavior formulated by (Ajzen 1991).

## Limitation and Future Research

The previous researcher surveyed online shopping with different variables; there may be some bias and repetition of factors, which might have affected the findings and conclusion. As the sample was selected based on convenience, the result might not have been quite representative of the overall population.

The study was limited to the geographical area of NCR Delhi. Interstate research could have provided a better result on consumer's shopping habit. The study was time-specific and planned to bring out significant aspects of the present era. Therefore, for future research, the researcher can use different location with more sample size and also introduce some other factors that indicate pre-purchase and post-purchase behavior of consumers towards online shopping.

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# Role of Online Reviews in Building Trust: A Case of Online Grocery Shopping

Neha Singh\*

## Abstract

The objective of current research is to explore the impact of online reviews on consumer buying decisions and the effectiveness of online reviews as a trust-building factor on customers purchase intentions. The paper considers a subcategory of the online market, i.e. the online grocery market. The reviews and ratings given by the customers are an essential mode of collecting information via the web about the desired product. In this research paper, an attempt to understand the impact of online reviews on online grocery buying behavior has been made. Literature review reveals the significant importance of online reviews in the entire decision cycle right from pre-purchase decisions to disposal decisions. As grocery consists mostly of perishable products, customers are more sceptical in purchasing them online. The online reviews have found to be actively instrumental in pushing the customer to the potential grocery buyer's category. This study, with the help of social influence theory, social learning theory, information processing theory and uncertainty reduction theory shows that online reviews act as a potent tool in conveying information related to grocery product and services to customers. The feedbacks listed in online reviews also help the online business to improve the quality of product and service and gain more customers.

**Keywords:** Consumer Buying Decision, Convenience, Online Grocery Shopping, Online Review, Online Trust, Usefulness

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## Introduction

There has been a phenomenal growth of the Internet and its user base in recent years. In most of the developed countries, the number of Internet users is 20-50 per cent of the aggregate total population (Lee & Turban, 2001). Product information search and making a purchase decision has undergone a remarkable change since the last few years. With the advent of the internet, people can now interact, share opinions, read the information and reviews by other consumers, write blogs, emails and join and create online communities. The utility of the internet as a place for voicing opinions, recommendations, complaints, satisfaction is increasing at an alarming pace. Availability of information on the internet is being used in a variety of ways which is having a direct impact on people's opinion, beliefs and behaviors. Irrespective of whether the information is posted by known people

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(friends or family), online friends or anonymous persons it creates an influence on the consumer. Information posted online profoundly influences the decision to purchase or not to purchase the product.

The opinions and ratings of the products include brief profile information about the consumer (source) posting the review including the community-rated reputation of reviewers indicating the perceived usefulness of previously published reports and other products purchased or rated (Wu, P.F.,2013). Virtual representations of avatars, such as visual images or icons, are also prevalent among reviewers to represent their views. Reviews posted by either experts or their peers are rated higher on appeal and convenience by the consumers for gathering information.

Social media is the most convenient platform for individuals to express their views and opinions and make it easily accessible to the global community of internet users (Dellarocas, 2003). Online review section, which is known to have a significant impact on consumer's buying behavior has become a must-have on any consumer-oriented website (Kiran & Vasantham, 2014). A large number of reports on consumer buying behavior proves that people trust consumer's online views and opinions (Intelliseek, 2004). More than 80% of the online consumers have referred to reviews of other consumers while purchasing a product (Forrester, 2006 b). It is widely researched and reported that grocery being a niche category online, many customers have considered online reviews while decision-making process. This paper tries to explore and explain the role of reviews in online grocery purchasing and how it affects buying behavior.

## **Literature Review**

This section elaborates on the review of the existing literature on the concepts of online trust, online grocery shopping, and online reviews.

### ***Online Trust***

According to the Indian Readership Survey (IRS) 2007, out of the total Internet usage, online shopping accounted for only 1.2 per cent. The Internet offers quick penetration, and there exists a capability of directing the business to some grey regions. One such area is online grocery shopping. But there are several factors which result in consumers not purchasing online. Perceived Risk (Teo,2006) (Rudolph, Rosenbloom, Wanger,2004) (Huang, Schrank, Dubinsky,2004) (Lu, Hsu, Hsu,2005) and lack of trust (Yoon,2002) (Kraeuter,2002) (Hemphill,2002) (Pang, Yang, Tarn,2007) (Dayal et al.,1999) (Suh, Han,2003) (Bhattacharjee, 2002) (Chen, Barnes,2007) (Kunze, Mai, 2007) (Huang, Oppewal, 2006) (Hasan, Kunz, Pearson, Mohamed, 2006) are the main factors among them. Trust is known to have a vital role in the penetration of new technologies, including e-commerce and web. The English Oxford Dictionary (Bhattacharya, Devinney, Pillutla,1998) defines trust as

- Confidence in or reliance on an attribute or quality of a person or things or the truth of the statement.
- Accepting or giving credit to without investigation or evidence
- Confident expectations of something's and
- The quality of being trustworthy, fidelity, reliability, loyalty, trustiness

The definition of online trust is as "a kind of subjective belief of one party towards

another and the latter will act as commonly predicted and exploit no vulnerability under the online environment filled with uncertainties and risks” (Zhang, Ping & Li, Na 2003). Author (Yoon, 2002) has defined three basic dimensions of online trust: technical based (Technology and presentation, Web searching), the uncertainty of security in transactions (assurance of safety) and competency-based (reputation, interactions and fulfillment). In electronic commerce research, trust has been conceptualised as a set of beliefs about the online retailer (Bhattacharjee, 2002) (Gefen et al., 2003) (McKnight et al., 2002). In setting of web-based shopping, trust characterizes as the conviction that an Internet customer has on an Internet vendor and will participate in an Internet shopping exchange, even with the likelihood of misfortune or loss, based on the longing that the vendor will engage in worthy practices, and will have the capability to communicate the guaranteed items or Services (Lim, Sia, Lee, Benbasat, 2006). Trust and risk are closely interrelated (Mayer, Davis, Schoorman, 1995). Due to the inherent uncertainty of e-commerce, trust becomes a significant factor in creating a loyal base of customers. Different sorts of opportunistic behaviors which includes product misrepresentations, false identity display, private information disclosure, deceptive advertising and promotion activities and denunciations of warranties, exist in the online commerce market (Pavlou, 2003). Similar is the case in grocery e-commerce, where consumers are required to depend a lot on anonymous vendors who may resort to opportunistic behavior (Gefen, 2000). Apart from meeting the high expectation of the consumers, higher strength of online trust trims down perceived risks, uncertainty and interdependence in most of the online platform transactions. Thus this leads to the increase of the confidence in the connection amid buyer and seller, and hence online retailers will not engage in opportunistic behavior during transactions (Gefen, Karahanna, Straub, 2003).

### *Online Grocery*

With the changing living prototypes of the individuals, online grocery selling is gaining much-needed attention. Right from vegetables, fruits and grocery products like daal, oil, ghee etc. companies are trying to make available all at the reachable doorstep of the consumer. Aligning the services with secure payment options and flexible time delivery is posing a threat to the traditional stores. In the framework of online grocery shopping, individuals must foresee household tensions and bottlenecks and extend the usual time horizons of planning a meal to create an appropriately sized shopping basket. Various researchers have outlined the concepts of online grocery business market.

Cattell et al. (2004b) studied a sample of shoppers from Cape Town and found his research that provided the issue of security can address satisfactorily, and online grocery shopping has tremendous potential compared to any other category of goods/service. An important finding published in the 2004 Goldstuck Report reported that of all the groups surveyed online grocery shopping accounted for the most significant percentage of online sales (Goldstuck, 2004). According to the recent tendency in the market, which registers a high growth of online grocery buying customers, this market has incredible prospective to pose a challenge to the roadside grocery retailers or traditional retail shopping. This online grocery market is also affecting the footfalls in supermarkets and hypermarkets. According to Keynote (2007), “the UK is considered to have one of the world’s

most developed Internet grocery industries". Yet, while the online food and grocery market are accounted to have grown by almost 34 per cent in 2006, online grocery purchases are estimated to still account for only 1.6 per cent of total UK grocery sales (Keynote, 2007). Mintel (2007), in a study, concluded that online shopping for food is still a niche market and has a vast potential to grow. Hansen (2005) quoted, "online shoppers forfeit the social interaction of offline shopping and the potential to evaluate groceries before purchase." He equalizes online grocery buying behavior with discontinuous innovation which requires a change in behavior. Previous research on internet grocery shopping has focused on comparing offline and online buying behavior in terms, for instance, of brand loyalty (Danaher et al., 2004), shopping behavior (e.g. Andrews and Currim, 2004), the importance of brand names (e.g. Degeertu et al., 2000); and consumers' perceptions of the disadvantages and advantages of shopping online for groceries (Ramus and Nielsen, 2005).

For online grocery shopping to develop beyond its present "niche" size, marketers and retailers need to explore not only what triggers consumers to change their purchase behavior, but also the extent to which their online shopping experience reinforce the adoption process.

### ***Why Shop Online for Groceries***

How much meaning consumers attach to mundane tasks and day to day activities influences the development of new organizational planning and schemes (Miller, 1998). The key to all online grocers is to make a mundane activity of online grocery shopping interesting. The need wants fulfillment cycle, which is being accomplished by traditional grocers needs to be addressed to achieve a market share and customer base.

According to Grewal et al. (2002), online grocery shopping is more competent in catering to the consumers' daily needs and wants. Groceries account for the day-to-day consumption habits and require a higher frequency of purchase and day-to-day involvement. The online platform allows the consumers to easily attain knowledge about the brand's product quality, availability, product specifications and prices, and compare that with those of a different brand without much of a time and effort loss. It means that intelligent decisions which were not possible by traditional shopping methods are now feasible with the help of online platforms (Brown et al., 2003). The fact that online shoppers can gain access to a vast amount of information on goods and services they are interested in also relates to convenience.

Moreover, anonymous purchases are now very convenient in case of personal products that make consumers uncomfortable buying in the stores (Monsuwé et al., 2004). Factors like involvement, time-saving, brand name, product specification hold importance only for packaged food items. For daily consumables like vegetables and fruits, day-to-day freshness and packaging hold significance. It also affects the emotions of the purchaser as groceries are directly related to the health of the family.

Brown and Reid (1997) in his research found that daily routine tasks like grocery shopping have become more accessible for customers who wish to avoid crowds, standing in long queues and driving trolley all around the store aisles in search of commodities (Brown et al., 2003). It is a well-researched fact that

people nowadays, specifically young adults, are getting involved consciously in fashion styles and personal imagery. For this category of consumers, “shopping is an entertaining, pleasure-filled activity that is like an escape.” These customers are looking for ethical service standards on priority. In the case of online grocery shopping features like user-friendly website leads to high consumer satisfaction as it makes shopping a rich and stimulating experience. (Strategic Direction, 2012). These sites need to be designed in a manner that consumer does not feel the need to touch the product. Freshness and quality of a product must be well reflected by visuals.

Online retail shops often market themselves through low price. For example, Grofers uses a similar strategy to attract and retain consumers away from traditional stores. Big basket attracts its pool of customers by giving substantial seasonal discount offers. These low price online retailers are causing a first consumer surplus (Dobbs et al., 2013). Haubl and Trifts (2000) also mentioned that when shopping online, consumers can compare prices and look at alternative options. To comprehend the reason for consumers' online shopping for groceries it is essential to take into consideration the situational factors that lead to such buying. The consumers are time-starved young couples with dual-career responsibilities and children. Convenience becomes the utmost important factor for these customers. Online grocery retailing provides advantages in terms of place and time (Gehrt et al., 2012); shoppers can escape from spending time going to crowded malls or street shops. Wolfenbarger and Gilly (2001) researched that high accessibility and great convenience are important factors that contribute to online purchases. According to Li (1999), online shoppers attract more to convenience features rather than experience. The online grocery stores are also providing consumers with an option of calculating calories while intake of certain food items which is again adding to the convenience factor and experience. Time limitation acts as another critical situational factor. Shopping from their current location may it be an office, home saves them the effort of travelling and time. Accessibility to the internet allows them to shop 24\*7. This sector is gaining attention from consumers who have long working hours and do much spare time to buy.

According to Avery (1996), another factor is immobility; found in consumers who are unable to go out shopping to stores due to problems such as a prolonged physical disability or illness (Monswé et al., 2004). Groceries which needed daily are most affected by this factor. E-retailers can use elements like time crunch, fatigue from work, and living singlehandedly to build loyalty among customers (Jiang et al., 2013).

The third situational factor which acts favorable to online grocery purchases is geographical advantages. The consumers are saving on the long travelling distance to search for a multi-brand store. Consequently, this burden is being overcome by only online shopping. For instance, many people residing in busy cities may not have the appropriate transportation to travel to more affordable shops. They may be forced to shop frequently at the costly town centres or a roadside stand if it was shopping online is not an option (Dennis et al., 2007). The next factor relates to the unavailability of consumables in traditional stores. With the increasing awareness and accessibility to various cookery shows and tutorials, consumers are feeling the need to purchase multiple unsought products. An example of this is organic vegetables, Lebanese or Chinese sauces and cut/ peeled vegetables which require

minimum cooking efforts. The next factor is bulk buying due to busy schedules. Consumers mostly prefer to purchase groceries for month time and vegetables for a week. Online grocery shops enable them to get their requirements fulfilled at a click. How appealing the alternatives are in the last situational factor. It means that consumers attract by sorting, packaging, and display of products by an online retailer. There is an escalating need for retailers to provide perks in various forms to attract customers.

### ***Online Reviews and Trust***

The most widely discussed factors contributing to online grocery purchase after convenience is the availability of online customer reviews. One of the essential marketing assets is a positive reputation for a business which is trying to convince new customers. Traditionally, satisfied or dissatisfied consumers used to express their opinions privately to the service providers. Eg. Use of word of mouth between family and friends, or via letters and posts. This increasing internet penetration has allowed consumers to air their opinions publicly. Consumers are using Facebook, Twitter, blogs etc. to communicate with mass population openly. These reviews can attract broad audiences (Hennig-Thurau et al., 2004), are perceived by consumers as credible and trustworthy (Akehurst, 2009; Flanagin and Metzger, 2013) and play a vital role in shaping consumer opinions and purchasing behaviors (Luca, 2011; Sparks and Browning, 2010; Zhang et al., 2010).

Groceries have a high sum of perceived risk associated in terms of food quality and freshness. It is a sector which requires more touch and feels factors by consumers. The high amount of risk viewed by the visitor in a situation amounts for a high level of trust towards the internet (Lee et al., 2006; Nootboom, 2003). This high amount of perceived risk is also an opportunity for the e-tailers to attract more customers and influence consumer decision making and generate trust. Due to habit, it has become a deliberate act to touch and purchase vegetables and fruits. As a substitute to the touch and feel factor, online grocery retailers are leveraging 'Online Reviews'. E-grocery retailers are trying to substitute the unsurpassed satisfaction resultant of touching items with the help of reviews. According to the internet retailer's survey, the conversion rate of customers can be increased by 14-16% by adding product reviews to the online store.

Most of the customers prefer to study the ratings and reviews before placing an order. Reviews and star ratings grant a social attestation to individuals and help them cut short their research and make decisions faster and with greater confidence than ever before. The presence of customer reviews and ratings also help retailers to answer in the search engine queries and get listed in top most searches and embrace upon reputation marketing. Consumers adopt these reviews as personal feedback and recommendations, although strangers post these reviews. Also, the customer spending per visit increases with the business having excellent or 5-star reviews.

Research outlines that even if the consumers are regular buyers and are aware of the products, they still examine reviews before making a purchase. Influence central research also reported that in comparison to a salesperson consumer give more importance to online reviews.

Trust in an internet platform can depend on the vendor (interpersonal trust), the environment of web transaction (institutional trust) and the own general belief

of the end-users' (dispositional trust) (McKnight and Chervany, 2002). Online review trust has three key determinates: how much similar the person sounds like the buyer, amount of depth in the review, and designated as a verified purchaser (influence central). The consumers are agreeable to spend the amount on online products because they trust the ability of the vendor to deliver them right and quality products. Online reviews act as a tool to set up the initial trust between a buyer and a seller. This trust can exponentially increase to a mature state by delivering constant excellent quality services. Also, companies may enhance personal experiences service after service by changing end-users' perceptions, attitude and intentions, thereby leading to enhanced levels of trust. (Kong and Hung, 2006; Pavlou, 2003; Xia and Lee, 2000). Reviews act as an initial link between consumer trust and product

## **Theoretical Background**

This following section of the paper discusses the theory applicable between the link of trust and building up of online reviews.

### ***Social Influence Theory***

Social influence occurs when one's emotions, opinions, or behaviors are affected by others. In this era of e-relations, there are chances that shopper's decisions are biased. Social media exchanges play a crucial role in encouraging consumers to make their transactions social. Qualman(2009) described this social interaction over the internet as 'World of Mouth', a phenomenon which provides consumers with the occasion of instant communication with virtual peers, across borders and timeline. However, a consumer in the decision cycle is not aware of where the influence stems from, and their buying behavior might be created by it. The opinion information, rating distribution in stars and written recommendations provided by consumers form a key influential factor in the online grocery shopping. There are various advantages of social influence on consumers as well as online grocery retailers. Firstly, these personalized and high-quality reviews convince consumers to buy. Secondly, companies get direct and detailed responses which enable them to predict market trends. Thirdly, e-grocers can influence the role of opinion leaders and blueprint marketing plans and activities accordingly.

### ***Social Learning Theory***

Social learning theory (Albert Bandura, 1971) posits that "learning is a cognitive process that occurs in a social context purely through observation or direct instruction, even in the absence of motor reproduction or direct reinforcement." Trust can be labeled as a learning process, and reviews and ratings can be labeled as an anchor in building e-trust. The consumer behavior to purchase online grocery is influenced by an individual's ability to process reviews.

### ***Information Processing Theory***

Information processing theory posits that learning occurs through various processes of memory encoding and retrieval. It states that individuals apply selective processing to process information which they feel is highly relevant and necessary. Also, data which encounters several times does not require many cognitive processes. The online reviews act as an information source and consumers

undergo the buying cycle with the help of selective retrieval of the cues present in studies. The positive/negative reviews, when repeated several times, form a part of long term memory and governs the buying practices of an individual.

### ***Uncertainty Reduction Theory***

Charles Berger and Richard Calabrese in 1975, created the uncertainty reduction theory. It states that gaining information about a stimulus helps in reducing uncertainty and therefore, relation development. The degree of similarity consumers perceive among themselves decreases the chances of doubt and increases trust. Similarly, online reviews act as a stimulus which helps in gaining information and reducing the uncertainties about a product on the internet. The more significant is the degree of similarity between a consumer and reviews of products sought, the higher the consumer is likely to purchase the product.

The above theories are in collaboration with each other and state the role of reviews in trust-building and consumer buying decision process. These theories support the fact of how information in the form of studies which are available in a social setting, influences the individuals and leads to relationship development with the products.

### **Research Methodology**

This paper attempts to identify the impact of reviews in case of online grocery shopping. A detailed questionnaire was prepared to collect information on the effect of reviews on online grocery shopping behaviors and attitudes, as well as the demographics of the respondents. The section dealing with online grocery shopping sought to gather information about buying behavior, top online sites for checking reviews, store preferences, purchasing situations when reviews are considered necessary, factors affecting the credibility of the review, schedule and timing of posting review, different reviews resembling different locations. Consumers were also enquired about their level of awareness of various online grocery sites.

The online survey was chosen as the method to conduct exploratory research. This method was selected over others as it is more consistent in the context of online shopping (Szymanski and Hise, 2000). Also, in this method the response rate studied will be higher and response time will be shorter.

The sampling frame chosen was staff officials from a reputed university, on the grounds, as indicated in the past studies that a typical online grocery shopper is older than a student and has a substantial level of income. According to a research study conducted by Mintel (2007), 23 per cent of the consumers who were engaged in online buying and intended to do so in future earned an average monthly income of 40,000 pounds per annum, with 4 per cent of the shoppers making less than 30,000 pounds. Another advantage of selecting university professors was that they were likely to be more technology savvy and thus more open to options of online grocery shopping, looking for benefits like saving time and fulfilling urgent needs. However, the characteristics possessed by the university staff are very much familiar with online shoppers.

The questionnaire floated to several university departments via e-mails estimated roughly that around 500-600 people received the mail. Only 60 individuals responded.



The validity of the questionnaire was tested using face validity. The questionnaire validation was done by subject experts and senior professors of the university. The reliability of the questionnaire was tested using Cronbach alpha which was above 0.8 which is an acceptable range.

Of the 60 respondents, 22 were male (36 per cent) and 38 were females (63 per cent). A total of 12 respondents were aged 18-25(21 Percent); 25 were aged between 25 and 40 (41 per cent); 18 were aged between 41 and 55(30 per cent); five were above 55 (8 per cent). Full-time professors, adjunct faculty, visiting faculty constituted 65 per cent of the respondents; and rest 35 per cent were research assistants, research scholars and administrative staff. The major online grocery retailers listed were Big basket, Grofers, Zopnow, Natures Basket, Araam Shop. Of all the listed sites, Araam shop has its own reviews section. Big basket, Grofers, Zopnow reviews are listed as the trusted companies in mouth shut, quora, we review in and glassdoor.

## Analysis and Results

Respondents provided details of the substantial prevalence of online reviews while making an online grocery purchase.

- Table-I illustrates the percentage of respondents who have taken part in reviews about the product across various sites. Online Reviews: Percentage of all respondents who (have):

**Table-I:** Consumers Participation in the Online Grocery Reviews

Online Reviews: Percentage of all respondents who (have):		
	Regularly consulted	Written
Big Basket	96	75
Grofers	75	59
Zopnow	42	23
Natures Basket	15	2
Araam Shop	7	0

The number of people who have written a review over the sites indicates the level of involvement of the consumers in the grocery purchasing process. The number of consumers who regularly consults the sites for evaluation of various products is much higher than the consumer who writes a review for the product. Out of the total present online reviews read only 62% reviews are considered genuine by the customers.

- Table-II illustrates the type of reviews made by the consumers over the grocery sites

**Table-II:** Type of Reviews Made by the Consumers Over the Grocery Sites

Percentage of people according to the type of reviews they most post on an online grocery site	
Positive Reviews	18
Negative reviews	42
Compare and Contrast Reviews	23
Neutral Reviews	9
No Review	8

- 85% of the females consider the e-commerce reviews exceedingly essential while making a grocery purchase. As grocery purchasing involves a very high factor of touch and feel, reviews become the best way to gather insights when fixing products and ensuring quality.
- 90% of the respondents said that online reviews are more important than the inputs and feedback received from the salesperson. It clearly depicts the fact that consumer prefers live reviews from people who have tried the product.
- The top online site for checking reviews is Big Basket, on which 75% of the consumers consider reviews determinative. Table III illustrates the percentage of people considering reviews determinative of an online grocery site.

**Table-III:** Type of Reviews Made by the Consumers Over the Grocery Sites

Percentage of people considering reviews determinative of an online grocery site	
Big Basket	75
Grofers	42
Zopnow	23
Natures Basket	9
Araam Shop	8

- The three critical determinates of trust for an online grocery review are how much the person sounds like me, the amount of product detail in the report posted, and if noted as a verified purchaser.
- When making a grocery purchase online, only 4% of consumers consider online reviews to be very important, and only 1% consider them not at all critical. Rest all the other consumers lie between the two ranges.

**Positive, Negative and Neutral Reviews**

- 76% consumer write a positive review or give a star rating in comparison with only 16% posting a negative review or providing a low star rating related to a negative experience.
- Table IV summarizes the result of cross-tabulation between the age and nature of reviews. The results indicated that the higher the age group the less likely people gives negative reviews in contrast to early age consumers who are not reluctant to provide any review or comment.

**Table-IV:** Cross Tabulation Between Age and Nature of Reviews

		Nature of Reviews			Total
		Positive	Negative	Neutral	
Age	18-25	4	7	1	12
	25-40	10	14	1	25
	41-55	12	6	0	18
	Above 55	5	0	0	5
Total		31	27	2	60

Source: Author Calculation-An output of SPSS version 20

- The reason is attributed to the fact that people with old age undergo a more prolonged and detailed pre-purchase phase including information search and evaluation of alternatives which leaves little scope for post-purchase dissonance. Also, even if they are not satisfied with the product, they are reluctant to get into arguments.

- The reaction to any negative reviews also varies with the age of the consumers. Around 45% of the consumer above 55 years of age and approximately 33% of the customers between 41 and 55 are likely to withdraw their decision about purchasing as compared to customers between 18 to 25 years of age, where only 8% change their decision. These customers reported having searched more reviews about the product.

## **The Trustworthiness of Online Reviews**

- For categories like fresh vegetables and fruits, the consumers report that they have reviewed the online site as a complete entity rather than considering individual product reviews. The review process only occurred at the first purchase; later, the product quality delivered helped to establish the trust among customers.
- 89% of the consumer's distrust the online reviews posted anonymously, i.e. where the name and photograph of the reviewer are not revealed.
- There is always a dilemma to see among the consumers between personal recommendations and online reviews. Around 81 per cent of the consumers reported having trusted the online reviews more.

## **Brick and Mortar Store**

- After reading online reviews, 77 per cent of consumers considered purchasing from an online site rather than a brick and mortar store.
- For perishable categories like bread, yoghurt, cream and milk consumers still trust the brick and mortar store.
- Table-V summarizes the result of cross-tabulation between the category of product purchase and type of store in the last month; the result clearly shows that food category has a considerable effect on the store considered.

**Table-V:** Cross Tabulation Between Category of Product Purchase and Type of Store

		Category of Products		
		Perishable	Non-Perishable	Total
Type of store	Online	5	10	15
	Brick and Mortar	15	3	18
Total		20	13	33

Source: Author Calculation-An output of SPSS version 20

It suggests that online retailers must focus on generating more reviews and ratings for perishable products to gain a more extensive customer base.

## **Functions of Online Reviews**

- As grocery and household items belong to a category where prices fluctuate a lot, 77% of the consumers reported having referred the reviews.

## **Implications**

This study makes an early attempt to find out the behavior of Indian consumers in the purchase of online groceries. The study might be helpful for online retailers to

design their review section. This study is useful to understand how reviews can be leveraged in a manner so that it proves profitable to the business. Retailers should position their sites in such a way to reduce the effect of negative and unfavorable reviews and increase the perceived reliability of the retailer.

## **Conclusion**

Reviews act as a significant driver of trust to the consumers. The online grocery store should develop its own review column as that drives more consumers to make a purchase. Reviewing the product on some other site creates a level of distrust in the decision cycle.

## **Limitations**

The specific group of sampling is not representative of the entire population of online grocery buyers. Some of the factors like profession have not been considered. This study can be extended to a sample of different professional groups.

## **Future Research Possibilities**

Category wise reviews can be explored further to understand how trust varies with a product category. A study with a large sample size can be conducted examining the pattern of consumer behavior regarding online reviews. More factors like online site user-friendliness can be considered. Factors regarding reviews which affect the consumer's online purchase can be studied in detail.

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# Global Marketing Strategy in Digital Era

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## Abstract

The primary marketing strategies widely applied have been for a long time; whereby people had to rely on the traditional way of exercising them, but nowadays, many digital tools are being used to revolutionize marketing practices worldwide. The current use of digital technology has initiated efficient global marketing strategies and practices, which assures a global online presence for active users.

Nowadays, we are convinced that digital technology has made every marketing process easy, costless and efficient, by making the digital tools widely available and affordable for many people, but also by providing an essential piece of incredible technology which is “the internet”. By using the internet and digital tools, it becomes so easy to globally communicate market products, purchase, transact and perform many other online activities in a matter of seconds. In marketing, the internet is essential for any business that wishes to reach the potential global customers, and for this to happen, all marketing principles had to be adjusted and applied for more exceptional results in this modern digital environment.

This article is meant to assert the details of the leading marketing strategies to be transformed and adjusted in the nowadays digital era, due to tremendous benefits for businesses and their global customers. We will briefly talk about the benefits of a company’s digital presence; highlight the key strategies to follow, and how the companies and consumers benefit from this process than ever before.

**Keywords:** Digital Technology, Electronic Marketing, Global Marketing, Marketing Principles and Strategies

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## Introduction

Global Marketing Strategy is widely used in this new digital era, and a large number of businesses are using it more often compared to the traditional way of doing marketing. Internet is simply an essential tool in digital marketing, and it is revolutionizing every strategy of marketing for an active digital presence.

According to Dr Peter Yannopoulos (2011) in his article called “*impact of the internet on Marketing Strategy Formulation*,” he argues that internet affects

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all aspects of marketing including marketing research, consumer behavior, segmentation, relationship marketing, product management, pricing, distribution, and promotion. Each marketing strategy has to be adjusted to fit within the digital environment, to maximize the business efficiency and competition on a global scale.

On the other hand, digital technology is providing an accurate and useful platform for businesses to market the products and services, but also the consumers have got so many products to choose from worldwide. Enterprises have been striving to be among the top performers in the increasingly competitive international markets or at least connect with the potential customers worldwide by developing and implementing a customer orientation rather than a selling orientation strategy. It means that customers have to be satisfied at all cost and digital tools seem to be perfect tools for this task.

According to Bodo Schlegelmich (2016) in his work called “digital marketing strategy,” he argues that, in 2016, 44% of the world population used the internet, and that percentage represented 3.2 billion people across the globe. And the predictions show that in 2024, the number of internet users expected is to reach 4 billion worldwide. It is a significant segment of potential customers, and therefore, companies feel compelled to change their marketing strategies so that they can efficiently compete on a global scale.

In this article, we are going to assert the details about ways in which the main marketing strategies are being adjusted according to the current digital environment’s requirements.

## **Literature Review**

Nowadays, marketing is essential for every business that wishes to succeed since it provides an opportunity of acquiring, growing, and retaining customers for the offered products and services.

John Burnett (2008) in his book called “*core concept of Marketing*” defines marketing as *the process that involves the planning and execution of strategies consisting of conception, pricing, and distribution of products, services and ideas to initiate transactions meant to satisfy individual customer’s needs and wants and also organizational objectives.*

Dr Phillip Kotler (2008) argues that marketing is all about *identifying the customer’s needs and wants, and satisfying them by all means but mostly by delivering superior customer value than the competitors.*

Different businesses have to develop their marketing strategies to be able to find, attract and keep customers by ensuring that the offered products will satisfy their needs and wants. With many competing brands, customer satisfaction is essential and stands out as a critical factor in differentiating one company from another.

Things have changed, and people pay less attention to production or selling orientation whereby companies had to make products to be sold to the masses with relatively few options to choose. Nowadays, a customer has a choice of choosing from a wide range of products and services, from a brand that best fits with his requirements. Fueled by tremendous changes and innovation in digital technology, digital marketing is proving to be efficient and effective in reaching, serving and satisfying global customers.

According to the Internet Marketing Academy website (2011), this growth in

digital technology implies that both the companies and consumers are compelled to adjust their strategies accordingly. For businesses, this also means that the competition is no longer limited to local markets, but instead, global competitors can compete in any market worldwide. Nowadays, consumers can also choose different products based on their needs and wants and buy from local or international suppliers.

In the current digital era, it is mandatory for each business that wishes to succeed, to develop and implement digital marketing strategies for their targeted customers.

### ***Global Marketing***

According to Johnny, k. Johansson (2009) in his book called *Global Marketing: Foreign Entry, Local markets & Global Management*, global marketing is defined as “a set of marketing activities coordinated and integrated across multiple country markets”. The term global doesn’t necessarily mean that the marketing efforts are directed toward all countries worldwide, but instead, a strategy that suits as many international markets as possible.

According to [www.Marketing-schools.org](http://www.Marketing-schools.org) (2012), global marketing is defined as a process of planning, producing, placing and promoting products and services in international markets. According to [www.cleverism.com](http://www.cleverism.com) (2016), global marketing is also defined as the marketing process of adjusting the marketing strategies of your company to adapt to the conditions of other countries.

It’s not limited to selling products and services on foreign markets. It also involves the customization, packaging, distribution, promotion etc. to fit with the requirements of the buyers in different international markets. Customers have different tastes and requirements, and it is mandatory to understand their needs and wants so that businesses can figure out the best ways of satisfying them.

Global marketing can also be summarized as a process of marketing products and services on a worldwide market. It also meant to reach as many potential customers as possible on a global scale. The global marketing strategies shall ensure that businesses connected are to their potential customers on different international markets. These strategies must ensure that they create brand awareness for the new marketing segments and catch the potential customer’s attention.

### ***Internet is an Efficient Marketing Tool***

Internet Marketing, often referred to as Electronic Marketing has regularly been changing the way marketing is done in this recent digital era.

According to Philip Kotler and Keller (2008) in their book called “Marketing Management”, Electronic Marketing is all about having constant communication with buyers, and also to sell and promote different products and services using the internet.

It’s not about posting anything on the company’s website or sending meaningless SMS and Emails or uploading meaningless and low content videos etc. It involves a deep understanding of what the customer needs. Efficient online marketing requires a combination of many digital tools, and by also implementing digital marketing strategies, the guarantee of success is in the long run. One of the key elements provided by digital devices is the constant communication between the products providers and customers. Not only this is a way of marketing products and services, but also a way of building trust, which creates long term relationships and

customer loyalty over time. We can also cite other benefits such as availability of information 24/7, reaching out to many potential customers effortlessly, relatively low costs, relaxed way of handling customer's relations, easy way of transacting, etc

Digital marketing involves in many ways Website, Blogs, Social media, Search engines, Mobile Applications, advertising, etc. the right combination of those tools will guarantee the success of the company's marketing objectives.

### ***Assuring Online Presence***

The digital technology is so efficient, and its main objective is to guarantee the online presence of the concerned business. Online presence is essential for a business that targets the audience greater than it's local customers. For the online presence to be assured, different businesses have to develop and use an efficient digital marketing strategy. It allows customers regardless of their geographical locations to get to know the available products and services, but also locate who the suppliers are. For most of the customers, after recognizing the need, he will run to the internet to search for information using his digital tools like a smartphone or a laptop, for instance. For a business that is using digital marketing strategies, this is a potential customer to gain.

Customers are using digital means to search for products information through different websites including e-commerce sites, use search engines, social media, look up for testimonials and user manuals, watch unboxing and performance videos, etc. After information search, they can now proceed to evaluate alternatives, then select which ones to purchase, make the purchasing decisions, post-purchase evaluation etc. any business can acquire this customer through the use of digital marketing strategies.

### ***Website Presence***

Back in the days, many customers used to find relevant information about different products on Television, Radio and Newspaper advertisements. Everything has changed, and nowadays, when we hear or see a brand that catches our attention, the primary source of information is the company's website.

A company's website is meant to provide all the possible information that the customer requires, including product and service details, availability, purchasing options, address and contacts, deals, discounts and promotions, delivery options etc.

According to Tim ash, Rich Page, and Maura Ginty (2012) in their book called "*Landing page optimization: the definitive guide to testing and turning for conversions*", It is argued that the landing page which usually is the first page that comes up first while visiting a website, (often called home page) shall contain useful and essential information that a client would wish to get, and professionally designed in a way that attracts the viewer.

According to the Internet Marketing Academy website (2011), the website shall be designed in a way that triggers the user's attention and gives them the "right feel" based on the professionalism and accuracy of the web design. The viewer should also get the key and essential information, and it should be easily visible. It includes information such as the offered products and services, the product details, prices, different models, warranties, contact address, testimonials, etc.

Creating a website is not enough. It shall be designed appropriately, containing all the necessary information, but most importantly, up to date. A website requires being update quite often to reflect the current information, which ensures its credibility. The website is a handy digital tool that ensures the online presence of the business and it serves as the primary source of the business information.

### ***Search Engine Presence***

According to J.P. Richardson (2016) in his book called “*SEO: 2016: Search engine optimization, internet marketing strategies & content marketing*”, he argues that search engine optimization is significant for the business that wishes to have a strong and efficient online presence.

Search engines also play a vital role in assuring the online presence of different brands. It ensures the web presence of brands, by ensuring that the concerned brand will be among the top results from a search engine search.

People often talk about the Search Engine Optimization, whereby, the advertisers have to pay a certain fee as a viewer clicks on the add, (Pay per Click- PPC) or use banners advertising, or simply use the key words and key phrases, so that whenever a user types one of them in the search engine, their website comes on the top of the search result list.

### ***Affiliate Marketing***

Some companies have figured out another way around the traditional marketing strategies whereby, they accept to pay a certain fee to a third party to do the marketing for them and drive web visits and purchases. They pay commissions on referrals, search engines and social media advertisements etc, and this is meant to create a wide range of potential customers by digging in all corners.

There are many online professionals out there, who can efficiently apply their digital knowledge skills, and network, to assure higher visibility and online presence, but willing to do so when assured to get a specific commission on the sales that they have initiated in return for their services.

### ***Social Media Presence***

Social media is essential in ensuring the online presence of a company in this digital era. With many people across the globe using social media regularly, different companies have understood that this is a wonderful opportunity and a platform whereby they can quickly meet their potential customers. By creating and using a social media strategy, businesses market their products to a large audience globally and certainly attract the attention of so many potential customers. The main objective of social media marketing is to ensure that the content is shared to reach a larger audience, by relying on viral marketing, whereby the information is shared and spread rapidly among the social media users. It also uses the word of mouth marketing, but this requires fewer efforts, and just a simple share can ensure that thousand more will get to see the information in due time.

According to Pui Yuen LEE (2014) in her article called “*Social media Challenges for Advertising Business and Creative Management in the Social media Era,*” she argues that the rise of digital and social media has led to significant changes in advertising strategies. According to Hawkes and Gibbon (2008) in their article called “*social media Explained*”, social media advertising focuses on the interactive side of social media, and initiate the sharing of content among the users.

Businesses create content and share it with their customers who spread the information among other social media users.

According to Internet Marketing Academy website (2011), social media as a marketing tool shall be meant for communication, Education, Collaboration and entertainment.

### **Social Media Marketing Provides**

***A unique opportunity of interactive communication:*** nowadays, there are many social media platforms that millions and millions of users consult frequently. It is a unique opportunity of creating awareness to a vast number of users (Mass marketing), and communicate with them the details about the products and services offered. It involves interactive communication which ensures that the customers become interested in a brand, and if convinced enough, they will start searching for more information before making the purchasing decision. Even though a vast audience is targeted, potential customers are also reached, and it is easier to communicate with them through instant messaging, phone calls, comments, sharing content videos, sales programs, incentives, promotions, and different offers etc. can be done 24/7.

***Education opportunity:*** It is no longer customers asking about the details of products and services that could satisfy their needs and wants. Businesses must educate their potential customers about the offered products and services, how to use them, and the benefits they could get. It is an opportunity to learn about different products before buying them, and social media seems to be a perfect tool for this purpose.

***Collaboration:*** Social media marketing strategies are proven to be efficient in digital marketing since it can be linked to other digital tools. A customer can be redirected from one page to another, or related to the website for more information, blog or directed to a YouTube video, for example, for further details.

***Entertainment:*** depending on what products and services are being marketed, it is essential to use entertainment to attract and interest more social media users. People often use social media for relaxation, communication with friends and family, read the post and share information etc. companies shall involve themselves in the process to catch more viewer attention. It is done mainly by creating exciting content, that and ends up marketing a given brand.

These are just some of the main benefits of using social media as a marketing tool, but the list of benefits is long, including affordability, global audience, convenient, 24/7 marketing campaign etc

### **Mobile Marketing Presence**

According to Sam Del Rowe (2016), in his article titled "*It's a fast-paced, Mobile-first world, and Marketers need to deliver something of value to customers and prospects*" he argues that businesses that do not prioritize mobile marketing are "lagging" due to its instant, easy sharing and access of information.

In the recent digital era, mobile phones are systematically replacing laptops and desktop since most of what we used to do on laptops can be done using our smartphones. It includes different activities such as Sending and receiving Emails, accessing the web, searching for information, watching videos, playing games, etc. Even though laptops remain essential tools, for typing, presentations and

other activities, people are finding comfort in using their smartphones in their every day's activities.

Mobile devices can be accessed anytime with straightforward and efficient internet connectivity; people are spending more time using it than ever before. They use them for information search, communication, gaming, social media, entertainment, online shopping, cashless payment and transactions, etc. Its efficiency has lead marketers to understand where the future of advertising lay. To ensure online presence different businesses were interested in taking advantage of the increasing number of mobile phone users. They have developed efficient digital marketing strategies to advertise on social media, via email and SMS, using content videos on YouTube, creating mobile versions of websites, mobile applications and other strategies meant to assure their online presence.

On the other hand, smartphones operate using mobile applications. Marketers have indeed understood that they should also focus on mobile applications so that they can get as close as possible to their potential customers and provide exceptional services through mobile apps. Those advantages include efficient communication, instant notifications, fast to load and easy to use, do not use a lot of data connection, quick access, personalized product lists, saving of personal information and account creation for future logins, discounts, promotion and deals, etc.

The use of mobile applications is meant to ensure that regular customers become loyal to the company over time. It also presents an opportunity for in-app advertising.

For example, someone might be playing a game, and when it is paused, restarting, or moving up to the next level, some ads play before the game can continue. Sometimes even the design and objects used in the games serves as an advertisement campaign. Some ads must be mandatorily watched, no skipping options and banners are displayed quite often for advertising purposes.

In addition to that, smartphones are addictive, and many people have them all the times. Smartphone users can download and use any applications of their choices such as music apps, videos sharing apps, social media like Facebook, Whatsapp, Instagram, Twitter, gaming apps, calling and chatting apps, mail apps like Gmail, or yahoo, banking apps, online shopping apps like Amazon, Flipkart, eBay; travel and booking apps like MakeMyTrip and trip born, educational apps, retail shopping apps etc. All of them can be used for advertising purposes, and businesses do so to reach a big potential customers database of smartphones users.

## **Transformation Toward Digital Businesses**

When we take into consideration the radical fast and innovative changes in the digital world, most of the business feel the need of adapting to digital technology and figure out new ways of marketing their products and services.

According to [www.accenture.com](http://www.accenture.com) (2013), a Digital business is the one that creates unique customer experience through the combination of information, business resources and digital technologies to deliver growth and results. It is done by creating an innovative environment that is meant to meet the expectations of the digital world. It also executes a unique digital strategy to make the business more profitable.

This digital marketing transformation, different uplift companies up to the level of:

**Creating brand awareness:** Digital technology spread information about a given brand all over the world faster than any other marketing means. Anyone can be informed about the offered products and services. It is no longer like the old days, whereby mass advertising is done was in newspapers, radio and televisions. It was a temporally advertising that could only be seen or heard by local people. With the use of digital technology, digital marketing can be done all over the world and stays for the most extended period possible for anyone to access it in a convenient time.

**Easy and accurate communication:** back in the days, people used to struggle to find accurate and updated information on products and services that could satisfy their needs. Nowadays, by just surfing online, you can get all the needed information about a brand, and efficiently communicate with them before or even after purchasing their products and services. The communication between businesses and their customers have never been this accurate, fast, interactive, convenient, immediate, etc

**Driving sales:** The primary goal of business is to make profits. Profits can be only made through and increasing sales volumes. In the past, businesses used to rely on local sales, from customers who could physically access the stores. But nowadays, customers from different corners of the country or even of the world, can purchase a given brand, pay using online transactions means or use the option of cash on delivery, and that involves that is E-commerce as we know it.

**Customer relations:** in this new era of technology, customers are kings. It is hard to acquire and keep them, but a digital business creates higher chances to get more loyal customers. In addition to providing the best quality of products with competitive prices, and a series of strategy meant to keep the customers involved and interested in your brand, customer loyalty is ensured over time.

## Conclusion

The Global market has provided great opportunities for doing business worldwide. With potential customers spread worldwide, marketers create new ways of adapting from traditional marketing to global digital marketing strategy. The digital technology has provided a unique opportunity for making this happen. With the use of digital technology, businesses have been able to market and transact with customers worldwide.

The digital transformations involve the creation of websites, search engines optimization, social media, mobile marketing, and many more digital tools to assure the global online presence, which provides efficient marketing strategies. It allowed businesses to gain more potential customers, promote their products and services with fewer costs but with higher efficiency, to sell more products, to create a better brand image, to create awareness, to turn potential buyers into loyal customers, etc.

On the other hand, customers all over the world also benefit from this digital technology. They do not limit themselves to local stores or specific brands; they can choose different products from different brands internationally, access important information, evaluate various alternatives, choose from a wide range of substitute products, purchase products locally and globally, etc.

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# Survival Game or Shifting the Gear: The Kia Motors in India

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## Abstract

Kia Motors has entered the Indian automobile market and has started its production in January in Andhra Pradesh. Kia has entered the cluttered car market in India with other players leading the sector by miles. Backed by its technological advances and aesthetic sense, Kia Motors is hopeful that it can become a prominent player in the country. The challenges for Kia Motors are multifold. Kia Motors is entering a market where the dominant player holds more than 50% market share. The passenger car market has witnessed a few exits like General Motors expressing its inability to compete in the Indian market. The Indian market is on the cusp of change, where the shift is happening from diesel cars to petrol car with the dominant players declaring the stoppage of the production of diesel cars from 2020. The transformation is also happening in terms of Electric Vehicles (EVs), and the efforts are on by the automobile makers as they have lined up their EVs for the launch.

**Keywords:** Competition, Electric Vehicles, India, Kia Motors, Passenger Car

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## Introduction

On 29<sup>th</sup> January 2019, Anantapur, Andhra Pradesh, the Kia Motors India started the trial production of its cars amid expectations that the future mobility in India would be defined by Kia Motors. Kia Motors India eyed the premium passenger car market in India, the direction in which, the passenger car segment has moved in the last decade. Considering the monopoly of the Indian car passenger market, where one player has more than fifty per cent market share coupled with the other players launching new models every year, the question is whether Kia will be able to make its headway in the market.

The Managing Director, Kia Motors India, Kookhyun Shim, said, “We know that Indian customers believe in the value of money; therefore, it will be a game of survival for us with 12 major brands around. It is a very difficult homework.

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But we think we are very competent in the value for money position. We are differentiating our cars on our premiums level.”<sup>1</sup> Challenges for the Managing Director, Kia Motors India are myriad considering the dominance of the passenger car segment by a single company and the tectonic shifts taking place in the Indian market. Kookhyun Shim further, needs to balance between premiumness and value for money to attract the customers. Can he address these challenges, all at the same time for Kia Motors?

## **Kia Motors – A Korean Company**

Kia Motors (KM) founded in the year 1944 manufactured bicycles initially but started producing motorcycles under the license from Honda motorcycles at a later date. Kia Motors continued to exhibit its interest in the manufacturing of trucks and cars under the license agreement from Mazda as well. During the early 1990s, KM entered the US market with some of its brands to establish itself as a significant player in the passenger car segment. However, the presence of behemoths like General Motors, Ford and Toyota did not give much leeway for Kia Motors. Hence, KM remained a small player in the vast US market.

Things **turned** did not go well for KM during the Asian Financial Crisis, which triggered a massive slump in passenger cars in Asia. The financial position of KM deteriorated considerably and was on the verge of closure. However, Hyundai Motor Company came to the rescue of KM by increasing its stake to 51%. Kia Motors became a subsidiary of Hyundai Motors. KM is now a subsidiary of the Hyundai Motor Group.

KM is a major player in the Korean market with a share of 34.8 per cent during the year 2018, which roughly corresponds to one-third of the market. It is the second slot for KM as the first slot is occupied Hyundai Motor Company with a market share of 45.7%. It means that the total market share of Hyundai Motor Company and KM is 79% which is a dominant position for the group companies in Korea. (Exhibit No. 1) The combined strength of Hyundai Motor Company and Kia Motors has gained traction during the year 2018 in countries like Russia, Brazil, Mexico and India but these companies have shown little signs of progress in US and Chinese markets.<sup>2</sup>

Kia Motors tried to gain access to the global markets, hence spread its wings far and wide in different continents across the world. Kia Motors officially launched retail sales in the year 2016 in Mexico and had quickly ramped up its sales. Kia sold 86,713 vehicles in Mexico in the year 2017, which was a 49.2% increase from the previous year<sup>3</sup>. It pushed Kia Motors to the seventh position in a short span of time. Kia Motors Europe (KME), established in the year 1995 has done well in the market during the year 2018 with a 4.7% year-on-year increase by capturing a market share of 3.2%.

According to the data released by the European Automobile Manufacturers’ Association, Kia Motors sold 494,304 units during 2018.<sup>4</sup> Kia Motors America (KMA) was started in the year 1992 and presently has a market share of 3.2% amid

1 <https://auto.economicstimes.indiatimes.com/news/passenger-vehicle/cars/its-a-survival-game-but-were-competent/67414217>

2 <http://www.businesskorea.co.kr/news/articleView.html?idxno=27095>

3 Annual Report, Kia Motors, 2017

4 <https://www.automotiveworld.com/news-releases/Kia-motors-europe-achieves-record-2018-sales-and-its-tenth-consecutive-year-of-growth/>

gigantic players like GM and Ford. (Exhibit No. 2) Kia Motors has manufacturing plans in the US, Slovakia, China, Mexico and the latest one being in India.

## **The Indian Market – Landscape and Competition**

The Indian passenger car market is rife with numerous challenges for the new players and the established players. Even the large players have failed to crack the Indian market despite their financial and technological clout in car manufacturing. The global automotive companies which have been victorious all over the world fumbled in India. It could be because these companies were either ignorant of the Indian customer's preferences or overestimated their prowess in garnering market share. The global giants like General Motors and Ford Motor Company, which accounted for more than 30% of the market share of passenger vehicles in the US, turned minnows in India.

General Motors decided to quit India in 2017 as it did not make much headway in grabbing the attention of the Indian customer. Certain flip-flops on the part of the management coupled with a failure to understand the Indian customer led to the exit of General Motors from India. A similar fate awaits Ford Motor Company necessitating a way out. Ford, has exhibited forming a JV with Mahindra & Mahindra to exit India operations decently. Ford has garnered just 3 per cent of market share in India even though India is recognized as one of the fastest-growing car markets in the world.

The car passenger segment witnessed numerous challenges during the year 2018 – weak monsoon, floods in the state of Kerala, lacklustre demand during festival season, high fuel costs coupled with rising insurance costs. According to the President, Society for Indian Automobile Manufacturers (SIAM) “The overall year was challenging as the festive season sales did not happen as expected because of high fuel prices, non-availability of credit and overall sentiment which did not pull customers to the showroom.”<sup>5</sup>

These challenges did impact the overall sector leading to a dip in the sales of cars. The problem got further compounded with the GST which stood at 28%, leading to an increase in the cost of the cars. Rajan Wadhwa, President, SIAM, said, “One of the reasons that demand has come down is that the cost has gone up”<sup>6</sup> Accordingly, SIAM has requested the Government of India to bring down 28% to 18% to lift the sales of cars. (Exhibit No. 3)

Coming to the competitive dimension of the passenger car segment, one finds that a single player dominates the market for quite a long time: Maruti Suzuki India Limited (MSIL), a subsidiary of Suzuki Motor Corporation, Japan. The year 2017-18, has garnered more than 50% market share in the passenger car segment. It has been a significant achievement for the Japanese giant. (Exhibit No. 4) MSIL sold a total of 172,512 units in May 2018 compared to 136,962 units in May 2017.<sup>7</sup> Compared to the year 2017, when the market share of MSIL was just below 50%, it has crossed the 50% mark in the year 2018. It is an indication of the dominance of MSIL in the passenger car segment.

5 <https://auto.economicstimes.indiatimes.com/news/industry/complete-india-auto-sales-analysis-2018-cv-sales-crosses-a-million-mark/67549073>

6 SIAM Calls for GST Cut on Cars to Lift Sales, The Economic Times, 30<sup>th</sup> May 2019

7 <https://www.marutisuzuki.com/corporate/media/press-releases/2018/maruti-suzuki-sales-may-2018>

Hyundai Motors India has sold 7,10,012 units in the year 2018 compared to 6,78,221 units during the year 2017.<sup>8</sup> One should be aware of the fact that Hyundai and Kia belong to the same group - Hyundai Motor Company, Korea.

The number of cars sold by MSIL and HMI indicates the dominance of the passenger car market by a single player followed by Hyundai Motors India. Hyundai has a market share of 16%, followed by Mahindra & Mahindra and Tata Motors with 7% each.

Considering the early mover advantage and coupled with “Indianization” of the products, MSIL took a big leap and lead, leaving competitors way behind. MSIL has been launching products in every segment of the passenger car which has further added to its clout as a market leader in the Indian car market despite the competitors like Hyundai, Mahindra & Mahindra and Tata Motors trying to vie for the customer attention.

### **The Indian Market – Changing Technologies**

The passenger car market is poised for a tectonic shift with technology, artificial intelligence and environmental issues determining the product design and product pricing. The largest car manufacturer MSIL had decided to stop selling all its diesel variants by April 2020<sup>9</sup>, which is a significant shift for the Indian market. MSIL sold nearly 400,000 diesel vehicles during the year 2018, which constitutes almost 23% of the total sales of MSIL. With the MSIL deciding to stop selling its diesel-powered cars by 2020, the entire landscape is poised for a significant change. The manufactures are forced to redefine their product lines with more R&D investments in cleaner technologies. The tighter restrictions on emission norms from the government have further pushed the manufacturers towards new technologies.

With the fluctuations in oil supply and prices due to various geopolitical realities, the Government of India is keen to shift the gear towards e-vehicles. The success of e-vehicles in Europe has prompted the Government of India to move towards e-vehicles as quickly as possible. The government has launched initiatives towards incentivizing the production of e-vehicles by reducing tax. The new emission norms kick-started by Euro VI/Bharat VI have already begun to exert tremendous pressure on the car manufacturer’s searches for alternative technologies electric/hybrid.

To further, clean technologies, the Government of India has initiated policy measures to boost electric and hybrid vehicles through its policy FAME – Faster Adoption and Manufacturing of Electric Vehicles. The policy entails providing incentives for the production of electric and hybrid cars in India. The car manufacturers have already well-received the scheme. The decision to stop selling diesel cars from 2020 by MSIL could be an outcome of such policy directions from the government forcing the manufacturers to make considerable investments in R&D. Mahindra & Mahindra has taken the lead in this segment by aggressively

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8 <https://auto.ndtv.com/news/hyundai-india-sells-over-7-lakh-cars-in-2018-december-sales-up-by-48-percent-1970993>

9 <https://economictimes.indiatimes.com/industry/auto/auto-news/maruti-to-phase-out-diesel-models-from-april-next-year/articleshow/69040555.cms>

pushing its e2o model with advanced features – advanced technology battery, smartphone connectivity, regenerative braking, etc., all of which have been appreciated.

Toyota Kirloskar Motor has also started its preparations towards hybrid versions of the passenger vehicles given the new emission norms which would come into force with the adoption of Bharat VI emission norms. Although Toyota Kirloskar Motor primarily drives its growth through diesel vehicles (around 85%) the shift towards hybrid cars is a significant step towards emission compliance rules of the Government of India and the push from FAME. Similarly, MSIL has readied its e-vehicle, WagonR Electric, the launch of which will be next year. According to RC Bhargava, Chairman, MSIL, “The WagonR Electric is being tested and will be ready next year. But what the company can produce and sell will depend on the customer’s willingness to buy the vehicle depending on the limitation of cost and charging space.”<sup>10</sup>

### **The Indian Market – Shifting Lanes**

The passenger car segment, all over the world and including India, has taken a shift – cab aggregators and shared mobility. The entry of this new business model in the last few years has also impacted the manufacturing and buying of passenger cars in India. People are happily riding the cabs than own the cars, considering the price and parking problems in urban areas. The Indian car manufacturers have taken note of such change as well. Coupled with such change, the customers are moving towards the small cars again, which are coming with premium features. (Exhibit No. 5)

Hyundai Motors and Mahindra & Mahindra have started showing a keen interest in shared mobility – Revv and Zoomcar, the segment which is disrupting the passenger car segment. Hyundai has already cleared its decks for an investment of 300 million USD in Ola Cabs which has disrupted the car manufacturing industry in urban areas in India. “In metros, people are not going for their second cars. Ola/Uber is convenient and you get the driver free.”<sup>11</sup> Hardeep Singh Brar, Director, Sales and Commercial, Nissan India, opined on how Ola/Uber has impacted the buying behavior of the customers in India.

With the parking and pollution concerns acting on the buying behavior of the customers in urban India, the market has moved towards the hinterland, where buying a car is still an achievement for an individual. According to Puneet Anand, Senior General Manager, Hyundai Motors India Ltd., “The biggest share of our customers is coming from smaller towns and cities”<sup>12</sup> This is a big revelation for the car manufacturers in India. The poor public transport, coupled with a lack of shared mobility in rural areas, has been the primary drivers of people in rural areas to shift towards small cars. For Santro, Hyundai, over 50% of the customers were from tier – 2 and tier – 3 towns in the country. MSIL is planning to launch entry-level cars Y1K and YE3 in the next two years to address the growing demand for small cars.

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10 Maruti likely to Drive in Small Electric Car Next Year, The Economic Times, 27 May 2019

11 Small is Beautiful. Again, The Economic Times, 09-15 December 2018

12 Small is Beautiful. Again, The Economic Times, 09-15 December 2018

## **The Path Ahead for KMI**

Kia Motors India has started its trial production in 2019 and intends to achieve the utilization of full capacity by the year 2022, which is exactly five years away from now. Given the investment of more than one billion USD in India, the company intends to produce the entire car in India rather than importing kits for the assembly of cars. Once fully operational, the plant in Andhra Pradesh could produce three lakh cars per year. It is just more than half of the number of cars sold by Hyundai Motors in India (6, 78,221 units) during the year 2017.

Selling three lakh cars per year from 2022 needs a nationwide network of distributors who can push Kia cars by competing with the established players. Kia has already roped in 70 dealers across the country intending to reaching out to the customers even in small cities. Although Hyundai and Kia belong to the same Korean group (Hyundai Motor Company), for Kia, Hyundai is like any other competitor be it Suzuki or Mahindra & Mahindra. It can be tough for Kia to lure new customers away from Hyundai.

Kia has planned to come out with its first vehicle in the premium segment with a price range of Rs. 10-15 lakh in India, which means that the first car from Kia will be in direct competition with Hyundai Creta and Suzuki S Cross. Creta is the leader in this segment with 11448<sup>13</sup> cars sold during March 2019 compared to 2424 cars of S Cross by Maruti. Given the high dominance of Creta in this segment, a foothold in this segment might not be that easy for Kia Motors in India.

The next product which Kia has lined up is in the category where Vitara Brezza is the leader with 43% market share during the year 2017-18<sup>14</sup>. Vitara Brezza had been a top choice for the customers with its average sales of more than 12,000 units per month. A distinct achievement of Brezza has been the crossing of 3 lakh sales in 28 months of its launch. Brezza continues to be the dominant variant in the days to come, which means Kia has fierce competition in this segment as well.

Another segment which KIA is looking at is the one above Toyota Innova by attracting the customers through Caravan in the price range of Rs. 22.00-25.00 lakh. Given the preference for Innova Crysta and the inspirational Toyota Fortuner, Kia's Caravan needs to be really good to make it mark in this segment.

Kookhyun Shim, the Managing Director of Kia Motors India, wants to achieve 6-7% of market share in the Indian market and intends to be in the top five car manufacturers in India. The challenges before Kookhyun Shim are myriad but the two major ones are the dominance of MSIL, the tectonic technological shifts in the car segment and the whimsical Indian customer. Will Kia survive the onslaught from its competitors in the "red ocean" or shift the gear into the speed lane?

The Managing Director of Kia Motors India needs to do a lot of thinking to not only survive but also shift Kia to the top gear in India.

13 <https://www.cardekho.com/india-car-news/cars-in-demand-hyundai-creta-maruti-suzuki-s-cross-top-segment-sales-in-march-2019-23496.htm>

14 <https://www.marutisuzuki.com/corporate/media/press-releases/2018/maruti-suzuki-vitara-brezza-continues-to-dominate-suv-market-clocks-fastest-3-lakh-sales>

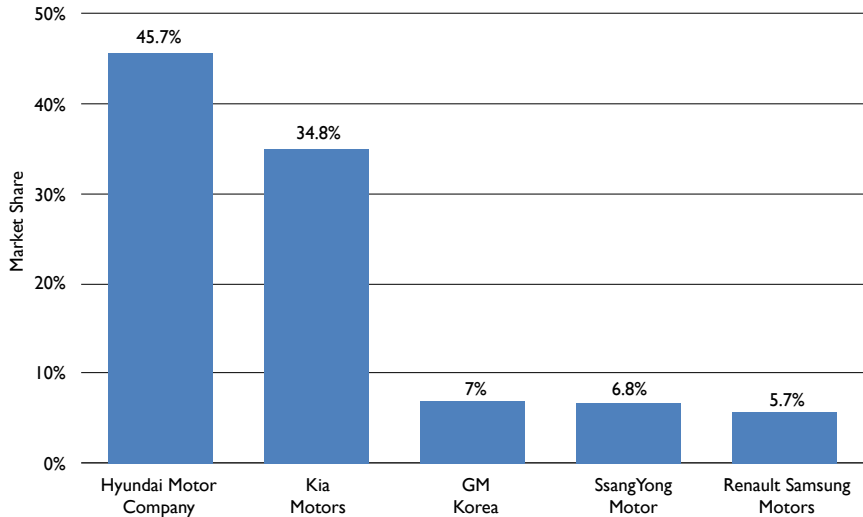
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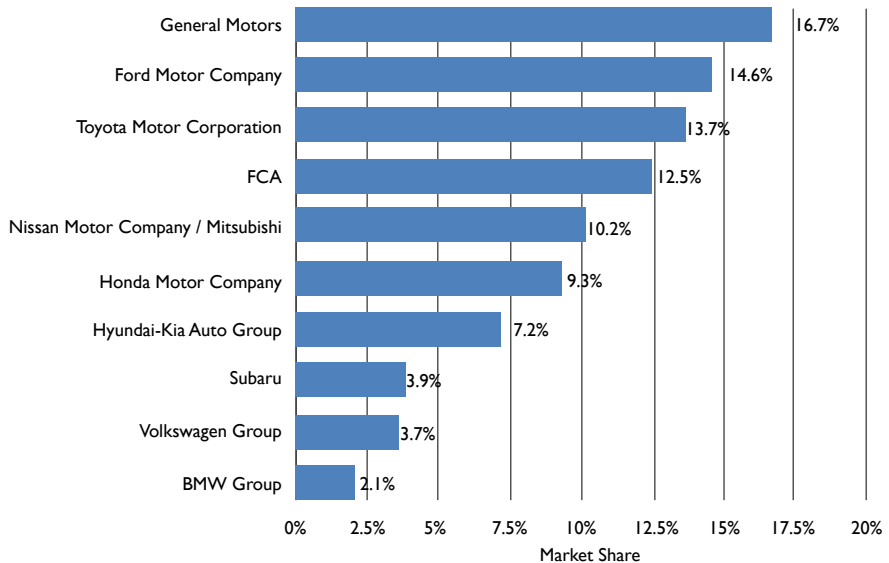
<https://mexiconewsdaily.com/news/Kia-motors-growth-puts-it-at-no-7-in-mexico/>

**Exhibit No. 1:** Market share of the top five car manufacturers in South Korea as of January 2018



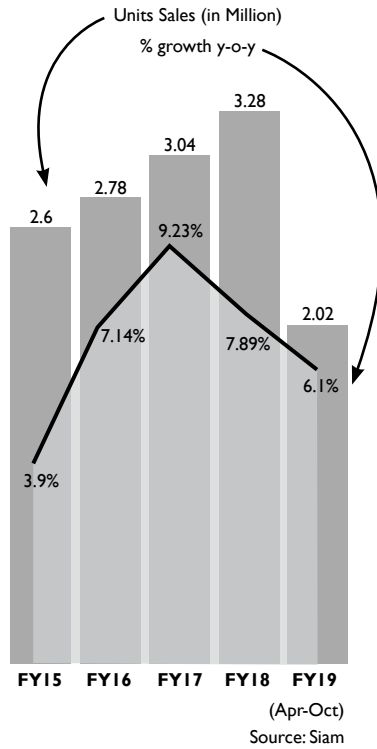
Source: [www.statista.com](http://www.statista.com)

**Exhibit No. 2:** Passenger Car Market Share in 1<sup>st</sup> quarter 2019 in US



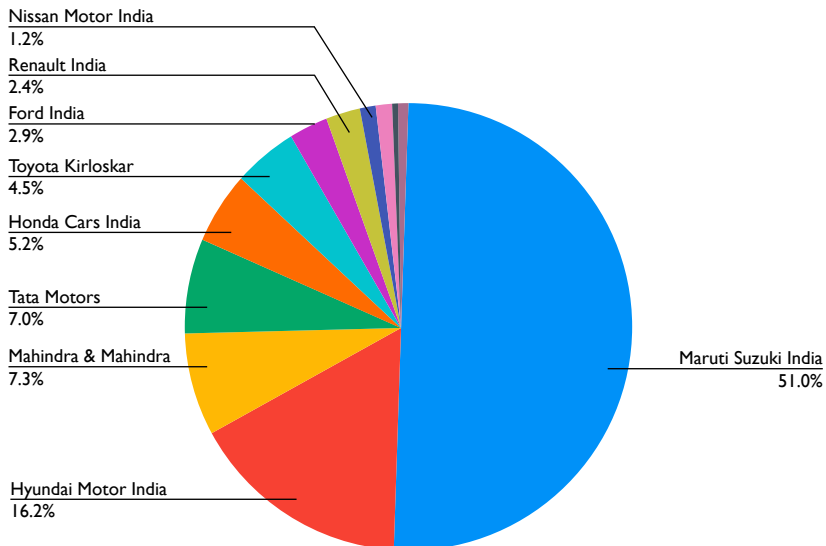
Source: [www.statista.com](http://www.statista.com)

**Exhibit No. 3:** Slowdown in Passenger Car Segment in India



Sales Growth of India’s passenger vehicle industry taking a slow lane. For FY 19, the growth is expected to hit a 4 year low and dip below 6%  
Source: Small is Beautiful.Again,The Economic Times, 09-15 December 2018

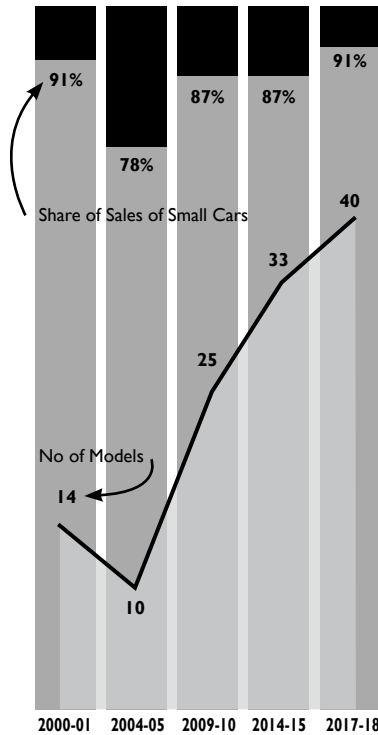
**Exhibit No. 4:** Passenger Vehicles Market Share in India (2018)



Source: autoeconomictimes.com



**Exhibit No. 5:** Share of Sales of Small Cars in India



Source: CRISIL Research

Source: Small is Beautiful. Again, The Economic Times, 09-15 December 2018

Share of sales of small cars has grown with 40 models during the year 2017-18 from 14 models. The share of sale of small cars is 91%.



# Study on Applicability of Consumer Protection Laws on the Services Offered by Banking Institutions – A Case Study

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## Abstract

The Consumer Protection Act, 1986, is one of the noteworthy financial enactments which have sanctioned for securing the interests of the buyers in India. It is preventive and compensative. The paper intends to investigate the current Consumers assurance laws for managing an account and protection segment in India. In a nation as different as India, the circumstance is more terrible since a large portion of the populace dwell in country regions and aren't mindful of their customer rights. The laws are feeble and brimming with provisos and banks and insurance agencies exploit this. In light of this, this paper plans to satisfy the accompanying destinations. The Act proposed is to give necessary, desirable and reasonable redressal to the customers' complaints, and alleviation of an explicit sort and grant of remuneration and bound the businesses to their business ethics. RBI discharged a Charter of Customer Rights, which cherishes expansive, all-encompassing standards for insurance of bank clients and articulates the 'five' essential privileges of bank clients. Added to the rights offered by RBI to their clients, CPA Act 1986 likewise contains a few remedies, for example, evacuation of the deficiency that happened in the service, and if that deficiency is there because of the unreasonable routine with regards to any of the individual from the bank, at that point it ought to be ended and so on.

**Keywords:** Business Ethics, CPA Act, Consumer Redressal, Consumer Court, District Court, Ombudsman, Rights, RBI

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## Introduction

A Consumer is a client of merchandise and ventures. Any individual paying for merchandise and ventures which he utilizes is qualified to expect that the products and enterprises are of nature and quality guaranteed to him by the vendor. The beginning of exceptional rivalry additionally made makers mindful of the advantages of consumer loyalty and along these lines, all things considered, the standard of 'customer is above all else' is acknowledged. The cause of this guideline lays in the way that in present large-scale manufacturing economy

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where there is little contact between the maker and buyer; regularly vendors make misrepresented cases and promotions which they don't plan to satisfy. It leaves the customer in a troublesome position with a couple of roads for redressal. The prior rule of 'Caveat Emptor' or 'let the purchaser be careful' which was common has offered the path to the part of "Consumer is King". Necessarily, pretty much every individual would enrol the assistance of a protective association to ensure his interests. These interests may change from an individual's life, or wellbeing to an individual's the same old thing. Each individual will, sooner or later in time or the other, utilize a bank for his or her money related exchanges.

In the Indian scene, individuals have been hesitant in seeking after cures accessible to them under the law of torts. Explanations for this have been neediness, lack of education, and ignorance winning among the Indian individuals, about the tort-based cures. The prerequisite for a defendant asserting pay to pay an extreme measure of Court expense, as per the sum to guarantee, for bringing a suit, maybe have been the most debilitating viewpoint. It has been evaluated that in about 50 years, (1914-1965) just 613 tort cases came up to re-appraising courts. A resulting study in 10 years time frame (1975-1984), uncovered that out of the 56 tort cases detailed by the Supreme Court and High Court just included item risk. Association of India conceded in Bhopal case that: "The Courts in India are not a sufficient elective gathering in which suit might be settled, delays in the goals of these cases in India, and India's Court framework comes up short on the procedural and pragmatic ability to deal with this prosecution.

Comparable reasons can likewise be doled out as for customer-related torts. Maybe laxity to sue for tort-based cures has hindered the codification of the law of torts in India, in spite of the way that the Bill was set up by Pollock regarding the matter. In any case, bit by bit during the time spent giving better welfare conditions to the general population, numerous parts of the law of torts systematized were in independent authorizations. Consumer Protection Act is additionally one of these. The choice of the Supreme Court given in *M.C. Mehta v. Association of India* further sets up that the Indian courts are presently arranged even to advance of the English Courts in guaranteeing better welfare conditions to the Indian individuals.

The incomes created from the saving money and protection division likewise add to the country's economy and fortify it stated; neither the individual nor the country can manage without banks and insurance agencies. Banks and insurance agencies are winding up progressively egotistically always, wanting to put their very own advantages in front of the premiums of their clients, managing an account with banking proficiency and protection organizations, which frames' a unique piece of a country's economy. Regardless of the RBI distributing a Charter of Customer Rights to ensure the premiums of the buyer, banks pursue their very own code of client rights (RBI, 2014). The RBI discharged a Charter of Customer Rights, which cherishes expansive, all-encompassing standards for insurance of bank clients and articulates the 'five' essential privileges of bank clients. The world has progressed significantly since the foundation of the primary banks and insurance agencies. This development in the number of clients has without a doubt, prompted the development of managing an account and protection part. From a couple of client base to a couple of hundred or thousand-odd individuals, banks and insurance agencies currently have a great many clients over the globe.

Even though this code has a few wells spread out arrangements, the banks pay no notice to these arrangements, wanting to work in a way that best suits their interests (Roongta, 2014). Rather than the clients directing what they want to benefit from the bank, the bank manages what it will give to its clients. It isn't a wonder that is predominant in India; it is noticeable all through the world. Diverse nations have distinctive instruments to manage the issue of customer rights. The point of this paper is to in this way, to examine the customer security laws for managing account segments in India.

## **Objectives**

- To understand the remedies and the rights of the bank customer.
- To show-up the negligence and the deficiency in the services offered by banks that are against their business ethics.
- To understand the role of different bodies available for the banks' customer protection.
- To understand the different options available to the customer related to the deficiency of service.

## **Research Methodology**

The need to embrace this investigation is to know whether the Act of 1986 has genuinely executed to all the saving money organizations or not. This investigation is constrained just to the appropriateness of this Act on keeping money establishments of India. Secondary data is gathered through the mode of different auxiliary sources, for example, the web, discharges, articles, diaries, course readings of different writers and Newspapers. The most prominent source used under this study is the site of RBI, which has provided data regarding the complaints registered with it related to the dysfunction of banking services..

## **Thematic Evaluation**

As indicated by the demonstration, "Consumer" is an individual who avails the benefits of any administration for thought from any provider (Section 2(1) (d) of CPA). In this manner in managing an account exchanges, a person who has a savings or current account with the bank or an individual who purchases a bank's financial product, contracts locker office facility or avails other services from a bank, such individual can be said as "buyer" and can favor dissensions under the Act for "lack in administration" concerning the bank or for "prohibitive exchange practice" or "out of line exchange practice" embraced by the bank.

The CPA, 1986 explains the "benefits" as the administrations offered by banking institutions to their respective customers or clients. "Service" is characterized as pursues, administration of any depiction which is made accessible to potential service consumers, however not restricted to, the arrangement of offices regarding financing protection, managing an account, transport, supply of electrical or other vitality, handling, board or stopping or both, diversion, lodging development.

Since there is no different area mentioned under the CPA that controls how banks are required to treat their clients, points of reference built up by the decision of courts in past cases can be utilized in the settling of any debate that the customer brings before the Disputes Redressal Agencies.

## **Consumer Forum as per CPA 1986**

For protecting the interests of the banking customers to make responsible the banks for their wrongful acts and negligence of business ethics CPA, 1986 provides the actualization of the bodies of consumer forums who will act on the complaints of the consumers against the banks. Such forums are:

### **District Forum**

It is set up by the state governments in every one of its locale or the districts. The district forums comprise of a Chairman and two members containing a lady in the team. A composed objection recorded before the District Consumer discussion where the estimation of products or administrations and the remuneration guaranteed does not exceed Rs. 20 lakh. If in a case, a buyer isn't satisfied by the final verdict, then that individual can appeal to further upstage, i.e., State Commission, but, before 30 days the decision of the district forum.

### **State Commission**

It is set up by the state governments in their state's members comprising of a President and two members containing a lady in the team. A composed protestation documented can be before the Commission where the approximation of products or administrations and the pay asserted exceeds Rs. Twenty lakhs yet does not exceed Rs. One crore. If in a case, a distressed buyer isn't satisfied by the final verdict, then that individual can appeal to further upstage, i.e., National Commission, but, before 30 days of the decision of State Commission.

### **National Commission**

The National Commission was established in 1988 by the local government. It is the zenith body in the three-level legal hardware set up by the legislature for redressal of customer complaints. Its office is arranged at Janpath Bhawan (Old Indian Oil Bhawan), A Wing, fifth Floor, Janpath, New Delhi comprises of a President and four members containing a lady in the team. The National Commission is going by a sitting or resigned judge of the Supreme Court. All protestations relating to those products or administrations and remuneration whose esteem is more than Rs. One crore can be explicitly documented before the National Commission. Infringe recorded can be against the request of the National Commission to the Supreme Court inside 30 days from the date of the application passed.

### **Banking Redressal Agencies – RBI, Ombudsman**

Saving money being open utility administrations and in perspective of the weakening administrations rendered to people in general and having respect to the way that administrations so rendered by banks in an untrustworthy way, which are wasteful as well as inadequate in character and the said anxiety, the general population/client is put column to post without having any cure, it was felt essential to have a different for a to get and resolve such complaints. The Consumer Protection Act, 1986 or courts, has dealt with it; however, starting at now Consumers gathering is delicately squeezed with the steep ascent in several cases. In the managing an account division, so far purchaser or client are concerned, their complaints are numerous and fluctuated.

The Disputes Redressal Agencies **under the CPA, 1986** mediate upon the grumblings of purchasers identifying with defaults in items and lack in administration. 'Administration' as characterized in the Act incorporates the arrangement of offices regarding keeping the money.

RBI is overwhelmed with objections. They got a grumbling and forwarded the dissension to concerned bank and banks are required to present the remark and affirm that clients' complaints that stand changed. The managing an account area is always under analysis by press, open and gauge boards of trustees. Different commissions, councils, and working gathering framed were to consider the issue since 1972.

The 'Narasimhan Committee' analyzed the 'Banking and Financial Sector Reforms' on the basic territories. The committee suggested the presence of the 'Scheme of Ombudsman, 1995' as a piece of reforms in Financial Sector Policy and Systems. In this foundation, RBI has acknowledged the suggestion and as a piece of banking arrangement. The plan issued was under the provision of Banking Regulation Act, 1949, covers all Scheduled Commercial Banks and the Scheduled Primary Co-agent Banks having business in India. The Scheme has turned out to be an agent from June 1995.

On the off chance that your bank does not address your protest inside multi-month, you can approach the managing an account ombudsman. It is a senior authority designated by the Reserve Bank of India to review client protests against insufficiency in saving money administrations, according to its plan presented in 1995. All booked business banks, provincial rustic banks, and planned essential helpful banks secured are under the policy. Up until now, there are 15 ombudsmen, whose workplaces found are for the most part in state capitals. Their addresses and contact subtleties are accessible on the RBI site.

The ombudsman endeavours are to impact a legitimately restricting settlement between both the gatherings inside multi-month. In any case, if an agreement is beyond the realm of imagination, it will pass an honor in the wake of permitting both the gatherings to show their examples to him.

## **Banking Ombudsman Scheme**

The Banking Ombudsman Scheme is a quick and cheap discussion for bank clients for goals of protestations identifying with specific administrations rendered by banks. The Banking Ombudsman Scheme is presented under Section 35 of the Banking Regulation Act, 1949 by RBI with impact from 1995. By and by the Banking Ombudsman Scheme 2006 (As altered up to July 1, 2017) is in the task.

The Banking Ombudsman is an authority designated by the RBI to change client grumblings against lack in particular bank-related administrations secured under the grounds of disagreement determined under Clause 8 of the Scheme.

## **Grounds of Complaints**

This scheme mention-out list of grounds on which the complaints can be raised such as Non-installment or over the top deferral in the installment or gathering of checks, drafts, bills and so forth, Non-installment or deferral in the payment of internal settlements, Non-adherence to recommended working hours, Non-acknowledgment, without adequate reason, of little section notes offered for any

purpose, and for charging of commission in regard thereof, Levying of charges without sufficient earlier notice to the client, Refusal to acknowledge or postpone in tolerating instalment towards expenses, Failure to issue or defer in the issue of drafts, pay requests or investors' cheques, Non-adherence to the reasonable practices code as received by the bank, Delays in endorse, dispensing or non-recognition of recommended time plan for the transfer of advanced applications, etc.

### **Condition for Filing Complaint**

One can document dissension if the response from the bank side is delayed or not communicated at all inside a time of the month, or the bank discards the customers' grievance, or if the complainant isn't satisfied from the retort informed by the bank.

### **Deficiency in Service of Banks**

To dissect the appropriateness of the CPA Act in this banking services in India different case laws as for the different administrations offered by a bank should have been examined as appeared as follows-

#### *The Guarantee Given by Banks*

The disappointment of a bank to respect bank ensure is an inadequacy in administration. In any case, in situations where interest was made not as per the states of the assurance and accordingly, the certification was not regarded, it would not add up to inadequacy in administration.

On account of *M.P. Minerals Ltd Vs. Bank of India (2003)*, a protest was documented charging insufficiency in administration in not paying the appropriate interest amount by the bank. It means that the interest rate received was comparatively less than the certified interest rate. It was held that if the bank prescribes the terms and conditions in it's summon then it will not be considered as a deficiency in service. So, if the requirements of the bank have not complied, then, the service deficiency is not found (Kapila, 2006).

In the case of *M/s. Anand Lubricating and Pneumatic Systems Ltd. Versus State Bank of India (2003)*, the bank was affirmed to have neglected to issue money ensure in spite of adequate security and the complainant endured money related misfortune. It was held that if the bank doesn't issue money even after a security deposit, then, it would be considered as the defiance in the service. (Kapila, 2006).

#### *Delay in Services Offered*

On account of *P.N. Prasad Vs. Association Bank of India (1991)*, it was held that the bank is subject for inadequacy in administration for excessive deferrals in giving banking administrations and the client is also qualified for register complaint about payment for the misfortune and the damage endured by him because of the over the top postponement in the instalment of the measure of store testament on its untimely encashment.

If there should be an occurrence of *N. Raveendran Vs, State Bank of India (1991)*, because of the unjust shame of the interesting draft the complainant was stuck at an extremely faraway place from his home and it brought about a misfortune, mental distress, and adversity to him. The essential obligation of any

bank is to defend and secure the enthusiasm of their client. It was held that the service failure would be there if there will be an exclusion submitted by the bank authorities and that exclusion bothers the client. Bothering may also prevail there due to the oversight, or carelessness of the banking authorities.

For the situation, there is an analysis done on Bank of India Vs. HCL Ltd. (1993), the organization occupied with the matter of assembling and renting and moving PCs went into a concurrence with the Second Respondent Firm for the supply of a PC framework. The instalment period was 60 months every quarter, and the bank confirmed the same by the organization. But, later, after the bank did the default of payment the complainant firm affirmed service failure on the bank's end. For this, the forum held that complainant company purchaser as respects the Bank and the demonstration of the Bank comprised insufficiency in administration.

### **Vicarious Liability / Fraud**

On account of Allahabad Bank Vs. Shiv Swaroop Srivastava (2004), respondent affirmed that he had put resources into a settled store a measure of Rs. Thirty-five thousand for a time of one year on 11.11.1992 with the solicitor bank and after development period the candidate had declined to pay the development sum. It was asserted that the respondent was having a due of Rs. 35000. In this way, the respondent said that the due measure of 35000 was paid in real money to the bank's representative because of disappointment in the exchange of cash one record to another. National Commission held Allahabad Bank at risk for the activities of its worker when found was that the representative was submitting fraudulent practices. If found under any conditions that representatives of a bank have provided misrepresentation and a buyer is explicitly influenced; thus, the purchaser is qualified for remuneration from the bank.

### **Locker Facility**

On account of Ratikanta Panda vs Satyananda Sahoo (1997), there were equal inquirers to a locker and its substance. In any case, the bank without implication to the hirer, destitute opened the locker and guarded the material in authority and declined to restore the content to the hirer on the basis that there was an adversary petitioner to the said locker, despite no record to show the locker's allotment to the opponent inquirer. It is therefore, reflecting as the defiance in the service from the bank's end.

The instance of Mahender Singh Siwach v/s Punjab and Sind Bank uncovers to what degree the bank officers can be either careless or submit extortion. Punjab and Sind Bank distributed the bank locker to the Complainant in 1979. Also, that locker was already allotted to any other person and was surrendered before the allotment to the complainant. But, the surrender was not noted in the register of the bank. That person duplicated the key of the locker and took out the material of the complainant. It was held as deficient in the service by the national forum.

### **Loan**

On account of **Chinubhai N. Munshaw and Ors., v. National Bank of India (1997)**, here, the instalments under PF account of the complainants were held by the bank because complainants were the directors of any Mill and they defaulted



the payment of dues. This case was got registered with the forum and found was to be deficient in the service. It was held because the complainants would be considered as trustees if they have PF account with the bank and would stand apart from their role of Directors of Mill.

In the case of - Bank of India and Ors. Vs. Chinmay Barik and Ors, the forum provided the verdict that the refusal by Bank of India to outfit a specific sum as working money to the respondent with no legitimate reason added up to the inadequacy of administration. A complainant to begin an oil handling unit had acquired a term credit from Orissa State Financial Corporation and had got endorsed 'working-capital' limit of Rs. 1,00,000 from the appealing party bank. After some underlying issues undisputedly the bank had discharged Rs. 10,000 as an advance to the complainant on 13.6.1988 which was reimbursed on 3.2.1989 and 12.4.1990. It is the situation of the complainant that his unit wound up debilitated as the authorized 'working-capital-limit' was not discharged according to choice taken in a gathering held in December.

For the situation of Swadesh Polytex Ltd Vs. National Bank of India and Ors. – (2004), the respondents, for the buy of a result of the complainant, opened a binding without an alternative at sight L/C (letter of credit) for the company (complainant). The company, then, provided products; however, instalments were not discharged by the bank on the supplication of specific inconsistencies in records were held that retaining the instalment under the letter of credit by the bank without a noble motivation comprises the inadequacy in the administration.

## **Remedies Available to the Customer**

In the wake of dissecting all the above said cases that all identified are with the money keeping and benefit lack, it very well may be said that there is a considerable need to enhance such administrations as it affects the purchaser holding system. The preeminent thing that the client ought to escape the inadequacy of the administrations is that they ought to get the repayment or discount off the cash that has been lost because of such conditions. It must be conceivable if the specialist organizations will acknowledge their errors; generally, the client ought to do assist exercises, for example, cases and all, to get the discount, which is extremely extensive and time taking and not a simple assignment for the client.

In all the above cases, it tends to be seen that due to the blame of the specialist co-ops, which is a bank, for this situation, the client confronted numerous issues and misfortunes. Such misfortunes can be requested by the clients to address their physical or some other misfortunes.

In such cases, the client should initially get the specialist co-ops mindful of the issues that the client confronted as a result of them. For this situation, the specialist co-ops may address that all misfortunes or topics and something else, the client can thump in the entryways of the courts for equity and the courts more often than not interface the cases to the related demonstrations of the parliaments and give equity to the client.

If the specialist co-ops found any blame in their administrations, they should stop that all exercises, with the goal that the future clients couldn't get any issues or couldn't confront any of similar disparities.

The RBI discharged a Charter of Customer Rights. It cherishes expansive, all-

encompassing standards for insurance of bank clients and articulates the ‘five’ essential privileges of bank clients. The world has progressed significantly since the foundation of the primary banks and insurance agencies. This development in the number of clients has without a doubt, prompted the development of managing an account and protection part. From a couple of client base to a couple of hundred or thousand-odd individuals, banks and insurance agencies currently have a great many clients over the globe. Rights include Right to Transparency, Fair and Honest Dealing, Right to Fair Treatment, Right to Suitability, Right to Grievance Redress and Compensation and Right to Privacy.

The Reserve Bank has additionally exhorted the Banking Codes and Standards Board of India (BCSBI) and the Indian Banks’ Association (IBA) to detail a ‘Demonstrate Customer Rights Policy’ exemplifying the standards revered in the Charter.

- *Right to Fair Treatment:* Right to the treatment of obligingness is with both the specialist co-op and in addition to the money related clients. Likewise, no client ought to be separated on the grounds of age, sexual orientation, standing, religion or physical capacities.
- *Right to Honest, Transparent, and Fair Dealing:* The specialist organization or the service providers must try all endeavors conceivable to ensure that agreements encircled by it are straightforward and are with the end goal that can be seen effectively and legitimately conveyed to the basic man. Cost of the Product, the different dangers related to it, and various conditions which oversee over the current cycle of an item, client obligations must be unveiled. Additionally, the client or the consumers or the customers must not be liable to undue impact, or business rehearses which are uncalled for or treacherous.
- *Right of Suitability:* Necessities of the clients ought to be remembered while offering items (needs based on the budgetary situation of the client).
- *Right to Privacy:* Individual data of the client must be classified except if there is assent or if this data required is according to law. They have insurance directly over anything that encroaches to their security.
- *Right to Grievance Redressal:* The client has a privilege to hold the money related administrations supplier liable for the items advertised. The suppliers of Financial Service must tell the clients about their strategy concerning rights and obligations in the event of such occasions.

Even though this code has a few wells spread out arrangements, the banks pay no notice to these arrangements, wanting to work in a way that best suits their interests (Roongta, 2014).

## Conclusion

Consumer Protection Act can clarify as a typical man’s civil court. The Act is intended to make an accessible modest and brisk solution for Consumers. The object of the demonstration is to secure the buyer from the exploitative and out-of-line exchange practices to give a cheap, effectively open and expedient cure.

Examination of the different decisions of the Consumer Courts uncovers that

they have not exclusively been granting the estimation of the merchandise or administrations for the deformity and inadequacy in administration yet; also, they pay for the psychological desolation and badgering. More up to date and present-day strategies need to execute, unmistakably characterized laws on customer assurance for managing an account and protection ventures should be brought into power. Most importantly, the time taken to determine customer question should be abbreviated significantly. By and large, the time taken to resolve consumer's objection as for managing an account and protection is around two years.

Even though the purpose behind this is the sheer size of the number of inhabitants in the nation, India as a created country must make substantial strides towards alleviating this factor by making more buyer courts, figuring stringent laws and executing more ombudsman plans. Buyer rights mindfulness camps should be led in both rural and urban zones to ensure that most of the populace knows and comprehends its customer rights. The onus lies on the buyer too. The Indian customer should raise his voice and look for the assistance of the law if his buyer rights have been abused. In a nation as substantial and assorted, for example, India, the administration needs to consider that its resident's advantages start things out and business needs come next.

The individual customer can't be permitted to be misused by unremarkable partnerships. At the essential everyday dimension, it is the natives of a nation that drive its economy. Just by understanding this will India advance toward being a nation that secures its buyers every which way and therefore turns into an increasingly supportable country.

The object of this act also to abide the banks to their business ethics which is set before opening the bank and also regulated to following it. Investigation of the different decisions of the Consumer forums uncovers that they have not exclusively been granting the estimation of the merchandise or administrations for the deformity and inadequacy in administration yet additionally the pay for the psychological desolation and badgering. It is seen that in these arguments against the treachery, buyers are in issue against the bank. These traditional legitimate prerequisites usually urge to harm consumers to seek after lawful cures under various laws as anyone might expect, it is evaluated that for about 50 years from 1914 to 1965, just 613 tort cases preceded the redrafting courts.

Nature, ladies, the adolescent and the provincial populaces, all should be obliged in and preparing for an economical, sound and meaningful life for India's 'tomorrow' customers. Procedural effortlessness and expedient and modest redressal of consumer complaints as contained in the Consumer Protection Act are extremely interesting and have few parallels on the planet. Execution of the Act uncovers that the interests of buyers are preferable ensured over ever previously. Notwithstanding, buyer mindfulness through purchaser instruction and activities by the administration, customer activists, and affiliations are required the most to make Consumers assurance development an accomplishment in the nation. Decidedly, TV programs have started to talk about the issues of buying insurance and Consumers' development with a different cell for customer assurance has been framed in the Ministry of Food and Supplies.

Because of this item obligation under the law of torts has been made more Consumers situated as a strict obligation has been bolstered instead of carelessness base obligation in England. It is pertinent to refer to here that the Indian law under C.P. Act 1986 bases the item upon the carelessness of the broker and the

administration supplier. Accordingly, the Indian courts while managing the item risk under the law of torts will either pursue the Common Law standards of carelessness based risk or the strict obligation as propounded for the situation Ryland v. Fletcher and under C.P. Act 1987. The customary lawful prerequisites under the law of torts and contracts constrained the policymakers to create explicit enactment to secure Consumers. Accordingly, the Consumer Protection Act of 1986 sanctioned was with the target of giving “shoddy, straightforward and snappy” equity to Indian customers.

## Recommendation

- Conduct a cautious survey of the Consumer Act to distinguish those arrangements which ought to fittingly apply to directed banks however are not presently secured by different laws explicitly about such banks (for instance, the arrangements managing unjustifiable terms).
- There ought to be a standards-based set of principles for banks that is conceived by all banks or managing an account relationship in an interview with the budgetary, supervisory organization and purchaser affiliations, if conceivable. Observed by a statutory office or a powerful self-administrative organization, this code ought to be formally clung to by all area explicit foundations.
- When proposing to a customer, a bank should accumulate document and record adequate data from the Consumers to empower the bank to render a fitting item or administration to that buyer.

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**Institute of Public Enterprise (IPE)** is a non-profit educational society devoted to Education, Training, Research and Consultancy for business enterprises in the public and private sector.

IPE is a premier B-School and is recognized as a 'Centre of Excellence' by the Indian Council of Social Science Research (ICSSR), Ministry of HRD, Government of India, for doctoral studies. It is also recognized by nine universities for guidance of PhD scholars. It has developed strong links with industry and academic institutions and is the founder member of the Association of Indian Management Schools (AIMS).

IPE strongly believes that HR development including education is crucial for economic growth. As part of its long-term education program, the Institute runs an AICTE-approved PG Diploma in Business Management, which is also recognized as equivalent to MBA by the Association of Indian Universities (AIU). Added to it, the Institute offers MBA in Public

Enterprise for practicing managers in collaboration with Osmania University. With the changing needs of the industry, the Institute also runs sector-specific PGDM programs in Marketing Management, Banking, Insurance and Financial Services, International Business and Human Resource Management. IPE also offers a 15 month Exe-PGDM program for Executives.

The Institute has a strong research wing with a number of research scholars, sponsored by ICSSR and IPE, working on topics of current interest. Its Ph. D program is one of the largest in the social science field. Research, both basic and applied, is the forte of the Institute and helps it in its training and educational activities. IPE's research studies are extensively used by the Committee on Public Undertakings (COPU), other Legislative and Government Committees, the Economic Advisory Council to the Prime Minister, several Ministries of the Government of India, Planning Commission, SCOPE and several Finance & Pay Commissions.

Apart from Journal of Marketing Vistas, IPE also publishes the following six journals:

- The Journal of Institute of Public Enterprise
- Journal of Economic Policy and Research
- Journal of Governance and Public Policy
- Journal of International Economics
- Indian Journal of Corporate Governance
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The Institute of Public Enterprise (IPE) was established in 1964 as an autonomous non-profit society with the objective of furthering studies, research and consultancy in Management Sciences. IPE functions under the aegis of Indian Council of Social Science Research, Ministry of HRD, Govt of India.

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#### FROM DIRECTOR'S DESK



Prof RK Mishra

The management education at IPE provides an opportunity to the PGDM students to access integrated knowledge of practice and theory of management. Born out of our five decade experience in conducting management development programmes, management research, problem-solving consultancies and international publications, students at IPE get connected to the myriad stakeholders. Once placed, they present themselves as the most suitable candidates to understand and serve the needs of organizations resulting in high value addition for the businesses and the society. Management Education at IPE goes beyond aspiring for a career. The management students through the case study based curriculum, continuous interaction with fellow students, access to faculty and availability of top class infrastructure inculcate values and aspirations which drive them with hope and courage to make their lives a pleasant and delightful experience. We impart futuristic vision to prepare our students to meet future challenges.

#### RESEARCH AT IPE

IPE strongly believes in conducting 'usable' and 'meaningful' research and thereby, Research at IPE is primarily devoted to provide inputs to policies and decisions. Research is carried out to enhance the existing body of knowledge in the fields of management and social sciences. Encompassing both institutional and sponsored research, IPE's research thrust is based on priorities indicated by policy makers, end-users and its own faculty. As a 'Centre of Excellence in Research' recognized by the ICSSR, MHRD, Govt, about 200 research projects and consultancy assignments have been successfully completed by the Institute.

IPE's research links exist with a number of national and international universities and agencies including the UNDP, ADB, IDRC and OECD. The Institute publishes six in-house journals apart from the Journal on Corporate Governance published by SAGE\*. IPE's doctoral programmes, under the aegis of ICSSR, has produced so far 75 Ph.D.s. Currently 30 research scholars are working for their PhDs in Social Sciences and Management studies. ICSSR, MHRD, Govt has instituted 10 fellowships for pursuing doctoral work at IPE.

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#### MDPs

IPE has become well known for its quality of Management Development Programmes, workshops, training programs and customized organization-based programmes. IPE offers open programmes, theme based MDPs and faculty specialization oriented training programmes bringing industry, government and organizations closer to the frontiers of knowledge that could add value to their activities. Over the years, IPE has developed infrastructure and facilities suited to impart training and MDPs for the different echelons of executives in the public and private sector enterprises, government, and third sector of economy. IPE so far conducted over 100 MDPs for nearly 2000 IAS / IFS / IPS officers and other government officials, as well as 650 MDPs (including in-company programmes) for over 40,000 practicing managers of the corporate sector. The Institute has also conducted several seminars, conferences and other programmes sponsored by various national and international organizations.

Forthcoming Management Development Programs, Conferences	Dates
Customer Relationship Management - Road to Profitability	Nov 21-22, 2019
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Personal Growth for Workplace Effectiveness	Nov 21-22, 2019
Digital and Social Media Marketing	Dec 5-6, 2019
e-Procurement System	Dec 11 & 13, 2019
Foreign Currency Risk Management and Global Finance	Dec 13-14, 2019
Communication for Managerial Effectiveness	Feb 4-5, 2020
Working Towards Organizational Excellence	Feb 20-21, 2020

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