ISSN 2249-9067

Journal of Marketing Vistas

Volume 7, No 2, July-December 2017

Indexed in:

- UGC List of Journals
- Ebsco Database
- ProQuest

INSTITUTE OF PUBLIC ENTERPRISE

Institute of Public Enterprise

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.

Published by: Satyam N Kandula on behalf of Institute of Public Enterprise

Owned by: Institute of Public Enterprise

Printed by: Satyam N Kandula on behalf of Institute of Public Enterprise

Printed at: Wide Reach Advertising Pvt Ltd, 21, Surya Enclave, Trimulgherry, Hyderabad - 500015

Place of Publication: Institute of Public Enterprise, OU Campus, Hyderabad - 500007

We thank Indian Council of Social Science Research (ICSSR) for financial assistance for publication of the Journal.

Journal of Marketing Vistas

Guidelines for Authors

Journal of Marketing Vistas invites original contribution in the form of state-of-the-art conceptual / empirical papers and case studies on the application of marketing across industry globally.

The following guidelines are to be adhered to while submitting the manuscript.

A paper should contain 3000-5000 words. The desired order of content is: Title, Author(s) / Affiliations, Abstract (200 words), Main Text, Appendices, Acknowledgements, References.

The manuscript should be typed on one side of good quality white bond paper in one-and-a-half spacing, 12 font size, justified and Times New Roman. Acronyms should be spelt out in the first occurrence.

Mathematical terms, symbols and other features that cannot be typed should be inserted neatly into the text by hand in black ink. Tables and illustrations complete with titles, labels and artwork should be placed in the text at the appropriate locations.

Tables / Figures should be numbered 1, 2, 3, etc., and should be referred to in the text. Equations should be numbered sequentially in parentheses by the right margin. Theorems, propositions, corollaries, etc., should be numbered in one sequence, e.g., (1) Proposition, (2) Corollary, (3) Theorem, etc.

Headings should be in three levels only:

- Major headings are flush left, capitalized, and in bold type; Text follows from next line.
- Subheadings are in title case & bold, flush left. Text follows from next line.
- Tertiary headings are in title case, and italicized, Text follows on same line.
- Do not number the headings.

Numbers under ten are spelt out (nine-point scale, five to 10 hours, but 5%). Numbers followed by% are always numerals (5%, 20%). Spell out numbers that begin sentences (Twenty students attended the program).

All manuscripts should have been proofread before submission. Correspondence and proof for correction will be sent to the first name author, unless otherwise indicated. The author(s) will receive page proof for checking, but it is hoped to correct only typesetting errors. Proof should be returned within a week.

The author(s) should also send an 'electronic version' of the paper on CD / e-mail using standard software (preferably MS-Word) to jmt@ipeindia.org and / or meherkaruna@ipeindia.org

The author(s) should send a declaration stating that the paper has neither been published nor under consideration for publication elsewhere.

All correspondence may be addressed to:

The Editor
Journal of Marketing Vistas
Institute of Public Enterprise
OU Campus, Hyderabad - 500007
Email: jmt@ipeindia.org, meherkaruna@ipeindia.org

ISSN 2249-9067

Journal of Marketing Vistas

Volume 7, No 2, July-December 2017

CONTENTS

Institute of Public Enterprise

Editorial

Communication is no more face-to-face, print, broadcast etc. All these are considered as conventional modes of communication with the advent of social media messaging. The present generation is busy online, can be reached only through social media that is made much more easier with the free networking facilities offered, accompanied by the growth of smart phones. The article on, "The Social Media on Top of the Mind", attempts to prove that social media is the means to meet the challenge of keeping the brand name on the top of the mind during all the steps of consumer behavior. Future of any communication for business would be on social media. The second article, "Social Media Marketing: the New Revolution in Business Engagement", emphasizes the importance of the new and growing channel of communication. Importance of strategizing to leverage on social media is discussed in this article.

Food trends are changing drastically, new businesses are emerging in the areas of organic clusters like organic farming, organic restaurants etc. the new generation is becoming more health conscious and careful in choosing right belly fillers. A case study on the market for organic foods is presented in this issue. A detailed study on who, why, what, when and how are taken up. In spite of the ambiguity over the organic farming, most of the middle class, middle aged, households are fascinating towards organic products. Observations mentioned in the case are useful for designing marketing strategies.

The country is becoming a land of scandals for not only the indigenous companies, attracting the foreign companies also. Volkswagen, a German car manufacturer, admitted that they lost the trust and confidence of the consumers, without which no company can survive in the market. It is easy to position something to gain advantage, but it will be a ghost challenge when it comes to repositioning. Now, Volkswagen is in the trauma of repositioning.

VUCA is becoming the norm of the market in which fashionable and luxury products are launched to meet the requirements of the ever changing internet customers. How a marketer can expect a sustainable behavior? Is a million dollar question, getting multiple answers with ambiguity. "Luxury Fashion goods with Sustainable Consumption Behavior" is trying to bring clarity on expecting sustainable behavior when consumers are chasing after fashionable products.

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, and some of such papers are much more impressive than the empirical research.

Dr. M. Meher Karuna
Managing Editor

JMV Journal of Marketing Vistas
ISSN 2249-9067 Volume 7, No 2, July-December 2017 pp. 1-28

Social Media at the Top of Mind

Rajeshwari Panigrahi[1] **Vemula Rajesh**[2]

Abstract

Social media is gaining momentum with the advent and reach of internet through different instruments. In the mid-2000s the computer savvy population was only having access to internet and thus social media. The situation tremendously changed because of the advent of technology and smart phones which are available at a price as low as Rs 5000. This growing market is increasingly using internet and also social media, as per the latest data available this smart phones market overwhelmingly growing by 90% with these low budget phones flooding into the market .The providers have stated that their quarterly profits have increased by approximately 6% due to increase in data usage (Smart Phones drive Bharti Airtel Profit Mint Feb 5, 2015 Vol 9). In this scenario it is quite evident that there is a upsurge in the use of internet and also indicates the increase in use of social media. This trend gives a scope to the marketer to think positively about using social media as a marketing tool especially communicating tool. This research is an attempt to identify the influence of social media on purchase decision through primary data from the respondents and understand the effectiveness of social media and its feasibility as a marketing and communication tool.

Keywords

Consumer Behavior, Social Media and Purchase Decision, Role of Social Media in Purchase Decision

Introduction

Research Problem

Social Media is increasingly being used by the modern marketers as a marketing tool. The marketer expects better results for the money spent and better control on the expenditure which makes this media more effective than the traditional audio visual medium viz., Television. The growth in the user base and

1 Associate Professor, GITAM Institute of Management, GITAM University and can be reached at: rajeshwari.panigrahi@gmail.com

2 Assistant Professor, GVP, Visakhapatnam and can be reached at: raz5020@gmail.com

quality time spent by the user on attracts Marketer to use this an alternative medium to reach the consumer who are largely urban, Educated and internet savvy Population. This study focuses on analyzing the perception of consumers about effectiveness of this medium as a marketing tool.

An immense transformation of Media landscape year marks this decade. (Mangold and Faulds, 2009).The number of internet users in India is likely to reach 402 million by December which is a 49% Jump over the last year. This increase of internet users will make India home to the largest online user base after China. India has the third largest internet user base in the world after china and the USA and by December this number is expected to overtake USA. (IAMAI, IMRB Report published in Mint). Availability of new and better technology has changed the way people use this media. Internet has moved beyond the mode of communication and is now currently being used for marketing and selling.

The communication system has moved from Telephones to Cellular phones and the latest being communication using data which is now used for messaging and calling. These systems have changed the meaning of communicated and Social media in the process has moved away from just socializing to medium of communication with the advent of technology in the form of smart phones Tablets and Aps. Social Media which comprises of social network or micro blogs are found to be increasingly replacing traditional media in reaching out to the consumer and marketers see a huge opportunity in using this media effectively for marketing communication.

Social media has positioned itself as an important medium to communicate with friends and acquaintances. (Halliday and Vrusias, 2011, Harrigan, 2011). Reach of social Media is clearly evident from the fact that, millions of fans have declared their love for Coca cola on Facebook in 2014 A mutant spider dog is termed to be most popular video,thousands of consumers came together and created new ideas through the platform given by My Star Bucks idea.Com Levis experienced and increase in its brand recall by Instagram advertisements.

Social media is increasingly used as a source of information and there is a rising trends of consumer to become fans of brands and products on social media which led to an assumption that social media is accelerating its role with the development of technology and overtaking traditional techniques of marketing and communication.

There is a significant increase in ad-spent on social Media, which stood at US $ 89 million accounting for 13.7% of online advertising. During the year 2009-2013 social media advertising in the country increased at a CAGR of 85% which expected to continue in the subsequent year i.e., 2014 with brands expected to spend US$ 132 million representing an elevation of 48.9%. Socintel's forecast for the period 2014-2018 presents the social media ad spend to grow at CAGR 35.4% and reach US$444 million in 2018 accounting for 21.7% of the online advertising spend. Dominancy of Relationship Marketing is clearly evident from the leap rise in the use of social media in marketing paradigm (Dimitriadis and Papista, 2010).

Conceptualizing the importance these relationships have gained momentum over the period of time (Veloutsou, 2007). Social Media is an important component for Marketing and brand building exercise as firms are increasingly using it for its rapid penetration into the society. its use (Gallaugher and Ransbotham, 2010 Kaplan and Haenlein (2010) on the other hand portray a very contradictory picture stating that only small firms feel comfortable in the new environment of using social media for brand building and there was also an initial evidence of social media being used largely by B2C companies and also word of mouth progressing contributing to brand building and creating awareness and also contributing to increase in sales revenue and return on investment

(Kumar and Mirchandani, 2012, Godes and Mayzlin, 2009) Which means that the use of social media is largely confined to its use to B2C companies and small firms making it unsuitable for B2B companies? The reason for such findings is an outcome of its reach directly to the end consumer.

Generating effective interactions between brand and consumer with consumer engagement and its relationship with increased sales and profits, customer satisfaction and overall competitiveness as noted by some of the researchers of marketing (Neff, Voyles 2007, Kumar *et. al.,* 2010, Sedley, 2008) Researchers in the past have proved the importance of retaining sustaining and nurturing customers (Doorn *et. al.,* 2010) thus, social media viz., Facebook, Twitter, LinkedIn and other such platforms have become integral elements of companies and brands seeking to develop and nurture the relationships with consumers further confirming the importance of interaction mentioned in such studies (Neff, Voyles 2007 and Challagala 2009).

Consumers get a platform to disseminate personal evaluation of products through internet and social networks online. (Chen *et. al.,* 2011). Face book alone has over one billion registered users with more than 60 percent of them using it every day. An average user on Face book is connected to about 80 communities and is estimated to have about 130 friends (www.facebook.com). In marketing of services WOM has been given importance due its complex nature, higher perceived risk and heterogeneity compared to products which are tangible. (Sweeney *et. al.,* 2012, Bansal and Voyer 2000). To understand the strategies that actually influence popularity of word of mouth or online interaction among consumers is given little attention which further broadens the horizon of WOM marketing within electronic environments (Godes and Mayzlin, 2009, Libai *et. al.,* 2010 Lindgreen *et. al.,* 2013).

Objectives of the Study

- Understanding the Importance of Social Media on consumer purchase decision.
- Examining the Impact of Demographic variables on the usage of internet and social media.
- Understanding the scope of possible use of social media for marketing purposes.

Methodology

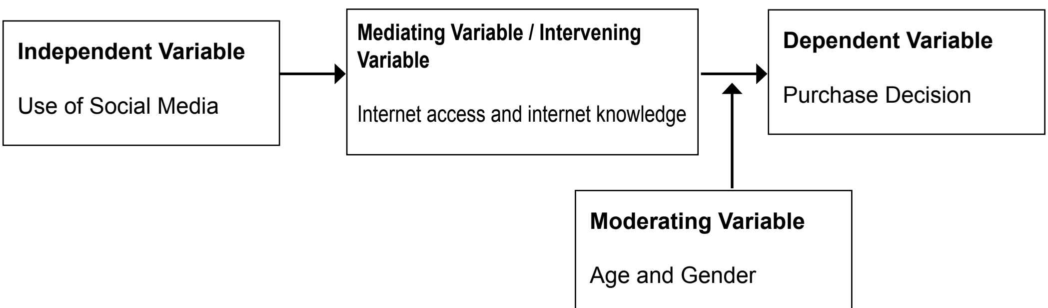
This study is an analytical research depends on the primary data collected by using a pre-tested structured questionnaire. Deliberate sampling technique is used and respondents who are internet and technology savvy are being sampled. The population is vast and scattered thus; data is collected from 300 respondents who meet the criteria of sampling. Care is taken to ensure that the sample is representative despite a non-probability sampling technique being used through responses from a demography comprising of people from different profession age gender and a mixture of other elements to eliminate sampling error.

Excel is used for simplifying the data and statistical calculations. Basic Likert scale analysis is being used for summarizing and understanding the response given and Chi-Square is used for hypotheses testing.

Process of summarizing the data with Likert scale and Ranks

- Respondents are asked to give Rank 1 for the first preference and the last possible rank for the least Preference. These ranks are given corresponding weights. Rank one is the option given for most preferred response option thus it's given the highest weight and higher rank is given to the least preferred option so it that would be given the least weight. Rank 1 is given the highest weight and rank 7 is given the least weight.
- These weights are than multiplied by the No of responses (RXW)
- These RXW scores are than added to summarize and are added (∑ RXW)
- The highest total (∑ RXW) is most preferred option
- Likert scale value in percent = (∑ RXW) / Total Frequency X Highest Possible scale Value (4)X100
- Than highest response and the order there in is considered for understanding the respondents over all response to a particular dimension
- Ranks are given to Likert scale Percentage

Theoretical Framework



Source: Authors review of the literature outcome

Theoretical framework presents a picture of the variables used in the study. The independent variable in the study is social media and the Use of social Media which largely depends on the access to internet and the internet using ability of the person.

Review of the literature

In the study *"Are social media replacing traditional media in terms of brand equity creation?"* Published in the Journal of Management Research Review *(2012)* Authors Bruhn. M *et. al.,* Found that communication both traditional and modern which included social media has impact on brand equity.

A mixed-method approach to examining brand-consumer interactions driven by social media study by Andrew Rohm and Velitchka D Kaltcheva published in Journal of Research in interactive (2013) suggest that brand-consumer interactions driven by social media can be characterized by five primary motivations or themes: entertainment, brand engagement (specifically identification with or connection to the brand), timeliness of information and service responses, product information, and incentives and promotions. The authors also identify relationships among these themes related to respondents' age, gender, and social media use

In a research study *Spreading the word through likes on Facebook Evaluating the message strategy effectiveness of Fortune 500 companies* Kunal Swani and George Milne published in Journal of Research in Interactive Marketing (2013) found that most of the face book B2B account posts are effective if they include brand names and avoid hardsell and explicitly commercial statements. Results in their study also suggest that emotional and sentimental posts on FB are effective social media strategy and service marketers.

Customer satisfaction in Web 2.0 and information technology development by Gajendra Sharma and Li Baoku published in Information Technology & People(2013) found that IT development is a inseparable part of web 2 which enables to understand customer satisfaction and their perception on line technology. Customer satisfaction and IT development has positive influence on consumer's service enjoyment and experience.

Places going viral: Twitter usage patterns in destination marketing and place branding is a comparative study of five twitter accounts belonging to five destination marketing projects. This research by EfeSevin published in Journal of Place management and development (2013) found that destination marketing projects tend to use twitter predominantly to share events viz., festivals concerts and fairs confining to their jurisdictions with their followers.

Author Krista Ann Voss in a study *the value of social media: are universities successfully engaging their audience?* (Journal of Applied Research in Higher Education 2013) Made an attempt to find how American universities are engaging their Audience via social media platforms found that engagement was lacking when the presence of social media was high.

Social network activity and contributing to an online review site by Ronald E. Goldsmith published in Journal of Research in Interactive Marketing (2013) made an attempt to test the relationship between prior social media activity and the review posting patterns reported that demographics has very little relationship with the review posting patterns in the new websites and prior active social media use.

In a research study *Social media's slippery slope: challenges opportunities and future research directions* Published in "Journal of Research in Interactive Marketing (2013)" Don E. Schultz found that majority of social media marketing initiatives take the form of communicating sales promotions to already engaged consumers.

A study "*adoption of social media Marketing in South African banks* by Sarah Tsitsi Chikandiwa published in European Business Review (2013) examined the level of social media in South Africa and found Social media at very infant level in South African Banks and also explored that out of all the available social media options Facebook and twitter are the main tools used by bank for reactive customer service and advertising.

Optimal ways for companies to use Facebook as a marketing channel most users who have an opinion on the issue accept marketing on Facebook, but only in the right amount. There are basically two groups: those who think that companies have no place on Facebook and those who want companies to be active on Facebook. The latter group emphasizes the importance of meaningful posts without unsolicited sales messages, and would prefer to search for the companies themselves rather than being bombarded by company messages. By far, status updates and pictures/images were found to be the most important functions to respondents

A study *"Optimal ways for companies to use Facebook as a marketing channel" by*, Linnea Hansson and Anton Wrangmo, Published in the Journal of Information, Communication and Ethics in Society (2013) presented their findings on the optimal way Facebook can be used as a marketing channel. The authors stated that Facebook should be only used in right amount which means neither too low not too high for any impact on the consumers and it should have only meaningful posts without unsolicited sales messages.

"Brand Strategies in Social Media" Published in "Marketing Intelligence and Planning" (2014) a paper by Georgios Tsimonis & Sergios Dimitriadis found that social media is being popularly used by the firms to create competitions and giving prizes, announcing new products and services, interaction with the customers and handling service issues.

Jeff Mc Carty *et. al.,* in their paper *"Managing brand presence through social media: the case of UK football clubs"* published in Internet Research (2014) found that social media strategies has potential to create interaction and engagement, Community growth & belonging resulting in enhanced traffic flow to social networking websites and commercial gain. The authors shared two concerns in developing social media strategies the first one being the control of brand presence and image in social media the second being appropriate strategies to deliver short term revenue and those building long term brand loyalty.

The studies reviewed largely focus on social media as a communication strategy and usage of them by organizations. The studies by and large focused on the role of social media in marketing communication and branding strategies.

The current study explores a lot more by analyzing the Impact of social media on the purchase decision process and the post purchase impact. This paper is an attempt to explore the various behavioral dimension of consumer Vis-a-Vis the use of social media.

Majority of the literature dates back to 2012 which shows this media is a recent development and it's obvious that there is a lot more to do in this area.

Data Analysis

The data is collected for 300 respondents are internet users and 293 (98%) of them as shown in Table-1 opined that they use internet frequently.

Table-1: Number of Respondents Who use Internet

Response Options	Total number of respondents	Percentage
Yes	293	98
No	7	02
Grand Total	300	100

Knowledge of using Internet was kept as a criterion for sampling assuming those who use internet are likely to use and are mostly found active on social media. For further data analysis response from 293 respondents who are internet literate is only considered. Thus, for next part of the study the responses from 293 respondents are only taken into consideration and the non-internet users are dropped.

Table-2: Duration of Average Daily Use of Internet

Classification	Duration of Internet	Percentage
Less than 1 hr	72	24.6
1 to 2 hrs	83	28.4
2 to 3 hrs	48	16.38
3 to 4 hrs	25	8.53
More than 4 hrs	65	22.18
Grand total	293	100

Table-2 shows Average Daily use of internet in Hours and shows that 83(28%) of the respondents opined that they use internet for an Average of 1 to 2 hrs in a day followed by 72 (24.6%) said they use internet for less than 1 hour a day. Sixty five (22.18%) said they use for an average of more than 4 hrs. 48(16.38%) respondents opined that they use internet for 2 to 3 years and the least 25 (8.53%).

Table-3: Technique to use Internet

Response Options	Responses	Percentages
Mobile Phones	051	17.5
Computer or Laptop	047	16
Both	195	66.5
Total	293	100

Internet plays a very important role as a medium of communication The frequency and access to internet depends on the technique of its use and about 66% respondents stated that they access internet using both laptop and mobile phone. The technique of accessing internet is important for the study because smart phone is a very easy to access device for using social media and also the advertisements therein. Thus, it is evident from the response given by the respondents that smart phones increase the usability of social media. Majority of these social media websites have Apps making use of these websites more convenient thus enhancing the frequency of use.

Table-4: Cross Tabulation of the Technique to Access Internet and Frequency of Accessing Internet

Scale Value	Both Desktop/ Laptop and Mobile	Computer/ Laptop	Mobile
Very Frequently	76(38.97)	15(31.91)	10(19.23)
Frequently	85(43.59)	20(42.55)	11(21.15)
Occasionally	17(8.7)	04(8.51)	7(13.46)
Sometimes	17(8.7)	08(17.02)	21(40.38)
Never	-	-	03(5.77)
Total	195(100)	47(100)	52(100)

Note-Figures in the brackets indicate percentage.

Table-4 presents the data pertaining to mode of accessing internet. The largest number of users i.e. 66.55% opined that they have access to internet through both Cellular Phones and laptop / Desktop followed by 52(17.75%) access internet through Mobile phones and 47(16%) access using only laptop.

Data in the table shows that out of 195 (66.55%) of the respondents having access through multiple devices on a frequency scaling 38.97% use internet *very frequently* and 43.59% use *frequently* which shows that access to multiple devices enhances the availability of internet and also use of internet. Mobile Phone is found to be the most popular device when it comes to those respondents who have one access to only one device. 52 Respondents of 293 opined to be accessing internet through mobile and closely followed by 47 (16.04%) respondents opined that they access through laptop / Desktop.

Table-5: Cross Tabulation of the Availability of Access to the Instrument Vis-a-Vis Frequency of Access to Social Media

Response Options	Both Computer / Laptop and Mobile	Computer / Laptop	Mobile
Very Frequently	49 (25)	04	08
Frequently	91 (47)	23	13
Occasionally	29	08	06
Sometimes	25	10	20
Never	1	2	4
Total	195	47	51

Table 4 and 5 Shows that the respondents having access to more than one device are the largest users of internet as well as the social networking websites. 195 respondents out of a total of 293 responded to be having access to social media through smart phone as well as laptop/Computer 49(25%) on a frequency scale said they use social media *very frequently* and 91(47%) said they use social media *frequently* together 72% are frequent users of social media. This Information can be summarized as multiple devices providing ease of access to internet increases the use of social networking websites.

Table-6 presents the respondents preferred source of information. Internet is an important source of information in this era and social media is just one of the mediums of information. The others are blogs. Websites newspapers or other print media, emails friends peers etc. respondents opined that they prefer Google to search for the required information. Thus, Google is found to be the most preferred media with 1187 total weighted score followed by newspaper with 1126 weighted average score which is a close follower of Google. Third in the order are company websites and the fourth being

Table-6: Source of Information the Respondents Look Before Making a Purchase Decision

	Source of (Ranks) → information respondents look for while making a purchase decision	1	2	3	4	5	6	7	Total
	Corresponding Weights	7	6	5	4	3	2	1	
1	Companies Website	77	27	18	37	40	12	11	222
	*R*W*	*539*	*162*	*90*	*148*	*120*	*24*	*11*	*1094-III*
2	Newspapers	64	44	36	31	22	19	06	222
	*R*W*	*448*	*264*	*180*	*124*	*66*	*38*	*6*	*1126-II*
3	Send a Mail to the company	02	08	17	22	39	69	39	196
	*R*W*	*14*	*48*	*85*	*88*	*117*	*138*	*39*	*529-VI*
4	Blogs and Forums	09	18	14	12	16	40	93	202
	*R*W*	*63*	*108*	*70*	*48*	*48*	*80*	*93*	*510-VII*
5	Search for Information on google	83	27	48	22	23	16	15	234
	*R*W*	*581*	*162*	*240*	*88*	*69*	*32*	*15*	1187-*I*
6	Social Networking websites	14	43	31	50	30	28	09	205
	*R*W*	*98*	*258*	*155*	*200*	*90*	*56*	*9*	*866-V*
7	Friends and Peers	38	59	46	26	25	07	18	219
	*R*W*	*266*	*354*	*230*	*104*	*75*	*14*	*18*	*1061-IV*

Table-7: Motivational Factors for Purchase Decision

	Factors Influencing Purchase Decision Ranks	1	2	3	4	5	Total	
	Corresponding Weights	*5*	*4*	*3*	*2*	*1*		
1	Advertisement was interesting	83	53	42	47	32	257	
	Response X Weight	415	212	126	94	32		879-I
2	Curious about product	51	50	57	55	34	247	
	Response X Weight	255	200	171	110	34		770-III
3	Wanted to imitate actors in the advertisement	23	47	46	45	88	249	
	Response X Weight	115	188	138	90	88		619-V
4	Familiar product / brand	72	52	54	44	30	252	
	Response X Weight	360	208	162	88	30		848-II
5	Already Planned to purchase that product but not decided on brand	54	44	45	51	57	251	
	Response X Weight	270	176	135	102	57		740-IV

friends and peers social networking websites hold sixth position in order of preference. Data in table 6 clearly shows that social media is not considered as an important source of information by the respondents in fact it's quite surprising to know that newspapers are a more preferred source of information. It's also proved from the data that respondents do not like to write emails to the company to get information about the product and also do not consider the information on blogs and forums. Depending on the search Engines for information is a great change which shows the penetration of technology into the minds of consumers in this era.

Table-7 presents the overall response on the factors that influence a respondent's purchase decision and it was found that the quality of advertisement influences their purchase decision with the highest i.e., (879) weighted response followed by the brand name and the familiarity of the product 848 weighted score. The third option given is the curiosity about the product which gets the third highest weighted score 770.

Respondents opinion is a clear indication of the importance of communication on purchase decision. The first one (Interesting Advertisement) and the second one (Familiarity of the Brand and product) both are the outcomes of communication. This outcome shows that an effective marketing communication is very important to influence the purchase decision of the consumer.

Impact of Social Media an Initial Diagnostic Approach

This paper presents two dimensions of study one is the initial diagnostic approach intended to determine the impact of social media on the consumers and the advanced analysis intending to measure the extent to such impact.

Table-8: Number of Respondents Who Pay Attention on Ads in Social Networking Page

Response Options	Total Number of Respondents	Percentage
No	90	30.71
Yes	203	68.28
Grand Total	293	100

The initial analysis of data (Table-8) on dichotomy scale shows that about 203(68%) of the respondents opined in affirmation that they pay attention to the ads on social networking page and only 30% of the respondents negated to the above statement. It is evident from the response that the advertisement on the social networking page does not go unnoticed.

Table-9: Respondent's Opinion on their Intention to Purchase the Products Advertised on Social Media

Response Options	Total Number of Respondents	Percentage
No	103	35.13
Yes	190	64.85
Grand Total	293	100

Respondents responded in affirmation intending to buy the products advertised on social media data presented in Table 9 shows that 64.85% and only 35% respondents denied to make a purchase of the products advertised on social media.

Response provided in Table-10 is opinion of the respondents about sharing the brands on social media to friends and peers. The responses provide a very clear indication that respondents would prefer suggesting the brands they see on social media websites to their friends and peers with an overwhelming 77% responding in affirmation and only 69(23%) responded against this statement.

Table-10: Suggest Brands which Appear on Websites to their Friends and Peers

Response Options	Total Number of Respondents	Percentage
No	69	23
Yes	224	77
Grand Total	293	100

Data in tables 8, 9 and 10 is the summary of the responses indicating the impact of social media. Respondents opined that not only pay attention to the ads on the social networking but also intend to buy the product which are advertised on social media and also would recommend them to their friends and peers which speak of a clear cut positive impact of social media on purchase decision.

Thus, the organizations intending to use social media for marketing communication should be careful about using it to target the right segment and right product as only 60% of the respondents opined that they pay attention to ads on social media.

Table-11: Respondent's Opinion on the Effectiveness of Advertisement on Social Media

Response Options	Total Number of Respondents	Percentage
Effective	114	38.9
Highly effective	31	10.47
Less effective	44	22.80
Not at all effective	14	4.778
Not sure	90	30.72
Grand Total	293	100

An opinion on effectiveness of the advertisement on social media (Table-11) Shows that a total of about 49% respondents responded in affirmation about effectives of advertisement through social Media. 38.9% of the respondents stating it to be effective and 10.47% stating highly effective and 30% stated that they are not sure about the effectiveness of advertisements on social media. This indicates that respondents are by and large positive about the effectiveness of advertisements of social media with only 49% of the respondents stating the ads and information on the social media to be ineffective with varied degrees.

The data presented in tables 8, 9, 10 and 11 can be consolidated as an overall favorable response from the respondents about the Product information shared on social media. Respondents in clear majority have stated that they not only pay attention to the product information on social media but also would consider such information while they purchase such products and also find the advertisements on social media very effective. Respondents also stated that they would share this information with friends and peers which is a clear indication of the confidence respondents have on the product information shared on social media.

Table-12: Products Purchased Based on Ads in Social Media

Category of Product Purchase	Number Respondents	Percentage
Apparels and footwear	57	28.36
Consumer durables	27	13.43
Electronics and electricals	91	45.27
FMCG	15	7.46
Kids requirement	13	6.40
Grand Total	203	100

Data presented in (Table-12) provides five categories of products intending to identify the kinds of products that usually draw attention on social media and it was found that 45.27% respondents bought electronics and electrical goods getting influenced by ads on social media followed by 28.36 stated to have bought Apparels. A very small group of buyers purchase Consumers Durables, FMCG and Kids requirement. The data can be summed up as Electronics, Electrical and Apparels are the category of the products which tend to have attracted customer's attention on social media. Kid's requirement FMCG and Consumer Durables are the products which could not attract much attention with only 7.46% respondents for FMCG 6.40% and 13.43% respondents to have opined in favor of buying Kids requirement and Consumer Durables respectively.

It is quite evident from the data that shopping goods are preferred to be purchased by the consumers considering information shared and ads on social media. The respondents denied purchasing consumers durables probably because of the usual mindset of consumers not to take risks when the amount spend is more and verify the quality physically and make purchase. Their responses given by the respondents portray that only the information on "Shopping goods" shared or advertised on social media are being considered.

From the respondents opinion presented in table 6, 7, 8 & 9 it's evident that they pay attention to ads on social media and also find those interesting. They also opined that they do consider the information shared through these sites when it comes to purchase decision and share them with their friends and peers. This opinion of the respondents shows a positive sign of social media taking over the traditional media in future.

Data Analysis Intending to Study the Impact of Social Media on Purchase Decision

The initial data analysis clearly shows that the respondents are quite regular on social networking and they are also watchful of the products and information on products shared on those websites. Respondents also gave a positive response towards sharing the information shared on social networking sites with their friends and peers. The second

Table-13: Respondent's Opinion on Purpose of Using Internet

Ranks	1	2	3	4	5	6	7	Total
Corresponding weight	***7***	***6***	***5***	***4***	***3***	***2***	***1***	
Response Options								
Email(R)	119	57	24	29	24	12	14	
*R*W*	*833*	*342*	*120*	*116*	*72*	*24*	*14*	*1521-II*
Social Networking Sites (R)	108	79	28	36	24	38	09	
*R*W*	*756*	*474*	*140*	*144*	*72*	*76*	*9*	*1671-I*
Gaming (R)	09	28	39	31	41	39	66	
*R*W*	*63*	*168*	*195*	*124*	*123*	*78*	*66*	*817*
Music (R)	21	36	58	50	42	34	09	
*R*W*	*147*	*216*	*290*	*200*	*126*	*68*	*9*	*1056-III*
Shopping (R)	10	24	40	51	60	44	19	
*R*W*	*70*	*144*	*200*	*204*	*180*	*88*	*19*	*905*
News (R)	20	38	42	46	44	49	54	
*R*W*	*140*	*228*	*210*	*184*	*132*	*98*	*54*	*1046*
Entertainment (R)	7	9	19	21	25	54	110	
*R*W*	*49*	*54*	*95*	*84*	*75*	*108*	*110*	*575*

dimension of the study is to identify the extent of such impact and as the study focuses on the role of social media on consumer purchase decision. The purpose for which internet is used is important to understand the mode of web advertisement that would largely grab customer's attention. The data presented in Table-13 shows the purpose of internet use and Likert scale value analysis is used to summarize the data and draw necessary inferences.

The purpose for which internet is used plays an important role in understanding the impact of social media. Table-13 shows the preferred use on internet and the options given to the respondents are Email, Social networking, Gaming, Music, Shopping, News and Entertainment.

The Likert scale analysis done with the response shows that the response goes in favor of internet being used for Social Networking with a total weight of 1671 is the highest response in favor of Social networking sites, Followed by Email being the second with a total weight of 1521 and with 1056 total weight music stands third in the order. It's quite evident from the response presented in Table-13 that out of all the purposes of using internet social networking is the most preferred use. Social networking sites being very popular among the respondents and an important reason for using internet increases its scope in reaching out to a large number of users through various information and messages. The information on these sites would definitely reach the customers and the impact of these sites would enhance the usability of such sites for marketing purposes.

The data presented in Table-14 shows the purpose of using social networking sites as opined by the respondents. Largest with

Table-14: Purpose of Use of Social Networking

Ranks	**1**	**2**	**3**	**4**	**5**	**6**	**Total R*W**
Corresponding Weights	***6***	***5***	***4***	***3***	***2***	***1***	
Chat	94	72	45	18	09	13	
*R*W*	*564*	*360*	*135*	*72*	*18*	*13*	*1162-II*
Updates	119	86	25	18	15	04	
*R*W*	*714*	*430*	*100*	*54*	*30*	*4*	*1332-I*
Job Opportunities	72	27	31	52	37	37	
*R*W*	*432*	*135*	*124*	*156*	*74*	*37*	*958_III*
Product Feed Back	15	17	41	57	68	48	
*R*W*	*90*	*85*	*164*	*171*	*136*	*48*	*694*
Gaming	10	19	33	61	62	56	
*R*W*	*60*	*95*	*132*	*183*	*124*	*56*	*650*
Music	11	22	47	58	57	48	
*R*W*	*66*	*110*	*188*	*174*	*114*	*48*	*700*

a weighted score of (1332) Respondents opined that they just check updates on these sites followed by respondent's preference of for using these social networking sites for chatting with 1162 weights score. Some social networking sites like "linkedin" are also used for searching and employment and slowly becoming popular thus the obvious that the third position goes to using these websites of searching job opportunities with the third highest with (958) weighted score. Use of Social networking sites for Product Feedback Gaming and Music is given the last preference in the order. Thus, it can be summarized that checking updates from friends Chatting and Job Search is the respondent's order of preference.

The data presented in Table 13 & 14 bring to the foray two important factors one is the use of internet for Social media purposes which is given the highest weight-age by the respondents and the other one is the use social media largely used for sharing information in the form of updates which got the highest weight age from the respondents. This information provides an insight to the marketers about the right approach to use the social media for marketing purpose.

Table-15 portrays bird's eye view of the respondent's opinion about use of internet and social Media and considering the information therein, for making purchase decision. The data clearly shows that the largest i.e. about 41 percent of the respondents use internet frequently determining the growing demand for internet. India is a country which had a large scope for use of this technology with the ever growing demand.

In the year 2009 there were 60 million internet users and in 2015 it has increased to 260 million and the forecast for 2018 shows the user base might go up to 580 million (Source: BCG Analysis) which is almost a 45% growth in a span of three years.

A whopping 46% of the respondents stating

Table-15: Response Options on the Frequency of Using Internet and Social Media and Consideration of the Information there in for Purchase Decision

Response Statements	Very Frequently	Frequently	Occasionally	Sometimes	Never	Total
Frequency of using internet	116 (39.59)	02 (0.68)	28 (9.5)	147 (50)	0	293 (100)
Frequency of use of Social networking websites	127 (43.34)	07 (2.38)	43 (14.68)	55 (18.77)	61 (20.8)	293 (100)
Frequency of Paying attention for ads	61 (20.8)	22 (7.51)	62 (21.16)	49 (25.39)	99 (33.78)	293 (100)
Frequency of considering the information on social media websites	82 (27.99)	22 (7.5)	78 (26.62)	80 (27.30)	31 (10.58)	293 (100)

*(Figures in the Parentheses indicate Scores * Frequency)*

that they largely use internet for socializing out of which only 27% respondents opine that they frequently pay attention to the ads and only 34% respondents frequently consider the information on social networking sites for purchase decision.

Data in Table-15 shows a minor contradiction of the data presented in the table 1 to 5. The earlier presented data shows that respondents use internet largely for socializing and pay attention to advertisement as well and consider them for purchase decision.

Data in Table-15 shows the frequency of using the information on social networking sites and considering them while making purchase decision. The data shows that 43 % of the respondents use SNS (social networking sites)very frequently and about 2% use it frequently. 20% respondents opined that they very frequently pay attention to advertisements and 7.5 opined that they frequently pay attention to ads which in total is only 27%.

It's evident from the data with clear majority of respondents stating in favor of using internet for socializing and there is a significant increase in the use and impact of social networking sites on consumer purchase decision. Respondents also stated that they use internet for socializing and also pay attention to ads there in on the contrary the respondents also stated that frequency of paying attention is negligible with only 2% stating that they pay attention very frequently.

The internet and social networking websites cannot be considered as the best option for reaching out because even today there is a large population (70%) in India do not have access to technology and are not conversant with social media. Users of this media opined that the frequency of considering the information on social media is quite insignificant as only 28% say that they consider this information frequently in purchase decision.

The data in Table-15 clearly depicts that out of those respondents who tend to use internet and social media relatively smaller group pays attention to the advertisements there in, and those who pay attention to such advertisements stated that the frequency is less. The respondents also stated that they consider such information while making purchase decision but the frequency of such consideration is less.

Thus, it can be concluded that though the respondents pay attention and consider the information on social networking sites the frequency for such consideration is very less which is very interesting when seen from the marketers' perspective.

This part of the study is intended to delve into the impact of age and gender on

- Use of internet
- Use of social media Sites
- Pay attention to the advertisements on the social media websites.
- Consider the information on the social media sites in the form of sharing and advertisements in the purchase decision.

Steps to Analyse the Data

- Numerical scale values are given as per the table below
- Frequency is multiplied by scale value (Frequency X Scale Value)
- Total Scale Points = 4 X Total frequency
- Scale Value percentage is Derived by = frequency X Scale Value / Total Scale Points X 100

Scale Points	Numerical Values for the Points
Very Frequently	4
Frequently	3
Occasionally	2
Sometimes	1
Never	0

Table-16 shows Age wise classification and Table-17 shows Gender wise classification of the frequency of internet users. 35.76% of the respondents belong to the age group Less than twenty 33.10% belong to the age group 20 to 40 and 20.14% respondents belong to the age group above 40.

Data presented in table 16 presents the cross tabulated data of age and frequency of use of internet and intends to identify the age group which is the most frequent user of internet. It's quite evident from data that the age group

Table-16: Scale Value Analysis of Age Vis-A-Vis Frequency of Using Internet

Response Options	Scale Value	Less Than 20 (f)	F x Scale Values	20 to 40	F x Scale Values	Greater Than 40	F x Scale Values
Very Frequently	4	58(42)	232	26(26.80)	104	17(28.80)	68
Frequently	3	62 (45.25)	186	33(34.02)	99	21(35.59)	63
Occasionally	2	6(4.38)	12	12(12.37)	24	10(16.95)	20
Sometimes	1	11(8)	11	26(26.80)	26	11(18.64)	11
Never	0	0	0	0	0	0	0
Total Σ(Frequency X Scale)			441		253		162
Scale value Percentage		80.47%-I		65-III		68%-II	

Figures in the bracket indicate percentage

Table-17: Scale Value Analysis of Gender Vis-A-Vis Frequency of Using Internet

Response Options	Scale Value SV	Male (F)	SVXF	Female (F)	SVX F
Very Frequently	4	57	228	44	176
Frequently	3	78	234	38	114
Occasionally	2	13	26	15	30
Sometimes	1	36	36	10	10
Never	0	2	0	0	0
Total		***186***	***524***	***107***	***330***
MEAN		***524/186=2.81***		***330/107=3.08***	
Scale Value percentage		***79.2***		***77.10***	

"Less Than 20" is the most frequent user of internet with 80.47 Scale Value Percentage followed by the age group above 40 with 68% scale value percentage and the last in the order is the age group 20 to 40 which is the middle age group.

The data shows that internet is used across all age groups and is also very popular. The use of internet shows a growing trend in this country across all generations and it's quite evident from the data that Internet will play a lead role in marketing communication. Audio Visual Appeal and interactive nature of this media is making it quite popular in this era.

The access to information on internet is becoming easier with falling cost of this service and penetration of smart phones across all segments. Technology boom and Falling cost make people use more of it which are noticeable from the data. In a nutshell, it can be stated that there is an increasing scope of using internet for marketing purposes and information sharing the consideration of such information though not very significant now may take various dimensions in future .Word of mouth which is very important source of information even today will change it to a digital form where the information with friends and peers can be shared across globe using technology in the form of sharing on social networking sites and frequency of considering such information may also increase with the passage of time.

Table-18: Chi Square Test-Association of Age, Gender and Frequency of Using Internet

	Null Hypotheses	Degrees of Freedom	Calculated Value Chi-square value and	Table Value at 5% level of significance	Test Result
H0	Age has no impact on the frequency of using internet	8	35.48	15.507	Rejected
H0	Gender has no impact on the frequency of using internet at degrees	4	8.246	0.711	Accepted

Out of 293 respondents 186(63%) are male and 107(37%) are female (Table-17). This composition shows that due care is taken to ensure representation from both the gender. The mean value of the responses given by male is 2.81 and female is 3.08 which shows female use internet more frequently than male which means female spend more time using internet than male. Thus, there is a chance of female getting more influenced by marketing efforts on internet than male.

The impact of age and gender on the frequency of using internet is being tested using Chi-Square and is presented in Table-18.

The purpose of hypotheses test is to understand demographic impact on internet usage behavior of the respondents. At 5% level of significance the calculated value of chi-square is greater than (.05) thus the hypotheses *"Age has no impact on the frequency of using internet* is rejected and the alternate hypotheses that age has impact on the frequency of using internet is accepted.

The results of the chi-square portray positive impact of age on the internet usage behavior of the respondents. The data collected clearly shows the dominance of middle and young age group the younger age group i.e. less than 40 are the largest users of internet. The frequency of usage also is quite high amongst these age groups. Internet is often used as a communicating and information sharing tool amongst the younger generation.

Gender is not found to have any impact on frequency on internet as the hypotheses *"Gender has no impact on the frequency of using internet" is accepted.* This clearly shows that both male and female are equally technology savvy and use internet frequently.

The cross tabulation of age wise classification and frequency of using social networking sites is presented in (Table-19). It's evident from the scale value analysis that the age group "Less than 20" with (70.43%) scale value are the most frequent users of Social networking sites followed by the age group 20 to 40 (61.08%) and the least is the age

Table-19: Scale Value Analysis of Age Vis-A-Vis Frequency of Using Social Networking Websites

	Scale Values (SV)	Less Than 20 (F)	FXSV	20 to 40 (F)	FXSV	Above 40 (F)	FXSV
Very Frequently	4	35	140	17	68	9	36
Frequently	3	67	201	38	114	22	66
Occasionally	2	20	40	15	30	8	16
Sometimes	1	14	14	25	25	16	16
Never	0	1	0	2	0	4	0
Total		137	396	97	237	59	134
Mean Value			2.89		2.44		2.27
Total scale Value		137x4=548		97x4=388		59x4=236	
Scale Value Percentage		396/548X100 =72.26%-I		237/388x100 =61.08%-II		134/236x100 =56.77%-III	

group “Above 40” (56.77%). This data shows a significant difference in the frequency of usage of social networking sites amongst the two age groups. The generation below forty stated is the largest user of social networking sites.

The mean value of the three age groups also shows that the age group less than 20 is the most frequent user of social networking site followed by the group 20 to 40 and the least is the age group above 40. The data above gives a clear indication that the age “less than 20” is the right segment to target through marketing communication on social media. This age is the largest user on internet as well as social followed by the group “between 20 to 40”.

Hypotheses Testing

To examine the impact of age on social networking sites chi square test is used to test the Null Hypotheses and the results are presented in Table-20.

The calculated value(21.250) is greater than table value(15.507) Thus, the null hypotheses is rejected and the alternative hypotheses “age has Impact on the frequency of use of social media” is accepted. The results show of hypotheses testing show that Age an independent variable has an impact on Frequency of using internet which is a dependent variable.

Thus, marketers who intend to target generation Y can use this medium to use as a communicating tool with this generation. Generation X (The age group above 40 Years) are not obvious users of social media because this technology development took place comparatively later but the response also portrays that generation X is also picking up and over a period of time their frequency of usage would also increase.

But it’s very surprising to find that the middle aged that is the group between 20 and 40 are not very active on social active sites. For the marketers its quite negative because the age group 20 to 40 is expected to use lots of technology and have purchasing power which is required when it comes to take purchase decisions on the other hand the age group which is very active are youngsters i.e., less than 20 years which may be the teenagers just out from college may be doing their higher education and may not have the financial independency. A generation which does not have financial independency even if they are active on social media will not provide business opportunity to the marketers intending to use social media for marketing purpose.

Data in Table-21 shows that almost all age groups have slowly started using social media but the frequency of usage varies with age. The younger Generation i.e., below 20 years age group is the most frequent users of social media and the other age groups are comparatively the less frequent users.

Table-21 shows the gender wise classification

Table-20: Chi Square Test - Association of Age and Frequency of use on SNS

Null Hypotheses	Degrees of Freedom	Calculated Value Chi-square value and df-8	Critical Value at 5% level of significance	Test Result
H0-Age has no impact on Frequency of use of Social networking websites	8	21.250	15.507	Rejected

Table-21: Cross Tabulation of Gender and Frequency of Using Social Media

Response Options	Scale Values (SV)	Male (F)	FX SV	Female	FX SV
Very Frequently	4	37	148	24	96
Frequently	3	78	234	49	147
Occasionally	2	26	52	17	34
Sometimes	1	39	39	16	16
Never	0	6	0	1	0
Total		186	473	107	290
Total Scale Value		186x4=744		107x4=428	
Mean Scale Value			2.54		2.7
Scale Value Percentage		473/744x100 =63.57%		290/428x100 =67.75%	

vis-a-vis frequency of using social media. Data presented in the table shows that both male and female are almost equal users of social networking sites with male portraying 63.57% of scale value percentage and female 64.39%.

The data shows that both male and female use social media frequently with varied degrees and do not differ much in terms of frequency of usage. Both male and female are found net savvy as well and social media savvy.

The mean values with 2.54 mean scale value and Female 2.7 mean scale Value shows that usage of social media is more frequent by women but the difference between male and female usage not too high.

To examine the impact of gender on frequency of usage on social networking sites Chi-Square test is used to test the hypotheses *"Gender has no impact on Frequency of use of Social networking websites"* Results show that calculated value 3.35 is less than table value 9.488 thus the null hypotheses is accepted. Which means the Independent variable (Gender) has no impact on the dependent variable (the frequency of use of social media).

The scale value percentage in Table-23 shows that advertisement on social media is able to gather about 55% attention from respondents who are under 20 group of age. The scale value percentage of paying attention to the advertisements on social

Table-22: Chi-Square Association of Gender and Frequency of Use of Internet

Null Hypotheses	Degrees of Freedom	Calculated Value Chi-square value	Critical Value at 5% level of significance	Test Result
H0- Gender has no impact on Frequency of use of Social networking websites	4	3.35	9.488	Accepted

Table-23: Cross Tabulation of Age and Frequency of Paying Attention to Advertisements on Social Media

	Scale Values (SV)	Less Than 20 (F)	FXSV	20 to 40 (F)	FXSV	Above 40 (F)	FXSV
Very Frequently	4	15	60	7	28	2	8
Frequently	3	28	84	23	69	10	30
Occasionally	2	42	84	12	24	8	16
Sometimes	1	16	16	20	20	13	13
Never	0	10	00	7	00	5	00
Total		111	244	69	141	38	67
Total scale Value		111x4=444		69x4=276		37x4=152	
Mean Scale Value			2.19		2.04		1.76
Scale Value Percentage		244/444x100 =54.95		141/276x100 51.08		67/152x100 =44.07	

media shows that there is still a lot of scope for improvement across all age groups when it comes to paying attention on social media. The mean scale value across all age groups is less than 2.5 which shows that the attention paid to ads is certainly less.

The users of social media do not seem to pay adequate attention for the marketer to be successful in using it for marketing communication and generating results. Marketing communication in social media across all age groups seem to attract less attention as it is clearly evident from the data. In a nutshell, the data portrays that though the frequency of usage of internet and Social Media has improved the attention paid to ads still remains low across all age groups.

Results of the Chi-Square test presented in Table-24 clearly shows that the null hypotheses is Accepted indicating that Age has no impact on paying attention to ads on social media. The data in the Table 23 and 24 shows that the advertisements on social Media fail to attract attention across all age groups.

The marketers who intend to use social media for the marketing communication purposes need to find better methods of using social media and attracting the users

Table-24: Chi Square test – Association of Age and Respondents Attention to Advertisements in Social media

Null Hypotheses	Degrees of Freedom	Calculated Value Chi-square value and df-4	Critical Value at 5% level of significance	Test Result
H0 - Age has no impact on Frequency of Paying attention to social media ads	8	14.12	15.50	Accepted

of social media towards the advertisements as the advertisements on social media do not seem to attract the attention of users.

The data in Table-25 shows that male and female pay almost equal attention to the social media male being slightly high with 52.5% attention and female giving 50.64%. The marketers need to make the social media advertisement more effective to draw the attention of the avid users of the media.

Mean of the scale value also amongst male and female respondents is very close i.e., 2.10 for male and 2.02 in case of female respondents which shows that the frequency of paying attention to advertisements is quite less.

This group which occasionally pays attention maybe slowly converted from occasional viewers to frequent viewers provided the ads on social media is properly targeted and made meaningful. Marketers can use the demographic information available from the profile of the user and thus, target only the right group and make ads more interesting and need fulfilling.

Table-26 presents the results of the hypotheses test and the hypotheses Gender has no impact on frequency of paying attention to social media is Accepted. This Indicates that gender has no impact on the frequency of paying attention to purchase media .Both male and female do pay attention to advertisements of social media.

This paper systematically intends to bring to the foray the most important dimensions of marketing communication through social media and most importantly the reach of this media and the consideration of the information shared or presented here for purchase decision. The data analyzed so far portrays that the reach of social media is slowly gaining momentum along with the increase in the penetration of internet and falling prices of internet and the devices on which internet can be used. The data presented in Table-27 shows the scale value percentage and mean scale values of the respondents. The scale value percentage amongst the age group between 20 and 40 is 61.6% which is highest amongst all age groups followed by age group “Less than 20”.This means that though

Table-25: Gender wise Classification of Frequency of Paying Attention in Social Media Advertisement

Response options	Scale Value(SV)	Male(F)	FXSV	Female(F)	FX SV
Very Frequently	4	17	68	7	28
Frequently	3	41	123	20	60
Occasionally	2	35	70	27	54
Sometimes	1	33	33	16	16
Never	0	14	00	8	00
Total		*140*	*294*	*78*	*158*
Total scale		*140x4=560*		*158x4=312*	
Mean scale value			*2.1*		*2.02*
Scale Value Percentage		294/560x100 =52.5%		158/312x100 =50.64%	

Table-26: Association of Gender on Paying Attention to Advertisement on Social Media

Null Hypotheses	Degrees of Freedom	Calculated Value Chi-square value and df-4	Critical Value at 5% level of significance	Test Result
H0 Gender has no impact on Frequency of Paying attention to social media ads	4	2.503	9.488	Accepted

the age group between 20 and 40 is not so frequent in terms of using Internet, Social media, and attention to the advertisements therein but the information on them is quite significantly considered when it comes to purchase decision followed by the age group “Les than 20” which is the younger generation who are found to be frequently using internet, Social media and also pay some attention to ads but when it to comes the considering that information for purchase decision it is holding a second position.

For a marketer it is good that the age group 20 to 40 is more positive towards the considering the information available on social media because this is age group is most involved in decision making for the family.

Table-27 shows that age group Between 20 to 40 is the group which is at the forefront in considering the information available on social media followed by the group below 20 years of age and the least is the age group above 40 years. This information may consist of the information in the form of advertisement or in the form of product information shared by friends and peers.

Table-27: Age Wise Classification of Respondent’s Consideration of the Information Available on Social Media of their Purchase Decision

Response Options	Scale Value (SV)	Less than 20 (F)	SVxF	20 to 40 (F)	SVxF	Greater than 40 (F)	SVxF
Very Frequently	4	20	80	7	28	4	16
Frequently	3	44	132	27	81	11	33
Occasionally	2	46	92	20	40	12	24
Sometimes	1	20	20	35	35	25	25
Never	0	7	0	8	56	7	00
Total		137	324	97	240	59	98
Total Scale		***548***		***388***		***236***	
Mean Scale Value			***2.36***		***2.47***		***1.66***
Scale Value Percentage		324/548x100 =59.12-II		240/388x100 61.6-1		98/236x100 =41.5_III	

Table-28: Association of Age on Frequency of Considering Information on Social Media Sites

Null Hypotheses	Degrees of Freedom	Calculated Value Chi-square value and df-8	Critical Value at 5% level of significance	Test Result
H0 Age has no impact on Frequency of considering the information on social media websites	8	29.59	15.507	Rejected

The null hypotheses (Table-28) age has no impact on frequency of considering the information on social media websites is rejected and alternative hypotheses age has an impact on frequency of considering the information on social media websites is accepted. Thus, clearly indicating the dominance of age as a demographic factor impacting the frequency of considering information on social media websites.

The age group "Between 20 to 40" is the largest users of internet, social media this group also favorably stated that they pay attention to the advertisement on social media and they also consider the information in social media for making a purchase decision. Thus, this data clearly states that the age group "Between 20 to 40" is the right segment to be targeted through social media. It's quite positive for the marketer because this is the age group who is likely to be financially independent and would be making purchase decisions.

Gender might also be a deciding factor when it comes to use of social media information on purchase decision. Table-29 shows the respondents opinion classified on the basis of gender. 186 out of 293 respondents are male and 107 are female. Data shows that female with 53.73 scale value percentage are slightly more frequent users than male comprising of 50.53%.The mean scale value of women and

Table-29: Gender Wise Classification Frequency of Considering the Information Available on Social Media

Response Options	Scale Value(SV)	Male(F)	FXSV	Female(F)	FX SV
Very Frequently	4	20	80	11	44
Frequently	3	48	144	34	102
Occasionally	2	50	100	28	56
Sometimes	1	52	52	28	28
Never	0	16	00	06	00
Total		186	376	107	230
Total Scale		744		428	
Mean Scale value			2.02		2.14
Scale Value Percentage		376/744x100 =50.53		230/428x100 =53.73	

Table-30: Association of Gender on Frequency of Considering the Information on Social Media Websites

Null Hypotheses	Degrees of Freedom	Calculated Value Chi-square value and df-8	Critical Value at 5% level of significance	Test Result
H0 Gender has no impact on Frequency of considering the information on social media websites	4	1.781	9.488	Accepted

male is 2.02 and 2.14 which is very low and there is no significant difference in the mean value.

Subsequent examination of gender impact on the frequency of considering the information on social media is done through chi-square test presented in Table-30.

Hypotheses "Gender has no impact on Frequency of considering the information on social media websites" is tested and as the calculated value of chi-square is less than the critical value at 5% level of significance the hypotheses is accepted. The results of the hypotheses test shows that gender has no impact on frequency of considering the information on social media website. Both male and female tend to pay attention to such information.

The data analysis and hypotheses testing clearly shows that

Age has impact on

- *Frequency of using internet.*
- *Frequency of use of Social networking websites*
- *Frequency of considering information on social media websites.*

Gender has No impact on

- *Frequency of use of Social networking websites*
- *Frequency of paying attention to social media advertisements.*
- *Frequency of considering the information on social media websites*

Data analysis to understand the post purchase Behavior and response

The purchase behavior of the respondents goes tracing the satisfaction levels of the buyers after the purchase is made which is satisfaction with the purchase or dissatisfaction with the purchase. The data in Table-31 shows the respondents opinion on the satisfaction levels after they have made the purchase resorting to the information either shared or advertised on social media. It's evident from the data that about 72% of the respondents stated that they are satisfied with the purchase decision they have made owing to the information on the social media.

Satisfaction level with the information shares is a very positive indication for the marketers to use it for marketing communication. This a unique dimension of this medium which shows the satisfaction level of the purchase decision taken.

The respondents (61%) opined that they would sometimes buy the product design

Table-31: Level of Satisfaction Regarding Purchase of Product

Response Options	Number of respondents	Percentage
Satisfied	180	61.43
Very satisfied	30	10.24
Neutral	78	20.62
Unsatisfied	05	1.7
Total	293	100

shown in the website followed by about 18% who would purchase most of the time and only a negligible 12.63% stated that they never buy the product design which appears on the social website presented in Table-32.

The last dimension of the response on post purchase behavior (Table-33) talks about reiterating the product purchased based on the purchase decision the highest 43.49% respondents said they sometimes share their shopping experience followed by 28.76% stating they will always share such shopping experience only a meager 8% said they would never share. Respondents on the whole gave a positive indication towards sharing their shopping experience with their friends and peers.

Findings

- Google is stated to be an important source of information as per the respondent's opinion followed by newspaper and company website and social networking do not seem to catch much attention.
- Internet is largely found to be used for socializing by the respondents followed by email.
- Respondents stated that most of them check updates in social media followed by chatting. Which means chatting is slowly

Table-32: Buy Same Product Design which Appears on Social Website

Response Options	Number of respondents	Percentage
Always	25	8.53
Most of the time	52	17.75
Sometimes	179	61.09
Never	37	12.63
Grand Total	293	100

Table-33: Share Shopping Experience to Friends and Peers

Response Options	Number of respondents	Percentage
Always	84	28.76
Sometimes	127	43.49
Occasionally	56	19.17
Never	25	8.56
Grand Total	292	100

gaining momentum amongst social media users.

- Advertisements should be made interesting to attract attention. The respondents stated that if the advertisement is interesting it motivates a person to purchase followed by the familiarity of the brand name.
- Electronics and electrical are the most frequently purchased products considering the communication on social media.
- The initial diagnostic approach of social media shows that information shared by friends and marketing communication through social media is considered while making a purchase decision.
- Though the respondents stated that they do consider information on social media while they make purchase decision the frequency of such consideration is less.
- Gender has no impact on Frequency of using internet, Frequency of use of Social networking websites and Frequency of considering information on social media websites.
- Age has impact on Frequency of use of Social networking websites, Frequency of paying attention to 9. Social media advertisements, Frequency of considering the information on social media websites.
- The age group 20-40 shows a positive sign of using social media and considering the information thereon thus marketers can target this age group using social media.
- The quality of advertisements need to be improved for better impact.

Conclusion

This study examines scope of using internet and social media for marketing and communication and it was found that there is a future in internet with increase in its demand. Social media and internet are found theme most popular amongst youngsters and there is confidence on the information shared there. Social appears to be replacing word of mouth in the future. The sharing on social networks like face book are considered as reliable and dependable in making a purchase decision because it's not considered as an advertisement it's more like a friend sharing an information which creating an impact of word of mouth. Thus, creating customer satisfaction is considered important because this satisfaction will lead to such information sharing on social media which will help the firm in developing a positive brand image Advertisements do not seem to have much influence and advertisers have to make the advertisement interesting. It's evident from the study that those advertisement which are interesting so have an impact on the purchase decision. Marketers have to understand that Post usage customer satisfaction would result in sharing of the satisfaction through the social media and ultimately would improve the brand Image.

References

Andreas M. *et. al.,* (2009). *Users of the world, unite! The challenges and opportunities of Social Media,* Kelley School of Business, Indiana University.

Andrew Rohm & Velitchka D. Kaltcheva (2013). A mixed-method approach to examining brand-consumer interactions driven by social media study, *Journal of Research in Interactive Marketing,* 7(4), pp: 295-311.

Bruhn.M *et. al.,* (2012). Are social media replacing traditional media in terms of |brand equity creation?, *Management Research Review*, 35(9), pp:770-790.

Challagalla.G *et. al.,* (2009). Proactive postsales service: when and why does it pay off?, *Journal of Marketing*, 73(2), pp: 70-87.

Dimitriadis, S. & Papista, E. (2010). Integrating relationship quality and consumer-brand identification in building brand relationships: proposition of a conceptual model, *The Marketing Review*, 10(4), pp:385-401.

Don E. Schultz (2013). Social media's slippery slope: challenges opportunities and future research directions, *Journal of Research in Interactive Marketing,* 7(2), pp: 86-99.

Doorn.J.V *et. al.,* (n.d.). Customer engagement behavior: theoretical foundations and research directions, *Journal of Service Research*, 13(3), pp: 253-266.

Facebook (2011). Like button: best practices, [Available at: https://developers.facebook.com/attachment/LikeButtonBestPractices_v1.pdf] [Accessed May 1, 2013]

Facebook (2013). Success stories, [Available at: www.facebook.com/FacebookStudio/app_397409610271055] [Accessed September 30, 2013]

Gajendra Sharma & Li Baoku (2013). Customer satisfaction in Web 2.0 and information technology development**,** *Information Technology & People,* 26(4), pp: 347-367.

Gallaugher & Ransbotham (2010). Social Media and Customer Dialog Management at Starbucks, *MIS Quarterly Executive*, 9(4).

Georgios Tsimonis & Sergios Dimitriadis (2014). Brand strategies in social media, *Marketing Intelligence & Planning,* 32(3), pp:328-344.

Godes, D. & Mayzlin, D. (2009). Firm-created word-of-mouth communication: evidence from a field test, *Marketing Science*, 28(4), pp: 721-739.

Halliday, S & Vrusias, B (2011). *The spread and spread of word of web: towards understanding how marketers can interact with social networks, Marketing Fields Forever*, Proceedings of the Academy of Marketing Conference, Liverpool.

Harrigan, P (2011). Modelling CRM in the social media age, *Marketing Fields Forever*, proceedings of the Academy of Marketing Conference 2011, Liverpool.

http://www.brandwatch.com/2014/01/why-2014-is-the-year-of-social-media-advertising/

http://www.researchandmarkets.com/research/fxkxpd/databook_q2_2014

Jeff Mc Carty *et. al.,* (2014). Managing brand presence through social media: the case of UK football clubs**,** *Internet Research*, 24 (2), pp:181-204.

Krista Ann Voss (2013). The value of social media: are universities successfully engaging their audience?, *Journal of Applied Research in Higher Education*, 5(2).

Kumar, V. & Mirchandani, R. (2012). Winning with data: social media-increasing, the ROI of social media marketing, *MIT Sloan Management Review*, 54(1), pp: 55-61.

Kumar. V *et. al.,* (2010). Undervalued or overvalued customers: capturing total customer engagement value, *Journal of Service Research*, 13(3), pp: 297-310.

Kunal Swani & George Milne (2013). Spreading the word through likes on Facebook Evaluating the message strategy effectiveness of Fortune 500 companies, Journal of Research in Interactive Marketing, 7(4), pp: 269-294.

Lindgreen. A. *et. al.,* (2013). Word-of-mouth and viral marketing referrals: what do we know? and what should we know?*, European Journal of Marketing*, 47(7), pp: 1-12.

Mangold W.G. & Faulds D.J. (2009). Social media: the new hybrid element of the promotion mix, *Business Horizons*, 52(4), pp: 357-65.

Mint, November 8, 2015.

Neff, J (2007). OMD proves the power of engagement*, Advertising Age*, Vol. 78.

Optimal ways for companies to use Facebook as a marketing channel, Linnea Hansson and Anton Wrangmo, *Journal of Information, Communication and Ethics in Society,* 11(2), pp: 112-126.

Ronald E. Goldsmith (2013). Social network activity and contributing to an online, Review site, *Journal of Research in Interactive Marketing*, 7(2), pp: 100-118.

Sarah Tsitsi Chikandiwa (2013). The adoption of social media Marketing in South African banks, *European Business Review*, 25(4), pp: 365-381.

Sedley, R. (2008). Six theses on digital customer engagement in a troubled economy, [Available at: www.richard-sedley.iuplog.com/default.asp?item¼298747]

Sweeney, J.C *et. al.,* (2012). Word of mouth: measuring the power of individual messages, *European Journal of Marketing*, 46(1/2), pp: 237-257.

Sweeney, J.C. *et. al.,* (2012). Word of mouth: measuring the power of individual messages, *European Journal of Marketing*, 46(1/2), pp:237-257.

Trusov, M *et. al.,* (2009). Effects of word-of-mouth versus traditional marketing, findings from an internet social networking site*, Journal of Marketing*, 73(9), pp: 90-102.

Veloutsou, C. (2007). Identifying the dimensions of the product-brand and consumer relationship*, Journal of Marketing Management*, 23(1/2), pp:7-26.

Voyles, B. (2007). Beyond Loyalty: Meeting the Challenge of Customer Engagement, *Economist Intelligence Unit*, [Available at: adobe.com/engagement/pdfs/partI.pdf]

JMV Journal of Marketing Vistas
ISSN 2249-9067 Volume 7, No 2, July-December 2017 pp. 29-40

Social Media Marketing: The New Revolution in Business Engagement

Gursimranjit Singh[1] Maninder Singh[2] Priyanka Singh[3]

Abstract

The advent of internet has revolutionized the business environment with a significant impact on the retail strategies as well. Social media is one such revolution and has gained attention of marketers throughout the globe. Social media has become a widely used tool for marketing since it provides an effective platform to the retail firms to interact with their customers. Though branding with the help of social media is in its infancy stage but consumers are connecting with the brands through social networking sites which are gaining interest of the marketers and the academicians that how various tools available on social media would support the successful development of a brand. Social media gives organizations a platform where they can communicate with customers. It exemplifies the "brand" and helps companies to spread the message in easy and conversational way. Many of the top companies have used social media for achieving their business aspirations. This paper provides an overview of the existing literature on the social media marketing and propounds the significance of this marketing tool- in present retail. We propose a conceptual framework in which we discuss the linkages of social media with other marketing metrics. We explicitly take a dynamic view, in which we argue that social media marketing has a significant relationship with behavioral outcomes of the customers as well as strategic branding by the firms. Social media marketing is also approached from a strategic perspective by focusing on the issues such as relevance and limitations of social media as a marketing tool. There are advantages, disadvantages and challenges that are associated with any social media strategy so organizations should be very particular

1 Research Scholar, IKG Punjab Technical University Kapurthala, Punjab and can be reached at: rs.gursimranjit@ptu.ac.in

2 Associate Professor, Department of Management Studies, Amritsar College of Engineering and Technology and can be reached at: maninder_gill13@yahoo.com

3 Research Scholar, IKG Punjab Technical University, Kapurthala and can be reached at: rs.priyankasingh@ptu.ac.in

before they chosen strategy related to it. These strategies should very carefully look upon by the organizations in order to monitor the activities associated with their brand. As with the help of social media individual can communicate with large number of people so organizations should be very particular about the message communicated online and a proper online strategy and tactics should be framed.

Keywords

Social Media, Marketing, Strategic Branding, Organizations, Relevance, Limitation, Consumer Metrics

Introduction

In the present digital era of communication, the evolution of new forms of media has moved it miles ahead of only being as a platform for communication. Marketers use various innovative strategies like use of social networking sites to promote their respective brands (Kaplan & Haenlein 2012). Richter &Koch, have defined social media as are online applications, platforms and media which aim to facilitate interactions, collaborations and the sharing of content (Richter & Koch, 2007). Moreover social media is an environment which includes social networking sites where a community of people exchange their ideas and interest over the internet through emails, chats, messaging, video chat, blogging, etc.

As business environment has changed over the years due to revolution and platform provided by internet to reach a wider audience, companies throughout the world are using social media both to interact with the consumer and even to influence their conversations (Amichai-Hamburger 2009). With the help of social media companies are building their brand equity by creating brand awareness and also understanding and promoting stakeholder's participation to build up healthy relationship (Bruhn *et. al.,* 2012), resulting in brand loyalty (Palmatier *et. al.,* 2007).

Social Media is gaining more and more attention for businesses as it exhibit a marketing opportunity that exceeds the traditional communication and companies can directly interact with customers (Rooney 2011). This is why almost all the companies of the world are using social media marketing initiatives. Companies are swiftly adopting social media marketing through blog, facebook, twitter, instagram, whatsapp etc (Maryan 2015) (vinerean 2013). Kietznann (2011) posits that social media networking buils confidence and enhance reliability among customers by providing transparency by sharing and discussing the information between the company. As an interactive platform, social media enables business to engage existing customers (Chantinok 2015) and attract new customers (Karimi 2015), generate more sales (Marshall 2012) (Gilfoil 2012), build brand awareness (Shojau 2013) (Tsimanis 2014), enhance brand loyalty (Pal Matier *et. al.,* 2007) and brand image (Barreda 2014) (Bruhn 2012). With the increasing digitalization there has been a great change in the way the consumers engage with the brands. Moreover it has forced companies to find new ways to distinguish themselves from their competitors. Increasingly companies are putting more emphasis on branding to stay competitive. This has led to the emergence of brand management as one of the most critical success factors for companies than ever before. Thus, marketing and brand managers may assume that brand communication will increase through user generated social media communication (Smith *et. al.,* 2012).The revolution brought by technology is giving new shape and dimension to branding strategies. Though branding with the help of social media is in its infancy stage but consumers are connecting with the brands through social networking sites which are gaining interest of the marketers and the academicians that how various tools available on social media would support the successful development of a brand.

Theoretical Background

Mohan and Senthilmurugan (2015) studied role of social media for consumer's decision making in selection of hospital services among 180 respondents living in India. The responses were collected from the respondents through emails. The results of the study revealed that about 66.29% of respondents used Facebook followed by 21.91% respondents who used You tube, 5.62% used Twitter, Google+ was used by 4.49% of respondents, and only about 1.69% of users used Orkut as their podium into social media. Moreover , when investigating about social media information convincing them to visit hospitals about 61.24% of respondents stated neither agree nor disagree, 18.54% of respondents stated disagree, 14.61% of respondents stated agree, 3.37% of respondents stated strongly agree, and only 2.25% of respondents stated strongly disagree.

Vukasovic (2013) examined the usefulness of social media in brand development. The study found that among sample size of 200 respondents in Slovenia, more than 58% of men and 42% of woman browse internet for more than 3 hours a day. Further, results suggested that 67% of younger population between the age group of 18 and 35 years uses internet more as compared to older people.

Leerapong, Mardjo (2013) examined the impact of social networking sites, particularly, Facebook, while making online purchase decision. The customers ranked in the order of importance relative advantage, faith, perceived risk, affinity as the factors that influence them to purchase product through Facebook.

Farooq Faraz, Jan Zohaib (2012) Examined the impact of social networking on the marketing strategies among users and organisations through product reviews. A sample of 100 respondents was taken comprising of users representing students and professionals working in an industry. They found that most of the respondents support marketing on Facebook, and more than 70% respondents agreed that the friends have much impact in buying decisions. Moreover 51% people recommended companies to use tagged based marketing on Facebook and large population has suggested that it is profitable for organizations. The study from the organization point of view included the survey of organizations representatives which were 20 in number. The results revealed that 75% of the organizations use Facebook to show their presence but only 20% of them are seriously using social networking site Facebook for marketing purpose. The finding further suggests that around 35% organizations take feedback from their customers and majority of organizations are thinking of providing some gain to customers to get feedback.

Sharma and Rehman (2012) find that affirmative or pessimist information about a product or a brand available on the social media has a significant overall influence on consumers purchase behaviour. The customers spread positive word of mouth through social media.

Pietro, Eleonora Pantano (2012) researched as to what extend social networks, as Facebook, has impact on consumer's purchasing decision. They find that enjoyment is a key motive of social networks usage as a tool for aiding the purchasing decision. They also suggest that consumer's usefulness, perception of judgement and suggestions about products on Facebook are among customers recreation activities for social networking sites. Facebook is used for information searching on products and brands, and perceived ease of use of the provided tools influence consumers attitude in purchasing decision. They also suggest a spontaneous positive link between attitude of customers towards social media and behavioural intention.

(Curtis, 2011) highlighted that Facebook has more than 500 million users worldwide; 175 million people use Twitter; 90 million users use LinkedIn; and MySpace has 57 million users.

Sri Jothi, Neelamalar and Prasad (2011) in their study investigated the usage of internet among 100 respondents. According to the study it was found that 12% of respondents use internet once a week, 19% respondents browse internet 2 to 3 days a week, about 30% respondents browse internet for 1 or 2 hours a day and the majority 39% of users are browsing internet more than 3 hours a day. In their study regarding advertisements that respondents come across on social networking sites, they found that 32% of respondents have given attention towards web banner ads in Face book, Twitter and Orkut; whereas for the pop up ads and flash ads in various websites only 8% of respondents cut across pop and 31% of users found video ads in YouTube and in other sites. Interestingly, only 8% of the respondents said that they have never paid attention to the advertisements displayed in social networking sites, while browsing internet for other interactions. The data showed that 36% of the respondents showed interest to listen to the advertisements of various brands, 35% of the respondents said that they listen to the brand communication so as to gather more information they link to the brand sites and 21% of the user browse according to the appearance of promotional messages, because the brand promotion could be in the different form of display ads, interactive feedback forms or games. They conclude that the pattern of brand communication influences the accessibility and communication of advertisement information.

Burson-Marsteller, (2010) studied about the 100 largest companies on the Fortune 500 list and concluded that data shows that about 86% of companies are using one of the social networking sites and 28% of them use all four platforms. The study also revealed that Twitter, is the hot pick among the social media sites among business firms as about 65% of these companies use it.

Mangold&Faulds, (2009) also posit that Social media has influenced consumer behaviour from information acquisition to after buying behaviour such as resentment statements or conduct.

The growth in the internet in recent years has made new systems available to business: one such good example is social media (Lu *et. al.,* 2010). The wide availability of the internet has provided people with a platform to use social media resulting in a shift from email to social networking sites, and to interact without the need for physical meetings (Gruzd *et. al.,* 2011).

Need for Study

Although the concept of social media marketing is gaining wider popularity and it is also a well-researched topic but it has only been studied through theoretical or analytical dimensions. The literature available reveals that the earlier studies have never described the benefits consumers gain from this marketing tactic and how social media has become an important marketing tool. In analysing and considering the rich plethora of multi-disciplinary literature, it has become clear that studies are concentrating on depicting what social media marketing is as well as examining how companies are using social media for interacting with customers and promoting their brand and products. Despite the basic advances made by researchers and renowned academicians, development in this area of study has been limited. Research needs to expand this horizon of social media marketing by providing a deeper understanding of how consumers are benefited from social media and how social media is proving as one of the best marketing tool for the marketers. More formalized studies are also needed to progress beyond theorized or forecast conclusion in order to gain knowledge of real life utilization.

Conceptual Framework

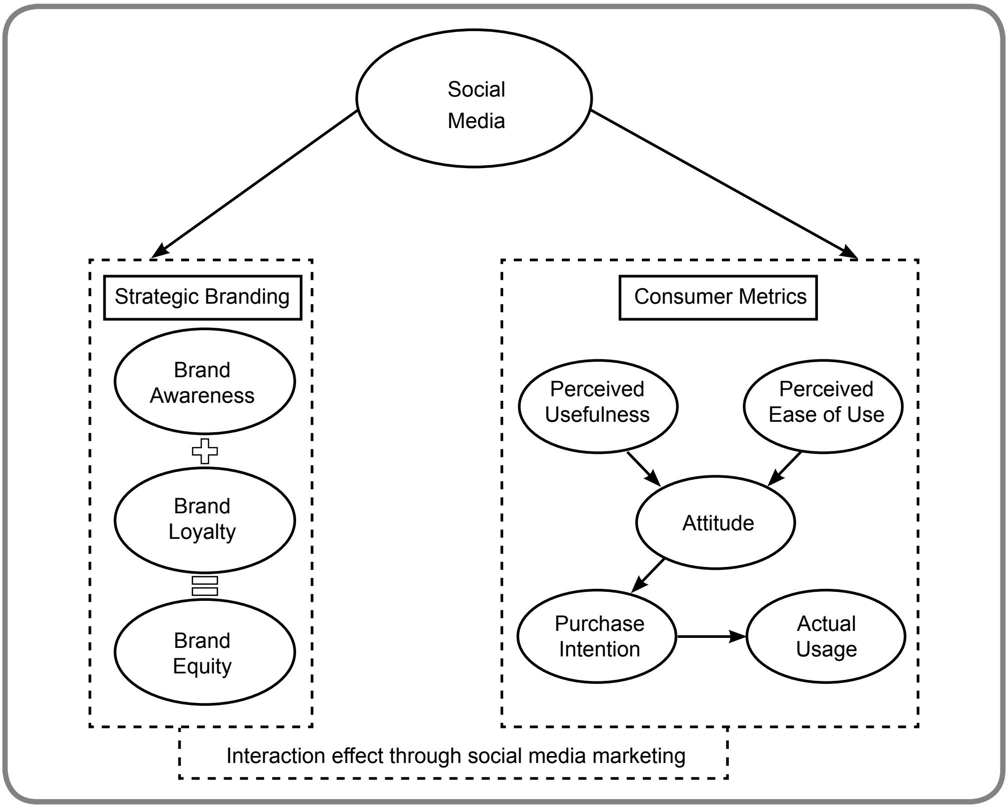
Figure-1 explains the key constructs that have been examined in the past research and their relationships have been significantly documented by the researchers.

Relevance of Social Media in Marketing

Social networking sites such as Facebook, Twitter, Likedin (SNSs) are an effective web technology for social interactions and sharing information (Lu & Hsiao 2010). SNSs has been on spot light in e-commerce in the current environment (Fue *et. al.,* 2009) , where consumers are getting an opportunity to interact with each other by making social connections and participate in cyberspace (Mueller *et. al.,* 2011). In the current times consumers have access to various sources of information and experiences, which have been expedited by other customer’s instructions and feedbacks (Senecal & Nantel 2004). This is an important point as participation of customer through social media is a key factor in marketing (Do-Hyung *et. al.,* 2007). The interaction of consumers through social media promotes trust in e-commerce. While accessing SNSs, the social communities of consumers help their peers to gain or lose trust in a provider.

Social media is also helping consumer socialisation which is the outcome of the social interactions among consumers, and indirectly by promoting product association (Wang *et. al.,* 2012). The perceived trust of consumers is significantly influenced by the social media (Pan & Chiou 2011). The interactions on these platforms results in social support and social support generated through social media therefore influences trust (Weisberg *et. al.,* 2011). Moreover trust in a vendor is increased by positive comments, feedback and higher ratings (Ba & Pavlou 2002). Feedbacks are perceived to be fruitful, and affect attitude further resulting intention to buy in consumers through the impact created about a product or service (Purnawirawan *et. al.,* 2012). Hill, Provost, and Volinsky’s

Figure 1: Conceptual Framework



(2006) research establishes that a firm can benefit from social networks to predict the likelihood of purchase intention. This can be done by taking into account a firm's choice of network (i.e. Facebook, Instagram, Pinterest etc.) and by examining that network's data. Assessing a network's data substantially improves a company's marketing efforts because it provides the company with vital information on the network's users, which helps determine the best social media tactics for that particular site (Hill, Provost, and Volinsky's 2006). Based on this study, it can further be argued that knowing which social media sites a company's target market utilizes is another key factor in guaranteeing that online marketing will be successful.

Social media is playing a very dominant role in marketing as it is an effective communication tool that makes the companies interact with customers and communicate about their product to those who are unaware of their product. It is a tool that creates positioning behind their brand and creates a long lasting relationships resulting in brand loyalty (Bruhn *et. al.,* 2013).

Social Media Marketing Industry Report 2016 reveals that a majority of the marketers is using social media to promote their brand with

Facebook and YouTube holding the top spots. It also further highlighted that about 63% of marketers aim on increasing their use of these social networks. Among the different social networking sites Facebook is widely used by the marketers. About 55% of marketers choose Facebook, followed by LinkedIn at 18%for their marketing activities. Moreover 86% of marketers regularly use Facebook ads as compared to only 18% Twitter ads. The report also mentioned that tactics and engagement are top area marketers want to master majority of marketers accumulating to about 90% want to know the social tactics with which they can become more effective and also explore the best ways to employ their audience with social media (Michael A. Stelzner 2016).

Social media gives organizations a platform where they can communicate with customers. It exemplifies the “brand” and helps companies to spread the message in easy and conversational way. Many of the top companies have used social media for achieving their business aspirations. Some of the companies that have become involved in social media are:

Royal Dutch Airlines: Royal Dutch Airlines widely uses social media for interacting with customers with the help of social networking site Twitter. It tweets regarding delayed plane on the tarmac and is committed to answering them all. Moreover the company also communicate regarding the estimated response time with the help of social media, which is updated every five minutes.

Dove: Dove uses social media in a beautiful way, as the company uses Twitter to help women realize their hidden beauty by creating products that deliver real care.

Pampers: Pampers the diaper company use social media not to market its product but it uses it to create a group of people soon-to-be parents who can come together to share advice, feelings and memories.

Ford Motor Company: Ford is also using social media as one of their marketing efforts. In their blog post, they mention headline of the post and also the comments from readers and put it on the front page of their website.

Starbucks: Starbucks gives customers the option to manage and restore their coffee cards on social media. The company also makes it convenient to find nearby locations and look up international Starbucks spots.

Social media is gaining popularity throughout the globe it has increasingly becoming an ingrained aspect of every sphere of life whether we talk of political campaigns, defence strategies, brand management and even intra company communication social media is all pervasive. Social media creates an identity of the brand in association with the products or services that they offer and customers associate themselves with their peers that may be serving the same target market. Brand communication is positively associated with brand equity as long as the communication leads to a favourable consumer reaction to the product in question, compared to the equivalent non-branded product (Yoo *et. al.,* 2000). In sum, brand-based communication realizes the transmission of brand knowledge in terms of Brand awareness and brand image regardless of the communication sender. Social and traditional media communications therefore both play an important part in improving the brand equity by increasing the probability that a brand will be incorporated in the consumer’s consideration set, simplifying the consumer’s brand choice and turning that choice into a habit (Yoo *et. al.,* 2000).

Social virtual communities positively influence brand loyalty (Casaló, Flavián, & Guinalíu, 2010); Kardaras, Karakostas, & Papathanassiou, 2003). A plethora of research has found linkage between brand equity and consumer behavioural outcomes such as purchase intention, word of mouth, trust, loyalty, commitment. Marketing communication's primary goal is to get consumers to form an intention to purchase the marketed product. Purchase intention refers to the mental stage in the decision making process where the consumer has developed an actual willingness to act toward an object or brand (Wells *et. al.,* 2011; Dodds *et. al.,* 1991). Hence, the effectiveness of social media activities of firms will be measured against this goal. SM should therefore positively influence consumers purchase intention (Keller, 2008; Kapferer, 2008).

The acclaim of social media across consumers and companies has opened new doors for scholars. Researchers have been quiet in dealing with how social media is becoming most important marketing tool how customers can be benefited from social media.

Limitation of Social Media Marketing

Social media marketing not only creates opportunities, but also negatively affects the brand of the organization. As there is a shift in power from the producer to the consumer, consumers are now free to raise out their concerns either negatively or positively and at the same time making it visible to millions of potential customers. Social media marketing allows customers to express themselves and without any consequences making it one of the factors that make social media marketing unpredictable because an organization can't stop people from expressing their thoughts. There are some limitation needs to be considered on social media marketing, which are:

Wrong Brand Strategy: The bad branding strategy on social media can be downfall for an organization and put a company at a huge viral social disadvantage.

Time Investment: Social media marketing is a two way interaction which seeks commitment. The focus of marketing through social media is to establish a long term relationship that can be beneficial for the organization. There should be someone responsible to monitor each network, respond to queries of customers. If an organization can't commit at least 5-6 hrs a week on social media it will be losing their potential customers.

Risk of adverse comments: When organizations open its doors for open criticism there are chances of negative comments about a product or service. The negative electronic word of mouth can adversely affect the image and performance of the brand.

No real short term return on investment: It is very difficult to calculate the return on investment of social media marketing moreover social media marketing is a long term strategy. It could take anywhere from few months to a year before an organization sees the advantages of customer loyalty and increased sales.

Privacy and security issues: With increase in the usage of the social media and networks on the Internet. Social networking sites like Facebook, YouTube, LinkedIn, Twitter, Instagram, Google+ etc have changed the way the Internet is being used. However gaining popularity and rapid increase in use of social media there is still lack of understanding of privacy and security issues on online social media. Security and privacy issues of online social media need to be taken into consideration because of concerns like spam, phishing, fraud nodes on Online Social Media.

Concluding Remarks

As social media marketing is a contemporary concept so research in this field is still in its early stage but its relevance has drawn the attention of practitioners and researchers all over the globe. Now a day's Social media is widely used by organizations and it has become the most favorite tool for advertising. There are advantages, disadvantages and challenges that are associated with any social media strategy so organizations should be very particular before they chosen strategy related to it. These strategies should very carefully look upon by the organizations in order to monitor the activities associated with their brand. As with the help of social media individual can communicate with large number of people so organizations should be very particular about the message communicated online and a proper online strategy and tactics should be framed.

This study has attempted to identify relevance and limitation of social media marketing for organizations by exploring the extant literature on social media. This study is helpful for understanding of social media in general, which is helpful for academicians, social media companies etc. Organizations before entering the field of social media marketing should have complete research on social media practices. An organization has to adept basic principles and strategy of using social media as an effective tool in order to beat its competitor. Main aim an organization has to keep in mind is to involve customers so as to build company reputation, to have positive interaction with customers regarding their goods and services and to satisfy customer's need and wants.

References

A. Barreda (2014). Creating Brand Equity When Using Travel-related Online Social Network Web Sites, *J. Vacat. Mark.,* 20(4), pp: 365-379.

Amichai-Hamburger, Y. (2008). Internet empowerment, *Computers in Human Behavior*, 24(5), pp: 1773-1775.

Ba, S. & Pavlou, P.A. (2002). Evidence of the effect of trust building technology in electronic markets: price premiums and buyer behavior, MIS Quarterly**,** 26(3), pp: 243-268.

Berthon, P.R., Pitt, L. & Campbell, C. (2008). Ad lib: when customers create the ad, *CA Management Review*, 50(4), pp: 6-31.

Bruhn, M., Schnebelen, S. & Schafer, D. (2013). Antecedents and consequences of the quality of e-customer-to-customer interactions in B2B brand communities, *Industrial Marketing Management,* 43(1).

Bruhn, M., Schoenmueller, V. & Schafer, D.B. (2012). Are social media replacing traditional media in terms of brand equity creation?, *Management Research Review,* 35(9), pp: 770-790.

Casaló, L.V., Flavián, C. & Guinalíu, M. (2010). Relationship quality, community promotion and brand loyalty in virtual communities: Evidence from free software communities, *International Journal of Information Management,* 30(4), pp:357-367.

Curtis A.[2011]. The brief history of social media. [Available at: http://www.uncp.edu/home/acurtis/NewMedia/SocialMedia/SocialMediaHistory.html].

D.M. Gilfoil & C. Jobs. [2012]. Return on Investment For Social Media: A Proposed Framework For Understanding, Implementing, And Measuring The Return, *Journal of Business Economics and Research.* 10 (11), pp: 637-650.

Dodds, W.B., Monroe, K.B. & Grewal, D. (1991). Effects of price, brand, and store information on buyers' product evaluations, *Journal of Marketing Research*, 28(3), pp: 307-319.

Do-Hyung, E, Jumin, L. & Ingoo, H. (2007). The effect of on-line consumer reviews on consumer purchasing intention: the moderating role of involvement, *International Journal of Electronic Commerce,* 11(4), pp: 125-148.

Faraz, F. & Zohaib, J. (2012). The Impact of Social Networking to Influence Marketing through Product Reviews, *International Journal of Information and Communication Technology Research,* 2(8).

Fue, Z., Li, H. & 8c Wenyu, D. (2009). Social factors in user perceptions and responses to advertising in online social networking communities, *Journal of Interactive Advertising,* 10(1), pp: 1-13.

Tsimonis, G. & Dimitriadis, S. (2014). Brand strategies in social media, *Marketing Intelligence & Planning*, 32(3), pp:328-344.

Marshall, G.W., Moncrief, W.C., Rudd, J.M. & Lee, N. (2012). Revolution in sales: The impact of social media and related technology on the selling environment, *Journal of Personal Selling & Sales Management*, 32(3), pp:349-363.

Gruzd, A., Wellman, B.*Sc* Takhteyev, Y. (2011) Imagining Twitter as an imagined community. *American Behavioral Scientist,* 55, 10, pp. 1294-1318.

Hill, S., Provost, F. & Volinsky, C. (2006). Network-based marketing: Identifying likely adopters via consumer networks, *Statistical Science*, pp:256-276.

http://www.burson-marsteller.com/bm-blog/burson-marsteller-fortune-global-100-social-media-study/

K. Chanthinok, P. Ussahawanitchakit & P. Jhundra-indra (2015). Social Media Marketing Strategy and Marketing Performance: Evidence from E-commerce Firms in Thailand, *AU-GSB E-Journal*, 8(1), pp: 1-19.

Kapferer, J.-N. (2008). *The New Strategic Brand Management*, London: Kogan Page

Kaplan, A.M. & Haenlein, M. (2012). The britney spears universe: social media and viral marketing at its best, *Business Horizons*, 55 (1), pp: 27-31.

Kardaras, D., Karakostas, B. & Papathanassiou, E. (2003). The potential of virtual communities in the insurance industry in the UK and Greece, *International Journal of Information Management*, 23(1), pp:41-53.

Keller, K.L. (2008). Strategic Brand Management: Building, Measuring, and Managing Brand Equity, Upper Saddle River: NJ Pearson Education.

Leerapong, A. & Mardjo, A. (2013). Applying Diffusion of Innovation in Online Purchase Intention through Social Network: A Focus Group Study of Facebook in Thailand, *Information Management and Business Review,* ***5***(3), pp:144-154

Lu, H.P. & Hsiao, K.-L. (2010). The influence of extro/introversion on the intention to pay for social networking sites, *Information & Management,* 47(3), pp: 150-157.

Lu, Y, Zhao, L. & ***Sc*** Wang, B. (2010). From virtual community members to c2c e- commerce buyers: trust in virtual communities and its effect on consumers' purchase intention, *Electronic Commerce Research & Applications,* 9(4), pp: 346-360.

M. Bruhn, V. Schoenmueller & D. B. Schäfer(2012). Are Social Media Replacing Traditional Media in terms of Brand Equity Creation?, *Manag. Res. Rev.,* 35(9), pp: 770–790.

Mangold, W.G. & Faulds, D.J. (2009). Social media: The new hybrid element of the promotion mix, *Business Horizons***,** 52, pp:357-365.

Maryam, N. Maarop, & R. Ibrahim (2015). Factors Influencing Customers Engagement in Social Media for Co-creation In The Fashion Industry Of Saudi Arabia," in International Conference on Information Technology & Society, June, pp. 53-63.

Michael A. Stelzner (2016), Social Media Marketing Industry Report, "How Marketers are Using social media to grow their businesses", Social Media Examiner, May 2016.

N. Mohan, P. Senthilmurugan. "An Empirical Study on Role of Social Media Marketing for Consumers Decision Making in Selecting Hospital Services". Journal of Advances in Business Management; Volume 1, Issue 2 June 2015; Page: 49-59.

Sri Jothi, M. Neelamalar and R. Shakthi Prasad "Analysis of social networking sites: A study on effective communication strategy in developing brand communication" Journal of Media and Communication Studies Vol. 3(7), pp. 234-242, July 2011

Palmatier, R.W., Scheer, L.K. and Stennkamp, J.B.E.M. (2007), "Customer loyalty to whom? Managing the benefits and risks of salesperson-owned loyalty", *Journal of Marketing Research*, Vol. 44 No. 2, pp. 185-199.

Pan, L.-Y. & Chiou, J.-S. (2011) How much can you trust online information? Cues for perceived trustworthiness of consumer-generated online information, *Journal of Interactive Marketing,* 25, 2, pp. 67-74.

Pietro, L.D., & Pantano, E. (2012). An empirical investigation of social network influence on consumer purchasing decision: The case of Facebook. *Journal of Direct, Data and Digital Marketing Practice, 14(*1), 18-29.

Purnawirawan, N., De Pelsmacker, P. & Dens, N. (2012) Balance and sequence in online reviews: how perceived usefulness affects attitudes and intentions, *Journal of Interactive Marketing, 26***,** 4, pp. 244-255.

Richter A, Koch M. Social software – status quo und Zukunft. Technischer Bericht, Nr. 2007–01, Fakultät für Informatik. Universität der Bundeswehr München; 2007.

Rooney, J. (2011). Loyalty innovation, now an "organic" campaign. Advertising Age, 82(13),16.

S. Karimi and H. S. Naghibi, "Social Media Marketing (SMM) Strategies for Small to Medium Enterprises (SMEs)," Int. J. Information, Bus. Manag., vol. 7, No. 4, pp. 86-98, 2015.

S. Shojaee and A. bin Azman, "An Evaluation of Factors Affecting Brand Awareness in the Context of Social Media in Malaysia," Asian Soc. Sci., vol. 9, no. 17, pp. 72-78, 2013.

S. Vinerean, I. Cetina, L. Dumitrescu, and M. Tichindelean, "The Effects of Social Media

Marketing on Online Consumer Behavior," Int. J. Bus. Manag., vol. 8, no. 14, pp. 66–79, 2013.

Senecal, S. & Nantel, J. (2004) The influence of online product recommendations on consumers' online choices. *Journal of Retailing,* 80, 2, pp. 159-169.

Sharma, S., & Asad Rehman. (2012, July). Assessing the Impact of Web 2.0 on Consumer Purchase Decisions: Indian Perspective. *International Journal of Marketing and Technology, 2(*7), 125-139.

Smith, A.N., Fischer, E. and Yongjian, C. (2012), "How does brand-related user-generated content differ across YouTube, Facebook, and Twitter?" *Journal of Interactive Marketing,* Vol. 26 No. 2, pp. 102-113.

Vukasovic Tina "Brand Developing Relationship Through Social Media" International School for Social and Business Studies, Slovenia Active citizenship by management, knowledge management and innovation knowledge and learning, International conference, Zadar, Croatia, June 2013

Wang, X., Yu, C. 8c Wei, Y. (2012) Social media peer communication and impacts on purchase intentions: a consumer socialization framework, *Journal of Interactive Marketing,* 26, 4, pp. 198-208.

Weisberg, J., Te'eni, D. 8c Arman, L. (2011) Past purchase and intention to purchase in e-commerce: the mediation of social presence and trust. *Internet Research,* 21, 1, pp. 82-96.

Wells, J.D., Valacich, J.S. and Hess, T.J. (2011), "What signal are you sending? How website quality influences perceptions of product quality and purchase intentions", MIS Quarterly, Vol. 35 No. 2, pp. 373-396.

Yoo, B., Donthu, N. and Lee, S. (2000), "An examination of selected marketing mix elements and brand equity", *Journal of the Academy of Marketing Science*, Vol. 28 No. 2, pp. 195-211.

JMV
Journal of Marketing Vistas
ISSN 2249-9067 Volume 7, No 2, July-December 2017 pp. 41-49

The Market for Organic Foods: The Case of Hyderabad City (TS)

M. P. Siva Kumar*

Abstract

The market for organic products (OPs) in general and organic foods in particular is fast expanding in the country. The article looks at who buy OPs, and what, where and why they buy them. Our sample survey in the Hyderabad city throws up the fact that the decision to buy OPs is conditioned by the knowledge over the advantages of the products, by the compulsion to buy them and by the ability to buy them. Thus, we notice from the survey that it is mainly the males, the medium-sized families, the educated, the married and the high-income groups who buy the products. It is further found that the OPs that account for a larger share of the household budget are slow to gain popularity among the consumers. In addition, there is evidence that there is a vast market potential for the OPs and that advertising and authenticity of products matter in influencing their sales.

Keywords

Organic Products, Consumer Purchasing Behaviour, Organic Food, Consumer Willingness

Introduction

Achieving environmental sustainability of the global food system has been identified as a grand challenge of the century. There is a growing body of research emerging across various disciplines dedicated to finding the most effective ways to reform the food system. Seufert, Ramankutty and Foley (2012) view that one the most promising alternatives for meeting this challenge is the production of food using organic methods. The term organic is rooted in bio, from the Greek bios, meaning life or a way of living. The term organic foods is first coined in the

* Asst. Professor, Amity Global Business School (AGBS) Hyderabad. He can be reached at malladichanak@gmail.com.

1940s and refers to the food raised, grown, stored and processed without the use of synthetically produced chemicals, fertilisers, herbicides, pesticides, fungicides, growth hormones, and generic modification. Baker *et. al.,* (2002) note, that organic foods contain only one-third of pesticides that conventional foods do. Their production is environmental friendly. Organic foods provide numerous vitamins, minerals and anti-oxidants (Soil Association, 2013). They promote health in myriad ways and are nutritious (Opinion Research, 1990; Shafie and Rennie, 2012; Harper and Makatouni (2002). However, Soler *et. al.,* (2002) note that growing consumer interest in organically grown foods has opened new market opportunities for producers and in recent years consumer demand is also increasing.

The Market for Organic Foods

The market for organic foods is still at a nascent stage of development. The market share of the foods is merely 1% of the total demand for chemically produced products (Willer and Kilcher, 2010). The demand for organic foods is constrained because consumers are still not quite aware of the advantages that go with the foods (Yin *et. al.,* 2010), the foods are relatively costly (owing to high logistical costs and low volume of operation), the labelling/ certification of the foods is not foolproof for the consumers to trust that they are truly produced organically (Von Alvesleben, 1997; Janssen and Hamm, 2012; Blackwell *et. al.,* 2007; Ergonul, 2013). Most consumers think of only vegetables and fruits when they wish to buy organic products and there is little knowledge that there are many other organic products. Notwithstanding these constraints, the demand for the OPs and particularly organic foods is growing rapidly in recent years. A survey undertaken by the Associated Chambers of Commerce and Industry in India shows that there has been a major shift in favour of the consumption of organic products, particularly fruits and vegetables, in the metro cities and about 62% of metropolitans are buying the products.

Who Buy Organic Foods and Why?

Social, economic and demographic characteristics and the health consciousness of people impact on the purchase of organic foods. Thus, women tend to be core buyers of organic foods although health conscious men are also found to be interested in them (Davies *et. al.,* 1995, Byrne *et. al.,* 1994). Next, household income is found to have a significant positive correlation with organic food purchases (Armagan and Ozdogan, 2005). Thompson and Kidwell (1998) and Cranfield and Magnusson (2003) have sown that wealthier households are more likely to spend on organic foods. In a study by Harper and Makatouni (2002) it was found that one of the most important reasons for purchasing organic products is the perceived health benefits of organic food products when compared to conventional food products. However, Caporale and Monteleone (2004) note that consumers ‘like’ of organic food, compared with conventional, increases with the presence of marketing communications providing information on the label about the nutritional information and also origin of production on products. The work of Lobo *et. al.,* (2013) has shown that rising income level, lifestyle, and the growth of health consciousness have a tendency to drive demand for organic products in general. Padel and Foster (2005) show that regular consumers of organic foods are educated, affluent and belong to higher social class. Roitner-Schobesberger *et. al.,* (2008) suggest that willingness to pay for organic foods increases with age and income. Gracia and deMagistris (2008) show that sex, income, age, education and household size all influence the decision to buy organic foods. Richardson, Jain and Dick (1996) and Nielsen (2006) conclude that the presence of children in the household impact positively on the purchase of organic foods. Dimitri and Dettmann (2012) study show that married consumers are found to be in favor of organic products.

Objectives and Methodology

There is a paucity of research on the characteristics of the buyers of organic foods in the country. The present study analyses these characteristics, based on the data collected from a random sample of 537 households purchasing consumer goods in Hyderabad city of the Telangana State. Of these, 382 households (or 71%) were noted to have bought at least one organic product (not merely organic food) in December 2016. The data were collected from different parts of the city and therefore the study may be said to be representative of the city of Hyderabad. The results reached here may also represent the conditions in similarly situated cities of the country. The specific objectives of the study are to know:

1. The socio-economic status of those buying organic products (OPs)
2. The place where the consumers buy OPs
3. The reasons for the purchase of OPs
4. The frequency of purchase of OPs
5. The OPs that are bought by the consumers and
6. The willingness to purchase select OPs if available

Results and Discussions

Influence of Demographic, Social and Economic Factors on the Decision to Buy OPs

The need for, awareness over and affordability of organic products are all influenced by the demographic, social and economic status of the households. In what follows, we will examine this status of the respondent households buying OPs. At the outset, we enquired whether it is males or females who buy OPs in the main. It is possible that males dominate in this respect for even in the metropolitan setting of India it is the males who exercise main control over household finances. Table-1 supports this contention. About two-thirds of those buying OPs are males. If one-third of the purchases are made by females it could be because of the metropolitan character of the city, because some of the females are earning members of the households and because females are more conscious of the benefits that are associated with OPs.

Table-1: Respondents Buying OPs Classified by Sex

Sex	Number Reporting	Percentage
Male	248	64.92
Female	134	35.08
Total	382	100.00

(Source: Questionnaire)

Family size could also influence the buying behaviour of households. It is possible that OPs are bought mainly by the families that are small in size because to meet the requirements of a big family proportionately large amount needs to be spent on these costlier products and many such households cannot afford to do so. Our data, presented in Table 2, does not quite conform to this view. It is seen that the family size of those buying OPs first increases and then decreases. Members of small families are likely to be young and therefore are not quite troubled by health problems to feel the need to buy health-promoting OPs even though they can afford them. As family size increases, the age structure of the family changes with the elderly in the family increasing in proportion. This compounds the need to be conscious of health and the necessity to buy OPs. However, buying OPs to meet the needs of all the elderly in the family is a costly proportion for many households. This may explain why only a small proportion of big families buy OPs.

Table-2: Respondents Buying OPs Classified by Family Size

No. of Members in Family	Number Reporting	Percentage
Two	52	13.62
Three	76	19.89
Four	143	37.43
Five	86	22.52
Six and above	25	6.54
Total	382	100.00

(Source: Questionnaire)

We also looked at the age group of the respondents buying OPs and the details are presented in Table 3. As noted, the decision to buy OPs is likely to be conditioned by the knowledge over the advantages of the products, by the compulsion to buy them and by the ability to buy them. On all three counts those in the age-group 15-25 years score low. This may explain why those belonging to this group form a low proportion among the respondents buying OPs. Those in the age-groups 25-35 years and 35-45 years score high in respect of the three counts. Moreover, our data show that respondents of these age-groups, as expected, figure prominently among the buyers of OPs. It may be on the ground that they cannot afford, the respondents of the age-groups 45-55 years and above 55 years are seen constituting a small proportion of the respondents buying OPs in our sample.

Table-3: Respondents Buying OPs Classified by Age-Group

Age-group in Years	Number Reporting	Percentage
15-25	63	16.49
25-35	142	37.17
35-45	103	26.96
45-55	59	15.45
Above 55	15	3.92
Total	382	100.00

(Source: Questionnaire)

Education increases awareness over health issues. So much so, the proportion of those buying OPs should increase with increase in education status. As may be seen from Table-4, our data largely support this proposition. While a very small proportion of our respondents buying OPs, figure among those with education 'below 10th class', a large proportion of them are found with education 'graduation' and 'post-graduation and above'.

Table-4: Respondents Buying OPs Classified by Education Status

Education Status	Number Reporting	Per-centage
10th class and below	12	3.14
Intermediate	35	9.16
Graduation	174	45.54
Post-graduation and above	161	42.14
Total	382	100.00

(Source: Questionnaire)

Individuals will feel a sense of independence once they are married. They are also expected to behave more responsibly after marriage. So, one expects married persons to be buying OPs in large numbers. One finds a basis for this expectation in our survey data presented in Table-5, with 68.32% of the sample respondents belonging to the 'married' status.

Table-5: Respondents Buying OPs Classified by Marital Status

Marital status	Number Reporting	Percentage
Married	261	68.32
Unmarried	121	31.67
Total	382	100.00

(Source: Questionnaire)

Household income is by far the most important factor influencing the decision to buy OPs. It is highly probable that larger and larger proportion of those buying OPs will be found as the household income increases. Our survey data is found consistent with this observation. From Table-6, it may be seen that the proportion of respondents buying OPs increases systematically with every increase in the size-class of their household income.

Table-6: Respondents Buying OPs Classified by Household Income Class

Income Class	Number Reporting	Percentage
Less than 2 lakhs	19	4.98
2-4	42	10.99
2-6	61	15.97
6-8	75	19.63
8-10	89	23.30
10 lakhs and above	96	25.13
Total	382	100.00

(Source: Questionnaire)

What are the OPs that appeal to consumers? Our survey data presented in Table-7 show that fruits and vegetables score over other items. Organically produced fruits are bought by all the respondents in question. Vegetables of this category also figure in the basket of nearly all the consumer-respondents. These fruits and vegetables do not account for much of the budget of the respondents, and this may explain their popularity. Groceries, grains, flours etc produced organically are also finding their way to the respondents' households, albeit a little slowly. Non-food OPs such as toiletries, some household OPs of daily use are beginning to figure in the respondents' budgets.

Table-7: Respondents Buying OPs Classified by OPs Bought

Organic Product	Number Reporting	Percentage
Fruits	382	100.00
Vegetables	350	91.62
Pulses, staples	201	52.61
Grains, flours	189	49.47
Toiletries	196	51.30
Household items, fabrics	131	34.29
Others	114	29.84

(Source: Questionnaire)

Note: A respondent can buy more than one product

Where do the respondents usually buy OPs? We may note from Table-8 that the popular market outlets are special counters in supermarkets and rytu bazaars and designated organic stores. People are beginning to buy these products 'on line' as well.

Table-8: Respondents Buying OPs Classified by their Place of Purchase

Place of Purchase of OP	Number Reporting	Percentage
Super market	221	57.85
Rytu Bazar	155	40.57
Local retailer	124	32.46
Online	55	14.39
Organic store	193	50.52

(Source: Questionnaire)

Note: A respondent can buy from more than one place

What are the various sources of information of OP consumers? It may be noted from Table 9 that the respondents are motivated to buy the OPs they bought by the 'display of OPs' in different market outlets, by what 'friends and family members' speak of them, and by the advertisements in 'health magazines' and 'newspapers' in that order.

Table-9: Respondents Buying OPs Classified by their Source of Information on OPs

Source of information	Number Reporting	Percentage
News papers	140	36.64
Health magazines	153	40.05
Friends and family	243	63.61
Display of OPs	293	76.70

(Source: Questionnaire)

Note: A respondent can get information from more than one source

Respondents to the survey opined that they are opting to buy OPs even though it means paying a premium price for them because they believe that the products offered for sale are truly produced organically. Relevant data are presented in Table-10.

Table-10: Respondents Buying OPs Classified by the Reason Why they Developed Trust in OPs

Trust Developed Because of	Number Reporting	Percentage
Scientific evidence on the pack	253	66.23
Celebrity endorsement	52	13.61
Advertisements	42	10.99
Government stamping	162	42.40
Others	70	18.32

(Source: Questionnaire)

Note: A respondent can develop trust because of more than one reason

It may be seen from the table that they develop their trust in the products from 'scientific evidence on the pack', 'government stamping / certification', 'advertisements in popular media' etc.

Why purchase OPs? Table-11 below shows various reasons for purchasing OPs. Respondents opined that they are opting to buy OPs even though it means paying a premium price for them, for reasons of health. Note from Table-11 that OPs are reportedly bought by a large majority of respondents because there are 'diabetes in the family'. 'Poor overall health' in the family also seems to influence the buying decisions of the respondents. Quite a large proportion of respondents buy the products because they are 'health conscious'. 'Presence of children in the family' also seems to shape the buying decisions of the people.

Table-11: Respondents Buying OPs Classified by the Reason Why they Purchased OPs

Reason	Number Reporting	Per-centage
Diabetes in the family	195	51.04
Infants	35	9.16
Children	127	33.24
Poor overall health	118	30.89
Pregnant women in the family	34	8.90
Health conscious	129	33.76
Others	27	7.06

(Source: Questionnaire)

Note: A respondent can give more than one reason

OPs are thus bought both to prevent and cure ailments. Details presented in Table-12. Our data shows that the respondents purchasing the OPs on a monthly basis account for 37.43% of all respondents. However, there are also those who buy the products once a year (28.02%).

Table-12: Respondents Buying OPs Classified by Frequency of Purchase of OPs

Frequency of purchase	Number reporting	Percentage
Once a week	70	18.32
Once a month	143	37.43
Once a year	62	16.23
No set pattern	107	28.02
Total	382	100.00

(Source: Questionnaire)

How much do the respondents spend on organic foods?

Table-13: Respondents Buying Organic Foods Classified by Share of Amount Spent on the Foods in Total Amount Spent on Food Items in General

Share of amount spent on organic foods in total amount spent on food items	Number reporting	Percentage
Less than 10%	83	21.72
10%-20%	114	29.84
20%-30%	104	27.22
30%-40%	24	6.28
40% and above	57	14.92
Total	382	100.00

(Source: Questionnaire)

Table-13 shows that about half the respondents devote less than 20% of their total expenditure on all food items on organic foods. There are those who devote 40% or more of their total food budget to foods produced organically. These data, together with the observation made earlier, that about 71% of all consumers buy one or the other organic food, is a testimony to the market potential that exists for organic foods.

Although, the demand for organic products is increasing, the popularity of OPs is not widespread and most of the consumers think of only fruits and vegetables. However, there are many other organic products and the range includes pastas, sauces, frozen juices, frozen meals, soups, cookies, between meals, stimulants, meat products, poultry, dairy, wine, pulses, nuts, seeds, cereals, oils,

Table-14: Respondents Willingness to Buy OPs

OPs-Food Items	Mean	SD	Skewness	OPs-Food Items	Mean	SD	Skewness
Fruits & Vegetables	3.79	1.79	0.629	Milk/Dairy products	3.84	1.93	0.310
Chocolates & ice creams	3.60	1.67	0.801	Biscuits	3.98	1.73	0.202
Juices	3.74	1.64	0.629	Bread	4.17	-0.03	1.723
Beverages	4.27	1.84	-0.216	Health Bars	3.93	1.62	0.296
Noodles	4.34	1.93	-0.160	Between Meals	4.48	1.94	-0.342
Stimulants	4.07	1.81	0.004	Dry fruits	3.62	1.71	0.532
Millets & Millet products	3.73	1.81	0.329	Cereals and Muesli	4.08	1.89	0.006
Dals, Pulses & Legumes	3.72	1.61	0.448	Basic Grains & Flours	3.90	1.68	0.284
Edible Oils	3.67	1.65	0.517	Sauces & Condiments	3.93	1.69	0.225
Ghee	4.01	1.75	0.157	Jams, Jellys & Spreads	3.86	1.79	0.082
Pickles and Chutney Powders	4.18	1.78	-0.141	Honey	4.18	2.06	0.140
Baby food & Healthy Supplements	3.21	1.74	0.899	Others	4.25	2.19	-0.162
Non-Food OPs							
Hair Care	3.40	1.66	0.870	Detergents & Cleaners	4.02	1.79	0.143
Skin Care	3.35	1.61	0.893	Incense sticks	3.65	1.79	0.349
Soaps	3.84	1.74	0.301	Room Fresheners	4.03	1.92	-0.168
Hand Bags & Accessories	4.08	2.21	-0.060	Seasonal Items	3.50	1.68	0.439
Aromatherapy	4.48	2.06	-0.495	Clothing/ Fabric	3.69	1.88	0.405
Earthen Cookware	3.95	2.20	-0.086	(Source: Questionnaire)			

chocolates, ice cream, beers, dairy produce etc in organic food category and non-foods such as aromatherapy, cook ware, shampoos, seasonal items, skin care, soaps, detergents, conditioners, cosmetics etc. What are the OPs preferred if they are available? To know these insights, we have enquired with the total sample consumers on few select food and non-food items (both users and non-users of OPs) to rate on a seven-point scale (very unlikely to no opinion) on their willingness to purchase OPs if available. As may be seen from the table 14, beverages, noodles, bread, between meals, pickles, chutney powders, honey, others and aromatherapy are OPs that consumers are willing to purchase, being mean score is high.

Conclusion

From the view point of health and environment it is essential to promote organic products. However, presently the demand for the products is constrained. This is so for the reasons that consumers lack knowledge over the benefits the products bring, the products are relatively costly and there are doubts about the true nature of the products, viz., whether they are truly produced organically. Our survey among the consumers of OPs in Hyderabad city of the Telangana state points at the ways in which the market for the OPs can be promoted. We notice from the survey that it is mainly the males, the medium-sized families, the educated, the married and the high-income groups who buy the products. It is further found that the OPs that account for a larger share of the household budget are slow to gain popularity among the consumers. In addition, there is evidence that there is a vast market potential for the OPs and that availability, advertising and authenticity of products matter in influencing their sales. The marketing strategies of those producing OPs should therefore be devised keeping these observations in mind.

References

Armagan, G. & Ozdogan, M., (2005). Determination of ecological characterization of egg and poultry meat consumption and consumer trends, *Animal Production*, 46 (2), pp:14-21.

Baker, B. P., Benbrook, C. M., Groth, E. & Benbrook, K. L. (2002). Pesticide residues in conventional, IPM-grown and organic foods: Insights from three U.S. data sets, *Food Additives and Contaminants*, 19(5): 427-446.

Blackwell, R *et. al.,* (2007).Consumer Behavior: An Asia Pacific Approach, Victoria: Nelson Australia Pvt Limited.

Byrne, P.J., Bacon, J.R. & Toensmeyer, U.C. (1994). Pesticide residue concerns and shopping location likelihood, *Agribusiness*, 10(6), pp:491-501.

Cranfield, J.A. & E.Magnusson.(2003). Canadian consumers' willingness-to-pay for pesticide free food products: An ordered probit analysis, *International Food and Agribusiness Management Review*, 6(4), pp:14-30.

Davies, A., A.J. Titterington & C. Cochrane. (1995). Who buys organic food? A profile of the purchasers of organic in Northern Ireland, *British Food Journal*, 97(10), pp:17-23.

Dimitri, C. & Dettmann, R.L, (2012). Organic food consumers: what do we really know about them?, *British Food Journal*, 114(8), pp:1157-1183.

Ergonul, B., (2013). Consumer Awareness and Perception to Food Safety: A Consumer Analysis, *Food Control*, 32(2), pp:461-471.

Gracia, A. & de Magistris, T. (2008). The demand for organic foods in the South of Italy: A discrete choice model, *Food Policy*, 33(5), pp:386-396.

Harper, G.C. & Makatouni, A. (2002). Consumer perception of organic food production and farm animal welfare, *British Food Journal*, 104(3-5), pp: 287-299.

Janssen, M. & U. Hamm. (2012). Product Labelling in the Market for Organic Food: Consumer Preferences and Willingness-To-Pay for Different Organic Certification Logos, *Food Quality and Preference*, 25(1), pp:9-22.

Lobo, A., B. Mascitelli & J. Chen (2013). "Opportunities for Small and Medium Enterprises in the Innovation and Marketing of Organic Food: Investigating Consumers' Purchase Behavior of Organic Food Products in Victoria, Australia", *AI and SOCIETY,* pp:1-12.

Padel, S. & Foster, C. (2005), Exploring the gap between attitudes and behavior: Understanding why consumers buy or do not buy organic food, *British Food Journal*, 107(8), pp: 606-625.

Richardson, P.S., Jain, A.K. & Dick, A., (1996). Household store brand proneness: A framework, *Journal of Retailing*, 72(2), pp:159-185.

Roitner-Schobesberger, B., I. Darnhofer, S. Somsook, and C.R. Vogl., (2008), "Consumer Perceptions of Organic Foods in Bangkok, Thailand." Food Policy, 33(2):112-121.

Seufert, V. Ramankutty, N. & Foley, J. (2012). Comparing the yields of organic and conventional agriculture, *Nature*, 485, pp: 229-232.

Shafie, F.A. & D. Rennie (2012). Consumer Perceptions towards Organic Food, *Procedia – Social and Behavioral Sciences*, 49, pp:360-367.

Soler, F., Gil, J.M. & Sanchez, M. (2002). Consumers' acceptability of organic food in Spain: Results from an experimental auction market, *British Food Journal*,104(8), pp:670-687.

Thompson, G. D. & Kidwell, J. (1998). Explaining the choice of organic produce: Cosmetic defects, prices, and consumer preferences, *American Journal of Agricultural Economics*,80, pp: 277-287.

Von Alvesleben, R. (1997). Consumer behavior", in Padberg, D.I., Ritson, C. and Albisu, L.M. (Eds), Agro-food Marketing, *CAB International*.

Willer, H. & Kilcher, L. (Editors). (2010). The World of Organic Agriculture - Statistics and Emerging Trends 2010. In:IFOAM, Bonn, and FiBL, Frick, released at BioFach in Nuremburg. [Available at: http://www.fibl.org.]

Yin, S., Wu, L., Du, L. & Chen, M. (2010). Consumers' purchase intention of organic food in China, *Journal of the Science of Food and Agriculture*, 90(8), pp:1361-1367.

JMV
Journal of Marketing Vistas
ISSN 2249-9067 Volume 7, No 2, July-December 2017 pp. 50-59

The Volkswagen Way, Profits over Sustainability

A. Sridhar Raj*

Abstract

Volkswagen adopted strategies to gain market share for its cars manufactured across the world and in bid to overcome competition, the company installed chips to cheat the regulators. The chips effectively hid the emissions from the cars in the laboratories, whereas the same cars emitted carbon dioxide and other pollutants more than the prescribed norms. The scandal shocked the world as the customers of Volkswagen believed in the prowess and quality of the cars made by the German company.

The chief executive resigned and other heads rolled who were alleged to be associated with the scandal and the new chief executive promised the regulators to act in the most transparent manner and also assured the customers that the company would fix the problem of all those cars considered to be tainted with the manipulative chips.

The company took a huge beating from customers and shareholders. The buyers put off buying the company cars and the investors showed thumbs down to the scandal wiping off the market capital of the company. The regulators initiated proceedings against the company all over the world asked the company to come out with the plan to address the emission scandal. The company too started all the measures to ward off long term implications of the scandal and one such measure being the appointment of the new chief executive. After such severe drubbing, the question which remains unanswered is to 'what next for Volkswagen'?

Keywords

Volkswagen, Emission, Ethics, Trust, Regulator, Market Share, Leadership

Introduction

"Securing the trust of our customers and that of the public is and will remain of paramount importance to us! We sincerely and deeply regret that we have abused your trust. We will take care of all your concerns quickest possible……..….. We at Volkswagen will do everything to fully regain the trust so many

* Assistant Professor, Institute of Public Enterprise, Hyderabad and can be reached at: sridharraj@ipeindia.org

people put in us and do all necessary to avert further damage." - Volkswagen

We have lost trust; the trust of our customers, investors and employees as well as the trust of politicians - Hans Dieter Pötsch, Chairman of the Supervisory Board of Volkswagen AG

We are reviewing our structures. We are reviewing our mindset and the way we do things……… We have a clear mission. We want to create a new, better and a stronger Volkswagen – Matthias Muller, CEO of Volkswagen AG.

The world was shocked. On 3rd September 2015, Volkswagen admitted to the allegation that a cheat device was installed in certain car models to understate the emissions during the laboratory tests. The admission to the US Environmental Protection Agency shocked the world. The customers who have been diehard fans of its quality and precision did not believe it to be true, but it was true. The trust reposed in Volkswagen was crestfallen. Exactly after 20 days, on 23rd September 2015, the chief executive officer of Volkswagen AG Martin Winterkorn submitted his resignation and expressed his dismay and also his unawareness about such the device which could understate the pollutants from its cars.

23rd September 2015, Volkswagen expressed its apology for violating the trust reposed by the customers and other stakeholders who trusted the company for a long time. The company assured the customers that the company would do all those things that would regain the trust of the customers and expressed sincere regrets for abusing their trust. The resignation of the CEO, Martin Winterkorn, and the appointment of a new CEO, Matthias Muller, was considered to be the beginning of the clean up act. On 25th September 2015, the new CEO was brought in by the Volkswagen Board to restore the customer trust and the new CEO immediately swung into action who stated that the crisis would be solved in the most transparent manner to win back the customers and also address the issues raised by the regulators.

The problem of trust was not just limited to Volkswagen and its different variants in Germany or Europe or US, but across the world. The image of Volkswagen as a trusted automotive company took a serious beating and the technology from Germany too came under the scanner. Volkswagen promised to take full responsibility and costs for addressing the emission problem in millions of cars in the days to come. However, Volkswagen as a company adored for its quality took a severe drubbing and reported on 28th October 2015 that it recorded its first quarterly net loss in at least 15 years.

On 10th December 2015, Matthias Muller admitted to the 'mindset' problems within the company and promised the much needed structural changes in Volkswagen. The question was to what extent the changes would repose the trust among the customers and investors. The question before Matthias Muller was not just addressing the illegal defeat device but win back the customers in the days to come.

History of Volkswagen

Volkswagen AG is the parent company of Volkswagen Group which owned iconic brands in car segment including Audi, SKODA, Bentley, Bugatti, Lamborghini, Porsche, Ducati, etc. The Volkswagen Group was a leading multi-brand group in the automotive sector. The core activities of the Group include developing, producing and selling passenger cars, light commercial vehicles, trucks and buses. The range of cars include both fuel efficient small cars and luxury cars which is an indication to the point that Group was well established in the automotive sector since its inception in the late 1930s.

The company 'Volkswagen' was founded in the year 1937 as a state owned automobile company to manufacture small cars. The company was originally operated by German Labor Front, a Nazi organization and was headquartered at Wolfsburg, Germany. Efforts were made to make cars accessible to the people at affordable prices. The initial attempts to develop small cars to suit the German people did not materialize due to issues pertaining to cost and design.

The beginning of the Second World War changed the nature of the company as it started producing vehicles for meeting the military requirements of the German army. After the end of the war, efforts were made by the allied forces to resurrect the company for manufacturing cars. The efforts did not yield any fruitful results as nobody was interested in taking the ownership of the company and revive the fortunes of the same, even though the company was producing cars after the end of the war.

When, the revival of the company slowly started as the war ended, the cars produced by Volkswagen were exported to the American markets. The advertising blitz coupled with the reliability of the cars led to gradual acceptance of the cars by the Americans. In the early 1950s, Volkswagen gained its foothold in Canada as well by the year 1955. The production of the Type 1 cars increased over a period of time and reached one million in the same year. This was a remarkable achievement for Volkswagen and by the year 1973 the total production reached 16 million vehicles.

The 1960s marked a historic turnaround of the company as it made its inroads into the luxury segment with the acquisition of Auto Union and NSU Motorenwerke AG (NSU). Auto Union was acquired in the year 1964 and in the year 1969, NSU Motorenwerke AG (NSU) was acquired. To gain the synergy, both the companies were merged into Audi Company which manufactured Audi cars in the luxury segment.

The merger of these companies provided Volkswagen the much needed technical expertise for the up gradation of its cars in all the segments. The influence of the merged entity led Volkswagen to come out with new models like the Passat, Scirocco, Golf, and Polo in 1970s. This was a necessity for the company given the declining sales of Type 3 and Type 4 models.

Volkswagen witnessed tough challenge from its competitors in 1980s from both the American and the Japanese automobile companies. The sales of Volkswagen cars came down drastically given the competitive nature of both the American and Japanese companies. The companies offered similar products at much lower prices which directly hit the sales of Volkswagen. The competitors gave Volkswagen a run for the development and deployment of new products on par with its competitors and Volkswagen attempted to cater to different market segments by upgrading the existing its models. The 1990s saw steady growth of the company in US and Europe which continued in the next decade as well. The global sales of Volkswagen which stood at 6.2 million in the year 2007 reached 9.7 million in the year 2013 and crossed 10 million in the year 2014.

The Broken Promises of Volkswagen

Volkswagen was not just a new company which was built around the technology era of the 21st century but a strong company which had a history of hits and misses. The company dominated the European car market and was a strong emerging force in developing countries like China, Brazil, etc, in the recent past. The company had everything in its place and there was a high level of transparency regarding the processes of the company which helped it to come out with iconic brands in the market. The company had all those standard practices which helped it to attain high levels of efficiency as well as sustainability over a long period of time.

> Martin Winterkorn, the former chief executive in one of the speeches stated that, “our success is also found in our ongoing willingness to regularly call our own approaches into question and then break new ground. In this way we have learned that our business is no longer just about technical aspects like horsepower and torque. We have learned that sustainability, environmental protection and social responsibility can be powerful value drivers.”

The company was aware of the emerging competition from different sources like new technologies, hybrid cars and electric cars and this in turn raised the levels of concern within the company. The company already took strides towards addressing the competition from various quarters. The senior management too was aware of the changes and initiatives were taken in the form of developing electric cars, single platform cars, etc. They knew that the market was tough and Volkswagen needed to find new opportunities to face the competition.

> Martin Winterkorn, the former CEO of Volkswagen AG once stated that, “new trends and new technologies ultimately mean one thing: new business opportunities. But competition for future mobility is ruthless and success is never guaranteed, not least because the business environment in which we operate is tougher than ever.”

True, Volkswagen mentioned the terms ‘environment’ and ‘sustainability’ often in their Sustainability Report 2014. The company was keen on both the terms but somehow in the race to edge out the competitors, they conveniently sidelined both of them. In the words of the company,

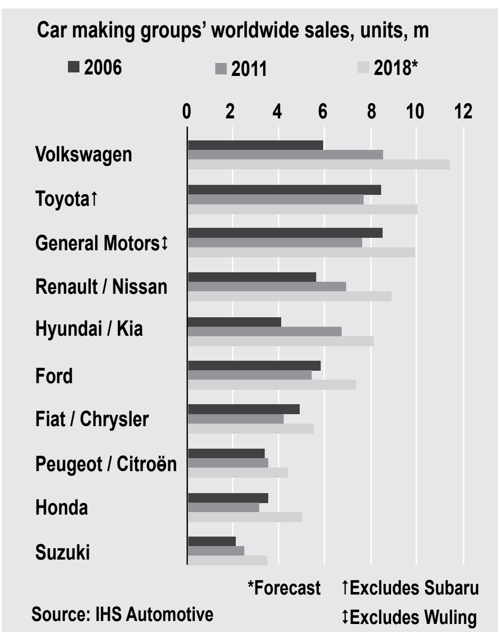
> “We know that growth can only take place hand in hand with responsibility and environmental protection – more than that, in fact: in recent years these factors have become genuine value drivers.” “the expansion of the worldwide SUV market as the segment with the fastest relative growth reveals the scale of the challenges that every automaker faces in respect of compliance of CO_2”

Apart from the focus on environment and sustainability, Volkswagen focused even on the compliance of its vendors and adopted all those measures which went on to strengthen the hands of the vendors in the maintenance of quality and standards across all its production units. “We not only apply high standards to our own activities but also demand compliance with these high standards to our own activities but also demand compliance with these standards from our suppliers”

All the focussed approach on environment, compliance and precision were pushed into background and the promises made to the regulators, customers and the society at large were broken to race to the top of the table. The obsession to become the largest care maker made Volkswagen to slowly and stealthily build chips which effectively winked the regulators. In fact, Volkswagen received high rating of A in the Carbon Disclosure Project in the year 2014 and this rating is given to those orgnaizations which disclose their greenhouse gas emissions in the most transparent and trustful manner.

The Fault Line: Strategy 2018

Ferdinand Piech's – the former chief executive of Volkswagen AG – plan for Volkswagen was to become the world's biggest carmaker by volume by the year 2018 – Strategy 2018. The gusto with which the goal percolated the Volkswagen family was visible in the aggressive growth strategies adopted by the company and expansion of its market share. In the year 2006, Volkswagen was far behind its rivals Toyota and General Motors and in next five years Volkswagen took the lead over both its competitors and almost took unassailable lead. The Strategy 2018 was almost achieved four years early and Volkswagen was the winner in the race to become the largest car maker by volume as desired by Ferdinand Piech's plan – to become the world's biggest carmaker by volume by 2018.



Source: The Economist, 2012

In 2008, Toyota was the market leader in passenger cars and by the year 2014, Volkswagen took the lead by reaching 10 million cars and that was possible due to a holistic focus on efficiency and tight financial controls adopted by Volkswagen. Given the tough competition from the rivals, Volkswagen was forced to overhaul its manufacturing processes for increasing its efficiency on one hand and also produce large number of units in its production centers.

One such strategy was MQB – a system for introducing rationality across disparate platforms that share engine orientation – regardless of model, vehicle size or brand, which helped the company to increase its efficiency levels but also raise the production of its units. Volkswagen equipped with MQB was now able to produce different brands on a single platform which resulted in the huge benefit of speeding the number of cars in all its production centers. In a nutshell, Volkswagen was producing more cars in its production centers. This provided the company to expand its market share in the shortest possible time.

The idea of having a shared platform for its different brands was highly appreciated by the experts as it not only improved the efficiency of the cars but also helped the company to invest its precious money in expanding its brand and also production centers. However, what was not appreciated in the race to reach the top position was its cheat chip, implanted in EA 189 engines – to hoodwink the regulators – and the company faced biggest backlash in its history of nearly eight decades.

The chief executive officer of Volkswagen Martin Winterkorn resigned and expressed apologies for the scandal and made it clear that he was not aware of the happenings. However, some of the engineers of the company admitted to the rigging of the engine and implanting the chips to deceive the regulators and the customers for a long time.

How did Volkswagen known for its quality landed itself in a mess that dented its image to the core?

The answer lay in the goal of becoming the largest car maker by the year 2018 – Strategy 2018.

The competition between the car makers has been in existence since long time. The focus towards conquering more and more markets and reach the table top led to whole series of unsavory practices. The car companies fought on the basis of their product strength and to a large extent the disinclination of the Americans in specific and others in general towards the diesel engines made Volkswagen to think about anything which could provide powerful cars with minimum emissions as prescribed by the regulators. Volkswagen did not enjoy the support of the customers as its market share hovered around 2-4 percent which was very less considering market leaders like Toyota, GM, etc, whereas as Volkswagen enjoyed dominant position in Europe and a reasonable position in China, one of the emerging markets.

The increasing usage of technology and electronics in the passenger car sector, the manufacturers introduced dozens of chips for addressing various issues pertaining to driving, safety, engine management, braking, lighting, etc. That apart, the pressure was building on the car manufacturers regarding fuel efficiency and pollution control. What Volkswagen did was to introduce chips in those areas which the emission data of the car was covered up during the laboratory tests which the regulators could not detect. The electronic chips which were used to regulate various engine management processes were effectively infected with those chips which dodged the laboratory testing and Volkswagen passed the regulator’s test in terms of emission norms and related compliance.

Since the year 2009, it was alleged that Volkswagen started implanting these chips which, based functioned on the movement of the steering wheel, accelerator, brakes etc, and enabled the car to distinguish between laboratory testing and road driving. The car automatically turned on its pollution controls on and once the car knew that it was not being tested, the pollution controls were off. When the lid blew over the scandal, the world was shocked, including the CEO, Martin Winterkorn.

“I am shocked by the events of the past few days,” the former CEO, Martin Winterkorn said. “I am stunned that misconduct on such a scale was possible in the Volkswagen Group.”

The US Market: The Acid Test for Volkswagen

The market share of Volkswagen was just two percent in the United States and given the size of its market, the company wanted to garner the larger pie in the quickest possible time and the Strategy 2018 was the beacon. Given the penchant of the Americans for the Japanese cars and their disinclination towards the diesel cars put Volkswagen at the bottom of the market. The company wanted to do something to dislodge the Japanese cars from top slots and looked to triple its market share to six percent.

The Germans were gambling with whatever they had to reach the top of the table and they had diesel cars. But the disinclination of the Americans towards diesel engines which were considered heavy polluters did not cut much ice with the Americans and coupled with the tight regulations regarding the emission norms, complicated the situation all the more for the company.

Volkswagen was a dominant force in Europe and also in emerging countries like China but the US always remained an elusive place for Volkswagen due to its strong competitors - GM, Ford and Chrysler. The Americans wanted to have those cars which could provide better accelerator (speed and pickup) and also meet the emission norms. The Strategy 2018 was hanging around the neck of the company to become the largest car maker in the world. Leaving the US would have sounded empty for the company, even though they reached the top car maker slot in other parts of the world. The American car market was an acid test for Volkswagen as that gave the car manufacturers the much needed ‘psychological advantage’ over the competitors.

Result. Electronic chips were implanted in certain engines to overcome the regulator’s test in the laboratory. This helped Volkswagen to to reach the top slot of the table, becoming the largest car maker in the year 2014. However, when the regulators found the discrepancy in the emission levels of the cars inside and outside the laboratory, the company had no choice but to accept the cheat chip. Heads rolled. Trust took a beating. The stock stumbled. The regulators took the driving seat.

The Global Impact of the Scandal

The emission scandal took a heavy tool for Volkswagen given the loss of lead to its competitors as just within a fortnight after the scandal hit the headlines, the overall sales of Volkswagen dipped. This in turn provided space for its competitors like Toyota which zoomed past the sales and pushed down Volkswagen and claimed top position by the end of September 2015.

On 27th October 2015, Toyota claimed that it sold 7.49 million vehicles by the end of September, whereas Volkswagen could sell 7.43 million. The problem for Volkswagen did not end here as the demand from the biggest emerging market, Chinese slowdown, too has led to the decline of the sales. The challenge now for the company became bigger and larger: the trust of the customers across the world took a beating and the emerging markets slowed down.

The defeat device which was introduced in the cars manufactured by Volkswagen allowed the vehicles to pass the emission control tests and in reality, they emitted more number of pollutants. The problem became more severe with more and more number of cars in Europe also came under the scanner of the regulators.

The eleven million cars, a staggering number hit by the emission scandal, in the US was a big jot for the company. The regulators apart, the fixation problem itself pulled down the image of the company. The financial implications for the fixation of the problem further altered the decision focus and priorities of Volkswagen. The company allocated billions of dollars to fix up the vehicles on one hand and also meet the obligatory penalties from the regulators across those countries where the defeat device was detected.

The company admitted that it overstated the fuel efficiency of its cars and understated its emissions forcing the company to put aside 8.7 billion Euros for covering up the repair costs. The issue did not stop at the cost level but percolated to the trust level of the customer and the regulators.

The overall impact of the scandal on Volkswagen was immense given the amount of trust the customers had in the company and they were shocked as they never expected that a German company would install chips to overcome the regulatory norms. The company immediately started the cleaning act, but it was too late given the colossal damage the company suffered in the hands of the customers and the regulators. In fact, the sales of the company got a beating as the customers adopted the ‘hands off' approach and the Volkswagen cars sales took a beating.

- The Volkswagen shares have taken a beating by almost a quarter and wiped out the fortune of the company by more than a 25 Billion Euros.
- The crisis was more than a dent for the Germany car makers known for their prowess, quality and precision. In fact, other car makers of Germany too came under the regulatory scanner, albeit, they were not indicted for such manipulation. Nevertheless, the scandal was not just a dent on Volkswagen but a huge loss of its image in the near future.
- More than the car industry, the image of Germany as, the citadel of quality, took a serious beating in the eyes of the larger clientele of the world. The Kraftfahrt-Bundesamt (KBA), the German regulator started investigations into the emission violation of the Volkswagen cars.
- The investors were shaken to the core as they never expected that Volkswagen had resorted to such a tactics to gain market share.
- The environmentalists were highly miffed with the fact that Volkswagen had cheated the entire mankind and threw environmental concerns into thin air.
- The company was led into a quagmire as the next question was how to regain trust and win back customers and regaining the trust was the biggest challenge for Volkswagen in the next few years.
- The scandal also forced the company to re-prioritize its activities as it got involved in refitting the engines and also facing the regulators across the world, wherever the tainted engines were sold

Implications in India

The Automotive Research Association (ARAI) in India started looking into the emission status of certain category of vehicles of Volkswagen AG – Volkswagen Jetta, Skoda, Octavia, Audi A4 and Audi A6. ARAI wanted to make sure that the violation of emission norms by Volkswagen AG was limited to certain models or across the products of the company, but initially limited its focus on only certain high end variants of the company. ARAI issued a show case notice to Volkswagen AG given the high level of suspicions raised in the light of flouting of emission norms.

The show case was intended to find out whether the company resorted to emission violation in India as it did in other countries, particularly in the US. ARAI was worried over the fact that 314000 cars were fitted with the same engine – EA 189 – the tainted engine. This was the engine which came under the scanner in the US and the ARAI wanted to ensure that these engines were not tinkered with the cheat software.

The impact of the global emission scandal led to the decline of the sales of Volkswagen cars in the month of September 2015 after showing consistent growth for a period of seven months which pointed to the fact that Volkswagen was indeed in trouble in markets like India. The customers' confidence and trust in Volkswagen took a beating with the emission scandal, resulting in a dip in the sales of its cars in India.

On 29th October 2015, the officials of Volkswagen India met the officials of the Ministry of Heavy Industries to explain their version and stated that they were committed to help the government in the probe into emission issues arising out of the global scandal. The officials of the company also explained to the government they would come out with the detailed report about the all the brands in India by the end of November 2015.

The New Dawn: What Next?

The new chief executive officer, Matthias Muller hinted at the cut backs in terms of investments and also number of employees. However, that was not his priority as he was saddled with the responsibility of wiping off the stigma of Volkswagen – being a scandal hit company and also cheating the customers. He hinted out to the fact that what was not important will be scrapped and admitted that the most important thing was to restore the trust of the customers on one hand and address the issues raised by the regulators on the other hand.

> "My most pressing task will be to restore confidence in the Volkswagen Group - through an unsparing investigation and maximum transparency, but also by drawing the right lessons from the current situation," Matthias Muller said. He further said, "Volkswagen under my leadership will make every effort to develop the most rigorous compliance and governance standards in the entire industry and to implement them."

Matthias Muller was keen to be more open with the regulators and the customers given the scale of the scandal, but the Muller also was the head of Volkswagen's luxury sports-car brand Porsche, when the scandal broke out. Although he was considered as non-tainted, questions were raised about the Muller's ability to gain the ground lost by Volkswagen as he had been with the company for the last thirty years.

What next for the company in terms of product line?

Industry experts foresee focus on hybrid technology and Volkswagen itself focused on such technologies in the past. Given the climatic focus of the governments all over the world and the emission scandal that rocked the automotive world, the automotive companies like Toyota, GM, etc, have already taken a lead I the development of hybrid technologies. Will Volkswagen the hybrid way?

Before the hybrid way, to what extent Volkswagen will regain the trust of the customers and comply with the directions of the regulators is the biggest question?

References

Emission ghost haunts Volkswagen in India, Business Standard, 30th October 2015

Emissions, probe set to cover more car makers, Livemint, 6th November 2015, Volkswagen India sales down after 7 months of growth, Business Standard, 5th October 2015

Emission scandal seen as a threat by new chairman, Business Standard, 5th October 2015

http://www.cnbc.com/2015/12/10/vw-chairman-main-challenge-is-to-win-back-trust.html

http://www.ft.com/fastft/2015/12/10/volkswagen-emission-scandal-a-timeline/

http://volkswagen.gomexlive.com/vw_live_ag/?lang=en

https://en.wikipedia.org/wiki/Volkswagen

Sustainability Report 2014, Volkswagen AG

The Volkswagen Group Code of Conduct

VW conquers the world, The Economist, 7th July 2012

VW sales growth stalls in Europe, Livemint, 16th December 2015

VW scandal could accelerate shift to hybrid cars, Livemint, 30th October 2015

ISSN 2249-9067 Volume 7, No 2, July-December 2017 pp. 60-66

Luxury Fashion Goods and Sustainable Consumption Behaviour

V. Shilpa[1] **C. Madhavaiah**[2]

Abstract

While the entire world is talking about sustainability as the new mantra to show the individual responsibility towards environment and consumption of goods or services, it is often considered that sustainability and luxury consumption never coincide. This paper intends to understand the sustainable consumption behavior of consumers when they buy, consume, and dispose the luxury fashion products. Extant literature has highlighted social, economic, and environmental and style consciousness as major dimensions of the sustainable consumption behavior and their impact was ascertained using CFA and SEM. The results show that the social and environmental consciousness has high impact on the sustainable consumption behavior at levels for luxury fashion product. The items related to the dimensions were adopted from previous validated studies & altered according the need of the study.

Keywords

Luxury Fashion, Sustainable Consumption Behavior, Social Learning Theory

Introduction

During the last decade, in various public debates and particularly in the media unsustainable consumption in developing countries is treated as a major concern. The focus is mainly on what is called 'the new middle class'. Sustainability in luxury fashion is one of tomorrow's most important focuses but is not yet practiced in the industry, neither from the side of the business or the customer. Even though customers' statements indicate an interest of sustainable fashion, but it is not reflected in their behaviour towards sustainable luxury fashion products, which

1 Doctoral Research Scholar, Pondicherry University Karaikal, Pondicherry and can be reached at: shilpacims@googlemail.com

2 Assistant Professor Pondicherry University, Karaikal , Pondicherry and can be reached at:

in turn can make sustainable luxury fashion seen as a risky buying option.

The sustainable consumption is concept from the famous 3P (people – planet – profit) or triple bottom line (TBL) approach of Elkington (1998). The TBL explains that 'Enterprise's ultimate success or growth can and should be measured not just by the traditional financial angle, but also by its performance in social/ ethical and angle' (Norman and MacDonald 2004: 243).

Luxury fashion has turned users into passive consumers who are constantly chasing fantasy. The sustainability effort is driven by, and aims to achieve, the goal of benefiting both people and planet. Thus, while the focus of this paper is on sustainable luxury fashion, the discussion can also be relevant to the social component of TBL.

Sustainable or responsible consumption is concerned with the satisfaction of personal needs without an adverse impact on the lives and consumption rate of present and future generations and complies therefore with the principles of sustainability (Prothero *et. al.,* 2011).

Luxury consumers are currently in a transition to a new type of fashion industry based on ecological and holistic principles of closing the loop that prioritises community and values in society. The importance of sustainability has grown significantly; the redefined business approaches and contemporary business solutions to create sustainable competitive advantage can encourage luxury brands to promote "Sustainable Luxury" concept (Kapferer, 2012). Luxury consumer's values are evolving from 'thinking' to 'practising' from 'Outward' to 'inward' and from 'Perceptible' to 'Earnest' (E. Sandig, 2015).

True luxury is often about reconnecting with individual's soul to reflect on choices consumers make that can leave a happy or a negative imprints on the world. Fashion that is sold on logo, style or glamour may seen incomplete to the luxury consumers today. The fashion industry is evolving to become consiuos industry that has low carbon foot print while respecting the ecosystem. People are starting to think about the values and ideas an outfit can represent for the planet and its people. Luxury and sustainability both share a common thread as they have common objective, they both emphasise on quality, timelessness and durability. Luxury has been comprehended as non-essential, wishful goods that gesticulates one's social class and affluence to others. Luxury has two features: exclusivity and rarity. To be in niche category, a luxury product should be exuberant, exceptional quality, with reduced ecological footprints, and have considerable benefits to society. Although it is advocated to affiliate luxury products with sustainable traits, there was a general opinion that consumer's intention is different than the actual behaviour with respect to luxury fashion products consumption (Joy *et. al.*, 2012).

Review of Literature

Social psychology has demonstrated that not all attitudes transform into behaviour. In particular, despite concern towards the environment consumers fail to purchase sustainable products (Gupta and Ogden, 2009).

(HU Biling *et. al.,* 2010) has designed and validated the sustainable consumption behaviour scale with six dimensions of 23 items all the items were measuring the general sustainable consumption behaviour of consumer. C. Bianchi and G. Birtwistle (2010) explained how consumers in Scotland & Australia dispose the fashion clothing after their use.

Balderjahn *et.al.* (2013), have studied the consciousness for sustainable consumption (CSC) by applying Environmental, Social and Economic dimensions of sustainability.

(Moscardo, G., & Benckendorff, P. 2010) have explored sustainable luxury in the context of tourism and found that these are no strong link between luxury tourism and sustainability. Verma.S (2014) has attempted to investigate source of influences and marketing initiatives that help to establish sustainable consumption behaviour.

Nasreen and Pooja (2015), made an attempt to understand the role of gender in influencing sustainable consumption behaviour among UAE consumers.

Annamma Joy *et. al.,* (2012) have concluded that youngsters separate the fast fashion, luxury and sustainability. He further explores that the respondents are in favour of the concept of sustainability but will not exhibit in actual behaviour while consuming luxury fashion goods.

Kapferer (2012) opines that luxury brands are responding to the demand for sustainability but have not taken many initiatives to communicate this change.

Past research has shown that consumers are more likely to reveal all non-sustainable issues iin luxury and hence more inclined to see an inconsistency. In addition, acting as per the standards of sustainable advancement signals a capacity to ace utilization and apply control, conversely with the embodiment of extravagance, for which abundance is vital (for instance, overabundance inventiveness, materials, detail, comfort, execution).

Based on the literatures reviewed, it is evident that both the brands and consumers are aware that the sustainability is the agenda of the world. The brands have started implementing the sustainable factors in the products and consumers have shown mixed responses towards sustainable consumption behaviour while consuming various goods & services. After careful analysis of existing literatures we could infer that there were very limited studies to explain the sustainable consumption behaviour in the case of Luxury fashion goods.

Objectives and Hypotheses

- To know the key elements of Social, Economic and Environmental that influence sustainable consumer behaviour
- To ascertain the impact of various dimensions those facilitate or inhibit sustainable consumption behaviour
- To understand the actual sustainable consumer behaviour

Following hypotheses are framed for testing the various relationships:

H_1 Environmental consciousness will have positive impact on SCB towards luxury consumption behaviour.

H_2 Social consciousness will have positive impact on SCB towards luxury consumption behaviour.

H_3 Economical consciousness will have positive impact on SCB towards luxury consumption behaviour.

H_4 Style consciousness will have negative impact on SCB towards luxury consumption behaviour.

Research Methodology

Conceptual Framework

Social Learning Theory (SLT) is a category of learning theories which built on the belief that human behaviour is ascertained by a three-way relationship between cognitive factors, environmental influences, and behaviour. According to Albert Bandura, “Social learning theory provides explanation for human behaviour in terms of a continuous reciprocal interaction between cognitive, behavioural, and environmental determinants" (Social Learning Theory, 1977).

It mentions that people rely on status conferring symbols (speech, dress and possessions) that serve as tangible indicants of their past success. Core values, needs, tastes, priorities, self-concept, mindsets and aspirations define our world view and are usually less varied in a generation.

SLT explains that one way to make people interested in sustainable consumption might be through modeling, which is a form of vicarious learning whereby people observe a real-life or symbolic model and replicate their actions, attributes, behaviour and emotional responses. Indeed, people also acquire attitude, emotional responses, and new styles of conduct though film and television modeling (Bandura 1977).

In the past the SLT explained concept of behavioral contagion and gave the importance of prestige and force it exerts on people. Researchers in past demonstrated this in an experiment explaining the influence

Table-1: Statistics of Measurement Model

Measurement construct	Standardized Loading	Construct Reliability
Environmental Consciousness		
I do not purchase those products which may cause damage to the environment	.860	.863
I have purchased products because they cause less pollution	.810	
I will buy the Luxury fashion products if it can be disposed in an eco-friendly way	.797	
I will buy the luxury product if is packaged in an eco-friendly way	.843	
I will buy Luxury product produced in a eco-friendly manner	.800	
Social Consciousness		
I will consider purchasing Luxury products from companies who share the profits to social responsibility acts	.720	.782
I don't buy Luxury products from companies engaged in a labour dispute	.810	
I will purchase Luxury product when they communicate that they adhering to minimum standards for workers' health and safety	.797	
I Will buy the Luxury product when they communicate that their labourers are fairly compensated	.760	
Economical Consciousness		
I am able to justify the purchase of Luxury product as economical	.810	.790
I will buy the luxury product when it is necessary	.720	
I will buy a luxury product which is highly durable	.750	
I don't want to share the luxury product with others	.818	
Style Consciousness		
I will buy luxury product, which matches myself	.790	.873
I like to buy luxury product that speaks out my preferences	.890	
I will buy luxury products to create my own unique style	.896	
I will buy luxury products which are trendy and latest	.910	

Table-2: Average Variance extracted and Discriminant Validity

Constructs					
Environmental Consciousness	.570				
Social Consciousness	.358	.751			
Economical Consciousness	.339	.584	.614		
Style Consciousness	.416	.481	.242	.732	
Sustainable Luxury Consumption Behavior	.465	.500	.230	.621	.758

of prestige further with phenomena, which was considered high status. But when the same phenomena adorning non status very few people followed it

Applying the practice of SLT to the concept of luxury fashion purchase, the various dimensions of Sustainable consumption behaviour were identified and their impact on the behaviour was ascertained. Figure 1 illustrates the proposed relationships.

Sampling and Data Collection

Respondents were qualified by asking to name one luxury brand that they bought latest Among 152 workable responses, 125 selected apparels and 27 selected shoulder bags or suitcases. Respondents' belonged to range of 18 to 58 years, with average of 31. The maximum numbers of respondents were female (74.3%). Family income was spread out with the median income of Rs.60,000-Rs.1,00,000.

Analysis and Interpretation

The items for constructs were borrowed from existing sustainable consumption behaviour scale. 5-point Likert-type scale was used to measure the items (1 = strongly disagree, 5 = strongly agree). The items for Style Consciousness were adapted from Tai (2005). The items for environmental consciousness were adapted from Cho *et.al* (2015). Social consciousness was adapted from Cho *et.al* (2015).

Table-3: Hypotheses Testing Results

Hypothesis	Structural paths	Estimate (standardized (estimate)	Standard error	t-value
H_1	Environmental Consciousness → Sustainable consumption Behaviour towards Luxury products	.634	.068	9.321***
H_2	Social Consciousness → Sustainable consumption Behaviour towards Luxury products	.601	.072	2.180
H_3	Economical Consciousness → Sustainable consumption Behaviour towards Luxury products	.582	.065	10.140***
H_4	Style Consciousness → Sustainable consumption Behaviour towards Luxury products	.668	.041	13.419***

Based on the similar studies (Hair, Black, Babin, & Anderson, 2009) to test the hypothesized paths, Confirmatory factor analysis was used to validate the measurement model. Maximum-likelihood method was used to estimate the parameters. Comparative fit index (CFI) and Non-Normed fit index (NNFI) and root mean square error of approximation was used for model fit.

Good fit of the data was achieved with CFA results: χ^2 (620) = 1988.451, CFI = .976, NNFI =0.971, RMSEA = .070. Construct validity was confirmed by both construct reliability values and average variance extracted (AVE) of the latent constructs ranging from 0.782 to 0.873, above the threshold of .70, and 0.570 to 0.751 above the threshold of 0.50 respectively. Discriminant validity was satisfactory, as Average Variance extracted were larger than the shared variances (i.e., squared correlation coefficients) between all possible pairs of constructs.

The structural model provided a satisfactory model fit: $\chi 2$ (638) = 2102.139, CFI = .957, NNFI = .969, RMSEA = .070. As depicted in Table 3, SCB was positively influenced by Environmental Consciousness (β = .634, $p < .001$) and social consciousness (β= .601, $p < .05$) supporting H1 and H2. SCB was influenced by Economical Consciousness and (β = .582, $p < .05$), style consciousness was negate vely influenced (β= .668, $p < .001$), supporting H3 and H4.

Conclusion

In this article we have observed the various dimensions of sustainability and its impact on the Sustainable consumption behavior towards the luxury fashion products. The data suggests that consumers have negative SCB when they are style conscious. Bonini and Oppenheim (2008) argue that ultimately sustainable fashion is about values and consumers have to decide what they value. When it comes to buying sustainable goods, words and deeds often part ways.

The luxury marketers shall make the design to be satisfactory and stylish, they need to create trust by showing transparent and honest actions throughout the supply chains, research in new technologies are required and for the customers, knowledge needs to be provided and the meaning of sustainable fashion has to change

The luxury fashion products have seen dramatic changes in adopting many sustainable practices. To initiate the responsible luxury consumption behavior the marketers shall consider the different dimensions of SCB.

References

Annamma Joy (2012). Fast Fashion, Sustainability, and the Ethical Appeal of Luxury Brands, *Fashion Theory*,16(3), pp:273-295.

Balderjahn *et. al.,* (2013). Consciousness for sustainable consumption: scale development and new insights in the economic dimension of consumers' sustainability, *Academy of Marketing Sciences,* 3, pp:181-192.

Bandura, A. (1977). *Social learning theory*. Englewood Cliffs, N.J: Prentice Hall.

Bonini, S. & J. Oppenheim. (2008). Cultivating the Green Consumer, *Stanford Social Innovation Review,* Fall, pp: 56-61.

Cho, E., Gupta, S. & Kim, Y. K. (2015). Style consumption: Its drivers and role in sustainable apparel consumption, *International Journal of Consumer Studies*, 39(6), pp:661-669

Constanza Bianchi & Grete Birtwistle (2010). Sell, give away, or donate: an exploratory study of fashion clothing disposal behaviour in two countries, *The International Review of Retail, Distribution and Consumer Research*, 20(3), pp:353-368.

E. Sandig. (2015). *Luxury and Sustainability: A Paradox on the Road towards Convergence*. *Media & Business*. [Available at: http://hdl.handle.net/2105/32648].

East, R. *et. al.,* (1995) Correlates of first-brand loyalty, *Journal of Marketing Management*, 11(5).

Elkington, J. (1998). Cannibals With Forks: The Triple Bottom Line of 21st Century Business, Stony Creek, CT: New Society Publishers.

Feltham, T. (1998). Leaving Home: Brand Purchase Influences on Young Adults, *Journal of Consumer Marketing*, 15(4), pp: 372-385.

Gupta, S. & Ogden, D.T. (2009). To buy or not to buy? A social dilemma perspective on green buying, *Journal of Consumer Marketing*, 26(6), pp: 376-391.

HU Biling *et. al.,* (2010). An Empirical Study of Sustainable Consumption Behavior Among Residents in Changsha.

Joergens, C. (2006). Ethical fashion: myth or future trend?, *Journal of Fashion Marketing and Management: An International Journal*, 10(3), P.369.

Joy, A., Sherry, J.F., Jr, Venkatesh, A., Wang, J., & Chan, R. (2012). Fast fashion, sustainability, and the ethical appeal of luxury brands. Fashion Theory, 16(3), pp:273-295.

Kapferer, J.N. (2012). All That Glitters is not Green: the Challenge of Sustainable Luxury, *The European Business Review. Management Journal,* 23(2), P. 134.

Moscardo, G., & Benckendorff, P. (2010). Sustainable luxury: oxymoron or comfortable bedfellows?. In: *Proceedings of Global Sustainable Tourism Conference. Global Sustainable Tourism*, pp: 709-728.

Nasreen Khan & Pooja Trivedi (2015). Gender Differences And Sustainable Consumption Behavior, *British Journal of Marketing Studies*, 3(3), pp: 29-35, April 2015 Published by European Centre for Research Training and Development UK.

Norman, W. & C. MacDonald (2004). Getting to the Bottom of “Triple Bottom Line, *Business Ethics Quarterly,* 14(2), pp: 243-62.

Prothero, A *et. al.,* (2011). Sustainable consumption: Opportunities for consumer research and public policy, *Journal of Public Policy & Marketing*, 30(1), pp: 31-38.

Sanyal, S.N., Datta, S.K. & Banerjee, A.K. (2014). Attitude of Indian consumers towards luxury brand purchase: an application of ‘attitude scale to luxury items, *Int. J. Indian Culture and Business Management*, 9(3), pp: 316-339.

Tai, S. H. (2005). Shopping styles of working Chinese females, *Journal of Retailing and Consumer Services*, 12(3), pp: 191-203.

Verma, S. (2014). Psychological interventions in promoting sustainable consumption behaviour: an empirical study, *Int. J. Business Innovation and Research*, 8(4), pp:373-384.

IPE Journals

The Institute of Public Enterprise (IPE), Hyderabad is a non-profit educational society established in 1964. It is devoted to Education, Training, Research and Consultancy for business enterprises in the public and private sector. IPE is one of India's premier B-schools and is recognized as a 'Centre of Excellence' for doctoral studies by the Indian Council of Social Science Research (ICSSR), Ministry of Human Resource Development, Government of India. IPE has many premier publications which include books, journals, research publications, monographs, working papers, bulletins, etc.

The following are the bi-annual journals published by the Institute. The contributions to these journals are of a research nature and mainly come from academicians, research scholars, practitioners, policymakers and other professionals.

The Journal of Institute of Public Enterprise (ISSN 0971-1836) is the flagship journal of IPE and is devoted to publication of professional and academic research on the policy and functional facets of public sector enterprises and public systems in India and across the world. Studies on the growth, working, performance, contributions, problems and alternate models of public policy and enterprises form the core of the journal.

Journal of Economic Policy and Research (ISSN 0975-8577) provides a platform for discussion and exchange of findings across the broadest spectrum of scholarly opinion to stimulate theoretical, empirical and comparative studies in the context of economic policy and research both in India and abroad. Different aspects of economic policy and its implications on the different sectors of the economy and the country in general, are the main areas covered in this journal.

Indian Journal of Corporate Governance (ISSN 0974-6862) provides a forum for discussion and exchange of views by the policy makers, practitioners and academicians on issues of Corporate Governance. It attempts to focus on both Indian and Global Corporate Governance issues including Board Practices, Role of Independent Directors, Ethical Issues and Emerging Trends in Corporate Governance.

Journal of Marketing Vistas (ISSN 2249-9067) provides a platform to marketing professionals from academia and the corporate world to exchange information and research on emerging marketing practices and theories across industries around the globe. Articles in the journal cover diverse areas like Strategic Marketing, Promotion Management, New Product Management, Pricing Decisions, Product-Line Management, Competitive Strategy, Buyer Behavior, Marketing Research, Market Information System, International Marketing, Services Marketing, Segmentation Targeting and Positioning, Sales Force Management, Retail Management, Customer Relationship Management, and e-Marketing.

Journal of International Economics (ISSN 0976-0792) aims to publish articles / research papers / case studies in all the areas of International Economics like Trade theories and models, Comparative Economics, Trade Policy, Patterns and trade relations, Balance of Payments, Exchange Rate Mechanisms and Foreign exchange, Trade Organizations / Bodies / Blocs, International Capital Flows, Multilateral Treaties, Multinational Corporations, International Monetary Systems and Relations, International Labour Mobility, etc.

Journal of Governance & Public Policy (ISSN 2231-0924) provides a forum for discussion and exchange of ideas on governance (local to global) and the making and implementation of public policy (including foreign policy) issues. It mainly covers areas related to India and South Asia, though governance and public policy issues in other parts of the world are also discussed. The scope of the journal extends to topical issues like corruption, transparency, accountability, delivery of goods & services, Public Private Participation and new public management, etc.

IPE Journal of Management (ISSN 2249-9040) aims to provide a platform for researchers, practitioners, policy-makers, academicians and professionals from diverse domains of management to share innovative research achievements and practical experiences in the development and emerging trends in management science and decision-making. The focus areas include HRM, Financial Management, Operational Practices, Organizational Structures, Corporate Strategies & Practices and issues of Corporate Social Responsibility.

INSTITUTE OF PUBLIC ENTERPRISE

COMMON SUBSCRIPTION FORM

To
The Publications Division,
Institute of Public Enterprise,
OU Campus, Hyderabad - 500 007
Telangana, India.

Dear Sir / Madam,

I/We wish to subscribe for the following Journal(s) for _______year(s) from __________ to __________.

S. No.	Journal Title	Annual Subscription Rates				Put a Tick (√) for Selection
		For India			For other Countries	
		Individuals ₹	Academic Libraries ₹	Corporates ₹	Foreign Subscribers (US$)	
1	Journal of Economic Policy & Research	1500/-	2000/-	3000/-	200	
2	Journal of International Economics	1500/-	2000/-	3000/-	200	
3	Journal of Marketing Vistas	1500/-	2000/-	3000/-	200	
4	The Journal of Institute of Public Enterprise	1500/-	2000/-	3000/-	200	
5	Journal of Governance & Public Policy	1500/-	2000/-	3000/-	200	
6	IPE Journal of Management	1500/-	2000/-	3000/-	200	

Please find enclosed herewith a Demand Draft / Cheque, bearing No. _____________ drawn on Bank ______________________________ dated ______________for Rs/US$. __________________ (In words) ____ drawn in favour of "**Institute of Public Enterprise**", payable at Hyderabad. Please effect the subscription from next issue onwards.

Names of the Journals for which subscription is sent:

1.____________________________________ 2.____________________________________

3.____________________________________ 4.____________________________________

5.____________________________________ 6.____________________________________

Journal Dispatch Address:

Name of the Individual / Organization ____

Address ____

City _________________ Pin _____________ Country ______________ Ph. No. _______________

Mobile No. ________________________ E-mail Id ______________________________________

Signature: **Office Seal:**

JOURNAL SUBSCRIPTION RATES

'Journal of Marketing Vistas' is brought out twice in a year (January-June & July-December). The subscription rates of the Journal per Annum are as follows:

India			Foreign Countries
Individual	Academic	Corporate	
₹ 1,500/-	₹ 2,000/-	₹ 3,000/-	$ 200

The subscription amount is payable in advance by Demand Draft / Banker's Cheque only in favour of 'Institute of Public Enterprise' payable at Hyderabad. The Bank Draft / Banker's Cheque may be sent along with the 'Subscription Request Form' given below:

SUBSCRIPTION REQUEST FORM

To
The Editor
Journal of Marketing Vistas
Institute of Public Enterprise
OU Campus, Hyderabad - 500007
Telangana, India.

Dear Sir / Madam,

I / We wish to subscribe to '**Journal of Marketing Vistas**' for ________________ year(s). Accordingly,

a Demand Draft / Cheque, bearing No.________________________ dated ______________________ for

₹ / $_____________ drawn in favour of 'Institute of Public Enterprise, Hyderabad' is enclosed herewith.

Please effect the subscription from next issue onwards.

Name____

Address____

____

City________________________________ PIN_____________________ Country___________________

Phone & Fax ____

E-mail Addres____

____
Signature

About IPE

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 Retail & Marketing, Banking, Insurance and Financial Services, Biotechnology and International Business, as well as an Executive PGDM program.

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
- IPE Journal of Management

INSTITUTE OF PUBLIC ENTERPRISE

Shamirpet Campus, Medchal-Malkajgiri Dist, Hyderabad - 500101
Ph: +91-40-234 90 900 Fax: +91-40-234 90 999 www.ipeindia.org

Registered with the Registrar of Newspapers in India under Serial No. TELENG/2011/51846