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**Basel Norms I, II, III and Capital Infusion of
2.11 lakh crores in Indian PSBs**

*Arihant Golchha, Ashutosh Gupta, Atulit Puri,
Arindam Chowdhury, Agam Jain & R.J. Masilamani*

The Changing Facets of Indian Passenger Vehicle Market

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A case for Payment Gate way in Digital wallets**

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**Against all odds: A narrative study of
doctoral student's journey in India**

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**THE LAST GIRL My story of captivity and my
fight against the Islamic State**

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**Report on International Doctoral Consortium - 8
June 6th -8th, 2018**

Management Thought

Centre for Research Studies, Birla Institute of Management Technology

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Address for Correspondence:

Birla Institute of Management Technology

Plot No. 5, Knowledge Park-II, Greater Noida (NCR), U.P.-201306, India

Tel: +91-120-2323001-10, Fax: +91-120-2323012/25

E-mail: shodhgyaan@bimtech.ac.in

Website: www.bimtech.ac.in

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The Editorial

Dear Readers,

Warm Greetings!

We are extremely delighted and overwhelmed to bring you the exciting January-June 2019 issue of BIMTECH SHODH GYAAN, Volume 1 Issue 1 on diverse fields of management.

This issue consists of articles, research papers from different management disciplines and a "Research Workshop Series". The CRS Workshop series is a summary report on "International Doctoral Consortium 8 - 2018" which was held for the first time in India with the collaboration of Sobey School of Business.

The research paper by researchers Golchha, Gupta, Puri, Chowdhury, Jain and Masilamani of Birla Institute of Management Technology deals with Basel Norms and Capital Infusion. This paper explains that the relationship between the Basel Norms and capital infusion in the context of Indian Public Sector Banks. The second research article by Raghava, a Manager from GIC Housing Finance Limited, deals with the changing facets of the Passenger Vehicle market of India. The article focuses on the paradigm shift in the retail sector as well as the customer behavior. The next article by Singh is based on the Social media, its effects and usages.

The article by Sharma on the need for payment gateway for Mobile wallets aims to create a wave for this untapped market. After the initial burst due to demonetization, the mobile wallet industry did not pick up pace as expected and this article tries to search for interoperability to answer this gap.

The article by Venkatesan is focussed on financial literacy and its impact on financial planning. The next article by Reddy is a qualitative study based on content analysis of the narratives of doctoral students. It gives a insight into the motivational factors which help the doctoral students pursue their course.

The last article is the report on the "International Doctoral Consortium 8 -2018" from Research Workshop Series. The consortium was organized by Centre for Research Studies, BIMTECH at Greater Noida campus from 6-8 June, 2018. There were eight workshops on diverse topics that were attended by 33 participants from across the world.

The "Management Thought" portrays the thought of Ambi Parameswaran, a well-known Brand Coach who talks about his new book "SPONGE" and presents the mantra for successful branding.



We assure that we will continuously strive to get the contemporary and interesting issues to you for a worthwhile reading experience.

Please do share your feedback about the quality of the papers in this issue. The Editorial team would be happy and obliged to receive your valuable suggestions.

Hope you get a good reading experience!

Surbhi Cheema
Editor

Reeti Kulshrestha
Associate Editor



The Dean's Desk

Peeling the Second Layer of Saunder's Onion

- A. Sahay

I have always found my doctoral students struggling with the first layer of the onion – philosophy, which in the case of a research mainly deals with ontology, epistemology, axiology and praxeology. I really struggle to make them understand these concepts. In my course on 'Philosophy and Theory of Research,' I start with these terminology but it passes over the head of most of the doctoral students. Thus, in practice, I revisit these terminologies and concepts again at the end of the course. By this time, some of them start making some sense of these terminology but for most of them, it still remains a mystery. However, when I move into second circle, that of making a choice – deductive or inductive, they start giving me positive response. Notwithstanding, I explain them, "you are going to earn a 'doctor of philosophy' degree, therefore, you are obliged to have sufficient knowledge of philosophy and most important, you should know your own philosophy and should be able to explain the philosophical approach adopted by you in your thesis."

My first degree was in engineering where reality was objective. Years of learning and research trained my mind to a world where physical sciences, based on deductive logic, operate. I was used to the three main elements in the traditional model of science, typically presented in the order of theory, operationalization, and observation. At a later stage, when I got into management study and practice, I discovered a new world of research where the order reversed to observation, operationalization and theory. I had to understand issues through observation and then operationalize. In either case, I was clear about Deduction and Induction but when I got into management research, I came across many new qualitative research terms like ethnography, phenomenology, case study, action research and grounded theory. In the beginning, I was bewildered with these terms but I started appreciating them better when our consultants used these terms when making a presentation of their consultancy output and recommendations.

Induction and Deduction

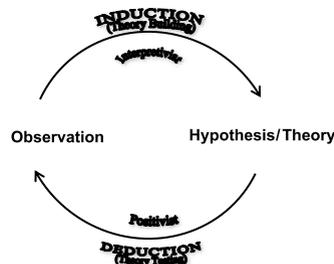
According to W. I. B. Beveridge, a philosopher of science, there are two systems of logic. He states, "Logicians distinguish between inductive reasoning (from particular instances to general principles; from facts to theories) and deductive reasoning (from the general to the particular; applying a theory to a particular case). In induction one starts from observed data and develops a generalization which explains the relationships between the objects observed. On the other hand, in deductive reasoning, one starts from some general law and applies it to a particular instance." The classical illustration of deductive logic is the familiar syllogism "All men are mortal; Ram is a man; therefore Ram is mortal. This syllogism (a kind of logical argument that applies deductive



reasoning to arrive at a conclusion based on two or more propositions that are asserted or assumed to be true. In its earliest form, as defined by Aristotle, a new theory/hypothesis can be deduced from the combination of a general statement and a specific statement. To prove this hypothesis, one needs to perform an empirical test of Ram's mortality. This has been the traditional way of doing research.

Inductive logic has a reverse approach. You begin with the premise that Ram is mortal; you may make an observation that several other men had died. You might then note that all the observed men were mortals. This leads you to make a tentative conclusion that all men are mortal. This is an inductive process. In deductive argument, a positivist approach is there. The hypothesis is derived and reported from two accepted theories and the outcome is reported as it is. The researcher does not have to interpret the result. He/she reports the result as it is without and personal bias. In the inductive case, the researcher has no definitive answer. Based on his observations, he/she interprets the outcome which may or may not be true. He/She uses his/her intellect, thus, his/her bias reflects in the result. Deduction helps in testing the existing knowledge whereas induction, generally, leads to creation of a new proposition/theory.

Both deductive and inductive approaches for research have been depicted below.



It can be clearly seen that the one feeds into the other. While deductive approach helps in extension or falsification of existing theory, inductive approach helps in creation of new theory.

Deductive Approach

The first step in deductive approach of research is to pick a topic that interests you. Let us take a case where the researcher or the sponsors of research chooses a topic that can be as broad as Hypothesis/Theory Observation "What is Social Entrepreneurship?" or as narrow as "Why Social Enterprises are not sustainable?" In case you are working in a sponsored research project, you have no choice to decide the topic, however, if you have chosen the topic in consultation with your supervisor, try to take the research project doable within stipulated time and budget. Irrespective of what is the topic, you should get into depth so that you understand and explain.

The moment topic is decided, you need to undertake a thorough literature review as also take experts' opinion on the subject. From here, you can proceed to write down your



own observations and thoughts that come to you. Beyond previous literature review, you need to learn what recent research has said about it. This preliminary research is likely to reveal consistent patterns discovered by prior scholars. On the topic chosen above, 'social value creation' and 'market orientation' will emerge as important determinants of social Entrepreneurship. These constructs will be quite helpful in creating your hypothesis.

Developing Your Hypothesis and Testing

The following list of activities are required to construct your hypothesis:

1. Decide your topic.
2. Identify the phenomena you want to study within the broad topic.
3. Do a thorough literature review to Identify and specify your major concepts and variables.
4. Focus on the relationships among those variables that have been selected for study.
5. Create your hypothesis about each relationship between the variables.
6. Test these hypothesis using various tools and techniques.

Inductive Approach

Inductive Approach of research is just the reverse of deductive approach. Of late, this approach is becoming popular. It is, generally, used to create new theory. In this approach, social scientists, while studying a phenomenon, begin constructing a proposition/theory by first observing social entrepreneurs & their enterprise and then seek to discover patterns. These patterns start revealing some relationship between the variables which may point to relatively universal principles. Such propositions/principles, however, need to be tested further till the results become acceptable to the research community and thus, become a theory.

In this approach, we do not start with any question. The phenomenon is the centre for study. Here we want to understand and explain the phenomenon of 'social entrepreneurship.' There are various methods to study this phenomenon e.g. ethnography, case study, action research etc. Earlier scholars of this approach prescribed researchers to start with clean slate but now there is general agreement that researches may start after reading the background material.

Constructing Your Proposition/Theory

The following list of activities are required to construct your proposition/ theory:

1. Decide your topic.
2. Identify the phenomena that you want to study within the broad topic.
3. Do a literature review to acquaint yourself with the phenomenon.
4. Go to the field and study the phenomenon
5. Make field notes, record interviews, archives, artefacts, pictures etc.
6. Make coding of the data observed and collected
7. Look for the patterns emerging from the data
8. Make your proposition/Theory



Basel Norms I, II, III and Capital Infusion of 2.11 lakh crores in Indian PSBs

Arihant Golchha*
Ashutosh Gupta *
Atulit Puri *
Arindam Chowdhury *
Agam Jain*
R.J. Masilamani**

What is Basel?

Basel is a city in Switzerland. In the year 1974, after the failure of Herstatt Bank in Germany, the need for better regulation of the banking sector was felt by G-10 countries. They constituted the Basel Committee for Banking Supervisory practices (BCBS) under the support of the Bank for International Settlements (BIS). BIS is an international institution which makes rules and regulates trade worldwide for financial stability and maintains common standards of banking regulations. Norms laid by BCBS have come to be known as "Basel Norms". These norms were laid down in an attempt to reduce the number of

bank failures by tying a bank's capital adequacy ratio to the respective risk of the various loans it makes. For instance, there is less chance of a loan to a government going bad than a loan to a private internet business; as a result, the bank does not need to hold as much capital in reserve for the first loan as for the second.

Basel I

Basel, I was recommended in the year 1988 for implementation by the BCBS for mainly addressing the issue of Credit risk. Credit risk implies the risk involved in the recovery of loans that were lent. In order to address the issue, BCBS fixed a minimum capital adequacy requirement to be maintained by the banks. It fixed the Capital adequacy ratio (CAR) at 8%.

Capital Adequacy Ratio (CAR) = (Tier 1 Capital + Tier 2 Capital)/Risk Weighted Assets

Tier 1 represents the capital that is more permanent in nature and is more reliable.

Tier 1 capital or core capital of a bank includes



*PGDM Student at Birla Institute of Management Technology

**Professor Strategic Management at Birla Institute of Management Technology



the normal paid up share capital of the bank and other disclosed reserves reduced by the intangible assets of the bank to the Profit and loss account, any expenditure that is not written off and the deferred tax asset.

The Tier 1 capital should form at least 50% of the bank's total capital base.

Tier 2 or Supplementary capital consists of Unaudited retained earnings, Cumulative non-redeemable preference share capital, General provisions, and loss reserves written back as surplus if the actual loss is found to be in excess of the provision or loss reserves created earlier, Revaluation reserves, Hybrid capital instruments and Subordinated debt with minimum maturity of 5 years.

There are also restrictions such as subordinated debts could not exceed 50% of the core capital, general provisions and loss reserves shall not exceed 1.25% of the total risk-weighted assets.

'**Risk-weighted assets**' is the value of the assets adjusted for the risk of the asset failing to liquidate as valued. RiskWeights under Basel I were classified into 5 Categories namely, 0%, 5%, 20%, 50% and 100%

The weight of zero percent was assigned to assets such as loans lent to OECD states, Investment with OECD central government's securities, loans to borrowers, who were backed by the guarantees of the OECD states or who had given the securities of the OECD countries as collateral.

In 1996, in response to the financial innovations, instruments like derivatives were moving to wide usage, a new factor called market risk was introduced to further strengthen the standards. Market risk is the risk of losses on account of movements in market prices with the on-balance

sheet and off-balance sheet positions. The way CAR would be calculated was modified to factor in Market risk and a new category of capital called Tier 3 capital.

The **Tier 3 capital** is composed of Short-term subordinated bonds that would exclusively cover market risks. Market risk consists of interest rate risk, equity position risk, foreign exchange risk, and commodities risk. For measuring market risk, BCBS proposed two approaches namely Standardized approach, where the principles of gauging the market risk were completely prescribed by the BCBS and Internal grading based approach, where a certain degree of independence was granted to banks in assessing market risk.

Basel II

Over the years, Basel II evolved and was given approval in the year 2004. The norms of Basel II were developed on three fronts, referred to as "**three pillars**":

1. Minimum capital requirement;
2. Supervisory review process;
3. Market discipline.

The level of minimum capital requirement continued to be maintained at 8% under the new framework. A new variable called Operational risk was introduced. **Operational risk** is defined as the risk of loss resulting from the failure of internal processes or from external events. This risk includes employee frauds, sabotage of assets of the bank, external frauds.

Pillar 1

Basel II provided three different approaches for credit risk determination. They are:

1. Standardized approach
2. Fundamental internal rating based approach
3. Advanced internal rating based approach



The standardized approach provides that the risk weights should be assigned based on the ratings given by the External Credit Rating Institutions (ECAI). Under the new approach risk, weights may range from 0% to 150%. Unlike Basel, I, where loans to OECD central banks and OECD states were assigned a lower risk weight considering their credibility, in Basel II ratings assigned by the external credit rating agencies were considered as benchmarks and loans to foreign banks were assigned risk weights based on the ratings given by them.

Another prominent feature of the Basel II accord is a corporate may get rated by an ECAI and be assigned a lower risk weight based on the ratings. This stands in contrast to the Basel I accord, where all the corporates were assigned a uniform risk weight of 100%. This might cause the banks to infer that lending to SMEs (Small and Medium Scale Enterprise) may prove to be expensive. Internal ratings-based approach allows the banks to devise their own models to assess the risk.

Under the other two approaches, Banks use their own model to measure the parameters like PD (Probability of default), EAD (Exposure at default), LGD (Loss given default), which are used in calculating the Risk-weighted assets (RWA). To cover the operational risk of loss, Basel II prescribes three approaches namely basic indicator approach, standardized approach and advanced measurement approach.

- Basic indicator approach and standardized approach requires an appropriation of 15%, 12% to 18% respectively of the bank's average annual gross income to the reserves in the preceding three years.
- Under the standardized approach, bank's activities are divided into eight business

lines each possessing a different "Denoted beta" ranging from the 12% to 18%. The past three years average of the gross annual income of each business line is multiplied with the respective beta to arrive at the capital charge.

- Under the Advanced measurement, approach banks can quantify the capital to cover operational risk using their own internal model taking into account internal risk variables and profiles.

Pillar 2

Pillar 2 specifies the norms for regulatory authorities. The banks should have deployed a system for assessing the stability of the capital and preclude any fall below the standard level. The regulator should mandate the banks to operate above the minimum capital requirement and should prevent the capital of the banks from falling below the minimum level, which is specified.

Pillar 3

Under the Pillar 3, banks are required to follow a formal disclosure policy. Disclosures regarding capital adequacy, credit risk mitigation, the internal rating systems that it follows under the IRB approach were all specified under Pillar 3.

Basel III:

Basel III was introduced in December 2010. It came as a response to the sub-prime crisis in the year 2008. As of now, its implementation has been extended to 31st March 2019.

The Key modifications happened with Basel III are as follows:

- The requirement of minimum Tier 1 capital has been increased from 4% in Basel II to 6%
- A new buffer called as Capital conservation buffer with Tier 1 capital needs to be maintained and the required level for this has been pegged at 2.5% of the RWA.



- The total "Capital adequacy ratio" requirement has been claimed as increased to 9%
- But when combined with the newly introduced conservation buffer, the requirement of capital increases to 10.5%
- At the discretion of the central banks of the countries, banks may be required to maintain a "Countercyclical buffer" ranging from 0% to 2.5% depending on the economic conditions.
- A new measure called the leverage ratio is introduced. It measures the proportion of Tier 1 capital to the total exposure of the bank (Not RWA). A minimum leverage ratio of 3% is to be maintained.

Bank-wise Capital Adequacy Ratio (CAR) of Nationalised and Public sector Banks in India:

As of March 31, 2017			
Bank Name	Tier-I (%)	Tier-II (%)	Total (%)
STATE BANK OF INDIA & ITS ASSOCIATES			
STATE BANK OF BIKANER & JAIPUR	7.13	1.87	9.00
STATE BANK OF HYDERABAD	9.22	2.50	11.72
STATE BANK OF INDIA	10.35	2.76	13.11
STATE BANK OF MYSORE	8.09	4.32	12.41
STATE BANK OF PATIALA	7.78	3.40	11.18
STATE BANK OF TRAVANCORE	9.94	2.25	12.19
NATIONALISED BANKS			
ALLAHABAD BANK	8.49	2.96	11.45
ANDHRA BANK	9.17	3.21	12.38
BANK OF BARODA	9.93	2.31	12.24
BANK OF INDIA	8.90	3.24	12.14
BANK OF MAHARASHTRA	9.01	2.17	11.18
CANARA BANK	9.77	3.09	12.86
CENTRAL BANK OF INDIA	8.62	2.32	10.94
CORPORATION BANK	8.90	2.42	11.32
DENA BANK	9.05	2.34	11.39
IDBI BANK LIMITED	7.81	2.89	10.70
INDIAN BANK	12.20	1.44	13.64
INDIAN OVERSEAS BANK	8.21	2.28	10.49
ORIENTAL BANK OF COMMERCE	8.88	2.76	11.64
PUNJAB AND SIND BANK	9.14	1.91	11.05
PUNJAB NATIONAL BANK	8.91	2.75	11.66
SYNDICATE BANK	9.26	2.77	12.03
UCO BANK	8.27	2.66	10.93
UNION BANK OF INDIA	9.02	2.77	11.79
UNITED BANK OF INDIA	8.94	2.20	11.14
VIJAYA BANK	9.96	2.77	12.73

(Source: RBI database)



INDIAN BANKS:

While private banks are careful about their asset quality and consequently have low non-performing assets (NPAs), public sector banks have large NPAs due to wrong lending policies followed earlier and also due to government regulations that require them to lend to sectors where the chances of default are high. As of 31st March 2017, the total NPA of public sector banks is 684732 crore rupee (source: RBI database). Five sectors alone account for 60% of the total NPA on the books of banks in India. These sectors are steel, power, telecom, infrastructure, and textile. Infrastructure sector includes construction of highways, railway tracks, roads, dams, airports, and other such projects. These are called "Priority sectors". These sectors are infamous for stalled projects and poor development. About 40% of PSBs lending are towards these sectors and projects. However, the exact amount and percentage of NPAs from these sectors are not found.

Regulations for asset classification

Assets are classified into two classes -Performing or standard assets and Non-Performing assets (NPA). NPA assets are further classified into three categories: sub-standard assets, doubtful assets, and loss asset.

Standard Assets: Standard assets are the ones in which the bank is receiving interest as well as the principal amount of the loan regularly from the customer. Here it is also very important that in this case, the payment arrears of interest and the principal amount of loan do not exceed 90 days. If asset fails to be in the category of a standard asset that is amount dues for more than 90 days then it is Special Mention Account NPA.

Sub-standard Asset: A sub-standard asset is one which has remained NPA for a period less than

or equal to 12 months. In such case, the current net worth of the borrower/guarantor or the current market value of the security charged is not enough to ensure recovery of the dues to the banks in full. As per RBI guidelines to the banks, a general provision of 15 percent of total outstanding should be made without making any allowance for export credit guarantee cover and securities available. In this case, the bank has to make provisioning as follows:

- 15% of the outstanding amount in case of Secured loans
- 25% of the outstanding amount in case of Unsecured loans

Doubtful Assets: An asset is to be classified as doubtful if it has remained NPA for a period exceeding 12 months. Under this category there are three stages: D-I Doubtful up to one year, D-II Doubtful for further two years and D-III Doubtful beyond three years.

In such cases, the banks need to make provisioning as follows:

- Up to one year: 25% of the outstanding amount in case of Secured loans; 100% of the outstanding amount in case of Unsecured loans
- 1-3 years: 40% of the outstanding amount in case of Secured loans; 100% of the outstanding amount in case of Unsecured loans
- more than 3 years: 100% of the outstanding amount in case of Secured loans; 100% of the outstanding amount in case of Unsecured loans

Loss Assets: An asset identified by the bank or internal/ external auditors or RBI inspection as loss asset when the amount has been written off wholly or partly by the bank.



Example: We here suppose that a party was disbursed a loan on January 1, 2010. Its due date is June 1, 2010. But the party does not make a payment. So

1. It will be a Standard Asset from January 1, 2010, till June 1, 2010 (Due Date)
2. It will be a Special Mention Account From June 2, 2010, till August 29, 2010 (90 days)
3. It will be Sub-standard from August 30, 2010, to August 29, 2011 (365 days)

4. It will be doubtful from August 30, 2011, till August 29, 2012 (365 days)

It may remain a doubtful Asset for a period of 3 years, beginning from 12 months of becoming an NPA, but once the auditors identify it as a loss, it will be assigned to the loss asset category. However, the period may be anything over 3 years. **Here, RBI should mandate a deadline for the banks beyond which a loan should no more be an NPA and must be written-off.**

Table 2 : Bank-wise NPAs as of June 2017 (Rs Crore)

Bank	NPAs	Bank	NPAs
State Bank Of India	188,068	Indian Bank	9,653
Punjab National Bank	57,721	HDFC Bank Ltd.	7,243
Bank Of India	51,019	Vijaya Bank	6,812
IDBI Bank Ltd.	50,173	Punjab & Sind Bank	6,693
Bank Of Baroda	46,173	The Jammu & Kashmir Bank	5,641
ICICI Bank Ltd.	43,148	Kotak Mahindra Bank	3,727
Canara Bank	37,658	IDFC Bank	2,004
Union Bank Of India	37,286	The Federal Bank	1,868
Indian Overseas Bank	35,453	Karur Vysya Bank	1,807
Central Bank Of India	31,398	The South Indian Bank	1,696
UCO Bank	25,054	The Karnataka Bank	1,691
Oriental Bank Of Commerce	24,409	Yes Bank	1,364
Axis Bank Ltd.	22,031	IndusInd Bank	1,272
Corporation Bank	21,713	The Lakshmi Vilas Bank	878
Allahabad Bank	21,032	City Union Bank	735
Syndicate Bank	20,184	RBL Bank	458
Andhra Bank	19,428	Dhanlaxmi Bank	354
Bank Of Maharashtra	18,049	DCB Bank	285
Dena Bank	12,994	Total	829,338
United Bank of India	12,165		

(Source: Ace Equity)

- State Bank of India accounted for the largest share of about 22.7% in the total NPAs
- The top 10 banks in terms of NPAs are public sector banks (PSBs) with the only exception being ICICI Bank.
- Private sector banks combined hold only 10.91% of total NPAs.

According to the Financial Stability Report of RBI December 2016, risks to the banking sector

remained elevated due to continued deterioration in asset quality, low profitability, and liquidity. Furthermore, results of macro stress tests for credit risk at system, bank group and sectoral levels (to test the resilience of the Indian banking system against macroeconomic shocks) predicts a worrying picture where the PSBs may record the highest GNPA ratio and lowest capital to risk-weighted asset ratio (CRAR) among bank-groups, although the



CRAR at the system – as well as bank-group levels – are expected to remain above the regulatory required minimum.

The movement of NPAs and recovery in Written-off accounts of State Bank of India (SBI) during the last 4 years are furnished below:

	FY 2014	FY 2015	FY 2016	FY 2017
Gross NPA	61,605	56,725	98,173	1,12,343
Gross NPA%	4.95%	4.25%	6.50%	6.90%
Net NPA%	2.57%	2.12%	3.81%	3.71%
Fresh Slippages + Increase in O/s	41,516	29,444	64,198	43,374
Cash Recoveries/				
Up-gradations	17,924	13,011	6,987	8,634
Write-Offs	13,176	21,313	15,763	20,570
Recoveries in Written-off Accounts	1,543	2,318	2,859	3,477

Image Source: SBI Annual Report 2016-17

Implications of the NPAs on Banks

The most important implication of the NPA is that a bank can neither credit the income nor debit to loss, unless either the principal is recovered or identified as a loss. The caveat here is, if a borrower has multiple accounts, all accounts would be considered NPA if one account becomes NPA. This is because as per RBI guidelines, the classification of NPA is done borrower-wise and not the account-wise. So if a borrower is having multiple loan accounts with the same bank and is unable to pay the installment of one account, it is assumed that he is not able to pay the installments of rest of the accounts too.

Example: Let us consider that total secured loan given by the bank is Rs.100 Cr, so as per Basel norms 9% has to be kept as capital reserve i.e. Rs.9 Cr. Now consider that there is NPA of Rs.5 Cr. Due to this Rs.5 Cr NPA, the secured loan amount now reduces to $(100-5=)$ Rs.95 Cr and the capital reserve is also reduced to $(9-5=)$ Rs.4 Cr. Now again as per Basel norms, the required capital reserve has to 9% of Rs.95 Cr i.e. Rs.8.55 Cr. But the remained capital reserve is only Rs.4 Cr which is much less than required. Likewise, the capital base of the bank is eroded and banks

fail to comply with Basel norms. To avoid this non-compliance, many banks are not considering or delaying to consider their NPAs on the book of accounts.

Why do they not report?

Because on standard assets, banks have to make 5% provision whereas 10-12% is required for sub-standard assets. For example, if the bank gives a loan of Rs.100 Cr and it later realizes that the loan is slipping towards sub-standard asset, bank has to keep Rs.10 - Rs.12 Cr separately from its own account as a buffer or reserve. Banks, of course, believe that such a high rate is a waste of their funds and hence they under report.

Current Scenario: As per profit and loss (P&L) statement of SBI annual report 2016-17, the recorded net profit is approximately Rs.10484 Cr. and the total NPA of the bank is approximately Rs.188068 Cr. Assuming no further generation of NPA and same profit generation for the subsequent years, still, it will take around 18 years for the bank to completely write-off NPAs if entire net profit is used. This means that the government will not get dividends and the fiscal budget deficit will increase.



Capital infusion of 2.11 lakh crore in Indian PSBs

To tackle the above failure of banks to comply with Basel norms, the government of India has announced a capital infusion of 2.11 lakh crore in Indian PSBs that would be provided over a period of 2 years. This infusion was proposed to be made in 75:25 ratio i.e. 75% of infusion amount would be provided by the government while the remaining 25% has to rise by the banks through the private sector. This is also mentioned that majority shareholding by the government (51% <) has to be maintained. Budgetary allocation of 18000 crores has been declared by the finance minister. The government will also float the recapitalization bonds worth 1.35 lakh crore to these PSBs.

The motive of this capital infusion could be to encourage the banks to lend more loans particularly to infrastructure projects which could result in employment generation and a rise in GDP figures. However, this could be considered successful only if the banks are able to generate healthy profits and governments gets corresponding dividends.

What should be done?

Banks should establish appropriate internal systems to eliminate the tendency to delay or postpone the identification of NPAs especially in respect of the high value of accounts. Some preventive measures could be as follows:

1. Stringent background verification about borrower's business operations, past credit or loan records, predicted future cash flows and other required documents.
2. Regular contacts with borrowers.

3. Regular monitoring of the accounts.
4. Proper calculation of required collateral or securities against the loan, ideally it should be 100%. High-risk lending should have ever higher percentage (>100%) of collateral requirements.
5. The firm that has default even once shall not be given a loan, unless penalized.
6. Regulatory body i.e. Reserve Bank of India (RBI) should periodically check the status of NPA records.
7. The bank must try to get quality assets as collateral or security against the loans. The valuation of such assets must be done conservatively and should be updated regularly.

Corrective measures can also be taken. The classification of an asset as NPA should be based on the record of recovery. The bank should not classify an advance account as NPA merely due to the existence of some deficiencies, which are temporary in nature. The books of accounts can be settled as follows:

1. To write-off the bad debt, it should be reduced from the current year's profit.
2. If the amount to be written-off exceeds current year's profit, then the second resort should be to reduce the retained earnings after complete reduction of the current year's profit.
3. If unwritten-off amount still remains, the last resort should be to reduce it from the equity.
4. If all the above resorts fail to compensate the amount to be written-off then only there is a need for re-capitalization of the bank.
5. The secured collateral or security against this bad debt should be seized and liquidated. The collected amount should be considered under other incomes and must be shown

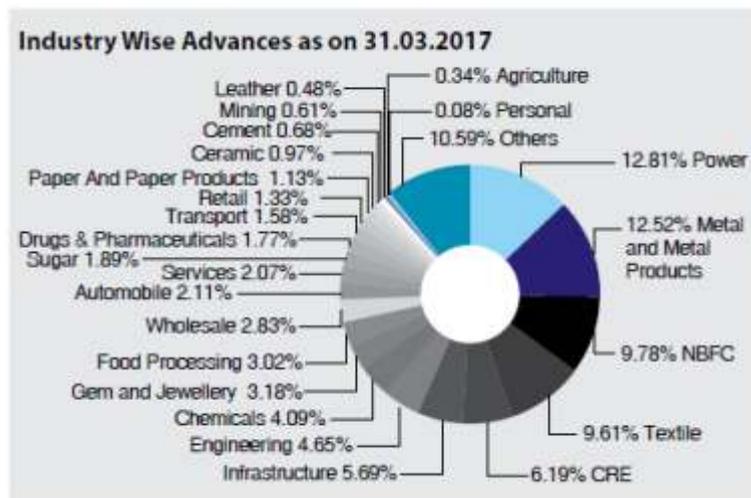


clearly in profit and loss (P&L) statement. In case the amount derived after liquidation of the secured collateral is more than the amount to be written off, the balance amount should be refunded to the borrower.

6. Banks should try to make maximum possible recovery from the sale of securities. This can be made by allowing competitive bidding against the assets. A recent example that can be referred is bidding for the sale of Bhushan steel wherein the amount of recovery was higher than the NPA amount after creating a reserve against it. In such cases, banks must write-back the NPA amount, create a new reserve against new NPA amount as per norms and then write it off if left unrecovered.

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- *SBI Annual Report 2016-17*
- *Article: Can banks make a winning turnaround Bankruptcy related.pdf*



Source: SBI Annual Report 2016-17



The Changing Facets of Indian Passenger Vehicle Market

Rohit Raghava*

In pre-independence India, cars were mostly assembled or imported from England. After independence, the Indian automobile industry started off with three major manufacturers and eventually evolved with time. The major transformation came after economic liberalization in 1991 and India saw an influx of global automobile players. In present scenario expectations of Indian customers are no less than any global consumer. India's youthful demography guarantees the ascent of the automobile sector driven by increasing purchasing power and shifting lifestyle towards luxury.

The automobile sector in any economy is an important indicator of its health. Two wheelers sales is a proxy indicator of rural consumer sentiments. While PV sales serve the purpose of tracking urban consumption demand. In 2017, the Indian passenger vehicle market has achieved a new feat by moving up to the fourth position in the world in terms of volume, beating Germany. As per IHS Markit forecasts, India is set to become the third largest passenger vehicle market by 2021. In the Indian context, the automobile sector has been a major employer both directly and indirectly and has significantly contributed to the economy. Post liberalization the sector witnessed global players entering the

Indian market with subsequent relaxing of FDI up to 100%-the sector has come a long way. The automobile sector has constantly strengthened the Indian economy, which is evident in the recent growth trends in the gross turnover, installed capacity, production, and domestic sales trend.

Indian automobile sector, especially the passenger vehicle segment has witnessed cutthroat competition owing to innumerable choices with slight differences in the product offering under the same price range. The major drivers that have shaped the passenger vehicle market in India are-

- Increasing disposable income
- Rapid urbanization
- Burgeoning middle-class driving consumption
- High level of product awareness
- Availability of information through the internet for making comparisons

Thus the incumbents are facing a humongous challenge of attracting, converting and retaining the customers. The passenger vehicle market has become a complex market but it presents an opportunity for creating differentiation by way of offering world-class services. Thus comes the

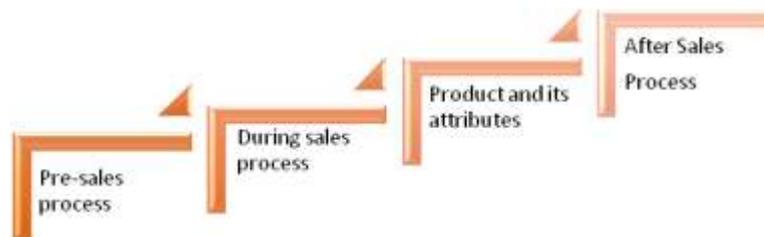
* Assitant Manager –GIC Housing Finance Limited



role of Customer Relationship Management. Kotler and Armstrong de-fine CRM as “the overall process of building and maintaining profitable customer relationships by delivering superior customer value and satisfaction”.

One of the traditional ways of customer service in this industry has been the dealership and service network of the PV manufacturers. This is what Maruti Suzuki has thrived for over three

decades. In present scenario too, efficient and economical service networks continue to create an advantage for the companies. Thus service depth and quality continue to be the most important components for gaining customers and retaining them. Traditionally, the concept of service was largely confined to the after-sale. The concept of CRM in the PV market is now evolving beyond after sale services.



Customer Satisfaction

Over the years, the scenario of customer satisfaction from the automobile product has expanded to include not only after sale services but the pre and during sales services too. The competition in the automobile industry to woo the Indian customers has led them to focus on overall customer experience right from the time they become aware of the product.

The need for a holistic approach to customer service can be felt when a few cars and bike manufacturers despite their repeated efforts to provide best in class products and services have witnessed a decline in sales and market share. Thus, it becomes important to assess and appreciate the role and impact of overall intangible service experience in enhancing the marketability and customer acceptability of the tangible automobile offering.

Key Trends in Passenger Vehicle Market

- The factor that affects the consumer purchase decision on a major basis in the Indian automobile market is the fuel economy and demand for greater fuel efficiency that will bring leading companies across two-wheeler and four-wheeler segment to focus on to deliver performance-oriented products.
- Government has started promoting hybrid and clean fuel cars, by easing out policies.
- Increased affordability, heightened demand in the small car segment and the surging income of the Indian population.
- India has been the third largest investor base in the world.
- The Government technology modernization fund is concentrating on establishing India as an auto-manufacturing hub.
- Industry is perusing to elevate sales by knocking on doors of women, youth, rural and luxury segments.
- Product innovation.



The Shifting Tides

Like all other industries, automobile industry is also dealing with the wave of technology driven disruption and changing customer psychology which desires more customization than ever. Then there is a move towards sustainability, requiring each and every industry to take responsibility of the negative externalities of their actions. These trends are more pronounced in the passenger vehicle segment because of the greater sophistication of the product and majority of demand originating in urban areas. Thus, we discuss the trends that are shifting tides in the passenger vehicle market.

Customer Experience

The process of economic value creation has evolved from being service-oriented to being experience-oriented. Today, experience has not only remained a marketing means, rather buying and selling has become a product area in its own. "Customer experience is not limited to the customer's interaction in the store alone. Rather it is impacted by a combination of experiences which evolve over time, including search, purchase, consumption and after-sales phases of the experience"

Simply providing a competitive product and service may not be sufficient for the PV players, because it still can be compared. But creating a memorable experience that accentuates the sellers' attention to customer needs will go a long way in creating a long-term relationship with the customers. Maya Angelou had brought out this in her poem, "People will forget what you said, people will forget what you did, but people will never forget how you made them feel."

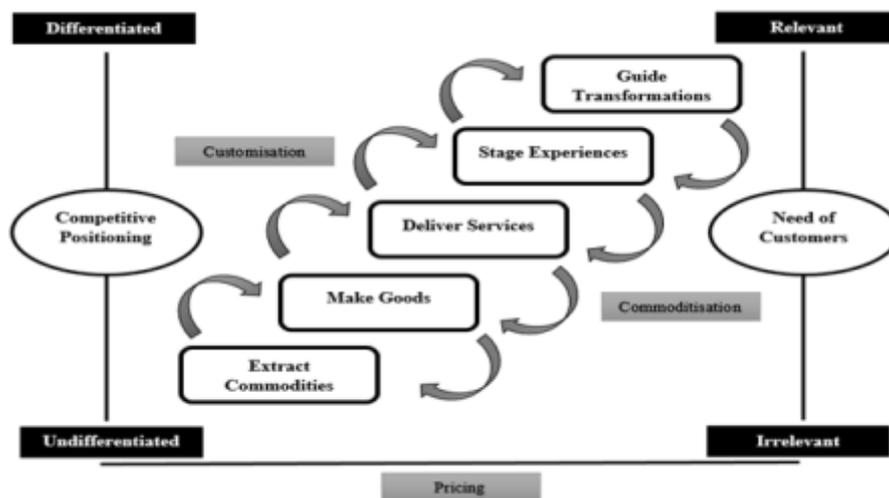
The key to transforming customer experience lies in the experience cues. "Anything that can be perceived or sensed – or recognized by its absence – is an experience clue." In addition to the functional product related cues, customer experience caters to the sensory cues and the environment.

In the IndianPV market, the recent example is with Maruti Suzuki's latest initiative Nexa. Through NexaMaruti Suzuki has tried to incorporate all the aspects of Customer Experience- plush workshops, updated and tech-abled dealerships through the use of digital devices, premium customer waiting and discussion lounges, exclusive Nexa Café to offer food and beverages to the walk-in customers. MSIL has generated 20% of its domestic sale through this new channel- Nexa. Similarly, MSIL is in the process of renovating its traditional dealerships and has named the format as ARENA, this is being done to revamp the dealerships and enhance customer experience.

Omni-Channel

The retailers are moving from multi-channel to Omni-channel. Also with the kicking off of the concept of online and boutique stores, instills a greater responsibility on the PV manufacturers and calls for their Omni-channel effectively. Most of the manufacturers are using Big Data and Analytics to analyze the consumer behavior and align their services accordingly. In fact, technology is the key enabler for the transition of retailing in the PV market in general to Omni channels.

Also, the PV manufacturers have started the option of vehicle personalization through their website and mobile application. The customers



Source: Adapted from *Welcome to the Experience Economy*, B. Joseph Pine II/James H. Gilmore, HBS

easily get to see how their preferred vehicle looks with their choice of accessories. Many manufacturers have also started online booking of vehicles through their own websites and also through e-commerce platforms like Flipkart and Paytm. Innovations such as Artificial Intelligence, Virtual Reality, and Virtual Augmentation have further increased the potential of Omni channels. For instance, Mahindra & Mahindra has started off with the concept of VR (Virtual Reality) in their dealerships and boutique outlets. Here the customers can easily see the vehicle in and out. This has helped Mahindra & Mahindra to reach out to their customers at Malls, Offices and also at other public places.

All this boils down to better customer service, with the customers having varied choices but for the manufacturers, this results in cut-throat competition. The in-person physical experience cannot be replaced and dealerships seem to be staying for a longer time. But Omnichannel approach enables the market players to reap the benefits of both the worlds- 'phygital' retail formats. The empowered customers of today can have the flexibility of choosing the physical-

digital mix to create their own experience.

Customer Engagement

In the present passenger vehicle market, manufacturers have cleverly segmented the buyers and are trying to engage them throughout the customer ownership period. This goes from organizing Car Rallies to Mountain Expeditions to Musical Nights and sponsoring fashion shows. For instance, MSIL has taken up customer engagement very seriously and through NEXA, it has started various programs.

Nexa's customer engagement strategy is characterized to position the cars offered through Nexa of high caliber and premium. The brand has just a single ambassador to its premium car. Social media campaigns are organised with specific hash tags for Nexa and its products. Nexa likewise arranges numerous occasions like Baleno Wicked Weekends, organized for over six urban areas where in the musicians from various genres will be playing music for the gathering. This makes a solid symbolism in the brains of youth. Another occasion sorted out by Nexa will be Nexa Journeys with S-Cross, this incorporate ten distinctive voyagers from



various fields to go to three countries from New Delhi to Bangkok. This gives the customer a feeling of tough enterprise and a general new affair. Nexa likewise supports different social and enterprise occasions like Nexa GQ style workshop, NEXA fashion weekends, to engage the women buyers. Nexa's SCross green carpet at IIFA 2015, Malaysia, NEXA IIFA 2018 at Bangkok to engage the overall segment of buyers.

Likewise, TATA Motors has started the Drive with Soul Campaign inviting all the customers to participate in the expedition to various places with their families, also organizing Musical Nights for their customers.

Also, the various schemes for post-sales vehicle maintenance have been instrumental in retaining the customers. Like service cost guaranteed programs of Ford, Chevrolet, and Tata. Return gifts and cash back to the customers. Service loyalty cards to the fleet operators. All this has opened up for better revenue generation through spares, customer retention, and repurchase. In fact, the digital channels present an opportunity to engage customers, right when they have a purchase intention and are only in the research stage.

Changing Customer Behaviour

In the current scenario, digital platforms are playing a major role in the purchase journey as the customers initially do their research over these platforms and 30% of their work is done. The websites, apps, third-party websites etc. have empowered customers and influenced their buying decision.

- Also, the mobility preferences of the customers are changing and there is a positive inclination towards the paid taxi

services provided by Uber and Ola. Also the self-driven rental car and bike market is picking up, major players like Zoom Car have already established themselves in the Metro and Tier-I cities and now targeting the Tier-2 and other car markets. Zoom Car turned EBITDA positive in 2017 by leveraging technology to create differentiation through customer experience.

- Morgan Stanley projects India to become the leader in the shared mobility market. As the public transport infrastructure has been slow to ramp up to the demand of growing urban population, the distance traveled through shared mobility is expected to increase at CAGR of 18% p.a. By 2030, shared miles are to reach 35 percent of all the miles traveled in India and this will further increase to 50 percent by 2040.
- Many customers prefer company fitted accessories and to cater to this need of them most of the manufacturers are giving the option of car configuration of their preferred vehicles through their website.
- Also, the used car market is picking up both in the passenger vehicles and bikes. The manufacturer's warranty over the used car and bikes is an added advantage for the buyers. Players like Big Boy Toys have changed the concept of Luxury used car retail. These players provide sales and after sales service to their customers. In the two-wheeler segment recently Royal Enfield has started off with their used bike retail on the similar lines of Harley Davidson.

Sales and After-Sales Processes

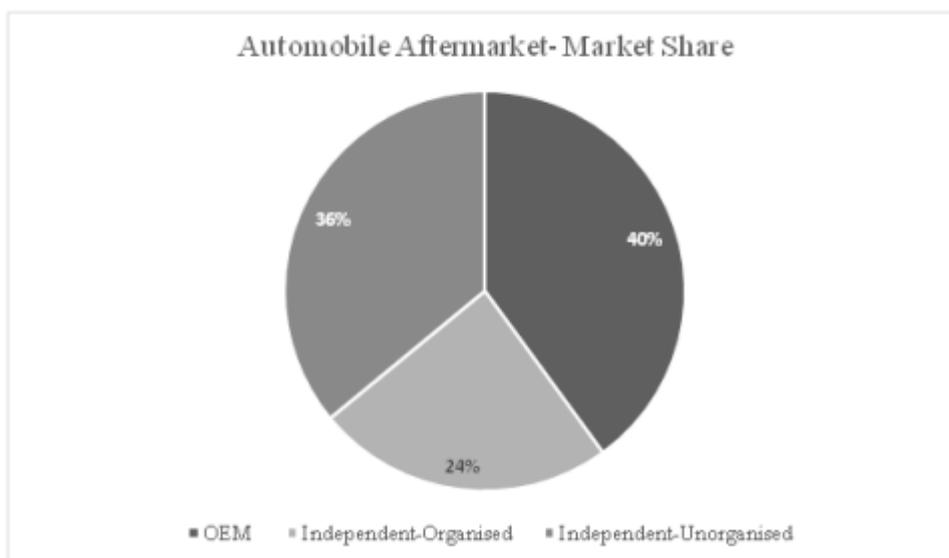
With the use of mobile, digital and social media customers can now get to different data going from vehicle purchase, to cost of possession and financing and aftersales encounters. This will



drive the requirement for a customized and applicable client encounter all through the customer life. The customers now need a more personalized attention at all level from the first walk into the dealership to after-sales service to enhance customer experience. Vast information produced from numerous customer contact points will result in different CRM considerations. These incorporate better customer experiences, better segmentation, and proactive sales deals and service intimation. Consequently, it will also be important to be transparent with customers on how their data is being used, with clear opt-out options. To build customer retention, customer experience will be looked after reliably over the customer lifecycle, from vehicle research to after sales to moving to vehicle changes.

Aftermarket- Repair Aftersales

Automotive aftermarket is the ancillary market within the automobile industry which is concerned with automobile maintenance- includes manufacturing, remanufacturing, distribution, retailing, installation of all types of vehicle parts and accessories after the sale of the vehicle. Indian aftermarket industry is INR 560 billion industry and as per Frost & Sullivan's projections it is set to expand to INR 750 billion by 2020. The major factor driving this growth is GST. It has significantly brought down the difference in the tax on auto spare part from around 32% to current 18%.



Source: Adapted from Frost & Sullivan's report on Indian Auto Component Aftermarket Outlook, 2017

There is a dominance of counterfeit parts in unorganised market. But GST has levelled the competition which has led to greater preference of car buyers' to the original parts which are more durable and now, competitively priced. The online marketplace is also going to be a game changer in this market. The online sub-market is expected to grow at CAGR of 7% p.a. as against the overall CAGR of 10.5%. Both these

number augurs well for the OEMs to exploit the opportunity by ramping up their spare market business as a buffer against the pro-cyclical nature of the industry. For instance, One tenth of the revenue of Maruti Suzuki India Ltd. (MSIL) comes from spare parts which has recorded 10% y-o-y increase in FY2018 as against 5% increase in vehicle sales. Maruti Suzuki is now offering its suppliers an option to sell spare



parts directly through authorised dealerships and service centres. This will come with twin benefits- revenue stream for MSIL and increased dealership profitability.

Regulations

In the Indian context, the emission standards have been raised and the manufacturers are trying to cope with the standards due to the BS-VI deadlines. This has also hampered the used car market as many states have brought in the rules for the lifecycle of the vehicles. In-vehicle safety concerns of the customers and the minimum standards set by the Government has pushed the manufacturers to provide in more and better safety features. The evolving regulatory landscape and increased customer awareness of clean energy vehicles have generated interest, but translation into volumes will require the retail network to be well-equipped in terms of skills and key tools. In particular, sales and after-sales teams will need to be trained on the right competencies, including the ability to package mobility

services, and also create smart tools to give customers transparency on ownership economics.

Conclusion

In the Indian automobile market, particularly the passenger vehicle segment, with the inching competition-new players establishing their base and customers having various options, along with the Government policies of introducing electric vehicles and other alternative fuel vehicles, it is becoming increasingly difficult for the passenger vehicle manufacturers to achieve growth in their margins. Hence, it is required to go a step further and focus on customer delight. This can be achieved by a complete mix of product and its attributes, sales process, customer lifecycle management, and customer engagement. Therefore, it is worthy to observe the changing dynamics of this industry and see how far it goes. Technology and partnerships will prove to be the key facilitators in adapting to the changing facets of the passenger vehicle market.



Source: Adapted from Future of Automotive Retail, EY Publication

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Augmentation of Digital Wallet acceptance- A case for Payment Gate way in Digital wallets

R. Satya Krishna Sharma*

Abstract

The e-Wallet usage has come a long way since demonetization but some where it has lost the steam and has not performed to the level of expectations. One major factor hindering the adoption of e-Wallet as payment instrument is the absence of interoperability amongst e- Wallets. With Reserve Bank of India through Payments Commission of India giving a green signal for a mechanism that would allow transactions betwixt the e-Wallet service providers there seems to be a huge scope for expansion of e-Wallet as payment instrument. This article delves into the demand for such a mechanism that facilitates Interoperability and the benefits it offers to e-Wallet industry and has not seen the same growth rate as experienced. In the below graph which shows share of Mobile wallet payments as part of cash less payments

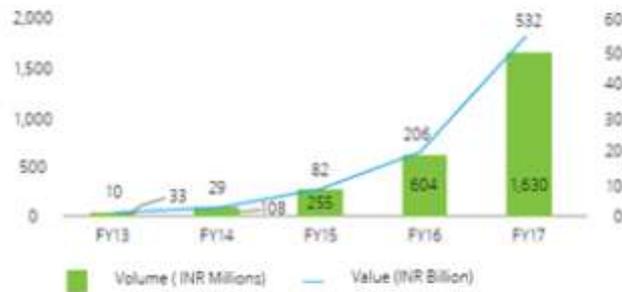
Digital Wallet Adoption in Indi

Evolution of e-Wallets in India

The Digital Wallet business has come a long way since its inception in India and the following

figure-1 shows the trend from 2013-17. The share of Digital wallets as payment mode as increased from 1% to 10% in the past 10 years thanks to the impetus given by Demonetization. Here PPI (Prepaid Instrument) is synonymous to Digital Wallet.

Figure 3: Mobile wallet transactions FY13-FY17



Source: Reserve Bank of India data; Deloitte Analysis

Figure-1

Adopted from: Leading the cashless charge –Evolution of the digital wallet industry in India-Deloitte

* Research scholar at BIMTECH.



Impact of Demonetization: From March 2016 to March 2017 the growth was from 6% to 22% that's a whopping 267% in one year. As shown

in figure-2. Note: Here the Mobile Wallet has been taken as proxy for e-Wallet.

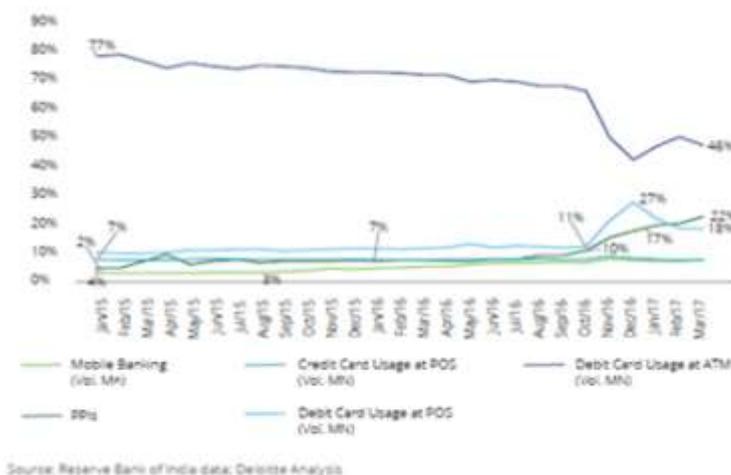


Figure-2

Adopted From: *Leading the cashless charge –Evolution of the digital wallet industry in India-Deloitte*

Classification of Mobile wallets in India

The Digital wallet in India could be broadly classified as follows:

- **Open Wallets:** These wallets have the facility to transact at any merchant outlet or a payee that accepts the wallet also they do come with the facility of en cashing the wallet balance back to bank balance at a certain cost(Prevailing rates are 2.5 -3% of the value) E.g.: Pay TM wallet
- **Semi open Wallets:** These wallets come with the facility to transact with any party that accepts payments through theses wallets but one cannot en cash the wallet balance to a bank balance or physical cash.
- **Closed wallets:** In this category the wallet is used to transact with predefined parties and pre defined purposes. Transactions using the wallet cannot be used for any other purpose or any other party out of the predefined network. Example Mobile talk time and data recharges.

Drivers of Digital -Wallets adoption in India

The main factors that work to the advantage of adoption of e-Wallets are

- They provide low cost access to financial services especially for the underserved population of the country.
- The increase in Smart Phone Penetration and Data Connectivity has increased the adoption of e-Wallets.
- The growth of e-Commerce has augmented the usage and adoption of mobile wallets.
- When comparing with POS based transactions the cost of acquiring transaction device is almost eliminated for the Merchant. Therefore ideal payment receipt mode for small time merchants who cannot afford Net Banking or POS device
- The time required to add a payment member is shortened if integrated with AADHAR database.
- Transaction mechanisms are more secure when compared with Magnetic stripes



Major Digital Wallet service providers In India
The following are the Major m-Wallet service

providers in India are as follows as shown in fig-3 (m-Wallets are technically subset of e-Wallet).

M-wallet Players	Users (Million)
Paytm	120
ITZ cash	40
Mobikwik	30
Citrus Pay	21
Oxigen	20
Vodafone M-Pesa	5.4
Airtel Money	1.7
ICICI Pockets	NA

Source: Companies' Press Release

Figure-3

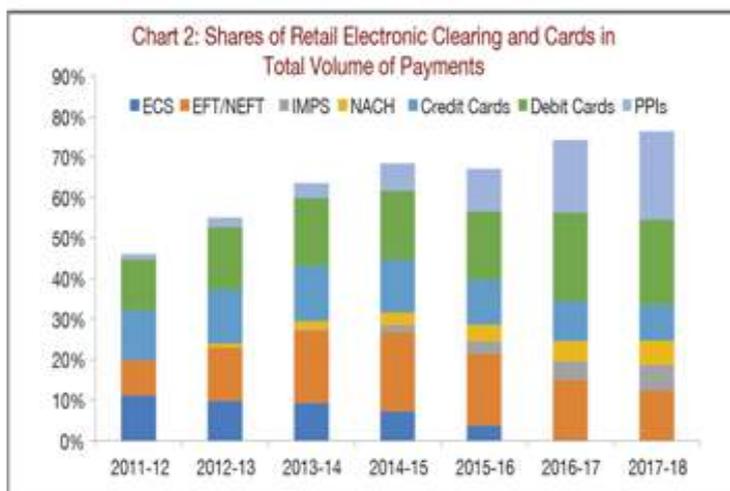
Adopted from: M-Wallet Scenario Post Demonetization report by ASSOCHAM -2017

Current usage and Issues

Recent trends in Digital Wallet adoption in India

After the initial bust of transaction due to Demonetization transaction growth has reduced

over the past one year 2017-18. Annual growth rate of this Digital Wallet as transaction mode has been only around 10.0% or less as per the figure -4 and figure -5. One can see that it has almost reached zero during March 2018.



Adopted from: NITI Ayog: "Digital Payments -Trends Issues and Opportunities"

Figure-4



Given in figure-6 is the working model of Payment Gateway for Digital Wallets.

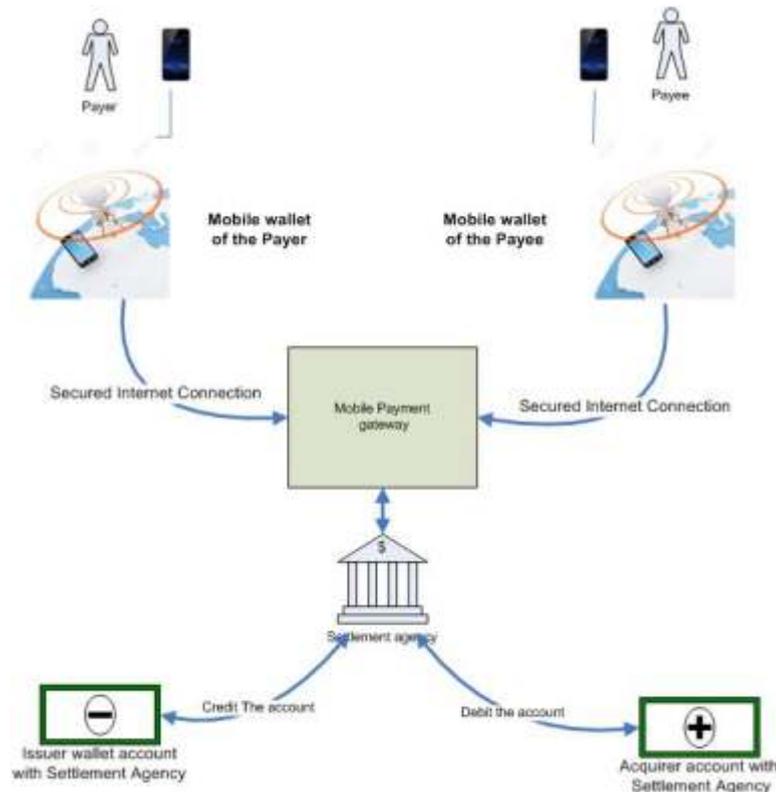


Figure-6

Legal Aspects of Payment Gateway for e-Wallets

The Reserve Bank of India and National payments commission of India have in principal agreed to allow such a payment gateway to exist/ provided that it complies with the other requirements in Payments and settlements act , IT act. The settlement agency shall have to comply with the RBI act wherever necessary. "Now that RBI has mandated full know-your-customer (KYC) compliance for all wallet users and, in turn, assured interoperability (among KYC-compliant wallets and later, linking with bank accounts), both providers and users need to embrace the central bank's guidelines if the mobile wallet industry, with monthly business of `12,563 crore in January 2018 (as per RBI data), has to survive and grow". The Reserve Bank of India (RBI) is expected to issue operational

guidelines on interoperability this week. According to one person familiar with the development, the central bank is likely to mandate wallet companies-(Business Today 2018)

Positioning of Mobile Wallet Payment Gateway

Segmentation Analysis

- Various Segments and characteristics in Digital Payments Market:

Although the Mobile wallets have gained more than 10% of share amongst the Digital payment modes, value wise the share is less than 1 % even today (Deloitte report on Digital payments). This clearly tells that the instrument is used for small time transactions and small ticket in value.



The major reasons being,

- Unwillingness of the customer to lock money at zero return,

- Transaction safety and security.

This instrument is more often used for paying Bills, Shopping, Transport services, etc.

Figure-7 tells about the segmentation of the m-Wallet by purpose of transaction / service wise.

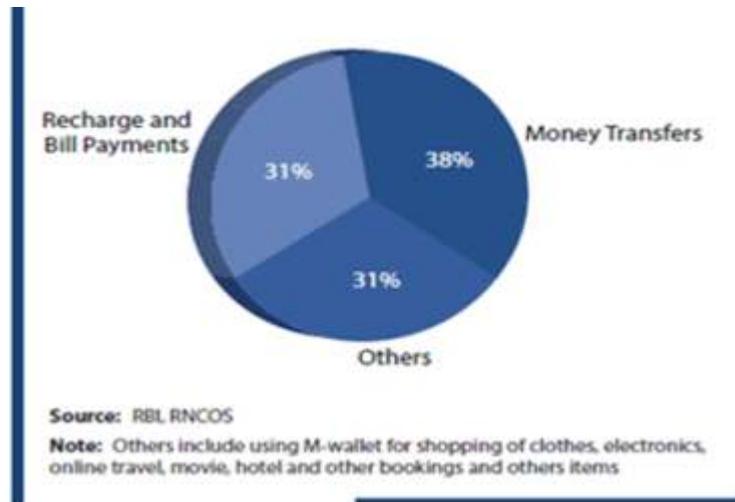


Figure -7

Adopted from: M-Wallet Scenario Post Demonetization report by ASSOCHAM -2017

Figure -8 shows the segmentation of Digital payments based on the source and destination of the Payment. The source of payment and destination of payment could be Government,

Business and Individual. Based on this a 3X3 matrix is derived to indicate the various segments obtained through this approach.



Adopted From: Digital Payments 2020-BCG and Google

Figure-8

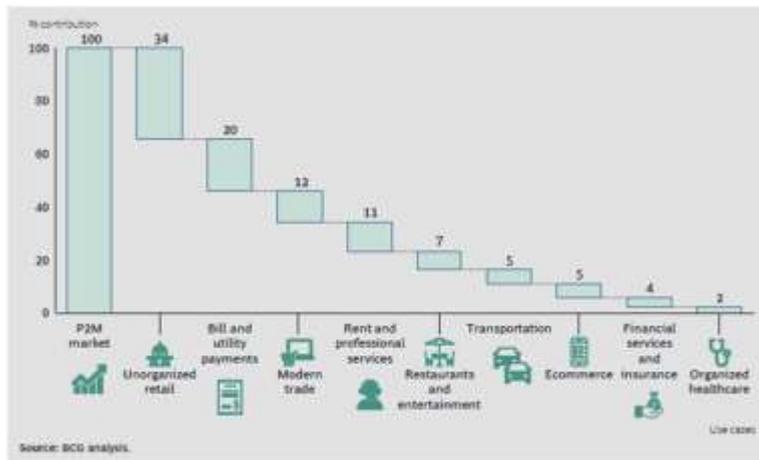


Figure-9
Adopted from: Digital Payments 2020-BCG and Google

The competitive advantages of Digital Wallets with respect to other payment instruments in P2M payment category as are shown in Table-1.

Table-1

Factors	Advantages			
	Wallets	Cards(Debit and Credit)	Mobile banking Apps(Inclusive of UPI)	Net Banking
Ease of Use	Easy to operate	Tad difficult when compared with e-Wallets	Tad difficult when compared with e- Wallets	Tad difficult when compared with e- Wallets
Additional Investment on Equipment by User	Do not Need POS Investment	POS Investment Needed by Acceptor	Do not need POS Investment	POS Investment Needed by Acceptor in terms of Integration with Payment gateway
Acceptance Network	No Interoperability	Interoperability Available	Interoperability Available	Interoperability Available
Security	Secure	Secure	Secure	Secure
Trust	Medium Trust	High Trust	High Trust	High Trust
Interest on funds and liquidity	Zero interest and poor liquidity (Liquidity cost 2.9%)	Interest on account balance and high liquidity at almost 0% cost	Interest on account balance and high liquidity at almost 0% cost	Interest on account balance and high liquidity at almost 0% cost
Need Bank account	No	Yes	Yes	Yes

Positioning of the Product/Solution

Keeping in view the Competitive advantages of Digital Wallets and the business opportunities that exist for e-Wallet as payment mode Micro

entrepreneurs who have a Smart phone have been selected as the target population for this product.



Demand estimation of e-Wallet Payment Gateway in B2B Domain

Approximate Demand estimation for such a Payment Gateway

Item No	Parameter	Value	Source
1	Number of Micro Merchants	59 Millions	Evolving Financial Eco system IFMR
2	Number of POS Machines in India as on June 2018	3.31 Millions	RBI Stats
4	Number of Micro merchants with Smart phone access and data access	41 Million	70% of 59 Million as per the IFMR research(<i>Evolving Financial Eco system-IFMR</i>)
5	Number of Micro merchants with smart phone data access but No POS	37.87 Million	Item 4 – Item 2
6	Average Monthly sales at Micro Merchant(INR)	Rs91200	(<i>Evolving Financial Eco system – IFMR</i>)
7	Monthly Through Put Assuming a conservative 60% conversion to wallet	2.072Trillion	=60%*Item6*Item 5
8	Estimated Annual throughput(INR)	49.73 trillion	12* Item 7
9	Service charge	0.1%	Pricing assumption
10	Annual Revenue Estimate	49.733 Billion	Item 8* Item 9

Such a solution has the potential to earn revenue of Rs 5000Crores per annum in P2M Domain only.

Findings and Conclusion

There is a Market for such a solution that enabled cross transactions betwixt to different Mobile wallets services.

- Such a segment would has a Potential to earn an Annual revenue of Rs 5000 Crores
- This postulate assumes that the cost to liquidate wallet goes close to zero or near zero.

- The case also assumes that M2M adoption of this payment mode shall act as enabler and catalyst for P2M payments. This is so because at the end of the day the merchants too have to procure inputs for their business and need Digital payment modes.

If we really want to boost the usage of digital wallets we need to ensure the interoperability of the Channel of payments, else the “Adoption of e-Wallet can go for a toss just for the want of universal acceptance”



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The Social Media: Circle Of Effects And Usage

Shailee Singh*

The social media has always been remarkable impact on people's lifestyle, culture and world-at-large. Social media websites are popular nowadays and they have revolutionized people's living style, communication style also there socializing style on the web. From the start of time socializing with close friends and family from long distance has always been a matter of concern for humans. Being a social animal, they are habitual to communication so to strengthen their relationships. So from earlier times when human dreamt they usually perform experiments so as to find solution when they faced difficulty in face to face interactions.

The evolution of social media.

In earlier 90's communication was delivered by hand from sender to receiver. This delivery system become more common and streamlined later. When telegraph invented in 1792, message delivery become easier and faster as rider could carry with them. Although one can only send small messages from telegraph but those were the only revolutionary ways to convey messages from source to destination in far off places. 1865 saw another milestone in messaging system with development of pneumatic post. It enabled

quick delivery of letters through a network of underground air tubes. The letters in form of capsules were propelled by the air pressure from one area to other. 1890s was renaissance in field of communication. Telephone and Radio were operationalized in 1890 and 1891. Although there modern versions were more sophisticated. The physical telephone lines and wireless radio signals enabled people to interact across the great distances with high quality sound. It was something that people never imagined or experienced before.

After the discovery of super computer in 1940s, social media changed rapidly. Scientists and engineers began to exploring ways to link computers using network cables. This concept when scaled up on bigger scale, was called internet. CompuServe developed in 1960s was one of the earliest form of internet. Exponential growth in networking technology, led to developments such as creation of basic emails, distribution of virtual newsletters (UseNet), sharing of files, searching content on private networks. By 1980s, personal computers were becoming common. Technology enthusiasts made internet relay chats (IRCS) a reality in 1988

*Research Fellow at Birla Institute of Management Technology



and created the first social media site, Six Degrees, in 1997. Six Degrees boasted of features such as making friends, interacting and sharing profiles. Blogging sites were conceptualized and implemented by 1999. It led social media to explode in popularity. People started developing sites with innovative concepts such as networking platform for working professionals - LinkedIn or platform for personal networking - Myspace or a platform to share photos for friends and public - Photo bucket & Flickr. In 2005 advent of Youtube revolutionized the way people could view and share videos globally.

Facebook and twitter came in 2006 and both became easily accessible in all over the world. Tumblr, Spotify, Foursquare and Pinterest also become popular sites. The sudden transformation brought about by technology in field of social media has had both positive and negative impact on society. On hand it has ensured that physical distances are just numbers when connecting to people but on other hand it has led people complete out of physical world to a virtual world.

Positive effects of social media

On Government: Every politician take help from social media movement and because social websites play a significant role in many elections around the globe, including in India, and other countries. They also have served to motivate people for the cause and have motivated mass movements and political uprising against tyrant governments as in regions like Egypt and Syria.

On Industry: Most of the net savvy companies utilize social media promote their products, build the loyalty of customers and also to register and resolve grievances. Customer

feedbacks, sentiment analysis, survey results help the businesses to gain understanding of the market and hence fine-tune marketing strategies, grow product line and develop new offerings. Firms offer short time sales or organize contests to motivate consumers to visit their social website and then provide bundled offers to tempt customers to buy products.

Social media has also enabled customers to review and compare products especially expensive one such as mobile phones, cars.

On Social networks: The social networks give new prospects for people to reconnect their old connections, make new friends, exchange or design innovative ideas, share each other's pictures & content and also other activities. It has helped overcome problems related to physical proximity. Everyone can receive updates on activity across the globe. People can subscribe to kind of material they want to be updated with. The social network such as LinkedIn enables the Professionals to enhance their career prospects and Business owners to expand their customer outreach. Students cooperate with each other with to improve the communication skills and academic aptitude. It also gives opportunity to connect with people of other countries and learn their cultures.

Negative Effects of Social Media

Online Harassment: Socially reclusive users and many introverts prefer virtual interaction over real conversations in the physical world. Virtual world is a perfect place for cyber bullying and harassment as it is very easy to don any mask in the social media. Young girls, school going children and shopping addict women are easy prey for online attacks. It is very important to



realize any kind of bullying, talking openly about it with competent authority and always taking appropriate legal action against attacker.

On Productivity: Social media is very addictive and absorbing. Introduction of handheld portable devices and easy availability of internet have greatly aggravated this problem. Companies are proactive regarding the internet addiction of employees during office hour, they are blocking many websites such as social networks on their office internet so that employees focus on work. There are apps to quantify hours spent on various activities on a smart phone or tablet to enlighten users how much time do they spent on social media.

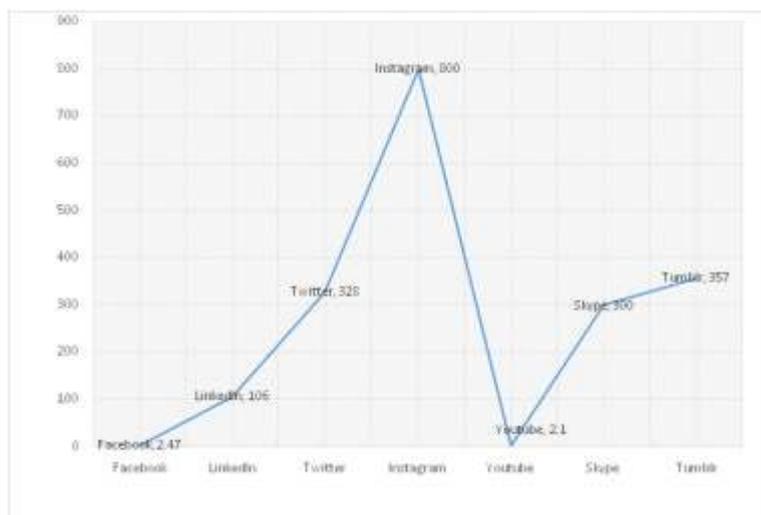
On Secrecy: Social sites hold a lot of personal information in form of pictures, likes dislikes, dates, locations, activities etc. This leaves people vulnerable to crimes like identity theft, stalking etc. Now a days as a part of background verification before hiring any employee, HRs mandatorily scan internet. A too casual post can drastically affect candidature of a prospective

employee. A similar situation could arise in personal life as well, if loved ones and friends get to know of poststhat are undesirable on social networks.

The Facts & Statics o social media

Social media is a rapidly evolving phenomenon. Regular updates are available for the existing tools and platforms. Creative products are developed to fulfil Incipient needs, Latent needs and existing needs every month. This makes Social media a challenge, keeping with one of the rapidly changing technology landscape. So question comes how to stay ahead of the curve? How to work smart? So developers needs to embrace the challenges and determine how to capitalize them. It is easy to use social media statistics and incorporate management toolsfrom itand implement them for marketing strategy.

Exhibit: The active users on the popular social network sites worldwide



Source: Statista



1. Adults belonging to age group 18 to 34 years are very likely to use social media to follow brand which they support and love. So it can work well if one crafts social media campaigns and capture the clicks and identify engagement from the demographic. Since older generations don't use social media comparative to young, brand can encourage them to follow online for their updates.
2. Customers are likely to spend more if they get good customer service. Business can provide excellent service through online channels such as chat, social media, email or even phone calls. If businesses have dedicated workforce or supportive team, that can resolve customer issues quickly, they can also turn business complaints into future revenue.
3. The young consumers (age group 18-35) prefer to contact a company through online medium than by other medium such as going to the office location. Business should maintain a dedicated grievance resolution team to manage all social media accounts and always respond to customer feedbacks both positive and negative. However, it is recommended to automate this function through a social media management platform.
4. Hand held portable devices like mobile phones generate more than 50% of the web traffic. Trends show that majority of online shoppers do online purchase at least once in 45 days. Consumers expect omni channel experience while transacting online on tablet/mobile. Hence businesses need to ensure aggressive presence online and have it mobile friendly.
5. Purchasing decision in India is highly influenced by the opinion of closed group such as family and friends. They are considered to be providing reliable information. It is a two way channel where friends/family advocate any item/brand which have recently used or people themselves ask for recommendations from closed group about a brand or product. The influencers unknowingly act as a brand ambassador for businesses without incentive.
6. The millennials are highly tech savvy generation. They spent a huge amount of time online on websites such as Youtube. If the target generation for the marketing campaign is age group 18 to 34, business should be present on platforms such as Youtube/Netflix etc. Social media marketers can exploit Youtube's huge user base and hence they could easily reach thousands & millions of viewers with their campaign.
7. LinkedIn has huge presence of people seeking professional help or offering their professional services. It can be a good platform to showcase one's capability to get critical reviews, improvement suggestions, connect with some domain expert or just gather market intelligence.
8. Instagram boasts off 800 million users out of which 500 million are active on a daily basis. 2 million advertisers are already active on Instagram. People usually share their like's and dislikes openly on Instagram. Some kind of business intelligence can easily



help business identify the target users on the platform. Hence there is a huge marketing potential on this platform. Fruitful organic engagement and cross promotion can be achieved with regular posts to target audience. Hashtags on captions can boost discoverability and prominence.

9. Unlike Facebook and Instagram which are used by audience for casual/light posts, Twitter is a platform seized by users for more intellectual discussions. In fact it witnesses Business announcements, election campaigns, and official decree. Lately tweets without hashtags have outperformed tweets with hashtags. So it becomes crucial to focus on what one tweets out there for the audience rather than hashtags to propel visibility on the platform.
10. While facebook is still the prominent social media network, it is good to know the numbers and statistics of other social media platforms and what they can do for the marketing campaigns. So that their power of social networks can be utilized to the fullest potential.

Conclusion

Social media is turning out to be an indispensable platform in the human life. Letters and physical communication is fast becoming thing of past while online media is becoming the new normal. These modes have enabled us to connect real time with people across the globe and have helped us suppress the boundaries of language and time zone. We can broadcast ideas quickly, people can provide us their feedback and we can incorporate the relevant ones to shorten any development cycle. Social media

enables us to acquire new skills and knowledge through contents shared by the experts of the area. It has also turned out to be a big market place where people can buy or sell items, ask for opinions on a product, provide their experience with a product or advertise their products. In a way social media has helped improve our overall quality and ease of living in 21st century. However, we have to be careful of how we are utilizing social media in our life. Inappropriate usage might open up the darker side of social media. It is luring more and more people to stay in their shell and only communicate through texts making them literary invisible. The more serious problem is many people utilize the power of social media to bully or influence the vulnerable people. Social media will become a good change for us if only we could 'use' the social media instead of falling it its trap. Rapidly changing technology, creative ideas for enabling communication and readily available online platforms may lead to a metamorphosis in social networking, but it is clear that Social media will exist in some shape & form for as long as humans are alive.

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A Study of Financial Literacy and Its Impact on Financial Planning

Thilak Venkatesan*
Dr. R. Venkataraman**

Abstract

India's growth will be prominent with its demographic dividend in the coming years. A steady working population with the lowest median age across its peers makes India anticipate a larger growth aided by the consumption story. The Asian counterparts today, witness an aging population and the challenges therein. Longevity is as much a problem across the world, and particularly in the developed countries where the governments are reducing their pension outlays. A well-built retirement corpus during the work years ensures the adequacy of retirement funds. As a developing country, the focus of policymakers to enable financial inclusion of all its citizens, point to a good start, but the financial literacy levels are also to be enhanced to adept financial planning. RBI has taken various initiatives for launching financial literacy programs across the country. In this context, financial literacy was measured and was compared with various facets of financial planning. The data was collected through questionnaire and the association of financial literacy was studied. The key findings observed that higher levels of financial literacy planned and used experts to plan. The requirement of retirement funds was known, and EPF was noted to fall short to meet the corpus, financial illiterates faced difficulties in understanding interest and the compounding effect.

Keywords: Household saving, Financial Literacy, Financial planning, Demographic trends.

JEL Classification: D14, J11

Introduction

Financial literacy is defined by Investopedia as “the education and understanding of financial areas including topics related to managing personal finance, money and investing”. The financial literacy series by the RBI is an enormous program aimed at imbuing the countrymen with key financial concepts. The level of education tries to address the issue, but not all branches of education deals with financial literacy which is more vital. Studies prior have

the foundations of measuring financial literacy (M. Van Rooij, Lusardi, & Alessie, 2007), which is used extensively across the globe. Even the most developed country is said to have only 50% of population observed as financial literates and it is a concern for developing country like India to ensure the vast population with more divisions on demographics and culture to possess higher knowledge of financial literacy. Financial planning is also a key determinant for one's success post retirement is decided by how better he/she had planned during the earning years.

*Research Scholar, Bharathiar University, Coimbatore.

**Dean, Center for Management Studies, Presidency College, Bangalore.



The planning activities include the investments, tax, insurance, retirement and the estate planning (Boon, Yee, & Ting, 2011). The process of planning was tabled by Boon et al., 2011, and the various aspects of financial planning activities were studied.

The prior studies stress that a higher level of financial literacy is needed for achieving or accumulating a bigger corpus for ensuring that the living standard is the same even post retirement. Financial planning involves the application of the knowledge of financial literacy towards decisions of personal finance as investments, insurance, credits or loan, financial planning etc. The study attempts to answer how the case is with respect to India, and an attempt is made to understand the association of financial literacy and financial planning.

Review of Literature

Financial literacy is a key to ensure effective corpus building as governments across the world are changing to a defined contribution plan; the same is evident in India with the New Pension Scheme. Prior studies state that the financial literacy levels are low across countries. Financial literacy and its determinants have been studied extensively in the literature (Venkatesan T & Venkataraman, 2018). A world wide study in 2013, observed only 33 percent adults financially literate (Annamaria; Lusardi, Klapper, & Oudheusden, 2013). The study noted that the financial choices made by financial literates are better compared to their counterparts. Various studies have highlighted that older people, women, and the minorities, are less in terms of financial literacy (Mitchell & Lusardi, 2011) (Arrondel, Majdi, & Savignac, 2013). Financially savvy were observed succeeding in their plan and used guidance from

financial experts, retirement calculators and attended seminars (Mitchell & Lusardi, 2011). Literature reveals that high income earners and senior members have higher knowledge on pension (Mitchell, 1988) (Almenberg & Soderbergh, 2011). A higher financial literacy score translated in terms of a clear and defined financial plan (Arrondel et al., 2013). Similar study of financial literacy of the younger population revealed that though the theoretical concepts were well understood, the application of the same varied (Pareek & Dixit, 2016), the younger population were more driven towards materialism rather than savings. Parental influence had a impact on house hold savings and the savings behavior was noticed varying across generations (Brounen, Koedijk, & Pownall, 2016). Companies offered financial education programs have aided in improving the financial literacy scores thereby increasing the retirement planning process (Annamaria Lusardi & Mitchell, 2007), (M. C. J. Van Rooij, Lusardi, & Alessie, 2012).

Financial literates have been able to amass wealth through stock market investments and involve in savings plan (M. C. J. Van Rooij et al., 2012). Financial knowledge levels varied widely across the population in terms of demography and socioeconomic levels (Agarwal, Amromin, Ben-David, Chomsisengphet, & Evanoff, 2015) and the study on the household earnings and wealth accumulated was observed heterogeneous. A study on financial literacy level and its effect on the savings proved to build the relationship among the financial knowledge and the use of tools to acquaint and adopt a plan for savings and retirement. The current study implements the scales for financial literacy both basic and advanced from financial literacy and stock market participation by Lusardi, Rooij and Alessie and extended the study of personal



finance by Boon, Yee and Ting in Klang Valley, Malaysia. The context of the study is to understand how the decision of financial planning is linked by the financial literacy in the Indian context.

Research Design

Nature of the Study

The study was analytical, and quantitative. Analytical as it limits to establish an association between the measures of financial literacy and financial planning activities, quantitative as it attempts to measure the financial literates and use scores to observe difference in the planning aspects. The research was built upon the primary data through questionnaires from 67 respondents. Google forms were used to obtain the responses and MS-Excel was used for coding and analysis.

Objectives of the Study

1. To measure the basic and advanced financial literacy
2. To classify the various financial planning activities and
3. To analyze whether financial literacy aids in better financial planning activities.

Research Question

Does higher level of financial literacy translate to better financial planning activity?

Hypothesis

H1: There is association of financial literates on the various financial planning activities

Research Methodology

Collection of Data

Data was collected through questionnaires. The existing scales for measurement of financial literacy and financial planning were obtained from the literature. Financial literacy scales were obtained from Lusardi et al (2007), and the financial planning dimensions and scales from Boon et. al. (2011). The relevance of the study was to justify higher level of financial literacy translate to financial planning in the Indian context.

Tools used for analysis

Descriptive Statistics: Mean scores, Dummy variables and summated scores

The responses consisted of correct solutions for measuring financial literacy and was coded 1 for the correct answer (0 otherwise). A total of 16 questions that measured financial literacy categorized into 5 basic and 11 advanced summated to 16 for all correct answers. A score more than 10 was coded 1 and the others 0. The financial planning response was collected through 5 point Likert scale (5-Strongly Agree to 1-Strongly Disagree). The mean score was calculated to reflect for the average score for financial planning. The categories so obtained were Financial literates/ illiterates and Financial planners/ Non-Planners.

Chi-Square test: Descriptive statistics was conducted for the data collected to understand the chi-square distribution. To test whether H0 there is no significant difference and H1 there is significant difference.



	B ₁	B ₂	Total
A ₁	a	b	a + b
A ₂	c	d	c + d
Total	a + c	b + d	N=a+b+c+d

$$\chi^2 = \frac{N(a d - b c)^2}{(a+b)(c+d)(a+c)(b+d)}$$

Under H₀ this is a chi-square variate with 1 d.f

If $\chi^2 > k_2$, H₀ is rejected. And if $\chi^2 < k_2$, H₀ is Accepted.

For $\alpha = 0.05$, the critical value is $k_2 = 3.84$.

Degree of freedom is (R-1) (C-1).

Where,

Here, χ^2 called chi-square distribution.

H₀, represents the Null Hypothesis.

H₁, represents the alternative Hypothesis.

α , is level significance 5%

k_2 is critical value.

IV. Data Analysis and Interpretation

The data was obtained through questionnaire designed using the scale established by the previous studies on financial literacy and financial planning respectively. Google forms were used to collect the responses and coding was done using MS-Excel.

The summary of descriptive statistics is presented below:

The male respondents were 36 and the female constituted 31. The respondents belonging to age group less than 25 were the highest compared to the other groups. The table is shown below;

Table 4.1 Gender Vs Age

	Age					Total
	Less than 25	25-30 Yrs	30-35 Yrs	35-40Yrs	40 and Above	
Gender Male	17	7	3	6	3	36
Female	13	11	2	0	5	31
Total	30	18	5	6	8	67

The profile of the respondents on education and occupation observed graduated respondents in the teaching/education as maximum with the lowest on manufacturing.



Table 4.2 Education Vs Occupation

	Occupation					Total
	Banking	Teaching/Education	IT	Manufacturing	Others	
Education PUC	0	0	0	0	2	2
Graduation	7	2	13	0	11	33
Post-Grad	4	12	1	1	6	24
Others	0	3	0	0	5	8
Total	11	17	14	1	24	67

The cross tab on income –savings observed the majority in the less than 30,000 Income and in the less than 5,000 savings category. Maximum number of respondents in the savings category was observed in the 5000-10000 groups.

Table 4.3 Income Vs Savings

	Savings				Total
	Less than 5000	5000-10000	10000-20000	20000-30000	
Income Less than 30000	13	9	3	0	25
30000-40000	4	8	3	2	17
40000-50000	1	3	2	0	6
50000 & Above	1	4	5	9	19
Total	19	24	13	11	67

Financial Literacy was measured using a 16 item scale; 5 items measuring the basic level using compounding, interest rates values and 11 items to capture the knowledge of stock market, pricing of bond and measurement of risk (M. Van Rooij et al., 2007). The literature had extensively used the applicability of the scales (M. Van Rooij et al., 2007). The basic financial literacy responses are tabled below.

Table 4.3 Basic Financial Literacy

Sl. No	Questions	Correct Response	Percentage
1	Suppose you had 100 rupees in a savings account and the interest rate was 2% per year. After 5 years, how much do you think you would have in the account if you left the money to grow?	56	84
2	Suppose you had 100 rupees in a savings account and the interest rate is 20% per year and you never withdraw money or interest payments. After 5 years, how much would you have on this account in total?	39	58
3	Imagine that the interest rate on your savings account was 1% per year and inflation was 2% per year. After 1 year, how much would you be able to buy with the money in this account?	28	42
4	Assume a friend inherits 10,000 rupees today and his sibling inherits 10000 rupees 3 years from now. Who is richer because of the inheritance?	41	61
5	Suppose that in the year 2018, your income has doubled and prices of all goods have doubled too. In 2018, how much will you be able to buy with your income?	49	73



The basic literacy was coded 1 for the correct responses, and 0 for the others. The difficulty in understanding inflation and the comparison with compounding effect of savings account was observed the least in the category. Overall the calculation of simple interest was assimilated, whereas the compounding factor over a period of time had some difficulty and is evident in term of correct observations.

Table 4.4 Advanced Financial Literacy

Sl. No	Questions	Correct Response	Percentage
1	The main function of the Stock Market	37	55
2	If somebody buys the stock of firm B in the stock market	42	63
3	Diversification: Mutual funds can invest in several assets.	40	60
4	Classification of Investor of Bonds	26	39
5	Considering a long time period (for example 10 or 20 years), which asset normally gives the highest return?	33	49
6	Normally, which asset displays the highest fluctuations over time	53	79
7	When an investor spreads his money among different assets, does the risk of losing money	47	70
8	If you buy a 10-year bond, it means you cannot sell it after 5 years without incurring a major penalty	30	45
9	Stocks are normally riskier than bonds	52	78
10	Buying a company stock usually provides a safer return than a stock mutual fund.	38	57
11	If the interest rate falls, what should happen to bond prices?	16	24

The responses for advanced literacy had some notable answers with respect to the riskiest investments, whereas some questions on bonds had a poor response. Among the answers overall on the assessment of financial literacy, interest rates and its effect on bond prices was observed the least understood.

Financial Planning Perception Vs Financial literacy:

The respondent's perception was obtained on a 5 point Likert scale. The responses were coded and compared with financial literacy scores. The total score of financial literacy was 16, and a score above 10 was coded as financial literate (1 for literate and 0 for scores less than and equal to 10). Using a Chi-square test, the association between financial planning and financial literacy was tested.



Table 4.5 Perception of financial planning vs. financial literacy

Sl. No.	Description	Mean Score	Chi-Square
1	Understanding of financial planning	3.67	9.75*
2	Set financial goals and objectives in life	3.81	6.32*
3	Gather data and analyze current financial situation	3.87	0.23
4	Execute plan with the help of experts	3.13	7.9*
5	Review financial plan periodically after implementation	3.58	2.94

*Chi-Square @ 5% Level of Sig. (2*2) 3.81*

The mean scores on perception of financial planning was observed lowest on executing a financial plan using assistance from experts (Mean Score of 3.13) and the highest on gathering financial information (mean score of 3.87). The hypothesis for the association test between financial literacy and various aspects of financial planning perception was rejected for basic understanding of financial planning, setting financial goals and objectives and execute plan with expert’s guidance. There was no difference between gathering data and reviewing financial plan periodically. It can be concluded that financially literates planned, followed a plan and used the assistance of

experts. The results contrasted with prior findings on not using experts for planning activities (Boon et al., 2011)

Tax management Vs Financial literacy:

The results of tax management was the lowest on paying tax (mean score 3.22) and higher in case of managing one’s own tax and utilizing tax benefits. The hypothesis for association revealed that the literates utilized tax rebates compared to financial illiterates. The mean score was also the highest for utilizing tax benefits (mean score of 3.81).

Table 4.6 Tax Management vs. financial literacy

Sl. No.	Tax Management	Mean Score	Chi-Square
1	I Utilize tax relieves and rebate in filling tax return	3.81	6.22*
2	I Do not mind paying tax as amount payable is very minimal	3.22	1.04
3	I manage my own taxes	3.60	0.533
*Chi-Square @ 5% Level of Sig. (2*2)		3.81*	

Liabilities management Vs Financial literacy:

The higher financial literacy level should aid better debt management. The mean scores was

observed lowest on the charge of interest on credit card balance (mean score 2.88), and the highest on pay credit card dues in full every month (mean score 3.97). The Chi-square test for



association was tested to check for association between liabilities management and financial literacy. The management of liabilities was observed to be the same between literates and illiterates. Though financial literacy, the debt

management should have been significant, but in spite of the literacy level, the interest on credit card showed a higher difference but still insignificant.

Table 4.7 Liabilities Management vs. financial literacy

Sl. No.	Liabilities Management	Mean Score	Chi-Square
1	I Pay off full credit card outstanding amount every month	3.97	1.25
2	Interest charged by financial institution on credit card balance is reasonable	2.88	3.78
3	I make on time settlement of mortgage and hire purchase installments	3.67	2.91
4	The various personal loans available in the market offer convenient financing options.	3.48	0.49

*Chi-Square @ 5% Level of Sig. (2*2)

3.81*

Understanding of Insurance Vs Financial literacy:

The mean score of not having insurance was observed the lowest (mean score of 2.33), indicating that, majority of the respondents had insurance. The respondents also had other types of insurance which was observed by the second lowest score of 2.73 on only life insurance. The hypothesis test for association was observed to

be significant in rejecting the ability to distinguish insurance products between financial literates and illiterates. The results matched with prior studies on difficulty in distinguishing insurance products (Boon et al., 2011). The Insurance understanding implies that respondents have a clear understanding of various insurance products other than life, it was also observed by not having insurance and only life insurance being insignificant.

Table 4.8 Understanding of Insurance vs. financial literacy

Sl. No.	Insurance Cover	Mean Score	Chi-Square
1	I have sufficient insurance coverage in the event of death, disability or sickness	3.57	0.23
2	I have only life insurance and no other type of insurance	2.73	0.01
3	I am able to distinguish different types of insurance in the market	3.63	7.64*
4	I do not have insurance	2.33	0.34

*Chi-Square @ 5% Level of Sig. (2*2)

3.81*



Investment Management Vs Financial literacy:

Investments and stock market behavior including the participation in derivatives have a higher role of financial literacy and the same have been studied extensively by prior research. The decision making ability, risk profile and returns expectations have been explored along with financial literacy. The investments were majorly based on opinions from family and friends (mean score of 2.99) which was the

lowest in the category of questions based on investment management. A majority of the respondents had the ability to handle and utilize a lump sum money (mean score of 3.99). The hypothesis was however rejected on compounding effect of interest rates between the two groups. The findings matched with the prior study (Boon et al., 2011). Investments have been aided by personal financial literacy since the opinions have not be supported by the hypothesis and the effect of compounding has reflected to the knowledge of finance.

Table 4.9 Investment Management vs. financial literacy

Sl. No.	Investment Management	Mean Score	Chi-Square
1	I Invest based on opinions of friends and family	2.99	2.81
2	I Understand own risk profile	3.78	1.95
3	I Have investments in different asset classes.	3.25	2.87
4	I Appreciate that interest has compounding effect	3.76	7.91*
5	If given a lump sum money, I know how to use it properly	3.99	0.98

*Chi-Square @ 5% Level of Sig. (2*2) 3.81*

Retirement Planning Vs Financial literacy:

The response obtained for the knowledge of retirement funds adequacy had the highest mean scores (mean score of 3.61) and the lowest

mean score on sufficiency of EPF funds during retirement. The hypothesis also rejected that the both the categories of literacy opined that the EPF funds are sufficient during retirement.

Table 4.10 Retirement Planning vs. financial literacy

I. No.	Managing Retirement	Mean Score	Chi-Square
1	I Know the amount of money needed for retirement	3.61	0.0005
2	I Have started retirement planning	3.03	0.001
3	I Have a formal retirement plan	3.19	0.091
4	The money in EPF is sufficient to use during retirement	2.54	6.14*

*Chi-Square @ 5% Level of Sig. (2*2) 3.81*



Estate Planning Vs Financial literacy:

The understanding of trust was observed with the highest mean score (4.00), and the lowest on

having a will (3.43). The hypothesis on the association rejected the statement of no association of literacy and the importance of estate planning.

Table 4.11 Estate planning vs. financial literacy

Sl. No.	Estate Planning	Mean Score	Chi-Square
1	I have a will	3.43	3.003
2	I Understand what a trust is	4.00	0.57
3	Estate planning is important to me	3.54	5.24*
4	Estate planning leaves me with peace of mind	3.57	0.11

*Chi-Square @ 5% Level of Sig. (2*2)

3.81*

DISCUSSION AND CONCLUSION

Financial planning comprise of various facet such as investments, retirement, tax etc. On the other hand financial literacy draws key attention globally as policy makers look for better and transparent way of handling finances. The study was intended to check if the financially literates, planned, and were better-off their counterparts. The financial literates followed a plan and used the assistance of experts. The other aspect of the risk diversification using insurance also noted that the illiterates had difficulty in differentiating various insurance products. The intricate problem of understanding compounding of interest rates differentiated the financial literates and the illiterates. Though the respondents agreed that they had the knowledge of requirement of retirement corpus, they differed in the way the respondents opined for the sufficiency of EPF funds. Estate planning was another aspect in which the association was observed. Further studies can be specific to how financial illiterates determine retirement fund adequacy and the current study can be extended

to age specific and income specific profiles to devise programs of financial literacy.

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Against all odds: A narrative study of doctoral student's journey in India

Arpitha P Reddy*

Abstract

Unlike other educational courses, doctoral courses demand huge amount of time and commitment. During this journey, many a times research scholars feel to give up the course, but few overcome all the odds, continue their journey and cross the finish line. This paper attempts to understand the motivational factors, which help the doctoral students pursue their course. A qualitative content analysis is done on the data collected through personal and semi structured online interviews of 5 research scholars and doctorates of different streams at different stages of the course journey.

Keywords: Motivation, Doctoral students, Content Analysis

Introduction

Education is given at most importance by almost all from very early stages of life. This might be because people often relate education with good job and eventually a better life. It is also referred to the self development, career growth. The Doctoral program is the highest level of education (Teowkul, 2009). The 79 percent of Indian population within the age group of 18 years to 23 years opt for Undergraduate level course, 11.8 percent opt for post graduation and 0.5 percent opt for doctoral program according to All India Survey on Higher Education report (2011-2012) by Ministry of Human Resources Development (Ministry of Human Resources Development-Government of India, 2013). The graduate and post graduate programs have a definite time frame for completion of course and

often some form of perk associated with it, usually a job or better positions in corporate world unlike the doctoral program. The subject wise data of student enrolment at different levels of education are given in table 1

According to the Value theory, the people's actions are driven by their values. The journey of students in doctoral program is very much different from the journey of students in other education programs. The program is self driven, which require good amount of time investment, strong determination and continuous persistence. The doctoral students get more respect in the society and have option to switch career (Teowkul, 2009).

The research scholars might encounter with multiple situations, which cause stress, often

*Research Fellow, Birla Institute of Management Technology



sense of lost, depression and so on and so forth. Few of the causes could be personal factors, financial issues, lack of motivation and family commitments (Santicola, 2013). According to an article from *The Times of India*, 77,798 candidates are pursuing doctoral course across India in 2013 and attrition rate was 50 percent (Chhappia, 2013; Pyhältö, Toom, Stubb and Lonka, 2012). That means hardly 50 percent cross the finish line. There can be multiple reasons for a research scholar who tend to give up the course, few overcome the odds and become doctorates. This study attempts to understand the motivating factors of such scholars who have undergone the roller coaster ride, but still persistent with their doctoral journey.³

Literature Review:

According to Santicola (2013), the doctoral students need commitment to their journey, disciplined to get and keep the ball rolling. Putting the doctorate in the first place, this is about prioritizing the tasks and commitments related to the doctorate at the first place over others. Preference of working independently and researching alone is also one of the motivating factors. Full time employment factor also adds to internal motivation factors that leads to the aim.

The relation between the guide or mentor and the student plays a vital role in the doctoral journey for continuity on the program and completion of the program (Lovitts and Nelson, 2000; de Valero, 2001). The common interest should exist between the mentor and the student and expertise student possesses should be assessed by the mentor and mentor should use one's own expertise to help student progress and reach the goal (Brill, Balcanoff, Land, Gogarty and Turner, 2014).

The respect people who attain doctorates get is much higher than other degrees and this is considered to be the driving or the motivation factor for the doctoral students (Teowkul, 2009). The personal development, career opportunities and pleasant environment for working are the motivational factors for doctoral students as per Teowkul (2009).

The time period is another important factor in doctoral course, as it requires good enough time. This is a serious problem in case of female doctoral students. The availability of financial resources is a concern, students who have financial stability i.e., fellowships, stipends, and assistantships, seem to complete their course on time compared to students who spend on their doctoral program i.e., salary or savings (Maher, Ford and Thompson, 2004).

The research community and its environment play a vital role in a doctoral student's life. The research community and environments consist of researcher's efforts, supervision, resources, encouragement from peers, learning environment, guidance, conviction and direction etc., All these do effect the smooth function or dysfunction of the doctoral journey. If it is a healthy competing and encouraging environment doctoral journey is smooth, else stressful (Pyhältö et al., 2012).

There has been quite a good amount of research that contributes in understanding the factors motivating for the completion, retention or prevention of attrition of the doctoral students during their research journey. But, the content analysis on the factors would help in understanding, which factors influence persistence and what do they infer, in a better way. This study attempts to study which factors influence the persistence of doctoral students



and their reasons. This might help young budding or relatively immersed doctoral students to push themselves to cross that minute edge and achieve their goal of doctorate. On the other hand it might be of some interest to the mentors and guides how do deal with their students who are facing difficulties in their doctoral journey.

Methodology:

The content analysis is a widely used tool for both qualitative and quantitative analysis. The qualitative content analysis is predominantly used in the field of nursing research, psychology and health research (Hsieh and Shannon, 2005; Elo & Kyngäs, 2008). The content analysis is not a recent technique, it was first used in the United States in 18th century. But, initially it was used for quantitative analysis, later on it is being used as a qualitative technique since 20th century. This method is used to understand the meaning of the content and explain the concepts better. The content analysis is applied on the text data in print, verbal, electronic forms collected through the personal interviews, online question survey, semi structured online interviews, narratives, open-ended questions, observations and focus groups. It is also useful in analyzing the be print media such as news articles, books, articles, manuals and journals (Hsieh and Shannon, 2005; Kondracki, Wellman & Amundson 2002).

There are purposes of using content analysis, one is analyze the manifest content and other is to analyze the latent content. The manifest content deals with the face value of the content, the obvious components the text refers to and visible descriptions of the text. The latent content relates to the underlying meaning of the text (Downe.Wamboldt, 1992; Kondracki, Wellman & Amundson 2002).

There are three different ways to analyze the data using content analysis. They are differentiated in with respect to coding, the origin of codes and threat of trust worthiness. They are termed as conventional, direct and summative content analysis. The conventional content analysis is for the text analysis where codes are derived directly from the data. The direct content analysis takes the help of literature review to form the initial coding based on existing theory or past research. The summative content analysis counts the word and analyzes the underlying content, meaning and context (Hsieh and Shannon, 2005).

Another important aspect of content analysis is to define the unit of analysis. The unit of analysis in most of the studies would be a person, company, organization, industry, community, place, nation and so on. While in few studies the unit of analysis are interactions, interviews and diaries (Patton, 1987). In this study, unit of analysis is the interviews. The approach is the summative content analysis. The software used is the Diction, version 7.

Data and Analysis:

The data is collected through few personal interviews and semi structured online interviews of 5 research scholars of different streams at different stages of the doctoral journey. The journey of doctoral students has different phases, the course work, seminars, synopsis and thesis. The interviewees are at different stages of their journey while the personal interviews and semi structured online interviews were taken. The data collected is analyzed using Diction which is a predominant software on linguistic theory (Jeremy C Short, 2007).



The Diction software has 31 dictionaries, which search and segregate the text data. It has five master variables, which are built combining all the 31 dictionary scores. The dictionaries have words from as low as 10 to as high as 745 words in them without any duplication of words between these dictionaries. The five main master variables of diction are Activity, Optimism, Certainty, Realism and Commonality. Each master variable has unique significance and scores are calculated based on the same. It uses four calculating variables named Insistence, Embellishment, Variety, and Complexity. The results of the data analyzed using Diction are significant and reliable. Another advantage of this software is that it reduces the time consumption, minimizes cost and avoids human errors of coding (Rosenberg, Schnurr & Oxman, 1990). The master variables mean the following:

1. Activity:

The master variable "Activity" refers to the words or phrase which means the movement, change, idea implementation and inertia avoidance.

2. Certainty:

The master variable "Certainty" refers to the words which mean or relate to the inflexibility, authority, completeness and resoluteness.

3. Optimism:

The master variable "Optimism" refers to the words or phrase or text which refers to the endorsing, recognition of element, concept, variable, situation or person.

4. Realism:

This master variable refers to the tangible, reality, pragmatic, immediate and recognizable aspects.

5. Commonality:

This variable relates to the values, agreeableness, engagement and avoiding idiocracy.

Results and Discussion:

Table 2 gives the results qualitative content analysis of interviewees data, categorized based on the master variable through Diction software. The table 2 reveals some interesting aspects. All the interviewees fall within the range in three master variables, i.e, Activity, Optimism and Commonality. While in the "Certainty" variable the interviewees fall below the lower value of the range. But, the "Realism" variable has 1,3 and 5 interviewee's score below the lower range and interviewees 2,4 score fall within the range.

The Master variables "Optimism, Activity and Commonality" play a vital role in this study. As the study aims to understand the motivational factors for the persistent and perseverant behaviour of doctoral students which is helping to get along with the demotivating situation and trying hard to achieve their goals. The factors the interviewees emphasized for their motivation to be persistent were the mentor, the research community, their family support, involvement of money, encouragement and acknowledgement for their work and efforts, these fall under external factors category. While personal factors like strong determination, passion, thick skin attitude, hard work, gaining new knowledge, innate interest, proclivity and career goals or objectives. This explains that the combination of both personal and external factors together are contributing for the persistence. The strong motivation over ruling



all the other demotivating factors is helping for persistence.

The strong implementation of the plan to achieving the goal of becoming a doctorate is present in all the interviewees as per the results. The realism variable scores are slightly low to the lowest value of the range for interviewee 1 and 3 while it is far low for interviewee 5. The interviewee 2 and 3 fall within the range and also have faced significant amount of demotivating instances compared to interviewee 1 and 3, while interviewee 5 also faced less demotivating instances. The Certainty scores of all the interviewees fall below the range, but not completely negligible. This variable refers to the inflexibility factors whereas the interviewees has exhibited flexibility and overcome and coped with situations which demotivated them.

The table 3 refers to the "Calculated" variables scores of the interviewees. The calculated variables scores explain the pattern here. The variable are not based on the word count, they are based on the theoretical underpinning, based on the pattern the text or phrases exhibit the scores are calculated. With the help of these calculated variables, three master variable scores are calculated.

The first calculated variable is "Insistence" which relates to repetition of words. The repetition of codes actually restrict the codes formation. Higher the score of the insistence higher is the chance for restriction and contentedness. In this study, the interviewees 2 and 5 fall in the rang, while interviewee 1 and 3 fall slightly below the range and interviewee 3 fall more bellow the range. The calculated variable "Insistence" is used for calculating the master variable "Certainty". So was the effect of Certainty scores discussed earlier.

The second calculated variable is "Variety", this relates to the ratio of unique or different word and total number of words spoken. High score of this variable indicates precise statements and reluctance of overstating the statements. The third calculated variable "Embellishment" is the ratio of adjectives to verbs. All the interviewees fall within the range except for interviewee 4. The heavy modifications de-emphasize the human actions. This calculated variable is used for calculation of "Activity", master variable score. Here the changes are not heavy and hence the "Activity" scores are also within the range.

The last calculated variable is "Complexity" which counts the average number of characters per word in the input data or text. The high score results in convoluting the ideas and the implications will be unclear. The scores of all the interviewees fall well within the range except for interviewee 5, score is slightly high for interviewee 5 that the stipulated range. This explains that the data has clarity, lucid meaning, it did not give rise to a different concept because of any deviations.

Conclusion:

The use of DICTION software has been of tremendous help in understanding the motivational factors for persistence of doctoral students. The cost and time involved in manual coding could be avoided using the artificial intelligence i.e, computer aided software like DICTION. The motivational factor evolved from the interviews were the mentor, the research community, their family support, involvement of money, encouragement and acknowledgement for their work and efforts, strong determination, passion, thick skin attitude, hard work, gaining new knowledge, innate interest, proclivity and career goals or



Table 1: Total number of Ph.D students data with respect to streams in India for the year 2010-2011

Row Labels	Sum of Ph.D. - Total	Sum of Ph.D. - Male	Sum of Ph.D. - Female
Agriculture	1925	1410	515
Agriculture Engineering	86	73	13
Anatomy	4	2	2
Anesthesiology	15	15	0
Anthropology	228	157	71
Ayurveda	105	62	43
Bengali	114	55	59
Bio - Chemistry	671	377	294
Bio - Science	689	323	366
Bio - Technology	1083	588	495
Botany	1516	691	825
Cardiology	16	16	0
Chemical Engineering	645	475	170
Chemistry	5249	3308	1941
Civil Engineering	1243	980	263
Commerce	2533	1527	1006
Computer Engineering	1806	1305	501
Computer Science/ Computer Application	1402	785	617
Criminology and Forensic Science	29	16	13
Dairy Technology	15	9	6
Defence Studies	71	54	17
Dentistry	79	52	27
Dermatology	0	0	0
Economics	2062	1128	934
Electrical Engineering	1300	1041	259
Electronics	236	150	86
Electronics Engineering	771	535	236
English	1637	833	804
Environmental Science	890	511	379
Fashion Technology	1	0	1
Fisheries Science	179	129	50
Food Technology	14	4	10
Forestry	49	26	23
French	120	45	75
Gandhian Studies	61	20	41
General Medicine	58	34	24
General Surgery	6	5	1
Genetics	258	95	163
Geo - Physics	72	41	31



Geography	941	486	455
Geology	445	308	137
German	2	1	1
Gynaecology	1	0	1
Hindi	1435	726	709
History	1709	1056	653
Home Science	563	2	561
Homeopathy	3	1	2
Horticulture	147	103	44
Information Technology	1084	898	186
Journalism and Mass Communication	404	238	166
Kannada	262	164	98
Law	696	400	296
Library and Information Science	492	295	197
Life Science	649	399	250
Linguistics	1198	518	680
Malayalam	51	17	34
Management	3723	2325	1398
Marine Engineering	10	10	0
Marine Science / Oceanography	444	289	155
Mathematics	2356	1441	915
Mechanical Engineering	1612	1527	85
Metallurgical Engineering	432	363	69
Microbiology	499	242	257
Mining Engineering	17	17	0
Nursing	22	1	21
Nutrition	148	41	107
Odiya	35	18	17
Oriental Learning	426	354	72
Orthopaedics	2	2	0
Other Engineering and Technology	6325	4513	1812
Other Foreign Languages	165	117	48
Other Indian Languages	588	306	282
Other Medical Science	892	504	388
Other Science	3581	2297	1284
Other Social Science	6439	3254	3185
Pathology	5	4	1
Pediatrics	1	1	0
Pharmacy	572	432	140
Philosophy	640	368	272
Physical Education	699	538	161
Physics	3007	2118	889



Political Science	1179	765	414
Psychology	712	241	471
Public Administration	176	117	59
Punjabi	120	45	75
Religious Studies	261	192	69
Sanskrit	1179	765	414
Sericulture	34	20	14
Sociology	1191	621	570
Spanish	0	0	0
Statistics	375	237	138
Tamil	279	98	181
Telugu	362	257	105
Unani	0	0	0
Urdu	330	209	121
Veterinary and Animal Sciences	346	259	87
Women Studies	104	15	89
Zoology	1200	575	625
Grand Total	77808	47987	29821

Note. Researcher the Ph.D student enrolment data of India during the year 2010-2011 from Open Government Data (OGD) platform India (2017). Data Sourced from <https://data.gov.in/catalog/enrolment-phd-mphil-and-post-graduate-level-major-disciplines-subjects-based-actual-response>

Table 2: Master Variable Scores of content Analysis using Diction Software

Master Variable	Range		Individual Interview Scores				
	Low	High	1	2	3	4	5
Activity	46.74	55.48	51.62	50.87	49.36	51.46	56.78
Optimism	46.37	52.25	49.80	49.45	49.45	49.62	56.10
Certainty	46.9	51.96	40.64	46.54	41.65	40.09	42.71
Realism	46.1	52.62	45.50	51.59	45.69	47.64	34.14
Commonality	46.86	52.28	52.06	48.31	48.07	51.30	52.03

Table 3: Calculated Variable Scores of content Analysis using Diction Software

Calculated Variable	Range		Individual Interviewee Scores				
	Low	High	1	2	3	4	5
Insistence	9.15	111.15	8.59	50.29	4.00	9.13	13.68
Embellishment	0.16	1.14	0.21	0.32	0.26	0.04	0.43
Variety	0.45	0.53	0.63	0.48	0.68	0.67	0.78
Complexity	4.31	4.91	4.48	4.31	4.35	4.66	5.23



objectives. With the help of this software, it was lucid to understand the patterns. The combination of both personal external motivational factors are helping the students to go against all the odds to achieve their goals.

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THE LAST GIRL

My story of captivity and my fight against the Islamic State

By : Aditya Bose

Author:

Nadia Murad & Jenna Krajeski

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About the Author

Nadia Murad is a human rights activist. She is the recipient of the Vaclav Havel Human Rights Prize and the Sakharov Prize, and is the UN's first Goodwill Ambassador for the Dignity of Survivors of Human Trafficking. Together with Yazda, a Yazidi rights organization, she is currently working to bring the Islamic State before the International Criminal Court on charges of genocide and crimes against humanity. She is also the founder of Nadia's Initiative, a program dedicated to helping survivors of genocide and human trafficking to heal and rebuild their communities.

Brief Synopsis

The Last Girl is a story of bravery, an inspiring chronicle of the victory of the human spirit in the face of the worst possible atrocities, violence and depravity. The author, Nadia Murad, who aptly won the Nobel Peace Prize in 2018, recounts her peaceful childhood in the Yazidi village Kocho in Iraq. The book narrates the mystical ways of

Yazidis, and their close, old-world bonding. Iraq, however was changing fast. The uneasy demographics of Iraq with Shias, Sunnis, Kurds and Yazidis witnessed Saddam Hussain's efforts to ghettoize Iraq. This met with a violent end as Saddam's Baathist regime was overthrown by the American army.

The book narrates Nadia's coming of age, from an innocent girl to a brave crusader fighting injustice, trafficking and sexual harassment. The fall of Saddam signalled the growing influence and dominance of the ISIS. Kocho was overtaken by the Islamic State. Unspeakable terror was unleashed on the once peaceful, remote village. The ISIS took many Yazidi females, including Nadia as sex slaves, perpetrating untold physical and mental torture on them.

Equally riveting is the description of the author's escape from the clutches of her captors, to her asylum in Germany and Switzerland. When she finally returned to Kocho, freed from the ISIS, the mass graves of



Yazidis, the broken windows of what once was a school, and family albums burnt to ashes remained as grim reminders of violence and torture. The book ends with the author's fervent desire "I want to be the last girl in the world with a story like mine".

Format and Contents

The 306 page book is in four parts

- Part I (10 chapters)

It tells about Nadia Murad's life in Kocho, a town in Iraqi Kurdistan. It takes us back to her childhood and school days, her family and friends. Iraq's geography and demographics comes alive against the historic backdrop in Nadia's dawning consciousness. The reader is taken on a whirlwind tour of the ancient religion of Kurds, Yazidism, its rites, rituals and festivals.

- Part II (12 chapters)

In this part we are witness to Nadia's coming of age as the ISIS unleashes untold atrocities and barbarism on the Yazidis. This includes beating, torturing, molestation and rape of Yazidi girls. The ISIS then sold the Yazidi girls and they were forced to do household chores. In spite of the extreme mental trauma and atrocities suffered by her as a sex slave, Nadia remained calm. She never lost hope of escaping from her captors and getting whatever help to this end.

- Part III (11 chapters)

In this section we see a resourceful Nadia making a dramatic escape from the clutches of the ISIS with help of her friend Naseer. At last she returned to her original hometown, Kocho. She felt extremely remorseful on learning that her brothers and sisters were no more, even as she was overwhelmed with nostalgia as old

memories of her long lost childhood came flooding in. In her familiar surroundings, free from her tormentors, she felt alone. The one overpowering emotion was that she wanted the ISIS militants to be brought to justice.

- Epilogue

Nadia sought asylum and moved to a new life in Germany and Switzerland. The German people offered help and were sympathetic towards the ISIS victims. She was very grateful to them. She attended German classes and recounted to her friends about the barbarity, the mental as well as physical torture that she had faced. They offered medical treatment to the victims of ISIS torture who were rehabilitated in Germany. At the end of her narration Nadia tellingly proclaims, "I want to be the last girl in the world like me."

Why I recommend this book

The Last Girl takes the reader on a whirlwind historic trip of a region ravaged by the fanatical, militant ISIS. The book is in many senses an eye opener. It shows how, even in this era, we are vulnerable to the forces of unreason and blind dogmatism. It tells a story of bravery and hope in the backdrop of mindless violence.

Despite recent gains against ISIS in Iraq, many Yazidis still remain in captivity. As a story that hasn't yet ended, "The Last Girl" is difficult to process. It is a call to action, but as it places Murad's tragedy in the larger narrative of Iraqi history, it leaves the reader with urgent, incendiary questions: What have we done, and what can we do?



What others are saying about this book

- The Last Girl offers powerful insight into the barbarity the Yazidi suffered alongside glimpses into their mystical culture ... this is an important book by a brave woman

Ian Birrell, The Times

- This devastating memoir unflinchingly recounts Murad's experiences and questions the complicity of witnesses who acquiesced in the suffering of others.

The New Yorker

- A harrowing memoir. . . . Intricate in historical context. . . . The Last Girl leaves readers with urgent, incendiary questions.

The New York Times Book Review

- Murad gives us a window on the atrocities that destroyed her family and nearly wiped

out her vulnerable community. This is a courageous memoir that serves as an important step toward holding to account those who committed horrific crimes.

The Washington Post

- Nadia Murad's courageous account is horrific and essential reading. . . . Anyone who wants to understand the so-called Islamic State should read The Last Girl.

The Economist

- A devastating yet ultimately inspiring memoir that doubles as an urgent call to action.

Kirkus

- Powerful. . . . A heart breaking elegy to a lost community.

Booklist



Report on International Doctoral Consortium - 8 June 6th -8th, 2018

A Report

Centre for Research Studies, BIMTECH organized the eighth International Doctoral Consortium (IDC 8) in close cooperation with St. Mary's University Sobey School of Business, Halifax, Canada, from June 6th – 8th, 2018 at the BIMTECH Campus in Greater Noida. The International Doctoral Consortium brings together critical and qualitatively-oriented organizational and management scholars and Ph.D. students. The International Doctoral Consortium is highly developmental and geared towards Ph.D. students who present, discuss, and debate topics and methods key to the study of management issues from a critical perspective.

IDC 8 received 33 participants from across the world. There were 10 International students and 23 Indian students who presented their research. The presentations were from a plethora of areas ranging from critical management to sense-making, innovation in SME's, social entrepreneurship, insurance, neural networks to finance, workplace bullying, social media brand metrics, fatherhood in the organization to A-modern approach to selfhood.

IDC 8 received 7 International faculties and 1 domestic faculty who conducted workshops. The Inaugural ceremony of IDC 8 commenced on 6th June, 2018 with lamp-lighting by IDC Founder – Dr. Albert J. Mills, IDC 8 –Keynote Speaker Maria Ceci Misoczky, Deputy Director, BIMTECH – Dr. Anupam Verma, IDC Chair – Keshav Krishnamurty, Dean Research, BIMTECH – Dr. A. Sahay, Chairperson – Centre for Research Studies – Dr. A.V.Shukla. The keynote Speech on "Keep Calm and Decolonize" was delivered by Maria Ceci Araujo Misoczky, Federal University of Rio Grande do Sul, Porto Allegre, Brazil.

There were 6 workshops which were facilitated by International faculties from around the world who touched upon the various areas like the case-study method, Critical sense-making to name a few. The first workshop titled- "Many faces of the case study method" were facilitated by Päivi Eriksson & Hanna Lehtimäki of the University of Eastern Finland. The facilitators formed 9 different groups and distributed two hand-outs on Intensive and Extensive Case study methods. Discussion and idea exchanges on the methods of case study



research followed. The workshop was very fruitful.

The second workshop titled- “Getting Published” was facilitated by Gabrielle Durepos of the Mount Saint Vincent University (Halifax, Canada).

Gabrielle, being a reviewer and associate editor for top-tier journals, shared her insights on what a journal editor and the reviewers expect from authors of a manuscript. The session was an eye opener and very relevant in today’s competitive academic world.

The third workshop titled- “Pitfalls in researching post-colonial contexts” was facilitated by Nimruji Prasad Jammulamaduka of the IIM-Visakhapatnam.

She started the session with a discussion on the snares which deliberated on the “Translation Business” as the archive exists only as a colonial product. She also mentioned the dearth of data sources and poor writing as some more pitfalls. The second part of her presentation mentioned the possible tricks to overcome these pitfalls.

The fourth workshop titled- “Maintaining a critical perspective in research output despite institutional pressures” was delivered by Cristian Villanueva of the Universidad Anáhuac México (Huixquilucan, Mexico).

The moderator discussed a doctoral student’s perspective on institutional pressures for research output. The pressure to publish brings along the fear of losing the practical implications of research work and pushes researchers to unethical steps. A very enriching an open discussion materialized during the workshop.

The fifth workshop titled - “What is going on? Goffman’s Frame Analysis in today’s critically oriented research” was facilitated by Virpi Malin of the Jyvaskyla University, Finland.

The facilitator discussed the rationale of frame analysis, a method of studying how situations are defined and how various alternatives to ordinary activities developed. A very enriching discussion took place on – the demand for today’s research to be more critically oriented, reflexive and dialogic. At the end of the session, each group is asked to interpret a picture shown by the facilitator to explain the Goffman’s Frame work.

The sixth workshop titled- “Advances in Critical Sensemaking: Lessons from Theory to Application” was facilitated by Prof. Albert Mills of the St. Mary’s University-Halifax, Canada

Dr. Albert discussed sense-making in various situations and how cues are drawn from the accessible information and the surroundings and effect of one’s identity and personality on the same.

These workshops witnessed more than 10 students from different colleges and universities like Guru Gobind Singh University, Amity University, JIMS, Bhagalpur University, BIMTECH alumni who attended these workshops.

The valedictory session, hosted by Surbhi Cheema, started on 8th June 2018 with the distribution of certificates to the presenters. A small token of gratitude was presented to all



the faculties and students who came for IDC 8. The valedictory speech on “Importance of Epistemic Locus on Management Research” was delivered by Dr. Nimruji Prasad Jammulamadaka from IIM- Vishakapatnam. The Convenor – IDC 8, Himanshi Tiwari presented the Vote of Thanks.

The Centre for Research studies, BIMTECH organized Delhi and Agra Trip for the International delegates to provide them a flavor of Indian culture. All in all the IDC 8, 2018 was a successful event.





Management Thought

Introduction on Mr. Ambi Parameswaran

Ambi Parameswaran is an iconic figure in the field of advertising and is a Brand Coach, Brand Strategist and Founder Brand-Building.com a Brand Advisory. He is an author who is creating significant impact with his books. Ambi now has seven books to his credit including : "FCB-Ulka Brand Building Advertising – Concepts and Cases I & II"; "Building Brand Value - Five Steps to Building Powerful Brands" (Winner of 2007 NTPC – DMA Book Prize), "For God's Sake - An Adman on the Business of Religion" and Strategic Brand Management Indian Version [with Prof K L Keller and Prof I Jacob]. His latest bestseller book "Nawabs Nudes Noodles - India Through 50 Years of Advertising" was rated as one of the 100 Most Memorable Books of 2016. SPONGE, the latest book by Ambi Parameswaran is really making waves.

Shodh Gyaan: What seems to have led you to this journey of this is probably the eighth of the ninth book of yours. What has led you to this journey for this book called sponge?

Mr. Parameswaran: Well, I think this is my ninth book. My first six books were all mostly academic brand building case study schedule

behavioral advertising then I did my PhD about eight years ago that was on religiosity and consumer behavior and that led me to write a book called for God's sake on consumer and religion, you know, I did it quite well and then that led to the next book which was Nawabs Noodles and Nudes, where I look at Indian consumer through the lens of advertising so, 50 years of Indian, you know, advertising and how the Indian consumer has changed over the last 50 years once completing that, we started talking about what you know other idea which I had and when I was speaking to my agent Andy, I told him how over the 35- 38 years how I was fortunate to work with some really Visionary leaders of India and those interactions were very memorable and I was narrating some of them at which stage he said "Why don't you write this as a book". You know, it can be a very light book and I said "we can".

So we originally thought we will call the book "What I learned from my clients" but speaking to my publisher it came out that "What I learnt from my client's sounds to very advertising specific". So we said we need to give it a slightly broader title. Which is why we thought of



“Leadership lessons I learned from my clients” right but then “Leadership Lessons” sounded too heavy, you know, I mean, it sounds too serious .so then the idea of sponge came up. So then “Sponge” leadership lesson from my clients” became the title.

So it actually started off way with the thought that look “I was fortunate to work with so many good clients my career and how can I capture some of that learnings into a book” and then it kind of became Leadership Lessons and became sponge and then I started putting down those specific chapters and stories and then I realize each story was different and I said, look, what are the learning from this story and what story in terms of a managerial principle or a book or a concept or an article? So that linking, I could do across all the 25 stories. That's how the book came.

Shodh Gyaan: In Brand management do you see Brand just as face of a product/ service portfolio? Does brand mean something else?

Mr. Parameswaran: See Brands start by becoming a name which tells us as story. That's what it is, right? You know on all Commodities are Commodities. I mean everything is a Commodity even a product is a Commodity. But then you start putting the brand name on it and it becomes something different is and then yes initially brands are nothing but something that distinguishes you from your competitor.

As you start doing things with your brand and then it starts developing a life of its own exactly and then it starts standing for both tangible and intangible values that will values could be long-lasting. Uh, economical values could be emotion Happiness. Joy Etc so brand it's a lot more than lot more than just a name right so that today, I mean the way brands of to the even retail will tell

you that that is a strong brand, you know, a small retailer sitting in a small shop selling candy can tell you “Yeh Brand accha chalta hai” Kyon accha chalta hai? Nahin sir is mein kuch coconut ka accha hai Yeh accha Brand hai. What does he mean by Accha Brand .What does it mean means a good product it is well packaged. It is an interesting unique composition and therefore for him people will buy it people come and ask for this that is his point. Yeah

Shodh Gyaan: Just extending into that if brand was just share of consumers mind. What would be the approximate rate of sharing in the customers word and then to Consumers wallet ?your personal experiences?

Mr. Parameswaran: Meaning?

Shodh Gyaan: There is an x share of consumers mind as a Brand. Than what is the conversion rate to consumer's word and then to Consumers wallet

Mr. Parameswaran: It depends on product category that you know, some product category your personal experiences. Some product category is consumer bind share automatically becomes market share like the classic example FMCG products If you have a 30 to 40 percent of my chances are your market share is 30 40. Okay easy, the same is true of any easily consume products, but this big down when it comes to say luxury products, if I check out what is it brand that comes top of mind when I say car is and when I do the experiment in classrooms, Often chances are that 20% of people say Mercedes Benz, but then it doesn't look like the number is probably what it's top of mind. Invariably in most product categories top mindshare translates into markets share except when it comes to luxury products when it comes to technology products when it comes to those.



Shodh Gyaan So you say that in products categories where -investor decision making or the customer decision involvement in decision making has a higher role to play there. This transfer rate is a bit less?

Mr. Parameswaran: So in high involvement categories you can't have a 1 is to 1 equation. In low involvement categories. It is almost like to do hundred percent. So you say what are the top toothpaste Colgate comes to mind and you will buy Colgate shampoo of mind you will say "Pantene" and buy that, but if I say mobile phone you may say apple, but you may not have an apple. You will have VIVO, Oppo or something else. So there is that

Shodh gyaan: What are the four or five things that come to your mind when building Road map for a Brand?.

Mr. Parameswaran: In fact in my book building brand value. I said there are five steps toward building a brand first is brand appraisal, which means is there an opportunity for you to build a brand in that space? Right? So that involves analyzing the market analyzing consumers analyzing competition and socio-economic. So that's that is brand appraisal.

Next is what I call Brand definition. How do you therefore define your Brand? What should be the position of this plant? What should be the emotional rational societal benefits of Brand will offer.

The third step is what I call Brand articulation the how you articulate this in the form of random of the logo identity was advertising, how do you take it to masses?

The fourth step is brand measurement of how do they form? Then measure the brand of the short term medium term long term.

The fifth tip is brand expansion, which is how you do then take the brand into other product categories or other things? So this is what I call the brand building Pentagon and the center of the Pentagon is what the offering which is what the packaging is is? What is the price? What is the promotion? What is the distribution going to have what are the profitability of the product that again keeps changing as you go through the various stages of the Brand cycle

Shodh Gyaan: Is reputation risk really the inverse of brand image, especially with a lot of financial institutions.

Mr. Parameswaran: Brand image is insurance to reputation risk. Therefore. You should be careful before you put your brand name on something and if you know, so there is an interesting example choose your attacker talks about what brand extension it's good bad and ugly. So you have a brand it's a call it Dove and you launch a dove shampoo. The good is when the dog shampoo does well the bad is when the dove shampoo fails ugliest dove shampoo fails, but it also damages the soap. The better is Dove shampoo succeeds, but also helps Dove soap succeeds. So how do you put a brand name or to hat of a product? Right if that fails there will be an impact on the brand that impact can be positive can be negative X would equal to a negative

Shodh gyaan when it comes to behavior of Millennia. How do you see brand loyalty and do these classical Customer lifetime value model still hold good in this scenario because the millennial is willing to experiment at the same time, they don't hang around the brand for a long time.

Mr. Parameswaran: We don't know. Millennial have just entered the consumption cycle, right?



So we don't know fully how they will behave but certain things in certain categories being brand loyal actually saves a lot of time and effort. So I don't know why will they not be brand loyal to a brand of toothpaste or brand of shampoo? So because every time you go changing its just waste of time and effort

Shodh Gyaan: With Mobile's it's changing

Mr. Parameswaran: But with mobile phone, automobiles with two-wheelers, there's so much Choice available. They will be less loyal. Which means what are you doing as a company to help them stay loyal to you? What should you do? What will work with them? Maybe the old thing about sending him a you know, "Happy New Year card" will not work with them. But you know sending them some gift voucher to have dinner or something like that may. So we don't know so one has to experiment in to figure.

Shodh Gyaan: Do you think this particular negative strategy of brand promotion in terms of mudslinging really works if it is a bad thing. What is that one thing you would do to curtail such kind of thing.

Mr. Parameswaran: I think I think it's always better. Speaking the positives of your brand rather than speak negatives

Shodh gyaan : There's a lot of much of mudslinging in right now,

Mr. Parameswaran: I mean there is negative campaign but it is doesn't you know, work in the long term .

Shodh Gyaan: It doesn't pay returns new out and that it is the deterrent or you do you see any regulatory person with the stick on?

Mr. Parameswaran: There is the Advertising standards council you can complain to them. They will take necessary action

Shodh Gyaan: That one message to Young aspiring product managers

Mr. Parameswaran: They have to develop an ability to continuously keep learning because the consumer is changing much faster than you therefore. How is the consumer changing how are you monitoring the changes , how we are understanding that change to do that. You have to keep learning by being the sponge..

BIMTECH BUSINESS PERSPECTIVES

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**Antecedents of Organizational Stress
among Bank Executives**

Farah Naeem & Dr. Rekha Mewafarosh

**Effect of Personality Types on Demonetization generated
Stress among employees of banking sector at Bhubaneswar,
India.**

Prof. R. Bala

**Volatility and Firm Size of Banking Sector of National Stock
Exchange in India**

Md Intaz Ali & Alfina Khatun Talukdar

Security Challenges for E-Commerce Companies in India

Parijat Upadhyay

Periodicity: Half - Yearly

Price: INR 1200.00 per annum

Publication City: Greater NOIDA, India

Arise, awake and do not stop until the goal is reached.
You have to grow from the inside out.
None can teach you, none can make you spiritual.
There is no other teacher but your own soul.
You can not believe in God until you believe in yourself.

- Swami Vivekananda



BIMTECH
BIRLA INSTITUTE
OF MANAGEMENT TECHNOLOGY

Plot No. 5, Knowledge Park-II, Greater Noida (NCR)
Uttar Pradesh – 201 306, India
Tel.: +91-120-2323001 – 10
Fax: +91-120-2323022/25
www.bimtech.ac.in