

UNIVERSITY OF CALCUTTA



NISHAT ALAM
Secretary,
Councils for Undergraduate Studies,
University of Calcutta.

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Ref. No. CUS/154/17

Dated the 26th May, 2017

To
The Principals
of all the Undergraduate Colleges
offering B.Com (Honours & General) courses
affiliated to the University of Calcutta.

Sir/Madam,

The undersigned is directed to forward you the University Notification No. CSR/26/17, dt. 26.05.2017 containing new course structure, syllabi and revised admission regulations for three-year B.Com. (*Honours & General*) Courses of Studies.

The above shall be effective for the students getting admission to the three-year six-semester B.Com. (Honours & General) Courses of Studies under CBCS, from the academic session 2017-18 and onwards.

The said notification along with detail course structure, syllabi and admission regulations are available in the Calcutta University website.

Thanking you,

Yours faithfully,

Encl.: C.U. Notification No. CSR/26/17, dt. 26.05.2017


(NISHAT ALAM)
Secretary


26/5/17



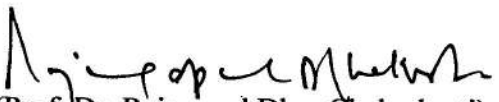
UNIVERSITY OF CALCUTTA

Notification No. CSR/ 26 /17

It is notified for information of all concerned that the Syndicate in its meeting dated 23.05.2017 (vide Item No.46) resolved to approve the **New Course Structure & Syllabi and revised Admission Regulations for the B.Com. (Honours and General)** courses of study under this University as laid down in the accompanying pamphlet.

The above shall be effective for the students getting admission to the 3-year 6-Semester B.Com. (Honours and General) courses of study under CBCS, from the academic session 2017-2018 and onwards.

SENATE HOUSE
KOLKATA-700073
The 26th May, 2017


(Prof. Dr. Rajagopal Dhar Chakraborti)

Registrar

Year 3: Semester VI

		Marks	Credit Hours	
AECC 6.1Chg	Environmental Studies	100	2	
SEC 6.1Chg	Computerised Accounting and e-Filing of Tax Returns	100	4	
CC 6.1 Ch	Project Work	100	6	
DSE 6.1 A**	Financial Reporting and Financial Statement Analysis	100	6	
DSE 6.2 A**	Financial Management	100	6	

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Chg: Common for Honours and General; **Ch:** Core Course for Honours

Options:

**Or DSE 6.1 M (Retail Management and Marketing of Services (50+50)
& DSE 6.2 M (Rural Marketing and International Marketing (50+50)

**Or DSE 6.1 T (Indirect Tax: Laws and Practices)
& DSE 6.2 T (Tax Procedures and Planning)

**Or DSE 6.1 e-B (Internet & WWW and Functional e-Business System (50+50)
& DSE 6.2 e-B(Computer Applications and e-Business Applications – Practical (50+50)

Summary for B.Com. Hons.

		Marks	Credit Hours	
Ability Enhancement Compulsory Course (AECC)	Two Papers	200	2 x 2 = 4	
Skill Enhancement Elective Course (SEC)	Two Papers	200	2x4 = 8	
Generic Elective (GE)	Four Papers	400	4 x 6 = 24	
CORE COURSE (CC)	Fourteen Papers	1400	14x 6 = 84	
Discipline Specific Elective (DSE)	Four Papers	400	4 x 6 = 24	
		2600	Total 144	

diagrams. (L10 /M10)

Unit 4. System design: Process descriptions, Input/output controls, object modeling, Database design, User Interface design, Documentation, Data Dictionary, Development methodologies: Top down, bottom up, structured chart, decision table, decision tree. (L10 /M10)

Unit 5. Testing – Unit, integration, system, Acceptance, regression, Test Case generation. (L6 /M6)

Suggested Reading:

- Parthasarathi, System Analysis & Design, EPH
- Raja Raman, Analysis & Design of Information Systems, PHI

Year 3: Semester VI

		Marks	Credit Hours	
AECC 6.1Chg	Environmental Studies	100	2	
SEC 6.1Chg	Computerised Accounting and e-Filing of Tax Returns (70+30)	100	4	
CC 6.1 Ch	Project Work	100	6	
DSE 6.1 A**	Financial Reporting and Financial Statement Analysis	100	6	
DSE 6.2 A**	Financial Management	100	6	

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SEC 6.1Chg

COMPUTERISED ACCOUNTING SYSTEM and E-FILING OF TAX RETURN

Full Marks 100

Internal Assessment: 20 marks

Semester-end Examinations: 80 marks

Total 100 marks

Marks shown against the units indicate marks for Semester–end Examinations

Unit-1: Computerized Accounting Package: Using Generic Software [40 Marks, Class: 40]

- (a) Company creation, ledger creation, order processing, accounting voucher, inventory voucher, memorandum voucher, invoicing, multiple godown handling, Transfer of materials across godowns, Bank Reconciliation,
- (b) Cost Centre, Cost Category, Bill of Material (BoM), Budget and Controls
- (c) Payroll Accounting
- (d) TDS, GST
- (e) Back up & Restore, Export and Import data

Unit 2: Designing Computerized Accounting System**[15 Marks, Class:15]**

- (a) Introduction to DBMS Package – Table, Query, Form and Report
- (b) Designing Computerized Accounting System using DBMS Package
Creating a voucher entry Form, Preparing ledgers, trial balance, profit & loss a/c, and balance sheet with Form wizard and Report
- (c) Designing Payroll System for Accounting using Form, Query, and Report

Unit-3: E-filing of Tax return [25 Marks, Class: 25]

- (a) Preparation and submission of the Income Tax Return (ITR) offline/online for individual taxpayer [e-filing without using DSC and with using DSC, EVC]
- (b) View form 26AS, Upload return, View e-file returns, e-verification
- (c) Use of e-tax calculator (including interest calculation u/s 234A, 234B, 234C)
- (d) E-Pay tax (Challan No./ITNS 280, ITNS 281)
- (e) Preparation and submission online form 10E [Relief u/s 89(1)]

Project Work: Assignment based for each and every topic should be prepared

- Software: Singhanian, V.K., E-Filing of Income Tax Returns and Computations of Tax, Taxmann
- Software: “Excel Utility”, incometaxindiaefiling.gov.in

CC 6.1 Ch**Project Work (Project Report - 50 + Viva-Voce Examination - 50)****Full Marks 100****DSE 6.1 A****FINANCIAL REPORTING AND FINANCIAL STATEMENT ANALYSIS****Full Marks 100****Internal Assessment: 20 marks****Semester-end Examinations: 80 marks****Total 100 marks**

Marks shown against the units indicate marks for Semester–end Examinations

FINANCIAL REPORTING AND FINANCIAL STATEMENT ANALYSIS

Unit	Topic	Details	Marks allotted	No. of lectures
1	Holding Company	Meaning of Holding Company & Subsidiary Company; relevant standard; Consolidation of Balance Sheets of Parent & Subsidiary (only one); Minority Interest – Basic principles and preparation of CBS; CBS with loss balance of Subsidiary Treatment for: Revaluation of Assets of Subsidiary, Intra-	15	15

PROJECT REPORT

**(Submit for the degree of B.com Honors in the Accounting & Finance under
the University of Calcutta)**

MERGER AND ACQUISITION ON HDFC AND CBOP BANK

NAME OF THE CANDIDATE:- AMAN PATREKAR

REGISTRATION NO:- 223-1121-0044-16

ROLL NO:- 16C-054

CU ROLL NO:- 1223-61-0001

NAME OF THE COLLEGE:- SCOTTISH CHURCH COLLEGE

SUPERVISED BY

NAME OF THE SUPERVISOR:- BISWADEEP DUTTA

NAME OF THE COLLEGE:- SCOTTISH CHURCH COLLEGE

ACKNOWLEDGEMENT

This project report would not have been possible without substantial input from Prof. **Biswadeep Dutta** **SCOTTISH CHURCH COLLEGE**. I would like to convey my gratitude to both of them.

Once again I thank to all of my professor of Commerce Department in the college who helped me to understand about the project work, how to do it and also I convey my compliments again more to my parents who also supported me to do the project work.

Annexure-IA

Supervisor's Certificate

This is to certify that Mr. Aman Patrekar of B.com Honors in Accounting & Finance of **SCOTTISH CHURCH COLLEGE** under the University of Calcutta has worked under my supervision and guidance for her project work and prepared a project report with the title **MERGER AND ACQUISITION ON HDFC AND CBOP BANK.**

The project report she is submitting is her genuine and original work to the best of my knowledge.

Signature:

Place: Kolkata

Name: Biswadeep Dutta

Date: 26.07.2021

Designation: M.Phil (COMMERCE)

Name of the college: SCOTTISH CHURCH COLLEGE

Annexure-IB

Students's Declaration

I hereby declare that the project work with the title **MERGER AND ACQUISITON ON HDFC AND CBOP BANK** submitting by me for the partial fulfillment of the degree of B.com Honors in Accounting & Finance under the University of Calcutta is my original work and has not been submitted earlier to any other University for the fulfillment of the requirement for any course of study. I also declare that no chapter of this menuscrypt in whole orin part has been incorporated in this report from any earlier work done by other or by me. However , extracts of any literature which has been used for this report has been duly acknowledged providing details of such literature in this reference

Signature:

Place: KOLKATA

Name: AMAN PATREKAR

Date: 26.07.2021

Address: 7-D, SARADA PALLY, KOLKATA - 39

Registration No: 223-1121-0044-16

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CHAPTER-1

INTRODUCTION

1.1 BACKGROUND OF THE STUDY



Mergers and acquisitions (M&A) are transactions in which the ownership of companies, other business organizations, or their operating units are transferred or consolidated with other entities. As an aspect of strategic management, M&A can allow enterprises to grow or downsize, and change the nature of their business or competitive position.

A **merger** occurs when two separate entities combine forces to create a new, joint organization. Meanwhile, an **acquisition** refers to the takeover of one entity by another. **Mergers and acquisitions** may be completed to expand a company's reach or gain market share in an attempt to create shareholder value. From a legal point of view, a merger is a legal consolidation of two entities into one entity, whereas an acquisition occurs when one entity takes ownership of another entity's stock, equity interests or assets. From a commercial and economic point of view, both types of transactions generally result in the consolidation of assets and liabilities under one entity, and the distinction between a "Merger" and an "acquisition" is less clear. A transaction legally structured as an acquisition may have the effect of placing one party's business under the indirect ownership of the other party's shareholders, while a transaction legally structured as a merger may give each party's shareholders partial ownership and control of the combined enterprise. A deal may be euphemistically called a *merger of equals* if both CEOs agree that joining together is in the best interest of both of their companies, while when the deal is unfriendly (that is, when the management of the target company opposes the deal) it may be regarded as an "Acquisition".

1.2 SERVEY OF LITERATURE

- Mergers and acquisition are commonly identified as three types in the world market, they are vertical integration where two companies in different of supply chain merge together, horizontal integration where two same industry companies merge together and diversification where two companies of two different industry merge together (**The Economist, 2006**) (**Morrison and Floyd, 2000**). Merger is nothing but the combination of two firms where one survives and the other lose its corporate existence. The company which is acquiring will pay for all the assets and liabilities of the acquired company (**Varma, 1997**).
- According to Fraclix and Bolster (1997), the main factor in making or breaking the merger equation is the culture. Moreover, culture is described as a unique solution for both internal and external problems (Schein, 1985a. Cited in Schraeder and self, 2003). The term “Culture Clash” will descibe about the function of two companies such as values, missions, style and philosophies. These are all the factors considered to be dangerous factors when two companies decide to combine (Bijilsma-Frankema, 2001; Cited in Nguyen and Kleiner, 2003). According to Beer et al 91993), the company which is going for mergers and acquisition need to change the culture to fit the strategy. According to Drennan (1992), every organizations has got its own culture. The Larson and Gonedes (1969) model holds that the exchange ratio will be determined by each firm’s assessment of the post merger price / earnings multiple and postulates that each firms requires that its equivalent price per share be at least maintained as a result of the merger. According to the author, they developed a model to to know the price or earnings which will show the profit and loss in that model. In order to check whether the M&A actually increases the market value of the companies so Conn and Nielson (1997) developed the Larson and Gonedes model.
- According to Granlund (2003), the Mergers and Acquisition is specially focused on the study of understanding the human and social aspects and it is rarely been analysed from the management accounting point of view. According to Camara and Renjen (2004), if only the senior manager knows about the goal of the Mergers and Acquisition will not make the Merger and Acquisition process success, it’s need to be communicated to the lower level managers and also it needs to be communicated to the lower levels as well because successful merger is starting with a clear understanding of the merger purpose. According to Camara and Renien (2004), the successful merger needs to motivate how the merged company is going to perform differently than the individual company work on its own.

1.3 RESEARCH GAP

Business mergers and acquisitions (M&A) can be an effective strategy for growing the bottom line. Companies consolidate to remove excess capacity, increase market access, acquire technology more quickly than it could be built, develop new businesses, and improve the target company's performance.

Most often, companies merge or acquire because they want to grow, with the goal of providing new top line revenue or bottom line profitability. When the market perceives an M&A strategy sound, a company's stock price can be rewarded. Companies today exist in a global marketplace and are no longer bound by region or country. Today's most successful companies merge and acquire businesses across country borders.

The key to sustaining the positive benefits of any merger or acquisition pursuit is ensuring the post-merger integration is successful. If so, then profitable growth can follow, and the deal valuation is achieved. Some mergers or acquisitions are focused simply on obtaining a technology. However, there are many others for which retaining the acquired talent is crucial because employees themselves have critical knowledge, skills, and customer relationships that determine the value of the acquisition. When this is the case, companies need to motivate and engage employees through the process, which is easier said than done. The new combined entity, and the people and teams within, can be more innovative and collaborative if integration efforts go well.



1.4 OBJECTIVE OF THE STUDY



HDFC & CBOP has been managing the various aspect of MERGER AND ACQUISITION through continuous efforts over a long period of time.

The present study is trying to investigate the different aspects of MERGER AND ACQUISITION management at HDFC & CBOP. MERGER AND ACQUISITION is generally the net difference between the total assets and the liabilities of the company. So an attempt to understand as to how the company manages the MERGER AND ACQUISITION has been done.

In my project work we are trying to identify the various systematic processes in managing the MERGER AND ACQUISITION.

The study is trying to identify the various liquidity, profitability, solvency and the turnover positions of the company as a tool of performance which will lead us to identify the financial soundness of the company.

1.5 RESEARCH METHODOLOGY

The study will be based on the QUANTATIVE and QUALITATIVE approach of the MERGER AND ACQUISITION model at HDFC & CBOP needs a thorough study. With the help of RATIO ANALYSIS & TREND ANALYSIS the result of the control mechanism can be summarized which will help in identifying the effectiveness of the system under the preview. The data for the companies under analysis has been taken from their respective websites of the companies. `MICROSOFT EXCEL has been used as a tool for different calculation purposes and developing the charts.

COLLECTION OF DATA:

The data has been collected from the primary and secondary sources:

i) Primary data

- (1) Department visit- discussion with the concerned person and interviewing officers in accounts and finance sector.
- (2) Observation method.

ii) Secondary data

- (1) Annual reports
- (2) Journals and magazines
- (3) Study of files and office documents
- (4) Websites of HDFC & CBOP.

Project is based on:-

- 1. Annual Report of HDFC & CBOP 2008-2009**
- 2. Annual Report of HDFC & CBOP 2009-2010**
- 3. Annual Report of HDFC & CBOP 2010-2011**
- 4. Annual Report of HDFC & CBOP 2011-2012**
- 5. Annual Report of HDFC & CBOP 2012-2013**

1.6 LIMITATION OF THE STUDY

Mergers and Acquisitions are part of strategic management of any business. It involves consolidation of two businesses with an aim to increase market share, profits and influence in the industry. The following is the limitation which I observed in “HDFC & CBOP BANK”:-

1. Since the report is exclusively made from secondary source of data, the direct observation is literally impossible.
2. There was no scope for gathering sufficient financial information as it is confidential.
3. During the time allotted for the project the internal audit is going on and they could not spare much time for the detailed discussion on the subject.
4. They themselves have not maintained the data so accurately but seem to be sufficient for the project.

These limitations are mainly due to the organizational setup of the company. The company's head office is located at Mumbai, where all the data are available. The company's head office is unaccessible for me. All the data with which the company's detail has been mentioned in the project was available to me through various magazines, annual reports.

CHAPTER-2

CONCEPTUAL FRAMEWORK

2.1 CONCEPT OF MERGER

What is a Merger

A merger is an agreement that unites two existing companies into one new company. There are several types of mergers and also several reasons why companies complete mergers. Mergers and acquisitions are commonly done to expand a company's reach, expand into new segments, or gain market share. All of these are done to please shareholders and create value.



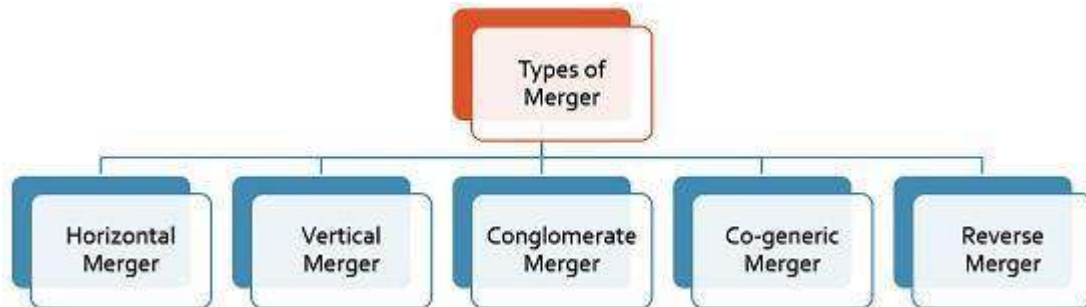
BREAKING DOWN Merger

A merger is the voluntary fusion of two companies on broadly equal terms into one new legal entity. The firms that agree to merge are roughly equal in terms of size, customers, scale of operations, etc. For this reason, the term "merger of equals" is sometimes used.

Mergers are most commonly done to gain [market share](#), reduce costs of operations, expand to new territories, unite common products, grow revenues and increase profits, all of which should benefit the firms' shareholders. After a merger, shares of the new company are distributed to existing shareholders of both original businesses.

In 2015, there was a record \$4.30 trillion worth of mergers and acquisitions announced. Deal making continues to be a popular way to grow revenue and earnings for companies of varying size.

2.2 CATEGORIES OF MERGER



Horizontal Mergers

A horizontal merger is a merger between companies that directly compete with each other. Horizontal mergers are done to increase market power (market share), further utilize economies of scale, and exploit merger synergies.

For example, a famous example of a horizontal merger was between HP (Hewlett-Packard) and Compaq in 2011. The successful merger between these two companies created a global technology leader valued at over US\$87 billion.

Horizontal Mergers



Vertical Mergers

A vertical merger is a merger between companies that operate along the supply chain. Therefore, in contrast to a horizontal merger, a vertical merger is the combination of companies along the production and distribution process of a business. The rationale behind a vertical merger includes higher quality control, better flow of information along the supply chain, and merger synergies.

For example, a notable vertical merger happened between America Online and Time Warner in 2000. The merger was considered a vertical merger due to each company's different operations in the supply chain – Time Warner supplied information through CNN and Time Magazine while AOL distributed information through the internet.



Market-Extension Mergers

A market-extension merger is a merger between companies that sell the same products or services but operate in different markets. The goal of a market-extension merger is to gain access to a larger market and thus a bigger client base/target market.

For example, RBC Centura's merger with Eagle Bancshares Inc. in 2002 was a market-extension merger that helped RBC with its growing operations in the North American market. Eagle Bancshare owned Tucker Federal Bank, one of the biggest banks in Atlanta, with over 250 workers and \$1.1 billion in assets.

Market-Extension Mergers



Learn about modeling different types of mergers in CFI's [M&A Financial Modeling Course](#).

Product-Extension Mergers

A product-extension merger is a merger between companies that sell related products or services and operate in the same market. By employing a product-extension merger, the merged company is able to group their products together and gain access to more consumers. It is important to note that the products and services of both companies are not the same, but they are related. The key is that they utilize similar distribution channels, common or related production processes, or supply chains.

For example, the merger between Mobilink Telecom Inc. and Broadcom is a product-extension merger. The two companies operate in the electronics industry and the resulting merger allowed the companies to combine technologies. The merger enabled the combination of Mobilink's 2G and 2.5G technologies with Broadcom's 802.11, Bluetooth, and DSP products. Therefore, the two companies are able to sell products that complement each other.

Product-Extension Mergers



Learn about modeling different types of mergers in CFI's [M&A Financial Modeling Course](#).

Conglomerate Mergers

A conglomerate merger is a merger between companies that are totally unrelated. There are two types of conglomerate merger: pure and mixed.

- A **pure conglomerate merger** involves companies that are totally unrelated and that operate in distinct markets.
- A **mixed conglomerate merger** involves companies that are looking to expand product lines or target markets.

The biggest risk in a conglomerate merger is the immediate shift in business operations resulting from the merger, as the two companies operate in completely different markets and offer unrelated products/services.

For example, the merger between Walt Disney Company and the American Broadcasting Company (ABC) was a conglomerate merger. Walt Disney Company is an entertainment company while American Broadcasting company is a US commercial broadcast television network (media and news company).

Conglomerate Mergers



2.3 ACQUISITION

What is Acquisition

An acquisition is a situation whereby one company purchases most or all of another company's shares in order to take control. An acquisition occurs when a buying company obtains more than 50% ownership in a target company. As part of the exchange, the acquiring company often purchases the target company's stock and other assets, which allows the acquiring company to make decisions regarding the newly acquired assets without the approval of the target company's shareholders.



BREAKING DOWN Acquisition

When huge deals occur, they dominate the business section of the newspaper. However, there are far more mergers and acquisitions of small to medium-size firms compared to large companies.

Why Make an Acquisition?

Companies perform acquisitions for various reasons. They may seek to achieve economies of scale, greater market share, increased synergy, cost reductions, or new niche offerings. If they wish to expand their operations to another country, buying an existing company may be the only viable way to enter a foreign market, or at least the easiest way: The purchased business will already have its own personnel (both labor and management), a brand name, and other intangible assets, which helps to ensure that the acquiring company will start off with a solid customer base.

2.4 TYPES OF ACQUISITION

The terms “merger” and “acquisition” tend to intimidate many business owners. With good reason. Whether you are acquiring another business, being acquired or exploring the opportunities that a merger presents, the end result is significant shift in “business as usual.”

If the day comes when you have a merger or acquisition on your hands, the best thing to do is *be prepared*. The first step in the M&A preparation process is to know the different types of mergers and acquisitions available. The following are five of the most common deal structures encountered in the merger and acquisition process:

1. Straight Merger

A straight merger is exactly what it sounds like: the classic swap *of equity for equity* between companies. It is essentially the conjoining of two separate organizations, on either side of an acquisition, that agree to unify. It is usually a larger company that seeks to invest in a smaller company. The best way to implement a straight merger and keep all assets in line is to analyze the value of each company separately, before the merger occurs. This way, each partner’s new equity is based on the amount of equity they had in their previous company.

2. Earn-Out

An earn-out occurs when the two companies on either end of the acquisition cannot reach an agreement regarding the future financial success of the company. If you are the company that is being acquired, an earn-out allows you to “earn” a portion of the purchase price over a period of time. The amount you are able to earn is based on the company’s performance going forward.

Important things to remember about earn-outs:

- The time to earn usually lasts between 3 and 5 years, but that is negotiable.
- The amount the seller earns is contingent on how the company performs *following* the purchase. There is no upfront price.
- If the new owner financially advances the company, you (the seller) get paid for the new profit.
- If the buyer runs the company poorly, you may receive less money than expected over the earn time period.

This method is more reliant on negotiation and what both the buyer and seller seek from the deal.

3. Cash Deal

A cash deal consists of a bank loan or, in rare cases, straight cash from the buyer. A cash deal usually occurs when the buying company is significantly larger than the selling company. Depending on the size of the company, a cash deal may take several routes:

- SBA (small business administrative) loans are typically given out to smaller businesses to assist with the purchase.
- A typical bank loan is more common within the M&A process, which usually involves \$1-\$30 million spaces.
- These bank loans usually involve a fixed rate over a 7- to 10-year term.

The seller may want all cash if they don't trust the buyer to run the business correctly, but this is more common for purchase prices under \$2-\$3 million.

4. Term loan

Term loans are paid to the seller over a period of time, typically 5-7 years. The price is usually fixed and the interest rate 2-3% higher than bank loans. A term loan is usually sought out if:

- The buyer cannot get enough financing from the bank.
- The seller may not need cash immediately and prefer the stream of income spread out over the years.

A term loan is a great idea for sellers if the circumstances allow. It provides a good return on the original purchase price and saves income tax dollars as the transaction is calculated.

5. Part Cash/Part Equity

There comes a time in every merger and acquisition process when the sale is stymied by growth and the seller is stuck at a certain revenue point. When that happens, you may not have the right resources to reach your sale goals. Enter a larger company and the M&A process gets a whole lot easier. Here's how:

- The buyer buys out 80% of your company but keeps you on as a 20% owner.
- You now have the resources to make things happen and achieve your financial goals.
- At the end of an average 3-7 year period, the company usually reaches an estimated financial goal and the acquiring firm takes over your 20%.

2.5 MERGER & ACQUISITION PROCESS

Overview of the M&A Process

The mergers and acquisitions (M&A) process has many steps and can often take anywhere from 6 months to several years to complete. In this guide, we'll outline the acquisition process from start to finish, describe the various types of acquisitions (strategic vs. financial buys), discuss the importance of synergies (hard and soft synergies), and identify transaction costs. To learn all about the M&A process, watch our [free course on mergers and acquisitions](#).



10 Step M&A Checklist

10-Step M&A Process

If you work in either [investment banking](#) or corporate development, you'll need to develop an M&A deal process to follow. Investment bankers advise their clients (the [CEO](#), [CFO](#), and corporate development professionals) on various M&A steps in this process.

A typical 10-step M&A deal process includes:

1. **Develop an acquisition strategy** – Developing a good acquisition strategy revolves around the acquirer having a clear idea of what they expect to gain from making the acquisition – what their business purpose is for acquiring the target company (e.g., expand product lines or gain access to new markets)
2. **Set the M&A search criteria** – Determining the key criteria for identifying potential target companies (e.g., profit margins, geographic location, or customer base)
3. **Search for potential acquisition targets** – The acquirer uses their identified search criteria to look for and then evaluate potential target companies
4. **Begin acquisition planning** – The acquirer makes contact with one or more companies that meet its search criteria and appear to offer good value; the purpose of initial conversations is to get more information and to see how amenable to a merger or acquisition the target company is
5. **Perform valuation analysis** – Assuming initial contact and conversations go well, the acquirer asks the target company to provide substantial information (current financials, etc.) that will enable the acquirer to further evaluate the target, both as a business on its own and as a suitable acquisition target
6. **Negotiations** – After producing several valuation models of the target company, the acquirer should have sufficient information to enable it to construct a reasonable offer; Once the initial offer has been presented, the two companies can negotiate terms in more detail
7. **M&A due diligence** – Due diligence is an exhaustive process that begins when the offer has been accepted; due diligence aims to confirm or correct the acquirer's assessment of the value of the target company by conducting a detailed examination and analysis of every aspect of the target company's operations – its financial metrics, assets and liabilities, customers, human resources, etc.
8. **Purchase and sale contracts** – Assuming due diligence is completed with no major problems or concerns arising, the next step forward is executing a final contract for sale; the parties will make a final decision on the type of purchase agreement, whether it is to be an asset purchase or share purchase
9. **Financing strategy for the acquisition** – The acquirer will, of course, have explored financing options for the deal earlier, but the details of financing typically come together after the purchase and sale agreement has been signed.
10. **Closing and integration of the acquisition** – The acquisition deal closes, and management teams of the target and acquirer work together on the process of merging the two firms

2.6 SENSIBLE MOTIVES OF MERGER

The following are the motivations behind any merger that occurs between the companies:

Synergies

This is the most common reason for a merger. It is expected that when two companies merge to form a new bigger company, the value of the new entity will be more than the combined value of two separate companies. Generally, there are two types of synergies that are aimed for:

Cost Synergies

Synergies that reduce costs through the economies of scale in various divisions of the company, viz. research and development, procurement, sales and marketing, manufacturing, distribution and general administration.

Rapid Growth

Generally, any company has two options to grow, viz. organic growth and external growth. Organic growth is achieved by an increase in sales by making internal investments. External growth is achieved by an increase in sales by buying external resources through mergers and acquisitions. Often, companies prefer to grow externally, especially the ones in a mature industry as the industry offers limited opportunities for growth. It is less risky to have external growth.

Market Power

A horizontal merger in a small industry will definitely help in increasing the market share. An increased market share will, in turn, give the power to influence prices. In fact, monopoly is an extreme example of a horizontal merger. A vertical merger can also increase the market power by reducing the dependence on external suppliers.

Unique Capabilities

Not every company can have all the resources or strengths required for a successful growth. There will come a time when the company wants to acquire the competencies and resources that it lacks. This can easily be done through mergers and acquisitions in a very cost-effective way as compared to developing the capabilities internally.

Diversification

Diversification of the company's total cash flows is a reason argued by managers for the mergers. However, shareholders are not convinced by this reason as they can easily diversify

their investments themselves at the portfolio level. This is cheaper and less painful than the company going through the process of merging with another company to achieve synergies created by diversification.

Bootstrapping EPS

A merger deal might have a bootstrapping effect on the company's EPS. This occurs when the acquiring company's shares are trading at a higher P/E ratio than the P/E of the target company and the P/E does not decrease even after the merger. Such an effect increases the current EPS of the company at the expense of decreased future EPS and decreased growth prospects.

Personal Incentives for Managers

The executives of a company might want the merger to satisfy their personal goals rather than maximize the shareholder value. A post-merger bigger company translates into more prestige and greater power for them. Even the compensation increases in a bigger company. Thus, the managers will prefer the merger to increase the size of their company.

Tax Issues

A company with a large taxable income will look at merging with a company with large carry forwards tax losses. By doing so, the acquiring company can lower the tax liability. A merger purely for reducing tax liabilities will not be approved by regulators, however, companies can hide this reason under other strong motivations to merge.

Unlocking Hidden Value

A struggling company may be bought by an acquirer to unlock its hidden value. The acquiring company may believe that by making some improvements in management and organizational structure and adding more resources, it can make the company perform better. Of course, the acquirer will pay a lower price than the market price.

International Goals

International mergers and acquisitions have become more common and important in today's business world. Like with mergers in one's own country, these international deals are also motivated by the above-mentioned reasons. However, there are several reasons specifically for international mergers as follows:

- Unique products can be marketed in new markets.
- Transfer of technology to new markets.
- Exploiting market inefficiencies.
- Overcoming disadvantageous policies of the government.
- Continued support to international clients.

2.7 LIMITATION OF MERGER & ACQUISITION

1. It creates distress within the employee base of each organization.

The M&A process invariably consolidates positions within the companies that are duplicated. This often means that there is a chance layoffs could occur, which would place people out of work for an indefinite period of time. Because none of this potential becomes definite until the M&A process has been completed, many people are forced into higher levels of uncertainty because they don't know what will happen to them.

2. It may increase the amount of debt that is owed.

If there are debts owed by either organization [or both], then the M&A process may increase the balance sheet debt of the combined company. Although not by itself catastrophic, it can impact the combined company's ability to establish new credit lines or borrow additional funds to fuel a wanted expansion.

3. There can be differences in corporate culture that are not easy to consolidate.

Let's say Company A doesn't have an official dress code policy. They don't even care if someone wears shorts and sandals to work every day. The environment is relaxed, workers sit on couches instead of computer chairs, and every Friday the executive team springs for their staff to enjoy a beer or two while on the clock. Now Company B has a business formal dress code, requires compliance, and is structured with the standard cubicle office format. Drinking? Forget it. Consolidating office cultures can be more difficult than any other aspect of the M&A process.

4. It isn't a one person decision most of the time.

Many mergers and acquisitions require numerous people on both sides of the aisle to be on the same page. When that doesn't happen, the amount of time it takes to complete the M&A process can be extended. This creates added costs to the process which may cause the risks of a merger or acquisition to be greater than the benefits that could be experienced by the deal.

The pros and cons of mergers and acquisitions show that this business transaction should not be something that is just rushed into without thought. An empowered decision is required. By evaluating all of the key points, it becomes more likely that the best possible decision can be made.

2.8 **IMPACT OF MERGER & ACQUISITION**

Possible Impact of Mergers and Acquisitions

Have a look at the impact of Mergers and Acquisitions on different segments of business.

- **Impacts on Employees**

Mergers and acquisitions may have great economic impact on the employees of the organization. In fact, mergers and acquisitions could be pretty difficult for the employees as there could always be the possibility of layoffs after any merger or acquisition. If the merged company is pretty sufficient in terms of business capabilities, it doesn't need the same amount of employees that it previously had to do the same amount of business. As a result, layoffs are quite inevitable. Besides, those who are working, would also see some changes in the corporate culture. Due to the changes in the operating environment and business procedures, employees may also suffer from emotional and physical problems.

- **Impact on Management**

The percentage of job loss may be higher in the management level than the general employees. The reason behind this is the corporate culture clash. Due to change in corporate culture of the organization, many managerial level professionals, on behalf of their superiors, need to implement the corporate policies that they might not agree with. It involves high level of stress.

- **Impact on Shareholders**

Impact of mergers and acquisitions also include some economic impact on the shareholders. If it is a purchase, the shareholders of the acquired company get highly benefited from the acquisition as the acquiring company pays a hefty amount for the acquisition. On the other hand, the shareholders of the acquiring company suffer some losses after the acquisition due to the acquisition premium and augmented debt load.

- **Impact on Competition**

Mergers and acquisitions have different impact as far as market competitions are concerned. Different industry has different level of competitions after the mergers and acquisitions. For example, the competition in the financial services industry is relatively constant. On the other hand, change of powers can also be observed among the market players.

2.9 LEGAL PROCEDURE FOR MERGER & ACQUISITION

Laws governing Mergers and Acquisitions in India

- **Mergers and Acquisitions** in India are governed by the Indian Companies Act, 1956, under Sections 391 to 394. Although mergers and acquisitions may be instigated through mutual agreements between the two firms, the procedure remains chiefly court driven. The approval of the High Court is highly desirable for the commencement of any such process and the proposal for any merger or acquisition should be sanctioned by a 3/4th of the shareholders or creditors present at the General Board Meetings of the concerned firm.
- **Indian antagonism** law permits the utmost time period of 210 days for the companies for going ahead with the process of merger or acquisition. The allotted time period is clearly different from the minimum obligatory stay period for claimants. According to the law, the obligatory time frame for claimants can either be 210 days commencing from the filing of the notice or acknowledgment of the Commission's order.
- **The entry limits for companies** merging under the Indian law are considerably high. The entry limits are allocated in context of asset worth or in context of the company's annual incomes. The entry limits in India are higher than the European Union and are twofold as compared to the United Kingdom.
- The Indian M&A laws also permit the combination of any Indian firm with its international counterparts, providing the cross-border firm has its set up in India.

There have been recent modifications in the Competition Act, 2002. It has replaced the voluntary announcement system with a mandatory one. Out of 106 nations which have formulated competition laws, only 9 are acclaimed with a voluntary announcement system. Voluntary announcement systems are often correlated with business ambiguities and if the companies are identified for practicing monopoly after merging, the law strictly order them opt for de-merging of the business identity.

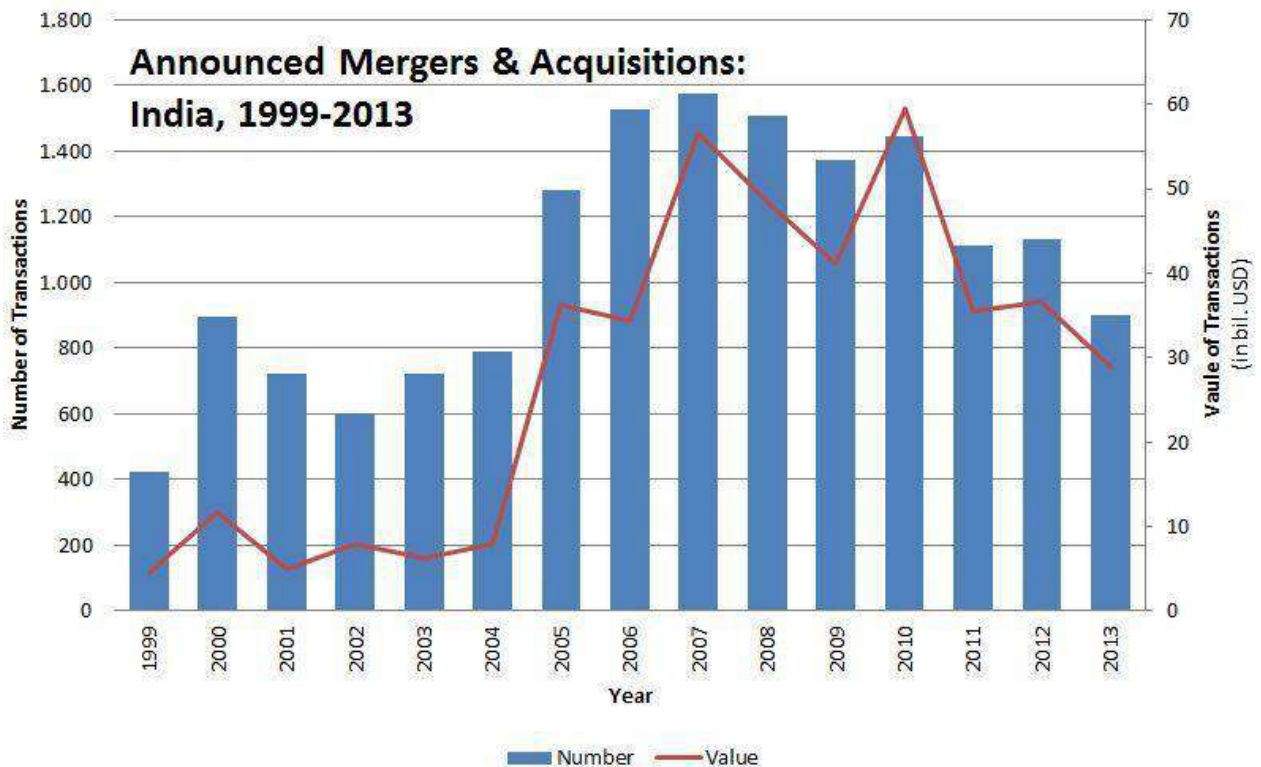
Provisions under Mergers and Acquisitions Laws in India

- Provision for tax allowances for mergers or de-mergers between two business identities is allocated under the Indian Income tax Act. To qualify the allocation, these mergers or de-mergers are required to full the requirements related to section 2(19AA) and section 2(1B) of the Indian Income Tax Act as per the pertinent state of affairs.
- Under the “Indian I-T tax Act”, the firm, either Indian or foreign, qualifies for certain tax exemptions from the capital profits during the transfers of shares.
- In case of “foreign company mergers”, a situation where two foreign firms are merged and the new formed identity is owned by an Indian firm, a different set of guidelines are allotted. Hence the share allocation in the targeted foreign business identity would be acknowledged as a transfer and would be chargeable under the Indian tax law.
- As per the clauses mentioned under section 5(1) of the Indian Income Tax Act, the international earnings by an Indian firm would fall under the category of 'scope of income' for the Indian firm.

2.10 NATIONAL AND INTERNATIONAL SCENARIO

The volume of M&A deals has been trending upwards particularly in the fields of pharmaceuticals, FMCG, finance, telecom, automotive and metals. Various factors which lead to this robust growth of mergers and acquisitions in India were liberalization, favorable government policies, economic reforms, need for investment, and dynamic attitude of Indian corporations. Almost all sectors have been opened up for the foreign investors in different degrees which has attracted this market and enabled industries to grow.

History of Merger and Acquisitions in India



The post-world war period was regarded as an era of M&As. Large number of M&A's occurred in industries like jute, cotton textiles, sugar, banking & insurance, electricity and tea plantation.

However after independence, during the initial years, very few corporations came together and when they did it was a friendly negotiated deal. The reason behind less number of companies involved in mergers and acquisitions were due to the provisions of MRTP act, 1969 wherein such a firm had to follow a pressurized procedure to get approval for the same which acted as a deterrent.

2.11 FINANCIAL ACCOUNTING FOR MERGER & ACQUISITION

Mergers and acquisitions (M&A) occur when businesses combine to achieve corporate objectives. In an acquisition, a company purchases another company's assets, identifiable business segments, or subsidiaries. In a merger, a company purchases another company in its entirety. In either situation, there is a union of businesses. Along with mergers and acquisitions come special accounting principles. This guide will cover purchase accounting for mergers and acquisitions.

The Acquisition Accounting Process

Accounting for an M&A transaction can be broken down into the following steps:

1. Identify a business combination
2. Identify the acquirer
3. Measure the cost of the transaction
4. Allocate the cost of a business combination to the identifiable net assets acquired and goodwill
5. Account for goodwill

#1 Identify a business combination

The main purpose of a business combination is to achieve some form of synergy. In the combination, the acquirer hopes to assume control of the acquiree. Numerous legal, taxation or other business-related strategies may be used to structure an M&A deal. When analyzing an M&A, a common approach is the acquisition method, wherein the deal is viewed from the perspective of the combining entity that is identified as the acquirer. The acquirer assumes control of the acquiree's assets, liabilities, and any other business pieces pertinent to the acquiree's operations.



#2 Identify the acquirer

In every business combination, there is always an acquirer, the party that retains control of the combined entity. Control is defined as “power to govern the financial and operating policies of an entity or business so as to obtain benefits from its activities.” In most combinations, an entity is said to have obtained control when it acquires more than one-half of the other entity’s voting rights, unless such a majority stake does not constitute control. Although it may be difficult to identify an acquirer in an M&A, indicators of the acquirer may include:

- The entity with the greater fair value, if there is a significant difference, is likely to be the acquirer; or
- The entity giving up cash or other assets in the deal is likely to be the acquirer; or
- The entity whose management is the definitive dominator in the deal is likely to be the acquirer

#3 Measure the cost of the transaction

The cost of a business combination is the sum of:

- The fair values, at the acquisition date, of assets, liabilities (incurred or assumed), and equity instruments issued by the acquirer; plus
- Any costs directly attributable to the business combination.

#4 Allocate the cost of a business combination

The acquirer should, at the acquisition date, allocate the cost of a business combination by recognizing the acquiree’s identifiable assets, liabilities, and contingent liabilities that satisfy the recognition criteria at their fair values at that date. Differences between the cost of the business combination and the acquirer’s interest in the net fair value of the identifiable assets, liabilities, and contingent liabilities should be accounted as goodwill.

#5 Accounting for goodwill

On the date of acquisition, goodwill arising from the business combination should be recognized in the balance sheet of the acquirer as an intangible asset. The asset is measured as the excess of the acquisition cost over the acquirer’s interest in the fair value of the assets acquired and the liabilities assumed.

A detailed summary of the goodwill calculation is illustrated below:

Goodwill**Fair value of consideration**

Cash	300,000	<i>Fair value</i>
Ordinary shares of acquirer	675,000	<i>Fair value</i>
Debt	1,560,000	<i>Fair value</i>
Acquisition costs	23,350	<i>Included in the acquisition cost if directly attributable to the cost of the acquisition</i>
	<hr/>	
	2,560,350	

Fair value of net assets acquired

Book value of target	1,180,000	<i>Per balance sheet of target</i>
Fair value adjustments	12,000	<i>Adjustment to bring book values in line with fair values</i>
Fair value adjustments	13,500	<i>Adjustment to bring book values in line with fair values</i>
Intangible assets	175,000	<i>Recognition of intangible asset not recognized on target's balance sheet</i>
	<hr/>	
	1,380,500	
75% of target acquired	<hr/>	
	1,035,375	<i>% of target acquired in business combination</i>

Goodwill arising on the acquisition of target

	<hr/>	
	1,524,975	<i>Goodwill arising (subsuming net assets not identifiable/separable as part of the business combination)</i>

The goodwill sits as an intangible non-current asset on the balance sheet of the acquiring entity. It is not amortized but is tested for impairment periodically.

CHAPTER-3

COMPANY PROFILE

3.1 HDFC BANK

Promoted in 1995 by Housing Development Finance Corporation (HDFC), India's leading housing finance company, HDFC Bank is one of India's premier banks providing a wide range of financial products and services to its over 11 million customers across over three hundred cities using multiple distribution channels including a pan-India network of branches, ATMs, phone banking, netbanking and mobile banking. Within a relatively short span of time, the bank has emerged as a leading player in retail banking, wholesale banking, and treasury operations, its three principal business segments.

The bank's competitive strength clearly lies in the use of technology and the ability to deliver world-class service with rapid response time. Over the last 13 years, the bank has successfully gained market share in its target customer franchises while maintaining healthy profitability and asset quality.

As on December 31, 2007, the Bank had a network of 754 branches and 1,906 ATMs in 327 cities.

For the quarter ended December 31, 2007, the bank reported a net profit of Rs. 4.3 billion, up 45.2%, over the corresponding quarter of previous year. Total deposits were Rs. 993.9 billion, up 48.9% over the corresponding quarter of previous year. Total balance sheet size too grew by 46.7% to Rs. 1,314.4 billion.



SWOT Analysis – HDFC

SWOT Analysis is a strategic planning method used to evaluate the Strengths, Weaknesses, Opportunities, and Threats involved in a project or in a business venture. It involves specifying the objective of the business venture or project and identifying the internal and external factors that are favorable and unfavorable to achieving that objective. The technique is credited to Albert Humphrey, who led a convention at Stanford University in the 1960s and 1970s using data from Fortune 500 companies.

STRENGTHS

1. HDFC is the strongest and most venerable player on Indian mortgages over the long term. The management of the bank is termed to be one of the best in the country.
2. HDFC has differentiated itself from its peers with its diversified network and revamped distribution strategy
3. HDFC has been highly proactive in passing on the cost and benefit to customers.
4. Besides the core business, HDFC's insurance, AMC, banking, BPO, and real estate private equity businesses are also growing at a rapid pace and the estimated value of its investments/subsidiaries explains ~30% of HDFC's market capitalization.
5. High degree of customer satisfaction.
6. Lower response time with efficient and effective service.

WEAKNESSES

1. High dependence on individual loans.
2. Major stake held by American financial groups which are under stress due to economic slowdown.
3. Customer service staff needs training.
4. Processes and systems, etc need to be better managed
5. Management cover insufficient.

OPPORTUNITIES

1. Fast growing insurance business in the country.
2. Untapped rural markets.
3. Could extend to overseas broadly
4. Fast-track career development opportunities on an industry-wide basis.

THREATS

1. Loss of market share to commercial banks and HFC's
2. Higher than expected increase in funding cost
3. Risk of fraud and NPA accretion due increasing in interest rates and fall in property prices is inherent to the mortgage business
4. Lack of infrastructure in rural areas could constrain investment.
5. High volume/low cost market is intensely competitive.

3.2 Centurion Bank of Punjab

Centurion Bank of Punjab is one of the leading new generation private sector banks in India. The bank serves individual consumers, small and medium businesses and large corporations with a full range of financial products and services for investing, lending and advice on financial planning. The bank offers its customers an array of wealth management products such as mutual funds, life and general insurance and has established a leadership 'position'. The bank is also a strong player in foreign exchange services, personal loans, mortgages and agricultural loans. Additionally the bank offers a full suite of NRI banking products to overseas Indians.

On August 29, 2007, Lord Krishna Bank (LKB) merged with Centurion Bank of Punjab, post obtaining all requisite statutory and regulatory approvals. This merger has further strengthened the geographical reach of the Bank in major towns and cities across the country, especially in the State of Kerala, in addition to its existing dominance in the northern part of the country.

Centurion Bank of Punjab now operates on a strong nationwide franchise of 394 branches and 452 ATMs in 180 locations across the country, supported by employee base of over 7,500 employees. In addition to being listed on the major Indian stock exchanges, the Bank's shares are also listed on the Luxembourg Stock Exchange.



Chapter-4

Presentation of Data, Analysis and Findings

4.1 PRESENTATION OF DATA

3 years Financials of HDFC and CBOP before Merger

Balance Sheet of HDFC Bank

HDFC	-----in Rs. Cr.-----		
	Mar '05	Mar '06	Mar '07
	12 mths	12 mths	12 mths
Capital and Liabilities:			
Total Share Capital	309.88	313.14	319.39
Equity Share Capital	309.88	313.14	319.39
Share Application Money	0.43	0.07	0
Preference Share Capital	0	0	0
Reserves	4,209.97	4,986.39	6,113.76
Revaluation Reserves	0	0	0
Net Worth	4,520.28	5,299.60	6,433.15
Deposits	36,354.25	55,796.82	68,297.94
Borrowings	5,290.01	4,560.48	2,815.39
Total Debt	41,644.26	60,357.30	71,113.33
Other Liabilities & Provisions	5,264.46	7,849.49	13,689.13
Total Liabilities	51,429.00	73,506.39	91,235.61
Assets			
Cash & Balances with RBI	2,650.13	3,306.61	5,182.48
Balance with Banks, Money at Call	1,823.87	3,612.39	3,971.40
Advances	25,566.30	35,061.26	46,944.78
Investments	19,349.81	28,393.96	30,564.80
Gross Block	1,290.51	1,589.47	1,917.56
Accumulated Depreciation	582.19	734.39	950.89
Net Block	708.32	855.08	966.67
Capital Work In Progress	0	0	0
Other Assets	1,330.57	2,277.09	3,605.48
Total Assets	51,429.00	73,506.39	91,235.61
Contingent Liabilities	84,585.95	138,898.60	202,126.73
Bills for collection	5,342.70	5,239.26	7,211.88
Book Value (Rs)	145.86	169.24	201.42

P&L Account of HDFC Bank

	(Rs. lacs)	(Rs. lacs)	(Rs. lacs)
Schedule Year ended Year ended	31-03-05	31-03-06	31-03-07
I. INCOME			
Interest earned	3,093,49	4,475,34	6,647,93
Other income	651,34	1,123,98	1,516,23
Total	3,744,83	5,599,32	8,164,16
II. EXPENDITURE			
Interest expended	1,315,56	1,929,50	3,179,45
Operating expenses	1,085,40	1,691,09	2,420,80
Provisions and contingencies [includes provision for income tax and fringe benefit tax of Rs. 382,73 lacs (previous year: Rs. 313,38 lacs)]	678,31	1,107,95	1,422,46
Total	3,079,27	4,728,54	7,022,71
III. PROFIT			
Net profit for the year	665,56	870,78	1,141,45
Profit brought forward	405,32	602,34	1,455,02
Transfer from investment fluctuation reserve	-	484,19	
Total	1,070,88	1,957,31	2,596,47
IV. APPROPRIATIONS			
Transfer to Statutory Reserve	166,39	217,70	285,36
Proposed dividend	140,07	172,23	223,57
Tax (including cess) on dividend	19,64	24,16	38,00
Cess on dividend pertaining to previous year paid during the year	26	-	35
Transfer to General Reserve	66,56	87,08	114,14
Transfer to Capital Reserve	62	1,12	4
Transfer to investment fluctuation reserve	75,00	-	2,98
Balance carried over to Balance Sheet	602,34	1,455,02	1,932,03
Total	1,070,88	1,957,31	2,596,47
V. EARNINGS PER EQUITY SHARE			
(Face value Rs. 10/- per share) 18 Rs. Rs.			
Basic	22.92	27.92	36.29
Diluted	21.64	26.33	36.06

Centurion Bank of Punjab Financials

Balance Sheet in Rs. Cr.	Mar '05	Mar '06	Mar '07
	12 mths	12 mths	12 mths
Capital and Liabilities:			
Total Share Capital	101.32	140.83	156.69
Equity Share Capital	101.32	140.83	156.69
Share Application Money	0	0	0
Preference Share Capital	0	0	0
Reserves	488.72	790.37	1,239.41
Revaluation Reserves	0	0	0
Net Worth	590.04	931.2	1,396.10
Deposits	3,530.38	9,399.64	14,863.72
Borrowings	43.75	51.57	930.89
Total Debt	3,574.13	9,451.21	15,794.61
Other Liabilities & Provisions	447.51	947.78	1,292.07
Total Liabilities	4,611.68	11,330.19	18,482.78
Assets			
Cash & Balances with RBI	331.9	556.52	1,079.14
Balance with Banks, Money at Call	131.04	489.52	410.19
Advances	2,193.95	6,533.44	11,221.35
Investments	1,479.64	2,922.83	4,614.96
Gross Block	670.4	887.13	930.55
Accumulated Depreciation	533.97	577.57	593.67
Net Block	136.43	309.56	336.88
Capital Work InProgress	0	1.74	0.43
Other Assets	338.72	516.58	819.83
Total Assets	4,611.68	11,330.19	18,482.78
Contingent Liabilities	1,394.82	4,475.78	5,141.44
Bills for collection	458.28	820.04	1,680.34
Book Value (Rs)	5.82	6.61	8.91

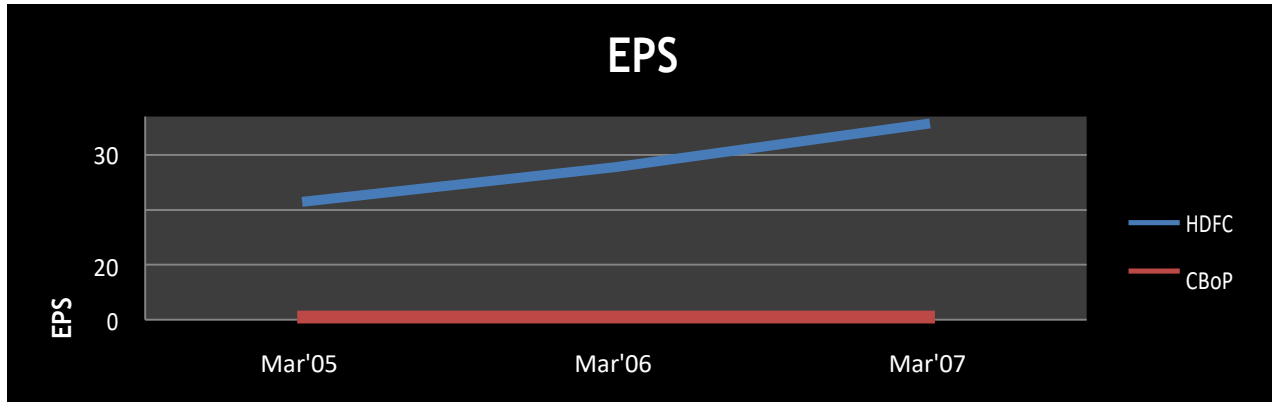
Centurion Bank of Punjab

4.2 Analysis & Findings				
Profit & Loss account		in Rs. Cr.		
		Mar '05	Mar '06	Mar '07
		12 mths	12 mths	12 mths
Income				
Interest Earned		346.09	803.2	1,268.53
Other Income		72.2	311.37	440.66
Total Income		418.29	1,114.57	1,709.19
Expenditure				
Interest expended		168.21	404.43	698.95
Employee Cost		42.7	139.27	221.31
Selling and Admin Expenses		126.11	282.77	297.44
Depreciation		29.73	51.48	56.97
Miscellaneous Expenses		21.39	114.14	313.14
Preoperative Exp Capitalised		0	0	0
Operating Expenses		226.81	577.71	746.06
Provisions & Contingencies		-6.88	9.95	142.8
Total Expenses		388.14	992.09	1,587.81
Net Profit for the Year		30.15	122.48	121.38
Extraordinary Items		2.7	0	0
Profit brought forward		-131.39	-121.39	73.72
Total		-98.54	1.09	195.1
Preference Dividend		0	0	0
Equity Dividend		0	0	0
Corporate Dividend Tax		0	0	0
Per share data (annualised)				
Earning Per Share (Rs)		0.3	0.87	0.77
Equity Dividend (%)		0	0	0
Book Value (Rs)		5.82	6.61	8.91
Appropriations				
Transfer to Statutory Reserves		15.11	-107.31	30.35
Transfer to Other Reserves		-121.39	0	0
Proposed Dividend/Transfer to Govt		0	0	0
Balance c/f to Balance Sheet		-121.39	73.72	164.75
Total		-227.67	-33.59	195.1

4.2 Analysis & Findings

Pre Merger Analysis of HDFC and CBoP

Ratio analysis



In HDFC there is around 30% growth in EPS on year on year basis but Coming to CBoP bank , its Earning is very less not even 1 rupee.

DPS	Mar '05	Mar '06	Mar '07
HDFC	4.5	5.5	7
CBoP	-	-	-

Dividend payout Ratio	Mar '05	Mar '06	Mar '07
HDFC	20.95136	19.77706	19.5859
CBoP	0	0	0

HDFC is paying dividends to their share holders every year, but in the case of CBoP it is not paying any dividends to their share holders.

Profitability Ratios:

Operating margin (%)	Mar '05	Mar '06	Mar '07
HDFC	24.65	29.56	33.15
CBoP	11.02	10.85	15.69

The operating margin of HDFC gradually increases Y-to-Y. The operating margin of CBoP is moderate with increase and decrease.

Gross profit margin (%)	Mar '05	Mar '06	Mar '07
HDFC	21.45	26.35	30.5
CBoP	3.78	5.92	12.23

Net profit margin (%)	Mar '05	Mar '06	Mar '07
HDFC	14.24	15.55	13.57
CBoP	5.96	8.28	7.25

ROCE	Mar '05	Mar '06	Mar '07
HDFC	4.02	4.18	5.02
CBoP	5.11	5.36	4.99

Gross Profit and Net Profit Margins of Both are increasing year on year by % of range may be different due its scale of Business. Coming to Most important Ratio ROCE for HDFC there is Steady Growth but Coming to CBOP its different story.

Liquidity Ratios:

Current ratio	Mar '05	Mar '06	Mar '07
HDFC	0.28	0.29	0.26
CBoP	0.75	0.54	0.63

HDFC maintaining its current assets and current liabilities almost in constant way. In the case of CBoP the current ratio is high in 2005 compare to preceding years means it has high liquidity in 2005, in 2006 it goes down and again in 2007 it moves up.

Quick ratio	Mar '05	Mar '06	Mar '07
HDFC	4.89	5.18	4.07
CBoP	6.4	8.03	10.15

The high liquidity position of HDFC is less compare to High Liquidity position of CBoP. This shows CBoP may have more cash and cash equivalents compare to their current liabilities.

Total debt/equity	Mar '05	Mar '06	Mar '07
HDFC	10.32	10.53	10.62
CBoP	5.98	10.09	10.65

The debt portion in bank is almost 10.5 times to equity portion. It shows HDFC has more debts. In CBoP the debt portion increased from year to year. Compare CBoP, HDFC doing good.

On the net interest margin front, HDFC Bank has a net interest margin of 4.3% while CBOP has an NIM of 3.6%. The current and savings account (CASA) stands at 50.9% and 24.5% for HDFC Bank and CBOP, respectively.

Talking about the NPAs, HDFC Bank has a very low NPA of 0.4% as against 1.69% for CBoP.

The capital adequacy for HDFC Bank stands at 13.8% as against 11.5% for CBoP. Analysts say the merger will create a strong banking entity.

EPS Analysis before Merger

- The earnings of HDFC bank in 2007 is rs11414500000
- The earnings of CBoP in 2007 is 1213800000
- Number of shares of HDFC bank in 2007 is 319389608
- Number of shares of CBoP in 2007 is 1698989540
- EPS of HDFC Bank in 2007 is rs 35.74 per share
- EPS of CBoP in 2007 is rs 0.72 per share
- The swap ratio for the merger is 1 share of HDFC bank for every 29 shares held by CBoP
- Exchange Ratio = 1 share of HDFC / 29 shares of CBoP = 0.03448
- The total number of shares in the merged entity = $319389608 + (0.03448 * 1698989540)$
= 377975454 shares
- $EPS_{12} = (11414500000 + 1213800000) / 377975454 = 33.41$

	HDFC Bank EPS	CBoP EPS
Pre Merger	35.74	0.72
Post Merger	33.41	1.15

From the EPS analysis we can say that the target company CBoP gains and the acquiring company HDFC losses. So there may be some synergy loss for the HDFC bank. In pre merger the EPS of CBoP is 0.72. After Merger the EPS raise to 1.15 that is almost 160% for the Pre merger EPS. In pre merger the HDFC EPS is

35.74 pershare. After merger the EPS for HDFC is falls to 33.41 pershare. That's why the share holders of the HDFC bank do not have the interest for merging of CBoP in HDFC bank. The share holders of CBoP were happier for this merger. Because of this merger proposal the share value of the CBoP has increased on that day and the share price of the HDFC Bank has decreased.

3 years Financials of HDFC and CBOP after Merger

POST MERGER BALANCE SHEET

B/s of HDFC	----- in Rs. Cr. -----		
	Mar '08 12 mths	Mar '09 12 mths	Mar '10 12 mths
Capital and Liabilities:			
Total Share Capital	354.43	425.38	457.74
Equity Share Capital	354.43	425.38	457.74
Share Application Money	0	400.92	0
Preference Share Capital	0	0	0
Reserves	11,142.80	14,226.43	21,064.75
Revaluation Reserves	0	0	0
Net Worth	11,497.23	15,052.73	21,522.49
Deposits	100,768.60	142,811.58	167,404.44
Borrowings	4,478.86	2,685.84	12,915.69
Total Debt	105,247.46	145,497.42	180,320.13
Other Liabilities & Provisions	16,431.91	22,720.62	20,615.94
Total Liabilities	133,176.60	183,270.77	222,458.56
Assets			
Cash & Balances with RBI	12,553.18	13,527.21	15,483.28
Balance with Banks, Money at Call	2,225.16	3,979.41	14,459.11
Advances	63,426.90	98,883.05	125,830.59
Investments	49,393.54	58,817.55	58,607.62
Gross Block	2,386.99	3,956.63	4,707.97
Accumulated Depreciation	1,211.86	2,249.90	2,585.16
Net Block	1,175.13	1,706.73	2,122.81
Capital Work In Progress	0	0	0
Other Assets	4,402.69	6,356.83	5,955.15
Total Assets	133,176.60	183,270.78	222,458.56
Contingent Liabilities	582,835.94	396,594.31	466,236.24
Bills for collection	17,092.85	17,939.62	20,940.13
Book Value (Rs)	324.38	344.44	470.19

P&L Account of HDFC POST MERGER

HDFC			
Particulars	31-Mar-08	31-Mar-09	31-Mar-10
I. INCOME			
Interest earned	1011500	1,633,226	1,617,290
Other income	228315	329,060	380,761
Total	1239815	1,962,286	1,998,051
II. EXPENDITURE			
Interest expended	488712	891,110	778,630
Operating expenses	374562	553,281	576,448
Provisions and contingencies [includes provision for income tax and fringe benefit tax of Rs. 382,73 lacs (previous year: Rs. 313,38 lacs)]	217523	293,402	348,103
Total	1080797	1,737,793	1,703,181
III. PROFIT			
Net profit for the year	159018	224,494	294,870
Profit brought forward	193203	257,463	345,557
Transfer from investment fluctuation reserve			
Total	352221	481,957	640,427
IV. APPROPRIATIONS			
Transfer to Statutory Reserve	39755	56,123	73,718
Proposed dividend	30127	42,538	54,929
Tax (including cess) on dividend	5120	7,229	9,123
Cess on dividend pertaining to previous year paid during the year	6	59	93
Transfer to General Reserve	15902	22,449	29,487
Transfer to Capital Reserve	-	9,387	19,946
Transfer to investment fluctuation reserve	3850	-1,386	-149
Balance carried over to Balance Sheet	257461	345,557	453,279
Total	352221	481,957	640,427
V. EARNINGS PER EQUITY SHARE			
(Face value Rs. 10/- per share) 18 Rs. Rs.			
Basic	46.22	52.85	67.56
Diluted	45.59	52.59	66.87

Post Merger Key Ratios

	Mar ' 08	Mar ' 09	Mar '10
EPS	44.87	52.77	64.42
DPS	8.5	10	12
Operating margin (%)	30.78	19.87	24.36
Gross profit margin (%)	28.58	18.05	22.39
Net profit margin (%)	12.82	11.35	14.76
ROCE	5.20	5.96	4.96

CHAPTER-5

CONCLUSION AND RECOMMENDATIONS

5.1 CONCLUSION

Post Merger results are satisfactory but merger is taken in Long term prospective, Following are few more benefits to HDFC

- Access to 394 branches of CBoP and an increased presence in southern and northern states
- 170 of CBoP's branches lie in the North, concentrated in the National Capital Region (NCR, 55), Punjab (78), Haryana (28); 150 of its branches are situated in the South, mainly in Kerala (91).
- Greater access to the North (Punjab and Haryana) as well as the South (particularly Kerala), thereby strengthening its presence in those regions.
- CBoP's strong SME relationships will complement HDFC bias towards highly rated corporates thus expanding HDFC's base.
- The creation of India's 7th largest bank, just behind public giants like Bank of Baroda, Bank of India.
- Induction of a strong and capable management team with extensive industry experience and proven capabilities.
- Due to an influx of 394 branches from CBoP, there will be a significant increase in the number of branches for HDFC.

5.2 RECOMMENDATIONS

The management of MERGER & ACQUISITIONS plays a vital role in running of a successful business. So, things should go with proper understanding for managing cash receivables and inventory.

HDFC & CBOP BANK is managing its MERGER & ACQUISITIONS in a good manner but still there is scope for improvement in its management. This can help the company in raising its profit level by making less investment in accounts receivables and stock etc. This will ultimately improve the efficiency of its operations. Following are few recommendations given to the company in achieving its desired objectives:

- The business runs successfully with adequate amount of the MERGER & ACQUISITIONS but the company should see to it that cash should not be tied up in excessive amount of MERGER & ACQUISITIONS.
- Though the present system is mostly perfect, the company as due to the increasing sales should adopt more effective measures so as to counter the treat.
- The investment of cash in marketable securities should be increased as it is very profitable for the company.
- Holding of excessive and insufficient stock must be avoided as it creates a burden on the cash resources of a business and results in lost sales, delays for customers etc respectively.

CHAPTER-6

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Project Report

(Submitted for the Degree of B.Com. Honours in Accounting & Finance under the University of Calcutta)

Title of the Project

IMPACT OF GST ON SMALL SCALE
BUSINESS

Submitted by:-

Name of the Candidate: Raghav Kedia

C.U Registration No.: 223-1111-0529-18

C.U Roll No.: 181223-21-0015

Name of the College: Scottish Church College

College Roll No.: 18C-031

Supervised by:-

Name of the Supervisor: Poushali Bardhan

Name of the College: Scottish Church College

Month and Year of Submission: July, 2021

Annexure - IA

SUPERVISOR'S DECLARATION

This is to certify that Mr.Raghav Kedia a student of B.Com. Honours in Accounting and Finance of Scottish Church College under the University of Calcutta has worked under my supervision and guidance for his/her Project Work and prepared a Project Report with the title "IMPACT OF GST ON SMALL SCALE BUSINESS", which he is submitting, is his genuine and original work to the best of my knowledge.

Place: Kolkata

Signature:

Date:

Name:Poushali Bardhan

Designation: PROFESSOR

College: SCOTTISH CHURH COLLEGE

Annexure – IB

STUDENT’S DECLARATION

I hereby declare that the Project Work with the title “**IMPACT OF GST ON SMALL SCALE BUSINESS**”, submitted by me for the partial fulfillment of the degree of B.Com. Honours in Accounting & Finance under the University of Calcutta is my original work and has not been submitted earlier to any other University / Institution for the fulfillment of the requirement for any course of study.

I also declare that no chapter of this manuscript in whole or in part has been incorporated in this report from any earlier work done by others or me. However, extracts of any literature which has been used for this report has been duly acknowledged providing details of such literature in the references.

Place: Kolkata

Date:

Signature:

Name: Raghav Kedia

ACKNOWLEDGEMENT

I would like to thank my project guide Prof. Poushali Bardhan and H.O.D Amitabh Chatterjee for their guidance, valuable help and the opportunity provided to me to complete the project under their guidance. I would like to thank all faculty members of Scottish Church College (B.COM. DEPARTMENT) for guiding and supporting me in the completion of the project. Last but not the least, my gratitude to my parents without whose concerned and devoted support the project would not have been the way it is today.

My sincere thanks also go to my friends for supporting me at every juncture in the completion of this project.

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INTRODUCTION:

GST is one indirect tax for the whole nation, which will make India one unified common market. The GST intends to subsume most indirect taxes under a single taxation regime. GST is a single tax on the supply of goods and services, right from the manufacturer to the consumer. Credits of input taxes paid at each stage will be available in the subsequent stages of value addition, which makes GST essentially a tax only on value addition at each stage. The final consumer will thus bear only the GST charged by the last dealer in the supply chain, with set-off benefits at all the previous stages. This is expected to help broaden the tax base, increase tax compliance, and reduce economic distortions caused by inter-state variations in taxes. GST is one of the biggest indirect tax reforms in the country. GST is expected to bring together state economies and improve overall economic growth of the nation. GST is a comprehensive indirect tax levy on manufacture, sale and consumption of goods as well as services at the national level. It will replace all indirect taxes levied on goods and services by states and Central. There are around 160 countries in the world that have GST in place. GST is a destination based tax where the tax is collected by the State where goods are consumed. Several countries have already established the Goods and Services Tax. In Australia, the system was introduced in 2000 to replace the Federal Wholesale Tax. GST was implemented in New Zealand in 1986.

A hidden Manufacturer's Sales Tax was replaced by GST in Canada, in the year 1991. In Singapore, GST was implemented in 1994. GST is a value-added tax in Malaysia that came into effect in 2015.

The Goods and Services Tax was launched at midnight on 1 July 2017 by the former President of India, Pranab Mukherjee, and Prime Minister of India, Narendra Modi. The launch was marked by a historic midnight (30 June – 1 July) session of both the houses of parliament convened at the Central Hall of the Parliament.

OBJECTIVES OF THE STUDY:

Following are the main objectives of this study;

- i) To study about History of GST in India in detail
- ii) To study the positive and negative impacts of GST on Small Scale Industries.

FEATURES OF GST:

The salient features of GST are as under:

(i) GST would be applicable on “supply” of goods or services as against the present concept of tax on the manufacture of goods or on sale of goods or on provision of services.

(ii) GST would be based on the principle of destination based consumption taxation as against the present principle of origin based taxation.

(iii) It would be a dual GST with the Centre and the States simultaneously levying it on a common base.

The GST to be levied by the Centre would be called Central GST (CGST) and that to be levied by the States [including Union territories with legislature] would be called State GST(SGST). Union territories without legislature would levy Union territory GST (UTGST).

(iv) An Integrated GST (IGST) would be levied on inter-State supply (including stock transfers) of goods or services. This would be collected by the Centre so that the credit chain is not disrupted.

(v) Import of goods would be treated as inter-State supplies and would be subject to IGST in addition to the applicable customs duties.

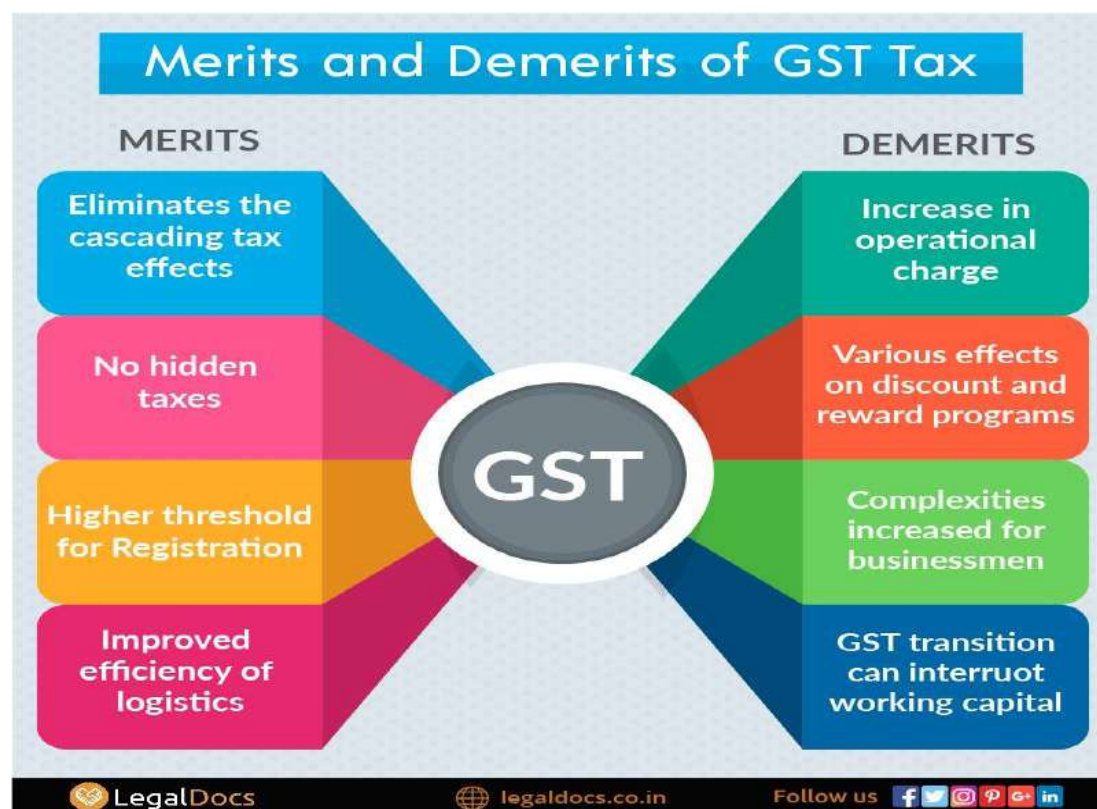
(vi) Import of services would be treated as inter-State supplies and would be subject to IGST. CGST, SGST /UTGST& IGST would be levied at rates to be mutually agreed upon by the Centre and the States under the aegis of the GSTC.

(vii) GST would apply to all goods and services except Alcohol for human consumption. GST on five specified petroleum products (Crude, Petrol, Diesel, ATF & Natural gas) would be applicable from a date to be recommended by the GSTC.

(viii) Tobacco and tobacco products would be subject to GST. In addition, the Centre would continue to levy Central Excise duty.

(ix) A common threshold exemption would apply to both CGST and SGST. Taxpayers with an annual turnover of Rs. 20 lac(Rs. 10 lac for special category States as specified in article 279A of the Constitution) would be exempt from GST. A compounding option (i.e. to pay tax at a flat rate without credits) would be available to small taxpayers (including to specified category of manufacturers and service providers) having an annual turnover of upto 50 lacs.

ADVANTAGES AND DISADVANTAGES OF GST IN INDIA:-



Advantages:-

GST benefits in India will assist the Government as well as the consumers in the long run in creating a win-win situation for both. Some of the advantages of GST in India are enlisted as follows:

• **Mitigation of Cascading effect :**

Under the GST administration, the final tax would be paid by the consumer for the goods and services purchased. However, there would be an input tax credit structure in place to ensure that there is no slumping of taxes. GST is levied only on the value of the good or service.

• **Abolition of Multiple Layers of Taxation :**

One of the advantages of GST is that it integrated different tax lines such as Central Excise, Service Tax, Sales Tax, Luxury Tax, Special Additional Duty of Customs, etc. into one consolidated tax. It prevents multiple tax layers imposed on goods and services.

• **Resourceful Administration by Government :**

Previously, the management of indirect taxes was a complicated task for the

Government. However, under the GST establishment, the integrated tax rate, simple input of tax credit mechanism and a merged GST Network, where information is available, and administration of resources are well-organised and straightforward for the Government.

- **Enhanced Productivity of Logistics:** the restriction on inter state movement of goods has reduced. Earlier logistic companies had to maintain multiple warehouses across the country to avoid state entry taxed on interstate movements.
- **Creation of a Common National Market:** GST gave a boost to India's tax to Gross Domestic Product ratio that aids in promoting economic efficiency and sustainable long – term growth. It led to a uniform tax law among different sectors concerning indirect taxes. It facilitates in eliminating economic distortion and forms a common national market.
- **Ease of Doing Business:** with the implementation of GST, the difficulties in indirect tax compliance have been reduced. Earlier companies faced significant problems concerning registration of VAT, excise customs, dealing with tax authorities, etc. The benefits of GST has aided companies to carry out their business with ease.
- **Regulation of the Unorganized Sector under GST:** it has created provisions to bring unregulated and unorganised sectors such as the textile and construction industries to name a few under regulation with continuous accountability.
- **Reduction of Litigation:** GST aids in reducing litigation as it establishes clarity towards the jurisdiction of taxation between the Central and State Governments. GST provides a smooth assessment of tax.
- **Tackling Corruption and Tax Leakages:** with the GST online network portal, the taxpayer can directly register, file returns and make payments of the taxes without having to interact with tax authorities. A mechanism has been devised to match the invoices of the supplier and buyer. This will not only keep a check on tax frauds and evasion but also bring in more businesses into the formal economy.

There are various benefits of GST in India as listed above. However, a tax reform of such magnitude comes with its teething problems.

Disadvantages:-

- **IT Infrastructure:** since GST is an IT-driven law, it cannot be sure whether all the states in India are currently equipped with infrastructure and workforce availability to embrace this law. Only a few states have implemented this E- Governance model. Even today some states use the manual VAT returns system.
- **Higher Tax Burden of SME's:** earlier the small and medium enterprises had to pay excise duty only on a turnover that exceeded Rs. 1.5 crore every financial year. However, under the GST administration, businesses whose turnover exceeds Rs 40 lacs are liable to pay GST.
- **Increase Burden of Compliance:** The GST administration states that companies are required to register in all the states they operate in. This increases the burden on the business for excessive paperwork and compliance.
- **Petroleum Products don't fall under the GST Slab:** petrol and petroleum products have not been included in the scope of GST until now. States levy their taxes on this sector. Tax credit for inputs will not be available to these industries or those related industries.
- **Coaching of Tax Officers:** there is inadequate training that is provided to the Government officers for practical usage and implementation of such systems since the GST administration heavily banks on information technology.

GST in India was a sweeping reform and benefits of GST and has changed the way businesses are conducted. Businesses are being included in the formal economy through GST implementation. GST and its benefits have provided long term returns for the Indian economy on a large scale which have been welcomed as a new change by all the stakeholders.

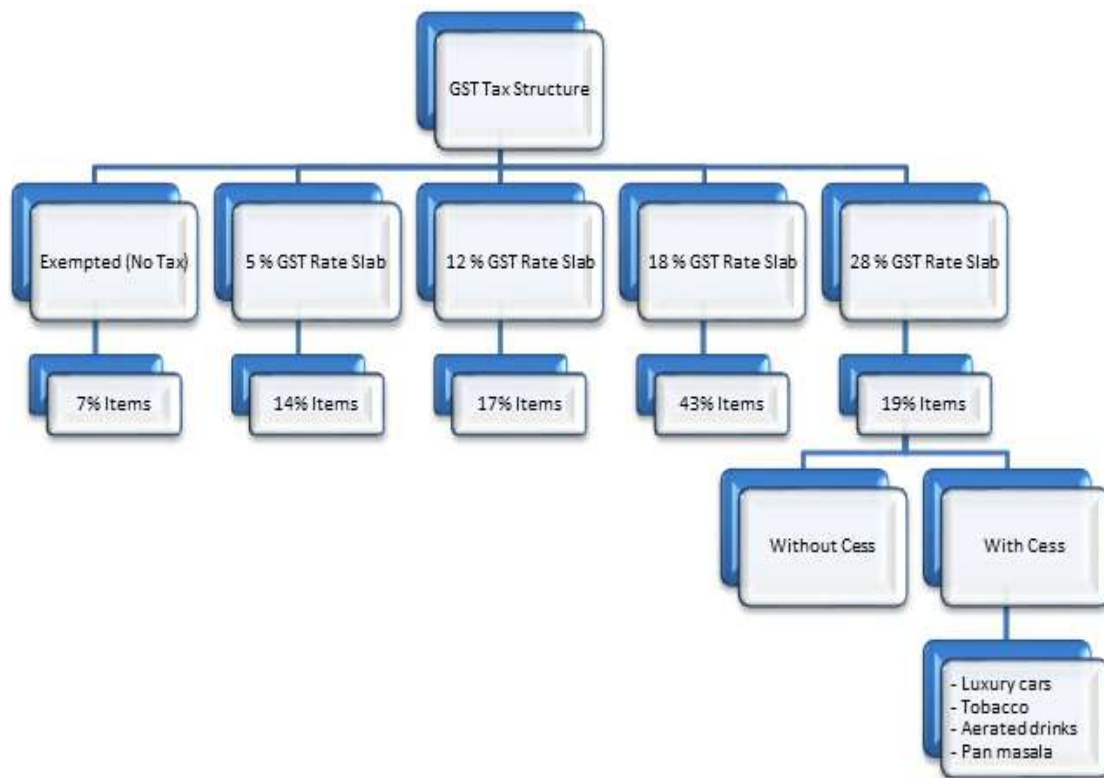
GST SLAB BRACKET:

The updated list of goods and services taxed under various GST slab

Slab Rate	Goods	Services
0%	Milk, fruit, vegetables, bread,salt,bindi, curd sindoor, natural honey, bangles, handloom, besan, flour, eggs, stamp, printed book, judicial paper and newspaper	All hotels and lodges.
5%	Milk powder, fish fillet, frozen vegetables, coffee, coal, fertilizers, tea, spices, pizza bread, kerosene, ayurvedic medicines, agarpatti, sliced dry mango insulin, cashew nuts,etc	Small restaurants along with transport services like railways and airways, Standalone ACs non-ACs Restaurants and those which serve liquor, Takeaway Food, Restaurants in hotels with a room tariff less than Rs. 7,500 (no input credit for these restaurants), will come under this category

12%	<p>Items coming are the tax slab of 12% include frozen meat products, butter, cheese, ghee, pickles, sausage, Fruitjuices,toothpowder,medicine,umbrella, instant food mix, cell phones, sewing machine, man-made yarn, etc.</p>	<p>Business class air tickets will attract a tax of 12% under GST</p>
18%	<p>Refined sugar, cornflakes, pasta, pastries and cakes, detergents, washing and cleaning preparations, safety glass, mirror, glassware, sheets, pumps, compressors, fans, light fitting, chocolate, preserved vegetables, tractors, ice cream, sauces, soups, mineral water, deodorants, suitcase, brief case, vanity case, oil powder, chewing gum, hair shampoo, preparation for facial make-up, shaving and after-shave items, washing powder, detergent, stones used in flooring, marble & granite, sanitary ware, leather clothing, wrist watches, cookers, stoves, cutlery, telescope, goggles, binoculars, oil powder, cocoa butter, fat, artificial fruits, artificial flowers, foliage, physical exercise equipment, musical instruments and their parts, stationery items like clips, some diesel engine parts, some parts of pumps, electrical boards, panels, wires, razor and razor blades, furniture, mattress, cartridges, multi-functional printers, door, windows, aluminium frames, .</p>	<p>Restaurants located inside hotels with tariffs of Rs. 7,500 and above, outdoor catering (input tax credit to be available), IT and Telecom services and financial services along with branded garments will be part of this tax slab.</p>

28%	Over 200 goods will be taxed at a rate of 28%. The goods are sunscreen, pan masala, dishwasher, weighing machine, paint, cement, vacuum cleaner. Other items include automobiles, hair clippers, motorcycles	Five-star hotels, racing, movie tickets and betting on casinos and racing will come under this category.
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GST has been structured in a way that essential services and food items are placed in the lower tax brackets, while luxury services and products have been placed in the higher tax bracket.

The GST council has fitted over 1300 goods and 500 services under four tax slabs of 5%, 12%, 18% and 28% under GST. This is aside the tax on gold that is kept at 3% and rough precious and semi-precious stones that are placed at a special rate of 0.25% under GST.

A total of 81% of all the goods and services fall below or in the 18% tax slab. This means 7 % of the items come under the exempted list, 14% of the items attract a 5% tax, 17% of the items attract a 12% tax, and 43% of the items attract an 18 % tax slab,

while only 19% of the items fall under the highest slab of 28% in the new regime.

Below is a list of some of the products that will be a part of the respective slabs.

GST: IMPACT ON VARIOUS SECTORS:-



Following the implementation of GST, the manufacturing brands are experiencing an increase in competition. The brands have done away with paying indirect taxes, which has come as a breath of fresh air. As a result, they no longer have to follow the various compliances associated with those indirect taxes. Thus this sector has seen massive growth.

With GST implementation, businesses must register for GST and cannot be exempted from the tax regime as before. Thus all firms registered as functioning in the country will be monitored under the new GST tax regime. The retailers and service providers will not have to pay any indirect taxes now and can function under only one tax- the GST. They have to register every state where they are operating now while filing GST.

Previously the service tax and VAT possessed their returns and compliances. With GST's introduction, they were all merged into one, and now GST has 11 returns. Some of the most notable GSTR include GSTR-2, GSTR-4, GSTR-7 and GSTR-9. GST filing online has made the job easier for businesses, who can submit their GST details for paying GST online. After getting the GST bill, calculating GST is a must to be aware of the exact amount his business needs to pay.

Impact on various sectors

GST services had a significant impact on all the country's big brands, as businesses have experienced massive growths. The following are some of the benefits the various business sectors have experienced since the implementation of GST-

Agriculture sector:

The agriculture sector contributes 16% to the Indian economy, the highest contribution made by any industry. GST's implementation was good news for the big brands of this sector as they do not have to pay the high transportation costs across all the states as before. Thus they have been able to save a considerable amount of their capital and invest that amount in more productive areas, leading to better agriculture.

Automobiles sector:

Following GST's implementation, all types of taxes like road tax, sales tax, VAT, and excise duties made way for a unified tax GST, leading to a massive boost in automobiles sales. Many big automobile brands experienced record growth in 2018 and 2019. Customers thought it to be the ideal time to invest in automobiles, especially with credit cards, as they could save a lot due to low-interest rates.

FMCG:

Also known as the Fast-moving consumer goods, this sector also saw huge benefits with GST's introduction. GST was instrumental in reducing the costs required by brands to build numerous sales depots. Thus, this sector's big brands have enjoyed significant benefits over the past years with reduced logistics and distribution costs.

E-commerce sector:

This was one of the largest booming sectors before GST's introduction, and it reached new heights following GST registration. Big e-commerce brands have experienced growth exponentially and understood the tax system's benefits in the long run.

However, GST's TCS scheme has not been welcomed by them as the rate is expected to rise from the present 1% based on the amount of revenue and sales of e-commerce brands.

Logistics sector:

This is widely considered the backbone of the Indian economy. GST came as a welcome boost to the ambitions of the big brands of this sector as they were able to expand their operations across the country to meet the expected potential and bring success to their customers and investors.

Real Estate sector:

This sector has seen a significant rise over the past few years and has been a significant employment source. It is an industry that is mostly dependent on tax rates, and following the implementation of GST, there is only one tax. GST on real estate has led to more efficient operations, and many new brands have come up. Thus these brands have been able to boost the economy of the country massively.

SMALL SCALE INDUSTRIES:-

Small scale industries (SSI) are those industries in which manufacturing, providing services, productions are done on a small scale or micro scale. For example, these are the ideas of Small scale industries: Napkins, tissues, chocolates, toothpick, water bottles, small toys, papers, pens. Small scale industries play an important role in social and economic development of India. These industries do a one-time investment in machinery, plants, and industries which could be on an ownership basis, hire purchase or lease. But it does not exceed Rs. 1 Crore.

Essentially small scale industries comprise of small enterprises who manufacture goods or services with the help of relatively smaller machines and a few workers and employees. Basically, the enterprise must fall under the guidelines set by the Government of India. At the time being such limits are as follows,

- For Manufacturing Units for Goods: Investment in plant and machinery must be between 25 lakhs and five crores.
- For Service Providers: Investment in machinery must be between 10 lakhs and two crores.

In developing countries like India, these small scale industries are the lifeline of the economy. These are generally labour-intensive industries, so they create much employment. They also help with per capita income and resource utilization in the economy. They are a very important sector of the economy from a financial and social point of view.

Characteristics of Small Scale Industries

- Ownership: Such units are generally under single ownership. So it is a sole proprietorship or sometimes a partnership.
- Management: Both the management and the control generally is with the owner/owners. So the owner is actively involved with the daily running of the business.

- **Limited Reach:** Small scale industries have a restricted area of operations. So they meet local and regional demand.
- **Labor Intensive:** These small scale industries tend to use labour and manpower for their production activities. So their dependence on technology is pretty limited.
- **Flexibility:** These units are more adaptable to their changing business environment. So in case of sudden changes or unexpected developments, they are flexible enough to adapt and keep carrying on. Large industries do not have this advantage.
- **Resources:** They use local and readily available resources. This also helps the economy with better utilization of natural resources and less wastage.

Role of Small Scale Industries in the Indian Economy

Total Production:

These enterprises account for almost 40% of the total goods and services produced in the Indian economy. They are one of the main reasons for the growth and strengthening of the economy.

Employment:

These small scale industries are a major source of employment in the country. The whole labour force cannot find work in the formal sector of the economy. So these labour-intensive industries provide a livelihood to a large portion of the workforce.

Contribution to Export:

Nearly half of the goods (45-55%) of the goods that are exported from India are produced by these small enterprises. About 35% of direct exports and 15% of the indirect exports are from the small scale industries. So India's export industry majorly relies on these small industries for their growth and development.

Welfare of the Public:

Other than economic reasons, these industries are also important for the social growth and development of our country. These industries are usually started by the lower or middle-class public. They have an opportunity to earn wealth and employ other people. It helps with income distribution and contributes to social progress.

IMPACT OF GST ON SMALL INDUSTRIES: SMALL BUSINESS, BIG REFORMS

With more than two years since the roll-out of the GST regime, certain issues have come to the fore, which put to doubt the positive expectations regarding this overhauling tax reform. First, the multiple and frequent changes brought out by the GST Council demonstrates that the envisaged GST is far from being a simplification to the indirect tax regime. Second, media reportage and reports published by the industry associations have frequently cited that the impact of GST on the informal sector has been contrary to the expectations. A major repercussion is potentially on informal sector employment, especially with the sector reeling under weak demand situation in the country.

Lack of macro data, however, has restricted informed research on these issues. In this paper, I seek to identify the processes and channels through which the small enterprises are affected by the GST, drawing insights from primary surveys. I explore issues of coverage, tax rate, selection and exemption of taxation, and subsequently, their effect on the competitiveness and viability of these businesses. The coping mechanisms the units undertook to tide over the crisis they faced as well as the GST Council responses are also discussed.

Data and Methodology

The survey was conducted across 157 small enterprises in three cities, that is, Delhi, Mumbai and Surat, between December 2018 and March 2019 using both structured questionnaires and unstructured interviews.

In the absence of a readily available official listing of the small enterprises, a sample framework could not be devised. I used snowballing as a method to identify enterprises. This could result in bias as enterprise resource persons might recommend others who face situations similar to them. To avoid this, the first units of survey were selected purposely to ensure diversity in the size structure, product lines, activity, type of business, and so on, based on similar mixed methodology as suggested in Pickbourne (2018) and Pickbourne and Ramnarain (2018). I also used a supply chain framework for tracing the interrelated and interdependent product lines and businesses

so as to understand the ecosystem of business relations between enterprises, and how this tax regime change affected these existing systems.

Categorising the enterprises: Of the 157 enterprises surveyed, 66% were involved in manufacturing activities, 19% were exclusively trading units, around 2.5% pursued both manufacturing and trading activities, and 12% were performing job work on material supplied to them. **Table 1** provides a detailed description of the sample units by product and activity lines.

Table 1: Distribution of Sample Units by Activities and Product Lines (%)

Product	Activities				Total
	Manufacturing	Trade	Jobwork	Manufacturing and Trade	
Chemical	11.46	1.91	0.00	1.27	14.65
Elastics	7.01	3.82	0.00	0.00	10.83
Grey cloth	9.55	0.00	0.00	0.00	9.55
Hardboard	7.64	0.00	0.00	0.00	7.64
Hosiery	3.18	0.00	0.00	0.00	3.18
Job work in textiles	0.00	0.00	8.28	0.00	8.28
Latex thread	3.82	0.00	0.00	0.00	3.82
Leather	4.46	3.18	0.00	1.27	8.92
Machinery	7.64	0.00	0.00	0.00	7.64
Metal	11.46	0.64	3.82	0.00	15.92
Textile and hosiery retail	0.00	9.55	0.00	0.00	9.55
Total	66.24	19.11	12.10	2.55	100.00

Source: Field survey.

The sample units were further classified into micro, small and medium (the latter two being clubbed into a single category of small and medium enterprises [SMEs]) by the size of their investment in plant and machinery in case of manufacturing units and equipment in case of service sector units. Since the structure of GST underlines various exemption thresholds according to the turnover of the firms, I categorise enterprises by turnover.

Table 2 provides a distribution of the enterprises by their plant size and turnover. Around 6% of the units, all in the micro category, reported their turnover to be less than ₹20 lakh. Though this category of firms is exempted from registration under GST if their transactions are intra-state, they could choose to register under GST optionally. About 51% of the units surveyed reported a turnover

between ₹20 lakh and ₹1 crore. It is important to note that 84% of the units with an annual turnover between ₹20 lakh and ₹1 crore are in the micro enterprise category, while 16% are SMEs. At the time the survey, this category of turnover was eligible for the optional composition scheme if their transactions were intra-state. About 43% of the firms reported their turnover to be more than ₹1 crore; 79% of the SMEs and 19% of the micro units were in this category. At the time of the survey, it was necessary for this category of firms to register under the GST.

Table 2: Distribution of Sample Units by Plant Size and Turnover

Plant Size*	Turnover (₹)			Total
	Less than 20 Lakh	Between 20 Lakh and 1 Crore	More than 1 Crore	
Micro	10 (11)	67 (71)	18 (19)	95 (100)
SME	0	13 (21)	49 (79)	62 (100)
Total	10 (6)	80 (51)	67 (43)	157 (100)

Pearson $\chi^2(2) = 56.3464$ Pr = 0.000.

*Manufacturing sector (investment in plant and machinery):

Micro: < ₹25 lakh; small: > ₹25 lakh but < ₹5 crore; medium: > ₹5 crore but < ₹10 crore.

*Service sector (investment in equipment).

Micro: ≤ ₹10 lakh; small: > ₹10 lakh but < ₹2 crore; medium: > ₹2 crore but ≤ ₹5 crore.

Figures in the parentheses give the share of firms in each plant size category.

Source: Field survey.

Coverage of Enterprises

According to the 2019 report of the Comptroller and Auditor General, total registrations under GST as on 28 February 2019 were 1.20 crore, of which normal taxpayers accounted for 84% and composition taxpayers were around 15%. Of the total registrations, 59.74 lakh migrated from pre-GST regime, accounting for around 50% of the registrations, while the balance were new registrations (CAG 2019: 31). The service sector and large sections of small businesses account for these new registrations that include certain commodities exempted from taxes in the previous regime.

This is a huge departure from the past. The National Sample Survey Office's 73rd round of surveys of unincorporated non-agricultural enterprises in 2015–16—a year before GST—found only 4% of the 633.93 lakh estimated enterprises to be registered

under the VAT or sales tax. This had wide variations across industrial sectors and states, type of enterprise, ownerships, location of enterprises, turnover, investment size, and so on.

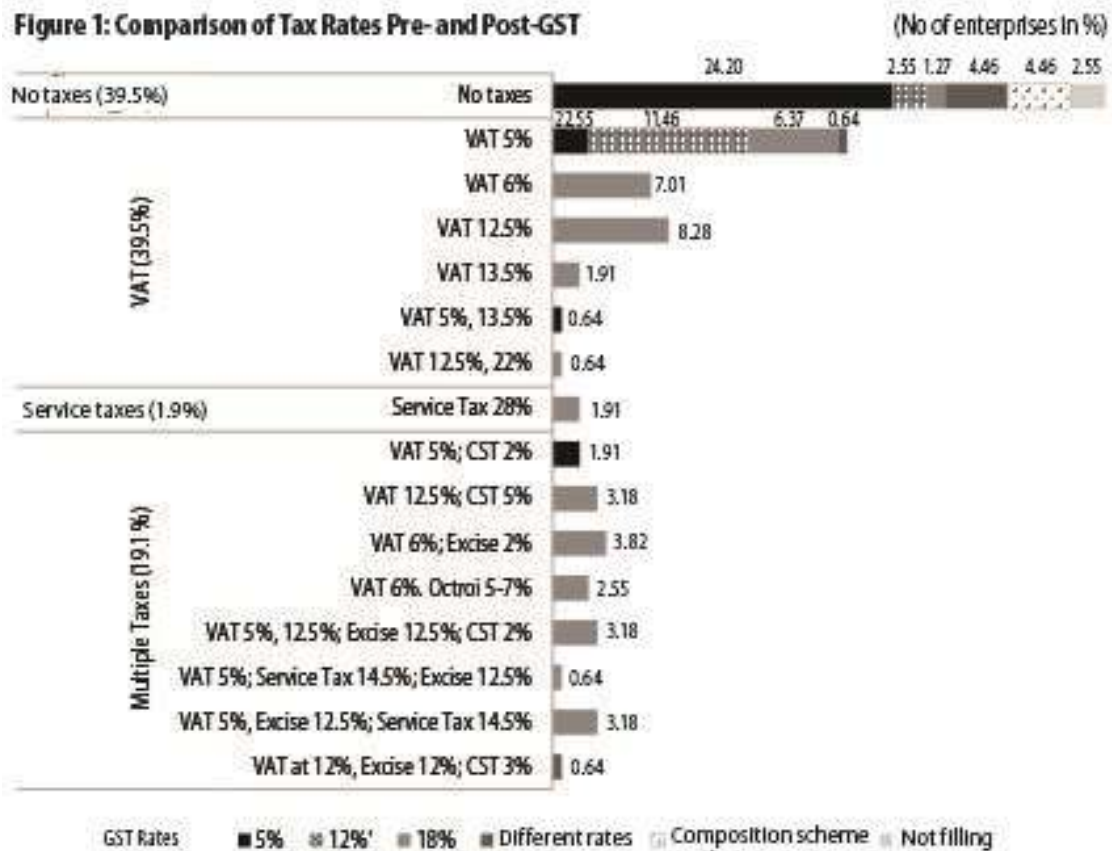
While only 1.46% of own account enterprises were registered with VAT/sales tax, this percentage was at 16% for establishment enterprises. Among the sectors that have a high presence of enterprises in the unorganised sector, wholesale and retail trade (excepting motor vehicles) had 26% and almost 7% of the enterprises registered under VAT/sales tax, respectively, followed by machinery and equipment (23%), electrical equipment (16%), recorded media (12%), fabricated metal (5%), paper products (6%), chemical products (5%); while manufacturing of food products, tobacco, textiles, apparel, leather, furniture, etc, and services such as, repairing activities and food and beverages service—that make for the bulk of the unorganised sector—had VAT registrations as low as 0% to 1.5%.

Consequently, in our sample almost two-fifths of the enterprises reported of being exempted from taxes in the pre-GST regime. These exempted units were concentrated mainly in the textiles and hosiery supply chains such as, grey cloth manufacturing, trading of grey cloth, hosiery manufacturing, and woven and braided elastics. Some micro units of leather products also reported to be exempted from paying VAT. Of the remaining enterprises, another 40% were paying VAT only, while 19% were paying multiple taxes (VAT, excise, octroi, CST, service tax) but not more than three indirect taxes. These were seen mostly in the chemical sector, machinery manufacturing, metal parts, and washing and dyeing of fabrics.

Taxes before and after GST

After the introduction of the GST, most of the firms surveyed (94%) were subject to taxation either via composition scheme or the GST itself. Seven of the 10 firms with an annual turnover of under the threshold of ₹20 lakh were also registered as part of the GST network (GSTN) as they had interstate transactions. I provide a comparison of the pre- and post-GST tax rates levied on the products of the surveyed enterprises in **Figure 1**. Nearly 40% of the firms were not paying any taxes before GST. Only 2.5% of these are now not filing any returns, while 4.5% are under the composition scheme. The remaining 32.5% of the enterprises, incurred GST at rates of 5%, 12%

and 18%, and in some cases, different GST rates for the different products that they manufactured/sold.



Source: Field survey.

In the next group, another 40% of the enterprises were filing VAT returns alone, at rates of 5%, 6%, 12.5% and 13.5%. Two enterprises in this group paid VAT at 5% and 13.5%, and 12.5% and 22%, based on the different types of products sold. In this group, 35% of the enterprises were paying higher GST rates at 12% or 18%. Around 19% of the enterprises were paying multiple taxes, which were now subsumed under GST, mostly in the 18% tax rate slab.

During the time of the survey, more than 70% of the enterprises surveyed reported paying a higher tax than in the earlier regime. The GST Council has periodically reduced tax rates, particularly for the 28% tax slab. During the survey, 27% of the units reported a reduction in the GST rates, especially in the chemical and leather sector where the 28% tax rate was reduced to 18% for many products, and in the elastics sector where the tax rate for knitted elastics was brought down to 5% from 12%. Earlier, the incidence of taxes was thus, even higher for many of these units.

Small Business and Tax Exemption

Before GST was launched, discussions took place about the exemption thresholds for small businesses due to higher compliance costs and information technology (IT) dependency of the tax reform. A majority of the MSMEs were competitive precisely because they were out of the tax net, and thus, exemptions were considered important. It has been argued that the compliance cost for the small businesses would be high from both sides (for the state as well as for the businesses) and hence an exemption would benefit the industry. In recognition of this, various exemptions were put in place for small businesses. Businesses with a turnover of less than ₹20 lakh (now extended to ₹40 lakh) were exempt from GST and a composition scheme put in place for enterprises doing intra-state business with an aggregate turnover of up to ₹50 lakh (the present limit is ₹1.5 crore). Under the composition scheme, a taxpayer has to pay 1% of his annual turnover as tax on a quarterly basis. However, they cannot collect GST from the customer and cannot claim ITC for their purchases.

While these exemptions are in place, under RCM, the onus of tax collection is on registered buyers if the supplier is unregistered or under the composition scheme or falling under certain specified categories like goods carriers, lawyers, etc, which led to additional compliance burden for the buyer firm. As Banerjee and Prasad (2017: 19) mention, an exemption of ₹5,000 per day is allowed to registered dealers to make purchases from unregistered vendors without the RCM obligation. This daily exemption allows for petty expenses. However, for an aggregate of transactions, this daily exemption is small and does not solve the obligation of RCM for registered dealers.

In recognition of this problem and the hurdles it places in front of the MSMEs procuring from unregistered dealers, the GSTC in its 28th meeting held on 21 July 2018, suspended the levy of GST on RCM on receipt of supplies from unregistered suppliers, except for specified goods in case of certain notified classes of registered persons. This provision was extended to September 2019 (CAG 2019: 16).⁵

However, the surveyed firms seemed quite unaffected by (or mostly unaware of) these provisions while making their buying decisions. During the survey, a quarter of the firms reported to have stopped buying from unregistered dealers in order to avail of ITC, while almost half of the units reported all their sellers to be registered. Only

about 4% said that the unregistered sellers they were previously doing business with, had gone out of business and so they were buying from registered sellers now. Around 18% of the firms reported to carry on business with unregistered sellers as they had long-term relations with them and got cheaper material. Only two firms reported to be aware of thresholds for buying from unregistered sellers and said that they bought within the limits. Otherwise, they were procuring from registered dealers alone (Table 3).

Table 3: Reasons whether Buying from Unregistered Dealers

		Micro	SME	Total
Stopped buying	To claim Input tax credit	26 (27.4)	14 (22.6)	40 (25.5)
	All registered sellers	38 (40.0)	37 (59.7)	75 (47.8)
	Unregistered sellers gone out of business	3 (3.2)	3 (4.8)	6 (3.8)
Continues to buy	Always bought from unregistered sellers	23 (24.2)	5 (8.1)	28 (17.8)
	Rarely if shortage	5 (5.3)	0 (0)	5 (3.2)
	Limited buying within threshold	0 (0)	2 (3.2)	2 (1.3)
	Stopped buying any inputs	0 (0)	1 (1.6)	1 (0.6)
Total		95 (100)	62 (100)	157 (100)

Pearson $\chi^2(6) = 16.9995$ Pr = 0.009.

Figures in parenthesis represent share of firms.

Source: Field surveys.

Composition scheme: The same was applicable to composition suppliers as well. At the time of the survey, 58% of our respondent enterprises had the threshold turnover that could make them eligible for the composition scheme. But out of these, 73% of the enterprises were not eligible for the composition scheme as they had interstate transactions, while out of the remaining 27% enterprises, I found only 28% to be registered under the composition scheme.

The reasons for not registering under the composition scheme are many. First, because of a perception that if they were not registered under GST, they would face a loss in their market share due to their transactions with businesses that wanted to avail of ITC. If they were B2B businesses, not registering under GST was not seen as an option. Second, the threshold of the composition scheme itself was low when the GST

was rolled out. Most of the enterprises surveyed got a GST registration in July 2017 itself, when the threshold was only at ₹50 lakh. Thus, when GST was rolled out, the businesses, particularly the B2B businesses, already fearing loss of business due to the RCM clause, preferred opting for GST instead of the composition scheme. The relaxations to RCM came only a year later. Thirdly, these enterprises also reported that they feared harassment by tax authorities if not registered under GST, as it would be difficult for them to prove that their transactions were below a certain threshold. They thought it better to be “transparent” in an auditable fashion under GST, even if that meant filing nil returns.

Even as the GST Council decided to raise the threshold of the composition scheme to provide relief to the businesses, the aforesaid reasons deterred opting for this scheme. Alarming, the revenue secretary Ajay Bhushan Pandey is quoted to have said that, “even though currently the exemption limit is ₹20 lakh, but still there are about 10.93 lakh taxpayers who are below ₹20 lakh but are paying taxes” (Economic Times 2019). That itself would mean that 9% of the total GST registrations are from enterprises that are below the threshold of ₹20 lakh and are filing nil returns.

The Economic Survey (2017–18) talked of voluntary registrations of 17 lakh registrants that were not obliged to register under GST as of December 2017. While it views these registrations as voluntary, it points to the compelling nature of the tax structure that has forced low threshold businesses to also register under GST. Registration under GST came with the heavy cost of compliance in terms of increased paperwork, additional fee to accountants, and the mental load of keeping track of all bills, and collecting detailed invoices and receipts even for small transactions.

Declining Competitiveness

Some of the businesses surveyed wanted the council to get rid of the multiplicity of rules for similar businesses. Though their businesses were small, they were paying GST, while the composition dealers were able to sell at lesser prices as they did not collect GST and were paying an annual rate of tax on their turnover. Even though these businesses could avail input tax credit, they perceived competition and a loss of their market from the composition scheme dealers who were able to sell at lesser prices.

Furniture manufacturers in Mumbai: The steel almirah manufacturers we interviewed in Sakinaka, Mumbai had 5% VAT on their products before. Now, the GST rates were at 18%. The composition dealers in the same line of business do not collect 18% tax and sell at cheaper prices. In order to not lose market shares, these manufacturers reported to absorb a part of GST themselves and sell at meagre profit margins. Migration to composition scheme was not seen as an option as they feared loss of business, selling to registered dealers themselves. Even though they could claim ITC for their inputs, the price difference between them and the composition dealers was a cause for concern for them. Additionally, there were higher compliance costs for GST registered enterprises. This, they said, was in no way a demonstration of “one nation, one market, one tax.”

These firms seemed to be sandwiched between two sources of competition. On the one hand, if small firms did not register under GST, they could stand to lose market share as registered clients would not buy from them due to the perception of RCM and non-availability of ITC. On the other hand, small firms that choose to join GSTN faced higher compliance costs and the burden of excessive paperwork. If their business was with unregistered clients, they would have to absorb a part of GST themselves or lose market share. While a coercive formalisation into the tax system is in play, the working margins of the small businesses is put to risk. Additionally, the incidence of GST on small businesses was higher than the taxes they had faced earlier for a majority of enterprises, where many of them were never paying taxes before. Moreover, the prices of the small manufacturers, after a 18% GST, had moved closer to the branded products and they faced stiff competition from the organised sector that was eating into their market shares. The last factor has found resonance in many newspaper reports (Srinivasan and Shankar 2018).

A mechanism seemed to be in play, and no matter which path small businesses chose for themselves, it affected them adversely. Being part of a paper trail, however difficult its upkeep, was deemed necessary to do business.

Power loom sector in Surat: Manufacturing cheap polyester sarees and garments for low middle-class income groups, demonetisation and the ensuing cash crunch in the economy dried up the demand for sarees and garments, and in turn for grey cloth. Even before they could recover or sell off their inventories, the GST was launched.

The unorganised power loom industry was facing the incidence of indirect taxes for the first time. Previously, their profits rose out of low wages paid to the workers on the one hand, and the absence of taxes on the sector on the other. Meanwhile, one of the essential inputs for production, yarn was taxed at 18% after GST was launched (12% subsequently), while the output—grey cloth—was taxed at 5%, creating a situation of inverted duty structure for these manufacturers. This resulted in blocked capital for the sector, and stiffer competition from the integrated units.

An illustration is in order. To make 15 metres of grey cloth, 1 kilogram (kg) of yarn is required. Let us assume that cost of 1 kg of yarn is ₹100, with 12% GST. Thus, the GST paid by the power loom unit to make 15 metres of grey cloth is ₹12. If the selling cost of grey cloth of a decentralised unit is ₹14 per metre with a 5% GST, then the GST collected by the unit by selling 15 metres of grey cloth is ₹10.50. Thus, for every 15 metres of grey cloth sold, there is an accumulation of ₹1.50 in the GST credit ledger for the decentralised power loom unit due to the inverted duty structure. This amount was found to vary between ₹1 and ₹2 depending upon the qualities of the yarn and the grey cloth. Comparatively, for an integrated unit that is able to sell the dyed cloth at a price of say, ₹26 a metre, its GST collection is at ₹19.5 for 15 metres, and there is no instance of inverted taxation.

The owners of the power loom units we interviewed reported to run less number of machines than before. Many of the weavers, particularly the smallest in the sector who ran 12 or less machines, shut shop, sold their machines to scrap, and leased out their units to others. Their income now was the rent arising from the factory spaces. We held informal interviews with 20 such owners who had shut their shops. With a profit rates at 1%-2%, down from 8% earlier, their businesses were no more viable. One remarked, “we were job creators before, now we have turned job-seekers.” Further, many family owned businesses were found to be spilt into different units of smaller sizes to escape labour laws. They are mostly registered under the Shops and Establishment Act, and though many employ as many as 100 workers, these units are split to escape registration under the Factories Act.

Another obvious route of coping with adverse conditions of demand and downturn of turnover was to retrench workers; 93% of all the enterprises surveyed by us reported to have sacked workers. In certain cases, the enterprises had fired all their workers

and instead banked on own and/or family labour alone. The percentage of micro enterprises not hiring any worker at all increased from 7% to 18%, as the entrepreneurs were unable to sustain paying wages to their employees and production itself was cut.

In the power loom sector the workers who are paid on a piece-rate basis for per metre of cloth that they produce during each shift of 12 hours, saw a reduction in their wage rate from ₹1–₹1.25 to ₹0.90–₹1.10. However, their total income had increased even as the wage share in total output fell as they were producing more cloth per shift by working on six to eight machines, instead of the four on an average previously. This meant intensification of labour during each shift, being more swiftly “on-foot,” with even lesser breaks. More disconcertingly, the conditions of work in this industry, like much of the unorganised sector, is highly exploitative.

From manufacturing 4 crore metres per day, the grey cloth manufacturing production in Surat fell to 2.5 crore metres per day, and out of the 6.5 lakh looms in the city, 1.25 lakh looms were sold off as scrap. Reportedly, 50,000 power loom workers lost their jobs in the months following the launch of GST. Migrant workers from states like Odisha, Bihar and Uttar Pradesh bore the brunt of job losses. Suggestions to allow the refund of ITC on account of inverted tax duty structure were discussed for the textiles sector. Since the sector had huge employment potential, there was consensus that the sector must be provided relief even if that meant a fall in revenue. The GST Council in its 28th meeting held on 21 July 2018, recommended allowing refunds on account of inverted duty structure with prospective effect from 27 July 2018. However, the power loom units surveyed had not received any refunds at the time of survey and were suffering from severe cash crunch and blocked working capital.

Hosiery supply chain: The scenario in this supply chain was rather complex, primarily distorted due to different tax rates. The VAT rates on latex threads were 5% previously and under GST this had increased to 12%. For woven elastics, it reduced to 5%, while for braided elastics, it had remained at 12%.

The latex thread manufacturers said that their clients, mostly small manufacturers, would be unwilling to pay the GST rate of 12%. This would result in them absorbing some of the GST cost themselves, particularly right after GST, as many of their clients were unregistered businesses who would not be willing to pay the higher

prices due to taxes. With time, a part of their clientele took GST registration, and this problem eased. But delayed payments, a problem that was always there, increased further after GST, with delays increasing. from 45 days to 75 days.

Further, the woven elastic manufacturers faced inverted duty structure while purchasing rubber latex threads and saw much higher input costs than before, while the braided elastic manufacturers were facing stiff competition due to the higher taxes on their products. Many of the manufacturers we interviewed had tried to diversify their manufacturing to knitted and woven elastics due to higher taxes. They were unable to sell their products to hosiery manufacturers as the hosiery manufacturers, in turn, were facing inverted duty structure and were unwilling to pay the 12% GST, when they could collect only 5% on their products.

The demand conditions for the small manufacturers of latex threads and micro elastic units had turned adverse as their end clients, small hosiery manufacturers, had reportedly gone out of business after GST. The hosiery manufacturers we interviewed in Delhi, also reported a downturn in their sales, and an increase in their cost of production after GST. Their products were untaxed before, and were not competing well with the branded products after GST.

For the wholesalers and retailers in the textiles industry, imposition of the GST deterred their erstwhile informal process of doing business, wherein they could either return or sell their unsold inventory elsewhere. After GST, the spatial movement of the inventory came under severe restrictions due to the paperwork involved. Retailers complained that wholesalers, unwilling to undertake the requisite paperwork, would be unwilling to take back unsold stock like before, and thus, they would have to be wary about buying goods. This put a cap on the amount, variety, and quality of goods the retailers could display to consumers on demand. The wholesalers too, were simply not buying as much as they did before. During our interviews with wholesalers and retailers in Surat and Delhi, this was one of the repeated narratives.

Some of the hosiery retailers under the composition scheme said that procuring goods from the branded organised sector had become more difficult for them after the GST, and many of the registered wholesalers were not willing to do business with them, especially during the months following the launch of GST. At that point of time, they had diversified their fare by stocking other goods. At the time of the survey, their

procurements had smoothed, but they still faced difficulties. Additionally, there was an unprecedented lack of demand that they witnessed after demonetisation and the launch of GST, not to mention the boom in e-retailing.

Impact on Business Viability

More than half of the enterprises surveyed said their turnover had reduced by 10%–30%, while more than one-third of the enterprises perceived their turnover to have reduced by more than 30% after the GST was introduced (**Table 4**).

A major shock to demand, particularly to the units that almost exclusively dealt in cash transactions was expected after the immediate roll-back of 86% of currency from the economy.⁹ Almost 90% of the enterprises (97% of the micro units and 77% of the SMEs) reported that even before things could stabilise and they could deal with their unsold inventories, their sales fell further after GST was introduced in July 2017.

Besides the lack of demand, other reasons predominantly identified by the surveyed firms for a downturn in business are increase in input costs due to taxes, blocked working capital, facing inverted tax duty, greater delays in payments, increased compliance costs and associated paperwork, distortions in buyer–supplier chains, and restrictions on flexibility of movement of stock (**Table 5**). It is interesting to note that for the textile supply chain for example (manufacture of grey cloth and hosiery products, job work in textiles, as well as retail), the imposition of a tax itself was not perceived as a problem as much as other issues identified before.

Table 5: Perceived Problems to Viability of Business after GST

Product	No of Sample Units	Percentage of Firms Reporting the Reasons Constraining the Viability of Business after GST								
		Lack of Demand	Higher Taxes	Higher Input Costs Due to Taxes	Blocked Working Capital	Inverted Duty Structure	Greater Delay in Payments	Compliance Costs	Buyer-Supplier Linkages	Restrictions to Movement of Goods
Chemical	23	87.0	52.2	26.1	69.6	30.4	34.8	69.6	69.6	0.0
Elastics	17	100.0	64.7	100.0	64.7	64.7	100.0	100.0	100.0	0.0
Grey cloth	15	100.0	0.0	100.0	100.0	100.0	0.0	100.0	0.0	0.0
Hardboard	12	100.0	100.0	0.0	0.0	0.0	0.0	100.0	100.0	0.0
Hosiery	5	80.0	0.0	100.0	0.0	0.0	0.0	100.0	100.0	60.0
Job work in textiles	13	61.5	0.0	0.0	0.0	0.0	0.0	69.2	0.0	0.0
Latex thread	6	100.0	100.0	100.0	100.0	0.0	100.0	100.0	100.0	0.0
Leather	14	100.0	50.0	100.0	85.7	0.0	100.0	64.3	0.0	100.0
Machinery	12	66.7	41.7	0.0	41.7	0.0	41.7	66.7	41.7	0.0
Metal	25	92.0	100.0	24.0	84.0	0.0	56.0	100.0	80.0	4.0
Textile and hosiery retail	15	100.0	0.0	0.0	40.0	0.0	40.0	40.0	40.0	100.0
Total	157	90.4	49.7	43.9	58.6	21.0	44.6	81.5	55.4	21.0

Source: Field surveys.

Complications of compliance: Compliance with regard to GST was one of the most difficult challenges facing the small businesses. As seen in Table 5, four-fifth of businesses surveyed saw compliance as challenge. The kind of knowledge about tax procedures and rules that the businesses required was simply not available to them. Most of them were not even paying any taxes before, and those who did were not used to such elaborate and complex bookkeeping. The rules under GST also kept changing swiftly as did the tax rates, the threshold limits, RCM clauses, and rules pertaining to late fines, deadlines for filing taxes, and so on. Initially, all businesses registered under GST were to file three returns per month and one annual return, amounting to 37 returns in a year (Banerjee and Prasad 2017).

Many of the respondents we spoke to told us that it was not just the rate of tax or the imposition of taxes that bothered them, but the very mechanism of record-keeping and accountancy through which they had to go through. Thoroughly unfamiliar with the software systems that GST necessitated, they had to depend on part-time chartered accountants, as most of the enterprises did not have an in-house accountant like the

organised sector. Some of them had to hire an accountant to manage their books, even as they saw their profits and incomes affected due to the factors discussed before. Others who could not afford to hire someone for bookkeeping, banked on family labour. We saw in several cases, that one of the male children, often pursuing some other line of education, took over book-keeping just to keep the family business afloat.

Monthly filing of taxes was the biggest incumbent to business. As brought out in the minutes of the 32nd GST Council meeting, businesses with an annual turnover of as small as ₹60 lakh that were paying taxes of only ₹5,000 annually, would have to spend ₹15,000–₹20,000 annually to file the taxes (32nd GST Council Signed Minutes, 10 January 2019, p 9). While 30% of the SMEs (mostly medium-sized firms) we surveyed had in-house accounts, all of the micro units under GST had to hire accountants spending from ₹12,000 to ₹30,000 annually. A number of power loom units we surveyed in Surat were sharing the accountant costs. The benefits of filing a single tax were reaped only by medium-sized enterprises that already were accustomed to filing taxes digitally and had an in-house accountancy department. Along with this were the glitches vis-à-vis the inefficient GSTN, the failure of the IT dependent system, which meant that the businesses had to waste a number of days just trying to file the taxes.

In such a scenario, the proposed increases in exemption and composition scheme thresholds might not be beneficial unless something concrete is done about the RCM clause and the ITC structure. Since these are very much a part of the GST fabric, ease of compliance becomes the most important route. The ITC claims were to happen through matching the invoices of the buyer with that reported by the seller. Any incorrect or unmatched transactions filed by the supplier leads to the denial of credit to the buyer. This led to huge problems, as the suppliers were not technically adept at recording these transactions on the one hand, and on the other IT-related glitches made it difficult to cater to such a huge flow of information. This led to problems of buyers not being able to claim ITC and affected their working capital.

The GST Council is well aware of the challenges that face businesses, particularly small businesses, due to compliance, and certain steps were taken to ease the burden of compliance. Businesses with a turnover of less than ₹1.5 crore are now allowed to file returns and pay taxes on a quarterly basis, which will be a big relief for small

businesses. GSTR-2 (a purchase return) and GSTR-3 (input–output return) were suspended due to its complex structure, and instead, GSTR-1 (the sales return) and GSTR-3B, (summary input–output return) remain, along with the annual return form. The new forms are uploaded from 1 April 2019, in an attempt to simplify the returns under [GST](#). The new return formats—“sahaj” (for B2C outward supplies) and “sugam” (for both B2B and B2C outward supplies)—are to make the compliance process simpler for the small businesses where taxpayers up to a turnover of ₹5 crore could opt to file any of the three forms on a quarterly basis.

Business Relations

More than three-quarters of the enterprises we surveyed were business-to-business (B2B) firms, and most amongst them, the small units in particular, had a large part of their business

with unregistered clients. For example, acid traders in Sakinaka, Mumbai were supplying to metal part manufacturers, half of whom were unregistered small businesses with a turnover of less than ₹20 lakh. They reported to have to absorb part of the 18% GST, otherwise lose a significant share of their market. They were thus forced to sell at the previous VAT rate of 6%, or slightly higher, which in turn affected their small profit margins and working capital as the additional tax would have to be paid out of their pockets.

For the hardboard manufacturers in Delhi, who manufactured boards for bag lining, cartons, boxes, and so on, not only many erstwhile clients had gone out of business, but the existing unregistered clients were unwilling to pay the GST rate of 12%. They too would have to absorb the GST rates themselves making their businesses with small firms unsustainable. But accessing an established clientele was not easy either.

In some instances, where they sold to larger clients, the impact on their overall turnover was not as severe. Similarly, the elastic traders in Delhi who were selling to more established organised businesses did not fare as badly as the ones who had been dealing with smaller businesses. In fact, some of the enterprises surveyed, in spite of some facing some decrease in their annual turnover, listed benefits arising out of GST, such as the ITC claims (also increase in the coverage of ITC with services in its ambit), and/or the e-way bill easing inter-state trade, ease of compliance and the convenience of paying a single indirect tax (**Table 6**).

Table 6: Perceived Benefits Due to GST

Product	No of Sample Units	% of Firms Reporting on the Perceived Benefits Due to GST		
		Ease of ITC Claims	Interstate Trade; E-way Bill	Ease of Compliance
Chemical	23	100.0	87.0	30.4
Elastics	17	64.7	100.0	0.0
Grey cloth	15	0.0	0.0	0.0
Hardboard	12	0.0	100.0	0.0
Hosiery	5	0.0	0.0	0.0
Jobwork in textiles	13	100.0	53.8	23.1
Latex thread	6	16.7	0.0	0.0
Leather	14	0.0	64.3	0.0
Machinery	12	58.3	58.3	33.3
Metal	25	24.0	12.0	0.0
Textile and hosiery retail	15	0.0	0.0	0.0
Total	157	38.9	47.8	8.9

Source: Field surveys.

Gainers from GST: Our interviews with six medium-sized dye manufacturing units in Surat revealed that though the industry faced a downturn in their production and sales due to adverse demand conditions, the manufacturers largely felt that they had benefited through the GST. These units with large modern factory spaces, registered under the Factories Act, employing more than 70 regular workers and with a turnover of above ₹20 crore, were the only ones in our sample that were exporting their products directly.

For them the GST had made exporting goods much more convenient. Before GST, they had to fill six sheet of paper for container shipments and 402 border forms used radio frequency identification (RFID) seals and paid octroi. Post GST, a simple bill went with the material, and the manufacturers could put the seal themselves. Transportation with e-way bill saved them time. Their compliance burden had reduced substantially and refunds had become convenient—being directly credited into their accounts, with less paperwork and follow-ups. However, it is also important to note here that these firms already had in-house accountants, and were not unfamiliar with the process of filing taxes and digital bookkeeping.

Another example of a gainer from GST is one of the manufacturing and trading firms we had interviewed. Again, a medium-sized enterprise, registered under Shops and Establishment Act, employing 75 regular workers, had gained from GST, as it could now collect ITC for its vast expenditure on advertisements. With the increase in their turnover, they could now pass on the benefits of lower production costs to the customers. The tax rate on some of their products has declined, while on some others it has increased. However, they perceived all their products to be cheaper after the GST.

Conclusions

While the findings reveal that the benefits of the reforms till date seem to be skewed towards the medium-sized businesses, it might be too early to completely rule out the prospects for the small businesses, in particular. How resilient the small businesses will be to this change, is a matter of time and largely contingent upon whether and how the attempts for simplifying the design of the GST regime for the small businesses pan out.

As far as higher threshold exemptions are concerned, they might not yield desired results, unless the GST in its very structure with RCM and invoice matching makes the task of compliance easy. Tax filing on a quarterly basis will be a welcome move, however, one needs to see how it works out along with the provisions for invoice matching. The issue of inverted tax duty structure too might not be creating a level playing field for all businesses. Added to it is the issue of multiple tax rates, where many similar kinds of products in the same value addition chain are facing different rates.

I acknowledge that the caveats of this study are its sample size, and limited scope and coverage of the variegated MSME sector. However, the strength of the exercise lies in the fact that it is amongst the rare attempts, if not the only one till date, of exploring the effects of a mammoth tax reform like the GST, empirically, though our findings are largely qualitative in nature.

Notes

1 For a comprehensive reading of the journey of indirect taxation towards GST, see Mukherjee and Rao (2019) and Bhattacharjee and Bhattacharjee (2018).

2 The definition for micro, small and medium enterprises is as per the MSME Act, 2006.

3 It was not possible to verify the annual records of the units (neither did all the units keep a book of accounts). Even the NSS rounds report only 12% of the enterprises to maintain a book of accounts, and data from the book of accounts is collected for a negligible percentage of enterprises (0.13%). During the survey, I saw a reluctance on part of the entrepreneurs to give details about turnover. In many cases, I provided

them with the range (as used in this analysis: less than ₹20 lakh, between ₹20 lakh and ₹1 crore, and more than ₹1 crore), and then the information was much more forthcoming. Wherever possible, for example, in the case of grey cloth manufacturers, I triangulated the figures reported to me by asking about the capacity of the machines, the number of machines operated, days of operation, and the prices of grey cloth per metre, and so on.

4 The threshold for the optional composition scheme stands at ₹1.5 crore from 1 April 2019, bringing a parity to the earlier regime where manufacturers were exempt from the payment of central excise duty up to an annual turnover of ₹1.5 crore. The exemption limit from GST has been upped at ₹40 lakh. Further, states of India have been given the option to decide the exemption threshold from GST. Service providers making interstate supplies, whose aggregate turnover does not exceed ₹20 lakh have been exempted from registration under GST.

5 This was again changed from 1 April 2019, via notification No 07/2019-Central Tax (Rate)

29 March 2019 to specify supply of goods related to construction activity liable for RCM.

6 These are a small number of companies that are vertically integrated and do most of the production in-house. They buy yarn from outside but do the weaving, printing and post-production work like embroidery in one factory. ₹7 For an account, see Subramanian (2018).

8 Author's personal interview with Ashish Gujarati, President of Pandesara Weavers' Association, Surat.

9 More than half of the enterprises surveyed reported that a majority of their transactions were still in cash. This was true for three-quarters of the micro enterprises and a quarter of the SMEs surveyed. These responses were in urban centres. It can be fair to expect a much higher percentage of cash-based transactions at the all-India level.

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Project Report

**(Submitted for the Degree of B.Com Honours in Accounting &
Finance under the University of Calcutta)**

Title of the Project

Green Marketing: A case study on HUL

Submitted by

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Annexure- IA

Supervisor's Certificate

This is to certify that **Ms. Ira Sarkar** a student of B.com. Honours in Accounting & Finance in Business of **Scottish Church College** under the University of Calcutta has worked under my supervision and guidance for her Project Work and prepared a Project Report with the title "**Green Marketing: A case study on HUL** " which he is submitting, is his genuine and original work to the best of my knowledge.

Signature:

Name: Smt. Poushali Bardhan

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Date:

Annexure-IB

Student's Declaration

I hereby declare that the Project Work with the title “**Green Marketing: A case study on HUL**” submitted by me for the partial fulfillment of the degree of B.Com. Honours in Accounting & Finance in Business under the University of Calcutta is my original work and has not been submitted earlier to any other University /Institution for the fulfillment of the requirement for any course of study. I also declare that no chapter of this manuscript in whole or in part has been incorporated in this report from any earlier work done by others or by me. However, extracts of any literature which has been used for this report has been duly acknowledged providing details of such literature in the references.

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Ms.: Ira Sarkar

B.Com (H) in Accounting &

Finance

Semester: VI

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INTRODUCTION

BACKGROUND

DEFINITION OF GREEN MARKETING

Green marketing refers to the practice of developing and advertising products based on their real or perceived environmental sustainability.

Examples of green marketing include advertising the reduced emissions associated with a product's manufacturing process, or the use of post-consumer recycled materials for a product's packaging. Some companies also may market themselves as being environmentally-conscious companies by donating a portion of their sales proceeds to environmental initiatives, such as tree planting.

When a company's green marketing activities are not substantiated by significant investments or operational changes, they may be criticized for false or misleading advertising. This practice is also sometimes referred to as greenwashing.



LITERATURE REVIEW

Cateora Graham, in International Marketing, has drawn a parallel line between green marketing and product development. The author has cited a variety of examples where the importance of green marketing has been laid focus on. Green marketing is a term used to identify concern with the environmental

Consequences of a variety of marketing activities. It is very evident from author's research and examples the packaging and solid waste rules are burdensome but there are successful cases of not only meeting local standards but also being able to transfer this approach to other markets.

Philip Kotler and Kevin Lane Keller in Marketing Management has initiated the topic by discussing about the relevance of green marketing in the past few decades and has also discussed the explosion of environmentally friendly products. However, according to the author from the branding perspective green marketing programs have not been very successful. Marketers tried and failed with green sales pitches over the last decade because of certain obstacles which the movement encountered. The consumer behavior such that most consumers appear unwillingly to give up the benefits of other alternatives to choose green products.

Debraj Dutta and Mahua Dutta, of Marketing Management, has given an explanation of what is green marketing. According to the authors green marketing incorporates a broad range of activities including the modification of product, production process and packaging. The authors have also discussed a few literature sources that have focused on green marketing and its relevance in today's era. It was evident that the possible reasons because of which organizations engage in green marketing.

K.K.Shrivastava & Sujata Khandai, the author of **Consumer Behaviour in Indian Context,** has discussed green marketing legislation in association with the multinational corporations. These face a growing variety of legislation designed to address environmental issues. Global concern for the environment extends beyond industrial pollution, hazardous waste disposal and rampant deforestation to include issues that focus directly on consumer products.

OBJECTIVES

- **Avoiding waste:** Whether it's creating **biodegradable** product packaging (meaning it can be broken down by biological means), cutting down on water consumption, or reducing the amount of trash that goes into landfills, green marketing is just as concerned with avoiding waste as putting forward an eco-friendly face to the public.

- **Reinventing products:** Products themselves can be modified to lessen the impact on the environment. For example, Method sources its ingredients from many plant-derived ingredients, which means it's safer for humans, not toxic to family pets who might accidentally ingest it, and more environmentally-friendly by being water-soluble and dispersing safely into the environment.

- **Making green while being green:** Of course, companies that promote green products want to not only be good stewards of planet Earth, but make a profit while doing so. Green marketing allows businesses to capitalize on the subset of the population willing to pay a little more to lessen their footprint on the environment and protect the atmosphere.

- **Changing processes:** Consumers aren't the only ones that need to be concerned with environmental impact. Green marketing also encourages businesses to properly utilize resources, such as water consumption and electricity. Changing processes also means looking for renewable materials, using alternative energy sources, and finding ways to deliver products in a more fuel-efficient manner.

- **Creating eco-friendly messaging:** Green marketing's biggest "marketing" accomplishment might be in messaging. Green marketing works to help consumers understand a product's green

benefits and a company's commitment to the environment. It's also an important avenue in which to educate people about sustainability and the environment.



DATA SOURCE

Data is a collection of raw, unorganized facts and details like text, observations, figures, symbols and description of things etc. Data can be collected from two sources:

A) Primary Data: - Primary data is the kind of data that is collected directly from the data source without going through any existing sources.

For example – Personal observation, Survey and Questionnaire.

B) Secondary Data: - Secondary data is the data that has been collected in the past by someone else but made available for others to use.

For example – Data collected through Website, Journals, Research Work, Articles, and E-content.

In order to have a proper understanding of the customer service of HUL. a depth study was done from the various sources such as books; a lot of data is also collected from various social media websites of HUL and the articles from various search engines like Google, Yahoo, and Quora.

RESEARCH GAP

Many literatures and surveys have examined the consumer behavior covering different disciplines that determine the factors influencing green marketing. The earlier studies review indicates the impact of price consciousness, the quality consciousness in a detailed manner. Strategies offered by FMCG companies and its impact on consumer stills remain unexplored. All the studies conducted so far focus on consumer's buying behavior towards eco-friendly products while this study emphasizes on green marketing of FMCG company research.

LIMITATIONS OF GREENN MARKETING

- **Change leads to costs** - Changing your marketing tactics takes time and the development of a new strategy, which typically translates into increased costs. While sustainable efforts and practices are designed to save money, when a company puts effort into changing their brand to be more environmentally friendly, those changes can have expensive upfront costs.

- **Costly Green Certifications**- To commercialize your products as "green" depending on your industry you might have to go through a long and pricey process to obtain the environmental certifications. These certifications, which the governments, industry associations, professional association and consumer rights groups distribute, use certain certifications to meet industry environmental standards. This is especially true for companies operating in the fields of energy consumption and recycling waste management.

- Respecting these standers can be difficult and that is one of the main green marketing disadvantages. Particularly because without these this official standards, customers and industries will have no way of measuring the facts of green "claims".

CONCEPTUAL UNDERSTANDING

GREEN MARKETING

INTRODUCTION

Green marketing is developing and selling environmentally friendly goods or services. It helps improve credibility, enter a new audience segment, and stand out among competitors as more and more people become environmentally conscious

.

Why is green marketing important?

Our planet is facing a lot of threats among them air and water pollution, food waste, plastic pollution, and deforestation. Chemicals manufactured by factories can be found everywhere. To support the earth, many companies consider producing their goods in an environmentally friendly manner. Moreover, the level of ecological awareness among consumers is getting higher so people rather purchase eco-friendly products although their price might be higher.

Many brands try their best to address the wishes of customers and have started the production of such goods and respect our responsibilities as residents of this planet. Green marketing has a positive influence on the health of people and the cleanliness of the environment. This type of marketing entails every stage of a business, from packaging to public relations.

Goals of Green Marketing

- Eliminate the concept of waste
- Reinvent the concept of product
- Make prices reflect actual and environmental costs
- Make environmentalism profitable
- Bringing out product modifications
- Changing in production processes
- Packaging changes
- Modifying advertising

BENEFITS OF GREEN MARKETING

With green marketing, companies have the great opportunity to change our planet for the better and support people who are aware of the situation and try to help the environment. By creating sustainable products, companies want to reduce the negative impact of waste products on our nature. Going green enables you to win the trust and loyalty of the concerned customers. It helps you:

- Stand out in the increasingly competitive environment;
- Reduce the negative impact of the production on the environment;
- Save energy, reduce the use of natural resources and carbon footprint;
- Produce recyclable products;
- Improve the credibility of a certain brand;
- Enter a new audience segment;
- Ensure long-term growth;
- Implement innovations;
- Obtain higher revenue.

It's not enough just to know about the benefits of green marketing since you should also be aware of the strategies. Luckily, nowadays there are many ways to go green. Let's review them right away.

GREEN MARKETING STRATEGIES

You can find a lot of strategies related to green marketing that can help you create a sustainable brand to help our planet. So let's review some of them.

1. **Sustainable design.** It's not just about a recycling logo on your product packaging, it's about a full life cycle of the product in mind. You should pay attention to the details: the sources of your materials, the workers involved in the process. Especially, your company should control the amount of waste generated and the way your products are packaged and delivered. You have to consider a lot of things that have an impact on our environment when designing for sustainability.
2. **Responsibility.** If you're giving a thought to going green, your brand should be ready for a profound change. Green marketing is about becoming conscious of pollution. To prove the sincerity of your intentions, rethink your company in terms of ecological and social responsibility and show customers that you care about our planet.
3. **Green pricing.** Environmentally friendly products are considered to have a high value due to the increased cost of sustainable design. However, despite the high price, customers are still willing to pay. So if you charge high prices for your eco products, ensure to communicate the specifics to prove that your goods are worth the price you're asking for. Keep in mind that the greater your mission, the greater your opportunity to gain exposure for your brand's goods.
4. **Sustainable packaging.** The excessive use of plastic is the number one reason for the pollution of our planet. According to Greenpeace, 8.3 billion tonnes of plastic has been produced since the 1950s and only around 9% of this plastic has been recycled. Nowadays consumers are more responsible and try to avoid plastic packaging. That's why it's advisable to create recycled or no-plastic packaging for your brand.

GREEN CODE

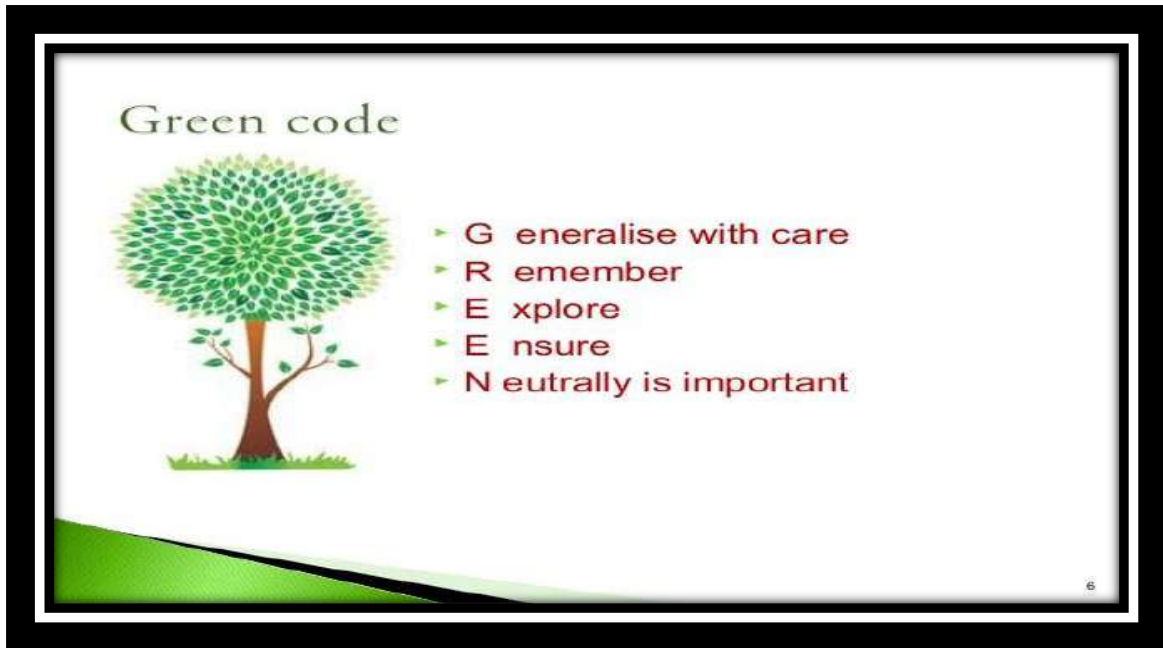
G: Generalizes with care. Consumer behavior will not necessarily be consistent across different product types, and particular market segments may respond to certain issues on the green agenda but not others.

R: Remembers, the validity of a piece of market research is not related to the degree to which it supports your preferred option.

E: Explores the context from which market research data comes. Be clear on the nature of the sample used, the questions asked, the way in which responses were recorded and the time and place from which the responses come.

E: Ensures that where market research is crossing international borderlines, that the terminology and interpretation remains consistent. Terms like 'environment', 'green' and 'conservation' do not always translate precisely between languages.

N: Neutrality is important. Ensure that when you pose questions to consumers, that they can make any response without being made to feel guilty or uncomfortable, and ensure that your own preconceptions about the green agenda (such as an assumption that green products will cost extra) are not encoded within the questions



SWOT ANALYSIS

As in formulation of green strategy, a firm may evolve it from a SWOT analysis Environmental Audit

STRENGTHS:

1. Marketers get access to new markets and gain an advantage over competitor's that is not focusing on "greenness".
2. Marketers can charge a premium on products that are seen as more eco responsible.
3. Organizations that adopt green marketing are perceived to be more socially responsible
4. Green marketing builds brand equity and wins brand loyalty among customers.

E.g. research and development capabilities for clean processes and green products: and human resources committed to environmental protection.

WEAKNESS:

1. Most customers choose to satisfy their personal needs before caring for environment
2. Overemphasizing greenness rather than customer needs can prove devastating for a product
3. Many customers keep away from products labeled "Green" because they see such labeling as a marketing gimmick, and they may lose trust in an organization that suddenly claims to be green.

E.g. products cannot be recycled, and hazardous wastes) of a company.

OPPORTUNITIES:

1. Marketing to segment which are becoming more environmentally aware and concerned. These consumers are demanding products that conform to these new attitudes.
2. Organizations perceive green marketing to be a competitive advantage, relative to the competitors. Firms, therefore, strive to improve upon their societal awareness. This complements the increase in consumers' socially conscious behavior and will therefore give them an advantage over competitors who do not address these issues.

E.g. offering an environmental friendly product and saving resources, and relating them to internal strengths.

THREATS:

1. Uncertainty as to the environmental impact of present activities, including that is perceived to be less environmentally harmful.

2. Uncertainty as to which green marketing activities are acceptable from a government perspective.

3. The possibility of a backlash from consumers or government based on existing green marketing claims, threat one and two above may cause backlash to arise.

E.g. Competitors gain market shares with green products and increased environmental regulations).

ENVIRONMENTAL AUDIT:

It is a management tool which can be used to assess the environmental performance of the company and its units and to identify the weak points. Environmental Audit is comprised of a systematic, documented. Periodic environmental performance evaluation and facilities and objective.

GREEN MARKETING MIX

Green Marketing mix consists of following:

1. Product Mix

2. Price Mix

3. Place Mix &

4. Promotion Mix

1) PRODUCT MIX:

Entrepreneurs wanting to exploit emerging green markets either: Identify customers' environmental needs and develop products to address these needs or will develop environmentally responsible products to have less impact than competitors. The increasingly wide variety of products on the market that support sustainable developments are:

- Products made from recycled goods, such as Quick' N Tuff housing materials made from recycled broccoli boxes.
- Products that can be recycled or reused.
- Efficient products, which save water, energy or gasoline, save money and reduce environmental impact.
- Products with environmentally responsible packaging, McDonalds, for example, changed their packaging from polystyrene clamshells to paper.
- Products with green labels, as long as they offer substantiation.
- Certified products, which meet or exceed environmentally responsible criteria.
- Organic products-many customers are prepared to pay a premium for organic products, which offer promise of quality. Organic butchers, for example, promote the added qualities such as taste and tenderness.
- A service that rents or loans products-toy libraries

Whatever the product or service, it is vital to ensure that products meet or exceed the quality expectation of customers and is thoroughly tested.

2) PRICE MIX:

Pricing is the critical clement of the marketing mix. Most customers will only he prepared to pay a premium if there is a perception of additional product value. This value may be improved performance, function, design, visual appeal or taste. Environmental benefits will often be the deciding factor between products of equal value or quality, Environmentally responsible products, however are often less expensive when product lifecycle coast are taken into consideration, for

example fuel efficient vehicles, water efficient printing and non-hazardous products.

3) PLACE MIX:

The choice of where and when to make products available will have significant impact on the customers you attract. Very few customers go out of their way to buy green products merely for the sake of it. Marketers looking to successfully introduce new green products should position them broadly in the market place so they are not just appealing to a small green niche market. The location must also be consistent with the image you want to project and allow you to project your own image rather than being dominated or compromised by the image of venue. The location must differentiate you from the competitors. This can be achieved by in-store promotions and visually appealing displays or using recycled materials to emphasize the environmental and other benefits.

4) PROMOTION MIX:

Promoting products and services to target markets include paid advertising, public relations, sales promotions, direct marketing and on-site promotions. Smart green Marketers will be able to reinforce environmental credibility by using sustainable marketing and communication tools and practices. For example, many companies in the financial industry are providing electronic statements by email: e-marketing is rapidly replacing more traditional marketing methods and printed materials can be produced using recycled materials and efficient processes such as waterless printing. Retailers, for example, are recognizing the value of alliances with other companies, environmental groups and research organizations. When promoting their environmental commitment to reduce the use of plastic bags and promote their green commitment, some retailers sell shopping bags and promote their green commitments.

CHALLENGES IN GREEN MARKETING

Many organizations want to turn green, as an increasing number of consumers want to associate themselves with environmental-friendly products. Alongside, one also witnesses confusion among the consumers regarding the products. In particular, one often finds distrust regarding the credibility of green products. Therefore, to ensure consumer confidence, marketers of green products need to be much more transparent, and refrain from breaching any law or standards relating to products or business practices. There are numerous challenges in the field of green marketing. Some of the major hurdles are as following:

➤ **Need For Standardization:**

It is found that very less percentage of the marketing messages from "Green" campaigns are entirely true and there is a lack of standardization to authenticate these claims. There is no standardization to authenticate these claims. There is no standardization currently in place to certify a product as organic. Unless some regulatory bodies are involved in providing the certifications there will not be any verifiable means. A standard quality control board needs to be in place for such labeling and licensing.

➤ **New Concept:**

Indian literate and urban consumer is getting more aware about the merits of Green products. But it is still a new concept for the masses. The consumer needs to be educated and made aware of the environmental threats. The new green movements need to reach the masses and that will take a lot of time and effort. By India's ayurvedic heritage, Indian consumers do appreciate the importance of using natural and herbal beauty products. Indian consumer is exposed to healthy living lifestyles such as yoga and natural food consumption. In those aspects the consumer is already aware and will be inclined to accept the green products.

➤ **Patience and Perseverance:**

The investors and corporate need to view the environment as a major long-term investment opportunity, the marketers need to look at the long-term benefits from this new green movement. It will require a lot of patience and no immediate results. Since it is a new concept and idea, it will have its own acceptance period.

➤ **Avoiding Green Myopia:**

The first rule of green marketing is focusing on customer benefits i.e. the primary reason why consumers buy certain products in the first place. Do this right, and motivate consumers to switch brands or even pay a premium for the greener alternative. It is not going to help if a product is developed which is absolutely green in various aspects but does not pass the customer satisfaction criteria. This will lead to green myopia. Also if the green products are priced very high then again it will lose its market acceptability.

➤ **Some Other Challenges Ahead In Green Marketing Are:**

- Green products require renewable and recyclable material, which is costly
- Requires a technology, which requires huge investment in R & D
- Water treatment technology, which is too costly
- Majority of the people are not aware of green products and their uses
- Majority of the consumers are not willing to pay a premium for green products.

➤ **Green Washing**

In spite of its growing popularity, the green marketing movement faced serious setbacks in the late 1980s because many industries made false claims about their products and services. For instance, the environmental organization Corp Watch which issues annually list of the top ten "green washing companies, included BP Amoco for advertising its "Plug in the Sun" program, in which the company installed solar panels in two hundred gas stations, while continuing to aggressively lobby to drill for oil in the Arctic National Wildlife Refuge. Green marketing can be a very powerful marketing strategy though when it's done right. In a similar kind of case Chad's green marketing campaign bombed because he made the mistake of packaging his environmentally friendly product in Styrofoam, cutting CFC's.

Without environmental labeling standards, consumers could not tell which products and services were truly beneficial. Consumers ended up paying extra for misrepresented products. The media came up with the term "green washing to describe cases where organizations misrepresented themselves as environmentally responsible. So, While green marketing was growing greatly as increasing numbers of consumers were willing to back their environmental consciences with their dollars, it can be dangerous. The public tends to be skeptical of green claims to begin with and companies can seriously damage their brands and their sales if a green claim is discovered to be false or contradicted by a company's other products or practices. Thus, in other words presenting a product or service as green when it's not is called green washing.

➤ The Green Dilemma

The past decade has shown that harnessing consumer power to effect positive environmental change is far easier said than done. The so-called "green consumer" movements in the country have struggled to reach critical mass and to remain in the forefront of shoppers' minds. One of green marketing's challenges is the lack of standards or public consensus about what constitutes "green". This lack of consensus- by consumers, marketers, activists, regulators, and influential people-has slowed the growth of green products, says Makeover, because companies are often reluctant to promote their green attributes, and consumers are often skeptical about claims. Despite these challenges, green marketing has continued to gain adherents, particularly in light of growing global concern about climate change. This concern has led more companies to advertise their commitment to reduce their climate impacts, and the effect this is having on their products and services.



BRIEF CASE STUDY ON HUL

Hindustan Unilever Limited (HUL) is one of the strongest FMCG Company having a long standing in India with the motto that what is good for India will be good for HUL. HUL is a household name in most of the categories of the products. With right vision statement which includes the environmental vision the company is growing as sustainable company. The brands are manufactured in 29 owned factories across the country having more than 18,000 employees. The company has over 1800 suppliers and associates, 3500 stockiest and coverage of 7 million outlets which includes direct coverage of 3 million outlets through their distribution partners Project Shakti. The turnover of the company in the fiscal year 2014-15 was 30,170 crores. HUL has products in categories of personal care products, cleaning products, food category and water purifier and most of their brands are market leader in their category. HUL believes that sustainability can be achieved by being a good corporate citizen. The legacy of being over 100 years in the Indian market is the continuous effort by the company to maintain ethics and transparent in their undertaking. The strong value system and the torch bearer of social change is one of the reasons for the company to be market leader. The company believes in accuracy of accounting, against corruption to any officials, anti-competition, treating all the stakeholders with lot of dignity and respect etc. Any unethical behaviour or fraud can be reported directly by the employees to the management. This whistle blower policy of the organization will give more authority and empowerment to all the employees to remain honest and corrupt free. Therefore ethics, accountability and transparency are one of the pillars of achieving sustainability in HUL.

Sustainability can also be achieved through the products and brand lifecycle. From sourcing of the raw materials to the process to the usage of the products by the consumer everything is very cautiously done which has the least implications on the environment. Continuous improvement in technology is done so that the washing powders use minimum water but yet cleans the clothes to the best. Social missions

are attached to the brands of HUL where hand washing message reached to most of the households with main focus to the rural houses. Focus on health and hygiene was transferred in their advertising messages. The water purifiers were able to reach all the low income households with the tie up with micro finance institutions. Brands also empowered Indian women with the foundation which provided scholarship for vocational training and for their new enterprises. Most of the raw materials required for food category is directly sourced from the farmers so that the benefit reaches to the farmers and eliminate middlemen in the process. Sustainable tea estates were created in Assam, Tamil Nadu and West Bengal for their raw materials. Safety and Environmental Assurance Centers in HUL assure that all the products and processes created by the company are following all the health, manufacturing and environmental standards. If any queries the consumer can directly contact Lever care and get to know the usage, standards, and ingredients in the products. Packaging of all the brands is done in such a way that it has minimum packaging and weight of packaging is also less. Keeping the product design standardized helps in reducing packaging cost. This in turn has helped the company to go sustainable with the drastic reduction in plastic usage and paper use in the packaging. The wastes released by the factories are zero non hazardous.

The next principle of HUL that leads them to sustainability is their Employee engagement. Employees well being and concern for them is something that every organization should be concerned about. Having a strong leadership practice and continuous motivation is given in HUL factories. The training practices at shop floor level are all professionally undertaken. 200 plus managers constantly strive to achieve excellence to their employees with the leadership programs. HUL is also called as CEO's factory. This organization has contributed around 400 CEO's to the corporate world. With the world class manufacturing system installed care is taken for employee's health and safety standards. Diversity in employees is another unique feature of HUL. The do not

discriminate people based on gender, age, language, religion, state etc as they believe in encouraging the right talent. Digitalization in their training programmers helps the employees to keep themselves updated. Continuously fourth time in the row this organization has got the No 1 employer of the choice by the student community. In addition they also enjoy the status of being the dream employer status consecutively for the fourth time. With best HR practices and following all the norms they exceed the expectations of their employees.

Environmental safeguard is one of the prime most elements in this organization strictly following the principle of 3R Reduce, Reuse and Recycle. India being the water scarce region lot of efforts is taken by company to use minimum water in all their processes. They also run a foundation called as Hindustan Unilever foundation which engages in projects to conserve water. They also work towards reduction in carbon footprint. They have achieved around 88% reduction in total waste generation. Sustainability sourcing is also is what they working at trying to achieve 100 % agricultural raw materials sustainability. Sustainability Governing councils are an integral part of this firm with the objective of innovation in sustainability. Environmental sub-committee is one more committee that concentrates on environmental performance and implements the strategies for safe environment.

The company also focuses on inclusive growth through creation of self improvement programs and employment opportunities. Agricultural supplies, small scale distributors, retailers and farmers have all grown by the company's initiatives. They are advised to adopt advanced technologies along with training programs and monitoring by the company on a regular basis. Pest management, drip irrigation, nutrition management are some of the initiatives. Project Shakti is another initiative that is empowering village women and supported by village men who reach out to over 4 million households across 1,65,000 villages. Personal selling strategies are adopted by them giving them job opportunities, decent standard of living and empowered village people.



Hindustan Unilever Limited

NATIONAL SCENARIO

It is well known that increasing production and business activities are polluting the natural environment of the world. As resources are limited and human wants are unlimited. It is necessary for marketers to use

resources efficiently so that organizational objectives are achieved without growing interest among people around the world regarding protection of natural environment. People are getting more concerned for environment. As a result of this, the term green marketing has emerged. Hence marketers are feeling their responsibility towards environment and growing importance to green marketing.

Not only marketers but consumers are also concerned about the environment and consumers are also changing their behaviour pattern. Now individual as well as industrial consumers are becoming more concerned about environment friendly products. They are using green products which are produced through green technology

INTERNATIONAL SCENARIO

Hindustan unilever is an international company dealing in the daily used products all over the world having good hold in the market. Hindustan unilever India is an Indian chapter of Hindustan unilever, the company is holding about 62% share whereas the Government of Peoples Republic of India has 38% share.

GREEN MARKETING IN HUL

Now that the green movement is well underway in Hull companies are starting to find there's a green option for almost everything, including marketing services and products. Being environmentally friendly with your marketing is easy and may also be cost-effective when you get creative and think outside the box.

Read further to find out more about green marketing in Hull, MA, get ideas that can be used to market your small business and cut costs in addition to helping the environment all at the same time.

The benefits of green marketing in Hull are very clear, but the primary advantage is their environmental benefits. These kinds of marketing services and products cause less waste, do not use unpleasant chemicals and dyes, and when possible are often made out of recycled materials.

A residual benefit is that many consumers will appreciate the extra steps you are taking to become more eco-friendly with your marketing which will improve their perception of your business.

Although there are many upsides to choosing a green marketing approach for your personal Hull business, these kinds of services and products tend to cost more a substantial amount the time. Actually, the cost is about the only drawback there is to green marketing in Hull. However, the good news is that as the use of these types of marketing products and services increases the cost will go down and depending on the strategies you use green marketing may help you cut costs in different ways.

Another thing to consider is the possible lack of local green marketing options in some areas.

Today, there's a wide range of green marketing products and services in Hull available. Below are things to consider using and incorporating if you wish to green up your marketing.

Green packaging- thinks about how you can recycle things like old newspapers and magazine to cushion packages. You may also buy biodegradable packaging and choosing boxes and envelopes made out of recycled materials

Reusable grocery bags- Put your logo on a reusable bag for a functional promo marketing product. Along with helping people reduce waste, a reusable bag is a marketing product people want and will use thus upping your ROI with free advertising.

Use online marketing - Not only is online marketing a highly targeted and cost effective roach, it's also the greenest strategy to market your business. Online marketing doesn't use nearly as many resources and create as much waste as print and even commercial marketing.

Choose local food- If are putting on a seminar, hosting a luncheon, or throwing a launch party choosing to use locally grown and produced foods will reduce the carbon footprint that it takes to cater the event. It's also supporting local Hull business which is a easy way to help grow your own.

Use green incentives- Motivate consumers by marketing about donations to environmentally friendly organizations. This makes a large impact if you advertise that you'll donate to an organization whenever a purchase is made. The customer will feel like they're getting more for their money and that their purchase benefits the environment just as much as it benefits them.

Depending on the type of green marketing products and services you are interested in you can opt to use a local business, online provider, doing it DIY or a combination. The internet is a great resource for finding green marketing tools in Hull. Massachusetts and will provide you with options no matter where your business is located so it's the perfect starting point your search.

It's also a good idea to look for green marketing products and services in Hull that are Green Seal certified. Green Seal has been providing standards and 3rd party certification since 1989.

PRESENT MARKETING STRATEGY

Mission:

Hindustan Unilever Limited mission is to add Vitality to life. We meet everyday needs for nutrition, hygiene, and personal care with brands that help people feel good, look good and get more out of life.

Policy:

HUL has earned a reputation for conducting its business with integrity and with respect for the interests of those their activities can affect. This reputation is an asset, just as real as their people and brands.

Their first priority is to be a successful business and that means investing for growth and balancing short-term and long-term interests. It also means caring about their consumers. Employees and shareholders, their business partners and the world in which we live.

From HUL Spokesperson "To succeed requires the highest standards of behavior from all of us. The general principles contained in this Code set out those standards. More detailed guidance tailored to the needs of different countries and companies will build on these principles as appropriate, but will not include any standards less rigorous than those contained in this Code.

We want this Code to be more than a collection of high-sounding statements. It must have practical value in their day-to-day business and each one of us must follow these principles in the spirit as well as the letter".

Obeying the Law:

HUL companies and employees are required to comply with the laws and regulations of the countries in which they operate.

Employees:

HUL is committed to diversity in a working environment where there is mutual trust and respect and where everyone feels responsible for the performance and reputation of the company. HUL will recruit, employ and promote employees on the sole basis of the qualifications and abilities needed for the work to be performed.

HUL are committed to safe and healthy working conditions for all employees. We will not use any form of forced, compulsory or child labour.

HUL are committed to working with employees to develop and enhance each individual's skills and capabilities.

HUL respect the dignity of the individual and the right of employees association.

HUL will maintain good communications with employees through company based information and consultation procedures.

Consumers:

HUL is committed to providing branded products and services which consistently offer value in terms of price and quality, and which are safe for their intended use. Products and services will be accurately and properly labelled, advertised and communicated.

Shareholders:

HUL will conduct its operations in accordance with internationally accepted principles of good corporate governance. They will provide timely, regular and reliable information on their activities, structure, financial situation and performance to all shareholders

Business Partners:HUL is committed to establishing mutually beneficial relations with their suppliers, customers and business partners.

In their business dealings they expect their partners to adhere to business principles consistent with their own.

Community Involvement:

HUL strives to be a trusted corporate citizen and, as an integral part of society, to fulfill their responsibilities to the societies and communities in which they operate.

Public Activities:

HUL companies are encouraged to promote and defend their legitimate business interests. HUL will co-operate with governments and other organizations, both directly and through bodies such as trade associations, in the development of proposed legislation and other regulations which may affect legitimate business interests.

HUL neither supports political parties nor contributes to the funds of groups whose activities are calculated to promote party interests.

The Environment:

HUL is committed to making continuous improvements in the management of their environmental impact and to the longer-term goal of developing a sustainable business.

HUL will work in partnership with others to promote environmental care, increase understanding of environmental issues and disseminate good practice.

Innovation:

In their scientific innovation to meet consumer needs they will respect the concerns of their consumers and of society. They will work on the basis of sound science, applying rigorous standards of product safety.

Competition:

HUL believes in vigorous yet fair competition and supports the development of appropriate competition laws. Their companies and

employees will conduct their operations in accordance with the principles of fair competition and all applicable regulations.

Business Integrity:

HUL does not give or receive, whether directly or indirectly, bribes or other improper advantages for business or financial gain. No employee may offer, give or receive any gift or payment which is, or may be construed as being, a bribe. Any demand for, or offer of a bribe must be rejected immediately and reported to management.

HUL accounting records and supporting documents must accurately describe and reflect the nature of the underlying transactions. No undisclosed or unrecorded account, fund or asset will be established or maintained.

Conflicts of Interests:

All HUL employees are expected to avoid personal activities and financial interests which could conflict with their responsibilities to the company.

HUL employees must not seek gain for themselves or others through misuse of their positions.

Compliance - Monitoring – Reporting:

Compliance with these principles is an essential element in their business success. The Unilever Board is responsible for ensuring these principles are communicated to, and understood and observed by, all employees.

Day-to-day responsibility is delegated to the senior management of the regions and operating companies. They are responsible for implementing these principles, if necessary through more detailed guidance tailored to local needs.

Assurance of compliance is given and monitored each year. Compliance with the Code is subject to review by the Board supported by the Audit Committee of the Board and the Corporate Risk Committee.

Any breaches of the Code must be reported in accordance with the procedures specified by the Joint Secretaries. The Board of Unilever will not criticize management for any loss of business resulting from adherence to these principles and other mandatory policies and instructions.

The Board of Unilever expects employees to bring to their attention, or to that of senior management, any breach or suspected breach of these principles.

Provision has been made for employees to be able to report in confidence and no employee will suffer as a consequence of doing so.

In this Code the expressions 'Unilever' and 'Unilever companies' are used for convenience and mean the Unilever Group of companies comprising Unilever N.V., Unilever PLC and their respective subsidiary companies. The Board of Unilever means the Directors of Unilever N.V. and Unilever PLC' ref: THE NEWS

Environment policy:

Hindustan Unilever Limited (HUL) supplies high quality goods and services to meet the daily needs of consumers and industry. In doing so, the Company is committed to exhibit the highest standards of corporate behaviour towards its consumers, employees, the societies and the world in which we live.

The company recognizes its joint responsibility with the Government and the Public to protect environment and is committed to regulate all its activities so as to follow best practicable means for minimizing adverse environmental impact arising out of its operations

The company is committed to making its products environmentally acceptable, on a scientifically established basis, while fulfilling consumers' requirements for excellent quality, performance and safety.

The aim of the Policy is to do all that is reasonably practicable to prevent or minimize, encompassing all available knowledge and information, the risk of an adverse environmental impact arising from processing of the product, its use of foreseeable misuse.

This Policy document reflects the continuing commitment of the Board for sound Environment Management of its operations. The Policy applies to development of a process, product and services, from research to full-scale operation. It is applicable to all company operations covering its plantations, manufacturing, sales and distribution. Research & innovation centers and offices. This document defines the aims and scope of the Policy as well as responsibilities for the achievement of the objectives laid down.

The Vision:

Their vision is to continue to be an environmentally responsible organization making continuous improvements in the management of the environmental impact of their operations.

HUL will achieve this through an Integrated Environment Management approach, which focuses on People, Technology and Facilities, supported by Management Commitment as the prime driver.

CONCLUSION AND RECOMMENDATIONS

Significant change in the climatic condition results in a threat for the survival of the society. This threat is shifting the buyers consumption pattern from unsustainable to sustainable. This shift is changing the

buying behaviour of the individual because their need is changing from environmental harmful products to environmental friendly products. They are more concerned about the environment protection. This transformation in consumer behaviour is compelling corporate to think about the harmful impact of their activities on the natural environment of the world. The rapid increase for the environment concern in last two decades is stressing companies to prove the change to ensure the sustainable growth of the society. Organizations are now aware with the fact that without adopting green in the core of their strategy they cannot survive in the present competitive era. Indian FMCG companies are also adopting green to retain their image in the market. The companies are involved in various activities to show their concern for environment as well as society. Companies like HUL ITC started to produce Sustainability report of the companies to achieve benefit and to develop a positive brand image it is required that benefit should be visible to the consumer. Companies are trying different ways to get benefit from their green efforts. They are redefining their marketing mix by introduction of green products and processes. But at the same time it is necessary for the companies to understand that Green marketing should not overlook the economic aspect of marketing. Customer is ready to pay the eco premium but they have to enhance the performance of their product and focus on the retention of the customer. Green Marketing is still in the stage of childhood in the Indian companies. The lots of opportunities are available in Indian market. Green marketing helps in the effective outcomes like cost cutting, employee satisfaction, waste minimization, society welfare for the companies as well for society also. Only thing required is the determination and commitment from the all the stakeholders of the companies. It is the right time to adopt the concept of sustainable development in the marketing mix of the companies and integrate them to save the planet from the upcoming risk. Thus from the study of HUL through strategic model it can be understood that being so large and so extensive in brands it has allocated equal importance to each of its product and services. Moreover being so evident in each of its segment which is widely used by Indian as well as worldwide customers; HUL is not only focusing in major brands but also on those brands which are not performing well and new products are brought into market by viewing the importance of Innovation in this changing environment. As bees are treated as social insects, committed to prioritizing the colony's

needs and working together. Such team work and a passionate commitment to achieve a shared goal is what helps HUL create milestones.

RECOMMENDATIONS:

Key Attributes Components:

- **Value for money and Customer Care**
- **Operational attributes.**
- **Physical attributes.**
- **Brand Image.**
- **Customer Specific Details.**

In any correspondence with the customers the message should be sent in these components only to have the maximum benefit from the advertisement. Also these components should be dealt with independently. The advertisements should speak only of the believable concepts rather than glorifying the pretentious ones. The basic need of the customer need to be addressed which is actually not much expensive and better quality.

HUL sales growth in June 2004 was decreased due to the problem with promotion and pricing. Although being the most competitive product on the basis of the Market Operating Price (MOP), the shampoos are still not selling much. This is perhaps due to the bargaining stress on the customer and the weak push given by the dealer to the particular item, when actually it should be sold like a high volume product.

Another serious suggestion is that HUL must give good attention to their all the products rice and all are not getting much attention. The dealers don't provide much support to the customers in making them understand the real Quality behind them. Either, the technical details should be presented in a clearer manner or the dealers need to be educated properly.

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“<https://www.hul.co.in/>”

Project Report

(Submitted for the Degree of B.Com. Honours in Accounting & Finance/ Marketing/under the University of Calcutta)

Title of the Project

Consumer Awareness - Consumer Protection Act 1986

Submitted by

Name of the Candidate: Aditya Prasad

Registration No.: 223-1112-0531-18

Name of the College: Scottish Church College

College Roll No.: 18C-014

Supervised by

Name of the Supervisor: Biswadeep Dutta

Name of the College: Scottish Church College

Month & Year of Submission

Annexure - IA

SUPERVISOR'S DECLARATION

This is to certify that Mr. Aditya Prasad a student of B.Com. Honours in Accounting and Finance / Marketing / Taxation / Computer Applications in Business of Scottish Church College under the University of Calcutta has worked under my supervision and guidance for his/her Project Work and prepared a Project Report with the title **“CONSUMER AWARENESS”**, which she is submitting, is her genuine and original work to the best of my knowledge.

Place:

Signature:

Date:

Name: BISWADEEP DUTTA

Designation: PROFESSOR

College: SCOTTISH CHURH COLLEGE

Annexure – IB

STUDENT’S DECLARATION

I hereby declare that the Project Work with the title “**CONSUMER AWARENESS**”, submitted by me for the partial fulfillment of the degree of B.Com. Honours in Accounting & Finance / Marketing / Taxation / Computer Application in Business under the University of Calcutta is my original work and has not been submitted earlier to any other University / Institution for the fulfillment of the requirement for any course of study.

I also declare that no chapter of this manuscript in whole or in part has been incorporated in this report from any earlier work done by others or me. However, extracts of any literature which has been used for this report has been duly acknowledged providing details of such literature in the references.

Place:

Signature:

Date:

Name: ADITYA PRASAD

ACKNOWLEDGEMENT

I would like to thank my project guide Prof. BISWADEEP DUTTA and H.O.D Amitabh Chatterjee for their guidance, valuable help and the opportunity provided to me to complete the project under their guidance. I would like to thank all faculty members of Scottish Church College (B.COM. DEPARTMENT) for guiding and supporting me in the completion of the project. Last but not the least, my gratitude to my parents without whose concerned and devoted support the project would not have been the way it is today.

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CHAPTER - 1

INTRODUCTION



What is customer awareness?

Customer awareness is a part of a company's marketing & communications plan. It is a process that helps an entrepreneur educate customers about his/her company, its performances and the products or services his/her company delivers.



BACKGROUND OF CONSUMER AWARENESS

In the globalization, liberalization and privatization era, most of the economic decisions are taken by the market. Though, the government has withdrawn itself from many economic activities, it interferes very often when the market provide goods and services to the people.

Consumption is one of the important economic activities, which requires regular government intervention, as market is unable to promote security and welfare aspects of the consumers. On the other hand,

consumers have to be aware not only of the commercial aspects of sale and purchase of goods but also of the health and security aspect also. Besides this, they should be aware of their rights and duties being as rational human beings.

Though, the first consumer movement began in England after the Second World War, a modern declaration about the consumer's rights was first made in USA in the year 1962, where four basic consumer rights i.e. Choice, information, safety and right to be heard were recognized. Ralph Nadar, a consumer activist is considered as the father of "Consumer Movement". 15th March is now celebrated as the World Consumer Rights Day.

The U.N.O. Also adopted in the year 1985, certain guidelines to achieve the objectives of maintaining protection for consumers and to establish high level ethical conduct for those engaged in production and distribution of goods and services. In India, 24th December is celebrated as "Consumer's Day" every year.

OBJECTIVES OF A CUSTOMER AWARENESS PROGRAM

- Consumer awareness seeks information about consumer awareness regarding different products.
- It gets information about demerits and defects of products and suggests remedial measures.
- It prepares the consumers whom to approach, how to approach in case of defective goods.

Need for the study

Consumers are largely denied their due rights, especially in developing countries such as India. The consumers are spread widely all over a country and are poor, illiterate and are generally not aware of their rights, though their awareness has recently increased. The manufacturers and suppliers of

goods or services often exploit consumers by adopting a number of unfair and restrictive trade practices. They often merge and also form tacit cartels to raise prices for maximizing their profits at the expense of consumers. For instance, in case of drugs manufacturers generally charge high prices which are much above their cost of production. Some pharmaceutical companies misuse their patent rights to exploit consumers. They therefore need protection from unfair and restrictive trade practices of producers and suppliers of goods or services.

Misleading advertising is another means by which the producers deceive the consumers. Advertisement is of two types. One is informative advertisement which informs the consumers about the availability of certain products at certain prices. This is not objectionable as it provides information to the consumers.

LIMITATIONS OF THE STUDY

1. The impact of business operations on the natural environment has been a public concern for decades and a research concern for years. To date, the focus of environmental impact research has been almost exclusively on manufacturing industries.
2. Environmental research specific to service industries have been neglected, despite the fact that economies of developed nations are mostly made up of service businesses.
3. These themes pertain to customer awareness of environmental initiatives of service firms by virtue of their involvement in the production process. Interestingly, customer involvement can have an adverse effect on environmental initiatives.

LITERATURE REVIEW

Dr. Ankur Saxena

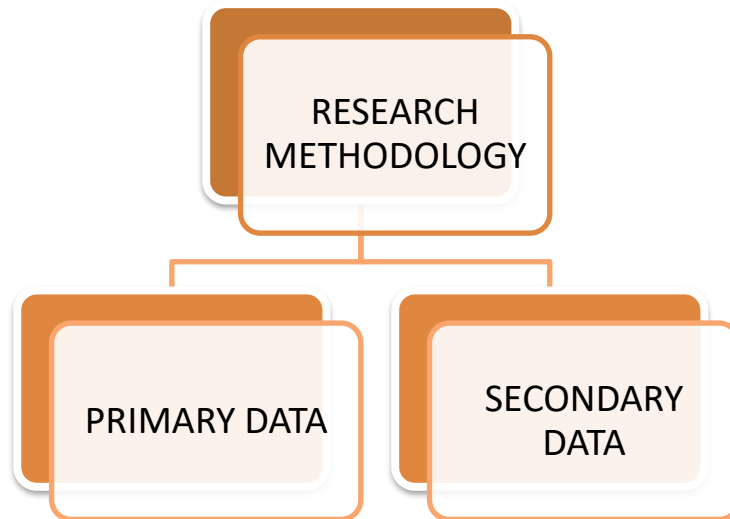
(Technocrats Institute of Technology - MBA, Bhopal, India)

Customer satisfaction is an ambiguous, abstract and confusing concept. Customer satisfaction refers to the extent to which customers are happy and delighted with the products and services provided by a business. In other words satisfaction is the state of mind felt by a person who experienced a performance of product or service that has fulfilled his or her expectations. Satisfaction is thus a combination of relative level of expectations and perceived performance. Customer Satisfaction with a purchase depends on the product and service real performance relative to customer expectations. A Customer might experience various degrees of satisfaction, if product's/service actual performance short of expectations, the customer is dissatisfied. If performance of product and services matches expectations the Customer is satisfied:-

The level of satisfaction can also vary depending on other options the customer may have and other substitute's available against which the customer can compare the organization's products. Expectations are an unavoidable part of purchase decision of customers. Every time a customer makes a purchase, there are certain inbuilt expectations. Satisfaction results when those expectations are met. For example, when a hungry employee goes to a restaurant for lunch, he could be having the following expectations:

1. A meal of rice, bread and lentils (Dal) that will be tasty and filling.
2. Being served within ten minutes.
3. The meal costing not more than Rs. 100.

RESEARCH METHODOLOGY



The study is based on both the primary and secondary data and information. Research methodology is the basic procedure of technique used to classify, select, process and evaluate information on the subject.

- **AREA OF STUDY:**

The area of study will be confined to **Kolkata**.

- **SAMPLE SIZE:**

Sample size taken in this study is **50** customers

- **TOOLS OF DATA COLLECTION:**

Analysis is done through questionnaires which are distributed to the customers in the form of Google e-form.

- **METHOD OF ANALYSIS:**

The various tools used for data analysis –

- Bar graph
- Pie chart
- Column graph.

CHAPTER - 2

CONCEPTUAL FRAMEWORK

Consumer Rights –

- **The right to satisfaction of basic needs:** To have access to basic, essential goods and services, adequate food, clothing, shelter, health care, education, public utilities, water and sanitation.
- **The right to safety:** To be protected against products, production processes and services, which are hazardous to health or life.
- **The right to be informed:** To be given the facts needed to make an informed choice, and to be protected against dishonest or misleading advertising and labeling.
- **The right to choose:** To be able to select from a range of products and services, offered at competitive prices with an assurance of satisfactory quality.
- **The right to be heard:** To have consumer interests represented in the making and execution of government policy, and in the development of products and services
- **The right to redress:** To receive a fair settlement of just claims, including compensation for misrepresentation, shoddy goods or unsatisfactory services.
- **The right to consumer education:** To acquire knowledge and skills needed to make informed, confident choices about goods and services, while being aware of basic consumer rights and responsibilities and how to act on them.
- **The right to a healthy environment:** To live and work in an environment that is non-threatening to the well-being of present and future generations

Measures taken by the Government of India

(i) **Legislative measures:**

The government enacted a law called Consumer Protection Act in 1986. The act provides for the establishment of consumer dispute redressal mechanisms at district, state and national levels.

(ii) **Administrative measures:**

Public Distribution System (PDS) started by Government to prevent hoarding and black marketing.

(iii) **Technical measures:**

Setting up institutions for fixing up the standards for products like Indian Standards Institutes, are technical measures taken by Government.



Consumer Protection Act, 1986:

It is an Act of the Parliament of India enacted in 1986 to protect the interests of consumers in India. It makes provision for the establishment of consumer councils and other authorities for the settlement of consumers' disputes and for matters connected therewith also.

Citation	Act No. 68 of 1986
-----------------	---------------------------

Enacted by	Parliament of India
-------------------	---------------------

Date commenced	24 December 1986
-----------------------	------------------

Status: In force



सत्यमेव जयते

“An Act to provide for better protection of the interests of consumers and for that purpose to make provision for the establishment of consumer councils and other authorities for the settlement of consumers' disputes and for matters connected there with.”

In order to provide for the better protection of the interest of the consumers, Consumer Protection Bill 1986 was introduced in Lok Sabha in 5th December 1986. The Bill was passed by both Houses of Parliament and got the assent of the President on 24 December 1986, popularly known as the Consumer Protection Act of 1986.

The Act of 1986, seeks to provide better protection to the interests of the consumers and for the purpose that there is Consumer Councils and other authorities for the settlement of consumer disputes and for matter connected therewith.

CASE STUDY:

K.C. Panda v/s SDO, Telecom Department, Berhampur, Orissa
(1994)

Telephone line was disconnected even if bill was paid. Proceeding before District Forum, Telecom Department made an apology for the mistake occurred inadvertently. But, in spite of apology, an amount of Rs. 2000/- was the compensation awarded to the person concerned by the Telecom Department.

Consumer Protection Council:

Consumer Protection Councils are established at the national, state and district level to increase consumer awareness.

The Central Consumer Protection Council:

The Central Govt. shall by notification establish with effect from (w.e.f) such date as it may specify in such notification a Council to be known as the Central Consumer Protection Council

Consumer Disputes Redressal Agencies:

❖ **District Consumer Disputes Redressal Forum (DCDRF):**

Also known as the "District Forum" established by the State Government in each district of the State. The State Government may establish more than one District Forum in a district. It is a district level court that deals with cases valuing up to \$2 million (US\$31,000).

❖ **State Consumer Disputes Redressal Commission (SCDRC):**

Also known as the "State Commission" established by the State Government in the State. It is a state level court that takes up cases valuing less than \$10 million (US\$160,000)

❖ **National Consumer Disputes Redressal Commission (NCDRC):**

Established by the Central Government.



The Consumer Guidance Society of India (CGSI):

It is a Non-Profit consumer organization established in India in 1966 to protect and educate the Indian consumer about sub-standard products and services, adulterated foods, short weights and measures, spurious and hazardous drugs, exorbitant prices, endemic shortages leading to black marketing and profiteering, unfulfilled manufacture guarantees, and a host of other problems.

Consumer activities:

CGSI's activities include -

- (1) Consumer Education
- (2) Holding talks and exhibitions to spread consumer rights awareness among urban poor and rural areas
- (3) Consumer Complaints Redressal
- (4) Testing of Consumer Products
- (5) Publication of "KEEMAT" a bi-monthly news magazine now published for over 20 years having articles of general consumer awareness, for CGSI members and general public.

National award

In 1991, CGSI received the National Award for Consumer Protection for its 25th year for service to Consumers. CGSI hopes to reach out to more and more consumers in the new millennium and to developed newer and more effective methods of serving consumers' interest.

CGSI Representation in various bodies

Various government statutory bodies like the Bureau of Indian Standards, Telecom Regulatory Authority of India, Maharashtra Electricity Regulatory Authority of India, Insurance Regulatory and Development Authority of India, Consumer Advisory Committee of Various Industries, etc., give representation to CGSI due to its dedicated work force and expertise at its disposal. Lately, the Maharashtra State Government has given representation to CGSI in its prestigious Maharashtra State Consumer Protection Council.

Effective September 2011, the Maharashtra state government has entrusted CGSI to establish and manage the Maharashtra state consumer helpline.

Considering CGSI's experience in consumer rights protection, the Maharashtra State Government has awarded consumer helpline project to CGSI since September 2011 on five years contract. The main objectives are as follows:

Develop a resource center at State level which will be networked with the National Resource Centre

Develop Alternate Consumer Disputes Redressal mechanisms at the State level

Resolve maximum number of disputes out of court

Promote active participation of companies and service providers in resolving consumer disputes

Early resolution of complaints

Reach out to rural consumers

Capacity building of State level Voluntary Consumer Organizations

Provide service in regional language in addition to English language

Consumers can call a dedicated toll-free number or send e-mail to seek information, advice, or guidance for their day-to-day consumer problems.

Under this project, counselors have guided nearly 20,000 aggrieved consumers in 2013–14. Maharashtra is among the top two states in terms of number of complains handled amongst nine states conducting consumer helpline project.



CGSI's documentary film *Grahakpal* on consumer rights

CGSI has produced a documentary film *Grahakpal* on consumer rights by roping a few celebrities to spread the message of consumer rights awareness. The film is screened at various seminars conducted by CGSI resulting in the helpline message reaching to nearly 16,000 viewers in a year, majority of the viewers are college and school students who need to be responsible and aware consumers when they enter mainstream after completing their studies.

Defining the objectives and strategies of consumer education and evaluating outcomes

- and efficiency of consumer education policies; to enhance coherence, such objectives and policies should be coordinated,
- among entities at national and other appropriate levels of government.
- Clearly defined objectives and strategies can increase the effectiveness Consumer education should begin at an early age and cover all life stages;
- It should be incorporated into educational programs for lifelong learning or school curriculum, where appropriate.
- The objectives, content and delivery of consumer education should keep pace with innovation in technology, particularly the rapid expansion of mobile technologies.
- Consumer education programmers are often developed without sufficient examination, which can lead to poorly designed policies.

- Programmer’s design should be based, when possible, on research into the educational needs of the affected consumers. This research may include surveys, focus groups, and interviews, and
- draw on related fields, such as information economics, behavioral economics, and sociology.
- Stakeholders, including consumer organizations, teacher and parent associations and other
- civil society groups, should be encouraged to assist policy makers in identifying education needs.
- Consumer education should be developed in a balanced way, taking regulatory and related policies into account.
- Ex post evaluation of the effectiveness of consumer education programmer is rare, reflecting, in part,
- the absence of effective methodologies for carrying out such evaluations and limited available resources.
- Examining the extent to which educational programmer achieve goals is critical and should be pursued as it can i) suggest areas or ways that policies could be improved, ii) help to ensure the
- best use of available resources, and iii) help to identify how programs can be effectively integrated into consumers’ everyday lives. Developing methods for evaluating the programs by using a variety of tools and sharing good practices would be beneficial.

Jago Grahak Jago



Jago Grahak Jago is a consumer awareness program from Ministry of Consumer Affairs, Government of India.

As part of this initiative, the government has used multiple channels to create consumer awareness through Print media advertisements, Audio Campaigns, Video Campaigns., are being used for consumer information and education about initiatives like Insurance Ombudsman channel.

National Consumer Helpline

National Consumer Helpline has been set up by Ministry of Consumer Affairs, Government of India. Complaints can be registered online through the official website <http://consumerhelpline.gov.in/>. Complaints can also be registered through National toll-free number - 1800 11 4000 or SMS can be sent to +91 8130009809 (charges apply) mentioning the name and city.

Jago Grahak Jago: Empowering Consumers

"The customer is the most important visitor on our premises. He is not dependent on us. We are dependent on him. He is not an interruption on our work. He is the purpose of it. He is not an outsider on our business. He is part of it. We are not doing him a favor by serving him. He is doing us a favor by giving us an opportunity to do so."

- MAHATMA GANDHI

Jago Grahak Jago

The slogan '*Jago Grahak Jago*' has now become a household name as a result of the publicity campaign undertaken in the last 5 years. Through the increased thrust on consumer awareness in the XIth Five Year Plan, the Government has endeavored to inform the common man of his rights as a consumer. As part of the consumer awareness scheme, the rural and remote areas have been given the top priority. The Government has used multiple channels to create awareness it includes: Print media advertisements (External website that opens in a new window), Audio Campaigns (External website that opens in a new window), Video Campaigns (External website that opens in a new window), etc.

NATIONAL & INTERNATIONAL SCENARIO OF CONSUMER AWARENESS

Consumer awareness is on the rise in India, but it still needs serious attention, George Cherian from CI member CUTS International discusses the results of a recent survey showing the poor state of consumer awareness in India.



Even after 25 years of the Consumer Protection Act (COPRA) in India, only 20 percent of consumers know about it and only 42 percent have heard about consumer rights. Fifty-three percent of consumers are unaware of the country's redress system, the objective of which is to give consumers access to simple, speedy and inexpensive redress of their grievances.

These are some of the key findings of a national survey conducted by CUTS International as part of a project entitled 'Indian Consumers in the New Age: A Forward-Looking Agenda to Address the Concerns of the Common People'.

The purpose of the study is to get a closer look at the consumer's level of awareness of their basic rights and to present a forward-looking outline to the Indian government to help guide ongoing action based on the recommendations.

The study has been conducted in the backdrop of the establishment of a working group to give input into the United Nations Guidelines on Consumer Protection (UNGCP). The UNGCP are an international reference point for the consumer movement and Consumers International will be working with its members over the coming months to feed in proposals on how the guidelines can better address the concerns of today's consumers.

The CUTS study also shows that, of the 47 percent of consumers who do know about India's external redress mechanisms, only 28 percent believe that it is easily accessible to common people. Sixty-seven percent of the complaints are redressed beyond the stipulated time frame of 90 days or 150 days, whichever is applicable.

Ninety-three percent of consumers have never made a formal complaint. And of the seven percent who have filed a complaint, only 0.3% have achieved redress. If this is an indication of consumers losing faith in an existing system, then the matter needs serious attention.

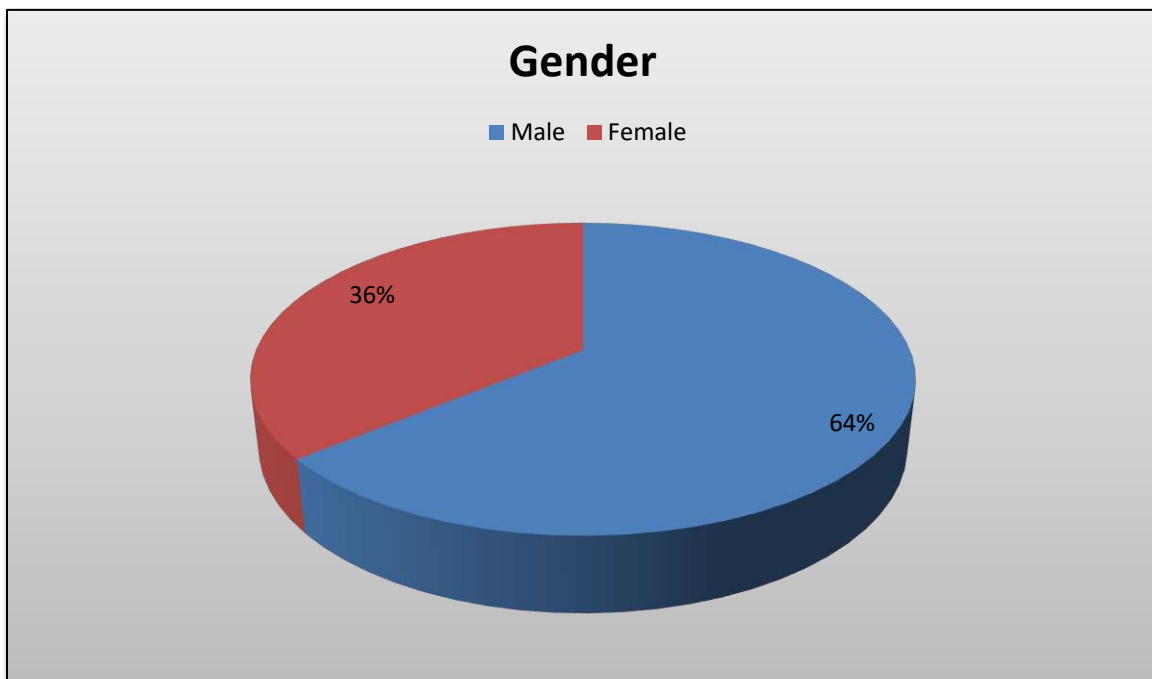
Still, these percentages are encouraging because compared with the situation five years back, the trend is upward. For example, a survey by Copra commissioned by the Comptroller & Auditor General of India from May 2018 revealed that only 18 percent of consumers were aware of Copra and 34 percent of consumer rights.

CHAPTER - 3

Analysis and Findings

CONSUMER AWARENESS INFORMATION

Gender Distribution:

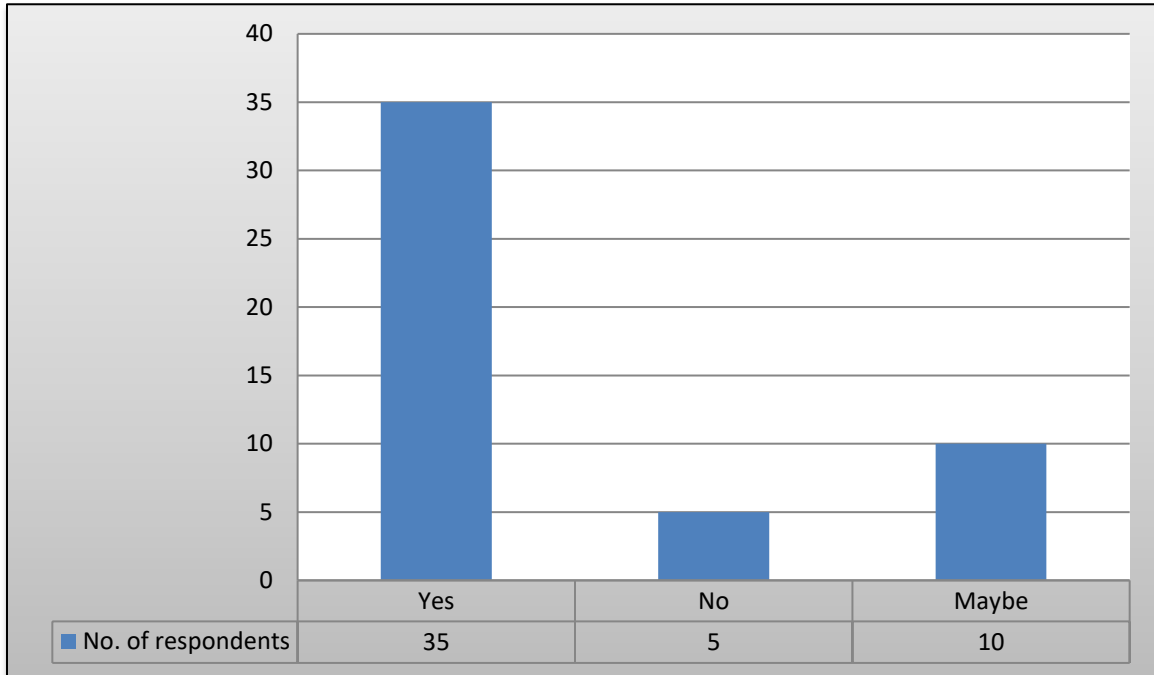


Interpretation:

From the pie chart above we can depict the gender distribution of the survey conducted.

Male respondents	Female respondents
32	18
64%	36%

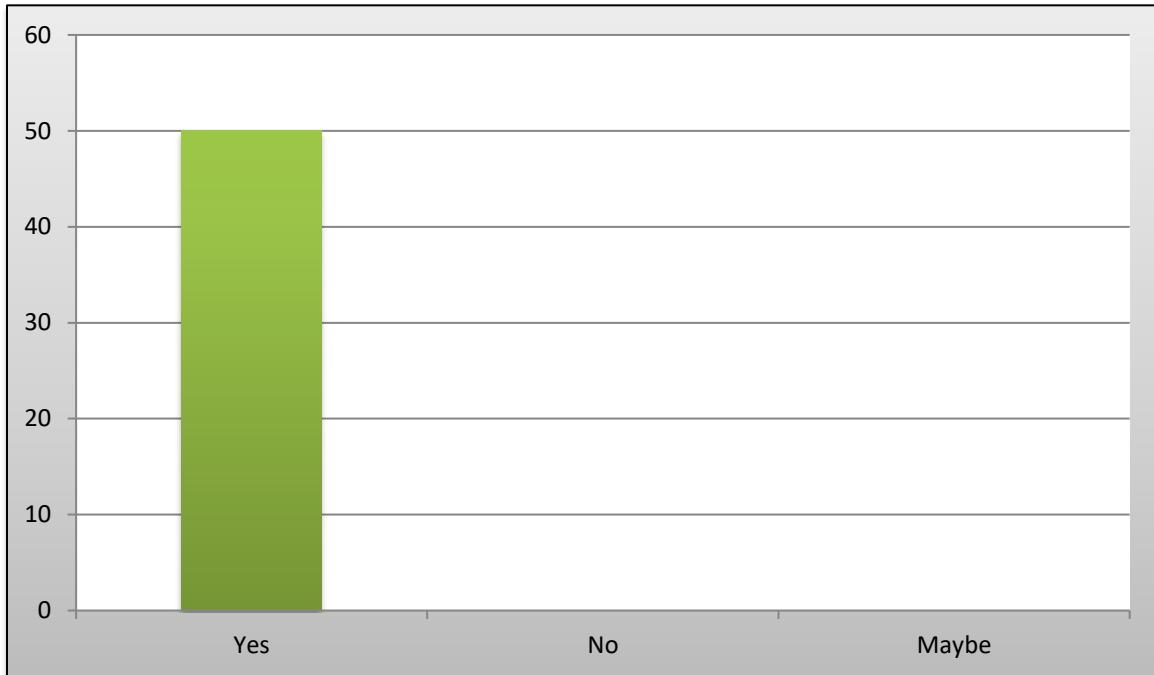
Question 1 - Do you examine the expiry date of the items you buy?



Interpretation:

From the bar graph above, it is studied that 35 respondents examine the expiry date of a product before purchasing it while 5 others do not check at all and 10 respondents are not quite sure whether they examine or not.

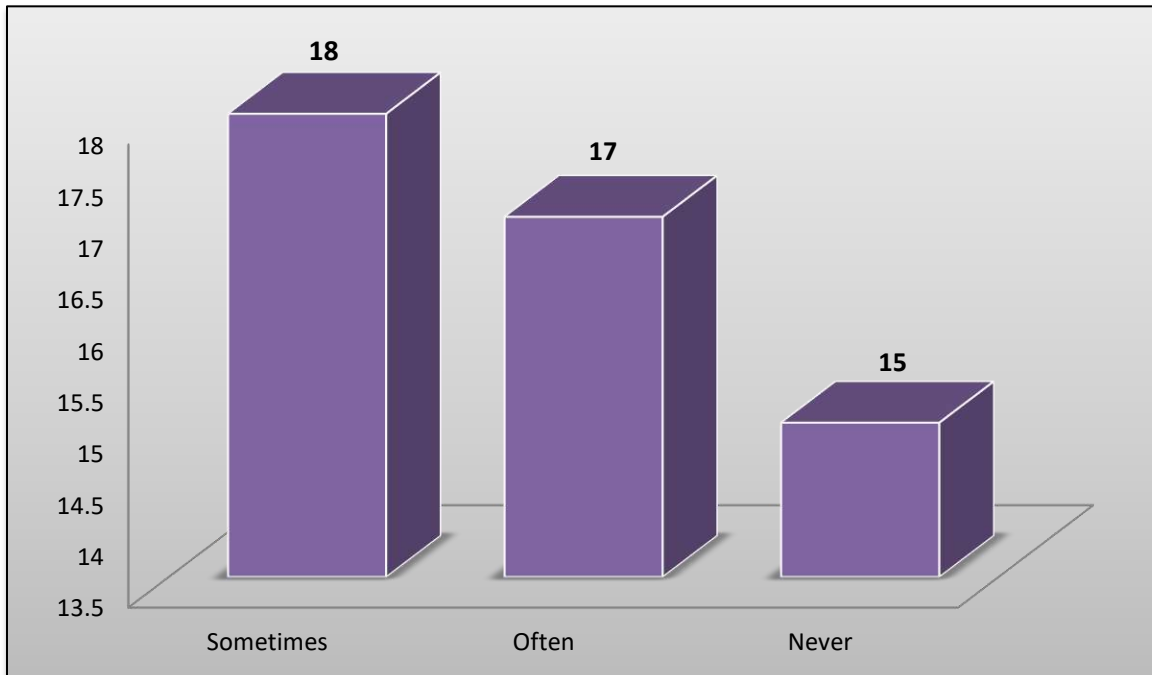
Question 2 - Do you check the MRP (Maximum Retail Price) before buying a product?



Interpretation:

The bar graph above illustrates that all 50 of the respondents check the MRP (Maximum Retail Price) before buying a product.

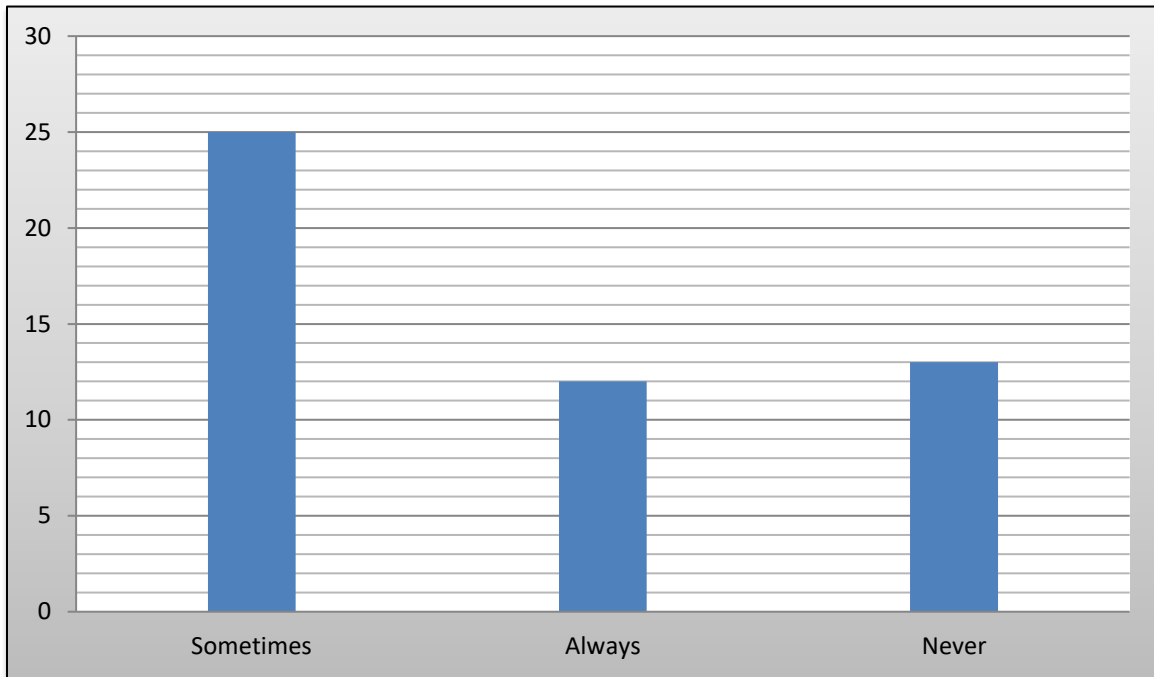
Question 3 - Are you charged more than the MRP?



Interpretation:

The bar graph shows that around 18 consumers have been charged more than the MRP sometimes, while 17 other consumers were charged quite often and 15 other consumers were never charged more than the MRP ever.

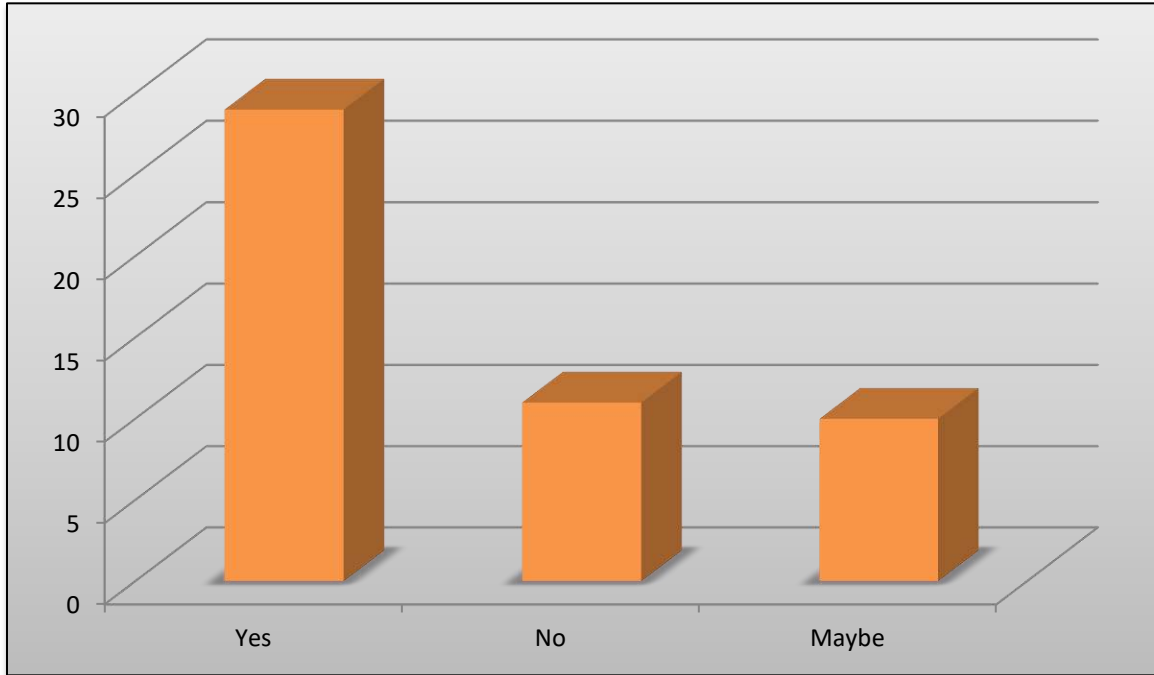
Question 4 - Do you check the weight of the products mentioned on the items?



Interpretation:

In the bar chart above, it shows that among 50 consumers 25 checks the weight of the products sometimes and 12 others always checks the weight of the product they are about to purchase. Whereas, 13 remaining consumers never checks the weight of the product they purchase.

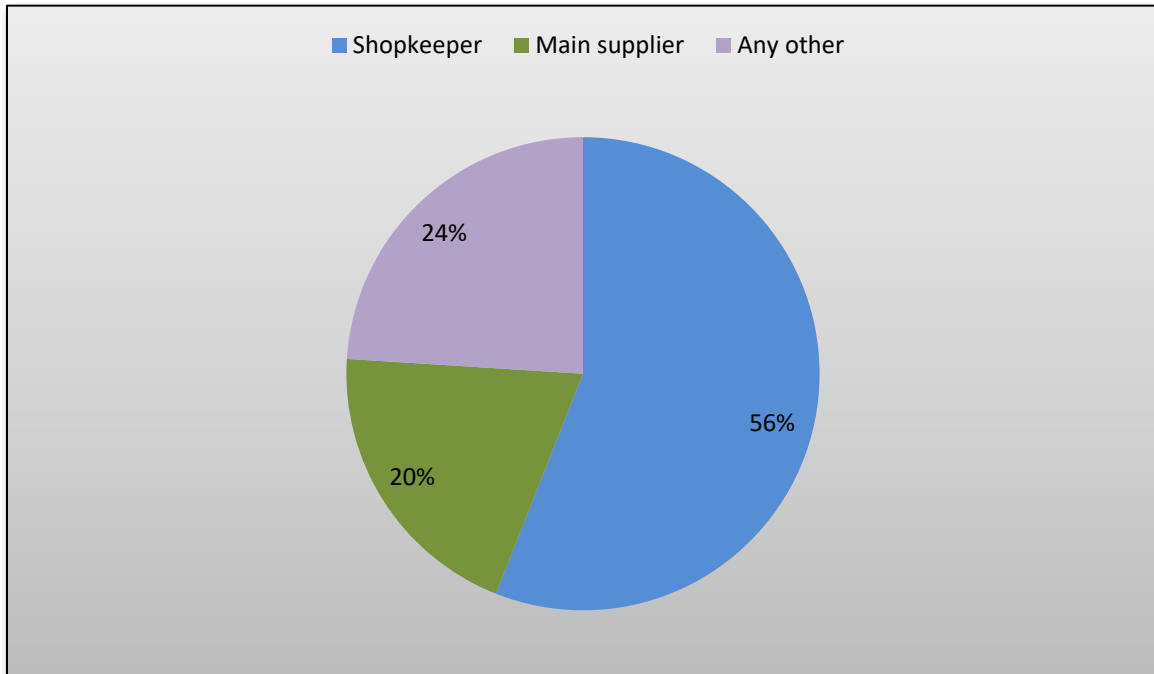
Question 5 - Have you ever come across adulteration or duplication items?



Interpretation:

According to the column graph given above, 29 of the respondents came across adulterated or duplicated items, and 11 others never came across an adulterated or duplicated item. Whereas, 10 remaining consumers are not quite sure about it.

Question 6 - If yes to question 5, whom did you complain to :

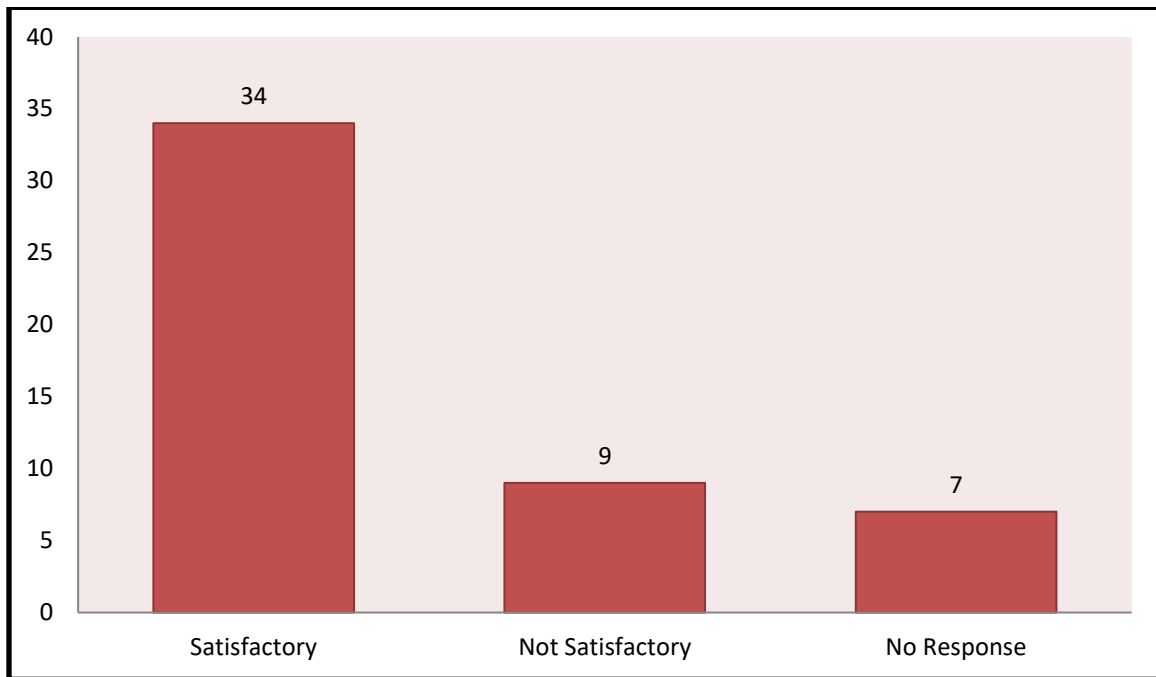


Interpretation:

According to the pie chart above, 56% of the respondents complained to the shopkeeper, whereas 24% complained to the main supplier and 20% complained through other methods.

Shopkeeper	Main supplier	Any other
56%	24%	20%
28	12	10

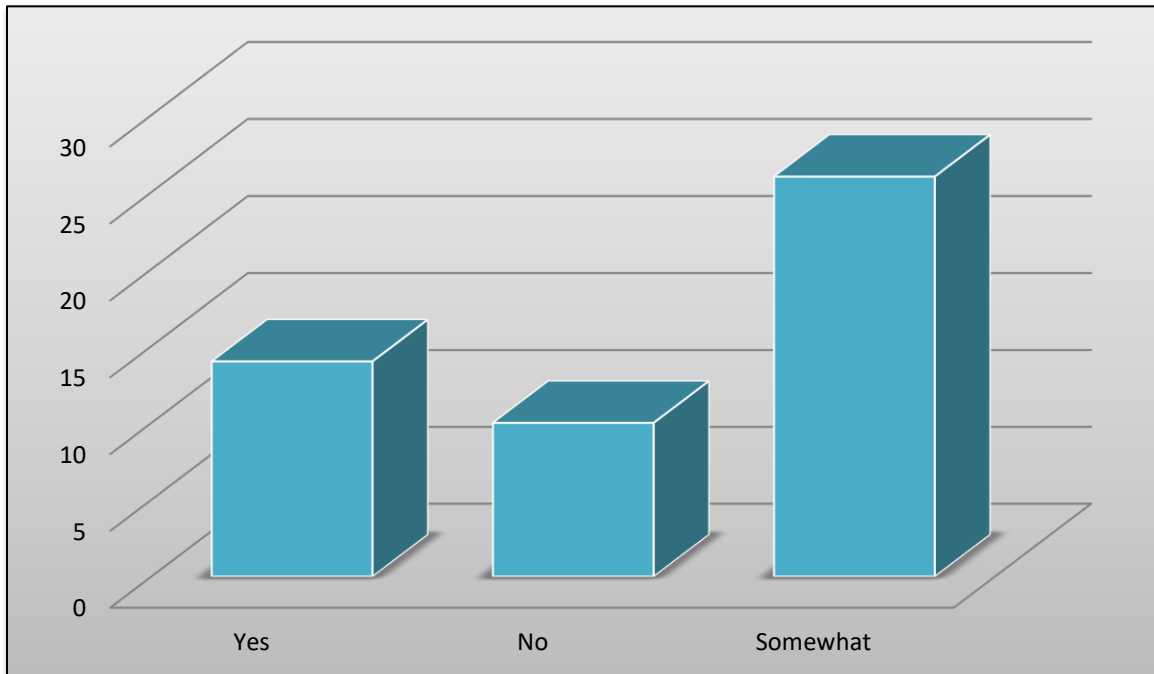
Question 7 - What was the response to your complaint?



Interpretation:

In the bar graph above, 34 consumers received satisfactory response for the complaint they made for a product, whereas 9 other consumers are not satisfied with the response and 7 others did not receive any kind of response.

Question 8 - Are you aware of your rights as consumers?

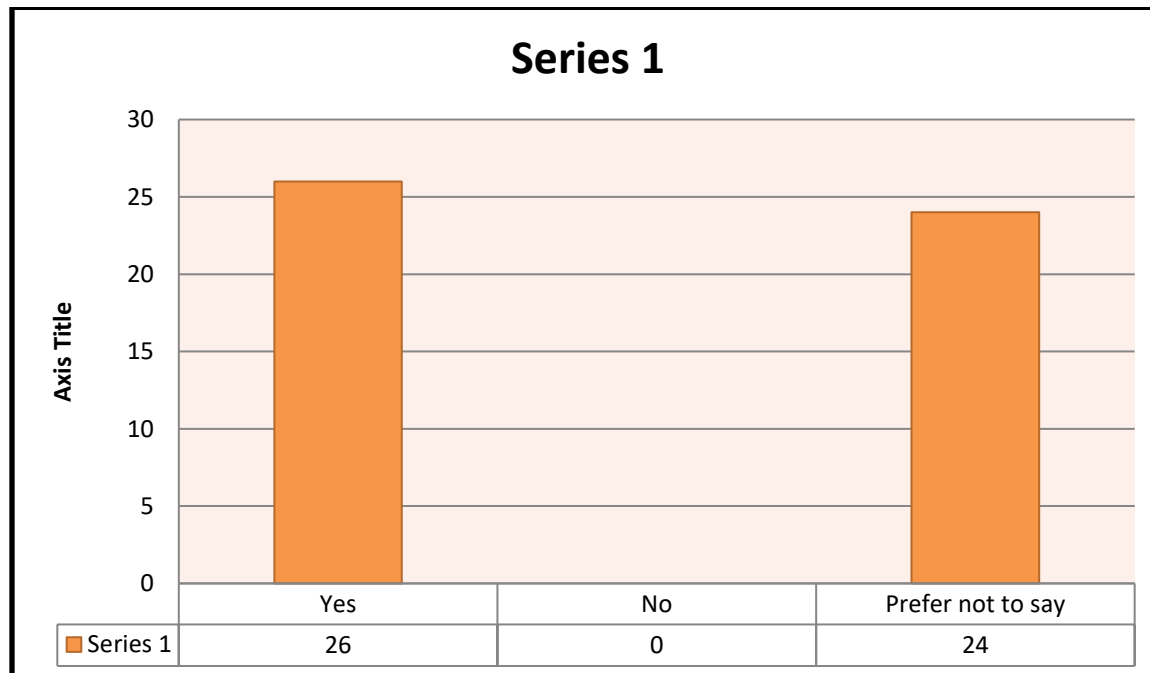


Interpretation:

According to the column graph above, it depicts that, only 14 consumers are totally aware of their consumer rights, and 10 other consumers do not know at all.

Whereas, 26 consumers know some of their consumer rights but not completely.

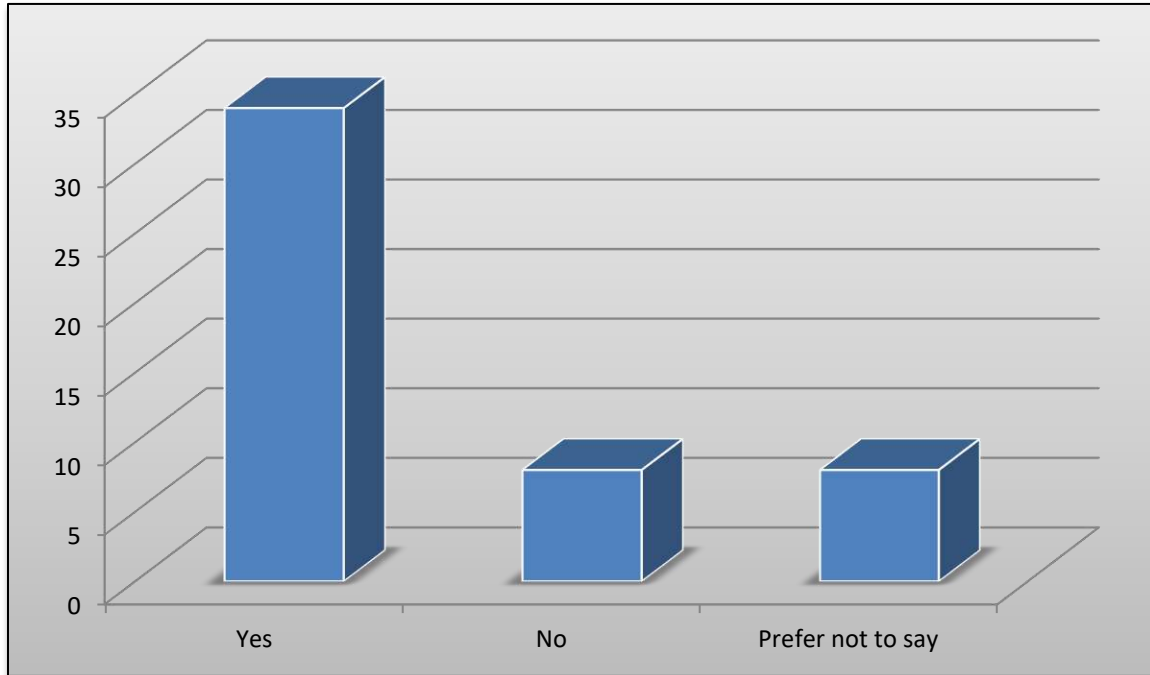
Question 9 - If you are not satisfied with the price/quality of the products do you realize the need for forming some consumer clubs to fight for your rights?



Interpretation:

Among 50 consumers, 26 of them agreed with the statement above, and none of the consumers disagree. Whereas, 24 others prefer not to say.

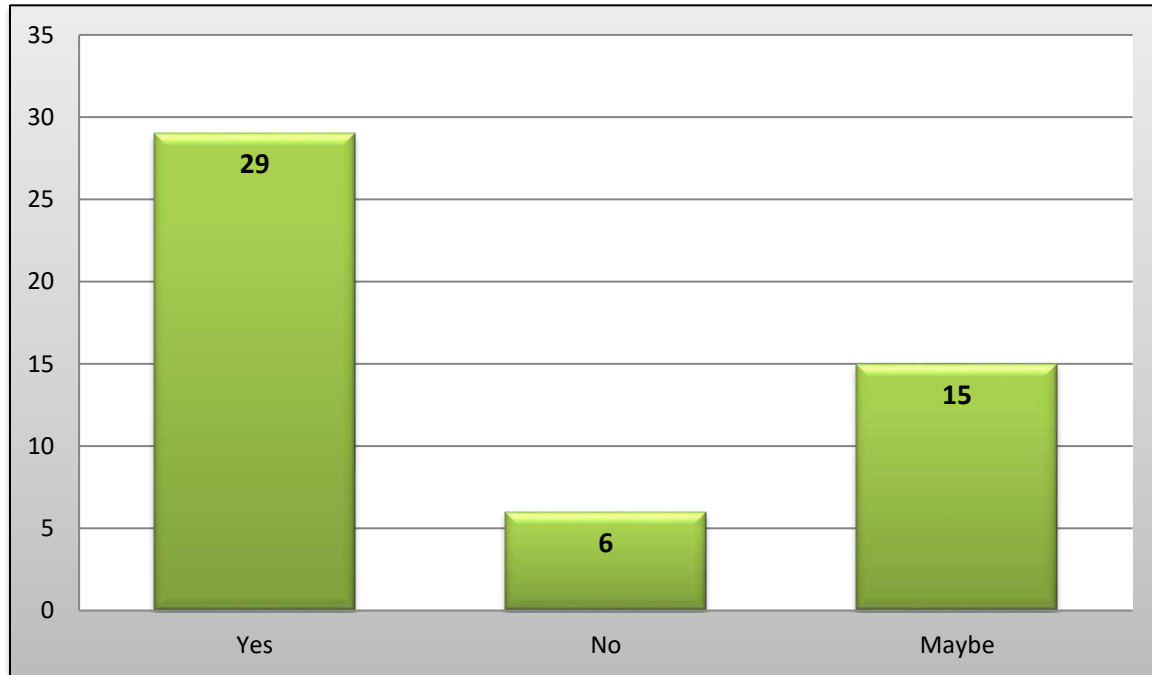
Question 10 - Are you ready to join such forums for the redressal of your grievance?



Interpretation:

According to the column graph given, 34 consumers are ready to join forums for the redressal of their grievances, 8 others are not willing to join such forums. While, 8 remaining consumers prefer not to say.

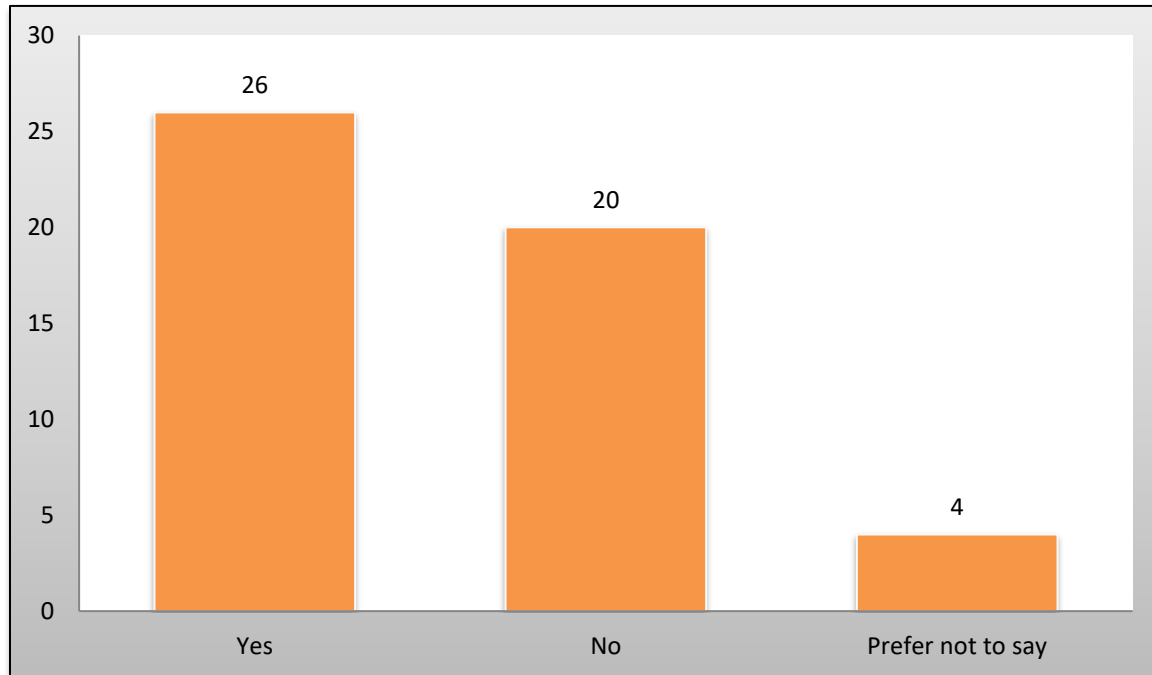
Question 11 - Are you aware of consumer courts for redressal of grievances of the consumers?



Interpretation:

According to the survey conducted, 29 consumers are aware of consumer courts for redressal of grievances, while 6 consumers are not aware of it. And 15 other consumers are not sure about it.

Question 12 - If yes for question 11, have you ever filled a case in the consumer court?

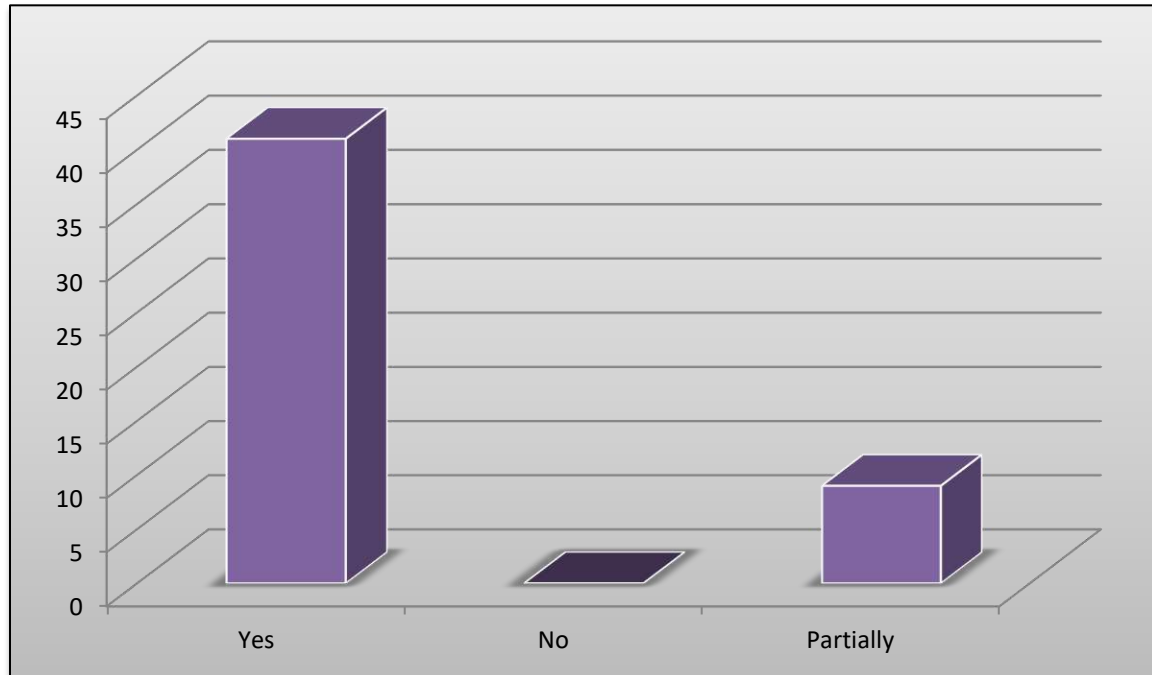


Interpretation:

According to the graph given, overall, 26 consumers filed a case in consumer court and 20 consumers never filed a case in consumer court.

Whereas, 4 other consumers prefer not to say.

Question 13 - Do you think media can play an important role in increasing consumer awareness?



Interpretation:

According to the survey conducted, 41 consumers think media can play an important role in increasing consumer awareness, while, none of the consumer disagree with this statement. Whereas, 9 consumers neither agree nor disagree.

CHAPTER - 4

CONCLUSION

Consumer Rights Awareness (CRA) is directed to make the consumer aware of their rights and to establish high level ethical conduct for those engaged in production and distribution of goods and services. High prices, duplicate articles, underweight and under measurements, rough behavior, undue conditions, artificial scarcity are some of the ways by which consumers are exploited by manufacturers and traders. Limited information, limited supplies and low literacy are factors causing exploitation of consumers.

The consumers have to be aware not only of the commercial aspects of sale and purchase of goods, but also of the health and security aspects. Food safety has become an important element of consumer rights awareness and depends not only on its nutritional value, but also on its safety for human consumption.



Business and company has a great social responsibility towards the well-being of society. Therefore consumer is an important component of society. Consumer occupies a supreme position in a free economy and the welfare of the consumer lies in the fulfillment of his normal and legitimate expectation with regards to the goods and services.

Consumer rights awareness is most vital to society and a way to eliminate malpractices by the manufacturers, producers, and marketers. The heartening part of present day consumer courts to uphold the grievances, agony and strive for a transparent method of essential commodities, services reaches the consumers and keep the service providers as well as manufacturers, marketers at bay.

Corruptions at all stages let those traders to go scot free and unpunished. Hence the need of the consumer rights awareness and legal remedies through consumer courts to help the society's welfare is much needed today as we pay for the products from our hard earned money and we should get its worth.



We have been all along mute spectators to those malpractices, fraudulence trade practices so for and it is time to time this evil which spoils the society. The present day techniques by many firms to mislead the customers by reduction

of weight, quality, price differences, worthless services, lack of after sales service by ignoring customer's complaints, requests, and lethargic high handedness of monopoly practices.

It is our fundamental right to know about the safety, durability, worthiness of any product we buy. There are many instances we insist for bills, records, warrantee cards and many times they ignore and it leads to black money transactions, malpractices and what not.

Every product has to be displayed with date of manufacturing, weight measurements, Maximum Retail Price (M.R.P.) and warnings of its misuse. Although there are number of laws introduced and still the traders find it easy to dodge and ultimately we are the sufferers. Right from the beginning we have been cheated by wrong information, higher pricing, after sales service. With regard to service providers, they take advantage of our urgency and exploit us.

The recent methods to reduce the weight and maintaining its price by biscuit manufactures, cases of cement bags sold with lesser contents, the medical services by those corporate & private hospitals, exorbitant tuition fees,

capitations fees by educational institutions and do we have any say on their terms.

The reason is that we are afraid and do not take it seriously to redress our grievances due to lack of knowledge about consumer forums, delays in claims and our well known Indian willingness to keep quiet and not to complain. Many countries have been able to redress the customer's complaints and the awareness through constant consumer educations.



Consumers today operate in increasingly complex markets, challenged by growing amounts of information and an expanding choice of products. Making good choices and protecting their interests require a wider range of skills and knowledge. Consumer education is critical in this regard; it can be defined as a process of developing and enhancing skills and knowledge to make informed and well-reasoned choices that take societal values and objectives into account. Consumer education can help develop critical thinking and raise awareness, thereby enabling consumers to become more pro-active. It is also an important vehicle for building the confidence that consumers need to operate increasingly in complex markets.

Today consumer education covers more diverse areas than it has in the past. It now covers, for example, consumer rights and obligations, personal finance, sustainable consumption, and digital media and technology. Such education should be viewed as a long-term and continuous process that develops better decision making and skills throughout consumers' lives.

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Project Report

**(Submitted for the Degree of B.Com. Honours in Accounting & Finance under
the University of Calcutta)**

IMPACT OF BS6 COMPLIANT ENGINE ON RESESSION IN CAR MARKET, ALONG WITH COMPARISION WITH BS4 ENGINES.

Submitted by

Name of the Candidate: Aman Pratik Balmuchu

CU Roll No. : 181223-21-0003

CU Registration No. : 223-1111-0517-18

Name of the College: Scottish Church College

CU Roll No. : 18C-045

Supervised by

Name of the Supervisor: SMT. NANCY JAISWAL

Name of the College: Scottish Church College

Month & Year of Supervision

JULY , 2021

Annexure- IA

Supervisor's Certificate

This is to certify that Mr. Aman Pratik Balmuchu a student of B.com. Honours in Accounting & Finance in Business of Scottish Church College under the University of Calcutta has worked under my supervision and guidance for his Project Work and prepared a Project Report with the title "IMPACT OF BS6 COMPLIANT ENGINE ON RESESSION IN CAR MARKET, ALONG WITH COMPARISION WITH BS4 ENGINES", Which he is submitting, is his genuine and original work to the best of my knowledge.

Signature:

Name : SMT. NANCY JAISWAL

Designation: SACT (State Aided College
Teacher)

Name of the College:

Scottish Church College

Place: Kolkata

Date: 28TH July , 2021

Annexure-IB

Student's Declaration

I hereby declare that the Project Work with the title **“IMPACT OF BS6 COMPLIANT ENGINE ON RESESSION IN CAR MARKET, ALONG WITH COMPARISION WITH BS4 ENGINES”**, submitted by me for the partial fulfillment of the degree of B.Com. Honors' in Accounting & Finance in Business under the University of Calcutta is my original work and has not been submitted earlier to any other University /Institution for the fulfillment of the requirement for any course of study.

I also declare that no chapter of this manuscript in whole or in part has been incorporated in this report from any earlier work done by others or by me. However, extracts of any literature which has been used for this report has been duly acknowledged providing details of such literature in the references.

Signature:

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Address: H_No. 1239, B/Block , Christian Colony, Sonari,

Jamshedpur-831011

CU Registration No. : 223-1111-0517-18

Place: KOLKATA

Date: 28TH July , 2021

ACKNOWLEDGEMENT

I would like to take this opportunity to express my deep sense of gratitude to Calcutta University, who had given me the opportunity to work & gather more information on my area of interest, i.e. **“IMPACT OF BS6 COMPLIANT ENGINE ON RECESSION IN CAR MARKET, ALONG WITH COMPARISION WITHBS4 ENGINES”**.

The successful completion of this study would not have been possible without the support of many people who extended their hands for their precious contribution in this regard. I would hence like to take an opportunity to thank all those people who helped me throughout the completion of this project. I would like to thank all my friends, and colleagues who helped me in some way or the other in the compilation of this report; my parents' efforts in constantly guiding me and keeping my morale high all the while cannot be left ignored; and last but not the least, my project supervisor Professor Nancy Jaiswal's efforts, without whom the success of this report could not have been imagined, deserves a major vote of thanks. It's because her constant guidance and support that this study has come to a successful end.

Thank You.

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CHAPTER 1
INTRODUCTION

BACKGROUND OF THE STUDY

India has one of the largest car markets in the whole world. It both exports and imports a massive quantity of cars every year. A large number of accessories also been traded in India every year. The four-wheeler market is the economic backbone of our country. With one in ten persons among every Indian in urban city expected to own a car. So needless to say, that our economy depends a lot on the car sales.

But the car sales totally starts declining in previous year from the months of August. It has been noted that a decline of 30% of sales can be seen. Huge loss was being faced by car manufacturers and sellers. A huge recession was seen in automobile market and a decline of GDP from 7 to 6.5% took place.

The exact reason of why such a decline took place is still not known. Specially after such a healthy performance even up to month of June. Even our finance minister was unable to crack up the case. And blaming the millennial for not buying cars and taking OLA and UBER instead to cut down the costs. But nobody could predict why such a thing occurred. A study shows that BS6 compliant engine was about to come in the market 3 to 4 months later on. And it is considered as the most probable cause for dip in sales.



Many consumers who keep a track about car market also got the same news. So, they were simply waiting for their favourite cars to get equipped with BS6. This is the background of our project work to find out whether this is the most possible cause for decline in car sales. Or it's just a myth. Let's see what we get to know here. Also, we will compare the car sales growth between BS4 and BS6 to know the exact scenario.

NEED OF THE STUDY

Recession in Indian car market

India's passenger vehicle sales declined the most in two decades in August due to a continuing slump in demand amid slowing economic activity and an increase in vehicle ownership costs. Data released by industry body Society of Indian Automobile Manufacturers (SIAM) showed passenger vehicle sales decreased for the tenth straight month in August by 31.57% to 1,96,524 units. This is the sharpest fall registered since SIAM started recording data in 1997-98.

Sales of commercial vehicles — a barometer of economic activity — dropped nearly 39% to 51,897 units. Two-wheeler sales declined 22.24% to 1,51,496 units. Vehicle sales across categories fell 23.55% to 1,82,14,90 units. Automakers in India report wholesale dispatches made from factories and not retail sales to customers.

Given sluggish demand, Ashok Leyland announced block closures across its facilities in September. Last week, the country's largest carmaker Maruti Suzuki NSE -0.03 % Suzuki Suzuki announced two no production days at its factories in Gurugram and Manesar on September 7 and September 9.

The production cuts across companies have already resulted in job losses to 350,000 workers in vehicle manufacturing, component making and vehicle distribution industries. SIAM president Rajan Wadhwa told ET last week, "If the current downturn leads to higher degrowth, then I do see the possibility of more job cuts in the industry. There is a multiplier effect to the component industry and to the dealer community."

The automobile sector contributes as much as 49% to the manufacturing GDP and employs 37 million people, directly and indirectly.

So, the main aim of our study is to find out the probable cause of this recession. Like we previously discussed in the background one of the major causes is that people waiting for the BS6 cars to come out. So, the main need of our study focuses on the impact that BS6 is going to create in Indian car market. Will it be able to take Indian car market back to its own position formerly where it was OR its just a myth like the other said causes.

REVIEW OF LITERATURE

To put up the current scenario it is best described by the following authors and other professionals in the best of their word to sum up this whole thing at once.

They also give their advices to come out of this current scenario. So below are the references given by some of them in a summarised form.

"Domestic automobile industry's sales volume fell 12 per cent YoY in June 2019 on weak consumer sentiments owing to the slowing economy amid delays in the onset of monsoons. With rising inventory levels at dealer level, most original equipment manufacturers continued to take. According to a PTI report, "ACMA (Automotive Component Manufacturers Association of India) has sought a uniform 18 per cent GST rate across the entire auto and auto component sector for a revival. The auto component industry employs nearly 5 million people and ACMA has said that almost 10 lakh jobs could be on the line if the prolonged slowdown in the automobile industry continues. Production cut in June 2019," India Ratings and Research said.



"The subdued demand, recent investments made for transition from BSIV to BSVI, and a lack of clarity on policy for electrification of vehicles, especially for two and three wheelers, has left the industry unsure of its future and has caused it to stop all future investments," the Automotive Component Manufacturers Association of India (ACMA), the apex body representing the interest of the Indian auto parts industry, said in a statement in July.

"We hope the government would come out very soon with a revival package of a sort to arrest the de-growth and to bring the industry back to a growth path," SIAM's Mathur said.

OBJECTIVES OF THE STUDY

1) PRIMARY OBJECTIVE-

- i) To find out the scenario of Indian car market after introduction of BS6.
- ii) To understand the real reason behind decline in sales of car.
- iii) To see whether there is any growth of GDP takes place or not.
- iv) To compare car sales of BS4 and BS6 engines.

2) SECONDARY OBJECTIVE-

- i) Comparing the performance of BS6 with that of BS4.
- ii) To see whether there is actually any reduction of pollution or not.

RESEARCH METHODOLOGY

AREA OF STUDY: It mainly involves comparing of present year's data to that of previous year to find out the changes that have taken place.

SOURCES OF DATA COLLECTION: As our whole project work is based on secondary data only so we have done all the analysis based on data collected from different websites, newspapers, magazines and articles.



ANALYTICAL TOOL USED: As the data is collected from secondary sources no such tools can be used. Only we have use of graphs, charts and tables to present the data in simple form.

CHAPTER PLANNING

CHAPTER 1: This is the introductory chapter which includes the background, need of the study, review of literature, objectives of study, research methodology.

CHAPTER 2: This chapter deals with the conceptual framework of the topic and how it functions. It also deals with the national and international market scenarios.

CHAPTER 3: This is the most important part of the project as it shows all the analysis, Data interpretation. This chapter also shows the results of the findings in a simplified manner through different pie charts and bar diagrams.

CHAPTER 4: It is the final chapter of the project. It shows the results and conclusions we have reached to through our findings in the previous chapter. It also shows us the recommendations to our current problems.

CHAPTER 2

A CONCEPTUAL FRAMEWORK

A CONCEPTUAL FRAMEWORK

WHAT IS BS6 ACTUALLY?

The governing body, Bharat Stage Emission Standards (BSES), regulates the output of pollutants from vehicles plying in the country. The Central Pollution Control Board which falls under the Ministry of Environment, Forest and Climate Change sets the standards to regulate emissions from vehicles in India.

The first emission standard or norm, introduced in the year 2000, was known as 'India 2000' and later, BS2 and BS3 were introduced in 2005 and 2010, respectively. While the first three emission norms were introduced at regular intervals, BS4 was introduced in 2017, after a gap of seven years. The BS6 emission standard is the sixth iteration of the emission norm and comparatively, it's a substantial leap in terms of reducing pollution compared to the outgoing BS4. This is also because the BS5 (BSV) has been skipped in an effort to move to better emission norms

HOW DOES BS6 WORKS?

The BS6 engines work on the account of the Selective Catalytic Reduction unit, which is an advanced emissions control unit developed by the manufacturers to control emissions in a car using a reductant agent which is usually automotive-grade urea.

In Bharat Stage 6, (BS6) the SCR unit converts NO_x (Nitrogen Oxide) into two harmless particles i.e. diatomic nitrogen and water using AdBlue or diesel exhaust fluid. The diesel fluid is made of urea and deionized water.

When exhaust gases from the engine come in contact with the AdBlue, the urea gets converted into ammonia and carbon dioxide and the ammonia later converts the gases into nitrogen and water vapour, thereby reducing pollutant emission from the engine

Bharat Stage characteristics for Petrol engines

Stage	Year of Rollout	Carbon Monoxide	Oxides Discharge	Sulfur Content
-------	-----------------	-----------------	------------------	----------------

BS3	200 5	2.3g/Km	0.35g/K m	100 PPM
BS4	201 7	1.0g/Km	0.18g/K m	50 PPM
BS6	202 0	1.0g/Km	0.16g/K m	10 PPM

Bharat Stage Characteristics for diesel engines

Stage	Year of Roll Out	Carbon Monoxide	Oxides Discharge	Sulfur Content
BS3	2005	0.64g/Km	0.50- 0.56g/Km	100 PPM
BS4	2017	0.50g/Km	0.25- 0.30g/Km	50 PPM
BS6	2020	0.50g/Km	0.06g/Km- 0.17g/Km	10 PPM

BS6 CARS AVAILABLE IN INDIA

Ahead of the deadline of the implementation of BS6 compliant vehicles from 1 April 2020, several car and bike manufacturers have launched BS6 cars and bikes in India. Below is the list of BS6 cars and two-wheeler currently available to buy:

BS6 Sedan Cars :

Maruti Suzuki
Dzire Hyundai
Elantra Mercedes
Benz E-Class Audi
A6

BS6 Hatchback Cars:

Maruti Suzuki Alto 800

Maruti Suzuki S-

Presso Hyundai

Grand i10 Nios

Maruti Suzuki Swift

Maruti Suzuki Wagon R

1.2-litre Maruti Suzuki

Baleno

Toyota Glanza

BS6 MPV Cars:

Maruti Suzuki

Ertiga Maruti

Suzuki XL6

BS6 SUVs:

Kia Seltos



EURO 6

Euro 6 is the sixth and latest directive set by the European Union to help reduce the level of harmful pollutants produced by new vehicles.

The Euro 6 standard sets out the acceptable limits for these exhaust emissions, and since September 2015, all new cars sold have had to comply with the Euro 6 standard. The Euro 6 requirements for petrol and diesel cars differ, as they each produce different levels of the offending pollutants.

Euro 6 diesels are being hit harder by the new measures because of their impact on air quality.

While diesel vehicles were once seen as a solution to helping the UK reduce CO2 emissions – concerns over the health-risks associated with diesel exhaust pollutants such as nitrogen dioxide and particulates, have put them under even more scrutiny by Euro standards.

CHAPTER 3

PRESENTATION, ANALYSIS AND FINDINGS



ANALYSIS AND INTERPRETATION BASED ON SECONDARY DATA

(Last year's financial data for automotive industries are not available because majority of them did not produced new models due to the Pandemic)

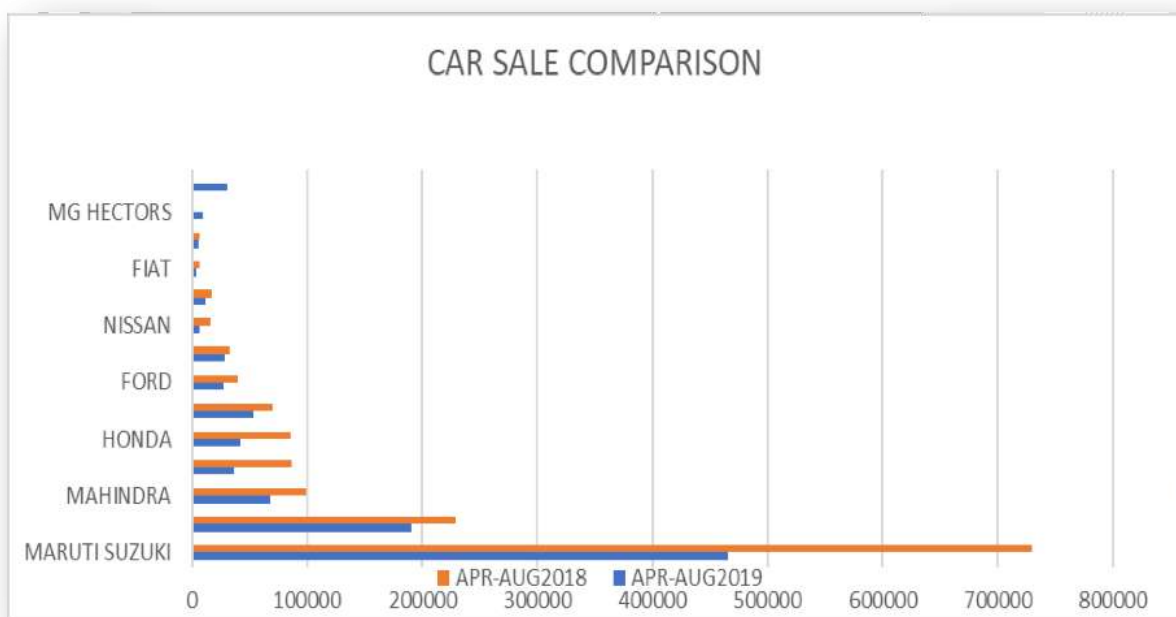
From the secondary we got through various sources we will get to know the actual results. Even we will compare how much effective BS6 have proved to be in these few months. We will also look forward to match these data with those obtained from the survey in order to find out how correct the predictions were.

1) Comparing the half yearly car sales of F.Y.19-20 to 18-19 –

COMPANY	APR-AUG2019	APR-AUG2018	CHANGE%
MARUTI SUZUKI	465865	729475	-36.14
HYUNDAI	191025	229005	-16.58
MAHINDRA	67535	98790	-31.64
TATA MOTORS	36580	86755	-57.84
HONDA	41455	85100	-51.29
TOYOTA	53505	70500	-24.11
FORD	27585	40210	-31.4
RENAULT	28500	32785	-13.07
NISSAN	7065	15540	-54.54
VOLKSWAG ON	11530	16670	-30.83
FIAT	3045	7000	-56.5

SKODA	5820	6650	-12.48
MG HECTORS	10090	0	NA
KIA MOTORS	31000	0	NA
TOTAL	980600	1418480	-30.87

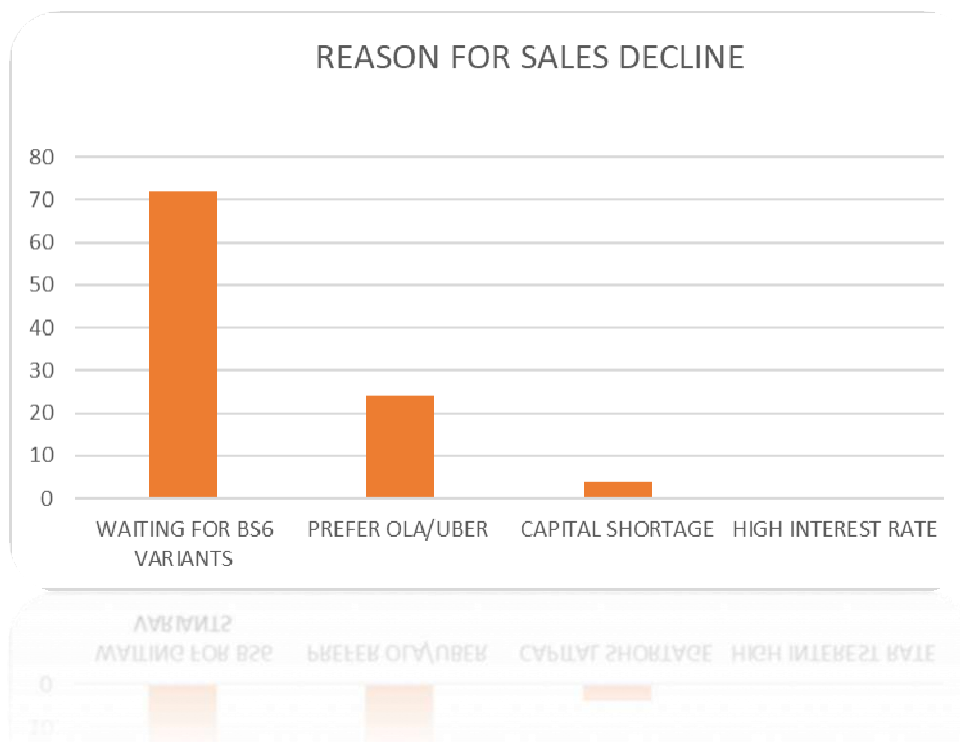
NOTE- we have considered till Aug because most of the BS6 variants entered in the market in SEP.



2) Finding out the reason for decline in car sales-

REASONS	IN %
WAITING FOR BS6 VARIANTS	72
PREFER OLA/UBER	24
CAPITAL SHORTAGE	4
HIGH INTEREST RATE	0
TOTAL	100

Note-This is a rough estimate which is collected from different interviews, surveys etc.

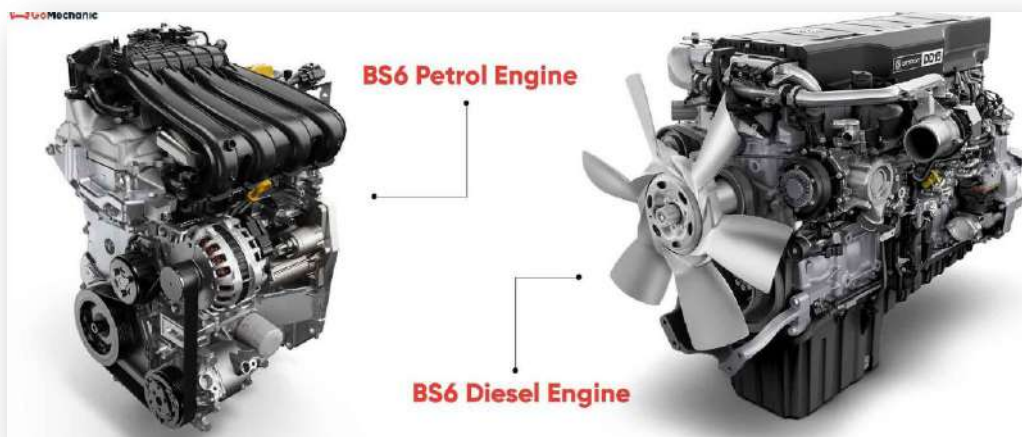
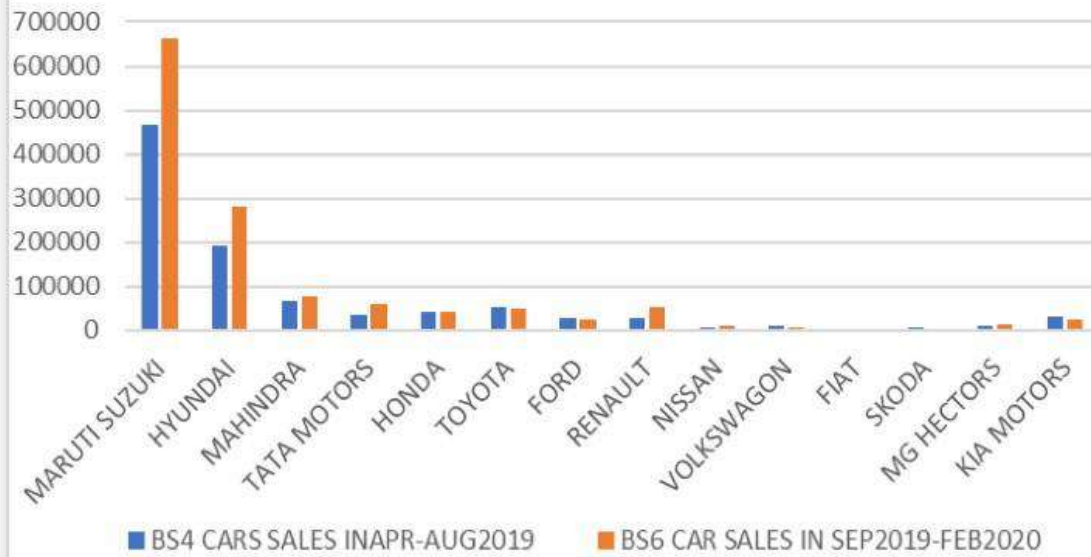


3) Finding the percentage change in cars sales after BS6 entered the market.

COMPANY	BS4 CARS SALES IN APR- AUG2019	BS6 CAR SALES IN SEP2019- FEB2020	% CHANGE
MARUTI SUZUKI	465865	662232	32.22
HYUNDAI	191025	281045	25.36
MAHINDRA	67535	78920	7.38
TATA MOTORS	36580	60209	33.13
HONDA	41455	41205	-0.6
TOYOTA	53505	48987	-9.8
FORD	27585	24878	-1.1
RENAULT	28500	52345	121.42
NISSAN	7065	10087	42.85
VOLKSWAGON	11530	7896	6.36
FIAT	3045	4098	0.34
SKODA	5820	4892	-20
MG HECTORS	10090	13890	30.56
KIA MOTORS	31000	22900	29.03
TOTAL	980600	1313584	33.95

Note-Sep taken as midpoint as most of the car companies launched their BS6 cars within Sep. Before that only BS4 were in the market

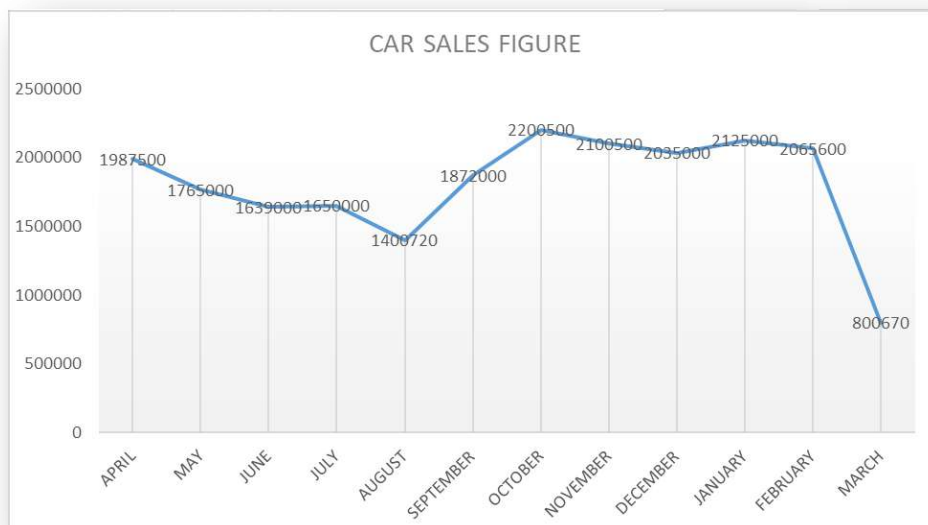
CAR SALES COMPARISON



4) Month wise car sales in the F.Y. 2019-20.

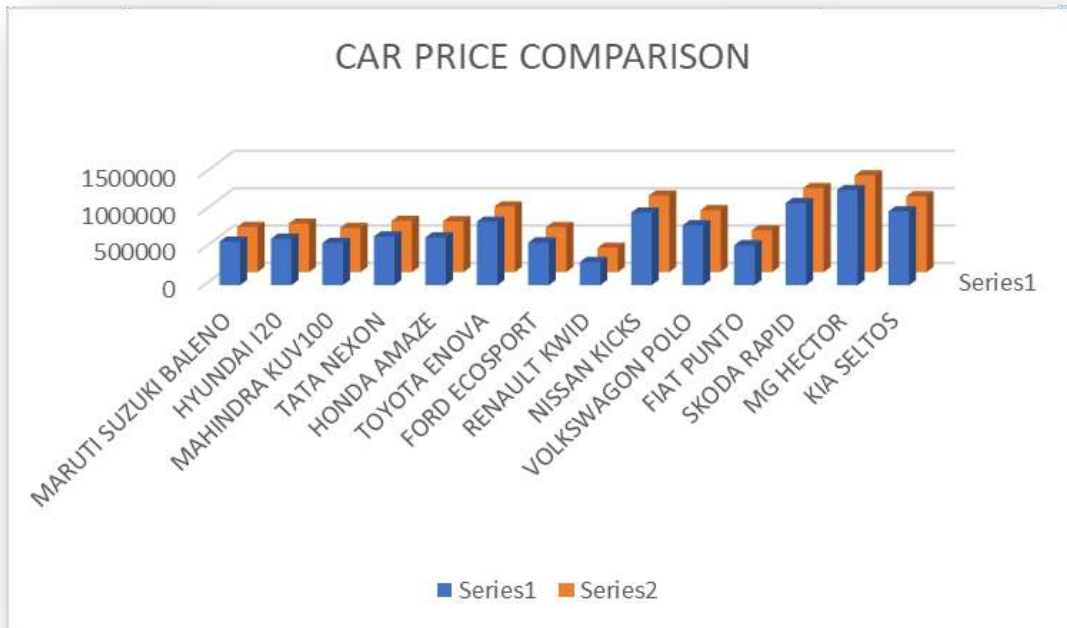
MONTH	CAR SALES FIGURE
APRIL	1987500
MAY	1765000
JUNE	1639000
JULY	1650000
AUGUST	1400720
SEPTEMBER	1872000
OCTOBER	2200500
NOVEMBER	2100500
DECEMBER	2035000
JANUARY	2125000
FEBRUARY	2065600
MARCH	800670

Note- In march value is taken till march 15 because of Covid-19.



5) Comparing the price of BS4 and BS6 variants car

CAR MODEL	BS4 VARIANT PRICE	BS6 VARIANT PRICE	CHANGE INPRICE	% CHANGE
MARU TI SUZUK I BALEN O	583000	605000	22000	3.77
HYUNDAI I20	622000	648000	26000	4.18
MAHINDR AKUV100	567000	590000	23000	4.06
TATA NEXON	652000	685000	33000	5.06
HOND A AMAZ E	640000	680000	40000	6.25
TOYOT A ENOVA	850000	878000	28000	3.29
FORD ECOSPOR T	572000	602000	30000	5.24
RENAUL TKWID	310000	325000	15000	4.84
NISSAN KICKS	972000	1025000	53000	5.45
VOLKSWAGO NPOLO	802000	828000	26000	3.24
FIAT PUNTO	535000	560000	25000	4.67
SKODA RAPID	1099000	1125000	26000	2.37
MG HECTOR	1273000	1295000	22000	1.73
KIA SELTOS	989000	1015000	26000	2.63
OVERAL L CHANGE			28,214.29	4.06

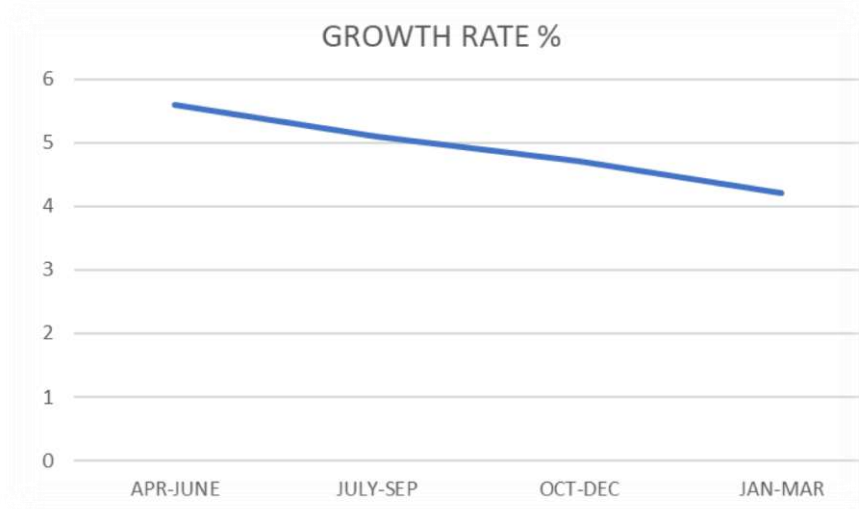


Note- For all the cars only the base model is taken and compared.



6) GDP growth rate during F.Y. 2019-20

QUARTERS	VALUE IN BILLION \$	GROWTH RATE %
APR-JUNE	2839	5.6
JULY-SEP	2873	5.1
OCT-DEC	2907	4.7
JAN-MAR	2950	4.2



Note- Nominal GDP is taken here.

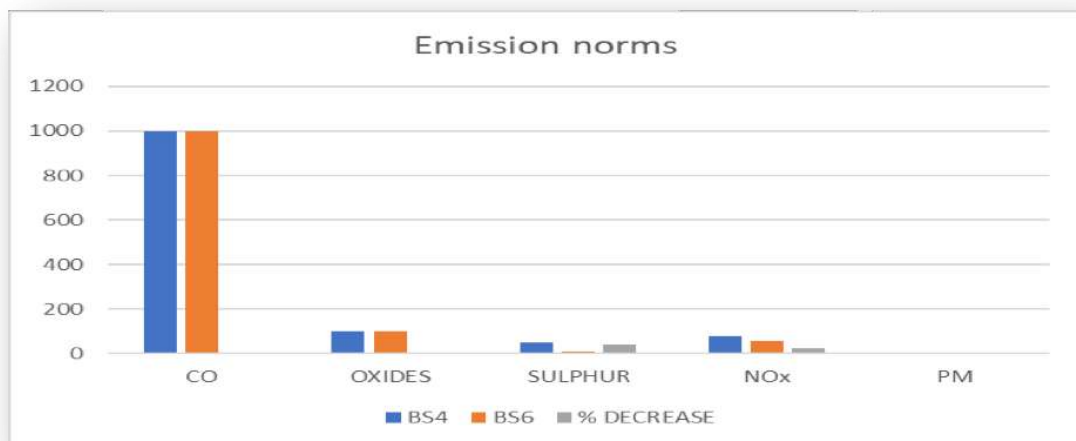
7) Change in performance and mileage

CAR MODEL	PERFORMANCE CHANGE	MILEAGE CHANGE
MARUTI SUZUKI BALENO	No Change	No Change
HYUNDAI I20	No Change	No Change
MAHINDRA KUV100	No Change	No Change
TATA NEXON	No Change	No Change
HONDA AMAZE	No Change	No Change
TOYOTA ENOVA	No Change	No Change
FORD ECOSPORT	No Change	No Change
RENAULT KWID	No Change	No Change
NISSAN KICKS	No Change	No Change
VOLKSWAGON POLO	No Change	No Change
FIAT PUNTO	No Change	No Change
SKODA RAPID	No Change	No Change
MG HECTOR	No Change	No Change
KIA SELTOS	No Change	No Change
OVERALL CHANGE	NIL	NIL

8) Change in emission norms :

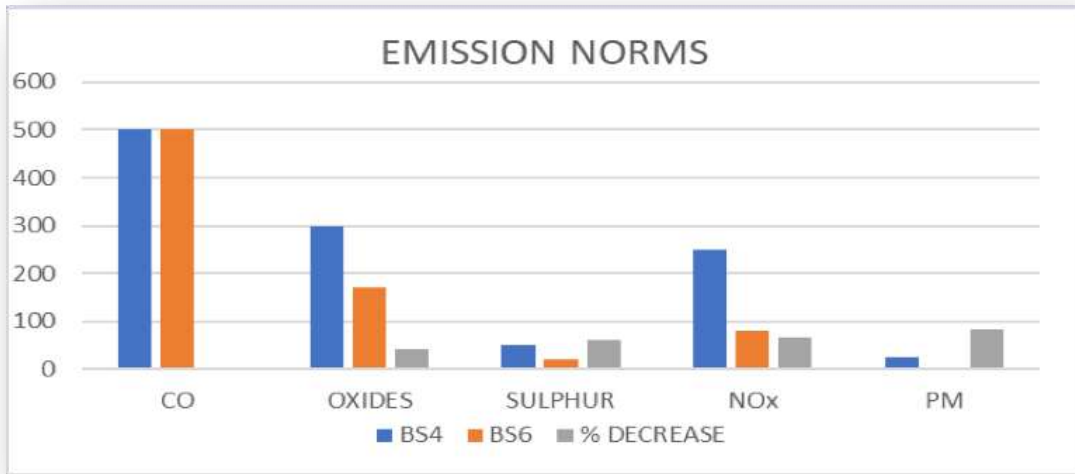
1) For Petrol variants-

POLLUTANTS (mg/km)	BS4	BS6	% DECREASE
CO	1000	1000	0
OXIDES	100	100	0
SULPHUR	50	10	40
NOx	80	60	25
PM	nil	nil	0



2) For Diesel variants-

POLLUTANTS (mg/km)	BS4	BS6	% DECREASE
CO	500	500	0
OXIDES	300	170	43
SULPHUR	50	20	60
NOx	250	80	68
PM	25	4.5	82



Note : This is just an obtained figure may differ from original values



FINDINGS FROM SECONDARY DATA

The secondary data will help us know the real scenario that is taking place. From the various reports and newspapers, we have made graphs, charts and tables in order to find these results.

- 1) From the first comparative study of 6 months period between 2018-19 and 19-20 we can clearly see that there is indeed a decline in sales figure. Around 30% of the sales have declined which is large enough to create a recession.
- 2) The survey shows that most of the people were simply waiting for the BS6 variants to arrive. Maybe due to which the sales declined. They reacted to it by saying that buying a BS4 now will fetch very less resale value at later point. And that's absolutely true.
- 3) In the next study the comparison of sales made between Apr-Aug and Sep-Mar is made. It has been seen that sales have grown back up to 33% after the BS6 cars started entering the market.

Since we made the study company wise also. Another important thing which we can see is that the companies who upgraded more models to BS6 faced an increased sale than others.

- 4) The car sales graph shows that how the sales started falling from Jun once the news of BS6 came. Once the cars upgraded to Bs6 the graph again moves upward from Sep till March. March's sales all time low due to the ongoing pandemic which an exceptional reason.
- 5) The primary data found to be true as there is an overall or average change of RS28000 in the price of the cars. Moreover, all companies have increased their car pricing ranges from 20,000 to 50,000 with a change in price of about 5 to 10%.
- 6) Its very much a true fact that car sales contribute about 10-20% to overall GDP of our country. So, when sales dropped GDP growth rate also declined. But in this case, it is seen that even after car sales started growing back to normal GDP rate further started falling by about 0.8%. It is unusual and the exact reason is not known to us.

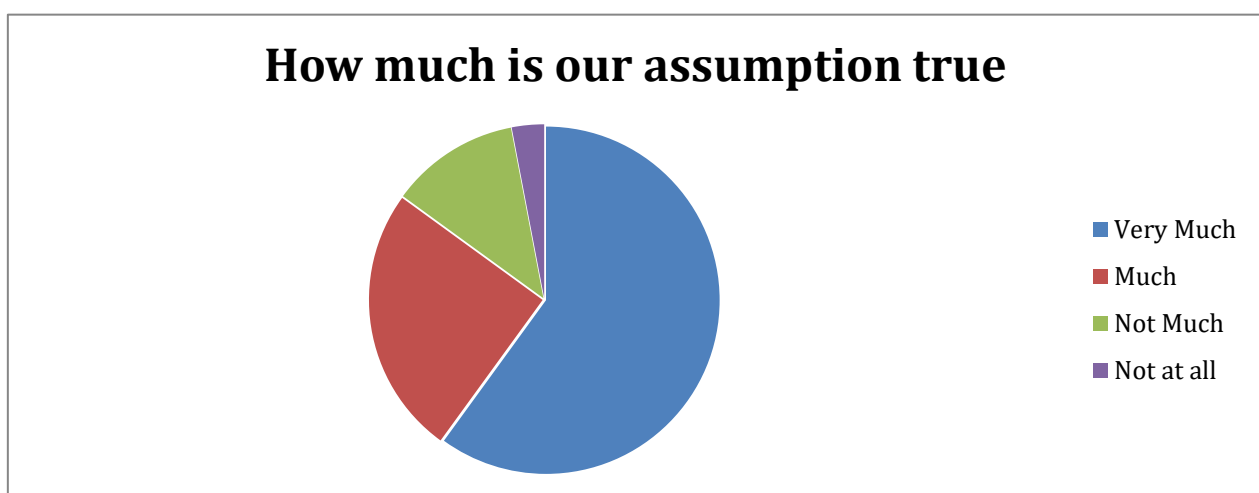
7) After the cars came out in the market and people started using it, they came to know that their guess was right. There is negligible change both in performance and mileage of the car. Some cars do face a little less mileage but overall, it's the

same.

8) Now the most vital point above all. Whether to know there is actually any change in pollution or not. Its been seen that change is more in case of diesel vehicles compared to petrol ones. As the sulphur, PM as well NOx particles decrease to about 40-60% in diesel ones whereas in petrol vehicles it is nearly 25-50%.

Following are the graphs and charts that are derived from the findings of secondary data- 1)

How much is our assumption True	In %
Very Much	60
Much	25
Not Much	12
Not at all	3



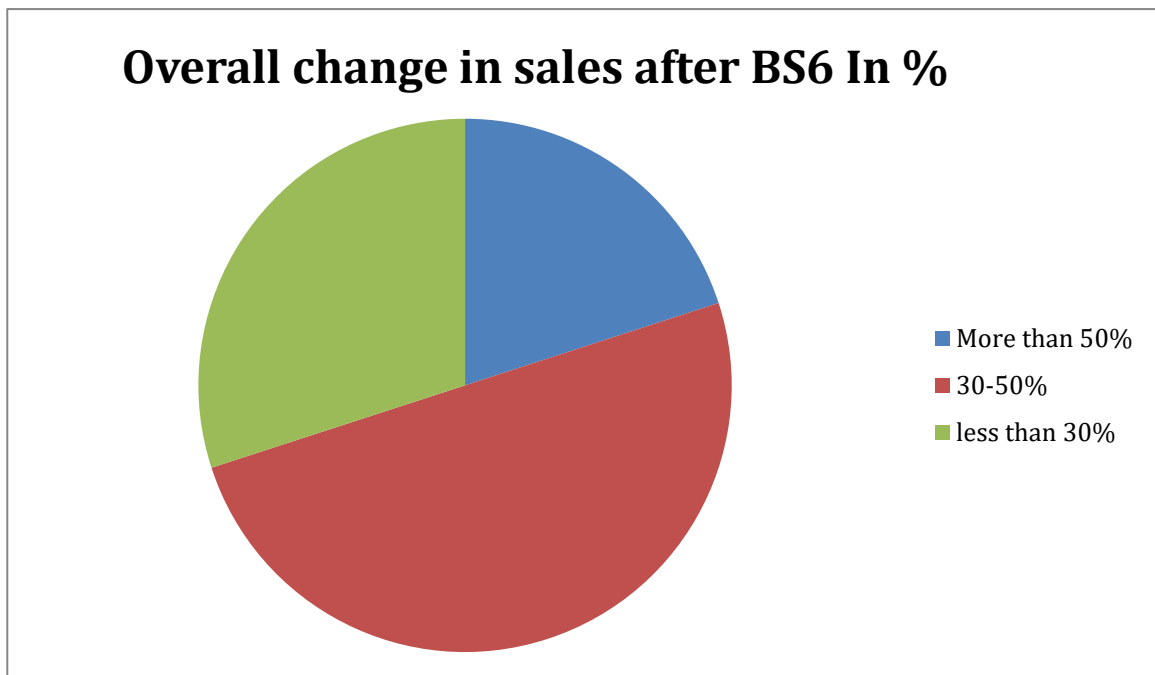
2)Were buyers really waiting for BS6 or is it just amyth	
	In%
YES	52
Not that much	36
Not at all	12

2)Were buyers really waiting for BS6 or is it just a myth In %



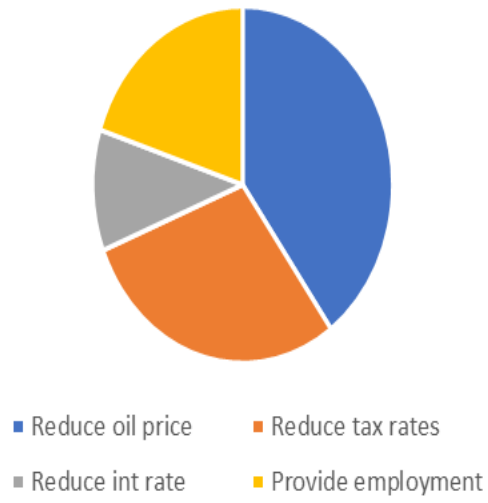
■ YES ■ Not that much ■ Not at all

3) Overall change in sales after BS6	In %
More than 50%	20
30-50 %	50
Less than 30 %	30



4) Steps that can boost sales further	In %
Reduce oil price	40
Reduce tax rates	29
Reduce interest rates	11
Provide employment	20

4)Steps that can boost sales further In %



CHAPTER 4

CONCLUSION AND RECOMMENDATIONS



CONCLUSION

After completing the whole study, we have reached our conclusion at last. We have completed the whole study keeping in mind the objectives of our study. We also have collected data accordingly only, and now finally we got the answers to all our questions.

The main reason for this study was to know the actual reason for the downfall of sales. As per secondary data it can be concluded that the sales fall in the month of May-Aug only because of the fact that consumers were waiting for BS6 models to come, rather than buying an BS4. Even the trend also shown the same thing that sales went back to normal after BS6 models arrived. There were other small reasons also but this can be concluded as the primary reason. Next important thing which we concluded that sales were really impacted quite heavily after companies started launching their BS6 models from month of Sep onwards. So, we got the answers that BS6 really impacted Indian car market in the F.Y. 2019-20 both in terms of sales and revenue. Now, this one is a quite confusing result which we have obtained. We are all aware of the fact that car production contributes around 10- 20% to the GDP of our country. So, naturally in the first two quarters GDP growth rate falls from 6.5 to 5.2%. But in the next two quarters growth rate further from 5.2 to 4.2% even with increasing car sales. So, it negatively affected the GDP of our country.

When we compare between the BS4 and BS6 engine there are certain interesting facts which we have got. At first like we all expected the prices of cars increased at 4-5% which is quite high when expressed in terms of number i.e.RS 20,000-50,000. But even at increased price customer still prefer buying this. Next in terms of performance and mileage there is no such notable changes. Although it varies from one model to another but basically its quite the same. The most notable change which we have found is that the pollutant particles releasing into air is quite low in case of BS6, specially in the diesel variants. The combustible rate and burning of fuel leaving out residues decreased and the efficiency have increased. So, we can finally conclude that in overall that BS6 is quite a success in this six- month period. It really has impacted our car market and helped it restoring to its previous position. Although GDP growth rate is negative but when we compare with BS4 it really has improved a lot in its features.

RECOMMENDATIONS

After this global pandemic in form of COVID19 all the major market including the Indian car market is going to face or facing major blow back which will throw the economy 2-3 years backwards. So, to overcome this situation as soon as possible both the car manufacturers and the government have to follow certain advices and take some steps. So, according to my knowledge I can give certain recommendations to overcome the situation: -1) For the timing to bring back the things back to normal discount should be given in order to boost car sales.

Otherwise more loss will occur.

2) Tax rates and registration charges should be lowered down for a few months to improve the scenario. Although it will affect the GDP but there is no other option. 3) Old stock BS4 models should be sold out at a hefty discount. Because this is a perfect time to clear the stock and earn some revenue through them.

4) Car manufacturers should decrease their production by quite a large no. otherwise there will be a lot of excess stock.

5) Indian government should look forward for implementation of electric vehicles as soon as possible. Otherwise it will be too late to control the air pollution.

6) It will be harmful for the revenue but still the government should take steps to reduce tax on petrol and diesel in order to pursue consumers for more purchase. Because many consumers prefer OLA/UBER due to such high prices of petrol/diesel. 7) In order to boost the sales of Indian manufacturers the tax rates on imported and luxury cars should be spiked.

8) At last, the manufacturers must look for alternative ways of production in order to reduce cost and increase sales.

These are the basic recommendations which I can give. According to me these points are more than enough to restore the car market back to its place if implemented properly. Moreover, we have to give ample time and have to wait for things to get back to normal. Because withstanding such a pandemic all of a sudden is going to be hard. Let's hope for the best.

CHAPTER 5

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BIBLIOGRAPHY

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3) www.cars24.com

C) Statistical data- 1) <https://tradingeconomics.com/india/gdp-growth-annual>
2) <https://www.ceicdata.com/en/indicator/india/nominal-gdp>



D) Magazines- 1) The Economic times 2) Auto market India

ET THE ECONOMIC TIMES

CHAPTER 6

ANNEXURE – QUESTIONNAIRE



ANNEXURE

QUESTIONNAIRE

Personal Details :

(a) Name

(b) Address:

(c) Age :

(d) Qualification :

Graduate/PG	Under Graduate	Others
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(e) Phone no. :

(f) Mail ID :

1. The Central Pollution Board falls under

(a) Ministry of environment, forest and climate change	(b) Ministry of external affairs and Ministry of water control board	(c) None of the above	(d) All of the above
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2. On which account BS6 engine works ?

(a) Selective Catalytic Reduction Unit	(b) Substitute Carbon Reduction Unit	(c) Advance components of BS4	(d) None of the above
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3. On Bharat Stage 6 , the SCR Converts..... into two harmless particles.

(a) SO ₂	(b) CO ₂	(c) NO _x	(d) All of the above
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4. Full form of SCR ?

(a) Search Control Reserve	(b) Serial Control Reserve	(c) Silicon Control Rectifier	(d) Sulphate Control Rectifier
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5. Choose the odd one out

(a) Ambassador	(b) Audi A6	(c) Toyota Glanza	(d) Maruti Suzuki
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6. Were the buyers really wait for BS6 or is it just a myth ? (based on comparison)

(a) Yes	(b) No	(c) Not that much	(d) Ignorant
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7. By how much BS6 car prices are higher than BS4 cars?

(a) 6-8 %	(b) 4-5 %	(c) 10-12 %	(d) 9-10 %
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8. Is BS6 engine boom or curse ?

(a) No, it is a curse	(b) Don't Know	(c) Yes, it is a boom	(d) Both
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9. Should Indian government look forward for electric cars?

(a) Not at all	(b) Yes, Absolutely	(c) May be in the future	
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10. On what basis BS6 are advantageous ?

(a) Environment friendly	(b) Reducing pollutants from engine	(c) Smooth Engines	(d) All the above
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2021

Micro Finance Institutions in India

**(Submitted for the Degree of B.Com
Honours in Accounting & Finance under
the University of Calcutta)**

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Micro Finance Institutions in India

1/1/2021



SUPERVISOR'S DECLARATION

Annexure 1(A):

This is to certify that Mr. Amrit Das, a student of BCOM (HONS) in Accounting and Finance of Scottish Church College under the University of Calcutta has worked under my guidance for her project work and prepared a project Report with the Title – Micro Finance Institutions in India.

The project report, which she is submitting is genuine & original work to the best of my knowledge.

Place - Kolkata

Date – 26 /07 /2021

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STUDENT'S DECLARATION

ANNEXURE 1 (B):

I hereby declare the Project Work with the title Micro-finance Institutions in India. Submitted by me for the fulfillment of the degree of BCOM HONS in Commerce under the University of Calcutta is my original work and has not been submitted earlier to any other University/Institution for the fulfillment of the requirement for any course of study.

I also declare that no chapter of this manuscript in whole or in part has been incorporated in this dissertation paper from earlier work done by others or by me. However, extracts of any literature which has been used for this dissertation paper has been duly acknowledged providing details of such literature in the references.

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On a personal note , I would like to thank my Friends and Family who came Forward as a helping guide for my project work.

Best Regards

Amrit Das

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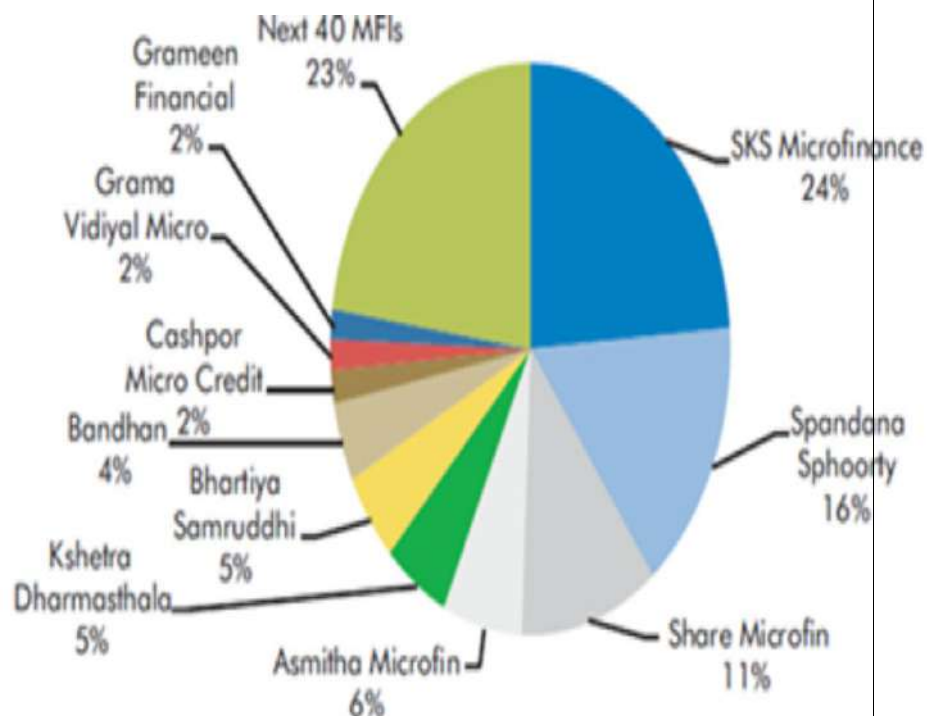
Introduction

1.1 Background Study of Micro-finance Institutions in India

1.2 Significance of the Study

1.3 Literature Review

1.4 Objective of the study



1.5 Research Methodology

1.6 Limitation of the Study

1.7 Chapter planning

1.1 Background Study of Micro-finance Institutions in India

Microfinance is not a new concept. It dates back in the 19th century when money lenders were informally performing the role of now formal financial institutions. Over



the past two decades, various development approaches have been devised by policymakers, international development agencies, non-governmental organizations, and others aimed at

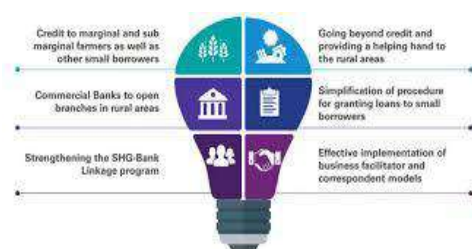
poverty reduction in developing countries. One of these strategies, which have become increasingly popular since the early 1990s, involves microfinance schemes, which provide financial services in the form of savings and credit opportunities to the working poor (Johnson and Rogaly, 1997). According to the records of World Bank, India falls under low income class. It is second populated country in the world. 70 percent of its population lives in rural area. 60% of people depend on agriculture; as a result, rate of underemployment is high. Rural people have very low access to institutionalized credit (from commercial bank).

Since 1990s, poverty reduction has taken priority at both national and international development levels. Within this framework, various initiatives have been taken by

government. Microfinance has caught the attention as an effective tool for poverty reduction and socioeconomic development. Hence Microfinance can play a vital role for improving the standard of living of poor. In India, the beginning of microfinance movement could be traced to Self Help Group (SHG) – Bank Linkage Programme (SBLP) started as a pilot project in 1992 by NABARD. This programme proved to be very successful and has also developed as the most popular model of microfinance in India. The regulatory framework for microfinance in India is not unified. Microfinance is provided by commercial banks, Regional Rural Banks (RRBs), the SHG's, cooperative societies and institutions (MFIs) that take various forms, including those of NGO's and Non-Bank Financial Institutions (NBFIs). Banks and NBFIs are governed by the Reserve Bank of India (RBI), SHGs are regulated by NABARD, and the cooperatives are governed by Registrar of Cooperative Societies (RCS) etc

1.2 Significance of the Study

Microfinance enables the poor and excluded section of people in the society who do not have an access to formal banking to build assets, diversity livelihood options and



increase income, and reduce their vulnerability to economic stress. In the past, it has been experienced that the provision for financial products and services to poor people by MFIs

can be practicable and sustainable as MFIs can cover their full costs through adequate interest spreads and by operating efficiently and effectively. This definition of microfinance is not restricted to the below poverty line people but it includes low income households also. The taskforce on Supportive Policy and Regulatory

Framework for Microfinance constituted by NABARD defined microfinance as “ the provision of thrift, saving, credit and financial services and products of very small amount to the poor’s in rural, semi urban and urban areas for enabling them to raise their income level and improve their standard of living.” (Sen, 2008) .Microfinance is not a magic solution that will propel all of its clients out of poverty. But various impact studies have demonstrated that microfinance is really benefiting the poor households.

At least in India, there does not seem to be any working model of analyzing the financial performance and thereby sustaining of microfinance institutions. This problem is compounded by the lack of a committed legislation on working and management of microfinance institutions. The lack of a regulatory mechanism for financial disclosures by microfinance institutions also abets the problem. The present study is an attempt to study the importance of microfinance and to analyze the performance of microfinance institutions operating in India. It assumes significance because it is imperative that these institutions be run efficiently given the fact that they are users of marginal and scarce capital and the intended beneficiaries are the marginalized sections of society. MFIs must be able to sustain themselves financially in order to continue pursuing their lofty objectives, through good financial performance.

1.3 Literature Review

Kumar Vipin et. al. (2015) study concluded that the SHG’s and MFI’s are playing a vital role in delivery of microfinance services which leads development of poor and low income people

in India. However, slow progress of graduation of SHG members, poor quality of group functioning, dropout of members from groups etc., have also been reported various study findings in different parts of the country, which need to be taken into account while designing the road map for the next phase of the SHG programme.

Nikita (2014) study concludes that first time in the year 2012-13 after the launch of SHGs BLP there is a decline in the number of SHGs who's saving linked with banks. The study also finds out there was growth in the loan outstanding of SHG and which was responsible for increases in NPAs. At last it is found out that the major share belongs to commercial banks when the agency wise loan issued to MFI. He suggested that steps should be taken to improve the performances of programs launched under Microfinance time to time.

Mahanta et. al. (2012) Study revealed that lending to the poor through microcredit is not the end of the problem but beginning of a new era. If effectively handled, it can create miracle in the field of poverty alleviation. But it must be bundled with capacity building programs. Government cannot abdicate its responsibility of social and economic development of poor and downtrodden. The absence of any special skills with the clients of microcredit, the fund is being used in consumption and procurement of nonproductive assets. Hence it is very important to provide skills development training program like handicraft, weaving, carpentry, poultry, goat rearing, masonry, bees farming, vegetable farming and many other agricultural and non-agricultural training. Government has to play proactive role in this case. People with some special skills have to be given priority in lending microcredit. These clients should also be provided with post loan technical and professional aid for success of

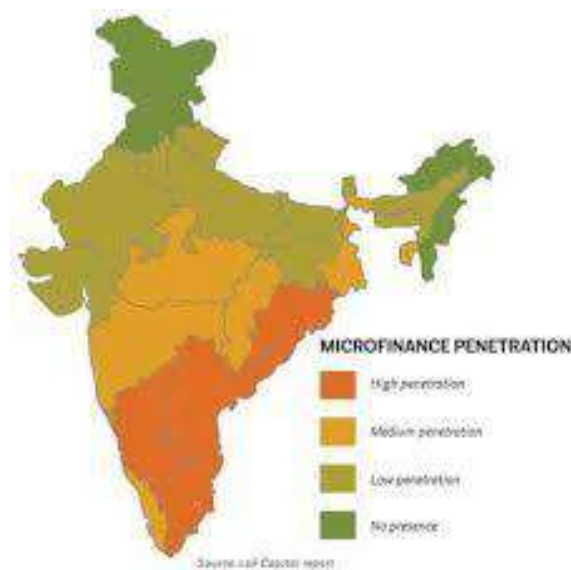
their microenterprises. If government and MFIs act together then microcredit can play a great role in poverty alleviation.

Maruthi Ram Prasad, Sunitha and Laxmi Sunitha (2011) conducted a study on Emergency and Impact of Micro-Finance on Indian Scenario. After the pioneering efforts by Government, Banks, NGOs, etc the microfinance scene in India has reached in take off stage. An attempt could be initiated to promote a cadre of new generation micro-credit leaders in order to strengthen the emergence of Micro-Finance Institution (MFIs), so as to optimize their contribution towards the growth of the sector and poverty alleviation. Each Indian state could consider forming multi-party working group to meet with microfinance leaders and have a dialogue with them about how the policy environment could be made more supportive and to clear up misperceptions. With one state leading the way, we need to build on a successful model. By unleashing the entrepreneurial talent of the poor, we will slowly but surely transform India in ways we can only begin.

Idowu Friday Christopher (2010) conducted a study to find the Impact of Microfinance on Small and Medium-Sized Enterprises in India. The fundamental objective of this study is to assess the impact of Microfinance on Small and Medium Enterprises (SMEs) in India. Simple random sampling technique was employed in selecting the 100 SMEs that constituted the sample size of the research. Structured questionnaire was designed to facilitate the acquisition of relevant data which was used for analysis. Descriptive statistics which involves simple percentage graphical charts and illustrations was tactically applied in data presentations and analysis. The findings of the study reveal that significant number of the SMEs benefitted from the MFIs loans even though only few of them were capable enough to secure the required amount needed. Interestingly, majority of the SMEs

acknowledge positive contributions of MFIs loans towards promoting their market share, product innovation achieving market excellence and the overall economic company competitive advantage. Other than tax incentives and financial supports, it is recommended that Government should try to provide sufficient infrastructural facilities such as electricity, good road network and training institutions to support SMEs in India.

Rajarshi Ghosh (2005) in his research paper *Microfinance in India: A critique*, the evolution of microfinance in empowerment of women and poverty alleviation is studied. Microfinance is viewed as an important tool for providing self employment for the low income rural population. This paper studies the various delivery models of microfinance institutions which contribute to women empowerment in India.



1.4 Objective of the study

1. To understand the concept and delivery models of microfinance in India.
2. To study the role and importance of microfinance in India.
3. To examine the current status and performance of microfinance institutions in India
4. To analyse Profitability and Efficiency of MFIs in India.

1.5 Research Methodology

Present study is designed to measure the impact of Micro Finance Institutions in India .

1.5 A Data sources: The data collected for the study includes secondary data. The various sources used to collect secondary data include research papers, journals, articles, annual reports of the company and data from the Microfinance information exchange (MIX) and various other websites.

1.5 B Methods: The methodology of study includes collection of secondary data from various research articles and journals. The secondary data collected is further analyzed using statistical tools to draw conclusions based on the results obtained.

1.5 C Techniques of data collection and analysis: The secondary data collected is analyzed using various statistical tools and techniques such as one way ANOVA. The technique is used to identify if there exist a significant difference in the performance of MFIs and Commercial banks which includes both the private sector and the public sector banks.

1.6 Limitation of the Study

The present study is undertaken to maximize objectivity and minimize the errors. However, there are certain limitations of the study which are to be taken into consideration for the present work.

1. The study fully depends on data collected from the published research papers and articles on Micro Finance Institutions in India.
2. This study incorporates all the limitations that are inherent in the articles published in news media and research papers.

1.7 Chapter planning

The Study is divided into Five chapters.

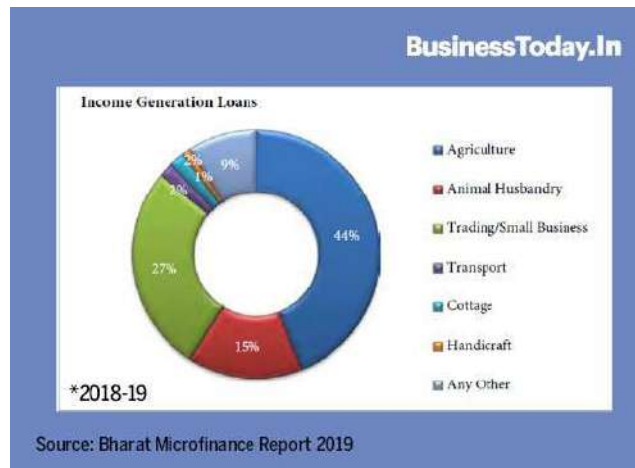
The first chapter is introductory in nature which covers Background of the study, objectives of the study, literature review , Research Methodology, Limitation of the Study and chapter Planning.

The second chapter details with conceptual framework the following sub topics

1. What is a Micro-finance Institution
2. Procedure of MFI
3. What are the institutions available in MFI
4. Key features of MFI
5. Advantages of MFI
6. Criticisms of Micro-finance

Chapter - 2

Conceptual Framework



2.1 What is A Micro Finance Institution

2.2 Procedure of MFI

2.3 Institutions Available

2.4 Key Features of MFI

2.5 Advantages of MFI

2.6 Criticisms of Micro-finance

2 . 1 What is A Micro Finance Institution



Microfinance, also called [microcredit](#), is a type of banking service provided to unemployed or low-income individuals or groups who otherwise would have no other access to financial services.

An institution which provides these kind of micro credits to unemployed or low-income individuals or groups are called Micro Finance Institution.

[The concept of microfinance](#) was introduced in the Indian economy with the primary objective of financial inclusion of more impoverished and backward sections, especially the women. The growth trajectory of the Indian microfinance industry has been phenomenal since the time it was introduced.

2 . 2 Procedure of MFI

- The **eligibility criteria**, assessed before granting each loan, do not focus on strong



financial guarantees (salary, assets, etc.), but rely instead on **more “human” criteria**: if the loan under consideration will help launch a new activity, its viability evaluation will also include **several interviews with the**

borrower in addition to the application form.

- The **real guarantee**, required by banks in order to grant a loan, may be **replaced by a group solidarity mechanism**. For example, with mutual funds or cooperatives, each borrower serves as a guarantor for the other members within a “**solidarity guarantee group**” such as self-help groups.

- **How are loans granted?**
- **The tontine system in Africa**, an ancestral practice that is still common today, relies on an **individual's belonging to a group**, which helps to forge **relationships of trust and solidarity**: in this case, **social ties seal the relationship, while trust builds the contract**. In some cases, tontines even operate among a group of people who all already know each other, and involve offers of interest-free loans.
- **MFIs transpose this informal yet efficient principle**, by developing a **solidarity economy that always relies on mutual confidence**. Before granting microloans, **requests are examined by a committee**, which evaluates the borrower's eligibility based on **human and social criteria (motivation, competence, experience, etc.)**, as well as the **project's viability and repayment capacity**. It's a method that works: the repayment rate for microloans is near 97% in emerging countries!

2 . 3 Institutions Available

Some of the microfinance companies that offer loans to the unbanked and under-banked population in India are as follows:

[Arohan Financial Services Pvt Ltd](#)

[BSS Microfinance Pvt Ltd](#)

[Cashpor Micro Credit](#)

[Equitas Microfinance Pvt Ltd](#)

[Asirvad Microfinance Pvt Ltd](#)

[Bandhan Financial Services Pvt Ltd](#)

[Disha Microfin Pvt Ltd](#)

[Annapurna Microfinance Pvt Ltd](#)

[ESAF Microfinance and Investments Pvt Ltd](#)

[Fusion Microfinance Pvt Ltd](#)

2.4 Key Features of MFI

Some of the significant features of microfinance are as follows:

- The borrowers are generally from low income backgrounds
- Loans availed under microfinance are usually of small amount, i.e., micro loans
- The loan tenure is short
- Microfinance loans do not require any collateral
- These loans are usually repaid at higher frequencies
- The purpose of most microfinance loans is income generation

2.5 Advantages of MFI

- Collateral-free loans. ...
- Disburse quick loan under urgency. ...
- Help people to meet their financial needs. ...
- Provide an extensive portfolio of loans. ...
- Promote self-sufficiency and entrepreneurship. ...

2.6 Criticisms of Micro-finance

Microfinance has been lauded by many, as it is a clear passage to end the cycle of poverty, aid the marginalised sections, decrease unemployment, and improve their earning power. However, it has also received criticism from certain corners, as it was argued that microfinance actually makes poverty worse. The fact that some borrowers of microfinance use these loans to pay off their existing debts or fund their basic necessities reinforce these arguments.

The situation is more adverse in countries like South Africa where majority of microfinance loans are consumed by the borrower for basic necessities. When borrowers do not generate new income from the initial loan, they are forced to take out more loans to repay the former. This simply snowballs into a bigger debt trap.

Chapter - 3

Presentation, Analysis & Findings

3.1 Introduction

3.2 EVOLUTION OF
MICROFINANCE IN INDIA

3.3 Funds Provided to different
sectors of India by MFIs



3.4 Portfolio Delinquency: The Demonetisation Experience

3.5 IL&FS Event

3.6 COVID-19 Challenges

3.7 Challenges Faced By Micro-finance Institutions

3.7 A - Over-Indebtedness



3.7 B - Higher Interest Rates in Comparison to Mainstream Banks

3.7 C Widespread Dependence on Indian Banking System

3.7 D - Inadequate Investment Validation

3.7 E - Lack of Enough Awareness of Financial Services in the Economy

3.7 F- Regulatory Issues

3.7 G - Choice of Appropriate Model

3.8 Default rate of loan from MFI

3.9 DATA ANALYSIS AND DISCUSSION

3.10 Purpose of Loan Taken

3.11 Performance Of Micro-finance Institutions In India

3.12 Sustainability Of Micro-finance Institutions

3.12 Trade off between outreach and sustainability

3.13 comparing outreach and sustainability of Indian MFIs with their counterparts in South Asia



3.1 Introduction

This chapter is devoted to the organization, analysis, and interpretation of results. The data was based on research from secondary sources. The results were presented in accordance with the two main objectives of analysis and evaluating the current situation of Micro-finance Institutions in the context of India.

3.2 EVOLUTION OF MICROFINANCE IN INDIA

The evolution of Indian Microfinance sector can be broadly divided into four distinct phases: Phase 1: The Cooperative Movement (1900-1960) International Academic Journal of Accounting and Financial Management, Vol. 5, No. 4, pp. 116-128. 120 During this phase, credit cooperatives were vehicles to extend subsidized credit to



villages under government sponsorship. Phase 2: Subsidized Social Banking (1960s - 1990) With failure of cooperatives, the government focused on measures such as nationalization of Banks, expansion of rural branch networks, establishment of Regional Rural Banks (RRBs) and the setting up of apex institutions such as the National

Bank for Agriculture and Rural Development (NABARD) and the Small Scale Industries Development Bank of India (SIDBI), including initiation of a government sponsored Integrated Rural Development Programme (IRDP). While these steps led

to reaching a large population, the period was characterized by large-scale misuse of credit, creating a negative perception about the credibility of micro borrowers among bankers, thus further hindering access to

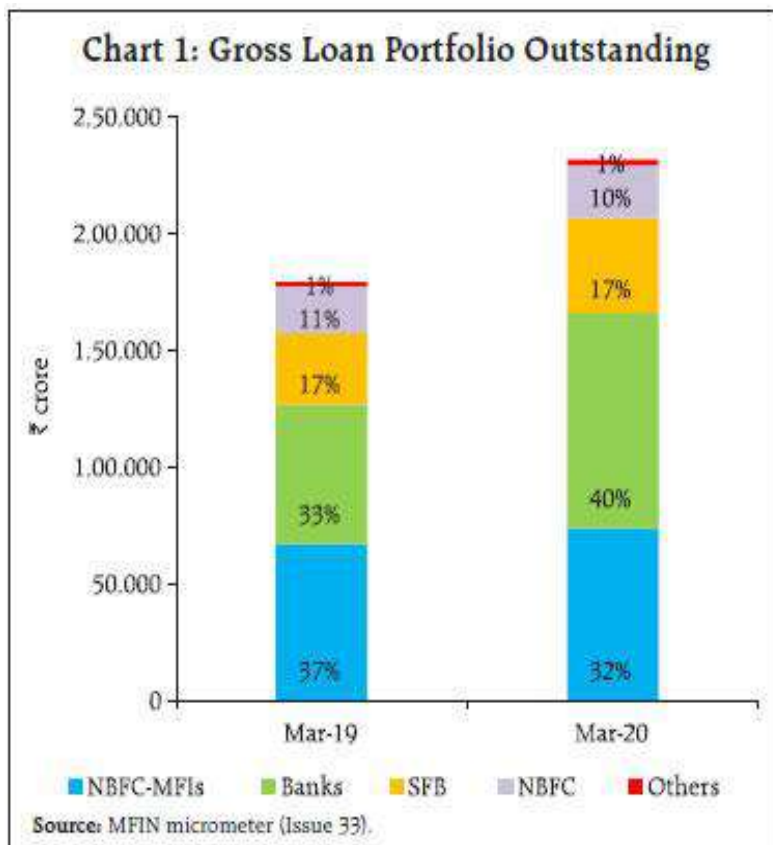
banking services for the low-income people. Phase 3: SHG-Bank Linkage Program and Growth of NGO-MFIs (1990 - 2000) The failure of subsidized social banking triggered a paradigm shift in delivery of rural credit with NABARD initiating the Self Help Group (SHG) Bank Linkage Programme (SBLP), aiming to link informal women's groups to formal banks. The program helped increase banking system outreach to otherwise unreached people and initiate a change in the bank's outlook towards low-income families from 'beneficiaries' to 'customers'. This period was thus marked by the extension of credit at market rates. The model generated a lot of interest among newly emerging Microfinance Institutions (MFIs), largely of nonprofit origin, to collaborate with NABARD under this program. The macroeconomic crisis in the early 1990s that led to introduction of the Economic Reforms of 1991 resulted in greater autonomy to the financial sector. This also led to emergence of new generation private sector banks that would become important players in the microfinance sector a decade later. Phase 4: Commercialization of Microfinance The First Decade of the New Millennium Post reforms, rural markets emerged as the new growth drivers for MFIs and banks, the latter taking interest in the sector not only as part of their corporate social responsibility but also as a new business line. On the demand side, NGO-MFIs increasingly began transforming themselves into more regulated legal entities such as Non-Banking Finance Companies (NBFCs) to attract commercial investment. The microfinance sector as it exists today essentially consists of two predominant delivery models the SBLP and MFIs. Four out of five microfinance clients in India are women.

3.3 Funds Provided to different sectors of India by MFIs

microfinance loans are that they are of small amounts, with short tenures, extended without collateral and the frequency of loan repayments is greater than that for traditional commercial loans. These loans are generally taken for income-generating

activities, although they are also provided for consumption, housing and other purposes (RBI, 2011).

The overall Gross Loan Portfolio (GLP) of MFIs, i.e., outstanding amount of loans extended to microfinance borrowers, grew from ₹1.79 lakh crore as on March MFIs encompass a host of financial institutions engaged in advancing loans to low-income groups. The essential features of 31, 2019 to ₹

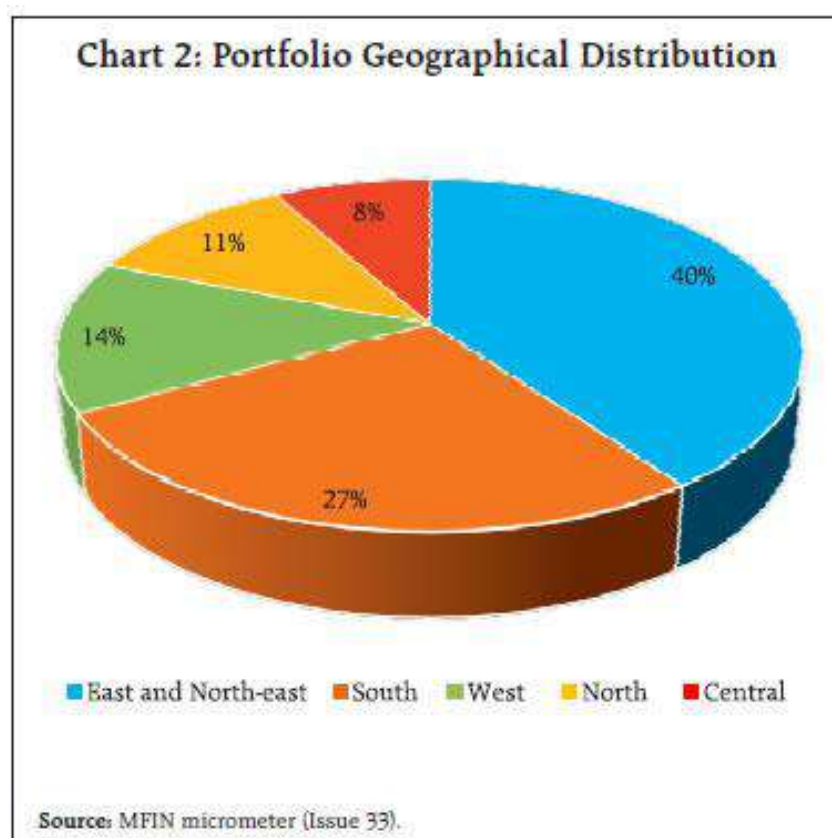


2.32 lakh crore as on March 31, 2020

NBFC-MFIs and Scheduled Commercial Banks (SCBs) hold a major chunk of the microfinance portfolio, with a combined share of 72 per cent as on March 31, 2020. The remainder is held by Small Finance Banks (SFBs), NBFCs and others (including not-for-profit MFIs). While NBFC-MFIs held the pole position in terms of GLP as on March 31, 2019, they ceded market share to SCBs during 2019-20, which is largely attributed to the merger of a large NBFC-MFI with a SCB². Apart from the MFI led model, National Bank for Agriculture and Rural Development (NABARD) has

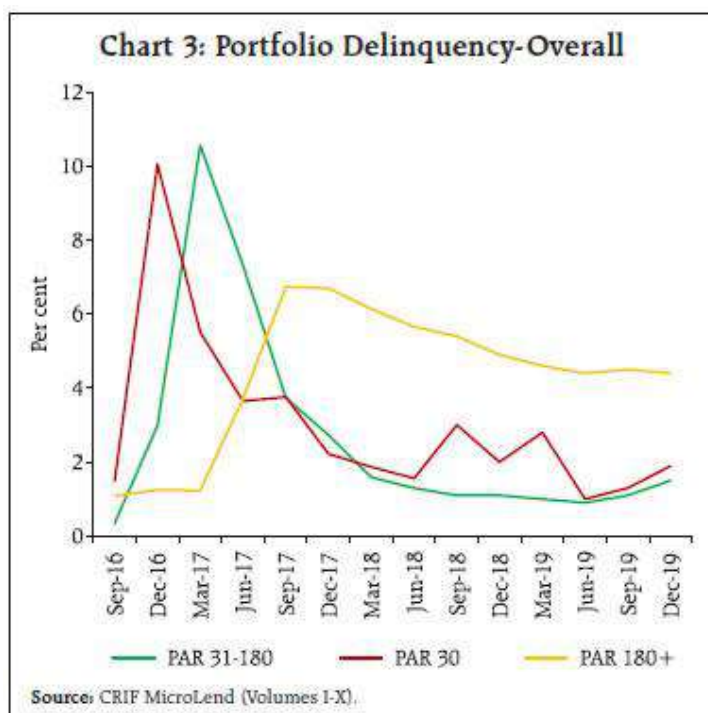
pioneered the Self Help Group-Bank Linkage Programme (SHG-BLP), which also contributes to the overall microfinance universe. As on March 31, 2020³ there were 56.77 lakh SHGs, with loans outstanding of ₹1.08 lakh crore under SHG-BLP.

In terms of geographical spread, East, North-East and South India account for 67 per cent of MFIs' loan portfolio while the remaining 33 per cent is spread across West, North and Central India ([Chart 2](#)). Among different states, Tamil Nadu holds the largest share of microfinance loan portfolio followed by West Bengal and Bihar.



3.4 Portfolio Delinquency: The Demonetisation Experience

MFIs largely serve in rural and semi-urban areas. The penetration of digital infrastructure in such areas is low and internet connectivity is poor. This lack of



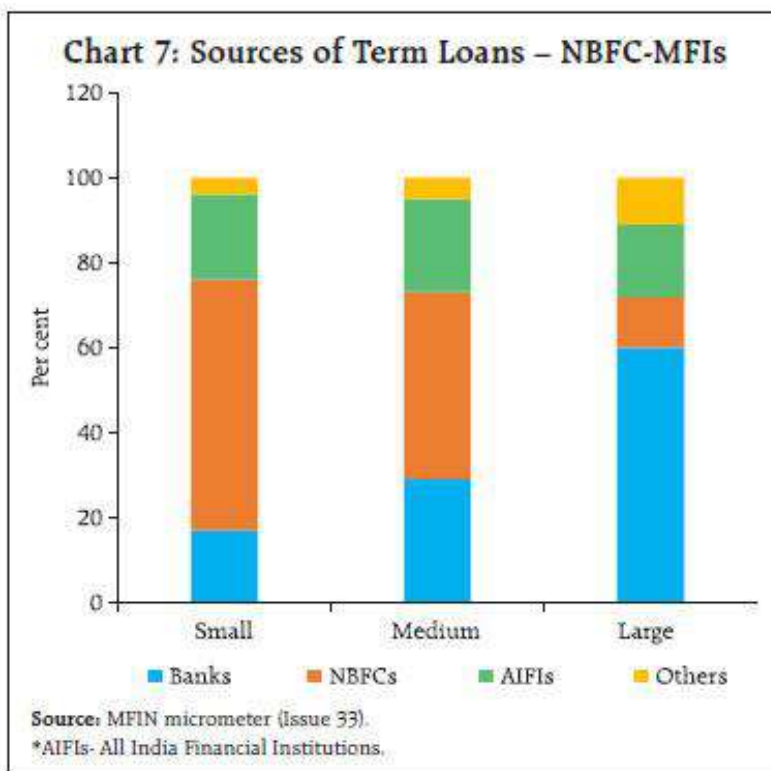
access is accentuated by low literacy levels among microfinance borrowers, who are generally daily wage earners and tend to transact in cash. Therefore, MFI operations have traditionally been cash-intensive. Consequently, demonetisation in November 2016 imposed a cash crunch on MFI sector.

Portfolio at Risk (PAR) has been used to measure credit delinquencies with three separate buckets, i.e., PAR 1-30 (1-30 days overdue), PAR 31-180 (31-180 days overdue) and PAR180+ (more than 180 days overdue). Point-in-time values of PAR buckets are depicted at quarterly rests, starting from end-September 2016 to end-December 2019 ([Chart 3](#)). Demonetisation produced a sudden spike in PAR 1-30 levels, which rose to around 10 per cent at end-December 2016, almost 7 times the corresponding value at the end of the previous quarter, on account of the impact on loan collections. As cash situation eased and collections improved during subsequent months, there was a sharp recovery in PAR 1-30 values, which settled at 3.7 per cent at end-June 2017 and 1.6 per cent at end-June 2018, respectively. The early delinquencies observed in the PAR 1-30 bucket at end-December 2016 migrated to PAR 31-180 and PAR180+ buckets with 1 period and 3 period lags, respectively. Accordingly, PAR 31-180 and PAR180+ values peaked at end-March 2017 and end-September 2017, respectively. However, there was a marked variation in the behavior of early delinquency buckets of PAR 1-30 and PAR 31-180 when compared with the PAR180+ bucket. While early delinquencies were buoyant and

recovered sharply, touching pre-demonetisation levels, the PAR180+ bucket remained relatively sticky. After peaking at a level of 6.7 per cent at end-September 2017, PAR180+ dropped gradually, although, it remained elevated in relation to pre-demonetisation levels. The PAR 180+ value of 4.4 per cent at end-June-2019 was majorly contributed by loans disbursed prior to demonetisation. Comparatively, PAR 180+ for post-demonetisation event disbursements stood at 1.4 per cent at end-June 2019.

3.5 IL&FS Event

NBFC-MFIs constitute a major share of the overall microfinance universe with their



gross loan portfolio amounting to ₹74,371 crore as on March 31, 2020⁷. The failure of IL&FS in 2018 and successive developments led to worsening of risk perception and accentuated liquidity stress in the sector. Better performing companies continued to raise funds while those with Asset–liability Mismatch (ALM) and/or asset quality concerns were subjected to

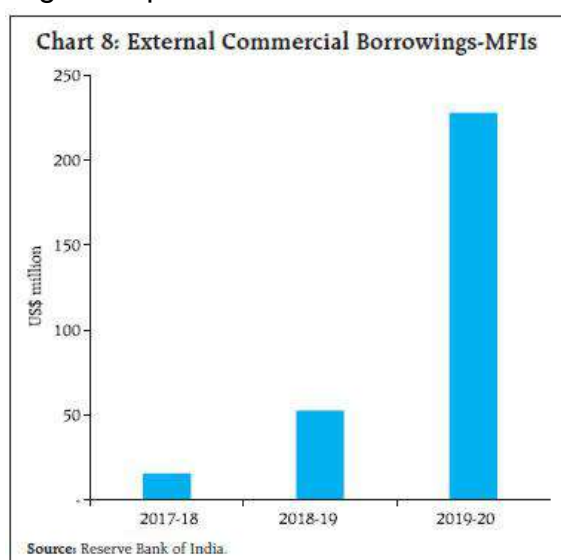
higher borrowing costs (RBI, 2019).

Traditionally, the asset base of NBFC-MFIs consists of small ticket loans with a short tenure and high repayment frequency while the liability side comprises mostly long-

term borrowings. Therefore, NBFC-MFIs were better placed than other NBFCs having ALM concerns. Further, bank credit to NBFC-MFIs extended for on-lending to specified sectors is eligible for categorisation as priority sector lending. Hence, banks are generally incentivised to lend to NBFC-MFIs. Nonetheless, the funding profile of NBFC-MFIs did undergo gradual change in the last three financial years starting 2017-18. It is observed that the liquidity crunch disproportionately affected small and medium sized NBFC-MFIs as opposed to large NBFC-MFIs⁹.

As on March 31, 2020 the total outstanding borrowings of NBFC-MFIs stood at ₹ 53,656 crore. Term loans constituted major share (74.1 per cent) of the debt outstanding. Further, the breakup of sources of term loans for different groups of NBFC-MFIs reveals that for large NBFC-MFIs, banks are the dominant source for long term loans while small and medium NBFC-MFIs source the bulk of term loans from other NBFCs ([Chart 7](#)).

The funding patterns of NBFC-MFI groups ([Table 1](#)) reveal that most of the incremental debt funding, starting 2017-18, was garnered by large NBFC-MFIs while small and medium NBFC-MFIs struggled to get funds. This was largely attributed to the higher dependence of small and medium NBFC-MFIs on other NBFCs for their



funding requirements. Another interesting development in the funding pattern of NBFC-MFIs was the increased reliance on securitisation as a tool for raising funds which, in turn, also helped in freeing up capital and

sustaining high levels of portfolio growth. Securitisation volumes of large NBFC-MFIs during 2019-20 soared to almost 9 times the volumes observed during 2017-18 and accounted for around 46 per cent of total funds raised by them during 2019-20. However, again the volumes of securitisation were low in case of small and medium NBFC-MFIs. The strained financing conditions of NBFC-MFIs also spawned financial ingenuity, which led to securitisation through structures involving pooling of assets by multiple originator NBFC-MFIs⁹. Also, a noteworthy addition in the funding profile of MFIs (including NBFC-MFIs and not for profit MFIs) was of External Commercial Borrowings (ECBs) as MFIs tried to diversify their sources of funds. ECBs recorded average growth of 284 per cent, rising from around US\$ 16 million in 2017-18 to around US\$ 228 million in 2019-20¹⁰ (Chart 8). However, ECBs still account for a small share of overall borrowings of NBFC-MFIs.

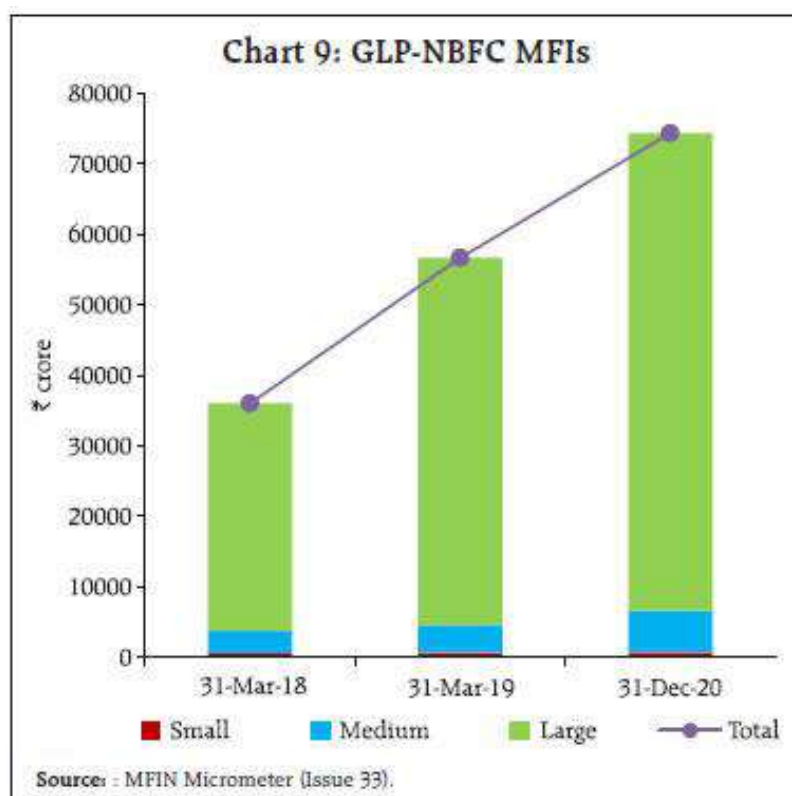


Table 1: Debt Funds Raised and Securitisation Volumes during the Financial Year⁸

	(RS-CROR)		
	2017-18	2018-19	2019-20

Portfolio (GLP)	Debt Fund	Securitisatio	Debt Fund	Securitisatio	Debt Fund	Securitisatio
Small (GLP < ₹ 100 crore)	461(2.7)	24 (0.6)	313(1)	44(0.4)	357 (0.8)	20 (0.1)
Medium (₹100 crore)	2380 (13.8)	182 (4.6)	2720 (8.6)	313(2.6)	2991 (7.1)	649 (1.9)
Large (GLP > ₹ 500 crore)	14389 (83.5)	3718 (93.8)	28656 (90.4)	11665 (97)	38803 (92.1)	32808 (98)
Total	17230	3924	31689	12022	42151	33477
Note: Figures in parenthesis represent percentage share in total volumes. Source: MFIN micrometer (Issue 33).						

The lack of incremental funding impacted portfolio growth of small and medium NBFC-MFIs ([Chart 9](#)). While the GLP of large NBFC-MFIs grew at an average rate of 46 per cent, the portfolio of medium NBFC-MFIs grew at an average rate of 35 per cent during the period. Small NBFC-MFIs experienced the slowest portfolio growth at an average rate of 17 per cent. The lack of growth in on-balance sheet portfolio of small and medium NBFC-MFIs was partly compensated by their increased dependence on fee-based income by acting as Business Correspondents (BC). The BC portfolio of NBFC-MFIs grew from ₹2163 crore as on March 31, 2018 to ₹3918 crore as on March 31, 2020.

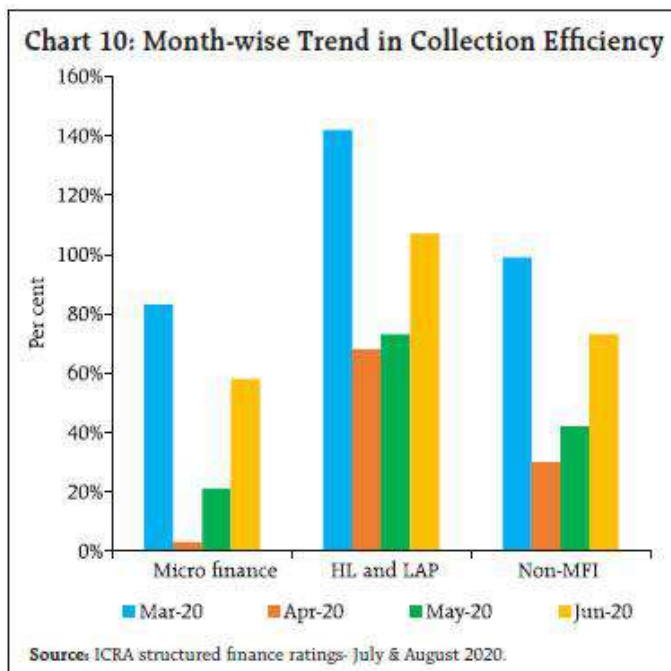
3.6 COVID-19 Challenges

The inherent specialised nature of NBFC-MFIs' loan portfolio, which is largely unsecured, makes them particularly vulnerable to systemic risks posed by COVID-19. In comparison, other microfinance players have relatively more diversified

portfolios and have access to low cost deposits, market financing and lender of last resort (LOLR) facility of the Reserve Bank.

The hit to the labor market has been particularly acute for low-skilled workers who do not have the option of working from home. Income losses also appear to have been uneven across genders, with women among lower-income groups bearing a larger brunt of the impact (IMF, 2020). Small traders, hawkers and daily wage labourers who constitute a large chunk of microfinance borrowers were the worst hit by the lockdown in April 2020. This category of employment accounted for about 32 per cent of the total employment but it suffered 75 per cent of the hit in April 2020¹¹. However, with gradual lifting of lockdowns the employment situation improved in the succeeding months, with overall unemployment rate recovering from 26.19 per cent on April 19, 2020 to 8.13 per cent on August 30, 2020¹².

Credit costs for MFIs are expected to rise. Further, credit discipline may get impacted by disruption to MFI operations. Although MFIs have moved towards

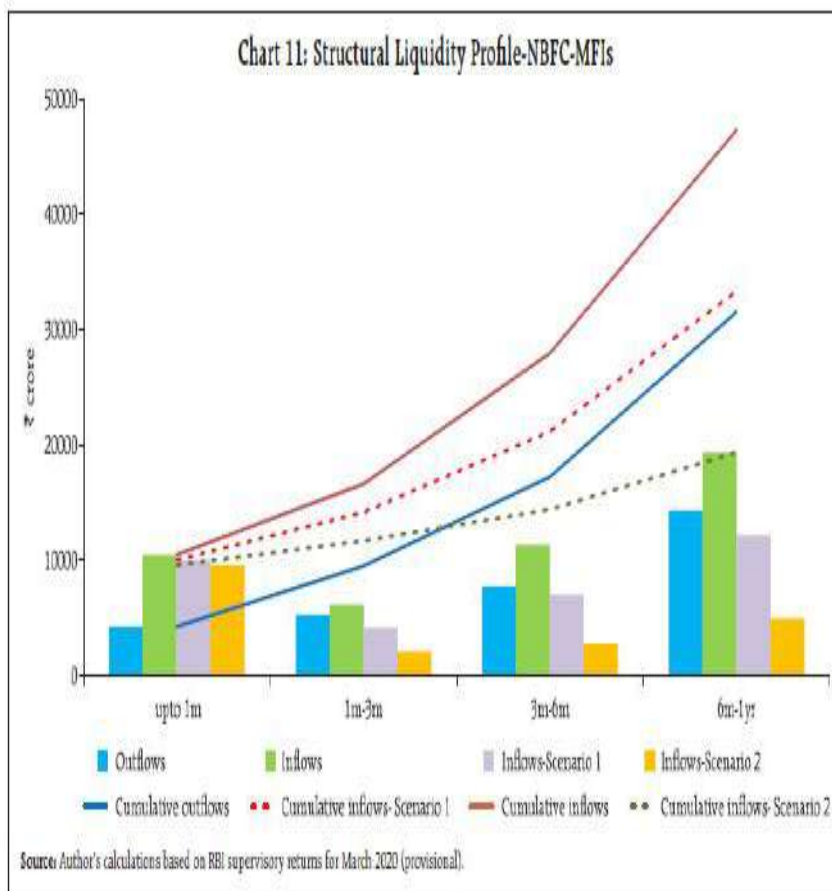


cashless disbursements over the years, loan collections are still cash intensive and are, therefore, prone to disruptions in collection infrastructure. Also, in view of difficulty in making loan repayments, a significant proportion of microfinance borrowers have availed loan moratorium. Against this

backdrop, recent evidence points to a precipitous fall in collection efficiency¹³ of microfinance securitisation pools. The collection efficiency first fell to 83 per cent in

March 2020 and then moved sharply to a low of 3 per cent in April 2020 before recovering to 21 per cent in May 2020 and 58 per cent in June 2020 ([Chart 10](#)). As compared to microfinance pools, other securitisation pools (HL- housing loans, LAP- loans against property, Non-MFI- commercial vehicle loans, gold loans, personal loans etc.) fared better where the drop in collection efficiency was less pronounced.

COVID-19 is also expected to pose liquidity risks to NBFC-MFIs ([Chart 11](#)). As per the maturity pattern of assets and liabilities of NBFC-MFIs as on March 31, 2020¹⁴, individual as well as cumulative time buckets exhibit positive gaps (Inflows¹⁵ > Outflows¹⁶). This is owed to the fact that traditionally, liabilities of NBFC-MFIs comprise mainly long-term borrowings while assets comprise short-tenure loans

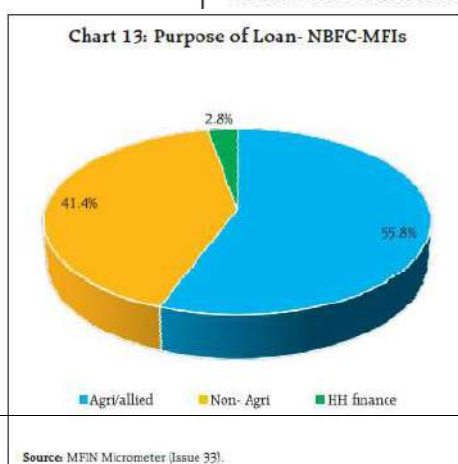
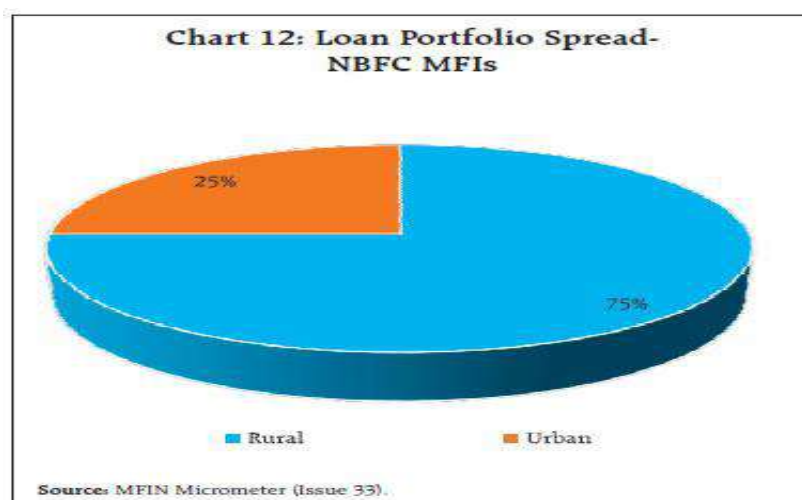


having high repayment frequency. However, the structural liquidity profile may be affected due to problems in loan collections and rise in credit delinquencies due to COVID-19. Further, the moratorium availed by borrowers would affect inflows till the end of

moratorium. Two different stress scenarios are depicted, with Scenario-1 assuming 40 per cent drop in loan collections and Scenario-2 assuming 80 per cent drop in

loan collections (outflows are assumed to be constant in both scenarios). It is observed that in Scenario-1, cumulative gaps get narrowed but still remain positive across time periods. In Scenario-2, cumulative gaps upto 6-months and upto 1-year turn negative, indicating need for additional funding at an aggregate level. Nonetheless, funding requirements for individual NBFC-MFIs would vary as per their respective standalone liquidity profiles.

Managing dynamic liquidity would also prove challenging for NBFC-MFIs as they may find it tough to raise incremental funds for making fresh disbursements and meeting operational expenses. Securitisation volumes are also expected to remain muted in the near term given decreasing risk appetite of investors. The impact on liquidity would be relatively higher for smaller NBFC-MFIs who largely depend on borrowings from other NBFCs. Further, they may find it tough to access market borrowings due to lower credit ratings.



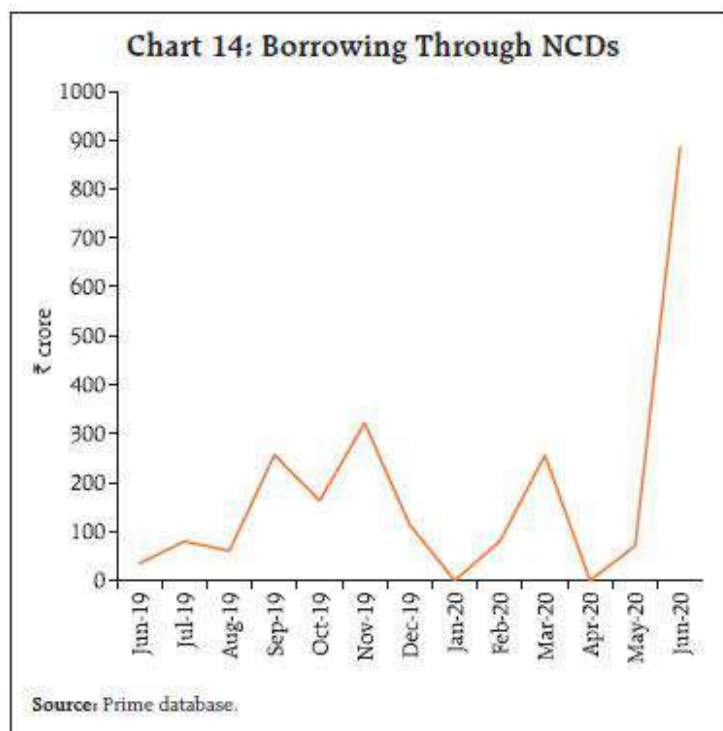
The loan portfolio of NBFC-MFIs is concentrated in rural areas ([Chart-12](#)). Further, majority of

NBFC-MFI loans are given for agriculture and allied activities (55.8 per cent), followed by non-agriculture activities (trade, service, manufacturing and production etc.) at 41.4 per cent and household finance (education, medical, others) at 2.8 per cent ([Chart 13](#)). In this direction, recently announced government schemes are expected to benefit rural households.

On the back of liquidity measures undertaken by the Reserve Bank and improved market financing

conditions, non-convertible debentures (NCD) issuances of NBFC-MFIs¹⁷ witnessed a significant spike touching record highs in month of June 2020

([Chart-14](#)).



the

3.7 Challenges Faced By Micro-finance Institutions

The majority of developing nations are struck with poverty as a leading roadblock to their progress. The main factor that influences the widespread poverty in regions like India is the massive disparity in income distribution. Being an agrarian economy primarily, more than half of the Indian population sustains on agriculture and allied activities.

Both the manufacturing and tertiary sector have been making steady progress since the last two decades, but still, there is a long way before they outgrow the former. The large agrarian sector of the Indian population seems deprived of formal financial services due to the limited functioning of the tertiary industry. It is an important reason why the agricultural industry has suffered from staggering growth in the past.

The Challenges Faced by the the Micro-finance Institutions are as follows

3.7 A - Over-Indebtedness

The microfinance sector deals with marginalized sections of Indian society intending to improve their standard of living, and thus over-indebtedness poses a severe challenge to its growth. The growing trend of multiple borrowing by clients and inefficient risk management are the most significant factors that stress the microfinance industry in India. The microfinance sector gives loans without collateral, which increases the risk of bad debts. Fast-paced growth needs proper infrastructural planning, in which the Indian microfinance sector evidently lacks.

3.7 B - Higher Interest Rates in Comparison to Mainstream Banks

The financial success of MFIs is limited when compared to commercial banks in India. The centuries-old banking system has a strong foothold in Indian grounds and is slowly evolving to meet the needs of the times. Most Microfinance Institutions charge a very high rate of interest (12-30%) when compared to commercial banks

(8-12%). The regulatory authority RBI issued guidelines to remove the upper limit of 26% interest on MFI loans.

3.7 C Widespread Dependence on Indian Banking System



Because most microfinance institutions function as registered Non-Governmental Organizations (NGOs), they are dependent on financial institutions such as commercial banks for stabilized funding to carry out their own lending activities. Most of these commercial banks are private institutions charging a higher rate of interest. They also sanction loans for shorter periods. The massive dependence of Indian MFIs on banks makes them incompetent as a lending partner.

3.7 D - Inadequate Investment Validation

Investment valuation is a crucial capability for the healthy functioning of an MFI. The developing nature of the markets in which MFIs operate, the market activity is often limited. That is why it becomes difficult for MFI to gain access to market data for valuation purposes.

3.7 E - Lack of Enough Awareness of Financial Services in the Economy

A developing country in the making, India has a low literacy rate, which is still more moderate in its rural areas. A large chunk of the Indian population fails to understand the basic financial concepts. There is a severe lack of awareness of financial services provided by the microfinance industry among the masses. This lack of adequate knowledge is a significant factor that keeps the rural population from accessing MFIs for easy credit to meet their financial needs.

3.7 F- Regulatory Issues

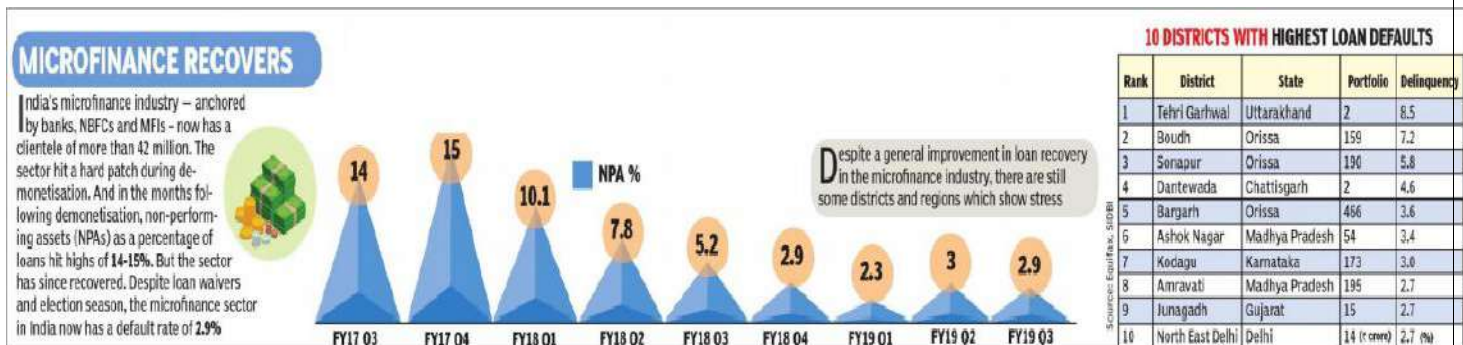
The Reserve Bank of India (RBI) is the premier regulatory body for the microfinance industry in India. However, RBI more or less caters to commercial and traditional banks more than it helps MFIs. Even the needs and the structure of microfinance institutions are entirely different from those of other conventional lending institutions.

3.7 G - Choice of Appropriate Model

Most Indian MFIs follow the Self-Help Group model (SHG model) or the Joint Liability Group model (JLG model) of lending. They hardly select the model based on scientific reasoning. Most MFIs choose the models randomly, regardless of the situation.

3.8 Default rate of loan from MFI

India's microfinance industry - anchored by banks, NBFCs and MFIs - now has a clientele of more than 42 million. The sector hit a hard patch during demonetisation. And in the months following demonetisation, non-performing assets (NPAs) as a percentage of loans hit highs of **14-15%**. But the sector has since recovered. Despite loan waivers and election season, the microfinance sector in India now has a default rate of **2.9%**. Data has been taken from Equifax, SIDBI report.



3.9 DATA ANALYSIS AND DISCUSSION

Table 1: Progress under MFI-bank linkage Programme (Amount in crore)

Year Particular	2012-13		2013-14		2014-15		2015-16		2016-17	
	No. of MFIs	Amt.	No. of MFIs	Amt.	No. of MFIs	Amt.	No. of MFIs	Amt.	No. of MFIs	Amt.
Loan Disbursed by Banks/FI to MFIs	426 (-8.4)	7840 (50.6)	545 (28.0)	10282 (31.2)	589 (8.1)	15190 (47.7)	647 (9.8)	20796 (36.9)	2314 (257.6)	19304 (-7.2)
Loan O/S against MFIs on 31st March	2042 (4.2)	14426 (26.0)	2422 (18.6)	16517 (14.5)	4662 (42.5)	22500 (36.2)	2020 (56.7)	25581 (13.7)	5357 (165.2)	29225 (14.3)
Fresh Loans as % to loans O/S		54.3		62.3		148.13		123.0		151.4

Source: NABARD, Status of Microfinance in India Report, 2012 to 2017.

Table 1 presented progress under MFI-Bank linkages programme. The number of MFIs availing loans from banks during the year 2012-13 decreased over the respective previous year. The number of MFIs availing loans from the banks during the year 2013-14 increased by 28 per cent over the year 2012-13.

However there is substantial increase in the number of MFIs availing loans from banks during the year 2015-16 and 2016-17 over the previous year. It increased from 9.8 per cent to 257.6 per cent. The total loans to MFIs by banks increased during 2012-13, 2013-14, 2014-15 and 2015-16 over the previous year respectively. It increased by about 50.6, 31.2, 47.7 and 36.9 per cent. The total loans to MFIs by banks decreased during 2016-17 by 7.2 per cent over the previous year. The loan outstanding against MFIs increased all the subsequent years over their previous years. It increased by 13.7 and 14.3 per cent in 2015-16 and 2016-17 over the previous year. The fresh loan as percentage to loan outstanding has been increased all the subsequent years over the previous year. Thus it is clear that MFIs gaining confidence of clients as well as with the lending institutions.

Table 2: Outreach of MFIs across States/UTs (in lakh)

States/UT	2017	2016	Growth in %
Karnataka	68.33	75.28	-9%
Tamil Nadu	32.25	57.22	-44%
Uttar Pradesh	29.82	39.36	-24%
Odisha	22.94	23.52	-2%
Bihar	22.57	23.93	-6%
Maharashtra	21.33	38.57	-45%
West Bengal	21.16	24.91	-15%
Madhya Pradesh	20.53	28.19	-27%
Assam	7.73	6.84	13%
Kerala	7.42	12.23	-39%
Rajasthan	6.28	8.20	-23%
Jharkhand	6.21	6.75	-8%
Punjab	5.46	6.26	-13%
Chhattisgarh	5.35	8.36	-36%
Gujarat	4.6	12.63	-64%
Haryana	3.83	5.98	-36%
Telangana	2.59	2.95	-12%
Uttarakhand	1.92	3.22	-40%
Delhi	1.15	2.52	-54%
Andhra Pradesh	1.04	7.27	-86%
Manipur	0.73	0.88	-16%
Mizoram	0.57	0.65	-12%
Tripura	0.43	1	-58%
Puducherry	0.28	1.27	-78%
Arunachal Pradesh	0.19	0.17	9%
Himachal Pradesh	0.13	0.49	-73%
Meghalaya	0.12	0.19	-36%
Sikkim	0.11	0.28	-59%
Goa	0.07	0.13	-47%
Nagaland	0.04	0.04	10%
Jammu & Kashmir	0.03	0.02	17%
Chandigarh	0.02	0.13	-82%
Andaman	0.02	0.01	267%
Total	295	399	

Source: Bharat Microfinance Report 2016-17.

Client outreach in various states is presented in Table 2. Out of total client's base of 295 lakh in 2017, Karnataka state contributed highest number of clients base (23.16%) followed by Tamil Nadu (10.93%), Uttar Pradesh (10.11%), Odisha (7.78%), Bihar (7.65%), West Bengal (7.17%), M.P. (6.96%) etc. The contribution of Chandigarh, Jammu & Kashmir and Andaman was least (0.01%). Comparison of client's base of different states/UTs in 2017 with 2016 has declined, except Assam,

Arunachal Pradesh, Nagaland, Jammu & Kashmir and Andaman. The highest increase was in Andaman (267%) followed by Jammu & Kashmir (17 %), Assam (13%), Nagaland (10 %), and Arunachal Pradesh (9%). The highest decline was in Andhra Pradesh (86%) followed by Chandigarh (82%), Puducherry (78%) and Gujarat (64%), etc. The least decline was in Odisha (2%). Exclusion of six small finance banks (SFBs) is the reason for the decrease in client outreach in most of the states.

Table 3: Rural and Urban Share of MFI Borrowers

Year	Rural	Urban	Total
2013	184 (67)	91 (33)	275 (100)
2014	185 (56)	145 (44)	330 (100)
2015	122 (33)	249 (67)	371 (100)
2016	152 (38)	247 (62)	399 (100)
2017	180 (61)	115 (39)	295 (100)

Source: Bharat Microfinance Report 2016-17

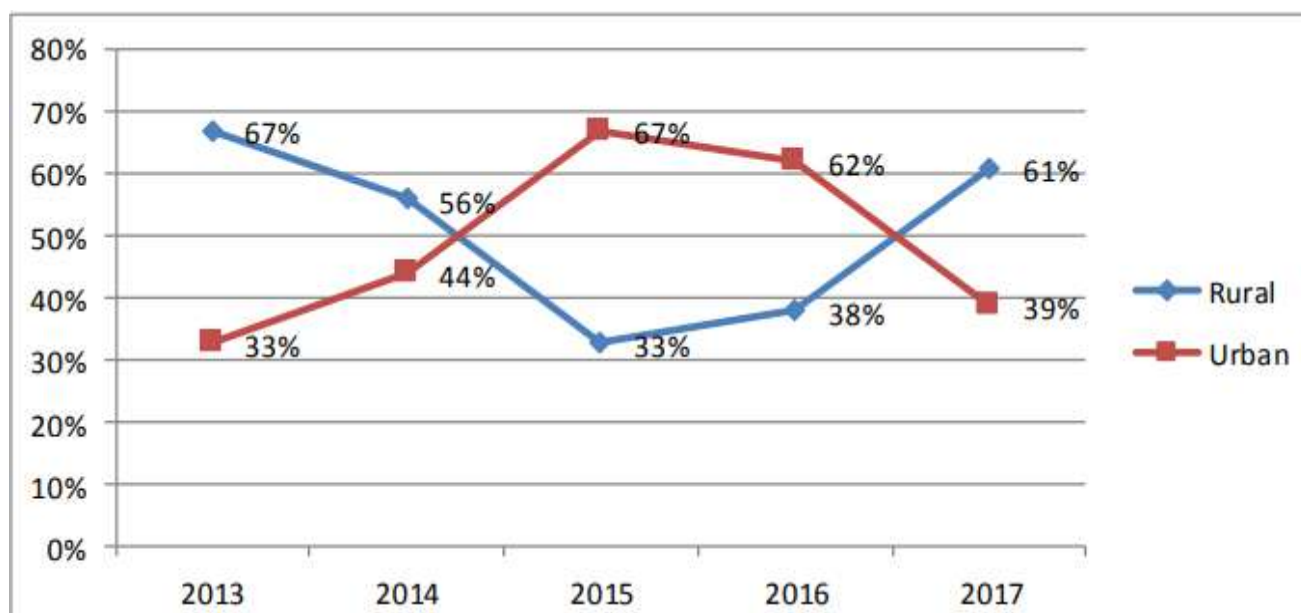


Figure 1: Trends in Rural and Urban Share of MFI Borrowers Rural-urban distribution of MFI borrowers is shown in Table 3 and figure 1. Indian microfinance was basically

considered as a rural phenomenon. The share of rural clientele was 67 per cent in 2013 which decreased to 56 per cent in 2014 and has drastically reduced to 33 % in 2015. During the next year i.e. in 2016 the share of rural client slightly increased to 38 per cent. It is first time that urban client base outpaced rural client base. However, in the next year i.e. in the year 2017, significant improvement was noticed in the share of rural client which increased to 61 per cent. In 2017, the trend of rural to urban is the reverse of trend of 2016 because of exclusion of 6 SFBs. One of the key finding from this study shows that small sized of MFIs are rural centric.

3.10 Purpose of Loan Taken

Traditionally, MFIs have been lending for both consumption and productive purposes. It is believed that poor people use their loans for their emergency and consumption needs more than for livelihoods. In 2015, RBI regulation stipulated that a minimum of 50% of the MFI loans are to be deployed for income generating activities.

Table 4: Income generation loans and non- income generation loans (Rs crore)

Year	Income generation loan	Non income generation loan	Total
2013	23474.36 (91)	2321.64 (9)	25796 (100)
2014	30846.4 (80)	7711.6 (20)	38558 (100)
2015	47129.6 (80)	11782.4 (20)	58912 (100)
2016	68004.3 (94)	4340.7 (6)	72345 (100)
2017	44579.95 (85)	7867.05 (15)	52447 (100)

Source: Bharat Microfinance Report 2016-17

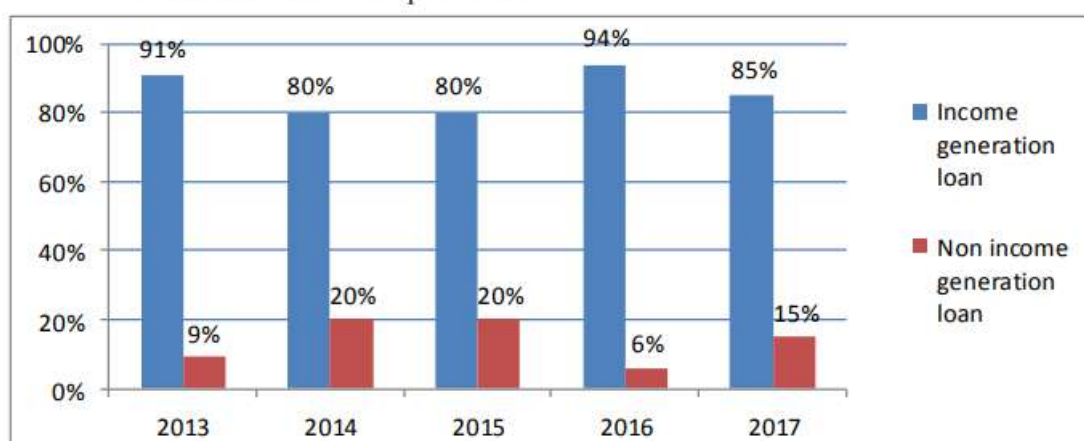


Figure 2: Income generation loans and non- income generation loans

Table 4 and figure 2 shows that the proportion of income generation loan was 91 per cent during the year 2013 which reduced to 80 per cent during the year 2014. The proportion of income generation loan remained same during the next year i.e. 2015. During the year 2016 it increased up to 94 per cent. In the year 2017 the proportion of income generation loan to non-income generation loan is 85:15. Agriculture, animal husbandry and trading are major sub-sectors where income generation loans are deployed. Non- income generation loans are used for consumption, housing, education, water & sanitation, health, etc. As high as 31 per cent of the total income generating loan was disbursed for trading and small business followed by agriculture 30 per cent and animal husbandry (22 %). The rest of the proportion of income

Table 5: Assets with MFIs over the years

Year	Assets
2011	22736
2012	24240
2013	28051
2014	36125
2015	51564
2016	58621
2017	47247

Source: NABARD, Status of Microfinance in India Report, 2012 to 2017.

generating loan was disbursed to transport, cottage, handicraft and other activities

Total assets of MFIs are presented in Table 4. The total assets with the MFIs was Rs. 22,736 crore in 2011 which continuously increased over the years and reached to Rs. 58621 core in 2016. Total assets of MFIs have seen a consistent growth trend over last 6 years from 2011 to 2016 but in 2016-17, there is a sharp decline of 21per cent. The assets of an MFI comprise mostly of its net loan portfolio. The net loan portfolio alone of reporting MFIs was about 73 per cent of the total assets at the end

of the year 2016-17. Cash and cash equivalents with 19 per cent share occupied the second position. Cash and cash equivalents are at this level mainly because most MFIs receive debt funding largely towards the very end of the year while it can be lent to the clients only at the beginning of next year. Next major component of assets is trade and other receivables with 7 per cent share in total assets of the MFIs. The share of net fixed assets is just 1 per cent in total assets of the MFI.

3.11 Performance Of Micro-finance Institutions In India

Table 6: Performance indicator of MFIs Model in India

Particular	2016	2017
Client outreach (Lakhs)	399	295
Women client (%)	97%	96%
Gross O/S Portfolio (crore)	63853	46842
Average loan per borrower (crore)	11425	12751
Income generation loan (%)	94%	85%
Margin (%)	10%	8.08%
ROA (%)	2.20%	2.4%
ROE (%)	11.60%	13.31%
OSS (%)	113%	114%
CAR (%)	19.39%	21.13%
NPA(%)	0.15%	0.69%

Source: Bharat Microfinance Report 2016-17

Table 6 presented an overall performance of microfinance institutions during the year 2016 and 2017. The table shows that the client outreach reduced by 26 per cent in 2017, over 2016. However, the percentage of women's outreach also decreased from 97 per cent to 96 per cent. The gross outstanding portfolio has decreased from Rs. 63,853, crore to Rs. 46,842, crore, i.e. by about 27 per cent during this period in 2017 over 2016 whereas average loan per borrower has shown upward movement during this period, i.e. average loan per borrower has increased by 11.60 per cent during this period. Out of total loans the proportion of income generating loan was 94 per cent in 2016 which decreased to 85 per cent in 2017. The indicators relating to overall financial structure such as Return on assets and Return on equity, capital

adequacy ratio have increased over this period. The average OSS of the Indian MFIs has increased from 113 per cent in 2016 to 114 per cent in 2017. Operational self sufficiency measures the ability of an MFI to meet all its operational and financial costs out of its income from operations. The profit margin has also declined from 10 per cent in 2016 to 8.08 per cent in 2017. Non-performing assets increased during this period from 0.15 per cent to 0.69 per cent.

3.12 Sustainability Of Micro-finance Institutions

Sustainability is defined as the capacity of a program to stay financially viable even if subsidies and financial aids are cut off [7]. Reaching the poor is major issue related to sustainability of MFIs. Reaching the poorest of the poor is more costly than reaching other segments of the market even when there are no fixed lending costs, and that leverage may be much harder to achieve for MFOs that target the “low-end” of the market [2]. With the purpose of attaining sustainability, MFIs try to gain economies of scale by diverting their efforts in servicing better-off clients. This strategy results in reducing expenses per loan and increasing the probability of repayment. Another way to attain sustainability, consistent with Tucker and Miles [8], is to increase profits by raising interest rates, fees, or both. This option moves the costs for clients up and consequently raises default rates. Both options, hit very poor badly and they could not benefit from microfinance services.

3.12 Trade off between outreach and sustainability

Depth of outreach and financial sustainability are two desirable but polar opposite targets. Since depth of outreach implies increased service to the poor, while emphasis on financial sustainability may force MFIs to either cut back on the

disbursement of smaller loans or rely more on subsidies [3]. Therefore, it is required to strike a balance between outreach and financial sustainability of MFIs, so that, both financial and social mission can be accomplished. However, Gibbons and Meehan [9] contend that there was no necessary medium to long-term trade-off, for even among the poorest loan clients; average loan size tends to increase considerably over the years as clients prove their ability to repay and consequently have access to larger and/or multiple loans. Quayes [10] analyzed 702 MFIs from 83 countries, and drew an inference that there is no trade-off between financial sustainability and depth of outreach. However tradeoff exists between breadth of outreach and financial sustainability. Whereas, Fajonyomi, et al. [11] analyzed 80 MFIs over the period 2005-10 from southwestern Nigeria and confirms strong, positive and uni-directional relationship between sustainability and breadth of outreach.

3.13 comparing outreach and sustainability of Indian MFIs with

Table 1: Comparison of Indian MFIs with the South Asian MFIs in pre and post Andhra Pradesh Crisis

Country	Afghanistan		Bangladesh		India		Nepal		Pakistan		Sri Lanka	
	2008	2011	2008	2011	2008	2011	2008	2011	2008	2011	2008	2011
Fiscal Year												
MFI (count)	15	6	29	37	100	113	33	37	27	19	20	17
Operational Self Sufficiency (median)	51.54%	59.31%	85.95%	102.90%	109.16%	91.29%	111.99%	112.62%	56.44%	85.59%	77.78%	96.54%
Percent of Women Borrowers (median)	60.04%	39.79%	96.24%	96.00%	100.00%	100.00%	100.00%	100.00%	52.02%	69.18%	76.98%	94.36%
Gross Loan Portfolio (median)\$	3,196,615	3,359,378	9,742,046	10,258,293	3,918,337	5,699,983	1,440,957	1,995,098	2,388,534	10,420,667	2,660,101	2,000,562
Portfolio at Risk30 (median)	12.83%	0.43%	2.34%	1.69%	0.30%	1.04%	0.82%	0.16%	2.22%	1.40%	6.51%	2.07%
Equity (median)\$	280,905	-331,245	3,668,743	2,416,566	1,629,273	975,615	431,440	481,260	1,184,368	4,144,505	983,526	900,072
Average Loan Balance per borrower/GN	52.68%	124.07%	18.15%	17.96%	10.39%	9.39%	36.73%	45.63%	14.06%	14.44%	8.48%	6.27%
Cost Per Borrower (median)\$	103	284	15	18	14	18	17	22	32	43	29	28
Cost Per Borrower (median)\$												

their counterparts in South Asia

For the purpose of comparing outreach and sustainability of Indian MFIs with their counterparts in South Asia, data is collected from Microfinance

Information Exchange database, for the year 2008 and 2012 (pre and post Andhra Pradesh microfinance crisis period respectively) . Referring to Table 1, it is clear that Operational Self Sufficiency (proxy for sustainability of MFIs) of Indian MFIs has declined from 2008 to 2011 to the extent to make them operationally non sustainable. Operational Self Sufficiency (OSS) less than 100 per cent shows operations of MFIs are not sustainable and their incapacity to recover their operational costs from the operational revenue. However, even after AP microfinance crisis, OSS of Indian MFIs is better than MFIs in Afghanistan and Pakistan. On cost front, although after AP crisis, cost per borrower has increased in India, yet, it is lowest in comparison to other MFIs operating in South Asia. In pre and post crisis period, average (median) percentage loan given to women remains highest in India in comparison to South Asia, implying breadth of outreach is not affected by the crisis. Turning the focus to the depth of outreach i.e. Average loan Balance per borrower /GNI, it is lowest across the countries in South Asia in both pre and post crisis period. Poorer the borrower is smaller the size of loan [10], thus, in India, borrowers are relatively poor. Secondly, it is associated with the lesser efficiency [4], which is obviously is a reason of concern for Indian MFIs. Looking at the quality of Portfolio Index, i.e. Portfolio at Risk (PaR30), that shows loans due but not paid, even after 30 days, has increased for India for 2011. For all other countries PaR30 is declining from 2008 to 2011, which implying their portfolio quality is improving. In the period 2011 India is the only country whose PaR30 has increased, which eventually pointing portfolio quality of Indian MFIs has been deteriorated after the crisis.

Conclusion

COVID-19 event is perhaps the biggest tail risk event in a long time. Owing to the disruptions in supply chain and business operations, the likelihood of loss of livelihoods and consequent drop in household incomes is high. NBFC-MFIs, being specialised institutions extending collateral free loans to low-income groups, are particularly exposed to credit risks in this scenario. Further, repayment rates have dropped significantly, posing liquidity risks. Smaller NBFCs-MFIs are particularly vulnerable to credit rating downgrades, which may hamper their ability to raise fresh capital and access liquidity.

At the cusp of the transition to the new decade, the microfinance sector is perhaps experiencing a déjà vu moment. COVID-19 is expected to afflict the microfinance sector with financial risks in the near term. However, it may also incentivise digitisation. Efforts to migrate loan collections to digital platforms may greatly improve operational efficiency and help in minimizing event-based disruptions. Further, data analytics may be leveraged for predicting portfolio behavior, building risk models and designing customer centric products. At this juncture, when the risk of spread of misinformation is high, it is important that credit discipline be maintained. Increasing engagement with borrowers through virtual/telephonic means and sensitising staff on fair practices code would go a long way in restoring confidence in borrowers and rebooting the credit cycle. Further, responsible lending practices need to be adopted to ensure that loan amounts are commensurate with borrower's ability to repay and that there are no instances of multiple/over-lending. As past events have demonstrated, portfolio diversification across geographies is essential due to recurring localised disruptions, which impact MFI operations. Further, NBFC-MFIs, especially smaller ones, need to diversify their sources of

funds for sustaining healthy portfolio growth. Going forward, building capital buffers and managing liquidity would be crucial for MFIs in fortifying their balance sheets against COVID-19 led disruptions. In this milieu, it is imperative that the microfinance sector utilize past lessons and work towards transforming the pandemic into new possibilities.

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PROJECT REPORT

(Submitted for the Degree of B.Com. Honours in Accounting & Finance/ Marketing/.....under the University of Calcutta)

Title of the Project

**Customer buying behavior and satisfaction level of
'Amul products'.**

Submitted by

Name of the Candidate : Andria Dey

Registration No. : 223-1211-0506-18

Name of the College : Scottish Church College

College Roll No. : 18C-007

Supervised by

Name of the Supervisor : SREEPARNA MUKHERJEE

Name of the College : SCOTTISH CHURCH COLLEGE

Month & Year of Submission

Annexure - IA

SUPERVISOR'S DECLARATION

This is to certify that Ms. Andria Dey a student of B.Com. Honours in Accounting and Finance / Marketing / Taxation / Computer Applications in Business of Scottish Church College under the University of Calcutta has worked under my supervision and guidance for his/her Project Work and prepared a Project Report with the title “**CUSTOMER BUYING BEHAVIOUR AND SATISFACTION LEVEL OF AMUL PRODUCTS**”, which she is submitting, is her genuine and original work to the best of my knowledge.

Place :

Signature :

Date :

Name : SREEPARNA MUKHERJEE

Designation : SACT

College : SCOTTISH CHURH COLLEGE

Annexure – IB

STUDENT’S DECLARATION

I hereby declare that the Project Work with the title “**CUSTOMER BUYING BEHAVIOUR AND SATISFACTION LEVEL OF AMUL PRODUCTS**”, submitted by me for the partial fulfillment of the degree of B.Com. Honours in Accounting & Finance / Marketing / Taxation / Computer Application in Business under the University of Calcutta is my original work and has not been submitted earlier to any other University / Institution for the fulfillment of the requirement for any course of study.

I also declare that no chapter of this manuscript in whole or in part has been incorporated in this report from any earlier work done by others or me. However, extracts of any literature which has been used for this report has been duly acknowledged providing details of such literature in the references.

Place :

Signature :

Date :

Name : ANDRIA DEY

ACKNOWLEDGEMENT

I would like to thank my project guide Prof. SREEPARNA MUKHERJEE for her guidance, valuable help and the opportunity provided to me to complete the project under her guidance. I would like to thank all faculty members of Scottish Church College (B.COM. DEPARTMENT) for guiding and supporting me in the completion of the project. Last but not the least, my gratitude to my parents without whose concerned and devoted support the project would not have been the way it is today.

My sincere thanks also go to my friends for supporting me at every juncture in the completion of this project.

INTRODUCTION

“Customer buying behavior”, is the sum total of a customer’s attitudes, preferences, intentions, and decisions regarding the consumer’s behaviour in the market place when purchasing a product or service. The study of consumer behavior draws upon social science disciplines of anthropology, psychology, sociology and economics.

Consumer behavior is broadly studied field. It lets the companies understand how consumer decided about buying their product or acquiring services. Marketing managers are always interested to know more about consumer’s behaviour so they can prepare better communication and advertising campaign and messages about their products and services. Consumer makes buying decision every day and many people do not know the factors which derive them to this decision.

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CHAPTER - 1

INTRODUCTION

AMUL means “**priceless**” in Sanskrit. The brand name “AMUL”, from the Sanskrit “Amoolya”, was suggested by a quality control expert in Anand, Gujarat. Variants, all meaning “priceless”, are found in several Indian languages. Amul products have been in use in millions of homes since 1946.

Products which have made Amul a leading food brand in India are :

Amul Butter, Amul Milk Powder, Amul Ghee, Amulspray, Amul Cheese, Amul Chocolates, Amul Shrikhand, Amul Ice cream, Nutramul, Amul Milk and Amulya.

50 years after it was launched, Amul’s sale figures have jumped from 1000 tonnes a year in 1996 to over 25,000 tonnes a year in 1997. No other brand comes even close to it. All because a thumb-sized girl climbed on to the hoardings and put a magical spell on the masse. Today Amul is a symbol of high-quality product sold at reasonable prices.



AMUL stands for,

A = Anand

M = Milk

U = Union

L = Limited.

BACKGROUND :

In the year 1946 the first milk union Kaira District Milk Union Limited was established, and later in the year 1955 it was renamed to Amul.

Tribhuvandas Patel became the founding chairman of Amul Company.

Amul was mainly founded to stop exploitation of farmers by middlemen. Amul spurred the White Revolution in India, which placed India at the top of milk producing nations. It has been awarded the Guinness World Record for the longest running advertisement campaign. In the 1960's, Amul became the first brand in the world to make skimmed milk powder from buffalo milk.

Dr. Verghese Kurien assisted in the mission of White Revolution on being persuaded by Tribhuvandas Patel. On the death of the founder, Dr. Verghese Kurien took the entire responsibility of the Company.

NEED FOR STUDY:

Customer buying behaviour studies about the various situations such as what do customer buy, why do they buy, when do they buy, how often do customers buy, and much more. Another important reason to study customer behaviour is to find out which competitor's products the customer is buying and why.

OBJECTIVE:

- ❖ To study the consumer buying behaviour towards Amul products.
- ❖ To ascertain the factors influencing the purchase of Amul products.
- ❖ To find out the socio-economic status of the consumers who is utilizing Amul products.
- ❖ To identify brand awareness, problems and level of satisfaction of the respondents in purchasing of Amul products.

LIMITATIONS:

- ❖ When taking an online survey it's hard for the customers to believe that they are not being tracked, therefore, they are hesitant in giving any information.
- ❖ Sending surveys too often can irritate customers and may lead to customer burnout.

LITERATURE REVIEW

In this project report we discuss about a dairy cooperative, AMUL, in western India that has developed a successful model for doing business in large emerging economy. AMUL has become World's 8th largest Milk Processor.

Dr. S.P. Savitha, published a research paper on, "A study on consumer preference towards 'AMUL PRODUCT' in Madurai city". AMUL formed in 1946, is a dairy cooperative movement in India. India largest food brand trusted Amul product for its quality and product available at affordable prices.

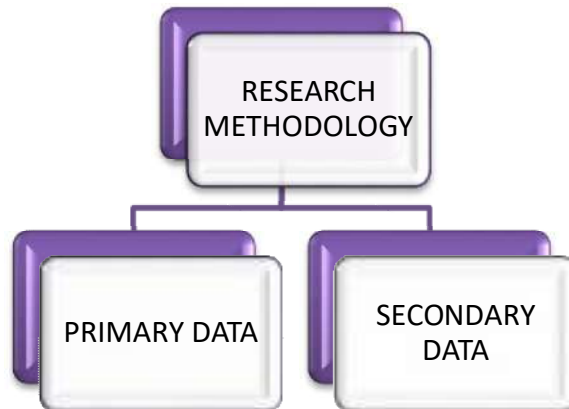
Mohit Jamwal and Dr. Akhilesh Chandra Pandey, "Consumer behaviour towards cooperative milk societies: A Study on measuring the customer satisfaction of Aanchal milk (A Member milk union of UDFC Ltd.)". The study on consumer behaviour is the study of how individual make decision to spend their available resources (time, money and effort) on consumption related items.

Akhila D and Dr. C. Boopathi, "Consumer behaviour on Aavin Milk and dairy products in Pollachi, Tamil Nadu ". The aim of the study is to reveal consumer perception over Aavin milk products based on their age, education, qualification and monthly income of the consumer's family.

Dr. P. Rengarajan, R. Sathya and R. Gothami, "Buying behaviour of selected branded milk products". Dairy products are one of the things used nowadays in urban and rural areas. Although the country has emerged as the largest producer of milk in 90's.

Mrs. Sonali Dhawan, "A study on consumer behaviour towards various branded and non-branded milk with special reference to Jabalpur district in Madhya Pradesh". Consumer behaviour can be defined as the behaviour that consumer display in searching for purchasing, using, evaluating and disposing of products and services that they expect will satisfy needs and wants.

METHODOLOGY



Research methodology is the basic procedure of technique used to classify, select, process and evaluate information on the subject.

- **DATA COLLECTION:**

Primary data is used in this study. For the purpose of collecting primary data questionnaires were filled by the respondents.

- **AREA OF STUDY:**

The area of study will be confined to **Kolkata**.

- **SAMPLE SIZE:**

Sample size taken in this study is **60** customers

- **TOOLS OF DATA COLLECTION:**

Analysis is done through questionnaires which are distributed to the customers in the form of Google e-form.

- **METHOD OF ANALYSIS:**

The various tools used for data analysis –

- Bar graph
- Pie chart
- Column graph.

CHAPTER-2

CONCEPTUAL FRAMEWORK

NATIONAL SCENARIO

India is the world leader in milk production with total volume of 115 million tons. Driven by steady population growth and rising income, milk consumption continues to rise in India.

In India, rural households consume almost 50% of total milk production. Of the share of milk sold in the domestic market, almost 50% is consumed in fluid form, 35% is consumed as traditional products (cheese, yoghurt and milk based sweets), and 15% is consumed for the production of butter, ghee, milk powder and other processed dairy products (including baby foods, ice-cream, whey powder, casein and milk albumin).



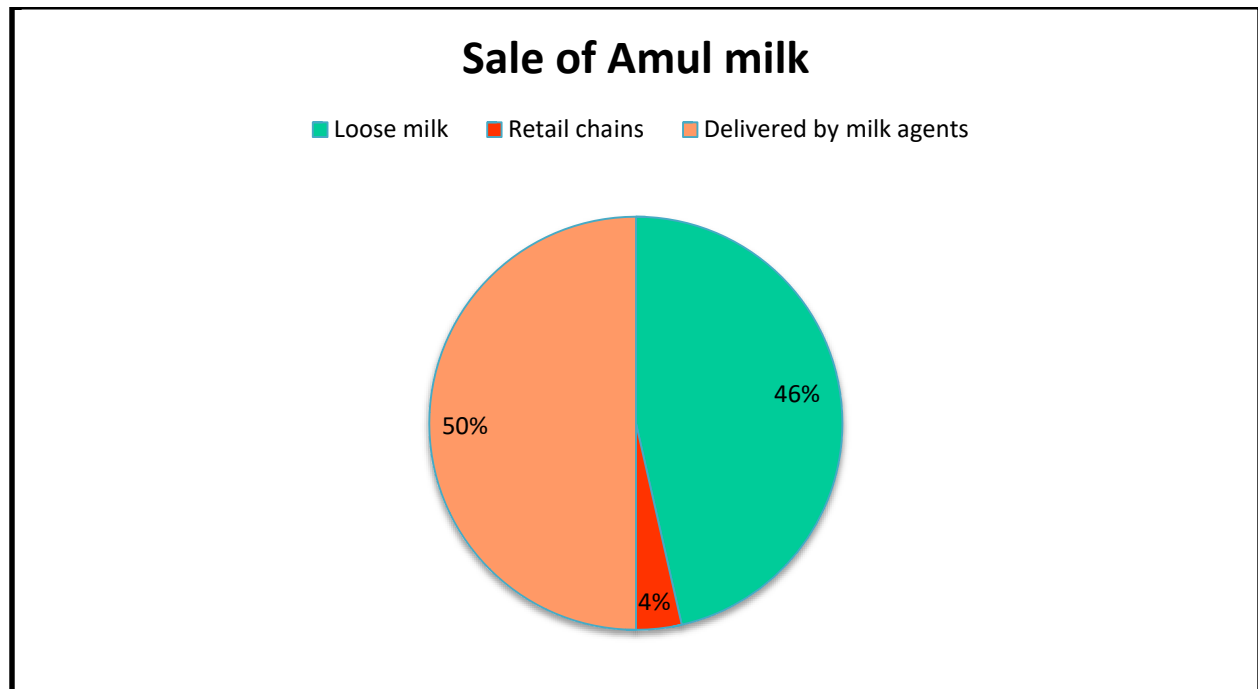
**Gujarat
Cooperative Milk
Marketing
Federation Ltd.**
(GCMMF), is India's largest food product marketing organisation with annual turnover (2019-2020) US\$ 5.1 Billion.

Its daily milk procurement is approx. 23 million lit per day from 18600 village milk cooperative societies, 18 member union covering 33 districts, and 3.6 million milk producer members.

It is the apex organisation of the Dairy Cooperatives of Gujarat, popularly known as **AMUL**, which aims to provide remunerative returns to the farmers and also serve the interest of consumers by providing quality products which are good value for money. Its success has not been emulated in India but serves as a model for rest of the world.

It operates through 61 Sales Officer and has a dealer network of 10,000 dealers and 10 lakh retailers, one of the largest such networks in India. Its product range comprises milk, milk powder, health beverages, ghee, butter, cheese, Ice-cream, paneer, chocolates and traditional Indian sweets, etc.

About **46%** of the milk is sold in 'loose' form, **4%** of the milk is sold through retail chains and **50%** is delivered to the homes by 'milk agents'. Carton milk or packaged milk has been growing at 24% annually.



The preferred dairy animal is the buffalo. Some 65% of the world buffalo milk is produced in India. Value for its high fat content is 7% with respect to 3.5% that of cow. It is also high in calcium, phosphorous, lactose and proteins. Thus, Buffaloes milk is the delight of the milk processing for its more profitable handling.

The revolution associated with a sharp increase in milk production in the country is called the **White Revolution in India** also known as Operation Flood.

Dr. Verghese Kurien is known as the Father of the White Revolution in India.

The White Revolution made a profound impact on rural masses and encouraged them to take up dairying as a subsidiary occupation. The small and marginal farmers and the landless laborers have been especially benefitted from the White Revolution.



INTERNATIONAL SCENARIO

GCMMF is India's largest exporter of Dairy Products. It has been accorded a "Trading House" status. GCMMF has received the APEDA Award from the Government of India for Excellence in Dairy Product Export for the last 13 years.

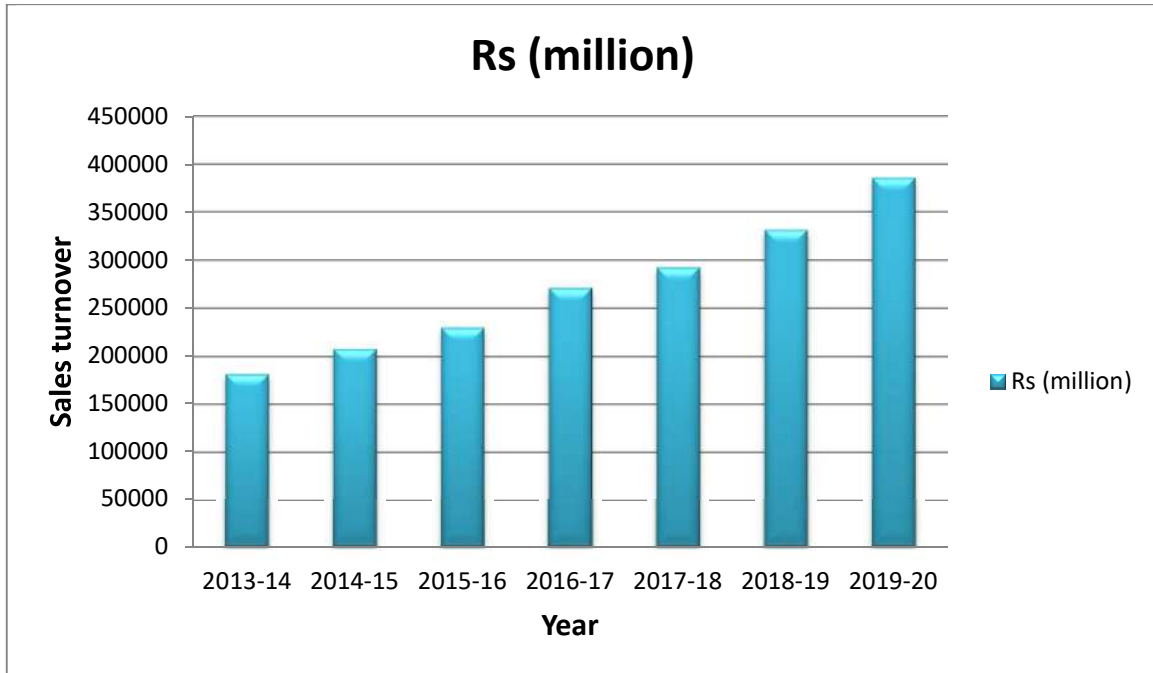
Group turnover of GCMMF and its constituent member union, representing consolidated turnover of all products sold under Amul brand, exceeded Rs 52,000 crores (\$7 billion).

GCMMF said it is aiming to achieve a group business turnover of Rs 1 lakh crore (\$13.3 billion) by 2024-25.

Amul was 18th largest dairy organisation in the world in the year 2011, and is now the **8th largest milk processor in the world**. The company said its target is to be one of the top three.

It is the **2nd largest milk brand in Asia**, and is now available in over 40 countries. It is exporting a wide variety of products. The major markets are the US, West Indies, countries in Africa, the Gulf region, the SAARC neighbors, Singapore, the Philippines, Thailand, Japan and China.

Today, Amul is an institution, covering 13,000 villages benefiting 2.7 million farmers and we would want this coverage to expand further with more farmers to join the Amul umbrella nationally. Coming to business, we would be handling more than twice the amount of milk and our sales turnover would be nearly Rs 20,000 crore. At present, the sub-25 segment is a major consumer of our brands. Market studies show that they are looking for healthier alternatives to carbonated soft drinks. In line with this, Amul has introduced a range of milk-based products such as flavored milk, buttermilk, yoghurt, probiotic products and energy drink. In future, we will look at entering categories, where we can provide substantial value addition.



No. of Producer Members	3.6 Million
No. of Village Societies	18,600
Total Milk handling capacity per day	35 Million Litres per day
Milk Collection (Daily Average)	23 Million Litres per day
Cattle feed manufacturing capacity	9200 MTs per day
Sales turnover (2019-20)	Rs 38,550 crores (US\$ 5.1 Billion)

CHAPTER-3

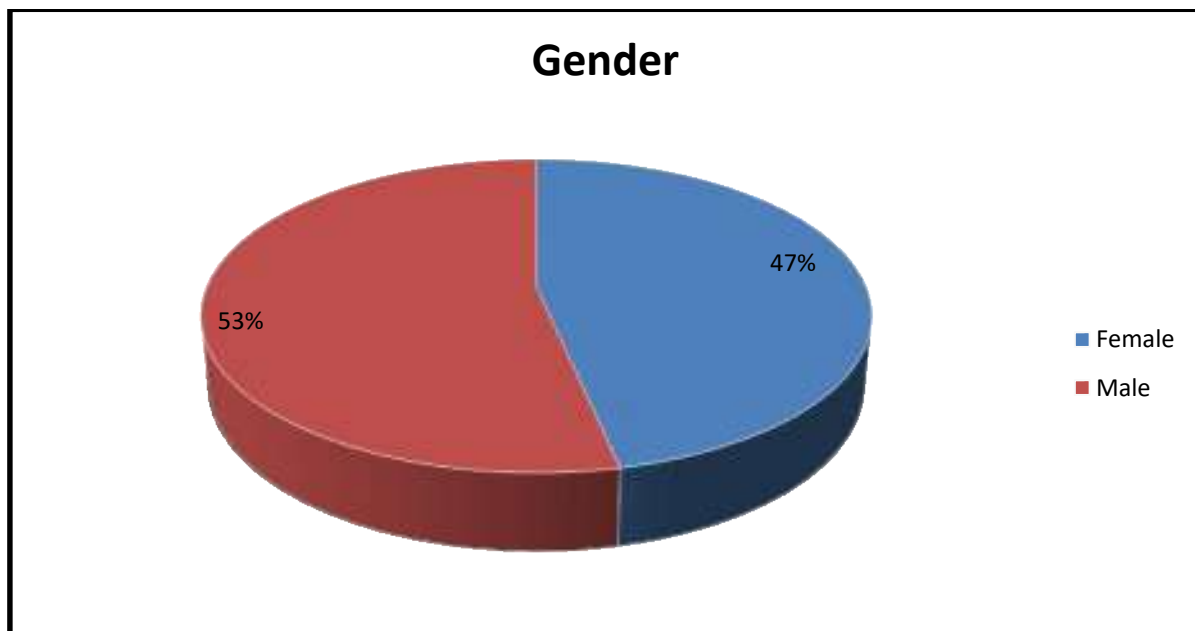
ANALYSIS AND FINDINGS

The survey received feedback from a total of 60 respondents, which was conducted with the help of Google e-form. The area of study is confined to Kolkata. The following data was analysed according to the research questions.

Gender Distribution:

A person's gender can have a huge effect on their way of thinking, thus majorly affecting the result of the survey.

The gender distribution for this survey is depicted below;

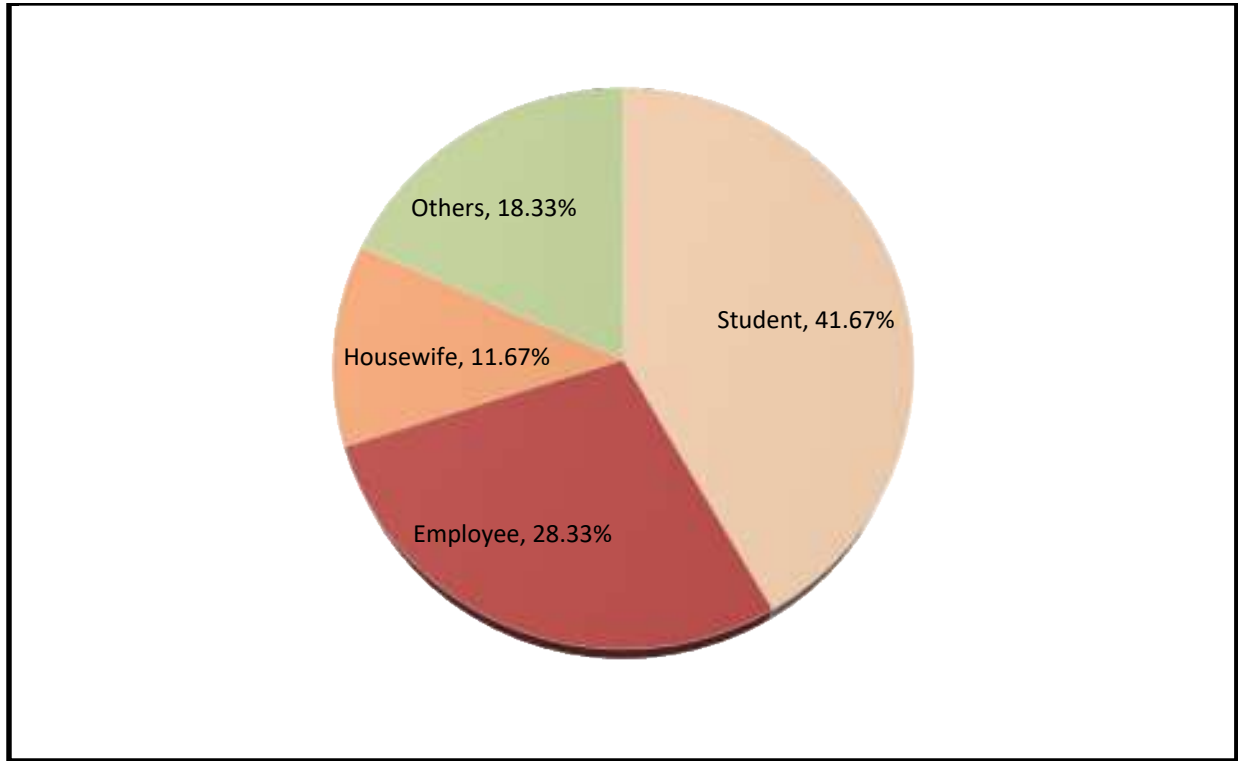


Interpretation:

The total respondents to this survey are 60, of which 47% of them are female and 53% are male.

Female Respondents	Male Respondents
47%	53%
28	32

Occupation of the respondents

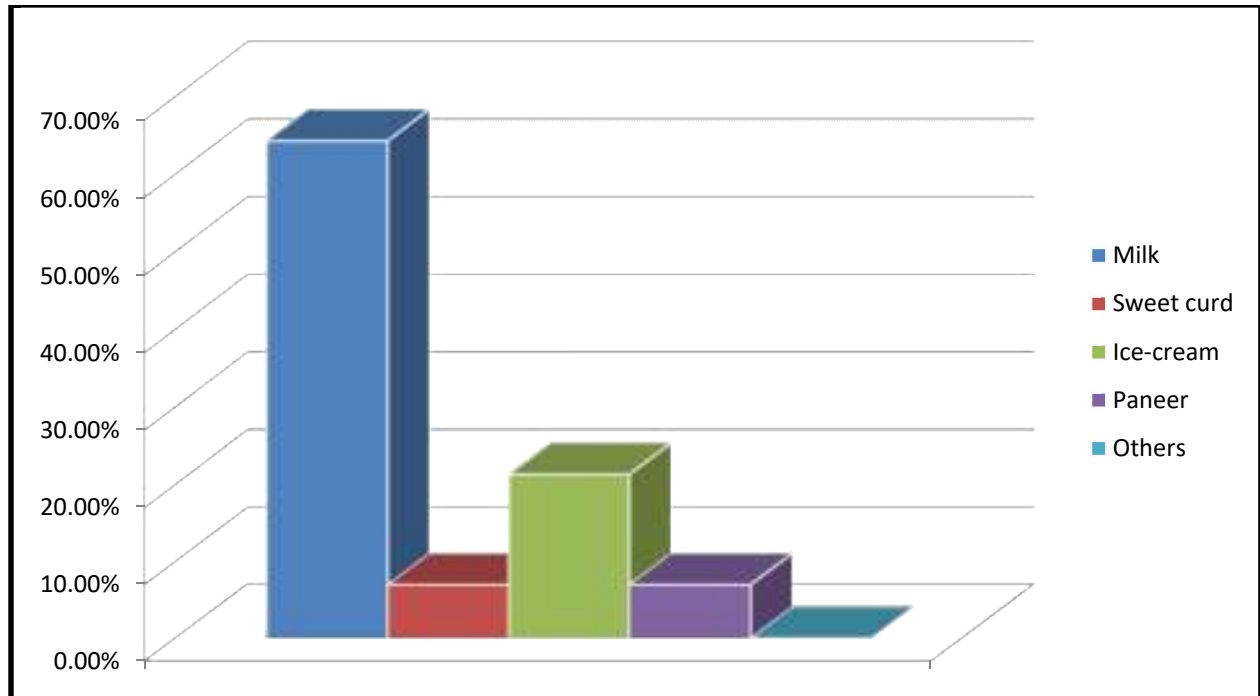


Interpretation:

This pie chart illustrates that among 60 respondents, most common is students which is **41.67%** of the respondents. Employees being **28.33%**, and there is a small percentage of housewife which is **11.67%**. Other occupations being **18.33%** of the total respondents which are mainly businessman, doctors, designer, lawyer and so on.

Student	Employee	Housewife	Others
41.67%	28.33%	11.67%	18.33%
25	17	7	11

Amul Product consumed by respondent

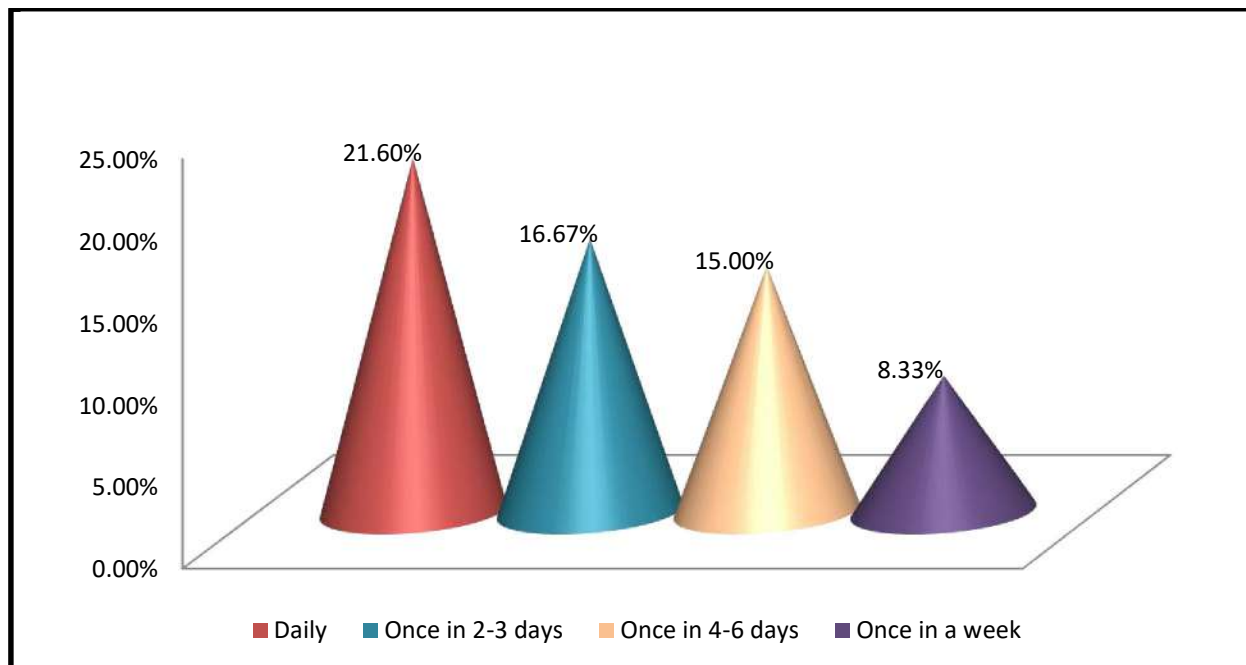


Interpretation:

The bar chart gives information about which Amul product is consumed by the respondents. According to the survey conducted, it seems most of the respondents consume Amul milk which is calculated to **63.33%** of the total respondents. Consumption of sweet curd and paneer being **6.67%** each. Ice-cream consumed by the respondents is **21.67%** while other products of Amul consumed is **1.67%**.

Milk	Sweet curd	Ice-cream	Paneer	Others
63.33%	6.67%	21.67%	6.67%	1.67%
38	4	13	4	1

Frequency of buying Amul Products

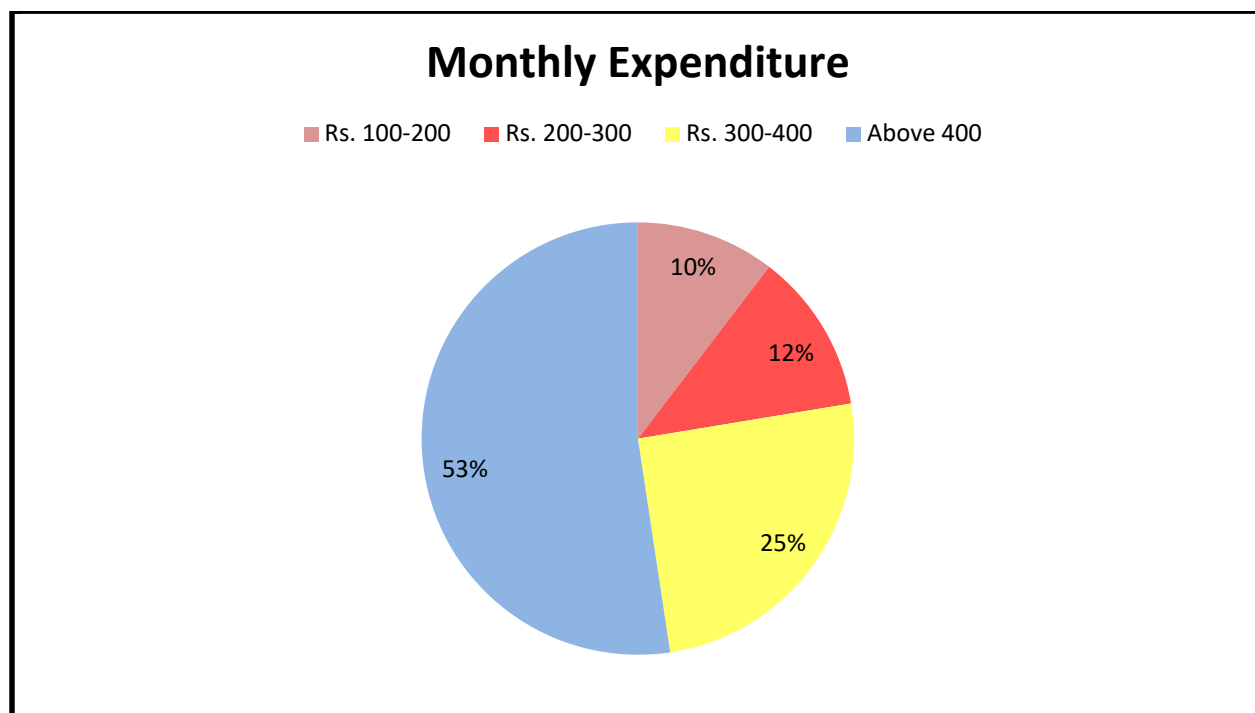


Interpretation:

In the graph above, the data represented illustrates the frequency in which Amul products are bought by the respondents. Around **21.60%** of the respondents buy Amul products daily, while **16.67%** of the respondents buy once in 2-3 days. **15%** of the respondents buy once in 4-5 days, and **8.33%** buy once in a week.

Daily	Once in 2-3 days	Once in 4-6 days	Once a week
21.60%	16.67%	15%	8.33%
36	10	9	5

Monthly expenditure on Amul Products



Interpretation:

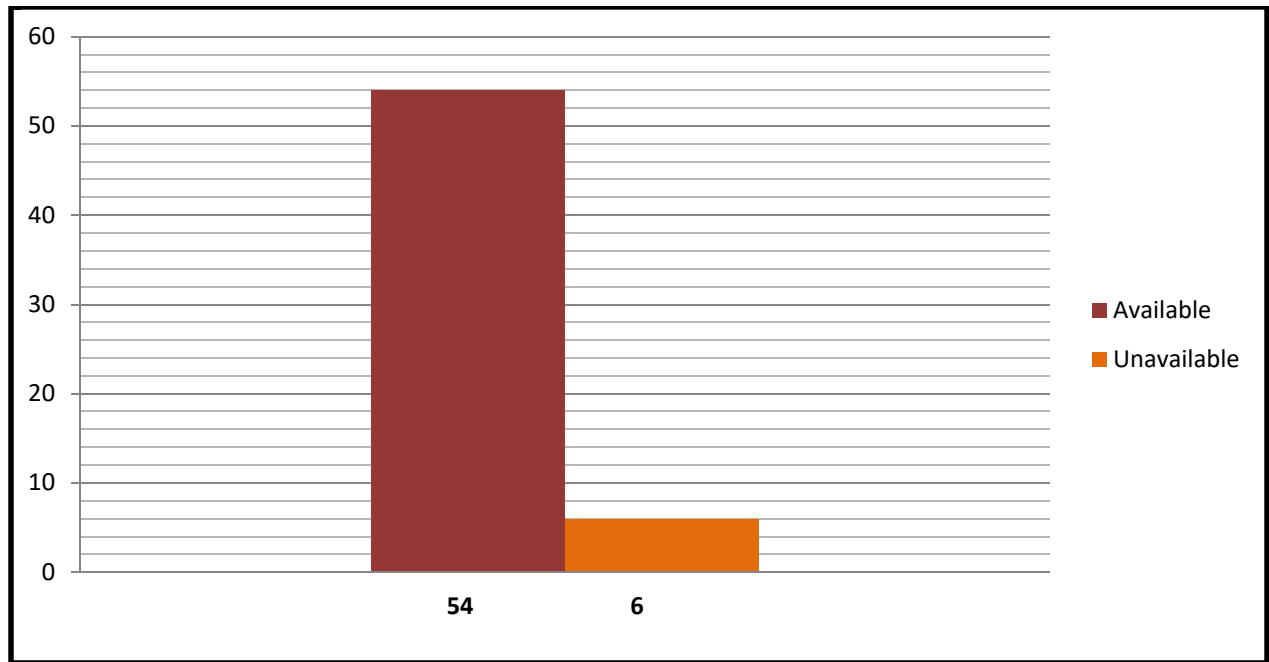
According to the graph, maximum proportion of the respondents spends more than Rs. 400 on Amul products which is calculated to **53%**.

While, **25%** of the respondents spends around Rs. 300 to 400 every month.

Around **12%** spends Rs. 200 to 300 each month and **10%** of the respondents spends Rs.100 to 200 in order to buy Amul products.

Rs. 100-200	Rs. 200-300	Rs. 300-400	Above 400
10%	12%	25%	53%
6	7	15	32

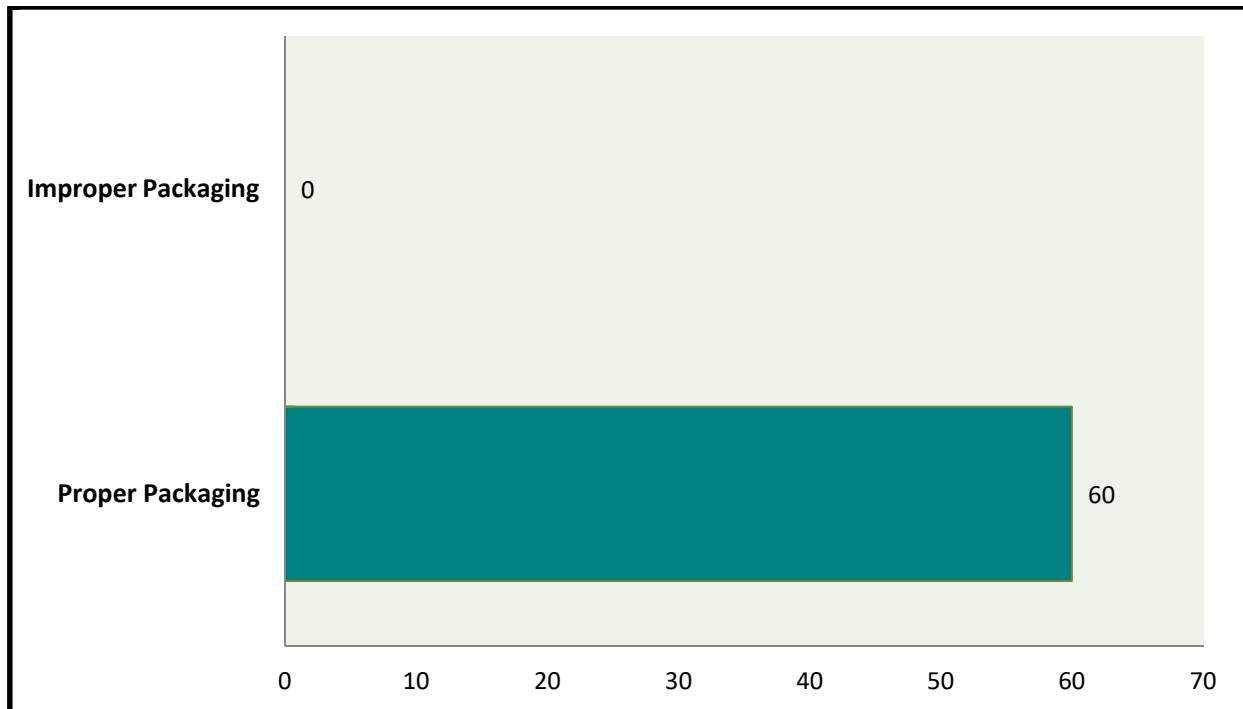
Availability of Amul Products



Interpretation:

According to the survey conducted it is studied that, among 60 respondents **54** of them has availability to Amul products in the nearby stores, while **6** of them are not accessible to Amul products.

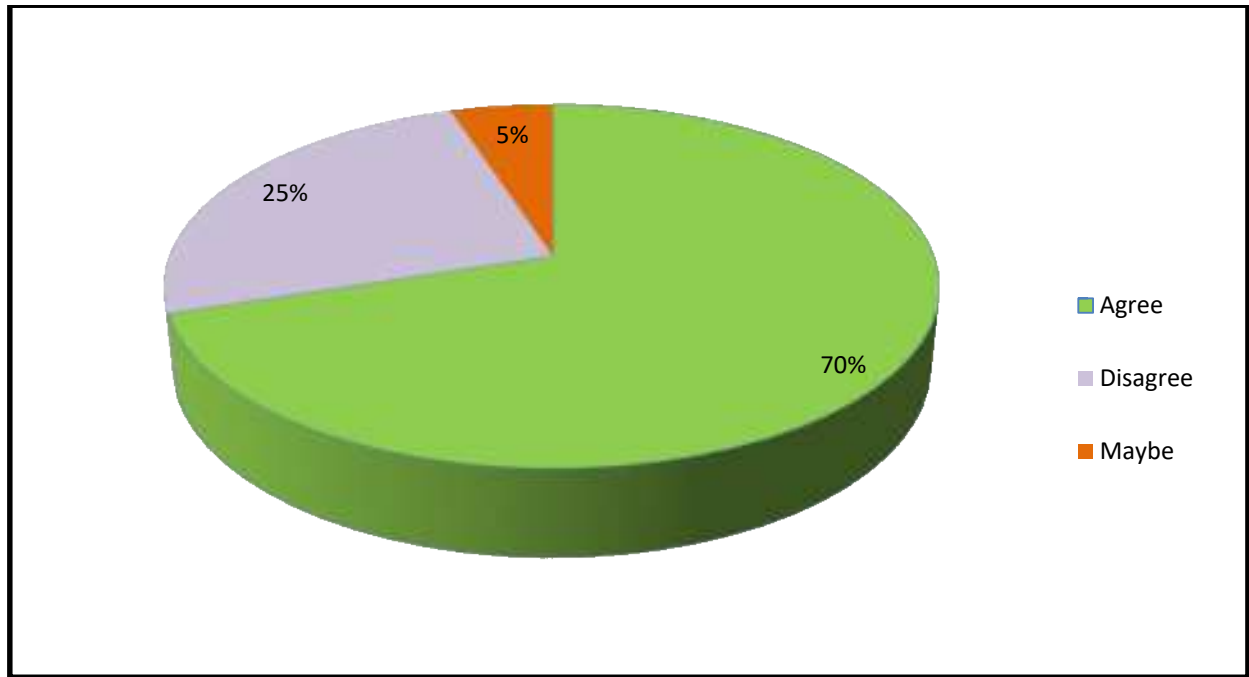
Packaging of Amul Products



Interpretation:

The bar chart illustrates the proportion of respondents who bought Amul products in good packaging. Overall, it can be seen that all of the respondents bought the products in proper condition and good packaging.

Amul products reasonably priced as compared to its competitors



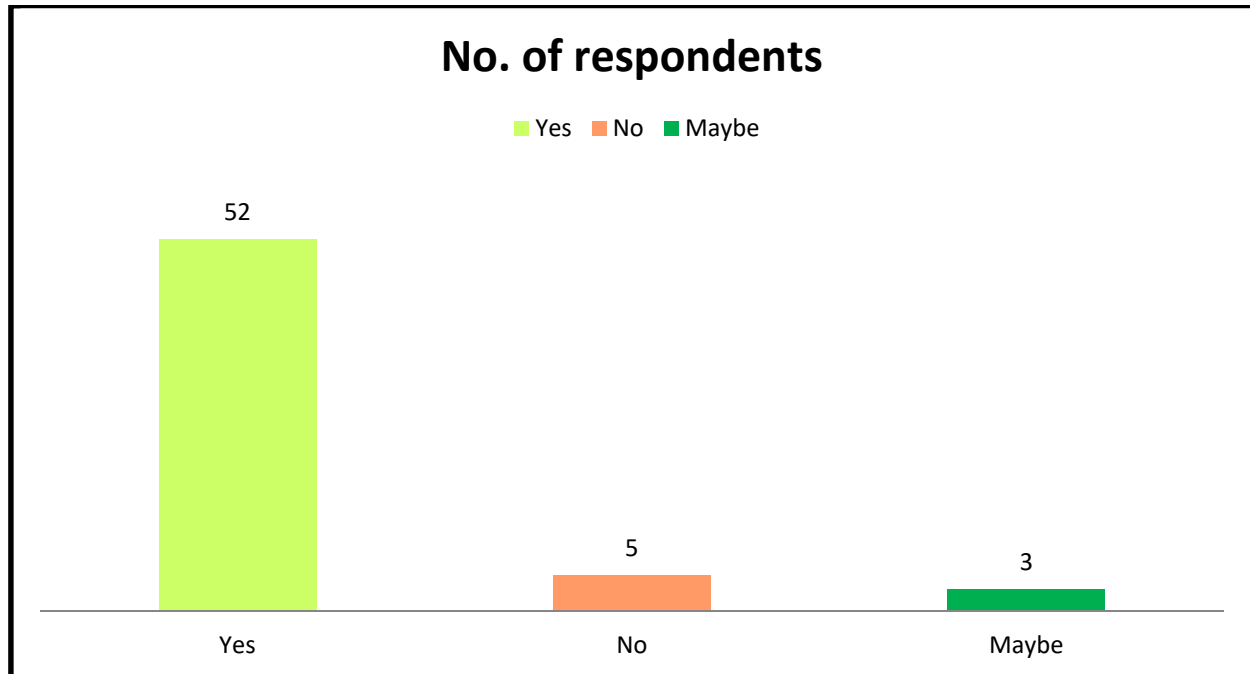
Interpretation:

In the pie chart above, it depicts that maximum proportion of the respondents agree that Amul products are reasonably priced, almost 70% of the total respondents are contented with the price.

While 25% of the respondents disagree to the statement mentioned above and 5% of them neither agree nor disagree.

Agree	Disagree	Maybe
70%	25%	5%
42	15	3

The Amul product purchased is always in stock

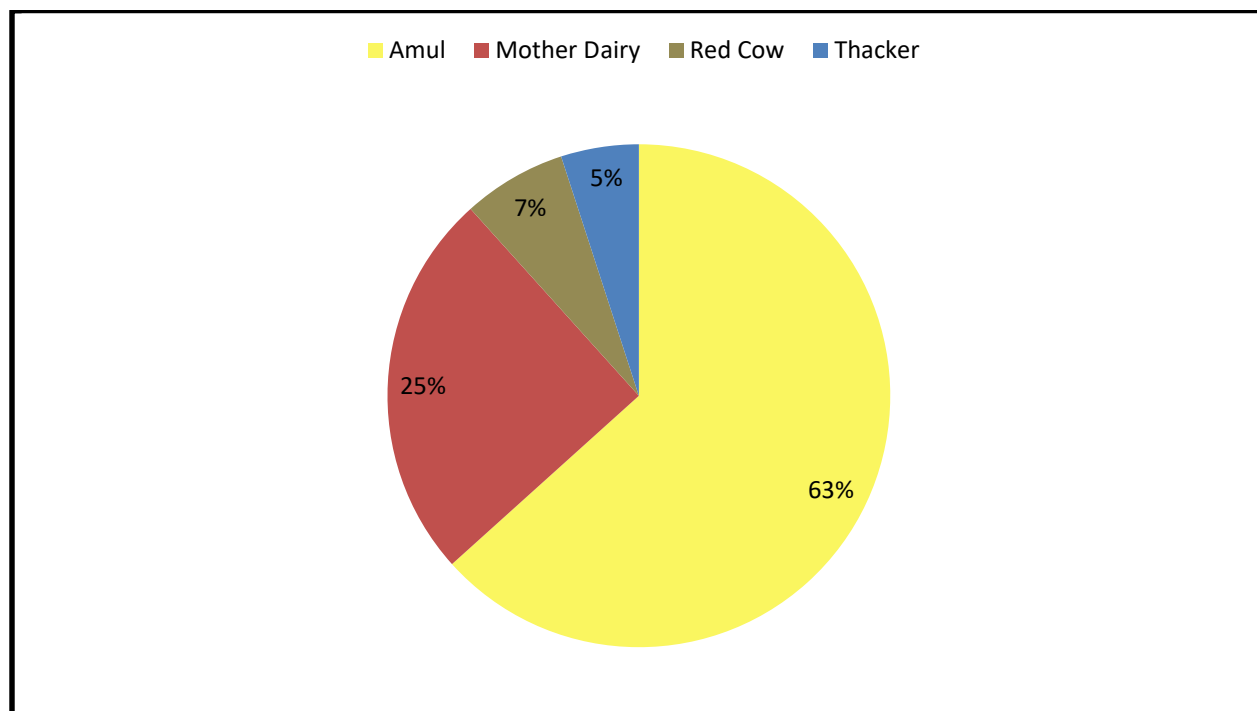


Interpretation:

The bar chart above represents number of respondents who always finds Amul products in stock at the retail stores. According to the survey **52** people among 60 always get Amul products at their nearby retail stores.

While **5** others do not get Amul products at their nearby retail store and remaining **3** are not quite sure about the availability.

Which brand of pouch milk preferred

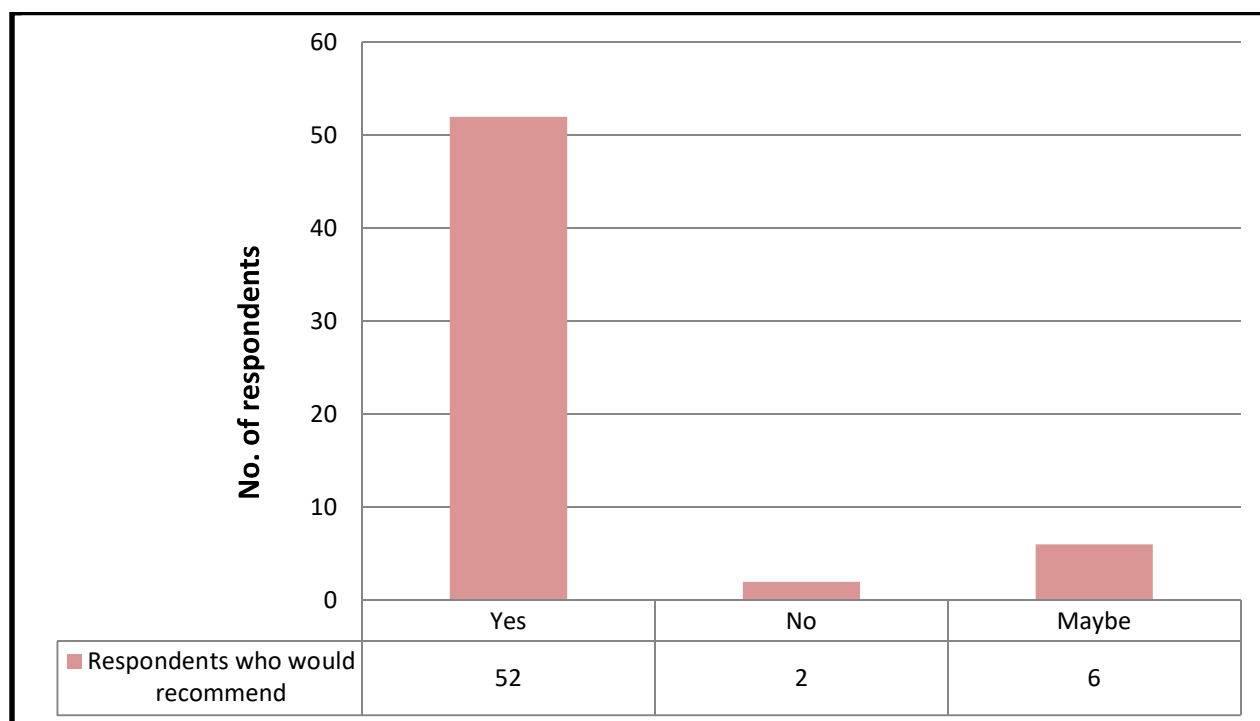


Interpretation:

The pie chart compares the four pouch milk mostly sold in Kolkata. Overall, most of the consumers prefer to purchase Amul pouch milk which is accounted to **63.33%** of the total respondents. The second highest proportion, **25%** prefers Mother Dairy pouch milk. There is a slight difference between Red Cow and Thacker pouch milk. Red cow pouch milk is preferred by **7%** and Thacker pouch milk by **5%**.

Amul milk	Mother Dairy	Red cow	Thacker
63.33%	25%	7%	5%
38	15	4	3

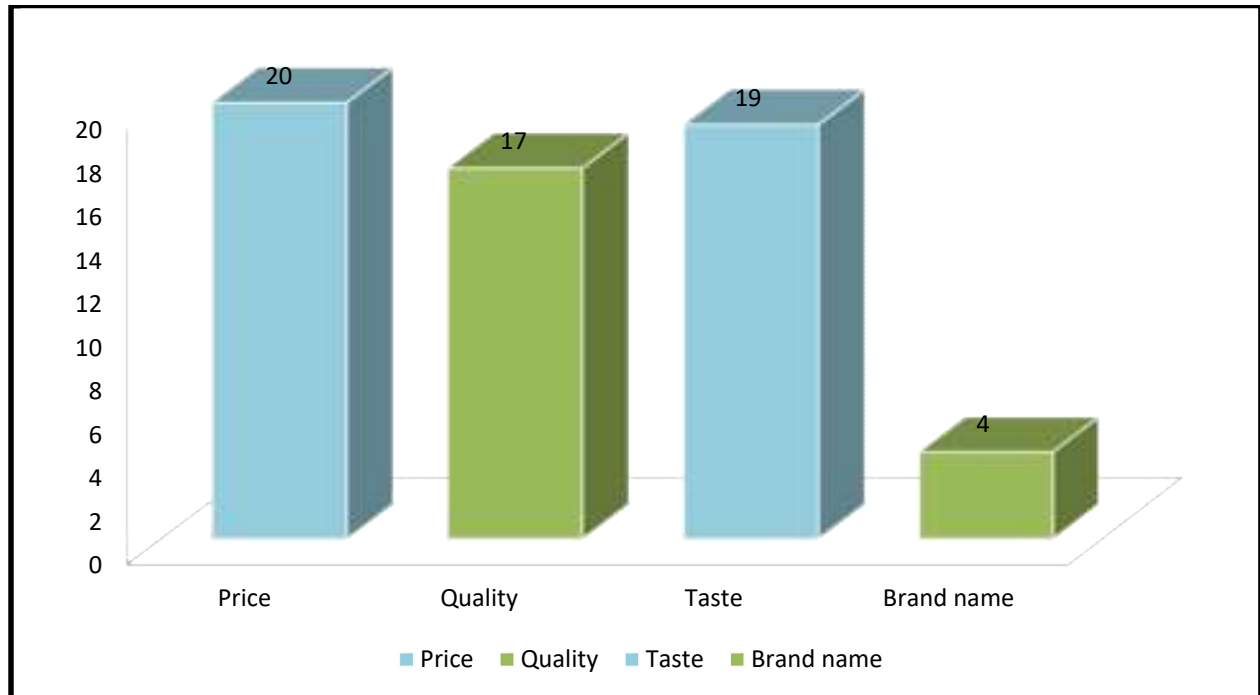
Would they recommend Amul product to others



Interpretation:

The bar graph above illustrates the number of respondents who would like to recommend Amul products to others. It seems that major proportion of the respondents, about **52** of them are willing to recommend the products to others. Whereas, **2** others do not wish to recommend at all and **6** other respondents are not quite sure whether they are willing to recommend or not.

Why is Amul products preferred?

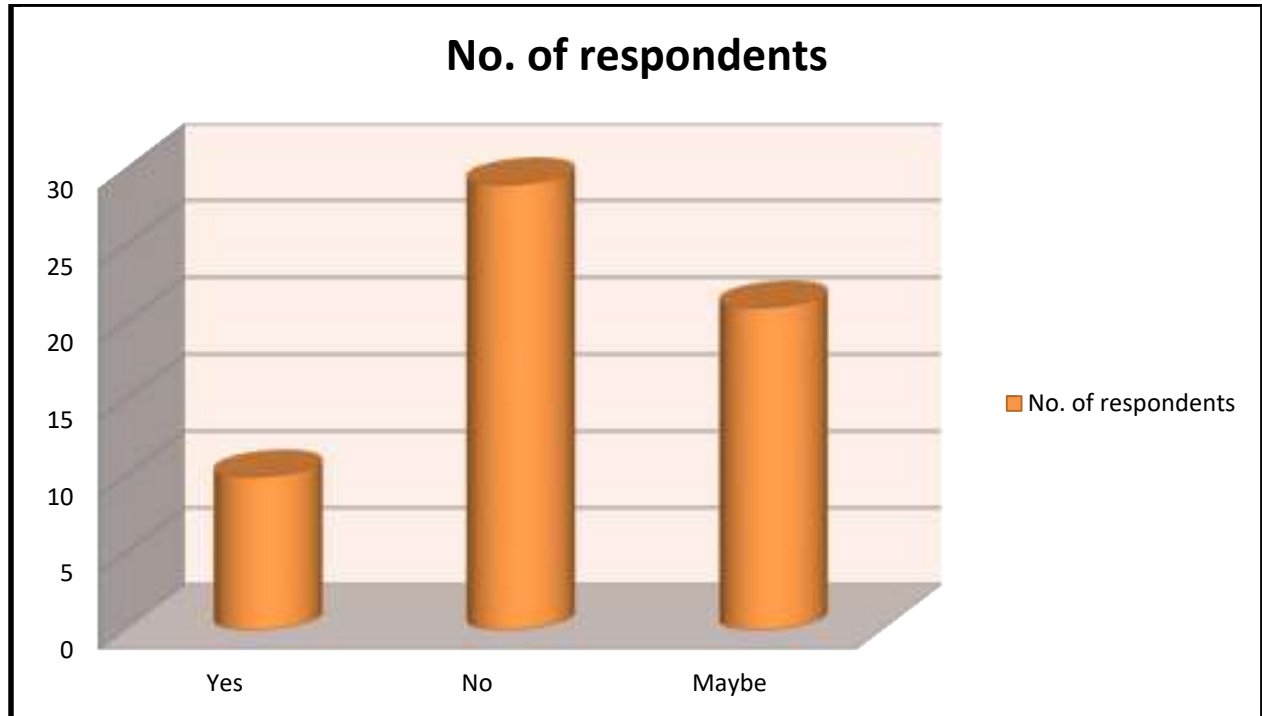


Interpretation:

According to the bar graph given, it can be seen that most of consumers purchase Amul products because of its reasonable price and excellent taste.

The chart shows that a significant amount of consumers that is around **20** buy Amul products due to its rational price, whereas **19** other consumers buy because of its taste. While consumers who prefer Amul products for its quality is **17**. The lowest proportion is for the consumers who purchase Amul products for its brand name, which are **4**.

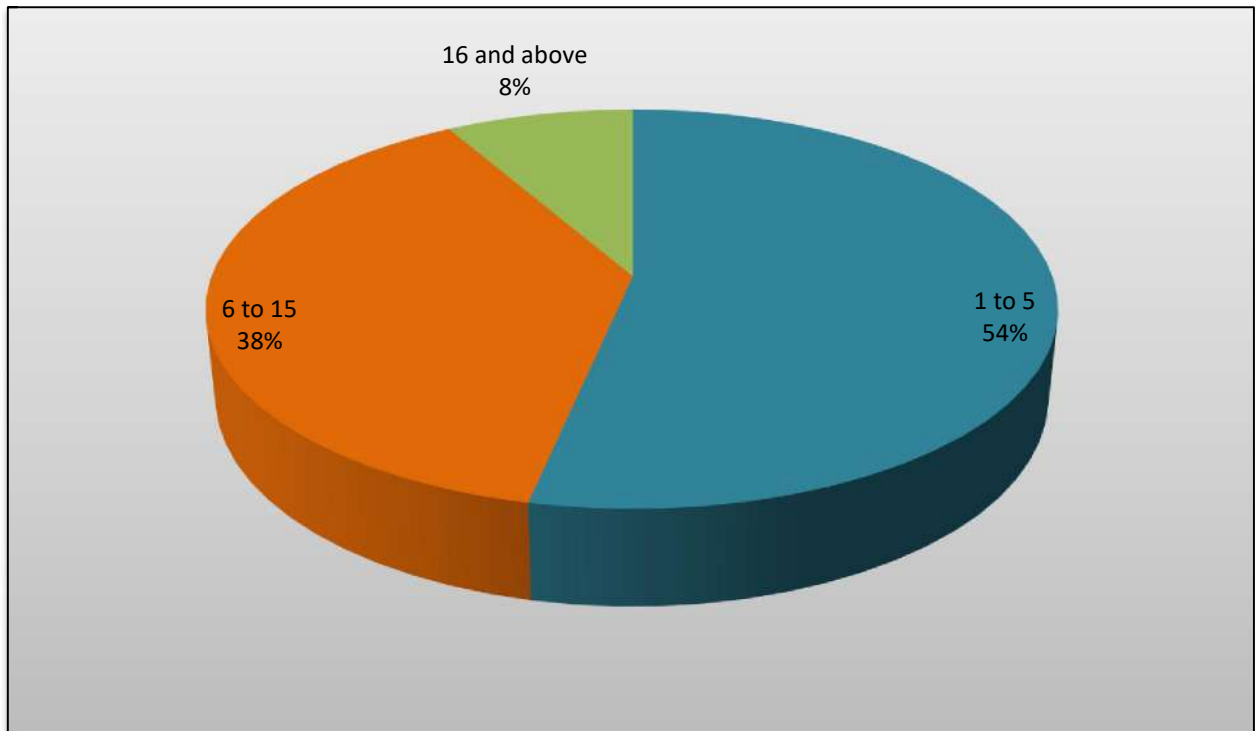
Would the respondents switch over to any other brand providing products at same price with same quality as that of Amul?



Interpretation:

The bar diagram above shows how many respondents would switch over to another brand if they provide the same product with similar price and quality as that of Amul. According to the graph around 10 consumers would like to switch over and 29 consumers are quite sure they would not switch over, rather they will hang on to Amul products. Whereas, 21 consumers are not sure whether they would switch over to another brand.

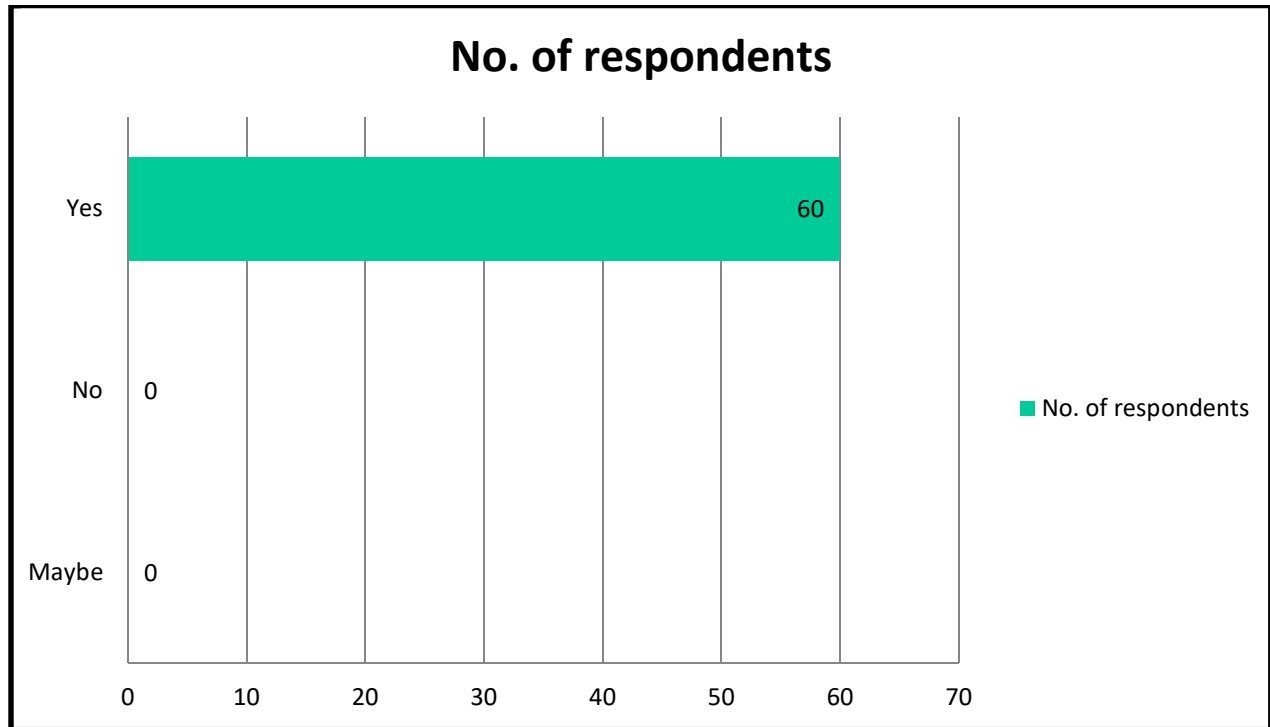
How many products of Amul are the respondents aware of?



Interpretation:

The pie chart above shows the number of Amul products known by the respondents. The maximum proportion of respondents, that is **54%** know around 1 to 5 products of Amul. **38%** of the respondents know 6 to 15 products, and only **8%** of the respondents know more than 16 Amul products.

Satisfied with the quality of Amul products



Interpretation:

The bar graph shows the proportion of respondents who are satisfied with the quality of Amul products. It appears that all of the respondents are completely satisfied with the quality of Amul products.

CHAPTER-4

CONCLUSION

AMUL is a well-known dairy of Gujarat. One of the primary reasons for Amul being one of the most trusted brands in Indian and having a strong and loyal consumer base is its quality. Amul has never faced any significant issues pertaining to its quality within the Indian market.

Amul has transformed itself into the market leader of milk and dairy products in the country. For instance, **Amul has a market share of 33 per cent in the organized ice cream industry.** The ice cream market is expected to grow by 30 per cent. Furthermore, the flavored milk industry in India is also expected to grow by 20 per cent, and once again, Amul is a market leader in flavored milk in India.

The company has a large consumer base which spreads across the urban and rural regions of the country. This wide-reaching consumer base has allowed the company to maintain distinct leverage over its competitors.

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PROJECT REPORT

(Submitted for the Degree of B.Com. Honours in Accounting and Finance
under the University of Calcutta)

TITLE OF THE PROJECT

Consumer Perception on the usage of smart phones--A comparative study
between Redmi and Oppo phone

Submitted By

Name.: Anuska Banerjee

Registration No.:223-1211-0498-18

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Name of the College.: Scottish Church College

Month and Year of Submission

July,2021

ANNEXURE - IA

Supervisor's Certificate

This is to certify that MISS. ANUSKA BANERJEE a student of B.com. Honours in Accounting and Finance of SCOTTISH CHURCH COLLEGE under the University of Calcutta has worked under my supervision and guidance for his project and prepared a project report with the title "Consumer Perception on the usage of smart phones--A comparative study between Redmi and Oppo phone" which he is submitting, is his genuine and original work to the best of my knowledge.

Signature: NANCY JAISWAL

Name: Smt. Nancy Jaiswal

Designation: SACT (State Aided College Teacher)

Name of College: Scottish Church College

Place: Kolkata

Date: 28/07/2021

ANNEXURE- IB

Students Declaration

I hereby declare that the Project Work with the title “Consumer Perception on the usage of smart phones--A comparative study between Redmi and Oppo phone” submitted by me for the partial fulfilment of the degree of B.COM HONOURS IN ACCOUNTING AND FINANCE under the University of Calcutta is my original work and has not been submitted earlier to any other University for the fulfilment of the requirement of any course of study. I also declare that no chapter of this manuscript in whole or in part has been incorporated in this report from any earlier work done by others or by me. However, extracts of any literature which has been used for this report has been duly acknowledged providing details of such literature in the references.

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Lastly, I would like to thank my friends and sister for helping me doing this project. Therefore, I express my immense love and respect to all of them

Name: ANUSKA BANERJEE

B. Com(H) in Accounting & Finance Semester VI

Registration No.: 223-1211-0498-18

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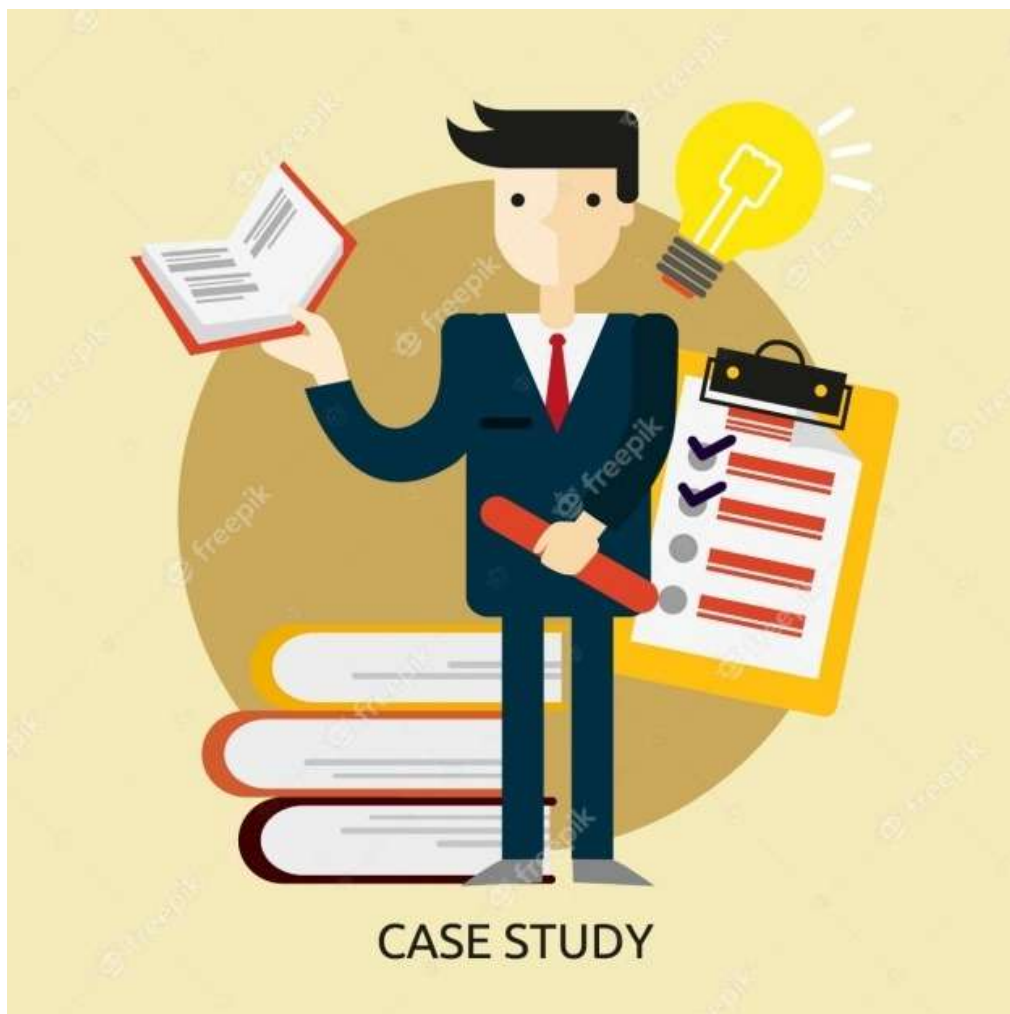
CHAPTER-1



1.1>BACKGROUND OF STUDY

CONSUMER PERCEPTION: Anyone who consumes goods are a **consumer**. Consumers get exploited in the market. They respond to the advertisements and buy goods. Generally, advertisement does not give all the information that a consumer needs to know or wants to know about a product. **Kautilya** was one of the earliest to write in his **Arthashastra** about the needs for consumer awareness and protection. With the growth of private sector there is a greater need for discipline and regulation of the market. Consumers must be aware of the sale and purchase of goods, the health and security aspects also. Ensuring the safety of food items sold in the market is essential these days. Consumer perception is the study of individuals, groups, or organizations and the processes they use to select, secure, and dispose of products, services, experiences, or ideas to satisfy needs and the impacts that these processes have on the consumer and society. It blends elements from psychology, sociology, social anthropology and economics. It attempts to understand the decision-making processes of buyers, both individually and in groups. It studies characteristics of individual consumers such as demographics and behavioural variables in an attempt to understand people's wants. It also tries to assess influences on the consumer from groups such as family, friends, reference groups, and society in general. Smartphone provides a one stop solution for mobile calls, email sending, and internet access, Smartphone is compact in size and often only slightly bigger than standard mobile phone. Recently the Smartphone sales increased for the brand at an affordable price as Oppo, Xiaomi. That is why those Smartphone are bought by many people in Manado. This research is designed to provide information

about marketing implementation and get a better knowledge regarding the role of product attributes of Oppo, Xiaomi. The method used in this research is quantitative research method using correspondent analysis which will provide an emphasis on numerical data (number) processed with statistical methods. The data from this research were gathered by using questionnaire, which the sample is the representative customer with simple random sampling approach. There are several points that can be found to be the main point is that each Smartphone has their own benefit and luxury offers by the companies. In the terms of reliability and durability, Oppo is more superior. Xiaomi's product attributes are less attractive compare to both of its competitors according to customer perception.



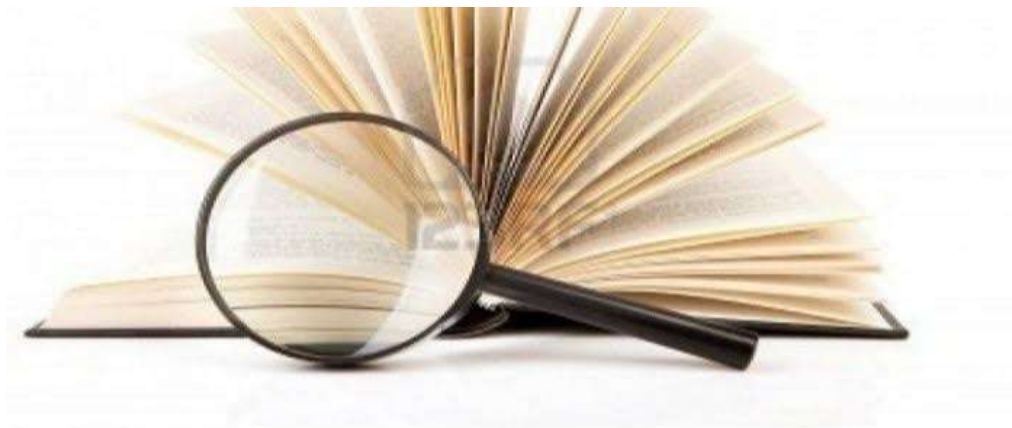
1.2>RATIONAL/JUSTIFICATION OF THE TOPIC



Consumer perception is one of the most important issues concerning business organizations of all types, which is justified by the customer orientation Philosophy and the main principles of continuous improvement of modern enterprises. Customer is an individual or business that purchases the goods or services produced by a business. The client is the end goal of businesses, since it is the customer who pays for supply and creates demand. Businesses often follow the adage that "the customer is always right" because happy customers will continue to buy goods and services. In today's competitive business environment, customer satisfaction is an increasingly important component of an effective organization. Customer satisfaction is a key component of a successful and prosperous organization. It has been linked to higher profit margins and greater employee satisfaction, customer loyalty, customer retention, and repeat purchases. When measured in financial terms, it is easy to see why customer satisfaction should become the foundation to all other measures of business performance. Satisfied customers will return to buy

more, recommend you to others, cost less to sell to, and cost less to service. In short, organizations that actively manage customer satisfaction are actively managing their on-going profitability. Customer satisfaction is important because it provides marketers and business owners with a 4 metric that they can use to manage and improve their businesses. Building customer relationships is one of the customer retention strategies used to improve customer service and reduce customer churn. The problem is that customer satisfaction is seldom expressed in financial terms. Many organizations simply categorize customer satisfaction measurement as a form of “marketing intelligence” instead of using it as a management tool to build the customer into their quality improvement processes and increase profit. As a result, companies often know the of providing good service but they rarely know the cost of providing bad service. Many market research companies agree that even “satisfied customers” will defect. Therefore, this study concerns on customer satisfaction to meet customer needs in order to make customers loyal and retain them for better profit in today’s modern market. Popular video conferencing smartphone applications enable employees to continue working and stay connected with family and friends during social distancing. Facebook alone report a 70 percent weekly increase in group calls through the Facebook Messenger app³. A New York Times analysis of internet usage confirmed that a societal desire for social interaction led to increased usage of traditional social media sites as well as other resources for video calling, such as Google Duo and House party. Other apps such as Zoom, Google Classroom, and Microsoft Teams have also increased in popularity as a method to stay connected in the work place⁴. The flexibility granted by smartphone apps make these resources particularly effective for managing work and home responsibilities. Many beliefs videoconferencing will become the new” normal way to communicate” as its effective ness will make it a “residual component” after COVID-19. Smartphones don’t just help us to stay connected; they can also help us to stay safe.

1.3>LITERATURE REVIEW



Literature Review

Who is consumer?

A Consumer is ‘a person or organizational unit that plays a role in the consummation of a transaction with the marketer or an entity’. (**Heath et al,1999**). From this definition, customers of mobile phone companies could be individuals, households and organizations. Even as these companies pay more attention to meeting the needs of their individual customers are met well.

CONSUMER PERCEPTION Consumer perception is the study of individuals, groups, or organizations and the processes they use to select,

secure, and dispose of products, services, experiences, or ideas to satisfy needs and the impacts that these processes have on the consumer and society.

N.Senthilkumar&K.Sabari Ram &K.Kumarvel (2019), explained today mobile technologies are rapidly developing and every five new models are launched by different companies. It identifies the satisfaction level of customers, who uses Oppo mobile. In this study they used both primary data and secondary data as the source of research. Finally, the researcher concluded that is no negatives from respondents towards Oppo mobiles and most of them are giving positive statement only. **Dr.R.Eswaran&M.Senthil (2016),** point out that Nokia phones are loved by a lot of people and its name is synonymous with reliability. To evaluate the customer general buying behaviour of NOKIA mobile phones and understand the demographic profile of the sample respondents is Salem city. In this study they used primary data as the source of research. This study has brought about certain unexplored trends regarding Nokia mobile phone is Salem city

TajzadehNamin A.A; Rahman Vahid; NaminAidin (2012) analysed that the process of deciding over (choosing) a brand may be influenced by situation and content. The findings suggest a significant relationship between the variables “Brand Attitude”. Corporate attitude and product (cell phone) choice. In addition, no significant relationship was found between individual decision-making processes (independent or mediated) and product choice.

Rodolfo Martinez Gras; Eva Espinar Ruiz (2012) highlight a new dimension in information and technology with respect to teenagers in Spain. The main objective of these articles is to analyse the relationship between information and communication technologies and Spanish adolescents. Specifically, researchers have studied, through qualitative methodology, the character sticks of teenager’s access and uses of technological devices.

Nasr Azad; Ozhankarimi; Maryam safaei (2012) had presented an empirical study to investigate the effects of different marketing efforts on brand equity in mobile industry. The results show that there is a positive and meaning full relationship between marketing mix efforts and brand equity. In other words, more advertisement could help better on market character sticks.

1.4>OBJECTIVES OF THE STUDY



Based on the research requirement following are the objectives of research:

1. The main objective is to study the perception & buying behaviour of customers towards various mobile brands.

2. To know about the customer preference level associated with different mobile phones.
3. To study the major features, which a customer looks for in a mobile before making a purchase.
4. Factors that influence decision-making in purchasing a mobile phone.

1.5>DATA SOURCES AND METHODOLOGY

❖ DATA SOURCES

Data is a collection of raw, unorganised facts and details like text, observations, figures, symbols and description of things etc. Data can be collected from two sources

- a) **Primary Data:** Primary data is the kind of data that is collected directly from the data source without going through any existing sources.

For example – Personal observation, Survey and Questionnaire.

- b) **Secondary Data:** Secondary data is the data that has been collected in the past by someone else but made available for others to use.

For example – Data collected through Website, Journals, Research Work, Articles, E-content.

In this study Primary Data has been the self-designed questionnaire and Secondary Data has been the literature review, website and e-content.

❖ METHODOLOGY

Research Methodology



(a) Research Design: The research design is the blueprint for the fulfilment of objectives and answering questions. It is a master plan specifying the method and procedures for collecting and analysing needed information.

(b) Data Collection Methods: The source of data includes primary and secondary data sources. Primary Sources: Primary data has been collected directly from sample respondents through questionnaire and with the help of interview. Secondary Sources: Secondary data has been collected from standard textbooks, Newspapers, Magazines & Internet. Research Instrument: Research instrument used for the primary data collection is Questionnaire.

(c) Analysis: Sample design is definite plan determine before any data is actually obtaining for a sample from a given population. The researcher must decide the way of selecting a sample. Samples can be either probability samples or non-probability samples.

Sampling Technique: Convenience

Sample Size: 69 Respondents.

Area of Study: Rashbihari Avenue.

1.6>LIMITATIONS



- Shortage of time.
- Few people refused to give interview.
- Few people were reluctant to spend time on filling the questionnaire.

- Huge cost involved in preparing the project.
- It was a time-consuming work.
- Preparing data analysis was a strenuous work.
- Lack of proper internet facilities, server problem.
- Lack of experience as it is the first project to be done by me.

1.7>CHAPTER PLANNING

CHAPTER 1: INTRODUCTION

Background of the study, Rationale /Justification of the topic, Literature Review, Objectives of the study, Data source and Methodology, Limitations of the study, Chapter Planning.

CHAPTER 2: CONCEPTUAL UNDERSTANDING

Main discussions of the chapter

CHAPTER 3: DATA ANALYSIS AND FINDING

Three parts: Data Presentation, Analysis and Findings.

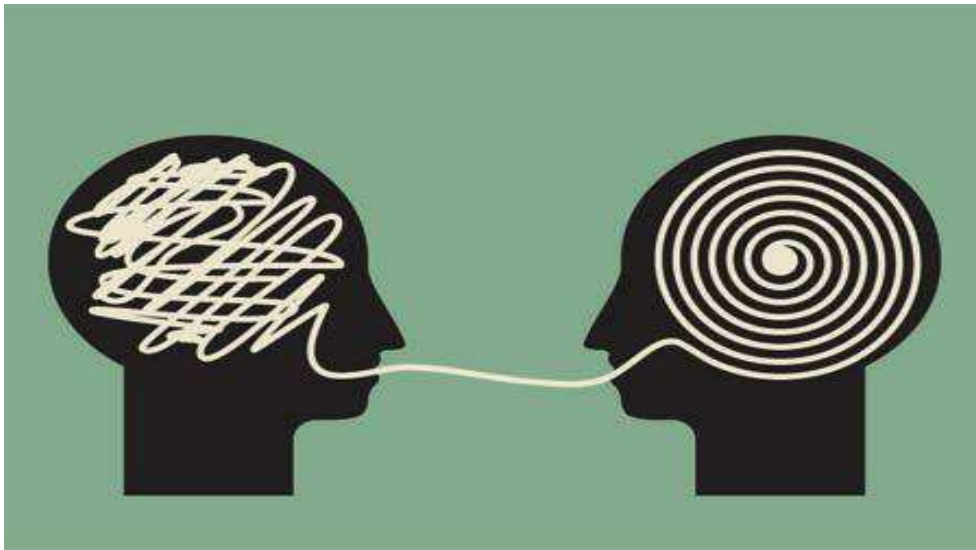
CHAPTER 4: CONCLUSIONS AND RECOMMENDATIONS

Two parts: Conclusion of the study and Recommendations as future scope of the study.

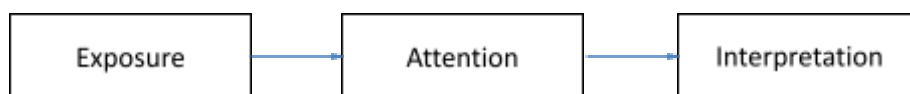
CHAPTER-2



2.1>CONCEPTUAL UNDERSTANDING:



Perception is the process by which people select, organize, and interpret sensation, i.e., the immediate response of sensory receptors (such as the eyes, ears, nose, mouth, and figures) to such basic stimuli as light, colour, odour, texture, and sound. Anything that activates a receptor is called a stimulus. The study of perception focuses on what we add to raw sensations in order to give them meaning. Each individual interprets the meaning of a stimulus to be consistent with his or her own unique biases, need, and experiences. The three stages of exposure, attention, and interpretation make up the process of perception given in figure below.



Overall, perception is simply the process of (i) selecting, (ii)organizing, and (iii)interpreting information inputs in order to produce meaning that would aid in consumption decision-making. At the exposure phase, information inputs are sensations received through our sense organ (i.e., sight, taste, smell, and touch). For example, when we see or hear an advertisement, smell or touch a product, we receive information inputs. These processes are collectively referred to as the process of perception.

Derived from the word 'perceive', perception refers to the ability to give meaning to whatever stimuli are sensed by our sense organs. The stimuli are inputs to any of our sensory receptors, be it vision, hearing, smell, taste, or touch. An individual uses the perceptual mechanism to select a stimulus from many in the environment, organizes them into a coherent picture, and interprets it to derive meaning out of it. Perception is the process through which an individual interprets his sensory impressions to give meaning to them. Consumer perception is defined as a process by which consumers sense a marketing stimulus, and organize, interpret, and provide meaning to it. The marketing stimuli may be anything related to the product and/or brand, and any of the elements of the marketing mix. We can classify the marketing stimuli into two types, namely primary or intrinsic and secondary or extrinsic. The primary or intrinsic stimuli comprise the product and its components, namely brand name, label, package, contents, and physical properties. The secondary or extrinsic stimuli comprise the form in which the good or service offering is represented through words, visuals, graphics, and the symbolism, or through other cues such as price, outlet, salespeople, or marketing communication.

Definition: The term 'perception' can be defined as the ability to derive meaning. In the context of marketing, it refers to the manner in which a consumer gives meaning to the marketing stimuli. The manner in which a consumer perceives the marketing stimuli (i.e., any or all of the elements of the marketing mix) has a bearing on his entire buying decision process, right from problem recognition or identification of a need to post-purchase behaviour, and affects his overall behaviour. The marketing stimuli could pertain to any and all of the elements of the marketing mix.

The perceptual process comprises three components, namely the perceiver, the target (stimulus), and the situation. The perceptual mechanism depicts a complex and dynamic interplay of three processes, namely selection,

organization, and interpretation. Perceptual selection is the process by which people select a particular stimulus or a small portion of the stimuli to attend to, while screening out the rest. Perceptual organization is a cognitive process, which is responsible for organizing the stimuli and the surrounding cues, to develop a 'whole picture', according to one's physiological, sociocultural, and psychographic backgrounds, so as to give some meaning to it. Perceptual interpretation involves extracting meaning out of the 'whole picture'. As processes, both perceptual organization and interpretation are intertwined as both have to do with deriving sense and assigning meaning to the stimulus to which a person has been exposed. Because the characteristics of each of the components, perceiver, stimulus, and situation, are different, the perceptual mechanism is impacted variedly. People perceive things differently because of the perceptual mechanism that differs between people. Perception is unique to each person, and this makes perception a subjective process. Perception as a topic of study is important for marketers because people generally make purchase decisions on the basis of what they perceive. Consumers perceive the marketing stimuli variedly. They form their opinions and beliefs about products and/or brands, the price, the store, and the retailer, and about the advertisement and promotional messages that they are exposed to. They also form mental images of them, often adding symbolic value to marketing stimuli in the form of imagery. When the marketing stimuli are perceived favourably, chances of purchase and usage are always higher.

Consumer Perception Explained by its Nature and Characteristics

Perception can be better explained by understanding its nature and characteristics:

1. Perception comprises three components, namely the perceiver, the target (stimulus), and the situation. The characteristics of each of these components influence the perceptual processes of selection, organization, and interpretation. The consumer, actual or prospective, is the perceiver, the 4 Ps are the target, and the buying occasion and the surrounding environment are the situation.

2. Perception is a complex process. After a stimulus is detected by the sense organs, the perceptual process comes into play and involves the interplay of three processes, namely selection, organization, and interpretation. In this way, perception is a dynamic process.

3. Perception is also an intellectual process, as it involves a lot of cognitive effort. Once sensation takes place, the cognitive processes take over and assign meaning to the stimulus. Consumers possess varying cognitive capacities and capabilities; their backgrounds are diverse, and psychological processes (needs, motivation, learning, attitudes, and values) and sociological factors (culture, sub-culture, and social class) are different. The cognitive processes have a bearing on not only the perceptual mechanism, but also on the resultant output and the behavioural response of the perceiver.

4. Perception is broad in nature. It includes a physiological component (through sensation), as well as cognitive, sociological, and psychological components.

5. Perception is a subjective process, as it is unique to each person. Two consumers who are exposed to a particular stimulus may perceive it differently. While they are exposed to the same marketing stimulus, the manner in which they select, organize, and interpret it is different.

4 Important Elements involved in the Consumer Perceptual Process – Input, Perceptual Mechanism, Output and Behaviour

The perceptual process starts when a person is exposed to a stimulus and the sensory receptors report it to the human body. While the senses may be exposed to various stimuli, they select only some of these at a given point in time. This is because the sense organs have a limited capacity at a particular point in time.

Once the sense organs have reported a stimulus or a few stimuli, the perceptual process takes over. Of the stimuli that have been detected, few are selected, organized, and interpreted for meaning. This is known as the perceptual mechanism.

Although we may differ in such processes, universally speaking, the perceptual process comprises four elements, namely:

1. Input,
2. Perceptual mechanism,
3. Output, and
4. Behaviour

Let us have a discussion on these:

1. Input:

The input to the perceptual process refers to the various stimuli that surround an individual and exist in his environment. The perceptual process begins when the sensory receptors detect a stimulus in the environment, which acts as an input to the perceptual mechanism.

2. Perceptual Mechanism:

Once the sense organs detect a stimulus in the environment, the person selects, organizes, and interprets it through a. perceptual selectivity, b. perceptual organization, and c. perceptual interpretation. Put together, this is known as the perceptual mechanism.

a. Perceptual selection or perceptual selectivity refers to a tendency within a person to select one or a few out of the many stimuli present in the environment. Selectivity is based on one's demographic, sociocultural, and psychographic factors. A person would tend to select those stimuli that appear attractive and relevant to him. Selectivity would also be affected by the characteristics of the stimulus as well as by the situation involved.

b. Perceptual organization occurs after the stimulus has been received and selected for further processing. It is the process of organizing inputs into a definite, coherent, and interpretable structure. In other words, the various stimuli are organized and given a form.

c. Perceptual interpretation refers to the process of drawing inferences from the organized whole (of stimuli), and giving meaning to them.

3. Output:

Once the input has been interpreted, it results in an output. The output towards the stimulus assumes various forms, for example, in the formation of emotions and moods, as well as beliefs, opinions, and attitudes.

4. Behaviour:

The resultant behaviour is an outcome of the output. Based on one's emotions and moods, as well as beliefs, opinions, and attitudes, a person would enact a behaviour.

Customer behaviour is driven by more than logic. The perceptions customers have of your brand, its products or services, and its values can have a serious impact on how they interact with you and how they buy. In fact, fostering positive perceptions can help you build a "sustainable, loyal, and growing customer base," according to Forbes. In marketing, 'customer perception' refers to customers' awareness, their impressions, and their opinions about your business, products, and brand. **Customer perception is shaped by**

multiple variables, including direct and indirect interactions with your offerings. Today, perception impacts buyer decision-making and is a “huge success factor in the retail industry,” Deloitte reports. Brands who monitor and **understand customer perception** and its contributing factors can better identify opportunities to improve customer experiences.

2.2>NATIONAL SCENARIO:

Consumer Behaviour is the study of individuals and groups, and the processes they use in searching for, purchasing, using, evaluating, and disposing of, products and services to satisfy their needs. In today's competitive market, understanding consumer behaviour is crucial to the development and implementation of marketing strategies. This chapter deliberates on the evolution of consumer behaviour of family, society, and culture across the generations of marketing scholarship. This chapter analyses the diverse behaviour of consumers across the time and geo-demographic segments and examines the causes and effects of shifts in consumer behaviour within social and cultural dimensions. This chapter draws semantic map of cognitive development among consumers about how they think, feel, and act in the marketplace. Shifts in consumer economics, consumer credit behaviour, and contemporary learning effects on consumers also constitute a part of the core discussion of this chapter. Evolution of industrial marketing across marketing generations has been discussed extensively in the following chapter.

In a world like never before, brands have evolved to match the changing palette of the millennial consumer. Digital revolution has not only transformed the way we shop, but also impacted what we shop for.



The consumer is evolving. While the millennials feel like an entirely different league when compared to the simpleton consumer of the good old days, the journey of tracing this seismic shift in consumer mindset is sure to be an immersive one. The spotlight is on the millennial stage where everything from the way you eat to the way you travel seems to be under a hysteria of change. As the first decade of this millennium culminates, let's take a minute's breather and reimagine the world as it was not so long ago. As the 2010s began, the millennials at the peak of their professional life took to the digital platform like fish to water. Facebook had just taken root, and Indian consumers excitedly welcomed Apple's maiden launch in the country- iPhone 4. And thus, began the story of a revolution that would lead up to what we can term as the biggest market disruptor till date- 'the Millennial syndrome'. While this trend of trends has not been officially christened, it can aptly describe a phenomenon that is the root of all that is happening now. A change

that has transformed the processed food eating clan into the somewhat narcissistic, health conscious, sustainably sound idealist of a millennial who values the experience more than the endpoint of the journey. Technology has grown hand-in-hand with this transformation and is in a way responsible for this changing mindset. As digital media and technology make everything more accessible, affordable and faster, just the thing that the fast-paced millennial lifestyle needed, people are constantly on the lookout for alternatives that can cut both costs as well as time. Cutting through all the entropy and the noise in the universe, here are some remarkable trends that some niche brands have started in the Indian market space, that are not going anywhere for now.

2.3>INTERNATIONAL SCENARIO:



The fastest-growing middle class and the availability of the internet has propelled. The uniqueness of such stores lies in real-time data processing and depends on the experiences they propel for interaction along with payment. The young middle-class consumers, who either have new jobs or are studying, interact by smartphone, tablet, laptop, phablets, or PC. They approach these stores for varying types of reasons. However, young buyers purchase from these stores via apps depending on their positive experiences, confidence, and preferences. However, the digital revolution is in the nascent stage. There is no such available research in Vietnam on consumer preference for digital stores where app-based purchase happens. Although general consumers prefer

offline stores mostly, now due to the growth and awareness of applications and online payment gateways, they are slowly venturing to digital stores. market at 38% in 2018 for USD 2.2 billion. They comprise of electronics, apparel, soft toys, and groceries.

Today brands have come to represent a fascist state where we all salute the logo and have little opportunity for criticism because our newspapers, television stations, Internet servers, streets and retail spaces are all controlled by multinational corporate interests. With globalization touching the nooks and corners of every nation a global consumer segment has arisen whose needs and interests are becoming increasingly homogeneous. As the world is shrinking in to a global marketplace, it is increasingly significant to understand the consumer's perception of global brands and local brands. Studying consumer perceptions towards global vs. local brands have substantial implications in marketing and will also serve as a citation for future research. There would also be several reasons for consumer's perceptions and attitudes towards these brands. Thus, there is a need to uncover the reasons for consumer's preference for global brands over local brands. The study revealed that local brands benefit from strong brand equity and also benefit from higher consumer awareness than international brands do and they enjoy a strong brand image. They not only benefit from a good quality image but also from a better value and trust perception than international brands do . Value is linked with the fact that prices of local brands are usually lower than those of international brands, providing consumers as sense of better value for money. Local brands are perceived as more "down to earth" than an international brand, which means that local brands offer a more basic/no frills brand proposition. Local brands are also linked more to local traditions and local cultures than international brands are. It was also found that trust is an important advantage for local brands because it provides a unique relationship with consumers that take years to develop. Local brands are not more flexible than global brands in terms of their marketing activities when they compete in

a foreign product category due to cultural categories being associated with the product category. Just as global brands need to conform to international marketing dictums, local brands sometimes need to conform to deeply held preconceptions about product category in which they operate. Consumers prefer global brands because they usually offer more quality and better guarantees than other products. That perception often serves as a rationale for global brands to charge premiums. Consumers look to global brands as symbols of cultural ideas. They use brands to create an imagined global identity that they share with like-minded people. The researchers asserted that global branding will arguably face different challenges by product category. Certain categories such as automobiles and computers are deemed more global in terms of the similarity in consumer preferences. Apart from discussing the consumer perceptions of local and global brands it is also worthwhile. Although this was being said some twenty years back, this condition has grown eventually stronger. Global Brands are viewed as luxury goods for an average Indian. The market for luxury goods has recently experienced a considerable growth. From the above it can be concluded consumers in developing countries tend to evaluate global brands in terms of better product and service quality, they also tend to relate global brands as symbols of social status. The COO of origin has also been found as a significant factor influencing global brand preferences in terms of status and quality. All these factors are discussed in detail below.

2.4>BRIEF PROFILE OF CASE STUDY:



Redmi is a sub-brand owned by the Chinese electronics company Xiaomi. It was first announced in July 2013 as a budget smartphone line, and became a separate sub-brand of Xiaomi in 2019 with entry-level and mid-range devices, while Xiaomi itself produces upper-range and flagship Mi phones. Redmi phones use the Xiaomi's MIUI user interface on top of Android. Models are divided into the entry-level **Redmi**, the mid-range **Redmi Note**, and the high-end **Redmi K**. In addition, the unrelated *Mi An* Android One series is also positioned in the similar market segment with Redmi devices, despite being part of the

upper-range Xiaomi Mi line-up. The most significant difference from other Xiaomi smartphones is that they use less-expensive components and thus have lower prices while retaining higher specifications. In August 2014, The Wall Street Journal reported that in the second quarter of the 2014 fiscal year, Xiaomi had a market share of 4% of smartphone shipment rankings in China. Redmi sales were attributed as a contributing factor toward this gain in shipment rankings.

2013

The first Redmi phone Redmi 1, released in 2013, was first launched on Xiaomi's website, with consumer sales beginning on 12 July 2013.

2014

On 13 March 2014, Redmi announced that their phones had been sold out in Singapore alone, eight minutes after being made available to buy on Xiaomi's website. Criticism regarding the release of Redmi phones included the notion that the firm may be exaggerating its sales by releasing them in small batches, causing them to quickly sell out.

On 4 August 2014, *The Wall Street Journal* reported that in China's smartphone market, Xiaomi overtook Samsung in the second-quarter of the 2014 fiscal year with a 14% market share in smartphone shipment rankings, while Samsung had a 12% market share during this time. Yulong and Lenovo both had a 12% market share during this time. Redmi sales were attributed as contributing to Xiaomi's increased shipment rankings in the smartphone market. Conversely, in the first-quarter of 2014, Xiaomi held a 10.7% market share.

2015

The Redmi Note 3 launched on 24 November 2015; unlike its predecessor, it does not have a user-changeable battery or microSD slot. It uses the MediaTek Helio X10 Octa-core 2.0 GHz Cortex-A53 SOC with the PowerVR G6200 GPU. The Snapdragon variant of the phone, released later the same year, is based on the Snapdragon 650 and has microSD support.

2016

In July 2016, the actors Liu Shishi, Wu Xiubo and Liu Haoran became the first ambassadors of the Redmi series in China. Redmi Pro has appeared as Pro lineup in Redmi series.

On 25 August 2016, Xiaomi unveiled the Redmi Note 4, powered by MediaTek's Helio X20 deca-core processor clocked at 2.1 GHz. The device has 2 GB RAM and 16 GB of internal storage. It has a 5.5-inch Full-HD display and a 13 MP rear camera and 5 MP front camera. It runs on Android 5.1 Lollipop and is powered by a 4,100 mAh battery.

In November 2016, Xiaomi released its new budget phone, Redmi 4. It has a polycarbonate body, dual-SIM support and runs on MIUI 8 based on Android 6.0.1 Marshmallow. The Redmi 4 has a 5-inch 720x1280 pixels display, is powered by a 1.4 GHz octa-core processor, and has 2GB of RAM.

2017

In January 2017, the Xiaomi Redmi Note 4x based on Qualcomm Snapdragon 625 Chipset became the company's first major launch of 2017. It is an upgraded version of the previously released Redmi Note 4 based on the MediaTek Helio X20 chipset. The device is known as Redmi Note 4 in regions where the original Redmi Note 4 was not released.

In December 2017, Xiaomi unveiled the Redmi 5 and 5 Plus. They are the first phones in the Redmi series with an 18:9 screen aspect ratio. The EU release

was set to January 2018 and prices were set to €170 for the Redmi 5 and €215 for the Redmi 5 Plus.

2018

In February 2018, Xiaomi unveiled the Redmi Note 5 and Note 5 Pro. They are the first phones from Xiaomi to feature facial recognition.

In May 2018, Xiaomi unveiled the Redmi S2.

In June 2018, Xiaomi unveiled the Redmi 6, 6A and 6 Pro. The Redmi 6 Pro is the first phone in the Redmi series with a notch similar to the iPhone X and a 19:9 screen aspect ratio.

In September 2018, Xiaomi unveiled the Redmi Note 6 Pro. It is the first phone in the Redmi series with four cameras (two cameras on the front and two cameras on the back) and constructed using 6000 series aluminium.

2019

In January 2019, Xiaomi officially announced Redmi to be a separate sub-brand, distinct from Xiaomi.

On 10 January 2019, Redmi unveiled the Redmi Note 7 and Note 7 Pro, the first phones in the Redmi series with a 48-megapixel rear camera. The Note 7 has a Samsung GM1 image sensor, and the Note 7 Pro has a Sony IMX586 48MP image sensor. The Note 7 is powered by the Qualcomm Snapdragon 660 Octa-Core Processor clocked at 2.2 GHz, and the Note 7 Pro has an 11 nm Qualcomm Snapdragon 675 Octa-Core Processor clocked at 2.0 GHz. The Note 7 is available with 3GB RAM with 32GB storage, 4GB RAM with 64GB storage and 6GB RAM with 64GB storage. It has a 4,000mAh battery with Quick Charge 4.0.[8] The Redmi Note 7 series of smartphones is one of the

best-selling Redmi phones; over 20 million devices were sold in the 7 months from their introduction.

The Redmi K20 and K20 Pro (also marketed as the *Mi 9T*) are Redmi's first foray into the flagship market. The phone was launched along with the Redmi 7A in China on May 28. The K20 Pro is powered by the flagship Snapdragon 855 processor while the K20 is powered by the newly released Snapdragon 730 and Redmi 7A is a less expensive phone with Snapdragon 439. Redmi Note 8 and Note 8 Pro were launched on August 29, and Redmi 8 and 8A were announced in October 2019.

After emerging as a sub-brand of Xiaomi, Redmi employed the same *Smartphone & AIoT* dual core strategy as Xiaomi, and branched out to different product categories such as smart TVs, notebook PCs. Xiaomi also forayed into home appliances such as washing machine, and products such as luggage.

2020

On 7 January, Redmi unveiled the Redmi K30 5G, it being Redmi's first 5G handset available in the market. The K30 is powered by the flagship Snapdragon 765G, an Octa-Core Processor clocked at 2.4 GHz. The K30 features a LCD display punchhole camera cutout with 120 Hz refresh rate.

In March, Redmi unveiled the Redmi Note 9 Pro and Redmi Note 9 Pro Max in India. Both handset models is powered by the Snapdragon 720G, an Octa-core Processor clocked at 2.2 GHz. The Redmi Note 9 Pro features a 48MP quad camera rear setup and 18W fast charge, while the Redmi Note 9 Pro Max features a 64MP quad camera rear setup and 33W fast charge. In the same month, Redmi introduced the Redmi Note 9S to the global market, rebranded from the Indian Redmi Note 9 Pro, both featuring identical design and specifications. Redmi introduced the Indian Redmi Note 9 Pro Max

rebranded as the Redmi Note 9 Pro to the global market in May, both featuring identical design and specifications.

On March 24, Redmi unveiled the Redmi K30 Pro. The Redmi K30 Pro has a Sony IMX686 64MP sensor. The K30 Pro is powered by the flagship Snapdragon 865, an Octa-Core Processor clocked at 2.84 GHz. The Redmi K30 Pro is available with 6GB LPDDR4X RAM with 128GB UFS 3.0 storage, 8GB LPDDR5 RAM with 128GB UFS 3.1 storage and 8GB LPDDR5 RAM with 256GB UFS 3.1 storage.

Redmi introduced a massive 98" Redmi TV MAX at a price of RMB 19,999 which undercuts the massive screen LCD TV market.

On 26 May, Redmi unveiled the Redmi 10X Series, featuring the Redmi 10X Pro 5G, Redmi 10X 5G and Redmi 10X 4G. Both the Redmi 10X Pro 5G and Redmi 10X 5G features the MediaTek Dimensity 820, a 7 nm Octa-core Processor clocked at 2.6 GHz. Redmi 10X 4G features the MediaTek Helio G85, clocked at 2.4 GHz. Along with the introduction of the Redmi 10X Series, Redmi also introduced the Redmi TV X-series, offering big-screen TV at excellent value. Redmi also unveiled a range of notebook PCs featuring AMD Ryzen on the same day.

Guangdong Oppo Mobile Telecommunications Corp., Ltd, doing business as **OPPO**,^[a] is a Chinese consumer electronics and mobile communications company headquartered in Dongguan, Guangdong. Its major product lines include smartphones, smart devices, audio devices, power banks, Blu-ray players, and other electronic products.

The brand name "Oppo" was registered in China in 2001 and launched in 2004. Since then, they have expanded to more than 40 countries.

In June 2016, OPPO became the biggest smartphone manufacturer in China, selling its phones at more than 200,000 retail outlets. OPPO was the

top smartphone brand in China in 2019 and was ranked No. 5, in market share, worldwide.

The South Korean boy band 2PM prepared a song known as "Follow Your Soul" in a promotional deal with OPPO for launching its brand in Thailand in 2010. In June 2015, the company signed an agreement with FC Barcelona to become a sponsor of the Spanish football club.

In 2016, the Philippine Basketball Association tied up with this company as its official smartphone partner, beginning with the 2016 PBA Commissioner's Cup which began on 10 February.

OPPO hires celebrity endorsers in Vietnam. SonTùng M-TP endorsed three smartphone units: Neo 5, Neo 7, and F1s. Oppo made a sponsorship to one of Vietnam's top-rated reality shows, *The Face Vietnam*.

In 2017, OPPO won the bid to sponsor the India national cricket team, which allows their logo to be used on the team's kits from 2017 to 2019.

In 2019, OPPO became a sponsoring partner of the French Open tennis tournament held in Roland-Garros, Paris. The same year, they also became a sponsoring partner of Wimbledon for 5 years as the first official smartphone partner.

Starting with the 2019 World Championship, OPPO is the exclusive global smartphone partner for League of Legends esports through 2024, Oppo will have year-round activations centered around the sport's three annual global tournaments: the Mid-Season Invitational, the All-Star Event, and the World Championship.

The brand name Oppo was registered in China in 2001 and launched in 2004. Since then, they have expanded to all parts of the world. In June 2016, Oppo became the biggest smartphone maker in China, selling its phones at more than 200,000 retail outlets. OPPO mobile (commonly refer to as OPPO styles as) is a Chinese consumer electronics firm base in Dongguan, Guangdong. A division of the multinational giant BBK Electronics. major

product lines include smartphones. Blu-ray players and other electronic devices.

CHAPTER-3

ANALYSIS AND FINDINGS

3.1 RESEARCH DESIGN

3.2 RESEARCH METHODOLOGY

3.2.1 SAMPLE

3.2.2 DATA TYPE

3.2.3. DATA SOURCE

3.2.4 PERIOD OF STUDY

3.2.5 TOOLS USED

3.3 DATA ANALYSIS

3.4 DATA FINDINGS

3.1>RESEARCH DESIGN:

This research is both exploratory and analytic in nature. Since, perception of the consumer has been taken up here as parameter to explore the area of sample. Later, it becomes descriptive in nature as well as when it comes to evaluating consumer's perception of different services and marketing methodologies adopt the same. The details for the research are drawn with the help of frequencies, averages and other statistical calculation. The structural development of the research was made primarily by keeping in mind the different parameters of services provided to the consumers and the channels of communication of the same. Thus, the design is broadly guarded majorly with the qualitative data and supported via secondary data as well.

3.2>RESEARCH METHODOLOGY:

3.2.1>SAMPLE

The total number of respondents was 50 and 69 respondents have filled up the forms.

3.2.2>DATA TYPE

Primary data is the close ended questionnaire which is self-designed by me.

Secondary data has been the literature review, websites and the newspapers.

3.2.3>DATA SOURCE

Questionnaire and personal information.

3.2.4>PERIOD OF STUDY

The period of study was from the month of April to August i.e., the total duration was in the ratio of 1/4:1/2:1/4. The time duration for the Literature Review and objectives was 1½ months, for the Questionnaire and Data collection 3½ months and lastly, for constructing the entire project it took 1 month, which makes the total period of study for 5 months.

3.2.5>TOOLS USED

The tools used for the data analysis are the graphical representations as such as pie-chart, bar graph and columnar graph.

3.3>DATA ANALYSIS

DEMOGRAPHIC DETAIL

1. Gender: This pie-chart representation shows that the male respondents are 34 and on the other hand, the female respondents are 35.

Gender distribution of respondents

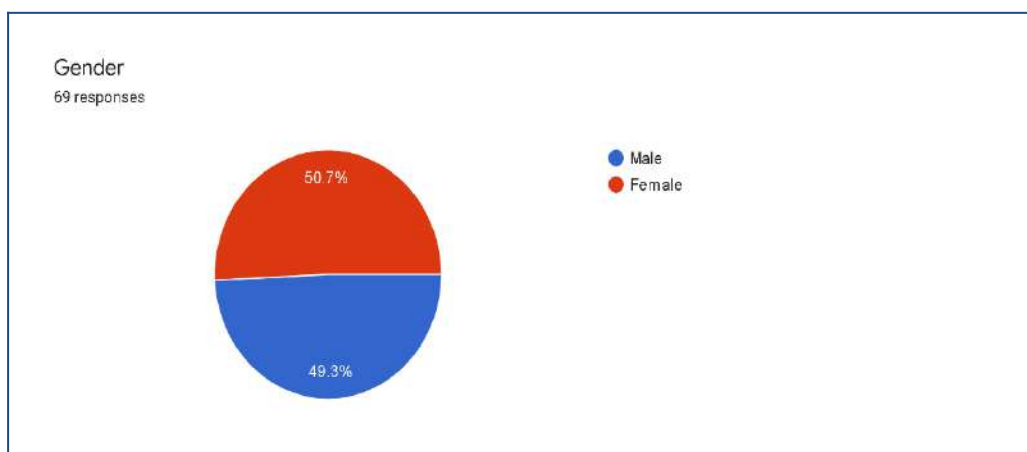


Fig no 1.1

<u>GENDER</u>	<u>NUMBER OF RESPONDENTS</u>	<u>PERCENTAGE (%)</u>
Male	34	49.3%
Female	35	50.7%

Table no. 1.1

Interpretation: From the following pie-chart representation we can assume that the number of female respondents' i.e.,35 is more than the number the male respondents' i.e.,34 Therefore, we can say that the females tend to enjoy more pizzas and fast food than males

2. Age group: This bar graph representation shows that number of respondents from different age groups who have smart phones.

Age distribution of respondents

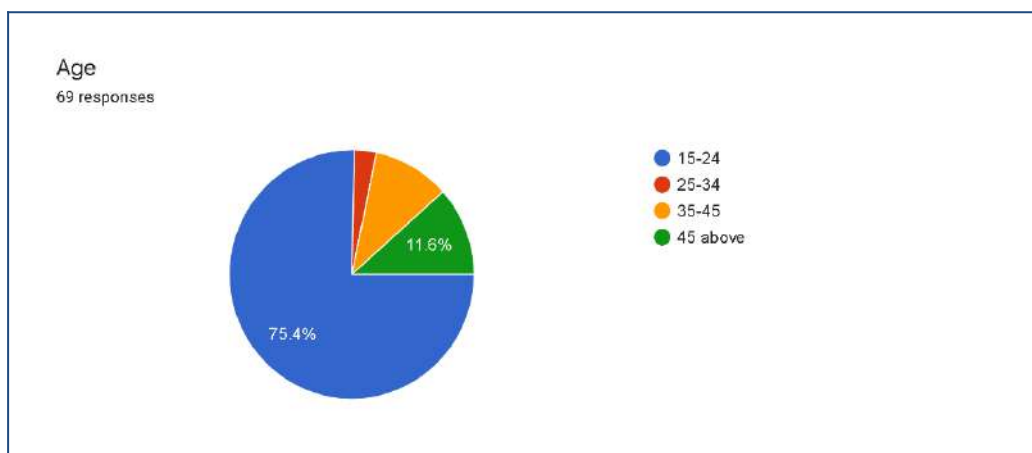


Fig no 1.2

AGE GROUP	NUMBER OF RESPONDENTS	PERCENTAGE (%)
15-24	52	75.4%
25-34	2	2.9%
35-45	7	10.1%
45 above	8	11.6%

Table no. 1.2

Interpretation: From the following pie-chart representation we can see that the number of respondents is more in the age group category of 15-24 years i.e., 52. While in the other categories, 35-45 years there are 7 respondents, in the category of above 45 years the respondents are 8. So, there is not much difference in the above mentioned both the age groups. Lastly, we can see that the respondent in the age group of 25-34 is only 2. This means the whole group enjoys having smart phones the least or rarely.

3. Occupation: This pie-chart representation shows that the occupation of the respondents.

Occupation distribution of respondents

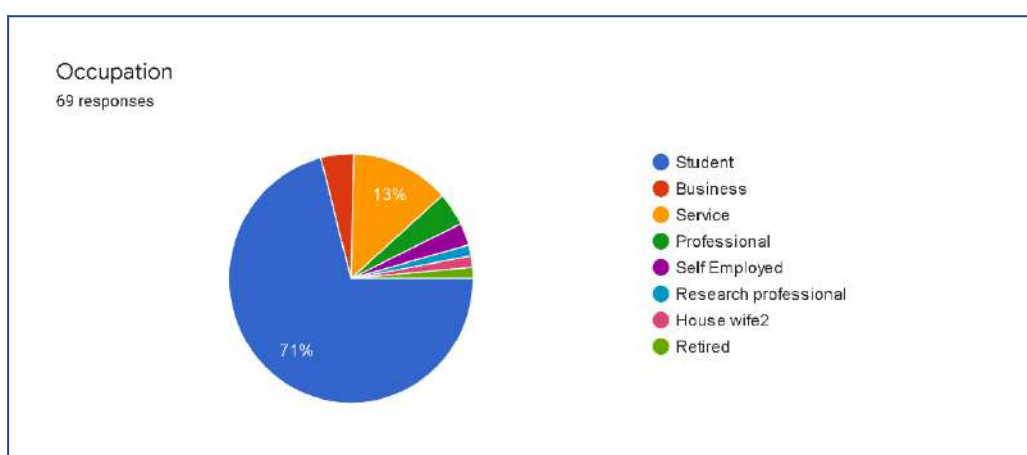


Fig no 1.3

<u>OCCUPATION</u>	<u>NUMBER OF RESPONDENTS</u>	<u>PERCENTAGE (%)</u>
STUDENT	49	71
BUISNESS	3	4.3
SERVICE	9	13
PROFESSIONAL	3	4.3
SELF EMPLOYED	2	2.9
RESEARCH PROFESSIONAL	1	1.4
HOUSE WIFE	1	1.4
RETIRED	1	1.4

Table no 1.3

Interpretation: From the following pie-chart representation of occupation of respondents we can see that the respondents i.e., 49 respondents are in the category of student. While there are 9 service respondents, 3 professional and

3 business respondents. There are also 2 self-employed ,1 research professional and 1 housewife respondents. There is also 1 retired respondent also.

4. Monthly income: This pie-chart representation shows the monthly income of the respondents of different groups.

Monthly income distribution of respondents

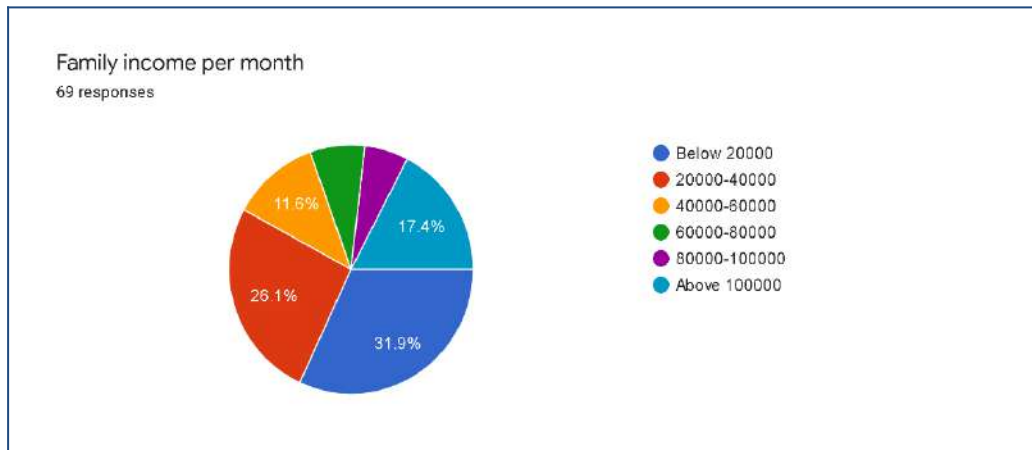


Fig no. 1.4

INCOME SCALE	NUMBER OF RESPONDENTS	PERCENTAGE (%)
BELOW 20000	22	31.9
20000-40000	18	26.1
40000-60000	8	11.6
60000-80000	5	7.2
80000-100000	4	5.8
ABOVE 100000	12	17.4

Table no. 1.4

Interpretation: From the following pie-chart representation of monthly income we can see that the respondents i.e., 22 are in the category of below-20000. While the respondents with the income 20000-40000 are 18. The respondents with the income above 100000 are 12. On the other hand, the

respondents with the income 60000-80000 are 5 and the respondents with the income 80000-100000 are 4.

RESEARCH SPECIFIC

5.Having smart phones: This pie-chart representation shows how many of them have smart phones.

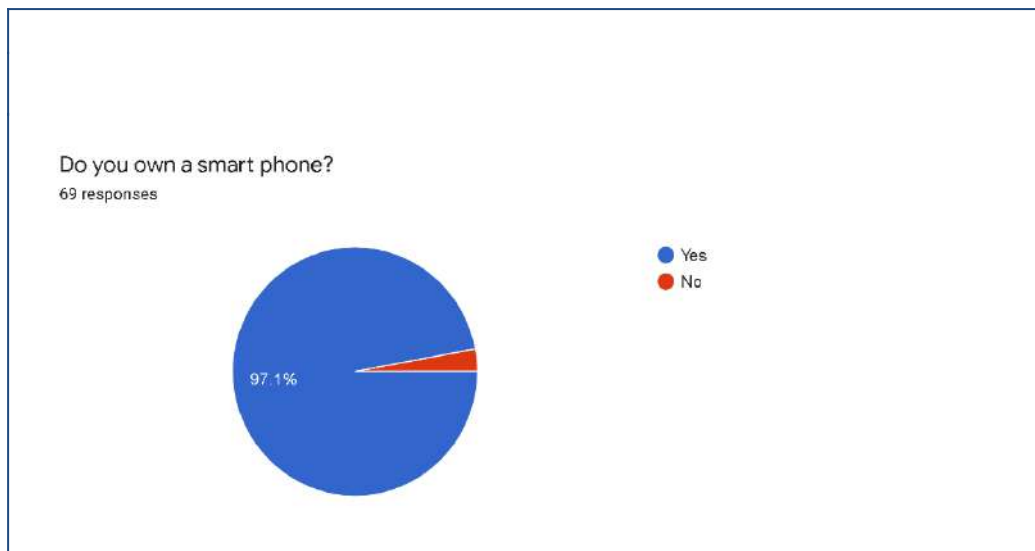


Fig no 2.1

<u>HAVING SMART PHONE</u>	<u>NUMBER OF RESPONDENTS</u>	<u>PERCENTAGE (%)</u>
YES	67	97.1
NO	2	2.9

Table no. 2.1

Interpretation: From the following pie-chart presentation of the usage of smart phones 67 respondents are using smart phones and 2 of the respondents are not using the smart phones.

6.Reason of purchasing smart phones: This pie-chart representation shows the reason of purchasing smart phones.

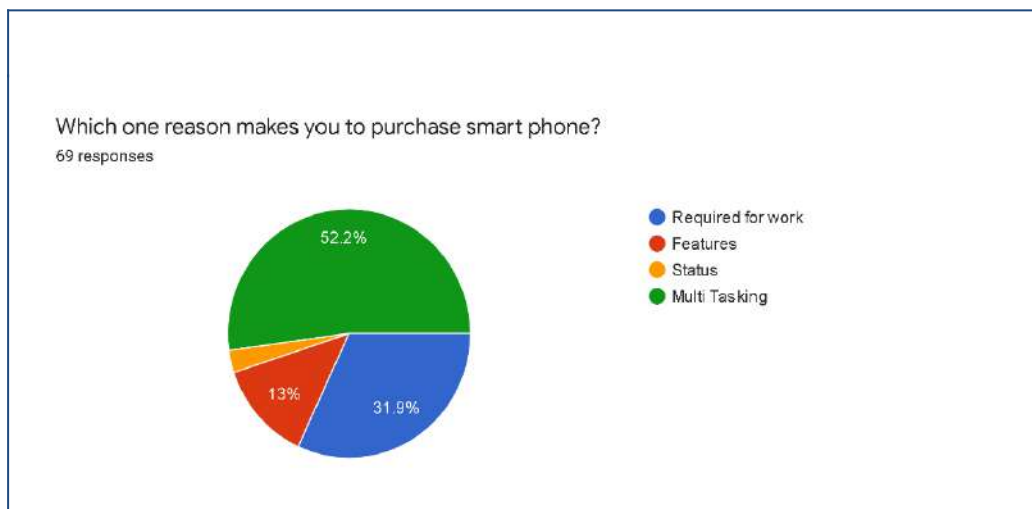


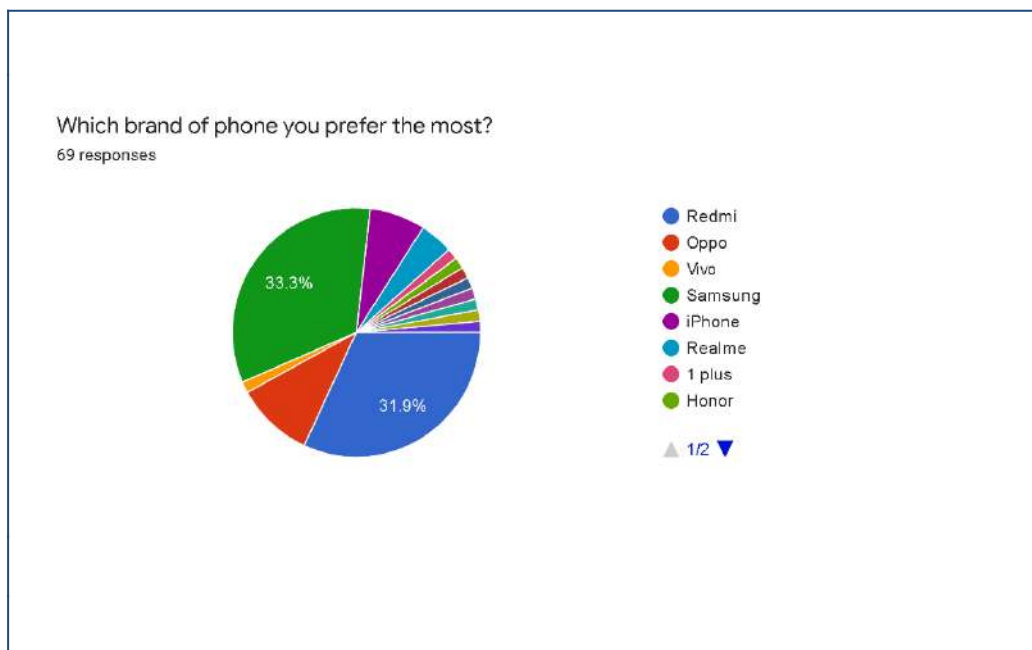
Fig no. 2.2

REASON OF PURCHESING	NUMBER OF RESPONDENTS	PERCENTAGE (%)
REQUIRED FOR WORK	22	31.9
FEATURES	2	13
STATUS	9	2.9
MULTI TASKING	36	52.2

Table no. 2. 2

Interpretation: From the following pie-chart representation 22 respondents are using smartphones for their work. While 36 respondents are using their smartphones for multitasking purposes. On the other hand, 9 respondents are using the smartphones for status and 2 respondents are using their smartphones for features.

7.Brand preference: This pie-chart representation shows the brand preference of the respondents of different groups.



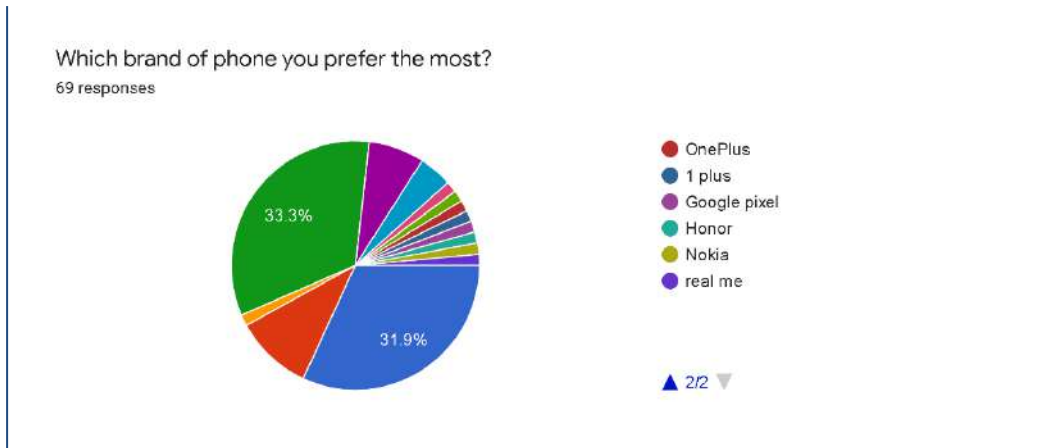


Fig no. 2.3

<u>BRAND PREFERANCE</u>	<u>NUMBER OF RESPONDENTS</u>	<u>PERCENTAGE (%)</u>
ONEPLUS	2	2.8
GOOGLE PIXEL	1	1.4
HONOUR	1	1.4
NOKIA	1	1.4
REALME	5	7.2
REDMI	22	31.9
OPPO	7	10.1
VIVO	1	1.4
IPHONE	5	7.2
SAMSAUNG	23	33.3
ASUS	2	2.8

Table no. 2. 3

Interpretation: According to the pie chart presentation 23 respondents are using Samsung, 22 used Redmi and both 5 of the respondents are using Realme and iPhone. While 7 respondents are using Oppo smartphones. On the other hand, both 2 of the respondents are using OnePlus and Asus phone.

However, some of them are using Google pixel, Honour, Nokia and Vivo smartphones.

8.attracted offers: This pie-chart representation shows the attracted offers of the respondents of different groups.

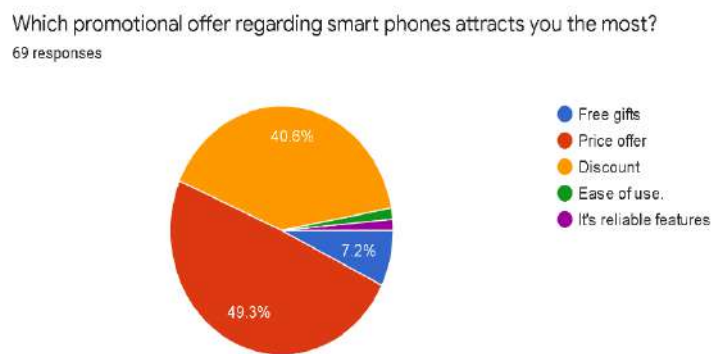


Fig no. 2.4

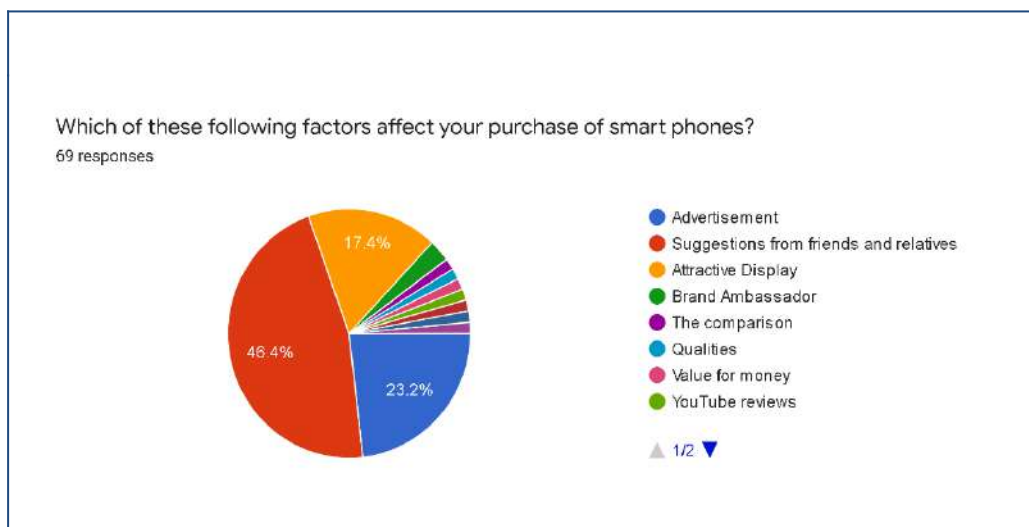
<u>OFFERS</u>	<u>NUMBER OF RESPONDENTS</u>	<u>PERCENTAGE (%)</u>
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FREE GIFTS	5	7.2
PRICE OFFER	34	49.3
DISCOUNT	28	40.6
EASE OF USE	1	1.4
IT'S RELIABLE FEATURE	1	1.4

Table no. 2. 4

Interpretation: From the following pie-chart presentation 34 respondents are buying their phones for price offer and 28 respondents are using for discount purpose. While on the other hand 5 respondents are using their smartphones for free gifts. On the other hand, 1 respondent is using their smartphone for ease of use and 1 respondent is using it for its reliable feature.

9. Which of these following factors affect your purchase of smart phones?



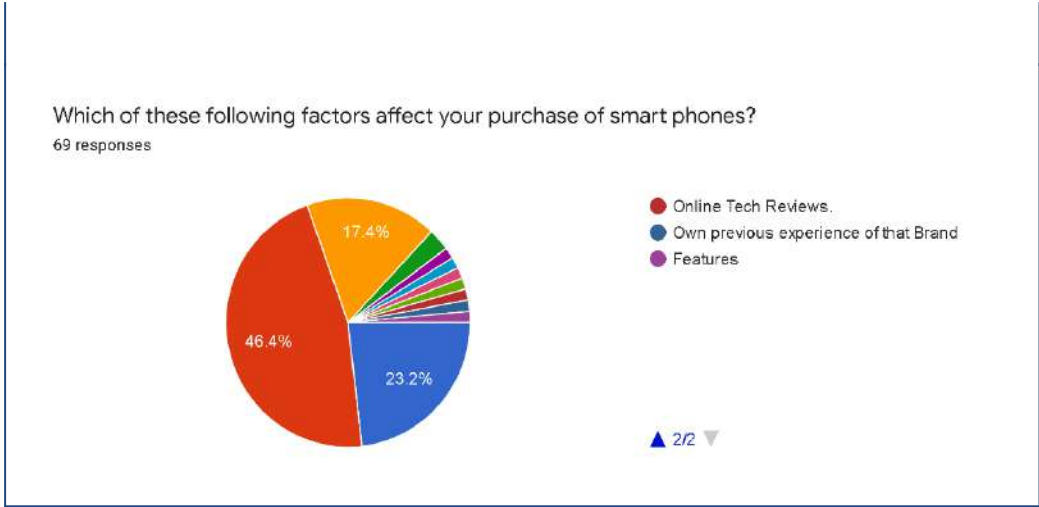


Fig no. 2.5

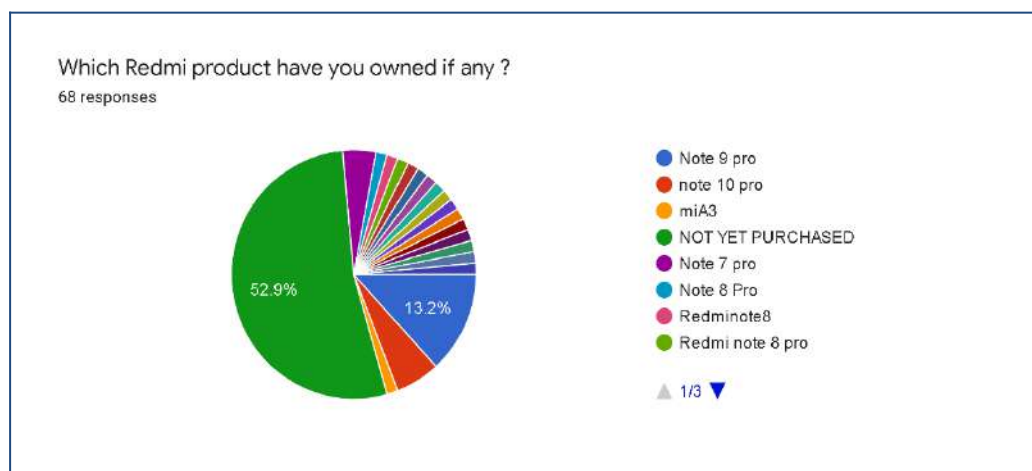
<u>FACTORS OFR PURCHESING</u>	<u>NUMBER OF RESPONDENTS</u>	<u>PERCENTAGE (%)</u>
ADVERTISEMENT	16	23.2
SUGGESTION FROM FRIENDS & RELATIVES	32	46.4
ATTRACTIVE DISPLAY	12	17.4
BRAND AMBASSADOR	2	2.9
THE COMPARISON	1	1.4
QUALITIES	1	1.4
VALUE FOR MONEY	1	1.4
YOUTUBE REVIEWS	1	1.4
ONLINE TECH REVIEWS	1	1.4

OWN PREVIOUS EXPERIENCE OF THAT BRAND	1	1.4
FEATURES	1	1.4

Table no. 2. 5

Interpretation: According to the pie chart presentation, 32 respondents bought phones from suggestions of relatives, 16 of them bought them due to advertisement and 12 of them bought due to attractive display. On the other hand, 2 of them bought them due to brand ambassador. However, others bought them due to the comparison, qualities, value of money, YouTube reviews, online tech reviews, previous experience and features.

10. Which Redmi product have you owned if any?



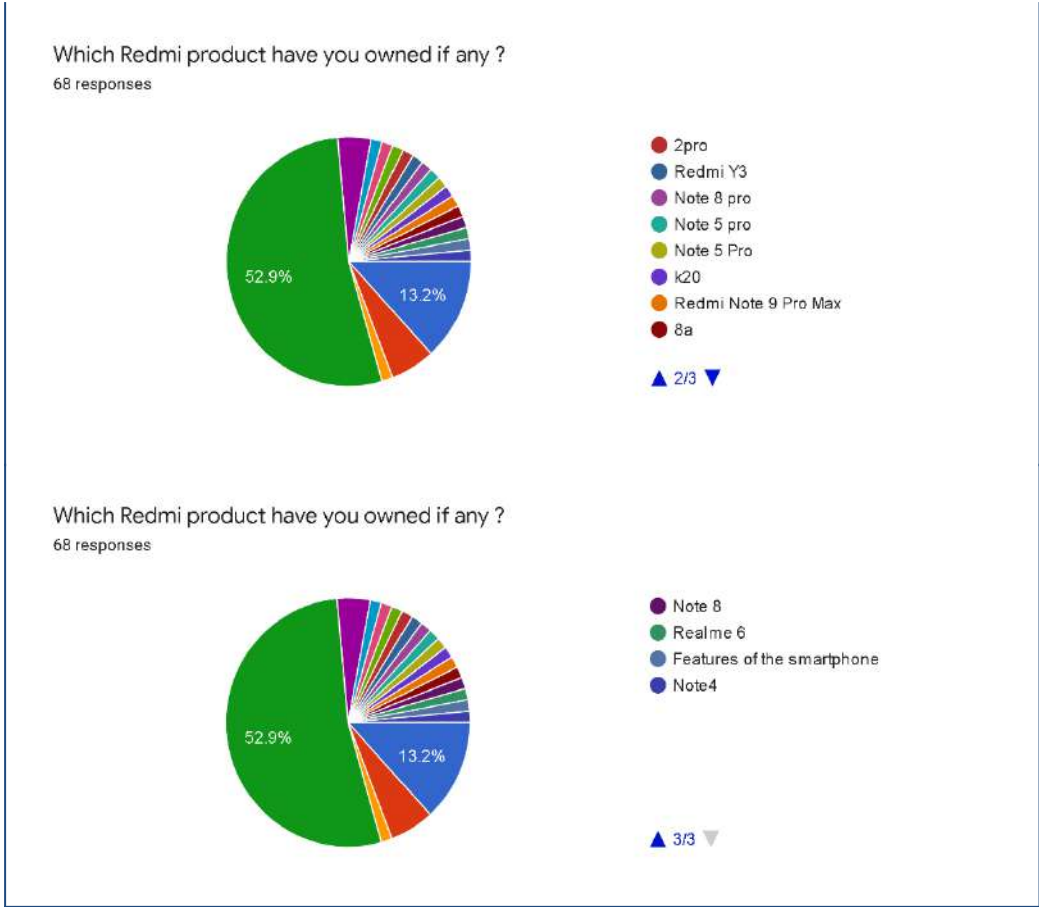


Fig no. 2.6

<u>REDMI PRODUCTS</u>	<u>NUMBER OF RESPONDENTS</u>	<u>PERCENTAGE (%)</u>
NOTE 9 PRO	9	13.2
NOTE 10 PRO	4	5.9
MI A3	1	1.5
NOTE 7 PRO	3	4.4
NOTE 8 PRO	1	1.5
REDMI NOTE 8	1	1.5
REDMI Y3	1	1.5
NOTE 5 PRO	1	1.5
REDMI K20	1	1.5
NOTE 9 PRO MAX	1	1.5
REDMI 8A	1	1.5
REDMI NOTE 4	1	1.5

FEATURES OF SMART PHONES	1	1.5
NOT YET PORCHASED	36	52.9

Table no. 2. 6

Interpretation: According to the pie chart presentation 36 respondents have not yet purchased Redmi smartphones. While 9 respondents bought Note 9 pro, 4 with Note 10 pro and 3 of them purchased Note 7 pro. However other respondents purchased other Redmi brands smartphones.

11. Which Oppo phone have you owned if any?

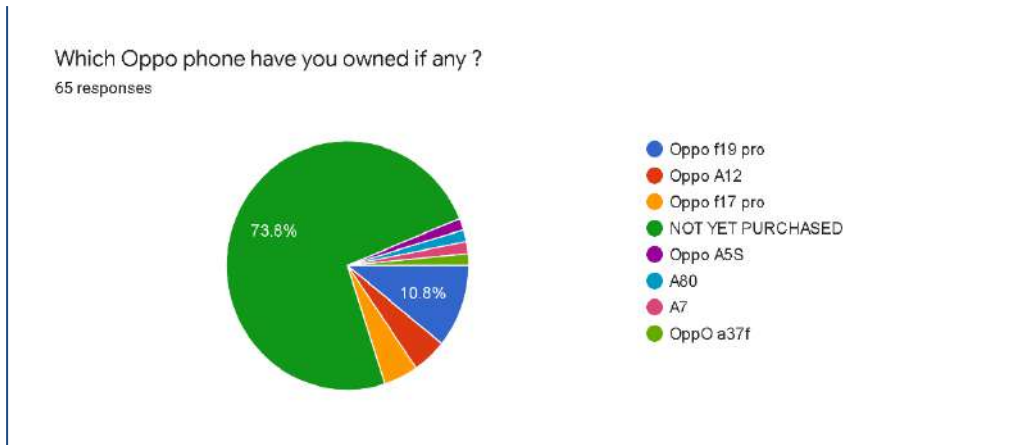


Fig no. 2.7

OPPO PRODUCT	NUMBER OF RESPONDENTS	PERCENTAGE (%)
OPPO f19 pro	7	10.8
OPPO A12	3	4.6
OPPO f17 pro	3	4.6
OPPO A5S	1	1.5
OPPO A37f	1	1.5
OPPO A7	1	1.5
OPPPO A80	1	1.5
NOT YET PURCHASED	48	73.8

Table no. 2. 7

Interpretation: From the following pie-chart presentation 48 respondents had not yet purchased OPPO phone and 7 of the respondents are using OPPO f19 pro. While 3 respondents are using OPPO A12 and 3 respondents are using OPPO f17 pro. On the other hand, 1 respondent is using OPPO A5S, 1 respondent is using OPPO A37f, 1 is using OPPO A7 and 1 respondent is using OPPO A80.

12. Redmi phones are multi featured and priced reasonably

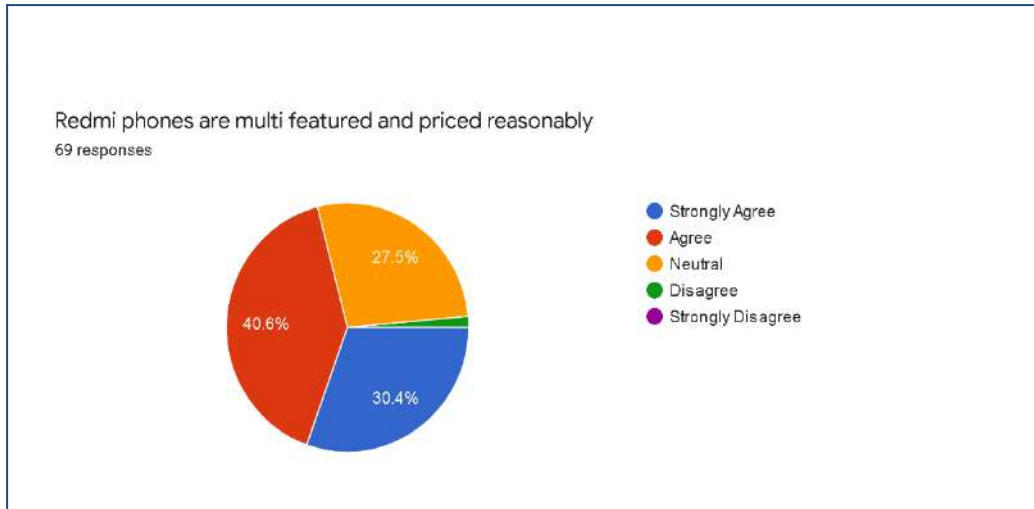


Fig no. 2.8

<u>MULTI FEATURED & REASONABLE PRICE</u>	<u>NUMBER OF RESPONDENTS</u>	<u>PERCENTAGE (%)</u>
STRONGLY AGREE	21	30.4
AGREE	28	40.6
NEUTRAL	19	27.5
DISAGREE	1	1.5
STRONGLY DISAGREE	0	0

Table no. 2. 8

Interpretation: From the following pie-chart presentation, 28 respondents are strongly agreed with the Redmi brand phone having multi features and reasonable price. On the other hand, 21 respondents agreed and 19 respondents are neutral about it. However, 1 respondent disagreed it and no one strongly disagreed with the Redmi brand phone having multi features and reasonable price.

13. Oppo phones are multi featured and priced reasonably

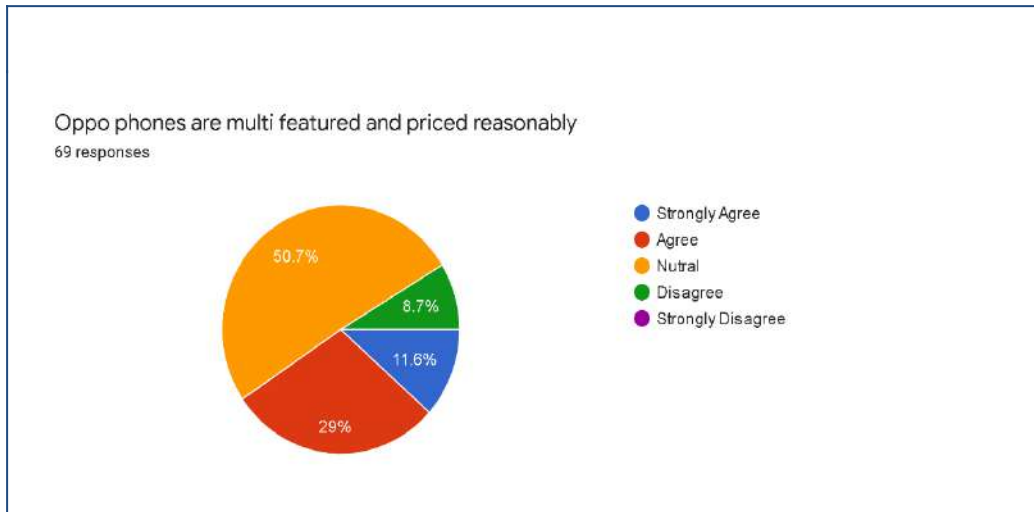


Fig no. 2.9

<u>MULTI FEATURED & REASONABLE PRICE</u>	<u>NUMBER OF RESPONDENTS</u>	<u>PERCENTAGE (%)</u>
STRONGLY AGREE	8	11.6
AGREE	20	29
NUTRAL	35	50.7
DISAGREE	6	8.7
STRONGLY DISAGREE	0	0

Table no. 2. 9

Interpretation: From the following pie-chart presentation, 35 respondents are neutral with the OPPO brand phone having Mukti features and reasonable price and 6 respondents disagreed with it. While 20 respondents agreed and 8 respondents strongly agreed with it. However, no one strongly disagreed with the OPPO brand phone having multi features and reasonable price.

14. Which brand of smart phones provides you excellent streaming quality?

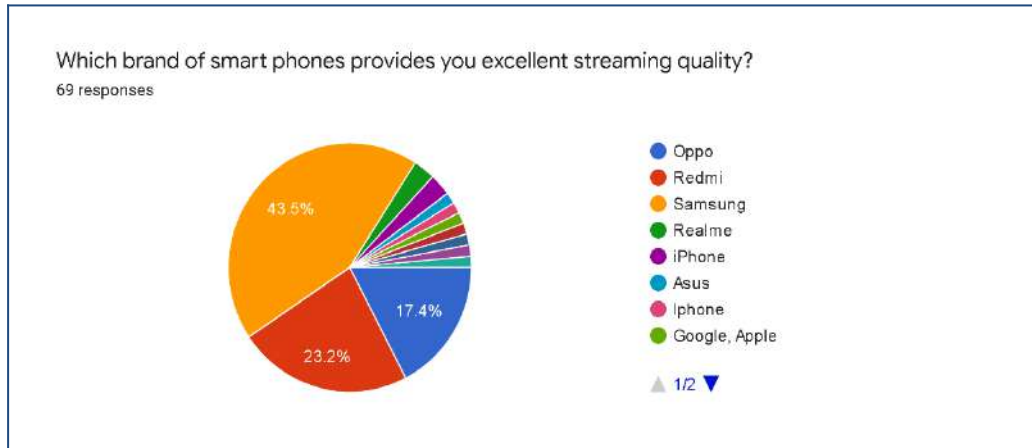


Fig no. 2.10

STREAMING PURPOSE	NUMBER OF RESPONDENTS	PERCENTAGE (%)
OPPO	12	17.4
REDMI	16	23.2
SAMSUNG	31	45
REALME	3	4.4
IPHONE	3	4.4
ASUS	1	1.5
GOOGLE	1	1.5

Table no. 2.10

Interpretation: From the following pie-chart presentation, according to 31 respondents, Samsung smartphones provide excellent streaming quality. While 16 respondents have supported Redmi smartphone and 12 respondents have supported Oppo smartphone. On the other hand, 3 respondents supported Realme smartphones and 3 of the respondents have supported iPhone. However, 1 have supported Asus and the other 1 respondent with Google smartphones for streaming quality.

15. Which brand of smart phones provides you excellent picture quality?

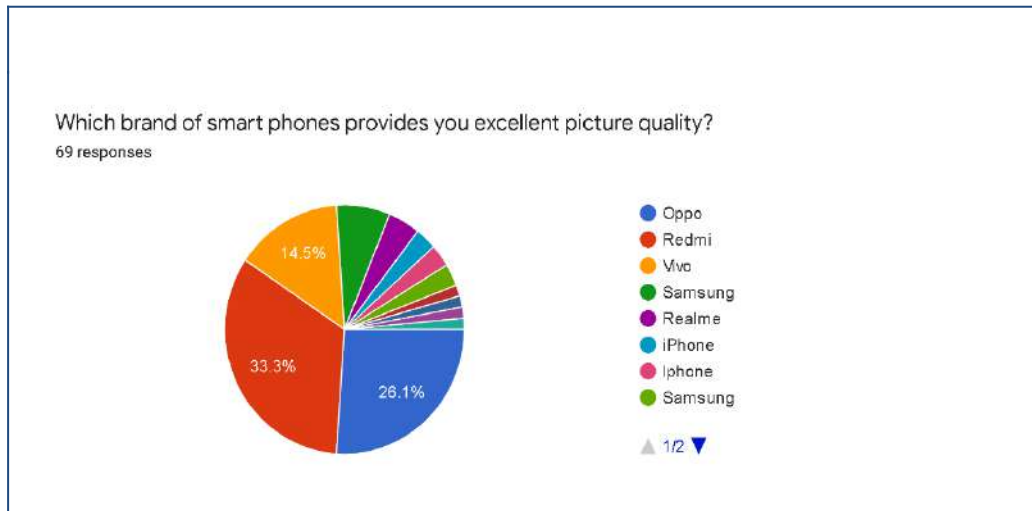


Fig no. 2.11

PICTURE QUALITY	NUMBER OF RESPONDENTS	PERCENTAGE (%)
OPPO	18	26.1
REDMI	23	33.3
VIVO	10	14.5
SAMSUNG	7	10.1
REALME	4	5.7
IPHONE	3	4.3
ONEPLUS	1	1.4

Table no. 2.11

Interpretation: According to pie chart presentation 23 respondents agreed with the picture quality of Redmi phone, 18 of them agreed with the Oppo brand. While 10 respondents agreed Vivo for picture quality, 7 of them agreed with Samsung, 4 of them with Realme, 3 of them agreed with iPhone and the other supported Oneplus for picture quality.

16. Which brand of smart phones provides you a routine software update?

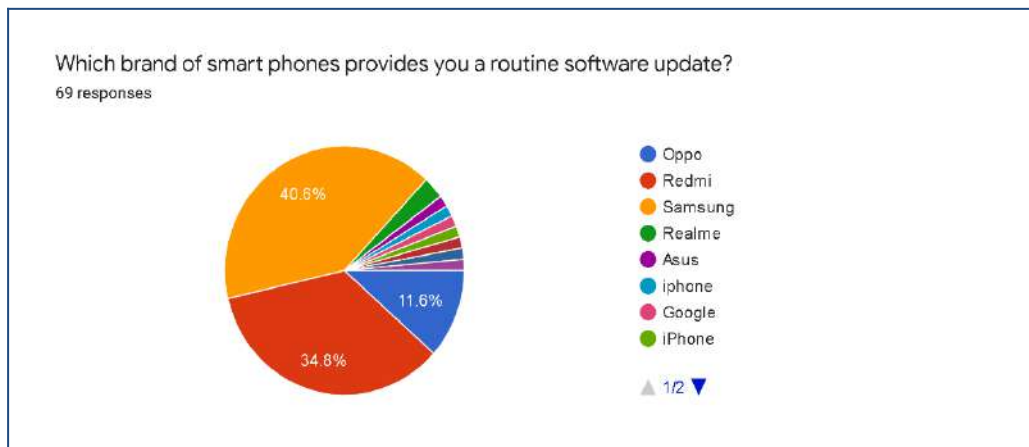


Fig no. 2.12

<u>ROUTINR SOFTWARE UPDATE</u>	<u>NUMBER OF RESPONDENTS</u>	<u>PERCENTAGE (%)</u>
OPPO	8	11.6
REDMI	24	34.8
SAMSUNG	28	40.6
REALME	4	5.6
ASUS	1	1.4
IPHONE	3	4.3
GOOGLE	1	1.4
ONEPLUS	1	1.4

Table no. 2.12

Interpretation: According to pie chart presentation,28 respondents agreed with Samsung for routine software update, 24 of them agreed with Redmi and 8 of them with Oppo. While 4 of them supported Realme and 3 with iPhone.However, the others supported Asus, Google and One plus for software update.

17. Which brand of smart phones provides you a good RAM manageable process?

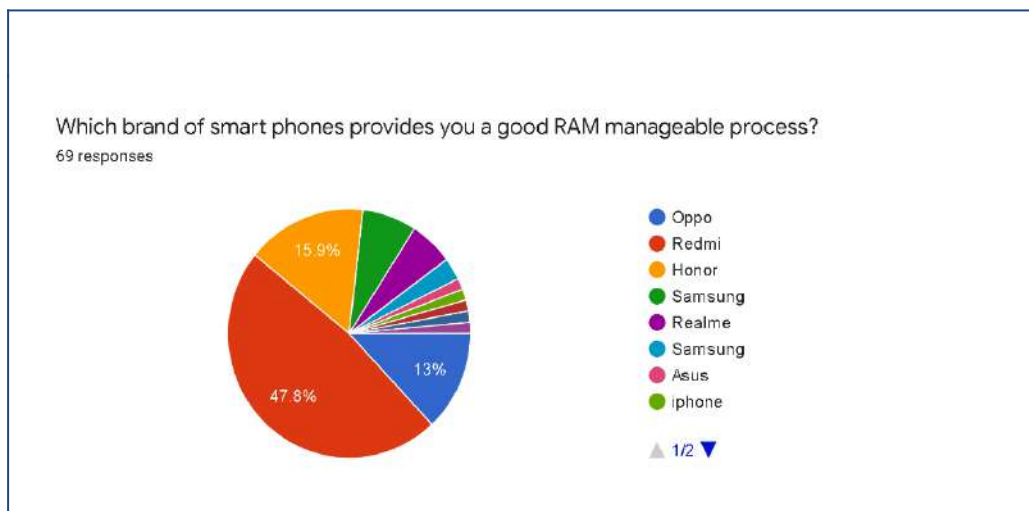


Fig no. 2.13

<u>RAM MANAGEMENT</u>	<u>NUMBER OF RESPONDENTS</u>	<u>PERCENTAGE (%)</u>
OPPO	9	13
REDMI	33	47.8
HONOUR	11	15.9
SAMSUNG	8	11.5
REALME	4	5.8
ASUS	1	1.4
IPHONE	3	4.3

Table no. 2.13

Interpretation: According to pie chart presentation, 33 of the respondents agreed Redmi for RAM manageable process, 11 of them with Honour and 9 of them with Oppo for it. However, 8 of them agreed with Samsung for it, 4 of them with Realme, 3 of them with iPhone and 1 with Asus for RAM manageable process.

18. Which brand of smart phone provides you a good battery backup?

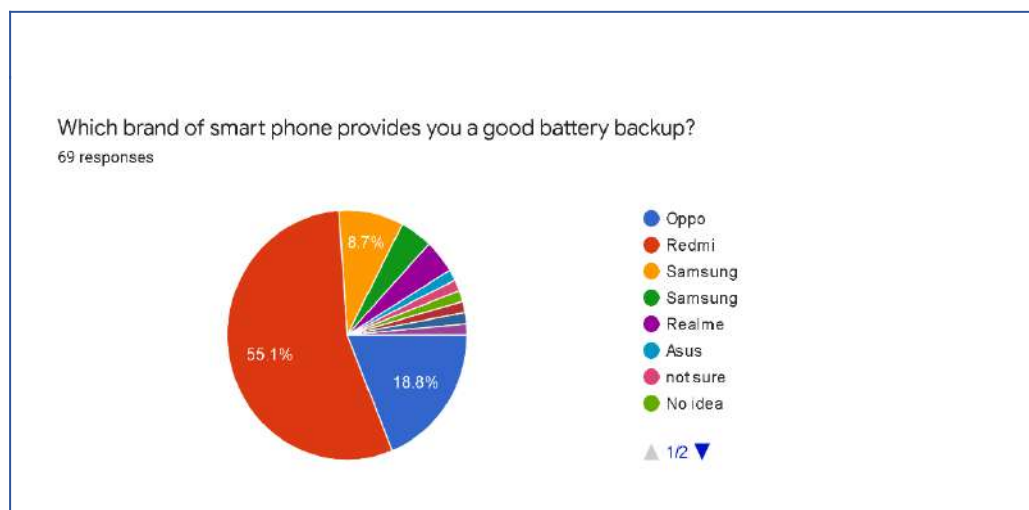


Fig no. 2.14

<u>BATTERY BACKUP</u>	<u>NUMBER OF RESPONDENTS</u>	<u>PERCENTAGE (%)</u>
OPPO	13	18.8
REDMI	38	55.1
REALME	4	5.6
ASUS	1	1.4
SAMSUNG	10	14.4
ONEPLUS	1	1.4
NO IDEA	2	2.8

Table no. 2.14

Interpretation: According to pie chart presentation, 38 of the respondents supported Redmi for good battery backup, 13 of them with Oppo, 10 of them with Samsung, 4 of them with Realme and the other with One plus for good battery backup.

19. Which brand of smart phones provides you a good video quality?

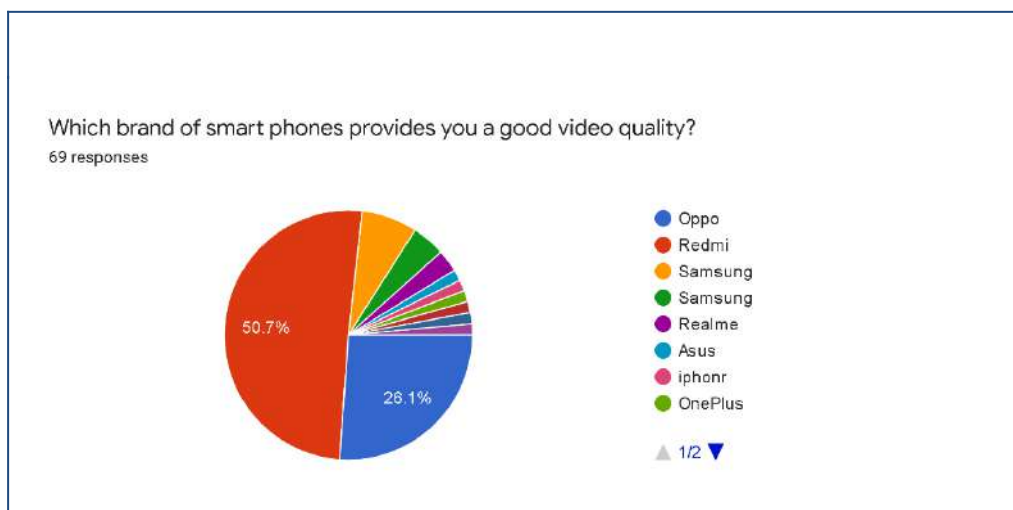


Fig no. 2.15

<u>VEDIO QUALITY</u>	<u>NUMBER OF RESPONDENTS</u>	<u>PERCENTAGE (%)</u>
OPPO	18	26.1
REDMI	35	50.7
SAMSUNG	8	11.2
REALME	2	2.8
ASUS	1	1.4
IPHONE	3	4.2
ONEPLUS	1	1.4

Table no. 2.15

Interpretation: According to pie chart presentation, 35 respondents agreed with Redmi phone for good video quality, 18 of them with Oppo, 8 of them with Samsung and 3 of them with iPhone for it. However, 2 of them agreed with Realme and the other with Asus and One plus for good video quality.

20. Which brand of smart phones have a good audio quality?

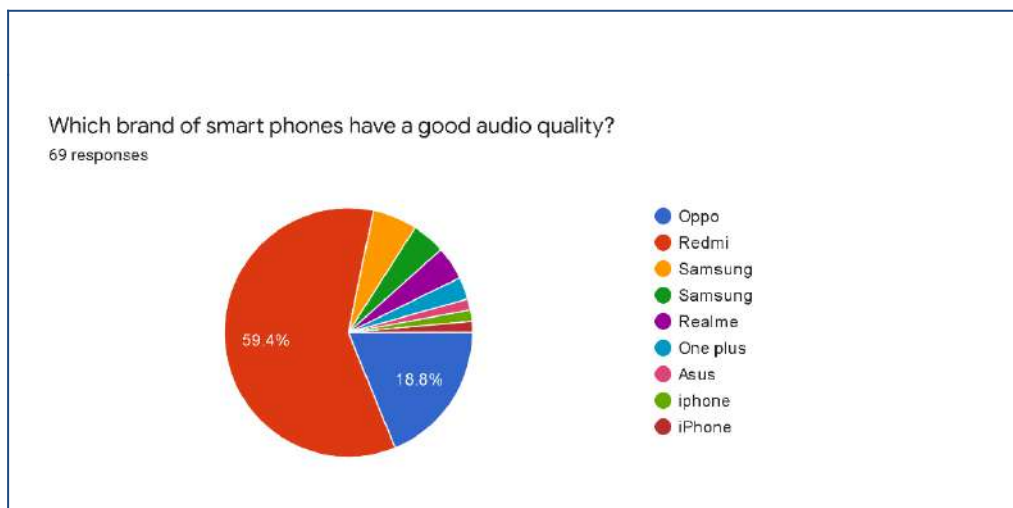


Fig no. 2.16

AUDIO QUALITY	NUMBER OF RESPONDENTS	PERCENTAGE (%)
OPPO	13	18.8
REDMI	41	59.4
SAMSUNG	7	10.1
REALME	3	4.3
ONEPLUS	2	2.9
ASUS	1	1.4
IPHONE	1	1.4

Interpretation: From the following pie-chart presentation 41 respondents have supported Redmi for good audio quality, 13 of them supported Oppo and 7 respondents supported Samsung for it. While 3 respondents supported Realme, 2 with One plus, 1 with Asus and the other 1 respondent with iPhone for good audio quality.

21. Which brand of smart phones provides you a good display?

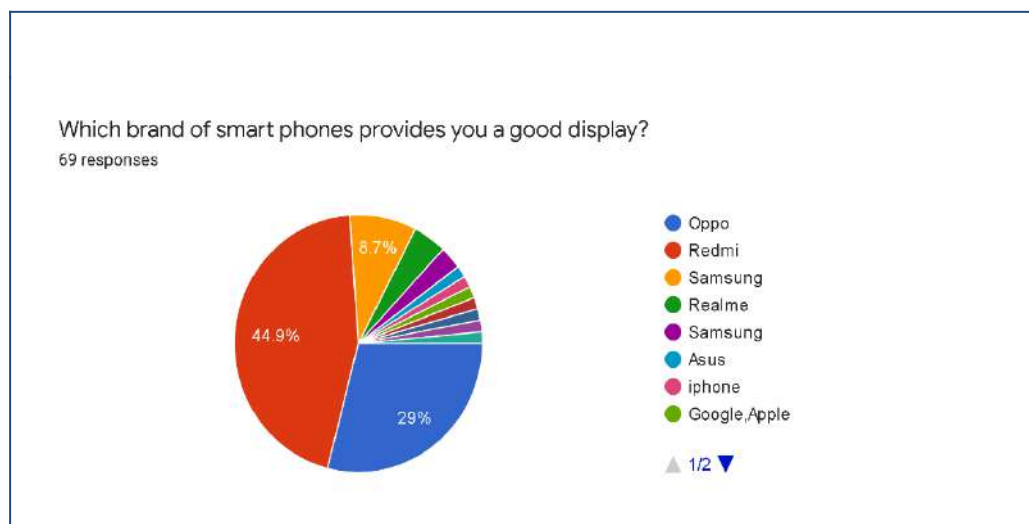


Fig no. 2.17

<u>DISPLAY</u>	<u>NUMBER OF RESPONDENTS</u>	<u>PERCENTAGE (%)</u>
OPPO	20	44.9
REDMI	31	29
SAMSAUNG	8	11.5
REALME	4	5.8
ASUS	1	1.4
IPHONE	2	3
GOOGLE	1	1.4
ONEPLUS	1	1.4

Table no. 2.17

Interpretation: From the following pie-chart presentation, 31 respondents agreed with Redmi for good display, 20 of them with OPPO and 8 of them with Samsung for it. While 4 of the respondents agreed with Realme, 1 with Asus, 1 with iPhone, 1 with google and the one with One plus for good display.

22. How would you recommend Redmi over Oppo?

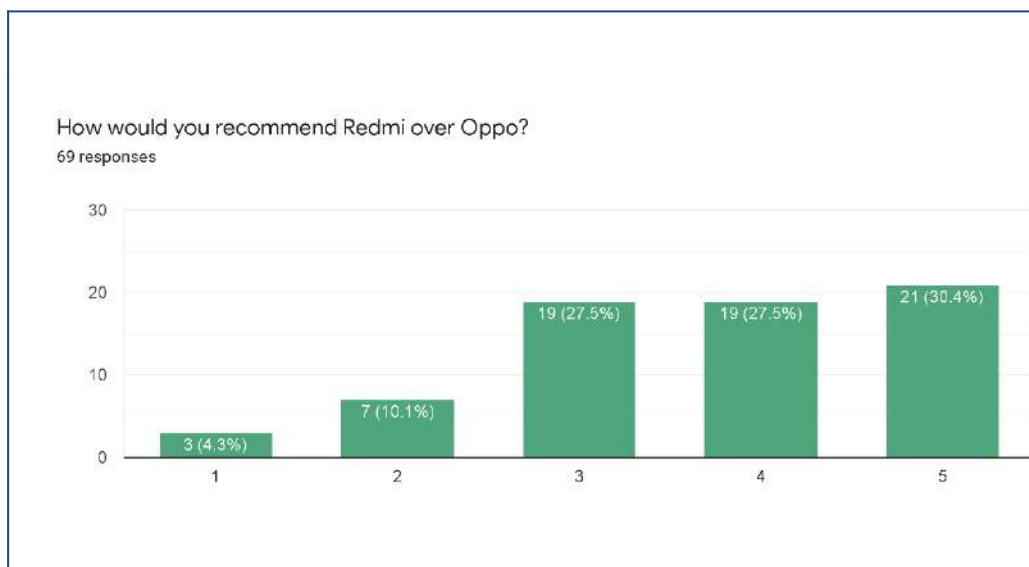


Fig no. 2.18

<u>RECOMENDATION</u>	<u>NUMBER OF RESPONDENTS</u>	<u>PERCENTAGE (%)</u>
1	3	4.3%
2	7	10.1%
3	19	27.5%
4	19	27.5%
5	21	30.4%

Table no. 2.18

Interpretation: From the following pie chart presentation 21 of the respondents recommended Redmi over Oppo smartphones, both 19 is respondents recommended Redmi over Oppo smartphones and 7 of them also agreed with it. While 3 respondents are agreed with the recommendations for Redmi over Oppo smartphones.

23. How would you recommend Oppo over Redmi?

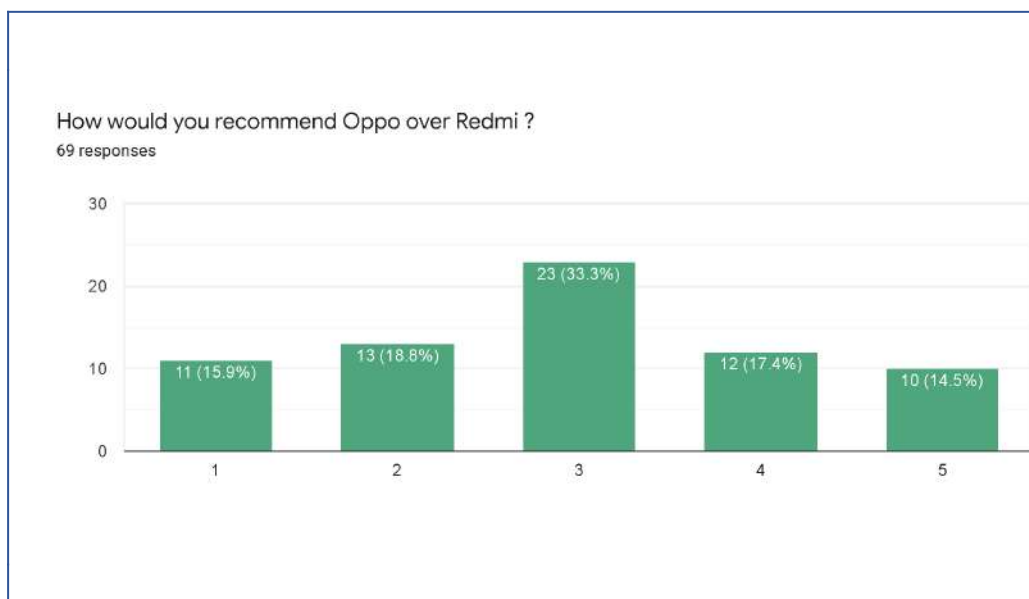


Fig no. 2.19

<u>RECOMENDATION</u>	<u>NUMBER OF RESPONDENTS</u>	<u>PERCENTAGE (%)</u>
1	11	15.9%
2	13	18.8%
3	23	33.3%
4	12	17.4%
5	10	14.5%

Table no. 2.19

Interpretation: From the following bar graph presentations 23 respondents have recommended Oppo over Redmi, 13 respondents are with it and 12 of them are agreed with the above recommendations. While 11 respondents are

agreed and finally 10 respondents are agreed with the recommendations of Oppo over Redmi.

DATA FINDINGS

In the above questionnaire 69 people have responded to this questionnaire.

Out of which 35 are females and 34 are males. It can be concluded that female customers should be targeted by the sellers to attract them to buy smart phones.

We can see that the number of respondents is more in the age group category of 15-24 years i.e., 52. While in the other categories, 35-45 years there are 7 respondents, in the category of above 45 years the respondents are 8. So, there is not much difference in the above mentioned both the age groups. Lastly, we can see that the respondent in the age group of 25-34 is only 2. This means the whole group enjoys having smart phones the least or rarely.

We can see that the respondents i.e., 49 respondents are in the category of student. While there are 9 service respondents, 3 professional and 3 business respondents. There are also 2 self-employed ,1 research professional and 1 housewife respondents. There is also 1 retired respondent also.

Most of the respondents have completed their Graduation and some have even completed or pursuing Post Graduation.

Most of the respondents are students and some of them are service holders and businessman. While few of them are researcher an, housewife and self-employed.

We can see that most of the respondents have their household income below 20000, 20000-40000 and above 100000. While some of them have their household income with 60000-80000 and the other have 80000-100000.

However,67 respondents are using smart phones and 2 of the respondents are not using the smart phones.

Here 22 respondents are using smartphones for their work. While 36 respondents are using their smartphones for multitasking purposes. On the other hand, 9 respondents are using the smartphones for status and 2 respondents are using their smartphones for features.

Here 23 respondents are using Samsung, 22 used Redmi and both 5 of the respondents are using Realme and iPhone. While 7 respondents are using Oppo smartphones. On the other hand, both 2 of the respondents are using Oneplus and Asus phone. However, some of them are using Google pixel, Honour, Nokia and Vivo smartphones.

Among 69 respondents,34 respondents are buying their phones for price offer and 28 respondents are using for discount purpose. While

on the other hand 5 respondents are using their smartphones for free gifts. On the other hand, 1 respondent is using their smartphone for ease of use and 1 respondent is using it for its reliable feature.

Here,32 respondents bought phones from suggestions of relatives, 16 of them bought them due to advertisement and 12 of them bought due to attractive display. On the other hand, 2 of them bought them due to brand ambassador. However, others bought them due to the comparison, qualities, value of money, YouTube reviews, online tech reviews, previous experience and features.

Here,36 respondents have not yet purchased Redmi smartphones.

While 9 respondents bought Note 9 pro, 4 with Note 10 pro and 3 of them purchased Note 7 pro. However other respondents purchased other Redmi brands smartphones.

Among 69 respondents,48 respondents had not yet purchased OPPO phone and 7 of the respondents are using OPPO f19 pro. While 3 respondents are using OPPO A12 and 3 respondents are using OPPO f17 pro. On the other hand, 1 respondent is using OPPO A5S, 1 respondent is using OPPO A37f, 1 is using OPPO A7 and 1 respondent is using OPPO A80.

Among 69 respondents,28 respondents are strongly agreed with the Redmi brand phone having multi features and reasonable price. On the other hand, 21 respondents agreed and 19 respondents are neutral about it. However, 1 respondent disagreed it and no one strongly disagreed with the Redmi brand phone having multi features and reasonable price.

Here 35 respondents are neutral with the OPPO brand phone having Mukti features and reasonable price and 6 respondents disagreed with it. While 20 respondents agreed and 8 respondents strongly agreed with it. However, no one strongly disagreed with the OPPO brand phone having multi features and reasonable price.

According to 31 respondents, Samsung smartphones provide excellent streaming quality. While 16 respondents have supported Redmi smartphone and 12 respondents have supported Oppo smartphone. On the other hand, 3 respondents supported Realme smartphones and 3 of the respondents have supported iPhone. However, 1 have supported Asus and the other 1 respondent with Google smartphones for streaming quality.

Here ,23 respondents agreed with the picture quality of Redmi phone, 18 of them agreed with the Oppo brand. While 10 respondents agreed Vivo for picture quality, 7 of them agreed with Samsung, 4 of them with Realme, 3 of them agreed with iPhone and the other supported Oneplus for picture quality.

Here,28 respondents agreed with Samsung for routine software update, 24 of them agreed with Redmi and 8 of them with Oppo. While 4 of them supported Realme and 3 with iPhone.However, the others supported Asus, Google and One plus for software update.

Here,33 of the respondents agreed Redmi for RAM manageable process, 11 of them with Honour and 9 of them with Oppo for it.

However, 8 of them agreed with Samsung for it, 4 of them with Realme, 3 of them with iPhone and 1 with Asus for RAM manageable process.

Here, 38 of the respondents supported Redmi for good battery backup, 13 of them with Oppo, 10 of them with Samsung, 4 of them with Realme and the other with One plus for good battery backup.

Here, 35 respondents agreed with Redmi phone for good video quality, 18 of them with Oppo, 8 of them with Samsung and 3 of them with iPhone for it. However, 2 of them agreed with Realme and the other with Asus and One plus for good video quality.

41 respondents have supported Redmi for good audio quality, 13 of them supported Oppo and 7 respondents supported Samsung for it. While 3 respondents supported Realme, 2 with One plus, 1 with Asus and the other 1 respondent with iPhone for good audio quality.

Here 31 respondents agreed with Redmi for good display, 20 of them with OPPO and 8 of them with Samsung for it. While 4 of the respondents agreed with realme, 1 with Asus, 1 with iPhone, 1 with google and the one with One plus for good display.

However, 21 of the respondents recommended Redmi over Oppo smartphones, both 19 is respondents recommended Redmi over Oppo smartphones and 7 of them also agreed with it. While 3 respondents are agreed with the recommendations for Redmi over Oppo smartphones.

From the following bar graph presentations 23 respondents have recommended Oppo over Redmi, 13 respondents are with it and 12 of them are agreed with the above recommendations. While 11 respondents are agreed and finally 10 respondents are agreed with the recommendations of Oppo over Redmi.

CHAPTER – 4

CONCLUSION AND RECOMMENDATION

4.1 CONCLUDING OBSERVATIONS

4.2 RECOMMENDATIONS

CONCLUDING OBSERVATIONS

This study concluded that in this modern business economy it is very important to analyse the marketing strategy used in the Red - mi mobile phones. The study result shows the majority of the consumers are satisfied with the Red - mi mobile phones but also there is a drawback such as hike in price and such other factor like design of the product. If necessary, steps to re-solve problems of retaining customers of Red - mi mobile phone will be high. It will develop the strategy of marketing, if the company can understand the preference and overall perception of the consumer. Hence, it will develop the marketing strategy and market share of Red - mi mobile phone Company.

In this modern era Smartphone is just not only the want but also a need how to make proper use of it. All the maximum respondents mentioned smartphones as their need. Obviously, Smartphone have changed the ways that we used to live, communicate and connect with people all over the world. With it, we can surf internet with just a touch in the smartphone whether to read the breaking news, or compare the prices of the features of a product while shopping, booking tickets connecting to social network or to keep the track of your parcels delivered whatever we need. All the respondents agreed that smartphones are essential to make their life easier. Hitting the right communication channel and effectively delivering the message to potential buyers contributes to the success of a brand. Even for a good product, if no one knows about it talks about it or discuss about it, then the chance of failure for that product is really high. This is achieving through mastery in communication. Despite that, the product must be strong, reliable and good all by itself in order for consumers to test out and trust what being said in the communication channel.

RECOMMENDATIONS

REDMI phones-

- They give foremost importance's to the pricing of its devices.
- They spend less money on advertisement. They rely on social media and word of mouth from happy customers.
- They never compromised with the quality of hardware and build material.
- Redmi smartphones run on Snapdragon Processor which is the best processor for smart phones.
- They also had a decent to excellent camera quality.
- They are highly customizable Android Based OS.
- They have great specifications and performance so that they are affordable.

OPPO phones-

- They offer a high-end specification at a very reasonable price.
- They had come up with 8GB of RAM and 256GB of storage for prices.

- Oppo smartphones were the first to feature 5MP and 16MP front cameras, rotating cameras as well as 5x dual zoom technology along with Ultra HD quality for photographs.
- Oppo smartphones use a lightweight, high-density lithium-ion batteries that offer two days of battery life, for average use.
- Oppo mobiles are leading the full screen smartphone revolution, with panoramic arcs which offer a 94% screen ratio
- Oppo mobile feature can be utilized even if you're playing videos or games on the phone.
- They provide a good battery pack up and it can last up to 2 days also

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❖ Sonia Singh, Subhra Mondal, Lata Bajpai Singh, Kalyan Kumar Sahoo and Subhankar Das “An Empirical Evidence Study of Consumer Perception and Socioeconomic Profiles for Digital Stores in Vietnam”
[sustainability-12-01716-v2.pdf](#)

ANNEXURE

• QUESTIONNAIRE

Following attached link is the survey of questionnaire in Google form

https://docs.google.com/forms/d/e/1FAIpQLSfYj_vi7jUPOMI50DQcqYO7cL2SNgIu8UIVtiBRs5z_oO1fMg/viewform?usp=sf_link

• SAMPLE QUESTIONNAIRE



The image shows a screenshot of a Google Form titled "Consumer Perception on the usage of smart phones--A comparative study between Redmi and Oppo phone". The form is displayed on a mobile device interface. At the top, there are navigation icons for "Locations" and "Responses". Below the title, there is a small image showing five smartphones. The main text of the form reads: "This is purely an academic purpose survey not for use of any commercial purpose and given data is strictly confidential. Respected Sir/Ma'am, This is a survey request regarding your consent to the number of your valuable time to the questionnaire on a research study based on 'Consumer perception on usage of smart phones--a comparative study between Redmi and Oppo phones'. On the basis of your input I can proceed on my project work. I humbly request you to 'be' exact in the questionnaire to your 'honest' as much as you can in order to enhance the possible best of a broader enriched data. Email for: anushabani110@gmail.com Thank you ANUSHA BANERJEE B.COM (HONS.) B.Ed. (M.Ed.) College".

Untitled form ☆

Questions Responses

Section 1 of 3

Demographic detail

Description (optional)

Age

- 18-24
- 25-34
- 35-45
- 45 above

Gender

- Male
- Female
- Other...

Untitled form ☆

Questions Responses

Section 2 of 3

Occupation

Description (optional)

- Student
- Business
- Service
- Professional
- Self-employed
- Other...

Family Income per month

- Below 2000
- 2000-4000
- 4000-6000
- 6000-8000
- 8000-10000
- Above 10000

Untitled form ☆

Questions Responses

Section 3 of 3

Research Specific

Description (optional)

Do you own a smart phone?

- Yes
- No

Which one reason makes you to purchase smart phone?

- Required for work
- Fashion
- Status
- Multi Tasking
- Other...

Untitled form ☆

Questions Responses 0

Which brand of phone you prefer the most?

- Redmi
- Oppo
- Vivo
- Samsung
- iPhone
- Other...

Which promotional offer regarding smart phones attracts you the most?

- Free gifts
- Price offer
- Discount
- Other...

Untitled form ☆

Questions Responses 0

Which of these following factors affect your purchase of smart phones?

- Advertisement
- Suggestions from friends and relatives
- Attractive display
- Brand Ambassador
- Other...

Which Redmi product have you owned if any?

- Note 5 pro
- Note 10 pro
- Redmi
- NOT YET PURCHASED
- Other...

Untitled form ☆

Questions Responses 0

Which Oppo phone have you owned if any?

- Oppo F16 pro
- Oppo A12
- Oppo F17 pro
- NOT YET PURCHASED
- Other...

Redmi phones are multi featured and priced reasonably

- Strongly agree
- Agree
- Neutral
- Disagree
- Strongly disagree

Untitled form ☆

Questions Responses

Q1: Oppo phones are multi featured and priced reasonably

Strongly Agree
 Agree
 Neutral
 Disagree
 Strongly Disagree

Q2: Which brand of smart phones provides you excellent streaming quality?

Oppo
 Redmi
 Samsung
 Other...

Untitled form ☆

Questions Responses

Q3: Which brand of smart phones provides you excellent picture quality?

Oppo
 Redmi
 Vivo
 Other...

Q4: Which brand of smart phones provides you a great software update?

Oppo
 Redmi
 Samsung
 Other...

Untitled form ☆

Questions Responses

Q5: Which brand of smart phones provides you a good RAM manageable process?

Oppo
 Redmi
 Honor
 Other...

Q6: Which brand of smart phone provides you a good battery backup?

Oppo
 Redmi
 Other...

Q7: Which brand of smart phones provides you a good video quality?

Oppo
 Redmi
 Other...

Untitled form ☆

Questions Responses

Which brand of smart phones have a good audio quality?

Oppo

Redmi

Other...

Which brand of smart phones provides you a good display?

Oppo

Redmi

Other...

How would you recommend Redmi over Oppo?

1 2 3 4 5

Poor Very Good

How would you recommend Oppo over Redmi?

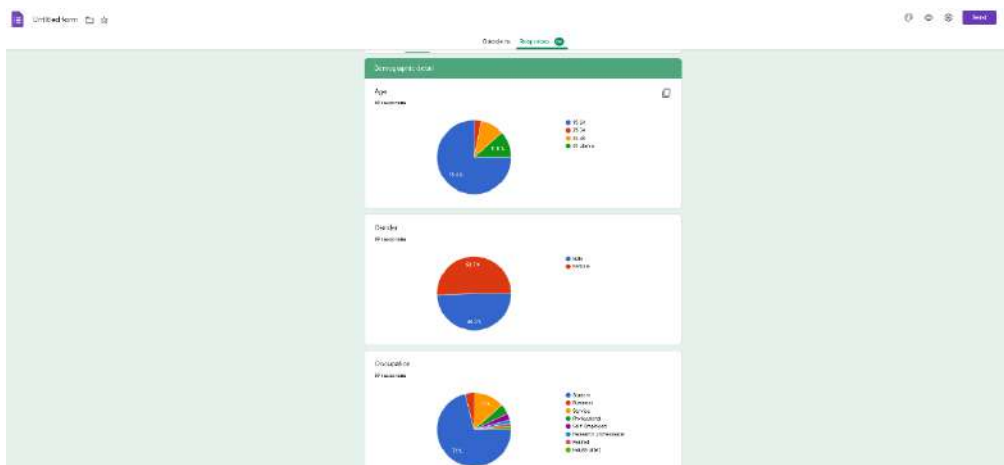
1 2 3 4 5

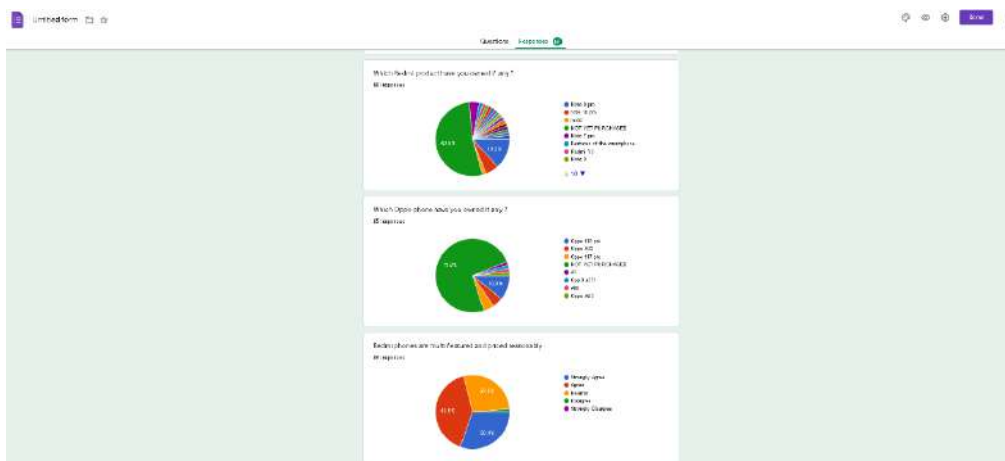
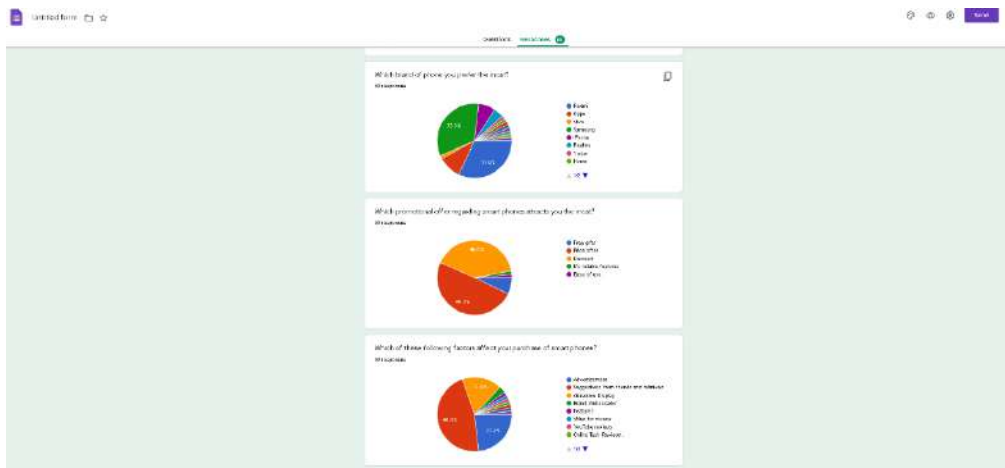
Poor Very Good

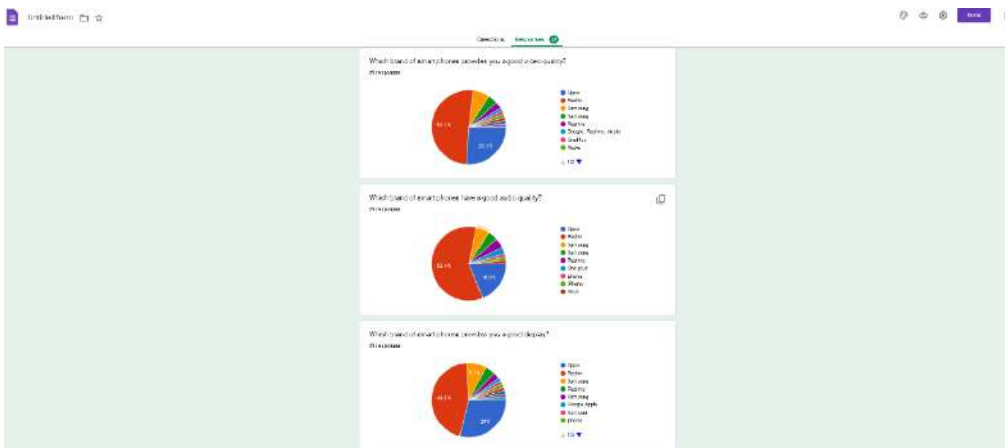
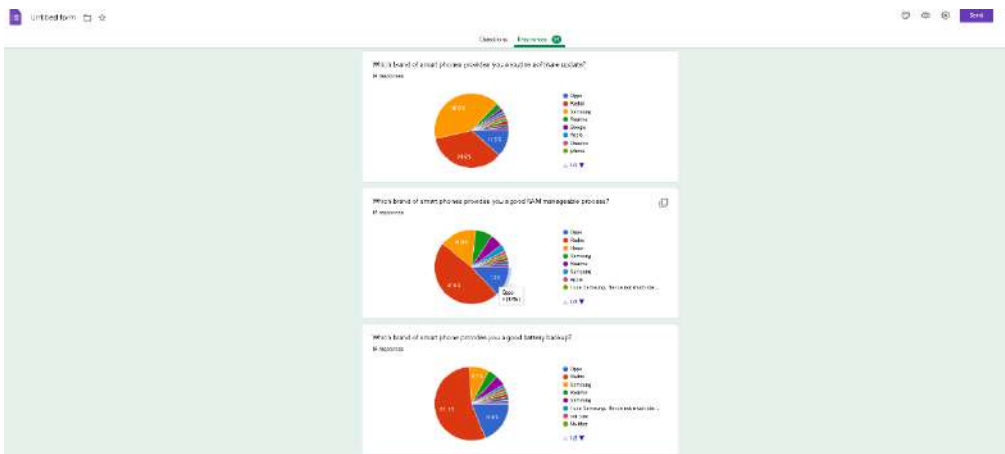
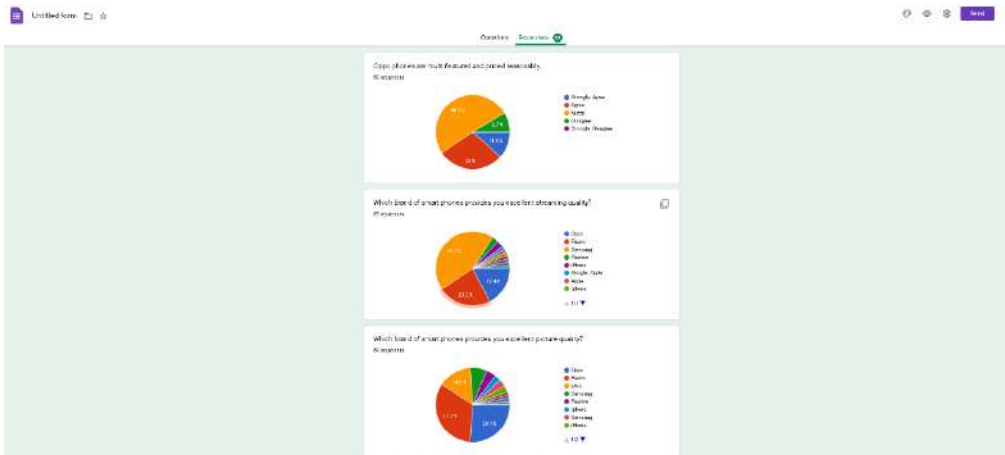
Additional comments if any:

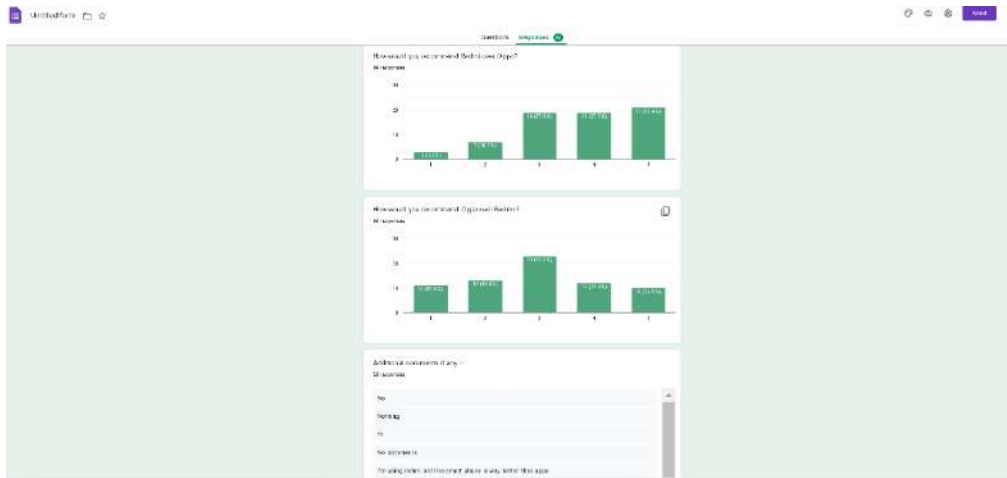
Long answer text

• RESPONSES









CORPORATE SOCIAL RESPONSIBILITY

(SUBMITTED FOR THE DEGREE OF B.COM HONOURS IN
ACCOUNTING & FINANCE UNDER THE UNIVERSITY OF
CALCUTTA)

PRACTICES AT
ONGC& ADITYA BIRLA GROUP

SUBMITTED BY

NAME OF THE CANDIDATE: ARPITA SHAW

REGISTRATION NO: 223-1211-0494-18

ROLL NO:181223-11-0005

COLLEGE ROLL NO: 18C-040

NAME OF THE COLLEGE: SCOTTISH CHURCH COLLAGE

SUPERVISED BY
SHREYA BASU

MONTH & YEAR OF SUBMISSION
26/07/2021

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CHAPTER-1

INTRODUCTION

- LITERATURE
REVIEW
- OBJECTIVES
- METHODOLOG
Y
- LIMITATIONS

INTRODUCTION

Corporate social responsibility (CSR, also called corporate conscience, corporate citizenship, social performance, or sustainable responsible business/ Responsible Business) is a form of corporate self-regulation integrated into a business model. CSR policy functions as a built-in, self-regulating mechanism whereby a business monitors and ensures its active compliance with the spirit of the law, ethical standards, and international norms. CSR is a process with the aim to embrace responsibility for the company's actions and encourage a positive impact through its activities on the environment, consumers, employees, communities, stakeholders and all other members of the public sphere who may also be considered as stakeholders.

The term "corporate social responsibility" came into common use in the late 1960s and early 1970s after many multinational corporations formed the term stakeholder, meaning those on whom an organization's activities have an impact. It was used to describe corporate owners beyond shareholders as a result of an influential book by R. Edward Freeman, *Strategic management: a stakeholder approach* in 1984. Proponents argue that corporations make more long term profits by operating with a perspective, while critics argue that CSR distracts from the economic role of businesses. Others argue CSR is merely window-dressing, or an attempt to pre-empt the role of governments as a watchdog over powerful multinational corporations.

CSR is titled to aid an organization's mission as well as a guide to what the company stands for and will uphold to its consumers. Development business ethics is one of the forms of applied ethics that examines ethical principles and moral or ethical problems that can arise in a business environment. ISO 26000 is the recognized international standard for CSR. Public sector organizations (the United Nations for example) adhere to the triple bottom line (TBL). It is widely accepted that CSR adheres to similar principles but with no formal act of legislation. The UN has developed the Principles for Responsible Investment as guidelines for investing entities.

Corporate strategy howsoever carefully crafted will have limited legitimacy if it is not tempered by a sincere concern for public interest and social good. A business enterprise being a socio-economic entity has a responsibility towards society.

THE THREE-TIERED MODEL OF CSR

A watershed in CSR was 1971 when the Committee for Economic Development (CED) published its Social Responsibilities of Business Corporations. As a code of conduct, the CED outlined a three-tiered model of CSR:

- The inner circle: the basic responsibilities an organization has for creating profit and growth;
- The intermediate circle: an organization must be sensitive to the changing social contract that exists between business and society when it pursues its economic interests; and
- The outer circle: the responsibilities and activities an organization needs to pursue towards actively improving the social environment e.g. poverty or urban crowding issues.

This model is even now used in CSR project planning. By focusing on the responsibilities within all rings of the model, a corporation is working within and caring for the ecosystem it belongs to.

The five main forms of corporate giving identified were as:

- Cash donation
- Employee volunteering
- Matching employee contributions
- Product donations
- Donating spare capacity or leveraging other corporate assets.

ADVANTAGES OF CORPORATE SOCIAL RESPONSIBILITY

Corporate Social Responsibility or CSR has many advantages such as helping the company grow stronger by empowering employees to behave responsibly and help build the company's good reputation as well.

Here are its other benefits:

- Your employees will feel more inspired and motivated to continue working for your company. This reduces costs and other problems that are caused by recruiting and retraining new workers who'll join your company.
- Since your employees are more driven to do their job right, you're assured that they're also more productive with the help of CSR. Your employees will no longer have to make excuses just to be absent from work or resort to procrastination.
- Companies are strictly regulated by different government agencies. They have requirements which they need to comply in order to operate. For companies that are in food manufacturing, they are strictly required to oblige with the necessary requirements imposed by health authorities before they can operate.
- With CSR, your company becomes more involved with the affairs happening in the community wherein your company can gain exposure to the general public. You become more active in your social obligations. In return, you gain popularity and win customers.
- Aside from these, CSR allows you to develop a stronger relationship with the local government. This helps running your business smoother and hassle-free. You will find it easier to apply and comply your business permits and other requirements.
- For someone who works in the corporate world, you will find it easier to come up with new strategies to attract customers once you incorporate CSR into your business. You can plan new strategies and products that can help you compete with others in the industry.

DISADVANTAGES OF CORPORATE SOCIAL RESPONSIBILITY

LOSS OF FOCUS

A main driver at the onset of CSR was increased interest in making the customer a primary focus of business operations. This coincides with continued realization that customer retention and loyalty are keys to long-term business success. Detractors of CSR as a major component of corporate governance argue that guidelines have expanded beyond this basic initial emphasis. David Vogel points out in his "CSR Doesn't Pay" article for Forbes, that many companies that abide by CSR guidelines do so more from fear of public backlash than because they believe it is good for long-term business performance. He adds that most parties generally agree that taking care of customers is good in the long run, but expensive requirements in human rights, environmental sustainability and community development are too much to ask of many companies.

LASTING IMPACT

How long CSR will remain a prominent business concern is a common question asked by those who argue against CSR as a major concern with corporate governance. According to the My Efficient Planet website, CSR has existed for more than 50 years. However, its prominence as a major business consideration has certainly increased in the 21st century due to heightened awareness of ethical issues in business and environmental preservation standards. Detractors argue that CSR emphasis is a short-term fad in response to prominent scandals like Enron, and current interest in green-friendly practices.

LEVELS OF CSR

Another main contribution to the development of CSR made by Carroll (1991), considered the economic, legal, ethical and philanthropic levels of CSR. These levels represent what is required, expected and desired for CSR strategies (Crane, Matten, Spence, 2008). According to Crane, Matten and Spence, Carroll's pyramid of CSR is the most widely accepted definition of CSR. Until the 1980s, environmental corporate responsibility was the part of "social responsibility", which was used as a frame term that covered a wide field of ideas. However, corporations became to understand the importance of environmental responsibility. For this reason, the concept of "corporate environmental responsibility" has started to be used by researchers such as Rondinelli and Berry (2000) in parallel with the development of "corporate social responsibility" by Carroll (1998), Maignan and Ferrel (2000) and Zarkada-Fraser (2004).



source:google

THE SITUATION IN INDIA

As discussed above, CSR is not a new concept in India. Ever since their inception, corporates like the ONGC to name a few, have been involved in serving the community. Through donations and charity events, many other organizations have been doing their part for the society. The basic objective of CSR in these days is to maximize the company's overall impact on the society and stakeholders. CSR policies, practices and programs are being comprehensively integrated by an increasing number of companies throughout their business operations and processes. A growing number of corporates feel that CSR is not just another form of indirect expense but is important for protecting the goodwill and reputation, defending attacks and increasing business competitiveness.



Even our Economist-Prime Minister, Dr. Man Mohan Singh, has also reiterated the Importance to corporate social responsibility of business by saying, “These are good Times for Indian business. But with greater opportunity comes greater responsibility. You must pay due attention to improved corporate governance. You must be of our Sensitive to the urgent need to protect our environment and to prevent degradation Land, water, and air resources. You must ensure that the interests of your shareholders Shareholders and stakeholders are best served. Even as you deem and a more Hospitable environment for business, you must become more socially responsible.”

ASPECTS OF CORPORATE SOCIAL RESPONSIBILITY

The CSR principles are divided into four CSR aspects: operational principles (on how companies can give account for their actions), social, environmental and economic sustainability.

Operational CSR aspects- The operational CSR aspects concern

1. Development of CSR policy
2. Supply chain responsibility.
3. Stakeholder involvement.
4. Transparency and reporting.
5. Independent verification

Social CSR aspects- The social CSR aspects mainly concern development of the society by the initiatives of the companies which include Human rights, National sovereignty and local communities, Labor ,Consumer protection.

Environmental CSR aspects- environmental aspect of CSR is defined as the duty to cover the environmental implications of the company's operations, products and facilities; eliminate waste and emissions; maximize the efficiency and productivity of its resources; and minimize practices that might adversely affect the enjoyment of the country's resources by future generations.

Economic CSR aspects- The economic CSR aspects deal with certain areas like Corruption, Fair competition, Taxation, Science and technology.

Although the above system gives a wide idea of the concept and is applicable on all Dutch Indian collaborations, yet the idea is still rough and some companies still fret from applying the above policies in there process of functioning. Some companies still think that there social responsibilities are fulfilled by providing lunch to their employees. The concept has to be studied and the process followed in the other nations has to be observed for establishing strict criteria for this concept. In India the Companies act of 1956 has many clauses but these are not appropriate for the present economic scenario and business functioning and therefore new laws had to be formed which fitted the present business trend.

REVIEW OF LITERATURE

According to **Bowen**, “CSR refers to the obligations of businessmen to pursue those policies to make those decisions or to follow those lines of relations which are desirable in terms of the objectives and values of our society.

Frederick stated “Social responsibility means that businessmen should oversee the operation of an economic system that fulfills the expectations of the people.”

Davis argued that” social responsibility is a nebulous idea but should be seen in a managerial context. He asserted that some socially responsible business decisions can be justified by a long, complicated process of reasoning as having a good chance of bringing long-run economic gain to the firm, thus paying it back for its socially responsible outlook”

Bajpai stated that “an ideal CSR has both ethical and philosophical dimensions, particularly in India where there exists a wide gap between sections of people in terms of income and standards as well as socio-economic status.”

Goyder argues “Industry in the 20th century can no longer be regarded as a private arrangement for enriching shareholders. It has become a joint enterprise in which workers, management, consumers, the locality, govt. and trade union officials all play a part. If the system which we know by the name private enterprise is to continue, some way must be found to embrace many interests whom we go to make up industry in a common purpose.”

Wood stated that “CSR implies some sort of commitment, through corporate policies and action. This operational view of CSR is reflected in a firm’s social performance, which can be assessed by how a firm manages its societal relationships, its social impact and the outcomes of its CSR policies and actions.”

According to Carroll, “CSR encompasses the economic, legal, ethical and discretionary (philanthropic) expectations that society has of organizations at a given point in time.”

Lee stated “CSR refers to a company’s commitment to operate in an economically and environmentally sustainable manner, while acknowledging the interests of a variety of stakeholders and maximizing economic, social and environmental value. It is holistic concept that can mean different things to different groups and stakeholders.”

Gray, Owen, & Maunders defined CSR as “the process of communicating the social and environmental effects of organizations economic actions to particular interest groups within society and to society at large”

OBJECTIVES OF OUR STUDY

Corporate Social Responsibility has gained importance in recent times as more and more companies are incorporating this in their policies. The main objectives of our study are:

1. To examine the CSR Policy of ITC Ltd.
2. To know how the ITC has fulfilled its responsibility towards all stakeholders; what specific activities, programs and strategies it has set, devised and implemented.
3. To analyse the various initiatives of ITC with regard to CSR
4. To study the impact of the work done by ITC in the real world
5. To analyse the strengths and weaknesses of the ITC CSR programmes

RESEARCH METHODOLOGY

The study uses secondary data conducted from the published annual report of the company. For this purpose, director's report has been thoroughly consulted and was analyzed. Books, journals. Periodicals were also consulted. The project has been done based on secondary data.

LIMITATIONS OF STUDY

Although the project aims at making an in-depth about the overview study of corporate social Responsibility, however, there are some limitations that need to be mentioned. Limitations in this Project has a manifold dimension. Some of these limitations have been listed below:

- 1) The analysis is limited to 2019 data.
- 2) Only the data published on the internet is available in this project.

- 3) In depth detailed study on each sub heading of the topic has not been done, though a significant amount of information has been studied and presented in this project.
- 4) Data is restricted to 5 years.

CHAPTER-2
CONCEPTUAL
FRAMEWORK
NATIONAL
INTERNATIONAL
SCENARIO

CONCEPTUAL FRAMEWORK/ HYPOTHESES OF RESEARCH

Carol's pyramid of corporate responsibility (1979 and 1991) introduces four levels of responsibility which explains level of commitment of companies to society (Carroll, 1979 and 1991). Individuals are units of analysis and aspects of social responsibility based on following concepts (**Tan and Komaran, 2006**):

- * Carol's pyramid of corporate responsibility;
- * Principles of friendship, stewardship and charity;
- * Environment friendly approach;
- * Social performance;
- * Advantages of social responsibility.

Since the study has been conducted in an Islamic country and in order to Carol's model, a compound model of Islamic values and Carol's model considered in this study. The aspects of the conceptual model in this work are:

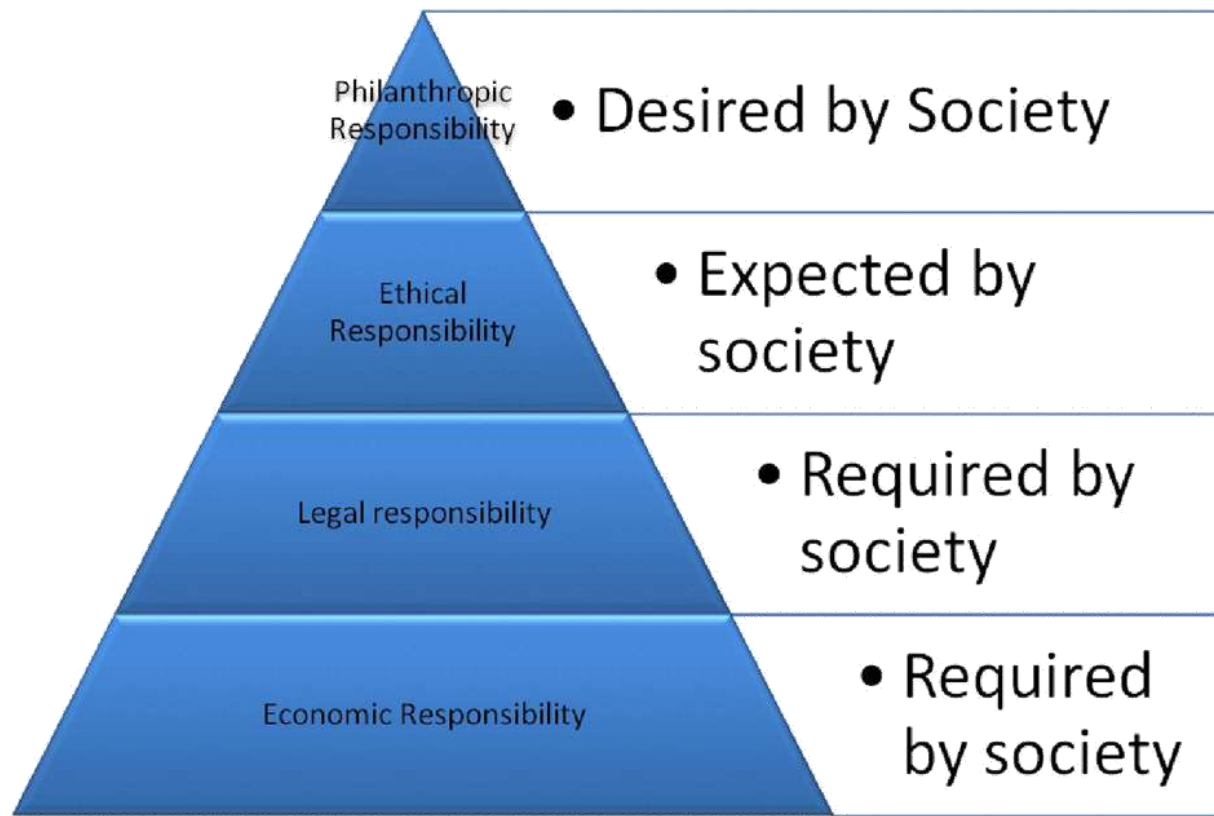
1. **Workplace policies:** Staff supporting policies regarding health, safety, and welfare affairs;

2. **Environment policies:** Environment preservation, recycling and reducing energy consumption policies;

3. **Market policies:** Fair procurement policies and consumers support regulations;

4. **Community policies:** Providing training chances for local community members and financial support of community activities; and

5. **Company values:** Having clear and transparent values and also defined codes and commitment to them.



Carroll's Four-Part Pyramid of Corporate Social Responsibility (Hennigfeld et al., 2006).

NATIONAL SCENARIO OF CORPORATE SOCIAL RESPONSIBILITY

In India CSR is not a new concept as it occupied a prominent place even before India got its independence. The ONGC had long standing position in this field. This concept picked up pace after 1991 reforms of economic liberalization, which provided a mode of transformation for India's business into large global enterprises. Although these industrial organizations had paid attention to large social welfare program's but the 1991 reforms was major impact on bringing CSR into the core focused areas for market growth in the economy.

There has been major development in the triangular relationship between the Companies, state and the society and Corporate Social responsibility has become increasingly prominent in the Indian scenario. The companies have now realized that besides market growth, it is also essential for them to sustain that position by building a trustworthy relationship with the community.

In India the CREP (The Corporate Responsibility for Environmental Protection) was formed in 2003. A guideline for a set of non-mandatory norms for 17 polluting industrial sectors has been set but there is no real pressure for implementation or internalization. An ethical being which claims to respect the earth cannot have discontinuities in its practices. Ethical practices have to place in an integrity framework, and that implies at the very least a lack of multiple ways of being.

Companies in India follow the trend "better the CSR policy, the more the sales". The trend affects most of the product categories which are bought on daily basis which means that consumers are making purchase decisions every day. This could be one of the major reasons why Indian FMCG companies are most actively engaged in responsible activities and rank on top in the latest Associated Chambers of Commerce and Industry of India (ASSOCHAM) report on CSR by Indian corporate. The report says that of 175 Indian companies studied, 52 companies in the FMCG sector have taken the maximum of CSR initiatives. This was followed by the chemical sector and then the IT sector.

NATIONAL SCENARIO

India is the first country in the world to make corporate social responsibility (CSR) mandatory, following an amendment to the Companies Act, 2013 in April 2014. Businesses can invest their profits in areas such as education, poverty, gender equality, and hunger as part of any CSR compliance.

The amendment notified in the Companies Act, 2013 requires companies with a net worth of INR 5 billion (US\$70 million) or more, or an annual turnover of INR 10 billion (US\$140 million) or more, or net profit of INR 50 million (US\$699,125) or more, to spend 2 percent of their average net profits of three years on CSR. Prior to that, the CSR clause was voluntary for companies, though it was mandatory to disclose their CSR spending to shareholders.

Since the applicability of mandatory CSR provision in 2014, CSR spending by corporate India has increased significantly. In 2018, companies spent 47 percent higher as compared to the amount in 2014-15, contributing US\$1 billion to CSR initiatives, according to a survey.

Amid the COVID-19 (corona virus) outbreak, the Ministry of Corporate Affairs has notified that companies' expenditure to fight the pandemic will be considered valid under CSR activities. Funds may be spent on various activities related to COVID-19 such as promotion of healthcare including preventive healthcare and sanitation, and disaster management

Listed companies in India spent INR 100 billion (US\$1.4 billion) in various programs ranging from educational programs, skill development, social welfare, healthcare, and environment conservation, while the Prime Minister's Relief Fund saw an increase of 139 percent in CSR contribution over last one year.

The education sector received the maximum funding (38 percent of the total) followed by hunger, poverty, and healthcare (25 percent), environmental sustainability (12 percent), rural development (11 percent). Programs such as technology incubators, sports, armed forces, reducing inequalities saw negligible spends.

Taking into account the recent amendments to CSR provisions, industry research estimates CSR compliance to improve and range between 97 to 98 percent by FY 2019-20.

2.2 Some initiatives of CSR by leading companies in India are:-

2.2.1 Reliance Industries Ltd

In 2018-19, Reliance played an active role in People's Plan Campaign of Government of India by supporting Gram Panchayats to develop a comprehensive plan for holistic economic development. In partnership with National Institute of Rural Development and Panchayati Raj, awareness programmes were conducted in 1,812 Gram Panchayats on the need for participation in development planning process.

2.2.2 Tata Consultancy Services Ltd

TCS has provided an integrated Hospital Management System (HMS) and IT infrastructure which includes a comprehensive web-based solution, to the Cancer Institute at Chennai and Tata Medical Centre at Kolkata. HMS is a secure and integrated system that aims to minimize the use of paper for information flow across the hospital. As part of the CSR engagement, TCS spear headed end-to-end ownership of technology, business process optimization, program management and infrastructure. Patient's movement inside the OPDs was streamlined, the Fast Track Management Service was enhanced and an automated Day Care appointment system was rolled out. The Digital Nerve Centre (DiNC) is an innovative platform that leverages digital technologies to connect to leading cancer research centres and specialists within the National Cancer Grid. DiNC enables the country's oncology experts to effectively collaborate and communicate. TCS in collaboration with Tata Trusts is working towards the implementation of this platform in the National Cancer Grid hospitals at Tata Memorial, Mumbai; Cancer Institute, Chennai; Tata Medical Centre, Kolkata and Regional Cancer Centre, Thiruvananthapuram. TCS' Translational Cancer Research Centre (TTCRC) is set up in partnership with Tata Medical Centre, to develop technology for clinical trials, risk adapted treatment, predictive outcomes and biomarkers. TCS has provided operational solutions for TTCRC since its inception, one of these being a bespoke web-enabled Clinical Trials Management System (CTMS) with decision support tools to track patients and record events, to be used for TTCRC trials. The clinical research unit at TTCRC works closely with TCS in the development of a data-driven translational research platform, based on integrated analyses of clinical and laboratory studies. The Company also contributed towards the disaster relief, hygienic sanitation and making available safe drinking water.

ITC Limited

Company has undertaken following projects:

Sustainable Agriculture: Introduce advanced knowledge and technology through package of practices and increase awareness of farmers on optimum use of natural resources in order to increase farm productivity and minimise cost of cultivation.

Knowledge Empowerment: Leverage knowledge based interventions to empower farmers to make informed choices by providing relevant and real-time information on commodity prices, local weather reports, and customized knowledge on farm management, risk management and scientific farming.

Agri-extension / services: Encourage sustainable agricultural practices through Choupal Pradarshan Khets to enable access to relevant farm mechanisation technologies and implements, especially for small farm holdings.

Farm Productivity Enhancement: Improve the technical know-how of farmers, increase access to best practices and agricultural technologies and, thereby, enhance farm productivity.

2.2.3 Kotak Mahindra Bank

The Bank in partnership with various NGOs, carried out various activities for promotion of healthcare

Vision Foundation of India: The bank aims to treat curable blindness through different corrective eye surgeries such as Cataract, Glaucoma surgery, Retinal surgery, Childhood surgery etc., free-of-cost for the underprivileged. The programme aims at treating over 4,300 patients with eye ailments in 13 states.

Can Support: With its partner NGO, Can Support, Kotak supports India's largest free home-based palliative care programme since FY 2014-15. During FY 2018-19, Kodak's project benefitted 161 patients with free-of-cost home-based palliative care with over 869 home visits. **KARO Trust:** Kodak partnered with KARO Trust for a two-year programme to provide treatment and care to patients suffering from Ewing's Sarcoma in FY 2017-18. During FY 2018-19 through this programme, over 153 patients suffering from the disease, from low income groups were treated.

CanKids...Kids Can: With Can Kids. Kids Can, Kotak is supporting a center "Home Away From Home" in Delhi for children undergoing cancer treatment. The "Home Away From Home" provides a low cost shelter to childhood cancer patients and their families for accommodation and nutrition aspects during and after cancer treatment. During FY 2018-19, over 1,200 children affected with cancer were supported at the Delhi center.

OCA Foundation: In FY 2018-19, the Bank extended this programme for a period of three years to increase its outreach and help patients suffering from cancer.

Wockhardt Foundation: Kotak partnered with the Wockhardt Foundation to provide basic healthcare facilities through Medical Mobile Vans (MMVs). Under this programme, six MMVs are deployed on the outskirts of Hyderabad, Telangana. MMVs provide various healthcare services which include: free doctor's consultation, free distribution of medicines, basic diagnostic tests, referral to other healthcare facilities, health education and awareness. During FY 2018-19, over 98,000 patients who do not have access to affordable healthcare were treated under this programme.

COMPANY PROFILE



ITC Limited is an Indian multinational conglomerate company headquartered in Kolkata, West Bengal. Established in 1910 as the 'Imperial Tobacco Company of India Limited', the company was renamed as the 'India Tobacco Company Limited' in 1970 and later to 'I.T.C. Limited' in 1974. The Company now stands rechristened to ITC Limited, where 'ITC' is today no longer an acronym or an initialised form

Its diversified business includes four segments: Fast Moving Consumer Goods (FMCG), Hotels, Paperboards and Packaging, Agri Business and Information Technology. The Company is acknowledged as one of India's most valuable business corporations with a market capitalization of nearly US\$ 50 billion and a gross sales value of US\$ 10.8 billion (figures as on 31.03.2019). The earlier decades of the Company's existence were mainly depending on growth and consolidation of the Cigarettes and Leaf Tobacco businesses. In the Seventies it started to transform into a corporate.

The company is currently headed by Sanjiv Puri. It employs over 35,500 people at more than 60 locations across India and is part of Forbes 2000 list. The company completed 100 years on 24th August 2010. The company was ranked as India's most admired company, according to a survey conducted by Fortune India, in association with Hay Group.

ITC is the only enterprise in the world of comparable dimensions to have achieved and sustained the 3 key global indices of environmental sustainability of being 'water positive' (for 17 years), 'Carbon positive' (for 14 years), and 'solid waste recycling positive' (for 12 years)

Products and Brands of ITC Limited:

In FMCG, ITC has a strong presence in:

- ❖ Cigarettes- Insignia, India Kings, Classic, Gold Flake, Silk Cut, Navy Cut, Scissors, Capstan, Berkeley, Bristol and Flake
- ❖ Processed Foods - Kitchens of India, Aashirvaad, Sunfeast, Mint - O, Candyman, and Bingo
- ❖ Lifestyle Retailing - Wills Lifestyle, John Players, and Miss Players
- ❖ Personal Care - Essenza Di Wills, Fiama Di Wills, Vivel, and Superia
- ❖ Greeting, Gifting, and Stationary - Paper Kraft, Classmate, and Expressions
- ❖ Safety Matches - IKno, Mangaldeep, VaxLit, Delite, and Aim
- ❖ Incense Sticks – Mangaldeep

- ❖ Dairy Product - ITC also has started Dairy Products. Currently, Dairy products are marketed under Brand name Sunfeast Wonderz Milk which is flavored milk. However, they are not yet in regular daily usage milk business.

CHAPTER-3
ANALYSIS
&
FINDINGS

ITC Limited and CSR

ITC Limited is a big multi-brand diversified business organization and its business encompasses fast moving consumer goods to hotels, paperboards and specialty papers and packaging, Agri business and IT. ITC is one of India's foremost multi-business enterprises with a market capitalization of US \$ 45 billion and a turnover of US \$ 7 billion. ITC is rated among the World's Best Big Companies, Asia's 'Fab 50' and the World's Most Reputable Companies by Forbes magazine.

THE ITC VISION: Sustain ITC's position as one of India's most valuable corporations through world class performance, creating growing value for the Indian economy and the Company's stakeholders

THE ITC MISSION: To enhance the wealth generating capability of the enterprise in a globalizing environment, delivering superior and sustainable stakeholder value.

ITC's belief, in transformational capacity of the organization in building the sustainable societal capital and thus creating enduring value for the nation, has guided the spirit of corporate social responsibility. It is imperative that company has reaffirmed the importance of measurement of triple bottom line approach to assess the contribution of company in building economic, social and environmental capital towards societal sustainability.

CSR Policy

The CSR policy of ITC Limited is emphasizing on "To direct ITC's CSR Programmes, inter alia, towards achieving one or more of the following - enhancing environmental and natural capital; supporting rural development promoting education; providing preventive healthcare, providing sanitation and drinking water; creating livelihoods for people, especially those from disadvantaged sections of society, in rural and urban India; preserving and promoting sports; to develop the required capability and self-reliance of beneficiaries at the grass roots, especially of women, in the belief that these are prerequisites for social and economic development; to carry out CSR Programmes in relevant local areas to fulfill commitments arising from requests by government/regulatory authorities and to earmark amounts of monies towards "Enterprise Social Responsibility (ESR)" activities and to spend such monies through ESR/CSR Cells of such administrative bodies of the government and/or directly by way of developmental works in the local areas around which the Company operates; and to promote sustainability in partnership

with industry associations, like the Confederation of Indian Industry (CII) through the CII-ITC Centre of Excellence for Sustainable Development, in order to have a multiplier impact” (ITC Sustainability Report , 2014)

The SR policy of ITC Limited is emphasizing on “To direct ITC's CSR Programmes, inter alia, towards achieving one or more of the following - enhancing environmental and natural capital; supporting rural development; promoting education; providing preventive healthcare, providing sanitation an creating livelihoods for people, especially those from disadvantaged sections of society, in rural and urban India preserving and promoting sports; to develop the required capability and self-reliance of beneficiaries at the grass

Multiplier impact” (ITC Sustainability Report, 2014)

The company has taken many CSR initiatives and it has been greatly appreciated and acknowledged. The CSR thrust has been on the engagement of key stakeholders in CSR process and therefore ITC has adopted structured approach to building partnerships in sustainable business practices. ITC has endeavored to forge an enduring and long sustainable relationship with its key stakeholders such as shareholders, farmers, customers, suppliers, employees, local communities, regulatory bodies, media etc. ITC has institutionalised the existing relationships with stakeholders through established procedure whereby the key stakeholders are identified and consulted.

The steps in the process of stakeholder engagement are as follows:

- a) Identification of key stakeholders
- b) Consultation with the key stakeholders
- c) Identification and prioritisation of concerns and needs
- d) Addressing the prioritised concerns and needs in a consistent and transparent manner.

Stakeholders’ identification is based upon the various attributes of stakeholders such as dependency (direct or

Stakeholders’ identification is based upon the various attributes of stakeholders such as dependency (direct or indirect dependency on organization or vice versa for example service providers, suppliers, local communities), responsibility (organization has legal, commercial, operation or ethical responsibilities) , immediacy(certain issues identified as urgent on the basis of organizational need to give attention to economic, social or environmental issues) and influence (groups and individuals who can influence organization’s or a stakeholders strategic or operational decision making.eg. Financial capital providers and government and regulatory authorities.

Here are some CSR projects of the Company over the last 5 years:

Project (2014-15)

Economic Empowerment of Women

Project Budget: INR 9.47 Cr

Project Sector: Gender, Equality and Women Empowerment, Senior Citizens Care

Project Description

ITC's Women's Empowerment Programme creates supplementary incomes for rural women. The programme currently supports 1,682 operational Self Help Groups (SHG) with 20,230 members and cumulative savings of Rs 3.52 crore. 31,034 women are self-employed, while 7,731 women are engaged in micro enterprises.

Project Location: Andhra Pradesh, Bihar, Uttar Pradesh, Tamil Nadu, Madhya Pradesh, Maharashtra

Project (2014-15)

Primary Education and Vocational Training

Project Budget: INR 55.85 Cr

Project Sector: Education, Employability and Livelihoods Enhancement

Implementing Partners: Direct Implementation

Project Description

The program enhances the learning environment by providing infrastructural support to Government Schools. Assistance provided to Government Primary Schools includes drinking water tanks, toilets, lights and fans, desks and chairs, structural additions and improvements, along with training for teachers and support for recreation and cultural activities.

Nearly 4, 00,000 students have been covered to date through Supplementary Learning Centres and Anganwadi. Of these, 952 first generation learners have also been mainstreamed into formal schools.

ITC's Vocational Training initiative under Mission Sunehra Kal offers skilling in trades including Hospitality, tailoring, beautician, automotive, electrical, construction, computer skills, security skills, bedside nursing and retail. The duration of the courses range from 4 weeks to 12 weeks, depending on the trade.

ITC has trained over 6,000 youth till date in 2014-15 and plans to train 10,000 youth YOY. Of those trained so far, approximately 30% are girls and 40% belong to the SC/ST community.

Project Location: Andhra Pradesh, Bihar, Tamil Nadu, West Bengal, Tamil Nadu, West Bengal, Maharashtra

Project (2015-16)

Rural Development Projects

Project Budget: INR 49.62 Cr

Project Sector: Rural Development

Implementing Partners: Various Partners, Direct Implementation,

Project Description

Rural Development Projects

Project Location: West Bengal, Bihar, Madhya Pradesh, Gujarat, Punjab

Project (2015-16)

Swachh Bharat Abhiyan

Project Budget: INR 54.94 Cr

Project Sector: Preventive Healthcare, Water and Sanitation

Implementing Partners: Various Partners, Direct Implementation,

Project Description

Contribution to the Swachh Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water

Project Location: Andhra Pradesh, West Bengal, Jammu and Kashmir, Maharashtra

Project (2016-17)

Promoting Preventive Healthcare, Sanitation & Poverty Alleviation

Project Budget: INR 105.44 Cr

Project Sector: Preventive Healthcare, Water and Sanitation

Implementing Partners: BAIF Development Research Foundation, Pratham Education Foundation, Ramkrishna Mission Sakwar, Bandhan Konnagar, SEWA Bharat, ITC Sangeet Research Academy (ITC SRA), ITC Rural Development Trust, CII-ITC Centre of Excellence for Sustainable Development, Foundation for Ecological Security.

Project Description

The company has promoted a hygienic environment through prevention of open defecation and reduce incidence of water-borne diseases. Focus on interventions to enhance awareness and impact behavior change on Water, Sanitation & Hygiene (WASH). In addition to that, Village Health Champions (VHCs): Specific focus on maternal and child care through a network of women VHCs. Further, The company also supported for health infrastructure, healthcare, water recycling, solid waste management and poverty alleviation etc.

Project Location: Pan India

Project (2016-17)

Ensuring Environmental Sustainability

Project Budget: INR 73.99 Cr

Project Sector: Environmental Sustainability

Implementing Partners: ITC Rural Development Trust, CII–ITC Centre of Excellence for Sustainable Development, Foundation for Ecological Security, National Centre for Human Settlements & Environment (NCHSE), Sarv Mangal Grameen Vikas Sansthan (SMGVS),

Development Support Centre (DSC), Indian Institute for Rural Development (IIRD)

Project Description

- Social Forestry provided food, fuel and fodder security through plantations to small farmers.
- Soil & Moisture Conservation: Promote local management of water resources by facilitating community-based participation in planning and executing watershed projects.
- CII-ITC Centre of Excellence for Sustainable Development: Enable businesses to create enduring value on a sustainable basis by embedding the imperatives of sustainable development in their strategies and processes.

Under Environment Sustainability, ITC initiated its Climate Smart Agriculture programme, integral to which is Water Stewardship Programme (WSP) to ensure drought proofing and water security. Interventions comprise supply augmentation (soil moisture conservation, surface-water storage, managed aquifer recharge) and demand management (water efficient tillage practices and micro-irrigation).

The programme has covered significant ground with sustainable impacts since its inception in 2005-06, both through ITC's own resources and also through significant collaborations with NABARD and Govt. of Rajasthan under IWDP, MGNREGA & MJSA schemes.

Coverage: 135,000 acres covered through command area development and catchment treatment measures and 1,139 water harvesting structures were constructed in the process. Climate Smart Agricultural practices were promoted in 34,399 acres through Broad Bed Furrow method of soybean plantation and zero tillage method of wheat sowing. In addition, 851 irrigation units (drip & sprinkler) were installed as part of efficient water management practices. Pasture land development cum revival was done in 6,800 acres on the lines of bio

Diversity conservation principles. In the pasture lands, soil & moisture conservation, planting of native saplings were done leading to in situ regeneration and canopy improvement through community participation and social protection

Community Participation: INR 34.6 Lakhs contributed as maintenance fund by 281 water user groups till date which explains the ownership of community in the programme. Till date 188 Farmer Field Schools were run for training 4,689 small and marginal farmers in various sustainable and climate smart agricultural practices Multi-stakeholder Partnerships:

- Partnerships for watershed development and sustainable agriculture – 12 partnerships with IWMP/IWDP, MJSA, MGNREGA and NABARD in Bhilwara, Bundi, Jhalawar, Pratapgarh, Pali districts; Scope – 86,098 ha. Area under MoU. MJSA partnership MoU was signed in March 2017
- Partnership with MGNREGS in Jhalawar district for Women Agriculturists – 46 villages to be covered in 12 Gram Panchayats in Jhalrapatan, Pirawa and Bakani blocks, Jhalawar. Signed in March' 2017

Outcome and Impact: 45.09 Lakhs CuM of rainwater harvesting potential created through work and 16.34 Lakhs person-days of employment was generated through the programme. As a result, groundwater has improved by 40% in programme sites, yield improved in Wheat, Soya and Groundnut crops 10%-20% as per various impact studies conducted by external agencies. Study of various pasture lands in Kalyanpura watershed in Bhilwara district has documented – improvement in canopy cover (15%), species richness (59%) and CO₂ sequestration to the tune of 1454 tons between 2007 and 2010. Similarly, in Jhalawar district increase in grass biomass by

280% was reported against baseline

Name of the states where project was implemented

Andhra Pradesh, Bihar, Chhattisgarh, Gujarat, Karnataka, Madhya Pradesh, Maharashtra, Odisha, Punjab, Tamil Nadu, Telangana, Rajasthan

Project Location: Pan India

Project (2017-18)

'WOW – Well-Being Out of Waste' Programme

Project Budget: INR 59.28 Cr

Project Sector: Environmental Sustainability

Implementing Partners: CII–ITC Centre of Excellence for Sustainable Development

Project Description

Company's waste recycling programme, 'WOW – Well-Being out of Waste', enables the creation of a clean and green environment and promotes sustainable livelihoods for waste collectors. During the year, the programme continued to be executed in Hyderabad, Coimbatore, Chennai, Bengaluru, Delhi, Muzaffarpur and major districts of Andhra Pradesh. The quantum of dry waste collected during the year was 50,196 tonnes from 562 wards. The programme has covered 77 Lakhs citizens, 33 Lakhs school children and 2000 corporates since its inception. The Programme creates sustainable livelihoods for 14,500 waste collectors by facilitating an effective collection system in collaboration with municipal corporations. Besides, the intervention has also created over 80 social entrepreneurs who are involved in maximising value capture from dry waste collected.

The Soil and Moisture Conservation programme promotes the development and management of local water resources in moisture-stressed areas by facilitating village-based participation in planning and implementing such measures as well as building, reviving and maintaining water harvesting structures. The coverage of this programme currently extends to 42 districts across 14 States. During the year, the area under watershed increased by 98,180 acres taking the cumulative coverage area till 2017-18 to over 8.74 Lakhs acres. 2,341 water harvesting structures were built during the year, taking the total number of water harvesting structures to 12,440.

Project Location: Telangana, Delhi, Karnataka, Tamil Nadu, Maharashtra

Project (2017-18)

Sustainable Agriculture Programme

Project Budget: INR 50.45 Cr

Project Sector: Rural Development

Implementing Partners: ITC Rural Development Trust

Project Description

The Sustainable Agriculture programme attempts to de-risk farmers from erratic weather events through the promotion of climate smart agriculture premised on dissemination of relevant package of practices, adoption of appropriate mechanisation and provision of institutional services. Currently, 4.15 Lakhs acres are covered under the Sustainable Agriculture programme which has a significant multiplier effect in terms of adoption by the farming community. Of this, 1.14 Lakhs acres, were covered through Choupal Pradarshan Khets, demonstration farms to disseminate scientific and technological best practices, directly benefitting more than 64,000 farmers. 2,084 Farmer Field Schools disseminated advanced agri-practices to farmers and 381 Agri Business Centres delivered extension services, arranged agri-credit linkages and established collective input procurement and agricultural equipment on hire. In pursuit of Company's longterm sustainability objective of increasing soil organic carbon, a total of 2,731 compost units were constructed during the year taking the total number till date to over 37,500 units.

The 'Village Adoption Programme' pioneered by Company's Agri Business presently covers 190 model villages in the states of Andhra Pradesh, Karnataka, Telangana and Rajasthan. This initiative is aligned to the Prime Minister's Sansad Adarsh Gram Yojana (SAGY), an initiative to promote holistic rural development. An assessment of the impact created by this programme by an independent agency showed that it has generated significant economic surplus for the farming community including creating sustainable rural livelihoods and improved standards of living.

Project Location: West Bengal, Telangana, Maharashtra, Gujarat, Punjab

Project (2018-19)

The Primary Education Program

Project Budget: INR 22.78 Cr

Project Sector: Education, Employability and Livelihoods Enhancement

Implementing Partners: Direct Implementation

Project Description

The Primary Education Program aims to provide children from weaker sections of society in the Company's factory catchments access to education with a focus on learning outcomes and retention. Operational in 24 districts of 14 states, the program covered 1.15 Lakhs children during the year, thus taking the total coverage to around 6.91 Lakhs children. Also, nearly 27,000 children were covered through support in teaching and learning material. 199 government primary schools were provided infrastructure support comprising boundary walls, additional classrooms, sanitation units, and furniture, taking the total number of government primary schools covered to date to 1,802. To ensure sustainable operations and maintenance of infrastructure provided, 682 School Management Committees were strengthened and 566 Child Cabinets and Water and Sanitation (WATSAN) Committees cumulatively were formed in various schools with the active involvement of students and teachers.

Project Location: Vishakhapatnam-Andhra Pradesh, Pali-Rajasthan, New Delhi-Delhi, Raipur-Chhattisgarh, Srinagar-Jammu & Kashmir

Project (2018-19)

Social Forestry

Project Budget: INR 53.48 Cr

Project Sector: Environmental Sustainability

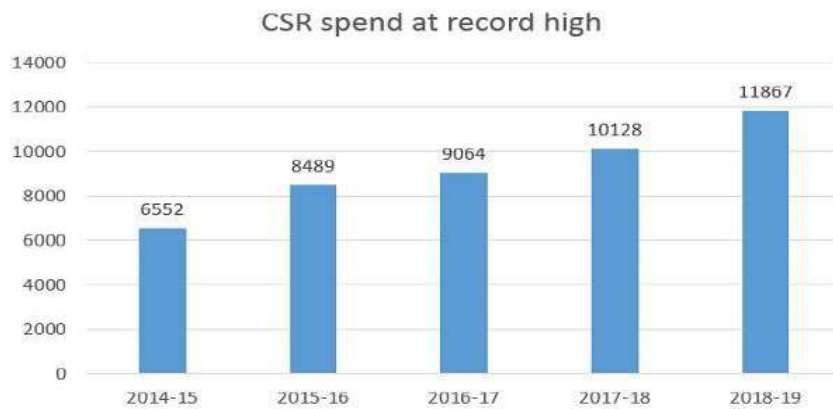
Implementing Partners: Direct Implementation

Project Description

The Company's pioneering forestation initiative through the Social Forestry program greened 33,982 acres during the year. It is currently spread across 16 districts in six States covering 3.29 Lakhs acres in 5,087 villages, impacting over 1,21,557 poor households. Together with Company's Farm Forestry program, this initiative has greened nearly 7.33 Lakhs acres to date and generated about 135 million person-days of employment for rural households, including poor tribal and marginal farmers. Integral to the Social Forestry program is the Agro-Forestry initiative, which cumulatively extends to over 1.12 Lakhs acres and ensures food, fodder, and wood security. Besides enhancing farm level employment, generating incomes and increasing green cover, this large-scale initiative also contributes meaningfully to the nation's endeavor to create additional carbon sinks for tackling climate change. In addition to the above, the Social and Farm Forestry initiative of your Company, through a multiplier effect, has led to improvement in pulpwood and fuel wood availability in Andhra Pradesh, Telangana, Karnataka, Chhattisgarh and Odisha. In the state of Tripura, this initiative is also creating a bamboo wood source that is suitable for agarbatti manufacturing.

Project Location: West Godavari-Andhra Pradesh, Bengaluru-Karnataka, Suryapet-Telangana, New Delhi-Delhi, Muzaffarpur-Bihar.

ITC



E-waste
policy

The lifecycle of all IT assets spanning from acquisition to disposal shall be managed in a manner which conforms to sound environmental norms as detailed in the IT E-Waste guidelines. This includes:

- Preferential dealing with IT vendors having sound E-Waste management processes.
- Extending the useful life of IT assets to postpone / minimize generation of E-Waste.
- Responsible disposal processes conforming to regulatory requirements and best practices

ITC's EHS policy

- To contribute to sustainable development through the establishment and implementation of environment standards that is scientifically tested and meets the requirement of relevant laws, regulations and codes of practice.
- To take account of environment, occupational health and safety in planning and decision-making.
- To provide appropriate training and disseminate information to enable all employees to accept individual responsibility for Environment, Health and Safety, implement best practices, and work in partnership to create a culture of continuous improvement.
- To instill a sense of duty in every employee towards personal safety, as well as that of others who may be affected by the employee's actions.
- To provide and maintain facilities, equipment, operations and working conditions which are safe for employees, visitors and contractors at the Company's premises.
- To ensure safe handling, storage, use and disposal of all substances and materials that is classified as hazardous to health and environment.

- To reduce waste, conserve energy, and promote recycling of materials wherever possible.
- To institute and implement a system of regular EHS audit in order to assure compliance with laid down policy, benchmarked standards, and requirements of laws, regulations and applicable codes of practice.
- To proactively share information with business partners towards inculcating world-class EHS standards across the value chain of which ITC is a part.

All employees of ITC are expected to adhere to and comply with the EHS Policy and Corporate Standards on EHS.

ITC's Farm to Food Products Value Chain

Catalyzed by the ITC e-Choupal network, ITC's Farm to Food Products value chain has emerged as a very successful example of value chain augmentation. Supported by ITC's Integrated Watershed Development and Livestock Development Programmes, the Farm to Food Products value chain has brought a new vibrancy to rural economies by making farming a sustainable livelihood – even for the smallest Indian farmer. Eliminating intermediaries and multiple handling, farmers gain from a transparent and efficient procurement channel, substantially higher incomes and crucial market linkages. Effective soil and moisture conservation strengthens farming systems, increases productivity and thus farm incomes.

ITC, for its part, is able to directly source high quality, identity-preserved Agri products providing it with a strong foundation for its agri-based FMCG businesses. By drawing on ITC's business synergies and expertise, coupled with its branding and distribution strengths, its growing portfolio of branded packaged foods is able to offer differentiated products to customers across the country. Linking farmers to ITC's world-class brands like Aashirvaad, Bingo! Yippee! And Sunfeast ensures that a larger part of consumer spends reaches them.

Social & Farm Forestry

ITC's Social & Farm Forestry Programme innovatively converges business needs and social purpose – growing renewable plantations that simultaneously provide a viable livelihood option for wasteland owners, create a sustainable raw material source for ITC's Paper & Paperboards Business and bring multiple environmental benefits. To ensure commercial viability of these plantations, ITC invested in extensive R&D to develop fast-growing clonal saplings that are disease resistant and have a higher rate of survival in harsh conditions.

Tribals and marginal farmers are assisted with loans, subsidized clonal stock and extension services through Social Forestry, while Farm Forestry targets farmers with investible incomes. In this model, farmers are free to transact at will and sell to whoever they choose, though ITC stands as a willing buyer. ITC could have chosen the easier route of importing pulp, rather than the more difficult option of mobilizing tribals and marginal farmers which involved long gestation and substantial

investment exposure. However, adopting this more challenging route has not only created a source of sustainable livelihoods for a large number of poor families, but has generated large-scale green cover that contributes significantly to groundwater recharge, soil conservation and carbon sequestration. ITC has introduced an agro-forestry model that combines tree growing with crop production.

This model ensures both food and wood security and helps in the conservation of precious natural resources. ITC's afforestation programme has been conferred the Forest Management certification from the Forest Stewardship Council, in line with ITC's commitment to achieving internationally benchmarked standards for responsible wood sourcing.

ITC's Tree to Textbook Value Chain

With ITC's Social & Farm Forestry Programme as its bedrock, ITC's Tree to Textbook value chain is an exemplary model of linked prosperity that delivers on all three dimensions of the triple bottom line. While all Programme beneficiaries profit from their previously unproductive assets, for marginal and tribal wasteland owners, ITC's Social Forestry Programme has played a transformational role by bringing them out of the vicious cycle of poverty. ITC benefits from a renewable and secure source of pulpwood for its Paper & Paperboards Business which in turn provides strategic sourcing to its packaging and other FMCG businesses. A key plank in ITC's climate change mitigation strategy, the large-scale green cover created by the plantations has brought significant environmental benefits and has played a vital role in ITC's carbon positive status. Along with clean processes like elemental chlorine free and ozone bleaching technologies employed by ITC's Paper & Paperboards Business, the Programme has contributed to the Company's green credentials. As a result, ITC's Education & Stationery Products Business has been able to strengthen its brand value by offering eco-friendly Classmate notebooks made by small and medium enterprises, and Paper Kraft business stationery, as well as enabled ITC's Packaging Business to offer green options to its clients.

Integrated Watershed Development

Recognizing the vital role of water and irrigation in the rural economy, ITC supports watershed development projects in water-stressed areas, providing precious water resources for agriculture, rural communities and livestock. The focus is on building, reviving and maintaining water harvesting structures as well as implementing other measures which help to reverse land degradation, provide critical irrigation and increase agricultural productivity.

Adopting a participatory approach, ITC works with NGOs to mobilize local communities to form water user groups. These groups are trained to carry out the entire spectrum of activities from planning to execution and maintenance of water harvesting structures. The groups are also trained to formulate regulations and fix water user charges which go towards creating a fund used to maintain existing structures and build new ones. ITC has also entered into public-private

partnerships with several state governments and NABARD, bringing together government and corporate resources to undertake watershed development projects with considerably greater scale and impact. Currently, these projects are targeting to cover over 1, 58,000 hectares in some of India's most drought prone regions.

Animal Husbandry & Dairy Development

Livestock plays an important role in the economy of rural India with over 70% of households owning milch animals. ITC's Livestock Development Programme aims at assisting cattle-owners to upgrade their low-yielding indigenous stock through cross-breeding by artificial insemination. Comprehensive animal husbandry services are provided right at the doorstep through Cattle Development Centres managed by trained local community members. Cross-bred yields are significantly higher than indigenous stock, generating substantial supplementary incomes from surplus milk sales and paving the way for dairying to emerge as a viable livelihood option

Women Empowerment

ITC believes that economic empowerment of women strengthens families and societies. It has launched a programme to provide sustainable economic opportunities to poor women in rural areas. ITC assists them to form microcredit self-help groups so that they can build up small savings and finance self-employment and micro-enterprises. A large number of women earn incomes as self-employed workers or as partners in micro-enterprises. In particular, incense stick rolling projects have emerged as profitable micro-enterprises.

The project in Munger is showing the way – with focused business development services from ITC, women rollers have set up a co-operative to manage production of raw incense sticks and a producer's company to run a scenting cum-packaging unit. Enabling women to earn independent incomes has a positive impact on their families and communities as it is spent largely on children's education, health and nutrition, and is a catalyst for gendering development.

Primary Education

ITC's Primary Education Programme addresses the lack of quality primary education in rural communities. Aiming to strengthen the government primary schools' vast network by stemming drop-outs, increasing enrolments and enabling more children to complete school, ITC has set up Supplementary Learning Centres that offer additional coaching to back up learning and help children to keep up in class. The Programme also provides infrastructural assistance to Government schools such as furniture, books, teaching aids, classrooms and toilets.

ITC also supports outreach projects, including mobile libraries that foster the reading habit and a roaming laptop programme that promotes computer skills and interactive learning. As part of this Programme, an initiative called "Read India Plus" was introduced in 2013 aimed at improving the quality of education for children in and around ITC's areas of operation. During 2014-15, this initiative covered 36,000 children.

ITC's Vocational Training Initiative

ITC's skilling initiative for boys and girls focuses on employability and employment linkages with the larger purpose of empowering rural communities by creating sustainable livelihood opportunities. The initiative aims to build market relevant skills so as to make potential job seekers industry-ready and employable in the manufacturing and service sectors.

As part of ITC's affirmative action plan, it is primarily targeted at Scheduled Castes and Scheduled Tribes, among the most socially and economically marginalized communities in India. The initiative offers training in technical skills for the hospitality, automotive, electrical, computer and construction sectors as well as in a range of trades – tailoring, beautician, bedside nursing, security. Courses run for 4 to 12 weeks, depending on the skill. Through this initiative, ITC plans to train 10,000 youth year-over-year.

ITC's Health & Sanitation Initiative

Open defecation remains a persistent and pervasive problem across the country. It is particularly acute in rural areas where there is a lack of awareness regarding the causality between open defecation and health related issues, especially of diarrhoeal diseases which are a major cause of child mortality in India. ITC's Health & Sanitation initiative seeks to address this serious issue by supporting the building and usage of low-cost family-owned toilets in the catchments of its manufacturing units, the majority of which are located in rural areas.

ITC's strategy is centred on galvanizing a people's movement and mobilizing empowered grassroots institutions that take the lead in building family owned toilets. Intensive awareness generation programmes customized to target men, women and children combined with a mandatory financial contribution from participating families help to ensure high and sustained usage levels of the constructed toilets. Wherever possible, the initiative works in active collaboration with government sanitation schemes. This initiative has resulted in the construction of over 8,000 family-owned toilets till date.

ITC Green Centre

Reflecting its commitment to a green growth strategy, ITC has been in the vanguard of the green building movement in India. Its first environmentally efficient construction – the ITC Green Centre in Gurgaon, headquarters of ITC's Hotels Division – was one of the first and largest commercial buildings in the world to receive Platinum LEED®* certification from the US Green Building Council (USGBC) in 2004. It was hailed as “a monument to the future” by Hillary Rodham Clinton, former US Secretary of State, on her visit to the ITC Green Centre during her first official trip to India in 2009. During its recertification in 2012, the USGBC identified it as the highest Platinum certified green building in the world. Green buildings continue to be a vital plank in ITC's agenda for positive environmental action. Every new ITC construction is designed in accordance to internationally

benchmarked green building norms. All its premium luxury hotels are LEED® Platinum certified and several factories have received Platinum Green Factory Building certification.

Renewable Energy at ITC

In line with its conscious strategy to lower its carbon footprint, ITC has steadily enlarged its clean energy portfolio. Currently, renewable sources and carbon neutral fuels provide over 43% of the Company's total energy consumption. ITC aims to progressively raise this to 50% by 2020. Several of the Company's factories, facilities and premium luxury hotels, including its iconic property in Chennai, ITC Grand Chola, as well as the ITC InfoTech Park are powered by wind energy. Renewable energy sources in ITC comprise the following: Black liquor waste from the pulping process and waste wood biomass from chipping operations in the Bhadrachalam Unit of ITC's Paperboards & Specialty Papers Business.

Locally sourced chip/sawdust and deoiled bran as boiler fuel in the Kovai Unit. Wind Energy farms for Packaging & Printing, FMCG, Hotels and Paperboards & Specialty Papers Businesses. Improved utilization of carbon neutral biofuels in the Paperboards & Specialty Papers Business and the year round year operations of wind power projects in Maharashtra and Tamil Nadu contribute to increased utilization of renewable energy.

The way of ITC

ITC is a board-managed professional company, committed to creating enduring value for the shareholder and for the nation. It has a rich organizational culture rooted in its core values of respect for people and belief in empowerment. Its philosophy of all-round value creation is backed by strong corporate governance policies and systems.

ITC's corporate strategies are:

- Create multiple drivers of growth by developing a portfolio of world class businesses that best matches organizational capability with opportunities in domestic and export markets.
- Continue to focus on the chosen portfolio of FMCG, Hotels, Paper, Paperboards & Packaging, Agri Business and Information Technology.
- Benchmark the health of each business comprehensively across the criteria of Market Standing, Profitability and Internal Vitality.
- Ensure that each of its businesses is world class and internationally competitive.
- Enhance the competitive power of the portfolio through synergies derived by blending the diverse skills and capabilities residing in ITC's various businesses.

- Create distributed leadership within the organization by nurturing talented and focused top management teams for each of the businesses.
- Continuously strengthen and refine Corporate Governance processes and systems to catalyze the entrepreneurial energies of management by striking the golden balance between executive freedom and the need for effective control and accountability.

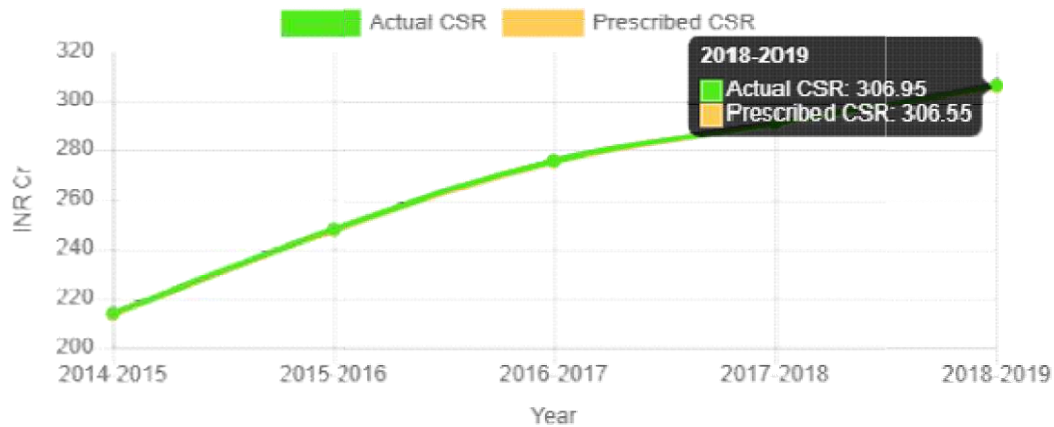
Environmental issues) and influence (groups and individuals who can influence organization’s

CSR Financial Details of ITC Ltd. (INR Cr.)

Year	2014-15	2015-16	2016-17	2017-18	2018-19
Actual CSR	214.06 Cr	247.50 Cr	275.96 Cr	290.98 Cr	306.95 Cr
Prescribed CSR	212.92 Cr	246.76 Cr	275.27 Cr	290.47 Cr	306.55 Cr

Financial Insights

Estimated Prescribed CSR Budget FY 2019-20: INR 338.65 Cr



The Company is always dedicated towards CSR activities and has spent more than the prescribed CSR budget in last three financial years.

SIX REASONS WHY COMPANIES SHOULD EMBRACE CSR

Corporate social responsibility (CSR) is not going to solve the world's problems. As said, CSR is a way for companies to benefit themselves while also benefiting society. When I define CSR to the uninitiated, I typically get three reactions. Some say, "Isn't that a bunch of green washing?" Others use a non-so-nice word to describe male bovine excrement instead of green washing. Still others say my definition sounds like an inspiring call to action to soothe the ills of capitalism. Then there are those who say CSR is like a begrudging call to Woodstock to sing Kumbaya – something only "hippies" could dream up.

So what's a CSR professional supposed to do when faced with such a varied response? Typically, I declared the six business reasons why companies should embrace corporate social responsibility. Companies that "get it" are the ones that are using CSR (or sustainability as I prefer to call it) as a way to push the following business processes into the organization:

1. **Innovation** – As known it's an over-used term. Just typing the word into Amazon will bring up nearly 150,000 items. But in the context of CSR, innovation is a huge benefit to a company and society. For example, recently shown in the video of a brief talk by Geoff McDonald who is the Unilever Global VP for HR, Marketing, Communications and Sustainability. Using the "lens of sustainability" as McDonald described it, Unilever was able to innovate new products such as a hair conditioner that uses less water. Without sustainability, the company's research and development efforts possibly wouldn't have led to such a product.
2. **Cost Savings** – One of the easiest places for a company to start engaging in sustainability is to use it as a way to cut costs. Whether it's using less packaging or less energy, these savings add up quickly. For example, General Mills is on a path to reduce its energy savings by 20% by 2015. According to its 2011 CSR report, after installing energy monitoring meters on several pieces of equipment at its Covington, Ga. plant, the company saved \$600,000.
3. **Brand Differentiation** – In the past, brand differentiation was one of the primary reasons companies embraced CSR. Companies such as Timberland were able to find their voice and incorporate the company's values into their business model. However, as CSR has become more commonplace, using it to differentiate your brand is getting harder to do. For example, the "Cola Wars" is one of the longest

running rivalries in business. Coke and Pepsi are constantly looking to grab as much market share as they can from each other. Yet they are both adopting similar, although slightly different, approaches to CSR. Both Pepsi and Coke are pursuing strategies of zero net water usage. Both companies offer water bottles made from sustainable packaging as well. In the end, although neither company is necessarily going to see strong differentiation benefits, I see the diminishing returns on brand differentiation as a sign that CSR is taking hold and is not just a fad.

4. **Long-term thinking** – “The only reason we’re doing sustainability is to drive the growth of Unilever,” McDonald said in the video mentioned above. Indeed, CSR is an effort to look at the company’s long-term interest and ensuring that the company’s future is... well... sustainable. Hence, that’s why I prefer the term sustainability to CSR. It is a shift from worrying about the next fiscal quarter’s financial results to the impact business decisions today have on financial (and social) results ten years from now.
5. **Customer engagement** – What’s the point of doing CSR if no one knows about it? For the past few years, Wal-Mart has established itself as a leader on environmental efforts. Yes, you read that correctly, Walmart is a leader in environmentalism. In 2008, Walmart ran an ad campaign designed to raise awareness about the environment and the product choices consumers could make. Using CSR can help you engage with your customers in new ways. Since the message is about something “good,” it can often be an easier way to talk to your customers. This is an underused tool for business-to-business company communication.
6. **Employee engagement** – Along similar lines, if your own employees don’t know what’s going on within your organization, you’re missing an opportunity. Companies like Sara Lee created a cross-functional, global Sustainability Working Team to help create a strategy for sustainability. At a more grass roots level, the Solo Cup Company created the Sustainability Action Network to activate employees in community service focused on the company’s CSR priorities.

To be clear, these are the reasons why most companies should enact CSR.

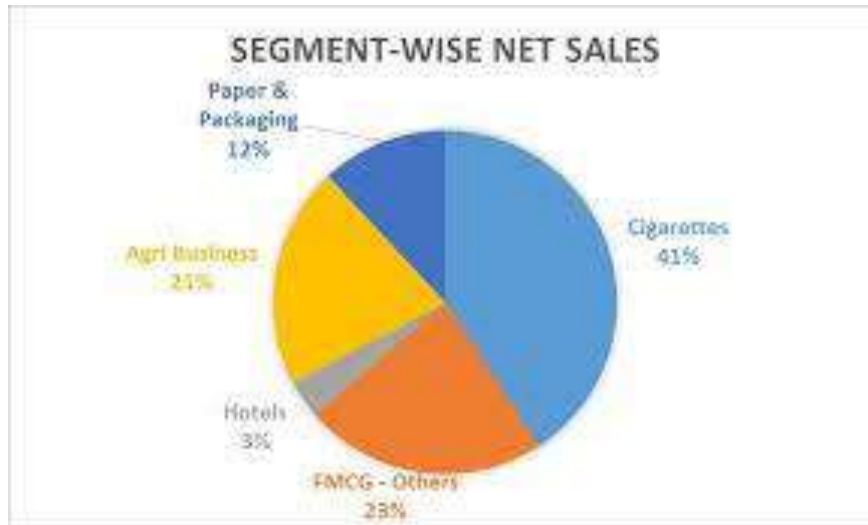
ANALYSIS:

ITC Ltd. is the largest tobacco company in India. It enjoys the leadership position in the Indian cigarette market with a market share of 80% in terms of value. It is the owner of several renowned brands like Bristol, India Kings, Classic, Gold Flake, Navy Cut, Berkeley and Insignia. The company has over the last few years taken steps to establish it in other FMCG categories. It has expanded its presence to foods, personal care and lifestyle retailing spaces. It also owns the second largest hotel group in India, accounting for 3000 rooms in the luxury segment. Further, it is also present in Paper and paperboard, and agri-business segments which provide backward integration benefits for its other businesses.

The table given below gives the 5 broad business segments of the companies

Business Segments	Brands
1. FMCG Cigarettes	Insignia, India Kings, Classic, Gold Flake, Silk Cut, Navy Cut, Scissors, Capstan, Berkeley, Bristol and Flake.
2. FMCG Others	
Foods	Kitchens of India (Ready to eat foods), Aashirwaad (Staples), Mint-o & candyman (Confectionary), Bingo & Sunfeast (Snack foods)
Lifestyle Retailing	Wills Lifestyle & John Players
Personal Care	Essenza Di Wills', Fiama Di Wills, Vivel Di Wills, Vivel UltraPro, Vivel and Superia
Education & Stationary	Classmate & Paperkraft
Safety Matches	i Kno, Mangaldeep, Aim, Aim Mega and Aim Metro
Agarbattis	Mangaldeep
3. Agri-business	-
Agri-commodities	-
Leaf Tobacco	-
4. Paperboards, paper & packaging	-
Paperboards & speciality paper	-
Packaging	-
5. Hotels	'ITC Hotel' at the luxury end, 'WelcomHotel' in the 5 Star segment, 'Fortune' in the mid-market to upscale segment and 'WelcomHeritage' in the heritage leisure segment.

As seen from the graphs given below, Cigarettes contribute close to 41% of ITC's total net sales however owing to the high incidence of taxes. FMCG others segment has gradually increased its contribution over the years and is expected to be a major growth driver in the coming years.

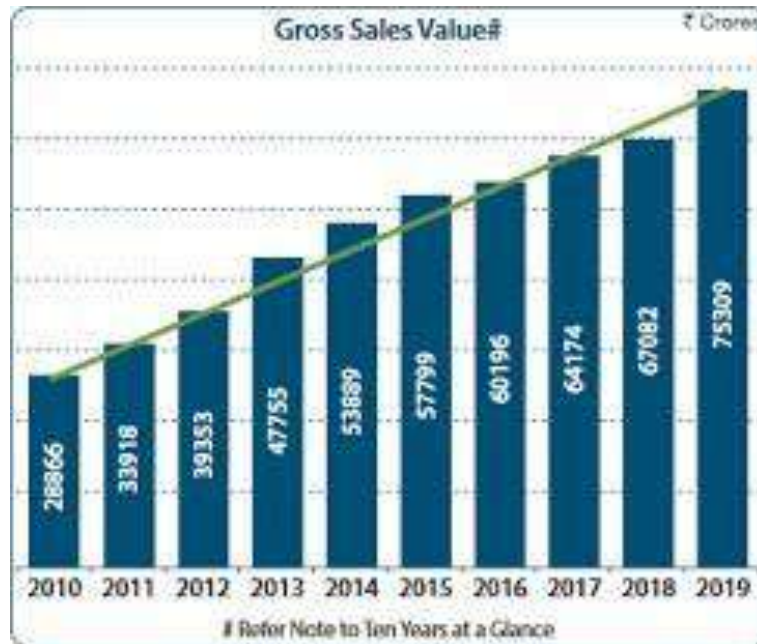


ITC Performance Track Record

(Rs Crs)

	2008-09	2018-19	10-yr Cagr 08-09 to 18-19
Net Revenue	15,612	44,415	11.0%
PBT	4,826	18,444	14.3%
PAT	3,264	12,464	14.3%
Capital Employed	14,780	60,005	15.0%
Segment ROCE %	39.7%	70.3%	
Market Capitalisation	69,751	3,63,714	18.0%
Total Shareholder Returns %			20.3%

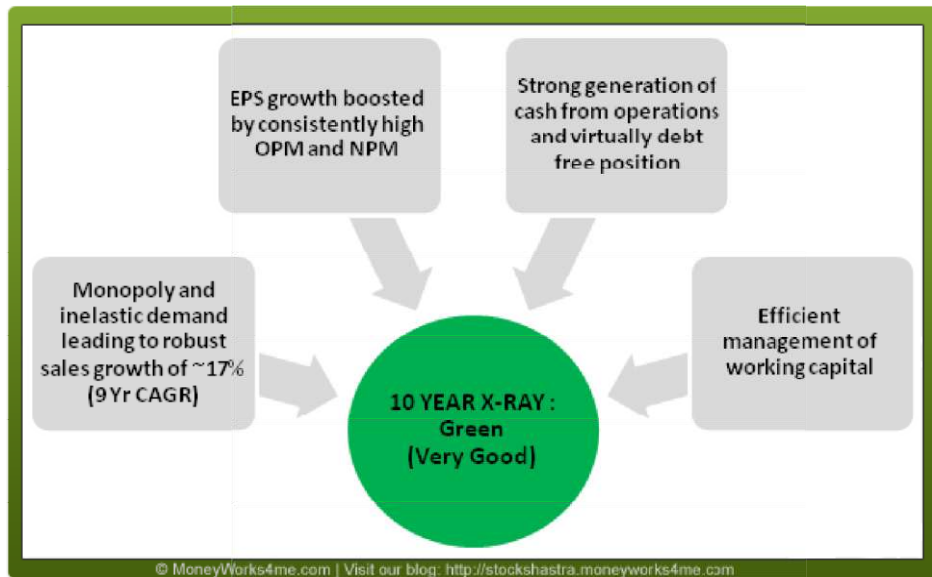
Sensex (CAGR 08-09 to 18-19): 14.8%



The 10 YEAR X-RAY of ITC Ltd. shows that the financial performance of the company has been very good for the last 10 years. With a monopolistic position in the cigarette business (the major revenue contributor) and addictive nature of the product leading to inelastic demand.

Also, with this leadership position and a strong brand image, it has been able to pass on excise duty hikes by government to the consumers and thus maintained its margins. In fact cigarette EBIT margins have gone up. Over the years ITC has also diversified into other businesses. This has led to a slight reduction in Operating Profit and Net Profit margins over the years; however with the other FMCG businesses showing good performance over the last 2 years and getting close to breaking even, margins have shown improvement in the last 2 years and are expected to improve further. ITC has thus shown good, consistent growth in EPS over the last 10 years and is expected to continue it going ahead. With retention of close to 50% of its profits over the last 6 years, Book value per share has also shown good growth. The cigarette business is a strong cash generator while cash consuming businesses like Lifestyle retailing, Personal care, Foods etc are slowly moving towards breaking even. This combined with very efficient working capital management has helped ITC's strong cash generation.

The company has also managed its funds efficiently which is indicated by the Return on Invested Capital which stands at 32% on an average over the last 6 years. The company is a virtually debt free company which is a big positive. Working capital days are on the higher side largely due to the large amount of cash in books.



Thus, considering all these factors, we can say that the 10 YEAR X-RAY of ITC Ltd. is Green (Very Good).

STAKEHOLDER ENGAGEMENT

As an Enterprise of Tomorrow, ITC acknowledges its responsibility in meeting stakeholder expectations in today's fast changing consumer, political and business landscape. In line with the Board approved Policy on 'Stakeholder Engagement', ITC has a structured framework for engaging with its stakeholders and fostering enduring relationships with each one of them. ITC's engagement approach is anchored on the principles of materiality, completeness and responsiveness. Some of ITC's key stakeholder groups include shareholders, consumers, farmers, employees, local communities, suppliers, Central and State Governments, regulatory bodies and the media.

INSIGHTS INTO LOCAL COMMUNITY NEEDS

Since ITC's holistic development approach demands an intensive and deep level of engagement, it is necessary to identify and delineate the felt needs and aspirations of our stakeholder communities in new locations. For on-going projects, such an exercise helps in gauging if the current set of

interventions are valued by the communities and to understand if any course correction is required. Comprehensive stakeholder engagements were undertaken in 2015-16 comprising 483 Participatory Rural Appraisals (PRAs), covering more than half of the total core villages/habitations. Similar studies were undertaken in subsequent years for new locations that were added to ITC's operations. In 2018-19, stakeholder engagement study was done in the catchment of ITC's Integrated Consumer Goods Manufacturing and Logistics Facility (ICML), Khordha (Odisha). The process included secondary research, Focus Group Discussions (FGDs) and Participatory Rural Appraisals (PRAs) to understand the development challenges confronting them.

CONSULTATION WITH KEY STAKEHOLDERS FOR SUSTAINABLE SOLUTIONS

In addition to the need assessment surveys conducted as part of stakeholder engagement, ITC also engages in regular and ongoing interactions with various stakeholders including Governments, development agencies, research organization's and communities. Such multidisciplinary engagement processes stimulate deeper and nuanced understanding of challenges and enable the emergence of customized solutions. Several such stakeholder consultations were held during the year.

RESULT OF FOLLOWING CSR IN A COMPANY

Many business owners and managers see CSR as something that's "nice to do" but not really connected to growing the business and profits. CSR can make all the difference to your competitive position. Initiatives such as pro bono work, philanthropy, support for community – building initiatives and environmental awareness can add significant value to your company, and if the program is well designed the benefits far outweigh the costs.

An easy way for company to build its brand, reputation and public profile- Being socially responsible creates goodwill and a positive image for your brand. Trust and a good reputation are some of your company's most valuable assets. In fact, without these, you wouldn't even have a business.

- CSR attracts and retains staff- Our lives become meaningful when we realise our work has made a positive difference in some way. It makes all our striving worth it. In fact, a 2003 Stanford University study found MBA graduates would sacrifice an average \$US13700 cut in their salary to work for a socially responsible company. By attracting, retaining and engaging staff, 'doing well' for others reduces your recruitment costs and improves work productivity. It's just plain good all around.
- Customers are attracted to socially responsible companies- Branding your business as 'socially responsible' differentiates you from your competitors. Developing innovative products that

are environmentally or socially responsible adds value and gives people a good reason to buy from you.

- CSR attracts investors- Investors and financiers are attracted to companies who are socially responsible. These decision-makers know this reflects good management and a positive reputation. Don't underestimate his influence; it can be just as important as your company's financial performance. In fact, it may be the deciding factor in choosing to support your company.
- CSR encourages professional (and personal) growth- The staff can develop their leadership and project management skills through a well- designed CSR program. This may be as simple as team building exercises, encouraging your employees to form relationships with people they would not normally meet (like disadvantaged groups).

LIMITATIONS

One main limitation that arises in data analysis is the no response for the question of budgeting pattern; most of the companies don't want to reveal their financial data for CSR. Hence, we were unable to analyze the budgeting pattern of the selected company. Employee involvement in taking decisions have been seen in some companies and this will help in motivating them to voluntarily participate in CSR practices. The people centric approach of Indian PSUs makes their CSR practices unique. A strong focus on people and community – including fostering inclusive growth, workforce development, diversity at workplace, training and a better community environment beyond money and fringe benefits – has brought some positive signals of high retention rates and greater employee commitment.

Government is playing a very significant role in facilitating the formulation and implementation of CSR policies and practices, but when it comes to monitor the activities of CSR by government the companies are highly against. They think that the role of government in regulating their CSR activities should be limited. But proper monitoring and evaluation of such practices can give better results as it will help in finding out the loopholes where the companies are lacking.

With increasing and widespread commitment of corporate resources to CSR, attention is now shifting to the strategic formulation, implementation, and measurement of the market returns to CSR initiatives. But still a concern to companies is whether their focus on “doing good,” will provide positive returns to their CSR actions. This emphasize the need for better measurement models of

CSR that capture and estimate clearly the effects of a company's CSR actions on its stakeholders as well as the nations in which they are operating.

Strategies companies can use when implementing CSR policies and practices:

- **Mission, Vision and Value statements**- If CSR is to be regarded as an integral part of business decision-making, it merits a prominent place in a company's core mission, vision and values documents. These are simple but important statements that succinctly state a company's goals and aspirations.
- **Cultural values**- Many companies now understand that CSR cannot flourish in an environment where innovation and independent thinking are not welcome. In a similar vein, there must also be a commitment to close the gap between what the company says it stands for and the reality of its actual performance.
- **Management Structures**- The goal of a CSR management system is to integrate corporate responsibility concerns into a company's values, culture, operation, and business decisions at all levels of the organization. It is the vital to design a structure that aligns the company's mission, size, sector, culture, business structure, geographic locations, risk areas and level of CSR commitment.
- **Strategic Planning**- A number of companies are beginning to incorporate CSR into their long-term planning processes, identifying specific goals and measures of progress or requiring CSR impact statements for any major proposals.
- **Employee Recognition and rewards**- Most companies understand that employees tend to engage in behavior that is recognized and rewarded and avoid behavior that is penalized. The system of recruiting, hiring, promoting, compensation and publicly honoring employees can be designed to promote CSR.

- **CSR Reporting**- Many companies have come to understand the value of assessing their social and environmental performance on a regular basis. Annual CSR reports can build trust among stakeholders and encourage internal efforts to comply with a company's CSR goals.

ANALYSIS

Strength

- ITC has a strong and experienced management.
- Strong brand presence, excellent products advertising.
- Diversified product and services portfolio which includes FMCG, Hotel chains, paper & packaging and agri-business.
- Over 6500 E-Choupal CSR activities and sustainability initiatives enhance ITC's brand image reaching over 4 million farmers.
- ITC limited employees over 25,000 people.
- Excellent research and development facilities.

Weakness

- ITC is still dependant on its tobacco revenues and people have cheaper substitutes and other brands.
- Hotel industry has not been able to create a huge market share opportunity
 1. Tap rural markets and increase penetration in urban areas
 2. Mergers and acquisitions to strengthen the brand.
- Increasing purchasing power of people thereby increasing demand
- More publicity of hotel chains to increase market share threats
 1. Strict govt regulations and policies regarding cigarettes
 2. Intense and increasing competition amongst other FMCG companies

CHAPTER-4
CONCLUSION
&
RECOMMENDATION

CONCLUSION

Corporate Social Responsibility represents the new challenge for multinational business corporations. There is now a growing consensus which pushes multinational companies towards sustainable development. Many companies have realized the importance of implementing Corporate Social and Environmental responsibility practices into business process, especially in developing countries. However, it is also evident that the companies are very slow in translating CSR at corporate level to visible sustainable actions at community level. Businesses have to take economic, social and environmental responsibilities seriously. Business activities should be held towards minimizing social and environmental costs and impacts, while simultaneously maintaining or raising the financial costs.

From the case studies it is obvious that CSR initiatives are the response to the stakeholders' activisms and pressure from non-governmental organizations. For example scandals regarding unethical practices of multinationals have focused significant attention on the companies' commitments towards ethical and socially responsible behavior. As a result, multinational corporations are expected to address or even more, solve social and economic issues, especially in developing countries. Continued deterioration of public health and environmental conditions will definitely grow the public awareness about such challenges leading to exerting added pressure on the multinational corporations.. It is obvious that it will require efforts and collaborations with community, nongovernmental organizations and local authorities. In addition, for improved social and environmental responsibilities, the following will be useful: stakeholder engagement, regulations from local governments, developing a comprehensive Code of Conduct, partnership with nongovernmental organizations and others. The multinational should accept that they play a crucial role in the livelihoods of many people, developing countries in particular. Hence, the main objective of their business must be benefiting both itself and society as well as decreasing negative social and environmental impacts.

Organizations are coming to realize the bottom-line benefits of incorporating sustainability into their DNA. It's beneficial for attraction and retention and it's the right thing to do. HR is a key organizational leader and can take the lead or partner with other executives to work cross-functionally to integrate CSR objectives into how business gets conducted. HR practitioners can

act as translators of the organization's CSR commitment vertically and horizontally across departments. Most will find upon reading this report that they have many good practices underway. Many will find they have a new structure for their thinking they can apply practically in the workplace. Some will believe the current economic downturn will put these ideas on the backburner until the economy rebounds, while others think that organizations which abandon their CSR integration in the downturn will lose ground and breed cynicism in brighter times. Regardless of the point of view, all agree that effective HR leadership on CSR integration requires Board, CEO and executive commitment to be successful. Indeed, the roadmap is predicated on the assumption of this top level commitment. However, more and more organizations are committing to sustainability and to embedding CSR into "all that we do", so it is hoped the 11 steps provide some guidance as to how to go about doing this.

The firm of the future is expected to have undergone significant transformation such that CSR no longer becomes managed as a separate deliverable, but is part of the experience of being an employee in an organization that lives its values. For human resource professionals embarking on CSR or deepening their CSR experience, this roadmap can help them understand their role in sustainability and CSR and how they can foster an environment that embeds a CSR ethic in "the way we do business around here".

- A truly cross-sectorial institutionalization and a better collaboration between ministries could improve CSR policies in line with other SD policies, and the triple bottom line principle that is shared by both concepts.
- Awareness rising is an important, but overall rather soft CSR policy approach.
- The target groups of the surveyed CSR policy initiatives do not match with the general assessment of target groups. Future CSR awareness raising initiatives should take this mismatch into consideration
- Awareness raising initiatives should always explore possibilities of involving the media, including business-specific channels of communication, such as magazines or newsletters of chambers of commerce, as well as trade and labour unions.

RECOMMENDATIONS

There is a lot of anticipation around the new Companies Bill which mandates 2% of the net profit of a company, to be spent towards Corporate Social Responsibility (CSR). It will be applicable only to companies with a net worth of Rs.500 crore or more, or a turnover of Rs.1000 crore or more, or a net profit of Rs.5 crore or more during a financial year. If this bill becomes a law then India would become the first country with mandatory CSR requirements.

- ❖ Smaller companies can invest in corporate social responsibility more to gain reputation.
- ❖ Monitoring on csr of companies by govt.
- ❖ More water and drainage facilities across the villages by plant owners.
- ❖ Formal training to village people for self-employment.
- ❖ More focus on girl's education.
- ❖ Development of rural areas.
- ❖ Government alone cannot develop our society. So, private sector companies should also contribute towards the development of society.

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ANNEXURE- I

SUPERVISOR'S CERTIFICATE

This is to certify that a student of B.Com. Honours in Accounting & Finance of under the University of Calcutta has worked under my supervision and guidance for his Project Work and prepared a Project Report with the title CORPORATE SOCIAL RESPONSIBILITY- PRACTICES AT ONGC which he is submitting, is his genuine and original work to the best of my knowledge.

ANNEXURE- II

STUDENT'S DECLARATION

I hereby declare that the Project Work with the title CORPORATE SOCIAL RESPONSIBILITY- PRACTICES AT ONGC& ADITYA BIRLA GROUP submitted by me for partial fulfillment of the degree of B.Com. Honours in Accounting & Finance/Marketing/Taxation/Computer Applications in Business under the University of Calcutta is my original work and has not been submitted earlier to any other University /Institution for the fulfillment of the requirement for any course of study. I also declare that no chapter of this manuscript in whole or in part has been incorporated in this report from any earlier work done by others or by me. However, extracts of any literature which has been used for this report has been duly acknowledged providing details of such literature in the references.

Signature: **ARPITA SHAW**

Place: KOLKATA

Date: 26/07/2021

Registration No: 223-1211-0494-18

PROJECT REPORT

**(Submitted for the Degree of B.Com Honours in Accounting & Finance under
the University of Calcutta)**

TITLE OF THE PROJECT

MARKETING AND PROMOTIONAL STRATEGY OF PAYTM



Submitted by

Name: Bishal Dey

Registration No: 223-1111-0114-18

Name of the College: Scottish Church College

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Name of the Supervisor: Professor Poushali Bardhan

Name of the College: Scottish Church College

Month & Year of Submission

July,2021

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Last but not the least; I would also like to thank my family and friends for the encouragement and support they have provided during the entire period of my research work.

Thanking You,

Bishal Dey.

Annexure – 1A

Supervisor`s Certificate

This is to certify that Mr. **BISHAL DEY** a student of B.Com. Honours in Accounting & Finance of **Scottish Church College** under the **University of Calcutta** has worked under my supervision and guidance for his Project Work and prepared a Project Report with the title **MARKETING AND PROMOTIONAL STRATEGY OF PAYTM** which he is submitting, is his genuine and original work to the best of my knowledge.

Place: Kolkata

Signature:

Date: 26/7/2021

Name: Professor Poushali Bardhan

Designation: Assistant Professor

Name of the College: Scottish Church College

Annexure – 1B

Student`s Declaration

I hereby declare that the Project Work with the title **MARKETING AND PROMOTIONAL STRATEGY OF PAYTM** submitted by me for the partial fulfillment of the degree of B.Com. Honours in Accounting & Finance under the University of Calcutta is my original work and has not been submitted earlier to any other University /Institution for the fulfillment of the requirement for any course of study.

I also declare that no chapter of this manuscript in whole or in part has been incorporated in this report from any earlier work done by others or by me. However, extracts of any literature which has been used for this report has been duly acknowledged providing details of such literature in the references.

Place: Kolkata

Date: 26/7/2021

Signature: *Bishal Dey*

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CHAPTER – 1

1.1 INTRODUCTION

MEANING OF MARKETING

Marketing is a form of communication between a business house and its customers with the goal of selling its products or services to them. Goods are not complete products until they are in the hands of customers. Marketing is that management process through which goods and services move from concept to the customer. Marketing has less to do with getting customers to pay for a product as it does with developing a demand for that product and fulfilling the customer's needs.



According to the American Marketing Association (AMA) Board of Directors, Marketing is the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large.

Dr. Philip Kotler defines marketing as “the science and art of exploring, creating and delivering value to satisfy the needs of a target market at a profit. Marketing identifies unfulfilled needs and desires. It defines, measures and quantifies the size of the identified market and the profit potential. It pinpoints which segments the company is capable of serving best and it designs and promotes the appropriate products and services.”

Thus, marketing refers to all the activities involved in the creation of place, time, possession and awareness utilities and beyond.

MARKETING CONCEPTS- TRADITIONAL AND MODERN

Concept is a philosophy, attitude, a line of thinking, an idea or notion to relating any aspects of divine and human creations. The philosophy of an organization in the dynamic creation of marketing is referred to as a marketing concept. Thus, marketing concept is a way of life in which the resources of an organization are mobilized to create, stimulate and satisfy the consumer at a profit.

❖ **TRADITIONAL/ CLASSICAL CONCEPT**

According to this concept, marketing consists of those activities which are concerned with the transfer of ownership of goods from producers to consumers. Here, the role of physical distribution and marketing channels is over emphasized. It refers to marketing as the process by which goods are made available to ultimate consumers from their place of origin. The emphasis of marketing is on sale of goods and services. Consumer satisfaction is overlooked.

❖ **MODERN CONCEPT**

According to this concept, marketing is concerned with the creation of consumers. **According to the modern thinker Peter Drucker**, “Marketing is so basic that it cannot be considered as a separate function. It is the whole business seen from the customers’ point of view...business success is not determined by the producer but the customer.”

Thus, the modern concept lays greater emphasis on customers and considers them as kings. Marketing is not merely a physical process but is something beyond that. It is the managerial philosophy which centres around the wants and desires of customers.

FUNCTIONS OF MARKETING

Marketing functions are those specialized activities that a marketer must perform in order to identify and source potentially successful products for the market place and then promote them by differentiating them from similar products. The important functions of marketing are discussed briefly below:

- **Research & Development Function-** A marketer has to carry out adequate research to identify the size, behavior, culture, gender, demands etc. of the target market segment, and then develop the products/services accordingly to meet and satisfy the needs of target customers.

- **Buying Function-** The marketing department has to assist the purchase and supply department by sending specifications of the materials required so as to get timely and quality materials for production.
- **Branding-** It is the process of stamping a product with some identification name or mark or a combination of both. Branding means giving a distinct individuality to a product. Some popular brands are Airtel, Sony, Lux, Nirma etc.
- **Pricing-** Determination of price of a product is an important task of a marketing manager. Price is influenced by cost of product and service offered, profit margin desired, prices fixed by rival firms, government policy, etc.
- **Promotion Function-** The marketing manager must design adequate strategies to make known to consumers about the availability of products in the market. Without this function, products will remain in the hands of producers and will never reach the consumers. Four important methods of promotion are advertising, personal selling, publicity and sales promotion.
- **Physical Distribution-** This function involves the activities which are necessary to transfer ownership of goods to customers and also making available goods at the right place and time.
- **Transportation-** It provides the physical needs which facilitate the movement of persons, goods and services from one place to another.
- **Warehousing-** To meet the expected demands of consumers, goods are produced or procured well in advance and stored in warehouses till they are transferred to customers. Warehouses protect the goods from any damage which may be caused by any rodents, moisture, sun, theft, etc.
- **Customer Support Services-** This function relates to developing customer support services such as after sales services, handling customer complaints and adjustments, providing credit facilities, maintenance services, technical services etc. These services provide maximum customer satisfaction and develop brand loyalty for a product.

All the above, and in some situations, more other functions are performed by the marketing manager.

SIGNIFICANCE OF MARKETING STRATEGIES

- Marketing strategy provides an organization an edge over it's competitors.
- Strategy helps in developing goods and services with best profit making potential.
- Marketing strategy helps in discovering the areas affected by organizational growth and thereby helps in creating an organizational plan to cater to the customer needs.
- It helps in fixing the right price for organization's goods and services based on information collected by market research.
- Strategy ensures effective departmental co-ordination.
- It helps an organization to make optimum utilization of its resources so as to provide a sales message to it's target market.
- A marketing strategy helps to fix the advertising budget in advance, and it also develops a method which determines the scope of the plan, i.e., it determines the revenue generated by the advertising plan.



In short, a marketing strategy clearly explains how an organization reaches it's predetermined objectives.

MARKETING MIX

Marketing mix represents a blending of decisions in few areas for the satisfaction of the needs of customers. E.J. McCarthy had formerly given four elements of Marketing Mix. These include: (1) Product, (2) Price, (3) Promotion, and (4) Place or Physical Distribution. These elements are popularly called the “four Ps of Marketing Mix”. As marketing became a more sophisticated discipline, one more element was added to these 4 Ps- People. Later on two more Ps were added,

especially for the service sector, viz., Process and Physical evidence. . These elements are inter-related because decisions in one area usually affect actions in the others. The blend or mixture of these elements are often referred to as Marketing Mix. It basically concentrates on the target consumers. Let us have a brief discussion of the above mentioned elements-

- **Product:** It involves planning, developing and producing the right type of products and services to be offered by the firm to the customers. It deals with the product range, design, durability, branding, packaging, color and other features.
- **Price:** A product is only worth what a customer is willing to pay for it. The marketing manager must determine the price in such a way that it covers the cost of production and distribution of the product and a reasonable margin of profit. Other variables influencing price are the price fixed by competitors, government regulation etc. It is the only element of marketing mix that generates revenue- everything else represents a cost.
- **Promotion:** It deals with informing the customers about the firm's product and persuading them to purchase the same through personal selling, advertising, publicity and sales promotion.
- **Place or Physical distribution:** It is concerned with making the product/service available to the customers at the right place, at the right time and in the right quantity. The place where the customers buy a product and the means of distributing the product to that place must be appropriate and convenient to the customers.
- **People:** It generally refers to the employees of the business organization who deal with the customers.
- **Process:** The processes related to the delivery of your products or services are significant to your customers.
- **Physial Evidence:** Although services are intangible, companies need to provide their customers with receipt or invoice of the service as proof which is considered to be physical evidence. Physical evidence is offered to assure customers about the authenticity of the services so that customers can contact the company in the future to let them know the problems related to the services.

1.2 BACKGROUND OF THE STUDY

Fintech or Financial Technology is an innovation that comes from digitizing management in the financial sector. Fintech is popularly used by millennials as a cash payment replacement tool. Demonetization of high-value currency of rupees 500 & 1000 (86% of cash circulation) gives a tremendous hike in the unprecedented growth in digital payment. The Reserve Bank of India has taken a strategic move towards financial inclusion & digitization by introducing Payments Bank in India. India is the second largest market in the world with a mobile phone subscriber base of 930 million out of these 45% subscribers is from the rural segment. With this vast unbanked population, who stay in such remote areas that even our banking system can't reach there, mobile payments serve as a great alternative for cash.

KEY ELEMENTS OF PROMOTIONAL STRATEGY ADOPTED BY FINTECH COMPANIES



- **Wallet Passes:** A mobile wallet pass is any non-payment item (such as a loyalty card or a coupon) stored in a mobile wallet. Adding a pass to a wallet should be as easy as 1-2 taps. The wallet enables customers to keep all their passes in one convenient central space.
- **Cashback:** Instant cashback is another incentive urging customers to transact more with their wallet. Mobile wallet cashback rewards are easy to redeem, fun to use, and straightforward to value.

The functionality not only saves money for customers, but also enables them to directly use the cashback to make purchases with the mobile wallet, send money to friends P2P, or transfer it to their bank account.

- **Notifications:** The true mechanics of mobile wallet marketing lies in notifications. Various alerts and notification types (email, SMS, MMS, lock screen notifications) can be used by digital wallet operators and their partners to let users know about a new offering.

Lock screen notifications have proven to be one of the most powerful ways to draw smartphone users' attention, driving significantly higher response rates.

- **Location Awareness:** Once a wallet pass is installed, a strategic location can be specified with it by adding coordinates or integrating with a solution that provides location-based information like iBeacons.

When a customer enters a location, the wallet can automatically send a screen-lock notification to the customer's phone with an engaging proposition. A screen tap takes the user directly to the wallet pass.

- **More Value added Services:** With the multitude of apps available nowadays, more and more customers prefer the aggregation of key services into one app for convenience. This is especially evident in banking, where the boundaries between digital wallets and mobile banking apps are starting to blur.

Embedding value-added services into a financial wallet can be a good strategy for retaining customers and driving more wallet usage.

- **Advanced Analytics:** Mobile wallets can act as an excellent platform for data collection of customer insights. Data can then be used to feed improvements in the mobile wallet marketing strategy. Rich data analytics insights can be extracted from transaction histories, repeated purchases, deletion percentages, coupon redemption, check-ins, the ROI of mobile loyalty programs, etc.

MARKETING STRATEGY ADOPTED BY DIGITAL WALLETS

Payment application operates digitally (on mobile phones and other devices using the internet) rather than through physical branches. To keep on updating with the trend is the key to success for any business. As there is a rapid growth in the mobile phone subscriber in India, mobile phones



are proven to be a new tool of banking. Payments bank is a viable business model as they invest in government securities with durations of up to three months. Due to ease & convenience in handling transaction, 24*7 availability, paperless, hassle free transaction, cashback offers, access to the marketplace, save time & money, security & curiosity, advanced search options, digital wallet is influential as compared to the traditional banking system.

Here three digital wallets marketing strategies have been taken such as Paytm, BHIM (Bharat Interface for Money) and GooglePay (GPay). Paytm is owned by a private company one97 communications whereas BHIM is regulated by the government of India and Google Pay is developed by Google to power in-app, online, and in-person contactless purchases on mobile devices, enabling users to make payments with Android phones, tablets, or even from smart watches. Paytm launches various promotional schemes to attract and retain the customer such as Cashback offer, Paytm 'Asha Kiran' scheme to encourage rural women and also many promotional schemes. BHIM also launches various promotional schemes such as Cashback

offers, BHIM Referral Bonus Scheme, BHIM Aadhaar merchant incentive scheme, QR scan, and pay, etc. Google Pay lets the customers pay quickly and more securely using the payment methods saved to their Google Accounts. Plus, they can conveniently store the loyalty cards, offers, and more in the Android app, so that the users can build brand affinity and engage with them personally and more often.

Marketing Strategy of Paytm

- Paytm is getting popular at a fast pace by using the social/digital platforms such as Facebook, twitter, snapchat and Instagram. Even the post video is also uploaded on the social media websites in order to share their experience of usage.
- **By using the tagline “#Paytmkaro”** is getting popular in the youth. It is the most convenient and simple way for day-to-day transactions. Campaigns by TVC are done so that anyone can have access in order to promote the cashless transactions in India.
- E-wallets are now-a-days trending as it is secure and easy to handle. Commercials are launched on the E-Business websites and therefore, they are now the eye of attraction.
- The 360-degree campaign is used in order to show the 24/7 availability of the application. If Paytm is used in situations like money transfer, online shopping, mobile recharge, paying at the petrol pump, etc, would get simpler.

The emotional route is used in order to pitch the target audience, as Indians are affected by the emotions and feelings. It has gained a huge views on the youtube.

Marketing Strategy of BHIM (Bharat Interface for Money)

- ‘Digi-Dhan Mela’ as a promotional tool was used and the PM invoked it in his Mann Ki Baat radio program, and also asked Smartphone manufacturers to pre-install the application.
- BHIM Referral Bonus Scheme and BHIM Merchant Cashback Scheme: These two schemes were launched in order to increase the number of users.
- Under BHIM Referral Bonus Scheme customers earned through referral bonuses. Under BHIM Merchant Cashback Scheme, merchants used to get a cashback of Rs 100 every month for 50-100 transactions.

- NPCI also started two lucky draw schemes for merchants- the Lucky Grahak Yojana for consumers and the Digi-Dhan Vyapar Yojana, where it offered Rs 1,000 per day to 15,000 customers. The second scheme distributed weekly prizes up to Rs 50,000 to merchants.

Marketing Strategy of Google Pay (GPay)

- Google pay aims to provide its users a hassle free transaction at the lowest time possible.
- Google pay enables its users to login multiple accounts and operate efficiently.
- Transaction via Gpay can be done easily even with a lower internet speed and this has attracted most of the inhabitants of the rural areas.
- Since it is an application developed and managed by Google, people relies on it completely.

1.3 DEFINITION OF THE FINTECH CONCEPTS EMPLOYED IN THIS STUDY

S/NO.	CONCEPT	DEFINITION
1.	Digital Payment	Digital Payment is a mode of payment where the payment is made virtually using a smartphone or any other device. In digital payment, both payer and payee use digital modes to send and receive money. It is also known as Electronic payment.
2.	Digital Wallet	Digital wallet refers to an electronic device or online service that allows an individual to make electronic transactions. This can include purchasing items on-line with a computer or using a smartphone to purchase something at a store. An individual's bank account can also be linked to the digital wallet.

3.	E-Commerce	E-commerce -- electronic commerce or EC -- is the buying and selling of goods and services, or the transmitting of funds or data, over an electronic network, primarily the internet. These business transactions occur either as business-to-business, business-to-consumer, consumer-to-consumer or consumer-to-business.
4.	Mobile Payments	Mobile payments include payments made or enabled through digital mobility technologies, via handheld devices, with or without the use of mobile telecommunications networks. These payments are digital financial transactions, although not necessarily linked to financial institutions or banks. There are several models of mobile payments that are currently employed worldwide.
5.	Mobile Money	Mobile money may be related to mobile wallet, which refers to a digital repository of electronic money developed and implemented on mobile devices, allowing peer-to-peer transactions (P2P) between mobile devices (M2M) from users of the same service. It is similar to a normal physical wallet and is able to store money and credit and debit cards.
6.	Demonetization	Withdrawal of a particular form of currency (such a gold coins) from circulation. On 8 November 2016, the Government of India announced the demonetization of all ₹ 500 and ₹ 1000 banknotes of the Mahatma Gandhi Series.
7.	Fintech	Fintech is a portmanteau of the terms “finance” and “technology” and refers to any business that uses technology to enhance or automate financial services and processes. The term encompasses a rapidly growing industry that serves the interests of both consumers and businesses in multiple ways.

1.4 OBJECTIVES OF THE STUDY

- ❖ To know about users awareness towards Paytm.
- ❖ To analyse how PayTM helped the Unserved or Under-Served and Underdeveloped or Undeveloped society to use PayTM.
- ❖ To analyze the impact of demonetization on Digital Payment System using PayTM
- ❖ To understand the consumer satisfaction levels of Paytm.
- ❖ To study the acceptance level of Paytm in India as an alternative to the cash transactions.
- ❖ To study the role played by Paytm towards the development of INDIA

1.5 LITERATURE REVIEW

- ❖ **Prof. Trilok Nath Shukla** in his paper “**Mobile Wallet: Present and the Future**”(June 2016) has discussed about mobile wallet, working, types and its advantages and disadvantages. His analysis included perception of consumers and retailers about mobile wallets. He concluded that mobile wallets will be used to engage with the customers by the marketers and digital businesses irrespective of the market status of these mobile wallets, marketers should take advantage of the emerging opportunities.
- ❖ **Madur Deora, CFO and senior VP of Paytm**, expressed that an installment bank offers an essential store connection with the clients at first and also Paytm is building this relationship utilizing the cash by spending, sparing and acquiring. To him the installments bank permit is a colossal obligation.
- ❖ **FE Bureau (2017)** states that According to the RBI: Demonetization has increased the growth of Paytm& Mobikwik which is known as the Digital payment companies.

- ❖ **Vijay Shekhar Sharma. (Paytm founder) Oct 23, 2018** China's Alibaba and Japan's SoftBank-backed Paytm Mall is stepping up focus on categories like grocery and fashion, which can increase repeat customer transactions as it looks to compete with Walmart-backed Flipkart and Amazon India, which control over 80% of the online retail market. Paytm Mall wants to differentiate itself, with online to offline (O2O) push to deliver 50% of the orders in 24 hours from 33% right now.

- ❖ **Kiran Vasireddy, COO – Paytm, December 12, 2018 said,** “Paytm has become the preferred payment choice amongst customers for in-store payments in India. Today, Paytm is accepted at the largest variety of stores ranging from large brand outlets to online platforms as well as small retailers across India. With ‘Paytm Cashback Days’, we celebrate our customers choosing Paytm as their preferred mode for payments at offline or online merchants by rewarding them with the best deals & cashback of the year. This will be a significant part of our efforts to push the adoption of mobile payments in the country & also help our Merchant partners significantly.”

- ❖ **Dr. Poonam Painuly, Shalu Rathi** in their paper “**Mobile Wallet: An upcoming mode of business transactions**” (May 2016) has explained about mobile wallet, types and trends. Then discussed about Role of mobile wallet in various sectors like Banks, Retail and Hospitality. The paper explains the importance of mobile wallet for Banks, Customers and Companies. In future scope it talks of mobile wallets becoming a latest marketing channel in near future. And contribute highly in a seamless shopping experience for the customers that increase their tendency for frequent and more repurchases with delightful experiences. To conclude they speak the importance and growth of mobile money in business, social and economic prospective. The presence of mobile wallet spreading from urban to rural areas on a large scale. Hence, wallet money sees a high bright future in near time.

- ❖ **Zilvinas Bareisis, (2012)** study revealed on Banks should think twice before going down the path of launching their own branded independent wallets. For some, it might make sense, but many others will likely be better off focusing on making their payment credentials available and top of wallet in the wallets already out in the market, as well as enhancing and extending their mobile banking platforms with value-added services, including payments.

1.6 RESEARCH METHODOLOGY

Data Collection Methods

The entire data for the present research was collected from the Primary source as well as Secondary source. The source of data are briefly discussed.

- ❖ **Primary Sources:** Primary data has been collected directly from sample respondents through questionnaire using Google Form for the research.
- ❖ **Secondary Sources:** The Secondary Data has been collected from various books, journals and websites.



Research Instrument:

Research instrument used for the primary data collection is Questionnaire via Google form.

Respondents

The number of respondents for this survey was 80.

Sample Location

The sample data were collected from various parts of Kolkata and Mizoram.

1.7 LIMITATIONS OF THE STUDY

Pandemic	Due to the outbreak of the Novel Coronavirus, the research couldn't be done physically and hence it was conducted virtually
Small Respondents	The respondents are really small in comparison with the total population of the country and this might not give a true and fair results
Limited Areas	The study was limited to various parts of Kolkata and Mizoram.
Lack of Data	Lack of availability of certain data due to confidentiality of information

1.8 CHAPTER PLANNING

Chapter – 1 INTRODUCTION	Introduction, Background of the study, Definition of concepts employed in this study, Objectives of the study, Literature Review, Research Methodology, Limitations of the study and Chapter Planning.
Chapter-2 CONCEPTUAL FRAMEWORK	This chapter consists of Meaning of Digital Wallets, its advantages and disadvantages, Types of Digital wallets. Paytm as an e-wallet, Evolution of Paytm, Comparison of Different e-wallets, Growth of Paytm post demonetization, Its innovations and the contribution made by Paytm towards the development of India
Chapter – 3 Data Analysis and Findings	This chapter comprises of presentation of data, analysis and findings of the data.
Chapter – 4 Conclusions and Recommendations	This chapter is about the conclusion we get from the analysis of data collected and recommendations for the development of the study.

CHAPTER- 2

CONCEPTUAL FRAMEWORK

In today's time, internet facility and digital wallets has changed our life. We become dependent upon internet for day to day work. Online shopping and online banking was one of the main services which affects our life and made our life very easy. Before many years, when we went to the bank, we filled slip, stood in queue and have to wait for long time for making any transaction. But, now, due to the existence of internet facility and various digital wallets, it becomes really convenient for customer to do any kind of transaction anytime from anywhere, without any hassle. Demonetization was the major factor, which pushed up the role of digital money in positive way, as result many digital computer and mobile application came into the market.

2.1 DIGITAL WALLET

Digital wallet (or e-wallet) is a software-based system that securely stores users' payment information and passwords for numerous payment methods and websites. By using a digital wallet, users can complete purchases easily and quickly with near-field communications technology. They can also create stronger passwords without worrying about whether they will be able to remember them later. Digital wallets can be used in conjunction with mobile payment systems, which allow customers to pay for purchases with their smartphones. A digital wallet can also be used to store loyalty card information and digital coupons.



After the demonetization, country is moving towards a cashless system with some confusion and awe related to it. The government of nation is providing number of benefits, offers

and discount on using digital wallet. Digital money has its own advantage and disadvantage, which are as follows.

ADVANTAGES & DISADVANTAGES OF DIGITAL WALLET

ADVANTAGES	DISADVANTAGES
<ul style="list-style-type: none">• Improved Comfort: Since all the cards and important data are stored in an app, it becomes really convenient and comfortable to make transactions anytime from anywhere.• Time Saving: Since the payment can be done at a click, it is really time saving.• Better expenses tracking: The information about all the transactions are stored within the app which allows you to analyze it after each week or month and hence this will curb all the unnecessary expenses.	<ul style="list-style-type: none">• Time and money investments: In order to allow the customers to pay with digital wallets, the companies have to get special hardware or software facilitating those operations and hence the companies need to find software engineers with relevant experience and spend money and time on the development.• Dependency on a device: It is very convenient to have everything you need inside of a smartphone unless it gets out of charge, breaks down or has problems with the network connection. If the device turns off right before the checkout, you would better have a credit card or paper money in the pocket

TYPES OF DIGITAL WALLET

As per the Reserve Bank of India, companies with minimum paid-up capital of Rs. 500 lakh and minimum positive net worth of Rs. 100 lakh are permitted to issue wallets in India. There are three kinds of e-wallets.

- **Closed Digital wallets:** RBI approval is not required for issuing a Closed Digital wallet these are wallets issued by an entity for facilitating the purchase of goods and services from it. These instruments do not permit cash withdrawal or redemption.

E.g. Cab services like OLA payment e-commerce Flipkart, amazon, Jabong, Snap deal and Make My Trip etc. And mobile companies create e-wallets for making payments towards purchase of products from them /for usage of their services.

- **Semi-Closed Digital wallets:** These are wallets which can be used for purchase of goods and services, including financial services. These wallets do not permit cash withdrawal or redemption by the holder.

Eg. AirTel Money, which is used for making payments for a range of services like money transfer from Airtel Money to another bank account or any other Airtel Money Wallet or paying select utility bills. After the demonetization of high-value currency the limit of semi-closed Prepaid Payment Instrument (PPI) that can be issued has now been enhanced from Rs 10,000 to Rs 20,000 by RBI.

- **Open Digital wallets:** These are wallets which can be used for purchase of goods and services, including financial services like funds transfer at any card accepting merchant locations [point of sale (POS) terminals] and also permit cash withdrawal at ATMs / Banking Correspondents (BCs). However, cash withdrawal at POS is permitted only upto a limit of Rs.1000/- per day subject to the same conditions as applicable hitherto to debit cards (for cash withdrawal at POS)

E.g. M-Pesa is an open wallet run by Vodafone in partnership with ICICI Bank. Axis Bank's e-Wallet Card', can used for making payments on sites that accept Visa cards, with a minimum limit of Rs 10, and a maximum limit ofRs 50,000, and a validity of 48 hours.

2.2 PAYTM

PayTM is an Indian e-commerce payment system and Financial Technology. PayTM is an acronym for “**Pay through Mobile**” It was founded in **August 2010** with an initial investment of **\$2 million** by its founder **Vijay Shekhar Sharma** in **Noida**, a region adjacent to India's capital **New Delhi**. It started off as a prepaid mobile recharge website with Android, Windows and IOS applications, and has an online marketplace today. PayTM is incubated and owned by One97 Communication. It is a flagship brand of One97 Communications. Today, it is India's most popular online destination for prepaid mobile & DTH recharges and shopping, and its Android and IOS application have been ranked among the most popular applications.



PayTM is currently available in 11 Indian languages and offers online use-cases like mobile recharges, utility bill payments, travel, movies, and events bookings as well as in-store payments at grocery stores, fruits and vegetable shops, restaurants, parking, tolls, pharmacies and educational institutions with the Paytm QR code. As of January 2018, Paytm is valued at \$10 billion.

PayTM is a leading payment solutions' in India's having largest mobile payment service platform with user base of 350 million. The gross transaction value of more than \$ 50 billion with more than 5.5 billion transactions in a year .

As per the company, more than 20 million merchants across India use their QR code payment system to accept payments directly into their bank account. The company also uses advertisements and paid promotional content to generate revenues.

Additionally, it gives advantage of buying goods from its e-retail platform. After capturing the e-commerce market it has also jumped into M-commerce too which allow small business owners to list their products on its website. The PayTM mobile wallet was launched in the year 2013. There are various other payment platforms like PayTM but PayTM has managed to dominate the market with its high security features, it is highly secured because it is **approved wallet by Reserve Bank of India**.

EVOLUTION OF PAYTM IN INDIA

Paytm was **founded in August 2010** with **an initial investment of \$2 million**. It started off as a prepaid mobile and DTH recharge platform, and later added data card, postpaid mobile and landline bill payments in 2013.

By January 2014, the company had launched the Paytm Wallet, which the Indian Railways and Uber added as a payment option. It launched into e-commerce with online deals and bus ticketing.

In 2015, it added education fees, metro recharges, electricity, gas, and water bill payments.

In 2016, it launched movies, events and amusement parks ticketing as well as flight ticket bookings and Paytm QR. Later that year, it launched rail bookings and gift cards.

Paytm's registered user base grew from 11.8 million in August 2014 to 104 million in August 2015. Its travel business crossed \$500 million in annualised GMV run rate, with 2 million tickets booked per month.

In 2017, it became India's first payment app to cross over 100 million app downloads. The same year, it launched Paytm Gold, a product that allowed users to buy as little as Re. 1 of pure gold online. It also launched Paytm Payments Bank and 'Inbox', a messaging platform with in-chat payments.

By 2018, it started allowing merchants to accept Paytm, UPI and card payments directly into their bank accounts at 0% charge. It also launched the 'Paytm for Business' app (now called Business with Paytm App), allowing merchants to track their payments and day-to-day settlements. Its merchant base grew to more than 7 million by March 2018.

It launched two new wealth management products - **Paytm Gold Savings Plan and Gold Gifting for long-term savings**.

In January 2018, it entered into a joint venture with **Alibaba Group**-owned gaming company **AGTech** Holdings to launch Gamepind, a mobile gaming platform. It was rebranded as Paytm First Games in June 2019.

In March 2018, Paytm Money was started with an investment of Rs. 9 crore for investment and wealth management.

In March 2019, the firm launched a subscription based loyalty program called Paytm First, and in May 2019, it partnered with Citibank to launch Paytm First credit card

In July 2020, Tata Starbucks partnered with Paytm allowing its customers to order food online during the COVID-19 pandemic.

FUNDING AND SHAREHOLDING

SHAREHOLDERS	SHAREHOLDING (In %)
Vijay Shekhar Sharma	14.67%
Alibaba Group	29.71%
Softbank Vision Fund	19.63%
SAIF Partners	18.56%
AGH	7.18%
Berkshire Hathway	2.76%
Others	7.49%
TOTAL	100%



PAYTM HQ IN NOIDA

- ❖ In October 2011, Sapphire Ventures (fka SAP Ventures) invested \$10 million in One97 Communications Ltd.
- ❖ In March 2015, PayTM received its huge stake from Chinese e-commerce company **ALIBABA Group**, after Ant Financial Services Group, an Alibaba Group affiliate, took 40% stock in Paytm as part of a strategic agreement. Soon after, it received backing from **Ratan Tata, the MD of Tata Sons.**

- ❖ In August 2016, Paytm raised funding from Mountain Capital, one of Taiwan-based **MEDIATEK`**s investment funds at a valuation of over \$5 billion.
- ❖ In May 2017, Paytm received its biggest round of stake by a single investor – SoftBank, thus bringing the company's valuation to an estimated \$10 billion.
- ❖ In August 2018, Berkshire Hathaway invested \$356 million for 3%- 4% stake in Paytm, although Berkshire Hathaway confirmed that Warren Buffett was not involved in the transaction.
- ❖ On 25 November 2019, Paytm raised \$1 billion in a funding round led by US asset manager T Rowe Price along with existing investors Ant Financial and SoftBank Vision Fund.

Investments and acquisitions

- **In 2013-** PayTM acquired Plustxt for under \$2 million. Plustxt was started by IT graduates Pratyush Prasanna, Parag Arora, Lokesh Chauhan and Lohit V that allowed fast text messaging in any Indian Language.
- **In 2015-** PayTM invested \$5 million in auto-rickshaw aggregator and hyperlocal delivery firm Jugnoo.T It also acquired Delhi-based consumer behaviour prediction platform Shifu and local services startup Near.in. In 2016, it invested in logistics startups LogiNext and XpressBees.
- **In April 2017-** PayTM invested in healthcare startup QorQL which uses artificial intelligence (AI) and big data to assist medical care,. In July 2017, it acquired a majority stake in online ticketing and events platform Insider.in, backed by event management company Only Much Louder (OML) and mobile loyalty startup MobiQuest. The same year, it acquired Little & Nearbuy, and merged both.
- **In June 2018,** the company acquired the startup Cube26.
- **In May 2021-** The company is aiming to raise about Rs 21,800 crore (\$3 billion) by IPO (initial public offering).it could be the largest IPO ever seen in India.

SPONSORSHIP

In July 2015, One97 Communications, the firm that owns the brand Paytm, acquired the title sponsorship rights for India's domestic and international cricket matches at home for a period of four years starting in August 2015. The rights include sponsor branding of series with the title sponsor logo, designation as the title sponsor of the series, visibility at the stadium, and broadcast sponsorship rights. This also includes all **BCCI** domestic (**Ranji Trophy, Duleep Trophy, etc.**) matches in India.

Previously, Paytm had acquired sponsorship rights during the 8th season of Indian Premier League. It has also served as an associate sponsor on **Sony TV** network (which has the telecast rights for IPL) and was the official partner of the IPL team **Mumbai Indians**. In March 2018, Paytm became the Umpire Partner of the IPL for five years.

PAYTM PAYMENTS BANK



PayTM Payment Bank Official Logo

In August 2015, Paytm received a license from Reserve Bank of India to launch a payments bank. The Paytm Payments Bank is a separate entity in which founder **Vijay Shekhar Sharma** will hold **51% share**, **One97 Communications** holds **39%** and **10%** will be held by a **subsidiary of One97 and Sharma**. The bank was officially **inaugurated** in **November 2017** by the Indian Finance Minister, **Arun Jaitley**. The inauguration ceremony featured prominent banking personalities including former RBI Executive Director **PV Bhaskar**, Saama Capital Director **Ash Lilani** and former Shriram Group Director **GS Sundarajan**. It is set to launch over 100,000 banking outlets across India by end of 2018. Paytm Payments Bank has appointed veteran banker **Satish Kumar Gupta** as its new **Managing Director** and **CEO**.

PAYTM MALL

In February 2017, Paytm launched its Paytm Mall app, which allows consumers to shop from 1.4 lakh registered sellers. Paytm mall is B2C model inspired by model of China's largest B2C retail platform TMall. For 1.4 lakh sellers registered products have to pass through, Paytm-certified warehouses and channels to ensure consumer trust. Paytm mall has set up 17 fulfillment centres across India and partnered with 40+ couriers. Paytm Mall raised \$200 million from Alibaba Group and SAIF Partners in March, 2018. In May 2018, it posted a loss of approximately Rs.1,800 crore with a revenue of Rs.774 crore for financial year 2018. The market share of Paytm Mall dropped to 3 percent in 2018 from 5.6 percent in 2017.

DONATIONS

During the COVID-19 pandemic in India, Paytm contributed Rs.10 to every single user who pays to the PM CARES fund via their app; within ten days they have collected Rs.100 crore in their app. Their 1,200 employees have contributed their 15 days or even a few months of their salaries to the fund.

PARTNERS

Paytm is linked with all mobile operators that's operating in India for prepaid mobile, DTH and Data card recharges and postpaid mobile, landline and Data card bill payments. It is also connected with all the national banks so that the customer can do all the various online transactions without any hassle. Paytm also works with various billers for utility bill payments.

AWARDS AND RECOGNITIONS

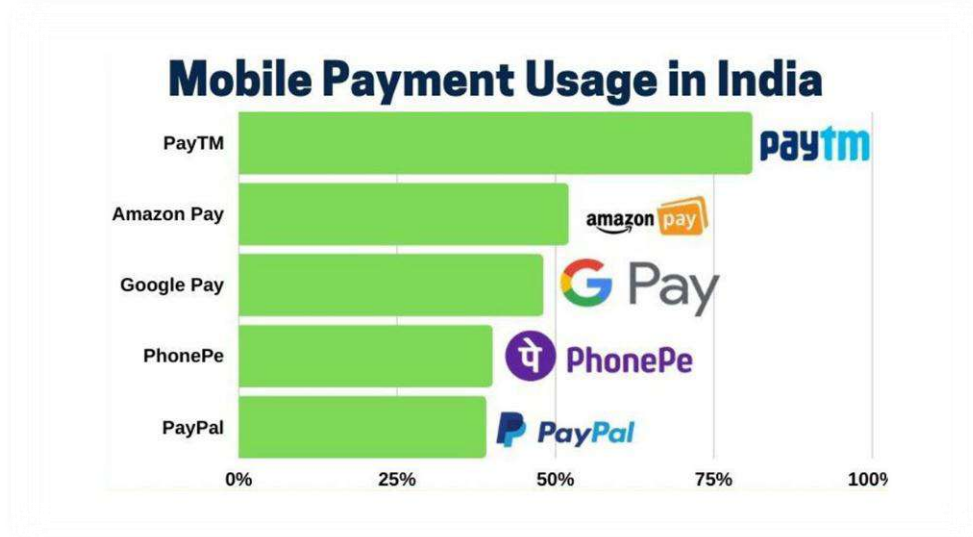
- ❖ Paytm wins Outstanding Startup of the Year Award at **Forbes Leadership Awards 2016.**
- ❖ Vijay Shekhar Sharma wins Uttar Pradesh government's top **Yash Bharti Award.**
- ❖ Vijay Shekhar Sharma wins **ET Panache Trendsetting Entrepreneur Award.**
- ❖ NDTV **Indian of the Year Award** for Paytm CEO Vijay Shekhar Sharma.

2.3 COMPARISON OF DIFFERENT DIGITAL WALLETS

PAYTM VS PHONEPE VS GOOGLEPAY

- **User Interface:** Starting with Paytm, the app is easy to use given its simple icons, words, and the overall design. The simple user interface is what makes it great for even the first-time user. Moving on to Google Pay, while the app shows your contacts and bills that you can pay, the overall interface isn't as well-categorized as Paytm and can be hard for a first-time user to get hang of it. Finally, PhonePe's interface is quite similar to Paytm so the overall design is simple but it's not as neat and spacious as Paytm. So, when it comes to the user interface, Paytm is the clear winner.
- **Payment Facility:** Starting with Google Pay, you don't get a wallet facility like the other two apps, so the money gets deducted directly from your bank account during payments. On the other hand, Paytm and PhonePe both offer a wallet and a UPI facility along with the benefit of making payments via credit card, debit card, as well as Net Banking. However, Paytm's wallet is far more popular than PhonePe's and it also has a lot more users than PhonePe, making Paytm the winner again.
- **App Speed:** Now let's take a look at which app is the fastest in terms of making transactions? When it comes to Google Pay, there have been complaints about its 'pending transaction' issue which is quite frustrating. Not to forget, it can be hard for a first-time user to make a payment on Google Pay. Paytm and PhonePe, on the other hand, are far easier to use. Coming to app speed, if you take a look at the video, it's clear that Paytm is faster than PhonePe when it comes to overall transaction speed.
- **Ease Of Recharge/Bill Payments:** Google Pay's interface is quite messy making it hard for users to make payments. PhonePe and Paytm have a clear interface, so they already have an edge over Google Pay. Not to mention, they also have an automated bill system which automatically pays the bills before the due date. So, both PhonePe and Paytm win this round.

Conclusions: To sum it up, although Google Pay and PhonePe hold their own well in the payment apps market in India, **Paytm outperforms the two when it comes to the overall user interface, app speed, and payment facility.**



2.4 GROWTH OF PAYTM POST DEMONETIZATION

PayTM growth had almost stagnated in the middle of 2016, the use of its e-wallet was growing but not at a very swift rate. On 8th Nov'16, the Government of India ceased the legal tender of INR 500 and INR 1000 notes. As Reserve Bank of India(RBI) was not able to supply this huge amount of currency in a short time the following months witnessed a huge gap between the demand and supply of new currency notes, in wake of this people were forced to resort to e-wallets and other methods for transactions.





Shopkeepers, roadside vendors, auto rickshaw all resorted to e-transactions during this time. PayTM 's advertisement campaign like

- ❖ **Goli Dena band karo, bas ek scan mein done Karo**
- ❖ **Chhute ke jagre band karo, Paytm karo**
- ❖ **Bargain jibhar karo, apne price pe done karo**
- ❖ **Chik chik mat Karo, Paytm karo**

All of these word play karo-karo resonated with the minds of the people and helped it take full advantage of the opportunity that presented itself. A lot of investment by the company following demonetization helped it become the most used wallet in the country. In 2016, the company had also invested a huge sum in becoming the title sponsor of the Indian cricket team and this played off quite well as the timing of a many cricket matches coincided with demonetization .

To cope up with the increased demand the company hired 1500 employees in December 2016. Post demonetization users were adding INR 150 crores daily this figure increased almost four-fold when compared to pre-demonetization when people were adding about INR 40 Crores on a daily basis. The average money in the wallet soared from INR 65 to INR 228. In November 2016 the company added 0.15 million merchants in its 1 million merchant network. Post demonetization. PayTM daily transactions increased to 5 million a week which is roughly equal to the combined average of a number of transactions by credit and debit cards daily. To expand

its reach PayTM hired 20,000 sales people in 650 districts in the months of December 2016 and January 2017. To administer the increase in the number of daily transactions PayTM bought 1,300 new servers to build a network that could support 10 million transactions a day, that would help it virtually double its capacity.

The Indian e-commerce market till 2015 had home-grown giants like Flipkart and Snapdeal along with American major Amazon. When PayTM was just in its initial stages these giants had their roots deep in the Indian market. They had already invested millions of dollars into building the supply chain, back-end logistics and customer support. It has done well to rise in this environment however, if PayTM wants to remain at its position its strategy of offering zero commission to vendors may not be enough, it will have to build strong backend logistics to facilitate fast and smooth delivery for minimal consumer complaints. Also interest shown by giants such as Alibaba in the Indian market may threaten PayTM's position in the future.

PayTM is one of the leaders in this digital wallet sector in India. Paytm has focused towards building its brand image more concrete in the running competition. **Recently it has appeared to be ahead of its rivals mobikwik, freecharge and others.** As per the records, it was found that currently around 177 million of the users use Paytm in their day to day life and make a total of 7 million transactions in a day . After demonetization, it has achieved a total of 75 million unique users per month. Among all users around 40% users belong to small cities, 67 million population belong to 56 big cities and the rest from small towns.

After demonetization Paytm made it easier to pay with its digital payment option. There was around 1000% growth in the money added to its wallet, 300% rise in app download and a gain of 20 million new users was recorded within 2 months (BI intelligence 2016).

2.5 PAYTM AND INNOVATIONS

Paytm Innovative Initiatives and Success Stories:

Paytm is one of the leading e – wallet and e-commerce companies. Paytm is miles ahead of its rivals. Paytm is India’s largest mobile first financial services platform. What began primarily as online bill pay is now a full-service mobile money solution that includes Paytm Payments Bank, which is geared

towards people who haven’t had access to financial services. Paytm Payments Bank includes debit cards, money market funds, and soon, business accounts. Speaking of business, Paytm also launched its Paytm for Business app, which allows retailers to track transactions and receive digital payments via QR code. It has also beefed up its appeals to corporate customers with banking features including a food wallet that can be restricted for use at an office cafeteria. Paytm is awarded with the Most Innovative Start-up of the Year at the Entrepreneur India event by Franchise India in 2012. One97/Paytm recognized among Smart Innovators of 2014 at the Inc India Awards and Vijay Shekhar Sharma recognized among the most Innovative CEOs of 2014 by Inc India. India’s largest mobile payments platform Paytm’s instrumental role towards pioneering the cashless economy has been honoured in American business magazine Fast Company’s annual ranking of the world’s 50 Most Innovative Companies’ for 2018. The company secured the 31st spot and became among the only two Indian companies that has joined the list of other leading global companies such as Netflix, Tencent and SpaceX. Most Innovative Companies is one of Fast Company’s most significant and highly anticipated editorial efforts of the year. To produce the 2018 list, more than three dozen Fast Company editors, reporters, and contributors surveyed thousands of enterprises across the globe to identify the most notable innovations of the year and trace the impact of those initiatives on business and industry. Paytm has played a key role in easing Indians into a major sector — payments.



2.6 PAYTM IN INDIA'S DEVELOPMENT

The e-commerce as has been mentioned earlier has seen an outstanding growth in 2014 - 2016. The growth was because of the high rate of technology adoption led by the increasing use of devices such as smartphones, tablets and notebooks, and access to the internet. Because of ecommerce companies like PayTM this sector in India has grown by a compound annual growth rate (CAGR) of 34% since 2009. That is why to get the maximum benefit, public sector firms like "Delhi Jal Board", "South Bihar Power Distribution", "BSNL", etc, have

adopted e-commerce by partnering themselves with PayTM. A company like PayTM is making India a digital nation with an approach towards corruption less society. The number of middlemen involved when you buy a product is reduced as companies like PayTM have a transparent system of knowing the seller. Government can ensure right taxes on every product. It becomes difficult for one to evade taxes with all the transaction data available online. The e-commerce sector comes under the Information Technology sector. The sector has increased its contribution to India's GDP from 1.2% in 1998 to 7.5% in 2012. According to NASSCOM, the sector aggregated revenues of US\$147 billion in 2015, where export revenue stood at US\$99 billion and domestic at US\$48 billion, growing by over 13%, since PayTM is the largest e-commerce company in India, it makes a significant impact in the Indian economy.



CHAPTER – 3

PRESENTATION, ANALYSIS AND FINDINGS OF DATA

3.1 PRESENTATION OF DATA ANALYSIS AND INTERPRETATIONS ON THE BASIS OF PRIMARY DATA

This research is being conducted to analyse how Paytm is being accepted as a medium of digital payment in today`s time and the satisfaction of the customers` from the same.

The analysis of the collected data will be done on the basis of the following parameters:

[SAMPLE SIZE - 80]

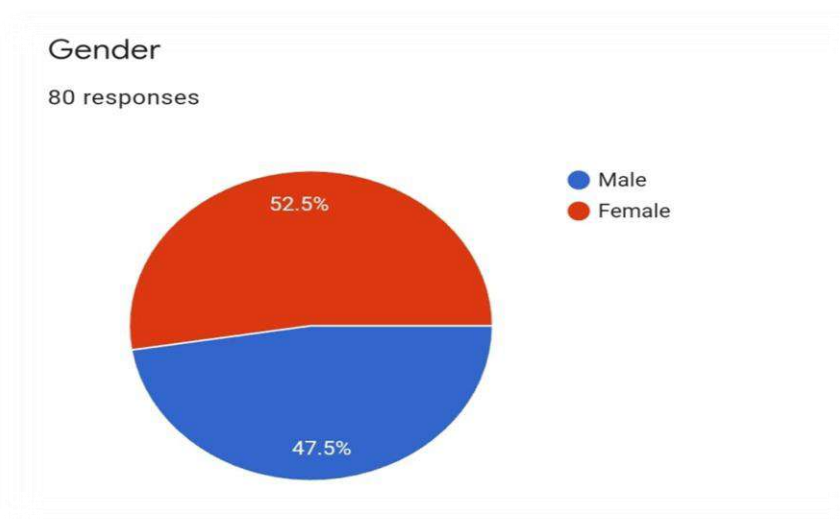
1) GENDER

GENDER	RESPONDENTS
MALE	38
FEMALE	42

Table 1 : Diversity of Gender among the Respondents

INTERPRETATION:

Out of 80 respondents, there were 38 male respondents and 42 female respondents.



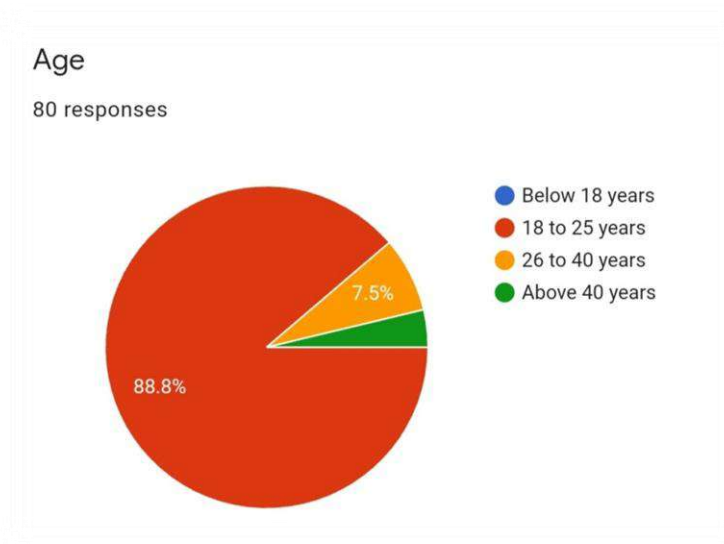
2) AGE

AGE	RESPONDENTS
BELOW 18 YEARS	NIL
18 TO 25 YEARS	71
26 TO 40 YEARS	6
ABOVE 40 YEARS	3

Table 2 : Age of the different respondents

INTERPRETATION:

Out of the 80 respondents , the maximum respondents were from the Age group of 18 to 25 years. 6 respondents were from the age group of 26 to 40 years and 3 respondents were above 40 years.



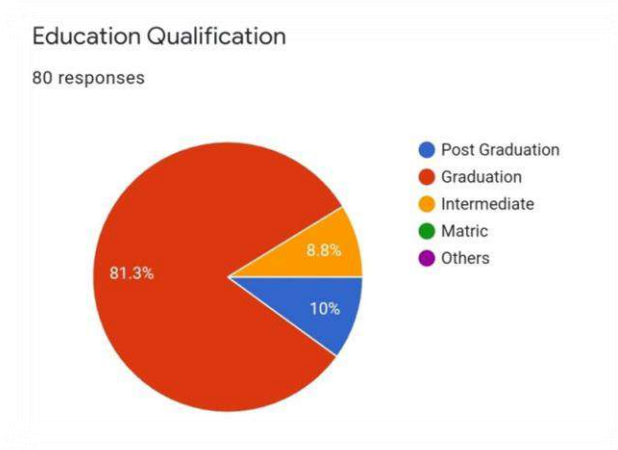
3) QUALIFICATION

QUALIFICATION	RESPONDENTS
POST GRADUATION	8
GRADUATION	65
INTERMEDIATE	7
MATRIC	NIL
OTHERS	NIL

Table 3 : Education Background of the different respondents

INTERPRETATION:

Out of 80 respondents, 65 respondents which is maximum of the respondents were pursuing Graduation or have graduated. 7 respondents were pursuing their intermediate studies and 8 respondents were from Post Graduation.



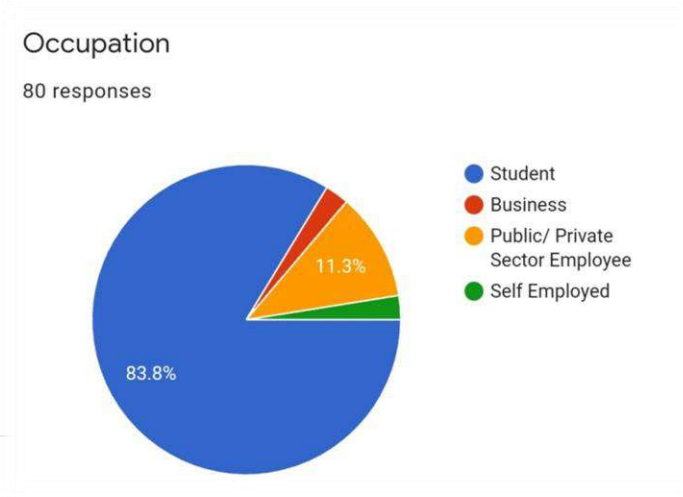
4) OCCUPATION:

OCCUPATION	STUDENTS	BUSINESS	EMPLOYEE	SELF EMPLOYED
RESPONDENTS	67	2	9	2

Table 4 : Diversity of Profession among the Respondents

INTERPRETATION:

Out of 80 respondents, maximum respondents happens to be the students. 9 respondents were employees, 2 respondents were doing Business and Self – Employment.



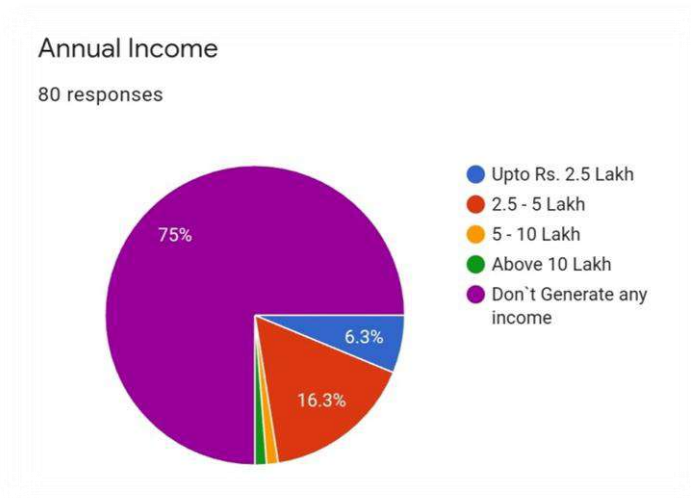
5) ANNUAL INCOME

ANNUAL INCOME	UPTO Rs. 2.5 LAKH	2.5L TO 5L	5L to 10L	Above 10L	No Income
RESPONDENTS	5	13	1	1	60

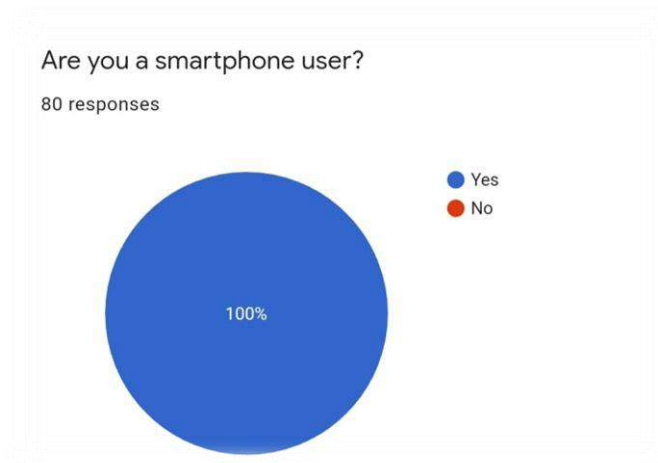
Table 5 : Income group of the Respondents

INTERPRETATION:

Maximum respondents doesn't generate any income. 13 respondents were from the income group of 2.5 Lakh – Rs. 5 Lakh, and there is 1 respondent both from the income group of 5L-10L and Above 10 lakh.



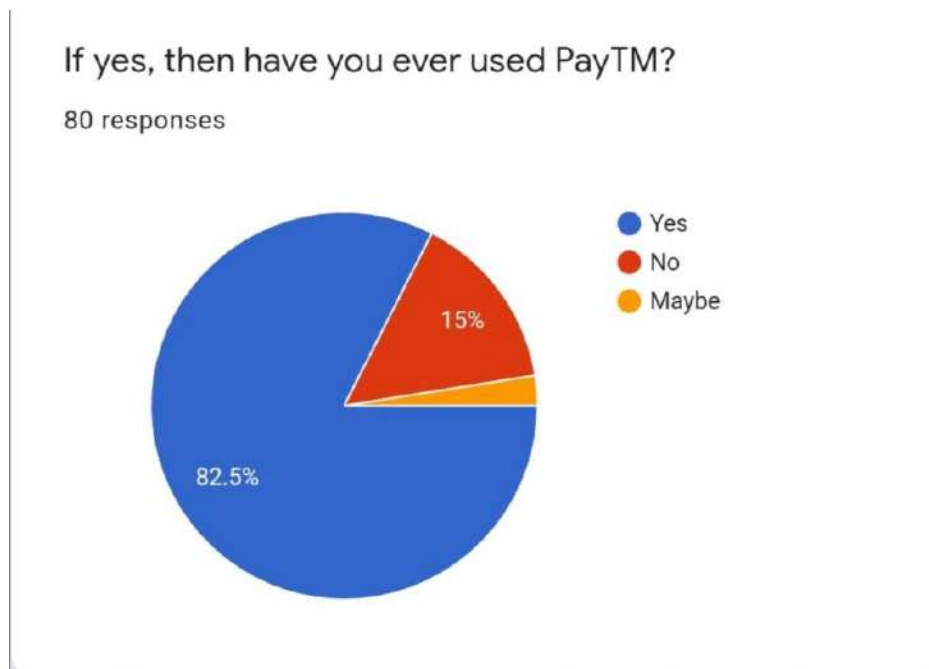
6) SMARTPHONE USER



INTERPRETATION:

Since Smartphone is really convenient and gives a lot of accessibility, the entire respondents of the questionnaire was smartphone user.

7) HOW MANY RESPONDENTS USE PAYTM?



INTERPRETATION:

Maximum of the respondents are PayTM user, 15% of the respondents doesn't use PayTM and a very small percentage used PayTM for a small period of time.

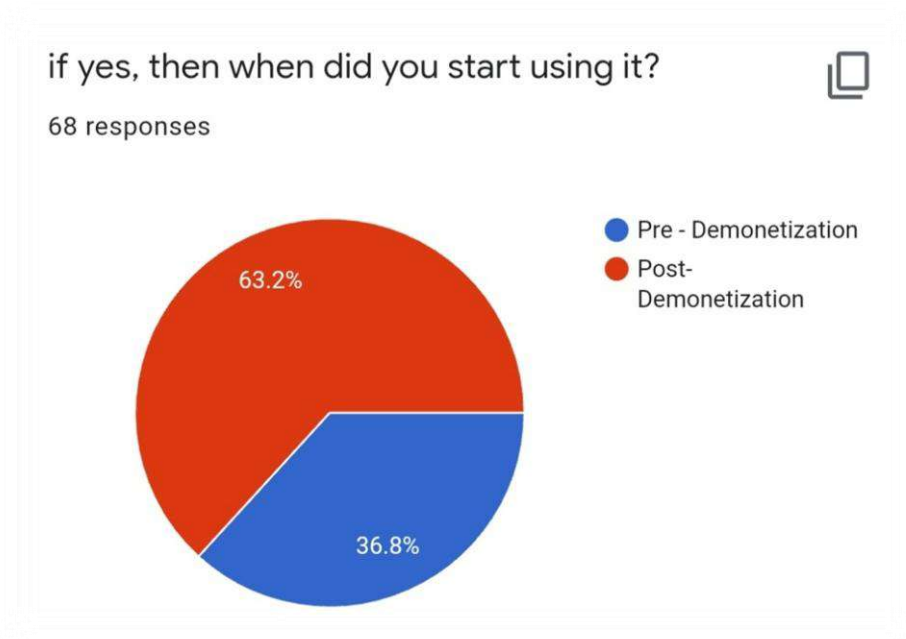
8) DURING WHICH PERIOD THEY HAVE STARTED USING PAYTM?

PERIOD	RESPONDENTS
Pre – Demonetization	43
Post-Demonetization	25

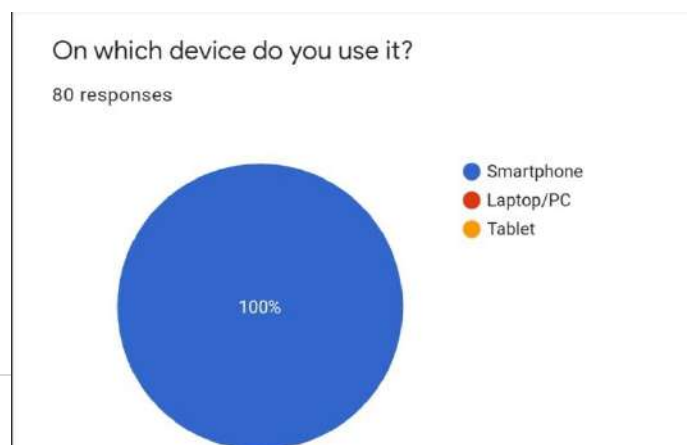
Table 6 : Period during which the Respondents started using Paytm

INTERPRETATION:

68/80 Respondents are the user of PayTM. Out of which 43 respondents started using it post demonetization and 25 of them prior to the demonetization. Clearly proving that the demand for digital payment had a positive impact after the demonetization.



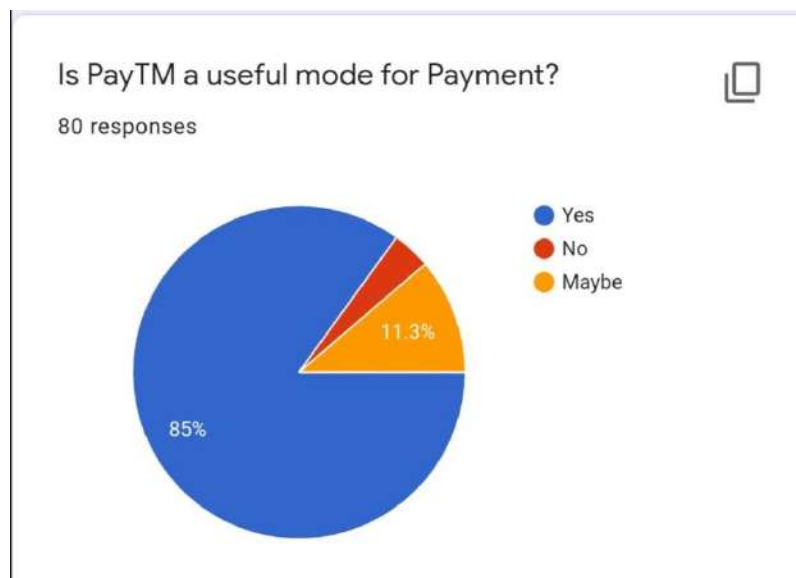
9) DEVICE ON WHICH PAYTM IS USED?



INTERPRETATION:

Since the world is shifting towards mobile applications because everything can be done just using a click and also people want services to be available in all the conditions and at all times so almost all of the respondents use PayTm mobile app

10) IS PAYTM A USEFUL MODE OF PAYMENT?



INTERPRETATION:

85% of the respondents have said that Paytm is an useful mode of payment and can be used for transaction with full reliability. However 11.3% of the respondents are not sure about it and around 3.7% of the respondents feels unsafe and that is negligible as the amount of respondents is really small.

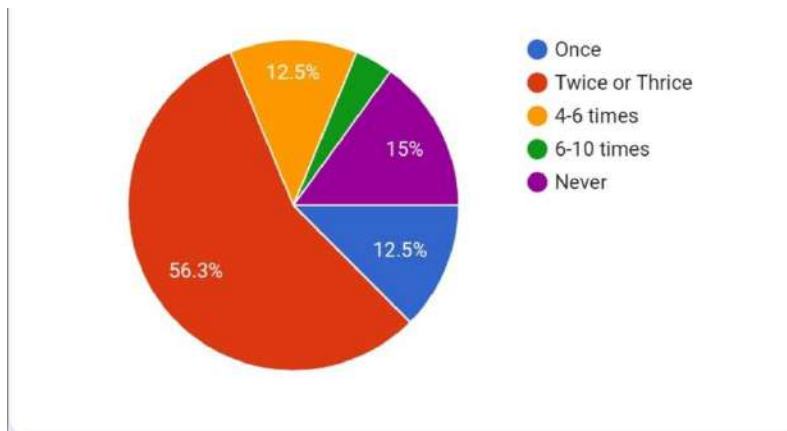
11) FREQUENCY OF PAYTM USAGE IN A MONTH

FREQUENCY	ONCE	TWICE OR THRICE	FOUR-SIX TIMES	6-10 TIMES	NEVER
RESPONDENTS	10	45	10	3	12

Table 6 : Frequency of Paytm usage by the respondents

INTERPRETATION:

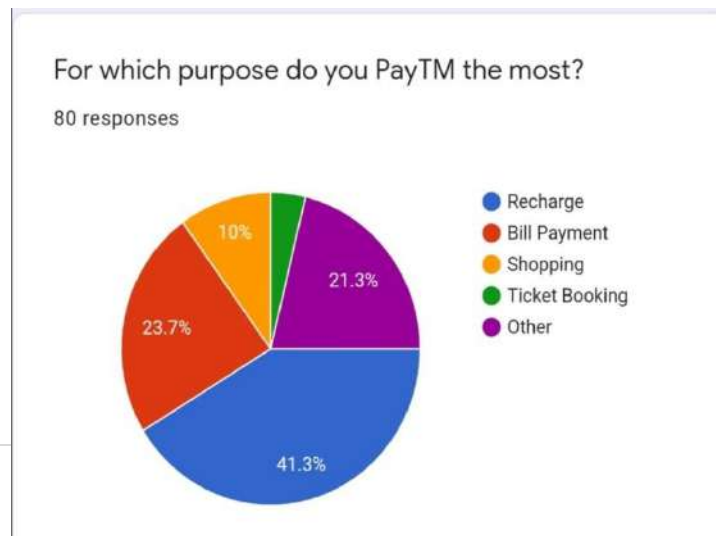
Out of 80 respondents, maximum of the respondents uses PayTM twice or thrice in a month. 10 respondents uses Once and also 10 respondents uses 4 – 6 times in a month. However 12 respondents never uses it



12) PURPOSE OF USING PAYTM THE MOST

PURPOSE	RECHARGE	BILL PAYMENT	SHOPPING	TICKET BOOKING	OTHER
RESPONDENTS	33	19	8	3	17

Table 7 : Purpose of using Paytm by the Respondents



INTERPRETATION:

Majority of the respondents (nearly 41.3%) use PayTm for recharge since it is very convenient to recharge your phone anytime anywhere without being dependent on the recharge shops. Nearly 23.7 % of the respondents pay their bills through PayTm as it prevents time and also it prevents the respondents from standing in long queues. 10% uses it for shopping and among the respondents very small percentage of respondents uses it for booking tickets and 21.3% of the respondents uses it for some other purposes.

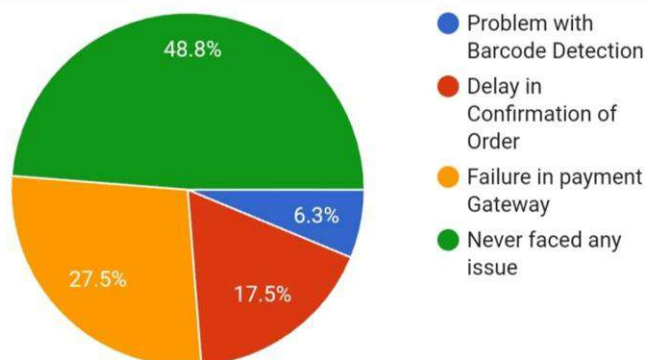
13) IF THE RESPONDENTS FACED ANY KIND OF TECHNICAL GLITCHES IN PAYTM ?

GLITCHES	RESPONDENTS
Error in Barcode Detection	5
Confirmation Order Delay	14
Failure in Payment Gateway	22
Never faced any issues	39

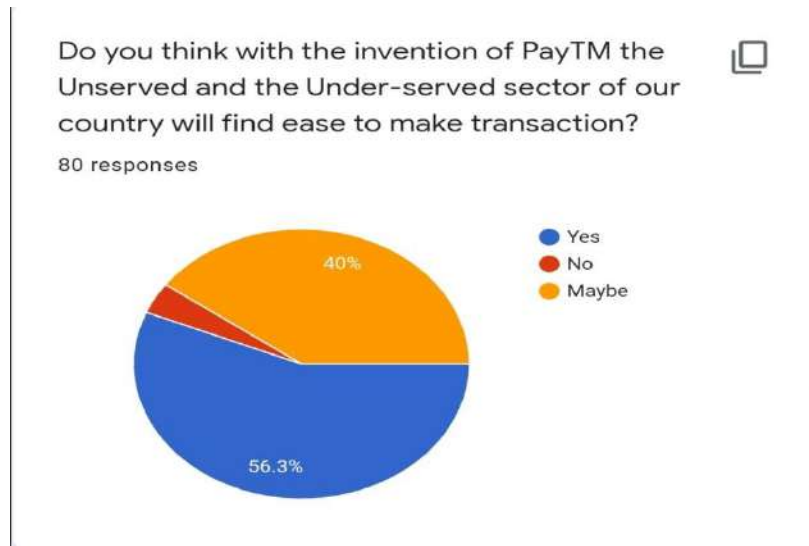
Table 8 : Tech Glitch of Paytm faced by the Respondents

INTERPRETATION:

Of the total respondents, 39 respondents which happens to be 48.8% never faced any issue. 22 respondents have experienced failure in Payment Gateway followed by 14 respondents who have faced issues like Delay in Confirmation. The least problem that was faced by the respondents is the error in Barcode Detection.



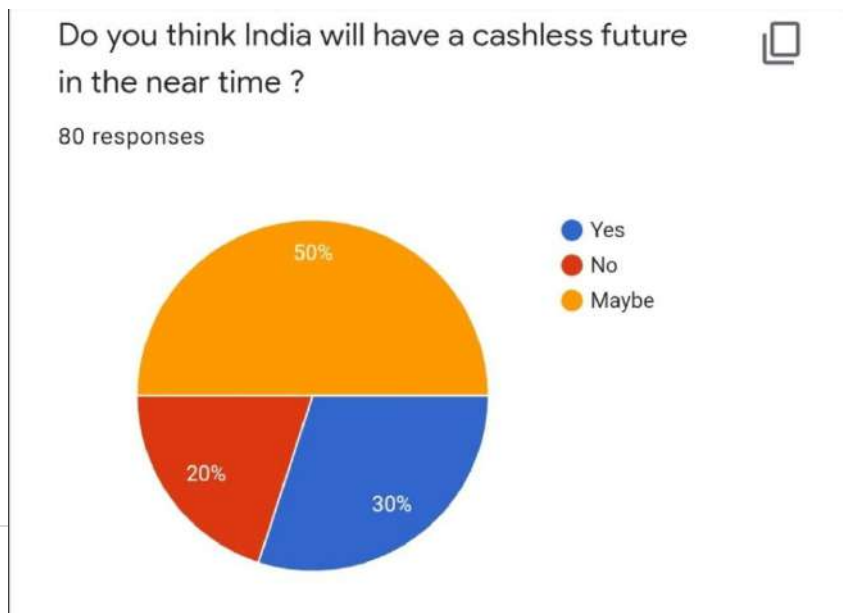
14) Does Paytm helps the Under-served sector in making the transaction with ease?



INTERPRETATION:

From the research, it has been observed that the invention of PayTM has helped the Under-Served sector in making the transaction with ease as more than half of the total respondents agreed to this fact. Around 40% are not sure about it and around 2% of them disagree which is negligible

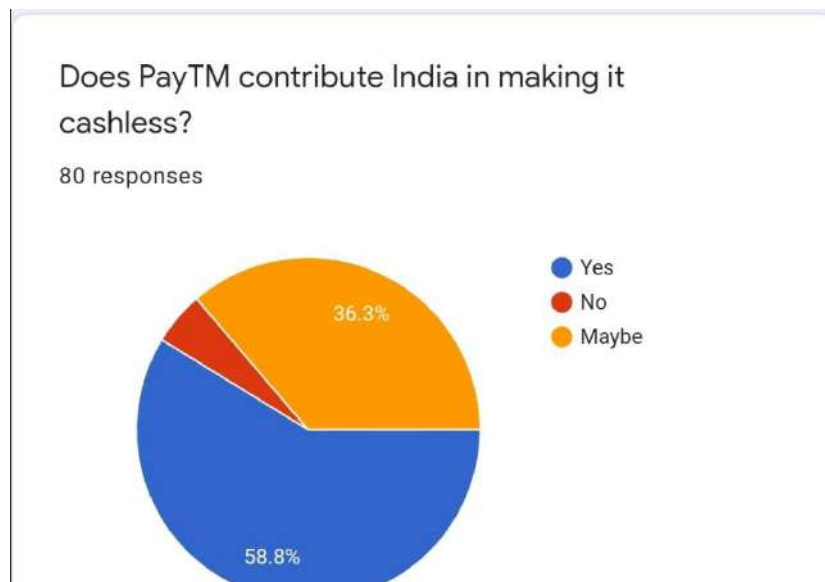
15) WILL INDIA TRANSFORM ITS MODE OF PAYMENT IN DIGITAL MODE COMPLETELY IN NEAR FUTURE?



INTERPRETATION:

The majority of the respondents are not sure whether India will have a Cashless future or not.30% of the respondents agreed to the fact and 20% believed that India will not transform its mode of payment digitally.

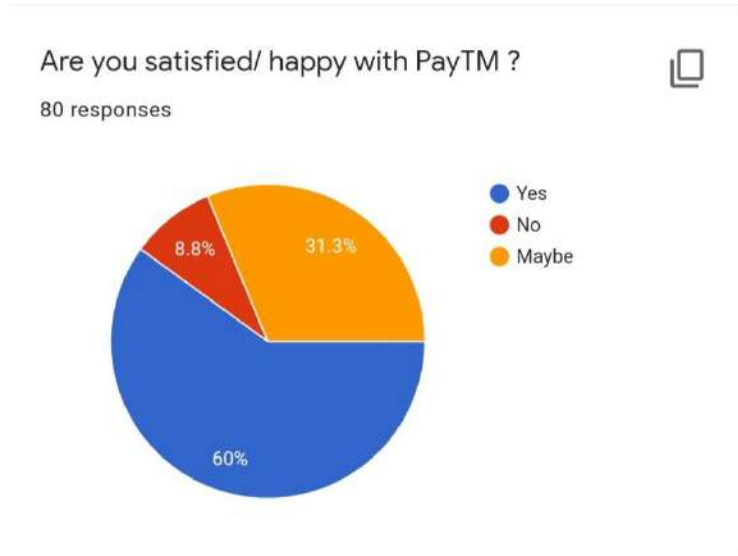
16) DOES PAYTM CONTRIBUTE IN MAKING INDIA A CASHLESS ECONOMY?



INTERPRETATION:

More than half of the respondents believes that Paytm helps in making a cashless economy. Around 36.3% of the respondents are not sure about it and 5% of the respondents thinks that Paytm doesn't help India in accepting Digital Payments

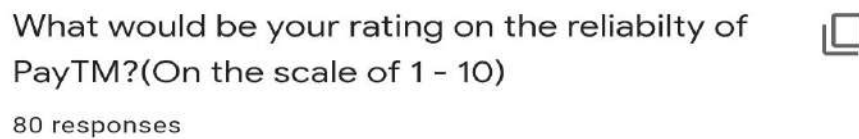
17) LEVEL OF SATISFACTION WITH PAYTM



INTERPRETATION:

60% of the respondents are happy/satisfied with the service provided by Paytm. However 31.3% are neither happy nor unhappy and around 8.8% of the respondents are dissatisfied with the service provided by Paytm.

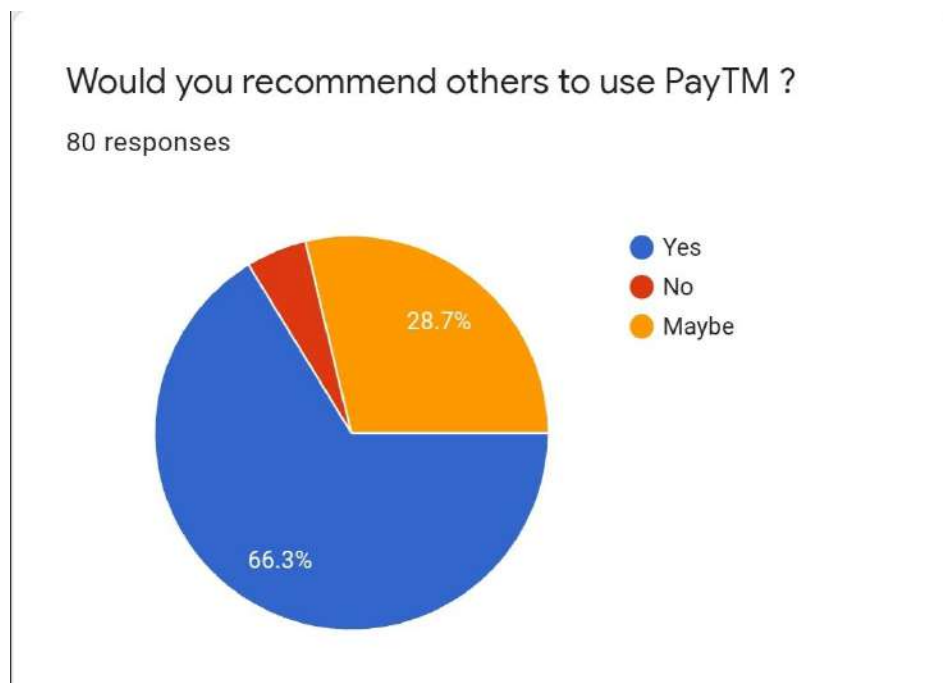
18) RATING ON THE RELIABILITY OF PAYTM ON THE SCALE OF 1 – 10



INTERPRETATION:

Maximum of the respondents have rated 8 on the scale of 10 which is quite high and as the respondents are really less, it is not possible to get the reflection of a true scenario. However from the above graph, we can conclude that PayTM is reliable for making transactions.

19) RECOMMENDATION OF USING PAYTM ?



INTERPRETATION:

66.3 % of the respondents have agreed to the fact that they will be recommending others to use Paytm and 28.7% of the respondents might or might not recommends and a few percentage has denied for the recommendation.

3.2 FINDINGS FROM THE ANALYSIS

From the above questionnaire, the following observations can be inferred:

- ❖ The innovation of Paytm has helped the majority of the Indian people and especially post the demonetization, it played a huge role for making transactions without any hassle .
- ❖ The priority that is given by the Paytm to grab the under-served or the un-served sector and helping them to make transactions without any complications makes Paytm stand out from the crowd of the digital wallets.
- ❖ It is believed that even the Auto owners and the shop owners took great benefit of this digital wallet post demonetization when there was a huge shortfall of cash in the market
- ❖ The reliability of Paytm also attracted most of the Indians to use Paytm as a medium of payment
- ❖ Paytm plays a huge role in transforming India towards a cashless economy and also helps the in making transactions easily and simply without any discrepancies.

In short , Paytm has indeed helped the country in making it a cashless economy and it is being adopted mostly as a mode of payment everywhere in India. However, although cashless dealings have enlarged these days, right now India cannot wholly become a cashless economy considering its high percentage of digital illiteracy and cash transactions. But Indian Government is working towards growing the share of cashless transactions, which is a good thing for any economy. It is predicted that in approaching years there will be a spiky and unpredicted rise in the number of digital payment transactions in India.

CHAPTER- 4

4.1 CONCLUSIONS

With the revolutionary change in the economy of India, we have observed that there are many factors which are promoting cashless transaction in India. Therefore, there was a need to introduce the payment bank applications in the nation so that black money and fraud can be minimized at a fast pace. Therefore, after the demonization many promotional tools and marketing strategies were used in order to promote the Digital transaction so that India can become a Cashless economy. Customers and cashless transactions can move in tandem by using the payments bank application.

The present study has made an attempt to understand regarding the Marketing and Promotional Strategies of PayTM. With recent advances in mobile technologies, mobile commerce is having an increasingly profound impact on our daily lives, and beginning to offer interesting and advantageous new services. In particular, the mobile payment (m-payment) system has emerged, enabling users to pay for goods and services using their mobile devices (especially mobile phones) wherever they go. Mobile payment is anticipated to enjoy a bright future.

India is witnessing an exponential growth in the area of digital payment in recent times. With ever-increasing internet and mobile penetration, the country is all set to witness a massive surge in the adoption of digital payments in the coming years and PayTM being the most flexible and reliable mobile payment application makes it easier to make a transaction. Furthermore, flagship government initiatives such as Digital India will act as key catalysts and enablers of this transformation.

The cashless transition is not only safer than the cash transaction but is less time consuming and not a problem of carrying and problem of wear and tear like paper money. It also helps in record of the all the transaction done. There are difficulties in implementing the idea of cashless economy in a vast country like India where a large number of people are livelihood under unhappiness and deficiency, yet a beginning had to be made someday.

Today, there is a sea change in the state of mind of people with regard to digital means of monetary dealings which are secure, trouble-free, expedient and transparent. There is no place for black money or fake currency in cashless India and therefore this has brought a positive impact on the economy of India.

4.2 RECOMMENDATIONS

- According to the findings we have found that still, customers have trust issues with the payment applications therefore, strict measures should be taken in order to secure the digital transactions.
- Adequate Customer grievance redressal system should be established so that immediate actions can be taken if they receive the complaint from the clients.
- Still, there is a huge market available in the rural area, therefore, there should be proper marketing and educational campaigns in order to promote the payment applications.
- Paytm must take some strict measures in order to maximize the usage of financial services and educate the customer regarding these as still, they have lack of knowledge of the services provided by the payment applications.
- Paytm Interface needs to be simpler so that any new user should be able to use the application without any complications or difficulties.

CHAPTER – 5

BIBLIOGRAPHY

The essential contents of the Project have been collected from various sources inclusive of various Journals, articles and websites. Some of them are listed in the following:

5.1 Web References

- <http://www.researchandmarkets.com/reprts/3022303>
- [http://allsefulinfo.com/pros-cons-of digital wallet/](http://allsefulinfo.com/pros-cons-of-digital-wallet/)
- <http://gadgets.ndtv.com/apps/features/seven-mobilewallets-every-indian-should-know-about-754812>
- <http://en.wikipedia.org/wiki/paytm>
- Paytm blogs- <http://paytm.com/blog/immediate-mobile-payment-service-imps-a-new-payment-instrument-on-paytm/>
- Paytm seller <http://seller.paytm.com/log.in>
- www.cashlessindia.gov.in.
- www.livemint.com

5.2 Journals:

- Dr. T. Venkatesan “Usage of PayTM – A Study in Madurai City” Bodhi International Journal of Research in Humanities, Arts and Science, Vol -2 No.3 April 2018 Electricity -ISSN: 2456- 5571
- Prof Trilok Nath Shukla, “MOBILE WALLET: PRESENT AND THE FUTURE”, International Journal in Multidisciplinary and Academic Research (SSIJMAR) Vol. 5, No. 3, June 2016 (ISSN 2278 – 5973).

ANNEXURES
QUESTIONNAIRE

CUSTOMERS` SATISFACTION AND PROMOTIONAL SRTATEGY OF PAYTM

1 Name *

2 Gender *

- Male
- Female
- Other:

3.Age *

- Below 18 years
- 18 to 25 years
- 26 to 40 years
- Above 40 years

4 Education Qualification *

- Post Graduation
- Graduation
- Intermediate
- Matric
- Others

5. Occupation *

- Student
- Business
- Public/ Private Sector Employee
- Self Employed
- Other:

6. Annual Income *

- Upto Rs. 2.5 Lakh
- 2.5 - 5 Lakh
- 5 - 10 Lakh
- Above 10 Lakh
- Don't Generate any income

7 Are you a smartphone user? *

- Yes
- No

8 If yes, then have you ever used PayTM? *

- Yes
- No
- Maybe

9 if yes, then when did you start using it?

- Pre – Demonetization
- Post- Demonetization

10 On which device do you use it? *

- Smartphone
- Laptop/PC
- Tablet

11 Is PayTM a useful mode for Payment? *

- Yes
- No
- Maybe

12 How often do you use PayTM in a month? *

- Once
- Twice or Thrice
- 4-6 times

- 6-10 times
- Never

13 For which purpose do you PayTM the most? *

- Recharge
- Bill Payment
- Shopping
- Ticket Booking
- Other

14 Have you ever faced any technical glitch while using PayTM? If yes,then please choose what kind of glitches you have experienced *

- Problem with Barcode Detection
- Delay in Confirmation of Order
- Failure in payment Gateway
- Never faced any issue

15 Do you think with the invention of PayTM the Unserved and the Under-served sector of our country will find ease to make transaction? *

- Yes
- No
- Maybe

16 Do you think India will have a cashless future in the near time ? *

- Yes
- No
- Maybe

17 Does PayTM contribute India in making it cashless? *

- Yes
- No
- Maybe

18 Are you satisfied/ happy with PayTM ? *

- Yes
- No
- Maybe

19 What would be your rating on the reliability of PayTM?(On the scale of 1 - 10) *

20 Would you recommend others to use PayTM ? *

- Yes
- No
- Maybe

21.Is there anything that you would like PayTM to improve ? Comment

PROJECT REPORT

(Submitted for the Degree of B.Com (H), in Accounting and Finance
under the University of Calcutta)

TITLE:

CUSTOMER AWARENESS

SUBMITTED BY-

Name: Saurav Pradhan

Registration No.: 223-1111-0537-18

Cu Roll No.: 181223-21-0021

College: Scottish Church College

UID No.-:

SUPERVISED BY-

Prof. Biswadeep Dutta

SCOTTISH CHURCH COLLEGE

Date: 10/07/21

Annexure-1A

SUPERVISOR`S CERTIFICATE

This is to certify that, saurav pradhan , a student of **B.Com (H)**, in **Accounting and Finance** of Scottish Church College under the **University of Calcutta**, has worked under my supervision and guidance for his project work and prepared a project report with the title **CUSTOMER AWARENESS**. Which he is submitting, it is his genuine and original work to the best of my knowledge.

This project report is his genuine and original work to the best of my knowledge.

Place: KOLKATA

Date: 10/07/21

Signature:

Name:

Designation:Lecturer

ANNEXURE-IIB

Student`s Declaration

I, Saurav Pradhan , hereby declare that the project work with the title “CUSTOMER AWARENESS” submitted by me for the partial fulfillment of the degree of B.Com Honours in Accounting & Finance under the university of Calcutta is my original work and has not been submitted earlier to any other university/Institution for the fulfillment of the requirement of any course of study.

I also declare that no chapter of this manuscript in whole or in part has been incorporated in this report from any earlier work done by others or by me. However, extracts of any literature which has been used for this report has been duly acknowledged providing details of such literature in the references.

Signature:

Name: Saurav.Pradhan

Address: HAMILTONGANJ, DIST ALIPURDUAR

Registration No. : 223-1111-0537-18

Place: Kolkata

Date:

10/07/2021

ACKNOWLEDGEMENT

It is often said that “A journey of a thousand miles begins with a single step.”

This project consumed huge amount of work, research and dedication. Still, its implementation would not have been possible if I did not have the support of many individuals. Therefore I would like to extend my sincere gratitude to all of them.

First of all I am thankful to my mentor, Prof _____ support and for providing necessary guidance concerning the project’s implementation. Without his superior knowledge and experience, this project would lack in quality of outcomes, and thus his support has been essential.

I would also like to express my sincere thanks towards my friends who devoted their time and knowledge in the outcome of this project.

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Chapter-1

Introduction

Customer Awareness

Consumer is the person who hires or avails of any services for a consideration which has been paid or promised or partly paid and partly promised or under any system of deferred payment. But Consumer exploitation is very rampant these days. Consumers get exploited in many ways through the more dominating and knowledgeable sources.

On the other hand, consumers have to be aware not only of the commercial aspects of sale and purchase of goods but also of the health and security aspect. Besides this, they should be aware of their rights and duties being as rational human beings viz., price and quality of products used by them, about Fair Price Shops, standardization of products, about Consumer Forums etc. Therefore, Consumer exploitation should be brought down with proper awareness to the consumers on their rights and how they could go about with things, if they feel they have been cheated.



Rise of Consumer Awareness

In the globalization, liberalization and privatization era, most of the economic decisions are taken by the market. Though the government has withdrawn itself from many economic activities, it interferes very often when the market mechanism fails due to structural rigidities in the economy and other factors, to provide goods and services to the people.

Consumption is one of the important economic activities, which requires regular government intervention, as the market is unable to promote security and welfare aspects of the consumers. On the other hand, consumers have to be aware not only of the commercial aspects of sale and purchase of goods but also of the health and security aspect also. Besides this, they should be aware of their rights and duties being as rational human beings.

Though the first consumer movement began in England after the Second World War, a modern declaration about the consumer's rights was first made in the USA in the year 1962, where four basic consumer rights i.e. Choice, information, safety and right to be heard were recognized.



Objectives Of The Study

The Study based on the following objectives:

1. To study the level of consumer awareness of the consumers in the study area
2. To make the students habituated about the survey work.
3. To make the students acquainted how different statistical tools can be applied in different socio-economic problems.

Data Base and Methodology

Collection Of Data

The project report is based on primary data collected by the students of B.Com (Honours). Data collected by the investigator for his own purpose, for the first time, from beginning to end is called primary data. According to **Wessel**, “Data originally collected for the purpose of the investigator are known as primary data”. When data collected by the others are used by others for their use or investigation then it is known as secondary data.

Sampling Technique Used

The total number of households selected for the project is 20. These household has been selected by the sampling method. There are two statistical inquiry methods:

1. Census Method
2. Sampling Method

Census method is that method in which data are collected covering every item of the universe or population relating to the problem under investigation. The sampling method is that method in which data are collected about samples or a group of items taken from the population. There are different types of sampling techniques such as random sampling, quota sampling, stratified sampling, deliberate sampling etc. But for the project concerned deliberate sampling method is used. This is also called judgment sampling. According to this method, for selecting a sample no specific

procedure is used, rather the investigator, according to his own desire selects those households which represent the universe fully.

Limitations Of The Study

The study is based on primary data, collected by the Students,. The study area of the project is limited to Kolkata city only. The sample size of the project is 15 only. So, the sample of the project is very small.

CHAPTER 2

Meaning Of Consumer Awareness

Consumer awareness means awareness of consumers in different aspects of consumption activities. Consumer awareness is a broader and wider concept. It covers the followings:

- a) Consumer awareness about **Maximum Retail Price (MRP)**.
- b) Consumer awareness about **Fair Price Shop**.
- c) Consumer awareness about price, quality and expiry date of the product.
- d) Consumer awareness about their rights and duties.
- e) Consumer awareness about certified products like **ISI, Agmark, ISO-2000**



Forms Of Consumer Exploitation

Consumer exploitation is a type of exploitation in which the consumers are exploited or cheated by the business community in terms of poor quality of product, underweight, under-measurement, duplicate Some of the common ways by which the consumers are exploited by the business community are as follows:

1. Underweight and under-measurement
2. Sub-standard quality
3. High prices
4. Duplicate articles
5. Adulteration and impurity
6. Lack of safety devices
7. Artificial scarcity
8. False and incomplete information
9. Unsatisfactory after sale services
10. Rough behavior



Factors Causing Exploitation Of The Consumers

The following are the factors that cause the exploitation of consumers:

1. Limited information
2. Limited supply
3. Limited competition
4. Low literacy

Chapter 3

Rights and Duties of The Consumers

Rights Of The Consumers

The following are the rights of the consumers as coded in the Indian laws, which the business community has to keep in mind:

1. Right to safety
2. Right to choose

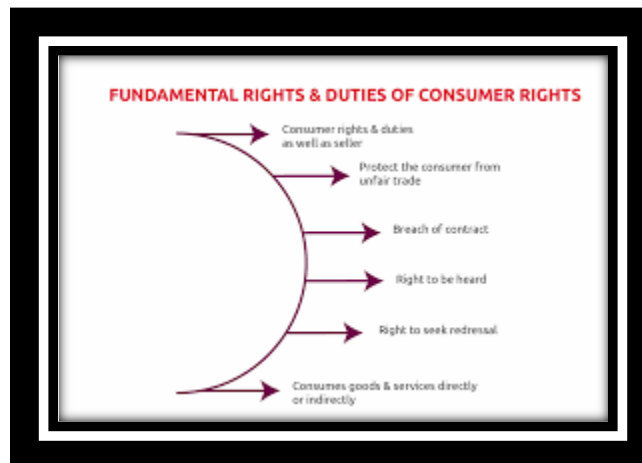
3. Right to seek redressal
4. Right to consumer education
5. Right to be heard
6. Right to be informed.



Duties Of The Consumers

In order to secure rights, consumers have to fulfill the following duties:

1. While purchasing goods, consumers should look at the quality of the products as well as on the warranty of the product.
2. They should ask for **Cash Memo** for the item purchased.
3. They should form consumer awareness organizations.
4. They must complain for their genuine grievances.
5. The must know their rights and duties.





Chapter 4

Consumer Protection Measures

Introduction

In order to protect the interest of the consumers, the government has adopted three strategies:

1. Administrative measures
2. Technical measures
3. Legislative measures



Administrative Measures

Administrative measures of the government include the distribution of essential commodities through **Public Distribution System (PDS)**. PDS is a system through which the government distributes some essential commodities at a reasonable price through the **Fair Price Shop**. In a free market economy, the price of a commodity is determined in the market through the free play of demand and supply. **Equilibrium price** is that price at which demand and supply of the commodity are equal to each other i.e. there are zero excess demand and excess supply. But sometimes government interferes in the market systems by fixing the price lower than the equilibrium price, to protect the interest of the consumers belonging to the lower strata of the society. This price is known as **Control Price**. When the government fixes price lower than the equilibrium price, demand exceeds supply, which leads to black-marketing and hoarding. To check these government sales different commodities at different FPS at control price.



Technical Measures

Technical measures consist of Standardization of the product. One of the important measures taken by the government to protect the consumers is the creation of institutions for setting up the standards for making and producing various products and enforcing them. In India, this has been achieved through the **Bureau of Indian Standards (BIS), and Agmark**. While BIS caters to the industrial and consumer goods while Agmark is meant for the agricultural products.

The Bureau of Indian Standards, earlier known as the Indian Standards Institution (ISI), whose headquarter is located at Delhi, has the responsibility of lying down the standards for industrial and consumer goods on a scientific basis and certifying the goods that meet the standards and the prescribed quality.

The Agmark is implemented under the **Agricultural Produce (Grading and Marketing) Act of 1937, as amended in 1986**. This scheme is run by the **Directorate of Marketing and Intelligence (DMI)** in the Ministry of Agriculture, Government of India. Products such as honey, masala etc, carry such marks.

At the international level, an institution called **International Organization for Standardization (ISO)**, established in 1947 located at Geneva, serves to provide such a common reference standard. All the international Companies, goods produced by them, and institutions are certified as **ISO 6000, ISO 14000** etc.

For setting international food standards, there is a similar body called **Codex Alimentaries Commission (CAC)**. This was formed in 1963 by the **Food and**

Agricultural Organization (FAO) and the **World Health Organization(WHO)**, located at Rome, Italy. It develops food standards, guidelines and codes for production and international trade in food products like milk, fish etc.

Legislative Measures



Legislative measures include enactment of **Consumer Protection Act, 1986**. The Government enacted a specific law called the Consumer Protection Act, 1986. The Act provides for the establishment of consumer disputes redressal agencies at District, State and National level for the protection of consumer interests and to redress their grievances in a speedy, simple and inexpensive manner. The Act has led to the setting up separate **Department of Consumer Affairs** in Central and State Government, which focus exclusively on the rights of the consumers, as enshrined in the Act.



Chapter 5

Consumer Protection Act of 1986 And Case Studies

Consumer Protection Act Of 1986

The industrial revolution and the development in the international trade and commerce has led to the vast expansion of business and trade, as a result of which variety of consumer goods have appeared in the market to cater the needs of the consumers and a host of services have been made available to the consumers like insurance, transport etc. The advertisement of goods and services in T.V and other media influence the demand of same by the consumers, though there may be manufacturing defects or shortcomings in quality and purity of products or deficiency in services rendered. In spite of various provisions made providing protection to the consumers against adulterated and sub-standard articles in different enactments like **Code of Civil Procedure, 1908, MRTP ACT, 1969, IPC, 1960** etc., very little could be achieved in the field of consumer protection.

In order to provide for the better protection of the interest of the consumers, Consumer Protection Bill 1986 was introduced in Lok Sabha on 5th December 1986. The Bill was passed by both Houses of Parliament and got the assent of the President on 24 December 1986, popularly known as the **Consumer Protection Act of 1986**.

The Act of 1986, seeks to provide better protection to the interests of the consumers and for the purpose that there is Consumer Councils and other authorities for the settlement of consumer disputes and for matter connected therewith. To provide quick redressal of consumer disputes, a quasi-judicial institution is set up at all the three levels. These bodies have been empowered to give relief of a specific nature and to award, wherever appropriate, compensation to the consumers. Penalties of non-compliance of the orders given by the quasi-judicial bodies have also been provided.

Case Studies

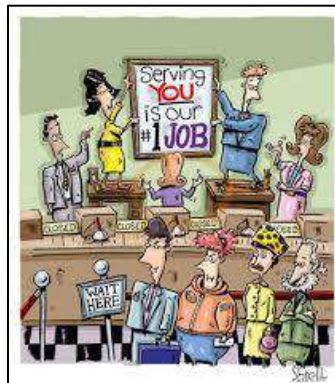
1. S.L.Pati VS. Postmaster, Aligarh, Orissa(1993)

Money order not delivered in time to the concerned person is a case of deficiency in service of worst category. If this would be the normal act of the Post Office and the office, which belong to the Union Government, no one would have faith in services rendered by them. As a result, an amount of Rs250/- plus the money order amount of Rs.1000/- along with interest @ 18% was the compensation awarded to the deprived person.



2. K.C. Panda VS SDO, Telecom Department, Berhampur, Orissa(1994)

The telephone line was disconnected even if the bill was paid. Proceeding before District Forum, Telecom Department made an apology for the mistake occurred inadvertently. But, in spite of apology, an amount of Rs. 2000/- was the compensation awarded to the person concerned by the Telecom Department



- Do you raise an objection if a vegetable seller uses stones in place of the exact weight?
 - (a) Always
 - (b) Sometimes
 - (c) Never

Ans: never
- Do excessively bright coloured vegetables arouse your suspicion?
 - (a) Always
 - (b) Sometimes
 - (c) Never

Ans: never
- Are you Brand conscious?
 - (a) Always
 - (b) Sometimes
 - (c) Never

Ans: sometimes
- Do you associate high price with good quality (to reassure yourself that after all you have not paid a higher price just like that)?
 - (a) Always
 - (b) Sometimes
 - (c) Never

Ans: always
- Do you unhesitatingly respond to catchy offers?
 - (a) Always
 - (b) Sometimes
 - (c) Never

Ans: sometimes
- Do you compare the price paid by you with those of others?
 - (a) Always
 - (b) Sometimes
 - (c) Never

Ans: always
- Do you strongly believe that your shop keeper never cheats a regular customer like you?
 - (a) Always
 - (b) Sometimes
 - (c) Never

Ans:sometimes
- Do you favour 'home delivery' of provision items without any doubt regarding weight etc?
 - (a) Always
 - (b) Sometimes
 - (c) Never

Ans: never
- Do you insist on 'paying by meter' when you travel by auto?
 - (a) Always
 - (b) Sometimes
 - (c) Never

Ans: always

- (m) Always
 - (n) Sometimes
 - (o) Never
- Ans: Sometimes
- Do you raise an objection if a vegetable seller uses stones in place of the exact weight?
- (m) Always
 - (n) Sometimes
 - (o) Never
- Ans: sometimes
- Do excessively bright coloured vegetables arouse your suspicion?
- (m) Always
 - (n) Sometimes
 - (o) Never
- Ans: Always
- Are you Brand conscious?
- (m) Always
 - (n) Sometimes
 - (o) Never
- Ans: Always
- Do you associate high price with good quality (to reassure yourself that after all you have not paid a higher price just like that)?
- (m) Always
 - (n) Sometimes
 - (o) Never
- Ans: Always
- Do you unhesitatingly respond to catchy offers?
- (m) Always
 - (n) Sometimes
 - (o) Never
- Ans: Always
- Do you compare the price paid by you with those of others?
- (m) Always
 - (n) Sometimes
 - (o) Never
- Ans: Always
- Do you strongly believe that your shop keeper never cheats a regular customer like you?
- (m) Always
 - (n) Sometimes
 - (o) Never
- Ans: Never
- Do you favour 'home delivery' of provision items without any doubt regarding weight etc?
- (m) Always
 - (n) Sometimes
 - (o) Never
- Ans: Never
- Do you insist on 'paying by meter' when you travel by auto?
- (m) Always
 - (n) Sometimes
 - (o) Never
- Ans: Sometimes

- (r) Never Ans: Always
- Do excessively bright coloured vegetables arouse your suspicion?
 (p) Always
 (q) Sometimes
 (r) Never Ans: A;ways
- Are you Brand conscious?
 (p) Always
 (q) Sometimes
 (r) Never Ans: Always
- Do you associate high price with good quality (to reassure yourself that after all you have not paid a higher price just like that)?
 (p) Always
 (q) Sometimes
 (r) Never Ans: Always
- Do you unhesitatingly respond to catchy offers?
 (p) Always
 (q) Sometimes
 (r) Never Ans: Sometimes
- Do you compare the price paid by you with those of others?
 (p) Always
 (q) Sometimes
 (r) Never Ans: Sometimes
- Do you strongly believe that your shop keeper never cheats a regular customer like you?
 (p) Always
 (q) Sometimes
 (r) Never Ans: Always
- Do you favour 'home delivery' of provision items without any doubt regarding weight etc?
 (p) Always
 (q) Sometimes
 (r) Never Ans: Never
- Do you insist on 'paying by meter' when you travel by auto?
 (p) Always
 (q) Sometimes
 (r) Never Ans: Always

- (u) Never Ans: Never
- Do excessively bright coloured vegetables arouse your suspicion?
 - (s) Always
 - (t) Sometimes
 - (u) Never Ans: Never
- Are you Brand conscious?
 - (s) Always
 - (t) Sometimes
 - (u) Never Ans: Sometimes
- Do you associate high price with good quality (to reassure yourself that after all you have not paid a higher price just like that)?
 - (s) Always
 - (t) Sometimes
 - (u) Never Ans: Sometimes
- Do you unhesitatingly respond to catchy offers?
 - (s) Always
 - (t) Sometimes
 - (u) Never Ans: Always
- Do you compare the price paid by you with those of others?
 - (s) Always
 - (t) Sometimes
 - (u) Never Ans: Always
- Do you strongly believe that your shop keeper never cheats a regular customer like you?
 - (s) Always
 - (t) Sometimes
 - (u) Never Ans: Always
- Do you favour 'home delivery' of provision items without any doubt regarding weight etc?
 - (s) Always
 - (t) Sometimes
 - (u) Never Ans: Always
- Do you insist on 'paying by meter' when you travel by auto?
 - (s) Always
 - (t) Sometimes
 - (u) Never Ans: Never

- (x) Never Ans: Always
- Do excessively bright coloured vegetables arouse your suspicion?
 (v) Always
 (w) Sometimes
 (x) Never Ans: Always
- Are you Brand conscious?
 (v) Always
 (w) Sometimes
 (x) Never Ans: Always
- Do you associate high price with good quality (to reassure yourself that after all you have not paid a higher price just like that)?
 (v) Always
 (w) Sometimes
 (x) Never Ans: Sometimes
- Do you unhesitatingly respond to catchy offers?
 (v) Always
 (w) Sometimes
 (x) Never Ans: Never
- Do you compare the price paid by you with those of others?
 (v) Always
 (w) Sometimes
 (x) Never Ans: Sometimes
- Do you strongly believe that your shop keeper never cheats a regular customer like you?
 (v) Always
 (w) Sometimes
 (x) Never Ans: Never
- Do you favour 'home delivery' of provision items without any doubt regarding weight etc?
 (v) Always
 (w) Sometimes
 (x) Never Ans: Sometimes
- Do you insist on 'paying by meter' when you travel by auto?
 (v) Always
 (w) Sometimes
 (x) Never Ans: Sometimes

- (aa)Never Ans:Always
- Do excessively bright coloured vegetables arouse your suspicion?
 (y) Always
 (z) Sometimes
 (aa)Never Ans: Always
- Are you Brand conscious?
 (y) Always
 (z) Sometimes
 (aa)Never Ans: Sometimes
- Do you associate high price with good quality (to reassure yourself that after all you have not paid a higher price just like that)?
 (y) Always
 (z) Sometimes
 (aa)Never Ans: Never
- Do you unhesitatingly respond to catchy offers?
 (y) Always
 (z) Sometimes
 (aa)Never Ans: Sometimes
- Do you compare the price paid by you with those of others?
 (y) Always
 (z) Sometimes
 (aa)Never Ans: Sometimes
- Do you strongly believe that your shop keeper never cheats a regular customer like you?
 (y) Always
 (z) Sometimes
 (aa)Never Ans: Never
- Do you favour 'home delivery' of provision items without any doubt regarding weight etc?
 (y) Always
 (z) Sometimes
 (aa)Never Ans: Sometimes
- Do you insist on 'paying by meter' when you travel by auto?
 (y) Always
 (z) Sometimes
 (aa)Never Ans: Sometimes

- (dd) Never Ans: Always
- Do excessively bright coloured vegetables arouse your suspicion?
 (bb) Always
 (cc) Sometimes
 (dd) Never Ans: Never
- Are you Brand conscious?
 (bb) Always
 (cc) Sometimes
 (dd) Never Ans: Always
- Do you associate high price with good quality (to reassure yourself that after all you have not paid a higher price just like that)?
 (bb) Always
 (cc) Sometimes
 (dd) Never Ans: Never
- Do you unhesitatingly respond to catchy offers?
 (bb) Always
 (cc) Sometimes
 (dd) Never Ans: Never
- Do you compare the price paid by you with those of others?
 (bb) Always
 (cc) Sometimes
 (dd) Never Ans: Always
- Do you strongly believe that your shop keeper never cheats a regular customer like you?
 (bb) Always
 (cc) Sometimes
 (dd) Never Ans: Never
- Do you favour 'home delivery' of provision items without any doubt regarding weight etc?
 (bb) Always
 (cc) Sometimes
 (dd) Never Ans: never
- Do you insist on 'paying by meter' when you travel by auto?
 (bb) Always
 (cc) Sometimes
 (dd) Never Ans: Never

- (gg) Never Ans: Always
- Do excessively bright coloured vegetables arouse your suspicion?
(ee) Always
(ff) Sometimes
(gg) Never Ans: sometimes
- Are you Brand conscious?
(ee) Always
(ff) Sometimes
(gg) Never Ans: sometimes
- Do you associate high price with good quality (to reassure yourself that after all you have not paid a higher price just like that)?
(ee) Always
(ff) Sometimes
(gg) Never Ans: Always
- Do you unhesitatingly respond to catchy offers?
(ee) Always
(ff) Sometimes
(gg) Never Ans: Never
- Do you compare the price paid by you with those of others?
(ee) Always
(ff) Sometimes
(gg) Never Ans: Never
- Do you strongly believe that your shop keeper never cheats a regular customer like you?
(ee) Always
(ff) Sometimes
(gg) Never Ans: Never
- Do you favour 'home delivery' of provision items without any doubt regarding weight etc?
(ee) Always
(ff) Sometimes
(gg) Never Ans: Always
- Do you insist on 'paying by meter' when you travel by auto?
(ee) Always
(ff) Sometimes
(gg) Never Ans: Always

- (hh) Always
- (ii) Sometimes
- (jj) Never Ans: Sometimes
- Are you Brand conscious?
 - (hh) Always
 - (ii) Sometimes
 - (jj) Never Ans: Sometimes
- Do you associate high price with good quality (to reassure yourself that after all you have not paid a higher price just like that)?
 - (hh) Always
 - (ii) Sometimes
 - (jj) Never Ans: Sometimes
- Do you unhesitatingly respond to catchy offers?
 - (hh) Always
 - (ii) Sometimes
 - (jj) Never Ans: Sometimes
- Do you compare the price paid by you with those of others?
 - (hh) Always
 - (ii) Sometimes
 - (jj) Never Ans: Always
- Do you strongly believe that your shop keeper never cheats a regular customer like you?
 - (hh) Always
 - (ii) Sometimes
 - (jj) Never Ans: Always
- Do you favour 'home delivery' of provision items without any doubt regarding weight etc?
 - (hh) Always
 - (ii) Sometimes
 - (jj) Never Ans: Always
- Do you insist on 'paying by meter' when you travel by auto?
 - (hh) Always
 - (ii) Sometimes
 - (jj) Never Ans: Always

Questionnaire 12

Name- Alisha Bano

Age- 22

Gender- F

- When you buy some item, do you insist on a bill?
(kk) Always
(ll) Sometimes
(mm) Never
Ans: Sometimes
- Do you keep the bill carefully?
(kk) Always
(ll) Sometimes
(mm) Never
Ans: Sometimes
- If you realize you have been tricked by the shopkeeper, have you bothered to complain him?
(kk) Always
(ll) Sometimes
(mm) Never
Ans: Sometimes
- Have you been able to convince him that you have been cheated?
(mm) Always
(nn) Sometimes
(oo) Never
Ans: Never
- Do you simply grumble to yourself reconciling that it is your fate that you are often being victimized so and it is nothing new?
(kk) Always
(ll) Sometimes
(mm) Never
Ans: Never
- Do you look for ISI mark, expiry date etc?
(kk) Always
(ll) Sometimes
(mm) Never
Ans: Never
- If the expiry date mentioned is just a month or so away, do you insist on a fresh packet?
(jj) Always
(kk) Sometimes
(ll) Never
Ans: Never
- Do you weigh the new gas cylinder/old newspapers yourself before buying/selling?
(kk) Always
(ll) Sometimes
(mm) Never
Ans: Never
- Do you raise an objection if a vegetable seller uses stones in place of the exact weight?
(kk) Always
(ll) Sometimes

- (mm) Never Ans: Never
- Do excessively bright coloured vegetables arouse your suspicion?
 (kk) Always
 (ll) Sometimes
 (mm) Never Ans: Always
- Are you Brand conscious?
 (kk) Always
 (ll) Sometimes
 (mm) Never Ans: Always
- Do you associate high price with good quality (to reassure yourself that after all you have not paid a higher price just like that)?
 (kk) Always
 (ll) Sometimes
 (mm) Never Ans: Always
- Do you unhesitatingly respond to catchy offers?
 (kk) Always
 (ll) Sometimes
 (mm) Never Ans: Always
- Do you compare the price paid by you with those of others?
 (kk) Always
 (ll) Sometimes
 (mm) Never Ans: Always
- Do you strongly believe that your shop keeper never cheats a regular customer like you?
 (kk) Always
 (ll) Sometimes
 (mm) Never Ans: Sometimes
- Do you favour 'home delivery' of provision items without any doubt regarding weight etc?
 (kk) Always
 (ll) Sometimes
 (mm) Never Ans: Sometimes
- Do you insist on 'paying by meter' when you travel by auto?
 (kk) Always
 (ll) Sometimes
 (mm) Never Ans: Never

(qq) Always

(rr) Sometimes

(ss) Never

Ans: Never

- Are you Brand conscious?

(qq) Always

(rr) Sometimes

(ss) Never

Ans: Always

- Do you associate high price with good quality (to reassure yourself that after all you have not paid a higher price just like that)?

(qq) Always

(rr) Sometimes

(ss) Never

Ans: Always

- Do you unhesitatingly respond to catchy offers?

(qq) Always

(rr) Sometimes

(ss) Never

Ans: Always

- Do you compare the price paid by you with those of others?

(qq) Always

(rr) Sometimes

(ss) Never

Ans: Always

- Do you strongly believe that your shop keeper never cheats a regular customer like you?

(qq) Always

(rr) Sometimes

(ss) Never

Ans: Always

- Do you favour 'home delivery' of provision items without any doubt regarding weight etc?

(qq) Always

(rr) Sometimes

(ss) Never

Ans: Always

- Do you insist on 'paying by meter' when you travel by auto?

(qq) Always

(rr) Sometimes

(ss) Never

Ans: Never

Questionnaire 15

Name- Wangmo Lama

Age- 21

Gender- F

- When you buy some item, do you insist on a bill?
(tt) Always
(uu) Sometimes
(vv) Never
Ans: Never
- Do you keep the bill carefully?
(tt) Always
(uu) Sometimes
(vv) Never
Ans: Never
- If you realize you have been tricked by the shopkeeper, have you bothered to complain him?
(tt) Always
(uu) Sometimes
(vv) Never
Ans: Never
- Have you been able to convince him that you have been cheated?
(vv) Always
(ww) Sometimes
(xx) Never
Ans: Never
- Do you simply grumble to yourself reconciling that it is your fate that you are often being victimized so and it is nothing new?
(tt) Always
(uu) Sometimes
(vv) Never
Ans: sometimes
- Do you look for ISI mark, expiry date etc?
(tt) Always
(uu) Sometimes
(vv) Never
Ans: Sometimes
- If the expiry date mentioned is just a month or so away, do you insist on a fresh packet?
(ss) Always
(tt) Sometimes
(uu) Never
Ans: Always
- Do you weigh the new gas cylinder/old newspapers yourself before buying/selling?
(tt) Always
(uu) Sometimes
(vv) Never
Ans: Never
- Do you raise an objection if a vegetable seller uses stones in place of the exact weight?
(tt) Always
(uu) Sometimes
(vv) Never
Ans: sometimes
- Do excessively bright coloured vegetables arouse your suspicion?

(tt) Always

(uu) Sometimes

(vv) Never

Ans: Sometimes

- Are you Brand conscious?

(tt) Always

(uu) Sometimes

(vv) Never

Ans: Always

- Do you associate high price with good quality (to reassure yourself that after all you have not paid a higher price just like that)?

(tt) Always

(uu) Sometimes

(vv) Never

Ans: Always

- Do you unhesitatingly respond to catchy offers?

(tt) Always

(uu) Sometimes

(vv) Never

Ans: Always

- Do you compare the price paid by you with those of others?

(tt) Always

(uu) Sometimes

(vv) Never

Ans: Sometimes

- Do you strongly believe that your shop keeper never cheats a regular customer like you?

(tt) Always

(uu) Sometimes

(vv) Never

Ans: Always

- Do you favour 'home delivery' of provision items without any doubt regarding weight etc?

(tt) Always

(uu) Sometimes

(vv) Never

Ans: Always

- Do you insist on 'paying by meter' when you travel by auto?

(tt) Always

(uu) Sometimes

(vv) Never

Ans: Always

Summary and Conclusion

The objective of this project is to assess the people of different class in the society about different aspects of consumer awareness viz., price and quality of products used by them, about **Fair Price Shop**, standardization of products, about **Consumer Forum**, about their **Rights** and **Duties** etc. Consumers will lead a happy, healthy and prosper life if they fully aware about the above-mentioned aspects.

For the project report, total number head of households interviewed is 15 and all belong to urban area.

As we know, India is one the least informed countries on **Consumer Awareness, consumer protection**, and the rights that all the buyers have. Hence, it is imperative to spread **Consumer Awareness**. Therefore, to bring this into the light, many campaigns were conducted in **India**.

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Project Report

(Submitted for the Degree of B.Com. Honours in Accounting & Finance
/under the University of Calcutta)

TITLE OF THE PROJECT:-

“STUDY ON TRENDS OF ONLINE SHOPPING”

Submitted by:

Name of the Candidate : Ayan barman
Registration No.: 223-1112-0596-17
Name of the College: Scottish church college
College Roll No: 18 C-038

Supervised by:

Name of the Supervisor: Prof. Biswadeep Dutta
Designation : Assistant Professor
Name of the college: Scottish church college

SUPERVISOR'S CERTIFICATE

This is to certify that Mr. Ayan Barman a student of B.Com Honours in Accounting and Finance in Business of Scottish Church college under the University of Calcutta has worked under my supervision and guidance for her project work and prepared a Project Report with the title “ Study On Trends Of Online Shopping” which she is submitting, is her genuine and original work to the best of my knowledge.

Place: Kolkata

Date:

Signature:

Name: Prof Biswadeep Dutta

Designation-Assistant Professor

Name of the college: Scottish Church College

STUDENT'S DECLARATION

I hereby declare that the title “STUDY ON TRENDS OF ONLINE SHOPPING” submitted by me for the partial fulfilment of the degree of B.Com.Honours in Accounting and Finance in Business under the University of Calcutta is my original work and has not been submitted earlier to any other University/ Institution for the fulfilment of the requirement for any course of study.

I also declare that no chapter of this manuscript in whole or in part has been incorporated in this report from any earlier work done by others or by me. However, extracts of any literature which has been used for this report has been duly acknowledged providing details of such literature in the references.

Place: Kolkata

Date:

Signature:

Name: Ayan Barman

Registration No. 223-1112-0596-17

Cu. Roll No. 181223-21-0006

ACKNOWLEDGEMENT

I proudly utilize the opportunity to express my sincere thanks to prof Biswadeep Dutta of Scottish church College, and also having the great opportunity to express my profound gratitude and deep regards to my prof for his valuable guidance, generous help, , co-operation and constant inspiration throughout the work of the project. On account of his timely supervision it would have been possible on my part to complete the project work within due course of time.

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I offer my humble and sincere thanks to my beloved parents who are the never ending source of inspiration to me

.

Thank you

____**Ayan Barman**

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CHAPTER:-1

INTRODUCTION:-

ONLINE SHOPPING:-

Online shopping is the process whereby consumers directly buy goods or services from a seller in real-time; without an intermediary service, over the internet. it is a form of electronic commerce. an online shop, eshop, e-store, internet shop, web shop, web store, online store or virtual store evokes the physical analogy



of buying products or services at a bricks-and- mortar retailer or in a shopping center. The process is called business-to-customer (B2C) online shopping. When a business buys from another business, it is called business-to business (B2B) online shopping. customer engagement is a business communication connection between an external stakeholder (consumer) and an organization (company or brand) through various channels of correspondence . This connection can be a reaction, interaction, effect overall customer experience, which takes place online and offline. The term can also be used to define customer-to-customer correspondence regarding a communication, service, product or brand. However, the latter dissemination originates from a business-to-customer interaction resonated at a subconscious level.

TRADITIONAL SHOPPING:-

In the traditional shopping, one has to leave home, either walk or take ride to the store or shopping center in order to buy what one wants. Traditional shopping enables one to see the actual products before paying the money. It is a very important virtue for people buying the fashion stuff like fashion clothes and shoes as people need to make sure the clothes or shoes are in the right color or in the right size. This virtue of traditional shopping makes sure the deal

is a safe one. Traditional shopping also makes sure that one could get the product immediately the money is paid.

1.1 BACKGROUND STUDY:-

Online shopping is defined as purchasing items from internet retailers as opposed to a shop or store. Buying books at Amazon.com instead of your local book store is an example of online shopping.

online shopping or e-shopping is a form of electronic commerce which allows consumers to buy directly goods from a seller over the internet using a web-browser. Alternatives names are:- e-web-store, e-shop, e-store, Internet shop, web-shop, webstore, online-store, online store-front, and virtual store. Mobile commerce describes purchasing from an online retailer's mobile optimised online site or app.

online shop evokes the physical analogy of buying products or services at a brick-mortar retailer or shopping centre; the process is called business-to- consumer (B2C) online shopping. In the case where a business buys from another business, the process is called business-to—Business (B2B) online shopping. The largest of these online retailing corporations are ALIBABA, Amazon.com and e-bay retail success is no longer all about physical stores. This is evident because of the increase in retailers now offering online store interfaces for consumers. With the growth of online shopping, comes a wealth of new product, that can appropriately cater to offshore market demands and service requirements.

Online stores must describe products of sale with text, photos and multimedia files , whereas in a physical retail store, the actual product and the manufacturer's packaging will be available for direct inspection.

Some online stores provide or link to supplemental product information, such as instructions, safety procedures, demonstrations, or manufacturer specifications. some provide background information advice , or how-to-guides designed to help consumers which products to buy.

1.2 LITERATURE REVIEW:-

English entrepreneur MICHAEL ALDRICH was a pioneer of online shopping in 1979. His system connected to a modified domestic tv to a real-time transaction processing computer via a domestic telephone line. He believed that video text, the modified domestic tv technology with a simple menu-driven human-computer- interface, was a ‘new’, universally applicable, participative communication medium- the first since the innovation of the telephone ,’. This enabled ‘ closed’ corporate information systems to be opened to outside correspondents not just for transaction processing but also for e- messaging and information retrieval and dissemination, later known as e-business. In 1990, TIM-BERNERS-LEE created the first world wide web server and browser. It opened for commercial use in 1991. In 1994, other advances took place, such as online banking and an opening of online pizza shop by pizza hut. During the same year, Netscape introduced SSL encryption of data transferred online, which has become essential for secure online shopping. In 1995, Amazon launched its online shopping site, and In 1996, ebay appeared.

online shopping has revolutionized the business world by making everything anyone could want available by the simple click of a mouse button. The act of purchasing products or services over the internet. Online shopping has grown in popularity over the years, mainly because people find it convenient and easy to bargain shop from the comfort of their home or office. One of the most enticing factor about online shopping, particularly during a holiday session, is it alleviates the need to wait in long lines or search from store to store for a particular item.

Online shopping is a process by which customer can buy any necessary or luxury products or services at any time. Customers can get products or services at reasonable price. There is a no need to go to market for buying products. customers get their products in time. online shoppers delivered their products at customers home. so, customer can save their time.

1.3 OBJECTIVES OF THE STUDY:-

The main objectives of the study are as follows:-

- To determine the factors and attributes which influence online buying behaviour of the consumer.
- To identify the key product and services category opted by the customer depending on their profile.
- To identify the factors influencing online shoppers and consumers.
- To determine whether the average spending and frequency of purchase over the internet by a consumer

1.4 METHODOLOGY OF STUDY:-

1. Area of study:- BEHALA(WEST-BENGAL)

I) SELECTION OF SAMPLE:-

For the study, a sample size of 50 has been taken into consideration.

Type of study:-

Research will be based on:-

- Primary data

II) Statistical tools used:-

The main statistical tools used for collection and analysis of data in this project are:-

- Pie charts
- Bar charts
- column chart

III) Method of analysis:-

Analysis is based on primary data which is collected through questionnaire by field survey.

1.5 LIMITATIONS OF THE STUDY:-

As the survey is based on primary data a lot of problems are faced which is stated below:-

- ❖ It is time-consuming as we need to interact with different people, listen to their queries and problems. Therefore, the sample study is restricted to do so.
- ❖ The collection of primary data is costly as moving from one place to another to collect the primary data generates problems.
- ❖ Many times it has been experienced that people hesitate to disclose facts such as why they prefer the product in place of some other product.

1.6- CHAPTER PLANNING:-

- Chapter 1

- INTRODUCTION

This chapter consist of general introduction. This chapter is sub-divided into history, background of study, objective, methodology and limitation of the study.

- Chapter 2

- CONCEPTUAL FRAMEWORK:

This part consists of what is online shopping. It's advantages and disadvantages. It can be subdivided into national and international scenario.

- Chapter 3

- **ANALYSIS AND INTERPRETATION OF DATA:**

This part consists of presentation of collected data by tables. Then the collected data is interpreted and analyzed.

- Chapter 4

- **CONCLUSIONS AND RECOMMENDATIONS:**

This part is about the conclusion we get from the analysis of data collected and providing suggestion for further development of our case study.

- Chapter 5 : BIBLIOGRAPH

CHAPTER 2

Conceptual Framework

2.1- INTRODUCTION

Online shopping is becoming a well-accepted way to purchase a variety of products and services. For online shoppers, an online interactive hypertext environment enables them to search and control information; alteration in the traditional mass media environment in which the sender of the message largely controls what will be seen and heard as well as shift of control in favour of the receiver for customization of information, and quick comparative analysis among competing products/services. The attempt has been made by the researcher to include conceptual framework of online consumer buying behaviour by including various aspects of literature review viz., Attitude , orientation and motivation towards online shopping. An attempt should be made in this paper to put forward results and findings based on critical review of available literature in the form of earlier research studies relating to trends, growth, developments and future potentials of e-commerce and evolving behavioural patterns of online shopping activities considering its diffusion and issue especially concerning to gender, security,etc. With its implications on e-marketplaces , society and businesses in near future. Finally, this study discovered a significantly impact of consumer online buying behaviour.

Anne(2007) focused on the appearance of new kinds of risk and new risk- relievers in electronic buying situations. A qualitative study was conducted in order to identify the risk dimensions and risk relievers. This links between risk and risk-relievers were taken into account. A quantitative survey was conducted to measure perceived risk level and riskreliever utility, and to present a cluster analysis of consumer risk reduction behaviors based on risk-reliever utility sources. Author identified different type of risks such as risk of security, confidentiality, credibility which were perceived as strongest risks.Higher perceptions of privacy and security were found as highly associated with a promise of safeguards for personal information.

ADVANTAGES:-

1. Convenience

Online stores are usually available 24 hours a day, and many consumers have internet access both at work and at home. Other establishments such as internet cafes and schools provide internet access as well. In contrast, visiting a conventional retail store requires travel and must take place during business hours.

2. Information and reviews

Online stores must describe products for sale with text, photos, and multimedia files, whereas in a physical retail store, the actual product and the manufacturer's packaging will be available for direct inspection.

Some online stores provide or link to supplemental product information, such as instructions, safety procedures, demonstrations, or manufacturer specifications. Some provide background information, advice, or how-to-guides designed to help consumers decide which product to buy.

3. Price and selection

One advantage of shopping online is being able to quickly seek out deals for items or services provided by many different vendors. Search engines, online price comparison services and discovery shopping engines can be used to look up sellers of a particular product or service.

DISADVANTAGES:-

1. Fraud and security concerns

Given the lack of ability to inspect merchandise before purchase, consumers are at higher risk of fraud than face-to-face transactions. Merchants also risk fraudulent purchases using stolen credit cards or fraudulent repudiation of the online purchase. However, merchants face less risk from physical theft by using a warehouse instead of a retail storefront.

2. Lack of full cost disclosure

The lack of full cost disclosure may also be problematic. While it may be easy to compare the base price of an item online, it may not be easy to see the total cost up front. Additional fees such as shipping are often not visible until the final step in the checkout process. The problem is especially evident with cross-border purchases, where the cost indicated at the final checkout screen may not include additional fees that must be paid upon delivery such as duties and brokerage.

3. privacy

Privacy of personal information is a significant issue for some consumers. Many consumers wish to avoid spam and telemarketing which could result from supplying contact information to an online merchant. In response, many merchants promise to not use consumer information for these purposes.

2.2- NATIONAL SCENARIO

India has an internet user about 564.5 million as of 2020. The penetration of online shopping is low as compared to markets like the United States and the United Kingdom but it is growing at a much faster rate with a large number of new entrants. India has a vibrant economy as a result of which 80% of Indian e-commerce trends to be cash-on-delivery.

India's e-commerce market was worth about \$ 39 billion in 2017 it went up to \$50 billion in 2018 and to \$ 64 billion in 2020. About 88% of this is related to the total retail sector.

Key drivers in Indian e-commerce are:-

- Increasing broad band internet.
- Rising standard of living.
- Availability of much wider product range compared to what is available at brick and mortar retailers.
- Busy lifestyle, urban traffic congestion and lack of time for offline shopping.

2.3- GLOBAL SCENARIO

In 2010, the United Kingdom had the biggest e-commerce market in the world when measured by the amount spent for capital. Almost a quarter (24%) of the country's total turnover is generated via the online channel.

Among the emerging economics, China online retail sales in 1st five months as of 2020 reached \$ 567.61 billion. And one of the reason behind the huge growth have been improved trust level for shoppers. The Chinese retailer have been able to help consumer fell more comfortable shopping online. China's cross border e-commerce is also growing rapidly.

In Russia total e-commerce market is projected to reach \$21.626million in 2020. The market size of Russia's e-commerce could reach \$28.230million by 2024.

E-commerce is also expanding and is nearly to double by 2023. India's e-commerce revenue is expected to jump from \$39 billion to \$120billion in 2020 growing at an annual rate of 51% highest in the world. Mobile devices are playing a major role for increasing sale in the mix of e-commerce.

Some estimates shows that purchase of mobile device as of 2020 is expected to be 67.2%..



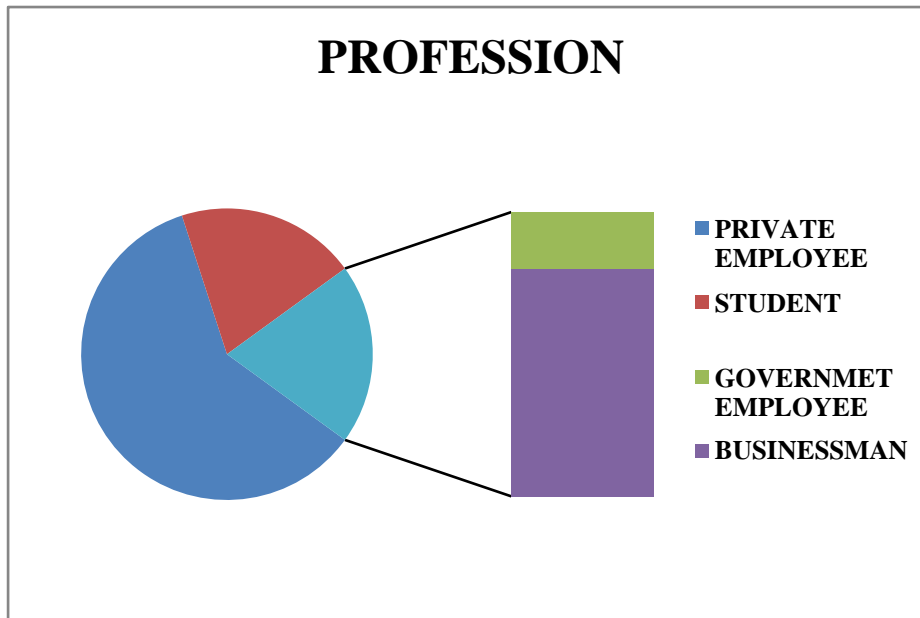
CHAPTER 3

PRESENTATION OF DATA ANALYSIS AND FINDINGS

3.1 PRESENTATION OF DATA ANALYSIS ON THE BASIS OF PRIMARY DATA

Q1. Profession of the consumer:

Student	10
Government Employees	2
Businessman	8
Private Employees	30



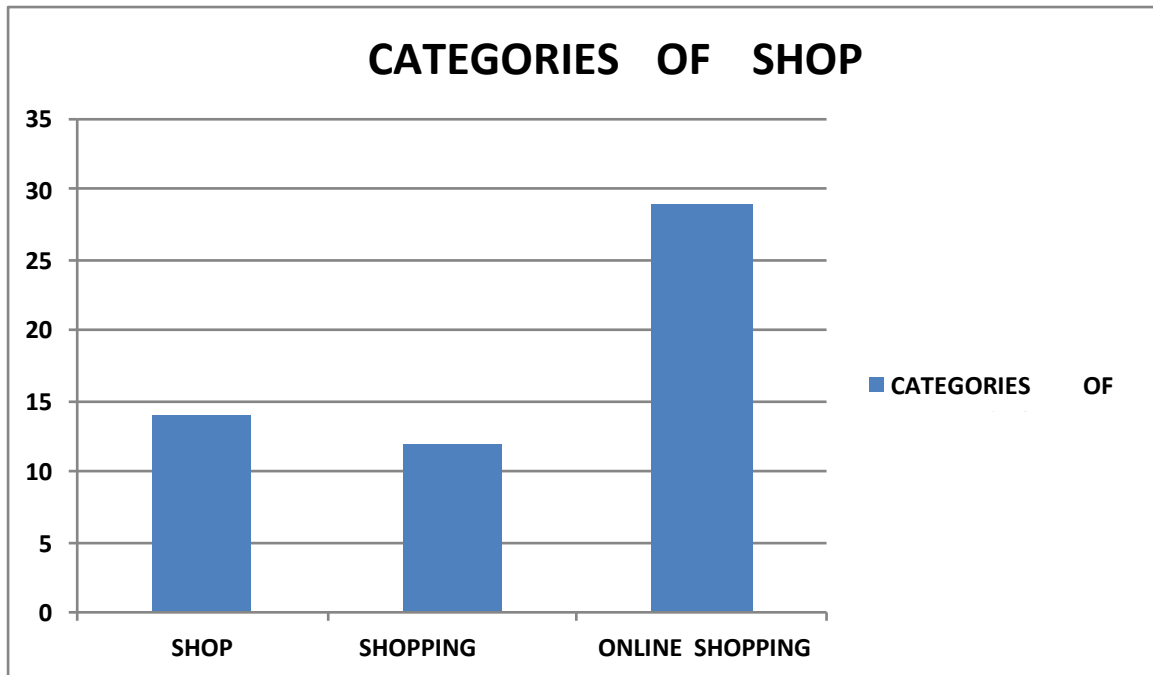
source:- field survey

INTERPRETATION

According to the pie chart 60% people work in private sector, 20% people are student, 4% people work in government sector and 16% people are businessman.

Q2. Where do you shop from?

Shop	14
Shopping Mall	12
Online Shopping	29



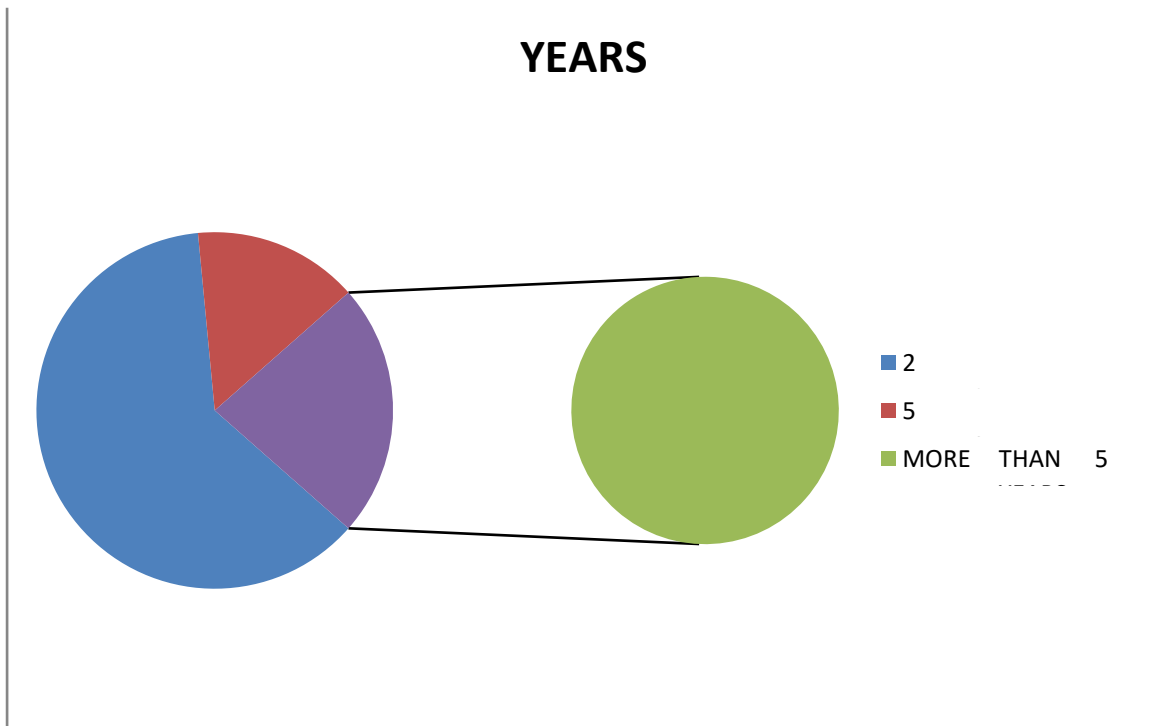
source:- field survey.

INTERPRETATION

According to these column chart out of 50 people;14 people go to traditional shop,12 people go to shopping mall and 29 people go for online shopping.So most of the consumer go for online shopping.

Q3. Since when are you shop through online?

2 Years	24
5 Years	6
More Than 5 Years	9



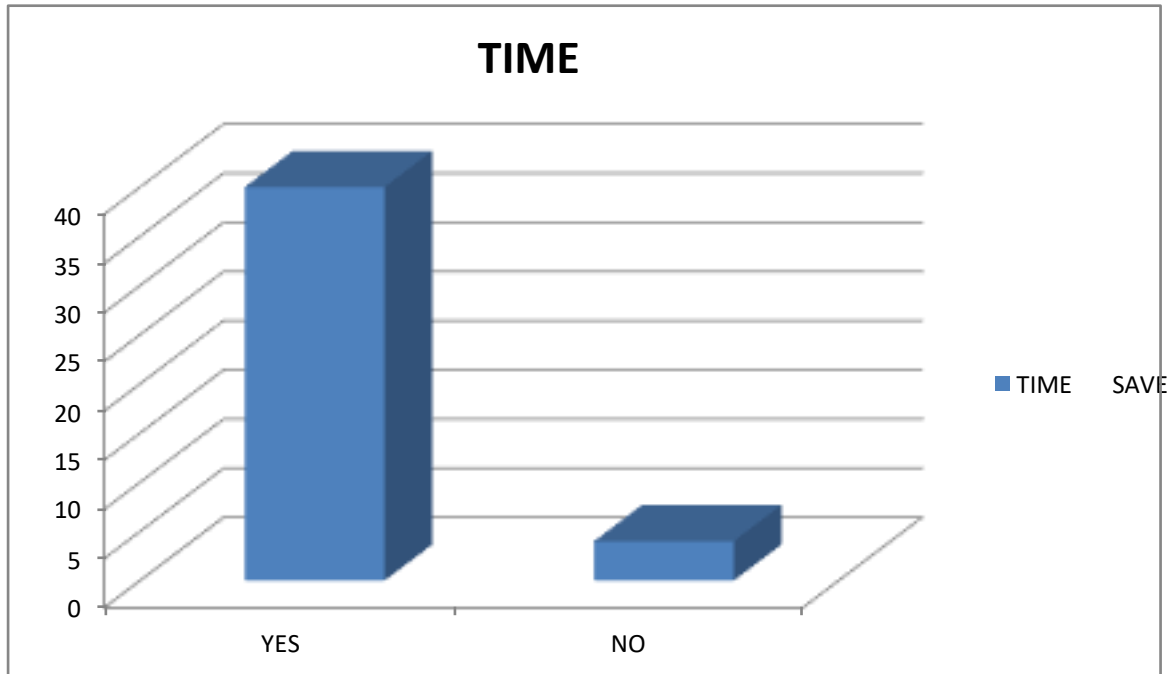
source:- field survey

INTERPRETATION

These chart shows that 62% people use internet for shopping since 2 years,15% people buy products through online since 5years,23%people use internet for shopping since more than 5 years. Accroding to the result people prefer online shopping since 2 years.

Q4. Do time save to use internet?

Yes	40
No	4



source:- field survey

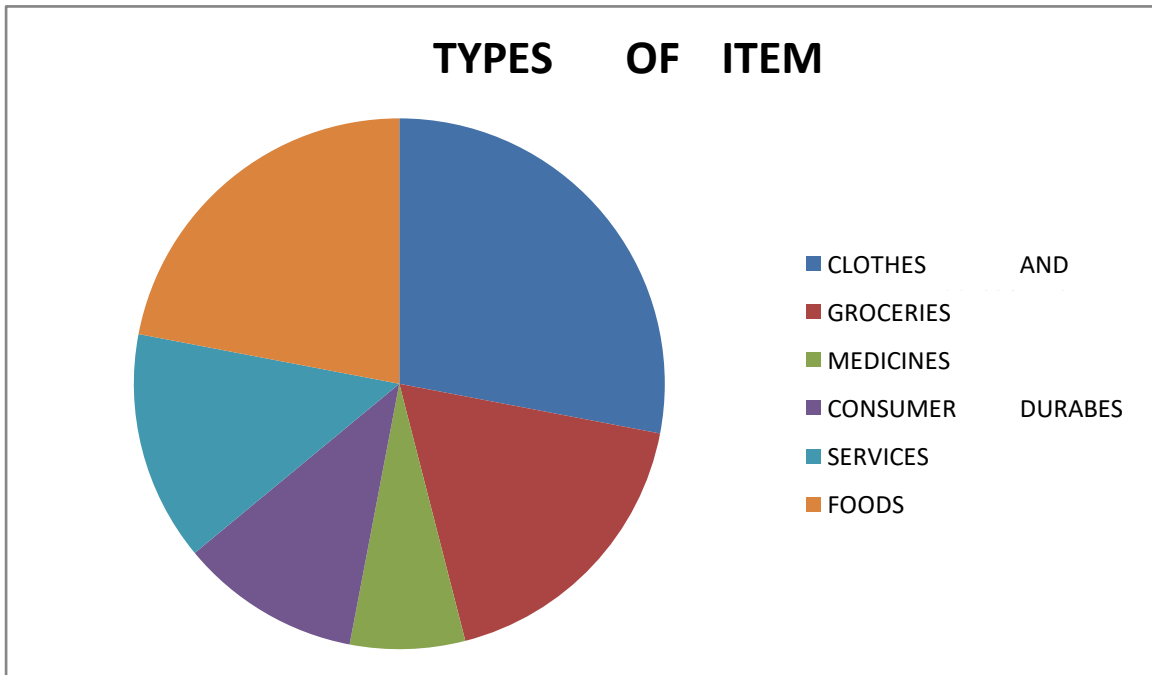
INTERPRETATION

These charts shows that according to 40 people time consumption is less in case of online shopping. 4 people says that time consumption is more in case of online shopping and rest of the people have no of experience of online shopping. According to the analysis of time consumption is less in case of online shopping. So consumers are attracted to online shopping.

Q5. What item do you shop online?

Clothes And Accessories	23
-------------------------	----

Groceries	15
Medicines	6
Consumer Durables	9
Services	12
Foods	18



source:- field survey

INTERPRETATION

According to the pie chart 28% consumers buy clothes and accessories,18% consumer buy groceries,7% consumers buy medicines,11% consumers buy consumer durables,14% consumers buy services and 22% consumers buy foods through online.

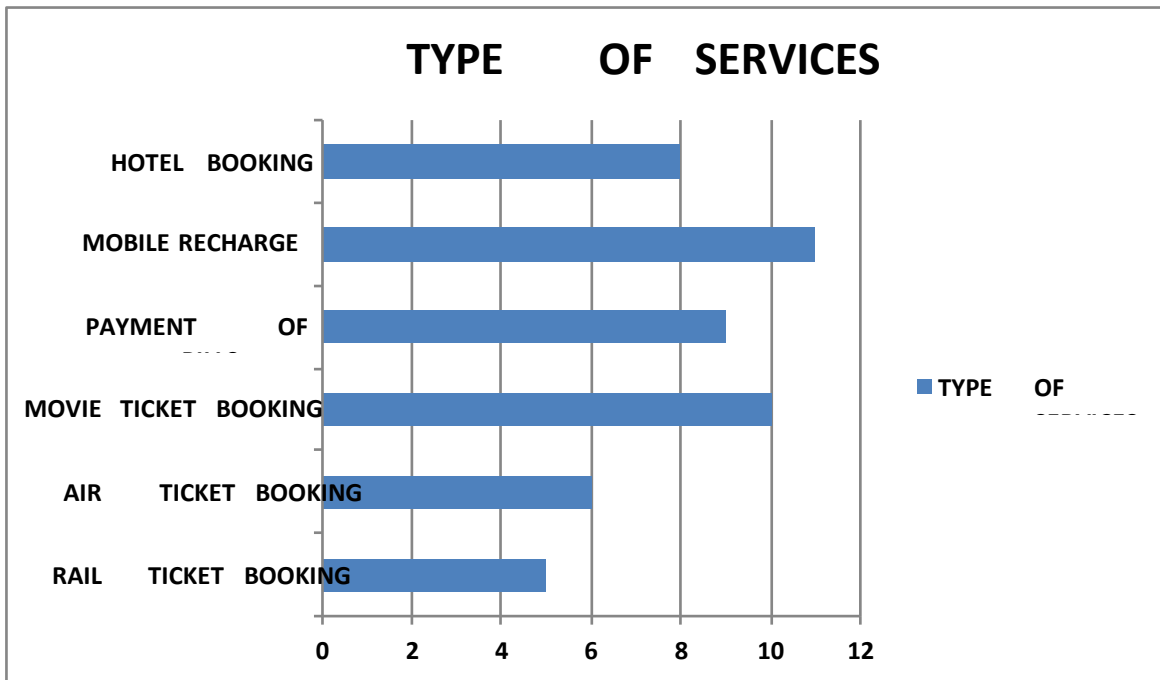
Q6. What type of service do you buy through online?

Rail Ticket Booking	5
Air Ticket Booking	6
Movie Ticket Booking	10

Payment Of Bills 9

Mobile Recharge 11

Hotel booking 8



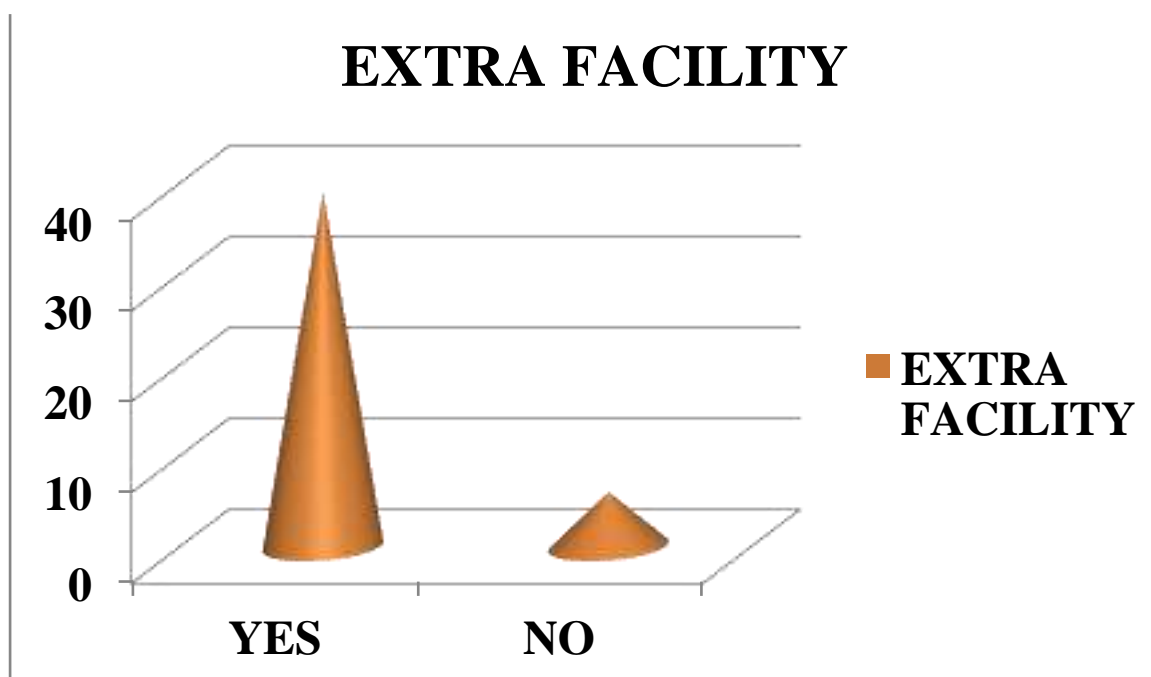
source:- field survey

INTERPRETATION

The bar chart shows that 5 consumers buy rail tickets,6 consumers buy air tickets,10 consumers buy movie ticket,9 consumers pay their bills,11 consumers recharge their mobiles through internet and 8 consumers use internet for hotel booking.

Q7. Do you get any extra facility in case of online shopping?

Yes	39
No	6



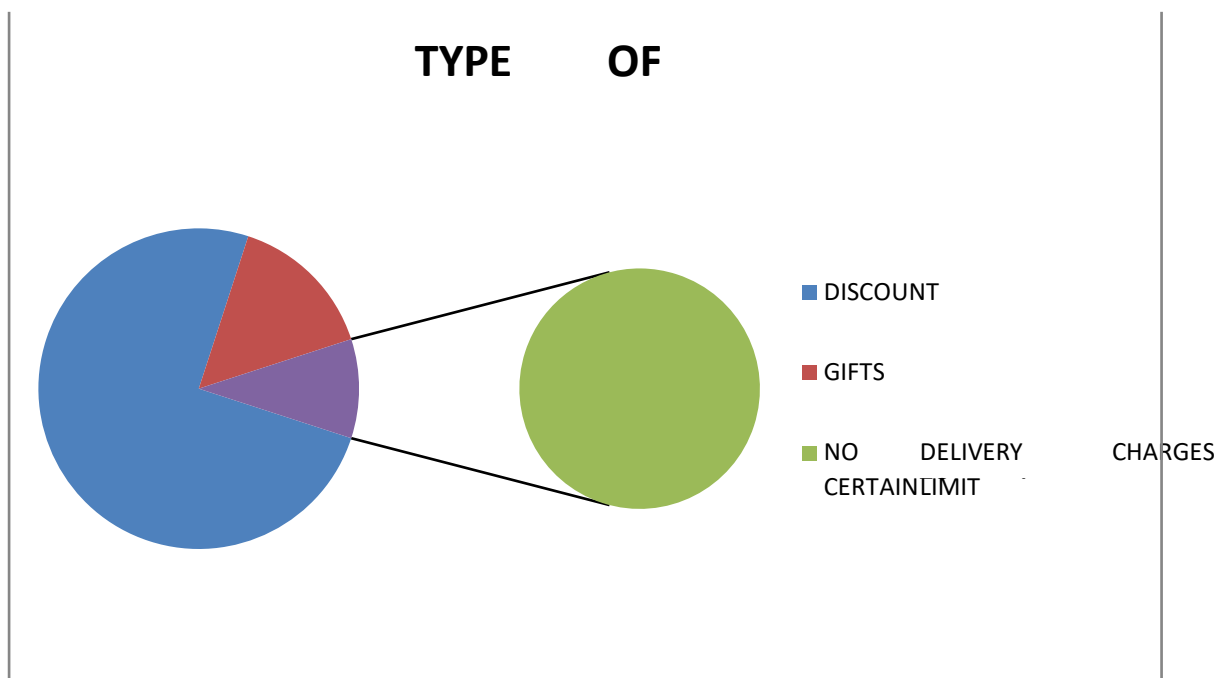
source:- field survey

INTERPRETATION

According to the chart out of 50 people 39 people get extra facility and 6 people do not get any extra facility. 5 people have no experience of online shopping. So these analysis shows that most of the consumer got extra facility in case of online shopping. So consumer prefer online shopping.

Q8. What type of facility you get?

Discount	30
Gifts	6
No Delivery Charges To A Certain Limit	4



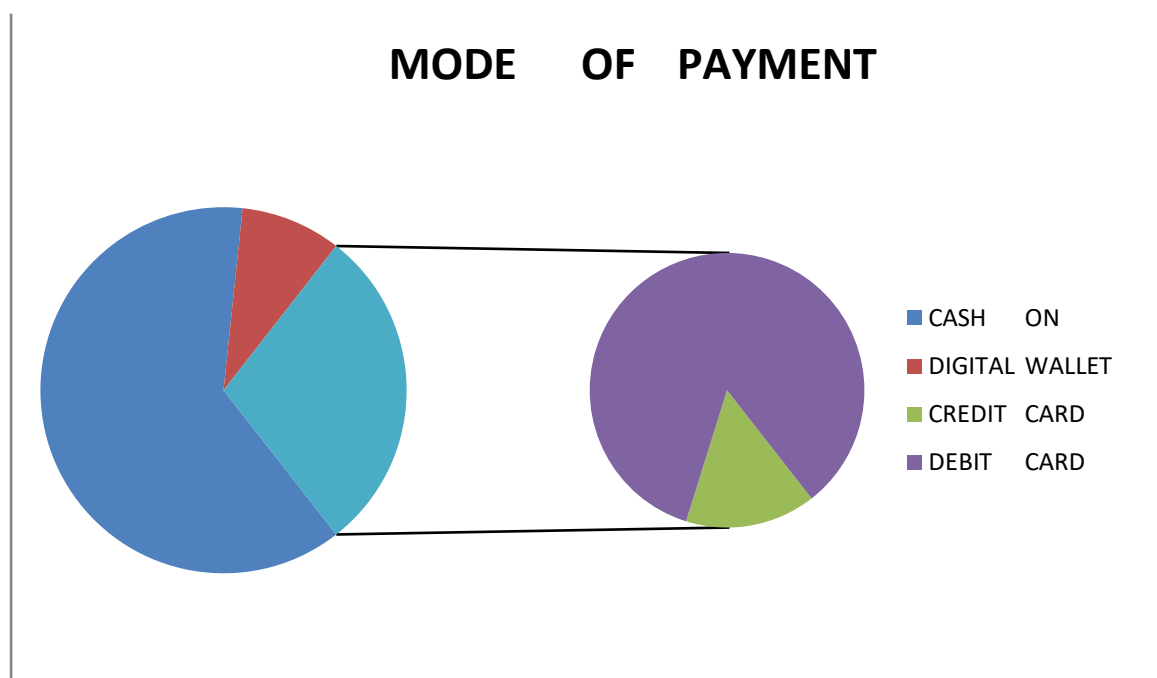
source:- field survey

INTERPRETATION

According to the chart 75% people get discount,15% people get gifts,10%people enjoy the facility of non-payment of delivery charges. According to the analysis consumers are attracted to online shoppingfor those type of facility.

Q9. How do you pay your bills through online?

Cash Of Delivery	28
Digital Wallet	4
Credit Card	2
Debit Card	11



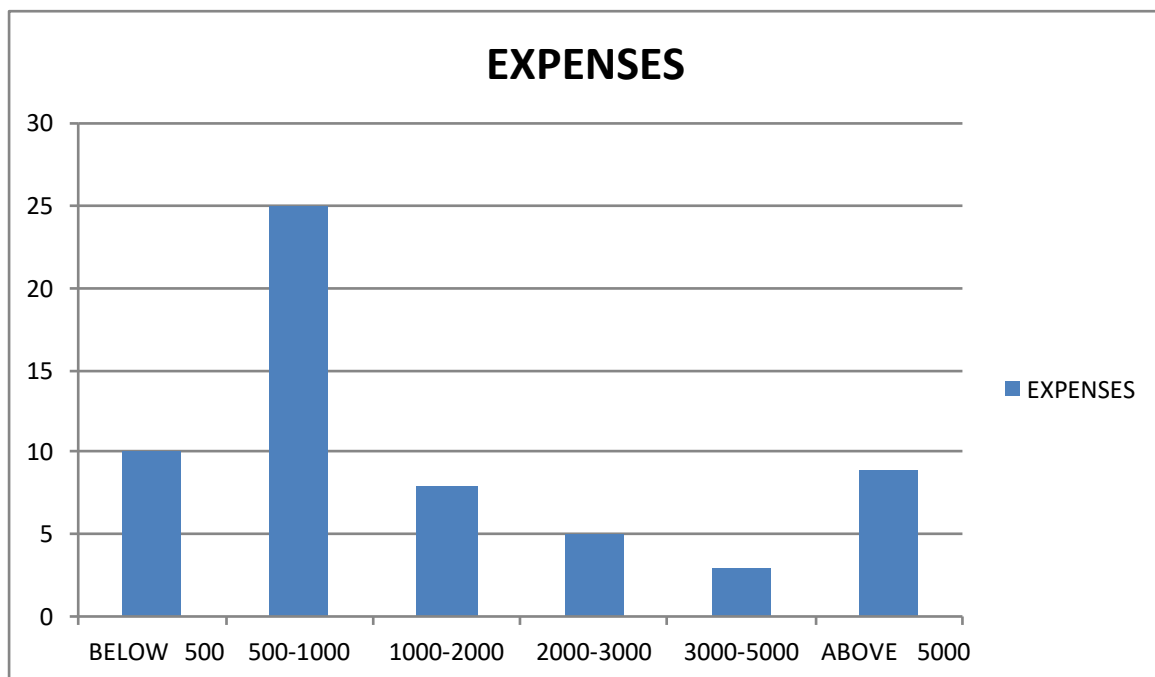
source:- field survey.

INTERPRETATION

According to the chart Out of 50 people pay their dues by cash on delivery,4 people pay dues by digital wallet,2 people pay through credit card and 11 people pay through their debit card

Q10. What is your approx expenses on online shopping?

Below 500	10
500-1000	25
1000-2000	8
2000-3000	5
3000-5000	3
Above 5000	9



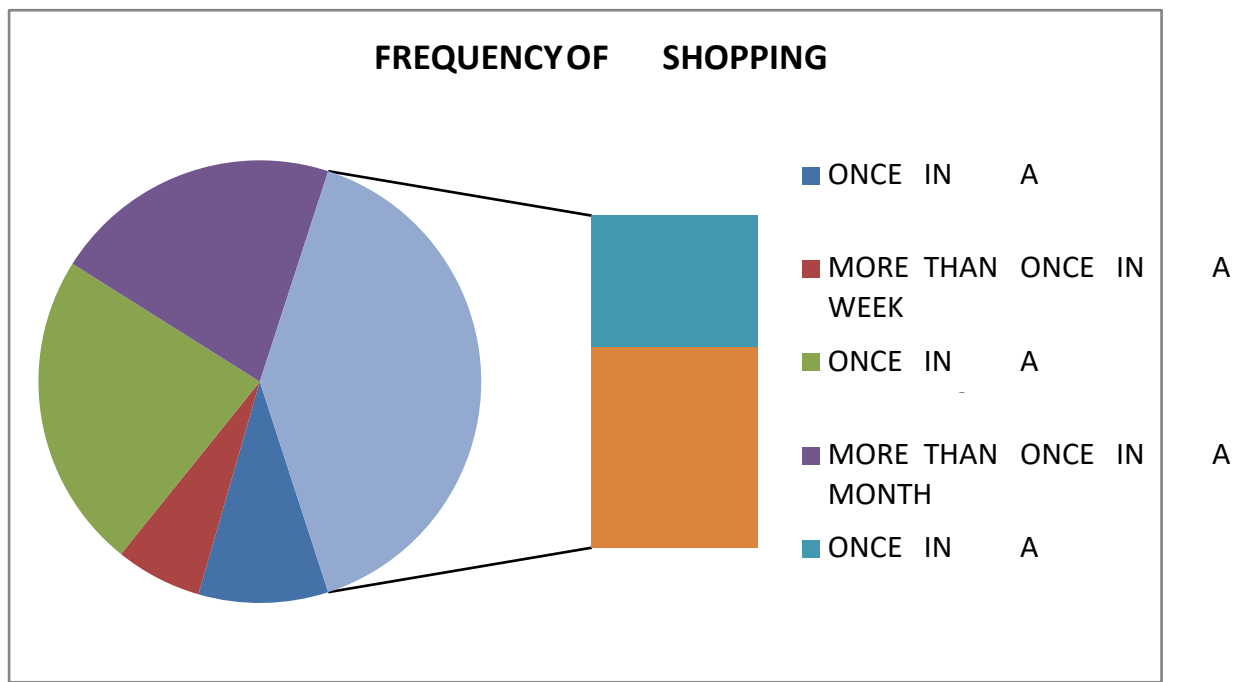
source:- field survey

INTERPRETATION

According to this column chart maximum expenses incurred by people is in between Rs 500-1000 and the least expenses incurred is in between Rs 3000-5000

Q11. How frequently do you purchase products and services through online?

Once In A Week	9
More Than Once In A Week	6
Once In A Month	22
More Than Once In A Month	20
Once In A Year	15
More Than Once In A Year	23



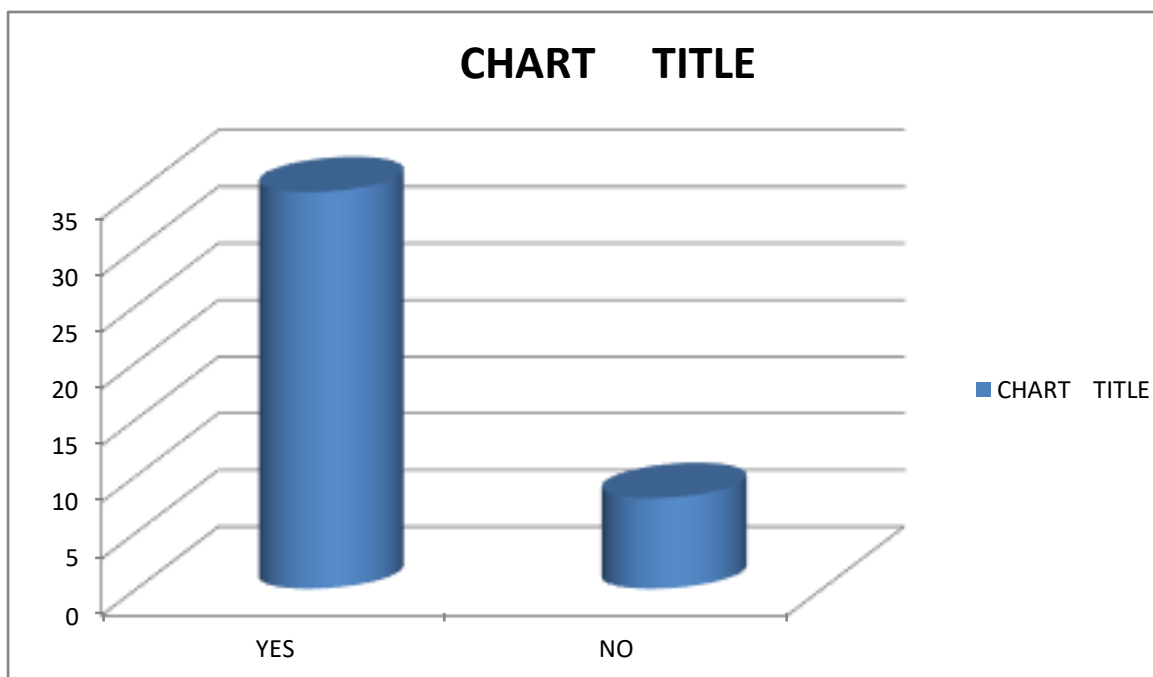
source:- field survey.

INTERPRETATION

According to this pie chart maximum 40% consumers purchase products and services through online more than once in a year and minimum 6% consumers purchase products and services through online more than once in a week.

Q12. Are order delivered?

Within The Time	35
After Delivery Time	8



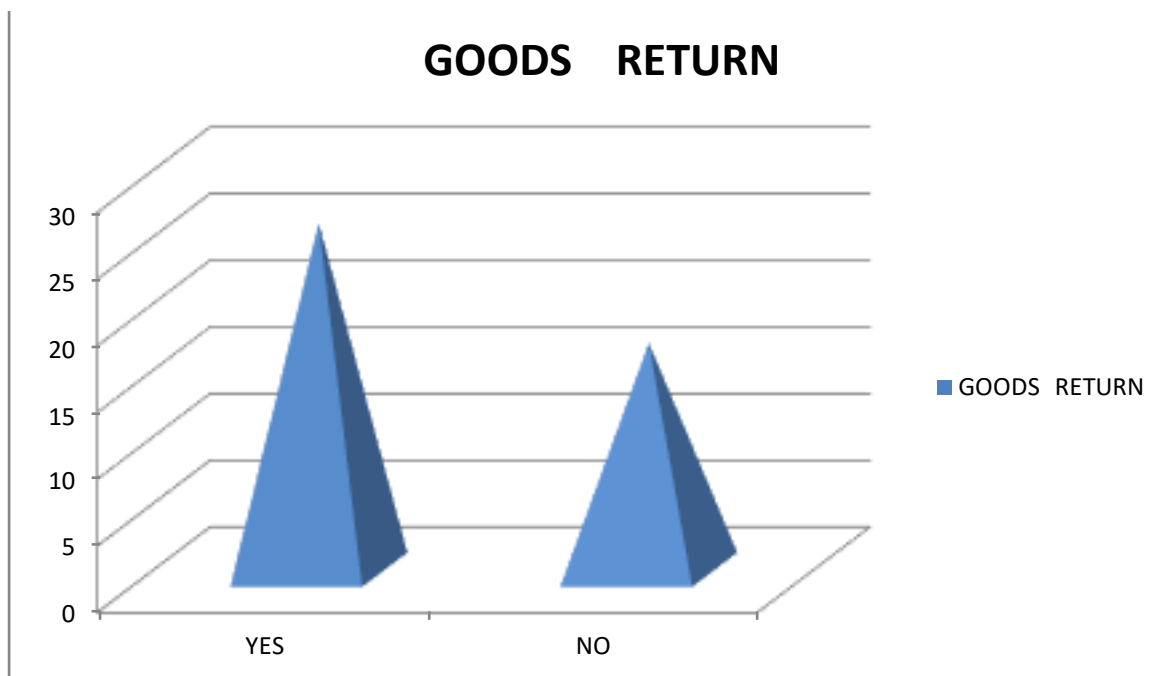
source:- field survey

INTERPRETATION

According to 35 people orders are delivered within the time. 8 people says that orders are not delivered within the specified time. So according to the survey we can say that orders are delivered within specified time.

Q13. Do you return goods through online?

Yes	26
No	17

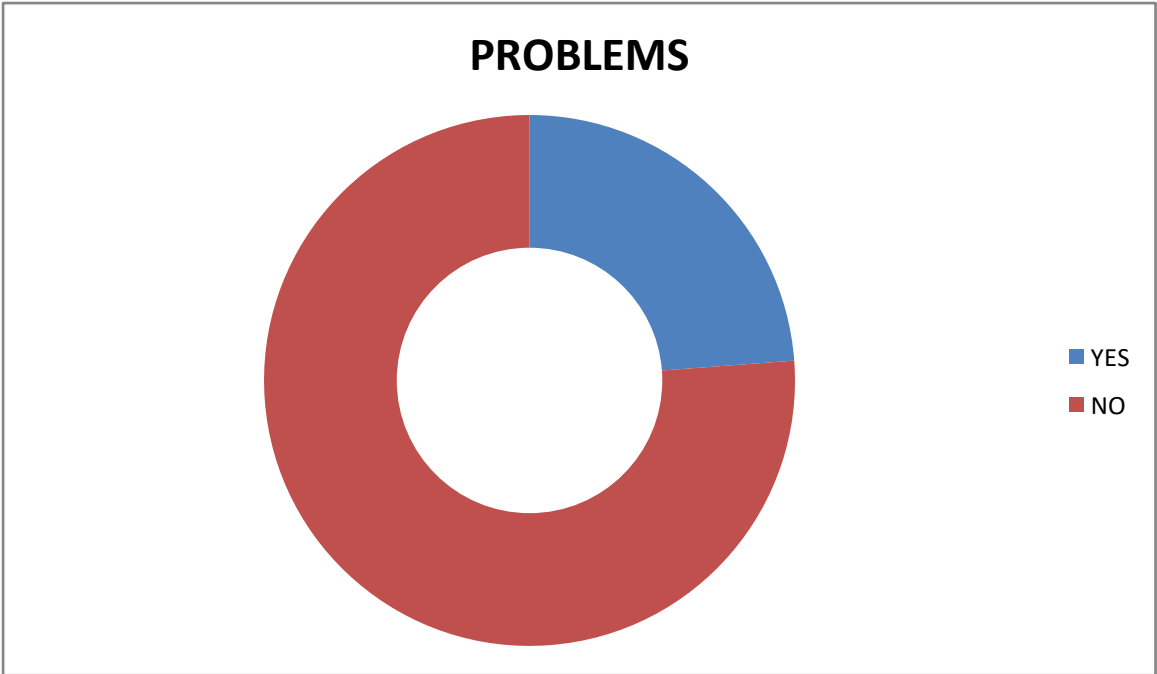


source:- field survey

INTERPRETATION

According to the survey 26 people return goods through online and 17 people do not return goods through online. 7 people do not bought goods through online.

Q14. Do you face any problem in case of online shopping?



source:- field survey

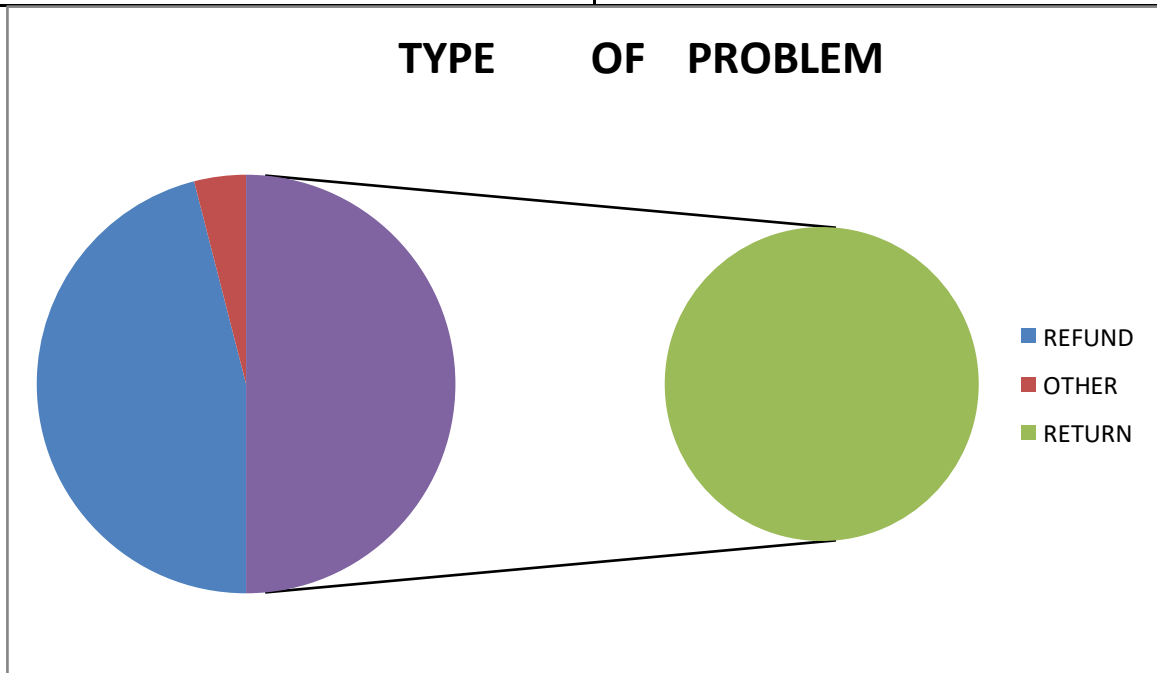
INTERPRETATION

Yes	10
No	32

These pie chart shows that out of 50people 10people face problems in case of online shopping 32people do not face any problem in case of online shopping and rest of the people have no experience of online shopping.

Q15. What type of problem you face:

Return	12
Refund	11
Other	1



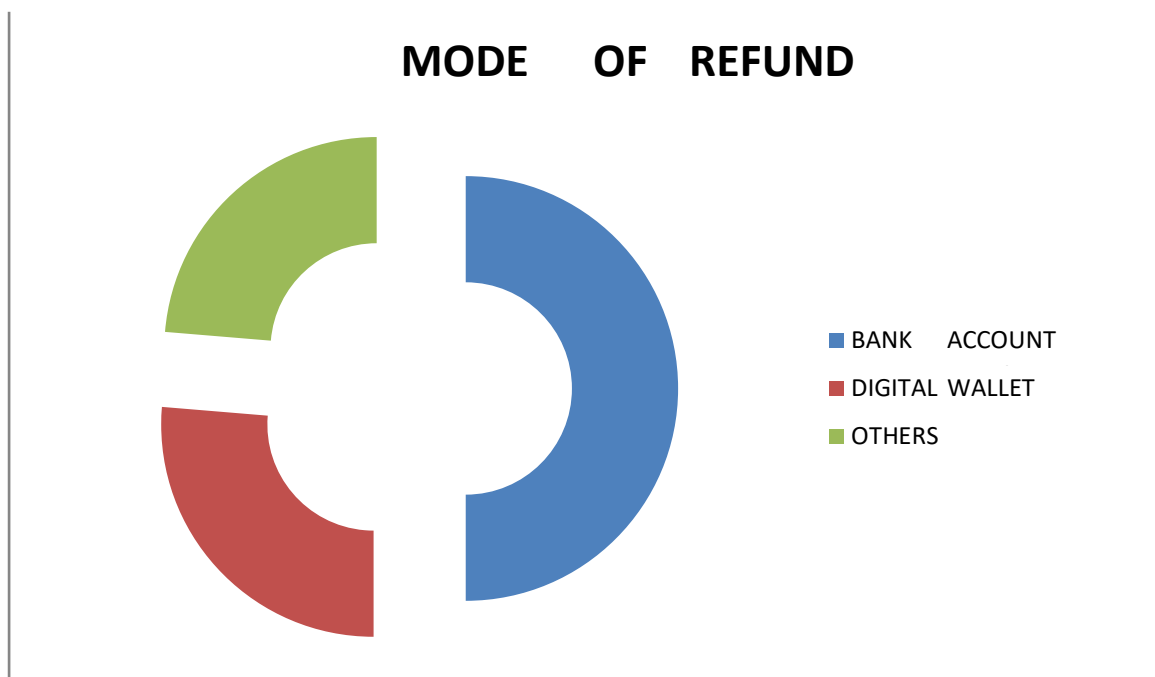
source:- field survey

INTERPRETATION

According to the analysis 50% people face problem in case of return, 46% people face problem in case of refund and 4% people face other problem.

Q16. In case of refund, where do you prefer:

Bank Account Directly	19
Digital Wallet	10
Other	9



source:- field survey

INTERPRETATION

These chart shows that out of 50people 19people prefer bank account in case of refund, 10 people want to get their refund through digital wallet and 9people prefer other mode of refund

Yes	41
No	3

Q17. Are you happy with the online shopping?



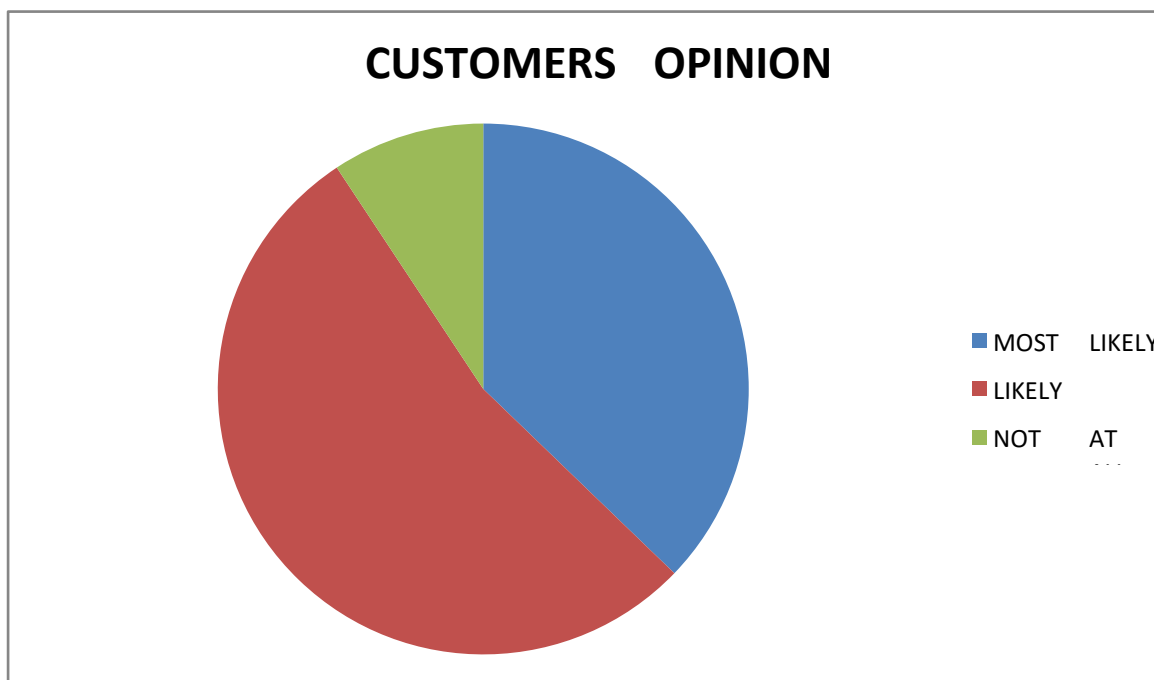
source:- field survey

INTERPRETATION

According to the chart 41 people are satisfied with online shopping, 3 people are not satisfied and rest of the people do not shop through online. This analysis shows that most of the consumers are satisfied with online shopping.

Q18. How likely are you to refer online shopping?

Most Likely	16
Likely	23
Not At All	4



source:- field survey

INTERPRETATION

These analysis shows that 54% consumers like more of online shopping, 37% people like online shopping and 9% people dislike it. Most of the consumer like online shopping. So number of online consumers are increased.

3.2 FINDINGS

We have analyzed online shopping on many basis like category of shop, save of time, type of facility, mode of payment, delivery time, goods return, modes of refund etc.

After analysis we can say that online shopping is more popular since 2years. There are some reasons behind the preference of online shopping are as follow:

1. Consumers can buy their products at any time.
2. Time consumption is less in case of online shopping.
3. Consumers get their product within the specified time at their home.
4. Consumers can pay their dues through any mode of payment.

At present most of the consumers buy their products through online. As per consumers opinion online shopping is better than traditional shopping. Now many traditional consumers converted into online consumers to get facilities.

CHAPTER:-4

CONCLUSION AND RECOMMENDATION

4.1 CONCLUSION

Online trading shopping, paying etc. has become a part of our modern society. Throughout the world people are using this technique to meet their needs as is also a time saving alternative. But throughout of my analysis people go for online market because they get product at lower price than traditional market. Due to presence of middleman the price of the products go high in traditional market. Time saving and convenience are another factor to be considered. Online shopping has been growing at very fast speed throughout the world. People are shopping through online but they still prefer traditional market. Traditional market is still dominating but observing the increasing trends of e-commerce in near future it will share the half portion of the entire market.

4.2 RECOMMENDATION

After the research work my recommendations are as follows:

1. Understand individual consumer needs and preferences by used integrated information.
2. To attract visitors to the web site should be well designed.
3. Online sellers must build up a good relationship with the consumers.
4. Online companies should be develop new ideas about products or services.

CHAPTER:-5

BIBLIOGRAPHY

5.1 REFERENCES

The above data is collected from the following sources: ❖

WEBSITES

- a) <http://www.gogle.co.in/search>
- b) <http://www.wikipedia.org>
- c) <http://in.search.yahoo.com>

5.2 Annexure- IC Name:

Phone Number:

Address:

Age:

Income:

1. Profession of the consumer:

a) student	b) government employees
c) business man	d) private employees

2. Where do you shop from:

a) traditional shop	b) shopping malls
c) online shopping	

3. When are you shop though online:

a) 2 years	b) 5years
c) More than 5	

4. Do time save to internet:

a) yes	b) no
--------	-------

5. What type of item do you shop through online:

a) Clothes and accessories	b) groceries
c) medicines	d) consumer durables
e) services	f) foods

6. What type of services do you buy online:

a) Rail ticket booking	b) Air ticket booking
c) Movie ticket booking	d) Hotel booking
e) Payment of bills	f) Mobile recharge

7. Do you get any extra facility in case of online shopping:

a) yes	b) no
--------	-------

8. What type of facility you get:

a) Any type of discount	b) Gifts
c) No delivery chargers to a certain limit	

9. How do you pay your bills online:

a) cash on delivery	b) Digital wallet
c) Credit card	d) Debit card

10. What is your approx expenses on online shopping:

a) Below500	b) 500-1000
c) 1000-2000	d) 2000-3000
e) 3000-5000	f) Above 5000

11. How frequently do you purchase products and services through online:

a) Once in a week	b) More than once in a week
c) Once in a month	d) More than once in a month
e) Once in a year	f) More than once in a year

12. Are order delivered:

a) Within the time	b) After delivery time
--------------------	------------------------

13. Do you return goods through online:

a) yes	b) no
--------	-------

14. Do you face any problem in case of online shopping:

a) yes	b) no
--------	-------

15. What type of problem you face:

a) return	b) refund
c) other	

16. In case of refund, where do you prefer:

a) Bank account directly	b) Digital wallet
c) Others	

17. Are you happy with the online shopping:

a) yes	b) no
--------	-------

18. How likely are to refer online shopping:

a) likely	b) most likely
c) not at all	

PROJECT REPORT

(submitted for the degree of b.com honours in accounting & finance under the university of Calcutta)

ON

“CUSTOMER DATA ANALYSIS”

WITH REFERENCE TO BIG BAZAAR

SCOTTISH CHURCH COLLEGE

SUBMITTED BY

Name of the student- **PABITRA MONDAL**

Registration no - **223-1111-0535-18**

Name of the college- **SCOTTISH CHURCH COLLEGE**

College roll no.- **18C-043**

SUPERVISED BY

BISWADEEP_DUTTA

Professor,

Department of commerce,

Scottish church college,

JULY,2021

SUPERVISOR'S CERTIFICATE

This is to certify that Mr. **PABITRA MONDAL** a student of B.Com. Honours in Accounting & Finance of **SCOTTISH CHURCH COLLEGE** under the University of Calcutta has worked under my supervision and guidance for his/her Project Work and prepared a Project Report with the title "**CUSTOMER DATA ANALYSIS**" which he/she is submitting, is his/her genuine and original work to the best of my knowledge.

Signature

Place: kolkata
Date:13/07/2021

Name: Biswadeep dutta
Designation: Professor
Name of the College: Scottish church

STUDENT'S DECLARATION

I hereby declare that the Project Work with the title "**CUSTOMER DATA ANALYSIS**" submitted by me for the partial fulfillment of the degree of B.Com. honours in **Accounting & Finance** under the **University of Calcutta** is my original work and has not been submitted earlier to any other University /Institution for the fulfillment of the requirement for any course of study.

I also declare that no chapter of this manuscript in whole or in part has been incorporated in this report from any earlier work done by others or by me. However, extracts of any literature which has been used for this report has been duly acknowledged providing details of such literature in the references.

Place: kolkata

Pabitra mondal

Date: 13/07/2021

Signature

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PREFACE

This project report attempts to bring under one cover the entire hard work and dedication put in by me in the completion of the project work on **customer data analysis** with reference to big bazaar.

I have expressed my experiences in my own simple way. I hope who goes through it will find it interesting and worth reading. All constructive feedback is cordially invited.

ACKNOWLEDGMENT

It is really a matter of pleasure for me to get an opportunity to thank all the persons who contributed directly or indirectly for the successful completion of the project report, "**customer data analysis** With reference To Big Bazaar".

First of all I am extremely thankful to my **Scottish church college** for providing me with this opportunity and for all its cooperation and contribution. I also express my gratitude to my Project mentor and guide Prof. **Biswadeep Dutta**. I am highly thankful to our respected project guide for giving me the encouragement and freedom to conduct my project.

I am also grateful to all my faculty members for their valuable guidance and suggestions for my entire study.

I would also like to thank the Big bazaar team for extending their valuable time and cooperation.

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INTRODUCTION

Pantaloon Retail (India) Limited, is India's leading retailer that operates multiple retail formats in both the value and lifestyle segment of the Indian consumer market. Headquartered in Mumbai (Bombay), the company operates over 5 million square feet of retail space, has over 450 stores across 40 cities in India and employs over 18,000 people.

The company's leading formats include Pantaloon, a chain of fashion outlets, Big Bazaar, a uniquely Indian hypermarket chain, Food Bazaar, a supermarket chain, blends the look, touch and feel of Indian bazaars with aspects of modern retail like choice, convenience and quality and Central, a chain of seamless destination malls. Some of its other formats include, Depot, Shoe Factory, Brand Factory, Blue Sky, Fashion Station. The company also operates an online portal, futurebazaar.com.

As Customers tastes and preferences are changing, the market scenario is also changing from time to time. It is the changing tastes and preference of customer which has brought in a change in the market. Income level of the people has changed. New generation people are no more dependent on Hat market and far off departmental stores. Today we can see a new era in market with the opening up of many departmental stores, Hypermarkets, shoppers stop, malls, branded retail outlets and Special stores. My study is based on a survey done on customers of a hypermarket named big bazaar. Big bazaar is a new type of market which came into existence in India since 1994. It is owned by pantaloons retail India Ltd. It is a type of market where various kinds of products are available under one roof. My study is on determining the customers buying behavior of customers in big bazaar and the satisfaction level of customers in big bazaar. My study will find out the current status of big bazaar and determine where it stands in the current market. The market field survey will help in knowing the present customers taste and preferences. It will help me in estimating the customers future needs, wants and demand.

COMPANY PROFILE



BIG BAZZAR

Big Bazar is a chain of hypermarkets in India, with more than 100 stores in operation. It is subsidiary of future group Venture Ltd's , and follows the business model united states-based Wal-Mart. Facilities offered by Big Bazaar Online shopping: Big bazaar has an official website, FutureBazaar.com, which is one of the most favorite sites among people of India for online shopping. Future Bazaar is an online business venture Of Future Group, which sells an assortment of products such as fashion, which includes merchandise for men women, mobile accessories, mobile handsets and electronics like home theaters, video cameras, digital camera, LCD TVs, kitchen appliances and many more ,

- Discounts: "Hafta ka sabse sasta din was introduced by the Big bazaar , wherein extra and special discounts were offered on Wednesday every week, to attract the potential buyers into their store.
- Security check: At each exit Of Big Bazaar, they use alarm system or Electronic Article Surveillance system which detects the products that has attached tags or not.

1.Big Bazaar is a chain of hypermarket in India, which caters to every family's needs and requirements.

2. Big Bazaar has released the doors for the fashion world, general merchandise like sports goods, cutlery, crockery, utensils , and home furnishes etc. at best economical prices.

3.Big Bazaar group offers more than 100 stores all over the country with an amalgamation of Indian bazaars' feel and touch with a convenience and choice of the modern retail facilities

4. The worldwide country chain, Big Bazaar, is formed by CEO of Future Group, Mr. Kishore Biyani. Their basic: attraction associated with reasonable prices is their unique Selling Price.

5.Big Bazaar has become a massive hit with lower middle-class and middle class people as a major client base.

6.Reflect the look and feel of Indian bazaars at their modern outlets.

GROUP VISION

"To deliver Everything Everywhere, Every time to Every Indian consumer in the most profitable manner "

GROUP MISSION

- .We share vision and belief that Our customers stakeholders be served only by creating executing future scenarios in the consumption space leading to economic development
- .We Will be the trendsetters in evolving delivery formats, creating retail realty. Making consumption affordable for all customers segments - for classes and for masses.
- . We shall infuse Indian brands with confused and renewed ambition
- . We shall be efficient and cost-conscious and I committed to quality in whatever we do.

CORE VALUES

1. Indianness-Confidence in ourselves
2. Leadership-To be leader in thought & business
3. Openness-To be open in & receptive to new ideas, knowledge & information
4. Adaptability-To be flexible & adaptable, to meet new challenges.

IMPORTANCE OF STUDY

Its provide guideline for further research in area 000 retail. Research says about customer buying behavior towards Big Bazaar. research is also important to identify Market size, growth and Market Potential of Big Bazaar. The research shows future Scenario of Big Bazaar in current perspective. The study shows Opponunities and challenges for Big Bazaar respect of internal & external environment. Research say about main competitors in the field of organized retail sectors. The study provide guideline to further extensions of Big Bazaar. The study provide to know the customers satisfaction with Big Bazaar stores.

SCOPE OF STUDY

TIE scope of this research to identify the buying behavior of customers of Big Bazaar. This research is based on primary data and secondary data. This study only focuses on urban buying behavior of customers. The study does not say anything about rural buying behavior of customer because rural norms/status/attitude & acceptance of the rural customers differs with urban customers. It provides help to further the research for organized retail sector. It aim to understand the skill of the company in the area like technological advancement, competition in management.

BIG BAZAAR SUPER CENTER

Outlet	140 Outlets
Parent Group	Future Group
Owner	Kishore biyani
Founded	2001
Headquarters	Jogeshwari, Mumbai
Industry	Retail
Tagline	IS Se sasta aur accha kahin nahi

OBJECTIVES

1. To analyze how the mix influence the customer satisfaction level.
2. To determine the current status Of big bazaar .
3. To study the satisfaction level of customers With regard of big bazaar
4. To find out the buying behavior of the customers coming in to Big
Bazaar.
5. To identify main competitors of Big Bazaar with regard services.

MARKETING MIX

4P'S OF BIG BAZAAR

PRODUCT MIX

Apparels	Home Care	Chill Station	Farm Produce
Denims & Shirts	Shampoos	Soft Drink	Fruits
Fabrics	Detergents	Packaged Juices	Vegetables
Formal Wear	Soaps	Milk Items	Imported Fruits
Casual Wear	Liquid Wash	Frozen Foods	Dairy Products

PRICE MIX

- Value Pricing (EDIT)
- Promotional Pricing
- Low Interest Financing
- Psychological Discounting
- Special Event Pricing
- Differentiated Pricing
- Time Pricing
- Budling

PLACE MIX

- Initially Identifies Future/Potential development areas.
- Acquire such areas at an early phase before the real estate value booms.
- Located at high traffic areas.
- Design to look crowded

PROMOTION MIX

- “Saal ke sabse saste din”
- Future Card(3%Discount)
- Advertising(Print ads, TV Ads, Radio)
- Brand Endorsement by M.S dhoni
- Exchange Offer
- Weekend Discount Point of Purchase Promotion
- Point of Purchase Promotion

CUSTOMER SERVICE WITH REFERENCE TO BIG

BAZZAR

Customer service is the provision of services to customers before, during and after a purchase. According to Turban 'Customer service is a series of activities designed to enhance the level of customer satisfaction that is, the feeling that a product or service has met the customer expectation. "

Its importance varies by product, industry and customer; defective or broken merchandise can be exchanged, often only with a receipt and within a specified time frame. Big Bazaar will often have a desk or counter devoted to dealing with returns, exchanges and complaints, or will perform related functions at the point of sale; the perceived success of such interactions being dependent on employees "who can adjust themselves to the personality of the guest, "

Customer service plays an important role in an organization's ability to generate income and revenue. From that perspective, customer service should be included as part of an overall approach to systematic improvement. A customer service experience can change the entire perception a customer has of the organization.

Customer support is a range of customer services to assist customers in making cost effective and correct use of a product. It includes assistance in planning, installation, training, trouble shooting, maintenance, upgrading, and disposal of a product. A multi-task position drawing on extensive CUSTOMER SERVICE experience to advance a proven track record for developing and maintaining key accounts and improving departmental efficiencies

OBJECTIVES OF CUSTOMER SERVICES

- Provide customers and staff with clear standards and expectations.
- Ensure all customer contact reaches an appropriate conclusion
- Minimize incidences of repeat contact
- Seek to provide a seamless service for customers
- Provide equal and easy access to our services at a time, place and channels

- meet the needs of residents, businesses and other stakeholders

- Cater for customers needs irrespective of age, gender, physical or financial ability, ethnic origin, race, religion or geographical location

- Provide a prompt, courteous and knowledgeable response to all customer enquiries.
- Equip our staff to provide customers with an excellent standard of service
- Enable our customers to provide feedback easily, through complaints. customer surveys, etc.
- Use customer compliments, comments and complaints to drive improvements to service

CUSTOMER SEGMENTATION OF BIG BAZAAR

- Big Bazaar target higher & upper middle class customers.
- The large and growing young working population is a preferred customer segment.
- Big Bazaar specially targets working women & home markets who are the primary decision maker,

Good customer service is the lifeblood of any business. You can offer promotions and slash prices to bring in as many new customers as you want, but unless you can get some of those customers to come back, your business won't be profitable for long,

Good customer service is all about bringing customers back, And about sending them away happy - happy enough to pass positive feedback about your business along to others, who may then try the product or service you offer for themselves and in their turn become repeat customers.

BIG BAZZAR USE 8 GOLDEN RULES TO DEAL WITH CUSTOMER SERVICES

- Answer the phone.
- Don't make promise unless you will keep them.
- Listen to your customer.
- Deal with complaints.
- Be helpful.
- Train your staff to be always helpful, courteous and knowledgeable.
- Take the extra step.
- Throw in something extra.

CUSTOMER SATISFACTION IN BIG

BAZZAR

- ❖ The degree of customer satisfaction you deliver determines the level of long- term success you will achieve in business. "

CUSTOMER SATISFACTION THEIR TOP

PRIORITY

Don't just make sales. Create customers - satisfied customers. In addition to the Immediate profit they provide on the first sale, satisfied customers help you build your business in 2 other important ways:

1. They become a reservoir of repeat buyers. For some businesses that means repeat buyers for more of the same product or service. For every business. it means buyers for additional products and services.

2, They automatically refer more business to you from their friends and business contacts. This is highly profitable business for you because it doesn't cost you any time or money to get it.

CUSTOMERS SERVICES OFFERED BY BIG BAZAAR

Online shopping: Big Bazaar has an official website, FutureBazaar.com, which is one of the newest favorite sites among people of India for online shopping, Future Bazaar is an online business venture of Future Group. which sells an assortment of products such as fashion. which includes merchandise for men and women. mobile accessories. Mobile handsets and electronics like home theatres. video cameras. Digital camera. LCD TVs. Kitchen appliances and many more.

- Discounts: "hafte ka sabse sasta din was introduced by the Big Bazaar, wherein extra and special discounts were offered on Wednesday every week. to attract the potential buyers into their store.
- Security check: At each exit of Big Bazaar. They use alarm systems or Electronic Article Surveillance system which detects the product that has attached tags or not.

CUSTOMER ORIENTED STRATEGY

- Attracting & retaining customers.
- Uses Non- Traditional Strategy.
- Moving demo-trolley.
- Used young population as strategic blessing.

COMPETITORS OF BIG BAZAAR WITH REGARD TO SERVICES

- Walmart
- Reliance
- Shoppers stop
- Vishal mega mart

BIG BAZAAR TARGETS TO BE ACHIEVED

- The aim is to increase the retail business to around 30 million square feet by 2011 as compared to 10 million square feet of now.
- To become a substantial part of every Indian's wallet.
- To get across 30% of the population of entire nation which is now just 8%.
- To increase organized retail from 5% to at least 20-24% in next 2 years.
- Local retailers Attractive Design. interior & good atmosphere .

S.W.O.T ANALYSIS

STRENGTHS

- Everyday low pricing
- Point of purchase
- Experience marketing team executive staff
- Emphasis on providing total customer satisfaction
- Variety of stuff under single roof

WEAKNESS

- Maintain good employee-employer relationship
- Failing revenue /sq.fit
- Unable to store targets

OPPORTUNITIES

- Unavailability of popular brands
- Population of country is growing where the scope of market is kept on increasing for retail sector.
- Evolving consumer preference
- Organized retail presently nearly 5% in India. So it acts as a peat opportunities to the organization for its growth.

THREAT

- Competition from organized retail players which are in market and are emerging.
- Competition from local retailers

RESEARCH METHODOLOGY

METHODOLOGY ADOPTED FOR STUDY

- Observing the working of various departments like finance. Human resource, marketing, purchasing, production.
- Discussion with the executives, managers , employees,
- Visiting & surfing websites of company.

MEANING

Research Methodology is a set of various methods to be followed to find out various information's regarding market strata of different products. Research Methodology is required in every industry for acquiring knowledge of their products.

AREA OF STUDY

The study is exclusively done in the area of marketing. It is a process requiring care, sophistication, experience, business judgment, and imagination that which there can be no mechanical substitutes.

SOURCE OF DATA

- **primary source**
- **secondary source**

Primary Source- The primary data was collected by means of a survey, Questionnaires were prepared and customers of the big bazaar at two branches were approached to fill up the questionnaires. The questionnaire contains 20 questions which reflect on the type and quality of services provided by the Big bazaar to the customers. The response of the customer is grade scale of strongly disagree, uncertain, agree and strongly agree for each question . The filled up recorded on a information was later analyzed to obtain the required interpretation and the findings.

Secondary data- In order to haw a proper understanding of the customer service of Big Bazaar a depth study was done from various sources such as books, a lot of data is also collected from the official websites of the Big bazaar and the articles from various search engines like Google. yahoo search and answers.com.

RESEARCH DESIGN

The research design is exploratory till identification of customer services parameters. Later it becomes descriptive when it comes to evaluating customer perception of customer service of the big bazaar.

Descriptive research also known as statistical describes data and characteristics about the population or phenomenon being studied. Descriptive research answers the questionnaire who. what. where. when and how, Although tip data description is factual. accurate and systematic, the research cannot describe what caused a situation. Thus. descriptive research cannot be used to create a causal relationship , where one variable affects another, In other words. descriptive research can be said to have a low requirement for internal validity.

The description is used for frequencies, averages and other statistical calculations. Often the best approach. prior to writing descriptive research, is to conduct a survey investigation, Qualitative research often has the aim of description and researchers many follow-up with examinations of why the observations exist and what the implications of the findings are.

RESEARCH SAMPLE

SAMPLING PLAN:

Since it is not possible to study whole universe, it becomes necessary to take sample from the universe to know about its characteristics,

- Sampling Units: of Big bazaar,
- Sample Technique: Random Sampling.
- Research Instrument Structured questionnaire.
- contact Method : Face to face Personal Interview.

SAMPLE SIZE:

The work is a case of Big bazaar of the Retail Sector industry together representing great per cent of the market share of Indian retail sector. The survey was conducted in the city of Krishnagar with a huge size of big bazaar , with 40 customers as respondents.

DATA COLLECTION TOOL

Data is collected from various customers through personal interaction, Some other information is collected through secondary data also. Data was collected through a structured questionnaire.

Likert technique is used. Likert scale is simply a statement which the respondent is asked to evaluate according to any kind of subjective or objective criteria, generally the level of agreement and disagreement is measured

Likert scaling is a bipolar scaling_method, measuring either positive or negative response to a statement. The questionnaire consists of two parts. The first part consists of three questions concerning the demographic information of the respondent such as the name, age, educational qualifications and income. The second part consisting of 18 questions exploring the respondent's perception about the customer services of big bazaar.

RESEARCH LIMITATIONS

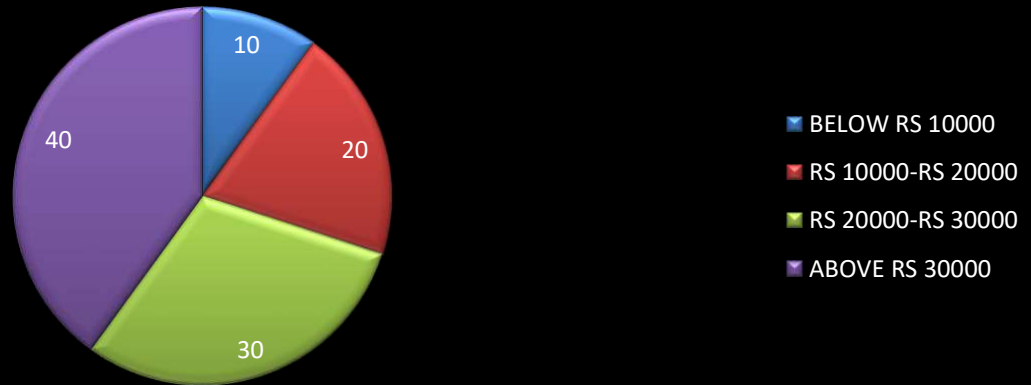
- TIE study is only for the big bazaar confined to a particular location and a very small sample of respondents, Hence the findings cannot be treated as representative of the entire retail industry.
- Respondents may give answers for the required data. Some of the respondents did not like to respond.
- Respondents tried to escape some statements by simply answering "neither agree nor disagree" to most of the statements, This was one of the most important limitation faced, as it Was difficult to analyze and come at a right conclusion.
- In our study we have included 40 customers because of time limit,

DATA ANALYSIS

MONTHLY INCOME

<u>MONTHLY INCOME</u>	<u>FREQUENCY</u>	<u>PERCENTAGE</u>	<u>CUMULATIVE FREQUENCY</u>
Below RS.10000	4	10	10
RS.10000-Rs.20000	8	20	30
Rds. 20,000- RS.30000	12	30	60
Above Rs30000	16	40	100
Total	40	100	

MONTHLY INCOME



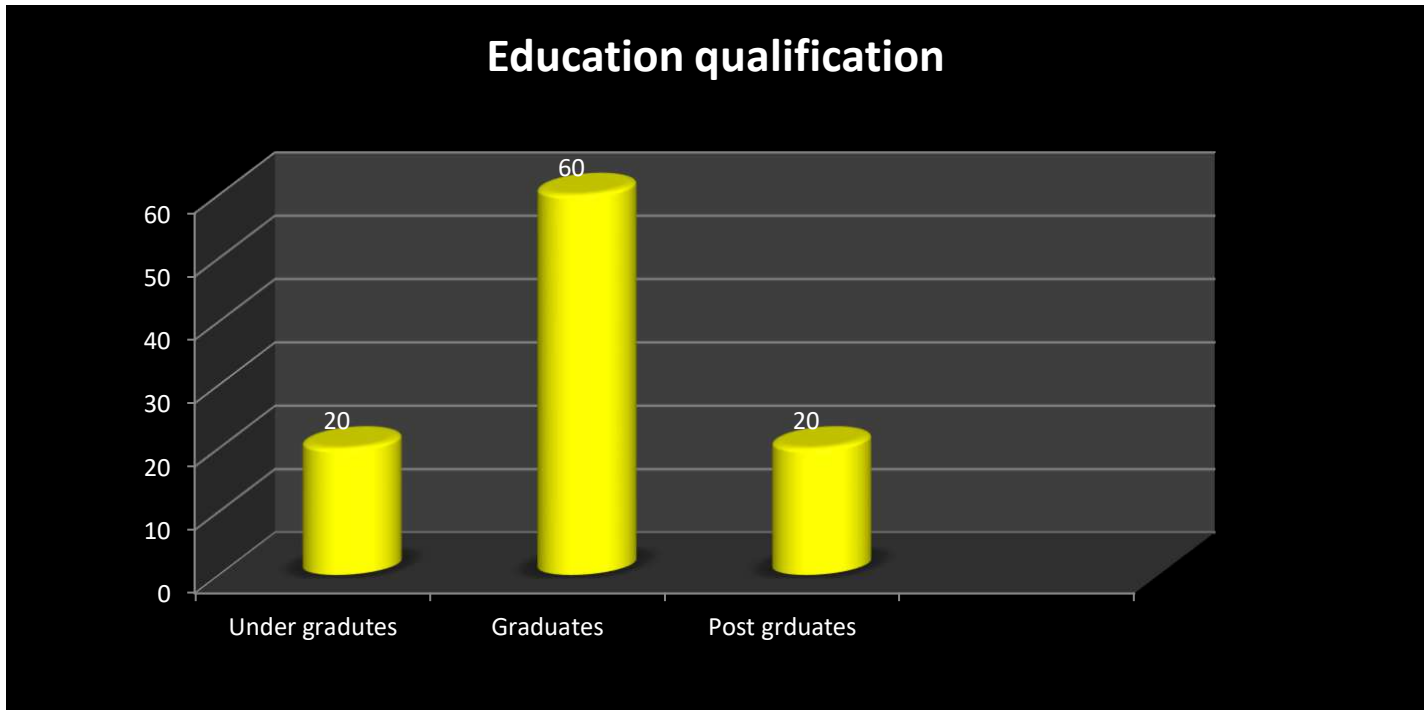
INTERPRETATION

from the table and graph above it can be seen that

- 10% respondents income are below 10000
- 20% respondents income are between 10000 to 20000
- 30% respondents income are between 20000 to 30000
- 40% respondents income are above 30000

EDUCATION QUALIFICATION

Category	Frequency	Percentage	CUMULATIVE PERCENTAGE
Undergraduate	8	20	20
Graduates	24	60	80
Post graduates	8	20	100
Total	40	100	



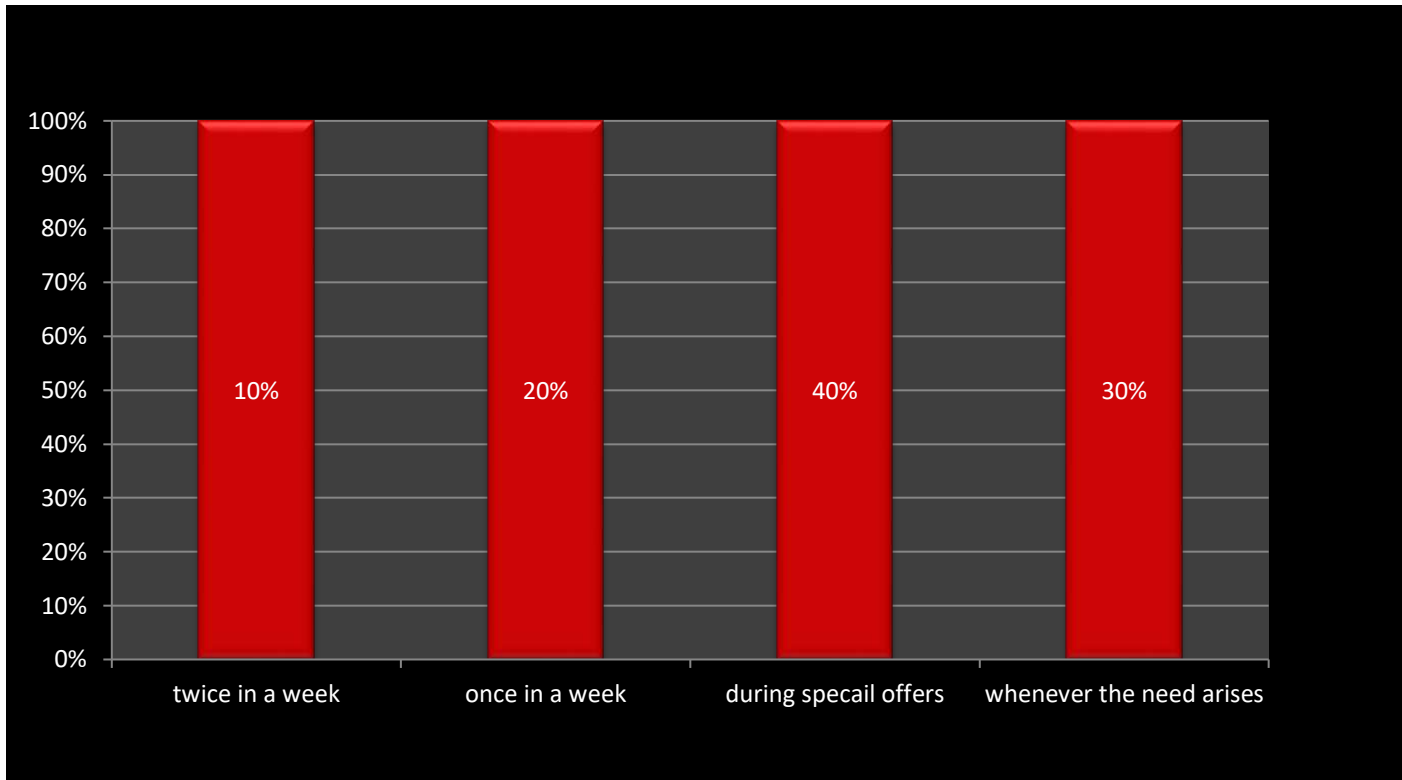
INTERPRETATION

from the table and graph above it can be seen that

- 20% respondents are undergraduates
- 60% respondents are graduates
- 20% respondents are post graduates

1.HOW FREQUENTLY DO VISIT BIG BAZAAR

SCALE	FREQUENCY
Twice in a week	4
Once in a week	8
During special offers	16
Whenever the need arises	12
total	40

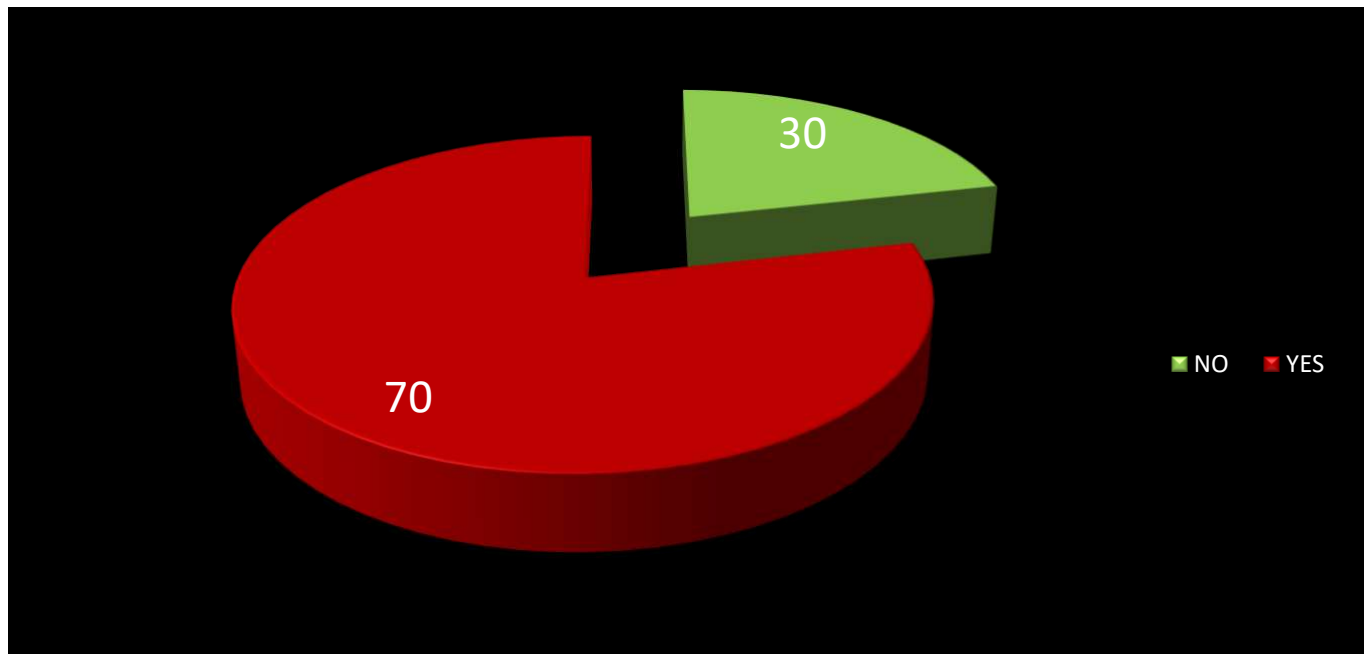


INTERPRETATION

This is aimed at understanding low frequently customer visit shops & buy their product or avail their services. The highest responses I have been attributed to once a week. Such customer . can be presumed to high disposal income & may buy more daily & fashion products . Whereas 40% visit during special offers. 30% when need arises. 10% twice in a week.

2. ARE YOU HAPPY WITH THE LOCATION OF BIG BAZAAR

scale	frequency	percentage
yes	28	70
no	12	30
total	40	100

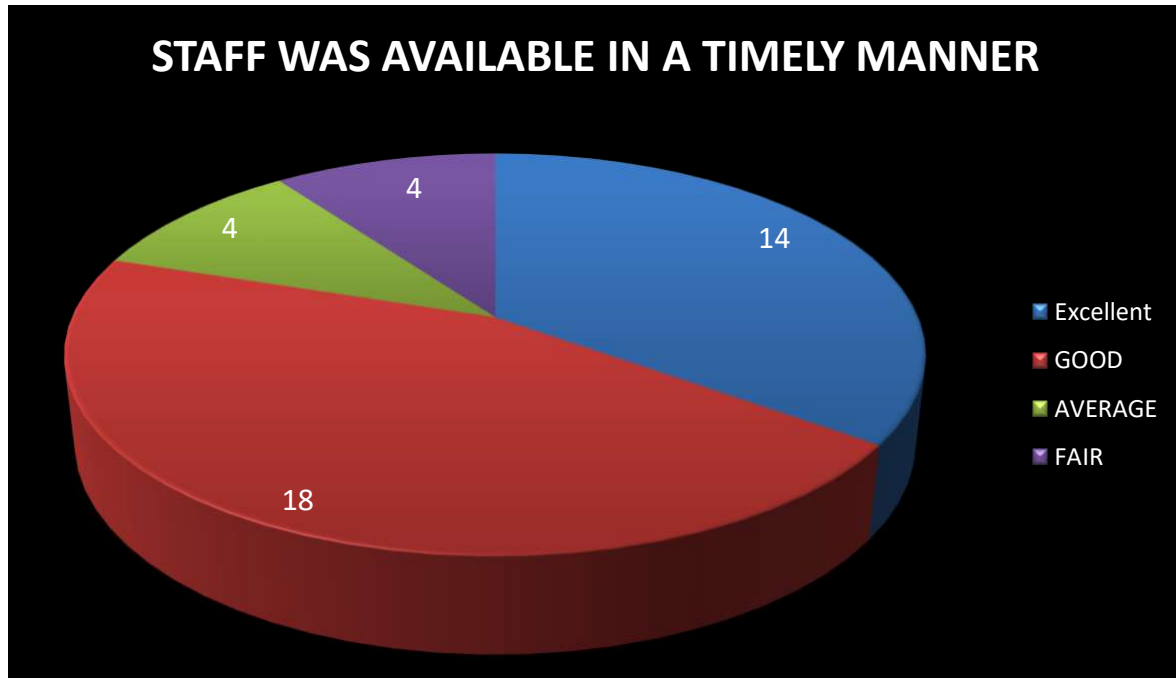


INTERPRETATION

big bazaar physical facilities are visually appealing .from this statement I found that 70% of people are happy with the location of big bazaar as compare to other 30%. It means that big bazaar is available at most preferred places.

3.STAFF WAS AVAILABLE IN A TIMELY MANNER

Scale	Frequency	Percentage	Cumulative Percentage
Excellent	14	35	35
Good	18	45	80
Average	4	10	90
Fair	4	10	100
Total	40	100	



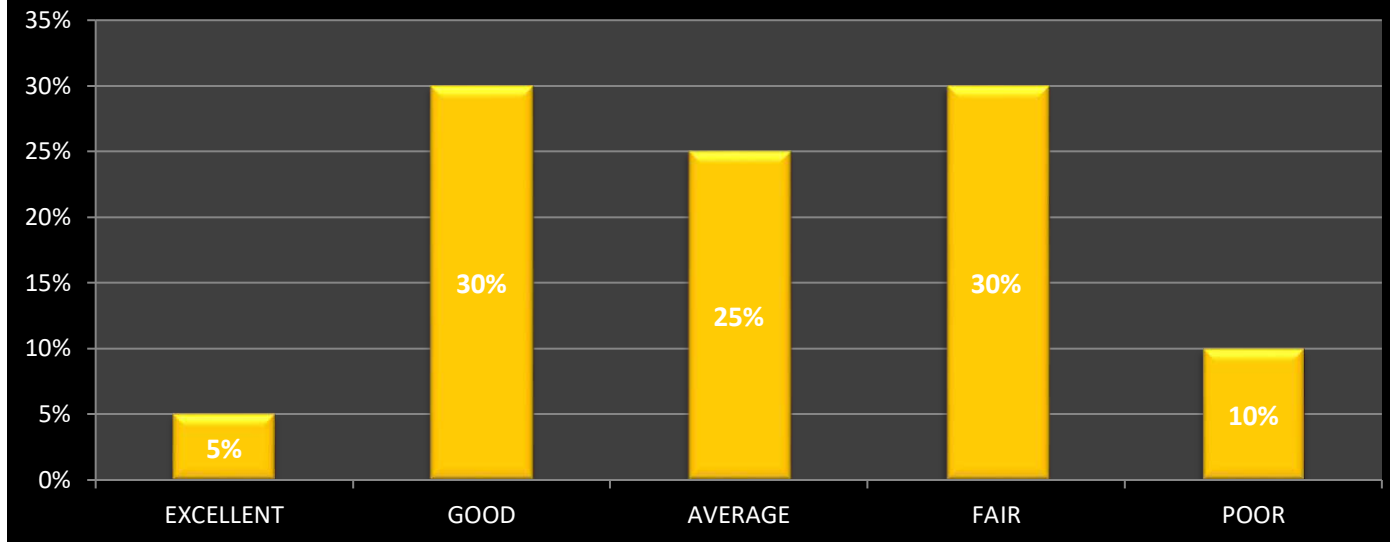
INTERPRETATION

Total sample size was 40. Here analysis shows that among the total respondents 18 people agreed with this statement. They think that Big Bazaar staff was available in a timely manner. 14 people rate this statement as excellent. Also 4 respondents rate it as average and 4 people as fair.

4. STAFF GREETED YOU AND OFFERED TO HELP YOU

Scale	Frequency	Percentage	Cumulative Percentage
Excellent	2	5	5
Good	12	30	35
Average	10	25	60
Fair	12	30	90
Poor	4	10	100
Total	40	100	

Staff greeted you and offered to help you

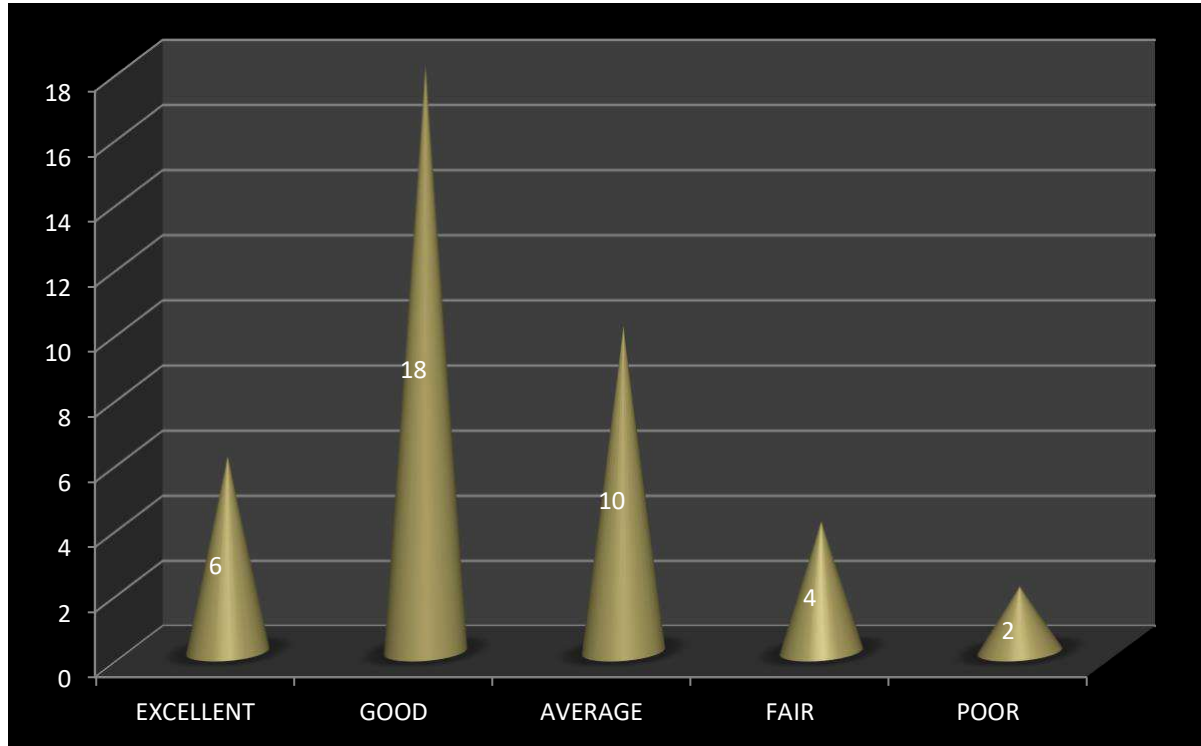


INTERPRETATION

Employees in Big bazaar are willing to help you. With this statement respondents give weightage to good and fair. Good and fair were 12 people i.e.30%respondents each . average was 10 people i.e., 25% and 2 people i.e., 5% respondents said excellent and 10 %respondents said poor.

5. STAFF ANSWERS YOUR QUESTION.

Scale	Frequency	Percentage	Cumulative Percentage
Excellent	6	15	15
Good	18	45	60
Average	10	25	85
Fair	4	10	95
Poor	2	5	100
Total	40	100	



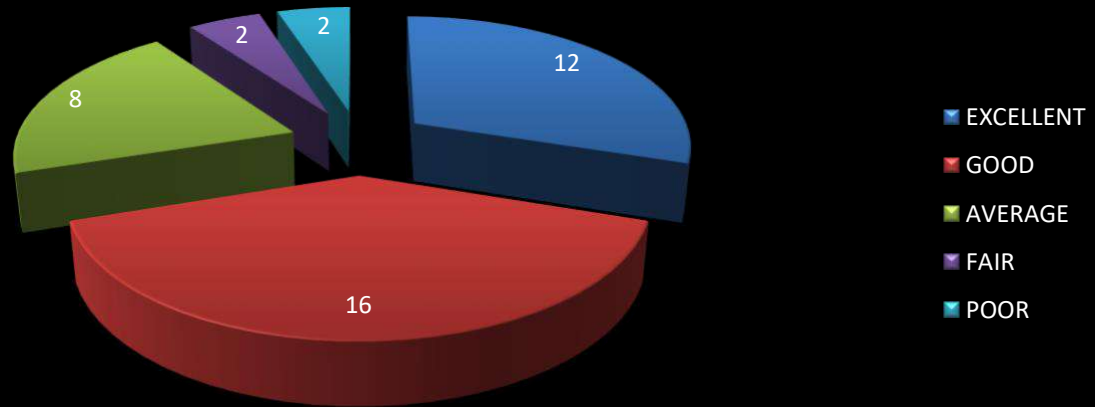
INTERPRETATION

From my analysis I found that 45% respondents agreed that the employees of big bazaar have Complete knowledge to answer the question. 15% respondents rate it as to this statement to excellent. 10% to fair and 6% to poor

6. STAFF SHOWED KNOWLEDGE OF THE PRODUCT SERVICES.

Scale	Frequency	Percentage	Cumulative Percentage
Excellent	12	30	30
Good	16	40	70
Average	8	20	90
Fair	2	5	95
Poor	2	5	100
Total	40	100	

staff showed the knowledge of the product & service

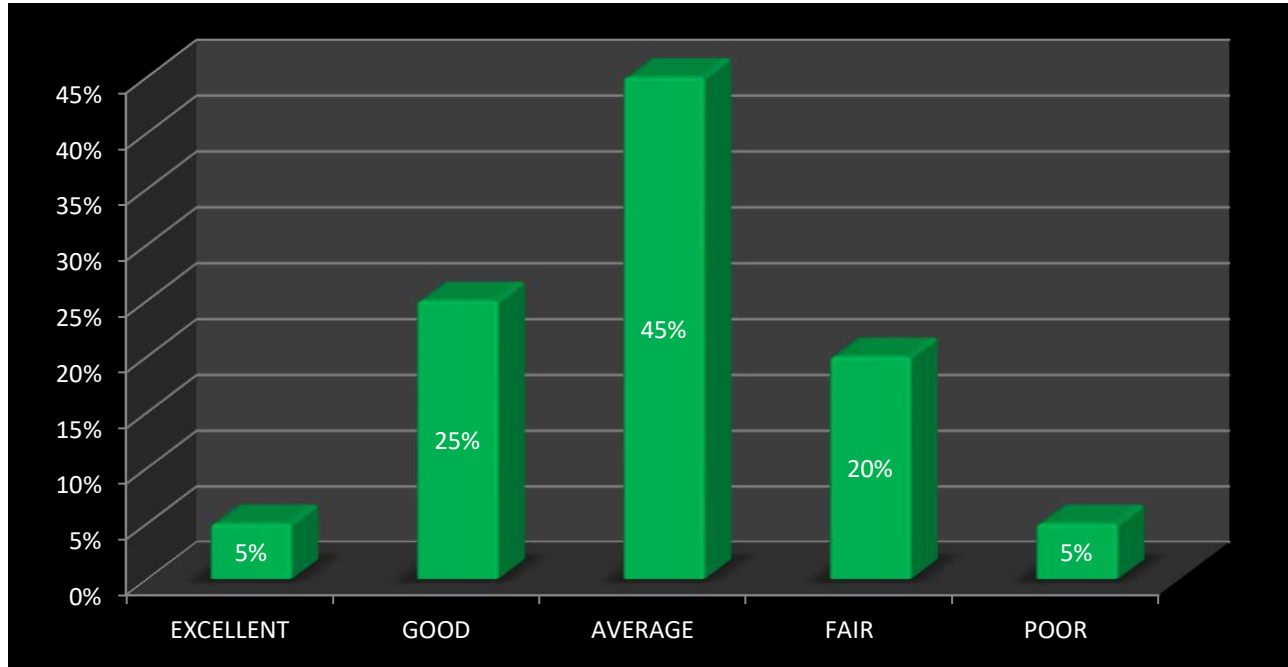


INTERPRETATION

employees of big bazaar understand specific needs and have great knowledge of all product & services. With this statement most of the respondents rated this statement good i.e., 40% among the total respondents, 20% respondents agreed with average and 30% for excellent, 5% for fair and 5% for poor.

7.STAFF WAS COURTEOUS THROUGHOUT

Scale	Frequency	Percentage	Cumulative Percentage
Excellent	2	5	5
Good	10	25	30
Average	18	45	75
Fair	16	20	95
Poor	2	5	100
Total	40	100	

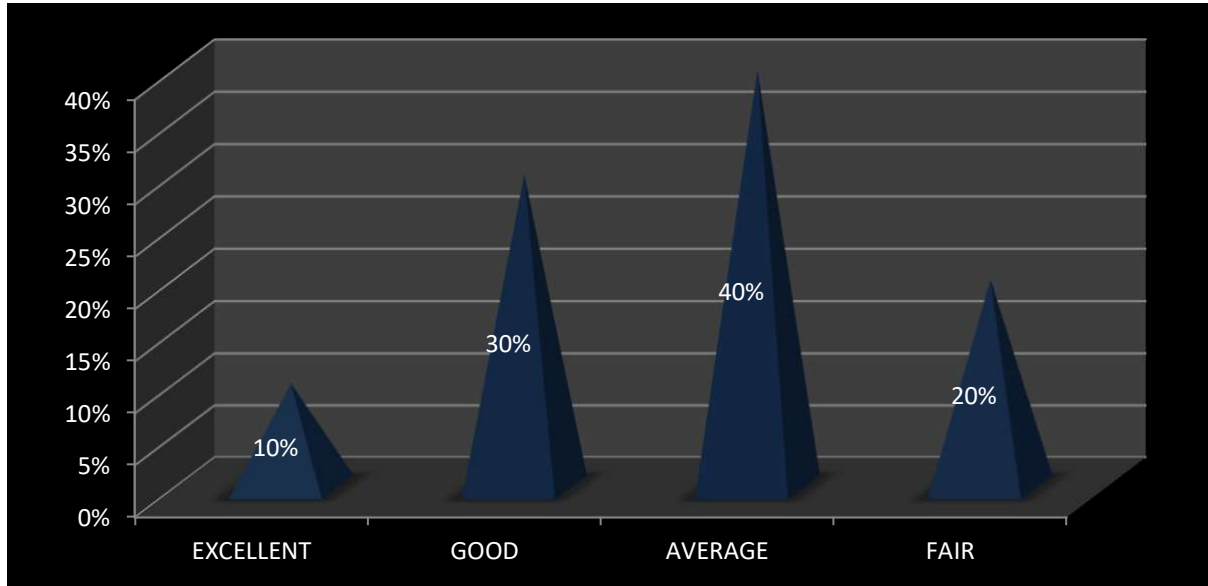


INTERPRETATION

According to 45% of people, they feel that employees of Big Bazaar are very courteous throughout. Others rate it as 20% in fair, 25% poor as good, 5% as excellent.

8.OVERALL HOW WOULD YOU RATE CUSTOMER SERVICE OF BIG BAZAAR

Scale	Frequency	Percentage	Cumulative Percentage
Excellent	4	10	10
Good	12	30	40
Average	16	40	80
Fair	8	20	100
Total	40	100	

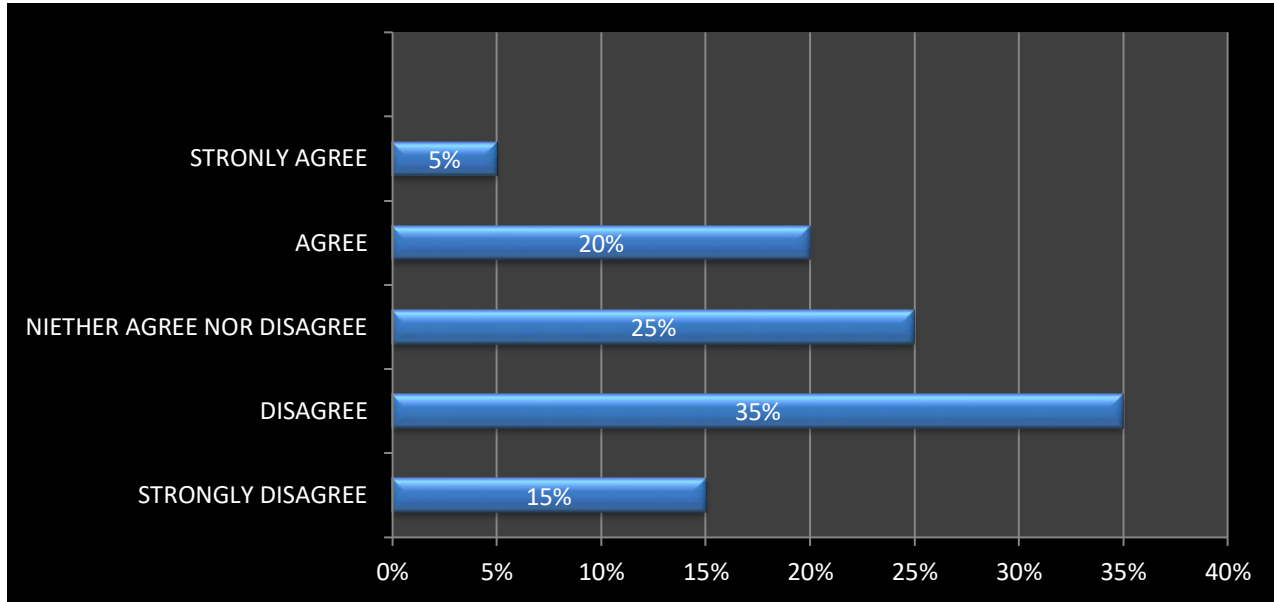


INTERPRETATION

Most of the respondents are agreed with this statement. according to my analysis employees in big bazaar give prompt services. Amongst the total respondents rate 40% are average, 30% are good, 20% fair & 10% excellent.

9. YOUR PROBLEMS ARE CONSTRUCTIVELY HANDLED

Scale	Frequency	Percentage	Cumulative Percentage
Strongly Disagree	6	15	15
Disagree	14	35	50
Neither Agree Nor Disagree	10	25	75
Agree	8	20	95
Strongly Agree	2	5	100
Total	40	100	



INTERPRETATION

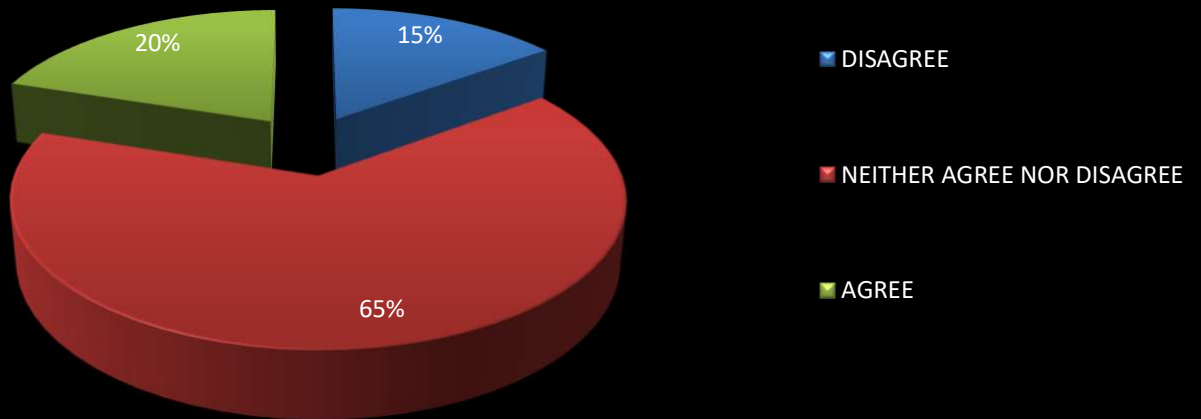
When you have a problem , big bazaar shows little interest in solving it. After analyzing this statement I found that most of the respondents agreed i.e. 35% respondents disagreed.

I Also found that 25 % were neutral with this statement and 20% were committed with agree, There was 15% strongly disagreed. Here Big Bazaar needs little improvement

10. STAFF DELIVERS THE APPROPRIATE SERVICE AS PROMISED

Scale	Frequency	Percentage	Cumulative Percentage
Disagree	6	15	15
Neither Agree Nor Disagree	26	65	80
Agree	8	20	100
Total	40	100	

Staff delivers appropriate services as promised

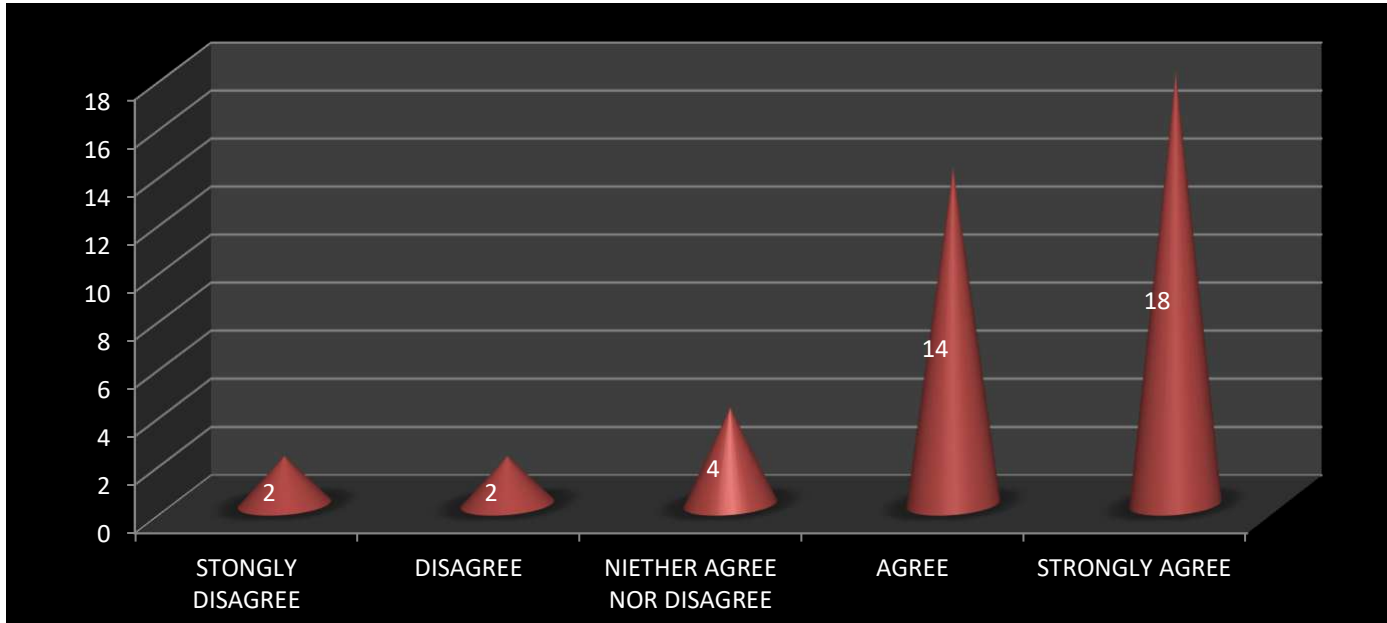


INTERPRETATION

Employees in the big bazaar tell you exactly when the services will be performed. Majority of the respondents are neutral or uncertain with this statement. 20% respondents were agree. At the same time 15% disagree.

11.STAFF COMMUNICATE IN A LANGUAGE THAT YOU UNDERSTAND.

Scale	Frequency	Percentage	Cumulative Percentage
Strongly Disagree	2	5	5
Disagree	2	5	10
Neither Agree Nor Disagree	4	10	20
Agree	14	35	55
Strongly Agree	18	45	100
Total	40	100	



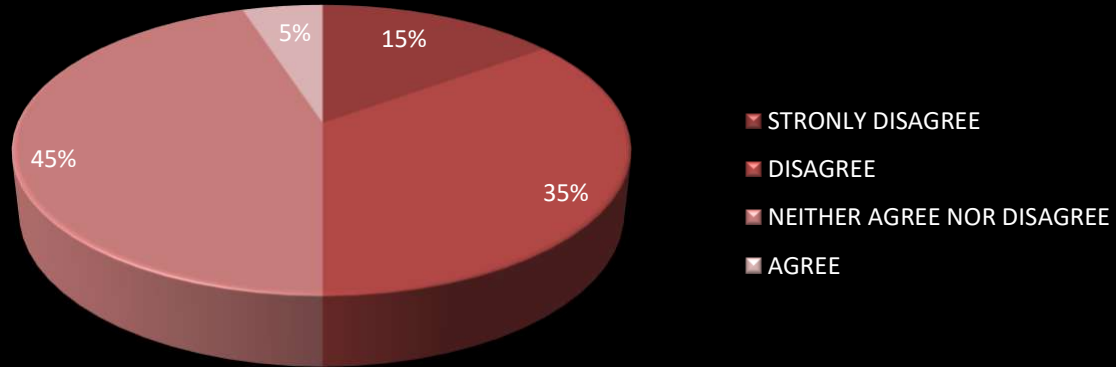
INTERPRETATION

According to survey, it has been judged that staff of big bazaar communicate in a language, which can be easily understood by the customer. As 45% of respondent are strongly agree with this statement, 35% are agree and 10% are uncertain.

12. THE BEHAVIOUR OF STAFF MAKES YOU FEEL THAT YOU CAN TRUST AND HAVE CONFIDENCE IN THEM.

Scale	Frequency	Percentage	Cumulative Percentage
Strongly Disagree	6	15	15
Disagree	14	35	50
Neither Agree Nor Disagree	18	45	95
Agree	2	5	100
Total	40	100	

The behaviour of staff makes you feel that you can trust and have confidece in them.

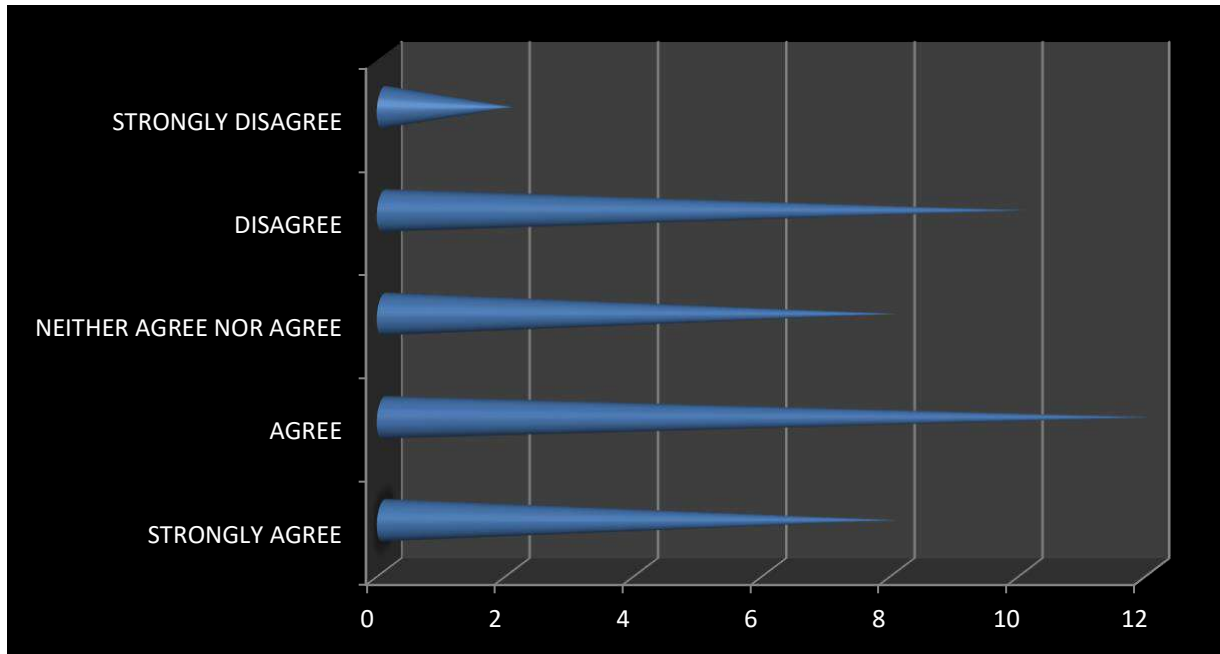


INTERPRETATION

big bazaar has of the bank are little trustworthy. The behavior of employees in big bazaar builds confidence in you. Here analysis shows that most of the people that is 45% are uncertain, 35% are disagree, 15% are strongly disagree and 5% are agree.

13. THE STORE LAYOUT AT THIS STORE MAKES IT EASY FOR CUSTOMERS TO FIND WHAT THEY NEED

Scale	Frequency	Percentage	Cumulative Percentage
Strongly Disagree	2	5	5
Disagree	10	25	30
Neither Agree Nor Disagree	8	20	50
Agree	12	30	80
Strongly Agree	8	20	100
Total	40	100	



INTERPRETATION

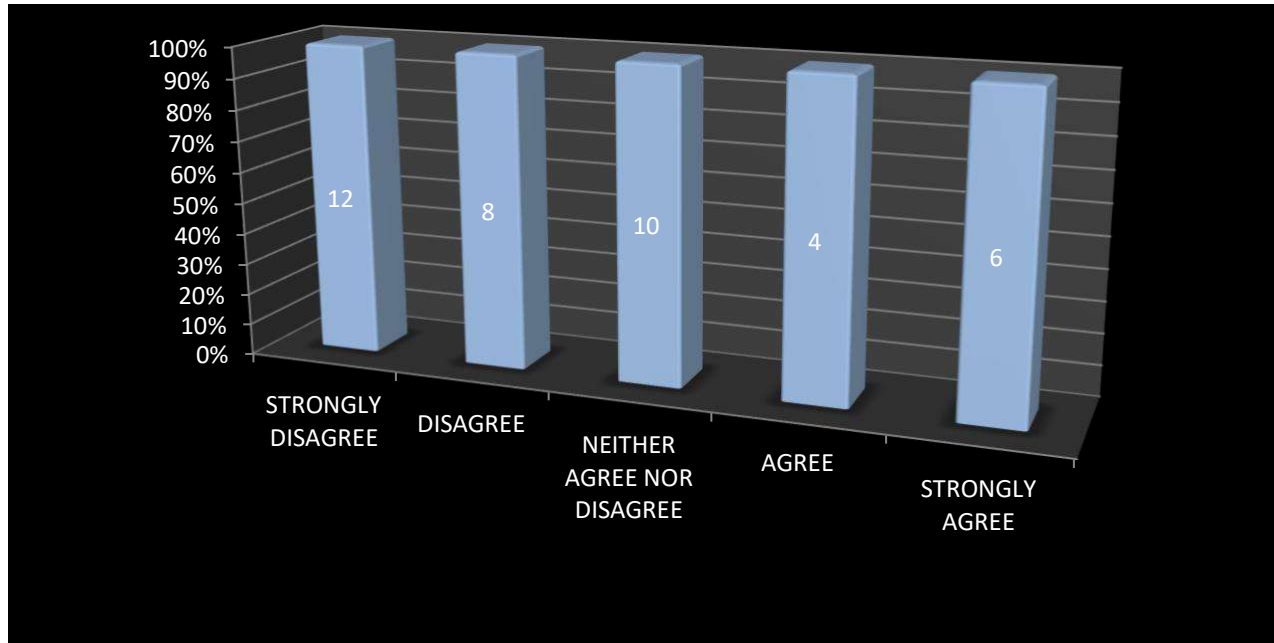
Big bazaar has modern- looking and hi-tech equipment system that clearly shows customer, the products they want. They have well designed system. 30% of respondent are agree with the statement, 25% are disagree, 20% are uncertain, and 20% are strongly agree.

14.THE STORES LAYOUT AT THIS STORE MAKES IT EASY FOR CUSTOMERS TO MOVE AROUND THE STORE.

Scale	Frequency	Percentage	Cumulative Percentage
Strongly Disagree	12	30	30
Disagree	8	20	50
Neither Agree Nor Disagree	10	25	75
Agree	4	10	85
Strongly Agree	6	15	100
Total	40	100	

INTERPRETATION

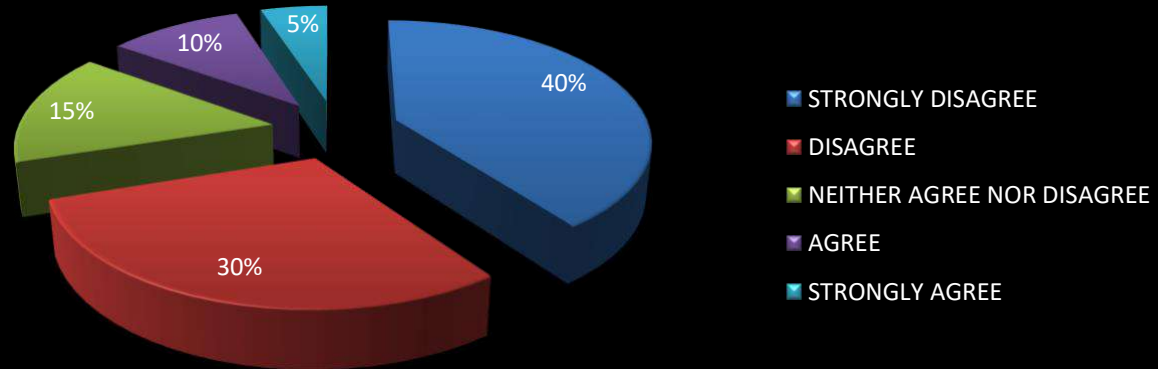
According to research, it has been observed that store layout is not up to the mark as desired by the customer. Because 30% strongly disagree, 25% are uncertain, 20% are disagree and 15% are strongly agree and 10% are agree.



15. BIG BAZAAR PROVIDES PLENTY OF CONVENIENT PARKING FOR CUSTOMERS

Scale	Frequency	Percentage	Cumulative Percentage
Strongly Disagree	16	40	40
Disagree	12	30	70
Neither Agree Nor Disagree	6	15	85
Agree	4	10	95
Strongly Agree	2	5	100
Total	40	100	

big bazaar provides plenty of convenient parking for customers

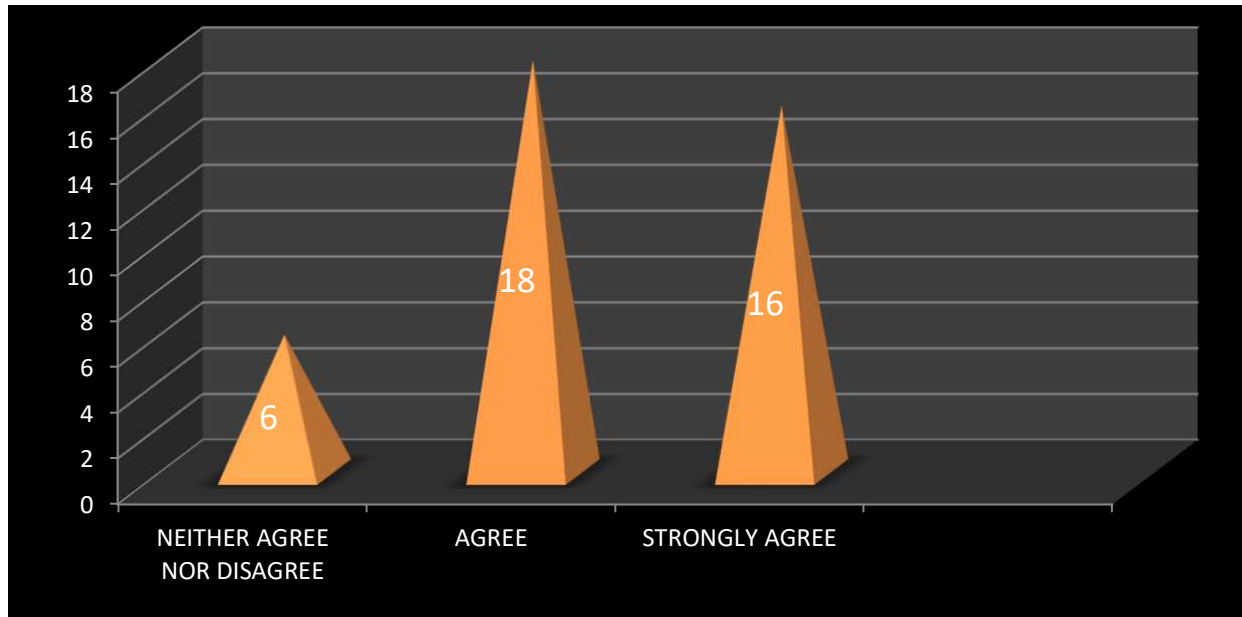


INTERPRETATION

From above data I interpret that there are more number of four wheeler coming to Big Bazaar than two wheeler . people prefer to visit big bazaar with their families. people are not satisfied with parking facility. So parking facility be good to attract large number of customers

. 16.BIG BAZAAR ACCEPTS MOST MAJOR CREDIT CARDS.

Scale	Frequency	Percentage	Cumulative Percentage
Neither Agree Nor Disagree	6	15	15
Agree	18	45	60
Strongly Agree	16	40	100
Total	40	100	



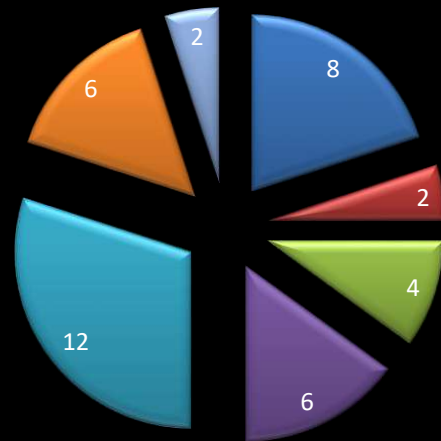
INTERPRETATION

According to research it has been proved that Big Bazaar accept most major credit cards,40% of respondents strongly agree this statement. Whereas45% agree and 15%% are uncertain about this statement.

17. WHAT ABOUT THE SERVICE COULD BE IMPROVED?

Scale	Frequency	Percentage	Cumulative Percentage
Service can be faster/more efficient	8	20	20
Service could be friendlier	2	5	25
Staff should communicate better with customers	4	10	35
Store needs to be cleaner	6	15	50
The location needs parking's	12	30	80
The location needs to be closer	6	15	95
Other please specify	2	5	100
Total	40	100	

What about the service could be improved?



- Service can be faster/more efficient
- Service could be friendlier
- Staff should communicate better with customers
- Store needs to be cleaner
- The location needs parkings
- The location needs to be closer

INTERPRETATION

By analyzing the responses to this question , I as a researcher, can identify the improvement areas in operations at Big Bazaar .

Appropriate decisions can be made keeping these numbers in mind.

- We should increase the space for parking & perform services faster .
- We should clean the store regularly so that customer hygienic in the store.
- Less percentage given to behavior, their communication and

FINDINGS OF THE REPORT

- Big Bazaar is undoubtedly number one retailer in India. It has build very emotional & cordial relationship with its customers.
- They are also intending to build long term relationship with all its stakeholders which is very essential successful business venture.
- In order to attract customer they should provide good parking facility
- Cleanliness and hygienic environment is about major concern for big bazaar.

Management needs to be focus on it.

- Store layout should also be developed in an efficient manner so that customer can get things easily.
- According to research I found that most of the people were affected & attracted with offers and scheme . So, Big Bazaar should employ those people who are well trained to provide information to customer regarding new things to enhance its customer services.
- Consumer chooses malls to shop because they all want variety and brands. According to customers it is economical as compared to other places.
- We can also say that location, variety conveniences and economical products are not the only thing which attract the customers but good customer service is one of the crucial factor that attract customers.

RECOMMENDATIONS

- Advertising is the basic and most prominent tool to increase the awareness of product.

So, Big Bazaar should use this tool to increase their share in the market.

- Retail business is successful only when they have a good customer services, Customer loyalty can only be gain by providing good or satisfied services to the customers.
- Most respondents take on the spot decision of buying different products because of the various attractive products displays, So pretty combination with good services should be done to retain customers. .
- Quality play a major role because most respondent said that they want a quality product and that's abo the one of the reason for most of the respondents sticking to particular brand,
- customers are very price conscious they are having many options in the market. The following steps should opt:-
- Should follow more of high low pricing rather than everyday pricing
- Should go for a weekly coupon system as it hold more of the loyal customers
- .
- Should provide good customer services so that customer like to visit again. There should be a proper assortment of various product categories
- .
- Proper training should be provided to the customer so that they can deal with customer efficiently

CONCLUSION

- As most of the retail industries did market research before entering into market. Same thing was done by Big Bazaar. Location, market, consumer perception analysis was done by big bazaar.
- In one year, much non-e diversification was in it. And to retain customers they use many loyalty programs & IT techniques .
- Big Bazaar , a part of future group is a hypermarket offering a huge array of goods of good quality for all at affordable prices. Big bazaar with over 140 outlets in different part of India is present in both the llk-trod cities as well as in small towns,
- Big bazaar can attract more customers by different variety an assort.
- They can improve customer satisfaction by providing home delivery services.

We can conclude that Big Bazaar has one of the major retail industry in Indian ,

- Working environment is good and also the various facilities is provided to increase the customer services,
- There exist a healthy & strong relation-ship between employees and managers.
- The employees accept their responsibility wholeheartedly and perform the services in well manner that satisfied the customers.

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2. literature review on big bazaar .com
3. organizedretail.co.in
4. google.com
5. www.futuregroup.com

QUESTIONNAIRES

Respected Sir/Madam

I am student Of **SCOTTISH CHURCH COLLEGE**, conducting survey on "customer data analysis With reference To Big Bazaar ". All the data will be kept confidential and will be used just for analysis of the project. I request you to tick the option which in your opinion believes to be true

CUSTOMER NAME:

AGE:

1.monthly income:

- below 10000
- 10000-20000
- 20000-30000
- ABOVE 30000

2.education qualification

- Undergraduates
- Graduates
- Postgraduates

3.how frequently do you visit big bazaar

- Twice in a week
- Once in a week
- During special offers
- Whenever need arises

2.Are you happy with the location of big bazaar

- Yes
- No

3.staff was available in a timely manner

- Excellent
- Good
- Average
- Fair
- Poor

4. staff greeted you and offered to help you

- Excellent
- Good
- Average
- Fair
- Poor

5. staff answered your question

- Excellent
- Good
- Average
- Fair
- Poor

6. staff showed knowledge of the product and services

- Excellent
- Good
- Average
- Fair
- Poor

7. staff was courteous throughout

- Excellent
- Good
- Average
- Fair
- Poor

8. Overall how would you rate customer's service of big bazaar?

- Excellent
- Good
- Average
- Fair
- Poor

9. your complaint are constructively handled

- Strongly disagree
- Disagree
- Neither agree nor disagree
- Agree
- Strongly agree.

10. staff delivers the appropriate service as promised

- Strongly disagree
- Disagree
- Neither agree nor disagree
- Agree
- Strongly agreed

11. staff communicate in a language that you understand

- Strongly disagree
- Disagree
- Neither agree nor disagree
- Agree
- Strongly agree

12. The behaviour of staff makes you feel that you can trust and have confidence in them

- Strongly disagree
- Disagree
- Neither agree nor disagree
- Agree
- Strongly agree.

13.the store layout at this store makes it easy for customers to find what they need.

- Strongly disagree
- Disagree
- Neither agree nor disagree
- Agree
- Strongly agree.

14. the store layout at this store makes it easy for customers to move around the store.

- Strongly disagree
- Disagree
- Neither agree nor disagree
- Agree
- Strongly agree.

15. Big bazaar provides plenty of convineint parking for customers .

- Strongly disagree
- Disagree
- Neither agree nor disagree
- Agree
- Strongly agree.

16. Big bazaar accepts most major credit cards

- Strongly disagree
- Disagree
- Neither agree nor disagree
- Agree
- Strongly agree

17. What are the services that could be improved?

- Service can be faster more efficient
- Staff could be friendlier
- Staff should communicate better with customers
- Stores need to be cleaner
- The location needs parking
- The location needs to be closer.

RURAL AND AGRICULTURAL BANKING



Title

RURAL AND AGRICULTURAL BANKING

Submitted for the Degree of B.COM Honours in Accounting and
Finance under the University of Calcutta

Submitted by

DAISY HUNG

Registration No: 223-1211-0503-18

CU Roll No: 181223110008

Department of Commerce

Scottish Church College

University of Calcutta

Supervised by

PROF. AMITAVA CHATTERJEE

Department of Commerce

Head of Department

Scottish Church College

University of Calcutta

July 2021

Supervisor's Certificate

This is to certify that **Ms. Daisy Hung** a student of B. Com Honors in Accounting and Finance of Scottish Church College under the University of Calcutta has worked under my supervision and guidance for her Project work and prepared a project report with the title **RURAL AND AGRICULTURAL BANKING**. Which she is submitting, is her genuine and original work to the best of my knowledge.

Place:

Signature

Date:

Amitava Chatterjee
(Administrator and Head
Department of Commerce)
Scottish Church College

Student's Declaration

I hereby declare that the Project Work with the title RURAL AND AGRICULTURAL BANKING submitted by me for the partial fulfilment of the degree of B.Com. Honours in Accounting & Finance under the University of Calcutta is my original work and has not been submitted earlier to any other University/ Institution for the fulfilment of the requirement of any course of study.

I also declare that no chapter of this manuscript in the whole or in part has been incorporated in this report from any earlier work done by others or by me. However, extracts of any literature which has been used for this report has been duly acknowledged providing details of such literature in the reference.

Signature

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Acknowledgement

I have taken tremendous efforts in writing this project. However, it would not have been possible without the kind support and help of many individuals and organisations. I would like to extend my sincere thanks to all of them.

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INTRODUCTION

Agricultural Banking

A type of banking system that lends money to farmers for longer periods of time and charges them less interest than other types of banks.

Rural Banking

Rural banking is a simple banking service that serves smaller, rural communities. They tend to be deeply embedded in the communities they serve.

REGIONAL RURAL BANKS

Regional Rural Banks (RRBs) are government owned scheduled commercial banks of India that operate at regional level in different states of India. These banks are under the ownership of Ministry of finance, Government of India. They were created to serve rural areas with basic banking and financial services. However, RRBs also have urban branches. There are 43 RRBs in India.

The area of operation is limited to the area notified by the government of India covering, and it covers one or more districts in the State. RRBs perform various function, most importantly providing banking facilities to rural and semi-urban areas.

NABARD

NABARD was established on the recommendations of B. Silverman Committee (by Act 61, 1981 of Parliament) on 12 July 1982 to implement the National Bank for Agriculture and Rural Development Act 1981. It replaced the Agricultural Credit Department (ACD) and Rural Planning and Credit Cell (RPCC) of Reserve Bank of India, and Agricultural Refinance and Development Corporation (ARDC). It is

one of the premier agencies providing developmental credit in rural areas. NABARD is India's specialised bank for Agriculture and Rural Development in India.

The initial corpus of NABARD was Rs.100 crores. Consequent to the revision in the composition of share capital between Government of India and RBI, the paid-up capital as on 31 March 2020, stood at Rs.14080 crore with Government of India holding Rs.14080 crore (100% share). The authorized share capital is Rs.30,000 crore. NABARD supervises State Cooperative Banks (STCBs), District Cooperative Central Banks (DCCBs), and Regional Rural Banks (RRBs) and conducts statutory inspections of these banks.

FARMERS SUICIDES IN INDIA

Farmers suicides in India refers to the national catastrophe of farmers committing suicide since the 1970s, often by drinking pesticides, due to their inability to repay loans mostly taken from private landlords and banks.

The National Crime Records Bureau of India reported that a total 296,438 Indian farmers had committed suicide since 1995. Out of these, 60,750 farmer suicides were in the state of Maharashtra since 1995 and the remaining in Odisha, Telangana, Andhra Pradesh, Madhya Pradesh, Gujarat and Chhattisgarh, all states with loose financial and entry regulations.

Earlier, governments had reported varying figures, from 5,650 farmer suicides in 2014 to the highest number of farmer suicides in 2004 of 18,241. The farmer's suicide rate in India had ranged between 1.4 and 1.8 per 100,000 total population, over a 10-year period through 2005, however, the figures in 2017 and 2018 showed an average of more than 10 suicides daily. There are accusations of states manipulating the data on farmer suicides, hence the real figures could be even higher. India is an agrarian country with around 70% of its people depending directly or indirectly upon agriculture. Agriculture had 15.4% share in economy of India in year 2017.

Around 41.49% of total labour are associated with agriculture in year 2020. Farmer suicides account for 11.2% of all suicides in India. Activists and scholars have offered a number of conflicting reasons for farmer suicides, such as anti-farmers laws, high debt burdens, poor government policies, corruption in subsidies, crop failure, mental health, personal issues and family problems.



REASONS FOR FARMERS SUICIDES

Various reasons have been offered to explain why farmers commit suicide in India, including: floods, drought, debt, use of genetically modified seeds, public health, use of lower quantity pesticides due to less investments producing a decreased yield. There is no consensus on what the main causes might be but studies show suicide victims are motivated by more than one cause, on average three or more causes for committing suicide, the primary reason being the inability to repay loans. Panagariya, an economist at the World bank states, "farm-related reasons get cited only approximately 25 percent of the time as reasons for suicide" and "studies do consistently show greater debt burden and greater reliance on informal sources of credit" among farmers who commit suicide.

Reasons for farmers suicides. (In 2015)	Percent (of suicides)
Failure of crops	16.84
Other reasons (e.g. chit fund)	15.04

Family problems with spouse, others	13.27
Chronic illness	9.73
Marriage of daughters	5.31
Political affiliation	4.42
Property disputes	2.65
Debt burden	2.65
Price crash	2.65
Borrowing too much (for house construction)	2.65
Losses in non-farm activities	1.77
Failure of bore well	0.88
Note: Reasons given by close relatives and friends. Every case cited more than one reason.	

A study conducted in 2014, found that there are three specific characteristics associated with high-risk farmers: "those that grow cash crops such as coffee and cotton; those with 'marginal' farms of less than one hectare; and those with debts of 300 Rupees or more." The study also found that the Indian states in which these three characteristics are most common had the highest suicide rates and also accounted for "almost 75% of the variability in state-level suicides."

A 2012 study, did a regional survey on farmers' suicide in rural Vidarbha (Maharashtra) and applied a Smith's Saliency method to qualitatively rank the expressed causes among farming families who had lost someone to suicide. The expressed reasons in order of importance behind farmer suicides were – debt, alcohol addiction, environment, low produce prices, stress and family responsibilities, apathy, poor irrigation, increased cost of cultivation, private money lenders, use of chemical fertilizers and crop failure. In other words,

debt to stress and family responsibilities were rated as significantly higher than fertilizers and crop failure. In a different study in the same region in 2006, indebtedness (87%) and deterioration in the economic status (74%) were found to be major factors for suicide.

Studies dated 2004 through 2006, identified several causes for farmers suicide, such as insufficient or risky credit systems, the difficulty of farming semi-arid regions, poor agricultural income, absence of alternative income opportunities, a downturn in the urban economy which forced non-farmers into farming, and the absence of suitable counselling services. In 2004, in response to a request from the All India Biodynamic and Organic Farming Association, the Mumbai High Court required the Tata Institute to produce a report on farmer suicides in Maharashtra, and the institute submitted its report in March 2005. The survey cited "government's lack of interest, the absence of a safety net for farmers and lack of access to information related to agriculture, as the chief causes for the desperate condition of farmers in the state."

An Indian study conducted in 2019, indicated an association between victims engaging in entrepreneurial activities (such as venturing into new crops, cash crops, and following market trends) and their failure in meeting expected goals due to a range of constraints.

TOTAL NUMBER OF FARMERS SUICIDES DURING THE YEAR

YEAR	NO. OF SUICIDES
1999	16082
2000	16603
2001	16415
2002	17971
2003	17164
2004	18241
2005	17131
2006	17060
2007	16632
2008	16796
2009	17368
2010	15964
2011	14027
2012	13754
2013	11772
2014	12360
2015	12602
2016	11379
2017	10655

CONCEPTUAL FRAMEWORK

REVIEW OF LITERATURE

- **BashaRao, Krishna and Rao (1990)**: undertook a case study of Vijayawada District Central Cooperative Bank in which they studied the factors affecting deposits, advances and profits of the bank. They tried to ascertain the extent of the impact of certain important factors on the key financial indicators of the bank under study with the objective of identify the strong and weak factors of growth
- **Dayanandan and Kumar (1993)**: evaluated the performance of Central Cooperative Banks of Kerala State; they found that though the central co-operative banks achieved better performance in terms of share capital, membership, deposits and reserve funds there was no significant achievement in the net profits during the study period. The reason was high overheads of the banks
- **Master (1996)**: compared two different models of X-inefficiencies bank profitability. The first model constrained the cost frontier to be the same for all the banks in US while the second model allowed different frontiers and tenor terms across Federal Reserved districts. The results revealed that the distribution of one-sided tenor terms were wider for the single cost function model. Ranking of districts by the level of X-inefficiency differed in two models.
- **Bhattacharya Hetal (1997)**: estimated 70 Indian commercial banks productive efficiency during the early stages of liberalization process. They used Data Envelopment Analysis to measure the efficiency scores of these banks. After applying DEA, they used Stochastic Frontier Analysis to attribute variation in the estimated efficiency scores to three component scores, i.e., random noise, ownership and temporal component. They concluded in their study that public banks were most efficient followed by foreign and private owned banks.

- **Naidu L.K. (1998)**: conducted a study on RRBs taking a sample of 48 beneficiaries of rural artisans in Cudahy District of Andhra Pradesh under Rayak seem Garmin Bank. In this study it was concluded that the beneficiaries were able to find an increase in their income because of the fiancé provided by the bank
- **RenuKohli (1999)**: study can need on Rural Bank Branches and Financial Reform the study traces the bank branch licensing policy in India in the post-independence period, evaluates its performance and relates to the present rest maturing of the banking industry under financial reform
 - **Bhatia and Verma (1999)**: made an attempt to determine empirically the factors influencing profitability of public sector banks in India by making use of the technique of multiple regression analysis. The analysis revealed that priority sector
 - **Syed Ibrahim M. (2010)**: conducted a study on "Performance Evaluation of Regional Rural Banks in India", on the basis of the study it is found that the performance of rural banks in India has significantly improved after amalgam doing process which has been initiated by the Government of India.
 - **Rizvi (2001)**: conducted a study on analyse the productivity of banking sector in Pakistan during 1993-1998. In the study applied Data Envelopment Analysis approach to compute the banking efficiency scores. He formed during the period of first recon the total factor productivity remained stagnant. However, the domestic banks performed better than the foreign banks during that period.
 - **Gandhinath S (2002)**: conducted a study on "Performance of a Selected Nationalized Bank in India", the study paper was suggested that the bank should take measured to reduce the poor recovery by means of periodical inspection, organizing recovery camps, expanding the recovery management branches in rural a Teas and measure should be taken by the bank to control its expenditure by reducing opera ting expenses which accounted for 21.3 percent to the total expedite in the year 2000.

- **Veer Paul Kaur Mann and Amritpal Singh (2013)**: a study titled **“Role of NABARD and RBI in agricultural sector growth”** analysis NABARD has taken over refinancing functions from the Reserve Bank of India with respect of **State Cooperative Banks and Regional Rural banks**. This study reveals NABARD is involved in the implementation of projects assisted by World Bank and its affiliate, **the International Development Association (IDA)**. NABARD has been associated with implementation of 42 projects with external credit out of which 38 projects are assisted by IBRD.

LIST OF RRBs IN INDIA AS ON 31 MARCH 2020

SR. NO.	STATE/ UT	SPONSOR BANK	NAME OF RRB
1	Andhra Pradesh	Syndicate Bank	ANDHRA PRAGATHI GRAMEENA BANK
2	Andhra Pradesh	Andhra Bank	CHAITANYA GODAVARI GRAMEENA BANK
3	Andhra Pradesh	Indian Bank	SAPTAGIRI GRAMEENA BANK
4	Arunachal Pradesh	State Bank of India	ARUNACHAL PRADESH RURAL BANK
5	Assam	United Bank of India	ASSAM GRAMIN VIKASH BANK
6	Bihar	Punjab National Bank	DAKSHIN BIHAR GRAMIN BANK
7	Bihar	Central Bank of India	UTTAR BIHAR GRAMIN BANK
8	Chhattisgarh	State Bank of India	CHHATTISGARH RAJYA GRAMIN BANK
9	Gujarat	Bank of Baroda	BARODA GUJARAT GRAMIN BANK

10	Gujarat	State Bank of India	SAURASHTRA GRAMIN BANK
11	Haryana	Punjab National Bank	SARVA HARYANA GRAMIN BANK
12	Himachal Pradesh	Punjab National Bank	HIMACHAL PRADESH GRAMIN BANK
13	Jammu & Kashmir	State Bank of India	ELLAQUAI DEHATI BANK
14	J & K, Ladakh	J & K Bank	J & K GRAMEEN BANK
15	Jharkhand	State Bank of India	JHARKHAND RAJYA GRAMIN BANK
16	Karnataka	Canara Bank	KARNATAKA GRAMIN BANK
17	Karnataka	Syndicate Bank	KARNATAKA VIKAS GRAMEENA BANK
18	Kerala	Canara Bank	KERALA GRAMIN BANK
19	Madhya Pradesh	Bank of India	MADHYA PRADESH GRAMIN BANK
20	Madhya Pradesh	State Bank of India	MADHYANCHAL GRAMIN BANK
21	Maharashtra	Bank of Maharashtra	MAHARASHTRA GRAMIN BANK
22	Maharashtra	State Bank of India	VIDHARBHA KONKAN GRAMIN BANK
23	Manipur	United Bank of India	MANIPUR RURAL BANK

24	Meghalaya	State Bank of India	MEGHALAYA RURAL BANK
25	Mizoram	State Bank of India	MIZORAM RURAL BANK
26	Nagaland	State Bank of India	NAGALAND RURAL BANK
27	Odisha	Indian Overseas Bank	ODISHA GRAMYA BANK
28	Odisha	State Bank of India	UTKAL GRAMEEN BANK
29	Puducherry	Indian bank	PUDUVAI BHARATHIYAR GRAMA BANK
30	Punjab	Punjab National Bank	PUNJAB GRAMIN BANK
31	Rajasthan	Bank of Baroda	BARODA RAJASTHAN KSHETRIYA GRAMIN BANK
32	Rajasthan	State Bank of India	RAJASTHAN MARUDHARA GRAMIN BANK
33	Tamil Nadu	Indian Bank	TAMIL NADU GRAMA BANK
34	Telangana	State Bank of India	ANDHRA PRADESH GRAMEENA VIKAS BANK
35	Telangana	State Bank of India	TELANGANA GRAMEENA BANK
36	Tripura	United Bank of India	TRIPURA GRAMIN BANK
37	Uttar Pradesh	Bank of India	ARYAVART BANK

38	Uttar Pradesh	Bank of Baroda	BARODA UTTAR PRADESH GRAMIN BANK
39	Uttar Pradesh	Union Bank of India	KASHI GOMTI SAMYUT GRAMIN BANK
40	Uttar Pradesh	Punjab National Bank	PRATHAMA U.P GRAMIN BANK
41	Uttar Pradesh	Sate Bank of India	PURVANCHAL BANK
42	Uttarakhand	State Bank of India	UTTARAKHAND GRAMIN BANK
43	West Bengal	United Bank of India	BANGIYA GRAMIN VIKASH BANK
44	West Bengal	UCO Bank	PASCHIM BANGA GRAMIN BANK
45	West Bengal	Central Bank of India	UTTAR BANGA KSHETRIYA GRAMIN BANK

THE BACKGROUND AND IMPORTANT FINDINGS

RURAL BANKING

Rural banking in India started since the establishment of banking sector in India. Rural banks in those days mainly focused upon the Argo sector. Today, commercial banks and Regional rural banks in India are penetrating every corner of the country and extending a helping hand in the growth process of the rural sector in the country.

Banks:

Functioning for the development of rural areas

The area of operation of a majority of the RRBs is limited to a notified area comprising a few districts in a state. SBI has 30 regional rural banks in India known as RRBs. The rural banks of SBI are spread in 13 states extending from Kashmir to Karnataka and Himachal Pradesh to North East. Apart from SBI, there are other few banks which functions for the development of the rural areas in India. Few of them are as follows:

- Haryana state cooperative apex bank limited
- NABARAD
- Sindhur Urban Southard cooperative banks
- United bank of India
- Syndicate bank
- Cooperative bank

Co-operative banks and Rural Credit

The co-operative bank has a history of almost 100 years. The co-operative banks are an important constituent of the Indian Financial System, judging by the role assigned to them, the expectations they are supposed to fulfil, their number and the number of offices they operate.

Their role in rural financing continues to be important even today and their business in the urban areas also has increased phenomenally in recent years mainly due to the sharp increase in the number of primary cooperative banks.

Cooperative banks in India are registered under the co-operative society act. The RBI also regulates the co-operative banks. They are governed by the banking regulations act 1949 and banking laws (co-operative society) act, 1965.

Co-operative Banks in India Finance Rural Areas under:

- Farming
- Cattle
- Milk
- Hatchery
- Personal Finance

Institutional Arrangements for Rural Credit (co-operatives)

- Short term co-operatives
- Long term co-operatives

Short Term Co-operatives

|

District Central Co-operative Banks

|

State Co-operative Banks

|

Primary Agriculture Credit Co-operative Societies

|

Branches

Long Term Co-operatives

|

State Agriculture and Rural Development Banks

|

Primary Agriculture and Rural Development Banks

|

Branches

Primary Agriculture Credit Societies (PACs)

An agricultural credit society can be started with 10 or more persons normally belonging to a village or a group of villages. The value of each share is generally nominal so as to enable even the poorest farmer to become a member. The members have unlimited liabilities, that is each member is fully responsible for the entire loss of the society, in the event of failure. Loans are given for short periods, normally for the harvest season for carrying on agricultural operations and the rate of interest is fixed. There are now over 92000 primary agricultural credit societies in the country with the membership of over 100 million. The primary agricultural credit society was expected to attract deposits from among the well to do

members and non-members of the village and thus promote thrift and self-help. It should give loans and advances to needy members mainly out of these deposits.

Central Co-operative Banks (CCBs)

The Central Co-operative banks are located at the district headquarters or some prominent town of the district. These banks have a few private individuals also who provide both finance and management. The central co-operative banks have three sources of funds.

- Their own share capital and reserves
- Deposits from the public
- Loans from the state cooperative banks

Their main function is to lend to primary credit society apart from that, central cooperative banks have been undertaken normal commercial banking business also, such as attracting deposits from the general public and lending to the needy against proper security. There are now 367 central cooperative banks.

State Co-operative Banks (SCBs)

The state co-operative banks, now 29 in number, they finance coordinate and control the working of the central co-operative banks in each state. They serve as the link between the Reserve bank and the general money market on the one side and the central co-operative and primary societies on the other. They obtain their funds mainly from the general public by way of deposits, loans and advances from the Reserve Bank and they are own share capital and reserves.

COMMERCIAL BANKS AND RURAL CREDIT

The commercial banks at present provide short term crop loans account for nearly 45 to 47% of the total loans disbursed by the commercial banks. Term loans for varying periods are given for purchasing pump sets, tractors and other agricultural machinery, for construction of wells and tube well, for development of fruits and garden crops, for levelling and development of land, for purchase of ploughs, animals, etc. commercial banks also extend loans for allied activities viz., for dairying, poultry, piggery, bee keeping, fisheries and other. These loans come to 15 to 16%.

Commercial Banks and Small Farmers

The commercial banks identifying the small farmers through small Farmers Development Agencies (SFDA) set up in various districts and group them into various categories for credit support so as to enable them to become bible cultivators. As regard to small cultivators near urban areas and irrigation facilities, commercial banks can help them to go in for vegetable cultivation or combine it with small poultry farming and maintaining of one or two milch cattle.

IRDP and commercial banks

Since October 1980, the integrated Rural Development Programme (IRDP) has been asked by the government of India to finance IRDP, the lead banks have to prepare banking plans and allocate the responsibility of financing the identified beneficiaries among the participating banks. Commercial banks have been asked to finance all economically backward people identified by government agencies.

REGIONAL RURAL BANKS AND RURAL CREDIT

The Narasimhan committee on rural credit recommended the establishment of Regional Rural Banks (RRBs) on the ground that

they would be much better suited than the commercial banks or co-operative banks in meeting the needs of rural areas. Accepting the recommendations of the Narasimhan committee, the government passed the Regional Rural Banks Act, 1979. The main objective of RRBs is to provide credit and other facilities particularly to the small and marginal farmers, agricultural laborers, artisans and small entrepreneurs and develop agriculture, trade, commerce, industry and other productive activities in the rural areas.

The progress of RRBs in the initial stage was quite rapid. For instance, the Sixth Five-year plan (1980-85) had envisaged the setting up of 170 RRBs covering 270 districts by the end of March 1985. The target was exceeded. There are now 196 RRBs in 23 states of the country with 14,200 branches.

Structure of regional rural bank

The establishment of the Regional Rural Banks (RRBs) was initiated in 1975 under the provisions of the ordinance promulgated on 26.9.1975 and thereafter Section 3(1) of the RRB Act, 1976. The issued capital of RRBs is shared by Central Government, sponsor bank and the State Government in the proportion of 50%, 35% and 15% respectively.

RRBs established with the explicit objective of:

- Bridging the credit gap in rural areas
- Check the outflow of rural deposits to urban areas
- Reduce regional imbalances and increase rural employment generation

ROLE OF RBI IN RURAL CREDIT

Since it was set up in 1934, RBI has been taking keen interest in expanding credit to the rural sector. After NABARD was set up as the apex bank for agriculture and rural development, RBI has been taking a series of steps for providing timely and adequate credit through NABARD.

Scheduled commercial banks excluding foreign banks have been forced to supplement NABARDs efforts-through the stipulation that 40percent of net bank credit should go to the priority sector, out of which at least 18 percent of net bank credit should flow to agriculture. Besides, it is mandatory that any shortfall in fulfilling the 40 percent target or the 18 percent sub-target would have to go to the corpus Rural Infrastructure Development Fund (RIDF). RBI has also taken steps in recent years to strengthen institutional mechanisms such as recapitalisation of Regional Rural Banks (RRBs) and setting up of local area banks (LABs).

Micro-Finance

Micro-finance is a novel approach to “banking with poor” as the attempt to combine lower transaction costs and high degree of repayments. The major thrust of these micro-finance initiatives in through the setting up of Self-Help Groups (SHGs), Non-Government organisations (NGOs), Credit Unions etc.

Kisan (Farmer’s) Credit Card

Another notable development in recent years is the introduction of Kisan Credit Cards (KCC) in 1998-99. The purpose of the Kisan Credit Card (KCC) scheme is to facilitate short term credit to farmers. The scheme has gained popularity and its implementation has been taken up by 27 commercial banks, 187 RRBs and 334 Central cooperative banks.

Agricultural Insurance

As agricultural is highly susceptible to risks such as drought, flood, pests etc. it is necessary to protect the farmers from natural calamities and ensure their credit eligibility from the next season. Towards the purpose, the Government of India introduced a comprehensive crop insurance scheme throughout the country in 1985 covering major cereal crops, oilseeds and pulses. Among commercial crops, seven crops viz., sugarcane potato, cotton, ginger, onion, turmeric and chillies are presently covered.

MARKETING OF MUTUAL FUND UNITS-RRBs

With a view to expanding the scope of business of RRBs and considering that marketing of mutual fund (MF) units provides a profitable avenue for banks, it has been decided by RBI on 17th May 2006 to allow regional rural banks (RRBs) to undertake marketing of units of mutual funds, as agents.

Accordingly, RRBs may, with approval of their board of directors, enter into agreements with mutual funds for marketing their units subject to the following terms and conditions.

- The banks should only act as an agent of the customers, forwarding applications of the investors for purchase/sale of MF units to the mutual fund/registrar transfer agents.
- The purchase of MF units should be at the risk of customers and without the bank guaranteeing any assured return.
- The banks should not acquire such units of mutual funds from the secondary markets.
- The banks should not buy back units of mutual funds from their customers.
- The banks holding custody of MF units on behalf of their customers should ensure that its own investment and investments belonging to their customers are kept distinct from each other.
- Retailing of units of mutual funds may be confined to some selected branches of the bank to ensure better control.
- The bank should comply with the extant KYC/AML guidelines in respect of the applicants.
- The RRBs should put in place adequate and effective control mechanism in consultation with their sponsor banks.

National Bank for Agriculture and Rural Development

National Bank for Agriculture and Rural Development



Logo of NABARD



Headquarters in Mumbai

Headquarters

Mumbai, Maharashtra, India

Established

12 July 1982

Managing Director

Shri Jiji Mammen

Currency

₹

Website

www.nabard.org

FUNCTIONS OF NABARD

- NABARD is an apex institution accredited with all matters concerning policy, planning and operations in the field of credit for agriculture and other economic activities in rural areas.
- It is an apex refinancing agency for the institutions providing investment and production credit for promoting the various development activities in rural areas.
- It co-ordinates the rural financing activities of all the institutions engaged in development work in the field level and maintains liaison with Government of India, State Governments, Reserve Bank of India and other national level institutions concerned with policy formulation.
- It prepares, on annual basis, rural credit plans for all districts in the country; these plans form the base for annual credit plans of all rural financial institutions
- It takes measures towards institution building for improving absorptive capacity of the credit delivery system, including monitoring, formulation of rehabilitation schemes, restructuring of credit institutions, training of personnel, etc.
- It undertakes monitoring and evaluation of projects refinanced by it.
- It promotes research in the field of rural banking, agriculture and rural development.

MISSION

Promoting sustainable and equitable agriculture and rural development through effective credit support, related services, institution building and other innovative initiatives.

In pursuing this mission, NABARD focuses its activities on:

[Credit functions](#), involving preparation of potential-linked credit plans annually for all districts of the country for identification of credit potential, monitoring the flow of ground level rural credit, issuing policy and operational guidelines to rural financing institutions and providing credit facilities to eligible institutions under various programmes

[Development functions](#), concerning reinforcement of the credit functions and making credit more productive.

[Supervisory functions](#), ensuring the proper functioning of co-operative banks and regional rural banks.

flow of priority sector lending (agricultural credit-Rupees in Crore)

YEAR	TARGET	ACHIEVEMENT
2008-2009	280000	301908
2009-2010	325000	384514
2010-2011	375000	446779
2011-2012	475000	476550
2012-2013	575000	607375
2013-2014	700000	723225

ROLE

NABARD's refinance is available to State Co-operatives Agriculture and Rural Development Banks (SCARDBs), State Co-operative Banks (SCBs), Regional Rural Banks (RRBs), Commercial Banks (CBs) and other financial institutions approved by RBI. While the ultimate beneficiaries of investment credit can be individuals, partnership concerns, companies, State-owned corporations or co-operative societies, production credit is generally given to individuals.

NABARD has its head office at Mumbai, India

NABARD operates throughout the country through its 28 Regional Offices and one Sub-office, located in the capitals of all the states/union territories. Each Regional Office [RO] has a Chief General Manager [CGMs] as its head, and the Head office has several Top executives like the Executive Directors [ED], Managing Directors [MD], and the chairperson. It has 336 Districts Offices across the country, one Sub-office at Port Blair and one special cell at Srinagar. It also has 6 training establishments.

NABARD is also known for its 'SHG Bank Linkage Programmed which encourages India's banks to lend to self-help groups (SHGs). Because SHGs are composed mainly of poor women, this has evolved into an important India tool for microfinance. As of March 2006, 2.2 million SHGs representing 33 million members had to be linked to credit through this programme.

NABARD also has portfolio of Natural Resource Management Programmes involving diverse fields like Watershed Development, Tribal Development and Farm Innovation through dedicated funds set up for the purpose.

MAJOR FAILURE OF REGIONAL RURAL BANKS

1. Haste and Lack of Co-ordination in Branch Expansion:

Haste in branch expansion programme in many cases has resulted in lop-sidedness due to lack of co-ordination. In several cases, it could not be ensured that the branches of the RRBs are opened at centres where no commercial or co-operative banking facilities were provided.

2. Difficulties in Deposit Mobilisation:

The RRBs encountered a number of practical difficulties in deposit mobilisation. On account of their restrictive lending policy which excludes richer sections of the village society, these potential depositors show least interest in depositing their money with these banks.

3. Constraints in Deposit Mobilisation:

The RRBs exclude the richer sections of the village society in providing direct financial assistance. These sections have potential savings to deposit. But, they are least interested in depositing them with the RRBs in view of the restrictive credit policy of these banks. Further, state and local governments and their agencies also have not co-operated much by maintaining their deposit accounts with the RRBs.

4. Slow Progress in Lending Activity:

The RRBs' pace of growth in loan business is slow. For this the following reasons may be given: (i) There have been limited scope for direct lending by RRBs in their fields of operations; (ii) It is always difficult to identify the potential small borrowers and the bank staff have been required to make special and sincere efforts in this regard; (iii) Most of the small borrowers do not like the bank formalities and prefer to borrow from the informal/indigenous sources of finance, such as moneylenders; (iv) The anomalies in the Differential Interest Rate (DIR) Scheme also posed a special problem to the RRBs. While the RRBs charge 14 per cent interest, the commercial banks charge only 4 per cent under the DIR Scheme in rural areas.

Thus, no borrower would go to RRBs or co-operative societies in the area when a loan from the commercial bank is available under the DIR Scheme; (v) There is no effective link between the RRBs and PACS and the farmers' service societies; (vi) There is lack of co-ordination between officials of the district credit planning committees and the RRBs.

5. Urban-Orientation of Staff:

A crucial practical difficulty experienced in their working by the RRBs is the urban orientation of their staff which is rarely inclined to serve in rural areas. There is no true local involvement of the bank staff in the village where they serve.

6. Procedural Rigidities:

The RRBs follow the procedures of the scheduled commercial banks in the matter of deposits and advancing loans which are highly complicated and time-consuming from the villagers' point of view. The rural borrowers always appreciate informal ways and simple procedures as have been followed by the money-lenders and the indigenous bankers.

CRITICISMS OF NABARD

1) **As an offspring of the RBI, NABARD shares the work culture, ethos and development orientation** of its parent institution.

- Snapping of this link (the transfers of **0.4 per cent equity of RBI** in NABARD to the Union Government under NABARD Act 2017) has led to a great disadvantage for both the RBI and NABARD.
- This has weakened any role or participation RBI can have over its activities.
- A strong relationship between the central bank and the development institution will help the cause of agriculture and rural development at a critical juncture when the country is faced with a serious agrarian crisis.

2) **Cost of financing** has gone up since market borrowings of NABARD add up to 80 per cent of its resources. **Member-driven and de-bureaucratised cooperative structures** have to fill-in the **gaps** of institutional credit left open by **commercial banks**.

3) **The north-eastern states** have been getting little share of the NABARD's credit funds. The northeast gets 1% of the credit, leading to farmers trapping in the net of money-lenders.

4) The penetration of banks in **insurgency-hit state** is less and it should be stepped up.

CONCLUSION

As on March 31, 2020, there were 45 RRBs functioning in 685 districts of 26 states and three union territories (UTs). These RRBs were sponsored by 15 commercial banks and operating through a network of 21,850 branches.

Gross non-performing assets as a percentage of gross loans outstanding of RRBs marginally declined to 10.4 per cent as on March 31, 2020, from 10.8 per cent as on March 31, 2019, the data showed.

Share of standard, sub-standard, doubtful and loss assets stood at 89.6 per cent, 3.6 per cent, 6.5 per cent and 0.3 per cent, respectively, as of end March 2020.

Eighteen of the 45 RRBs (as against 20 out of 53 RRBs as on March 31, 2019) had GNPA above 10 per cent as on March 31, 2020.

RRBs, at aggregated level, achieved a growth of 8.6 per cent in their business in FY20 compared to a growth of 9.5 per cent in the previous year, according to the data.

Total business of RRBs stood at Rs 7.77 lakh crore as on March 31, 2020

Deposits and advances of RRBs increased by 10.2 per cent and 9.5 per cent, respectively during FY2019-20.

Gross outstanding loans stood at Rs 2.98 lakh crore as against Rs 2.80 lakh crore in FY19.

Priority sector loans constituted 90.6 per cent or Rs 2.70 lakh crore of the gross loans outstanding of RRBs as on March 31, 2020. Share of agriculture and MSME sectors in total loan outstanding stood at 70 per cent and 12 per cent, respectively, the data showed.

As of end March 2020, 17 out of the 45 RRBs had capital to risk weighted assets ratio (CRAR) of less than 9 per cent, of which six RRBs had negative CRAR.

System-wide CRAR of RRBs deteriorated to 10.2 per cent as on March 31, 2020 from 11.5 per cent in the previous year, the data showed.

RECOMMENDATIONS

To improve the working of the RRBs, the Dantewada Committee (1978), the Kelkar Committee (1986) and the Khusro Committee (1989) have made a number of suggestions. Some of these are enumerated below:

1. To improve the viability of RRBs, the Khusro Committee recommended that the RRBs should be merged with the commercial banks. The merger would solve the problems of accumulated losses, of insolvency, and of the in-built non-viability of the majority of RRBs.

But it is wrong to presume that after merger with sponsor banks, the RRBs will be viable because many branches of commercial banks are incurring huge losses. Therefore, the suggestions made by the Kelkar Committee should be implemented. They are the bifurcation of unwieldy RRBs, and the amalgamation of small RRBs.

2. In order to strengthen the capital structure of RRBs, the Kelkar Committee recommended the raising of issued capital of RRBs from Rs.25 lakhs to Rs.100 lakhs and the authorised capital from Rs.1crores to Rs.5 crore.

3. As the very purpose of establishing RRBs is to transfer funds from urban money market to rural centres, the State Governments should permit the Panchayats and other quasi-government bodies functioning in rural areas to keep their funds with the RRB branches functioning within their area of operations.

4. The State Governments should either re-organise agricultural credit societies or establish new Farmers' Service Societies through which RRBs can provide production credit on a large scale and thereby the cost of servicing will be reduced considerably.

5. The sponsor banks should play a more active role in advising and helping their RRBs in managing their funds, in appraising loan schemes, in making proper end-use of credit, and in providing staff for internal audit of RRBs.
6. The sponsor banks should charge a lower interest rate on the refinance to RRBs and involve themselves less in RRBs short-term and non-schematic loans.
7. The sponsor banks should invest the deposits of RRBs in long-term Government securities which are being kept in non-interest earning current accounts.
8. To increase the profit margin, the RRBs should extend credit facilities to non-target groups subject to a ceiling of 25 percent of their total outstanding advances. The State Government should help the RRBs in recovering dues by creating a proper climate for recovery and in taking action against wilful defaulters.
9. The RRBs should have their own recovery system with adequately trained staff and organise recovery camps involving the Government officials, local leaders and branch staff.
10. The business of rural branches of commercial banks should be handed over to RRBs.
11. There should be uniform scales of pay for all the RRBs staff.
12. The RRBs should devise suitable strategies to develop banking habits and practices among the rural folk by imbibing banking education and awareness.
13. The RRBs should widen their sphere of activity. Instead of concentrating mainly on lending, they should provide rural consultancy services, phased credit programmes, create better avenues for employment, and take over the work of farmers' service societies.

14. Since RRB is an area specific and target specific bank, its working hours should be suitably amended to enable the customers to make full use of its facilities. It is inconsistent to have the usual office hours between 10 AM and 5 PM in a village where the customers are busy in the fields at that time., Therefore, the working hours of RRBs should be fixed according to the needs of the area.

15. New RRBs should be opened in areas where SC/ST population predominates.

16. The entire recruitment process in the RRBs should be streamlined. Local people should be preferred and training should be given on the problems of rural life which are peculiar to the RRBs.

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THANK YOU

PROJECT REPORT

(Submitted for the Degree of B.Com. Honours in Accounting & Finance under the University of Calcutta)

TITLE OF THE PROJECT

“E-COMMERCE”

SUBMITTED BY

Name of the Candidate: AUNKON CHARLES D’COSTA

Registration Number: 223-1111-0522-18

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COLLEGE ROLL NO: 18C-044

SUPERVISED BY

Name of the Supervisor: BISWADEEP DUTTA

Name of the College: SCOTTISH CHURCH COLLEGE

Month & Year of Submission: JUNE 2021

ACKNOWLEDGEMENT

A special thanks to **Prof. BISWADEEP DUTTA**, for being such a good guidance to us while we were doing this task. He had given us an appropriate example and knowledge in order to make us understand more about this topic. He spends his time to explain the execution of this idea in all the way.

Also a great thanks to my family and friends who tried their best to give their support either by giving me a lot of encouragement to keep up with this task or by supporting us financially and pay all the cost required to complete this task. They gave us a lot of new ideas about the task.

ANNEXURE B 1 A SUPERVISOR'S CERTIFICATE

This is to certify that **AUNKON CHARLES D'COSTA** a student of B.Com. Honours in Accounting & Finance of **SCOTTISH CHURCH COLLEGE**, under the University of Calcutta has worked under my supervision and guidance for his/her Project Work and prepared a Project Report with the title "**E-COMMERCE**" which he/she is submitting, is his/her genuine and original work to the best of my knowledge.

Name: BISWADEEP DUTTA

Designation: PROFESSOR

Place: KOLKATA

Name of the College: SCOTTISH CHURCH COLLEGE

Signature:

ANNEXURE – 1B

STUDENT DECLARATION

I hereby declare that the Project Work with the title “**E-COMMERCE**” submitted by me for the partial fulfilment of the degree of B.Com. Honours in Accounting & Finance under the University of Calcutta is my original work and has not been submitted earlier to any other University /Institution for the fulfilment of the requirement for any course of study.

I also declare that no chapter of this manuscript in whole or in part has been incorporated in this report from any earlier work done by others or by me. However, extracts of any literature which has been used for this report has been duly acknowledged providing details of such literature in the references

Name: AUNKON CHARLES D’COSTA

Registration Number: 223-1111-0522-18

College Roll Number: 18C-044

CU Roll Number: 181223210005

Place: KOLKATA

Signature:

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CHAPTER 1: INTRODUCTION

INTRODUCING THE TOPIC E-COMMERCE

BACKGROUND: HISTROY OF E-COMMERCE

The history of ecommerce started over 40 years ago, Since then, electronic commerce has helped countless businesses grow with the help of new technologies, improvements in internet connectivity, added security with payment gateways, and widespread consumer and business adoption.

With the wide adoption of the Internet and the introduction of the World Wide Web in 1991 and of the first browser for accessing it in 1993, most e-commerce shifted to the Internet. More recently, with the global spread of smartphones and the accessibility of fast broadband connections to the Internet, much e-commerce moved to mobile devices, which also included tablets, laptops, and wearable products such as watches.

Ecommerce has come a long way since the CompuServe launch in 1969. With the introduction of early technology like Electronic Data Interchange (EDI) and teleshopping in the 1970s paved the way for the modern-day ecommerce store as we know it today.

Changes in technology have certainly driven ecommerce growth, along with global circumstances. Ecommerce has evolved in many ways since its start, and it's changing the way we live, shop and do business. Let's dive into the history and the future of ecommerce.

ECOMMERCE TIMELINE

1969: CompuServe is founded.

Founded by electrical engineering students Dr. John R. Goltz and Jeffrey Wilkins, early CompuServe technology was built utilizing a dial-up connection.

In the 1980s, CompuServe introduced some of the earliest forms of email and internet connectivity to the public and dominated the ecommerce landscape through the mid-1990s.

1979: Michael Aldrich invents electronic shopping.

English inventor Michael Aldrich introduced electronic shopping by connecting a modified TV to a transaction-processing computer via telephone line. This made it possible for closed information systems to be opened and shared by outside parties for secure data transmission — and the technology became the foundation for modern ecommerce.

1982: Boston Computer Exchange launches.

When Boston Computer Exchange launched, it was the world's first ecommerce company.

1992: Book Stacks Unlimited launches as first online book marketplace.

Charles M. Stack introduced Book Stacks Unlimited as an online bookstore. Originally, the company used the dial-up bulletin board format. However, in 1994 the site switched to the internet and operated from the Books.com domain.

1994: Netscape Navigator launches as a web browser.

Marc Andreessen and Jim Clark co-created Netscape Navigator as a web browsing tool. During the 1990s, Netscape Navigator became the primary web

browser on the Windows platform, before the rise of modern giants like Google.

1995: Amazon launch.

Jeff Bezos introduced Amazon primarily as an ecommerce platform for books.

1998: PayPal launches as an ecommerce payment system.

Originally introduced as Confinity by founders Max Levchin, Peter Thiel, Luke Nosek and Ken Howery, PayPal made its appearance on the ecommerce stage as a money transfer tool.

1999: Alibaba launches.

Alibaba Online launched as an online marketplace with more than \$25 million in funding. By 2001, the company was profitable. It went on to turn into a major B2B, C2C, and B2C platform that's widely used today.

2000: Google introduces Google AdWords as an online advertising tool.

Google Adwords was introduced as a way for ecommerce businesses to advertise to people using Google search.

2004: Shopify launches.

After trying to open an online snowboarding equipment shop, Tobias Lütke and Scott Lake launched Shopify. It's an ecommerce platform for online stores and point-of-sale systems.

2005: Amazon introduces Amazon Prime membership.

Amazon launched Amazon Prime as a way for customers to get free two-day shipping for a flat annual fee. The membership also came to include other perks

like discounted one-day shipping and access to streaming services like Amazon Video and members-only events like “Prime Day.”

2005: Etsy launches: Etsy launched, allowing crafters and smaller sellers to sell products (including digital products) through an online marketplace. This brought the makers community online — expanding their reach to a 24/7 buying audience.

2009: Big Commerce launches.

Eddie Machaalani and Mitchell Harper co-founded BigCommerce as a 100% bootstrapped ecommerce storefront platform.

2011: Google Wallet introduced as a digital payment method.

Google Wallet was introduced as a peer-to-peer payment service that enabled individuals to send and receive money by linking the digital wallet to a debit card or bank account, users can pay for products or services via these devices. Today, Google Wallet has joined with Android Pay for what is now known as Google Pay.

2011: Facebook rolls out sponsored stories as a form of early advertising.

Facebook’s early advertising opportunities were offered to Business Page owners via sponsored stories. With these paid campaigns, ecommerce businesses could reach specific audiences and get in the news feeds of different target audiences.

2011: Stripe launches.

Stripe is a payment processing company built originally for developers. It was founded by John and Patrick Collison.

2014: Apple Pay introduced as a mobile payment method.

As online shoppers began using their mobile devices more frequently, Apple introduced Apple Pay, which allowed users to pay for products or services with an Apple device.

2014: Jet.com launches.

Jet.com was founded by entrepreneur Marc Lore (who sold his previous company, Diapers.com, to Amazon.com) along with Mike Hanrahan and Nate Faust.

2017: Shoppable Instagram is introduced.

Instagram Shopping launched with ecommerce partner BigCommerce. Since then, the service has expanded to additional ecommerce platforms and allows Instagram users to immediately click an item, and go to that item's product page for purchase.

2020: COVID-19 Drives Ecommerce Growth.

COVID-19 outbreaks around the globe pushed consumers online to unprecedented levels. By May of 2020, ecommerce transactions reached \$82.5 billion — a 77% increase from 2019. It would have taken four to six years to reach that number looking at traditional year-over-year increases.

Consumers have moved online to make purchases normally made in physical stores, such as food and household items, apparel, and entertainment. Many consumers say they'll continue to use online storefronts until a COVID-19 vaccine is available.

INTRODUCTION

ECOMMERCE:-

E-commerce (electronic commerce or EC) is the buying and selling of goods and services on the Internet or other computer network. E-Commerce or Electronics Commerce is a methodology of modern business, which addresses the need of business organizations, vendors and customers to reduce cost and improve the quality of goods and services while increasing the speed of delivery.

Ecommerce refers to the paperless exchange of business information using the following ways.

- Electronic Data Exchange (EDI)
- Electronic Mail (e-mail)
- Electronic Bulletin Boards
- Electronic Fund Transfer (EFT)
- Other Network-based technologies.

Some examples of e-commerce are:

- Online shopping: Online shopping is the most popular example of e-commerce, It involves buying and selling of goods on internet.
- Online payments: when a buyer get product they can make his payment through Net.
- Internet banking: In today's time banks can offers you internet banking which is the easiest way of making online payments.
- Online Ticket: We can book our ticket through net whether it is bus ticket, train ticket, or movie ticket internet can reduces efforts for it.

E-BUSINESS:-

Business transactions that involve the exchange of money are covered by the term e-commerce. E-business includes all aspects of running a business that sells goods and services, including marketing, earning and retaining customers, procurement, developing business partners and customer education. In order to be successful, e-commerce and ebusinesses must have quality storefronts that are simple to navigate and peruse, with accurate and thorough catalogue information. E-business became an extension of e-commerce to encompass all aspects of businesses that function online. E-business involves e-commerce, but eCommerce does not cover all aspects of e-business

E-BUSINESS VS. E-COMMERCE

While some use e-commerce and e-business interchangeably, they are distinct concepts. Basically, electronic commerce (EC) is the process of buying, transferring, or exchanging products, services, and/or information via computer networks, including the internet. EC can also be benefited from many perspective including business process, service, learning, collaborative, community. EC is often confused with e-business.

In e-commerce, information and communications technology (ICT) is used in inter-business or inter-organizational transactions (transactions between and among firms/organizations) and in business-to-consumer transactions (transactions between firms/organizations and individuals).

In e-business, on the other hand, ICT is used to enhance one's business. It includes any process that a business organization (either a for-profit, governmental or non-profit entity) conducts over a computer-mediated network.

The main distinctions between and E-Business are E-commerce

E-Business	E-commerce
Closed System	Open system [statistics]
Secured	Not secured
Deals with processes needed to facilitate e-commerce	Deals more with technology

e-business is an online business only	e-commerce is an extension of a traditional business model
Used for bulky transaction	Used for small and bulky transaction
Used EDI	Does not involve the use of ED
Involves explicitly business transactions	Involves all types of commerce transaction
Focused more on business to business activities	Focused on Business to consumer activities

DIFFERENCE BETWEEN

E-COMMERCE V/S TRADITIONAL COMMERCE

Basis	E-commerce	Traditional System
Reduce Data Error	Doesn't involve data at multi points. Data goes directly from one computer to another Computer without involving human being.	The buyer and seller create purchase order on their system and send it to their trading partner. The receiver/seller then re-enter the same information on the computer, which will create data error.
Reduce cost	Initial cost of E-commerce is very high as compared to paper process but over a long period of time, it is very effective.	Time is directly linked to saving the money. There is repetition of same work at every level and it involves a lot of wastage of time and if the error is arisen that will lead to more wastage of money.

Reduce Paper work	E-commerce data in the electronic form make it easy to share it across the organization.	It requires re-entry of data at each level and requires lot of time. So the peak time is wasted in re-entering and printing of the Reports.
Reduce Processing cycle time	E-commerce reduces the processing cycle time of complete cycles as the data is entered the system, it is simultaneously Processed	When the buyer order in a paper format, the data is re-entered in to the Sellers's computer and then only processing can take place which is a time consuming process.
Reduce labour them more efficiently.	No need to maintain large number of employees, instead there arises the need to manage them more efficiently.	Need to maintain a large number of employees because one-third of labour force is employed to fulfil orders from customers.

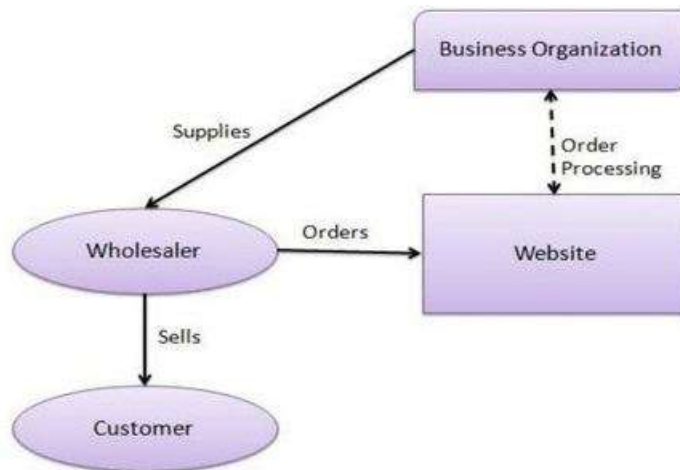
BUSINESS MODELS/TYPES OF ECOMMERCE

E-Commerce or Electronics Commerce business models can generally be categorized in the following categories:-

- Business - to - Business (B2B)
- Business - to - Consumer (B2C)
- Consumer - to - Consumer (C2C)
- Consumer - to - Business (C2B)
- Business - to - Government (B2G)
- Government - to - Business (G2B)
- Government - to - Citizen (G2C)

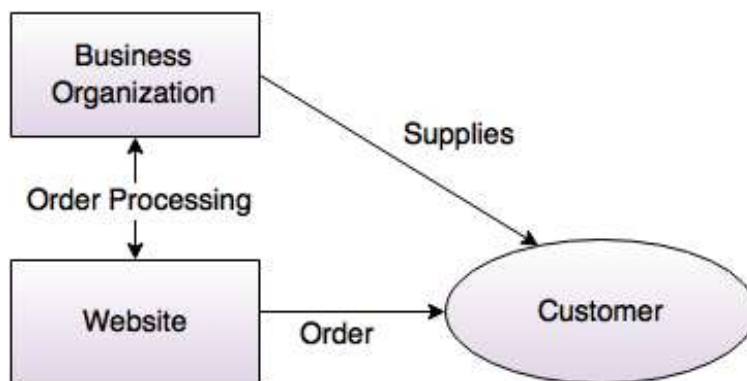
Business to Business [B2B]

B2B (business – to- business) is a kind of e-commerce, which refers to a company selling or buying from other companies. One company communicates with other companies through electronic Medias. Some of these transactions include sending and receiving orders, invoice and shopping orders. It was an attractive alternative to the current process of printing, mailing various business documents.



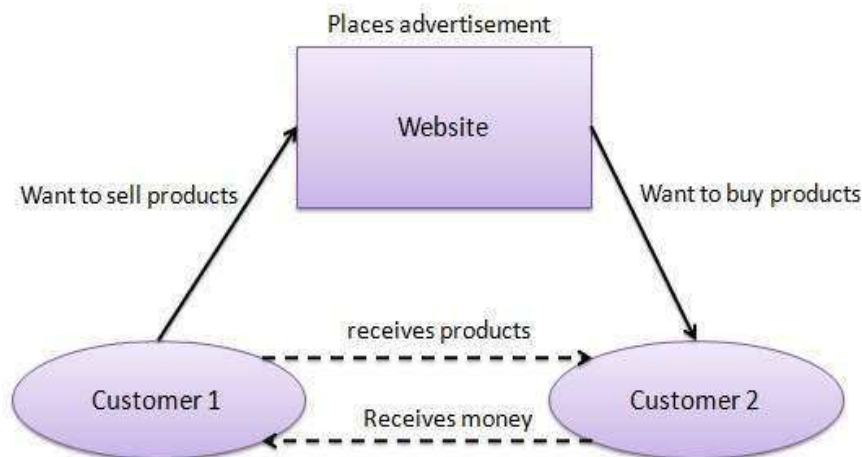
Business - to - Consumer (B2C)

Website following B2C business model sells its product directly to a customer. A customer can view products shown on the website of business organization. The customer can choose a product and order the same. Website will send a notification to the business organization via email and organization will dispatch the product/goods to the customer.



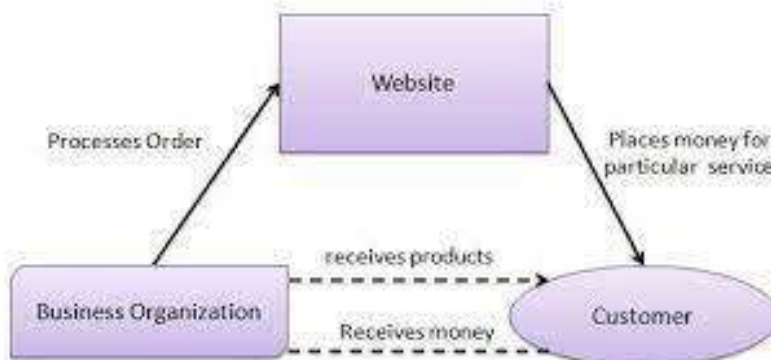
Consumer - to - Consumer (C2C)

Website following C2C business model helps consumer to sell their assets like residential property, cars, motorcycles etc. or rent a room by publishing their information on the website. Website may or may not charge the consumer for its services. Another consumer may opt to buy the product of the first customer by viewing the post/advertisement on the website.



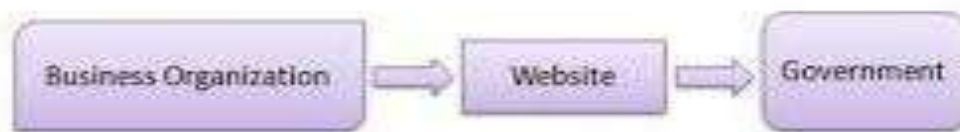
Consumer - to - Business (C2B)

In this model, a consumer approaches website showing multiple business organizations for a particular service. Consumer places an estimate of amount he/she wants to spend for a particular service. For example, comparison of interest rates of personal loan/ car loan provided by various banks via website. Business organization who fulfills the consumer's requirement within specified budget approaches the customer and provides its services.



Business - to - Government

B2G model is a variant of B2B model. Such websites are used by governments to trade and exchange information with various business organizations. Such websites are accredited by the government and provide a medium to businesses to submit application forms to the government.



Government - to - Business

Governments use B2G model websites to approach business organizations. Such websites support auctions, tenders, and application submission functionalities.



Government - to - Citizen

Governments use G2C model websites to approach citizen in general. Such websites support auctions of vehicles, machinery, or any other material. Such website also provides services like registration for

birth, marriage or death certificates. The main objective of G2C websites is to reduce the average time for fulfilling citizen's requests for various government services.



OBJECTIVES/ ADVANTAGES OF E-COMMERCE

- **Enhances convenience:** Customers can make orders for goods at their own convenience and from the comfort of their homes without having to travel to the business premise. Orders are also delivered to them at their most ideal locations. It's the best shopping option for people who are always busy.
- **Easy fund-raising for start-ups ventures:** So many people have the desire to venture into business but lack sufficient funds to set up shop. Leasing a physical store can be quite expensive. E-commerce makes it easier for start-ups to do business and grow.
- **Customer reach:** It's easier to reach many customers on the internet. Using social media links and good search engine optimization strategies, an online business can increase brand awareness and grow its customer base. It also has the advantage of being able to connect buyers and sellers from all corners of the globe.
- **Ability to sell different products:** The flexibility of conducting business over the internet makes it possible for entrepreneurs to display and sell several products and also cater to a wider demographic.

- **Prompt payments:** Payments are fast since online stores use electronic or mobile transactions payment methods. The mobile wallet system for merchant accounts drive up sales and increase revenue generation.
- **Allows for product and price comparison:** Again, when making purchases, customers want to get the best deals. This business model allows for product and price comparison by consumers so that the best products are bought at the fairest prices. They can also enjoy extra benefits like discounts, coupons, items on sale and also get the best deals.
- **Easy fund-raising for start-ups ventures:** So many people have the desire to venture into business but lack sufficient funds to set up shop. Leasing a physical store can be quite expensive. E-commerce makes it easier for start-ups to do business and grow.

LIMITATIONS / DISADVANTAGES OF E-COMMERCE

- **Internet scammers:** The internet is a good thing but some people have decided to use it for all the wrong reasons. Scammers have made this type of business model unattractive for some consumers.
- **Poor quality products:** You don't physically see and inspect whatever you are paying for before it's delivered. Customers, therefore, run the risk of falling victim to false marketing and buying poor quality products from the virtual shop.
- **Lack of after sales support:** As a result of lack of physical premises, customers find it hard to access after sales support. It can take up to several days before any help is accorded to a customer in need.
- **Delivery of goods can get delayed:** It takes time before the goods ordered for are delivered. Sometimes the delivery delays and this inconveniences the customer. This is different from physical business premises where customers walk out with the products bought.

- **Impulsive purchases:** Online stores display a large number of products and due to the convenience of shopping, customers can find themselves making bad financial decisions through impulsive purchases.
- **Fast changing business environment:** Technology evolves so fast. Some entrepreneurs find it hard to keep up and lose a lot of business in the process. This may make business growth unattainable.
- **Loss of personal touch:** Business is all about relationships. This business model erodes the personal touch between a customer and the business owner. Cultivating loyalty can thus be a problem since there are many such businesses that provide different options.

Further, many critics of electronic commerce, however, have argued that this mode of buying and selling has been endangering the livelihoods of traditional market sellers and shop owners who prefer to sell face to face.

CHARACTERISTICS/FEATURES OF E – COMMERCE

- **24x7 Service availability** – E-commerce automates the business of enterprises and the way they provide services to their customers. It is available anytime, anywhere.
- **Non-Cash Payment** – E-Commerce enables the use of credit cards, debit cards, smart cards, electronic fund transfer via bank's website, and other modes of electronics payment.
- **Support** – E-commerce provides various ways to provide pre-sales and post-sales assistance to provide better services to customers.
- **Advertising / Marketing** – E-commerce increases the reach of advertising of products and services of businesses. It helps in better marketing management of products/services.

- **Inventory Management** – E-commerce automates inventory management. Reports get generated instantly when required. Product inventory management becomes very efficient and easy to maintain.
- **Communication improvement** – E-commerce provides ways for faster, efficient, reliable communication with customers and partners.
- **Improved Sales** – Using e-commerce, orders for the products can be generated anytime, anywhere without any human intervention. It gives a big boost to existing sales volumes.

FUTURE OF ECOMMERCE

By 2022, ecommerce revenue in the U.S. alone is expected to reach \$479 billion, with the toys, hobby and DIY vertical seeing the largest growth. And it's no passing trend, either. It's also interesting to note that looking ahead, ecommerce expert Gary Hoover's data projects that ecommerce retail sales will eventually even out with that of brick and mortar. This means that even though the online sales trend will continue to grow, there's plenty of business to go around. But that's not all. Soon, most ecommerce interactions will be an omni-channel experience for shoppers.

This means they'll expect to be able to research, browse, shop, and purchase seamlessly between different devices and on different platforms (like a standalone web store, an Amazon presence, etc.).

Other trends to watch for in the future of ecommerce include:

- a) Robust customer journeys and personalization.
- b) Artificial intelligence-enabled shopping.

c) Digital currencies.

Overall, we have to remember that ecommerce is still fairly new in the big picture of retail.

The future holds endless opportunity, but its success and continuation will depend largely on buyers' preferences in the future.

CONCLUSION

We've looked at all corners of ecommerce, including its different types, the history, how it's grown over the years, and its impact on consumers and how business is conducted. There are certainly advantages and disadvantages to ecommerce, but the future has many opportunities for even greater expansion.

LITERATURE REVIEW

Internet and e-commerce are entirely committed towards every developed country. But we think it can be accomplished and can make a remarkable benefit to developing countries also if an ideal business purpose can be made.

The following were the major efforts at research in the subject, which have been referred for the research purpose.

(A) **Ohidujja man et.al** clearly discussed that E-commerce is a revolution & turning point in online business practices and can make a huge contribution to the economy.

(B) **Hasan et.al** also indicated that currently, e-commerce organizations have increasingly become a fundamental component of business strategy and a strong catalyst for economic development.

(C) **Mehrdad Salehi et.al** found out distinguish between online marketing & traditional marketing. Though most of the people of Bangladesh especially the rural people are not enough capable of operating internet to run the online business. For that reason, they need to be dependent on traditional marketing.

(D) **OTHERS:** A huge amount of research works has been done on e-Commerce which is basically on online shopping. A large group of researchers has found out and also pointed out the necessity and possibilities of Online Shopping. On the other hand, limitation of ecommerce is found and at the same time, they provided essential suggestion and came to a prediction to make Online Shopping more useful for the consumers. But the contribution of traditional marketing is also inescapable but compare to online shopping it is less effective we think.

RESEARCH METHODOLOGY

The research methodology means the way in which we can complete our prospected task. The research methodology is a systematic way of studying the research problem. Before undertaking any task it becomes very essential for a anyone to determine the problem of study. I have adopted the following procedure in completing my report study.

1. Research Problem.

E-COMMERCE is very important these days. As my training is at a corporate, I have got the project upon "E-COMMERCE". This is my problem to be studied.

2. Research Design.

The type of design being used for making this project is Meta-Analysis Design. Meta-analysis is an analytical methodology designed to systematically evaluate and summarize the results from a number of individual studies, thereby, increasing the overall sample size and the ability of the researcher to study effects of interest.

3. Determining the data sources.

4. Tools used for analysis of data

5. Analysing the Data.

6. Interpretation of the data

7. Preparing research report

CHAPTER 2

CONCEPTUAL FRAMEWORK/ NATIONAL & INTERNATIONAL SCENARIO

OVERVIEW

E-Commerce or Electronics Commerce Electronic commerce or E-commerce- is a platform through which trading of products and services can be done using the internet. E-commerce businesses are employed in online shopping websites, fund transfers, stock management systems, data collections and many more. In India, e-commerce websites have gained massive success through online shopping. Other websites which facilitate cab-booking, events-searching and trip-planning for customers have also experienced accelerated growth.

Cab services- The biggest cab service company in India is the Ola services. Spread across the country, this website provides the first ride up to Rs100 free of cost for its customers. Their services are

quick and safe. After the success of Ola, local cab and auto services in different cities have also begun.

Online retail stores -: Online retail stores Flipkart, Snapdeal, Jabong, Koovs, Craftsvilla, Limeroad, are all online websites which are headquartered in India. The prime reason due to which these websites are a success is because of the cash on delivery system, which allows customer an easy payment method.

Other Start-ups-: like Saavn, Makemytrip, Zomato, nhance are all applications which make the life of commoners easy. Saavn is an app where one can download and upload songs, makemytrip helps in planning trips to various places around the world, Zomato searches for good eating joints around the locality you live in and you can even rate it yourself and nhance is an application which helps people to prepare themselves for business interviews and exams by bringing news related to that field from around the world to one platform.

NATIONAL SCENARIO

1) Myntra

When it came to size, Myntra was a pretty small fish in a sea full of e-commerce sharks like Jabong and Flipkart. But, Myntra was a persistent fish nonetheless. Mukesh Bansal is the mastermind behind Myntra. He is an exceptionally smart and honest entrepreneur. From a personalized gifting store to one of the leading online fashion stores, Myntra is always beating heads with Jabong.

Its acquisition by Flipkart is a high remark for this ambitious website. Its innovative step up in selling sports merchandise and many other small moves separated Myntra from other low scale

e-commerce stores that are still little fishes while Myntra has only grown bigger with time.

Mukesh Bansal's long term vision and his eye for the right investors helped him scale Myntra and make it a nationally recognized brand in a span of three years. So much so, that Flipkart came out of its way to woo Myntra and acquire it for its own; a great story for Mukesh Bansal to tell his kids.

[Mukesh Bansal, Vineet Saxena, Ashutosh Lawania

CEO- Amar Nagaram

Launched- 2007; 14 years ago

Net Worth-Rs1, 718.5 crore]

2) FLIPKART

Every Indian living in metro cities has heard the name of Flipkart. They have viewed it, browsed it and ordered from it. Flipkart initially began as an online bookstore. In today's age it is the go to place for the Indian youth to find books on topics ranging from fiction to sports to even high end scientific research. Flipkart will not leave you disappointed. It now covers a range of products from every area of life. In a very short span of time Flipkart has become the answer for everything. It was the brainchild of Binny and Sachin Bansal; both of whom began with an investment of 4 lakhs and currently own a company that stands to make an increased profit of \$1 billion by the end of 2014. The story of Flipkart is a stuff of legends.

The candle of Flipkart lit when Binny and Sachin were working in Amazon and thought of investing in their own start-up. Their growth and success has been an inspiration for many other start-ups that quickly lined up to enter the world of e-commerce.

[Founder- Sachin Bansal, Binny Bansal

CEO- Kalyan Krishnamurthy

Founded 2007- 14 years ago

Net Worth- Rs 43,615 crore]

3) Jabong

Jabong is currently India's most sought for branded clothing and accessories store. Unlike Flipkart and Snapdeal, the business model of Jabong was slightly different. It aims at capturing the brand conscious internet savvy population of India and has successfully done so. Jabong is currently the premium destination for Indians to look for branded wear. It began pretty late in the year 2012, when its competitors had already set up a strong foothold in the arena. They were different from other e-commerce stores because of their streamlined delivery process.

Although, Jabong is half the age of its competitors, it is estimated to yield a profit of over \$700 million.

While, Flipkart was the first in the e-commerce market to create a clutter free interface that became an instant favourite, Jabong grabbed a hold of their attention with its unending catalog.

No matter what your age, Jabong has everything for everyone. Their aggressive marketing strategies made them hit a huge online client base, all of whom responded with equal enthusiasm. Jabong's super-fast delivery process has helped in making a space for this website on the e-commerce red carpet.

[Founder- Manu Kumar Jain & Arun Chandra Mohan

CEO- Arun Chandra Mohan

Founded - 2012; 9 years ago

Net Worth-

]

4) Ola

Every Indian living in metropolitan cities has heard the name 'Ola'. Or, probably have booked a cab from it. Initially started as an online cab aggregator, Ola is one of the fastest growing businesses in India that has expanded itself to numerous ranges i.e. Ola rentals, Ola auto, Ola café, and now even 'Trip with Ola'. In a short span of time, Ola has become the answer to every ride. Ola was the brainchild of a 29-year-old, IIT Bombay Graduate, Bhavish Aggarwal, who once happened to rent a car and deal with a bad experience, where the car driver stopped in

the middle road to re-negotiate the deal. And, when Bhavish refused to agree, the driver proceeded to abandon him en route to his destination. Well! The entrepreneur-head, instead of whining about the situation, decided to solve it well, and at large! Currently, the company's valuation is \$3.5 Billion.

[Founder&CEO- Bhavish Aggarwal, Ankit Bhati
Founded-3 December 2010; 10 years ago
Revenue-₹2,544 crore]

5) Make My Trip

Make my trip or MMT is a child of the quintessential brain of Deep Kalra, an IIM graduate, who quit his corporate job to enhance a good travel experience. Being a part of an average Indian family, Deep was surely aware of the hassle that travel includes, in India. As once, while travelling with his wife, he had to stand a poor accommodation. At the same time, he was also observing the power of the internet expanding day-by-day & things changing around it. Deep understood the needs of India travellers and provided them with exactly 'what they want' by wearing the customer's hat.

In 2000, with a backing of USD 2-Million from eVentures, MMT (earlier known as India Ahoy) the ecommerce startups was found. Since then, getting listed on the International Stock Exchange and with more than \$900 million caps at NASDAQ, MMT has been a game changer in the travel segment.

[Founder&CEO - Deep Kalra
Launched-2000
Net Worth- US\$486 million]

6) Paytm

Two words that come while shopping to almost every Indian mind are "Paytm karo." Launched in 2010 by Vijay Shekhar Sharma, a graduate from Delhi College of Engineering Paytm has brought a paradigm shift in the retail industry by completely

transforming the payment methodology electronically. It was a dream dreamt when Vijay was struggling to make ends meet with 10 rupees in the pocket. Always struggling with his hand in English, he quit his first job at an MNC, began a new business but was unfortunately conned off.

The 'eureka' moment came in 2011 when he first pitched the ecommerce startups idea of entering the payment ecosystem in front of his board of One97 (the parent company of Paytm). Initially started as an online mobile recharge and bill payment platform, it now enables to make every kind of transaction on a click of a button. In just a span of 8 years, Paytm has notched up 250 million registered users and 7 million transactions daily.

[Founder&CEO- Vijay Shekhar Sharma
Founded- August 2010; 10 years ago
Revenue- Rs3, 281 crore]

INTERNATIONAL SCENATIO

1) Amazon, Inc.(The King of ecommerce)

Not surprisingly, we start the list of the largest ecommerce companies in the world with Amazon and its empire. Founded in 1994 in Seattle by now immortal Jeff Bezos, Amazon has in the years since become a household name when it comes to online shopping. This internet company today has the largest revenue in the world, but its beginnings were humble. It was initially not more than an online bookstore. Take a look at this

interview with Jeff Bezos from 1999 and see how unpredictable things were back then.

[Founder- Jeff Bezos

CEO- Jeff Bezos & Andy Jassy

Founded- July 5, 1994; 26 years ago

Revenue- US\$386.064 billion]

2) **Alibaba Group Holding Ltd.**

Chinese ecommerce Dragon If you are buying stuff on the Internet, there's a significant chance that you bought something from AliExpress or Alibaba. This Chinese mega company comes third on the list of the largest e-Commerce companies in the world! Few people haven't heard of Jack Ma's success story. The Chinese business magnate's life is a riches-to-rags story.

Having been rejected from more than 30 job posts in the early 1990s, he started making websites for companies with his wife and a friend. The business grew exponentially and in the year 1999, Alibaba Group was founded, the world's largest retailer of present-day, operating in more than 200 countries.

[Founder- Jack Ma

CEO- Daniel Zhang

Founded- 28 June 1999; 21 years ago

Revenue- US\$109.480 billion]

3) **Zalando**

Largest European ecommerce Company Surprisingly enough, this the first European company on the list of the largest e-Commerce companies in the world. Zalando's headquarters are in Berlin and they predominantly have online stores that sell fashion items, such as apparel and shoes. Their logo resembles an orange guitar pick.

[Founder- Rocket Internet, Robert Gentz, David Schneider

CEO- Robert Gentz

David Schneider

Rubin Ritter

Founded- October 2008

Revenue-€6.483 billion]

4) Groupon

E- Commerce that Connects Users with Local Businesses This American ecommerce marketplace launched in Chicago in 2008 reshaped the concept of group discount online shopping. It connects its subscribers to local businesses in one of 500 cities worldwide. The principle is simple: users get a discount and business owners increase the revenue; it's a win-win situation.

[Founders: Andrew Mason

Eric Lefkofsky

Brad Keywell

CEO: Aaron Cooper

Founded: November 2008

Revenue: US\$1.417 billion]

5) Rakuten, Inc.

Japanese ecommerce Godzilla After a brief spell of American companies, we return to the Far East. Rakuten is a Japanese ecommerce company launched in 1997. They operate Japan's largest online bank, in addition to online shopping and credit card payments. In all, Rakuten Group runs some 70 businesses, ranging from widely used instant messaging app Viber (as 2017 officially known as Rakuten Viber) to having their logo on FC Barcelona's jerseys

[Founder&CEO-Hiroshi Mikitani

Founded- 7 February 1997; 24 years ago

Revenue-JPY¥ 1263.93 billion]

6) EBay Inc. (The ecommerce Company That Once Sold a Whole town)

The eBay's beloved red-blue-green-yellow logo is for many a symbol of the 1990s and for a good reason. It was one of the first successful dot-com bubble companies that epitomized online shopping. The company was founded in San Jose,

California in 1995 and its most distinctive feature is the online auction feature, alongside a conventional buy-it-now shopping option. With the revenue of almost \$11B in 2018, eBay comes fourth on the list of the largest eCommerce companies in the world.

[Founder-Pierre Omidyar
CEO- Jamie Iannone
Founded-September 3, 1995; 25 years ago
Revenue-US\$10.8 billion]

CHAPTER 3

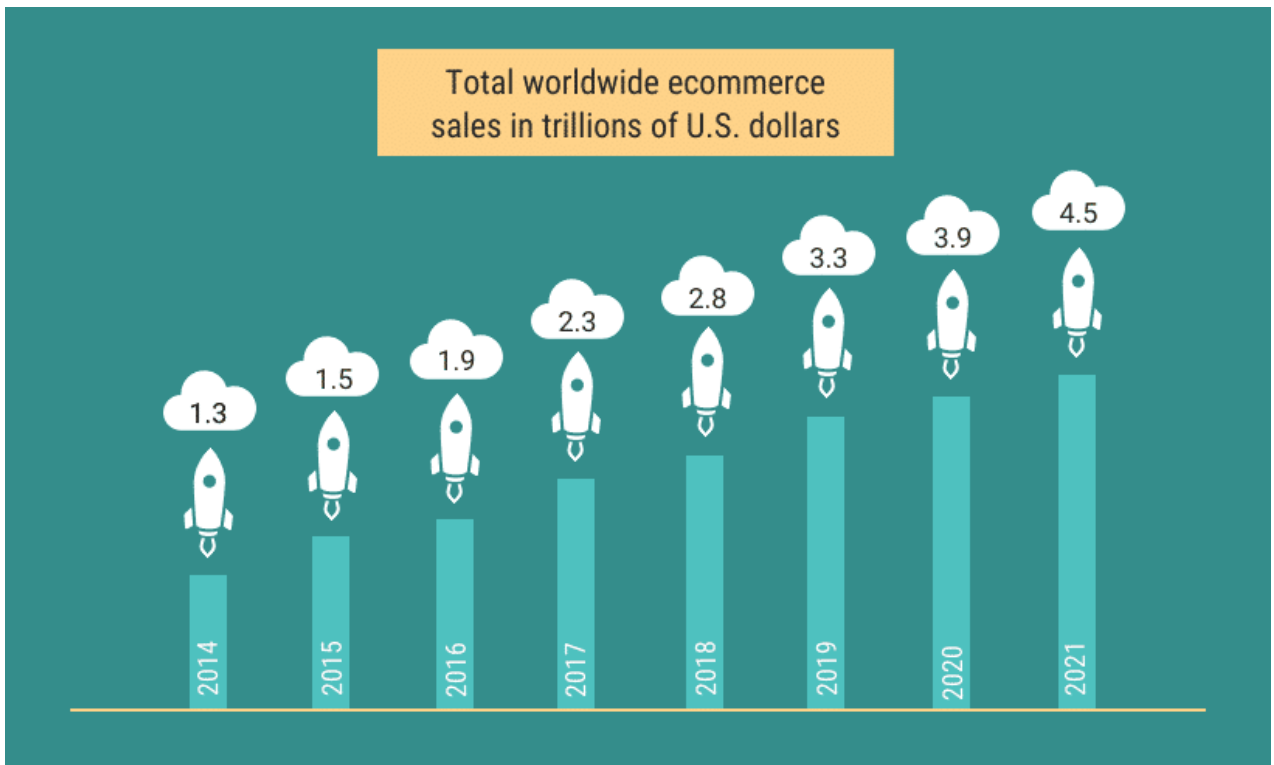
DATA ANALYSIS & FINDING

1. . Total World-wide E-commerce sales

Figure 1: Data Analysis & Finding

Even with limited capital, it's easy to set up a business nowadays thanks to ecommerce growth. With consumers increasingly relying on online shopping — it is estimated that 95 % of purchases will be made online by 2040 — ecommerce is opening the doors of opportunity to countless entrepreneurs. And, those ecommerce sales opportunities are rapidly growing. In 2017, ecommerce was responsible for \$2.3 trillion in sales, which is expected to nearly double to \$4.5 trillion by 2021. In the U.S. alone, online shopping already accounts for 10% of retail sales and is expected to grow at a year-on-year rate of 15%.

Figure 1:



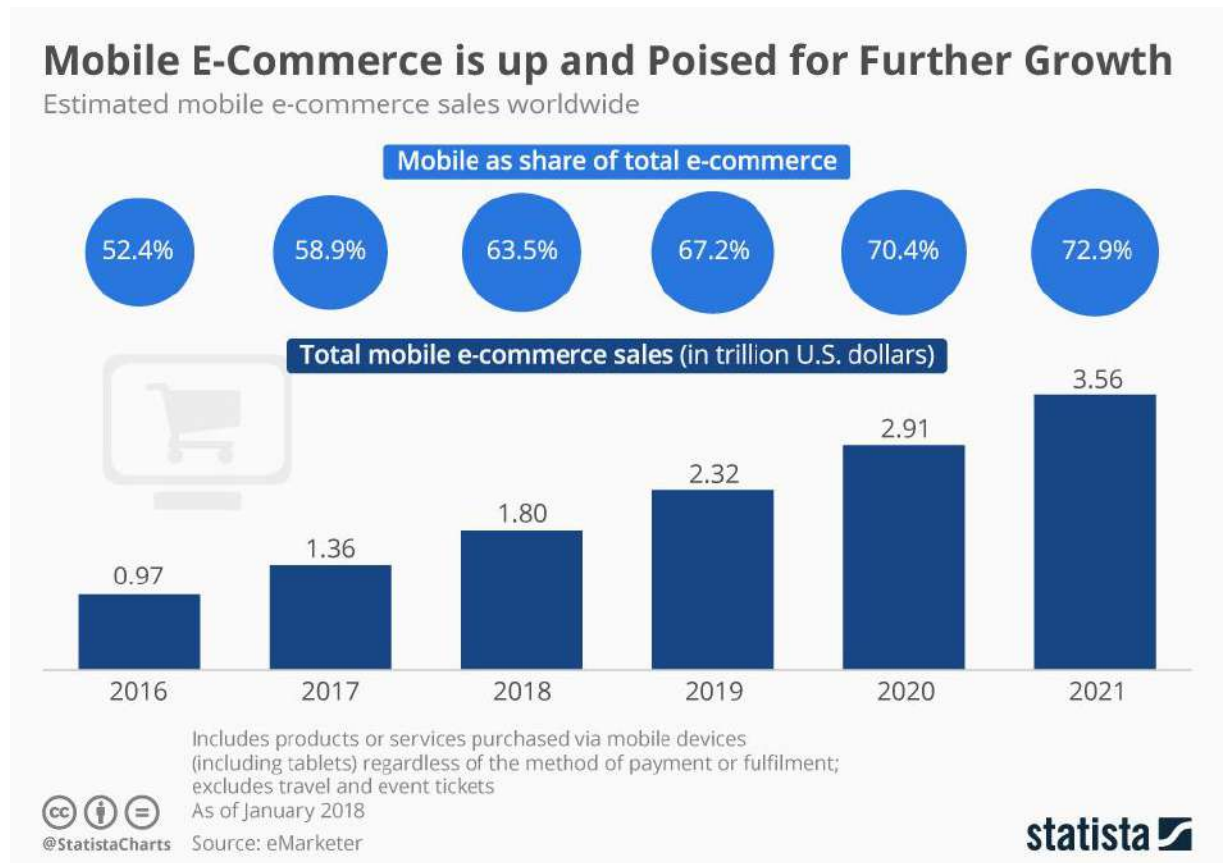
2. Mobile E-commerce is up and Poised for Further Growth

Figure 2: Data Analysis & Finding

Worldwide, e-commerce growth is primarily being driven by consumers using their mobile devices, phones and tablets, to acquire goods and services. According to eMarketer estimates, retail e-commerce sales reached \$2.3 trillion in 2017, a 23.2 percent increase over the previous year. The mobile share of this stood at 58.9 percent, or \$1.4 trillion. In 2021, mobile e-

commerce could rake in some \$3.5 trillion and then make up almost three quarters (72.9 percent) of e-commerce sales.

Figure 2:

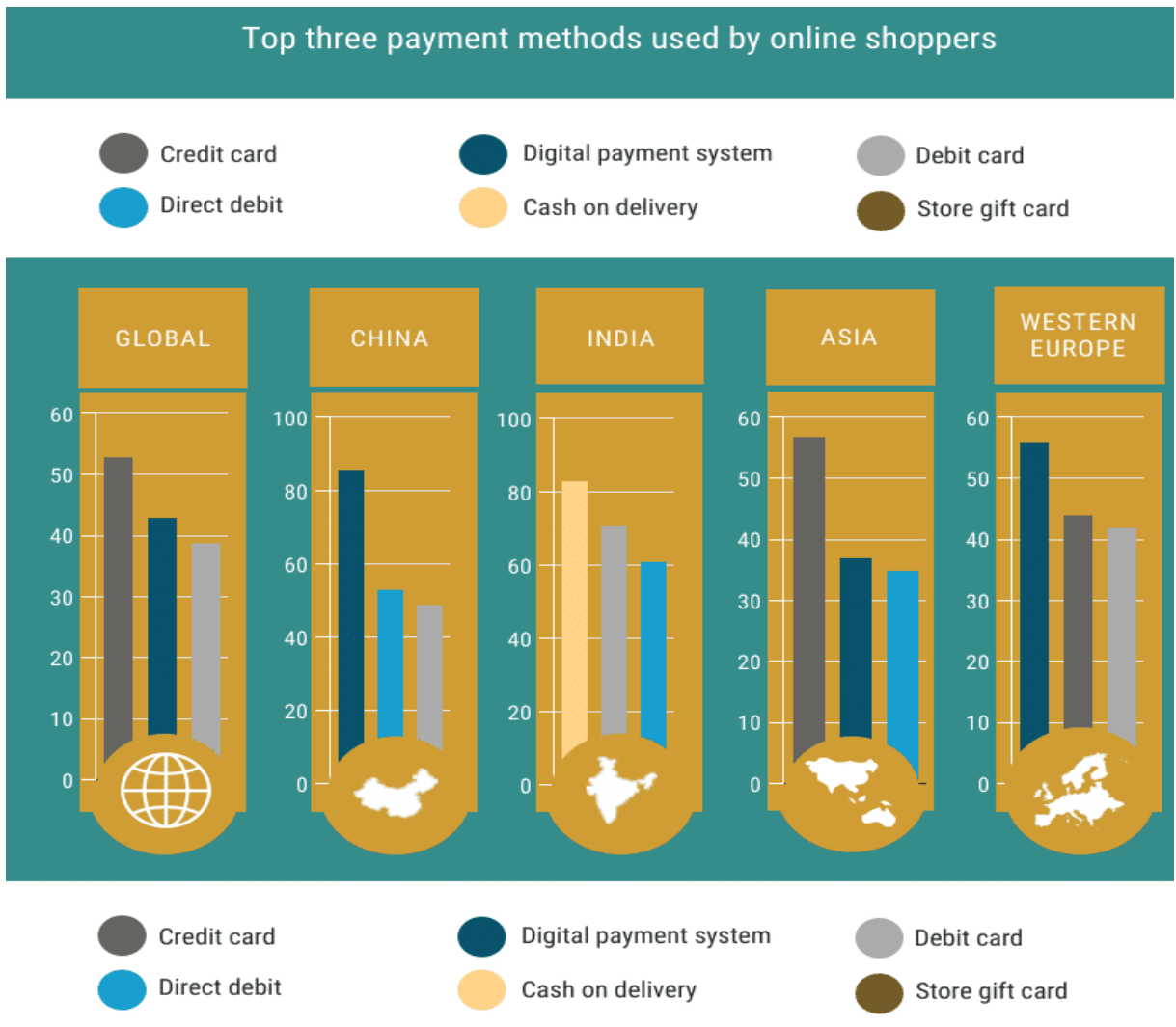


3. Payment Methods

Figure 3: Data Analysis & Finding

Payment method aside, more Americans already prefer online shopping than shopping in a physical store, with 51% percent clicking their way to making purchases. A total of 96% of Americans have made at least one online purchase in their life, with 80% doing so in the last month alone. However, Americans actually spend 64% of their budget in physical stores and only 36% online.

Figure 3:



However, digital payment systems are the most preferred method in China and Western Europe, while cash-on-delivery is the go-to method for Eastern Europe, Africa, and the Middle East.

4. E-commerce Market Share

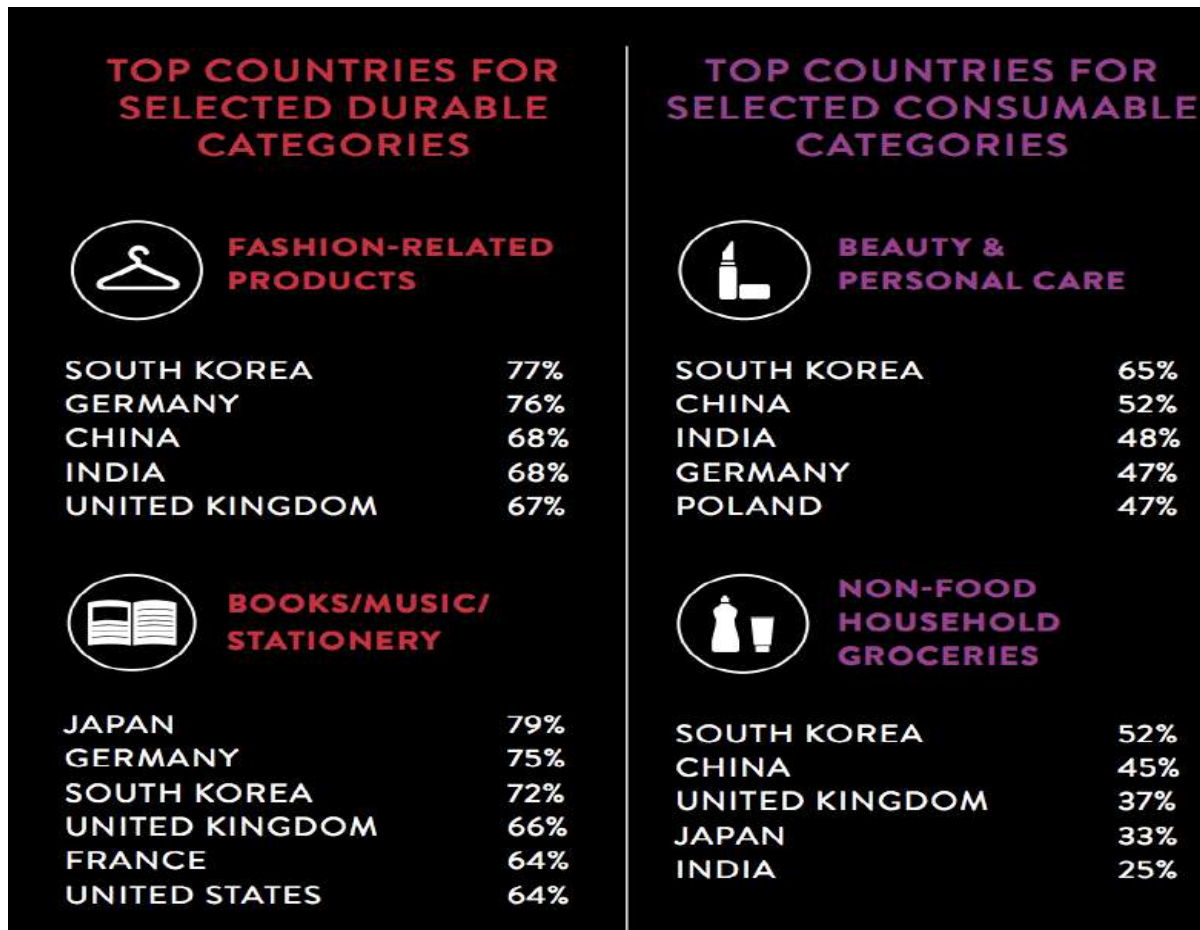
Figure 4: Data Analysis & Finding

Though the United States is often thought of as the largest market for ecommerce, it isn't. However, it does make the list of the top 10 largest ecommerce markets in the world:

- China: \$672 billion
- USA: \$340 billion
- United Kingdom: \$99 billion

- Japan: \$79 billion
- Germany: \$73 billion
- France: \$43 billion
- South Korea: \$37 billion
- Canada: \$30 billion
- Russia: \$20 billion
- Brazil: \$19 billion

Figure 4:



CHAPTER 4

CONCLUSION

&

RECOMMENDATION

CONCLUSION

The world revolves around the internet today. E-commerce is a great forum for startups to establish themselves. In a country like India, e-commerce plays an important role because it needs minimal or no investment and all one needs is an idea to begin an online store. The unemployed youth of India has a great advantage to make use of through the electronic commerce platform.

E-Commerce has undeniably become an important part of our society. The successful companies of the future will be those that take E-Commerce seriously, dedicating sufficient resources to its development. E-Commerce is not an IT issue but a whole business undertaking. Companies that use it as a reason for completely re-designing their business processes are likely to reap the greatest benefits. Moreover, E-Commerce is a helpful technology that gives the consumer access to business and companies all over the world.

E-commerce has a tremendous opportunity in the course of or business in Malaysia. In addition, it is also to introducing new techniques and styles in a transaction. Use the extensive E-Commerce in the Internet world is actually much better to bring the goodness of the individual or the state. E-commerce still represents one of the business methods that take advantage if done the right way, even if the stock market and commodities fell, but E-Commerce still able to survive and receive high transaction.

RECOMMENDATION

Recommendations for successful E-Commerce are as follows:

- a) Feature best-selling items for each brand
- b) Don't limit references to best-selling items to one product or brand.
Show best-sellers across entire product categories.
- c) Alert viewers of products that have been updated
- d) Provide product recommendations when items added to the cart require accessories (fishing reels need fishing line, flashlights need batteries, shoes often require socks).

- e) Use product recommendations for moving the buyer up to a more fully-featured version of the one currently being browsed (upselling).
- f) Generate product bundles (items frequently purchased together) and offer a special discount for purchasing the group.
- g) Make sure all recommendations are relevant and timely. they should also be informed by returns and reviews.
- h) Displaying a list of suggested products based on the visitor's browsing history.
- i) Know your visitors. The more personalization you can add, the better your results.
- j) Use product recommendations to remind the shopper about upcoming holidays or other special events.
- k) Use product recommendation engines to personalize your email campaigns.
- l) Show highest rated items in product recommendations. Try injecting some social proof into your product recommendations by displaying items that have the highest customer reviews.

CHAPTER 5

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Project Report

(Submitted for the the Degree of B.com Honours in Accounting & Finance under the University of Calcutta)

Title of the Project

EFFECTIVENESS OF ADVERTISING: A CASE STUDY OF
NESTLE VS CADBURY

Submitted By

Name of the Candidate : MOUMITA MONDAL

Registration No : 223-1212-0504-18

Name of the College : SCOTTISH CHURCH COLLEGE

College Roll No : 18C-039

SUPERVISED BY

Name of the Supervisor : Mrs. Poushal Bardhan

Name of the College : SCOTTISH CHURCH COLLEGE

Month & Year of Submission :2021

Supervisor's Certificate

This is to certify that Miss. MOUMITA MONDAL a student of B.Com Hons. in Accounting and Finance of SCOTTISH CHURCH COLLEGE under the university of Calcutta has worked under my supervision and guidance for her project and prepared a project report with the title " EFFECTIVENESS OF ADVERTISING A CASE STUDY OF NESTLE VS CADBURY " which she is submitting , in her genuine and original work to the best of my knowledge.

Place :

Signature :

Date :

Name : Poushali Bardhan

Designation : Assistant Professor

Name of the College : SCOTTISH CHURCH COLLEGE

Students Declaration

I hereby declare that the Project Work with the title " EFFECTIVENESS OF ADVERTISING A CASE STUDY OF NESTLE VS CADBURY " submitted by me for the partial fulfillment of the degree of B.Com Hons. In ACCOUNTING AND FINANCE under the University of Calcutta , it is my original work and has not been submitted earlier to any other University for the Fulfillment of the requirement of any course of study. I also declare that no chapter of this manuscript in whole or in a part has been incorporated in this report from any earlier work done by others or by me. However extracts of any literature which has been used for this report has been duly acknowledged by providing details of such literature in references.

Place : North 24 Parganas

Date : 26-07-2021

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CHAPTER – 1
INTRODUCTION

1.1 BACK GROUND OF THE STUDY

When a project is created, its existence need to be made known to be general public, otherwise the product will not be meaningful. Advertising draws the attention of potential consumers to a product. It is a way persuading potential consumers to buy a product function and features. Good advertising creates demand for a product. Good advertising may even creates a band identify for a product .Advertising seeks to creates an image surrounding a product, so that customers feel that they need it. It can promote a new product and increase sales of existing product.

Different methods of advertising.

1. Placing advertisements on TV, running as commercials.
2. Product placement in TV programme.
3. Audio advertisement on the radio.
4. Logo symbols on clothing.
5. Printed advertisements in newspaper.
6. Sports, sponsorship, eg- formula one racing etc.

ADVERTISEMENT: According to British Institute of management advertising “Advertising is the use of bright ideas, stunts and slogans to popularise goods which appeal to the great body of ordinary consumer.”

FACTORS DETERMINING ADVERTISING

❖ **Visual Impact**

We live in a visual world. This means that whatever type of ad you produce, on whatever visual media, consider the ad's VISUAL impact. From imagery and color scheme to the size, shape, depth and thickness of your font, consider how your ad will complement your overall message and how your target audience will react.

❖ **Perfect Placement**

And where are you going to place your ads? The medium you choose for any ad is a critical component to the ad itself. A network television ad needs to have a different look and feel than one that appears as a quick flash-by on a Facebook feed or a video on YouTube. Along with where the ad is placed, you also need to consider the audience. While the broad strokes of traditional media can offer effective brand lift, if you're looking for immediate, measurable results, you may want to consider digital ads.

❖ **Perfect Timing**

It's the middle of a Tuesday night. What a ridiculous time to waste money on media spent for big-time TV ads! That is, unless your target is a nursing mom clicking through television stations with her newborn at her breast and your products are all things baby. And you probably can't afford a fraction of the cost for a

\$5 million dollar Super Bowl Ads, but there is a time and place to spend big for your ads.

❖ **Actionable Call-to-Action**

The call-to-action of your ad is one of its most important elements of your ad; sadly, it's frequently the most neglected element. If your ad's purpose is to sell widgets, then at some point in the ad you need to tell your customer to do just that: Buy my widgets! Customers need to know how to purchase what you're

offering. Whether it's a call-to-action achieved via a click to learn more, dial a number or simply visit our showroom to purchase, the messaging needs to be crystal clear. After all, your ad is meant to sell something, right.

1.2 LITERATURE REVIEW

DR. R. MANIKANDAN and A. RAMKUMAR (2018) “COLLEGE STUDENTS LEVEL OF AWARENESS TOWARDS CADBURY& NESTLE BAR CHOCOLATE” chocolate occupy a pivotal role in the industry. Important events like birthday, wedding day, school and college days or any other celebration is stated with a branded chocolates. In the competitive world each and every day the consumer attitude and thought may change to prefer the product for our comfortable using's. It depends on price, quality, taste, flavour, brand and image, competitive product, attractiveness, and varieties etc. The required primary data collected well structured questionnaire issued to 250 college students of them 29 questionnaires are found to unsuitable hence the final sample size is 221. The present study is focused on college student level of awareness towards Cadbury& Nestle bar chocolate, it is found that window display in the department stores, cinema theaters etc. Can also enhance level of awareness above the popular branded chocolate.

P. ABIRAMI & S. GAYATHRI (2018) “A STUDY ON CONSUMER SATISFACTION TOWARDS NESTLE CHOCOLATE” This study covers the consumer satisfaction towards nestle chocolate with special reference it. The researcher had obtained only 100 questionnaires from the respondents. Hence the finding of the study cannot be generalised. The sample size was limited to 150 respondents only. A survey of the people has been conducted to known the liking pattern of the two products Cadbury and nestle. From the study it can be concluded that foreign brands like amul. Which is calculate as with the help likest scale and the value comes out for Cadbury brand is 144.

N. VIJAYANAND, P. THILLAIRAJAN (2018) “A STUDY ON CONSUMER'S INCLINATION TOWARDS NESTLE PRODUCTS IN CHENNAI CITY” Nestle customer's inclination chocolates, and fulfilment. Chocolate advertise in India a chocolate advertise is predicate to be approximately rs. 600 crore growing at 6-8% per annum. Nestle is the market leader with 75% advertise share. The global chocolate market is worth 75% annually. To identify the customer inclination towards dissimilar chocolate varieties. To identify the factors distressing the customer observation towards nestle chocolate. Analysis of the creation, pricing, accessibility, worth, flavour, publicity and covering of nestle chocolates. This is focused on customer's inclination towards products. From study, it found out that greater part of customers choose nestle chocolates.

D. SHANTHI (2018) “A COMPARITIVE STUDY ON CONSUMER PREFERENCE TOWARDS NESTLE AND CADBURY CHOCOLATES WITH SPECIAL REFERENCE TO ERODE DISTRICT” Chocolate is liked and eaten by all age of people. The comparative study on chocolate between Cadbury and nestle helps in product development and improvement in launching of new product. The limitation of my study restricts itself to the analysis of consumer preference, perception and consumption of Cadbury and nestle chocolates. Some people often like to have a chocolate with good flavour, quality and crunchiness so they are going towards kit-kat and munch of nestle due to its taste and crunchiness.

1.3 OBJECTIVE OF THE STUDY

Advertisement is very important in today's world. Now a days every product is needed to be advertised through any medium so that it can attract various consumers whether national or international. I have choosen this topic to reveal how the advertisement is influencing our minds to purchase a new product or even old one. Whenever any new product is launched in the market it is advertised in such a way that people are tempted towards it by its nice packaging, labelling, branding etc. And people closely trust on these advertisings and purchase the product for their use.

Through this topic we are making the people or buyers aware of advertisement strategies .They should know the real fact of advertisement. Its advantages along with its disadvantages

Following are the objectives of the study:

- ❖ To know the most effective media of advertisement.
- ❖ To find out the reasons for liking the advertisement of chocolates.
- ❖ To know the likings and disliking's of chocolates among the people of Howrah.
- ❖ To know the reason behind their liking and disliking.
- ❖ To know which category of people like this product most.
- ❖ To know where the demand of chocolates is highest.
- ❖ To know if the customers are satisfied with the price of the product.

1.4 DATA SOURCES METHODOLOGY

(a) Research Design: The research design is the blueprint for the fulfilment of objectives and answering questions. It is a master plan specifying the method and procedures for collecting and analyzing needed information.

(b) Data Collection Methods: The source of data includes primary and secondary data sources.

Primary Sources: Primary data has been collected directly from sample respondents through questionnaire and with the help of interview.

Secondary Sources: Secondary data has been collected from standard textbooks, Newspapers, Magazines & Internet.

Research Instrument: Research instrument used for the primary data collection is Questionnaire.

(c) Analysis: Sample design is definite plan determine before any data is actually obtaining for a sample from a given population. The researcher must decide the way of selecting a sample. Samples can be either probability samples or non-probability samples.

Sampling Technique: Convenience

Sample Size: 50 Respondents.

Area of Study: New Town

1.5 LIMITATION

- ❖ Shortage of time.
- ❖ Few people refused to give interview.
- ❖ Few people were reluctant to spend time on filling the questionnaire.
- ❖ Huge cost involved in preparing the project.
- ❖ It was a time consuming work.
- ❖ Preparing data analysis was a strenuous work.
- ❖ Lack of proper internet facilities, server problem.
- ❖ Lack of experience as it is the first project to be done by me.
- ❖ Inconvenience situation due to corona virus.

CHAPTER - 2
CONCEPTUAL FRAMEWORK

CADBURY

Cadbury is a British multinational confectionery subsidiary company wholly owned by American company International since 2012. It is the second largest confectionery brand in the world after Wrigley's. Cadbury is headquartered in Uxbridge, Greater London and operates in more than fifty countries worldwide. In 1948, Cadbury India began its operations in India by importing chocolates. On 19 July 1948, Cadbury was incorporated in India. It now has manufacturing facilities in Thane Induri (Pune) and Malanpur (Gwalior), Hyderabad, Bangalore and Baddi (Himachal Pradesh) and sales offices in New Delhi, Mumbai, Kolkata and Chennai. The corporate head office is in Mumbai. The head office is presently situated at Pedder Road, Mumbai, under the name of "Cadbury House". The Cadbury signature logo is derived from the signature of William Cadbury. It was adopted as the worldwide logo in the 1970s.



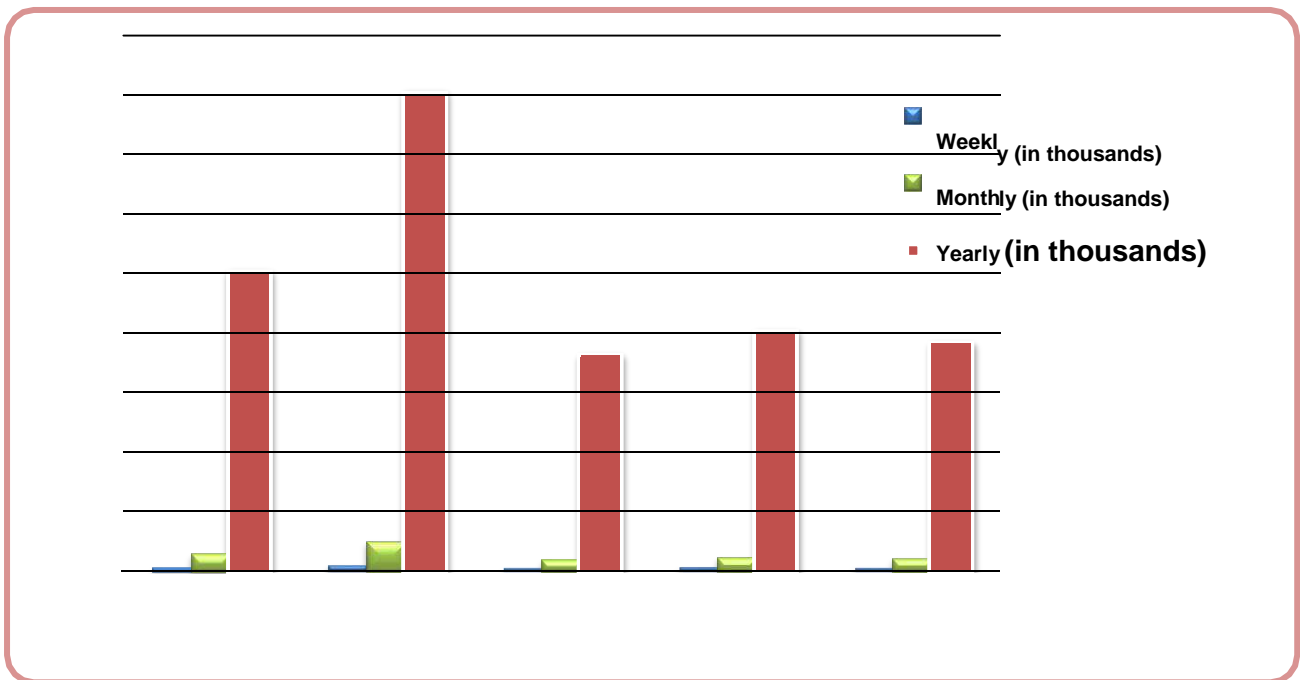
Following are some of the products of Cadbury:

1. 5 STAR
2. DAIRY MILK SILK
3. BOURNVILLE
4. PERK
5. TEMPTATION



SALES OF CHOCOLATES OF CADBURY

Name of the chocolate	Weekly (in thousands)	Monthly (in thousands)	Yearly (in thousands)
5 Star	35	150	2500
Dairy Milk Silk	50	250	4000
Bournville	25	100	1800
Perk	30	120	2000
Temptation	28	110	1900



Dairy Milk Silk is having the maximum consumption in the market, after that 5 Star and then Perk. All the other products has good sale but less than these.

NESTLE

Nestle is a Swiss transnational food and beverage company headquartered in Vevey, Vaud, Switzerland. It is the largest food company in the world measured by revenues, and ranked #72 on the Fortune Global 500 in 2014. Nestle was formed in 1905 by the merger of the Anglo-Swiss Milk Company, established in 1866 by brothers George Page and Charles Page, and Farine Lactee Henri Nestle, founded in 1866 by Henri Nestle (born Heinrich Nestle). Nestle has 64 brands, with a wide range of products across a number of markets, including coffee, bottled-water, milkshakes and beverages, breakfast cereals, infant- foods, performance and healthcare nutrition, seasonings, soups and sauces, frozen and refrigerated foods, and pet food.



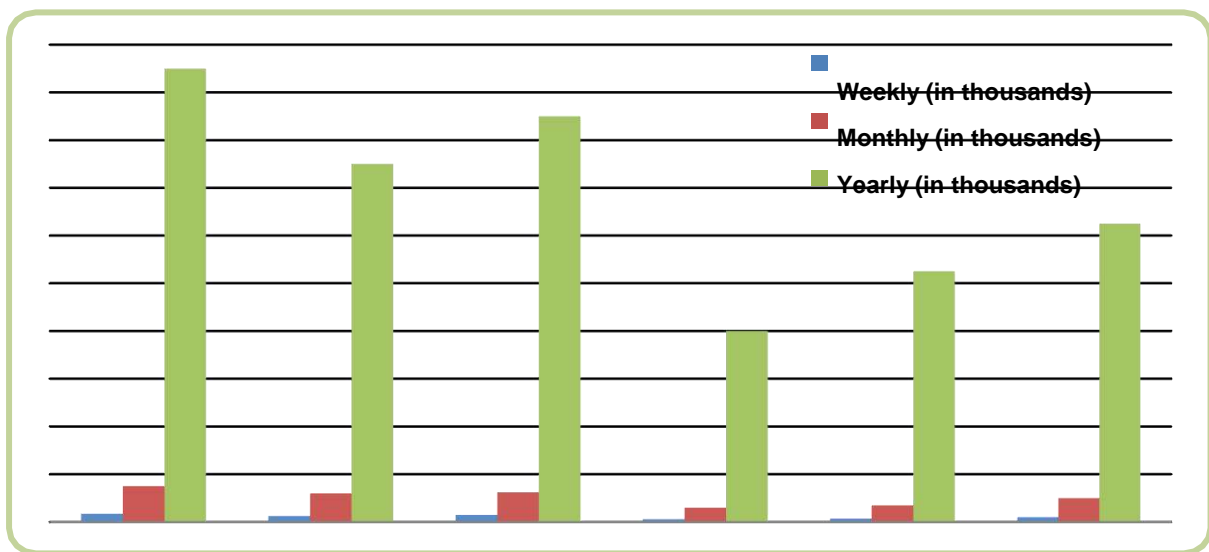
Following are some of the products of Nestle:

1. NESTLE KITKAT
2. NESTLE MILKYBAR
3. NESTLE MUNCH
4. NESTLE MILK CHOCOLATE
5. NESTLE BAR-ONE
6. POLO



SALES OF CHOCOLATE OF NESTLE

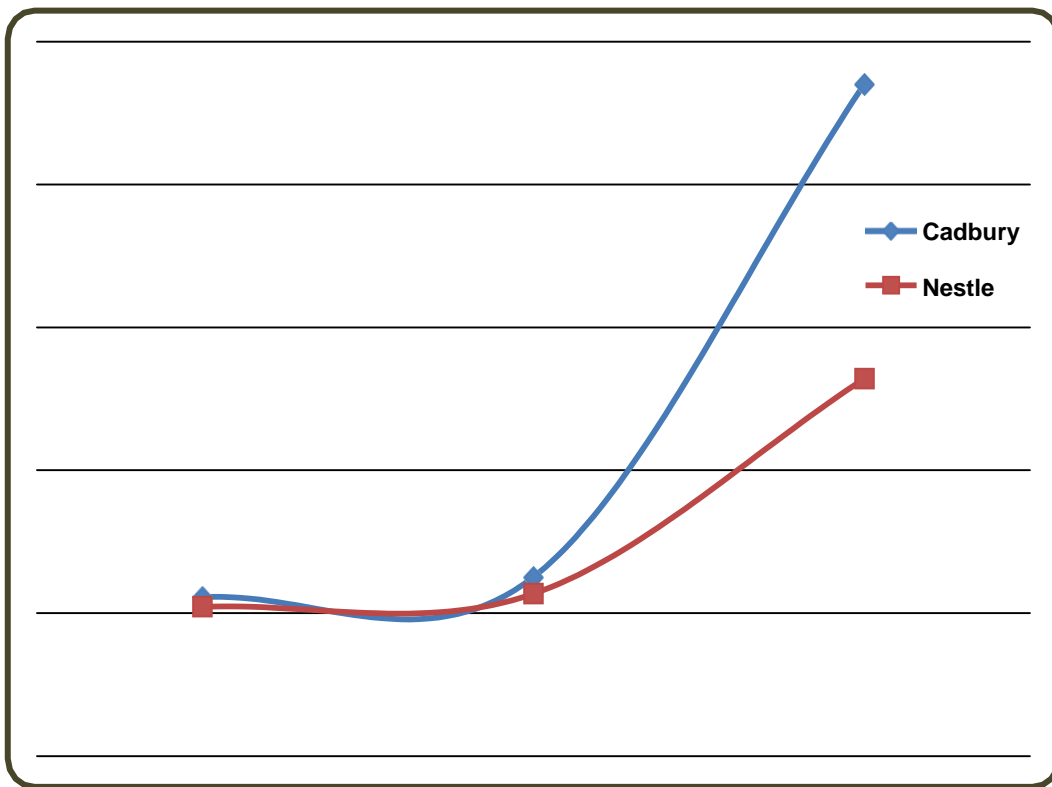
Name of the chocolate	Weekly (in thousands)	Monthly (in thousands)	Yearly (in thousands)
Nestle Kitkat	35	150	1900
Nestle Milkybar	25	120	1500
Nestle Munch	30	125	1700
Nestle Milk Chocolate	12	60	800
Nestle Bar-One	15	70	1050
Polo	20	100	1250



Nestle Kitkat is having the maximum consumption in the market, after that Nestle Munch and then Nestle Milkybar. All the other products has good sale but less than these.

**COMPARISION BETWEEN SALES OF CHOCOLATES OF
CADBURY AND NESTLE**

Name of the Brand	Weekly (in thousands)	Monthly (in thousands)	Yearly (in thousands)
Cadbury	550	1250	18500
Nestle	220	675	8200



There is more consumption of Cadbury Chocolates than the Nestle chocolates in India. Cadbury Chocolates covers approximately 45% of the market share in India and Nestle Chocolates covers approximately 24% of the market share in India.

NATIONAL AND INTERNATIONAL SCENARIO

Presenting any brand or business message through an out of home channel has become one of the common practices amongst brand and business owners. A big leap has been seen in the outdoor advertising in India and its various avenues. Marketing in Delhi, Mumbai, Bangalore, Ahmadabad etc. are growing at a fast pace. Delhi is one of the major hubs of market in India. Delhi marketing avenues such as billboard advertising, airport advertising, mall advertising, and metro advertising- all these provide promotion for various local, national and international brands. In the following paragraphs, let us have a brief look at the current scenario of outdoor marketing in India. It has been observed that more brand owners have adopted outdoor advertising to increase the market demand for the product means to promote and position their brands in the market. The rising number of brands in the market, the increase in spending capacity of customers, the mushrooming market are three main factors that have so far provided a boom in marketing sector in India. Another much observed feature about outdoor marketing practices in India is the implementation of rich tools and techniques to promote brands. Outdoor campaigns are also enriched by the introduction of digitalized media. Billboard marketing campaigns, or Giving samples are replaced by digitalized billboards and hoardings. Providing rich interactivity between customers and brands, modern marketing techniques speak volume about the advertised brands all through rich and influential channels of brand communication. Middleman can keep talking with target customers be it at cinema theatres, shopping malls, eating outlets, entertainment houses and highways or simply at the community gate, middleman . Middleman industry is yet to undergo many remarkable changes in the near future. And it is also expected that its importance is going to rise further. For established as well as emerging brands, outdoor media is the right means of communicating their ad messages to customers.

Advantages of advertising

- ❖ Advertising can inform people about different products and services, their utilities, cost and other requirement.
- ❖ Advertising of non-commercial issues AIDS, Polio and help in educating people and notifying them of events and program related to them.
- ❖ Advertising create a brand name for the product being promoted.
- ❖ Advertising can lead to direct feedback from customers.

Disadvantages of advertising

- ❖ An organisation has to spend large amount on advertising. It increases the cost of the product.
- ❖ Advertising is a sort of day dreaming for the people.
- ❖ It increases the sale of inferior products also.
- ❖ Advertising often confuses the consumers. They often get confused which products to buy.

Objectives of advertising

- ❖ To make attributes more favourable to a particular product
- ❖ To build an image for the product
- ❖ To stop existing users turning to competitive products
- ❖ To get across the idea of a unique product
- ❖ To create a brand leader to help the launch of additional products at a future date
- ❖ To win back previous product uses
- ❖ To expand the whole market
- ❖ To reduce existing negative attitudes.

Following are the group of people who are actively involved in advertising.

1. Advertiser : Seller who manufacture and market consumer products are the prominent group of advertisers. Hindustan unilever proctor and gamble, Seimen and Larson and toubro are the examples of advertisers. Also the retailers are the second prominent segment among advertisers. They stock the products .And sell them to the ultimate consumers. Government and social organization are also the active participant in this category.

2. Target audience : It refers to the recipient of the advertising message. Every message is either directed to a mass audience and class audience. Advertising desire to cover this target audience for promoting sales. Advertising message intends to cover the potential user and non user who may purchase the product in future. The messages are also directed to the user of the competitor's product so that they switch over the advertiser's products.

3. Advertising Agencies : An advertiser has two options viz. (i) to design, develop and produce and advertising message and get it placed in desired media directly through his own sales or advertising department, or (ii) to entrust the entire job of advertising .

4. Advertising Production People (Artists) : The production of impressive and persuasive advertisements is possible only with the active help and creative spirit of the artists like copywriters, artists, photographers, typographers, layout designers, editors and such other creative people. Such people are usually employed by the ad agencies or, their services may be hired by the ad agencies on job basis.

5. Target Audience (Readers, Listeners, Viewers and Present and Future Buyers) : Advertising messages are given about products services and ideas to readers, listeners, viewers and actual and potential buyers, who are known as the audience.

6. Mass Media : Advertising messages are communicated to the target audience through different mass media, such as,

(i) Print Media : They consist of newspapers, magazines, journals, handbills, etc.

(ii) Electronic Media : They consist of radio, television motion pictures, video, multi-media and the internet.

(iii) Outdoor Media: They consist of posters, hoarding, handbills, stickers air balloons, neon sing bill boards, local cinema houses, and transit media.

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CHAPTER – 3
DATA ANALYSIS AND FINDINGS

DATA ANALYSIS

3.1 PRESENTATION OF DATA

TABLE - 1

DO YOU THINK ADVERTISEMENT EFFECT SALES

Category	No. of respondents	Percentage (%)
Yes	30	60%
No	15	30%
Can't say	5	10%
Total	50	100%

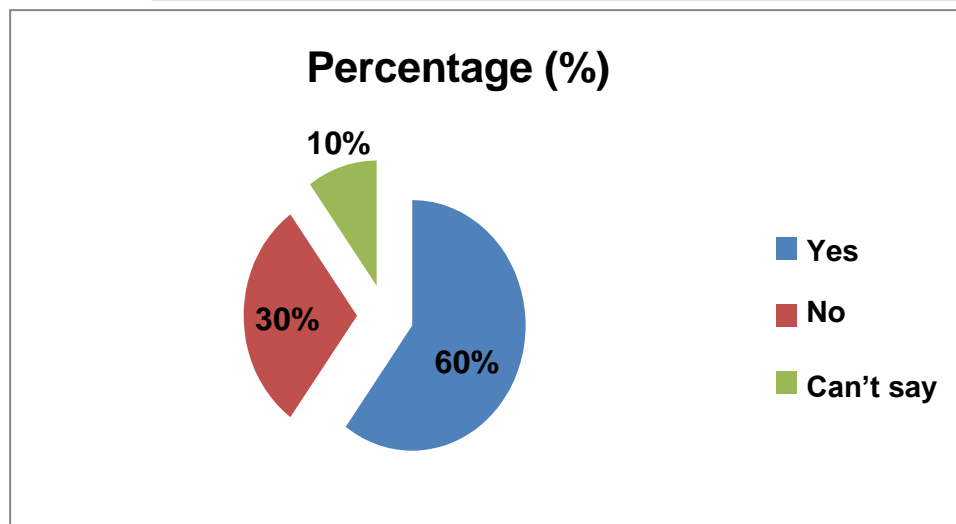
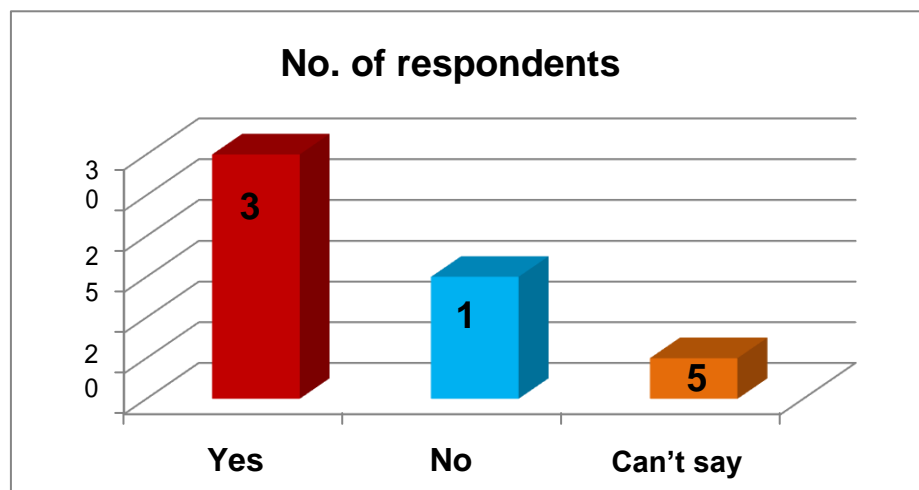


Table 1 shows that 60% of the respondents says yes, while 30% of the people says no and 10% can't say.

TABLE-2

WHY ADVERTISEMENT IS IMPORTANT

Reason	No. of respondents	Percentage (%)
To introduce new product	23	46%
To Increase in sale	22	44%
Other reason	5	10%
Total	50	100%

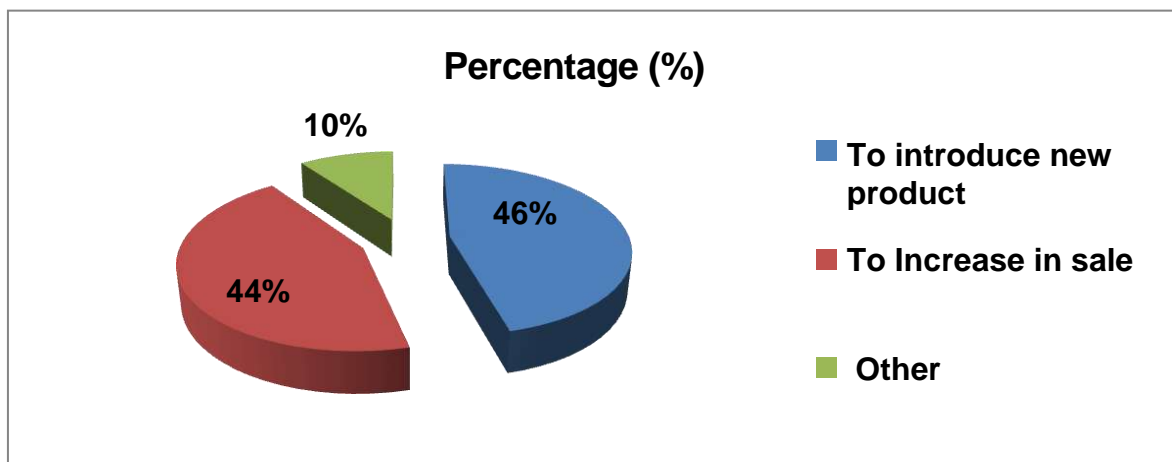
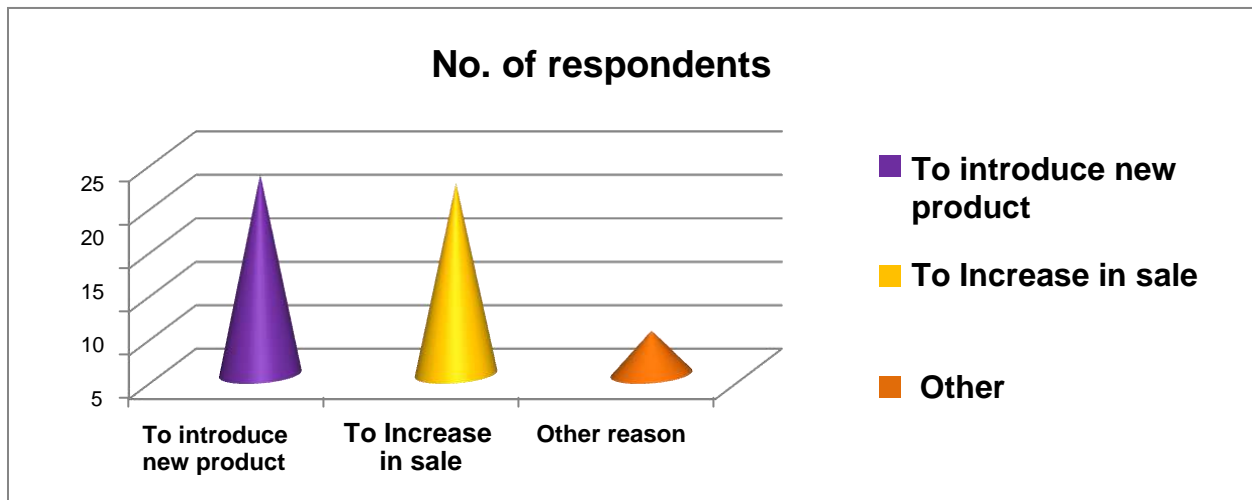


Table 2 shows 46% of respondents says advertisement is need to introduce new product, 44% of respondents says to increase sales advertisement is needed and 10% thinks for other reasons advertisement is needed.

TABLE-3

WHICH OF THE FOLLOWING PROMOTION METHOD SPREAD FASTER

Source	No. Of respondents	Percentage (%)
Advertisement	30	60%
Free sample	15	30%
Others	5	10%
Total	50	100%

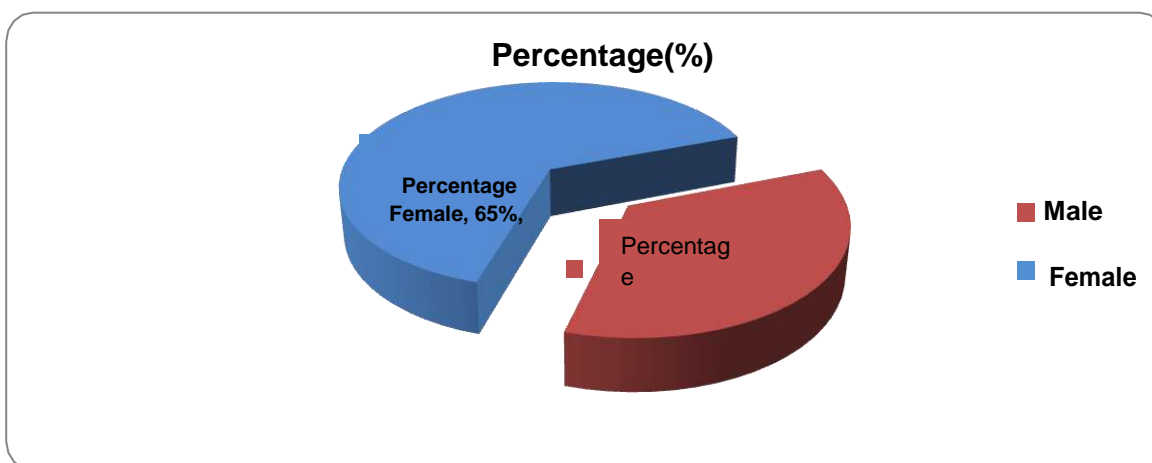
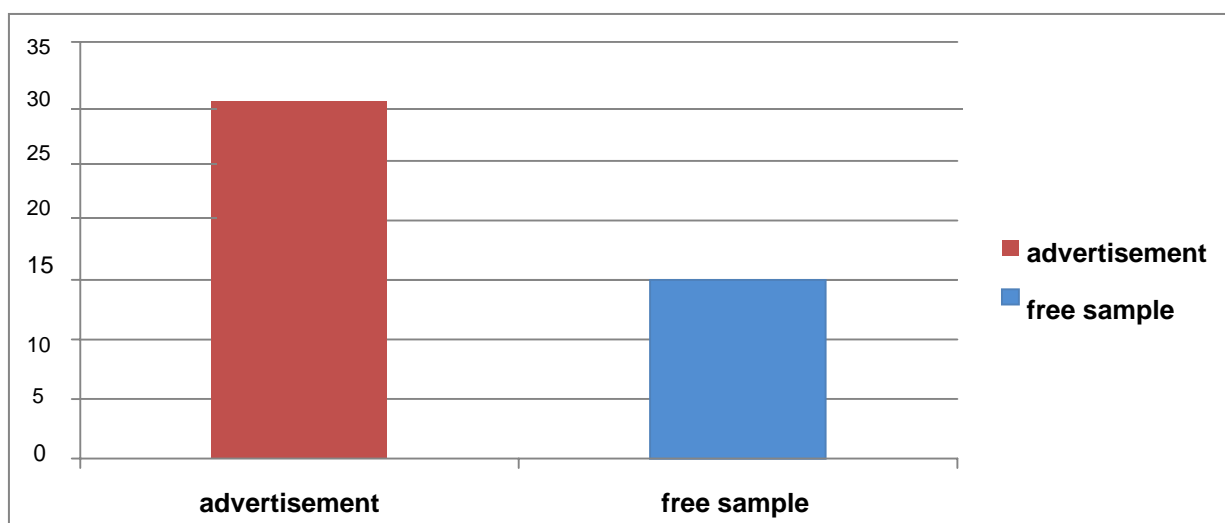


Table 3 shows that 35% of the respondents are males & 65% of them are females.

TABLE-4

WHICH CHOCOLATE COMPANY ADVERTISEMENT YOU LIKE THE MOST?

Companies	No. Of Respondents	Percentage
Cadbury	25	50%
Nestle	20	40%
Others	5	10%
Total	50	100%

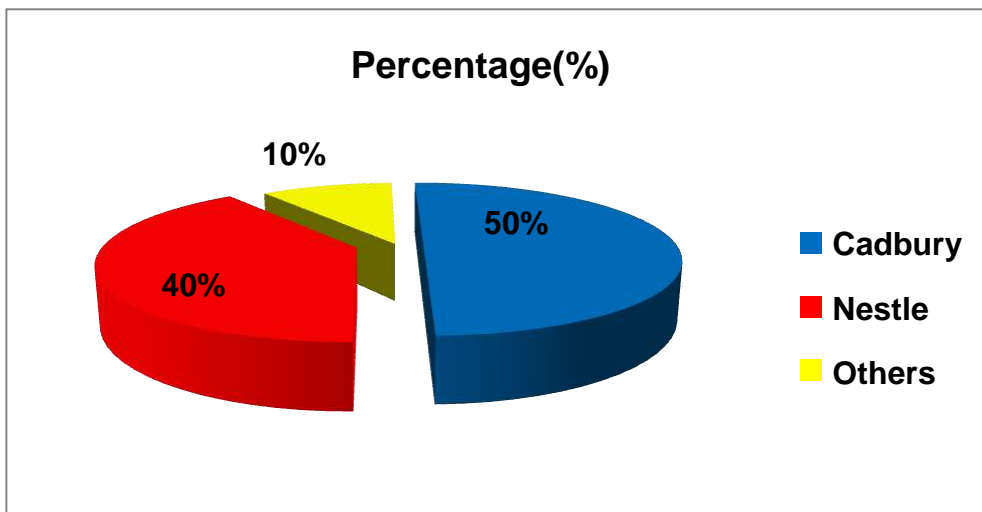
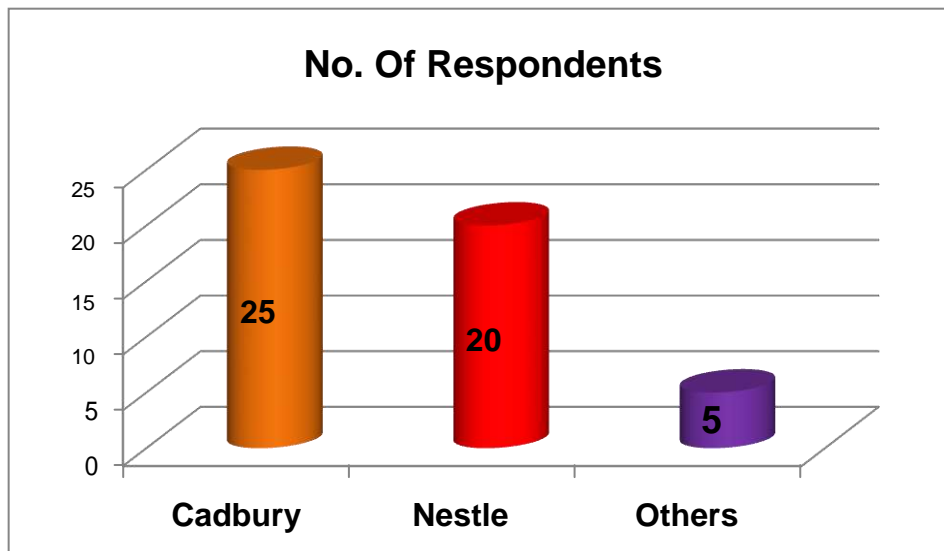


Table 4 shows that 50% of the respondents like Cadbury's advertisement o, 40% of them likes nestle advertisement, 10% of them likes other chocolate companies advertisement.

TABLE-5

FAVOURITE CHOCOLATE

Chocolate	No. Of Respondents	Percentage
Dairy Milk Silk	15	30%
5 Star	5	10%
Milkybar	10	20%
Kitkat	15	30%
Others	5	10%
Total	50	100%

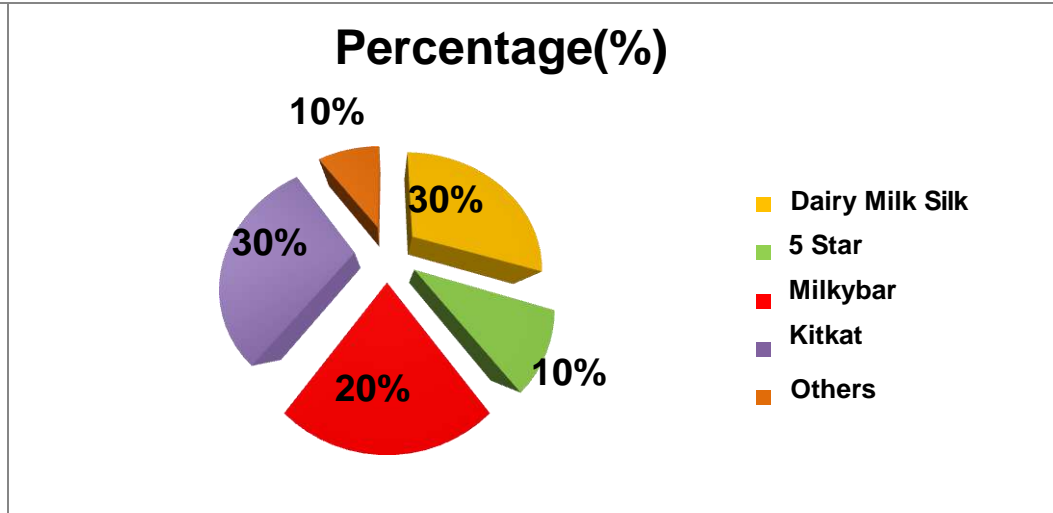
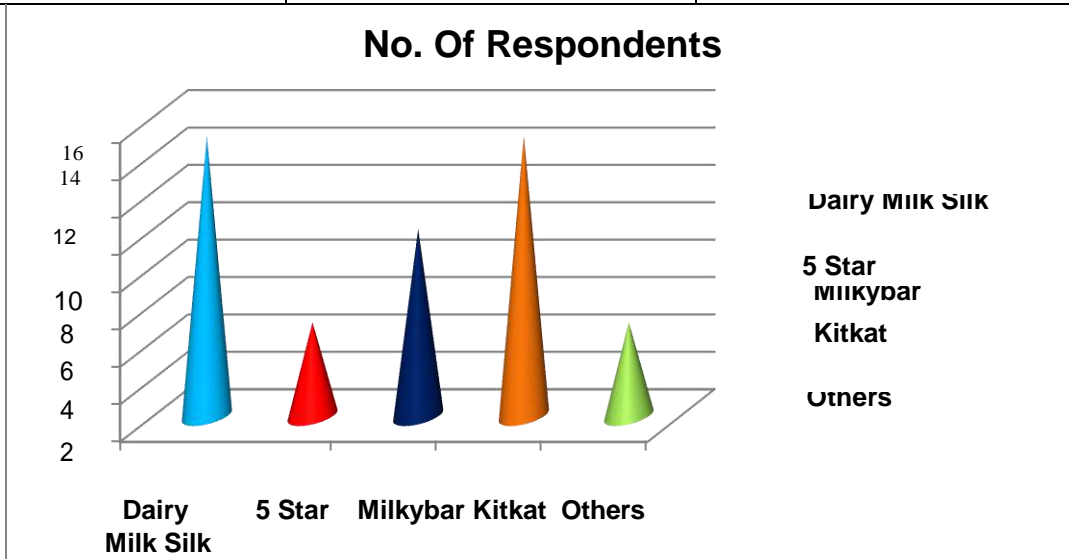


Table 5 shows that 30% of respondents like eating Dairy Milk Silk, 10% of them like 5 Star, 20% of them like Milkybar, 30% of them like Kitkat while remaining 10% like eating other chocolates. This 10% generally included respondents who likes to have other kind of chocolates.

TABLE-6

REASON FOR LIKING THE CHOCOLATE

Reason	No. Of Respondents	Percentage
Taste	30	60%
Advertisement	12	24%
Brand Loyalty	8	16%
Total	50	100%

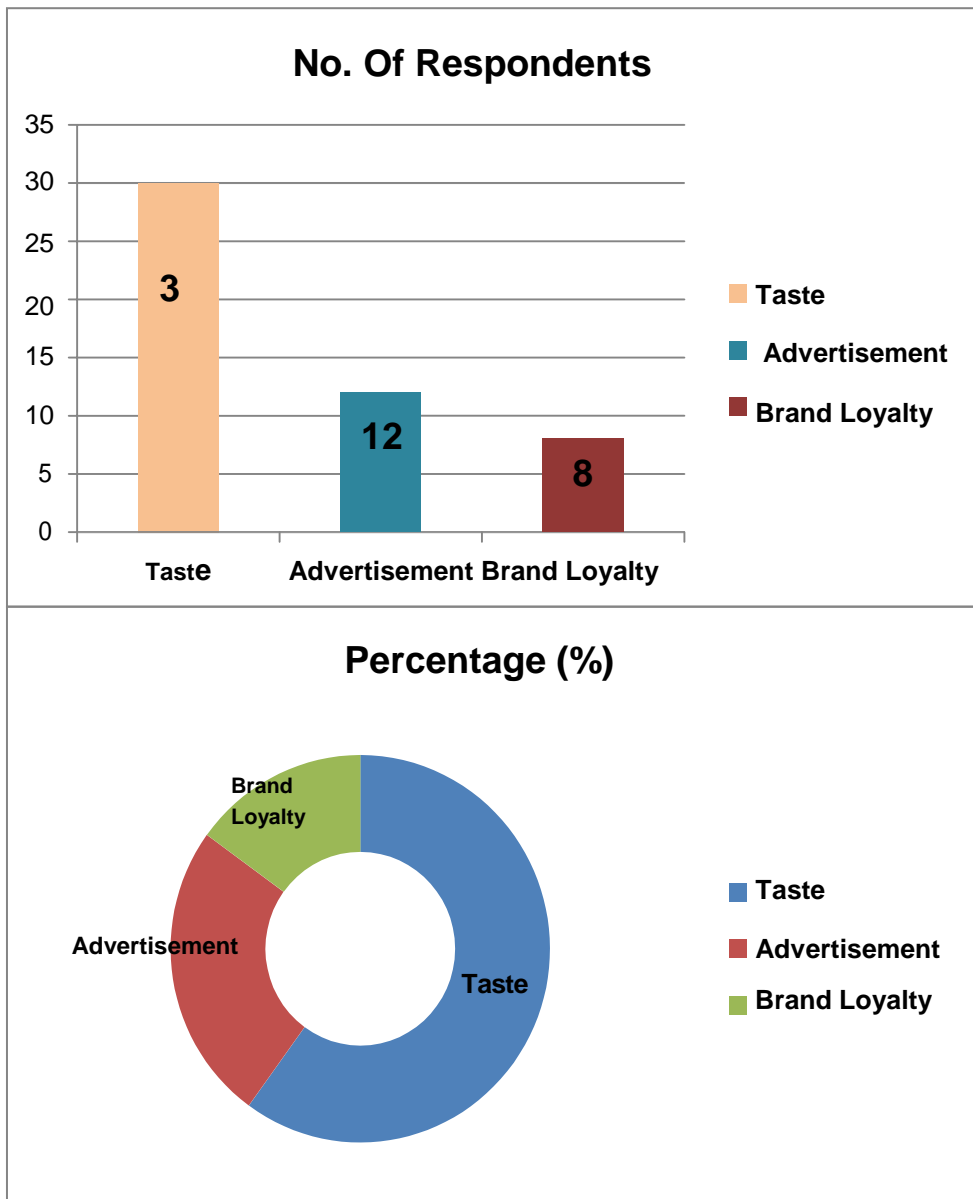


Table 6 shows that 60% of the respondents like the chocolate as because of its taste, 24% of them like it because of its advertisement and the rest of them, i.e. 16% consume it because of the brand loyalty.

TABLE-7

ADVERTISEMENT OF CHOCOLATE YOU LIKES MOST

Category	No. of Respondents	Percentage
Yes	35	70%
No	15	30%
Total	50	100%

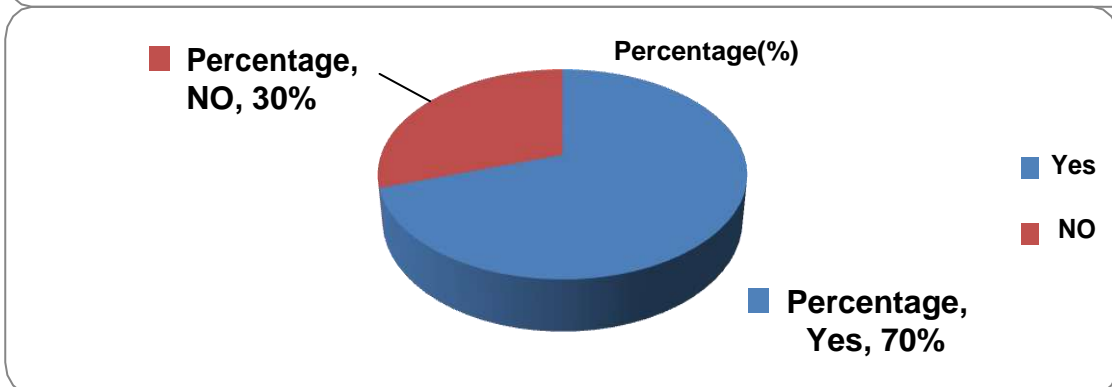
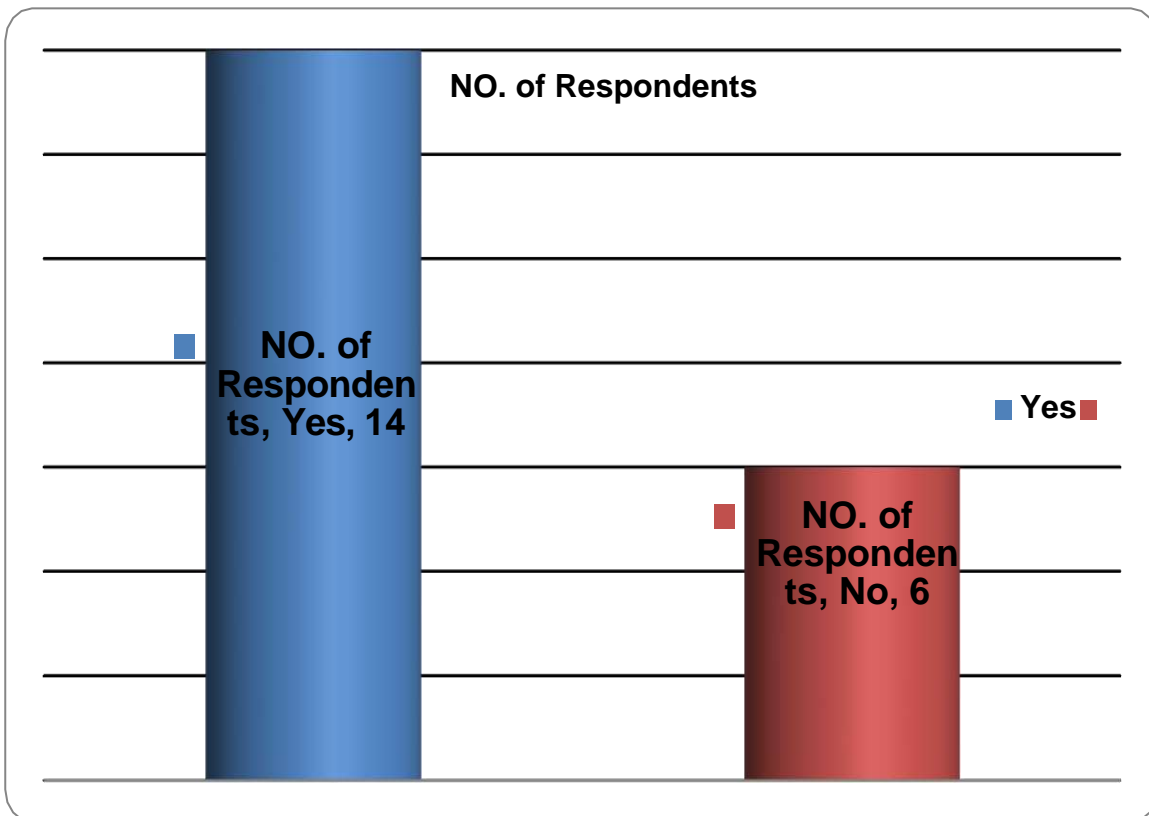


Table 7 shows that 70% people's likes the advertisement of chocolate and 30% don't like.

TABLE-8
THROUGH WHICH MEDIA ADVERTISEMENT MAKES GREATR IMPACT ON
CONSUMERS MIND

Media	No. Of Respondents	Percentage
Television	30	60%
Newspaper and Magazine	8	16%
Radio	7	14%
Others	5	10%
Total	50	100%

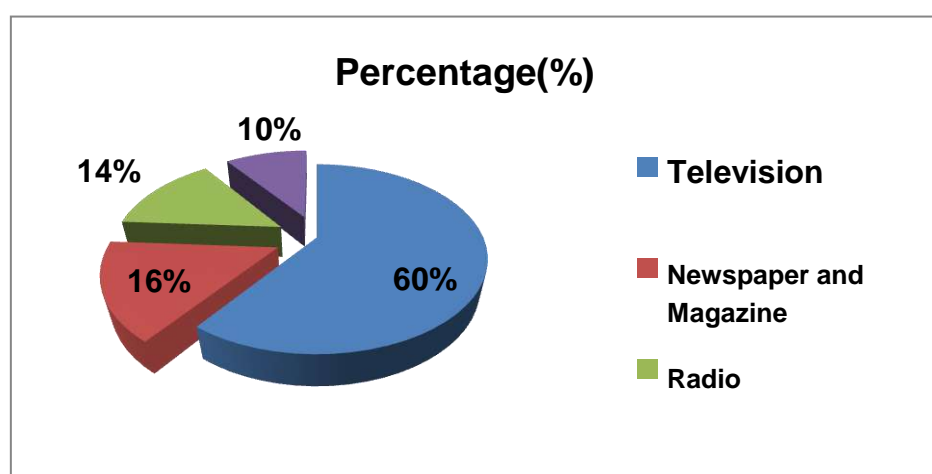
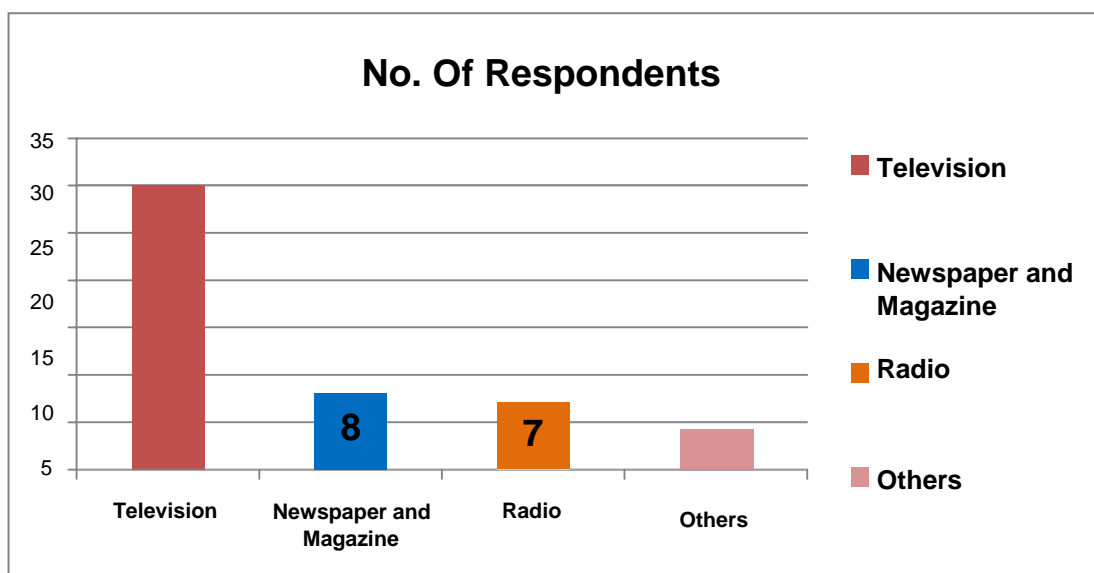


Table 8 shows that 60% of the respondents says that Television makes great impact on consumers mind, while 16% says that newspaper makes it, 14% says that radio does it better and 10% says others.

TABLE-9

HAS ADVERTISEMENT FORCED YOU TO CONSUME PRODUCT MORE

Category	No. of respondents	Percentage (%)
Yes	40	80%
NO	10	20%
Total	50	100%

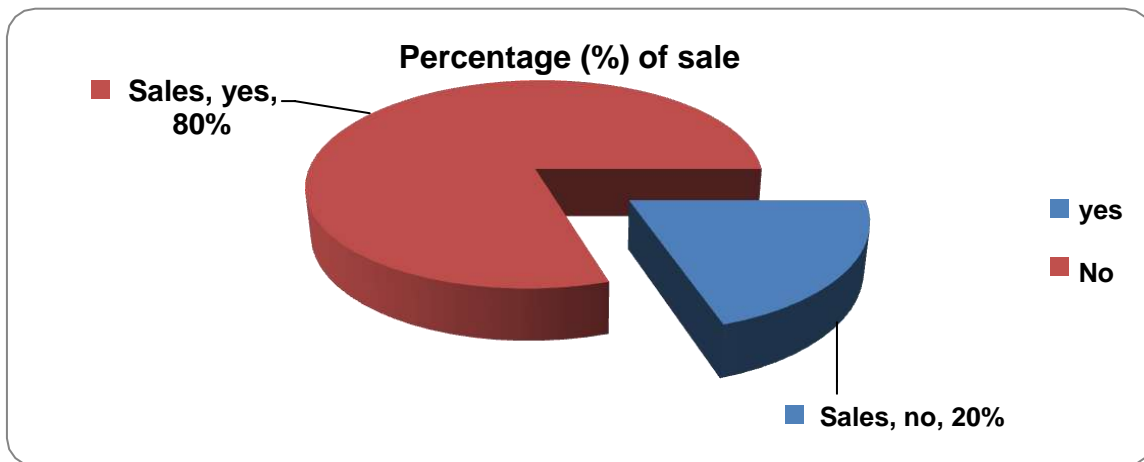
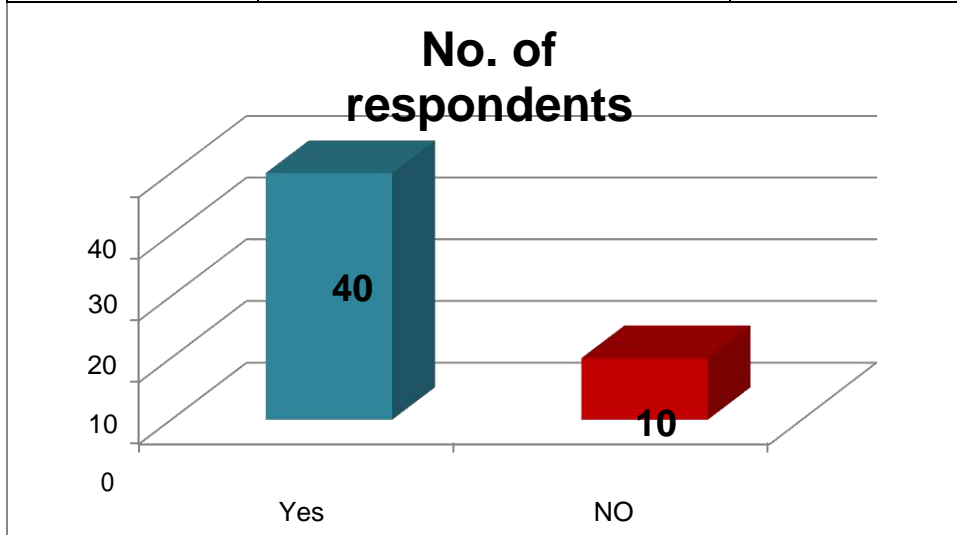


Table 9 shows that 80% of people are respondents are of opinion that advertisement has forced to consume the product, more 20%people said no.

TABLE-10

WHICH SLOGAN DO YOU LIKE THE MOST?

Slogan	No. of Respondents	Percentage (%)
Have you felt lately	10	20%
Jo khaye kho jaye	15	30%
Have a break , have a kitkat	20	40%
Mera munch mahan	5	10%
Total	50	100%

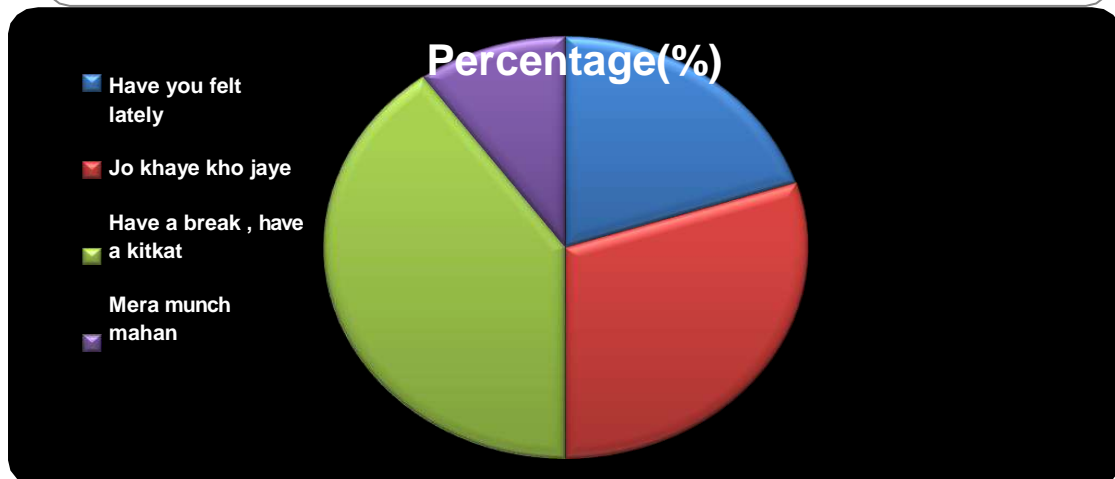
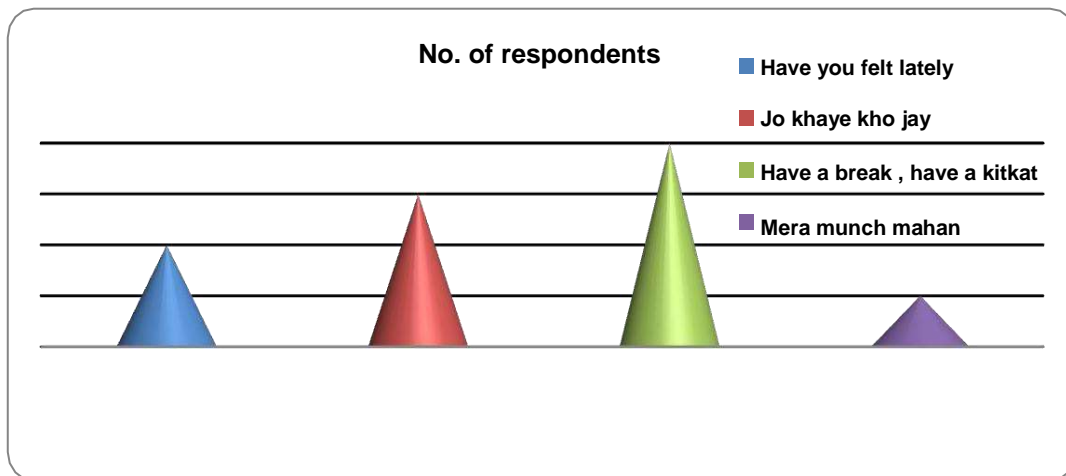


Table 10 shows that 20% of the respondents are of opinion that they like the slogan of Dairy Milk Silk ,30% of them like the slogan of 5 star , 40%of them like the slogan of kitkat and 10%of them like the slogan of Munch.

TABLE-11

MOST EFFECTIVE MEDIA OF ADVERTISEMENT

Media	No. Of Respondents	Percentage
Television	30	60%
Newspaper	10	20%
Magazine	5	10%
Others	5	10%
Total	50	100%

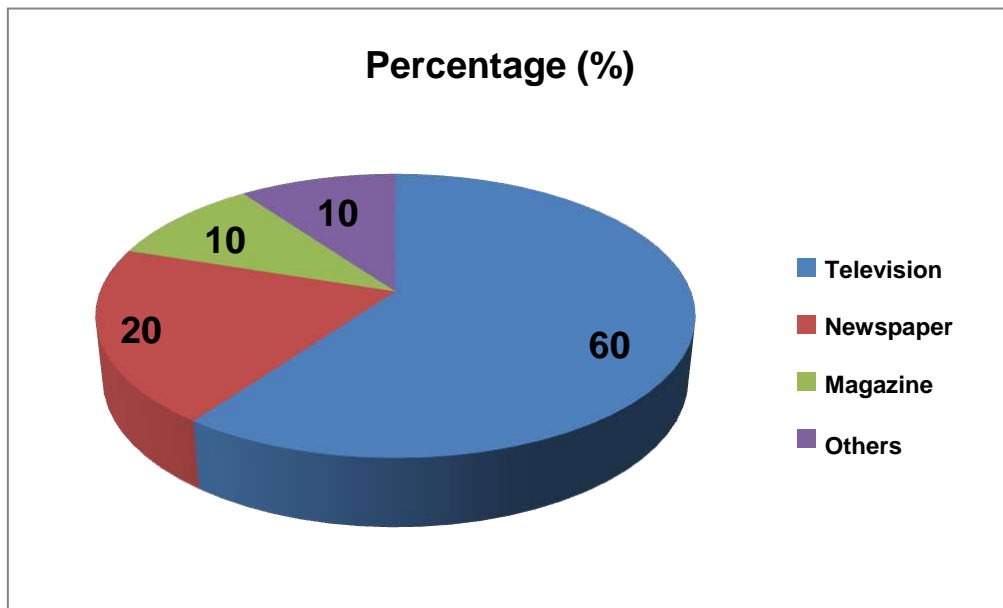
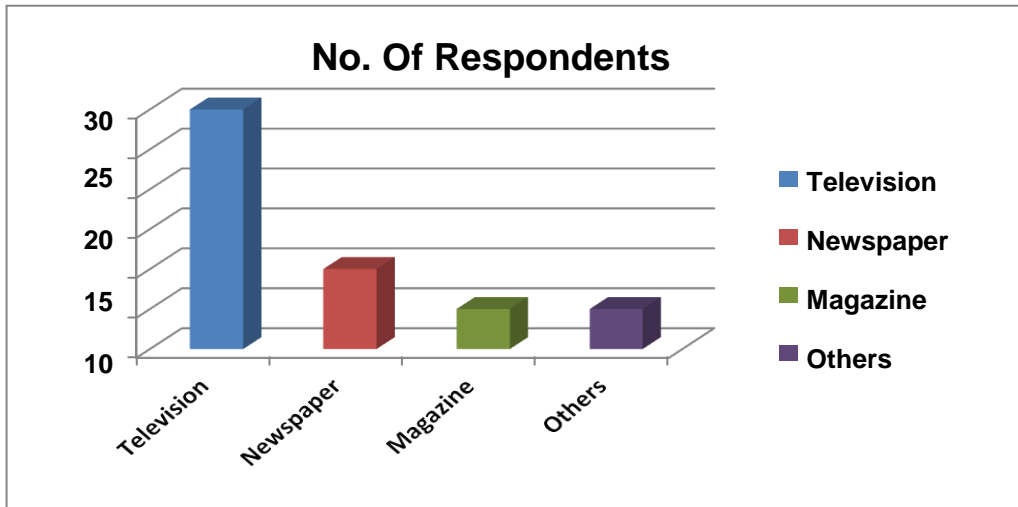


Table 11 shows that 60% of the respondents are of opinion that television is the most effective media of advertisement while 10% are of the opinion that they have seen the advertisement through newspaper.

TABLE -12

REASON FOR LIKING THE ADVERTISEMENT

Why you like advertisement?	No. of respondents	Percentage (%)
Because of good music	20	40%
It has film stars	15	30%
Its theme and execution	10	20%
Other reasons	5	10%
Total	50	100%

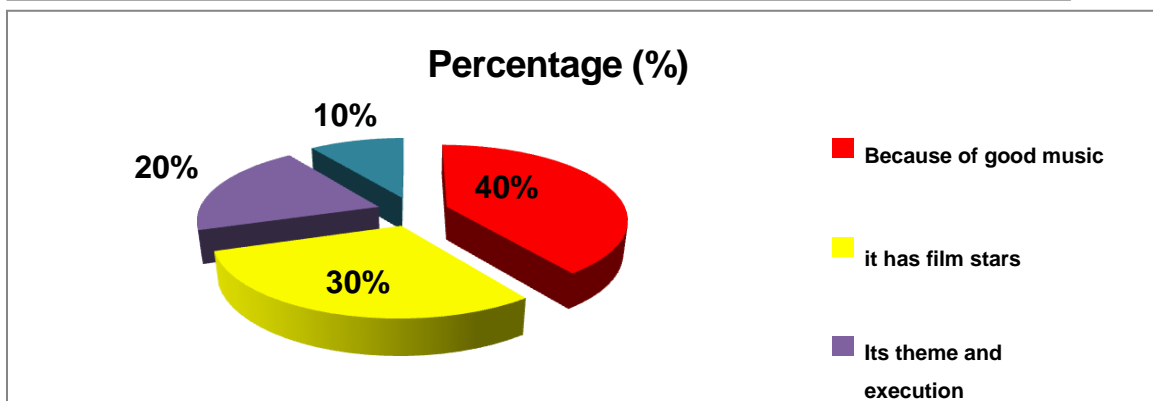
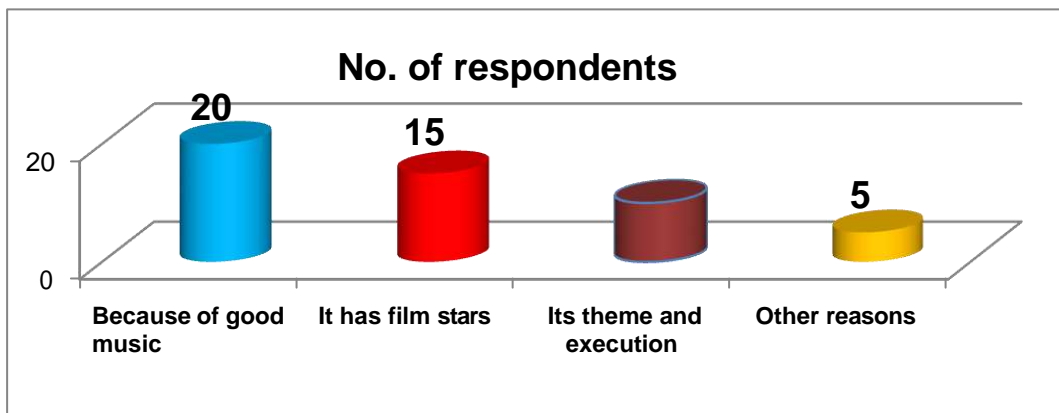


Table 12 shows that majority of the respondents like the advertisement due to its music while others of the respondents like the advertisement due to its film stars and theme and its execution.

TABLE -13

NECESSITY OF ADVERTISEMENT FOR CHOCOLATES

Do you think advertisement is necessary for Chocolates?	No. of respondents	Percentage (%)
Very Necessary	30	60%
Necessary	15	30%
Can't say	5	10%
Total	50	100%

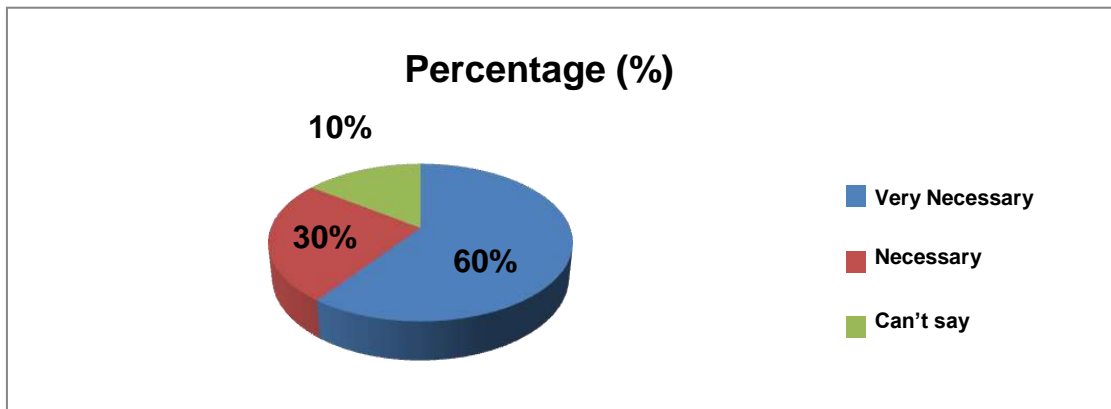
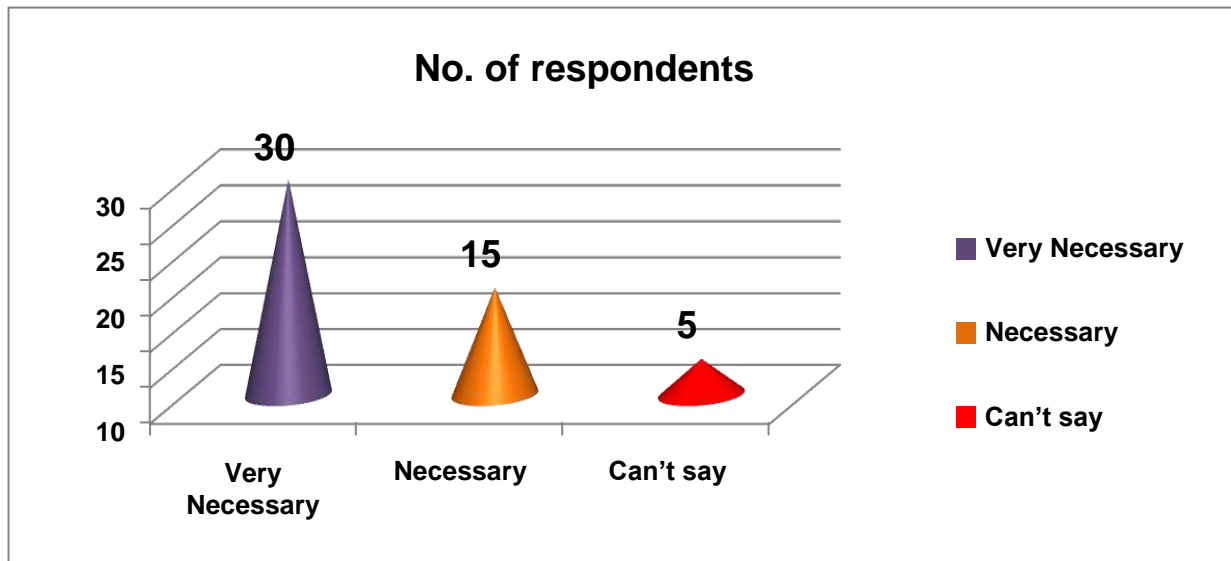


Table 13 shows that highest no. of respondents says that advertisement is very necessary for chocolates.

TABLE -14

NECESSITY OF ADVERTISEMENT FOR COMPANY

Is advertisement necessary for company?	No. of respondents	Percentage (%)
Necessary	10	20%
Very Necessary	35	70%
Can't say	5	10%
Total	50	100%

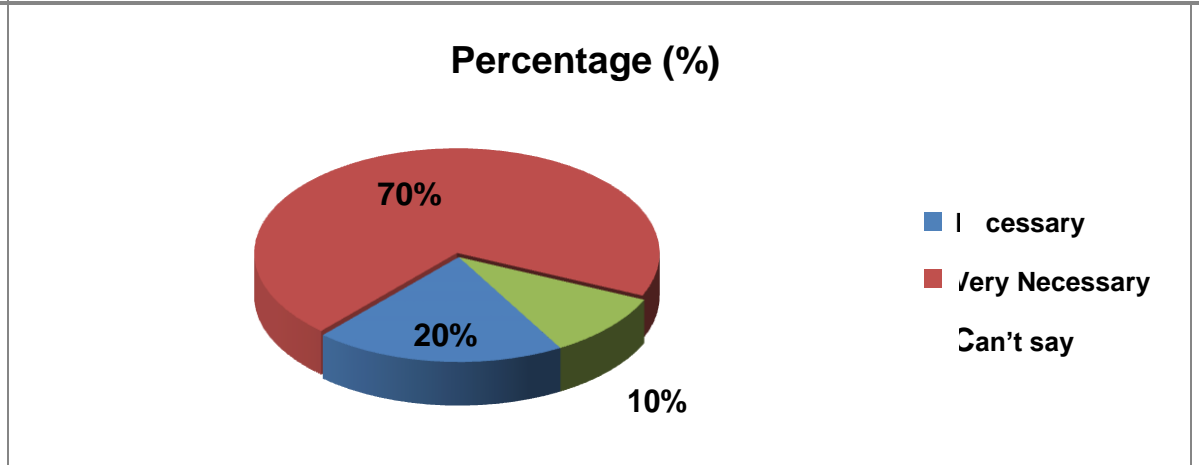
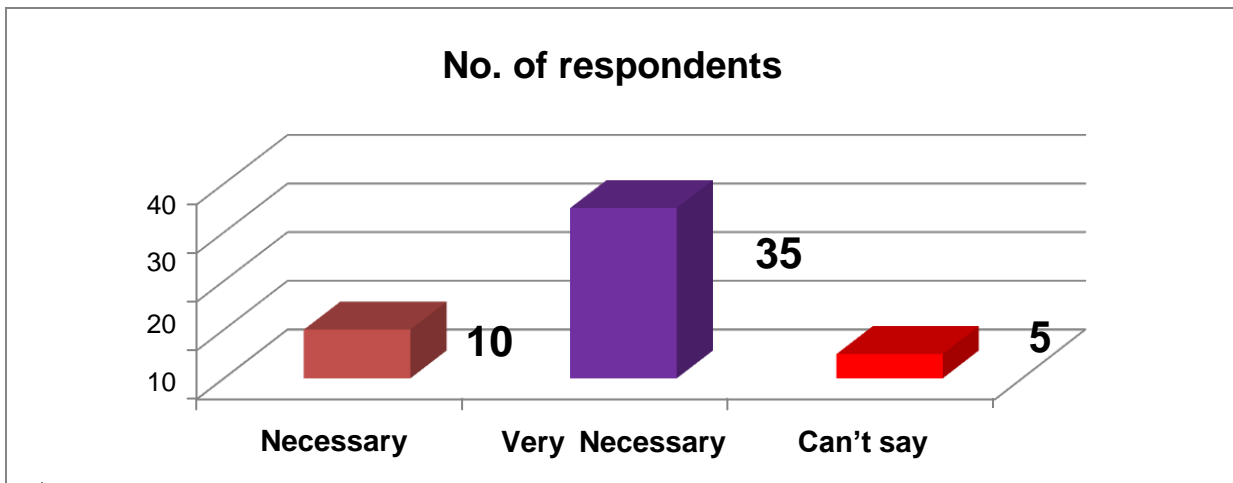


Table 14 shows that majority of the respondents say that the advertisement is necessary for the company while some did not replied.

TABLE-15

SATISFIED WITH ADVERTISING IDEA OF INTRODUCING NEW PRODUCT INTO MARKET

Satisfied with the idea	No. of Respondents	Percentage (%)
Yes	30	60%
No	20	40%
Total	50	100%

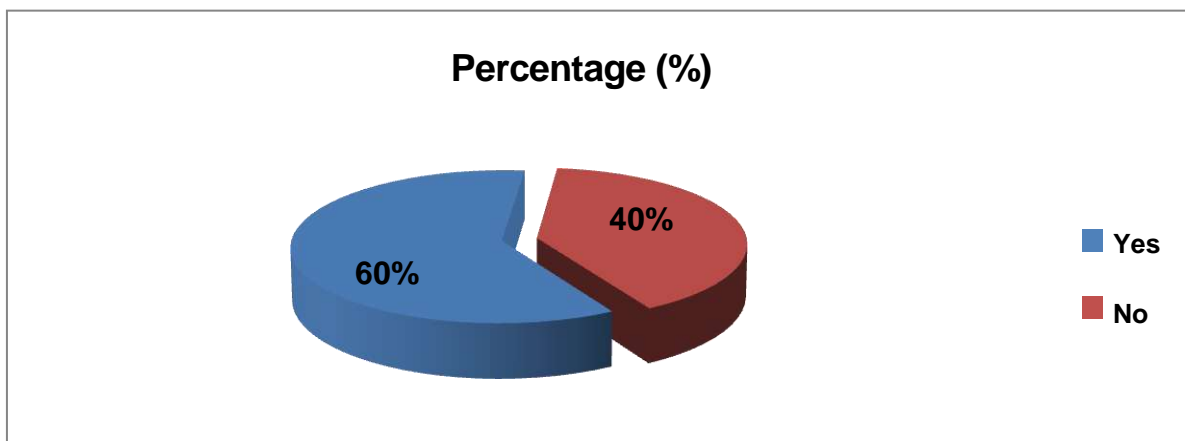
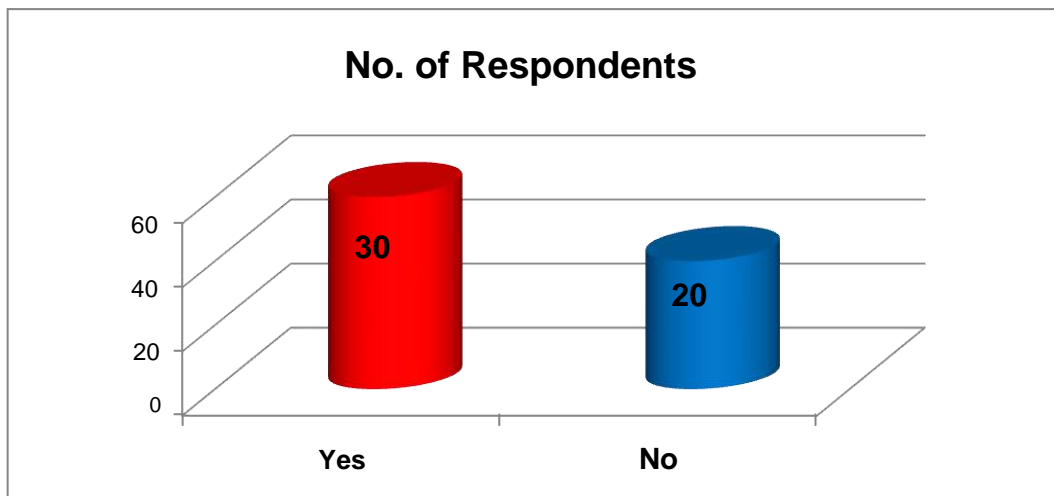


Table 15 proved that 60% people said yes and 40 % people said no.

3.2 FINDINGS

After going through the project and the collected data, I found that:

- ❖ 92% of the respondents said that TV is the most effective media of advertisement.
- ❖ 60% of the respondents said that they like the advertisement of chocolates because of its good music whereas, 24% said that they like celebrities in advertisement.
- ❖ Majority respondents are of the view that advertisement is very necessary for chocolates.
- ❖ Cadbury products have much more sales than the Nestle products due to excessive advertisement and sales promotion.

CHAPTER- 4
CONCLUSION AND RECOMMENDATION

4.1 Conclusion:

- Most of the people are of opinion that advertisement effect the consumption of chocolates.
- After survey it can be concluded that most of the people like chocolates because of its theme.
- Most of the people think that advertisement is very necessary for increasing the demand.
- After data analysis it has been found that demand of chocolates is least in shopping malls.
- According to the survey the customers are satisfied with the price of the product.
- According to survey most of the people want to change taste of the product rather than packaging and colour.

4.2 Recommendation

- Too much expenditure must not be incurred, because the advertisement leads to increase the prize of the product.
- Media should be selected according to the choice of customers.
- In rural areas media should be according to the choice of the people.
- To give more attention in making the advertisement to make it effective for the sale of chocolates.
- Price should be decreased so as to attract the consumers to use product more.
- To give attention on the weak media of advertisement so that the consumers comes to know about the product.
- It should be attractive one so that people are attracted toward the advertisement.

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Annexure- II

QUESTIONNAIRE

NAME:

AGE:

OCCUPATION:

GENDER: M F

1. DO YOU THINK ADVERTISEMENT EFFECT SALES?

YES NO CAN'T SAY

2. WHY ADVERTISEMENT IS IMPORTANT?

To introduce new product To increase sale Other reasons

3. WHICH OF THE FOLLOWING PROMOTION METHOD SPREAD FASTER?

ADVERTISEMENT FREE SAMPLE OTHER

4. THROUGH WHICH MEDIA ADVERTISEMENT MAKES GREATER IMPACT ON CONSUMERS MIND?

NEWSPAPER AND MAGAZINE TELEVISION RADIO OTHERS

5. HAS ADVERTISEMENT FORCED YOU TO CONSUME PRODUCT MORE?

YES NO

6. WHICH OF THE FOLLOWING CHOCOLATE COMPANIES GIVE EXCESSIVE ADVERTISEMET?

CADBURY NESTLE

7. HAVE YOU SEEN THE ADVERTISEMENT OF CHOCOLATE YOU LIKE MOST?

TASTE ADVERTISEMENT BRAND LOYALTY

8. WHICH COMPANY ADVERTISEMENT YOU LIKE THE MOST ?

CADBURY

NESTLE

OTHERS

9. FAVORITE CHOCOLATE?

DAIRYMILK SILK 5 STAR MILKYBAR
KITKAT OTHERS

10. DO YOU LIKE ADVERTISEMENT OF CHOCOLATE?

YES NO

11. MOST EFFECTIVE MEDIA OF ADVERTISEMENT?

TELEVISION NEWSPAPER
MAGAZINE OTHERS

12. REASON FOR LIKING THE ADVERTISEMENT?

GOOD MUSIC IT HAS FILM STARS

OTHER REASONS ITS THEME AND EXECUTION

13. DO YOU THINK ADVERTISEMENT IS NECESSARY FOR CHOCOLATES?

NECESSARY VERY NECESSARY CAN'T SAY

14. DO YOU THINK ADVERTISEMENT IS NECESSARY FOR COMPANY?

NECESSARY VERY NECESSARY CAN'T SAY

15. ARE YOU SATISFIED WITH THE ADVERTISING IDEA OF INTRODUCING NEW PRODUCT INTO MARKET?

YES NO

PROJECT

B.COM

HONOURS

Corporate Social Responsibility

A study on a selected company



CSR
Corporate
Social
Responsibility

TITLE OF THE PROJECT

CORPORATE SOCIAL RESPONSIBILITY

“ RELIANCE”: A STUDY

Submitted by

LALHRIATKIMA SAILO ROLL.NO 18C-009

BACHELOR OF COMMERCE 6th Semester

Registration no.223-1111-0113-18

SCOTTISH CHURCH COLLEGE KOLKATA

Under the guidance of

Mrs Shreya Basu

PROFESSOR

DEPARTMENT OF COMMERCE

SCOTTISH CHURCH COLLEGE KOLKATA

2021

SUPERVISOR CERTIFICATE

This is to certify that Lalhriatkima Sailo, a student of B.COM (ACCOUNTING AND FINANCE) in SCOTTISH CHURCH COLLEGE under CALCUTTA UNIVERSITY has worked under my supervision and guidance for his project work and prepared a Project Report with the title “CORPORATE SOCIAL RESPONSIBILITY: RELIANCE”

The project report, which he is submitting is genuine and original work to the best of my knowledge

PLACE: KOLKATA

SIGNATURE:

DATE:

NAME: SHREYA BASU

Designation: Professor

Name of university: University of Calcutta

STUDENT'S DECLARATION

I hereby declare that the project work with the title “ **CORPORATE SOCIAL RESPONSIBILITY ON TATA AND RELIANCE**” submitted by me for the partial fulfillment of the degree of B.COM Honours in Accountancy & Finance under the University of Calcutta is my original work. I have specified by means of references, from where the information has been taken.

I also confirm that, the report is only prepared for my academics requirement not for any other purpose. It might not be used with the interest of opposite party of the corporation.

PLACE: KOLKATA

SIGNATURE:

NAME: Lalhriatkima Sailo

REGISTRATION NO: 223-1111-0113-18

ROLL.NO: 18C-009

ACKNOWLEDGEMENT

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Secondly, I would like to thank my parents and friends who helped me a lot in finishing this project within the limited time.

I am really thankful to them.

I would also like to thank all of our teachers of Department of Commerce.

I am making this project not only for marks but to also increase my knowledge.

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CHAPTER 1

INTRODUCTION

In most recent writings about the Companies Bill 2012 and related issues there is always a reference, even if in passing, about corporate social responsibility (CSR) to the extent that it is now almost fashionable to discuss CSR. A series of articles will analyse various aspects of CSR from different significant perspectives. In order to understand CSR and make appropriate use of it, there is a need to grasp its history, its etymology, the detailed guidelines and its ramifications for different stakeholders. The Companies Act, no doubt, acts as the Bible for CSR of Indian companies. However, various leading agencies have provided guidelines for CSR in country specific and/or global contexts. The articles will try to examine these as well. Then there are the actual practices on ground and initiatives taken by various companies which would also be discussed. We strongly believe that a careful study of the various dimensions of CSR would contribute to the process of strengthening and fine-tuning the CSR initiatives that are still in a fledgling state in our country.

The rationale for the series emerges from the strong belief that CSR is the need of the hour in the crossroads to development that India now finds itself in. Why crossroads? Firstly, initiatives towards socio-economic development in India are going on for many decades now. While we have achieved some significant milestones and are constantly striving harder, a number of goals remain elusive. If anything, these seem more difficult to attain now than they were a few decades back. Surely, it is time for self-reflection. Secondly, across the globe realities on the ground and failed interventions point to one and only one startling fact, that is, the need for more participation from all quarters. Organisations and individuals who have extensive experience in development planning and implementation reaffirm the need for greater participation of all stakeholders. The business community and companies - as the institutions with capital, as employers, as manufacturers or as service providers - are no doubt one of the key stake holders and need to participate.

It was in a similar moment in history that development ceased to be the responsibility of the government and the citizens alone and a third player, now popularly known as the non-governmental sector took on a key role. A similar moment of reckoning has come again. While it may be argued that business and industry has always contributed to development and welfare, it is time to make these contributions more systematic and committed.



1.1 BACKGROUND OF THE STUDY

Over the past few years CSR, as a concept, has been the focus of many deliberations and research. It has grown in importance both academically as well as in the business sense. It captures a spectrum of values and criteria for measuring a company's contribution to social development. As the term "CSR" is used continually, many complementary and overlapping concepts, such as corporate citizenship, business ethics, stakeholder management and sustainability, have emerged. These extensive ranges of synonymously used terms indicate that multiple perspectives and by those in facilitating roles such as the corporate sector, government agencies, academics and the public sector context has been given by the European Union (EU). It describes CSR as "the concept that an enterprise is accountable for its impact on all relevant stakeholders. " In other words, CSR refers to ensuring the success of the business by inclusion of social and environmental considerations into a company's operations. It means satisfying your shareholders' and customers' demands while also managing the expectation of other stakeholders such as employees, suppliers and the community at large. Hence, CSR is a contribution to sustainable development, implying the way a company balances its economic, environmental and social objectives while addressing stakeholder expectations and enhancing shareholder value. CSR not only includes the activities that a company undertakes development, but also includes the methods that a company responsible investments, and transparency to various stakeholders among others. Realizing the importance and the have incorporated socially responsible business practices. The basic objective of CSR is to maximize the company's overall impact on the society and stakeholders while considering sustainable development, implying the way a company balances its economic, environmental and social objectives while addressing stakeholder expectations and enhancing shareholder value, environment and overall sustainability. Evolution in India has a long tradition of paternalistic philanthropy. The process, though acclaimed recently, has been followed since ancient times albeit informally. Philosophers such as Kautilya from India and pre-Christian era philosophers in the West preached and promoted ethical principles while doing business. The concept of helping the poor and disadvantaged was cited in several ancient literatures. In the pre-industrialized period philanthropy, religion and charity were the key drivers of CSR. However, the donations, either monetary or otherwise, were

sporadic activities of charity or philanthropy that were taken out of personal savings, which neither belonged to the shareholders nor did it constitute an integral part of business. During this period, the industrial families also established temples, schools, higher education institutions and other infrastructure of public use. The term CSR itself came into common use in the early 1970s. The last decade of the twentieth century witnessed a shift in focus from charity and traditional philanthropy toward more direct engagement of business in mainstream development and concern for disadvantaged groups in the society. In India, there is a growing realization that business cannot succeed in isolation and social progress is necessary for sustainable growth. An ideal CSR practice has both ethical and philosophical dimensions, particularly in India where there exists a wide gap between sections of people in terms of income and standards as well socio-economic status. Currently, there is an increased focus and a changing policy environment to enable sustainable practices and increased participation in the socially inclusive practices. Some of these enabling measures have been illustrated in the next section of this report.

1.2 NEED OF THE STUDY

Corporate Social Responsibility or CSR makes for eminent business sense as well when one considers the knock-on effect that social and environmental responsibility brings to the businesses.

For instance, corporations exist in a symbiotic relationship with their environments (the term environment refers to all the components of the external environment and not to ecological environment alone) where their exchange with the larger environment determines to a large extent how well they do in their profit seeking endeavours.

When one considers the fact that the RBV or the Resource Based View of the firm is all about how well the firm exists in harmony with its external environment and how this exchange of inputs and outputs with the environment determines the quality of its operations, it can be inferred that socially responsible business practices are indeed in the interest of the firm and the argument against imposing hidden social taxes on the firms by undertaking socially responsible business practices might not hold good in the current business landscape.

Indeed, the world since the days of Friedman has changed so much that socially responsible business practices ought to be the norm rather the exception and the various readings surveyed for this paper do seem to indicate that it is high time for businesses to engage in responsible behaviour.

However, there is a tendency to treat CSR as yet another cost of business and hence be business like about the practice. So, mainstreaming the idea might not bring the desirable effect unless the media, the businesses, and the citizens themselves understand what is at stake and behave accordingly. Paying lip service or corporatizing the idea of CSR might not be the intended outcome of the proponents and the advocacy groups that promote this idea. Rather, a change in the mindset and attitude is what these groups have in mind when they push for socially responsible practices.

It has been mentioned elsewhere that CSR as a concept and as a paradigm ought to be woven into the DNA of the corporations and when the very fabric resonates with the threads of social responsibility; the goals of conscious capitalism and compassionate corporations would be realized.

Hence, a cautionary finger wagging is due for those who believe that since the concept of CSR has been mainstreamed, they can relax in the knowledge that corporations would do the rest. Given the history of profit seeking and mercantilist behaviour where fads and ideas come and go but the very nature of the corporations mutates rather than undergoes a fundamental change, we still have some distance to cover before the goals of the idea of CSR are achieved. Further, we should not end up in a situation where the imperatives of the 21st century force corporations to change their behaviour. Instead, a voluntary mindset change is something that is better suited given the vast resources that corporations have and which they deploy to resist change and thwart those that push for legislation that aims to do so.

1.3 REVIEW OF LITERATURE

Over the past decades, the concept of CSR has become an important concept in the study of researchers, scholars and industrialists etc. So, the present researchers have made an effort with this review paper for those researchers, analysts and industrialists who are connected with CSR (whether social responsibility, social accounting, social reporting or any other area related to CSR).

A comparative study conducted by **Khan and Atkinson** (1987) on the managerial attitudes to social responsibility in India and Britain shows that most of the Indian executives agreed CSR as relevant to business and felt that business has responsibilities not only to the shareholders and employees but also to customers, suppliers, society and to the state.

Monika Hartman (2011) in her article "CSR in the food sector" analyzed the importance of CSR in food sector particularly those companies which have high brand. The study found that SME's are less capable of discharging their obligation towards society. Further the study revealed that food sector always tries to improve the controlling and discharging its services towards consumers. It was also found that consumers show preference for those brands or food sector that give importance to CSR activities.

Mallen Baker (2012) in his article on "Four emerging trends in Corporate Responsibility" tried to elucidate three basic things about the trends of CSR that have changed from last so many years. Firstly, the relationship between business and society has changed. They have come closer because of the social and environmental problem prevailing around the world. Secondly, the strategy of the businessman to develop business also affected the society a lot. Their new ideas, concept, developments also came with CSR management that reflects in their product and services. Lastly, the changes of CSR are also affected by other parties like outside agencies and the firm's own goals that interfere the firm's activity.

Bibhu Prasad and Mohanty (2012) made a study on "Sustainable Development Vis-à-vis Actual CSR". The findings showed that companies today invests in a lot of areas like child labour, ground water, food, education, etc but they are not aware of the essential need of the poor. The study suggested that though profit earning is a natural fact of companies, CSR is beyond the natural and statutory obligation of the companies.

1.4 OBJECTIVE OF THE STUDY

- To study the role played by Reliance toward the development of the country
- To study the efforts taken by companies and their impacts on the company
- To find out how corporate social responsibility is serving as determinant of corporate success

1.5 RESEARCH METHODOLOGY:

Technique for Annual Report analysis:

Corporate Social Responsibility (CSR) related activities are publicly declared and areas of focus, concerns and activities are expressed by organizations through their annual 66 reports that use it as a management tool. Corporate Annual Reports (CARs) are in the present times much beyond the compliance of legal declarations but are instead a highly 'sophisticated product' of a 'competitive corporate environment' (Stanton and Stanton;2002) and the purpose of CARs is to consciously create a positive visibility and image of the organization than merely report the activities as 'what they were' (Hopwood,1996). A compilation of annual reports of Indian and the MNCs was done by downloading the annual reports from the company's websites. The hard forms annual reports of the Indian company's was also acquired and further the websites of the top 50 Indian companies considered as sample were looked up for the annual report. Only 39 Indian companies had their annual reports on their websites. To ascertain that maximum number of companies could be covered and the data considered for analysis is the same as that for the websites the annual reports of the financial year 2008-2009 was considered for analysis. The annual reports were uploaded in the pdf format. 3 Indian annual reports could not be downloaded because they were password protected so their hard forms were scanned and converted into pdf for consideration of analysis.

Technique for Sustainability Report analysis

Sustainability reports (SR) or social reports are released by the companies for the stakeholders and present the sustainability accountability of the corporate. Sustainable development reports have been defined by, The World Business Council for Sustainable Development (WBCSD), as 'public reports by companies to provide internal and external stakeholders with a picture of corporate position on activities on economic, environmental and social dimensions.' Sustainability Accountability has emerged for a period of time and has its roots both in philosophical accounting discussion and developments in accounting. There is a mixed pattern in the release of sustainability reports because certain organizations include the sustainable report as a section in their annual reports while others release it as a separate report. For the purpose of this study, separately published sustainability reports were only included because those which were a part of the annual report were included for analysis in the section of annual reports. These reports are framed in accordance to the social audit, the third party certification norms which are in adherence to the guidelines issued by a well established international body called the Global Reporting Initiative. All the reports contained under the head of sustainability reports, CSR reports, corporate governance report, under the head of CSR report. Separately published sustainability reports have been chosen because SR are a depiction of the reality which the companies intend to present before their stakeholders because as Tinker and Neimark (1987) put it, "Corporate reports are not passive describers of an "objective reality" but play a part in forming the world-view of social ideology that fashions and legitimises". Therefore SR would help enhance and elaborate in understanding communication of CSR as the annual report analysis brought out the quantity i.e. how much CSR reporting has happened (page count and the word count).ll

Technique for Press Releases analysis

The press releases were included in analysis to ensure and counter check the focus and the emphasis upon the content and the stakeholders presented through the Annual Reports and Sustainability Reports (SR) both of which are well nigh mandatory forms of communication (though SR is not mandatory yet a great deal of emphasis is laid that companies must release them) and are considered formal channels of communication drawing the attention of most stakeholders. Communication made through these two

channels follows a fixed time, its availability is announced and accessibility is also often ensured by the companies. In comparison to the formal mode of communication press releases' carrying social content is not mandatory. Apart from releasing the financial information in leading dailies it is not binding upon companies to disclose their social performance through the newspapers. The communication made through press releases is neither scanned through auditors nor is it pre-read by external auditors and therefore it can be understood as voluntary communication attempt of companies to

their stakeholders. Meager research has been done on content analysing the press releases of companies (Lightstone and Driscoll; 2008). Press releases were downloaded from the company's websites. To ensure complete coverage of the press releases, all possible releases were downloaded from sections titled – Press Room; Press; Press Releases; News; News Releases; News Feed; Media;

Media Room. All downloaded press releases were then read through and sifted to ensure that only those releases which carried social disclosures were included for analysis. The process of downloading and sifting was repeated with the help of 2 colleagues who were researching in the area of CSR audit and non-financial disclosures, after a period of six months and only 2 more press releases were found. For uniformity in results between the content analysis of the annual report and the press releases the same software - Concordance was used with the same list of words used for analysis of the annual reports.



1.6 LIMITATIONS OF CORPORATE SOCIAL RESPONSIBILITY STUDY.

- Due to the pandemic the research of the work can be done only through online.
- One of the major limitations was the limited period of time and financial resources.
- As the study was conducted on a single company that is RELIANCE INDUSTRIES LIMITED, the results could not be generalized to other groups and remained limited to this study only.

CHAPTER 2

CONCEPTUAL FRAMEWORK

Framework of the Corporate Social Responsibility Under the Companies Act, 2013. The vehicle of CSR has been driven into CA13 in order to bridge the gap of inequality and fulfil various social obligations that require certain amount of capital and other resources. CSR is basically an obligation towards the nation at large, which attempts to preclude confinement of the fruits of benefits to certain consumers or shareholders. It is a legal responsibility that casts upon a corporate body to address the umpteen number of socio-economic-environment

concerns plaguing the country. Although proper implementation of CSR will definitely add to the grandeur of the nation, detractors have questioned the need of such obligations in a nation such as India where generally all the policies of the government focus on striving socio-economic equality and development.

The reason for imposing such obligations appears to be twofold, firstly, that the protracted problems of socio-economic equality and environmental concerns have proved to be chronic and secondly, the past endeavours demonstrate clearly that a greater extent of participation is needed for reaching the roots of such problems. Bringing the corporate world into the fold of socio-economic obligations would prove to be beneficial for the masses as well as the corporate world.

It contends that corporations are capable of implementing responsible behaviours as they pursue their profit-making activities. A thorough literature review suggests that there is a link between corporate social responsibility (CSR) or corporate social performance (CSP) and financial performance. In addition, there are relevant theoretical underpinnings and empirical studies that have used other constructs, including corporate citizenship, stakeholder engagement and business ethics. In this light, this contribution reports on how CSR is continuously evolving to reflect today's societal realities. Therefore, it raises awareness of key notions representing strategic CSR, creating shared value and corporate sustainability and responsibility (CSR2.0). This latter perspective suggests that responsible behavioural practices may be strategically re-conceived to confer competitive advantage over rival firms. Therefore, this chapter makes reference to laudable investments that could unleash shared value. It implies that CSR2.0 demands business to build adaptive approaches with stakeholders for the benefit of the firm and for societal advancement.

2.1 What is Corporate Social Responsibility?

The CSR has been defined in CA13 as projects or programs relating to activities specified in Schedule VII of CA13; or projects or programs relating to activities undertaken by the board of directors of a company in pursuance of recommendations of the CSR Committee of the Board as per declared CSR policy of the company subject to the condition that such policy will cover subjects enumerated in Schedule VII of CA13. However, the definition is not an exhaustive one and has to be given widest possible meaning since the concept of CSR is an enabling one and based on socio-economic considerations Background of the study.

Over the past few years CSR, as a concept, has been the focus of many deliberations and research. It has grown in importance both academically as well as in the business sense. It captures a spectrum of values and criteria for measuring a company's contribution to social development. As the term "CSR" is used continually, many complementary and overlapping concepts, such as corporate citizenship, business ethics, stakeholder management and sustainability, have emerged. These extensive ranges of synonymously used terms indicate that multiple perspectives and by those in facilitating roles such as the corporate sector, government agencies, academics and the public sector context has been given by the European Union (EU). It describes CSR as "the concept that an enterprise is accountable for its impact on all relevant stakeholders. " In other words, CSR refers to ensuring the success of the business by inclusion of social and environmental considerations into a company's operations. It means satisfying your shareholders' and customers' demands while also managing the expectation of other stakeholders such as employees, suppliers and the community at large. Hence, CSR is a contribution to sustainable development, implying the way a company balances its economic, environmental and social objectives while addressing stakeholder expectations and enhancing shareholder value. CSR not only includes the activities that a company undertakes development, but also includes the methods that a company responsible investments, and transparency to various stakeholders among others. Realizing the importance and the have incorporated socially responsible business practices. The basic objective of CSR is to maximize the company's overall impact on the society and stakeholders while considering sustainable development, implying the way a company balances its economic, environmental and social objectives while addressing stakeholder

expectations and enhancing shareholder value, environment and overall sustainability. Evolution in India has a long tradition of paternalistic philanthropy. The process, though acclaimed recently, has been followed since ancient times albeit informally. Philosophers such as Kautilya from India and pre-Christian era philosophers in the West preached and promoted ethical principles while doing business. The concept of helping the poor and disadvantaged was cited in several ancient literatures. In the pre-industrialized period philanthropy, religion and charity were the key drivers of CSR. However, the donations, either monetary or otherwise, were sporadic activities of charity or philanthropy that were taken out of personal savings, which neither belonged to the shareholders nor did it constitute an integral part of business. During this period, the industrial families also established temples, schools, higher education institutions and other infrastructure of public use. The term CSR itself came into common use in the early 1970s. The last decade of the twentieth century witnessed a shift in focus from charity and traditional philanthropy toward more direct engagement of business in mainstream development and concern for disadvantaged groups in the society. In India, there is a growing realization that business cannot succeed in isolation and social progress is necessary for sustainable growth. An ideal CSR practice has both ethical and philosophical dimensions, particularly in India where there exists a wide gap between sections of people in terms of income and standards as well socio-economic status.

WHAT IS CSR?



2.2 PROCEDURE

1. Each CSR Request shall be forwarded for the full value amount to the Compliance Team for submission to the CSR Committee in accordance with this Policy.

1.1. Any attempt to split up the amount of a CSR Request to avoid the appropriate level of review will be considered an unacceptable circumvention of this Policy, and as a result no approval will be granted.

2. Compliance Team shall fill the CSR Request Evaluation and Approval Form with all relevant details, request additional information, if required, and shall submit it to the CSR Committee. The Compliance Team shall prepare and coordinate any CSR Request for an amount or value above EUR 10,000 for submission to the Corporate Donations Committee.

3. CSR Requests must be reviewed and approved by the CSR Committee, as relevant, before commencement of the project or initiative for which the amount is requested.

3.1. The CSR Committee shall decide on each local incoming CSR Request which amounts to a value of less than EUR 10,000

3.2. CSR Request for value EUR 10,000 or more shall be forwarded to the Corporate Donations Committee for approval

4. Conflicts of interest should be avoided

4.1. In the event that a Committee member has a conflict of interest, the respective member shall be excluded from the decision making with respect to the CSR Request in question by leaving the Committee meeting room for the period of time it takes for the Committee to decide whether or not to approve the CSR Request.

5. CSR Request may be considered under the following conditions:

5.1. CSR Requests shall be approved only for legitimate, charitable purposes as defined in this Policy

5.2. CSR Requests shall be reasonable and appropriate, given in the spirit of good corporate citizenship and in accordance with Company values

6. CSR Request shall only be provided in relation to the focus areas in compliance with the Schedule VII of the Act.

7. Transparency and Documentation of CSR Request:

Procedure for Grants and Donation.

7.1. Books and records shall fairly and truly reflect all requests, responses and transactions. Company must maintain all documentation related to the CSR Requests. CSR payments shall be recorded to the appropriate internal account number where appropriate; Payments shall be tied to the Qualified .

7.2. All documentation concerning CSR Requests must be clear and self-explanatory.

7.3. All payments shall be made in accordance with the Accounts and Finance Policy, directly to the Qualified Recipient.

8. CSR Requests shall only be awarded to Qualified Recipients.

9. Proposal for publication of Company's name in connection with giving a CSR contribution, if any, shall be

presented to and approved by the both, CSR Committee and Corporate Donations Committee. HR department

may decide to issue a press release concerning the approved CSR contribution after obtaining prior written

approval from Corporate Donations Committee.

10. Expenditure incurred towards CSR activities shall be reported every quarter by the Finance function in the CSR

Committee meeting as per the self-explanatory format including at least following information:

10.1. Total amount to be spent for the financial year

10.2. Amount unspent, if any, with commensurate reasons

10.3. CSR Project or Activity identified

10.4. Sector in which the project is covered

10.5. Projects or Program details

10.6. Local area or other areas

10.7. State and district where the projects or programs were undertaken

10.8. Project or Program wise budgeted amount

10.9. Project or Program wise actual amount spent

10.10. Direct Expenditure

10.11. Overheads

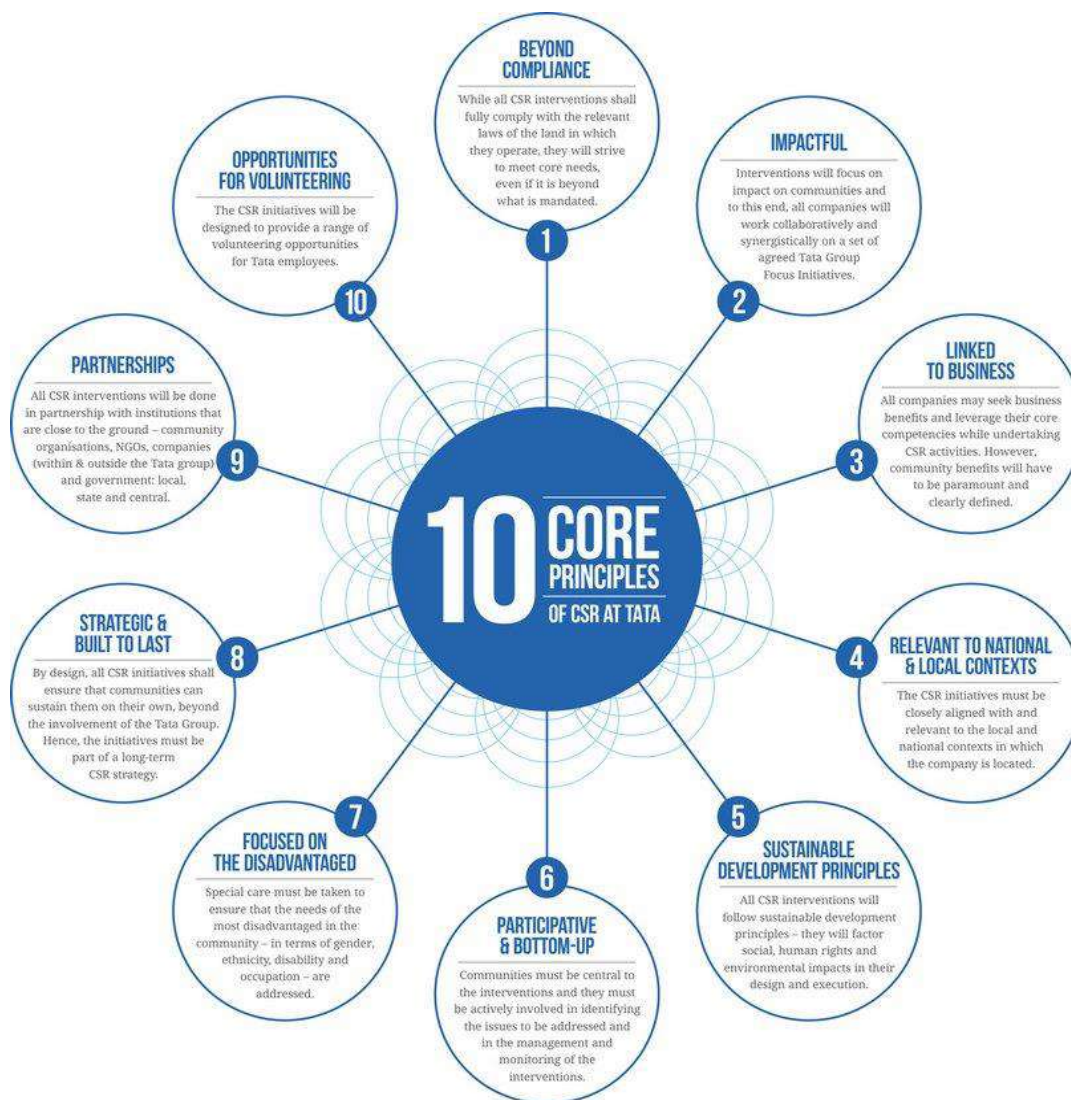
10.12. Cumulative actual spend up to reporting period

10.13. Break-up of actual amount spent directly and through implementing agency, if any
Policy & Procedures

“

2.3 COMPANY PROFILE IN RESPECT OF CSR

Tata companies work towards empowering people by helping them develop the skills they need to succeed in a global economy, which is now consolidated into a group CSR programme called Tata STRIVE. The group equips communities with information, technology and the capacity to achieve improved health, education and livelihood outcomes. It also works towards enabling other living things on the planet get their fair share of the resources.



RELIANCE COMPANY PROFILE



2.4 CORPORATE SOCIAL RESPONSIBIITY of RIL

At RIL, Corporate Social Responsibility (CSR) is embedded in the long term business strategy of the Company. For RIL, business priorities co-exist with social commitments to drive holistic development of people and communities. The Company's CSR initiatives help elevate the quality of life of millions, especially the disadvantaged sections of the society.

It seeks to touch and transform people's lives by promoting healthcare, education and employment opportunities.

RIL aims to continue its efforts to build on its tradition of social responsibility to empower people and deepen its social engagements.



The above picture is Mukesh Dhirubhai Ambani who is an Indian business magnate, the chairman, managing director, and the largest shareholder of Reliance Industries .

CHAPTER 3

Data Analysis and Interpretation

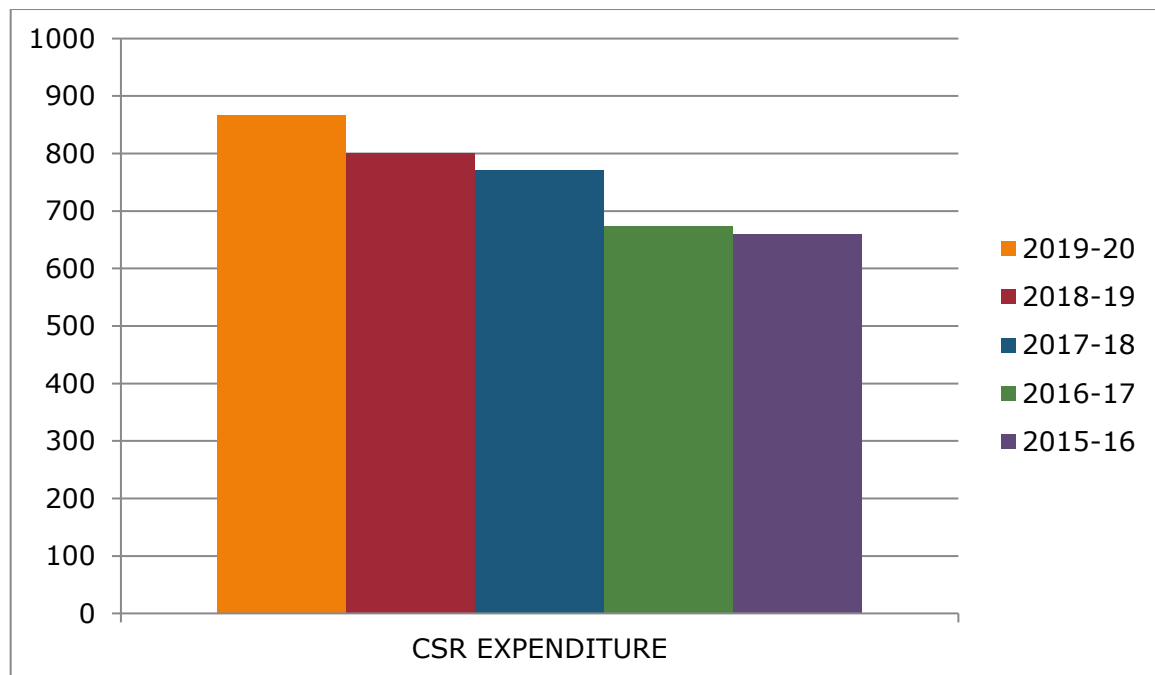
3.1 DATA ANALYSIS

RELIANCE CSR EXPENDITURE

(In crore)	FY 2019-2020	2018-2019	2017-2018	2016-2017
Rural transformation	58	133	73.10	21.69
Healthcare	35	113	140.72	91.03
Education	254	527	66.71	75.06
Environment	1	1	1.20	2.15
Disaster Response	519	26	69.27	61.34
total	867	800	351.00	251.27

Let us summarise all the data as a whole, based on all the above data, we can see clearly that the expenditure is increasing from year to year. We are making a bar diagram which represents CSR Expenditure as a whole from 2016-2018 which consists of Rural Transformation, healthcare education , environment, and others. We can clearly see that the expenditure is increasing every year as the consumption ,investments and others need are increasing and are used for various activities.

Here is the whole chart representing total CSR expenditure of Reliance from the year 2015-2020.



The above diagram shows the total expenditure involves in CSR. From the diagram we can clearly see the expenditure increasing from year to year on various item. *In 2019-20, RIL had annual revenue of about 6.6 lakh crore rupees with a net profit of about 44,324 crores. RIL now ranks in the top 100 profitable companies in the Fortune Global 500 list of 'World's Largest Corporations.'* Reliance Industries Ltd. spent 1022 crores on CSR activities in India, which is more than the obligation of 2% of net profits they were supposed to spend on Corporate Social Responsibility. This has made Reliance Industries the top CSR spender in the country. For a company with diversified businesses like RIL, there are several opportunities to increase and deepen social impact significantly and generate value for all. RIL seeks to strategically consolidate

the Company's CSR initiatives to focus on discrete social problems and enable people to earn their livelihoods.

To streamline its social initiatives, the Company, in its CSR policy, has identified six focus areas that aim to positively and holistically impact society.

- Rural Transformation
- Healthcare
- Education
- Environment
- Protection of National Heritage, Art and Culture
- Disaster Response

RIL has undertaken numerous initiatives aimed at developing the communities around which the Company conducts its operations. The overriding objective is to create value and ensure all inclusive growth.

RIL is working assiduously to ensure that economic wealth is not just limited to the privileged, but distributed in a manner that benefits the marginalised sections of society.

The Company has made significant contributions to help shape India's vision of inclusive growth. Sustainable development strategies have helped RIL to create thriving eco-systems towards profitable growth and creation of societal value for multiple stakeholders. RIL goes beyond its business activities to create societal impact through its diverse initiatives.

The Company has been involved in various social responsibility initiatives over the decades. In 2010, these activities were brought under the Reliance Foundation (The Foundation), the umbrella organisation for the Company's social sector initiatives. Through these initiatives, the Company engages with communities to ensure their well-being by enhancing access to quality education and healthcare, capacity building for employment generation, access to good infrastructure and ecological conservation.

The Foundation has been making systematic efforts at bridging the country's rural-urban development gap. The Foundation's strategy combines a judicious mix of technology, material and information with specific focus on agriculture and marine fisheries. It is currently working with over 94,000 rural households.

Health care

Over the years, the Foundation has been working towards enhancing India's access to quality and affordable healthcare. The Foundation's integrated healthcare model aims to reach out to the most vulnerable sections of society, through a network of healthcare delivery mechanisms and awareness and diagnostic specialty camps. It is committed to contributing towards the nation's efforts in achieving the Millennium Development Goals of the United Nations and aims to support the efforts, especially in the field of maternal and child health care.

It offers end-to-end facilities covering the entire lifecycle of patients. Their healthcare programs have positively impacted 2.5 million people and have provided 6 million patient consultations since it was established. Sir H N Reliance Foundation Hospital and Research Centre have emerged as one of the top healthcare facilities in Mumbai.

Core programs in health and sanitation

Reliance Foundation facilitates primary care programs and makes available affordable and quality healthcare facilities at the grassroots level. Sir H N Reliance Foundation Hospital and Research Centre have emerged as one of the top healthcare facilities in Mumbai. It enrolled more than 25,500 families bringing the total to 1.79 lakh families enrolled as part of its outreach program since inception.

The Reliance Foundation Hospital Health Outreach program has facilitated five Mobile Medical Units (MMUs) and three Static Medical Units (SMUs), which reach out to 11 wards and 74 marginalized urban slum locations in Mumbai and Navi Mumbai. They provided 27,000 consultations to the needy with specialist doctors 1.5 lakh other consultations to the marginalized people.

Alliance For Saving Mothers And Newborns (ASMAN)

Maternal death or maternal mortality is defined by the World Health Organization (WHO) as "the death of a woman while pregnant or within 42 days of termination of pregnancy, irrespective of the duration and site of the pregnancy, from any cause related to or aggravated by the pregnancy or its management but not from accidental or incidental causes.

In the last decade, India has made great improvements in ensuring maternal health. The maternal mortality ratio (MMR) has been reduced to 130 per 100,000 live births in 2014-16, which has reduced further to 122 per 100,000 live births. The global SDGs is an ambitious target of reducing this to 70 by 2030, which is where Project ASMAN comes into the picture.

Care and Support for HIV and Tuberculosis

The Coronavirus pandemic has brought the focus on how communicable diseases impact human lives. Tuberculosis kills an average of 1200 people per day in India alone. Reliance has set up hospitals at Lodhivali (Maharashtra), Jamnagar, and Hazira (Gujarat), which provide free and subsidized healthcare services to underprivileged and marginalized segments. The services range from general healthcare, communicable and non-communicable diseases including HIV and tuberculosis. Additionally, trauma victims of highway accidents are provided with free treatment. This year over 0.1 million consultations have been provided with over 3.1 million consultations provided since inception.

EDUCATION



The Education for All initiative was launched to enhance the access to quality education in India. The Foundation supports this initiative and has been working in the areas of education for the underprivileged, girl child and life skills for the specially abled. Through partnership with several NGOs, the Education for All initiative has positively influenced the lives of over 70,000 underprivileged children during the last few years.

Education for All

The Education for All initiative was launched to enhance the access to quality education in India. The Foundation supports this initiative and has been working in the areas of education for the underprivileged, girl child and life skills for the specially abled. Through partnership with several NGOs, the Education for All initiative has positively influenced the lives of over 70,000 underprivileged children during the last few years. (RIL report, n.d.)

Dhirubhai Ambani Scholarship Programme (DAS)

The Dhirubhai Ambani Scholarship (DAS) is aimed at promoting academic and leadership excellence and are awarded to meritorious students who

emulate the vision and values of Mr Dhirubhai Ambani, Founder of Reliance Industries Ltd. Dhirubhai Ambani Scholarship (DAS) programme has so far provided financial support to 12,285 meritorious students to pursue graduation in any stream and institution of their choice. Almost half of the DAS scholars are girls, while one-fifth are specially-abled students.

Reliance Foundation Schools

Reliance Foundation Schools are committed to providing an enjoyable and enriching educational experience to children. There are 13 Reliance Foundation Schools, which are located in Jamnagar, Surat, Vadodara, Dahej, Lodhivali, Nagothane, Nagpur and Navi Mumbai, educating over 14,500 children annually. The schools offer education from kindergarten to Class 12 and are affiliated to CBSE, Gujarat State Board and Maharashtra State Board

Reliance Foundation Education And Sports For All

Reliance Foundation Education and Sports for All initiative supports the education of underprivileged children by partnering with 14 NGOs and working at the grassroots level. These NGOs focus on encouraging sports, literacy, and life skills among the children. Under this initiative, a Digital Learning Van, embedded with technology, has been providing quality education to more than 4,000 children from 10 government schools in Mumbai and Thane districts. Together, these initiatives have positively impacted 0.2 million children.

Self-Development Training Programmes for local students

As part of student development initiatives, a training program on self-development was organised for the Pedavalasala youth to sensitise the local youth on various soft skills and to explain them the importance of personal development. The participants were explained about communication skills, career planning and effective social relations. (RIL report, n.d.)

The Foundation set-up a Skill Development Centre in order to provide basic education to children, this has been initiated at Allahabad with the assistance of the employees including IT team. The main purpose for setting up the center is to offer free computer education to marginalised students from the neighbouring village.

ENVIRONMENT

The Foundation has made significant efforts in promoting ecological sustainability through resource conservation, promotion of biodiversity and use of cleaner energy sources. The Foundation has undertaken construction of 482 (1,394 since inception) biogas plants in rural households during the year. The shift to using a cleaner fuel has led to reduction in indoor pollution thereby resulting in improved health of women and families.

Soil Conservation

+1,63,500 tonnes

of soil has been conserved by
Reliance Foundation

Additionally, during the year, 7,679 composting facilities (17,968 since inception) have been created across rural households to convert waste into organic manure and reduce dependence on chemical fertilisers. In an effort to promote bio-diversity and preserve the environment, 4,97,238 saplings (17,31,243 since inception) have been planted across the intervention areas during the year. 1,63,535 tonnes of soil has been conserved, thereby ensuring sustainability.

The Foundation aims to focus on enhancing quality of life for all, in India's rapidly growing urban areas. The Foundation has been actively examining transformative approaches to planning for enhancement of public spaces and has partnered with municipal bodies to undertake urban planning and improvement of public spaces.

DISASTER RESPONSE

Reliance is almost always the first private enterprise to help India and its citizens when it comes to disaster response. It directly engages with the affected communities and helps save lives impacted by natural disasters. Reliance leverages its strength in Human Resources and Information Technology to swiftly and effectively to mitigate the aftereffects of the disaster and also provides relief and rehabilitation support. In the process, Reliance collaborates with different community-based organizations and government departments to prioritize and provide need-based support to affected communities. During FY 2018-19, the Company helped communities affected by floods and cyclones in Andhra Pradesh, Kerala, Gujarat, Odisha, Uttar Pradesh, and Tamil Nadu.



Kerala Flood Relief

Over the last few years, Kerala has been getting incessant rainfall and ravaged by floods. In August 2018, the floods across Kerala caused great human and financial

losses. The Reliance family worked ceaselessly to support the flood-affected communities of Kerala when heavy rains lashed the state. Using technology, Reliance sent early warning messages to states where the Indian Meteorological Department had declared a red-alert.

In addition to Kerala relief efforts, Reliance also provided support to people affected in the Gaja Cyclone in Tamil Nadu, Titli Cyclone in Andhra Pradesh and Odisha, and floods in Gujarat and Uttar Pradesh.

Reliance CSR in the fight against Coronavirus

IL CSR has deployed the combined strengths of Reliance Foundation, Reliance Retail, Jio, Reliance Life Sciences, Reliance Industries, and its 6,00,000 strong Reliance family to work together to help India fight this COVID19 pandemic. They have taken various steps that have created a blueprint that can be imitated at a rapid pace to create infrastructure and facilities needed to take India on the other side of this Coronavirus pandemic. Let us look at a few of the steps:

Donation of Oxygen During the Peak of 2nd Wave of COVID

Maharashtra is the worst-affected Indian state in the second wave of COVID-19 and has consistently contributed devastatingly high numbers to the country's daily caseload of the virus. In the state there is such a crunch for medical oxygen, a key component to sustain patients of Covid-19, that Maharashtra Chief Minister Uddhav Thackeray had to make a public appeal to PM Narendra Modi-led Central government to rope in the Indian Airforce to airlift it to the state. Amid such a crisis, Reliance Industries Chairman in a philanthropic move donated 100 tonnes of oxygen to the hospitals of the state, for free. The move has been lauded across the country and has been appreciated tremendously by the state government of Maharashtra.

India's First Dedicated Covid-19 Hospital

The way Reliance sets up world-class refineries in record time; they have set up a dedicated 100 bedded centre at Seven Hills Hospital, Mumbai, which was later scaled up to 222 beds, for patients who test positive for Covid-19. Sir H. N. Reliance Foundation Hospital, in collaboration with the Brihanmumbai Municipal Corporation (BMC), has created a first-of-its-kind-in-India centre which is fully funded by Reliance Foundation and includes a negative pressure room that helps in preventing cross-contamination and helps control infection. They have provided

beds that are equipped with the required infrastructure, biomedical equipment such as ventilators, pacemakers, dialysis machines, and patient monitoring devices.

Protective equipment to fight COVID-19

RIL is using its production facilities to produce 100,000 face-masks per day and a large number of personal protective equipment's (PPEs), such as suits and garments, for the nation's health workers to equip them further to fight the coronavirus challenge

3.2 INTERPRETATION

Structural Equation

There are three equations in our model, each structural equation is:

$$\text{Price Fairness} = 0.78 \text{ CSR}, R^2 = 0.61 \text{ (1)}$$

Based on the above equation, it can be seen that CSR contributes positively to the variable of price fairness. The statistical contribution of CSR variable is 0.78. This means that the more positive the perception on the Oriflame

CSR, the more positive the perception of the prices. This finding reveals that there is a real contribution from the CSR to the price acceptance. The respondents' assessment to the CSR Oriflame has a 61% influence on the acceptance of the price. This means that the change in the perception of the price by 61% can be explained from the change in the Oriflame CSR program.

$$\text{Trust} = 0.87 \text{ CSR}, R^2 = 0.76 \text{ (2)}$$

Based on the above equation, it can be seen that CSR contributes positively to the trust variable. Statistically, the contribution of the CSR variable is 0.87. This means that the more positive the assessment of the Oriflame CSR is, the higher the confidence to the Oriflame products. This finding reveals that there is a real contribution from the CSR to the trust in the Oriflame products. The respondents' assessment to the CSR Oriflame has a 76% influence on the respondents' belief in Oriflame products. This means that the change in consumer confidence in Oriflame products at 76% can be explained from the change in the Oriflame CSR program.

$$\text{Behavior} = 0.30 \text{ Price} + 0.56 \text{ Trust} + 0.18 \text{ CSR}, R^2 = 0.93 \text{ (3)}$$

Based on the above equation, it can also be stated that the price fairness variable gives a contribution of 0.30 to the behavioral intention. This means that the respondents' assessment on the competitiveness of prices affects the consumer buying behavior in Oriflame products. So is it with trust. This variable contributes 0.56 to the purchase intention. This means that the

level of confidence of the respondents to Oriflame influences buying behavior to the brand. But it turns out that the CSR variable contributes a relatively little impact to purchase intention, which is 0.18. It can thus be said that the respondents' assessment to the Oriflame CSR program is not yet able to influence the buying behavior. Although the CSR variable do not significantly affect the consumer behavior, but the three variables can influence the buying behavior change by 93 %.

Testing the research model

A testing was carried out to ascertain whether the model described in the study was deemed fit. The model testing was based on several measurements, namely: chi-square and probability, the *goodness of Fit Indices (GFI)*,

Adjusted Goodness of Fit Index (AGFI), the root Mean Square Error of Approximation (RMSEA), expected CrossValidation Index (ECVI), the model AIC and CAIC model, and the fit index.

Criteria Fit Model Grade Provision Explanation

chi-square and probability ($P = 0,03$) $P > 0,05$ Model not fit

adjusted Goodness of Fit Index (AGFI) 0,83 between 0 - 1 Model fit

Goodness of Fit Indices (GFI) 0,87 between 0 - 1 Model fit

Fit Index

NFI 0,96 > 0,80 Model fit

CFI 0,99 > 0,80 Model fit

NNFI 0,99 > 0,80 Model fit

IFI 0,99 > 0,80 Model fit

Based on the results of the fit model testing, only chi-square probability did not meet the qualification of the fit

CHAPTER 4

CONCLUSION AND RECOMMENDATION

4.1 CONCLUSION:

To conclude with, CSR should be inbuilt into the functioning of various activities of corporate sector. It should be a way of life for them. In more revealing words, CSR does not mean 'earning money by hook or crook and diverting portion of it as tax saving measures or otherwise in name of welfare activities'. Such an approach is against the vision of Mahatma Gandhi who considered CSR as an ethical act. Ethics calls for purified.

Today the concept of CSR has undergone radical change. It has integrated social as well as environmental issues into their missions and decisions. Companies take keen interest in informing about their CSR activities to their stakeholders as well. From the review, we come to know that across the globe, business enterprises have accepted the concept of CSR as an element of success and survival of business along with fulfilling social objectives. However, the challenge for the companies is to determine a strong and innovative CSR strategy which should deliver high performance in ethical, environmental and social areas and meet all the stakeholders' objectives.

Corporate social responsibility (CSR) encourages businesses accountability to a wide range of stakeholders, shareholders, and investors. The key areas of concerns are the environment protection, and the social wellbeing of people in society, both now and in the future. CSR has a variety of policies such as giving to organization, providing products and services to consumers, reducing harmful waste, and treating their employees with moral ethics. Corporate social responsibility is the best thing that was implemented into businesses both large and small, in this way the environment and society can be treated the way it supposed to, with respect. CSR is something that everyone can benefit from, when businesses adopt its policy. References. The business has undergone various changes through barter system to plastic money.

In this view various organizations are earning a lot of money. For moral purpose the money earned by these organizations should be spent for social development. Earlier socio-economic development was the sole responsibility of government. However due to the liberalization , Privatisation and globalisation (LPG) era. Various corporates have entered into economy. Therefore, the role of the government is also changing. The government has shifted some responsibility on the shoulder of corporates through the mandatory CSR companies act. This act will provide the direction to many corporate for socio-economic development. On the basis of observation, few conclusion can be drawn. Under the companies act 2013, the CSR policy should be framed by corporates. However still only one third companies has formulated CSR policy as per the companies act 2013. Therefore there is a need to review the CSR policy formulation by various companies.

4.2 Recommendation

The research covered on various issues including current CSR practices, coordination between various stakeholders including private sector, Government and local communities, flagship social projects run by the private sector and role of Government to deepen and strengthen CSR within local communities and corporate sector. The activities covered under CSR activities will provide the solution for socio-economic upliftment.

One of the foremost challenges companies have to face in the 21st century is how to integrate social values into their business operations, that is the idea of assuming social responsibility beyond daily business activities. Corporate stakeholders – employees, customers, owners, government, local community, suppliers, the academic community and international organisations – all increasingly expect, and even frequently demand that the values which are important to them, including ethical operation or environmental values, also be present in the day-to-day operations of corporations. At the same time, corporations are still wary of venturing into this field, as the methods which would enable them to answer these challenges have not yet been incorporated into their strategic and operational practices. Therefore, taking into account international experience, methods and principles, the GSZT summarises in these recommendations those areas and possible actions which corporate decision-makers might wish to consider when establishing their responsibility strategies.

The recommendations assist companies in:

- finding the means which will enable them to cope effectively with social, economic and environmental challenges;
- incorporating these considerations into their business strategies;
- involving their stakeholders into the decision-making processes;
- contributing to the dissemination of the notion of social responsibility and its scientific basis; and

- informing the people living around them about their socially responsible activities, in accordance with uniform principles and standards.

Each recommendation is presented in the same format, with proposed actions grouped under the following sub-headings:

- Stakeholder Involvement;
- Governance;
- Strategy;
- Performance Management;
- Publication and
- Authentication.

Besides enterprises, the state and local governments are also key economic actors: acting as employers, owners, regulators and opinion leaders, they can significantly influence the actual implementation of socially responsible corporate activities in the entire economy. Thus, the GSZT also makes recommendations following the same structure for the state and local governments. As for economic operators, key stakeholders include those civil organisations which advocate the values important to them based on the principle of social representation, often forcing economic operators to support and implement these values. With a view to fostering cooperation between economic operators and representatives of societal values and interests, we have also formulated recommendations for civil society, following again the same structure. Finally, in order to contribute to the presentation of "good practices", we have also made recommendations to representatives of the media, since, in the 21st century, this sector can do the most to turn the ideas of social responsibility into functioning, accepted and authentic practices in all sectors of our society.

CHAPTER 5

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5.2 JOURNALS

1. Reliance Annual Report

**A
Project Report
(Submitted for the Degree of B.Com. Honours in
Accounting & Finance under the University of Calcutta)
On**

**A STUDY ABOUT DIFFERENT FACTORS AFFECTING CONSUMER PREFERENCES
FOR
COCA-COLA AND PEPSI**

Submitted by

Name of the Candidate: Srijoni Das

Registration No. : 223-1211-0487-18

Name of the College: SCOTTISH CHURCH COLLEGE

College Roll No. : 18C-048

Supervised by

Name of the Supervisor: BISWADEEP DUTTA

Name of the College: SCOTTISH CHURCH COLLEGE

Annexure- IA

Supervisor's Certificate

This is to certify that Ms.SRIJONI DAS a student of B.Com. Honours in Accounting & Finance of **SCOTTISH CHURCH COLLEGE** under the University of Calcutta has worked under my supervision and guidance for her Project Work and prepared a Project Report with the title “A Study about different factors affecting consumer preferences for **Coca –cola** and **Pepsi**” which she is submitting, is her genuine and original work to the best of my knowledge.

Place:Kolkata

Signature:

Name: **BISWADEEP DUTTA**

Designation: Professor

Name of the College: **SCOTTISH CHURCH
COLLEGE**

Annexure- IB

Student's Declaration

I hereby declare that the Project Work with the title “A STUDY ABOUT DIFFERENT FACTORS AFFECTING CONSUMER PREFERENCES FOR COCA-COLA AND PEPSI ” submitted by me for the partial fulfillment of the degree of B.Com. Honours in Accounting & Finance under the University of Calcutta is my original work and has not been submitted earlier to any other University /Institution for the fulfillment of the requirement for any course of study.

I also declare that no chapter of this manuscript in whole or in part has been incorporated in this report from any earlier work done by others or by me. However, extracts of any literature which has been used for this report has been duly acknowledged providing details of such literature in the references.

Signature:

Name: **SRIJONI DAS**

Registration No.223-1211-0497-18

ACKNOWLEDGEMENT

I am thankful to our teachers for their support and help for completion of the project. Thank you all for your time and guidance in helping me achieve my goal of completing this project to the best of my ability.

I would be grateful to express my sincere thanks to our HOD **AMITAVA CHATTERJEE** for providing me an opportunity to do the project.

I extend my sincere gratitude to Prof. **BISWADEEP DUTTA**, our Project guide, for the successful completion of the project. He has been a great support and guide to me during the entire dissertation. He has helped me throughout, from choosing the project till I completed the Project Report. This project has given me more confidence about the subject and various concepts of 'Consumer Preferences'.

INTRODUCTION

Consumer behavior is the study of human responses to products or services and the marketing of products/services. The study focuses on how individuals make their decision to spend their time, money etc on consumption related items or consumer related aspects. Buyer behavior is rooted in psychology with dashes of sociology thrown in just to make things more interesting. Since every person in the world is different, it is impossible to have simple rules or guidelines that explain how buying decisions are made. However there are some factors which affect the consumer behavior but this is not to say that each of the factors has a distinct and determinable influence on consumer behavior, often, these factors mitigate or contribute in complex ways to how consumers eventually behave. Through analysing their behavior one can know about consumer's preferences.

Objective :

- To understand the factors influencing consumer preferences.
- To analyze the consumer's decision making process.
- To understand how consumers make purchasing decisions and respond to purchasing.

Methodology:

To study consumer preference data must be collected which can be primary, secondary or both.

Primary data can be collected by administering survey method or preparing questionnaires to the consumers.

Secondary data can be achieved through various sources like internet or through articles published in magazines or newspapers etc.

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Chapter 1: Introduction

1.1 BACKGROUND OF THE STUDY

Today, advertising is a multi-billion industry, employing hundreds of thousands of people and affecting billions of people's lives worldwide. However, as a consequence of long-term changes, such as the increase of a larger and more diverse range of media, as well as the arrival of new technologies, particularly the Internet, consumers have become better informed than ever, and as a result, some of the traditional advertising methods are no longer as effective as they used to be. Instead, firms have increasingly employed other marketing tools, such as corporate sponsorship of sports, arts and cultural events. Sponsorship is claimed to be the world's fastest growing form of marketing, and in 2001, worldwide spending was estimated to be as much as \$24.6 billion. Moreover, sponsorship activities are applied with the belief that companies can enter international markets and appeal to local consumer preferences. This promotional tool has proved to be successful in reaching a large global audience, and seeing as consumer behaviors differ greatly in preferences and product choices, it is apparent why sponsorship has outperformed other marketing methods. Yet, as a result of globalization, the use of advertisement across cultural borders has grown Immensely. Seeing as advertising clutter has increased tremendously and is more intense than ever, it is vital that companies differentiate themselves from competitors by creating even more powerful, entertaining, and innovative advertisement messages.

However, this has proven to be very costly, especially within highly competitive product markets, such as the soft-drink industry, which requires higher advertising budgets just to stay even with competitors. In 2020 when the Wuhan virus had put a halt on many industries the spending in advertisement world has been increasing worldwide steadily and is expected to surpass 630 billion US dollars in 2024. Examples of such companies that spend billions of dollars on advertising in order to stay key players in their industry are The Coca-Cola Company and PepsiCo. Not only are Coca-Cola and Pepsi dominant market leaders on the worldwide beverage market, but they are also two of the most notable and widely sold commercial brands in

the world (<http://en.wikipedia.org>), and annually spend billions of dollars on advertising campaigns.

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In 2018, Coca-Cola's worldwide advertising budget exceeded \$4billion, while Pepsi's advertising expenditure totaled \$2.3billion (www.mind-advertising.com). Coca-Cola's advertising has always been celebrated globally, and introduced its first advertising theme in early 1900's and has since seen plenty of popular themes that have become recognized worldwide (www.coke.com). Today, Coca-Cola depends heavily on "*images of happiness and togetherness, tradition and nationalism*", whereas Pepsi relies more on the appeal of celebrities, popular music, and young people in their television commercials.

1.2 LITERATURE REVIEW

Sujan Mita 1990 aimed to investigate the degree of brand awareness of various softdrink products in relation to background and education of the consumption pattern of various soft drink products consumed by respondents in the light of their areas, income and education. The highly educated urban respondents were aware about the brands of the soft drinks than the less educated rural respondents. According to **Dick & Basu (1994)** customer loyalty has been defined as the "strength of the relationship between the individuals relative attitude & repeat patronage towards the products" customer loyalty is often related with a brand. **Donnelly(1995)** said intensity of colour and the flavours are the key drivers behind consumer acceptance of soft drinks, but packaging and labeling are not as important for winning over consumers according to the findings published in journal Food Quality and Preference. **Beverly J. Tepper (1998)** examined the relative contribution of taste and health consideration on consumer liking and purchase intent of cola drinks. Results revealed that purchase intent of cola drinks was strongly related to degree of liking and to several key sensory attributes like saltiness, drink flavours and

greasiness. **Schmitt (1999)** reveals that brand preference represents a fundamental step in understanding customer choices. A deeper understanding of such preference dynamics can help

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marketing manager better design marketing program and better understanding with customers.

William R. George (1999) reveals purpose of study of factors responsible for brand preference in soft drink industry, increasing competition more, due to globalization is motivating many companies to base their strategies almost entirely on building brands. Based on ideas & Principles in marketing a brand is a name, sign, symbol, term or design or combination of these, created to identify & differentiate the brand includes goods & services of one seller from those of other companies **Kotler (2003)**, operationally, a brand conveys to identify the name or fame that representing a specific set of unique features, benefits & services to the buyers, Brand building is a major part from the marketing side in order to undertake the attraction of customer loyalty. **Eva-Lena(2006)** stated that International Advertising and International sponsorship respectively influence the local target group in different ways, but also affect International brand, they have an impact on brand image and brand equity. More over depending on a person's age consumers view brands differently and thus have an effect on International brand alone, but also in combination with International Advertising and International sponsorship together these factors influence the way in which a brand is perceived and consequently influence consumers preferences. **Kent Huffman (2007)** revealed that communication with customers and receiving feedback from them is a crucial part of consumer behavior which is of great interest to marketers. Advertising effectiveness pertains to how well a company's advertising accomplishes the intended. A company's advertising effectiveness increases over time with many messages or exposures while certain advertising objectives can be realized immediately, mentioned in the findings by **Rick Suttle (2009)**.

1.3 OBJECTIVE OF THE STUDY

- To study the consumers preferences for Coca Cola & PEPSI.
- To know which brand's advertisement mostly people have seen.
- To know the reason to buy cola drinks and pepsi.
- To know why was the advertisement being noticed by the consumer?
- The overall purpose of this project is to gain a deeper understanding of different international and local factors affecting consumer preferences on a local market. Specifically, we want to explore the effect international well-recognized advertising campaigns have on consumers' buying process. We also want to study whether or not there is a relationship between the above mentioned factors' influence on the choice of homogenous products.

1.4 METHODOLOGY

The report contains a detailed view of the tasks, which have been undertaken to analyze the market of Coca Cola & Pepsi. Various sets of questionnaire have been prepared to know the Preferences of consumers. This report clearly mentions objective of the study and the research

methodology utilized. The data collection method used is structured non disguised questionnaire virtually via google form in which the types of questions used are open ended, multiple choice and close ended.

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1.5 Design of the Study

This Project involves around 3 chapters. The chapters are as follows:

CHAPTER 2- Conceptual Frame Work

CHAPTER 3- Analysis & Findings

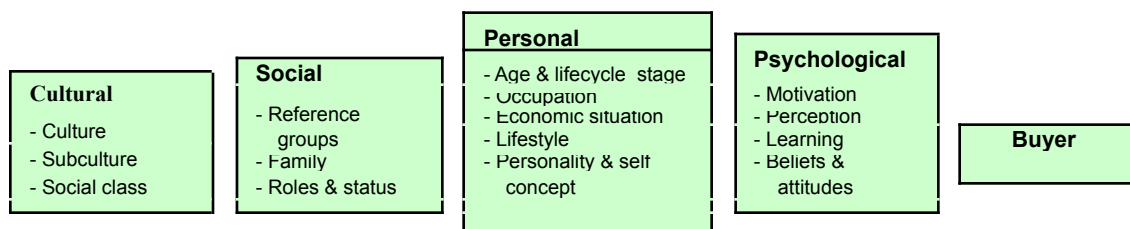
CHAPTER 4- Conclusions & Recommendations

Chapter 2: Conceptual frame work

2.1 Consumer Preferences

The consumer market amounts to a total of 6.3 billion people, and thus there is great demand for an enormous variety of goods and services, especially as consumers differ from one another in that of age, gender, income, education level, and tastes. Moreover, the relationships between different consumers, as well as their contact with other elements of the world surroundings, affect their choice of products, services, and companies. The reason why consumers buy what they do is often deeply rooted in their minds; consequently consumers do not truly know what affects their purchases as *“ninety-five percent of the thought, emotion, and learning [that drive our purchases] occur in the unconscious mind- that is without our awareness”*.

Consumers’ purchase process is affected by a number of different factors, some of which marketers cannot control, such as cultural, social, personal, and psychological factors. However, these factors must be taken into consideration in order to reach target consumers effectively



Factors influencing consumer behaviour

Cultural factors

Culture is *“the set of basic values, perceptions, wants and behaviours learned by a member of society from family and other important institutions”*, and is the primary reason behind a person’s wants and behaviour. Although different societal groups have their own culture that

affects consumers' buying behaviour, the extent to which it influences the behaviour might vary from country to country.

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Each cultural group can be divided into groups consisting of people with common life experiences and situations, also known as subcultures, such as nationality, racial groups, religion, and geographical areas.

Social factors

The second classification of factors affecting consumer behavior is social grouping, which is composed of small groups, social roles and status, and family that affect all individuals to some extent. Some of these groups have a direct influence on a person, i.e. membership groups, groups that a person can belong to, and reference groups which “*serve as direct (face-to-face) or indirect points of comparison or reference in forming a person's attitudes or beliefs*”. However, some people are affected by groups in which they do not belong to; these reference groups include aspirational groups, groups that a person desires to belong to and a fan's admiration for an idol, etc. . Finally, a wife, husband or a child have strong influences on a consumer and thus the family is the most vital consumer buying organisation in society.

Personal factors

Consumers' personal characteristics, like for instance age and life-cycle stage, occupation, economic situation, lifestyle, as well as personality and self-concept influence consumers' buying behaviour. Moreover, depending on a person's occupation and financial situation, as well as the stage in life a person is in, his/her demands for products shift. A person's lifestyle forms his/her world and the way he/she decides to act, thus a person's activities, interests, and opinions constitute their lifestyle, as well as affecting the choice of products. Moreover, all people are individual; hence have a unique personality of different characteristics, which is often portrayed

with traits, such as self-confidence, dominance, sociability, autonomy, defensiveness, adaptability, and aggressiveness.

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Psychological factors

Four objects constitute this group of factors, namely motivation, perception, learning, and beliefs & attitudes. When a person is motivated, he/she acts accordingly and the actions taken are affected by the person's perception of the situation. Perception is the individual selection, organization and interpretation of the information which flows through people's senses, and consequently a meaningful picture of the world is formed. When people experience new things, changes take place in their behaviour, i.e. they learn new things when they take action. As a result, beliefs and attitudes are acquired and hence affect the buying behavior.

Impact of wuhan virus

It has been found that 84% of people are drinking more soda since the wuhan virus pandemic started. They are planning their purchase ahead of time. 78% of the people buys soda at groceries store and 74% add big box retailers. This indicate more plant purchase. The purchase is more also because of drinks with high sugar content are perceived as an indulgent and we know that the customers are spending most of their time at home and it makes sense that they would reach for a refreshing bottle of soda to cool down the stress of covid-19.

2.2 Target Group

Companies today recognize that they cannot appeal to all consumers in the marketplace since consumers are too numerous, too widely scattered, and too varied in their needs and buying practices. Therefore, companies must identify those parts of the market that they can best serve, and thus build the right relationship with the right customers. This is also known as target marketing and is the process of evaluating each market segment's attractiveness and selecting one or more segments to enter. One such segmentation is demographic segmentation, where the market is divided into groups

based upon demographic variables such as age, sex, family size, religion, race, etc. Moreover, buyers within this segment share common needs or characteristics that the company in turn decides to serve. This thesis will focus specifically on demographic segmentation, particularly that of age.

2.2.1 Age

Seeing as consumers' needs and interests for products vary depending on age, companies employ age segmentation, offering different products or using different marketing approaches for different age groups. Divide the different age groups into the following: children, teenagers, young adults, and baby boomers, thus the thesis will concentrate on teenagers, young adults, and baby boomers.

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Teenagers

This group of consumers has a variety of needs, such as a need for belonging, independence, approval, and responsibility, as well as having the need for experimentation. Teenagers are increasingly given the task of buying products for the family since they not only have more spare time but also enjoy shopping more than their parents do. As a result, marketers are targeting their ads primarily at teenagers. In order to gain teenagers' attention more effectively, advertising campaigns must be honest, have clear messages, and use humour. Moreover, teenagers tend to be fickle and are likely to switch brand preference quicker than any other age group, as they have a high need to be accepted by their friends.

Young adults

18 to 34-year-olds are included within the young adults group. This group view themselves as being too young to worry about "grown up" issues, and live their lives for the "moment" rather than for "tomorrow". Seeing as this age group is involved in most of the family shopping, marketers have found them to evaluate advertising and products in a very sophisticated manner. Moreover, as they have grown up in the era of media and technology, "they see advertising as a

form of entertainment but are turned of by over commercialization

2.3 Brand positioning

Positioning refers to “consumers’ perception of a brand as compared with that of competitors’ brands, that is, the mental image that a brand, or the company as a whole, evokes”. Moreover, researchers claim that positioning can provide benefits to the consumer through a set of different product attribute. Companies must position their brands/products clearly in the minds of the target consumers. This can be done through the positioning on product attributes, however, companies must bear in mind that these attributes are easily copied by competitors. Marketers can position brands is by associating a brand with a name that encompasses pleasing and desired

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benefits.

2.4 Advertisement

Advertising informs consumers about the existence and benefits of products and services, and tries to persuade consumers to buy the claim that advertising aims at attaining target consumers to either think or react to the product or brand. As a method of achieving advertisement goals, advertisements as well as their content play a vital role in the process of commercial communication. More specifically, it is the advertised product and brand as well as the content of the advertisement that determine greater or lesser memory retention among the consumers .

The objectives of advertising campaigns are summarized in the figure below:

To inform	
<ul style="list-style-type: none"> • Telling the market about a new product. • Suggesting new uses for a product. • Informing the market of a price change. • Explaining how the products work. 	<ul style="list-style-type: none"> • Describing available services. • Correcting false impressions. • Reducing buyers' fears. • Building a company image.
To persuade	
<ul style="list-style-type: none"> • Building brand preference. • Encouraging switching to your brand. • Changing buyer perceptions of product attributes. 	<ul style="list-style-type: none"> • Persuading buyers to purchase now. • Persuading buyers to receive a sales call.
To remind	
<ul style="list-style-type: none"> • Reminding buyers that the product may be needed in the near future. 	<ul style="list-style-type: none"> • Keeping the product in buyers' minds during off seasons.

there are different types of advertising objectives, and they are classified by the purpose, that is, to inform, persuade or remind. When introducing a new product category, informative advertising is heavily used where the objective is to build a primary demand, but as competition increases, persuasive advertising becomes more important. Here, the company's objective is to build selective demand for a brand by persuading consumers that it offers the best quality for their money. Reminder advertising, on the other hand, is employed for mature products as it keeps customers thinking about the product.

2.5 Sponsorship

Previous research has shown that although various definitions of sponsorship exist, they all certify that sponsorship is primarily a commercial activity, where the sponsoring company attains the right to promote an association with the sponsored object in return for benefit. Sponsorship activities are used for a number of reasons, but three of the most common objectives comprehend overall corporate communications, which include building and strengthening brand awareness, brand image, and corporate image. More specifically, strategies that are aimed at increasing brand recognition, are typically employed using a wide range of advertising tools which are designed to expose the sponsoring brand to as many potential customers as possible. However, certain factors such as the sponsor industry and company size influence the choice of sponsorship activity and thus the objectives vary between companies.

Event Type

Different types of events exist, such as sports, music and festival related, and affect event image in a number of ways. An event's image is strongly influenced by an individual's attitude towards the event, through past sponsorships or other types of exposure. Event image can also be

impacted by non-evaluative perceptions of an event that are formed through associations held in the consumer's memory

2.6 Company Profile

The **Coca-Cola Company** is an American multinational beverage corporation and

manufacturer, retailer and concentrates and syrups, Georgia.[2] The company is Coca-Cola, invented in Pemberton in Columbus,



marketer of nonalcoholic beverage which is headquartered in Atlanta, best known for its flagship product 1886 by pharmacist John Stith Georgia.[3] The Coca-

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Cola formula and brand was bought in 1889 by Asa Griggs Candler (December 30, 1851 – March 12, 1929), who incorporated The Coca-Cola Company in 1892. The company operates a franchised distribution system dating from 1889 where The Coca-Cola Company only produces syrup concentrate which is then sold to various bottlers throughout the world who hold an exclusive territory. The Coca-Cola Company owns its anchor bottler in North America, Coca-Cola Refreshment. According to the 2007 Annual Report, Coca-Cola had gallon sales distributed as follows:

43% in the United States, 37% in Mexico, India, Brazil, Japan and the People's Republic of China, 20% spread throughout the rest of the world.

In 2010, it was announced that Coca-Cola had become the first brand to top £1 billion in annual UK grocery sales

PepsiCo Inc. is an American multinational food and beverage corporation headquartered in

Purchase, New York, United States, with interests in the manufacturing, marketing and distribution of grain-based other products.

with the merger of Frito-Lay, Inc. from its namesake



snack foods, beverages, and PepsiCo was formed in 1965 the Pepsi-Cola Company and PepsiCo has since expanded product Pepsi to a broader range

of food and beverage brands, the largest of which includes an acquisition of Tropicana in 1998 and a merger with Quaker Oats in 2001, which added the Gatorade brand to its portfolio. According to 2009 annual report, pepsiCo stated that it is “committed to delivering sustainable growth by investing in a healthier future for people, which it has defined in its mission statements

Chapter 3: Presentation of data analysis and findings

3.1 Objective of the topic

This topic has been selected to study about the different factors affecting consumer preferences for cola products. While the researcher had to focus only on online data collection methods which included collecting information through questionnaires. Seeing as the overall purpose of this paper was to gain a deeper understanding of different factors affecting consumer preferences on a local market, the quantitative method was applied, and thus a questionnaire (quantitative data was collected) was conducted in accordance to my purpose.

3.2 Methodology

The researcher has used primary data. Primary data includes questions asked to different customers to online questionnaires.

3.2.1 Data Type

The type of data used is primary and secondary. Data has been collected through internet, magazines and also questions have been asked from various local customers about their preferences to online questionnaires.

3.2.2 Data Sources

Research is totally based on primary data. Secondary data can be used only for the reference. Research has been done by primary data collection and primary data has been collected by interacting with people personally and with the help of questionnaire.

3.2.3 Period of Study

Period of study is the month of MAY 2021 to JULY 2021

3.2.4 Tools Used

Tools used for study are:

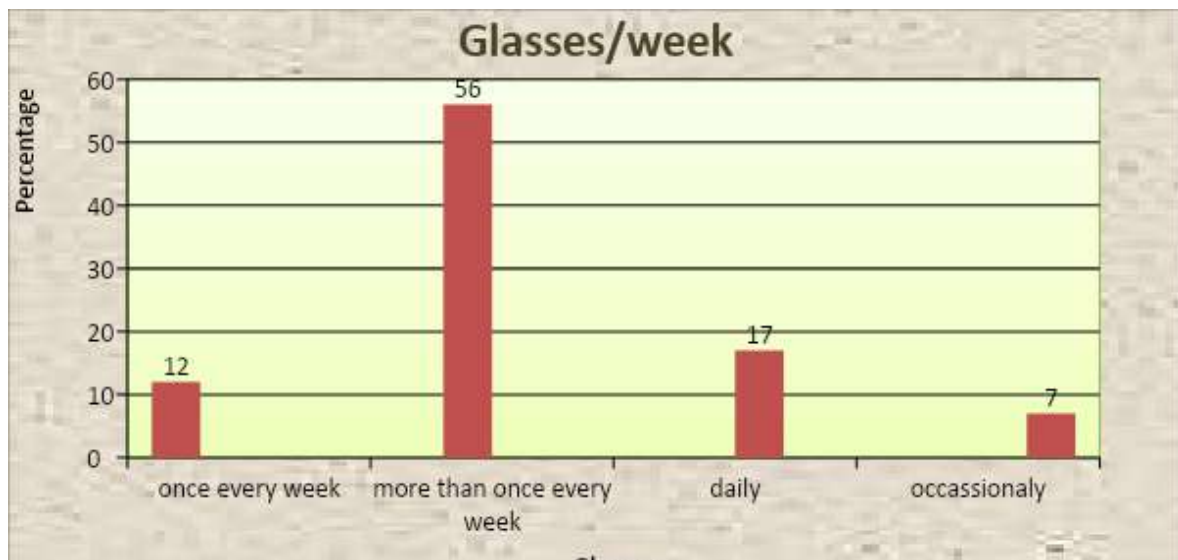
- 1) Graph
- 2) Pie chart

3.3 ANALYSIS AND FINDINGS

1. How often do you have soft drink?

Data Table 1

Glasses/week	0	10	20	30
Once every week	12			
More than once every week		56		
Daily			17	
Occasionally				7

Figure SEQ Figure * ARABIC 1**INTERPRETATION**

According to our empirical findings, 92 percent of the respondents drank cola soft drinks. Out of this total, the majority (56 percent) drank more than once a week, whereas only 18.5 percent drank daily.(see figure 1).

FINDINGS

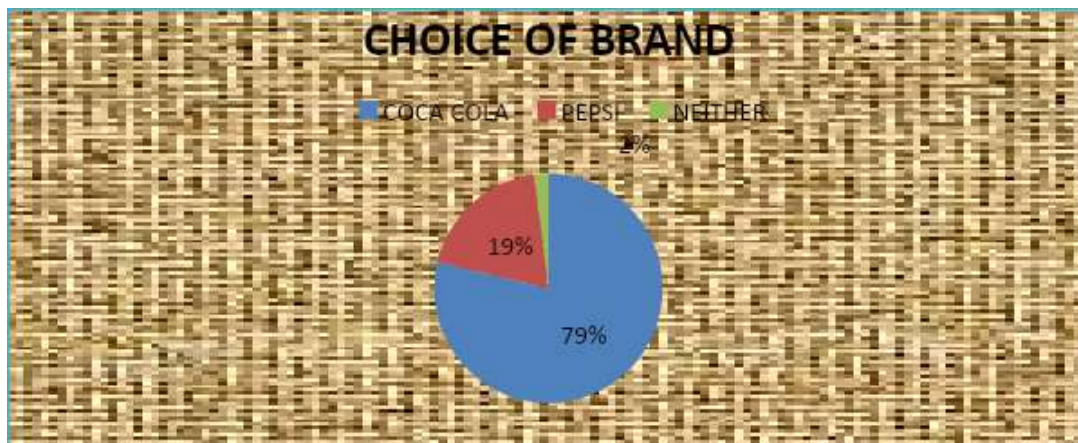
It is found that a large number of people drink soft drinks. It is also found that they do not drink cola soft drinks on a regular basis.

2) Which cola brand do you drink the most?

Data Table 2

Choice of Brand	Percentage
Coco cola	79
Pepsi	19
Neither	2

Figure 2



INTERPRETATION

The diagram above illustrates the distribution between the two brands and other, Coca-Cola and Pepsi, is as following: 78.7 percent favoured Coca-Cola, while merely 19.3 percent favored Pepsi, and two percent of the respondents favoured other brands.

FINDINGS

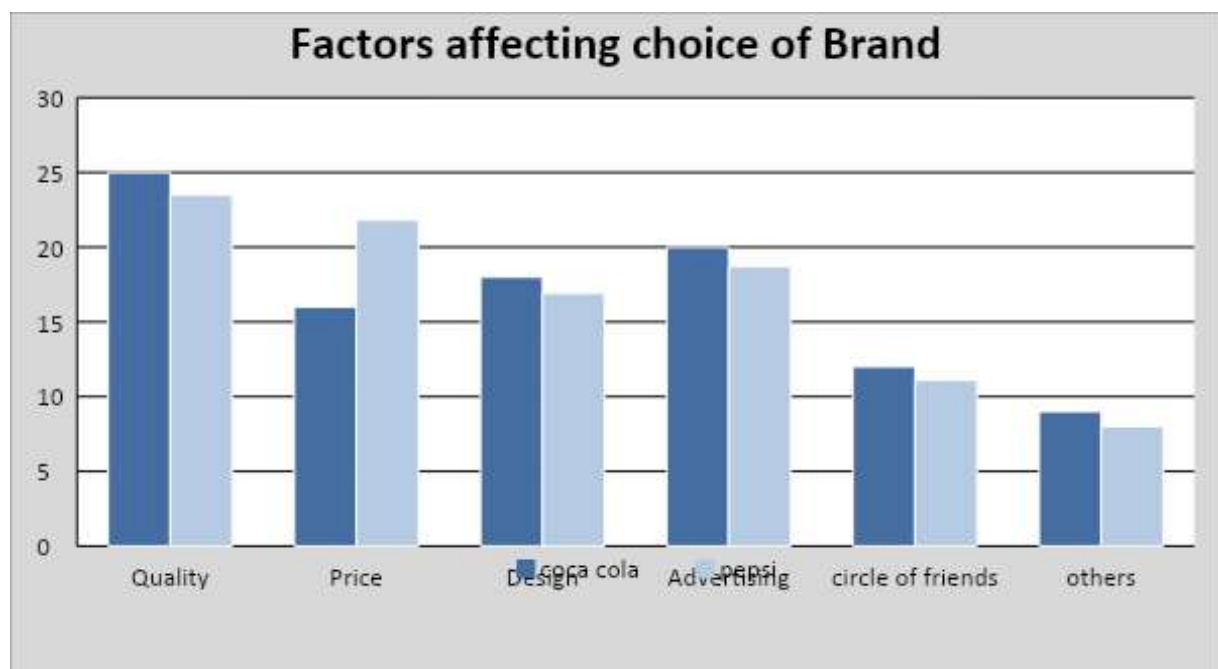
Thus it was evident that Coca-Cola clearly dominated the respondents' choice of brand.

3) Which brand do you prefer and Why do you prefer this product ?

Data Table 3

Factors	Coco Cola	Pepsi
Quality	25	23.5
Price	16	21.8
Design	18	16.9
Advertising	20	18.7
Circle of friends	12	11.1
Others	9	8

Figure 3



INTERPRETATION

Figure above, illustrates the factors that affected the respondents' choice of brand, and the three factors that affected their choice of Coca-Cola are "quality" (25 percent) , "advertising" (20 percent) and "design" (18 percent) . The factors that were ranked the Highest for Pepsi were "quality", "price.

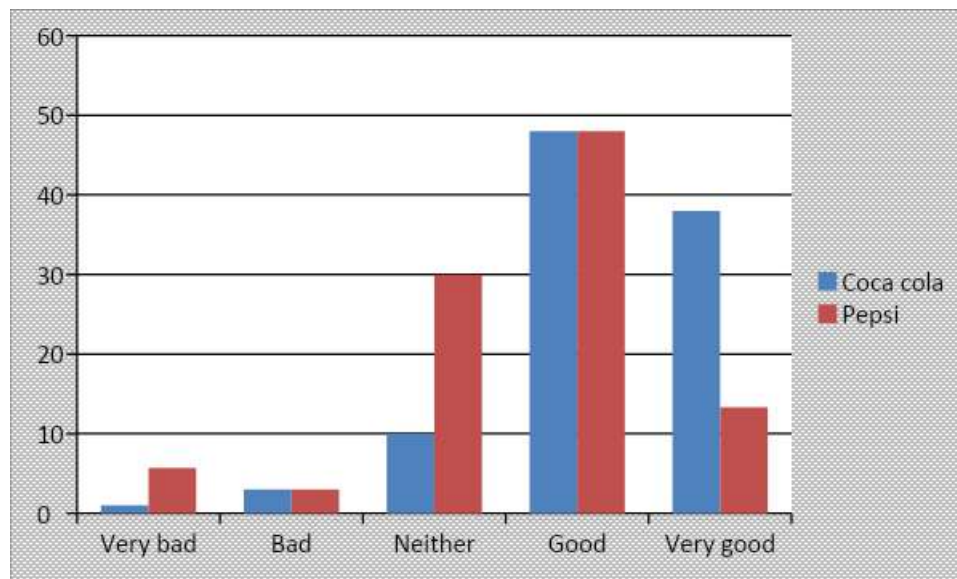
FINDINGS

It was found that factors affecting the sale of Coco cola and Pepsi were quality. However the advertisements also helped in the sales of Coco cola where as price was another factor affecting the choice for Pepsi.

4) What is your view on Coca-cola & Pepsi as brand?

Data Table 4

Views	Coco Cola	Pepsi
Very Bad	1	5.7
Bad	3	3
Neither	10	30
Good	48	48
Very Good	38	13.3

Figure 4**INTERPRETATION**

When investigating the respondents' views on the two brands, Coca-Cola was overall viewed as being a better brand than that of Pepsi. 86 percent of the respondents viewed Coca-Cola as either "good" or "very good", while 61.3 percent had a positive view on Pepsi as a brand, as can be seen in figure 4.

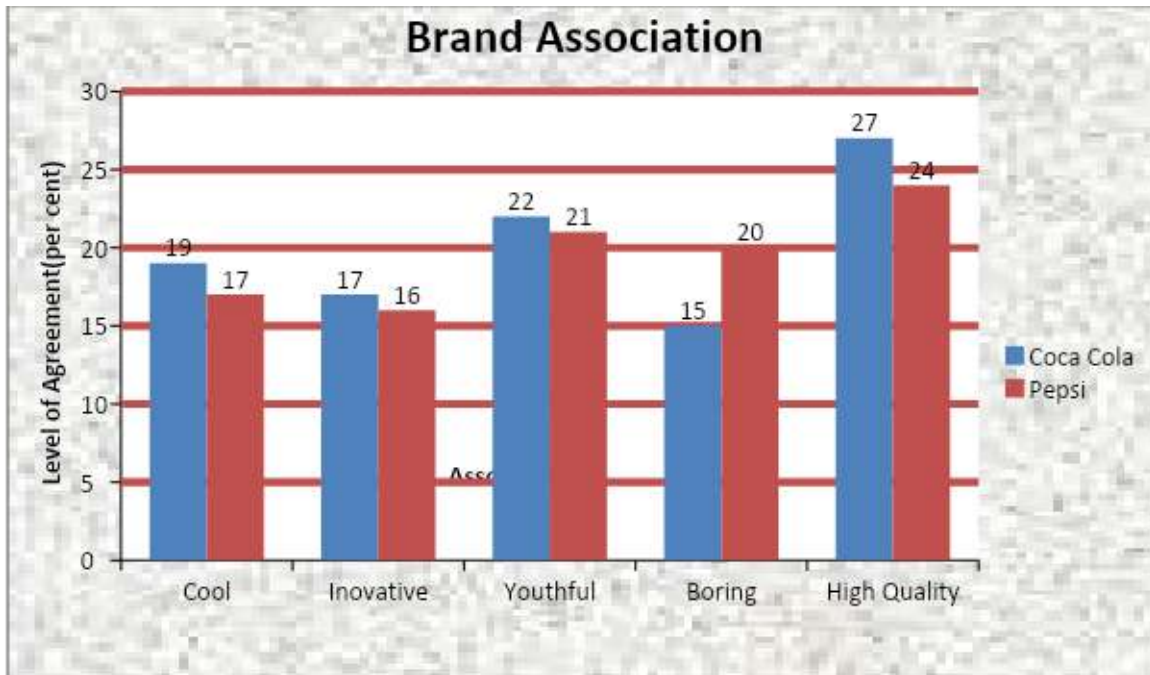
FINDINGS

It was found that Coco Cola was termed as a better rand than Pepsi.

5) What do you associate the brand cola & Pepsi with?**Data Table 5**

Association	Coco Cola	Pepsi
Cool	19	17
Innovative	17	16
Youthful	22	21
Boring	15	20
High Quality	27	24

Figure 5



INTERPRETATION

Here, the majority, 27 percent, associated Coca-Cola first and foremost with high “quality”, implying that they preferred its taste, but also associated it with being “boring” (15 percent), and with its “coolness” (19 percent). Pepsi, on the other hand, was primarily associated with being “youthful” (21 percent), but its “coolness” (17 percent) and “quality” (24 percent) were also highly linked to Pepsi. (see figure 5).

FINDINGS

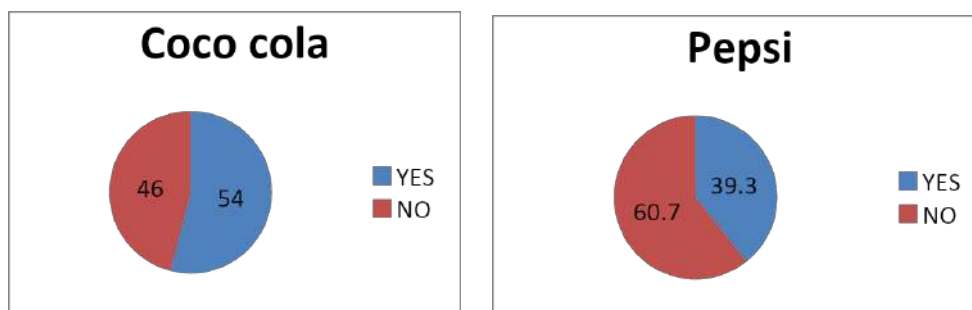
It is found that both the brands are associated with High Quality.

6) Do you know what cola & Pepsi advertises?

Data Table 6

Knowledge	Coco cola	Pepsi
YES	54	39.3
NO	46	60.7

Figure 6



INTERPRETATION

Coca-Cola's advertising campaigns were more well-known than Pepsi's, and were familiar to as much as 54 percent of the respondents, from which the majority associated it with its Christmas advertisement and that of Pepsi's campaign (39.3 percent)

FINDINGS

It is found that CocoCola is more famous in comparison with Pepsi.

7) How much influence does the advertisement have on your choice of cola product?

Data Table 7

EFFECT OF ADVERTISEMENT	CocoCola
1	23
2	13
3	30
4	18
5	10

5=very much

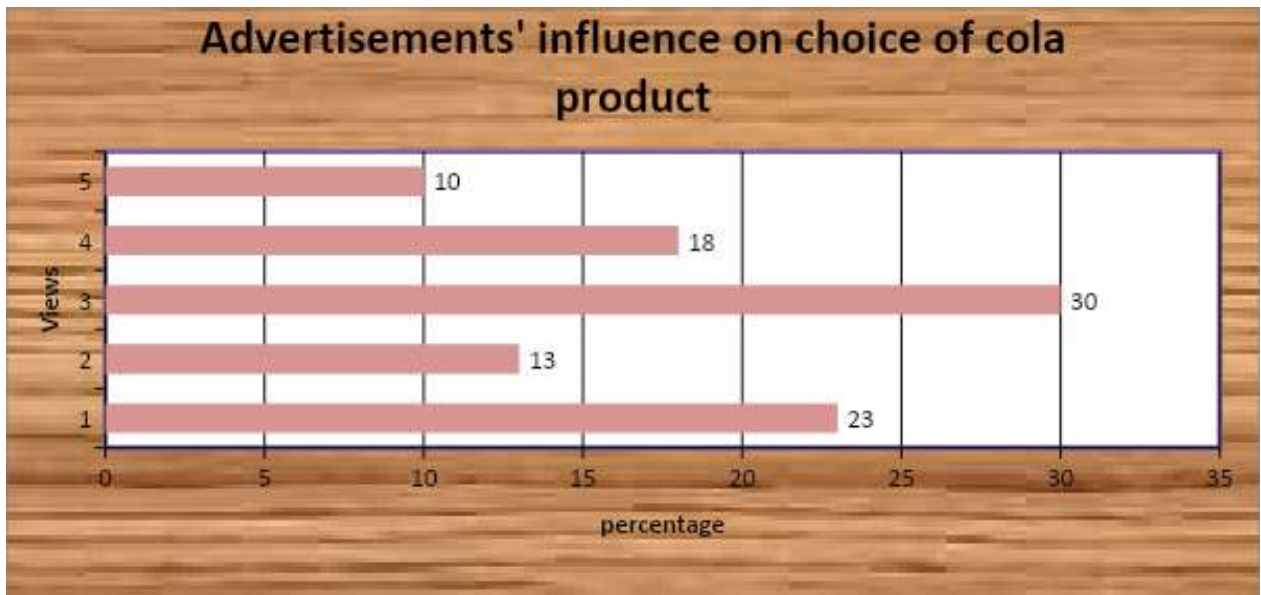
4= A lot

3= Neither

2= Little

1= Very little

Figure 7



INTERPRETATION

According to the respondents 30 percent responded that the brands' advertisement did have an influence on their choice of cola product. Nonetheless as much as 36 percent was of the opinion that it had "little" or "very little" effect on their product choice see figure 7.

FINDINGS

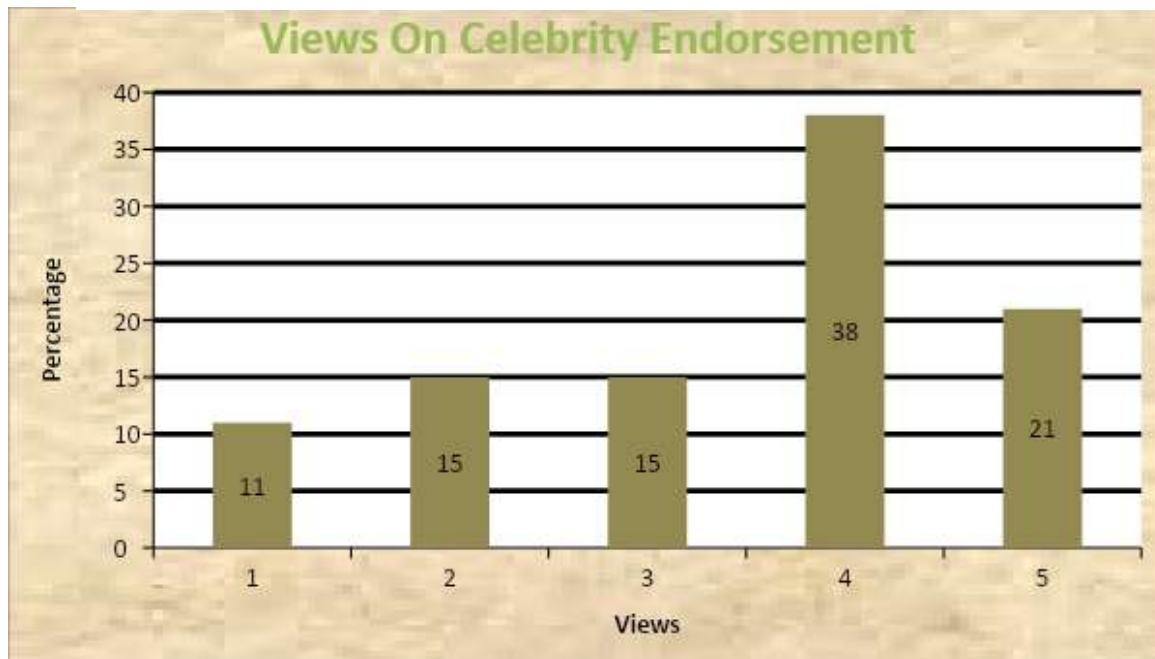
It was found that advertisements had neutral effect when it came to choosing the cola product.

8) What do you think about the fact that companies use celebrities in their advertising campaign?

Data Table 8

CELEBRITY ENDORSEMENT	IEWS
1	9
2	15
3	15
4	38
5	21

Figure SEQ Figure * ARABIC 8



5= Very Good
 4= Good
 3= Neither
 2= Bad
 1= Very Bad

INTERPRETATION

The respondents' attitudes towards celebrity endorsement were also explored, and the results showed that there was an overall positive attitude towards it, where as much as 38 percent believed it was "good", while 21 percent thought it was "very good". However, 15 percent did not have an opinion on the use of celebrity endorsement at all. When asked if the use of celebrities in advertising affects their choice of cola product, 15 percent was of the opinion that it did not influence it, with the explanation that there is an extensive overload of celebrity endorsers and thus one becomes unaffected by them.(see figure.8)

FINDINGS

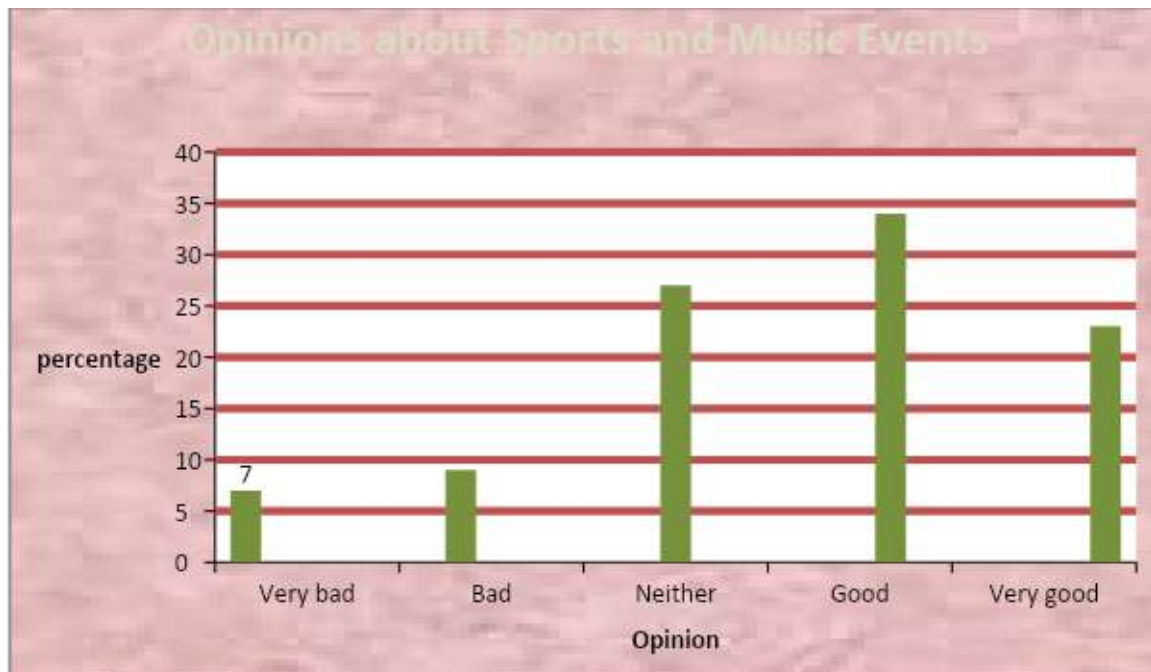
It was found that the respondents gave a very positive view on celebrity endorsement.

9) How does a brand's sponsorship affect your attitude towards the product?

Data Table 9

EFFECT OF BRAND SPONSORSHIP	40	30	20	10	0
1	7				
2		9			
3			27		
4				34	
5					23

Figure 9



INTERPRETATION

When investigating the respondents' attitude towards companies' use of different music- and sports events sponsorships, the outcome was similarly to that of the attitudes toward celebrity endorsement. 27 percent of the respondents did not have an opinion whatsoever about the sponsoring of different sports- and music events. On the other hand, as much as 57 percent of the respondents agreed upon the fact that sponsoring of different sports-and music events did indeed affect their attitude towards the product in a "good" or "very good" way.

FINDINGS

It was found that the respondents gave positive view on brand sponsorship even.

Chapter 4: Conclusions and recommendations

4.1 Summary Observation

A relationship between the studied factors can be depicted as following; international advertising and international sponsorship respectively influence the local target group in different ways as depicted above, but they also affect international brand in that they have an impact on brand image and brand equity. Moreover, the local target group, i.e. the age factor, views brands differently and thus have an effect on international brand alone, but also in combination with international advertisement and international sponsorship. Finally, these factors together influence the way in which a brand is perceived, and consequently influence consumer preferences, which is illustrated in the diagram below.

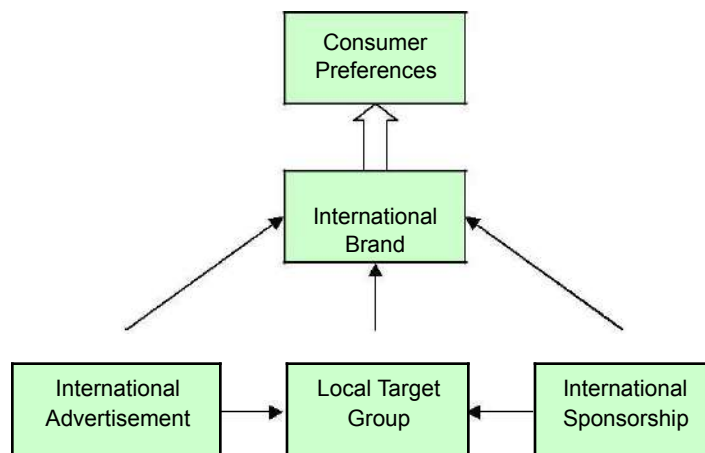


Figure 6.1; Modified Analysis Model

From this study, it can be concluded that in order for international companies to be successful and gain competitive advantage on the local market, it is vital that they implement a combination of the studied factors in their marketing strategy so to best reach target groups. More specifically, the strategies should be tailored in accordance to the target groups' age, seeing as consumer preferences vary depending on a person's age. Lastly, although advertising campaigns are still efficient in reminding and persuading consumers of brands and products, companies must differentiate themselves in their messages and techniques, etc. as advertisement clutter is at a rise.

4.2 CONCLUSION

On basis of our analysis, we have drawn the following conclusion that advertising, sponsorship, brand and age all affect consumer preferences to some extent, as will be explained in the text below.

Local target group

The importance of the studied factors that affect consumers' choice of product varies among different age groups, more specifically; teenagers tend to view these factors higher than other age groups. Moreover, teenagers' preferences are on the whole more influenced and built upon a number of elements, such as advertisement, celebrity endorsers, and sponsorship activities. Interestingly enough, advertising campaigns' influence on consumers' choice of product does not vary among different age groups, likewise opinions about celebrity endorsement and sponsorship events. Lastly, it can be concluded that depending on what stage in life a person is in, their preferences for brands and products differ.

4.3 Recommendation

- The evidence from this research study suggests that youth consumes are always beneficial for both Coca – cola & Pepsi consumes and they will always be loyal to the brand in which they believe. Hence could be prospective loyal consumers in the future also.

- However the changing attitude and behaviour among the youth consumers shows that decrease of sales in the carbonated soft drink, industry in the future due to various reasons mentioned above. Therefore both coca cola and Pepsi should give utmost importance to their specific age group and try to innovate new products which could be likely according to the changing life style of the youth consumer which helps them to perform or maintain long term customer relationship.

4.4 LIMITATIONS

- Some of the respondents refused to fill the questionnaires.
- The responses may vary as some people did not want to come up with real answers.
- The people were busy in their own work so they might not have given actual responses.
- Limitation of time is also delimitation.
- We have limited our research to the cola drink industry, rather than the entire soft-drink industry. Although we examine consumer perceptions on international brands' marketing strategies, the focus of the investigation will be on Coca-Cola's and Pepsi's advertisement and sponsorship as well as their brands.
- Moreover, the study encompasses three specific target groups that have been divided in accordance to age, and thus we do not look at the entire consumer population and as a result, generalization is not obtained.
- Finally, we have concentrated on age segmentation, and thus other demographic variables are not observed.

- Since the study was conducted online network glitch might be an issue for some people to could not respond.

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31

I

Annexure

QUESTIONNAIRE

(a).Name:-

(b). Add: - Contact No:-

(c). Age:- sex:-

1) Do you drink cola-soft drink?

- Yes
- No, if no then what would you like to prefer just for taste. GO TO QUESTION NO. 4

2) How often do you have soft drinks?

- Once every week
- More than once every week
- Daily
- Occasionally

3) Which cola brand do you drink the most?

- Coca-cola
- Pepsi
- Other

II

4) Which brand do you prefer?

- Coca-cola
- Pepsi

5) Why do you prefer this product?

- Quality
- Price
- Advertisement
- Circle of friends
- Others

1) BY QUALITY IT MEANS THE TASTE

2) CIRCLE OF FRIENDS IMPLIES THAT YOU PREFER THE PRODUCT AS A RESULT OF FRIENDS
AND FAMILY CONSUMING IT.

6) What is your view on Coca-Cola as a brand?

- Very good
- Good
- Bad
- Very bad
- Neither

III

7) What is your view on Pepsi as a brand?

- Very good
- Good
- Bad
- Very bad
- Neither

8) What do you associate the brand Coca-Cola with?

- Cool
- Innovative
- High quality
- Youthful

9) What do you associate the brand Pepsi with?

- Cool
- Innovative
- High quality

- Youthful
- Boring

10) Do you know what Coca-Cola advertises?

- Yes: _____
- No

11) Do you know what Pepsi advertises?

- Yes: _____
- No

IV

12) How much influence does the advertisement have on your choice of cola-product?

- Very much
- A lot
- Neither
- Little
- Very little

13) What do you think about the fact that companies use celebrities in their advertising campaign?

- Approve
- Don't Approve
- Strongly approve

14) How does this affect your brand?

- Positively
- Negatively

15) How does a brand's sponsorship affect your attitude towards the product?

- Very much
- A lot
- Neither
- A little
- very little

Project Report

(Submitted for the Degree of B.Com. Honours in Accounting & Finance under the University of Calcutta)

Title of the Project

A Comparative study on customer satisfaction between Amazon and Flipkart.

Submitted by

Name of the Candidate: Mary Twinkle Blinkworth

CU Roll No. : 181223-11-0011

CU Registration No. : 223-1211-0505-18

Name of the College: Scottish Church College

CU Roll No. : 18C-006

Supervised by

Name of the Supervisor: Smt. Nancy Jaiswal

Name of the College: Scottish Church College

Month & Year of Supervision

July,2021

Annexure- IA

Supervisor's Certificate

This is to certify that Ms. **Mary Twinkle Blinkwortha** student of B.com. Honours in Accounting & Finance in Business of Scottish Church College under the University of Calcutta has worked under my supervision and guidance for her Project Work and prepared a Project Report with the title “**A Comparative study on customer satisfaction between Amazon and Flipkart.**”

Which she is submitting, is her genuine and original work to the best of my knowledge.

Signature: NANCY JAISWAL

Name: Smt. Nancy Jaiswal

Designation: SACT (State Aided College Teacher)

Name of the College: Scottish Church College

Place: Kolkata

Date:28.07.2021

Annexure-IB

Student's Declaration

I hereby declare that the Project work “**A Comparative study on customer satisfaction between Amazon and Flipkart.**”submitted by me for the partial fulfilment of the degree of B.Com. Honours in Accounting & Finance in Business under the University of Calcutta is my original work and has not been submitted earlier to any other University /Institution for the fulfilment of the requirement for any course of study. I also declare that no chapter of this manuscript in whole or in part has been incorporated in this report from any earlier work done by others or by me. However, extracts of any literature which has been used for this report has been duly acknowledged providing details of such literature in the references.

Signature: MARY TWINKLE BLINKWORTH

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Address: 3 no bridge Christopher road

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Place: Kolkata

Date:28.07.2021

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Therefore, I express my immense love and respect to all of them.

Ms. Mary Twinkle Blinkworth
B.Com(H) in Accounting & Finance
Semester VI

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CHAPTER -1: INTRODUCTION

1.1 BACKGROUND

1.2 JUSTIFICATION OF THE TOPIC

1.3 LITERATURE REVIEW

1.4 OBJECTIVES OF THE STUDY

1.5 DATA SOURCE AND METHODOLOGY

1.6 LIMITATIONS OF THE STUDY

1.7 CHAPTER PLANNING

1.1BACKGROUND

Internet became more powerful and basic tool for every person's need and the way people work. By integrating various online information management tools using Internet, various innovative companies have set up systems for taking customer orders, facilitate making of payments, customer service, collection of marketing data, and online feedback respectively. These activities have collectively known as e-commerce or Internet commerce. Online shopping made so easy for everyone with their product variations and simple way to buy things. An attempt has been made to critically examine the comparison of customer satisfaction of two big e-tailers and those are Flipkart and Amazon. Both these big players made their own mark in India. A comparative study of Customer satisfaction between Amazon and Flipkart delivers the information about the factors that impacts customer satisfaction to succeed in e-commerce market.

E-Commerce: The number of internet users worldwide has grown steadily and this growth has created opportunities for global and regional e-commerce. This number is expected to reach 445 million users in 2022. Internet penetration is increasing and e-commerce is becoming increasingly secure. The impact of electronic commerce is already evident in all areas. Many implicit and explicit definitions of e-commerce are based on past experiences rather than possible future ones. There are different ways to define e-commerce between different people, different books .E-commerce is any type of commercial or electronic transaction in which information is transmitted over the Internet. Or electronic commerce is defined as the use of computers and electronic networks to do business with customers or other companies on electronic networks or on the Internet.

Online shopping is a form of electronic commerce which allows customers to buy goods or services from a seller over the Internet using a web browser or a mobile app. Consumers finds a product of interest by visiting the website of the retailer directly or by searching among alternative vendors using a shopping search engine, which displays the same product's availability and pricing at different e-retailers. As of 2021, customers can shop online using a range of different computers and devices, including desktop computers, laptops, tablet computers and smart phones. Online customers must have access to the Internet and a valid method of payment in order to complete a transaction, such as a credit card, an Interact-enabled debit card, or a service such as PayPal etc.

1.2JUSTIFICATION OF THE TOPIC

Customer satisfaction is defined as a measurement that determines how products or services provided by a company meet customer expectations. Customer satisfaction is one of the most important indicators of consumer purchase intentions and loyalty.High-standard customer service can win the clients' hearts and make oneself recognizable within the target group. Nowadays when social media play such an important role in making decisions it's crucial to keep an eye on the quality of customer service provided.

A comparative customer satisfaction survey between Amazon and Flipkart provides information on factors that affect customer satisfaction in order to succeed in the e-commerce marketplace. This project attempts to analyze customer satisfaction from Amazon and Flipkart.

1.3 LITERATURE REVIEW

Blackwell (2011) studied the customer investigation on e-shopping and his study revealed that the study of consumer behaviour is a complex and broad subject which encompasses the factor such as demographics, lifestyles, personality, values, culture and family which play a part in consumer behaviour decision making process .

Abhijit Mitra. (2013), “e-commerce in India-a review”, international journal of marketing, financial services & management research. Concluded that the e-commerce has broken the geographical limitations and it is a revolution-commerce will improve tremendously in next five years in India.

Dr. Vijayalakshmi & Dr.R.Lakshmi (2018)1 Mostly youngsters and youth generation(19-30 age group) are very much interested in online buying because they know about Technology and e-shopping.

Saravanan S and Brindha Devi K (2015), “A Study on Online Buying behaviour with special reference to Coimbatore city” focused on online shoppers’ preferences and problems on various online shopping marketers. Higher computer literacy makes internet shopping smarter. Their awareness about the internet also makes them better positioned to identify and take decision for products and services.

Kanwal Gurleen (2012), “Customers satisfaction towards Online shopping”, discussed that different options in internet encouraged people to search and eventually purchase online, because there are more than 100 million internet users in India. People those who are using internet from 5 to 7 hours a day were found to be adopter of online shopping. Price consciousness, convenience and variety, easy payment options and challenges of online shopping are the factors found to be a significant in online shopping.

Adrita Goswami et.al (2013), studied “Customer Satisfaction towards Online Shopping with Special Reference to Teenage Group of Jorhat Town” study concludes that online customers are satisfied in the aspects such as Price, Quality of products, Ease of use in mobile platform and

Timely Delivery at remote areas. This research explicitly indicates that online marketer should give more importance on price factor and after sale factor.

Dhevika V.P.T, Lata Sri O.T.V, S Karmugil (2014), in their paper “Factors Affecting Online shopping of Customers” revealed that the most important factor influencing online shopping is- security, followed by – trust worthy shopping and – website design/features and the least important factor influencing is – bargaining shopping, there is no significant association between security and website design/features of the respondents and their overall online buying behaviour.

Ashish Pant (2014), “An Online Shopping Change the Traditional Path of Consumer Purchasing” concluded in his research article that a successful web store is not the just a good looking website with the dynamic technical features but is also emphasis on building the relationship with customers with making money. The success of any e-tailer company in India is depending upon its popularity, its branding image, its unique & fair policies, and its customer relations etc.

Mohana Priya S and Anusuya D (2014), “A Study on Customer Preferences and Satisfaction towards selected online websites with special reference to Coimbatore city” stated that online shopping has grown in popularity over the years mainly because people find it convenient from the comfort of their home or office. Most of the customers are satisfied by online shopping, but the only hinder is that they are not fully secured. Government has to improve security laws related to online websites so that the online customers feel secured in case of debit card, credit card or online payments.

Francis Sudhakar K, Habeeb Syed (2016), “A Comparative study between Flipkart and Amazon India”, conducted a study to critically examine various corporate and business level strategies of two big e-tailers and those are Flipkart and Amazon. Comparison have been done considering e-commerce challenges, their business model, funding, revenue generation, growth, survival strategies, Shoppers’ online shopping experience, value added differentiation, and product offerings. Both these big players made their own mark in India. The survey ended with Amazon as the winner, which satisfied the customer in all the aspects.

1.4OBJECTIVES OF THE STUDY

- ❖ To understand and estimate the consumer perception and factors affecting their behavior for choosing e-commerce sites.
- ❖ To understand the satisfaction level of consumer.
- ❖ To know how consumers are evaluating e-commerce sites for their purchases.
- ❖ To know the difficulties faced by the consumer.
- ❖ To understand the work flow of Amazon and Flipkart in India.
- ❖ To study complexities and barriers those are there in between e-commerce sites and customers.
- ❖ To find out new opportunities and to succeed in those procedures.

1.5 DATA SOURCE AND METHODOLOGY

The study was exploratory in nature and self- designed questionnaire in Google form was used to collect the data. For taking the responses of the respondent multiple choice question was used. The total population among which the survey is done with the help of questionnaire is 50 customers. The sample size was of 30 respondents. A table is designed to know that which age group is attracted the most. Also, a bar graph and a pie chart are also made to analyze how Amazon and Flipkart is growing in India.

1.6 LIMITATIONS OF THE STUDY

Limited area

The survey areas were limited as because the knowledge regarding the selection of the survey area was not there due to research at infancy. Again some of the respondents were not willing to talk or were giving bias responses, which limited the research study.

Cost constraint

Hard but true, that money was also a limited factor due to which the research could not get extended elaborately.

Lack of time

Time constraint was an important limitation as the study was nit full-fledged research study instead had to complete within limited time frame.

Biased data

Some of the respondents were biased in their responses, which again are not supporting the generalised conclusions of the study, those were uncontrollable.

Lack of updated data

The sources for collection of secondary data also were not access able every time. Some of the sources again, gave the results in the absence of major influencing factor, which altogether impacted the generalised conclusions of the study.

1.7CHAPTER PLANNING

CHAPTER 1: INTRODUCTION

Background of the study, Rationale /Justification of the topic,Literature Review, Objectives of the study, Data source and Methodology, Limitations of the study, Chapter Planning.

CHAPTER 2: CONCEPTUAL UNDERSTANDING

Main discussions of the chapter

CHAPTER 3: DATA ANALYSIS AND FINDING

Three parts: Data Presentation, Analysis and Findings.

CHAPTER 4: CONCLUSIONS AND RECOMMENDATIONS

Two parts: Conclusion of the study and Recommendations as future scope of the study

CHAPTER-2 : CONCEPTUAL FRAMEWORK

2.1 CONCEPTUAL UNDERSTANDING

2.2 NATIONAL SCENARIO

2.3 INTERNATIONAL SCENARIO

2.4 BRIEF PROFILE OF CASE STUDY

2.1 CONCEPTUAL UNDERSTANDING

Customer satisfaction (often abbreviated as CSAT) is a term frequently used in marketing. It is a measure of how products and services supplied by a company meet or surpass customer expectation. Customer satisfaction is defined as "the number of customers, or percentage of total customers, whose reported experience with a firm, its products, or its services (ratings) exceeds specified satisfaction goals. Customers play an important role and are essential in keeping a product or service relevant; it is, therefore, in the best interest of the business to ensure customer satisfaction and build customer loyalty.

Customer satisfaction is measured at the individual level, but it is almost always reported at an aggregate level. It can be, and often is, measured along various dimensions. A hotel, for example, might ask customers to rate their experience with its front desk and check-in service, with the room, with the amenities in the room, with the restaurants, and so on. Additionally, in a holistic sense, the hotel might ask about overall satisfaction 'with your stay

IMPORTANCE OF CUSTOMER SATISFACTION

1. Retaining customers is way cheaper than acquiring new customers

Acquiring new customers takes a lot of resources. Content creation, inbound and outbound marketing, nurturing leads, closing the deal...it takes time, energy and a *lot* of money. Focusing on customer satisfaction and retention isn't just less expensive. According to Bain & Co, something as small as a 5% increase in customer retention can lead to far greater increases in profits – as much as 25% in some industries!

2. Reputations are powerful

Delivering a great customer experience can be a huge driver for word of mouth advertising and referrals. According to Nielsen, 92% of people trust personal recommendations from their friends and family over *any other* type of advertising. This is because they know that they can trust their loved ones to give them good recommendations.

3. It's a crowded marketplace

Due to the ease of opening a new business online over the last decade, most industries are becoming extremely competitive. By delivering an exceptional customer experience a business can stand out in a crowded marketplace. A few years ago, Walker research claimed that by 2020 customer experience would be *the* key differentiator for businesses. The past few years have shown their prediction to be accurate. Studies show that the vast majority of customers – over 7 out of 10 – report that customer experience is an important factor in their purchasing decisions. On top of that, the research shows that people are often willing to pay more for a better customer experience.

4. Customer satisfaction drives growth

Happy customers mean a growing business. While this point might seem self-explanatory, it's important to have hard data when working to build consensus around investing in improving customer satisfaction. In a study conducted by Forrester, they found that customer experience leaders showed higher growth in revenue and in customer counts.

5. Customer satisfaction improves employee morale

It's exhausting. While every support agent encounters unsatisfied or upset customers at times, dealing with them all day, every day is a major drain. It's a drain that's likely to lead to lower employee morale, lower engagement, and higher turnover rates. This matters for you because disengaged employees have a harder time serving your customers well. Unhappy customers lead to unhappy agents, who then have a harder time creating satisfying customer experiences.

Essential Customer Service Elements

1. Respect. Respect the fact that customers actually pay money and make company earn profits . Making them feel important and appreciated and treating them as individuals, not ciphers. Remaining polite, even if they are asking irritating questions, and thanking them every time when get the chance.

2. Understanding. Understanding, identifying, and anticipating needs. Customers don't really buy products or services; they buy solutions to problems. The better we solve those problems, the more appreciative they are, and the better their experiences in dealing with the business. The better know the customers, the better we can anticipate their needs. Communicating regularly engage in conversations and exchange ideas and will become keenly aware of their wants and needs—and therefore better able to satisfy them.

3. Listening. Keeping ears and eyes open helps to hear what the market is saying, to be a good listener. Identifying customer needs by asking questions and concentrating on what the customer is really saying. Effectively listening to the customer and giving him or her undivided attention, even in an online environment, are particularly important.

4. Responding. respond positively is very essential . Responding positively doesn't mean giving in. A bill credit isn't always the answer. Responding in a way that solves the problem, keeps the customer happy and keeps things fair for all the other customers.

5. Serving. Essentially this means fulfilling your promises. Helping customers and making them understand organization's systems may have the world's best systems for getting things done, but if customers don't understand them, they can get confused, impatient, and angry. Take time to explain how your systems work and how they simplify transactions.

2.2 BRIEF PROFILE OF CASE STUDY

AMAZON

Jeff Bezos founded Amazon in July 1994. He chose Seattle because of technical talent as Microsoft is located there. In May 1997, Amazon went public. It began selling music and videos in 1998, at which time it began operations internationally by acquiring online sellers of books in United Kingdom and Germany. The following year, Amazon began selling items including video games, consumer electronics, home improvement items, software, games, and toys.

In 2002, Amazon launched Amazon Web Services (AWS), which provided data on website popularity, Internet traffic patterns and other statistics for marketers and developers. In 2006, Amazon grew its AWS portfolio when Elastic Compute Cloud (EC2), which rents computer processing power as well as Simple Storage Service (S3), that rents data storage via the Internet, were made available. That same year, Amazon started *Fulfillment by Amazon* which managed the inventory of individuals and small companies selling their belongings through the company internet site. In 2012, Amazon bought Kiva Systems to automate its inventory-management business, purchasing Whole Foods Market supermarket chain five years later in 2017.

On February 2, 2021, Amazon announced that Jeff Bezos would be stepping down as CEO and transition to Executive Chair of Amazon's board in Q3 of 2021. Andy Jassy, who is currently CEO of AWS, will succeed Bezos as CEO of the company.

FLIPKART

Flipkart is an Indian e-commerce company, headquartered in Bangalore, Karnataka, India, and incorporated in Singapore as a private limited company.^[6] The company initially focused on online book sales before expanding into other product categories such as consumer electronics, fashion, home essentials, groceries, and lifestyle products.

The service competes primarily with Amazon's Indian subsidiary and domestic rival Snapdeal. As of March 2017, Flipkart held a 39.5% market share of India's e-commerce industry. Flipkart has a dominant position in the apparel segment, bolstered by its acquisition of Myntra, and was described as being "neck and neck" with Amazon in the sale of electronics and mobile phones. Flipkart also owns PhonePe, a mobile payments service based on the Unified Payments Interface.

In August 2018, U.S.-based retail chain Walmart acquired a 77% controlling stake in Flipkart for US\$16 billion, valuing Flipkart at around \$20 billion.

2.3 NATIONAL SCENARIO

FLIPKART

Started in 2007 by Sachin Bansal and Binny Bansal, the Bangalore-based firm ships close to 30,000 items per day. Or, in other words, 20 products per minute.

It was meant to be a portal that compared different e-commerce websites, only there weren't enough of them in the first place to be compared. Thus was born Flipkart, making sure that online shopping would never be the same again in India. From a two-member embryonic idea to a 4,500-member company, the Flipkart story is not just about stupendous success and mind-numbing numbers. Much more than that, it's about redefining customer experience and breaking online shopping inertia.

Started in 2007 by Sachin Bansal and Binny Bansal, the Bangalore-based firm ships close to 30,000 items per day. Or, in other words, 20 products per minute. Both Sachin and Binny are from the Indian Institute of Technology, Delhi and have prior experience in Amazon.

"We are clocking daily sales of Rs 2.5 crore (\$5 million). Our growth rate has been 100 per cent quarter on quarter," Sachin Bansal, CEO of Flipkart, told *IANS*.

And the interesting part is that around 60 per cent of Flipkart's orders are cash or card on delivery.

AMAZON

Amazon.com debuted as an online bookstore in 1994. Founder Jeff Bezos's initial business model was fairly simple: Source a single product type from wholesalers and publishers and sell it directly to consumers on the then fledgling internet. Thanks to Bezos's vision and a highly successful, user-friendly website, by 1997 Amazon.com was the first online retailer to boast one million customers. As the company added more titles and expanded its product line, it developed an ecosystem rooted in the wholesale purchase of goods; huge, strategically located fulfillment centers; and contracts

with national and regional carriers who shipped its products throughout the U.S. and to other countries.

A decade into the new millennium, India, with its billion-plus people and largely untapped e-commerce market, beckoned. The country posed a classic case of good news, bad news. The good news included a very young populace — more than 65% under age 35 — rising levels of disposable income, and ubiquitous cell phone ownership (80% of the population, by one estimate).

The bad news: 67% of the population lives in rural areas characterized by an underdeveloped infrastructure. Only about 35% of India's population is connected to the internet. Cash, not credit cards or checking accounts, is still the rule. And, determined to protect its own, India enacted a rigid FDI policy restricting foreign multibrand retailers from selling directly to consumers online. That meant any venture would basically be a third-party seller for Indian-made products.

The company also localized its fulfillment platform in India by introducing Easy Ship and Seller Flex. With the former, Amazon couriers pick up packaged goods from a seller's place of business and deliver them to consumers. With the latter, vendors designate a section of their own warehouses for products to be sold on Amazon.in, and Amazon coordinates the delivery logistics. This "neighborhood" approach is convenient for sellers and has benefited Amazon by speeding up delivery of some products.

2.4INTERNATIONAL SCENARIO

AMAZON

Amazon accounts for over 13% of e-commerce sales worldwide. Its biggest market is its native market, the US, where it's second to none in the e-commerce sector. Amazon Germany, on the other hand, is the company's biggest foreign presence, accounting for one-third of the company's sales revenue. Decades after surviving the Dot-Com crash, Amazon continues to grow. The company has amassed a yearly revenue of 11.59 billion dollars, and has a seat at the table in a diversity of industries, from cloud computing to entertainment. Today, we'll look at the secrets behind the international expansion of Amazon.

There were many aspects of the e-commerce giant's business model that made growth possible. For instance, the very reason why Amazon could overcome the Dot-Com crash was its early focus on profitability above all. But, in this post, we'll examine Amazon's international expansion strategy through two cases, Germany and China, as well as Amazon-inspired expansion tips for businesses of all sizes. What might be a winning strategy in California might be disastrous in Myanmar, a hit product in Germany might pass unnoticed in Mexico, and an ad that becomes a part of Japanese pop culture might be deeply frowned upon and forgotten in Spain.

Every market is different, with its own unique set of advantages, and its unique set of challenges. Regulatory, cultural, and linguistic differences shouldn't be overlooked.

Ambitious CEOs might want to see their company name everywhere. But you can't get everywhere at once. It's best to begin market by market, first expanding regionally and continuing to grow accordingly. A targeted, localized approach to expansion is, basically, the only effective way to go about it.

That's why every expansion effort, aside from legal counseling and business translation services, demands months of research, analysis, and planning.

FLIPKART

In April 2017, eBay announced that it would sell its Indian subsidiary, eBay.in, to Flipkart and invest \$500 million in the company. While eBay suggested that the partnership would eventually allow Flipkart to access eBay's network of international vendors, these plans never actually came to fruition. In July 2017, Flipkart made an offer to acquire its main domestic competitor, Snapdeal, for \$700–800 million. It was rejected by Snapdeal, which was seeking at least \$1 billion.

In August 2019, Flipkart entered into a partnership with Authentic Brands to license and distribute Nautica in India.

Flipkart invested \$4 million in the customer engagement and rewards platform EasyRewardz on 19 November 2019.

- Sachin Bansal was awarded Entrepreneur of the Year, 2012–2013 from *The Economic Times*, a leading Indian economic daily newspaper.
- In September 2015, the two founders entered *Forbes'* India Rich List, debuting in the 86th position with a net worth of \$1.3 billion each.

In April 2016, Sachin and Binny Bansal were named to *Time* magazine's annual list of The 100 Most Influential People in the World.^[137] In 2011, Flipkart acquired the digital distribution business Mime360.com and the digital content library of the Bollywood portal Chapak. Following this acquisition, Flipkart launched their DRM-free online music store Flyte in 2012. Because of competition from free streaming sites, the site was unsuccessful and shut down in June 2013.

With its eyes on India's retail market, Flipkart acquired Letsbuy, an online electronics retailer, in 2012, and Myntra, an online fashion retailer, for \$280 million in May 2014. Myntra continues to operate alongside Flipkart as a standalone subsidiary focusing on separate market segments. In April 2015, Flipkart acquired Appiterate, a Delhi-based mobile marketing automation firm. Flipkart stated that it would use Appiterate's technology to enhance its mobile services. In December 2015, Flipkart purchased a minority stake in the digital mapping provider MapmyIndia. In 2016, Flipkart acquired the online fashion

retailer Jabong.com from Rocket Internet for \$70 million and the UPI mobile payments startup PhonePe. In January 2017, Flipkart made a \$2 million investment in TinyStep, a parenting information startup. Flipkart invested \$35 million in Arvind Fashions Limited's newly formed subsidiary Arvind Youth Brands for a 27% stake in the company. Arvind Youth Brands owns Flying Machine.

Flipkart Wholesale recently launched a digital platform for kiranas and MSMEs. In October 2020, Flipkart acquired a 7.8% stake in Aditya Birla Fashion and Retail for \$204 million.

CHAPTER-3: ANALYSIS AND FINDINGS

3.1 RESEARCH DESIGN

3.2 RESEARCH METHODOLOGY

3.2.1 SAMPLE

3.2.2 DATA TYPE

3.2.3. DATA SOURCE

3.2.4 PERIOD OF STUDY

3.2.5 TOOLS USED

3.3 DATA ANALYSIS

3.4 DATA FINEDINGS

3.1 RESEARCH DESIGN

This research is both exploratory and analytic in nature. Since, perception of the consumer has been taken up here as parameters to explore the area of sample. Later, it becomes descriptive in nature as well as when it comes to evaluating consumer's perception of different services and marketing methodologies adopted for the same. The details for the research are drawn with the help of frequencies, averages and other statistical calculation. The structural development of the research was made primarily by keeping in mind the different parameters of services provided to the consumers and the channels of communication of the same. Thus, the design is broadly guarded majorly with the qualitative data and supported via secondary data as well.

3.2 RESEARCH METHODOLOGY

3.2.1 SAMPLE

The total number of respondents was 53. Primary data has been collected by close ended questionnaire designed by myself.

3.2.2 DATA TYPE

Primary Data has been the self-designed questionnaire.

Secondary Data has been the literature review, website and e-content.

3.2.3 DATA SOURCE

Questionnaire and personal information .

3.2.4 PERIOD OF STUDY

The period of study was from the month of April to July . The time duration for the Literature Review and objectives was 1 month, for the Questionnaire and Data collection 2 months and lastly, for constructing the entire project it took 1 month, which makes the total period of study for 4 months.

3.2.5 TOOLS USED

The tools used for the data analysis are the graphical representations such as pie chart, bar graph and columnar graph.

3.3 DATA ANALYSIS

DEMOGRAPHIC DETAIL

Q.1 Age

Table 1.1

AGE GROUP	NUMBER OF RESPONDENTS	PERCENTAGE (%)
15-24 years	43	81.1
25-34 years	8	15.1
35-44 years	2	3.8
45 years and above	0	0

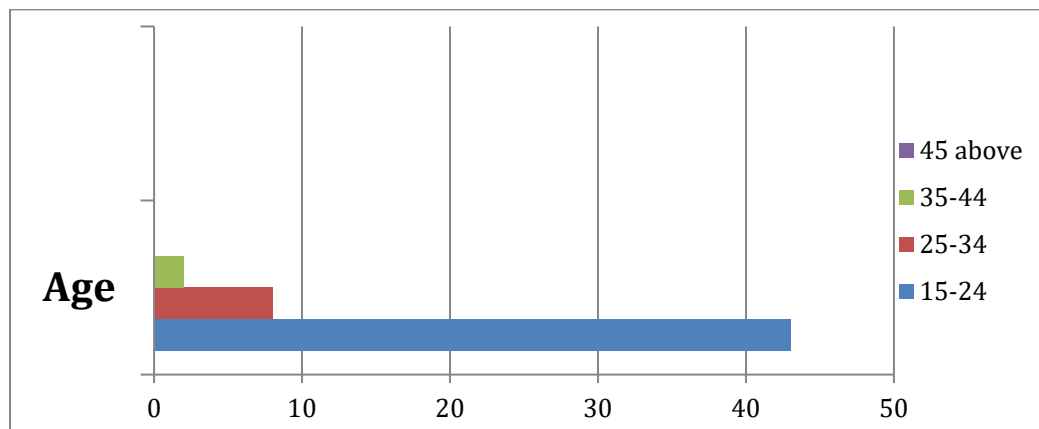


Fig 1.1

Interpretation: From the following bar graphical representation we can see that the number of respondents is more in the age group category of 15-24 years i.e. 43. While in the other categories, 25-34 years there are 8 respondents, in the category of 35-44 years the respondents are 2. So, there is not much difference in the above mentioned both the age groups. Lastly, we can see that the respondent in the age group of 45 years and above is none. This means the elderly group hardly does online shopping

Q.2 Gender

Table 1.2

<u>GENDER</u>	<u>NUMBER OF RESPONDENTS</u>	<u>PERCENTAGE (%)</u>
Male	20	37.7
Female	33	62.3

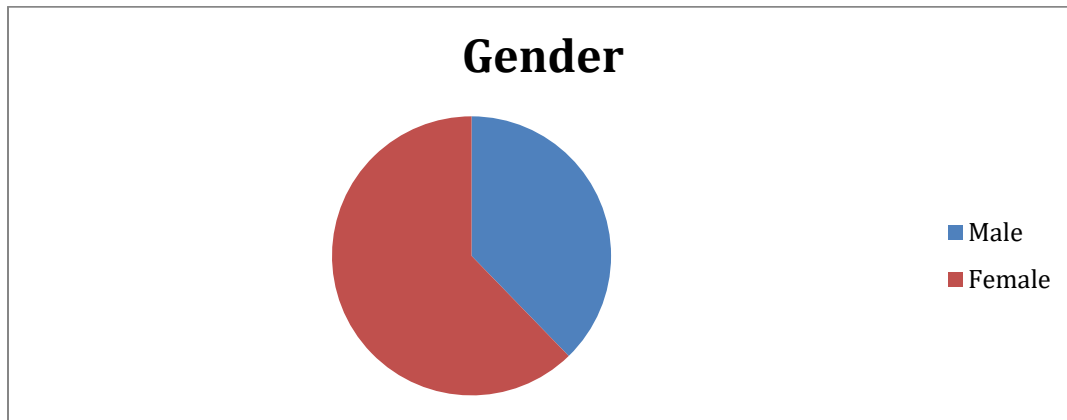


Fig 1.2

Interpretation: From the following pie-chart representation we can see that the number of male respondents' i.e. 20 is more than the number of female respondents' i.e. 33. Therefore we can say that females shop online more than males.

Q.3 Occupation:

Table 1.3

<u>OCCUPATION</u>	<u>NUMBER OF RESPONDENTS</u>	<u>PERCENTAGE (%)</u>
Student	41	77.4
Service	4	7.5
Business	2	3.8
Professional	4	7.5
Self Employed	2	3.8

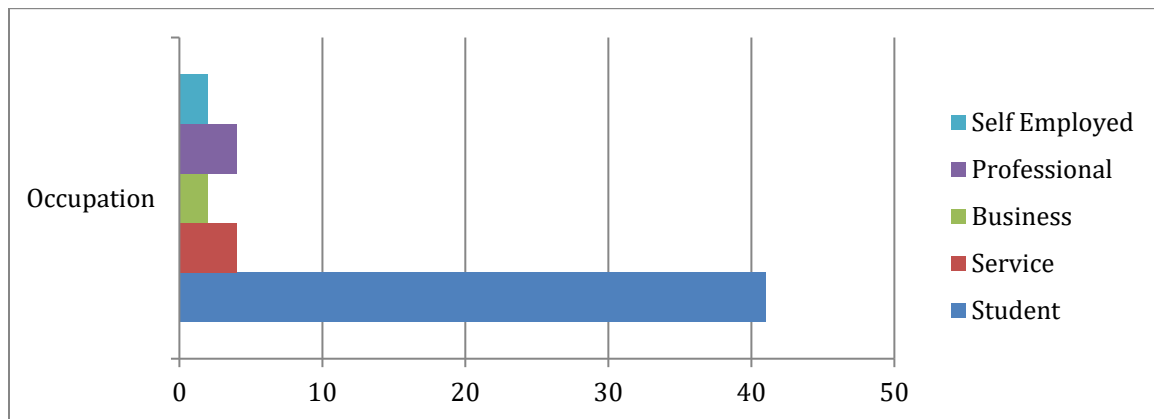


Fig 1.3

Interpretation: From the following columnar graph representation we can see that students shop online the most.

Q.4 Family income per month:

Table 1.4

<u>FAMILY INCOME</u>	<u>NUMBER OF RESPONDENTS</u>	<u>PERCENTAGE (%)</u>
Below 20,000	22	41.5
20,000-40,000	15	28.3
40,000-60,000	8	15.1
60,000-80,000	3	5.7
80,000-1,00,000	3	5.7
Above 1,00,000	2	3.8

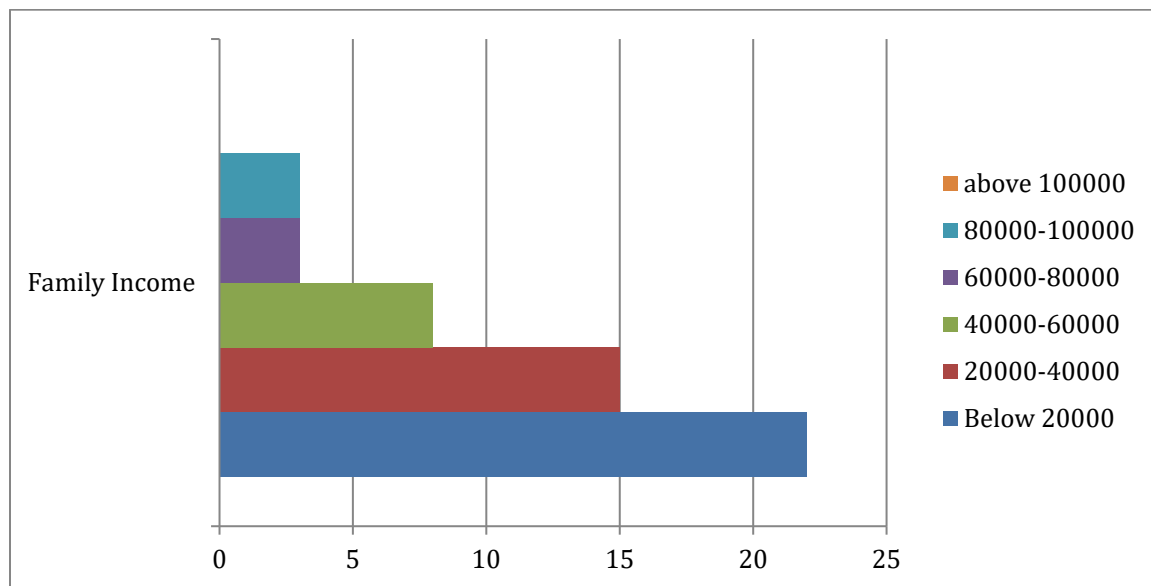


Fig 1.4

Interpretation: From the following bar graph representation we can see that respondents in the category of below 20000 are more.

RESEARCH SPECIFIC(1)

Q.1 Have you ever done online shopping?

Table 2.1

<u>AWARE OF E-COMMERCE</u>	<u>NO OF RESPONDENTS</u>	<u>PERCENTAGE (%)</u>
YES	53	100
NO	0	0



Fig 2.1

Interpretation: From the following pie-chart representation we can see that all the respondents have done online shopping.

Q.2 How often do you shop online?

Table 2.2

<u>OFTEN DOES ONLINE SHOPPING</u>	<u>NO OF RESPONDENTS</u>	<u>PERCENTAGE (%)</u>
Daily	1	1.9
Weekly	2	3.8
Monthly	16	30.2
Occasionally	34	64.2



Fig 2.2

Interpretation: From the above pie-chart representation we can see that 34 respondents does shopping occasionally, 16 respondents does monthly , 2 respondents does weekly and 1 respondent does daily . Therefore, we can say most number of respondents does shopping occasionally..

Q.3 How do you choose online shopping site?

Table 2.3

<u>MEDIUM</u>	<u>NO OF RESPONDENTS</u>	<u>PERCENTAGE (%)</u>
Online reviews	34	64.2
Advertisement	5	9.4
Referred by friends	11	20.8
Comparing prices	1	1.9
Offers	1	1.9
Others	1	1.9

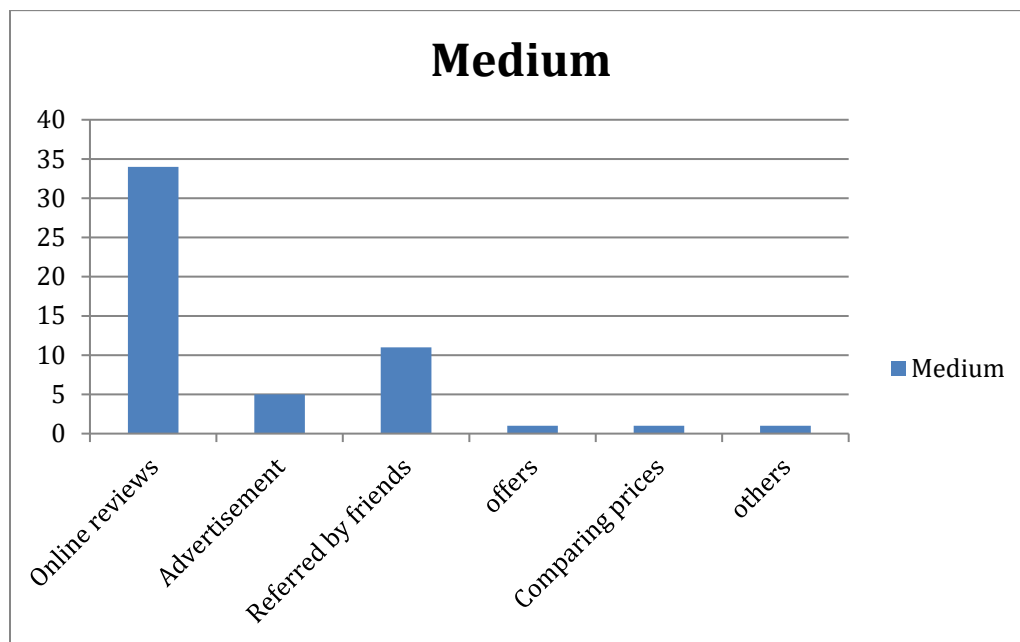


Fig 2.3

Interpretation: From the following columnar graph we can see that 34 respondents came to know about Online shopping from social media, 11 from friends & Family, 5 from TV and rest from other platforms. Therefore, we can say that most of the respondents came to know about Online shopping from social media.

Q.4 What is your most preferred E-commerce website?

Table 2.4

<u>PREFERRED E-COMMERCE WEBSITE</u>	<u>NO OF RESPONDENTS</u>	<u>PERCENTAGE (%)</u>
Amazon	30	56.6
Flipkart	19	35.8
Snapdeal	1	1.9
Jabong	0	0
Myntra	2	3.8
Meesho	1	1.9

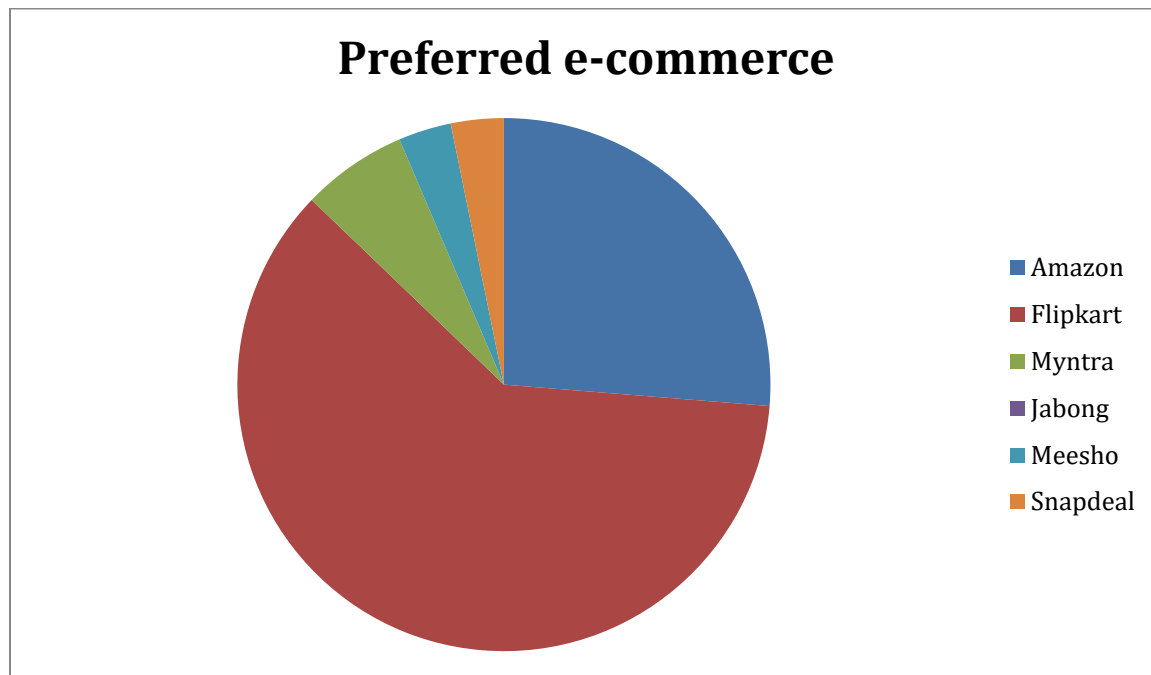


Fig 2.4

Interpretation: From the above pie-chart representation we can see that 30 respondents prefer Amazon, 19 Flipkart, 2 Myntra, 1 Snapdeal and 1 Meesho. Therefore, we can say most number of respondents prefer Amazon over other e-commerce websites.

Q.5 How do you make payments while shopping online?

Table 2.5

<u>PAYMENT METHORD</u>	<u>NO OF RESPONDENTS</u>	<u>PERCENTAGE (%)</u>
Debit card	14	26.4
Credit card	2	3.8
Cash on delivery	35	66
UPI	1	1.9
Net Banking	1	1.9

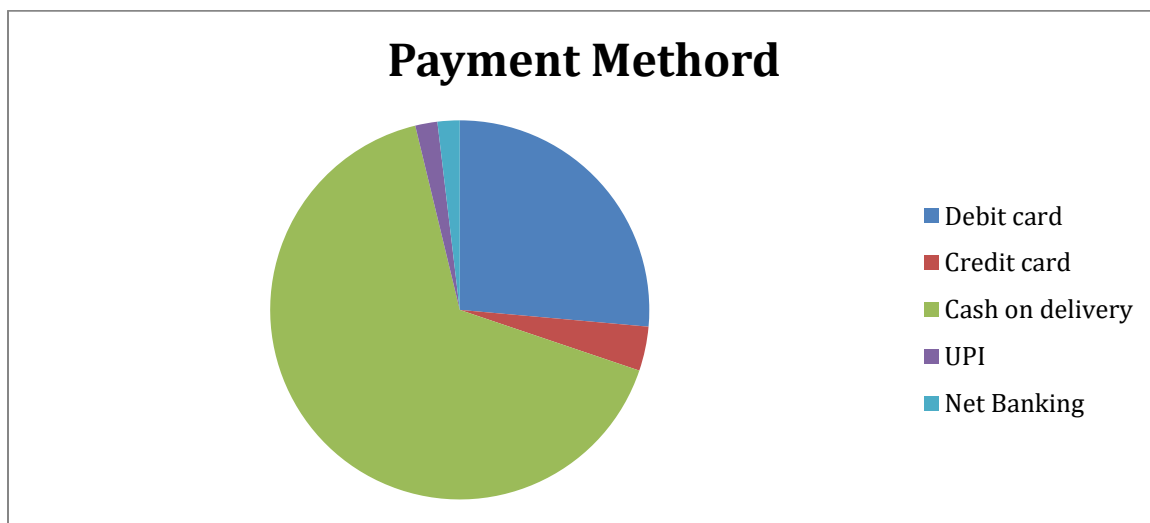


Fig 2.5

Interpretation: From the above pie-chart representation we can see that 35 respondents prefer cash on delivery, 14 debit card, 2 credit card and rest UPI and net banking while making payments. Therefore, we can say most number of respondents prefer cash on delivery.

Q.6 Which online site is more satisfied in terms of product quality?

Table 2.6

<u>E- COMMERCE WEBSITES</u>	<u>NO OF RESPONDENTS</u>	<u>PERCENTAGE (%)</u>
Amazon	33	62.7
Flipkart	15	28.5
Myntra	2	3.8
Meesho	1	1.9
Others	3	5.7

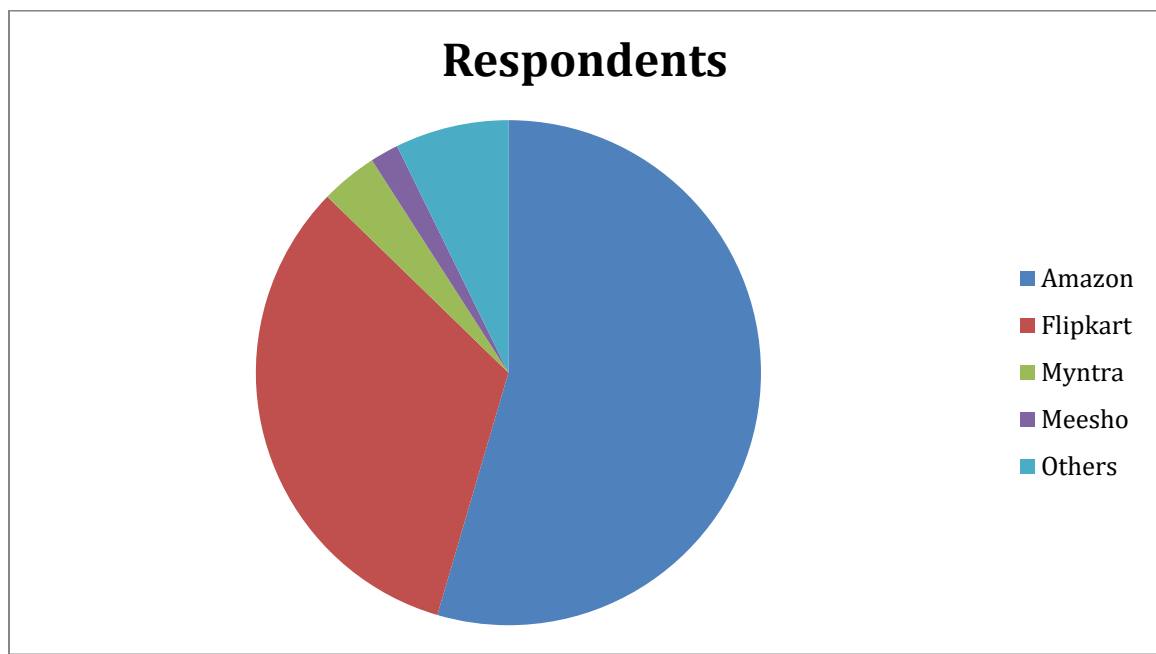


Fig2.6

Interpretation: From the above pie-chart representation we can see that 33 respondents are satisfied with product quality provided by Amazon. 15 with Flipkart ,2 with Myntra ,1 with Meesho and 3 are with other e-commerce website.

Q.7 Which online site is more satisfied in terms of customer care?

Table 2.7

<u>E- COMMERCE WEBSITES</u>	<u>NO OF RESPONDENTS</u>	<u>PERCENTAGE (%)</u>
Amazon	31	58.9
Flipkart	16	30.4
Myntra	2	3.8
Meesho	1	1.9
Others	3	5.7

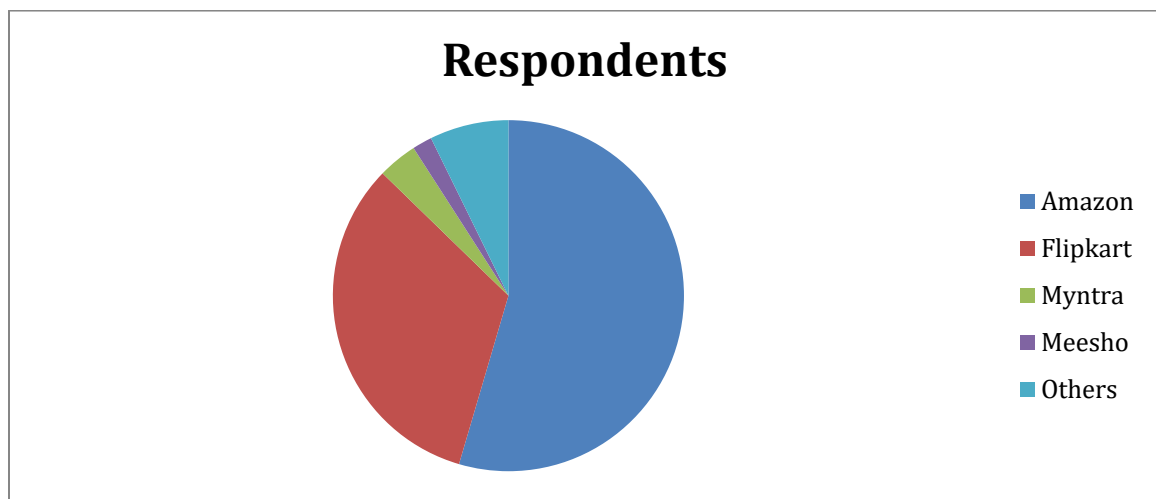


Fig2.7

Interpretation: From the above pie-chart representation we can see that 31 respondents are satisfied with customer service provided by Amazon. 16 with Flipkart ,2 with Myntra ,1 with Meesho and 3 are with other e-commerce website.

Q.8 Which online site is more satisfied in terms of delivery services?

Table 2.8

<u>E- COMMERCE WEBSITES</u>	<u>NO OF RESPONDENTS</u>	<u>PERCENTAGE (%)</u>
Amazon	30	56.6
Flipkart	18	34
Myntra	2	3.8
Meesho	1	1.9
Others	3	5.7

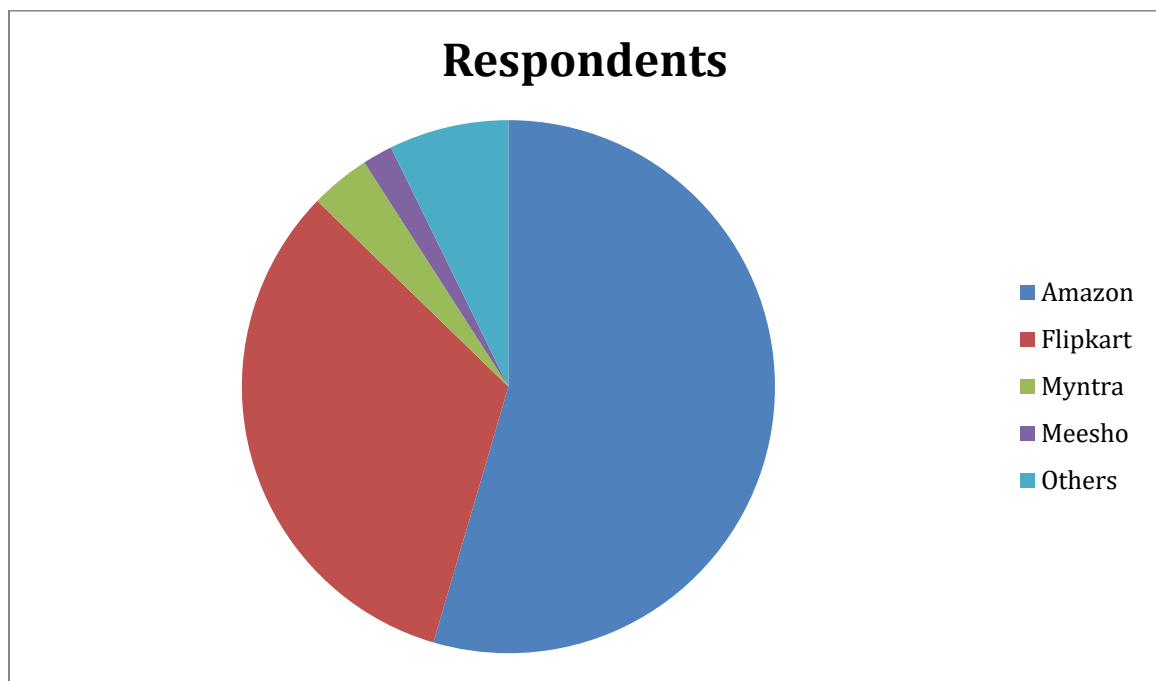


Fig2.8

Interpretation: From the above pie-chart representation we can see that 30 respondents are satisfied with delivery service provided by Amazon. 18 with Flipkart ,2 with Myntra ,1 with Meesho and 3 are with other e-commerce website.

Q.9 Have you encountered any problems with online shopping site? If yes, by which one?

Table 2.9

<u>E- COMMERCE WEBSITES</u>	<u>NO OF RESPONDENTS</u>	<u>PERCENTAGE (%)</u>
Amazon	23	43.4
Flipkart	23	43.4
Myntra	2	3.8
Meesho	1	1.9
Others	4	7.6

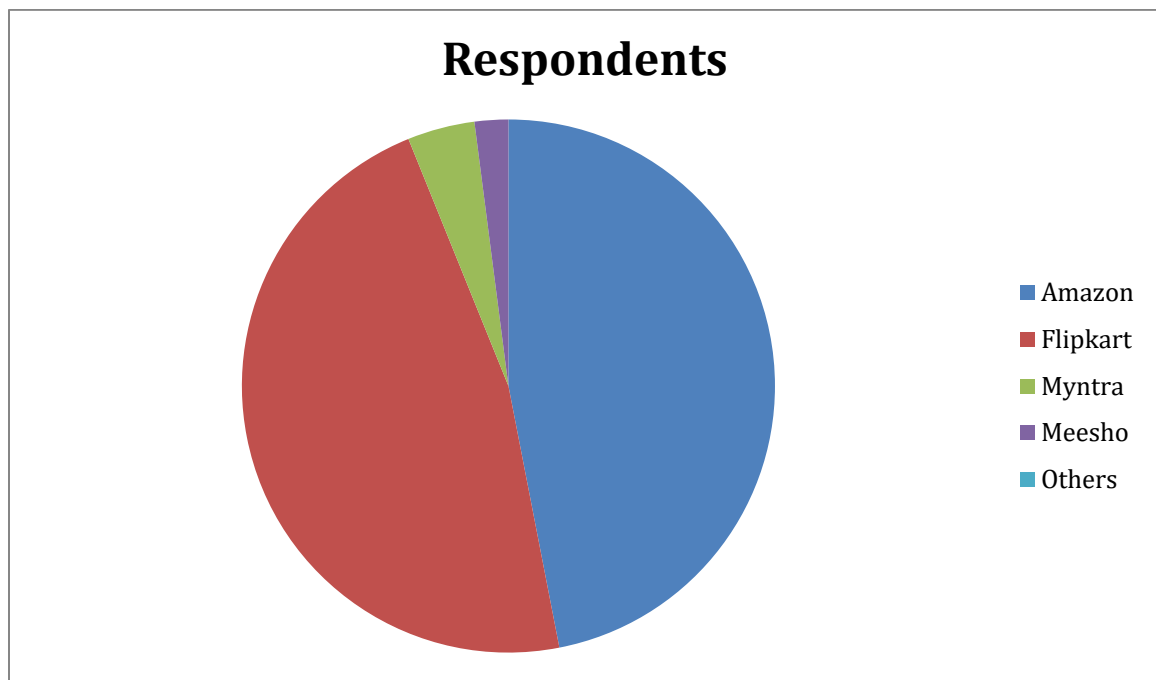


Fig2.9

Interpretation: From the above pie-chart representation we can see that an equal no of respondents have faced problems with Amazon and Flipkart that is 23 and rest other people have faced problem with other online website like Myntra, Meesho etc.

Q.10 How confident are you that your personal information is kept confidential while buying products online?

Table 2.10

<u>REVIEWS</u>	<u>NO OF RESPONDENTS</u>	<u>PERCENTAGE</u> (%)
Extremely confident	6	11.3
Quite confident	22	41.5
Moderately confident	16	30.2
Slightly confident	6	11.3
Not at all confident	3	5.7

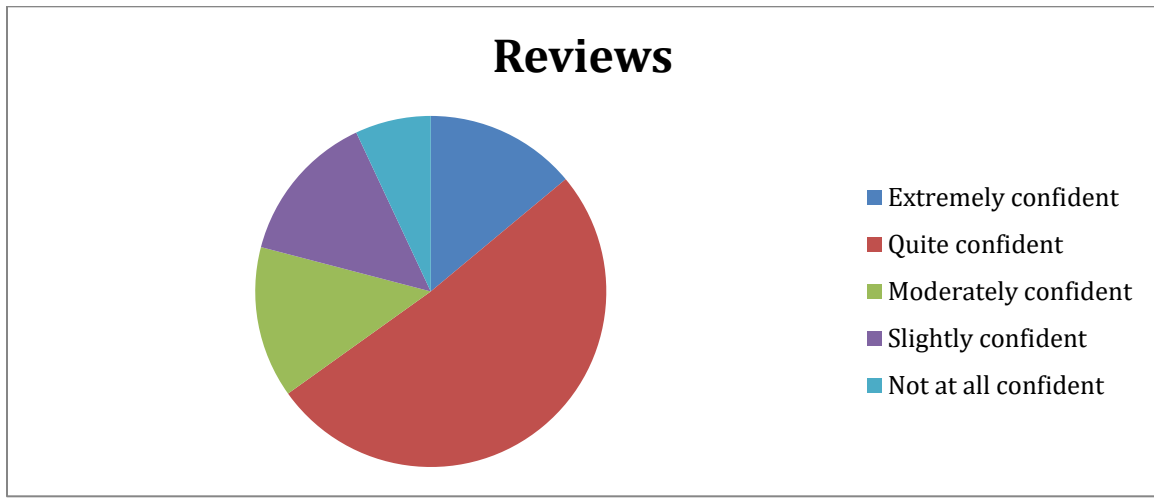


Fig2.10

Interpretation: From the above pie-chart representation we can see that 6 respondents are extremely confident, 22 are quite confident, 16 are moderately confident, 6 are slightly confident and 3 are not all confident that their personal information's are kept confidential while shopping online.

Q.11 How was your first experience with Flipkart?

Table 2.11

<u>REVIEWS</u>	<u>NO OF RESPONDENTS</u>	<u>PERCENTAGE (%)</u>
Excellent	7	13.2
Good	32	60.4
Average	10	18.9
Bad	1	1.9
Poor	3	5.7

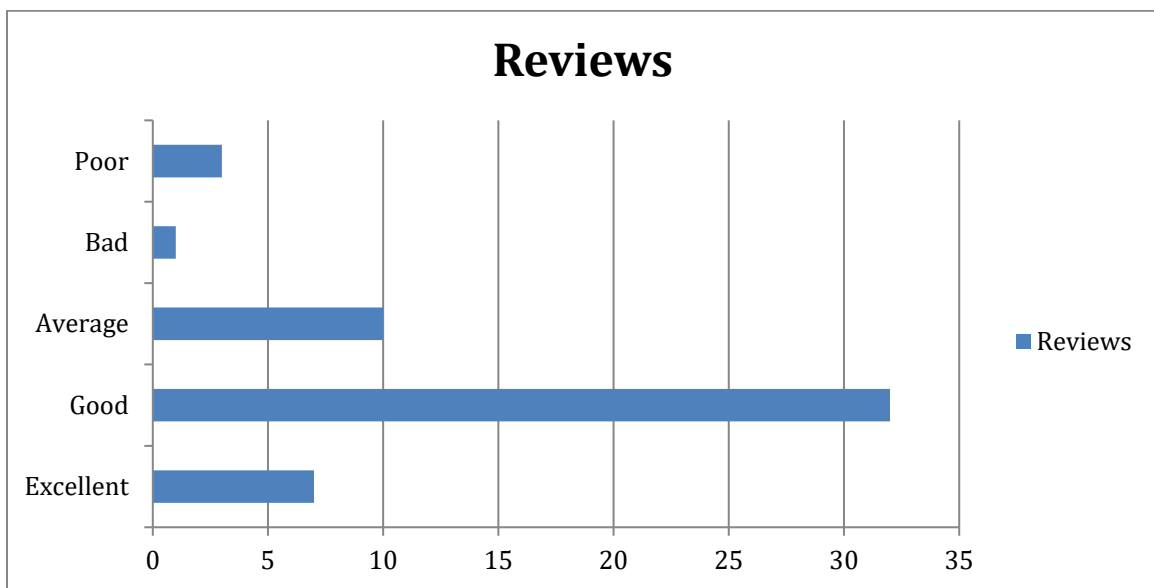


Fig 2.11

Interpretation: From the following bar graph representation we can see that first experience of 7 respondents was excellent, 32 was good and 10 was average, 1 is bad and 3 are poor. Therefore, we can say that most of the respondents had a good experience with Flipkart on their first time shopping and very few had bad or poor experience.

Q.12 How was your first experience with Amazon?

Table 2.12

<u>REVIEWS</u>	<u>NO OF RESPONDENTS</u>	<u>PERCENTAGE (%)</u>
Excellent	9	17
Good	30	56.6
Average	11	20.8
Bad	3	5.7
Poor	0	0

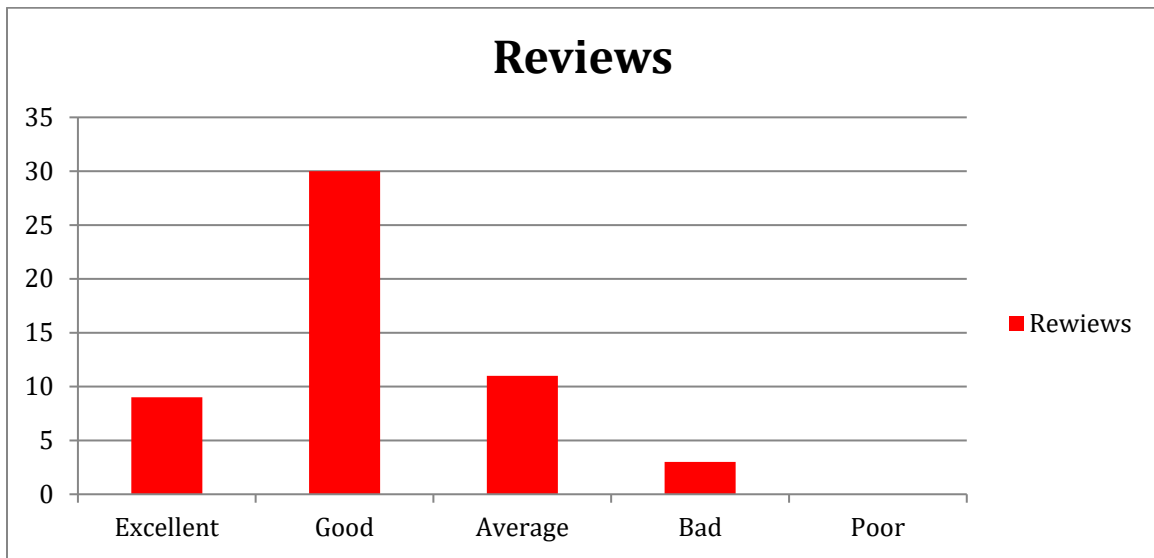


Fig 2.12

Interpretation: From the following column graph representation we can see that first experience of 9 respondents was excellent, 30 was good and 11 was average and 3 were bad. Therefore, we can say that most of the respondents had a good experience with Amazon on their first time shopping.

Q.13 The after sales services offered by Amazon is highly satisfactory.

Table 2.13

<u>REVIEWS</u>	<u>NO OF RESPONDENTS</u>	<u>PERCENTAGE (%)</u>
Strongly agree	7	13.2
Agree	27	50.9
Neutral	18	34
Strongly disagree	0	0
Disagree	1	1.9

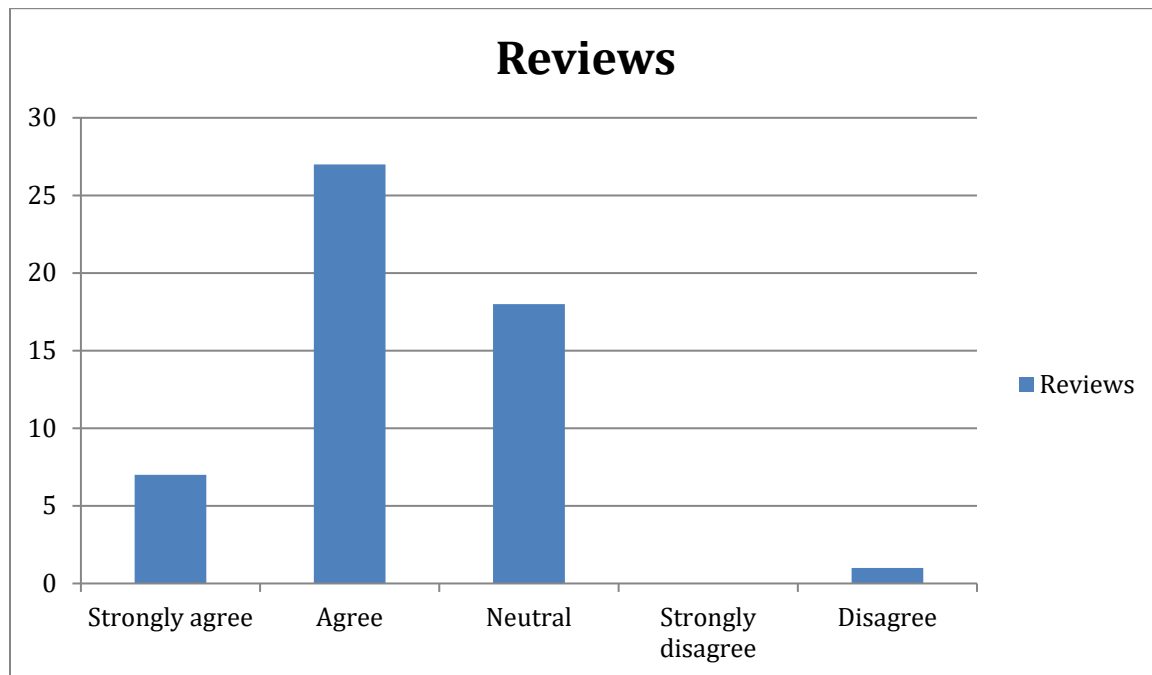


Fig 2.13

Interpretation: From the following column graph representation we can see that 27 of the respondents agree, 7 respondents strongly agree and 18 of the respondents are neutral that they are highly satisfied with after sale service provided by Amazon. Therefore, we can say that most of the respondents are highly satisfied with after sale service provided by Amazon.

Q.14The after sales services offered by Flipkart is highly satisfactory.

Table 2.14

<u>REVIEWS</u>	<u>NO OF RESPONDENTS</u>	<u>PERCENTAGE (%)</u>
Strongly agree	2	3.8
Agree	22	41.5
Neutral	21	39.6
Strongly disagree	5	9.4
Disagree	3	5.7

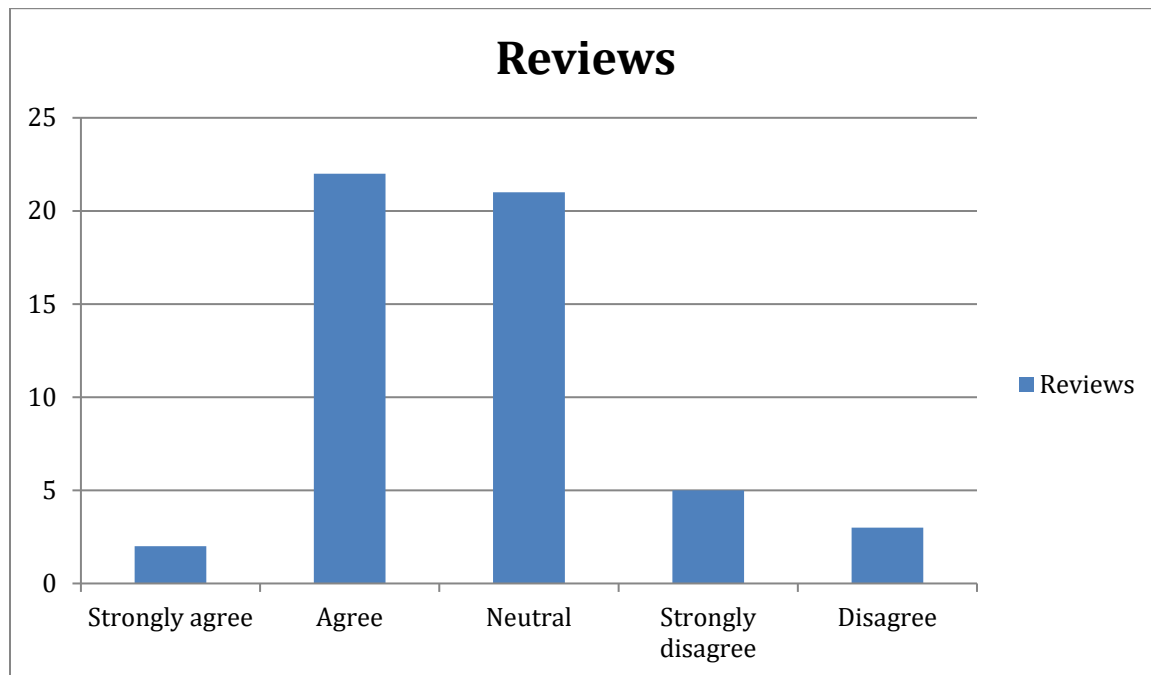


Fig 2.14

Interpretation:From the following column graph representation we can see that 22 of the respondents agree, 2 respondents strongly agree and 21 of the respondents are neutral that they are highly satisfied with after sale service provided by Flikart . Therefore, we can say that most of the respondents are highly satisfied with after sale service provided by Flikart .

Q.15 There is no difficulty in returning/replacing the product bought on Amazon.

Table 2.15

<u>REVIEWS</u>	<u>NO OF RESPONDENTS</u>	<u>PERCENTAGE (%)</u>
Strongly agree	9	17
Agree	29	54.7
Neutral	14	26.4
Strongly disagree	0	0
Disagree	1	1.9

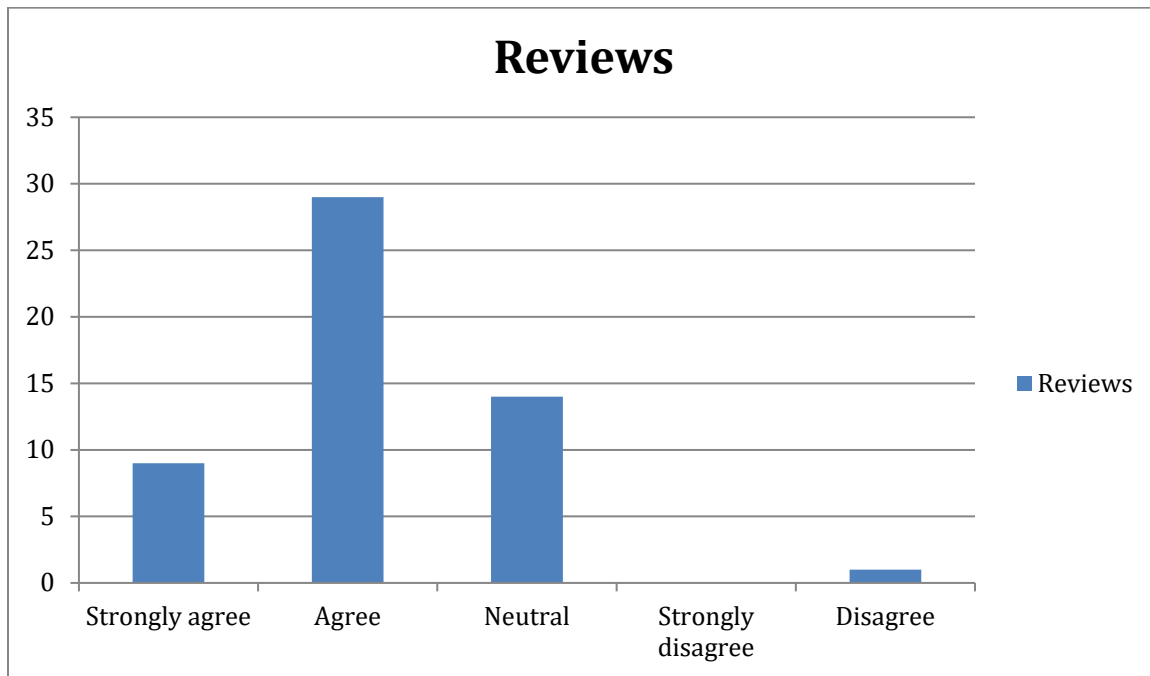


Fig 2.15

Interpretation: From the following column graph representation we can see that 29 of the respondents agree, 9 respondents strongly agree and 14 of the respondents are neutral that there is no difficulty in returning or replacing the products purchased from Amazon. Therefore, we can say that most of the respondents think that there is no difficulty in the returning policy products purchased from Amazon.

Q.16 There is no difficulty in returning/replacing the product bought on Flipkart.

Table 2.16

<u>REVIEWS</u>	<u>NO OF RESPONDENTS</u>	<u>PERCENTAGE (%)</u>
Strongly agree	6	11.3
Agree	22	41.5
Neutral	18	34
Strongly disagree	3	5.7
Disagree	4	7.5

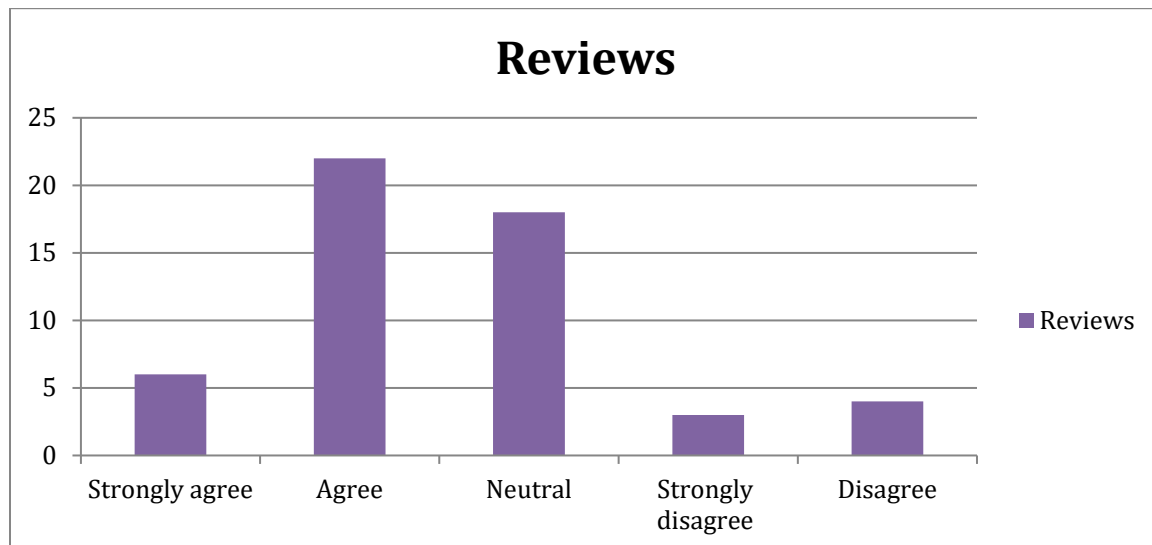


Fig 2.16

Interpretation:From the following column graph representation we can see that 22 of the respondents agree ,6 respondents strongly agree and 18 of the respondents are neutral that there is no difficulty in returning or replacing the products in Flipkart . Therefore, we can say that most of the respondents think that there is no difficulty in the returning policy in Flipkart.

Q.17 Which online shopping site will you suggest to your family and friends?

Table 2.17

<u>SUGGESTING E-COMMERCE WEBSITE</u>	<u>NO OF RESPONDENTS</u>	<u>PERCENTAGE (%)</u>
Amazon	30	56.6
Flipkart	14	26.4
Snapdeal	4	7.5
Others	5	9.5

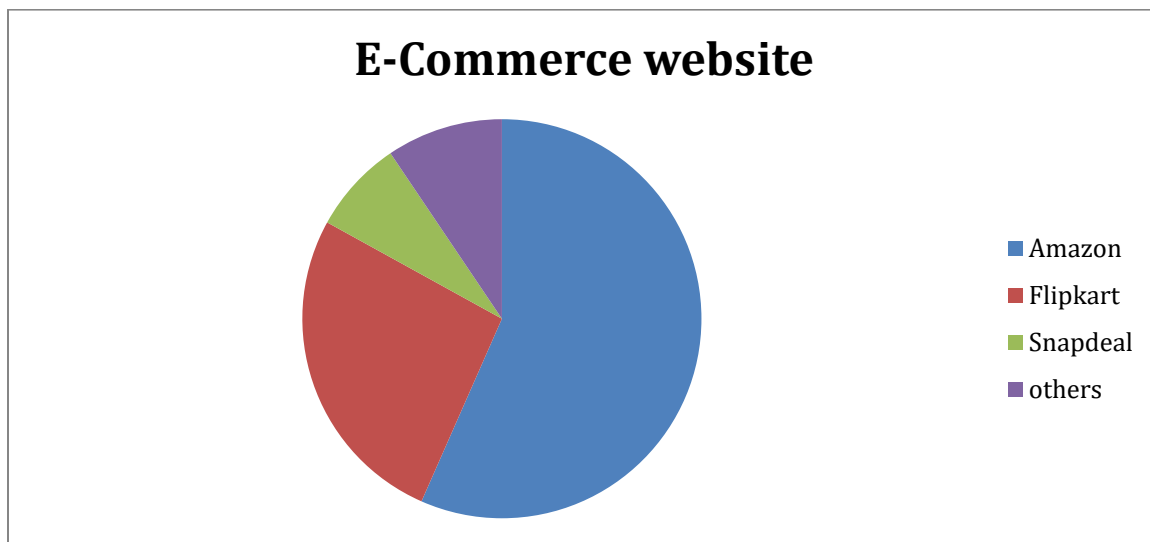


Fig 2.17

Interpretation: From the above pie-chart representation we can see that 30 respondents would suggest Amazon, 14 Flipkart, 4 Snapdeal and 5 others to their friends and family. Therefore, we can say most number of respondents will suggest Amazon and Flipkart e-commerce websites to their friends and family.

3.4 DATA FINDINGS

- 100% of the respondents have done online shopping.
- 56.6% of the respondents prefer Amazon, 35.8% Flipkart, 3.8% Myntra and rest of the people prefer other websites. Therefore, we can see that most number of respondents prefer Amazon over other e-commerce websites.
- 64.2% of the respondents came to know about online site through online reviews, 20.8% of the respondents came to know from friends & Family, 9.4% from TV and rest from other platforms. Therefore, we can say that most of the respondents came to know about online site from social media.
- 66% of the respondents use cash on delivery while shopping online, 26.4% of the respondents use debit card while making online payments, rest of the respondents use other online payment methods like UPI, credit card etc.
- 58.5% of the respondents are satisfied with Amazon in terms of product quality, 32.2% of the respondents are satisfied with Flipkart in terms of product quality.
- 62.3% of the respondents are satisfied with Amazon in terms of customer service, 28.3% of the respondents are satisfied with Flipkart in terms of customer service.
- 56.6% of the respondents are satisfied with Amazon in terms of delivery services, 34% of the respondents are satisfied with Flipkart in terms of delivery services.
- 56.6% of the respondents had a good first time experience with Amazon, while the 17% of the respondents had an excellent first time experience with Amazon and the remaining respondents said that they had an average first time experience with Amazon. Therefore, we can see that most of the respondents had a good first time experience with Amazon.
- 60.4% of the respondents had a good first time experience with Flipkart, while the 13.2% of the respondents had an excellent first time experience with Flipkart and the remaining respondents said that they had an average first time experience with Amazon. Therefore, we can see that most of the respondents had a good first time experience with Flipkart.

- 64.2% of the respondents purchase occasionally, 30.2% of the respondents purchase monthly and then rest of the respondents purchase weekly and very few people purchase daily.
- 54.7% of the respondents agree that there is no difficulty in returning/replacing the product bought on Amazon, rest strongly agrees and then there are people who are neutral.
- 41.5% of the respondents agree that there is no difficulty in returning/replacing the product bought on Flipkart, rest strongly agrees and then there are people who are neutral.
- Most of the respondents are highly satisfied with their shopping experience on Amazon and Flipkart.
- 43.4% of the respondents have encountered problems while shopping online with Amazon and Flipkart, rest other respondents encountered with other online site like Myntra, Meesho, Jabong etc.
- 41.5% of the respondents are quite confident that their personal information are kept confidential while shopping online, 30.2% are moderately confident and then few are highly confident and rest are neutral.
- 50.9% of the respondents agree that they are satisfied with after sale service by Amazon.
- 41.5% of the respondents agree that they are satisfied with after sale service by Flipkart.
- 56.6% of the respondents will suggest Amazon and 26.4% will suggest Flipkart for online shopping site.

CHAPTER - 4: CONCLUSION AND RECOMMENDATION

4.1 CONCLUDING OBSERVATIONS

4.2 RECOMMENDATIONS

4.1 CONCLUDING OBSERVATIONS

Online shopping is a new technology that has been created along with the development of the Internet. The study consisted with the aspects in which customers of Flipkart and Amazon are satisfied and the comparison between the Customer satisfactions of both the sites. The innovative thinking of both online shopping sites to reach more and more consumers is appreciable. They increased their network as much as possible with ultimate aim of reaching more and more customers. In this competitive market one has to be lead and rest will follow. Based upon consumer's survey, Flipkart satisfies the customer in terms of website usage, delivery and order tracking. However, Amazon gives tough competition to Flipkart which satisfies the customer in the aspect of quality of products. Even though it is an international company it understood Indians very well and made its roots stronger in India. It may take some time to overcome, but definitely both are doing very well in Indian e-commerce market.

The study consisted with all the work flows of major e-commerce players in India, Flipkart and Amazon. How they are performing and how they are running perfectly in the competitive world has been explained. The innovative thinking of them to reach more and more consumers is appreciable. They increased their network as much as possible with ultimate aim of reaching more and more customers. They made consumers work more easy and comfortable. In this competitive market one has to be lead and rest will follow. Based upon consumer's survey we got our clear winner and it is Amazon. Even though it is an international company it understood Indians very well and made its roots stronger in India. Flipkart is also giving very tough competition to Amazon even though it is new company when compared to Amazon. May be it takes some time to overcome, but definitely they are doing very well in Indian ecommerce market.

4.2RECOMMENDATIONS

- Flipkart works well, but not good enough. There are so many cases people thought the packaging could have been better. Or it can be big or small / expensive or a product should be handled with care. Some of the products, mainly clothing, come with the original cover of the supplier, which indicates negligence.
- In this issue, Amazon has left a mark among us, because whatever the product may be, its packaging will of course be safe.
- Flipkart should pay more attention to customers' satisfaction and on their queries because according to this survey majority of people are not satisfied with their return policies and customer services.
- Amazon should pay keen attention to the various sellers who are there on it and look into the quality of products they are selling as there are various complaints relating to product quality as well.
- Amazon should also improve its customer care services so that customers get prompt replies instead of waiting for days to solve the issue.
- Flipkart should replace its marketing strategies with online marketing techniques, these techniques help to build its online presence more strong through search engine.
- Amazon should open warehouses in the urban and remote area for fast delivery service.

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Annexure

- Questionnaire

Following attached link is the survey of questionnaire in Google form

https://docs.google.com/forms/d/e/1FAIpQLSdrHuthlnXBcKthAoxP6x2ML0NjCBwO9ecNxKnr4Sxn42XIIg/viewform?usp=sf_link

A Comparative study on customer satisfaction between Amazon and Flipkart.

This is purely an academic purpose survey not for use of any commercial purpose and given data is strictly confidential.

Respected Sir/Madam,

I am Mary Twinkle Blinkworth requesting you to spend only 10 minutes of your valuable time to fill up the questionnaire on a research study based on "A Comparative study on customer satisfaction between Amazon and Flipkart.". On the basis of your inputs I can proceed on my project work. I further request you to forward this questionnaire to your friends as much as you can in order to enhance the possibilities of a broader enriched data.

Email Id - maryblinkworth590@gmail.com

Thank you

Mary Twinkle Blinkworth
B.com(Hons.)
Scottish Church College.

Demographic Detail

Age

- 15 - 24
- 25 - 34
- 35 - 45
- 45 or Above

Gender

- Male
- Female

Occupation

- Student
- Business
- Service
- Professional
- Self Employed
- Other: _____

Family Income Per Month

- Below 20,000
- 20,000-40,000
- 40,000-60,000
- 60,000-80,000
- 80,000-1,00,000
- Above 1,00,000

Research specific

Have you ever done online shopping?

- Yes
- No

How often do you shop online?

- Daily
- Weekly
- Monthly
- Occasionally

How do you choose online shopping site ?

- Referred by friends
- Advertisements
- Online reviews
- Other: _____

Which is your most preferred e-commerce website?

Flipkart

Jabong

Snapdeal

Amazon

Other: _____

How do you make payments while shopping online?

Debit card

Credit card

Cash on delivery

Other: _____

Which online site is more satisfied in terms of product quality?

Amazon

Flipkart

Other: _____

Which online site is more satisfied in terms of customer care?

Amazon

Flipkart

Other: _____

Which online site is more satisfied in terms of delivery services?

Amazon

Flipkart

Other: _____

Have you encountered any problems with online shopping site? If yes, by which one

Amazon

Flipkart

Other: _____

How confident are you that your personal information is kept confidential while buying products online?

Extremely confident

Quite confident

Moderately confident

Slightly confident

Not at all confident

How was your first experience with Amazon?

- Excellent
- Good
- Average
- Bad
- Poor

How was your first experience with Flipkart?

- Excellent
- Good
- Average
- Bad
- Poor

The after sales services offered by Amazon is highly satisfactory.

- Strongly agree
- Agree
- Neutral
- Disagree
- Strongly disagree

The after sales services offered by Flipkart is highly satisfactory.

- Strongly disagree
- Disagree
- Neutral
- Agree
- Strongly agree

There is no difficulty in returning/replacing the product bought on Amazon.

- Strongly agree
- Agree
- Neutral
- Disagree
- Strongly disagree

There is no difficulty in returning/replacing the product bought on Flipkart.

- Strongly agree
- Agree
- Neutral
- Disagree
- Strongly disagree

Which online shopping site will you suggest to your family and friends ?

Amazon

Snapdeal

Flipkart

Other: _____

Any suggestion would you like to give for Amazon?

Your answer _____

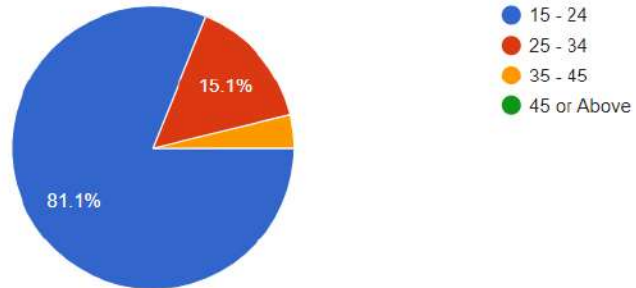
Any suggestion would you like to give for Flipkart?

Your answer _____

Demographic Detail

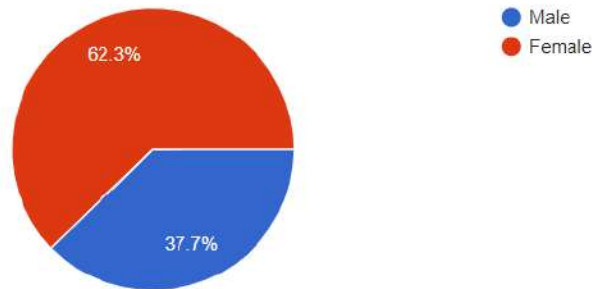
Age

53 responses



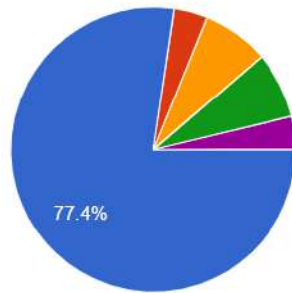
Gender

53 responses



Occupation

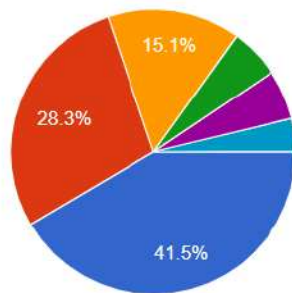
53 responses



- Student
- Business
- Service
- Professional
- Self Employed

Family Income Per Month

53 responses

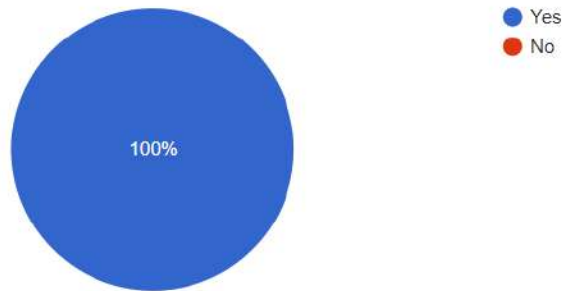


- Below 20,000
- 20,000-40,000
- 40,000-60,000
- 60,000-80,000
- 80,000-1,00,000
- Above 1,00,000

Research specific

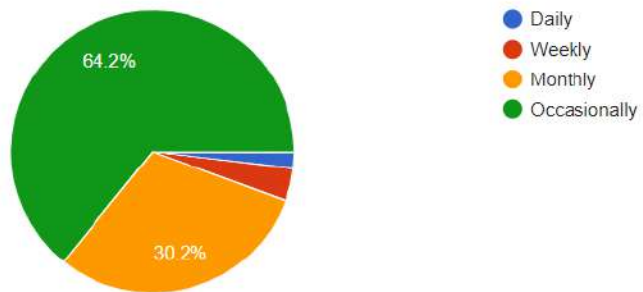
Have you ever done online shopping?

53 responses



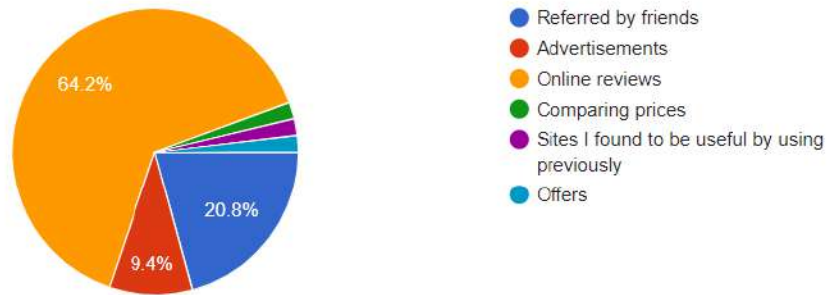
How often do you shop online?

53 responses



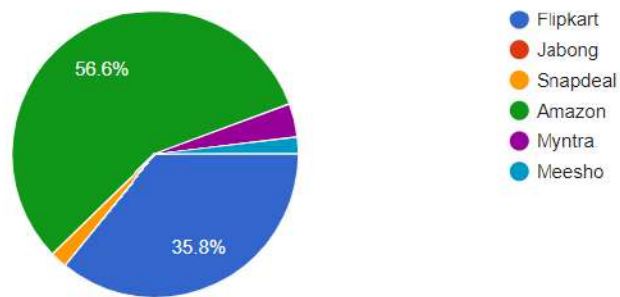
How do you choose online shopping site ?

53 responses



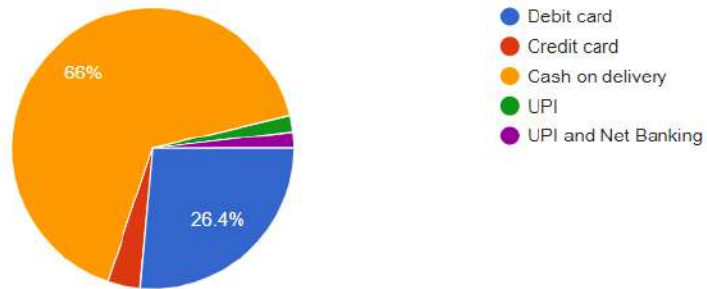
Which is your most preferred e-commerce website?

53 responses



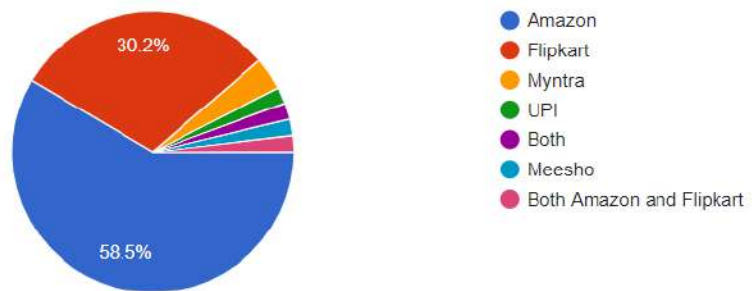
How do you make payments while shopping online?

53 responses



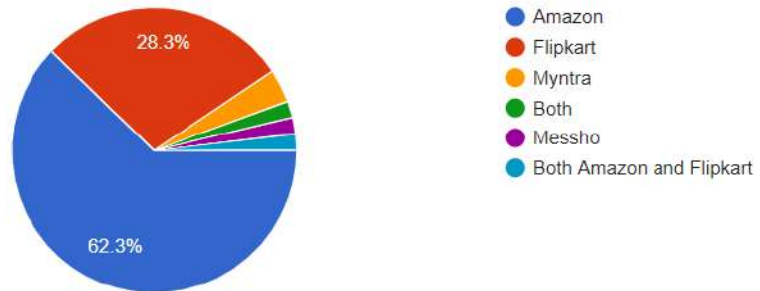
Which online site is more satisfied in terms of product quality?

53 responses



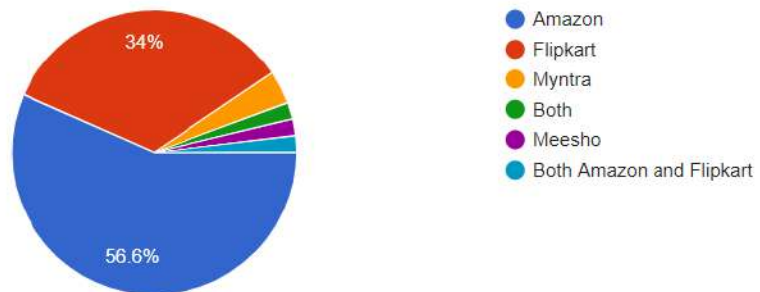
Which online site is more satisfied in terms of customer care?

53 responses



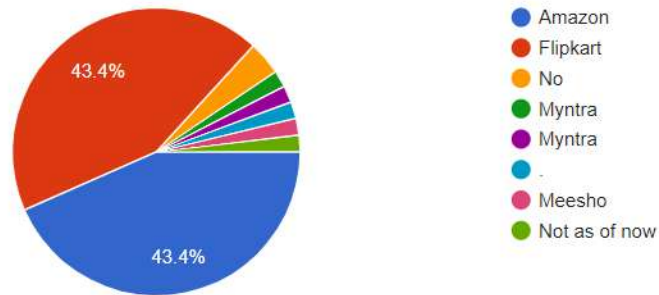
Which online site is more satisfied in terms of delivery services?

53 responses



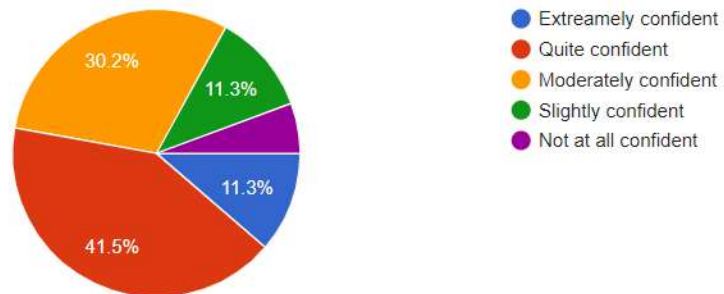
Have you encountered any problems with online shopping site? If yes, by which one

53 responses



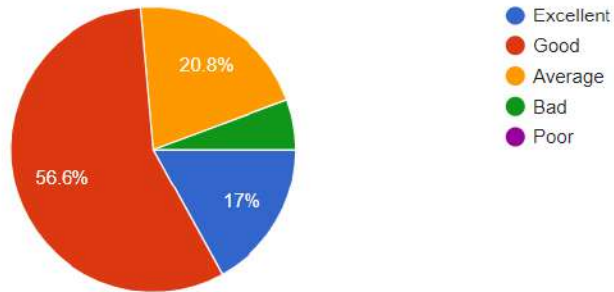
How confident are you that your personal information is kept confidential while buying products online?

53 responses



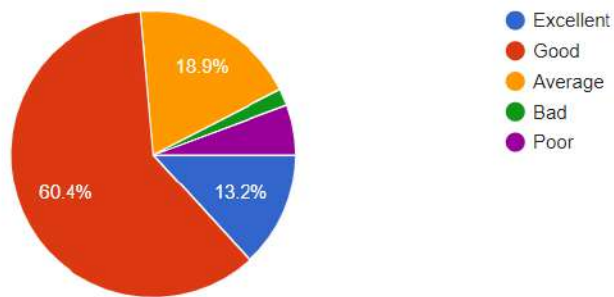
How was your first experience with Amazon?

53 responses



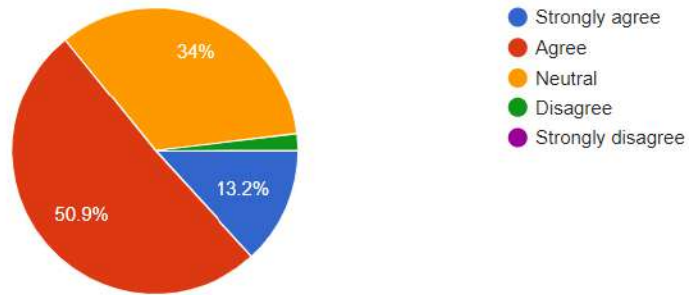
How was your first experience with Flipkart?

53 responses



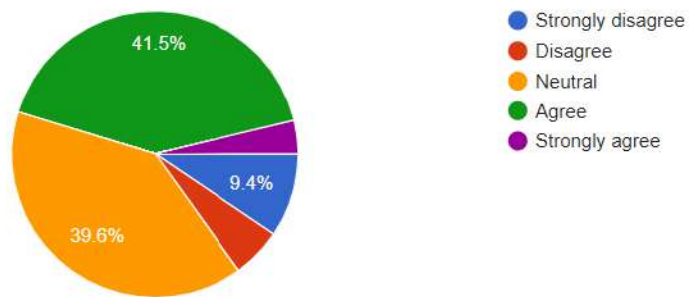
The after sales services offered by Amazon is highly satisfactory.

53 responses



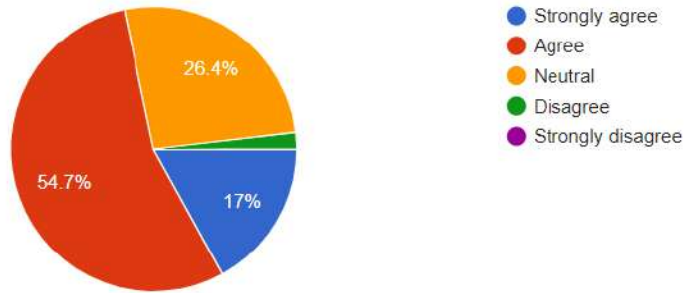
The after sales services offered by Flipkart is highly satisfactory.

53 responses



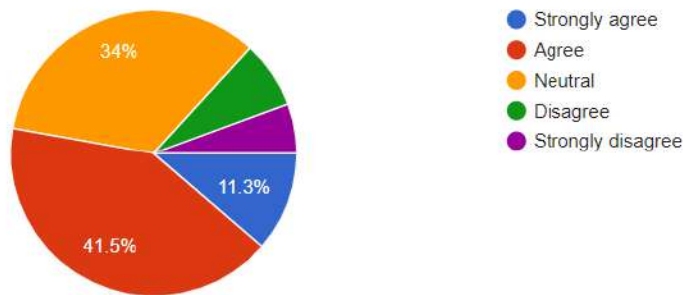
There is no difficulty in returning/replacing the product bought on Amazon.

53 responses



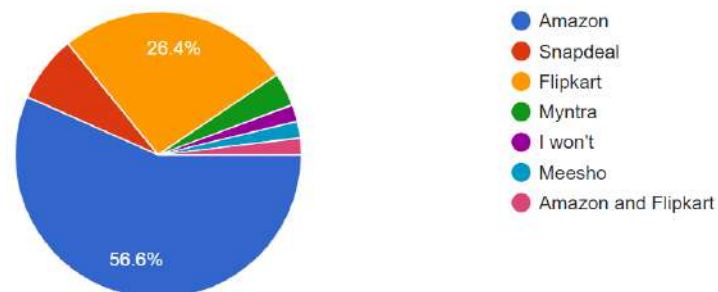
There is no difficulty in returning/replacing the product bought on Flipkart.

53 responses



Which online shopping site will you suggest to your family and friends ?

53 responses



Any suggestion would you like to give for Amazon?

53 responses

No

No

Good website

It is quite good these days

The best platform for online shopping.

Please send a bookmark to each and every customer who buys a book. And , books torn on the binding side shouldn't be send. Please keep the option of cash in delivery for each and every product like Flipkart.

May increase product quality

To treat their workers better.

Give offers

Any suggestion would you like to give for Flipkart?

53 responses

No

No

No comment

It can be better

I don't use flipkart as the delivery takes sometime.

Please don't send other products instead of the original product. If a a product has only one sample and it if it's already sold, please show it that it is already sold and is no more available.

May increase product quality

Any suggestion would you like to give for Amazon?

53 responses

It's a great site but they have to work little more on its packaging as once I received a broken item...
Otherwise every thing is fine

Have to improve the pace of delivery in a semi areas.Takes quite a long time for making the delivery

None

Nothing

Product quality are not good

No suggestions

Get better app presentation, competitive prices, and some good offers and quality check of products ,
some fast and choseable delivery and neturality with other Amazon websites I mean international stuff!

No.

Any suggestion would you like to give for Flipkart?

53 responses

Nothing as such

To treat their workers better.

Things gets lost... carefully deliver

Overall its great again have to improve the pace of delivery in the semi urban areas

None

Nothing

Customer service not good and expensive goods

No suggestions

Any suggestion would you like to give for Amazon?

53 responses

Yes

Amazon an provide discounts to its customers. Prices are usually higher in Amazon

No it's fine

The prizes here are comparatively high than Flipkart as I have experienced. Its may vary from person to person.

It's a good site to shop bcoz it offer many sales

.

N.A

The user interface is a little disappointing.

Should brina out the best of it

Any suggestion would you like to give for Flipkart?

53 responses

Keep up the good work!

They should improve the product quality of jewellery accessories.

Services are extremely poor

The products delivered via Flipkart is very satisfactory and hope to buy more products from here.

Best

.

The products delivered are not as same as the products shown.

Include more brands.

Any suggestion would you like to give for Amazon?

53 responses

More designed dr mask please

Everything seems perfectly normal

It is the one of the best online shopping web site

Should give more discount

No

It is good for online shopping but in my case I ordered one jacket instead of that one torn old tshirt came. Like mostly people likes Amazon.

Keep up the good work

Recommend th best quality things which customer is looking for

The correct of delivery should be correct

Any suggestion would you like to give for Flipkart?

53 responses

Needs to be more fashionable

U need to give more stock

Everything seems perfectly normal

No coment

Stop spamming

Flip kart I don't order much but hearing people talking it seems to be good one. But one day I surely would like to order from flipkart

Can do better

Any suggestion would you like to give for Amazon?

53 responses

It is good for online shopping but in my case I ordered one jacket instead of that one torn old tshirt came. Like mostly people likes Amazon.

Keep up the good work

Recommend th best quality things which customer is looking for

The correct of delivery should be correct

Nothing as such. They got all I need

As of now nothing

They have to come up with the product which has average price

Good

Ok

Any suggestion would you like to give for Flipkart?

53 responses

Flip kart I don't order much but hearing people talking it seems to be good one. But one day I surely would like to order from flipkart

Can do better

Packaging improvement and quality

Nothing

Nothing as such. They got all I need

As of now nothing

Everything looks good

Good

Ok

PROJECT REPORT

Submitted for the Degree of B.Com Honours in Accounting and Finance under the University of
Calcutta

Title of the Project

**Financial Statement Analysis of an IT Company in current Pandemic Situation – A Case
study of Wipro Ltd**

Submitted By

Name of the Student : Mehak Pandey

Roll Number : 181223-11-0012

Registration Number : 223-1211-0500-18

College Roll Number : 18C-033

Supervised By : Smt. Nancy Jaiswal

Name of the College : Scottish Church College

Month & Year of Submission : July, 2021

Annexure - IA

Supervisor's Certificate

This is to certify that Ms. Mehak Pandey, student of B.Com (Honors) in Accounting & Finance of Scottish Church College under University of Calcutta has worked under my supervision & Guidance for her project work and Prepared a Project report with the title “**Financial Statement analysis of an IT company in current pandemic situation – A case study of Wipro Ltd**”, which she is submitting, is her genuine and original work to the best of my knowledge.

Signature

Place: Kolkata

Name: SMT. NANCY JAISWAL

Date: 28/07/2021

Designation: SACT (State

Aided College Teacher)

Name of the College:

Scottish Church College

Annexure - IB

Student's Certificate

I hereby declare that the project work with the title “FINANCIAL STATEMENT ANALYSIS OF AN IT COMPANT IN CURRENT PANDEMIC SITUATION – A CASE STUDY OF WIPRO LTD” submitted by me for the partial fulfilment of the degree of B.Com (Honours) in Accounting & Finance in Scottish Church College under the University of Calcutta is my original work and has not been submitted earlier to any other University /Institution for the fulfillment of the requirement for any course of study.

I also declare that no chapter of this manuscript in whole or in part has been incorporated in this report from any earlier work done by others or by me. However, extracts of any literature which has been used for this report has been duly acknowledged providing details of such literature in the references.

Signature

Place: Kolkata

Name: MEHAK PANDEY

Date: 28/07/2021

Address: 156, A.P.C Road,

Kolkata – 700006

Registration No. :

223-1211-0500-18

ACKNOWLEDGEMENT

I, would like to thank **University of Calcutta** for giving an opportunity to me for working on the project .Following, I would like to extend my gratitude to our Principal **Dr. (Smt.) Madhumanjari Mandal**, our Head of Department **Dr. (Shri.) Amitava Chatterjee** who guided me throughout the project which actually made me do this project till the completion. The success and final outcome of this project required constant supervision & support, for which I would like to thank my supervisor, **Smt. Nancy Jaiswal** and I am extremely privileged to have got this all from her to complete my project within the time frame. Her suggestions helped me in adding great value to this project.

At the same time, I would like to thank my parents & my friends for extending their constant support.

Ms. Mehak Pandey

B.Com (Honours) in Accounting & Finance

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FINANCAL STATEMENT ANALYSIS

1. INTRODUCTION

1.1 BACKGROUNG OF THE STUDY

Financial statements are prepared primarily for decision making. But the data reported in the financial statements are not directly usable in decision making. They need to be analyzed and interpreted.

Financial statement analysis is the process of identifying the strength and the weakness of the firm by properly establishing the relationships between the items of financial statements. It helps users make an understanding of past performance of the firm based on which they make prediction about future performance and risk of the firm.

Modern financial statement analysis is not however, restricted to only financial statements. It also covers the study of the environment both internal and external, in which the company or firm operates. Thus, financial statement analysis means the analysis of relevant financial data extracted from financial statements along with non-financial factors affecting the firm such as competitive and regulatory environment, customer relation, risk involved, employee morale etc.

The relevance of financial statement analysis are as follows:

- To evaluate the financial health of the business.
- To assess the financial risk and business risk associated with the business.
- To judge the existing earning capacity of the business and to provide the basis for making predictions about future earning prospect.
- To evaluate the solvency position of the firm and thereby its long term debt paying capacity.

The significance of financial statements is related to provide information about the financial position, and financial performance of the firm to its different stakeholders. The necessity of financial analysis can be discussed as follows:

1. Investment decision of owners and lenders: Financial statement analysis helps to assess the risk of return on equity investment, the solvency of the firm.

2. Liquidity assessment: Liquidity, i.e., the short term debt paying capacity of the firm gets special significance, both from the view point of supplier and management.
3. Assessment of profitability: By means of various techniques, e.g., Ratio analysis, EVA analysis, Comparative analysis etc., makes assessment of the profitability to determine whether profit earned by the firm is sufficient as compared with the benchmark figure.
4. Performance evaluation: Financial statement analysis ascertains the competitiveness of the firm by regrouping and analyzing the figures contained financial statements. Its pinpoints the strength and weakness of the business.
5. Forecasting: It is the financial statement analysis which makes accounting data amenable to forecasting of future profitability and cash flows. Its searches leading indicators in the historical data that provide insight into future.

1.2 JUSTIFICATION OF THE STUDY

The reason behind choosing Financial Statement Analysis as my area of study is -Two major economic developments created the need for a systematic analysis of accounting data: (a) the emergence of corporate form of business and (b) the fast increasing role of financial institution as major suppliers of capital for business expansion. Financial statement analysis helps the shareholders (owners) and potential shareholders get answers to the following question:

- What are the current and long term operating prospects of the firm?
- What is the firm's future earnings potential?
- What is current financial condition of the firm?
- What is firm's capital structure?
- What risks and rewards do the firm's capital structure present?

Based on the answers to the above questions, equity investors decide whether to make future investment or to withdraw the existing investment.

The lenders are required to analyze the financial statement analysis for determining solvency status. Particularly, they conduct such analysis to answer the following types of questions:

- What are the reason for the firm's need for additional financing?
- What are the likely source for payment of interest and repayment of principal of loan?
- How has the firm handled its prior short term and long term financing?

The lenders take credit decision after getting the answers to these questions from financial statement analysis.

1.3 LITERATURE REVIEW

Evaluation and performance measurement are among the most debated and discussed issues in financial management. The relationship between Capital structure & financial performance of the companies is one that received considerable attention in the finance literature all the time by everyone. The study has been conducted to review literature and financial structure analysis of Indian Companies.

In context to this, a study by **RBI (2005-06)** has observed that the Indian Corporate sector has mobilized a large share of resources from internal sources which accounts for 60.7% during Post liberalization era. Capital market has been considered as a last resort which contributed merely 9.9% during the time. The debt- equity ratio has also declined over the years as the corporate sector has been able to mobilize resources internally to a significant level to meet its challenges of financial plans, programmes and policies.

Nimalathasan, B., Valeriu B., (2010) based on capital structure and its impact on profitability, the analysis of listed manufacturing companies shows that debt-equity ratio is positively and strongly associated to all profitability ratios (Gross Profit Ratio, Operating profit Ratio & Net Profit Ratio). The proportion of the debt-equity in the capital structure fairly responsible to design the financial structure of the firms to get a greater extent.

Modigliani, F., Miller, M.,(1958) based on the Cost of Capital, Corporate Finance, and the Theory of Investment, states that the increased rate of return generated by debt financing is exactly offset by the risk incurred, regardless of the financing mix chosen. Furthermore, market structure is shown to affect capital structure by influencing the competitive behavior and strategies of firms. Not a single firm is over exposed to greater risk factors by redesigning their either structure (Capital and Financial) to experience with a high pressure from possible ends.

Nandi, K. C (2011), based on Impact of Working Capital Management on Profitability, states that for assessing impact of working capital management on profitability of NTPC, Pearson' coefficient of correlation and multiple regression analysis between some ratios relating to working capital management and the impact measured relating to profitability i.e., Return on Investment ratio had been computed and applied. This spreads the message of positive relationship of capital structure with that financial structure to logically justify the profitability.

Tian, G.G & Zeitun, R. (2007), based on Capital Structure and Corporate Performance fairly review the relationship between Capital Structure and Firms Performance and found that there is a significant relationship between short run debt ratio to total assets, total debt to total equity with return of assets. But, the study is silent on the influencing parameter that largely decided the assets holdings.

1.4 OBJECTIVE OF THE STUDY

The primary objective of the study is to understand and diagnose the information contained in the financial statements (i.e., Income statement, Balance sheet & Cash flow) with a view to judge the profitability and financial soundness of the firm, and to make forecast about future prospects of the firm.

The following purposes may bring out through the financial statement analysis:

- To evaluate the financial health of the business.
- To assess the financial risk and business risk associated with the business.
- To judge the existing earning capacity of the business and to provide the basis for making predictions about future earning prospect.
- To evaluate the solvency position of the firm and thereby its long term debt paying capacity.
- To assess the extent of efficiency with which various resources of the firm are being utilized.
- To compare the financial performance of the firm with that of similar other firms.

1.5 DATA SOURCE AND METHODOLOGY

Data Source

Data is information that has been translated into a form that is efficient for moment and processing.

Data can be of two types:

- (i) Primary Data
- (ii) Secondary data

Primary data are those data which are collected by the individual for specific purpose. For example, surveys and focus group discussions.

Secondary data is the data that has already been collected through primary sources and made readily available for researchers to use for their own research. For example, researching the internet, newspaper articles and company reports.

The data which is to be used in the project report is secondary in nature as it has been collected from the company report uploaded on internet.

Methodology

Research methodology is the specific procedures or techniques used to identify, select, process, and analyze information about a topic. In a research paper, methodology section allows the reader to critically evaluate a study's overall validity and reliability.

There are different methods used in research methodology like presentation, analysis etc

Here I'm choosing Ratio analysis and Graphical presentation as the tool of research methodology`

1.6 LIMITATION OF THE STUDY

Lack of time: Time constraint is an important limitation as the study was not a full-fledged research study as instead had to complete within the limited time period.

Limited area: The survey area was limited as because the knowledge regarding the selection area was not there due to research at infancy.

Cost constraint: Hard but true, that money was also a limiting factor due to which the research could not get the extended elaboratory.

Biased data: Ratios have to be interpreted but different people may interpret same ratio in different ways. If one doesn't possess requisite qualifications or is biased in interpreting the ratios, the conclusion will become misleading.

Dependence on correct data: The efficiency of ratio analysis depends upon the sanctity of accounting data. If accounting data are fabricated, the ratio analysis will only give misleading conclusion.

Window dressing: Financial ratios may be affected by window dressing. Manipulations affects the financial statements so they affect ratios also.

Non comparable: Two enterprises may follow different accounting policies. In such case differences may adversely affect the comparison.

1.7 CHAPTER PLANNING

CHAPTER: 1 – INTRODUCTION

Introduction, Justification of the study, Literature review, Objective of the study, Data source and methodology, Limitation of the study & Chapter Planning

CHAPTER: 2 – CONCEPTUAL FRAMEWORK

Main discussions of the chapter

CHAPTER: 3 – DATA ANALYSIS AND FINDINGS

Three Parts: Data Presentation, Analysis & Findings

CHAPTER: 4 – CONCLUSIONS AND RECOMMENDATIONS

Two Parts: Conclusions of the study & Recommendations as the future scope of the study

2. Conceptual Understanding

2.1 CONCEPT

2.1.1 Definition

Financial Statement Analysis refers to the analysis of accounting data reported in the financial statements along with various non- financial factors affecting the firm with the help of various statistical tools and techniques that have been developed and tested within the well- defined framework of decision theory.

2.1.2 Features of Financial Statement Analysis

- 1. Scope:** It is not only confined to only information from conventional financial statements. It also considers various non-financial information such as competitive environment, regulatory environment, customer relation, risk with the firm, employee morale etc.
- 2. Focus:** the main thrust of financial statement analysis is on future. It processes both past and present information for making prediction about the future of the firm. Thus, it is forward looking.
- 3. Tools of Analysis:** the analysis resorts to sophisticated statistical and mathematical tools such ratios, percentages etc.
- 4. Approaches to Analysis:** Decision rules are made both in normative way and empirical verification.
- 5. Parties Concerned:** It caters to the information needs of multiple stakeholders. Thus, it has broader concept in order to serve the interest of lenders.
- 6. Vision:** It emphasizes on profitability and financial position of the firm both from short term and long term point of view.

2.1.3 Advantages of Financial Statement Analysis

- 1. Reliability:** It uses decision models developed on the basis of advanced statistical and mathematical tools. So, the conclusions derived from the analysis becomes more authentic and reliable.

2. **Comprehensiveness:** By considering both financial and non-financial information the analysis becomes more comprehensive and complete. As a result, decision making based on this analysis becomes realistic and result oriented.
3. **Forward Looking:** As it goes beyond the analysis of historical data and considers the leading factors likely to affect the firm, the analysis is forward looking and has a predictive value. As a result, necessary steps can be taken by the management beforehand to prevent occurrence of any diverse eventuality.
4. **Integrated Approach:** It integrates the branches of knowledge with economics, statistics and advanced finance theories so the credibility of the analysis is commendable and recognized everywhere.

2.1.4 Limitations of Financial Statement Analysis

Financial Statement Analysis has given many dimensions to financial statements, which provides foresight for future. The analysis becomes essential for planning and decision making in the present complex corporate world. However, it has got some limitations as highlighted below:

1. **Difficulty in use:** Financial Statement Analysis requires use of sophisticated statistical tools and techniques most of which may be beyond the reach of many analysts.
2. **Piecemeal development:** In modern time the financial statement analysis is developing in a piecemeal way. No single tool used in modern approach can analyze the whole picture of the organization.
3. **Measurement Problem:** It considers non-financial data along with financial data. But no monetary value can be assigned to any non-financial data.
4. **Limited Scope:** It is restricted to the accounting data conventionally reported in the financial statements. It does not cover non-financial information such as human capital, business risk, customer relationship etc., which are more important for understanding the growth potential of the firm.
5. **Not developing any decision model:** The financial statement analysis is done in isolation of other branches of knowledge. That is why, it could not, as experts feel, develop any formal decision model.

2.2 Scenarios of Information Technology Industries

2.2.1 National Scenario of Information Technology Industries

Information Technology in India is an industry consisting of two major components: IT services and Business Process Outsourcing (BPO). The sector has increased its contribution to India's GDP from 1.2% in 1998 to 7.7% in 2017. According to NASSCOM, the sector aggregated revenues US \$ 180 Billion in 2019 with export revenue of standing at US \$ 99 Billion and domestic revenue at US \$ 48 Billion, growing by over 13%. As of 2020, India's IT workforce accounts for 4.36 million employees.

India's IT services was born in Mumbai in 1967 with a creation of Tata Consultancy Services (TCS). In the Contemporary world economy, India is the largest exporter of IT. The Technologically-inclined services sector in India accounts for 40% of the country's GDP and 30% of export earnings as of 2006, while employing only 25% of its workforce, according to Sharma (2006). The Top five Indian IT services providers are Tata Consultancy Services, Infosys, Wipro, Tech Mahindra and HCL Technologies.

2.2.2 International Scenario of Information Technology Industries

The global IT market is expected to grow from \$7850.57 billion in 2020 to \$8370.95 billion in 2021 at a compound annual growth rate of 6.6%. The growth is mainly due to the companies rearranging their operations and recovering from the COVID-19 impact, which had earlier led to restrictive containment measures involving social distancing, remote working, and the closure of commercial activities that resulted in operational challenges. The market is expected to reach \$11866.34 billion in 2025 at a CAGR of 9%.

North America was the largest region in the global information technology market, accounting for 34% of the market in 2020. Asia Pacific was the second largest region accounting for 32% of the global market. Africa was the smallest region in the global information technology market.

Major companies in the market include AT&T, Apple, Verizon communications Inc., China Mobile Ltd., Microsoft. The countries covered in the global information technology market are Australia, Brazil, China, France, Germany, India, Indonesia, Japan, Russia, South Korea, UK, USA.

2.3 Company Profile

Wipro Limited is an Indian multinational corporation that provides information technology, including systems integration, consulting and business process services, IT enabled services and R&D services. It is headquartered in Bangalore, Karnataka, India. In 2013, Wipro separated its non IT businesses and formed the privately owned Wipro Enterprises. Wipro has shifted to work from anywhere model since March 2020 so employees can work from anywhere in the world except Wipro office premises due to COVID-19 pandemic.



SOURCE – Wikipedia en.wikipedia.org

2.3.1 History

The company was incorporated on 29th December 1945, in Amalner, Maharashtra by Mohamed Premji as “Western India Palm Refined Oil Limited”, Later abbreviated to “WIPRO”. It was initially set up as a manufacturer of vegetables and refined oils in Amalner, Maharashtra, British India, under the trade names of Kisan, Sunflower and Camel.

In 1966, after Mohamed Premji’s death, his son Azim Premji took over WIPRO as its chairman at the age of 21.

During the 1970s and 1980, the company shifted its focus to new opportunities in the IT and computing industry. In 1977 the name of company changed from Western India Palm Refined Oil Limited to WIPRO Products Limited. In 1982 the name was changed again, from WIPRO Products Limited to WIPRO Limited. WIPRO continued to expand the consumer products domain.

Between 1986 -1992, In 1988 WIPRO added mobile hydraulic cylinders and heavy-duty industrial cylinders to its line of product. In 1989 WIPRO GE Medical systems Pvt. Ltd was set up in a joint

venture company with US which manufacture, sales, and service of diagnostic and imaging products. In 1991, tipping systems and Eaton hydraulic products were launched. In 1992, it offers standard hydraulic cylinders for construction equipment and truck tipping systems. In 1990 WIPRO comes with the variety of range of baby toiletries.

Between 1994 -2000, In 1995 WIPRO set up overseas design center for overseas clients. WIPRO Infotech and WIPRO systems were amalgamated with WIPRO in April 1995. Meanwhile in 1994-95 WIPRO's manufacturing and development facilities secured ISO's Certification. In 1999 WIPRO acquired WIPRO Acer and released new products. WIPRO got US- based National Software Testing Laboratory (NSTL) certification. Meanwhile WIPRO joined KPN (Royal Dutch Telecom) to form a joint venture company "WIPRO Net Ltd." To provide internet services in India. In 2000 WIPRO was listed on New York Stock Exchange.

Between 2001-2011, In February, 2002 WIPRO became first software technology and service company in India to be ISO 14001 Certification. WIPRO Consumer care and lighting group enters the market. As the company grew, a study revealed that WIPRO was the fastest wealth creator for 5 years (1997-20002). It set up wholly owned subsidiary for consumer care and lighting products. In 2004 WIPRO joined billion dollar club. In this way it rapidly increases its business line. In 2008 the firm entered the clean energy business with WIPRO Eco Energy. In April, 2011 it acquires Global Oil and gas Technology practice.

Between 2012-2018, WIPRO demerged its non-IT businesses into a separate company called WIPRO Enterprises. In 2018 the company began building software to help with general data protection regulation (GDPR) in Europe.

Further in due course of action in March, 2021 WIPRO acquired CAPCO, a twenty two year old British consultancy firm. The deal was completed in April 2021.

3. DATA ANALYSIS AND FINDINGS

3.1 Research design

The research design is explanatory till identification of findings of the Ratios Analysis of Financial Statements. Later it becomes descriptive when it comes to interpreting the effects of the Ratios Analysis. Descriptive research, also known as statistical research, describes data and characteristics about the phenomenon being studied. Descriptive research answers the questions what, where, when and how. Although the data description is actual, accurate, and systematic, the research cannot describe what caused a situation. Thus, descriptive research cannot be used to create a causal relationship, where one variable affects another. In other words, descriptive research can be said to have a low requirement for internal validity. The description is used for frequencies, averages and other statistical calculations. Often the best approach, prior to writing descriptive research, is to conduct a survey investigation. Qualitative research often has the aim of description and researchers may follow up with examinations of why the observations exist and what the implication of the findings are.

3.2 Research Methodology

3.2.1 Sample

The sample is collected from WIPRO Ltd. financial statements i.e., Income statement and Balance sheet of the company.

3.2.2 Data Type

The data which is used here is secondary data which was collected by referring to various websites, journals, books & Company's annual report.

3.2.3 Data Source

The data have been collected from various secondary sources. It was mainly gathered from Money Control App and Company's websites, whereas I have taken references of various research articles, journals related to concerned area of study.

3.2.4 Period of study

The period of study is for six months. There are three phases in which the work has taken place. The first phase has objective and literature review. Then followed by data analysis and findings, and thus finally drafting of conclusion and recommendation.

3.2.5 Tools used

The tools used for the data interpretation is ratio analysis and it has been represented graphically using bar diagram.

3.3 Analysis and Findings

From the study of the financial statements of WIPRO Ltd. by using ratio analysis as a technique of analyzing financial statements of the company. I have analyzed about the trends of its ratios and factors behind the changes in trend. After the above analysis finally, I found the financial performance of the company as under:

Liquidity Ratio (Short Term Solvency)

It measures the short term solvency of the firm. They comprise of current ratio and liquid ratio.

CURRENT RATIO

Current ratio= Current Assets/Current liabilities

Table showing Calculation of Current Ratio			
Year	Current Asset	Current Liabilities	Ratio
2021	45,379.50	18,132.40	2.50
2020	45,713.30	16,443.80	2.78
2019	47,730.40	16,144.60	2.96

Table :1

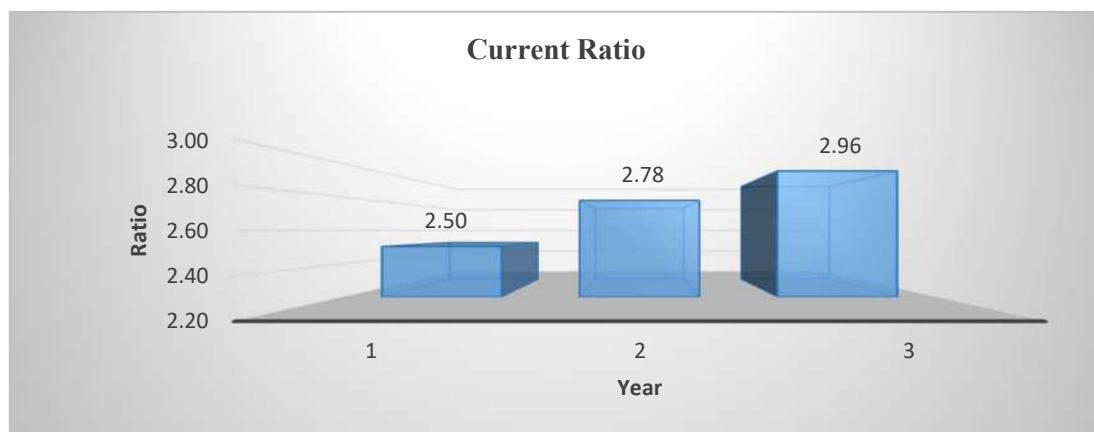


Fig.1

Source :Table 1

Current ratio is the relationship of current assets to current liabilities.

Current ratio measures short term solvency of the firm. It indicates how much current assets in rupee are being held by the company for each rupee of current liabilities. The industrial benchmark of current ratio is 2:1. The reason behind this is that even if the value of current assets reduce to half, the firm will not face any problem in meeting its current liabilities.

Current ratio of WIPRO Ltd. was 2.96 in the Financial Year 2019, it reduces to 2.78 in the year 2020 and further it reduces to 2.50 in the year 2021. We can see a gradual fall in the Current Ratio of the company over the past three years but still the ratio is above the industrial norms which means that the company has good capacity of paying its short term liabilities.

QUICK RATIO

Quick Ratio=Quick Assets/Quick Liabilities

Table showing calculation of Quick ratio			
Year	Quick Asset	Quick Liabilities	Ratio
2021	45,288.50	18,132.40	2.50
2020	45,539.20	16,443.80	2.77
2019	47,390.10	16,144.60	2.94

Table:2

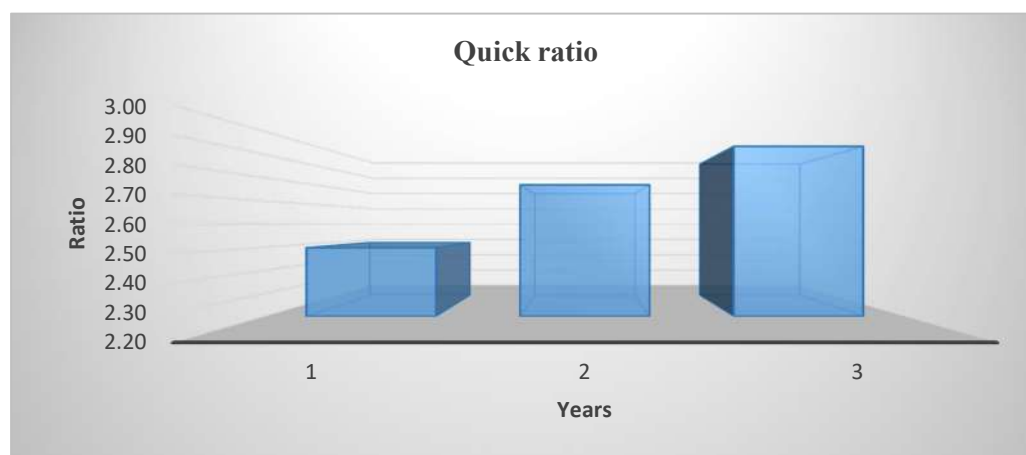


Fig:2

Source: Table 2

Quick ratio is the ratio of quick assets to quick liabilities. It is a measure for judging immediate solvency position of a firm.

Acid test ratio or quick ratio is a refinement over current ratio. As it excludes inventory from current assets, it can more effectively measure the short term debt paying ability. The industrial benchmark o quick ratio is 1:1. The reason behind this is that each rupee of current liability should be backed by quick assets of equal value.

The quick ratio of WIPRO Ltd. is 2.94 in the current financial year. It was 2.77 in the year 2020 and 2.50 in the year 2019. We can clearly see the increasing trend of Quick Ratio of the company. By seeing this trend of the quick ratio we can say that the company is in a good position to meet its short term liabilities.

DEBT-EQUITY RATIO

Debt-equity Ratio=Total debt/Shareholders Fund

Table showing calculation of Debt-equity ratio			
YEAR	Total Debt	Equity	Ratio
2021	5,881.41	45,241.60	0.13
2020	5,109.91	46,453.70	0.11
2019	4,939.20	49,392.00	0.10

Table:3

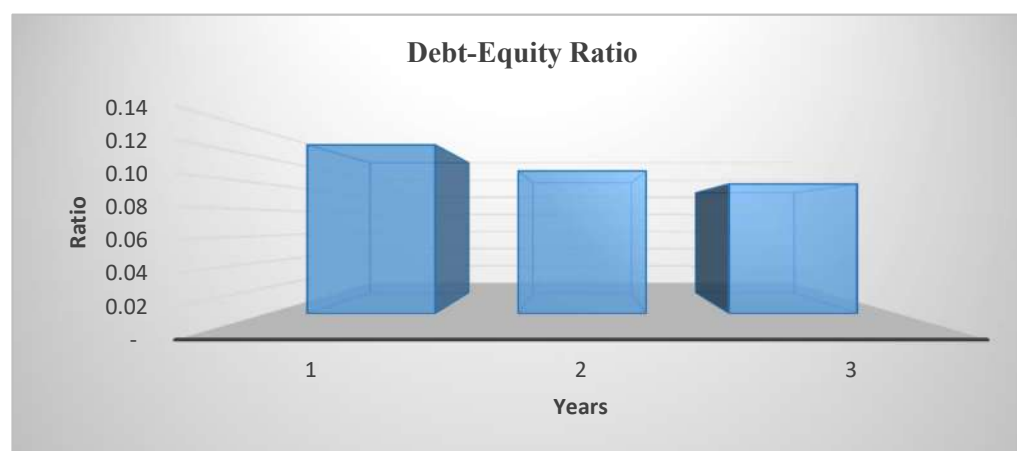


Fig.3:

Source :Table 3

This ratio expresses the relationship between debt capital and shareholder's fund of the company. Debt-Equity Ratio basically tells us about the Long term solvency of the firm as it is directly related to long term debt paying capacity of the firm.

Debt equity ratio indicates the respective claim of outsiders and owners in the assets of the firm. So it reflects the financial soundness of the firm. A high D/E ratio indicates that dependence of

firm on outside fund is high. In this case the firm is exposed to greater financial risk. On the other hand, a firm with low D/E ratio will provide a high margin of safety to outside suppliers of capital. They become sure about return of their capital in time.

The debt-equity ratio of WIPRO Ltd. In 2019 was 0.10, in 2020 it was 0.11 and in 2021 it is 0.13. By looking at the data we can find debt-equity of the company is increasing but still it is not a matter of worry as it is pretty low and the investors need not to worry about return of their capital in time.

PROPRIETARY RATIO

$$\text{Proprietary Ratio} = \frac{\text{Shareholders' Fund}}{\text{Total Assets}} \times 100$$

Table showing calculation of Proprietary ratio			
Year	Shareholders' Fund	Total assets	Ratio
2021	45,241.60	65,736.30	68.82
2020	46,453.70	65,306.40	71.13
2019	49,392.00	66,998.10	73.72

Table:4

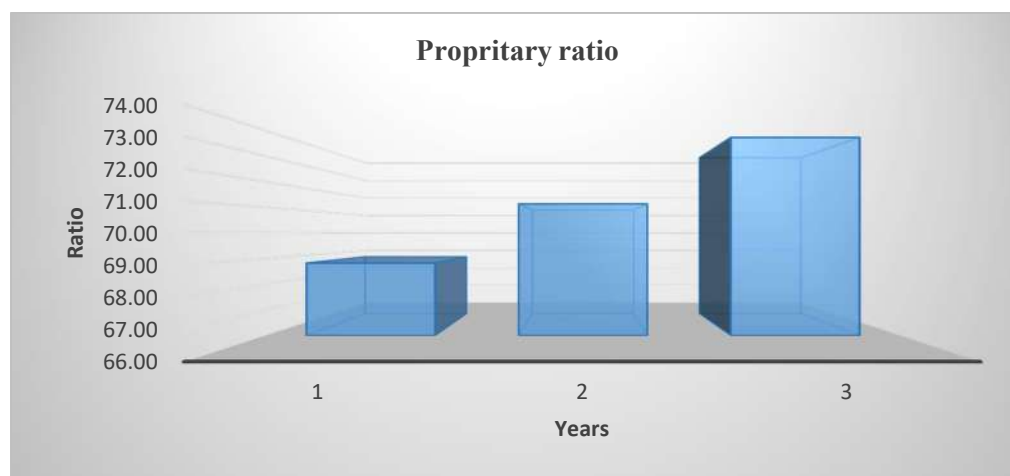


Fig.4:

Source :Table 4

Proprietary ratio is the ratio of proprietary fund to total assets and is generally expressed as percentage.

Proprietary ratio indicates how much of the total assets have been procured with ownership fund. It is the test of solvency position of the firm. Higher this ratio, lower is the dependence on external fund and hence, greater is the solvency of the firm.

Proprietary Ratio of Wipro Ltd. was 73.72% in 2019, 71.13% in the year 2020 and it is 68.82% in the year 2021. Proprietary ratio of the company is showing a decreasing trend over the few years. Higher Proprietary ratio shows the lesser dependence on external funds, so by analyzing the above trend we can say that the company is not showing conservatism in using debt capital. Or we can say that the company may have started taking the benefit of trading on equity.

NET PROFIT RATIO

$$\text{Net profit Ratio} = \text{Net profit} / \text{Sales} * 100$$

Table showing calculation of Net profit ratio			
Year	Net profit	Sales	Ratio
2021	10,060.90	50,299.40	20.00
2020	8,680.70	50,387.70	17.23
2019	7,614.00	48,029.80	15.85

Table:5

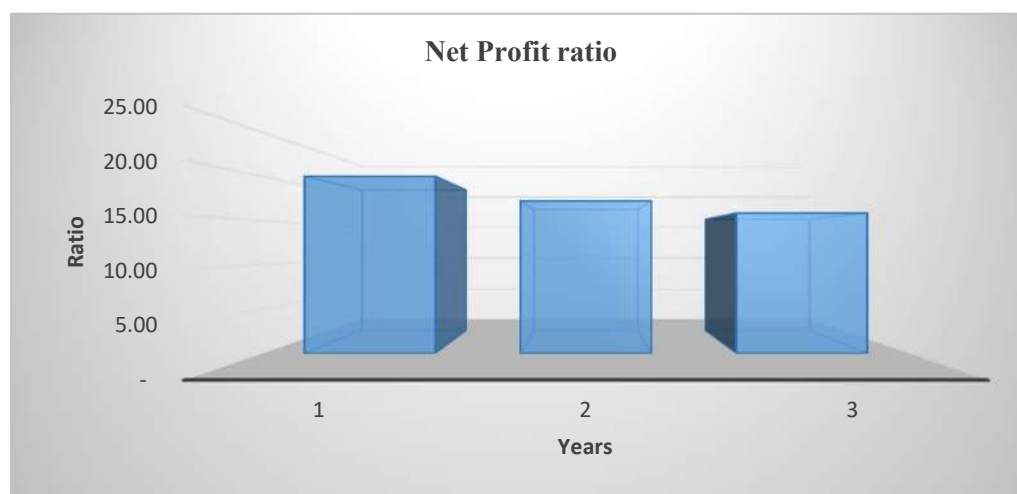


Fig.5:

Source :Table 5

This is the ratio of net profit to sales and usually expressed in percentage. This ratio measures the profit earning capacity of the firm.

This ratio indicates the efficiency of management in manufacturing, administering and selling the product. This ratio is of special interest to the owners as it states how much sales is left for them after meeting all expenses. A high net profit ratio enables the firm to withstand the hardship in adverse situation like falling share price, increasing raw material cost or decline in demand etc. so, higher this ratio, more is the return for shareholders.

The Net Profit Ratio of WIPRO Ltd shows an increasing trend in the past few years. As it was 15.85% in the year 2019, 17.23% in the year 2020 and 20% in the year 2021. The increasing trend of the Net Profit ratio shows that the management is doing well in maintaining overheads of the company. This may have various positive effects on the stakeholders of the company.

RETURN ON CAPITAL EMPLOYED

Return on capital employed=Profit before interest & tax/Capital employed

Table showing calculation of Return on capital employed			
YEAR	PBIT	Capital employed	Ratio
2021	12,684.8	45,241.60	0.28
2020	11,007.70	46,453.70	0.24
2019	9,870.50	49,392.00	0.20

Table:6

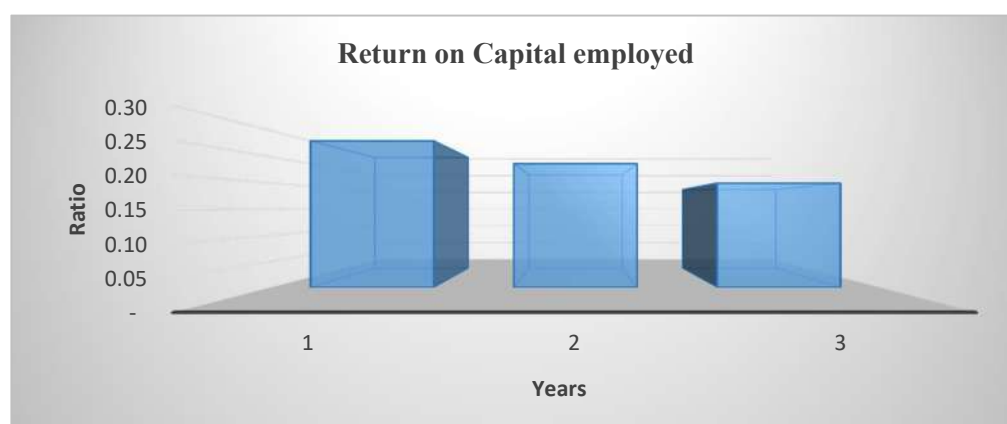


Fig.6:

Source :Table 6

This ratio measures overall efficiency with which the firm is being run by the management. It is the barometer of overall performance of the firm.

Return on net capital employed indicates the earning capacity on net assets. If the rate of return of the firm is poor, it would be very difficult to reward the investors for their investment. The return on capital employed is actually the multiple of net profit margin and capital turnover ratio.

The analysis of return on capital employed of the company shows that it has been increasing in past years but still not increased enough. It was 0.20 in the year 2019, 0.24 in 2020 and 0.28 in the year 2021. However, we need to analyze the industry average of ROCE before commenting anything about the ratio.

RETURN ON SHAREHOLDERS' EQUITY

Return on shareholders' equity=Net profit after tax/Shareholders' Fund

Table showing calculation of Return on shareholders' equity			
Year	Net profit after tax	Shareholders' Fund	Ratio
2021	10,060.90	45,241.60	0.22
2020	8,680.70	46,453.70	0.19
2019	7,614.00	49,392.00	0.15

Table:7



Fig.7:

Source :Table 7

The return on shareholder's equity indicates how efficiently the shareholder's fund are being managed in the firm. It is one of the objectives of management to maximize shareholder's return.

This ratio indicates how far this objective is being fulfilled. Therefore, this ratio is of special interest to the existing as well as prospective shareholders. To judge the adequacy of return on equity, it should be compared with industry average.

The ROE of WIPRO Ltd. shows an increasing trend in the past three financial years as it was initially 15% in the year 2019, 19% in 2020 and 22% in the financial year 2021. Looking at the statistics it seems that the company is doing well in this area but again we need to check the industry average before giving any comment for the ratio.

EARNING PER SHARE

Earnings per share=Profit after tax and preference dividend (PAT)/No. of Equity shares

Table showing calculation of Earnings Per Share			
Year	PAT	No. of Equity shares	Ratio
2021	10,060.90	565.00	17.81
2020	8,680.70	583.00	14.89
2019	7,614.00	601.00	12.67

Table:8

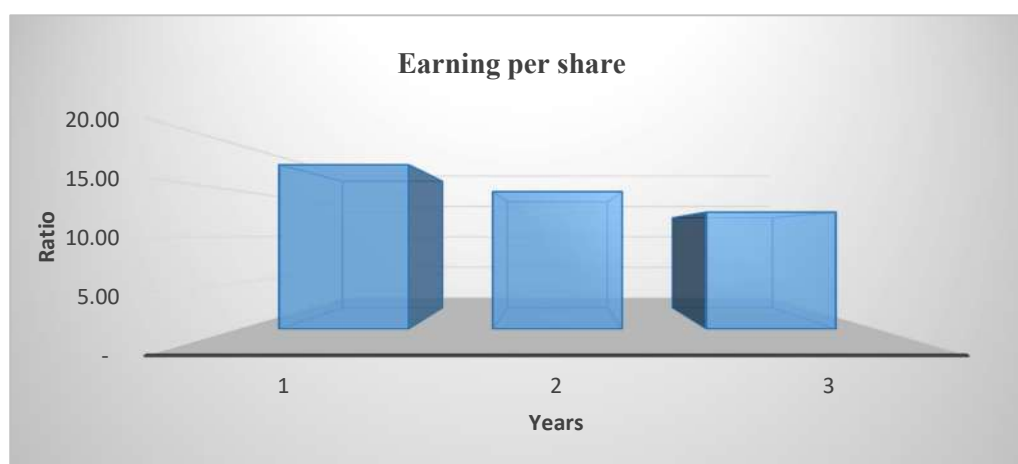


Fig.8:

Source :Table 8

Earnings per share is the ratio of total earning available to equity shareholders to the total number of equity shares.

This ratio indicates profitability per equity share basis and is widely used by the prospective equity shareholders as guide to investment decision in the firm. The ratio should be compared with industry average ratio before arriving at any conclusion regarding the profitability per share.

EPS of WIPRO Ltd. shows an increasing trend as it is initially 12.67 in the year 2019, 14.89 in the year 2020 and 17.81 in the year 2021. This trend shows that earnings available for equity shareholders has been increased in the recent past which is good for the stakeholders and for the prospective investors as well.

OPERATING RATIO

$$\text{Operating Ratio} = \text{Operating Cost} / \text{Sales} * 100$$

Table showing calculation of Operating Ratio			
YEAR	Operating Cost	Sales	Ratio
2021	10,675.40	50,299.40	21.22
2020	12,378.40	50,387.70	24.57
2019	12,505.10	48,029.80	26.04

Table:9

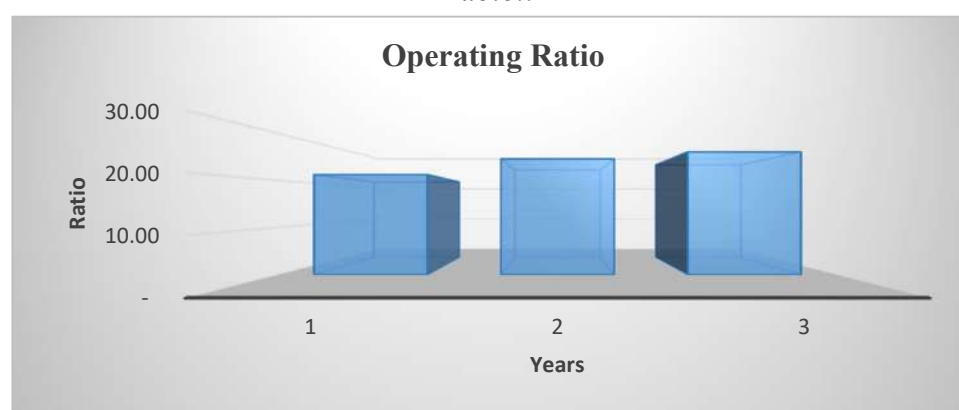


Fig9:

Source :Table 9

This is the ratio of Operating cost to Sales and is expressed in percentage. Operating cost consist of COGS, general and administrative overhead and selling and distribution overhead. Non-operating expenses like interest, abnormal loss etc. are not considered.

The operating ratio is the yardstick of operating efficiency of the firm. It reveals how much of the sales revenue has been eaten up by operating cost. So, higher this ratio, more is the strain to be faced by the firm in meeting obligation towards lenders and owners. The trend of this ratio helps us to find out whether the operating efficiency has improved or not.

The operating ratio of WIPRO Ltd. is decreasing in the past few years. The data shows that it was 26.04% in the year 2019, 24.57% in the year 2020 and 21.22% in the year 2021. By analyzing the above data it can be said that the company’s efficiency towards its operating expenses has been improved in the current past.

DIVIDEND PAYOUT RATIO

Dividend payout ratio=Dividend per share/Earning per share

Table showing calculation of Dividend Payout Ratio			
Year	Dividend per share	Earnings per share	Ratio
2021	17.81	17.81	1.00
2020	14.88	14.88	1.00
2019	12.67	12.67	1.00

Table:10

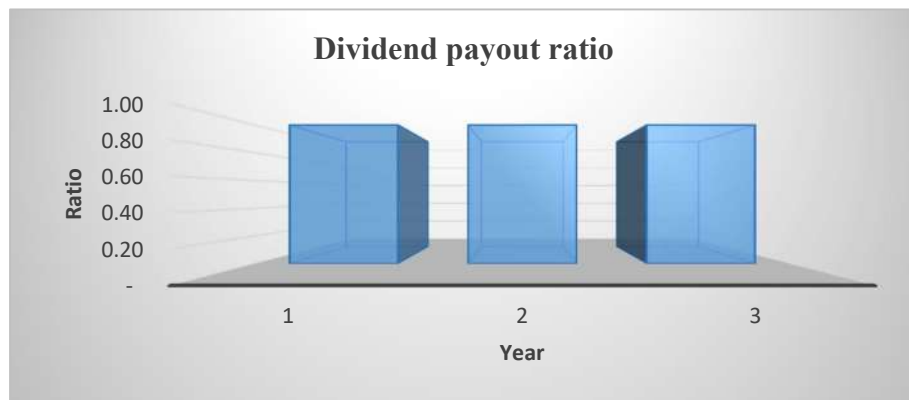


Fig10:

Source :Table 10

This is the ratio of dividend per share to earnings per share.

The ratio indicates how much the shareholders are getting back in the form of percentage returns from the overall profit earned by the company. It is an important metric to determine how the company is functioning or operating and whether it has enough growth potential.

The dividend payout ratio of WIPRO Ltd. has been constant for the few years. The ratio is unitary in the last three financial years which shows a constant return to the shareholders in form of percentage from the overall profit earned by the company.

CONCLUSION AND RECOMMENDATIONS

Financial Year	2018-19	2019-20	2020-21
Current Ratio	2.96	2.78	2.50
Quick Ratio	2.94	2.77	2.50
Debt Equity Ratio	0.10	0.11	0.13
Proprietary Ratio	73.72	71.13	68.82
Net Profit Ratio	15.25	17.23	20.00
ROCE	0.20	0.24	0.28
ROE	0.15	0.19	0.22
Earnings Per Share	12.67	14.89	17.81
Operating Ratio	26.04	24.57	21.22
Dividend Payout Ratio	1	1	1

After analyzing the project we can reach about the conclusion of the ratio analysis of the financial statements of the company.

Liquidity Analysis: In order to analyze liquidity position, ratios used are (i) Current Ratio and (ii) Quick Ratio which is computed on the basis of current assets, liquid assets and current liabilities. The analysis of liquidity position shows that the company doesn't hold much of inventory or overdrafts as the difference between current and quick ratio is negligible. Both liquidity ratios of the company are quite high from the industrial benchmark, which means company can use its liquid cash for some investments or it can keep some more inventories with it only after considering inventory handling costs.

Solvency Analysis: It is also known as Financial Structure or Capital Structure Ratio. It indicates company's ability to repay fixed interest charges and principal on long term debts on regular basis. It is mainly studied by employing (i) Debt- Equity Ratio and (ii) Proprietary Ratio. In the analysis of debt equity we can say that it is quite low. This shows that company is not depending on long term loans and other outside debts for capital purpose. The company should use debt capital in its capital structure as it is considered to cheapest way of raising finance. The Proprietary Ratio of the company is very high which means that company is not dependent on

external funds in order to procure ownership funds. It shows the better solvency position of the company. But the company can reduce it a bit if it wants to enjoy the benefits of Trading on Equity.

Profitability Analysis: It is used to denote whether concern is profitable or not. It study whether company is able to meet its shareholders expectation with regards to return on their investment. It is mainly studied by using important ratios such as (i) Return on Equity, (ii) Return on Capital Employed (iii) Earnings per Share & (iv) Net Profit Ratio. The analysis of Net Profit Ratio shows that it has increased from 15% to 20% in past three financial years, which is good for the company and its stakeholders. The company has maintain this trend even after the global crisis arisen as Covid-19 Pandemic. The company should maintain this trend in future too. ROE and ROCE are also showing increasing trend. The company should keep an eye about the increase in ROE as the net profit of the company shall also increase along with ROE to meet shareholders' expectations. Earnings per Share shows an increasing trend which is quite well for the future growth of the company, as its increasing trend builds confidence in the investors and prospective investors too. In the end we can conclude that in profitability company is performing well.

Performance Analysis: In this segment we analyze the company's performance regarding its operations mainly. For the study of this two ratios has been used (i) Operating Ratio and (ii) Dividend Payout Ratio.

The analysis of operating profit shows that the company is doing well as the operating ratio is decreasing in past three years. This trend shows that the company has reduced its operational expenses such as COGS, general and administrative overhead and selling and distribution overhead. This also narrates about the increased efficiency of the company as it is considered to be the yard stick of operating efficiency of the firm.

The Dividend Payout Ratio is also useful for assessing a dividend's sustainability. Companies are extremely reluctant to cut dividends since it can drive the stock price down and reflect poorly on management's abilities. If a company's payout ratio is over 100%, it is returning more money to shareholders than it is earning and will probably be forced to lower the dividend or stop paying it altogether. That result is not inevitable, however. A company endures a bad year without

suspending payouts, and it is often in their interest to do so. It is therefore important to consider future earnings expectations and calculate a forward-looking payout ratio to contextualize the backward-looking one. The Payout ratio of the company is unitary in all the three financial years which shows the maturity of the company as its payout ratio can be termed as sustainable one.

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ANNEXURES**Balance Sheet of WIPRO Ltd.**

BALANCE SHEET OF WIPRO (in Rs. Cr.)	MAR 21	MAR 20	MAR 19
EQUITIES AND LIABILITIES			
SHAREHOLDER'S FUNDS			
Equity Share Capital	1,095.80	1,142.70	1,206.80
TOTAL SHARE CAPITAL	1,095.80	1,142.70	1,206.80
Reserves and Surplus	44,145.80	45,311.00	48,185.20
TOTAL RESERVES AND SURPLUS	44,145.80	45,311.00	48,185.20
TOTAL SHAREHOLDERS FUNDS	45,241.60	46,453.70	49,392.00
NON-CURRENT LIABILITIES			
Long Term Borrowings	14.10	25.10	22.00
Deferred Tax Liabilities [Net]	130.50	0.00	10.40
Other Long Term Liabilities	2,129.20	2,170.50	1,309.50
Long Term Provisions	88.50	213.30	119.60

TOTAL NON-CURRENT LIABILITIES	2,362.30	2,408.90	1,461.50
CURRENT LIABILITIES			
Short Term Borrowings	5,791.20	5,001.90	5,052.20
Trade Payables	4,348.50	4,542.60	4,765.50
Other Current Liabilities	6,705.30	5,769.10	5,397.90
Short Term Provisions	1,287.40	1,130.20	929.00
TOTAL CURRENT LIABILITIES	18,132.40	16,443.80	16,144.60
TOTAL CAPITAL AND LIABILITIES	65,736.30	65,306.40	66,998.10
ASSETS			
NON-CURRENT ASSETS			
Tangible Assets	6,578.70	5,863.30	3,874.20
Intangible Assets	709.40	776.10	526.80
Capital Work-In-Progress	1,848.00	1,873.50	2,112.70
Other Assets	0.00	0.00	0.00
FIXED ASSETS	9,136.10	8,512.90	6,513.70
Non-Current Investments	8,206.70	7,735.00	8,250.30

Deferred Tax Assets [Net]	47.40	433.30	391.00
Long Term Loans And Advances	0.00	0.00	0.00
Other Non-Current Assets	2,966.60	2,911.90	4,112.70
TOTAL NON-CURRENT ASSETS	20,356.80	19,593.10	19,267.70
CURRENT ASSETS			
Current Investments	17,495.20	18,963.50	21,998.80
Inventories	91.00	174.10	340.30
Trade Receivables	8,046.20	9,257.00	10,648.60
Cash And Cash Equivalents	9,783.20	10,444.00	10,390.20
Short Term Loans And Advances	4,201.50	947.20	0.00
Other Current Assets	5,762.40	5,927.50	4,352.50
TOTAL CURRENT ASSETS	45,379.50	45,713.30	47,730.40
TOTAL ASSETS	65,736.30	65,306.40	66,998.10

Income statement of WIPRO Ltd.

ROFIT & LOSS ACCOUNT OF WIPRO (in Rs. Cr.)	MAR 21	MAR	MAR
		20	19
INCOME			
REVENUE FROM OPERATIONS [GROSS]	50,299.40	50,387.70	48,029.80
LESS: EXCISE/SEVICE TAX/OTHER LEVIES	0.00	0.00	0.00
REVENUE FROM OPERATIONS [NET]	50,299.40	50,387.70	48,029.80
TOTAL OPERATING REVENUES	50,299.40	50,407.00	48,123.80
OTHER INCOME	2,382.90	2,476.60	2,568.60
TOTAL REVENUE	52,682.30	52,883.60	50,692.40
EXPENSES			
Cost Of Materials Consumed	0.00	0.00	0.00
Operating And Direct Expenses	10,675.40	12,378.40	12,505.10
Changes In Inventories Of FG,WIP And Stock-In Trade	34.50	159.90	-55.30
Employee Benefit Expenses	26,467.30	26,171.80	23,808.50
Finance Costs	402.60	535.20	524.90

Depreciation And Amortization Expenses	1,349.30	1,141.10	934.30
Other Expenses	480.50	691.20	1,962.40
TOTAL EXPENSES	39,997.50	41,875.90	40,821.90
PROFIT/LOSS BEFORE EXCEPTIONAL, EXTRAORDINARY ITEMS AND TAX	12,684.80	11,007.70	9,870.50
Exceptional Items	0.00	0.00	0.00
PROFIT/LOSS BEFORE TAX	12,684.80	11,007.70	9,870.50
TAX EXPENSES-CONTINUED OPERATIONS			
Current Tax	2,243.00	2,206.70	2,272.50
Less: MAT Credit Entitlement	0.00	0.00	0.00
Deferred Tax	380.90	120.30	-16.00
Tax For Earlier Years	0.00	0.00	0.00
TOTAL TAX EXPENSES	2,623.90	2,327.00	2,256.50
PROFIT/LOSS AFTER TAX AND BEFORE EXTRAORDINARY ITEMS	10,060.90	8,680.70	7,614.00
PROFIT/LOSS FROM CONTINUING OPERATIONS	10,060.90	8,680.70	7,614.00
PROFIT/LOSS FOR THE PERIOD	10,060.90	8,680.70	7,614.00

OTHER ADDITIONAL INFORMATION**EARNINGS PER SHARE**

Basic EPS (Rs.)	17.81	14.88	12.67
Diluted EPS (Rs.)	17.77	14.84	12.67

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UNIVERSITY OF CALCUTTA

[SUBMITTED FOR THE DEGREE OF B.COM(HONOURS) IN ACCOUNTING AND FINANCE. UNDER THE UNIVERSITY OF CALCUTTA]

TEA INDUSTRY AND ITS EFFECT ON INDIAN ECONOMY

NAME OF CANDIDATE:	MIRAK SUBBA
CALCUTTA UNIVERSTIRY REGISTRATION	223-1113-0516-18
CALCUTTA UNIVERSTIRY Roll Number	181223-21-0011
NAME OF THE COLLEGE :	SCOTTISH CHURCH COLLEGE

NAME OF THE SUPERVISER: Prof. Sreeparna Mukherjee

NAME OF THE COLLEGE: SCOTTISH CHURCH COLLEGE

MONTH AND YEAR OF SUBMISSION:

Annexure- IA

Supervisor's Certificate

This is to certify that Mr./Ms MIRAK SUBBA a student of B.Com. Honours in Accounting & Finance of **.SCOTTISH CHURCH COLLEGE** (Name of the College) under the University of Calcutta has worked under my supervision and guidance for his/her Project Work and prepared a Project Report with the title **TEA INDUSTRY AND ITS EFFECT ON INDIAN ECONOMY** which he/she is submitting, is his/her genuine and original work to the best of my knowledge.

Place: Scottish Church college
Date: 26-July-2021

Signature
Name : *Prof. Sreeparna Mukherjee*
Designation : SACT
Name of the College: Scottish Church College

Annexure- IB

Student's Declaration

I hereby declare that the Project Work with the title (in block letters) **MIRAK SUBBA** submitted by me for the partial fulfillment of the degree of B.Com. Honours in Accounting & Finance / under the University of Calcutta is my original work and has not been submitted earlier to any other University /Institution for the fulfillment of the requirement for any course of study.
I also declare that no chapter of this manuscript in whole or in part has been incorporated in this report from any earlier work done by others or by me. However, extracts of any literature which has been used for this report has been duly acknowledged providing details of such literature in the references.

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For her guidance and constant supervision as well as providing necessary information regarding the project and also for her support in completing the project

I would like to express my special gratitude and thanks to industry persons for giving me such attentions and time.

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CHAPTER 1

INDTODUCTION



INTRODUCTIONS

In Colonial India, East India company started tea plantation in India(Assam), using Chinese techniques and Chinese seeds, Because British had to import tea from China, which caused a huge dents in their treasury.

In 1839, Assam tea was first shipped to London for public sale, As the production of tea in India increased, India started exporting tea to the rest of the world. This contributed to the nation's economy. By 1850s, India became one of the biggest tea producers in the world.

Today India is the second largest producer of tea in the world.

India accounts for around 16 per cent of world production.



Majority of Indian tea is from Northern India, Assam and West Bengal being the major contributors. In India, tea is cultivated in 15 states of which Assam, West Bengal, Tamil Nadu and Kerala are the major tea growing states. They account for 98% of the total production.

Other traditional states where tea is grown are Tripura, Himachal Pradesh, Uttarakhand, Bihar and Karnataka. The non-traditional states that have entered the tea map of India include Arunachal Pradesh, Manipur, Meghalaya, Mizoram, Nagaland, and Sikkim.

World's finest teas like Darjeeling, Assam, Sikkim, Nilgiris and Kangra which are famous for their delicate flavor, strength and brightness are produced in India. With diverse agro climatic conditions, India produces medley of teas suited to different tastes and preferences



of consumers. The characteristics of each region are distinct, which sets them apart from one another in many different ways

Tea production in west Bengal was approximately 25 million kilograms in March 2020, the highest to any other regions in the country, Assam came second with close to 20million kilograms. A total of 1.28 billion kilograms of tea was produced in the country in the financial year 2021



LITERATURE REVIEW

SUBRAMANIAM (1995) *Analyzed the impact of fluctuations in tea productions and exporters on international tea trade.*

He articulated that India plays a significant role in world tea trade, being one of the largest producer, consumers, and exporters. Therefore, fluctuations in India's tea production, consumption and exports are enough to disturb international tea trade.

REDDY,(2001), *examined global demand and supply of tea by estimating semi-log trends separately using data of the recent past (1978-1988), on the area under cultivation of tea, production, exports and retention of tea for domestic consumption.*

DEBRAJ,(2003), *in a column in India together news letter said that globalizations has hit the Indian tea industry, HE added that it's traditional market in countries that made up the former soviet union have been steadily drained up and hence results in falling demand for tea in aboard.*

SATHE AND DESHPANDE,(2006), *in their paper made an attempt to review the changes in their trends and composition of agri-trade from 1990 till 2004.*

VANDER AND WALL(2008) *Examined the sustainability issue in the tea sector for six leading tea producing countries in the world , China, India, Sri Lanka, Vietnam, Indonesia, Kenya and Malawi.*

This study is based on an extensive field study of civil society organizations in these countries.

PAJANKAR V.D. & THAKARE A.B.(2009) .*Consumption and export of Tea in India. International Journal of Agricultural and Statistical Sciences.*

Bera, & Rajan (2012) *Tea statistics :Global Scenario.*

RP Dayani Gunathilaka And Gurudeo A Tularam(2016).*Analyze the current status of tea Industry, it's major challenges and to Identify how future directions of Tea price modeling*



studies can help support the tea Industry o adapt to climate change, which has been major challenge for most of the producing countries

OBJECTIVES

As India is one the leading producers of tea in the world, my objective of this project is to study the impact it has Indian economy and for that I have focused on the following topic

To study the effect of tea industry in Indian economy.

To analyze the present role and responsibility of global tea market players in India.

To study why Indian tea industry has a edge on other Tea producing countries

To understand the difficulty face by Indian tea sector, and how to face to it.

METHODOLOGY.

The primary-data used in this project is obtain from small tea growers of Darjeeling and is on limited basis

The secondary data relied on company websites, annual reports, official statements from the companies, tea market reports, reports from auction centers, Annual reports of the Indian Tea

Association and the Tea Board of India,

media and news paper reports.



LIMITATIONS

This project is largely dependent on a secondary data

The secondary data used for this project is assumed to be without any errors and mistake

The data used in this project may not be 100% reliable

Some data at the time of making this project were not available



CHAPTER 2

NATIONAL & INTERNATIONAL SCENARIO

- **2.1 STUDY OF PRODUCTION OF TEA OF INDAIAN TEA INDUSTRY**
- **2.2 EMPLOYMENT GENERATION OF TEA INDUSTRY**
- **2.3 STUDY OF EXPORT OF TEA INDUSTRY OF INDIA.**
- **2.4 INCOME GENERATION OF TEA INDUSTRY**
- **2.5 FACTOR EFFECTING TEA INDUSTRY**





2.1 STUDY OF TEA PRODUCTION OF INDIAN TEA INDUSTRY

2.1(A) PRODUCTION OF TOP TEA PRODUCING COUNTRY OF THE WORLD FOR THE YEAR(2011-2021)

The global tea production during 2020 was 6012.81 million kg , About 137.27 million kilograms less than 2019.

India and China being top two tea producing countries of the world, The data form 2011-2019, show that India and China production of tea has been constantly increasing, China produced 1623.21 million kilograms in 2011 and 2799.38 million kilograms in 2019, India produced 988.33 million kilograms in 2011, which is an increase in around 1176.17 million kilograms and 401.75 million kilograms respectively.

But the recent data of 2020-2021 show a fall in tea production of in every major tea producing country of the world except Kenya

Kenya production of Tea increased from 458.85 million kilograms in 2019 to 569.54 million kilograms in 2020.

2.1(B) INDIA SHARE IN THE GLOBAL PRODUCTION OF TEA



India is one of the top Tea producing countries of the world and hold a huge share in global production of tea.

The total Production of the world for the year(2020-2021) is 6012.81,

China and India being the top two producer of the world, Amounts for around 68% of total Tea produced in the world. India alone contributes around 23% of the total tea produced in the world which and has constantly holds the second position of the world.

2.1(c) TEA PRODUCED IN DIFFERENT PART OF INDIA

The Tea Is Produced in Different Parts Of India, and It Can be Broadly divided into North and South India, North India Production mainly depends on Assam and Darjeeling.

In The Fig.1.3 shows the total production from North and South India, For the Year 2010-2021.

In The year 2020-2021 North India Produced Around 1050.80 million kilograms of Tea which was an Decreased of Around 89.89 million kilograms against 1140.69 million Kilograms of Tea Produced in The year 2019-2020.

On the Other hand there was an Increased Of production of Tea in South India as it Produced Around 232.23 million kilograms of Tea in 2020-2021, which was an Increased of Around 12.11million kilograms against 220.12 million Kilograms of Tea Produced in The year 2019-2020



The tea produced in India was constantly increasing form the year 2010-2019 but this year the tea production dropped 77 million kilograms compared to the previous year.

Total tea produced in North India in the year 2010 was 728.52 million kilograms and in 2019(financial year) was 1140.69million kilograms, which is an increased of around 412.17millon kilograms, for the financial year 2020 ,the production of tea in north India was 1050.80 million kilograms which is an decreased of around 89.89million kilograms.

But on the other hand the teas Total tea produced in South India in the year 2010 was 238.21million kilograms and in 2020(financial year) was 232.23 million kilograms, which is and decreased of around 5.98million kilograms.

It was seen that in financial year 2020 when the total production of tea in North India was decreased, total production of South India Increased

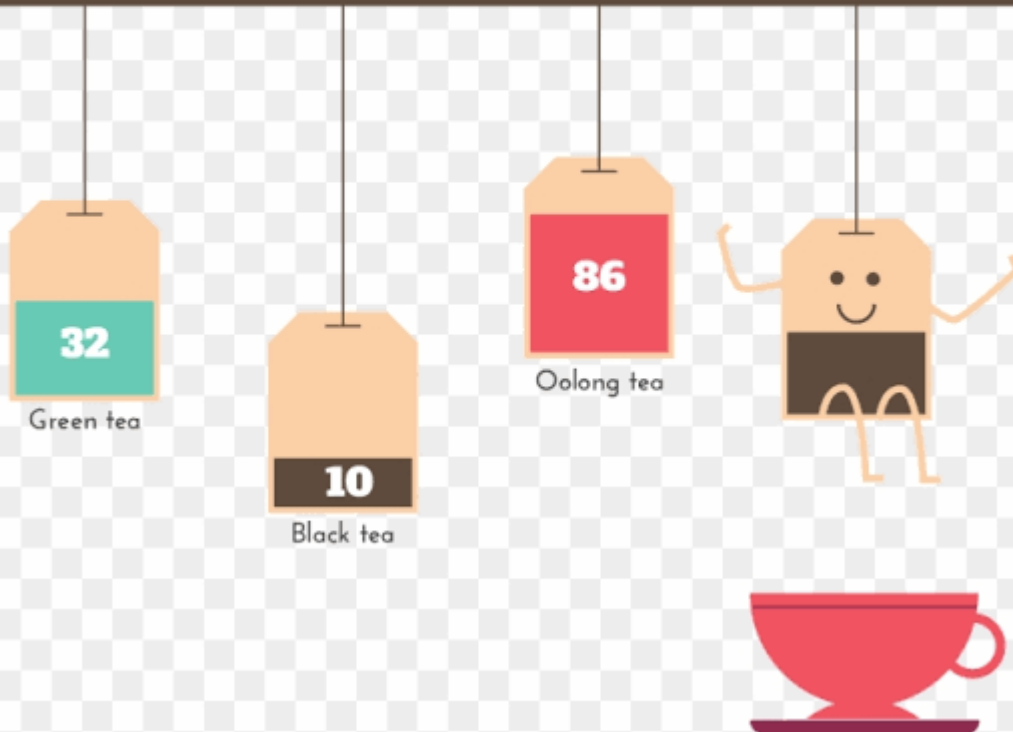
2.1(D) TYPES OF TEA PRODUCED IN WORLD.

There are approximately 1500 types of tea in the world, but there are only 4 major categories of Tea

- *Green.*
- *Black Tea.*
- *White.*
- *Oolong*



Types of Tea



DIFFERENT TYPES OF TEAS

1. Black Tea

Black tea are the most oxidized of all types of tea, This tea a considered to be stronger than most other teas.

Black Tea are Made in Darjeeling, Assam, Kangra, The nilgiris and Nepal.

2. White Tea.

This Tea are naturally oxidized non-Processed Tea. There are four main types of white teas.

- *Sliver needle,*
- *White peony*
- *Long life eyebrow*
- *Tribute eyebrow.*



White teas are made in Darjeeling and The Nilgiris.

3.Green Tea.

Green Tea are considered to be one of the most beneficial teas, it is considered to have numerous health benefits. It is least oxidized tea .Green Tea are largely famous in Japan and considered to be healthy and Delicious.

These teas are made in Darjeeling, Assam, Nepal, Kangra and The Nilgiris.

4.Oolong Tea.

This teas are made by partly oxidizing mature leaves.

There are several types of Oolong Teas which includes Da Hong Po,

One of the most famous Chinese Teas.

This Teas are made in Darjeeling and The Nilgiris.

5.Chai

The quintessential Indian Tea, made from Strong Ctc Tea and Milk, infused with spices and sweetened.

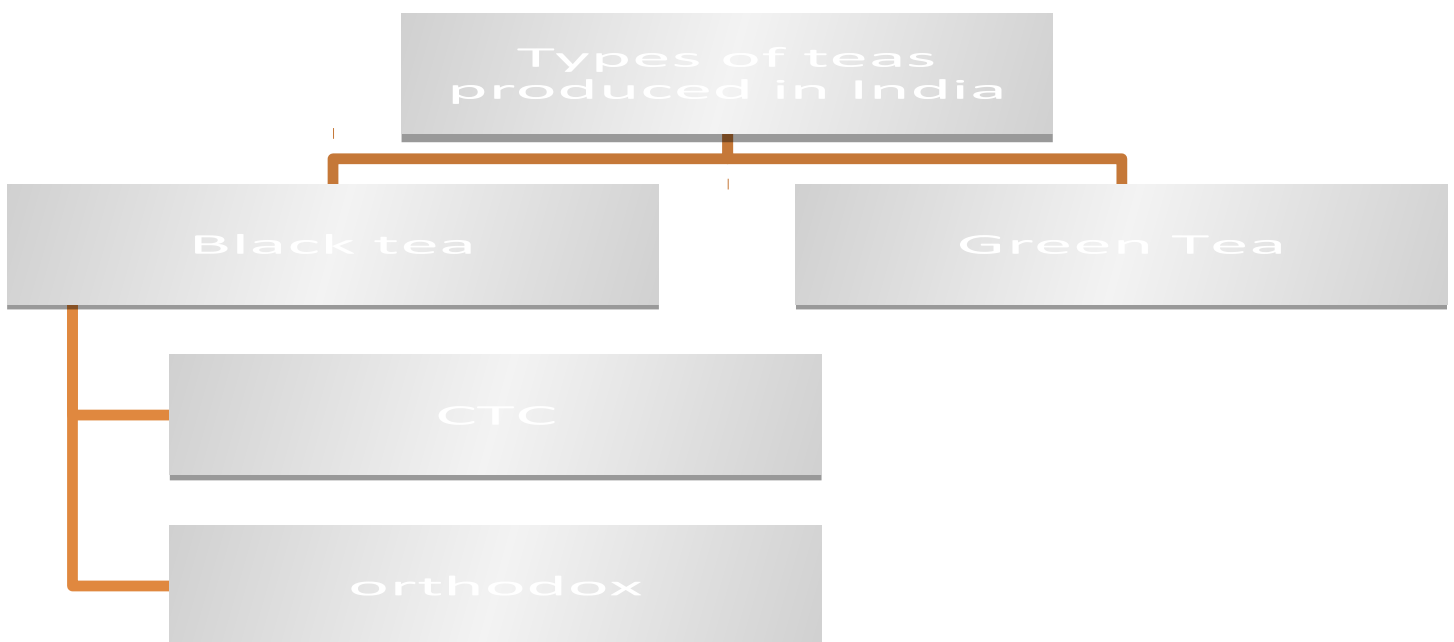
2.1(E) TEA INDUSTRY OF INDIA, **PRODUCING DIFFERENT TYPES** **OF TEA**



Historically, India produced only black tea. In recent years, however there has been a growth of green , whites, and even oolong Indian teas,

Although the vast majority of tea and styles of most famous tea producing regions of India are Darjeeling and Assam, Although Nilgiri and Sikkim also produced notable teas, and teas are grown in many others reasons as well. Darjeeling has diversified into green oolong, white teas more than any other region of India

- Black tea : In Black Tea production, the tea leaves are allowed to completely oxidize. Black Tea is the most common form of tea in South Asia (India, Sri Lanka, Bangladesh, etc) and also in Kenya.
- Black tea is further classified as either orthodox or CTC (Crush, Tear, Curl). Orthodox and CTC teas are further graded according to the post-production leaf quality by the Orange Pekoe (OP) system. Black Tea contributes 97.7per cent of production, and Darjeeling Tea 1.2 per cent of production (or around 5 million kilograms annum).





Green tea : In the manufacture of green tea, the oxidation process is stopped after a minimal amount of oxidation by application of heat. The tea is processed within one to two days of harvesting.

2.2EMPLOYMENT

GENERATION OF TEA

INDUSTRY

2.2EMPLOYMENT GENERATION OF TEA INDUSTRY IN

INDIA



2.2(A)WORK FORCE IN TEA INDUSTRY OF INDIA

Tea being one of the most popular drink in the world need a huge production, India itself produced a huge amount of tea.

India being the second largest producer of the tea as on 2020-2021,produced around 1283.03 million Kilograms of Tea, The tea workers play a huge role in producing that amount of Tea.



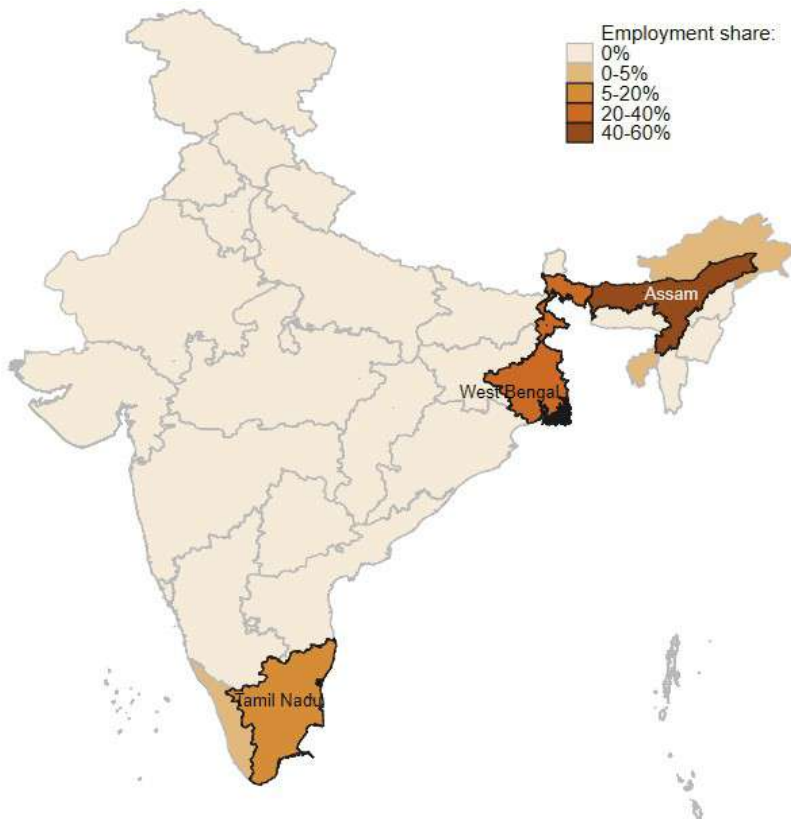
Historically, tea seems to have been a highly seasonal product in India, with clear employment peaks in the last months/first months of the year.

Tea workers are considered as a backbone of Tea industry, because Tea Industry is a labour intensive Industry. The entire gamut of activities ranging from nursery to planting, bringing up young saplings, plucking, pruning and manufacturing in the factory are accomplished by them



Assam and West Bengal contribute a total of 81 % to total tea production with contributions of 52 % by Assam and 29 % by West Bengal. There are 4.17 lakh women workers in Assam and 2.06 lakh women workers in West Bengal totaling 6.23 Lakh female workers in the states of Assam and West

INDIA, TEA WORKERS DISTRIBUTION IN 2020



Tea Industry is Seasonality, And the work Force depends on the Seasons, And the work Force is Divided into Two groups Permanent and Temporary groups, Temporary groups are workers who Works During The First 2 flush of Tea, Where Production is High and permanent Workers are enough to gather all the Tea Leaves.



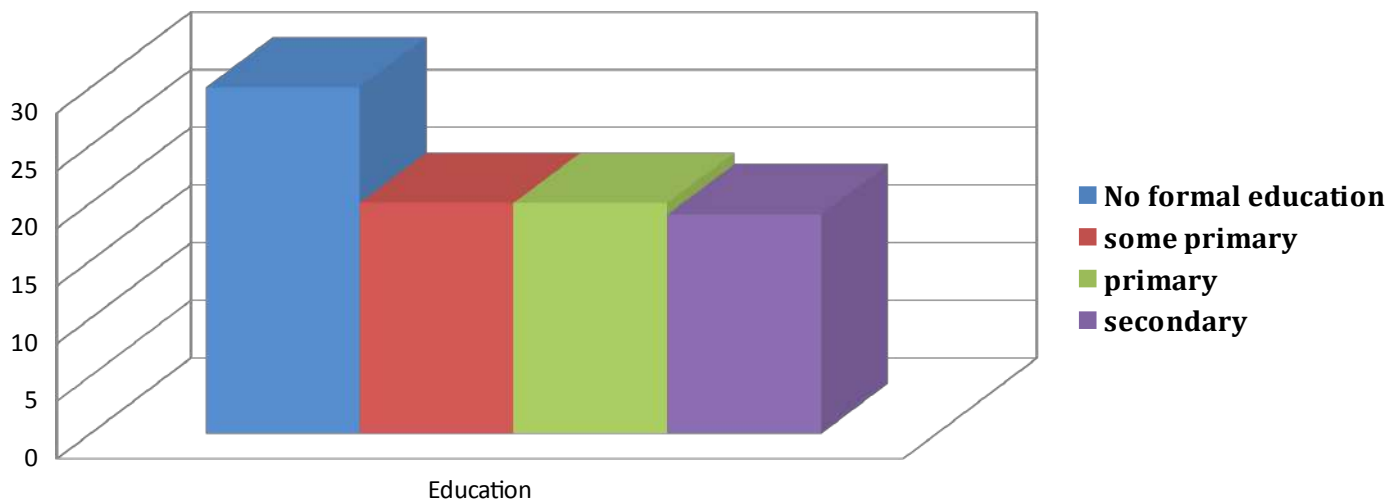
Some years data were not available for this chapter, but from fig.3.1 we can see there has not been a huge increased in the work force of both men and women, some.

The production of Tea has been increasing but the work force remains same for the past decades.

According to the estimates the remains relatively small in terms of overall employment share in our country, one of the distinguishing features of the sector is the high prevalence of female employment.

2.2(B) EDUCATION OF TEA WORKERS OF INDIA

Indian tea workers are among the ones who spent less years in school, not only when compared with Indonesian or Vietnamese tea workers, also when compared with the average Indian workers.



Source : My Surveys and secondary surveys(

www.theprint.com)

2.2(C) EARNINGS AND HOURS WORKED IN THE TEA SECTOR



The case of India tea workers deserve some extra attention India being one of the top Tea producer and importer of the world. yet employees earn the lowest salaries in spite of working longer hours.

On average, women earn less than men . The monthly gender pay gap (all workers) in the tea sector is lowest in India, 14.6 per cent, second goes Viet Nam at 37.5 per cent while in Indonesia it reaches 59.1 per cent. The high pay gap found in Indonesia is partially explained by the massive presence of female unpaid family workers who experience earnings equal to zero. Monthly wage gaps for employees are somewhat lower yet the differences across countries are maintained; 9.2 per cent in India, 25.8 per cent in Viet Nam and 42.7 per cent in Indonesia.



2.3 TEA EXPORTS:

STATUS AND CHALLENGES OF INDIA

2.3(A) TOP TEA EXPORTING COUNTRY OF THE WORLD FOR THE YEAR

Tea are exported and Imported by different countries both developing countries and Developed countries. South Asia(India, Sri Lanka) , East Asia (China) and East Africa account for more than 71 % of world exports in 2020.

Countries like India, China, Sri Lanka are top tea Producing as well as exporting countries of the world. Developed countries account for about 62 per cent of world tea imports.

Kenya has dominated the world market for several years and its rate of growth is much faster as compared to other competitive countries, including India.

India has exported around 207.58 million kilograms 11.37 per cent of the market share and is ranked fourth among tea-exporting countries in the international market in the year 2020. While Kenya still dominates the international market with 28.38 in 2020



2.3(B)TOP TEA EXPORTER OF THE WORLD.

Kenya, China, Sri Lanka, India being the top four tea exporter of the world, It can be seen that Kenya was the only country which export increased compared to 2019.

- Kenya exported around 518.92 million Kilograms of Tea which is an increased of around 49.16 million kilograms against 496.76 million Kilograms Produced in 2019.*

On the other hand China, Sri Lanka and India export decreased.

- China exported around 348.82 million kilograms in the year 2020, which is an decreased of around 17.73 million kilograms against 366.55 million Kilograms produced in 2019*
- Sri Lanka exported around 262.78 million kilograms in the year 2020, which is an decreased of around million kilograms against 26.81 million Kilograms produced in 2019*
- India exported around 207.58 million kilograms in the year 2020, which is an decreased of around 44.57 million kilograms against 252.15 million Kilograms produced in 2019*



Form the data for the past 10 years it can be seen that Kenya and China Export increased but India and Sri Lanka Export decreased ,If data form 2011 and 2020 is taken into consideration

- Kenya exported around 421.72 million kilograms in the year 2011, which is an Increased of around million kilograms against 518.92 million Kilograms produced in 2020*
- China exported around 322.58 million kilograms in the year 2011, which is an Increased of around 26.24 million kilograms against 348.82million Kilograms produced in 2020*
- Sri Lanka exported around 301.27 million kilograms in the year 2011, which is an decreased of around 38.49million kilograms against 262.78 million Kilograms produced in 2020*
- India exported around 211.91 million kilograms in the year 2011, which is an decreased of around 4.33 million kilograms against 207.58 million Kilograms produced in 2020*

2.3(C)TOP TEA EXPORTING COMPANY OF INDIA

Indian Tea suppliers produce some of finest varieties of Tea Such as Green tea , black tea, oolong tea. And white Tea- as well as organic tea and herbal Tea. All varieties of Indian Tea are highly sought after globally due to their unique flavor, strength and health benefits.

Tea manufactures in India source the bulk of Tea suppliers from Tea Plantations In Assam, West Bengal(Including Darjeeling), Tamil Nadu and Kerala. Other Tea growing states include Tripura, Himanchal Pradesh, Uttarakhand, Bihar and Karnataka as well as non- Traditional states such as Arunachal Pradesh , Manipur, Meghalaya, Mizoram, Nagaland and Sikkim



	Name
	S.S.K Exports Limited
	McLeod Russel India Limited
	Girnar food & Beverages Pvt. Ltd.
	Shah Brothers
	Bhansali & Co.
	Vikrma Impex Ltd
	Asian Tea Company Limited
	Tosh & Sons Ltd
	Balaji Agro Pvt. Ltd
	Madhu Jayanti International Ltd

2.3(D)EXPORT FROM DIFFERENT PARTS OF INDIA

Export of Tea form different part of India for the year (2020-2021)

- *North India and South India exported 118.37 million kilograms and 83.63 million kilograms respectively and earned a total of 5231.69 core rupees, in the year 2020(financial year).*

It can be seen that both north and south India saw a decrease in export in the year 2020(financial year)

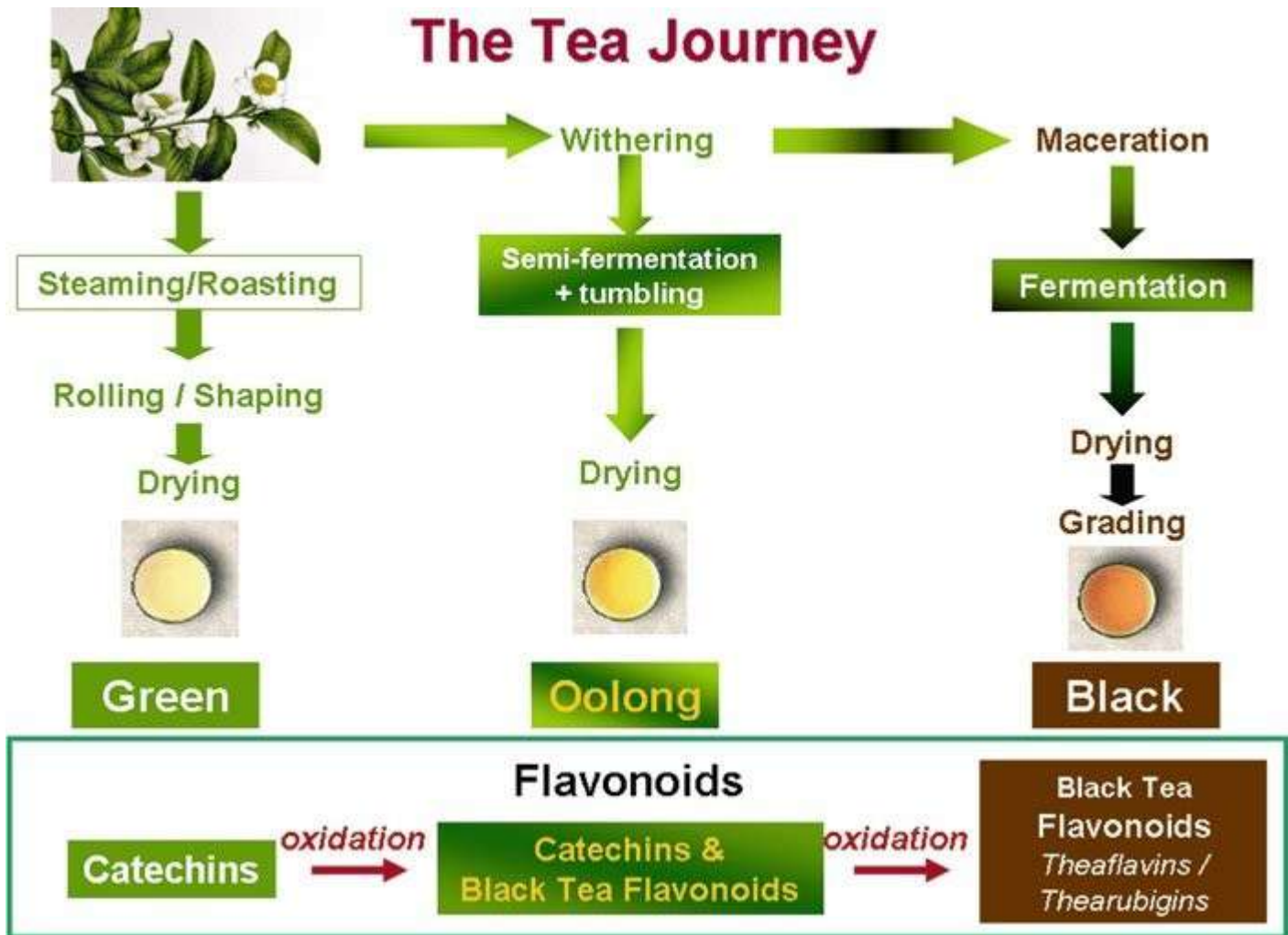
- *North India Exported around 118.37 million kilograms of tea in the year 2020(financial year), which is and decreased of 27.67million kilograms form the previous year which was around 146.04 million kilograms.*

on the other hand,

- *South India exported around 83.63 million kilograms of tea in 2020(financial year) which is an decreased of around 11.67 million*



kilograms form the previous year which was around 95.30 million kilograms



1.3(E) TYPES OF TEA EXPORTED FROM INDIA

India Exported around 202 million Kilograms for the year 2020-2021. India exported around

- 103.10 million Kilograms of CTC
- 87.13 million Kilograms of Orthodox
- 3.07 million Kilograms of Green Tea.

India Exported ,



- 182.80 million Kilograms of Bulk Tea in the year 2010, which is an increased of around ...million kilograms against the 212.30 million Kilograms of Tea in the year 2020

VALUE ADDED TEA (PACKED TEA, TEA BAGS, INSTANT TEA)

India Exported,

- Around 11.69 million Kilograms of Packed Tea in the year 2010,
- 10.79 million kilograms of Tea Bags in the year 2010
- And around 3.06 million Kilograms of Instant Tea in the year 2010.

Total of around 25.54 million kilograms of value added Tea was exported from India. India ,Exported around 29.04 million kilograms of Value added tea in the year 2020. Which was an Increased of around 3.5million Kilograms of Tea against 25.54 million Kilograms of value added Tea exported from India

1.3(F)TOP IMPORTERS OF INDIAN TEA.

India being one of the top Tea exporter of the world India exports to many countries around the world India is the top sourcing partner for tea. Exports to the UK, UAE and Germany showed steady gains, but shipments to the CIS and Poland declined substantially. There has been a changing preference towards orthodox tea in India's major markets

Considering India's strengths and global consumption trends, thrust markets identified for export of tea include CIS(Russian Fed, Ukraine, Kazakhstan), United Kingdom, Germany, USA, Pakistan, Afghanistan, UAE,. The exports share of India's tea also goes to the EU market apart from the Russian federation. UK markets share the majority of Indian tea from the EU members. The norms and standards and the drinking habits also vary among the EU countries.



The Indian tea industry also faces strengthen existing markets and penetrate newer ones. The emerging trend of supply from other countries forces India to make its policy more aggressive to improve the volume of exports to EU countries. Sri Lanka, China and Kenya dominate EU markets with their higher volume of exported tea

The recent record shows that Pakistan and Iraq has completely stopped importing Indian Tea, Iraq was one of the top Tea importer of India, about 44 million kilograms in 2003 was exported to Iraq.

But the recent record also show Iran has become one of the top tea importer of tea, In 2010 Iran exported around 15.89 million kilograms of tea from India, and in 2019-2020 Iran imported around 46.89 around 46.86 million kilograms of Tea which is an Increased of around 31 million kilograms of tea exported to Iran.

Cis one of the top tea importer of Indian tea for the past 10 years, in 2019-2020 India exported around 59.52 million kilograms, which is an increased of around 4.09million kilograms against 55.43 million kilogram exported in 2010, In 2017 India exported around 63.09 million Kilograms , it was the highest exported of tea to cis for the past 10 years.



2.4 INCOME

GENERATION OF TEA INDUSTRY.

2.4(A) TEA VALUE OF TEA EXPORTED FROM DIFFERENT PARTS OF INDIA

Form the data we see that not only the production of North and South India has increased but the value as well as unit price of Indian Tea has increased as well. The value tea exported from India has been constantly increasing for the past 10 years.

NORTH INDIA

- In 2010 North India produced around 115.02 million Kilograms of tea, which was valued around ₹2945.21 Crore with unit price around ₹177.81/ kilograms and in 2019-20 North India produced 146.04 million kilograms of Tea, which was valued at ₹3669.22 Crore, with unit price around ₹251.25/ kilograms.*

SOUTH INDIA

- In 2010 South India produced around 98.77 million Kilograms of tea, which was valued around ₹950.58 Crore with unit price around ₹96.24/ kilograms and in 2019-20 South India produced 95.30 million kilograms of Tea, which was valued at ₹1787.88 Crore, with unit price around ₹187.6/ kilograms*

All India

In 2010 All of India produced around 213.79 million Kilograms of tea, which was valued around ₹2995.79 Crore with unit price around ₹140.13/ kilograms and in 2019-20 All of India produced 241.34 million kilograms of Tea, which was valued at ₹5457.10 Crore, with unit price around ₹226.1/ kilograms



2.4(B) DIFFERENT TYPES OF TEA EXPORTED FROM INDIA AND ITS VALUE

In the year 2019-2020 a total of around 241 million kg of tea was exported, earning a foreign exchange of ₹5457.10 Crore. Tea exports could be classified into three categories based on nature of processing as black, green and other varieties of tea.

- *In volume terms black tea accounts for 97 per cent of total tea exports and is followed by others (2 per cent) and green tea (1 per cent).*

Bulk Tea in the year 2010-11, India exported around 182.80 million Kilograms of Tea and was valued at ₹2220.54 Crore, which is an increased in value of tea against ₹4226.97 Crore in 2019-2020.

VALUE ADDED TEA

- *Packed*
- *Tea bags*
- *Instant tea*
- *Packed Tea, Tea bags and Instant tea, exported around 11.69million Kilograms, 19.79 million Kilograms, 3.06 million kilograms respectively in the year 2010 which was valued at around ₹775.25 Crore.*
- *In 2019-2020 total value added tea exported was around 29.04 million Kilograms of tea, which was around ₹1230.13 Crore. Which in and increased of around ₹454.88 Crore*



2.5 FACTOR EFFECTING

TEA INDUSTRY OF INDIA

2.5(A)ROLE OF WORKERS AND SMALL GROWERS

The workers who are important stakeholders in the value chain often do not have any knowledge of the trade initiatives and the CoC or CSR in international standards. They have no role to play in its development and implementation of various codes of conducts and standards.

However, the active participation of trade unions plays a major role in enhancing worker's role in international value chain of Indian tea industry. The role of small growers is marginal in the whole value chain process of the tea industry. At present, their role is only in production sector and as we have seen, only up to the level of supply of green leaves to BLFs. They share 21.2 per cent of the total production of tea in India.

Many of them are not aware of the different processes of tea value chain and role of the key stakeholders of industry. Small tea growers as reported above share only a marginal benefit and the larger profits go into value added processes and into the final products.

2.5(B)Demand and Global Consumption



In the year 2011 the world total production was 4454 million Kilograms with and Global consumption of 4309million Kilograms and in recent years both production and global consumption has been increasing.

In the year 2020 the world total production was around 6013 million Kilograms and global consumption was around 5819 million Kilograms, which was highest ever in the past decade.

India being one of the top producing and exporting country greatly affected by this.

2.5(C)DOMESTIC CONSUMPTION

India is still the largest consumer of Black Tea in the world with domestic consumption

accounting for almost 80 per cent of the total tea production in the country. The pattern of domestic consumption has shown a steady and positive growth since 2000. From a mere 73 million kilograms in 1951, domestic consumption has increased to 653 million kilograms in 2000. In addition, compared to the previous years, there is a marginal increase in 2004, 2005 and 2006 at 735, 757 and 771 million kilograms respectively⁴⁷. The following figure shows the pattern of domestic consumption in India.

2.5(D)ROLE OF MAJOR AND BIG COMPANIES

Current trends show that big companies are withdrawing from production and concentrating only on brand business. Big companies are becoming increasingly reluctant to operate in the old estate system of production because it is highly labour intensive and the bulk of costs for producing tea goes towards labour wages (in some cases as much as 60 per cent).



Recent economic policies in India and opening up to the international market has been marked by the efforts by companies to slice up the value chain and break the production process into many steps.

MNCs are no longer as keen on production processes as they are on organizing and managing commodities and diversifying the production with various other agricultural and other commercial crops i.e., garments, footwear, consumer electronics or big brands of tea.⁷⁰

Big companies capture the value of the product at various stages of the value chain. Among Indian tea companies, the two biggest multinationals are Hindustan Lever with over 45 per cent of the retail market share followed by Tata Tea with an estimated market share of 28 per cent in the packet tea segment. Goodricke Group Ltd. is the third most important multinational tea company in India.

Due to this control on the entire production process from tea shrubs to tea bags, these companies have considerable influence on supply and demand and thereby on the tea trade policies of the tea producing countries.

These major companies also control the small tea growers by controlling the packet tea segments in various producing countries.⁷¹

2.5(E) FUNCTION OF THE TEA BOARD OF INDIA

The Tea Board plays a key role in the industry as a regulatory and promoting body. It is a statutory body set up under the Tea Act, 1953 to promote all round development of the tea industry and comes under the administrative control of the Ministry of Commerce and Industry, Department of Commerce.

It also has certain regulatory functions such as issue of Exporters' License, Tea Waste License and Tea Warehousing License, etc.⁷⁹ Tea Board takes many initiatives to promote tea market, tea production and improve the quality of green leaves and made tea.



Self Help Groups in Assam and West Bengal, provision of education loans and subsidies to tea cultivation, national and international promotion of Indian tea are some of the initiatives of Tea Board which took place in the recent period.⁸⁰



The Tea Board has taken several initiatives to support the tea industry in the 10th and the 11th plan. In 10th plan period, the Board was implementing a number of developmental schemes for enhancing the productivity, quality and marketability of Indian tea. The major focus was on various plantation development activities, such as replanting, rejuvenation, and creation of



irrigation facilities. The price-sharing formula between small tea growers and the manufacturers to enable the small growers to get a reasonable share of the price obtained for the made tea, price subsidy scheme, quality up-gradation programmed and so on, are some of the major initiative to enhance the production segments especially for the small tea growers in India. Introduction of Self Help Groups in different states has also improved the quality of green leaves from the small tea sector.

Special efforts are also being made to address the problems of the small growers of tea. These include measures like fixation of a price-sharing formula, implementation of a price subsidy scheme and carving of a special tea term loan package. One of the most important initiatives taken by the government in the small sector has been the quality up-gradation programmed which was launched in South India in July 2000 and is continuing successfully so far.

The Tea Board has also launched a fully fledged scheme for quality up-gradation and product diversification, aimed at modernizing the tea factories. The measures taken not only seek to alleviate the income-related problems of the small growers, but also recognize the inherent advantages and immense potential of the small grower sector in driving Indian tea exports.

2.5(F)UNSEEN FACTOR

The global pandemic has adversely affected numerous industries and sectors and all countries all over the world have faced economic issues which arises due to covid control measures which were enforced of nationwide lockdowns and closing of workspaces,

The need to control the spread of the activity and the ones worst affected were those which require human interaction and manual labour.

The tea industry stands to be one such industry because the processes such as plucking are done by hand by the large number of tea plantation workers all over the world.

Indian tea industry was heavily affected mainly because the lockdown imposed all across the nation happened on 25th march 2020 which was during the first plucking continued, in many



of them , operations were stopped or shutdown. The various restrictions and rules surrounding working during the pandemic negatively affected production and export to such an extent that as an urgent and immediate solution to keeping up with the demands with the global market, the Indian tea Association wrote the state government of Assam on April 4, stating their wish for the “resumption of normal operations in tea gardens while adhering to the prescribed safety and social distancing guidelines”

India produced around 1283.03 million Kilograms during 2020-2021(financial year) which shows a huge drop in production of around 77.78 million kilograms form the 2019-2020(financial year) production of 1360.81 million Kilograms.

This decreased in production was directly linked with the pandemic according to the experts Assam state being one of the largest producer of tea which amounts to around 51% of tea total tea produced in India incurred a huge loss due to pandemic which directly affected the total production of the country.



CHAPTER 3

DATA REPRESENTATION OF

PROJECT



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3.1 STUDY OF TEA PRODUCTION OF INDIAN TEA INDUSTRY

2.1(A) DATA OF TOP TEA PRODUCING COUNTRIES OF THE WORLD.

FIG 2.1(A) TEA PRODUCTION OF TOP TEA PRODUCING COUNTRY OF THE WORLD.

COUNTRY	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
CHINA	1623.21	1789.75	1924	2096	2278	2404.95	2496.41	2610.39	2799.38	2740.00
INDIA	988.33	1126.33	1200	1207	1209	1267.36	1321.76	1338.63	1390.08	1257.53
KENYA	377.91	369.4	432	445	399	473.01	439.86	493.00	458.85	569.54
SRI LANKA	328.63	328.4	340	338	329	292.57	307.72	304.01	300.13	278.49

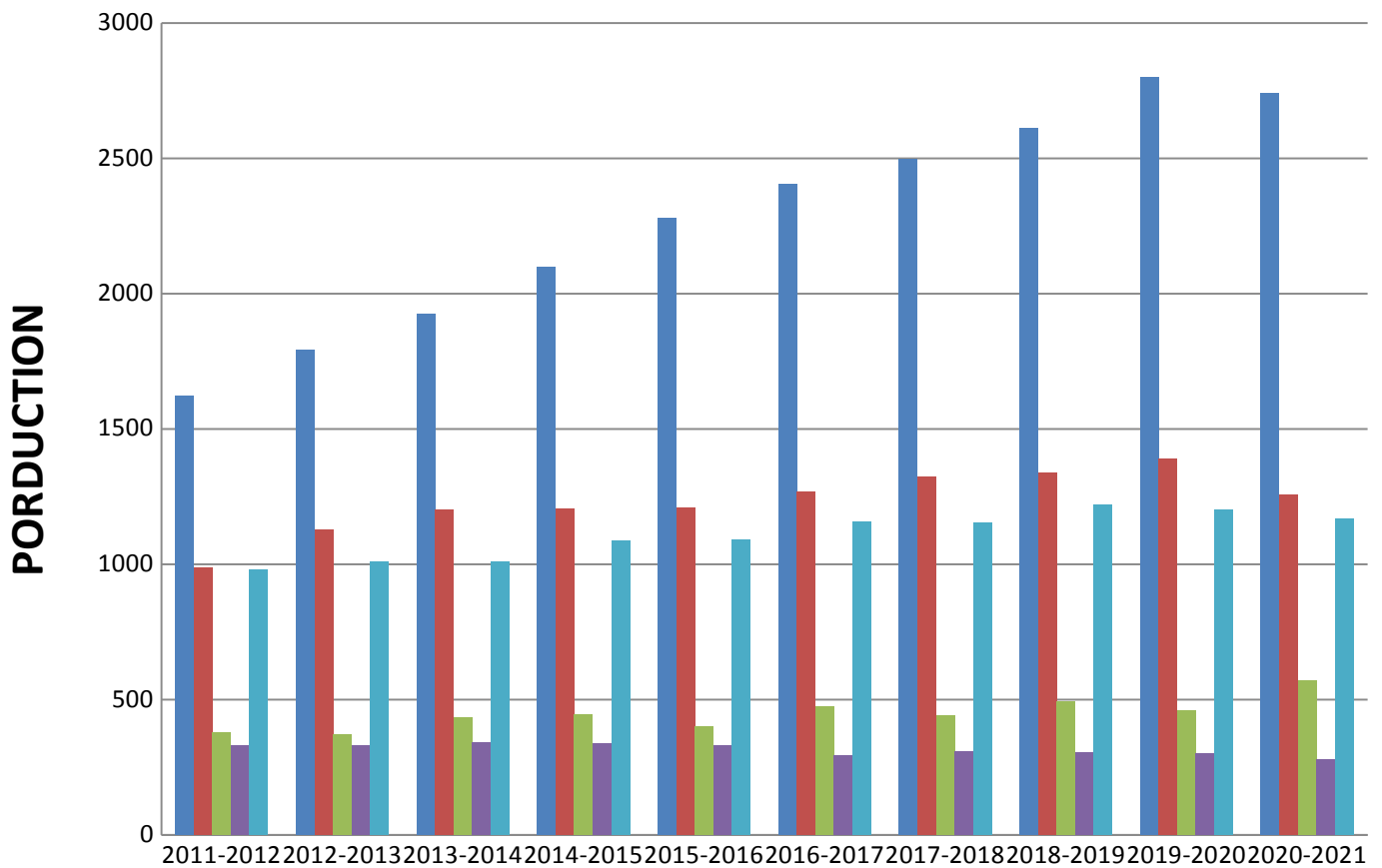


OTHERS	981.14	1010.75	1011	1087	1090	1155.86	1152.64	1220.18	1201.64	1167.25
TOTAL WORLD WIDE	4299.22	4624.63	4907	5173	5305	5593.74	5718.39	5966.21	6150.08	6012.81

The figures are in Million Kilograms

Source: Tea Statistics(2010-2020),WWW.TeaboardofIndia.com

FIGURE 2.1(A)(II) BAR GRAPH SHOWING THE TOTAL PRODUCTION OF TOP TEA PRODUCING COUNTRY OF THE WORLD.(2011-2020)



The figures are in Million Kilograms



Source: Tea Statistics(2010-2020), WWW.TEABOARDOFINDIA.COM

3.1(B) INDIA SHARE IN THE GLOBAL PRODUCTION OF TEA

Figure 2.1(B) SHARE OF PRODUCTION OF TOP TEA PRODUCING COUNTRY OF THE WORLD FOR THE YEAR 2020

COUNTRY	GLOBAL SHARE
CHINA	45
INDIA	23
KENYA	7
SIR LANKA	5
OTHERS	20
WORLD TOTAL	100

Source: Tea Board of India (world Production)(2020)



3.1(C)(I) PRODUCTION OF TEA PRODUCED IN DIFFERENT PART OF INDIA

FIG.2.1(C) PRODUCTION OF TEA PRODUCED IN DIFFERENT PART OF INDIA FOR THE YEAR 2010-2021

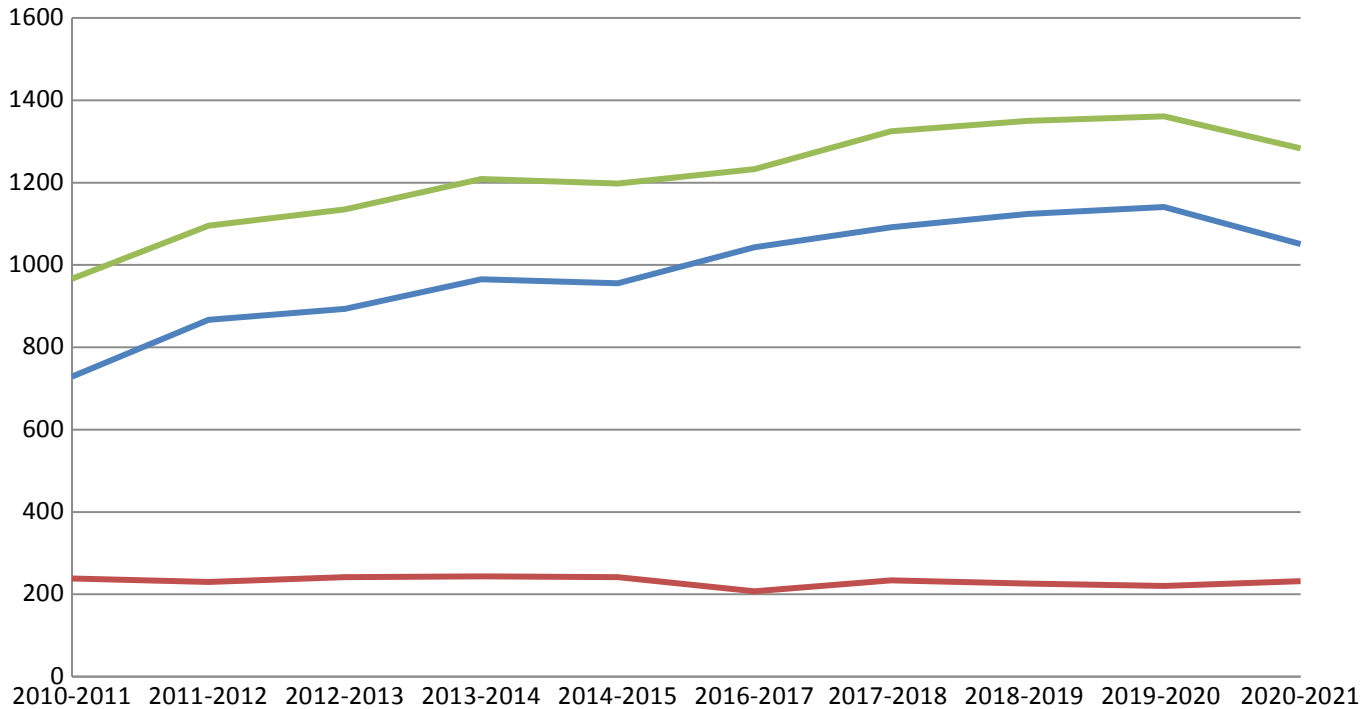
<u>YEARS</u>	<u>North India</u>	<u>South India</u>	<u>All India</u>
2010-11	728.52	238.21	966.73
2011-12	866.69	229.87	1095.46
2012-13	893.38	241.69	1135.07
2013-14	965.07	243.71	1208.78
2014-15	955.82	241.36	1197.81
2016-17	1043.11	207.38	1233.14
2017-18	1091.40	233.65	1325.05
2018-19	1124.03	226.01	1350.04
2019-20	1140.69	220.12	1360.81
2020-21	1050.80	232.23	1283.03

Figures is In Million kilograms

Source: Annual Report Compiled for the year 2010-2020, www.TeaboardofIndia.com



FIG.2.1(C)(II) THE RISE AND FALL OF TEA PRODUCTION FROM DIFFERENT PARTS OF INDIA FOR YEAR(2010-2021)



Figures are In Million Kilograms

Source : Annual Report Compiled for the year 2010-2020, www.TeaBoardofIndia.com

3.1(D) DIFFERENT TYPES OF TEA PRODUCED IN DIFFERENT PART OF INDIA

Figure 2.1(D). DIFFERENT TYPES OF TEA PRODUCED IN DIFFERENT PART OF INDIA FOR THE YEAR 2020

Months	NORTH INDIA				SOUTH INDIA				All INDIA			
	Black Tea				Black Tea				Black Tea			
	CTC	ORTHODOX	GREEN	TOTAL	CTC	ORTHODOX	GREEN	TOTAL	CTC	ORTHODOX	GREEN	TOTAL
Jan-20	0.03	0.00	0.01	0.04	12.15	3.46	0.41	16.02	12.18	3.46	0.42	16.06
Feb-20	1.14	0.08	0.02	1.24	10.23	2.60	0.47	13.30	11.37	2.68	0.49	14.54
Mar-	30.10	2.07	0.28	32.45	8.73	2.07	0.49	11.2	38.83	4.14	0.77	43.74



20								9				
Apr-20	21.20	2.49	0.14	23.83	12.67	2.28	0.36	15.31	33.87	4.77	0.50	39.14
May-20	70.21	4.82	0.99	76.02	16.84	3.49	0.40	20.73	87.05	8.31	1.39	96.75
Jun-20	106.15	9.59	1.39	117.13	17.62	3.98	0.52	22.12	123.77	13.57	1.91	139.25
Jul-20	129.45	10.11	1.58	141.14	16.58	3.22	0.51	20.31	146.03	13.33	2.09	161.45
Aug-20	133.83	7.40	1.79	143.02	13.81	2.48	0.49	16.78	147.64	9.88	2.28	159.80
Sep-20	152.81	8.92	2.15	163.88	20.16	3.35	0.64	24.15	172.97	12.27	2.79	188.03
Oct-20	145.78	7.78	1.96	155.52	16.16	3.44	0.56	20.16	161.94	11.22	2.52	175.68
Nov-20	121.11	5.33	1.14	127.58	17.70	3.10	0.62	21.42	138.81	8.43	1.76	149.00
Dec-20	52.18	0.94	0.51	53.63	16.43	3.41	0.62	20.46	68.61	4.35	1.13	74.09
2020	963.99	59.53	11.96	1035.48	179.08	36.88	6.09	222.05	1143.07	96.41	18.05	1257.53
Jan-21	0.00	0.00	0.00	0.00	12.87	2.54	0.48	15.89	12.87	2.54	0.48	15.89
Feb-21	2.11	0.06	0.01	2.18	12.52	2.36	0.44	15.32	14.63	2.42	0.45	17.50
Mar-21	44.49	1.96	0.42	46.87	14.96	3.96	0.66	19.58	59.45	5.92	1.08	66.45
2020-21	979.32	59.40	12.08	1050.80	188.32	37.61	6.30	232.23	1167.64	97.01	18.38	1283.03

Figures are in Million Kilograms.

Press release, Tea board of India.com (2020)

3.2 EMPLOYMENT GENERATION OF INDIAN TEA INDUSTRY

Fig. 2.2(A)(i) CONTRIBUTION OF TEA PRODUCTION OF ASSAM AND WEST BENGAL AND TOTAL WORKERS (TEMPORARY AND PERMANENT) FOR THE YEAR 2020-2021.

STATE	CONTRIBUTION TO TOTAL TEA PRODUCTION (%)	TOTAL WORKERS (PERMANENT & TEMPORARY)		
		MALE	FEMALE	TOTAL
ASSAM	52 %	316420	417227	733647
WEST BENGAL	29%	134506	206129	340635



TOTAL	81%	450926	623356	1074282
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Source : Tea Board of India 2021 press release, www.teaboardofindia.com

Fig. 2.2(A)(ii) TOTAL PERMANENT AND TEMPORARY WORKERS OF DIFFERENT PART OF INDIA.

YEARS	NORTH INDIA				SOUTH INDIA				ALL INDIA			
	PERMANENT		TEMPORARY		PERMANENT		TEMPORARY		PERMANENT		TEMPORARY	
	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE
2012-13	310936	332868	156087	226465	30819	44796	7444	13005	341756	377663	163531	239470
2015-16	310936	332868	156087	226465	30819	44795	7444	13005	341755	377633	163531	239470
2016-17	314223	336531	146692	241244	29488	45955	7614	10145	343721	382526	154306	251389
2020-21	314225	336531	14669	241244	29488	45955	7614	10145	343721	382526	154306	251389

Source. Annual report of different years , Tea board of India.

3.3 EXPORT

3.3(A) TOP TEA EXPORTING OF THE WORLD FOR THE YEAR 2020-2021

FIGURE. 2.3(A) TOP Tea Exporting of the world for the year (2020-2021)



COUNTRIES	2020-2021
Kenya	518.92
China	348.82
Sri Lanka	262.78
India	207.58
others	486.67
total	1824.77

Figures are in Million Kilograms

Source: Tea Statistic (2020-2021), Tea board of India

3.3(B) DATA OF TOP TEA PRODUCING COUNTRIES OF THE WORLD FOR (2011-2020)

Figure:2.3(B) DATA OF TOP TEA PRODUCING COUNTRIES OF THE WORLD FOR (2011-2020)

Country	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Kenya	421.27	430.21	494	499	443	480.33	415.72	474.86	496.76	518.92
China	322.58	321.79	332	301	325	328.69	355.26	364.71	366.55	348.82
Sri Lanka	301.27	306.04	309	318	301	280.87	278.20	271.78	289.59	262.78
India	211.91	208.26	219	207	229	222.45	251.91	256.06	252.15	207.58



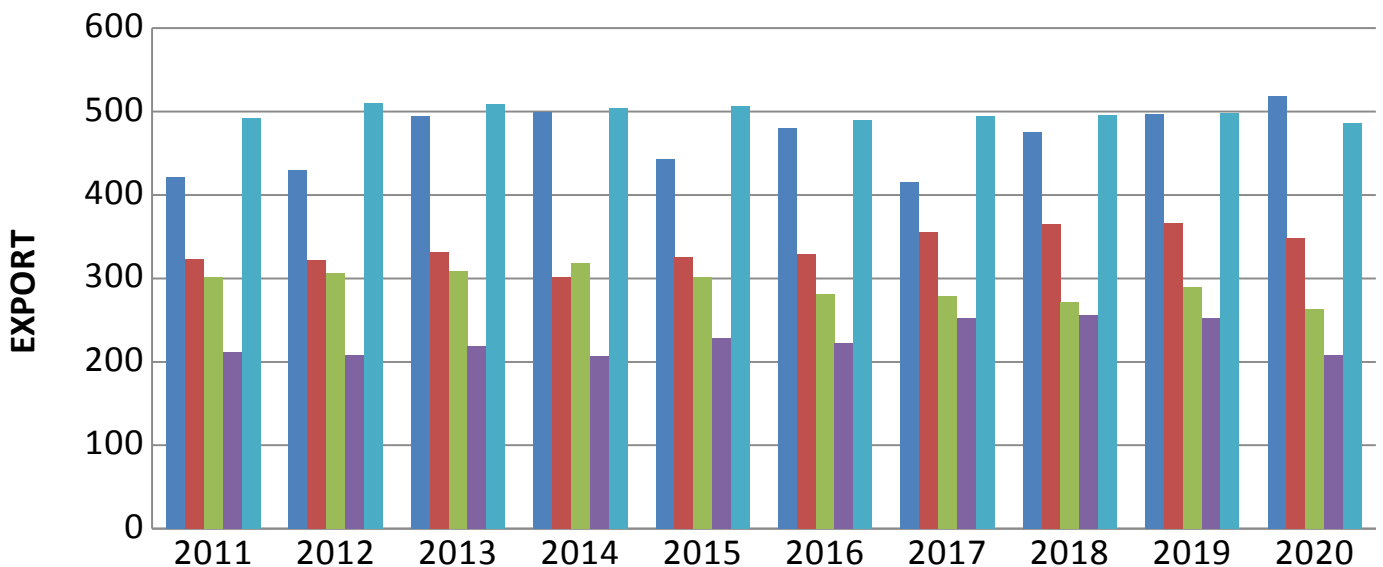
others	492.49	510.21	509	504	507	490	494.9 1	495.72	498.62	486.67
total	1749.5 2	1176.5 1	186 3	182 9	180 5	1802	1796	1858.8 2	1903.6 7	1824.7 7

FIGURES ARE IN MILLION KILOGRAMS

SOURCE TEA STATISTICS(2010-2020), WWW.TEABOARDOFINDIA.COM

3.3(B)(i) BAR GRAPH SHOWING THE TOTAL PRODUCTION OF TOP TEA PRODUCING COUNTRY OF THE WORLD

FIGURE 1.3(B)(i) BAR GRAPH SHOWING THE TOTAL PRODUCTION OF TOP TEA PRODUCING COUNTRY OF THE WORLD.(2011-2020)



Figures are in Million kilograms

Source : Tea Statistics(2010-2020), WWW.TEABOARDOFINDIA.COM

3.3(D) Tea Export form different parts of India

**FIG.2.3(D) EXPORTS OF DIFFERENT TYPES TEA FROM DIFFERENT PARTS OF INDIA FOR THE YEAR(2010-2020)FINANCIAL YEAR**

	North India	South India	TOTAL
	quantity	quantity	quantity
2010-11	115.02	98.77	213.79
2011-12	118.74	95.61	214.35
2012-13	131.45	84.78	216.23
2013-14	133.28	92.48	225.76
2014-15	111.59	87.49	199.08
2015-16	136.68	96.24	232.92
2016-17	139.47	88.16	227.63
2017-18	148.41	92.27	240.66
2018-19	152.83	101.67	254.50.
2019-20	146.04	95.30	241.34
2020-21	118.37	83.63	202

Figures are in Million Kilograms

Source: Tea Statistics(2010-2020), WWW.TEABOARDOFINDIA.COM

3.3(E)DIFFERENT TYPES OF TEA EXPORTED FROM INDIA FOR THE YEAR 2020-2021

FIG 2.3(E)TYPES OF TEA EXPORTED FROM INDIA

VARRRIETY	
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	Quantity
CTC	103.10
ORTHODOX	87.13
GREEN	3.07
OTHERS	8.7
TOTAL	202

Figure are in Million

Source : ITC Annual Bulletin of Statistics 2020 (except India)

3.3 (F) TEA DIFFERENT TYPES OF TEA EXPORTED FROM INDIA

Fig 1.3(F)Types of Tea Exported from India for the Year 2010-2018

Years	Bulk Tea	Packet Tea	Tea Bags	Instant Tea
2010	182.80	11.69	10.79	3.06
2011	190.25	12.07	9.69	2.24
2012	190.63	11.09	12.12	2.39
2013	199.54	12.36	10.27	3.59
2014	173.28	13.15	10.15	2.50



2015	206.12	12.59	10.40	3.81
2016	197.78	14.45	11.27	4.13
2017	225.13	16.43	10.06	4.89
2018	225.29	15.24	9.90	4.7
2019	225.29	Value Added Tea(Packed, Tea, Instant)		
		29.21		
2020	212.30	29.04		

Figures are in Million Kilograms

Source: Annual report of 2010-2018

FIG.1.3(G) TOP TEA IMPORTER OF INDIAN TEA.

	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
CIS	55.43	58.49	61.25	52.79	54.26	62.92	61.76	63.09	60.72	59.52	49.09
UK	16.85	21.02	19.21	17.79	17.83	20.02	16.06	16.07	14.64	10.97	10.19
GERMANY	5.98	7.18	7.97	7.77	7.28	10.53	10.79	10.42	9.96	9.36	8.42
USA	11.63	12.77	11.71	14.09	13.60	14.03	5.38	10.42	11.29	12.50	11.57
POLAND	4.40	3.88	3.48	4.72	4.15	6.14	14.61	6.25	6.38	5.81	11.57
PAKISTAN	22.08	26.27	20	19.92	15.20	19.37	11.13	16.09	14.59	3.29	0
AFGHANISTAN	5.19	0.09	0.74	2.46	1.95	1.2	0.96	0.95	0.56	2.17	0.76



UAE	19.76	18.05	21.51	23.33	13.41	16.15	18.84	21.63	17.76	12.61	13.46
BANGLADESH		2.29	2.98	13.94	5.03	9.49	7.20	0.46	3.46	2.03	0.30
IRAQ	3.86	NIL	NIL	NIL	NIL	NIL					
IRAN	15.89	11.05	18.73	22.90	18.14	22.13	24.24	31.19	41.02	46.86	28.33
EGYPT	5.23	6.57	9.06	7.45	7.54	3.08	5.20	12.69	8.42	3.15	1.33
OTHERS	47.49	48.38	41.19	38.75	40.69	47.86	51.46				
TOTAL	213.79	214.35	216.23	225.76	198.08	232.92	227.63	256.57	254.50	241.34	202

Figures. The figures are in Million kilograms

Source. Annul bulletin , ITC 2020



3.4 INCOME GENERATION OF TEA INDUSTRY

Fig.2.4(A)(I) TEA VALUE OF TEA EXPORTED FROM DIFFERENT PARTS OF INDIA

YEARS	NORTH INDIA			SOUTH INDIA			ALL INDIA		
	QUANTIT Y	VALUE	UNIT PRICE	QUANTIT Y	VALUE	UNIT PRICE	QUANTIT Y	VALUE	UNIT PRICE
2010-11	115.02	2045.21	177.81	98.77	950.58	96.24	213.79	2995.79	140.13
2011-12	118.74	2337.39	196.85	95.61	967.43	101.19	214.35	3304.82	154.19
2012-13	131.45	2907.34	221.17	84.78	105998	129.58	216.23	4005.93	186.26
2013-14	133.28	3205.31	240.49	92.48	1303.78	140.98	225.76	4509.09	199.73
2014-	111.59	2636.4	236.26	87.49	1187.1	135.69	199.08	3823.6	192.07



15		6			8			4	
2015-16	136.68	3151.43	230.57	96.24	1341.67	139.41	232.92	4493.1	192.9
2016-17	139.47	3186.70	228.49	88.16	1445.80	164	227.63	4632.50	203.51
2017-18	148.41	3262.97		92.27	1468.69		240.66	4731.66	
2018-19	152.83	3748.40	245.27	101.67	1758.44	172.96	254.50	5506.84	216.38
2019-20	146.04	3669.22	251.25	95.30	1787.88	187.60	241.34	5457.10	226.11

Figures

- Quantity are in Million Kilograms
- Value are in Rupees Crore
- Unit price is In Rupees/kilograms.

Source: Compiled Annual Report of 2010-2019. WWW.teaboardofindia.com

Fig.2.4(B)(i) Bulk Tea exported from India for the year 2010-2020

YEARS	QUANTITY	VALUE(CRORE ₹)	UNIT PRICE (₹/KILOGRAMS)
2010-2011	182.80	2220.54	121.47
2011-2012	190.25	2576.48	135.43
2012-2013	190.63	3126.29	164
2013-2014	199.54	3534.36	177.13
2014-2015	173.28	2938.58	169.59
2015-2016	206.12	3522.33	170.89
2016-2017	197.78	3535.05	178.74
2017-2018	225.13	3955.10	175.68
2018-2019	225.29	4321.61	191.90
2019-2020	212.30	4226.97	199.10

Figures

- Quantity are in Million Kilograms



- Value are in Rupees Crore
- Unit price is In Rupees/kilograms

Source: Compiled Annual Report of 2010-2019. WWW.teaboardofIndia.com

FIG.2.4(B)(II)PACKED TEA EXPORTED FROM INDIA FOR THE YEAR 2010-2019

YEARS	QUANTITY	VALUE	UNIT PRICE
2010-2011	11.69	307.03	179.13
2011-2012	12.07	307.82	255.03
2012-2013	11.09	309.18	278.79
2013-2014	12.36	351.39	284.30
2014-2015	13.15	343.35	261.10
2015-2016	12.59	347.71	276.14
2016-2017	14.45	408.91	282.98
2017-2018	16.43		
2018-2019	15.24		

www.indiateaportal.com

FIG.2.4(B)(III)TEA BAGS EXPORTED FROM INDIA FOR THE YEAR 2010-2019

YEARS	QUANTITY	VALUE	UNIT PRICE
2010-2011	10.79	341.06	316.09
2011-2012	9.69	338.51	338.51
2012-2013	12.12	455.94	376.19
2013-2014	10.27	448.21	436.43
2014-2015	10.15	432.42	417.16
2015-2016	10.40	435.24	418.46
2016-2017	11.27	486.05	431.28
2017-2018	10.06		
2018-2019	9.90		

SOURCE: www.indiateaportal.com

FIG.2.4(B)(IV)INSTANT TEA EXPORTED FROM INDIA FOR THE YEAR 2010-2019

YEARS	QUANTITY	VALUE	UNIT PRICE
2010-2011	3.06	127.16	415.56
2011-2012	2.24	92.50	395.30
2012-2013	2.39	114.52	479.16



2013-2014	3.59	175.13	487.83
2014-2015	2.50	118.29	473.16
2015-2016	3.81	187.82	493.09S
2016-2017	4.13	202.49	490.29
2017-2018	4.89		
2018-2019	4.7		

source www.indiateaportal.com

**FIG.2.4(B)(IV) VALUE ADDED TEA EXPORTED FROM INDIA FOR THE YEAR
2010-2019**

2017-2018	31.44	1109.78	
2018-2019	29.21	1185.23	
2019-2020	29.04	1230.13	

source www.indiateaportal.com



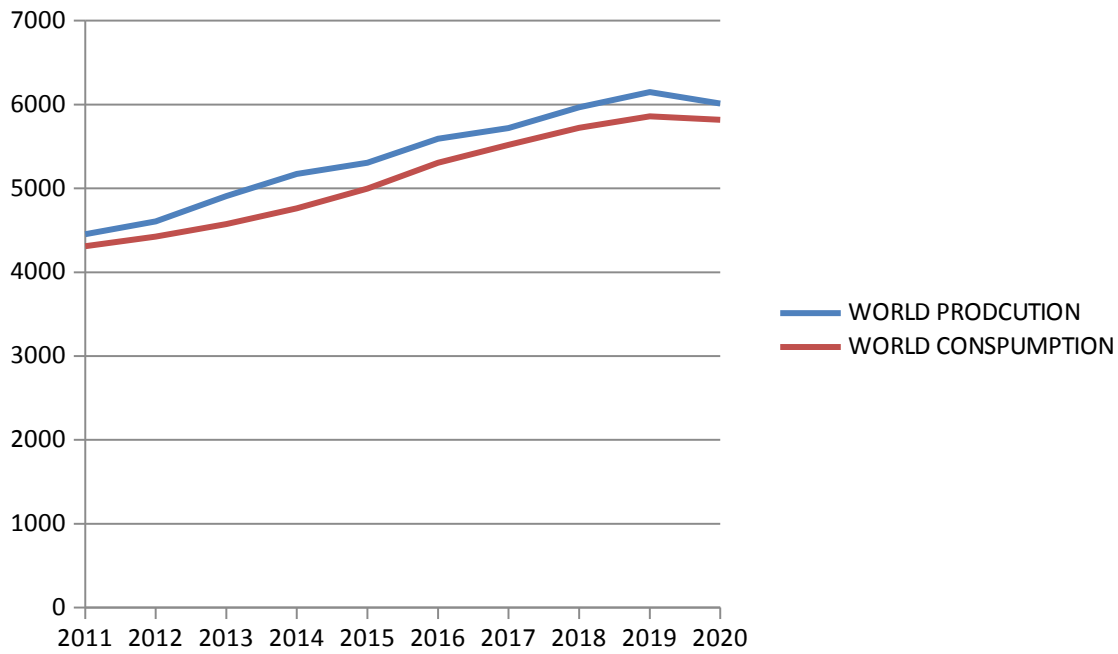
3.5 FACTOR EFFECTING TEA INDUSTRY OF INDIA

FIG.2.5 (B)(i) DATA SHOWING THE WORLD TOATAL PRODCUTION AND APPARENT GLOBAL CONSUMPTION FOR THE RESPECTIVE YEARS

Year	World Production	Apparent Global Consumption	(+) or (-)
2011	4454	4309	145
2012	4608	4426	182
2013	4907	4574	33
2014	5173	4764	409
2015	5305	4999	306
2016	5594	5307	287
2017	5718	5520	198
2018	5966	5722	244
2019	6150	5859	291
2020	6013	5819	194

Tea Statistics (2020), J Thomas & Company Pvt. Ltd and www.indiateaportal.com

FIG.2.5(B)(ii) DATA SHOWING THE WORLD TOATAL PRODCUTION AND APPARENT GLOBAL CONSUMPTION FOR THE RESPECTIVE YEARS



Tea Statistics (2011-2020), J Thomas & Company Pvt. Ltd and www.indiateaportal.com

FIG2.5(c) DOMESTIC CONSUMPTION OF INDIA FOR THE YEAR (2011-2020)

YEAR	DOMESTIC CONSUMPTION
2011	921
2012	942
2013	1002
2014	1019
2015	1018
2016	1044
2017	1089



2018	1120
2019	1154
2020	921

Source: WWW.teaboardofIndia.com

Fig 2.5(D) SMALL AND BIG TEA GROWERS OF INDIA FROM DIFFERENT PART OF INDIA

STATE	BIG GROWERS		SMALL GROWERS		TOTAL	
	NUMBER	AREA IN HECTOR	No.	AREA IN HECTOR		
ASSAM	765	232399.35	101085	105291	101850	337690.35
WEST BENGAL	451	114410.47	37365	33711.27	37816	148121.74
OTHERS NORTH INDIA	111	11785.09	17513	38031.86	17624	49816.95
NORTH INDIA	1327	358594.91	155963	177034.13	157290	535629.04
TAMIL NADU	133	29600.56	45765	33284.57	45898	62885.13
KERALA	93	30303.42	8497	5567.74	8590	35871.16
KARNATAKA	16	2171.74	0	0	16	2171.74
SOUTH INDIA	242	62075.72	54262	38852.31	54504	100928.03
ALL INDIA	1569	420670.63	210225	215886.44	211794	636557.07

Source: WWW.teaboardofIndia.com



CHAPTER 4

CONCLUSION AND RECOMMENDATIONS

This chapter concludes my project on “Tea Industry and its effect on Indian Economy”, This chapter summarizes the major discussion and finding of the study related to producing, exporting, workers and producers of the tea industry.



It attempts to delineate the prevalent characteristics of different stakeholders in the tea industry and tries to formulate the feasible intervention options and institutional innovations to make the Indian tea industry more competitive at the international level.

From the study of the tea industry following problems were noticed. limited market accessibility, high cost of production, high cost of social infrastructure, low quality of production, low price realization, fluctuating international demand and so on are the existing challenges facing the tea industry in India.

Though many attempts have been initiated by various institutions, government bodies, Indian Tea Association, the Tea Board and non-profit organizations to introduce new initiatives to develop social infrastructure and other development programs in many regions, it needs constant and multi-stakeholders approach to effectively implement these programs

4.1 TEA GARDENS AND PRODUCERS

Only 19% of small tea holders are registered in North India. The high share of unregistered small growers is also a major problem since they fail to avail of subsidies and financial assistance under various schemes of the Tea Board and other financial institutions.

There are no measures to maintain high quality leaf in small tea segments. Leaf agents still play a major role in the quality of green leaves. It has been observed from the field that leaf agents often mix various quality leaves together before selling it to the BLFs. This is mainly to maintain minimum quality of leaves because it contains a high share of low quality leaves. The price fixation is based on overall leaf quality though some of BLFs have their own grading system based



on quality. This automatically reduces the price of leaves. In many regions, especially in Dibrugarh, the lack of transport facilities and long distance from gardens to factory are also deciding factors in determining the quality of leaves.

RECOMMENDATIONS /FEASIBLE INTERVENTION OPTIONS

- Strengthen and increase the participation of all association of tea producers at all India level and provide quality up gradation programmes at various levels of production through various agencies and institutions.
- Develop a mechanism to maintain quality of leaves and fair price at garden level with the involvement of various stakeholders, development agencies and Government bodies in the locality.
- Monitoring and creating new development schemes for small and marginal tea cultivators can also sustain all regions if there is high participation from cultivators.
- *Monitoring: There should be strict monitoring by the Government or Tea Board in the production of tea to prevent adulteration of tea. The monitoring process should be at different levels of intervention of the production process. There should be strict procedures for providing license and this should also based on the production profile of tea gardens.*

4.2WORKERS IN THE TEA INDUSTRY

One of the major problems with workers of the Tea Industry of India is that the majority of the workers in small tea gardens are temporary and casual workers and most of them are migrants. The wage rate is below than the official minimum wage , The various study suggest that they are paid less than the



official minimum wage. In addition, payment is also irregular in many small tea gardens in India. Since the workers do not have any other alternative, they are forced to stay back in tea gardens. In many regions, workers are appointed only during the peak season and family labour replaces hired labour in the off season or when the price of green leaf is low.

Workers do not have basic rights such as minimum wages, adequate working conditions and health care facilities and so on. The majority of workers are women and at present there is no child labour in plantation workers at small tea gardens and in many cases, workers receive only some gifts other than the usual wages during the festival season.

Inadequate working conditions and lack of training for the workers lead to low productivity of labour in small tea gardens. Lack of health care facilities make workers incompetent and affect their productivity as well. Unavailability of skilled labour and inefficient working conditions have a major role in the low production and productivity in small tea segments as a whole.

RECOMMENDATIONS

- Initiate an institutional mechanism with representation of multi-stakeholders from the tea industry, Government bodies and nodal agencies to provide better social infrastructure for workers in all tea gardens.*
- Development schemes meant for workers such as training programmes and skill up-gradation, programs, healthcare, adequate housing facilities and other necessary welfare measures.*
- Institutional support for governing promotional schemes for workers is required and workers should be adequately represented in such schemes.*
- Initiate participation from workers to the major decision-making process and program for sharing the short-term benefits of their productivity.*

4.3 BUYERS, RETAILERS AND CONSUMERS

Tea buyers purchase tea from the auction centers and directly from producers and BLFs. It has been observed that the number of buyers participating in the Auction has declined over the period. As stated, direct sale is increasing over the period and most of the buyers prefer direct sale from producers. It is reported



that the Auction dominates with the proxy buyers of multinational companies. The role of small and regional buyers in price mechanism is very limited since they buy a relatively small size of the total stock.

Tea buyers are not necessarily the bidders for tea in auction centres all the time. They also act as multiple roles such as either blenders who buy for their own brands or packets, buying agents who buy tea at auctions on behalf of other tea dealers and even as retailers in their own localities.

on retailers. Regional packeters and retailers sell packet tea of their own brand in their locality. It has been observed that the sale of stolen tea from factories is prevalent in many tea-producing regions. Generally, retailers prefer tea with which they can make good profit and they are not sensitive about the social and economic responsibilities issues in tea gardens. There is no interface between producers and retailers.

It is reported that adulterated tea in local markets push down the demand for quality tea and it may harmful to health as well. Consumers may not avail and access quality tea and what they are offered is mostly based on the retailer's Preferences. Lack of tea promotion with its various varieties, for instance, tea as a health drink, is lagging in the tea market. Continuity in generic-promotion schemes through various phases and ways are limited. There are no direct linkages of interaction with tea producers and consumers.

The low per capita consumption of tea in India shows that there is high potential to utilize the market. If an initiative is taken to strengthen the domestic market, it would also demand an increase in the volume of production.

Recommendations /Feasible Intervention Options

- Initiate institutional reforms to create awareness and provide sale promotional schemes to retailers to provide better quality to consumers. This will also make buyers and retailers more conscious about social and economic issues in the tea gardens.*



- *Initiate the participation of non-profit organizations and other stakeholders as at present, intervention of various stakeholders is limited at the retailer and consumer level.*
- *Intensify various schemes for generic promotion of tea with wide varieties of tea products. It is important to introduce a variety of tea outlets/accessibility of quality tea with the joint venture of various stakeholders.*
- *Create awareness about social and environmental responsibilities of the product and sensitiveness of working environment at the production sector through various forms of communication.*

Though many attempts have been initiated by various institutions, government bodies, Indian Tea Association, the Tea Board and non-profit organizations to introduce new initiatives to develop social infrastructure and other development programs in many regions, it needs constant and multi-stakeholders approach to effective by implement these programs.



CHAPTER 5

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PROJECT REPORT

(Submitted for the degree of B.com Honours in Accounting & Finance)

Under the University of Calcutta

TITLE OF THE PROJECT

**A CASE STUDY ON CORPORATE SOCIAL RESPONSIBILITY
-INITIATIVES TAKEN BY TATA STEEL**

SUBMITTED BY

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NAME OF THE COLLEGE: SCOTTISH CHURCH COLLEGE
DATE : 26 JULY, 2021**

Annexure-IA

SUPERVISOR'S CERTIFICATE

This is to certify that Ms. **Nayna Ram** a student of B.com Honours in Accounting & Finance of **Scottish Church College** under the University Of Calcutta has worked under my supervision and guidance for her Project Work and prepared a Project Report with the title **CORPORATE SOCIAL RESPONSIBILITY: INITIATIVES TAKEN BY TATA STEEL** which she is submitting, is her genuine and original work to the best of my knowledge.

Signature:

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Designation: Assistant Professor

Name of the college : Scottish Church College

Place: Kolkata

Date: 26 July, 2021

Annexure-IB

STUDENT'S DECLARATION

I hereby declare that the project work with the title **CORPORATE SOCIAL RESPONSIBILITY (CSR) – INITIATIVES TAKEN BY TATA STEEL-** submitted by me for the partial fulfilment of the degree of B. Com Honours in Accounting and Finance under the University of Calcutta is my original work and has not been submitted earlier to any other university for the fulfilment of the requirement of any course of study.

I also declare that no chapter of this manuscript in whole or in part has been incorporated in this report from any earlier work done by others or by me. However, extracts of any literature which has been used for this report has been duly acknowledged providing details of such literature in the references.

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Last but not the least, my grateful appreciation is also extended to my respected principal, teaching faculties and my cordial thanks to parents. However, I accept the sole responsibility for any possible errors of omission and would be extremely grateful to the readers of this project report if they bring such mistakes to my notice.

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ABBREVIATIONS USED

ABBREVIATION USED	FULL FORM
CSR	Corporate Social Responsibility
SAIL	Steel Authority of India Limited
ICRISAT	International Crop Research Institute for Semi-Arid Tropic
MINDS	Movement for Intellectually Disabled of Singapore
SPD	Society for The Physically Disabled
FY	Financial Year
TMH	Tata Main Hospital
NGO	Non-Governmental Organization
TSRDS	Tata Steel Rural Development Society
TCS	Tata Consultancy Services Limited
TSFIF	Tata Steel Family Initiatives Foundation
TSSDS	Tata Steel Skill Development Society
PPP	Public-Private Partnership



CHAPTER 1

INTRODUCTION

CHAPTER 1
INTRODUCTION

INTRODUCTION

Corporate Social Responsibility as a concept is being practiced in India since years and plays an important role in a developing country like ours. The organisations have realised that profit making is not everything. Besides profit a corporate should also concentrate on social and economical development of a country. Also, companies which genuinely adopt the principles of socially responsible behaviour are preferred and favoured by the society at large, of which the company forms an integral part. Hence, one can say that CSR is basically an act of moral, social and business responsibility with the aim to protect, preserve and nurture human values and promote socio economic welfare.

1.1: BACKGROUND OF THE STUDY-

Many national and multinational firms are booming in various developing countries. But at the same time, these countries are suffering from various social challenges such as poverty, corruption, population growth, etc. Therefore, it is important for all companies to work together and adapt Corporate Social Responsibility standards to make the society better than before. An organisation can present a better image in the society if it cares for its employees and involves them in social activities. The responsibilities of an organisation may range from providing small donations to executing bigger projects for the welfare of the society. Many business houses around the world show their commitment to Corporate Social Responsibility.

Emerging economies like India have also witnessed a number of firms actively engaged in CSR activities and the Ministry of Corporate Affairs has come up with voluntary guidelines for firms to follow. Many Indian companies such as Tata steel, ITC, Reliance, Jindal Steel and many more other companies have quite been proactive in taking up CSR initiatives and integrating them in their business processes.

The New Companies Act 2013 has introduced a new section on Corporate Social Responsibility (CSR), Section 135, making CSR mandatory for all companies operating in India, with an eligible criterion based on their finances.

1.2 CORPORATE SOCIAL RESPONSIBILITY LAW IN INDIA

In India, the concept of CSR is governed by clause 135 of the Companies Act 2013, which was passed by both Houses of the Parliament, and had received the assent of the President of India on 29th August, 2013. The CSR provisions within the Act is applicable to companies with an annual turnover of 1000 crore INR and more, or a net worth 500 crore INR and more, or a net profit of five crore INR and more. The new rules, which were made applicable from the fiscal year 2014-2015 onwards, also require companies to set-up a CSR committee consisting of their board members, including at least one independent director. The Act encourages companies to spend at least 2% of their average net profit in the previous three years on CSR activities.

ABOUT TATA STEEL CSR POLICY

Tata steel's Corporate Social Responsibility Policy is rooted in the belief that the primary purpose of a business is to improve the quality of life of the people. It takes into account every single person in its sphere of development and ensures that its socio-economic initiatives touch the lives of all stakeholders in a positive way.

The commitment of Tata Steel is that they will allocate at least 2% of its average net profits before taxes of the preceding years, towards CSR activities to sustain and improve a healthy and prosperous environment and to improve the quality of life of the communities it serves. The company may also utilize its products and services as suitable for its CSR activities. Any surpluses arising out of CSR projects or programmes or activities shall be re-deployed back into CSR activities and will not form a part of the business profits of the company.

1.3: NEEDS OF THE STUDY-

- The need of this project is to study the financial report and CSR report published by Tata Steel.
- Exhaustive literature survey regarding the topic and related concepts.
- To understand the Corporate Social Responsibility law in India.
- Getting an insight in CSR practices in the light of the case study of the Tata Steel.

1.4 BRIEF REVIEW ON LITERATURE-

- According to Bowen, CSR refers to the obligations of the businessmen to pursue those policies to make those lines of relations which are desirable in terms of the objectives and values of our society.
-Bowen, H.R, Social Responsibilities Of The Businessman (New York : Harper & Row, 1953)

- Fredrick (1960) stated that social responsibility means that businessman should oversee the operation of an economic system that fulfils the expectations of the people.
-Fredrick, W.C, The Growing Concern Over Business Responsibility (California Management Review, Vol.2, 1960) Pp.54-61.

- Davis (1960) argued that social responsibility is a nebulous idea but should be seen in a management context. He asserted that some socially responsible business decisions can be justified by a long, complicated process of reasoning as having a good chance of bringing long run economic gain to the firm, thus paying it back for its socially responsible outlook.
-Davis, Keith Can Business Afford to Ignore Social Responsibilities? (California Management Review, Spring 1960)

- Guilder (2003) argues that industry in the 20th century can no longer be regarded as private arrangement for enriching shareholders. It has become a joint enterprise in which workers, management, consumers, the locality, government and trade union officials all play a part if :
The system which we know by the name private enterprise is to continue, some way must be found to embrace many interests whom we go to make up industry in a common purpose.
-Mark Guilder, Redefining CSR : From The Rhetoric Of Accountability To The Reality Of Earning Trust (Tomorrow's Company, 2003)

➤ CSR implies some sort of commitment, through corporate policies and action. This operational view of CSR is reflected in a firm's social performance, which can be assessed by how a firm manages its societal relationships, its social impact and the outcome of its CSR policies and actions.

-Wood, D.J., Towards Improving Corporate Social Performance (Business Horizons, Vol. 34 No. 4, World Business Council for Sustainable Development 1991) Pp.66-73

1.5 OBJECTIVES OF THE STUDY-

The study aims at analysing the performance parameters of TATA STEEL in field of CSR.

More specifically, the present study is to carry out the following objectives:

- To analyse the performance of Tata Steel on CSR.
- To know how the Tata group has fulfilled its responsibility towards all stakeholders, what specific activities, programs and strategies it has set, devised and implemented for the same.
- To know how the Tata Steel has fulfilled its responsibility towards Indian society and rest of the world.
- To analyse the benefit derived from CSR activities performed by Tata Steel.
- To have an overview of the company's CSR budget allocation.

1.6: RESEARCH METHODOLOGY-

1. SOURCE OF DATA

This study is performed by taking help of secondary data collected through different books, journals, websites and the Company's Annual Reports, its CSR Reports.

2. PERIOD OF STUDY

The data series collected from the year 2014-2018.

3. TYPES OF STUDY

It is based on data analysis of TATA STEEL.

4. TOOLS USED

Tables, pie charts and bar diagrams have been used to give the work a well-defined view.

5. METHOD OF ANALYSIS

- i. Qualitative
- ii. Quantitative

1.7 LIMITATIONS OF THE STUDY-

- The study is based on secondary data due to time and cost factor.
- There were some data constraints in lieu of Tata Steel disclosure norms.
- Any manipulation or creative accounting made by the company may give misleading result.
- Due to change in accounting policies during the year, the data may not be comparable from Year to year.
- Due to rigidity in time, a comprehensive study could not be done.
- Besides the above limitations, cost is a factor for which detailed study cannot be done.

1.8: CHAPTER PLANNING -

CHAPTER 1. INTRODUCTION:

The first chapter contain the background, needs, literature review, objective, research methodology and limitations of the chapter and also chapter planning.

CHAPTER 2. CONCEPTUAL FRAMEWORK:

The second chapter contain the conceptual frame work of the company which includes International scenario and National scenario.

CHAPTER 3. DATA PRESENTATION, ANALYSIS AND FINDINGS:

The third chapter include presentation and analysis of data and also contain as follows:

- a. Ranking of company as per CSR spending
- b. Amount spent on CSR by Tata Steel, Jindal Steel and Sail
- c. Amount spent on CSR by Tata Steel in various financial year
- d. CSR budget allocation of Tata Steel
- e. Tata Steel CSR performance in field of education
- f. Tata Steel CSR performance in field of health
- g. Tata Steel CSR performance in field of agriculture
- h. Tata Steel CSR financial details
- i. Overall findings

CHAPTER 4. CONCLUSIONS AND RECOMMENDATIONS:

The fourth chapter gives the concluding remarks of the study and also recommendations on the study.



CHAPTER 2

CONCEPTUAL FRAMEWORK

CHAPTER 2
CONCEPTUAL FRAMEWORK

2.1: NATIONAL SCENARIO-

CORPORATE SOCIAL RESPONSIBILITY

In India CSR evolved over a period of time when in the 19th century, the industrial families like Tata, Birla, Godrej, etc. had an inclination towards such activities. These giant corporates involved themselves in a variety of CSR activities without any legal requirements and view it in the context of building goodwill, reputation and brand building.

Later, during the time of independence, Mahatma Gandhi influenced various industrialists to adopt the practices with respect to socio-economic development due to which various companies had set up training centres and educational institutions like schools and colleges. Eventually, CSR got a push by way of introduction of the labour and environment protection laws in India and the Public-Sector Undertakings were asked to take up the CSR initiatives. This is how this practice developed and has now evolved as a sustainable business strategy.

2.2: INTERNATIONAL SCENARIO-

The concept of CSR originated in the 1950's in the USA but it became prevalent early 1970's at that time US had lots of social problems like poverty, unemployment and pollution. Consequently, a huge fall in the prices of Dollar was witnessed. Corporate Social Responsibility (CSR) became a matter of utmost importance for diverse groups demanding change in the business. During the 1980's to 2000, corporation recognized and started accepting a responsibility towards society. The term stakeholder means all those on whom an organization's performance and activities have some impact either directly or indirectly.

TATA STEEL CSR INITIATIVES ACROSS THE WORLD:

Not only in India, Tata Steel also took various initiative for the betterment of the people across the world. Following are the examples of some of the initiative:

- HEALTH

Tata Steel Europe has a long history of supporting research in Cancer or Leukemia. The Lady Tata Memorial Trust, set up by Sir Dorabji Tata in 1932 in memory of his wife who died from cancer, has for the past 78 years allocated up to £500,00 (US \$780,000) per year towards blood cancer research.

In Singapore, NatSteel ensures a healthy society by encouraging staff volunteerism towards various monthly activities at its three adopted charities – The Fernvale Garden School – MINDS (Movement for intellectually Disabled of Singapore), Society for the Physically Disabled (SPD) and St. Joseph’s Home.

- EDUCATION

Tata Steel Europe proactively supports education, benefiting thousands of children and youth not only across Europe but also other continents. In Europe, the Industrial Cadets program that helps to inspire future engineers and scientists is widely applauded. Also, the Tata Steel Graduate Programme is designated to offer rewarding career opportunities to engineers and future business leaders from the world’s best universities and colleges.

In Singapore, NatSteel is a staunch supporter of education and provides scholarships, especially for under-privileged children, those with disabilities to pursue their dreams. Additionally, the NatSteel scholarship and Study Awards are presented to outstanding students from local universities.

2.3 PROVISIONS OF COMPANIES ACT 2013 REGARDING CSR

Corporate Social Responsibility (CSR) assumes significance as it permits companies to engage in projects or programs related to activities related to social welfare and improvement enlisted under the terms of Companies Act, 2013. There is an element of flexibility in

company activities by allowing them to select their preferred CSR engagements that are in agreement with the overall CSR policy of the company.

APPLICABILITY OF CSR TO COMPANIES

Corporate Social Responsibility is required for all companies viz. private limited company, limited company. The following companies are necessary to constitute a CSR committee:

- Companies with a net worth of ₹500 crores or greater, or
- Companies with a turnover of ₹1000 crores or greater, or
- Companies with a net profit of ₹5 crores or greater.

If any of the above financial strength criteria are met, the CSR provisions and related rules will be applicable to the company. These companies are required to form a CSR committee consisting of its directors.

ACTIVITIES PERMITTED UNDER CORPORATE SOCIAL RESPONSIBILITY

The following activities can be performed by a company to accomplish its CSR obligations:

- Eradicating extreme hunger and poverty
- Promotion of education
- Promoting gender equality and empowering women
- Reducing child mortality
- Improving maternal health
- Combating human immunodeficiency virus, acquired, immune deficiency syndrome, malaria and other diseases
- Ensuring environmental sustainability
- Employment enhancing vocational skills, social business projects
- Contribution to the Prime Minister's National Relief Fund or any other fund set up by the central Government or the State Govt. for socio-economic development, and

- Relief and funds for the welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women and such other matters as may be prescribed

AMOUNT & MODE OF SPENDING

Amount of spending:

- The Company shall spend, in every financial year, at least 2% of the average net profit made during the immediately preceding three financial years.

Mode of Spending:

- List of programs and activities specified in Schedule VII of the Act, as amended
- Preference to the local area where it operates
- Programs and activities should be undertaken in India only

- Programs and activities should not be exclusively for employees and their families.

MEDIUM OF SPENDING

- Self
- Through a registered trust or a registered society or a company established under Section 8 of the Act by Company, either singly or along with its Holding or Subsidiary or Associate Company, or along with any other Company or holding or subsidiary or Associate Company of such other company or otherwise.
- Through a registered trust or a registered society or a Section 8 company not established by the company, either singly or along with its holding or subsidiary or Associate Company, or along with any other company or holding or subsidiary or Associate company, provided it shall have an established track record of 3 years in undertaking similar programs or activities.
- Collaboration or pool resources with other companies.

2.4 CSR OF TATA STEEL

Tata Steel's vision is "to be global benchmark in value creation and corporate citizenship". The company has always endeavored to conduct its business responsibly, mindful of its social accountability, respecting applicable laws and with regard for human dignity. The company's long term CSR objective is "to improve the quality of life of the communities it serves globally through long term value creation for all stakeholders", which is in alignment with the Tata group Core Purpose.

The company shall allocate at least 2% of its average net profits before taxes of the preceding three years, towards CSR activities to sustain and improve a healthy and prosperous environment and to improve the quality of life of the communities it serves. The company may also utilize its products and services as suitable for its CSR activities. Any surpluses arising out of CSR projects or programs or activities shall be re-deployed back into CSR activities and will not form a part of the business profits of the company.

The company shall positively impact and influence its employees and partners in fostering a sense of social commitment for their stakeholders.

2.5 TATA STEEL VISION TOWARDS CSR

Corporate Social Responsibility has always been taken care of by the Tata Steel. The founder Mr. Jamshedji Tata used to grant scholarships for further studies abroad in 1892. He also supported Gandhiji's campaign for racial equality in South Africa. Tata Steel has given country its first science centre and atomic research centre. The wealth gathered by Jamshedji Tata and his sons in half a century of industrial pioneering formed but a minute fraction of the amount by which they enriched the nation.

SOME OF THE KEY ACHIEVEMENTS OF TATA STEEL IN FIELD OF CSR IN INDIA

1. In 2014-15, the dry land farming project in collaboration with International Crop Research Institute for Semi-Arid Tropic (ICRISAT), Hyderabad, developed more than 200 acres of land resulting in increased yields.
2. In addition, more than 1000 acres of wasteland has been developed benefiting more than 200 farmers. Till date more than 16000 acres of wasteland have been brought under cashew, mango and lemon plantation in partnership with National Horticulture Mission.
3. Also, this year, 152 irrigation structures including lift irrigation facilities, creation/renovation of ponds, etc. have been created in Jharkhand and Odisha.
4. Project “KAVACH” involves various focused interventions like media events, counselling sessions and “Khushi” clinics for STI treatments that are organised throughout the year to minimise the risk of HIV/AIDS among truckers.
5. Lifelines Express is the world’s first hospital on rails, catering to inaccessible rural areas of Bihar, Jharkhand, Odisha, Chhattisgarh, West Bengal and Tamil Nadu, where medical services are not available.



CHAPTER 3

PRESENTATION OF DATA, ANALYSIS AND FINDINGS

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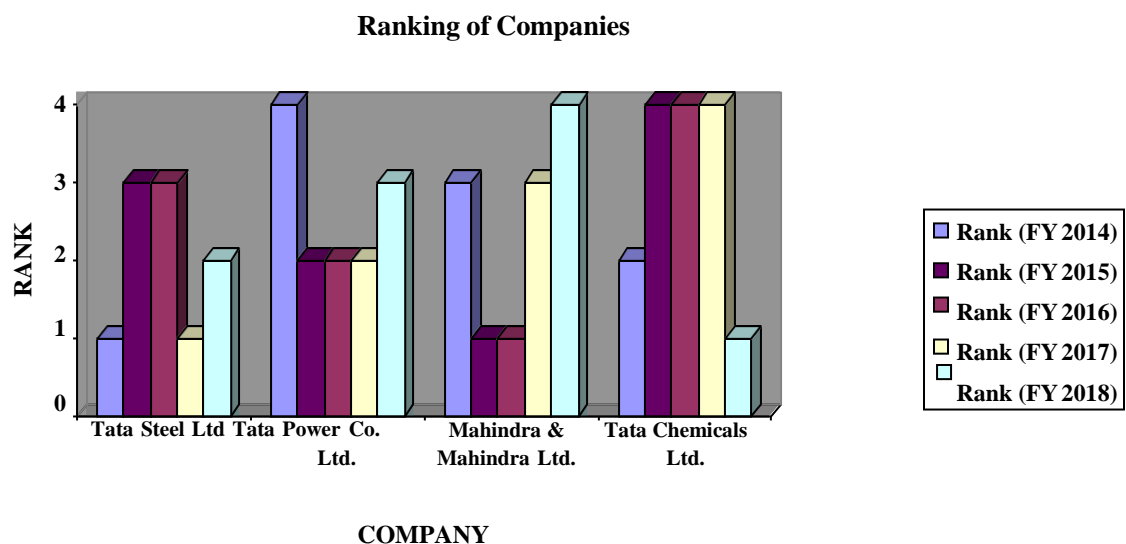
3.1 As this study is about the corporate social responsibility initiative taken by Tata Steel. So, it is very important to compare the performance of Tata Steel with other company based on their CSR performance. The following Table 1 and Chart 1 is extracted from an article publish in economic times which shows the ranking of top 5 Indian Companies as per their CSR spending and programmers.

Table 1 - Ranking of Companies as per their CSR spending and programmers

COMPANY	RANK (FY 2014)	RANK (FY 2015)	RANK (FY 2016)	RANK (FY 2017)	RANK (FY 2018)
Tata Steel Ltd	1	3	3	1	2
Tata Power Company Ltd	4	2	2	2	3
Mahindra & Mahindra Ltd.	3	1	1	3	4
Tata Chemicals Ltd.	2	4	4	4	1

SOURCE: Economic Times

Chart 1 – Bar Graph showing ranking of companies as per CSR spending and programs



Analysis – From Table 1 and Chart 1, it has been found that the performance of Tata Steel in field of CSR fluctuates year to year. But it has been improving and is among top 5 companies of India in the field of CSR. In the coming future, it can be assumed that its performance will get improved by undertaking several initiatives to enhance its competitive position.

Findings – The current rise in the performance of Tata Steel in the field of CSR is very good for the society as well as for the image of the company. And the reason for such an increase is clearly mentioned in Table 1 and in Chart 1, it shows that among all the 5 companies Tata Steel Ltd. is in the best position acquiring no 1 position twice and from last 5 years it has been ranked under top 3.

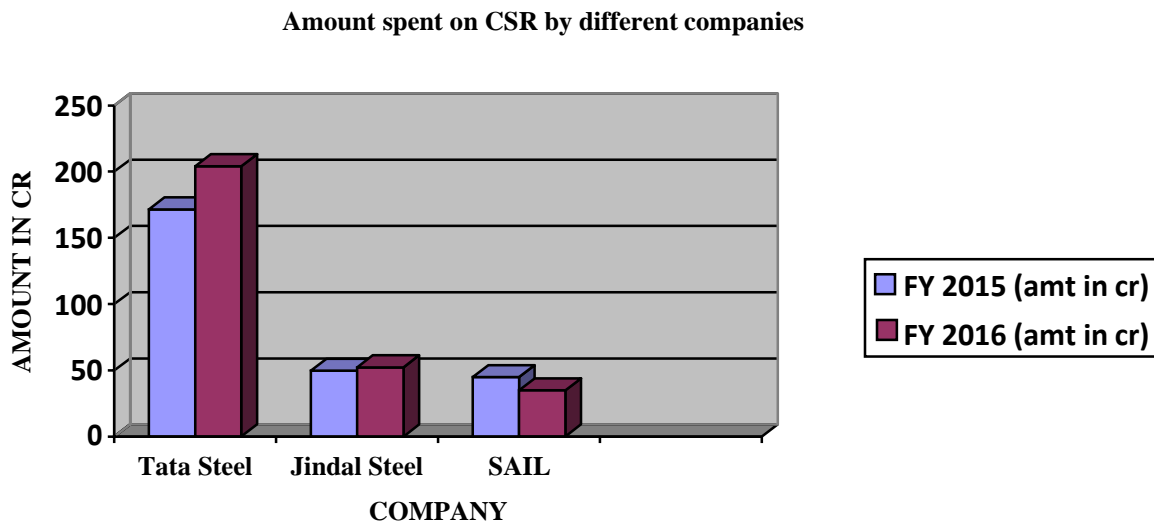
3.2 From the previous analysing and finding it is observed that due to the fall in domestic steel prices there is a direct impact on the revenue and CSR spending of Tata Steel. So, now it is important to compare CSR spending for FY 2016 & FY 2015 of Tata Steel, Jindal Steel and SAIL to check the reason behind the fall in CSR.

Table 2 – Table showing amount spent by Tata Steel, Jindal steel and SAIL

COMPANY	FY 2015 (Amount In Cr)	FY 2016 (Amount In Cr)
Tata Steel	171.46	204
Jindal Steel	49.78	52.26
SAIL	44.87	35.04

SOURCE: Tata Steel, Jindal Steel and SAIL annual report for FY 15 & FY 16

Chart 2 – Table showing amount spent by Tata Steel, Jindal steel and SAIL on CSR



Analysis – The above schedule and diagram shows that in FY 2016 there is a fall in CSR spending of SAIL as compared to FY 2015 and Jindal Steel improved a bit as compared to FY 2015. But the CSR spending of Tata Steel has increased in FY 2016.

Findings – From the above analysis it is totally clear that the reasons which is mentioned in the annual report of Tata Steel for the fall in CSR spending amount to ₹32.54 i.e. (₹204-₹171.46) They spent a large amount on CSR while the other companies spent less amount on CSR as compared to previous financial year 2015.

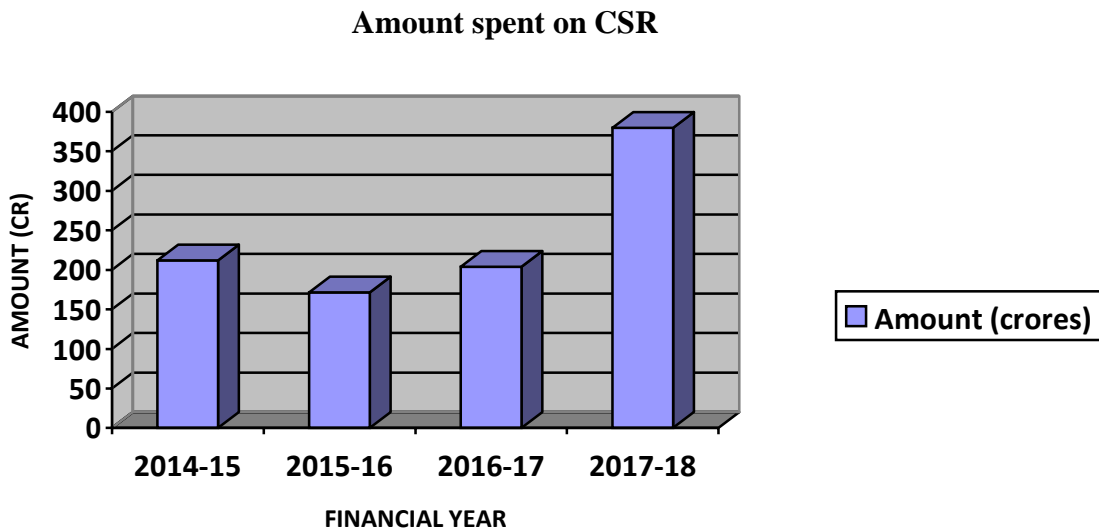
3.3 The following schedule is extracted from the Tata Steel annual report 2017-2018, which shows the amount spent by Tata Steel on CSR in various financial year.

Table 3 – Amount spent by Tata Steel on CSR

FINANCIAL YEAR	AMOUNT (CRORES)
FY 2014-15	212
FY 2015-16	171.46
FY 2016-17	204
FY 2017-18	379.71

Source- Tata Steel annual report for the financial year 2013-2017

Chart 3 – Bar graph showing amount spent by Tata Steel on CSR



Analysis – The above schedule and diagram shows that in FY 2014-15 ₹212 crores was spent by the company in CSR programs, in FY 2015-16 the company decreases the CSR spending amount by ₹171.46 crores. But in FY 2016-17 the CSR spending amount increased by ₹204 crores. Again, in FY 2017-18 the CSR spending of the company rise to ₹379.71 crores.

Findings – ₹379.71 crores rise in the CSR spending of Tata Steel represents that during the FY 2017-18 the company spends higher amount on the programmes that are beneficial for the society. The reasons for such an increase is that in FY 2017-18 there is a sharp rise in the domestic steel prices. This had a direct impact on the company revenues and also on its CSR spending.

3.4 The previous schedule and chart represents the amount of money spent by Tata Steel on CSR in different financial year. Now it is necessary to observe the CSR budget allocation of Tata Steel. The following data is extracted after studying the Tata Steel CSR report and CSR policy which shows the percentage of amount spent by Tata Steel in various sectors.

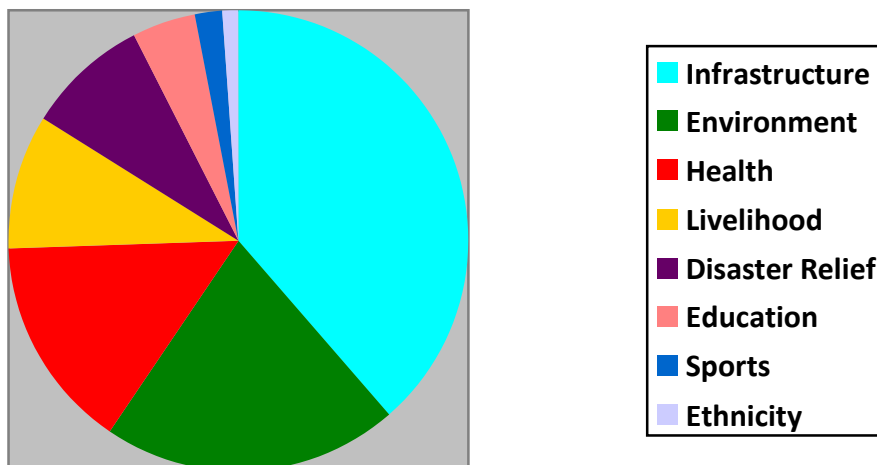
Table 4 – Table showing CSR budget allocation of Tata Steel

Sectors	Percentage
Infrastructure	38.5%
Environment	21%
Health	15%
Livelihood	9.5%
Disaster Relief	8.5%
Education	4.5%
Sports	2%
Ethnicity	1%

SOURCE: www.tatasteel.com/corporate/pdf/CSR-Policy.pdf

Chart 4 – Pie chart showing CSR budget allocation of Tata Steel

CSR budget allocation in percentage (%)



Analysis – The above pie chart shows that the company spends more on local infrastructure development i.e. 38.5% of total CSR budget. The company also spend 21% of total CSR budget on environment conservation. In health sector the company spends its 15% of total amount. 11% of total CSR budget on livelihood, 9% on disaster relief operations, 5% on education sectors, 2% on sports sectors and rest 1% on ethnicity.

Findings – After going through the above data it is observed that the company has focus more on the development of infrastructure in urban area. Now a days, Global Warming has immerge as a great challenge and it is the duty of government and enterprises to check this problem and from the above data it seems clear that Tata Steel is also serious for this issue so they spend 21% of total CSR budget on environmental conservation. The company is also engaged in giving better livelihood to the ruler people along with better education. The company also spends 2% of CSR budget on the development of sports infrastructure.

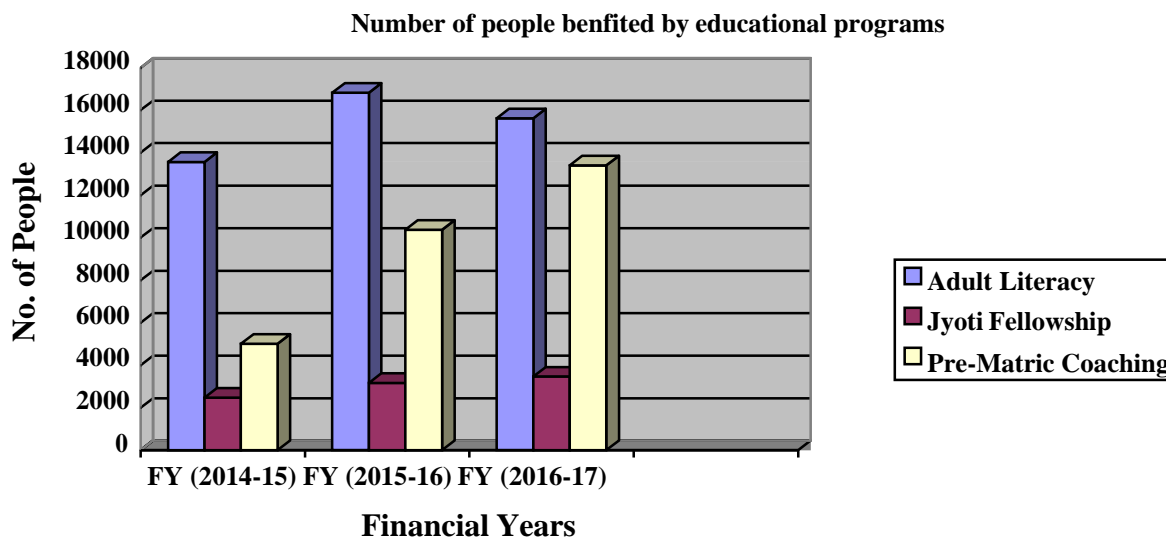
3.5 As per the Tata steel CSR policy the company strongly believes that education is a basic human right, vital to personal and social development. So, from the following schedule and diagram we observe the performance of various educational programmers that are run by Tata steel for the betterment of society. The following data is extracted from Tata Steel CSR report 2014-15, CSR report 2015-16 and CSR report 2016-17.

Table 5 – Table showing number of people who get benefited by the various educational programs by Tata Steel

Educational programs	FY 2014-15	FY 2015-16	FY 2016-17
Adult Literacy	13570	16824	15612
Jyoti Fellowship	2477	3169	3460
Pre-Matric Coaching	5006	10372	13403

Source- CSR report for the financial year 2014-15, 2015-16, 2016-17

Chart – 5 Chart showing number of people who get benefited by educational programs by Tata Steel



Analysis – The above table and bar graph represent the number of people get benefited by the various educational programme run by Tata steel for the betterment of Indian Society. During the FY 2014-15 total 13570 people get benefited from adult literacy program, 2477 people from Jyoti Fellowship program (this program is basically run for SC/ST) and 5006 people get benefited from pre-matric coaching. In FY 2015-16, under adult literacy program 16824 people get benefited, 3169 people from

Jyoti fellowship program and 10372 people from pre-matric coaching. During FY 2016-17, total 15612 people get benefited from adult literacy program, 3460 people get benefited from Jyoti fellowship program and from pre-matric coaching 13403 people get benefited.

Findings- After analysis the above schedule and diagram it is clear that Tata Steel focus more on providing free education to poor adult people total 46006 people get benefited from this programme. The company also focus in providing scholarship for SC/ST students for their higher study under this scheme the company has provided scholarship to 9106 SC/ST students. A pre-matric coaching program is also run by the company. Pre-matric coaching is one of the key educational interventions of Tata Steel's social responsibility to ensure that quality education is made accessible to the deserving students from marginalised communities. The coaching is provided to strengthen the basic concept of subjects, which then reflects their performance during matriculation. Total of 28781 people get benefited from pre-matric coaching.

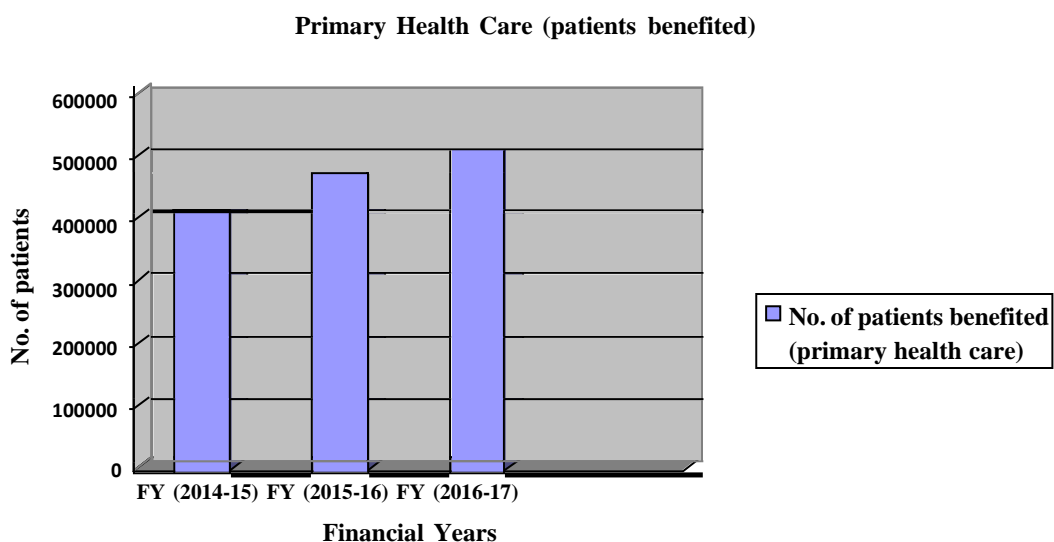
3.6 The following information is extracted from Tata Steel CSR Report which represents the performance of various health programmes run by Tata Steel. It shows the people who got benefited mainly by primary health care programmes and eye care service by Tata Steel for the betterment of Indian society.

Table 6 – Table showing number of people who got benefited by the primary health care programmes run by Tata Steel.

FINANCIAL YEAR	NO. OF PATIENTS BENEFITED (PRIMARY HEALTH CARE)
FY 2014-15	419000
FY 2015-16	485384
FY 2016-17	533597

Source- Tata Steel CSR report for the financial year 2014-2017

Chart 6 - Following Bar Graph showing number of people who got benefited by the Primary Health Care Programmes run by Tata Steel.



Analysis – From the above table i.e. Table 6 and graph i.e. Chart 6, it is observed that total no. of patients who got benefited by Primary Health Care programmes has increased from year to year. In FY 2014-15 patients were benefited less than in the FY 2016-17. Around 114597 more patients got benefited by this programme which is run by Tata Steel. Its performance in health sector is improving for the rural people and for the betterment of the society.

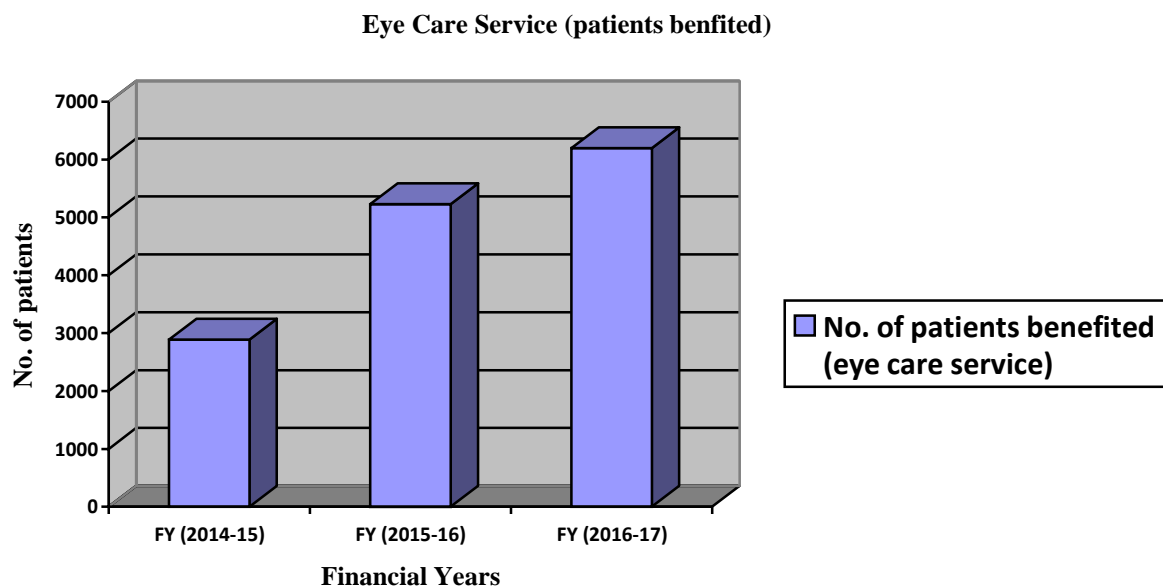
Findings – From the above analysis of Table 6 and Chart 6, it is clearly noted that Tata Steel is creating sustainability in the market by participating in various sectors for the betterment of the society. Healthcare aims to fundamentally transform primary healthcare by creating an integrated network of services spanning healthcare providers and consumers. People are getting more benefited by this programme which is run by Tata Steel.

Table 7 - Table showing number of people who got benefited by the Eye Care Service run by Tata Steel.

FINANCIAL YEAR	NO. OF PATIENTS BENEFITED (EYE CARE SERVICE)
2014-15	2890
2015-16	5230
2016-17	6198

Source- Tata Steel CSR report for the financial year 2014-2017

Chart 7 - Following Bar Graph showing number of people who got benefited by Eye Care Service run by Tata Steel.



Analysis - From the above table i.e. Table 7 and graph i.e. Chart 7, it is observed that total no. of patients who got benefited by Eye Care Service programmes has increased from year to year. In FY 2015-16 patients were benefited more than in the FY 2014-15 and so in FY 2016-17. Around 2340 more patients got benefited by this programme in FY 2015-16 and in FY 2016-17, 968 patients more were included in the list. Its performance in eye care service is improving for the betterment of the society.

Findings - From the above analysis of Table 7 and Chart 7, it is clearly noted that Tata Steel is creating sustainability in the market by participating in various sectors for the betterment of the society. The eye department of TMH have been conducting free eye camps for more than 20 years. The needy and poor are operated free of cost. Small incision cataract surgery (sutureless) with intra ocular lens implantation is done. The camps are conducted weekly every winter. Free medicines and glasses are distributed by TMH. Training of school teachers for visual screening of children is regularly carried out.

FINANCIAL STATEMENT OF TATA STEEL:-

TABLE 1 – STATEMENT OF PROFIT AND LOSS (FOR THE FY 2014-2018)

Profit & Loss account of Tata Steel	----- Rs.(in Cr.) -----				
	Mar 14	Mar 15	Mar 16	Mar 17	Mar 18
	12 months	12 months	12 months	12 months	12 months
INCOME					
Revenue From Operations [Gross]	41,843.27	45,869.55	46,226.08	42,290.64	52,564.93
Less: Excise/Service Tax/Other Levies	4,117.81	4,598.31	4,792.26	4,475.95	5,267.94
Revenue From Operations [Net]	37,725.46	41,271.24	41,433.82	37,814.69	47,296.99
Other Operating Revenues	473.97	439.79	351.18	395.65	696.03
Total Operating Revenues	38,199.43	41,711.03	41,785.00	38,210.34	47,993.02
Other Income	902.04	787.64	582.78	3,890.70	414.46
Total Revenue	39,101.47	42,498.67	42,367.78	42,101.04	48,407.48
EXPENSES					
Cost Of Materials Consumed	9,877.40	9,677.71	11,707.83	9,700.01	12,496.78
Purchase Of Stock-In Trade	453.34	352.63	688.32	991.54	881.18
Changes In Inventories Of FG,WIP And Stock-In Trade	-404.60	-155.18	-745.17	142.97	-1,329.65
Employee Benefit Expenses	3,608.52	3,673.08	4,601.92	4,324.90	4,605.13
Finance Costs	1,876.77	1,820.58	1,975.95	1,460.27	2,688.55
Depreciation and Amortisation Expenses	1,640.38	1,928.70	1,997.59	1,933.11	3,541.55
Other Expenses	14,414.66	16,375.81	16,109.99	16,438.06	19,681.15
Less: Amounts Transfer To Capital Accounts	876.13	1,029.92	586.69	598.89	217.52
Total Expenses	30,590.34	32,643.41	35,749.74	34,391.97	42,347.17
Profit/Loss Before Exceptional, Extra Ordinary Items and Tax	8,511.13	9,855.26	6,618.04	7,709.07	6,060.31
Exceptional Items	-674.53	-141.76	1,890.85	-1,582.55	-703.38
Profit/Loss Before Tax	7,836.60	9,713.50	8,508.89	6,126.52	5,356.93
Tax Expenses-Continued Operations					
Current Tax	1,770.54	3,098.02	1,908.60	1,433.06	1,400.54
Less: MAT Credit Entitlement	399.84	0.00	117.21	152.17	0.00
Deferred Tax	1,402.93	203.29	278.38	-55.32	511.84
Total Tax Expenses	2,773.63	3,301.31	2,069.77	1,225.57	1,912.38
Profit/Loss After Tax and Before Extra Ordinary Items	5,062.97	6,412.19	6,439.12	4,900.95	3,444.55
Profit/Loss From Continuing Operations	5,062.97	6,412.19	6,439.12	4,900.95	3,444.55
Profit/Loss For The Period	5,062.97	6,412.19	6,439.12	4,900.95	3,444.55

Source: Dion Global Solutions Limited

INTERPRETATION:

From Table 1, the following interpretations can be drawn:

1. There has been constant increase every year in Revenue from Operations right from FY 2014. The revenue from operations of FY 2014 when compared with that of FY 2018 shows a major increase (the sales figure of FY 2014 being 41,843.27 crores and that of FY 2018 being 52,564.93) due to the higher demand of domestic steel around the country.
2. Other incomes of the company has an irregular trend, the highest being in FY 2018. When compared with FY 2014, the other income shows a constant growth from FY 2015 to FY 2017, then again in FY 2018 it shows a gradual increase from 42,101.04 crores to 48,407.48 crores due to more competition increased in these financial year. More companies were in market for the supply of steel so its performance get declined during 2015-2017.
3. The total expenses of the company shows an increasing trend right from FY 2014, maximum proportion being spent on other expenses and the minimum portion being spent on Changes in Inventories of Finished Goods, WIP and Stock-In-Trade. The amount spent on these expenses are in negative.
4. Profit/Loss before Tax has decreased in FY 2018 when compared with that of other Financial Years.
5. Profit/Loss after Tax and Before ExtraOrdinary Items has also decreased with that of other Financial Years i.e. from FY 2014-2017.
6. The net profit of the company shows a increasing trend from FY 2014 to FY 2016. Then again in FY 2017 it decreases and in FY 2018 more loss incurred to the company because Tata Steel is struggling in Europe and particularly in the UK as high production cost and cheap steel exports from China eroded profits. It was forced to write down the value of some of its European assets because of a global supply glut that has sent prices plunging.

TABLE 2 – BALANCE SHEET (FOR THE FY 2014-2018)

Standalone Balance Sheet	----- Rs. (in Cr.) -----				
	Mar 14	Mar 15	Mar 16	Mar 17	Mar 18
	12 months	12 months	12 months	12 months	12 months
EQUITIES AND LIABILITIES					
SHAREHOLDER'S FUNDS					
Equity Share Capital	971.41	971.41	971.41	971.41	971.41
Total Share Capital	971.41	971.41	971.41	971.41	971.41
Reserves and Surplus	54,238.27	60,176.58	65,692.48	69,505.31	48,687.60
Total Reserves and Surplus	54,238.27	60,176.58	65,692.48	69,505.31	48,687.60
Total Shareholders Funds	55,209.68	61,147.99	66,663.89	70,476.72	49,659.01
Hybrid/Debt/Other Securities	2,275.00	2,275.00	2,275.00	2,275.00	2,275.00
NON-CURRENT LIABILITIES					
Long Term Borrowings	23,565.57	23,808.09	23,900.37	23,457.77	24,694.37
Deferred Tax Liabilities [Net]	1,843.74	2,038.98	2,250.41	2,179.83	6,111.27
Other Long Term Liabilities	280.87	983.52	1,087.74	842.66	3,644.69
Long Term Provisions	2,113.42	1,905.05	2,875.92	2,888.18	2,024.74
Total Non-Current Liabilities	27,903.60	28,735.64	30,114.44	29,368.44	36,475.07
CURRENT LIABILITIES					
Short Term Borrowings	70.94	43.69	34.88	5,261.02	3,239.67
Trade Payables	6,369.91	8,263.61	5,801.98	7,706.13	10,717.44
Other Current Liabilities	8,503.54	8,671.67	9,111.52	6,115.81	8,398.62
Short Term Provisions	1,544.26	1,902.81	1,675.41	2,005.03	700.60
Total Current Liabilities	16,488.65	18,881.78	16,623.79	21,087.99	23,056.33
Total Capital And Liabilities	101,876.93	111,040.41	115,677.12	123,208.15	111,465.41
ASSETS					
NON-CURRENT ASSETS					
Tangible Assets	24,650.54	24,064.43	25,071.38	24,901.24	71,778.97
Intangible Assets	224.51	201.32	177.14	527.35	788.18
Capital Work-In-Progress	8,722.29	18,509.40	23,036.67	26,982.37	6,125.35
Intangible Assets Under Development	0.00	0.00	0.00	0.00	38.61
Fixed Assets	33,597.34	42,775.15	48,285.19	52,410.96	78,731.11
Non-Current Investments	49,984.80	52,318.56	52,164.24	52,360.42	8,355.90
Long Term Loans And Advances	6,574.15	4,080.07	3,166.77	3,787.88	211.97
Other Non-Current Assets	190.04	302.03	211.75	227.40	4,069.00
Total Non-Current Assets	90,346.33	99,475.81	103,827.95	108,786.66	91,367.98
CURRENT ASSETS					
Current Investments	434.00	2,343.24	1,000.08	4,320.17	5,309.81
Inventories	5,257.94	6,007.81	8,042.00	7,083.81	10,236.85
Trade Receivables	796.92	770.81	491.46	632.80	2,006.52
Cash And Cash Equivalents	2,218.11	961.16	478.59	1,014.67	970.31
Short Term Loans And Advances	2,207.83	1,299.20	1,781.77	1,243.48	27.14
Other Current Assets	615.80	182.38	55.27	126.56	1,546.80
Total Current Assets	11,530.60	11,564.60	11,849.17	14,421.49	20,097.43
Total Assets	101,876.93	111,040.41	115,677.12	123,208.15	111,465.41

Source: Dion Global Solutions Limited

INTERPRETATION:

From Table 2, the following interpretations can be drawn:

1. The equity share capital of the company remains constant during all the financial years i.e. from FY 2014 to FY 2018.
2. The total reserves and surplus of the company gets increases till FY 2017 but in FY 2018 it gradually decreased and falls from ₹69,505.31 crores to ₹48,687.60 crores.
3. The total non – current Liabilities increased from FY 2014 to FY 2016, then again in FY 2017 it gets reduced and in FY 2018 it increased by large amount from ₹29,368.44 crores (FY 2017) to ₹36,475.07 crores (FY 2018).
4. The total current Liabilities increased from FY 2014 to FY 2015, then again it gets decreased from FY 2015 to FY 2016 and then it is increased in FY 2017 and FY 2018.
5. The total Capital and Liabilities shows an increasing trend till FY 2017 but then again in FY 2018 its value got decreased.
6. The company was having ₹108,786.66 crores as non – current Assets till FY 2017 but in FY 2018 it gets decreased to ₹91,367.98 crores due to paying off the liabilities.
7. The current assets has an increasing trend. It goes on increasing till FY 2018 by a large amount.
8. The company's total assets is also having a fluctuating trend and it decreases from FY 2017 to FY 2018.

TABLE 3 – FINANCIAL RATIOS (FOR THE FY 2014-2018)

Key Financial Ratios	----- Rs.(in Cr.) -----				
	Mar '14	Mar '15	Mar '16	Mar '17	Mar '18
Investment Valuation Ratios					
Face Value	10.00	10.00	10.00	10.00	10.00
Dividend Per Share	8.00	10.00	8.00	8.00	10.00
Operating Profit Per Share (Rs)	114.56	131.97	103.05	74.25	122.28
Net Operating Profit Per Share (Rs)	393.32	429.47	430.23	393.434	494.15
Bonus in Equity Capital	26.04	26.04	26.04	26.04	26.04
Profitability Ratios					
Operating Profit Margin (%)	29.12	30.72	23.95	18.87	24.74
Profit Before Interest And Tax Margin (%)	24.25	25.62	18.90	12.53	17.21
Gross Profit Margin (%)	24.83	26.10	19.17	13.81	17.36
Cash Profit Margin (%)	18.86	19.95	15.45	19.99	15.88
Net Profit Margin (%)	13.25	15.37	15.41	12.82	7.17
Adjusted Net Profit Margin (%)	12.94	15.08	15.19	11.64	7.11
Return On Capital Employed (%)	12.80	13.37	9.25	9.03	10.95
Return On Net Worth (%)	9.17	10.48	9.65	6.95	6.93
Adjusted Return on Net Worth (%)	10.39	10.71	6.82	9.19	8.35
Return on Assets Excluding Revaluations	568.46	629.60	686.40	725.65	511.31
Return on Assets Including Revaluations	568.46	629.60	686.40	725.65	511.31
Return on Long Term Funds (%)	12.81	13.38	9.25	9.53	11.41
Liquidity And Solvency Ratios					
Current Ratio	0.86	0.57	0.62	0.52	0.55
Quick Ratio	0.61	0.32	0.27	0.32	0.28
Debt Equity Ratio	0.47	0.43	0.39	0.44	0.61
Long Term Debt Equity Ratio	0.47	0.43	0.39	0.37	0.54
Debt Coverage Ratios					
Interest Cover	5.53	6.41	4.35	6.28	3.25
Total Debt to Owners Fund	0.47	0.43	0.39	0.44	0.61
Financial Charges Coverage Ratio	6.41	7.47	5.36	7.60	4.57
Management Efficiency Ratios					
Inventory Turnover Ratio	8.05	7.71	5.79	6.03	5.20
Debtors Turnover Ratio	44.91	53.21	66.21	67.97	36.37
Investments Turnover Ratio	8.05	7.71	5.79	6.03	5.20
Fixed Assets Turnover Ratio	1.01	1.07	1.00	0.88	0.60
Total Assets Turnover Ratio	0.47	0.48	0.45	0.38	0.61
Asset Turnover Ratio	0.49	0.50	0.46	0.39	0.53
Number of Days In Working Capital	-17.74	-75.30	-57.56	-55.33	-91.51
Profit & Loss Account Ratios					
Material Cost Composition	32.51	30.30	35.18	34.32	33.60
Expenses as Composition of Total Sales	6.21	5.70	2.36	2.85	8.32
Cash Flow Indicator Ratios					
Dividend Payout Ratio Net Profit	15.34	15.14	12.06	15.85	30.28
Dividend Payout Ratio Cash Profit	11.59	11.64	9.20	11.36	14.93
Earning Retention Ratio	86.46	85.19	82.92	88.02	74.86
Cash Earning Retention Ratio	89.47	88.56	88.14	90.77	86.44

Source: Dion Global Solutions Limited

INTERPRETATION:

From Table 3, the following interpretations can be drawn:

1. Face value of the shares remains the same from FY 2014-2018 but dividend per share changed during the FY 2018 from ₹8 to ₹10.
2. Different profitability ratios are shown in Table 3, Operating Profit Margin Ratio, Profit before Interest and Tax Margin, Gross Profit Margin, Return on Capital Employed are some of the ratios which has an increasing trend. Net Profit Margin Ratio, Return on Net worth Ratio, Return on Assets (excluding revaluations as well as including revaluations) shows decreasing trend during the FY 2018.
3. Different liquidity and solvency ratios are shown in Table 3, Current Ratio, Long Term Debt Equity Ratio, Long Term Debt Equity Ratio shows increasing trend and Quick Ratio shows decreasing trend during the FY 2018.
4. Different Debt Coverage Ratios are shown in Table 3, Interest Cover and Financial Charges Coverage Ratio shows declining ratio and Total Debt to Owners Fund shows increasing trend.
5. Different Management Efficiency Ratios are shown in Table 3, all the ratios under this shows a declining trend except Total Assets Turnover Ratio and Assets Turnover Ratio during the FY 2018. Number of Days in working capital also have a decreasing trend.
6. Different Profit and Loss Account Ratios and Cash Flow Indicator Ratios are also shown in Table 3, Material cost composition, Earning Retention Ratio and Cash Earning Retention Ratio shows decreasing ratio and the others i.e. Expenses as composition of Total Sales, Dividend payout Ratio Net profit and Dividend payout Ratio Cash profit shows an increasing trend during the FY 2018.

OVERALL FINDINGS: -

From the above analysis and findings, the overall findings are as follows:

1. From Table 1 and Chart 1, The current rise in the performance of Tata Steel in the field of CSR is very good for the society as well as for the image of the company. Its rank has been increasing year after year and is among the top 3 companies in India. It is because Tata steel emphasis on balancing economic prosperity, environmental responsibility and social benefits for the community.
2. From Table 2 and Chart 2, Tata Steel spends large amount of money on CSR as compared to different top companies of steel producers of the country. Its main emphasis is not only to produce domestic steels but is also to spread quality education, healthcare and sustainable livelihood opportunities.
3. From Table 3 and Chart 3, Tata Steel spends large amount on CSR, It allocates at least 2% of its average net profits before taxes of the preceding three years, towards CSR activities to sustain and improve a healthy and prosperous environment and to improve the quality of life of the communities it serves. The company utilizes its products and services as suitable for its CSR activities. Any surpluses which arises out of CSR projects or programmes or activities are re-deployed back into CSR activities and does not form a part of the business profits of the company.
4. From Table 4 and Chart 4, Tata Steel's CSR in alignment with the Tata Group focus initiatives (Skills, Water, Governance, Education) will focus on four thrust areas – Education, Health, Livelihoods and Rural and Urban infrastructure. Besides, it will also undertake Interventions in the areas of sports, disaster relief, environment and ethnicity etc., all aimed at improving the quality of life of the communities.
5. From Table 5 and Chart 5, Tata Steel focus more on providing free education to poor adult people from this programme. The company also focus in providing scholarship for SC/ST students for their higher study. A pre-matric coaching program is also run by the Tata Steel which is key educational interventions of Tata Steel's social responsibility to ensure that quality education is made accessible to

the deserving students from marginalised communities. The coaching is provided to strengthen the basic concept of subjects, which then reflects their performance during matriculation.

6. From Table 6 & Table 7 and Chart 6 & Chart 7, Tata Steel also focus on primary health care services and Eye Care services. TMH provides free medicines and treatment to rural and poor people around the country as well as Tata Steel also organize one-day free Mega Health Camp. In the camp, consultation by specialist doctors from Medicine, ENT, Dental and Dermatology disciplines were provided to the patients along with free medicines.

7. From Table 1 of Financial Statement, the net profit of the company shows a increasing trend from FY 2014 to FY 2016. Then again in FY 2017 it decreases and in FY 2018 more loss incurred to the company because Tata Steel is struggling in Europe and particularly in the UK as high production cost and cheap steel exports from China eroded profits.

8. From Table 2 of Financial Statement, the total Capital and Liabilities shows an increasing trend till FY 2017 but then again in FY 2018 its value got decreased and the company's total assets is also having a fluctuating trend and it decreases from FY 2017 to FY 2018.

9. From Table 3 of Financial Statement, Different ratios are shown in this table for the Financial Year 2014 to 2018.



CHAPTER 4

CONCLUSIONS AND RECOMMENDATIONS

CHAPTER 4

CONCLUSIONS AND RECOMMENDATIONS

4.1: CONCLUSIONS-

As business is an integral part of the social system it has to care for various needs of the society. Business which is resourceful has a special responsibility to the society. Tata Steel has provided a good example, that how a private organisation can work for the betterment of society. From the whole study it is clear that the company believes that they would have to rise over and above the profitability and take care of all those who are associated with their survival in the society directly or indirectly. Nowadays Tata Steel concentrates its all attention towards elimination of various social issues such as unemployment, poor health services, illiteracy, social discrimination and poor sanitation. And the company is also working for the development of local infrastructure and agriculture sector. Today 800 villages in the state of Jharkhand, Odisha, and Chhattisgarh are enjoying the benefits derived from CSR activities performed by Tata Steel. The company works in partnership with the government, national and international development organisations, local NGOs and community to ensure sustainable development. The Corporate Services division delivers these responsibilities through several institutionalised bodies such as TSRDS, TCS, TSFIF, TSSDS, etc.

4.2: RECOMMENDATIONS-

1. The concept of public-private partnership (PPP) should be applied in the effective implementation of CSR i.e. government and business houses should act in collaboration for the cause.
2. The government should setup an independent agency to check whether the companies are working according to that law or not.
3. It is noted that CSR as a subject or discipline should be made compulsory at business schools and in colleges and universities to create sense in the mind of every students about social and development issues and the role of CSR. So, that in future they can work for the betterment of society and to eliminate social challenges.
4. NGOs should be encouraged to act in collaboration for the CSR activities under different schemes and projects as they play a crucial role in the upliftment of the masses.
5. Nowadays the global warming emerges as a big challenge so, Tata Steel should take some steps for environmental protection.
6. Tata Steel should encourage cottage industry in rural areas to generate more employment opportunity due to lack of opportunities in rural areas.
7. Tata Steel should provide free education and professional training for the women's in rural areas to make them independent due to lack of knowledge and skills.
8. Tata Steel should concentrate its view over food security because it covers only 9.5% in livelihood sector which includes food and it should be increased.

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1. Economic Times
2. Business Standard
3. Times of India

Project Report

**(Submitted for the Degree of B.COM. Honours in Accounting &
Finance under the University of Calcutta)**

Title of the Project

**“The Impact of Advertising Tools over Indian consumers
And the Degree of Satisfaction During the Pandemic- A
Case study on KFC”**

Submitted by:

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Name of the Supervisor: Smt. Nancy Jaiswal

Month and Year of submission:

July, 2021

Annexure- IA

SUPERVISOR'S CERTIFICATE

This is to certify that Mr. Pankaj Lakra a student of B.Com. Honours in Accounting & Finance of Scottish Church College under the University of Calcutta has worked under my supervision and guidance for his Project Work and prepared a Project Report with the title “**THE IMPACT OF ADVERTISING TOOLS OVER INDIAN CONSUMERS AND THE DEGREE OF SATISFACTION DURING THE PANDEMIC- A CASE STUDY ON KFC**” which he is submitting, is his genuine and original work to the best of my knowledge.

Signature: NANCY JAISWAL

Name: Smt. Nancy Jaiswal

Designation: SACT

(State Aided College Teacher)

Name of the college:

Scottish Church College

Place: Kolkata

Date: 28/07/2021

Annexure- IB

STUDENT DECLARATION

I hereby declare that the Project Work with the title **“THE IMPACT OF ADVERTISING TOOLS OVER INDIAN CONSUMERS AND THE DEGREE OF SATISFACTION DURING THE PANDEMIC- A CASE STUDY ON KFC”** submitted by me for the partial fulfilment of the degree of B.Com. Honours in Accounting & Finance under the University of Calcutta is my original work and has not been submitted earlier to any other University/Institution for the fulfillment of the requirement of any course of study.

I also declare that no chapter of this manuscript in whole or in part has been incorporated in this report from any earlier work done by others or by me. However, extracts of any literature which has been used for this report has been duly acknowledged providing details of such literature in the references.

Signature: PANKAJ LAKRA

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Mr. Pankaj Lakra

B.Com (H) in Accountancy & Finance

Semester-VI

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CHAPTER-1: INTRODUCTION

1.1 BACKGROUND OF THE STUDY

1.2 JUSTIFICATION OF THE TOPIC

1.3 LITERATURE REVIEW

1.4 OBJECTIVES OF THE STUDY

1.5 DATA SOURCES AND METHODOLOGY

1.6 LIMITATIONS OF THE STUDY

1.7 CHAPTER PLANNING

1.1: BACKGROUND OF THE STUDY

Every day and for most of our lives we see and hear many advertisements. Even if we don't read newspaper or watch television, and walk around the streets with our eyes down, we will still find it impossible to avoid some sort of publicity, even if it's only a trade display at a local store, uninvited handbills or even video adverts we come across while scrolling down our facebook feed.

So, what is advertising? In its simplest sense the word 'advertising' means 'drawing attention to something', or notifying or informing somebody of something. Several methods of advertising have been used throughout the human history. Some examples include banners, pamphlets, word of mouth, digital adverts and many more.

Figure 1: KFC restaurant



Source: KFC, City Centre, Siliguri.

In this project report we are going to analyze the various forms of advertising tools used by a firm in advertising its products. The firm we are going to focus upon for this

report is KFC (Kentucky Fried Chicken) a huge and well-known fast food restaurant chain. KFC uses various tools for advertising and this report analyses the consumers responses to these advertisements.

KFC (abbreviation for Kentucky Fried Chicken) is an American fast food restaurant chain headquartered in Louisville, Kentucky that specializes in fried chicken. It was founded by Colonel Harland Sanders and Pete Harman. KFC first started as Sanders Court & Café on March 20, 1930 in North Corbin, Kentucky. Its first franchise became functional on September 24, 1952 in Salt Lake City, Utah. It is the world's second-largest restaurant chain (as measured by sales) after McDonald's, with 22,621 locations globally in 150 countries as of December 2019.

The first KFC outlet in India was opened in Bangalore on June 1995 and from 30 outlets, the number has grown to 296 today. Since then, it has gained more and more popularity in India because of their customized menus that suit the taste buds of the citizens.

KFC like any other business entity spends a huge portion of its expenditure for advertising its products. KFC's motive of advertising is to educate the mass about their menu and therefore attract them towards their stores. This report shows the advertising tools used by KFC and the effects they have on the consumers mindset.

KFC have grown globally and in recent times, quite exponentially in India too. The reason for that is not the taste of their fried chicken alone. Advertising has helped them in becoming familiar among the masses here in India. Before we even get the taste of their fried chicken, we need to be aware of their existence and what they have to offer. This role of making people aware of their products is fulfilled by various advertisement campaigns run by KFC. In order to grow, KFC uses various advertising and promotional tools and the effects they have vary from person to person. These promotional tools use various concepts, each targeting a particular group of people. There are different kinds of people in a country, people of different occupations, different classes, different background and so on. Therefore, it is quite obvious that one advertisement will have different effects on different people. KFC has been able to attract a large section of population here in India but a significant section of the population is not as attracted to them. Understanding the relationship between their advertisement and the different types of people can be complex. Therefore, an

extensive enquiry of the consumers is required to better understand the varying effects the advertisements have on them.

KFC or any other entity cannot grow without using some extensive promotional campaigns given the competition they face from the other entities in the same category. In order to stand out from the competition and to attract as many as possible, extensive ad campaigns become necessary. A promotional campaign cannot be called successful if it has no or little effects on the masses. Therefore, while designing an ad campaign it is very important to know how the masses are going to perceive it and what effects it will have on them. It becomes necessary for an entity to know how their previous campaigns have affected and through that only can they be able to design better and more effective promotional campaigns and advertisement tools.

Organizations need to retain existing customers while targeting non-customers. Measuring customer satisfaction provides an indication of how successful the organization is at providing products and/or services to the marketplace.

"Customer satisfaction is measured at the individual level, but it is almost always reported at an aggregate level. It can be, and often is, measured along various dimensions. A hotel, for example, might ask customers to rate their experience with its front desk and check-in service, with the room, with the amenities in the room, with the restaurants, and so on. Additionally, in a holistic sense, the hotel might ask about overall satisfaction 'with your stay.'"

As research on consumption experiences grows, evidence suggests that consumers purchase goods and services for a combination of two types of benefits: hedonic and utilitarian.[11] Hedonic benefits are associated with the sensory and experiential attributes of the product. Utilitarian benefits of a product are associated with the more instrumental and functional attributes of the product (Batra and Athola 1990).

Customer satisfaction is an ambiguous and abstract concept and the actual manifestation of the state of satisfaction will vary from person to person and product/service to product/service. The state of satisfaction depends on a number of both psychological and physical variables which correlate with satisfaction behaviors such as return and recommend rate. The level of satisfaction can also vary depending

on other options the customer may have and other products against which the customer can compare the organization's products.

Figure 2: KFC Indian Customers



Source: notintown.net

1.2: JUSTIFICATION OF THE TOPIC

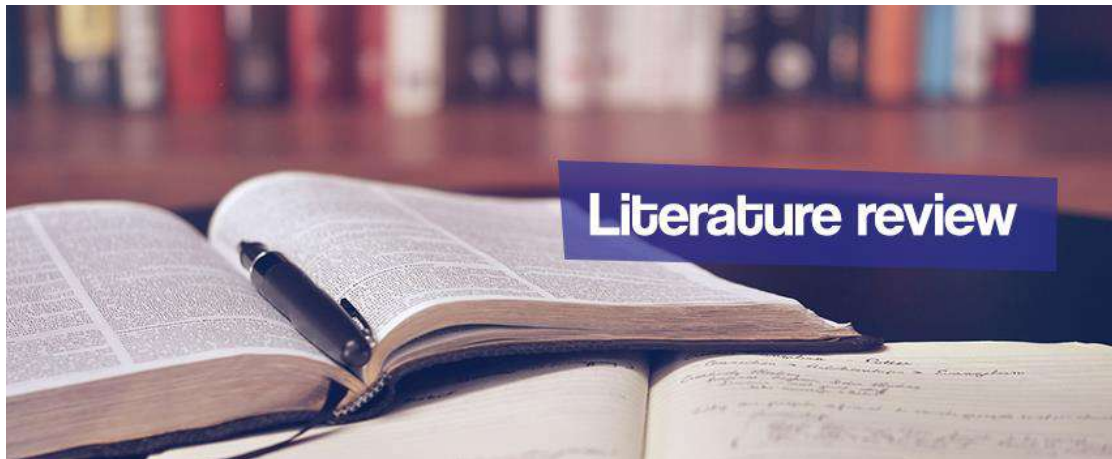
This topic is very important because in present times, there are numerous brands in every category. With the increasing number of consumers, we see increasing number of brands as well. Bigger the number of brands present, greater is the competition among them. As a general consumer we face great confusion in selecting a particular brand for our needs in one category. Different consumers have different taste and preferences. Recent times have shown how the brands have been using different kinds of advertising in order to attract new customers as well as retain its existing customers.

Apart from advertising, customer satisfaction too plays a vital role in retaining the customers. This pandemic has hampered the ability of the brands in providing its services to the customers. Brands had to take different measures in order to give its customers the maximum level of satisfaction.

I chose this study of topic because I, on a personal level, come across these KFC advertisements very frequently. Therefore, I wanted to study how impactful these advertisements can be to me as well as all the consumers in general. I was satisfied by the services provided by KFC during the pandemic and I wanted to explore how the other customers felt about it. This has been the reason for me in taking up this topic.

1.3: LITERATURE REVIEW

Figure 3: Literature review



Source: canvas.hull.ac.uk

Dr.M.Vanishree and Dr.L.Shanthi;(2013): Through their paper of “Customer Awareness and Satisfaction towards Kentucky Fried Chicken (KFC) in Coimbatore” make us understand the awareness the customers have of KFC in Coimbatore. They have studied the level of satisfaction of customers too.

A.K. Subramani;(2015): Through his paper on “Comparative study on customer satisfaction towards KFC and McDonalds, Chennai” presents before us a comparative study which shows us the variations in levels of customer satisfaction between KFC and McDonalds in Chennai. Both of these are two huge food chains and his study shows us who performs better in this matter.

Agnes K.Y. Law, Y.V. Hui, Xiande Zhao;(2004): have studied on “Modeling repurchase frequency and customer satisfaction for fast food outlets”. In this study, the relationships between customer satisfactions; repurchase frequency, waiting time and other service quality factors in fast food outlets are modeled. Results shows that waiting time, staff attitude, food quality and food variety all significantly affect customer satisfaction.

G. Ronald Gilbert, Cleopatra Veloutsou, Mark M.H. Goode, Luiz

Moutinho;(2004): have studied on “Measuring customer satisfaction in the fast-food industry: a cross-national approach”. This study provides a cross-cultural comparison of service satisfaction of fast-food establishments in four English-speaking countries. It is based on data collected from customers of five globally-franchised fast-food chains, using a previously developed service satisfaction instrument. The study reveals two empirically derived, cross-cultural fast-food customer satisfaction dimensions: satisfaction with the personal service and satisfaction with the service setting.

Monika J.A. Schröder and Morven G. McEachern;(2005): have studied on “Fast foods and ethical consumer value: a focus on McDonald’s and KFC”. This paper aims to investigate the effect of communicating corporate social responsibility (CSR) initiatives to young consumers in the UK on their fast-food purchasing with reference to McDonald’s and Kentucky Fried Chicken (KFC). Most respondents (82 per cent) regularly purchased fast food from one of the companies; purchases were mostly impulsive (57 per cent) or routine (26 per cent), suggesting relatively low-level involvement in each case. Four factors were isolated, together explaining 52 per cent of the variance in fast-food purchasing behaviour. They were brand value, nutritional value, ethical value and food quality.

Rajul Bhardwaj;(2011): has studied on “Perception about the Attributes of Selected Fast-Food Retailers and their Impact on Consumer Satisfaction and Sales”. The study relies upon an extensive data set of consumer satisfaction and sales information from approximately 180 consumers. The study advances the measurement of behavioral links between consumer satisfaction and performance in the food retail sector with firm-specific data. The study shows how firms can employ such results to develop appropriate consumer satisfaction policies.

Mohamed, Rozita Naina, Daud and Norzaidi Mohd;(2012): have studied on “The impact of religious sensitivity on brand trust, equity and values of fast-food industry in Malaysia”. The paper focuses on the fast-food industry and concentrates only on the impact of religious sensitivity on brand trust, equity and values. The results provide insights to the fast-food sector and other organizations of similar structure regarding how they could manage marketing strategies for improved business performance.

1.4: OBJECTIVES OF THE STUDY

Following are the objectives of the study:

- To know about the brand awareness of KFC among the mass.
- To know the frequency in which the consumers come across the advertisements put up by KFC.
- To know the effectiveness of advertising put up by KFC among various masses.
- To know about the importance of advertising of KFC.
- To identify if the customers faced any difficulties with KFC during the pandemic.
- To know to what degree has the pandemic affected the advertising of KFC and its customers.
- To know how the pandemic has affected the relationship between KFC and its customers.
- To know if the customers faced any difficulties while ordering KFC during the pandemic.
- To know if the customers felt safe and confident in ordering during the pandemic.
- To know the degree of satisfaction among the KFC's customers during the pandemic.

1.5: DATA SOURCES AND METHODOLOGY

Data collection is defined as the procedure of collecting, measuring and analyzing accurate insights for research using standard validated techniques.

Data collection methods:

- 1. Primary data collection and**
- 2. Secondary data collection.**

Primary data collection: Primary data is the kind of data that is collected directly from the data source without going through any existing sources. It is mostly collected specially for a research project and may be shared publicly to be used for any other research.

Primary data is often reliable, authentic, and objective in as much as it was collected with the purpose of addressing a particular research problem.

A common example of primary data is the data collected by organizations during market research, product research, and competitive analysis. This data is collected directly from its original source which in most cases are the existing and potential customers.

Secondary data collection: Secondary data is the data that has been collected in the past by someone else but made available for others to use. They are usually once primary data but become secondary when used by a third party.

Secondary data are usually easily accessible to researchers and individuals because they are mostly shared publicly. This, however, means that the data are usually general and not tailored specifically to meet the researcher's needs as primary data does.

For example, when conducting a research thesis, researchers need to consult past works done in this field and add findings to the literature review. Some other things like definitions and theorems are secondary data that are added to the thesis to be properly referenced and cited accordingly.

The method of data collection for this study is **primary data collection**. Google form has been created containing the questionnaire to which the responders have responded.

The study was exploratory in nature and self-designed questionnaire was used to collect the data. For taking the responses of the respondents, multiple-options type as well as checkers type responses was used. The total population among which the survey is done with the help of questionnaire is **49** customers. The sample size was **50** respondents.

1.6: LIMITATIONS OF THE STUDY

- a. **Lack of time:** Time constraint was an important limitation as the study was not a full-fledged research study, instead had to be completed within a limited time frame.
- b. **Limited area:** the survey area was limited as because the knowledge regarding the selection of survey area was unavailable due to the research being at its infancy. Again, many approached respondents were not willing to talk or were giving bias responses, which limited the research study.
- c. **Cost constraint:** Hard but true, that money was also a limiting factor due to which the research could not get extended elaboration.
- d. **Biased data:** Some of the respondents were biased in case of their responses, which again is not supporting the generalized conclusions of the study, those were uncontrollable.
- e. **Lack of updated data:** The sources for collection of secondary data too were not accessible all the time. Some of the sources again, gave the results in absence of major influencing factors, which altogether impacted the generalized conclusions of the study.

1.7: CHAPTER PLANNING

CHAPTER -1: INTRODUCTION

Background of the study, Literature Review, Research Gap, Objectives of the study, Data source and Methodology, Limitations of the study and Chapter Planning.

CHAPTER -2: CONCEPTUAL FRAMEWORK

Main discussions of the Chapters.

CHAPTER -3: DATA ANALYSIS AND FINDINGS

Three parts: Data presentation, Analysis, and Findings.

CHAPTER -4: CONCLUSIONS AND RECOMMENDATIONS

Two parts: Conclusions of the study and Recommendations as future scope of study.

CHAPTER-2: CONCEPTUAL FRAMEWORK

2.1 CONCEPTUAL UNDERSTANDING

2.2 INTERNATIONAL SCENARIO

2.3 NATIONAL SCENARIO

2.4 BRIEF PROFILE OF CASE STUDY

2.1: CONCEPTUAL UNDERSTANDING

ADVERTISING

Advertising is a means of communication with the users of a product or service. Advertisements are messages paid for by those who send them and are intended to inform or influence people who receive them, as defined by the Advertising Association of the UK.

Advertising is always present, though people may not be aware of it. In today's world, advertising uses every possible media to get its message through. It does this via television, print (newspapers, magazines, journals, etc.), radio, press, internet, direct selling, hoardings, mailers, contests, sponsorships, posters, clothes, events, colors, sounds, visuals and even people (endorsements).

Figure 4: Types of advertising



ComputerHope.com

Source: computerhope.com

TYPES OF ADVERTISING

Radio

Advertising on the radio is a great way to reach your target audience. If your target market listens to a particular station, then regular advertising can attract new customers.

Television

Television has an extensive reach and advertising this way is ideal if you cater to a large market in a large area. Television advertisements have the advantage of sight, sound, movement and color to persuade a customer to buy from you. They are particularly useful if you need to demonstrate how your product or service works.

Outdoor and transit

There are many ways to advertise outside and on-the-go. Outdoor billboards can be signs by the road or hoardings at sport stadiums. Transit advertising can be posters on buses, taxis and bicycles. Large billboards can get your message across with a big impact. If the same customers pass your billboard every day as they travel to work, you are likely to be the first business they think of when they want to buy a product.

Direct mail, catalogues and leaflets

Direct mail means writing to customers directly. The more precise your mailing list or distribution area, the more of your target market you will reach. A direct mail approach is more personal, as you can select your audience and plan the timing to suit your business. A cost-effective form of direct mail is to send your newsletters or flyers electronically to an email database.

Online

Being on the internet can be a cost-effective way to attract new customers. You can reach a

global audience at a low cost. Many customers research businesses online before deciding whom to buy from.

OBJECTIVES AND IMPORTANCE OF ADVERTISING

OBJECTIVES

Trial: the companies which are in their introduction stage generally work for this objective. The trial objective is the one which involves convincing the customers to buy the new product introduced in the market. Here, the advertisers use flashy and attractive ads to make customers take a look on the products and purchase for trials.

Continuity: this objective is concerned about keeping the existing customers to stick on to the product. The advertisers here generally keep on bringing something new in the product and the advertisement so that the existing customers keep buying their products.

Brand switch: this objective is basically for those companies who want to attract the customers of the competitors. Here, the advertisers try to convince the customers to switch from the existing brand they are using to their product.

Switching back: this objective is for the companies who want their previous customers back, who have switched to their competitors. The advertisers use different ways to attract the customers back like discount sale, new advertise, some reworking done on packaging, etc.

IMPORTANCE

Advertising plays a very important role in today's age of competition. Advertising is one thing which has become a necessity for everybody in today's day to day life, be it the producer, the traders, or the customer. Advertising is an important part. Let's have a look on how and where is advertising important:

Advertising is important for the customers

Just imagine television or a newspaper or a radio channel without an advertisement! No, no one can any day imagine this. Advertising plays a very important role in customers life. Customers are the people who buy the product only after they are made aware of the products available in the market. If the product is not advertised, no customer will come to know what products are available and will not buy the product even if the product was for their benefit. One more thing is that advertising helps people find the best products for themselves, their kids, and their family. When

they come to know about the range of products, they are able to compare the products and buy so that they get what they desire after spending their valuable money. Thus, advertising is important for the customers.

Advertising is important for the seller and companies producing the products

Yes, advertising plays very important role for the producers and the sellers of the products, because:

Advertising helps increasing sales.

Advertising helps producers or the companies to know their competitors and plan accordingly to meet up the level of competition.

If any company wants to introduce or launch a new product in the market, advertising will make a ground for the product. Advertising helps making people aware of the new product so that the consumers come and try the product.

Advertising helps creating goodwill for the company and gains customer loyalty after reaching a mature age.

The demand for the product keeps on coming with the help of advertising and demand and supply become a never-ending process.

Advertising is important for the society

Advertising helps educating people. There are some social issues also which advertising deals with like child-labor, liquor consumption, girl child killing, smoking, family planning education, etc. thus, advertising plays a very important role in society.

CUSTOMER SATISFACTION

Customer Satisfaction (CSAT) is a broad term to describe a way of measuring how happy customers are with your service. This is typically done through a few different types of customer surveys, often sent shortly after an interaction with the customer. For example, you might send a CSAT survey shortly after a customer contacts your support team in an attempt to gauge their satisfaction with the support they received.

IMPORTANCE

1. Retaining customers is way cheaper than acquiring new customers:

Acquiring new customers takes a lot of resources. Content creation, inbound and outbound marketing, nurturing leads, closing the deal...it takes time, energy and a lot of money.

2. Reputations are powerful:

Delivering a great customer experience can be a huge driver for word of mouth advertising and referrals. According to Nielsen, 92% of people trust personal recommendations from their friends and family over any other type of advertising. Why? Because they know that they can trust their loved ones to give them good recommendations.

3. It's a crowded marketplace:

It's highly unlikely that you're the only business in your industry. Due to the ease of opening a new business online over the last decade, most industries are becoming extremely competitive.

4. Customer satisfaction drives growth:

Happy customers mean a growing business, right? While this point might seem self-explanatory, it's important to have hard data when you're working to build consensus around investing in improving your customer satisfaction.

5. Customer satisfaction improves employee morale:

While every support agent encounters unsatisfied or upset customers at times, dealing with them all day, every day is a major drain. It's a drain that's likely to lead to lower employee morale, lower engagement, and higher turnover rates.

2.2: INTERNATIONAL SCENARIO

Harland Sanders, founder of the original Kentucky Fried Chicken, born in 1890, just outside Henryville, Indiana. After a series of jobs, in the mid-1930s at the age of forty, Colonel Sanders bought a service station, motel and cafe at Corbin, a town in Kentucky. He began serving meals to travelers on the dining table in the living quarters of his service station because he did not have a restaurant. It is here that Sanders began experimenting with different seasonings to flavor his chicken which travelers loved and for which he soon became famous. He then moved across the street to a motel and restaurant, which seated 142 people. During the next nine years he developed his secret recipe of 11 herbs and spices and the basic cooking technique which is still used today. Sander's fame grew. In 1939, his establishment was first listed in Duncan Hines' "Adventures in Good Eating".

In 1952 the Colonel Harland Sanders begins actively franchising his chicken business by traveling from town to town and cooking batches of chicken for restaurant owners and employees. When the reaction was favourable The Colonel awards Pete Harman of Salt Lake City with the first KFC franchise. A handshake agreement stipulates a payment of a nickel to Sanders for each chicken sold.

In 1957, Kentucky Fried Chicken first sold in buckets. During 1960 the Colonel's hard work on the road begins to pay off and there are 190 KFC franchisees and 400 franchise units in the U.S. and Canada. 1964 Kentucky Fried Chicken has more than 600 franchised outlets in the United States, Canada and the first overseas outlet, in England. Later that year Sanders sells his interest in the U.S. company for \$2 million to a group of investors headed by John Y. Brown Jr., future governor of Kentucky. The Colonel remains a public spokesman for the company. In 1966 the Kentucky Fried Chicken Corporation then goes public.

In 1971 more than 3,500 franchised and company-owned restaurants are in worldwide operation when Heublein Inc. acquires KFC Corporation. In 1979 KFC cooks up 2.7 operations worldwide.

Kentucky Fried Chicken becomes a subsidiary of R.J. Reynolds Industries, Inc. in 1982 (now RJR Nabisco, Inc.) when Heublein, Inc. is acquired by Reynolds. In 1986 PepsiCo, Inc. acquires KFC from RJR Nabisco, Inc. In 1997 PepsiCo, Inc. announces the spin-off of its quick service restaurants – KFC, Taco Bell and Pizza Hut – into Tricon Global Restaurants, Inc. Tricon Global Restaurants, Inc., the world’s largest restaurant company, in 2002 changes its corporate name to YUM! Brands, Inc. In addition to KFC, the company owns A&W® All-American Food® Restaurants, Long John Silvers®, Pizza Hut® and Taco Bell® restaurants.

In 2006 more than a billion of the Colonel’s “finger lickin’ good” chicken dinners are served annually in more than 80 countries and territories around the world. In 2007 KFC proudly introduces a new recipe that keeps the Colonel’s 11 herbs and spices and finger-lickin’ flavor, but contains Zero Grams of Trans Fat per serving thanks to new cooking oil.

There are over 14,000 KFC outlets in 105 countries and territories around the world. And every day, nearly eight million customers are served around the world.

As a global company with a diverse and ever-changing workforce, we face significant challenges. For example, our rapid growth in emerging markets like India and Russia requires us to adapt our policies to these markets, and to learn from our new partners. Building a diverse foundation at all of our brands gives us a competitive edge and helps us operate as a local business in international markets.

2.3: NATIONAL SCENARIO

KFC was the first foreign fast food restaurant chain to enter India in 1990s after the Indian government implemented the economic liberalisation policy. At that time, KFC received permission from the Indian government to open 30 outlets across the country.

The first KFC outlet in India was opened in Bangalore in June 1995 and from 30 outlets, the number has grown to 296 today. Fast food restaurants have gained popularity in India because of their customised menus that suit the taste buds of the citizens.

Kentucky Fried Chicken (KFC) will continue to expand its restaurant network in India despite the coronavirus pandemic bringing structural changes in the business, believing the country to be a growth market in the coming years, according to a top company official.

KFC India, which opened around 30 new restaurants last year during the peak of the COVID-19-induced disruptions, is looking at adding new outlets this year too as it looks to enhance access of the brand to its consumers.

2.4: BRIEF PROFILE OF CASE STUDY

- KFC is the world's second-largest restaurant chain (as measured by sales) after McDonald's, with 22,621 locations globally in 150 countries as of December 2019.
- KFC was founded by Colonel Harland Sanders who later gave his secret recipe to his friend Pete Harman.
- KFC began as **Sanders Court & Café** on March 20, 1930 in North Corbin, Kentucky.
- KFC opened its first franchise on September 24, 1952 in Salt Lake City, Utah.
- The first outlet in India was opened in Bangalore in June, 1995.
- According to the official KFC website (July 2021), there are 3,980 KFC restaurants in the USA distributed across all 50 states.
- Presently, KFC has more than 24,000 restaurants in over 145 countries around the world.

CHAPTER-3: ANALYSIS AND FINDINGS

3.1 RESEARCH DESIGN

3.2 RESEARCH METHODOLOGY

3.2.1 SAMPLE

3.2.2 DATA TYPE

3.3.3 DATA SOURCE

3.3.4 PERIOD OF STUDY

3.3.5 TOOLS USED

3.3 DATA ANALYSIS

3.4 DATA FINDINGS

3.1: RESEARCH DESIGN

The research is both exploratory and analytic in nature, Since, perception of the consumer has been taken up here as parameters to explore the area of sample. Later, it becomes descriptive in nature as well as when it comes to evaluating consumer's perception of KFC's advertising and the degree of satisfaction from the same during this pandemic. The details for the research are drawn with the help of frequencies, averages and other statistical calculation. The structural development of the research was made primarily by keeping in mind the degree of satisfaction provided to the consumers and the tools of advertising used by the same. Thus, the design is broadly guarded majorly with the qualitative data and supported via secondary data as well.

3.2: RESEARCH METHODOLOGY

3.2.1: SAMPLE

The total number of respondents was 50 and expected number was 48 as many of them did not fill up the forms.

3.2.2: DATA TYPE

Primary data has been the self-designed questionnaire.

Secondary data has been the literature review, websites and the newspapers.

3.2.3: DATA SOURCE

Questionnaire and personal information.

3.2.4: PERIOD OF STUDY

The period of study was from the month of April to August i.e., the total duration was in the ratio of 1:3:1. The time duration of the Literature Review and objectives was 1 month, for the Questionnaire and data collection 3 months and lastly, for constructing the entire project it took 1 month, which makes the total period of study for 5 months.

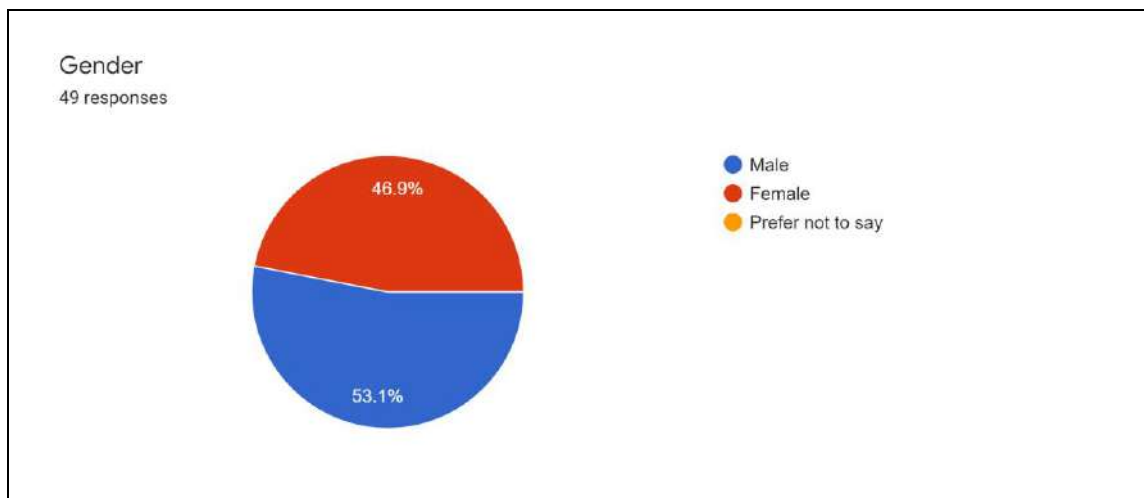
3.2.5: TOOLS USED

The tools used for the data analysis are the graphical representations as such as pie-chart, bar graph and columnar graph.

3.3: DATA ANALYSIS

Biographical details.

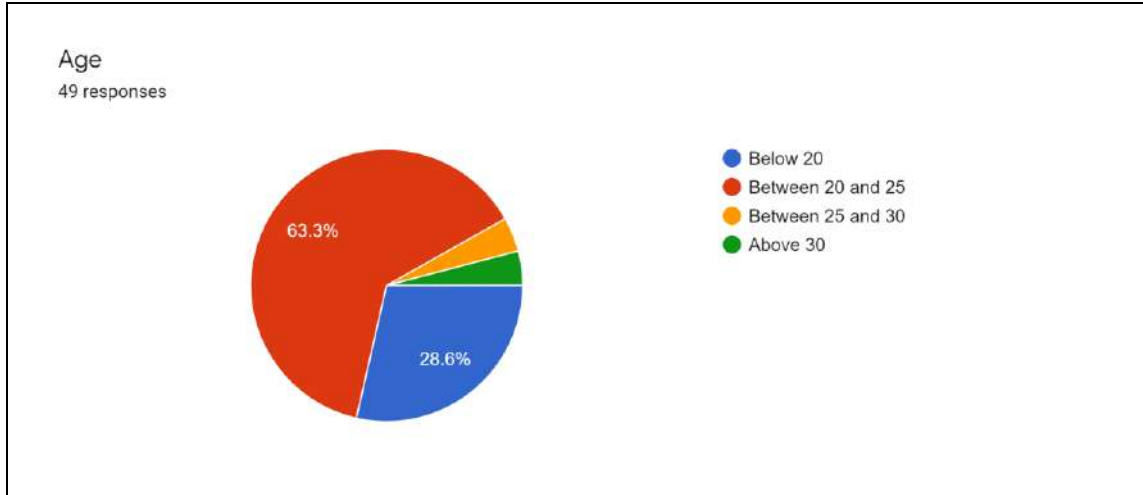
1. **Gender:** This pie-chart representation shows that the male respondents are 26 and on the other hand, the female respondents are 23.



<u>GENDER</u>	<u>NUMBER OF RESPONDENTS</u>	<u>PERCENTAGE (%)</u>
MALE	26	53.1%
FEMALE	23	46.9%

Interpretation: From the above pie-chart representation we can see that the number of male respondents' i.e., 26 is more than the number of female respondents' i.e. 23. Therefore, we can say that the males tend to enjoy more KFC and fast foods than females.

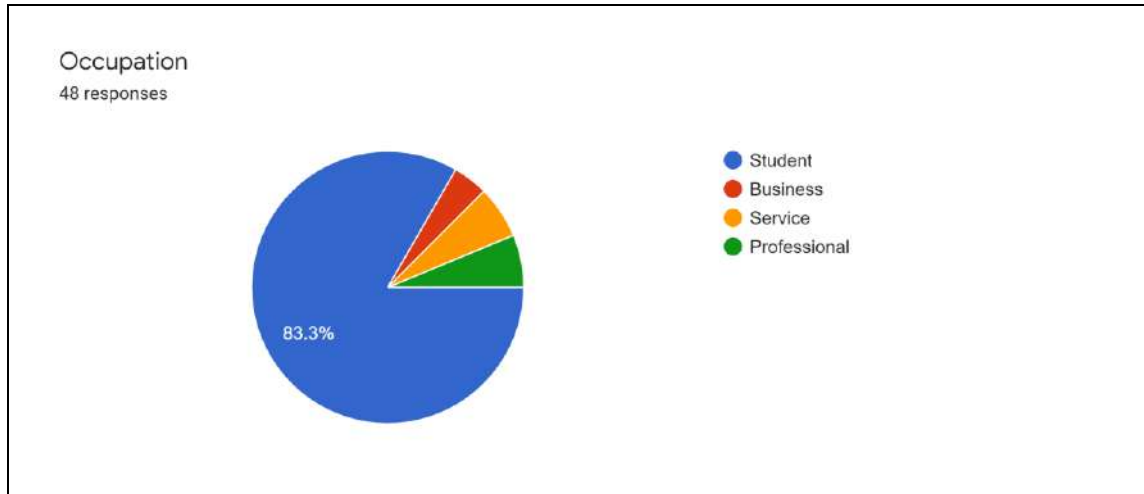
2. Age group: This pie-chart representation shows the number of respondents from different age groups who enjoy having KFC.



<u>AGE GROUP</u>	<u>NUMBER OF RESPONDENTS</u>	<u>PERCENTAGE (%)</u>
BELOW 20	14	28.6%
BETWEEN 20 AND 25	31	63.3%
BETWEEN 25 AND 30	2	4.1%
ABOVE 30	2	4.1%

Interpretation: From the above pie-chart representation we can see that the majority of respondents are from the age group of between 20 and 25 years i.e. 31. While in the other categories, below 20 years there are 14 respondents, in the categories of between 25 and 30 and above 30 years there are 2 respondents each. This shows that consumers between the age of 20 and 25 years tend to enjoy more KFC as compared to the other age groups.

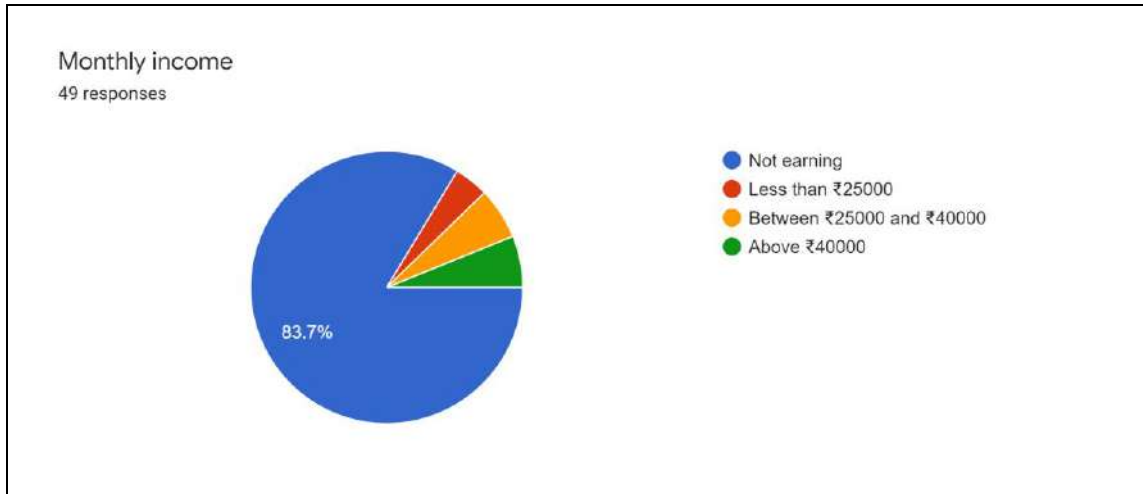
3. Occupation: This pie-chart shows the number of respondents from different occupations.



<u>OCCUPATION</u>	<u>NUMBER OF RESPONDENTS</u>	<u>PERCENTAGE (%)</u>
STUDENT	40	83.3%
BUSINESS	2	4.2%
SERVICE	3	6.3%
PROFESSIONAL	3	6.3%

Interpretation: From the above pie-chart of different occupation we can see that the majority respondents are students with the highest number of responses of 40. While 2 respondents have a business. The number of respondents who are professionals or in service is 3 each. Therefore, we can say that students tend to enjoy KFC more than the other categories.

4. Monthly Income: This pie-chart representation shows the monthly income of the respondents.

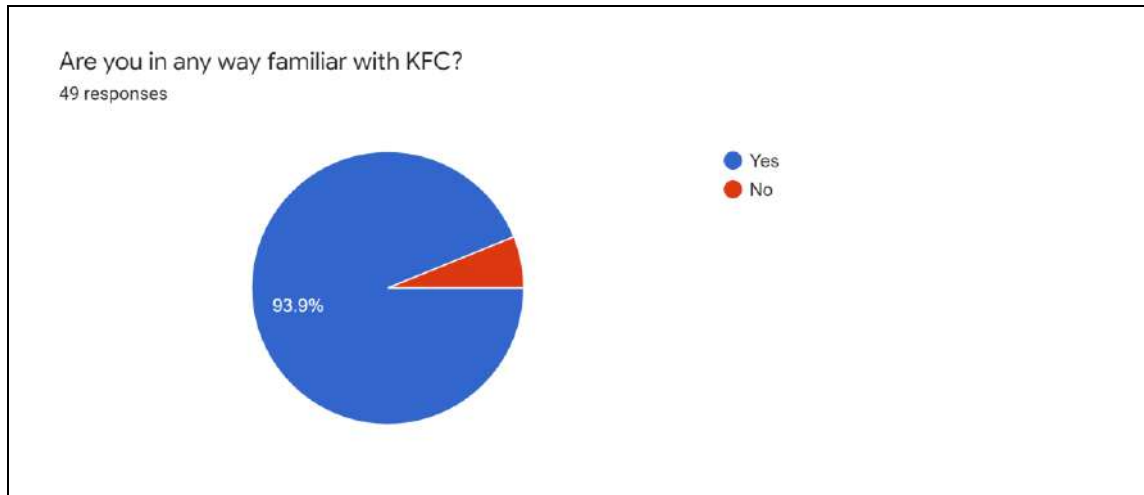


<u>MONTHLY INCOME</u>	<u>NUMBER OF RESPONDENTS</u>	<u>PERCENTAGE (%)</u>
NOT EARNING	41	83.7%
LESS THAN ₹25000	2	4.1%
BETWEEN ₹25000 AND ₹40000	3	6.1%
ABOVE ₹40000	3	6.1%

Interpretation: From the above pie-chart representation of monthly income we can see that the majority respondents are from the category of not earning with 41 responses. While there are 2 respondents from the income category of less than ₹25000. Also, respondents from the categories of between ₹25000 and ₹40000 and above ₹40000 are 3 each. This shows that the consumers who are not earning yet prefer KFC over other luxury and expensive places.

General view.

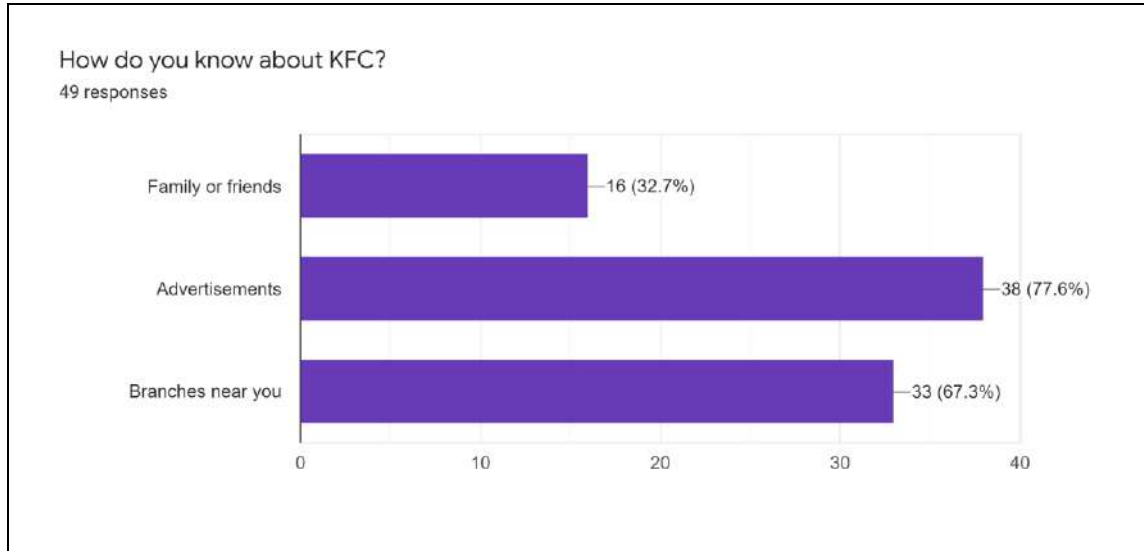
5. Familiarity with KFC: This pie-chart representation shows the familiarity of the respondents with KFC.



The number of respondents who are familiar with KFC is 46 and the number of respondents who are unfamiliar is 3.

Interpretation: From the above pie-chart we can see that the majority of respondents are familiar with KFC with a total of 46 responses. While a small number of 3 respondents are unfamiliar with KFC. Therefore, we can say that KFC is quite a very popular brand.

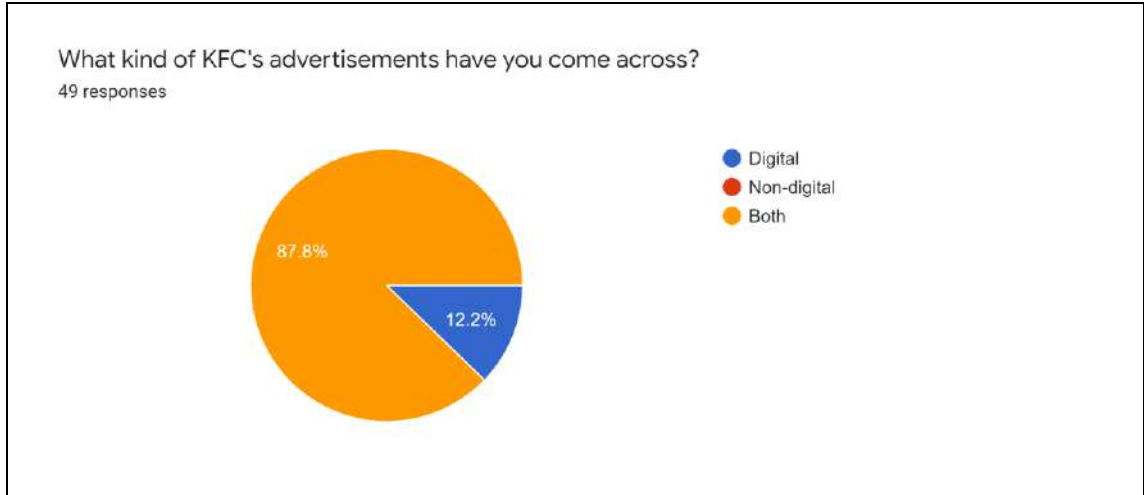
6. Mode of exposure: This bar graph representation shows how the respondents got to know about KFC.



<u>MODE OF EXPOSURE</u>	<u>RESPONSE COUNTS</u>	<u>PERCENTAGE (%)</u>
FAMILY OR FRIENDS	16	32.7%
ADVERTISEMENTS	38	77.6%
BRANCHES	33	67.3%

Interpretation: From the above bar graph representation we can see that advertisements got the most counts as the mode of exposure. Advertisements is then followed by branches with a count of 33 and then family or friends follows with a count of 16. Therefore, we can make out from this that the best mode of exposure to KFC among the consumers is its advertisements. KFC's branches also serve as a mode of exposure. The word of mouth can also be affective in this regard.

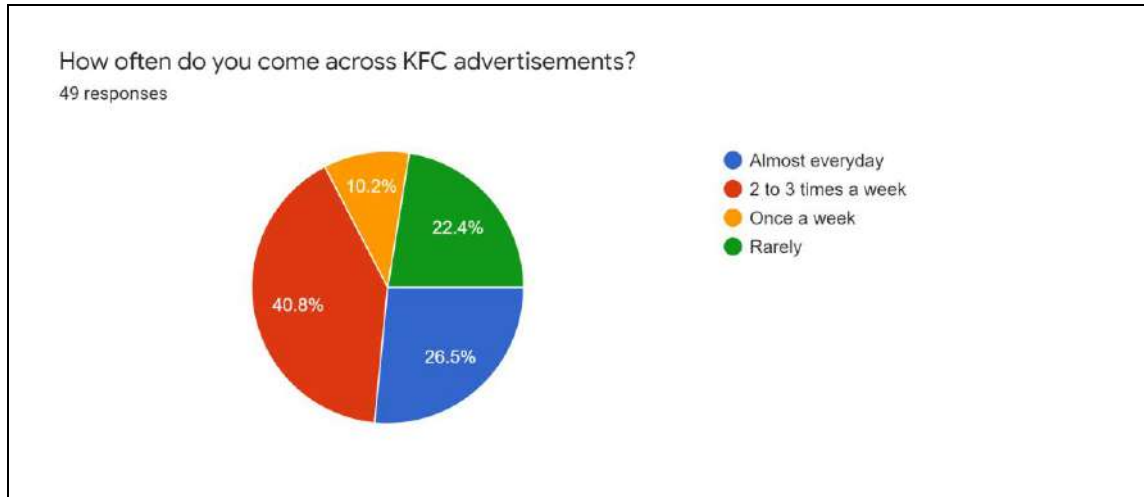
7. Form of advertisements: This pie-chart representation shows the type of advertisements that the respondents have come across.



<u>FORM OF ADVERTISEMENTS</u>	<u>NUMBER OF RESPONDENTS</u>	<u>PERCENTAGE (%)</u>
ONLY DIGITAL	6	12.2%
ONLY NON-DIGITAL	0	0%
BOTH	43	87.8%

Interpretation: From the above pie-chart representation we can see that the majority of the respondents have come across both digital as well as non-digital advertisements of KFC with 43 responses. While 6 respondents have come across only digital advertisements whereas, no respondents have come across only non-digital advertisements. Therefore, we can say that both digital and non-digital play an important role in advertising KFC. Also, it is clear that nowadays digital ways have an upper-hand.

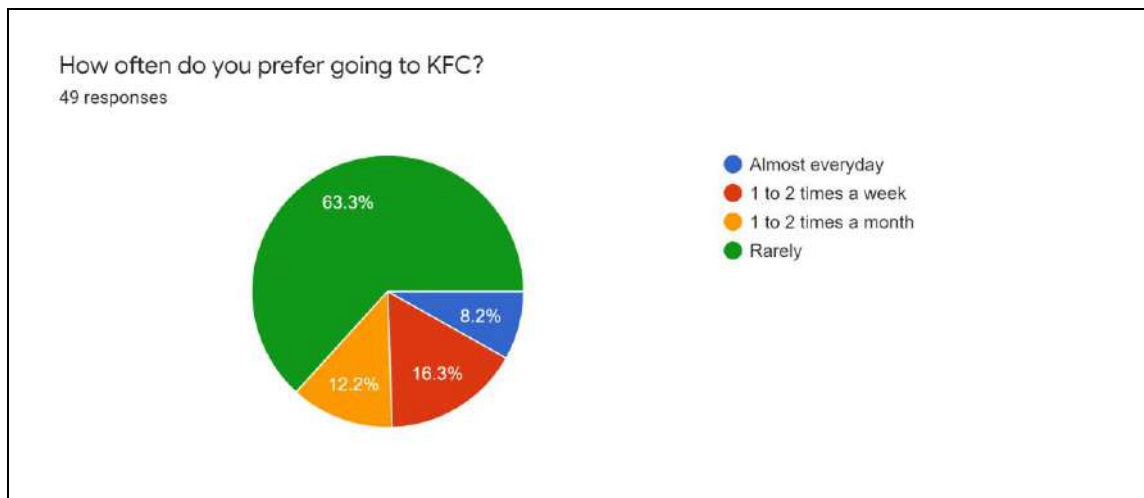
8. Frequency of sightings: This pie-chart representation shows the frequency in which the respondents come across KFC’s advertisements.



<u>FREQUENCY</u>	<u>NUMBER OF RESPONDENTS</u>	<u>PERCENTAGE (%)</u>
ALMOST EVERYDAY	13	26.5%
2 TO 3 TIMES A WEEK	20	40.8%
ONCE A WEEK	5	10.2%
RARELY	11	22.4%

Interpretation: From the above pie-chart representation we can see that most the respondents come across KFC’s advertisements between 2 to 3 times a week with 20 responses. This is followed by 13 respondents coming across the advertisements almost every-day, then 5 respondents who come across once a week and lastly, 11 who come across rarely. This shows that KFC’s advertisements are quite extensive with majority of consumers coming across its advertisement very frequently.

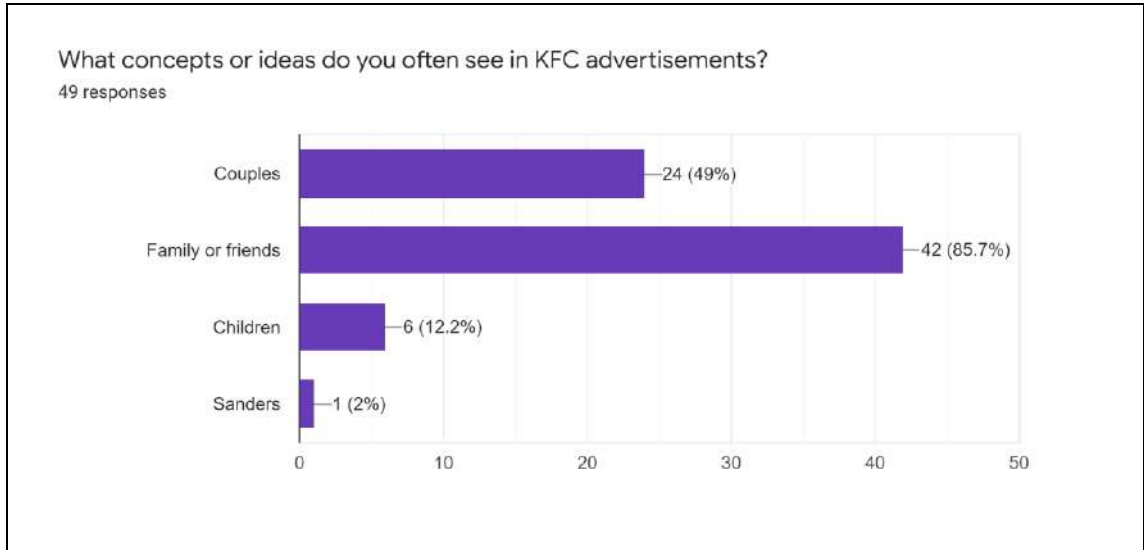
9. Frequency of visit: This pie-chart representation shows the frequency of visit to KFC of the respondents.



<u>FREQUENCY</u>	<u>NUMBER OF RESPONDENTS</u>	<u>PERCENTAGE (%)</u>
ALMOST EVERYDAY	4	8.2%
1 TO 2 TIMES A WEEK	8	16.3%
1 TO 2 TIMES A MONTH	6	12.2%
RARELY	31	63.3%

Interpretation: From the above pie-chart representation we can see that the majority of respondents rarely visit KFC with a total of 31 responses. This is followed by 8 respondents visiting 1 to 2 times a week, then 6 respondents visiting 1 to 2 times a month and lastly, 4 respondents who visit almost every-day. From this, we can make out that the majority of Indian consumers do not prefer to visit KFC very frequently.

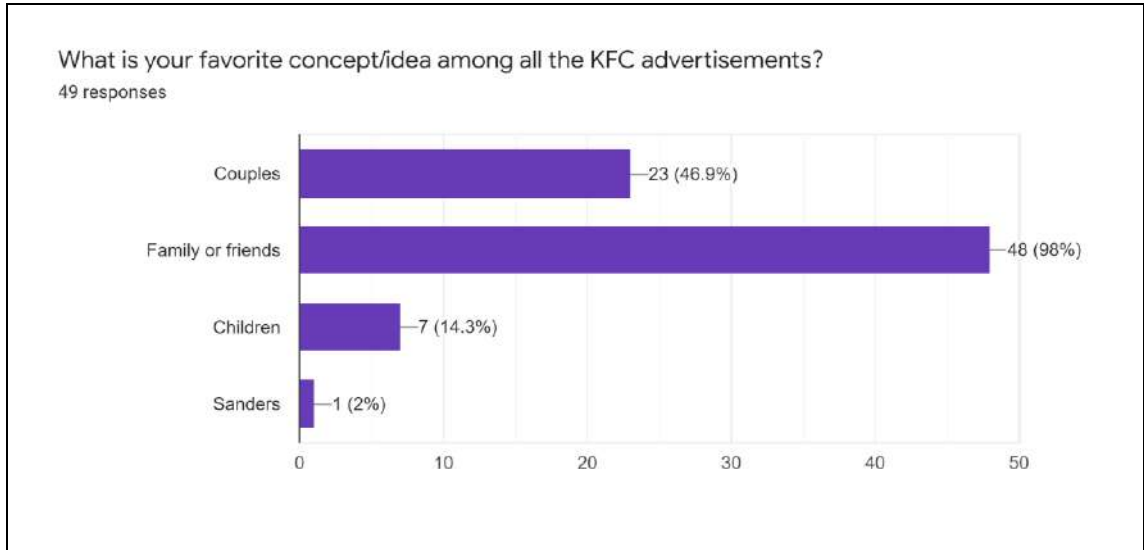
10. Concepts or ideas in advertisements: This bar graph representation shows what concepts or ideas have the respondents come across in KFC's advertisements.



<u>CONCEPTS</u>	<u>RESPONSE COUNTS</u>	<u>PERCENTAGE (%)</u>
COUPLES	24	49%
FAMILY OR FRIENDS	42	85.7%
CHILDREN	6	12.2%
OTHERS	1	2%

Interpretation: From the above bar graph representation we can see that majority of the respondents have come across advertisements of KFC in which the concept of family and friends have been used with 42 counts. This is followed by the concept of couples with 24 counts, then the concept of children with 6 counts and lastly, the concept of Colonel Sanders with 1 count. Therefore, we can say that KFC have mostly used the concept of family and friends in their advertisements.

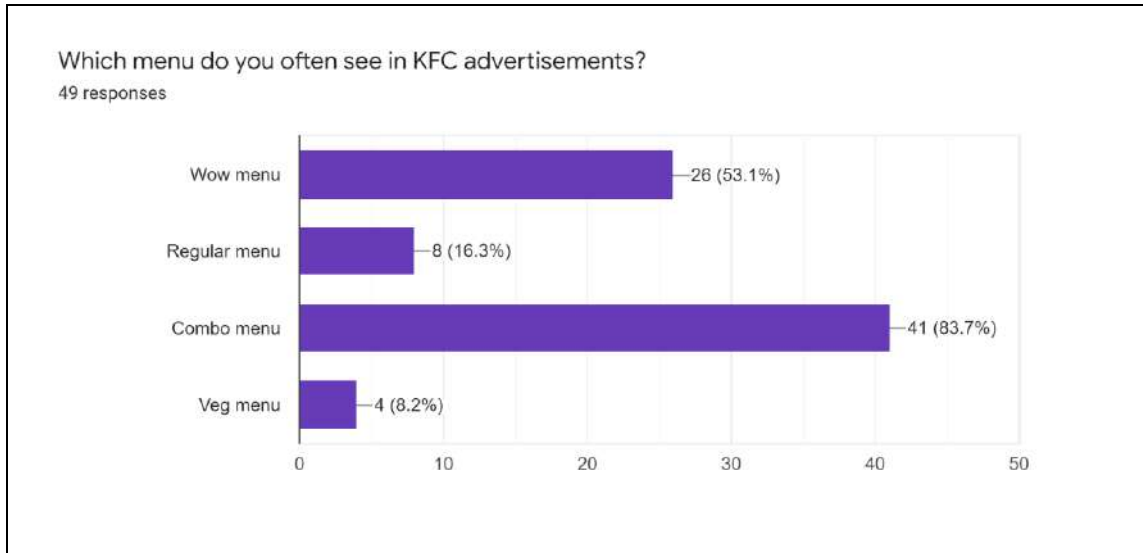
11. Favorite concept or ideas in the advertisements: This bar graph representation shows the favorite concepts or ideas of the respondents in KFC’s advertisements.



<u>CONCEPTS</u>	<u>RESPONSE COUNTS</u>	<u>PERCENTAGE (%)</u>
COUPLES	23	46.9%
FAMILY OR FRIENDS	48	98%
CHILDREN	7	14.3%
OTHERS	1	2%

Interpretation: From the above bar graph representation we can see that the majority of respondents have their favorite concept as family or friends with 48 counts in the advertisements of KFC. This is followed by the concept of couples with 23 counts, then the concept of children with 7 counts and lastly, the concept of Colonel Sanders. Therefore, we can say that KFC is clever in using its consumers’ favorite concepts in most of its advertisements.

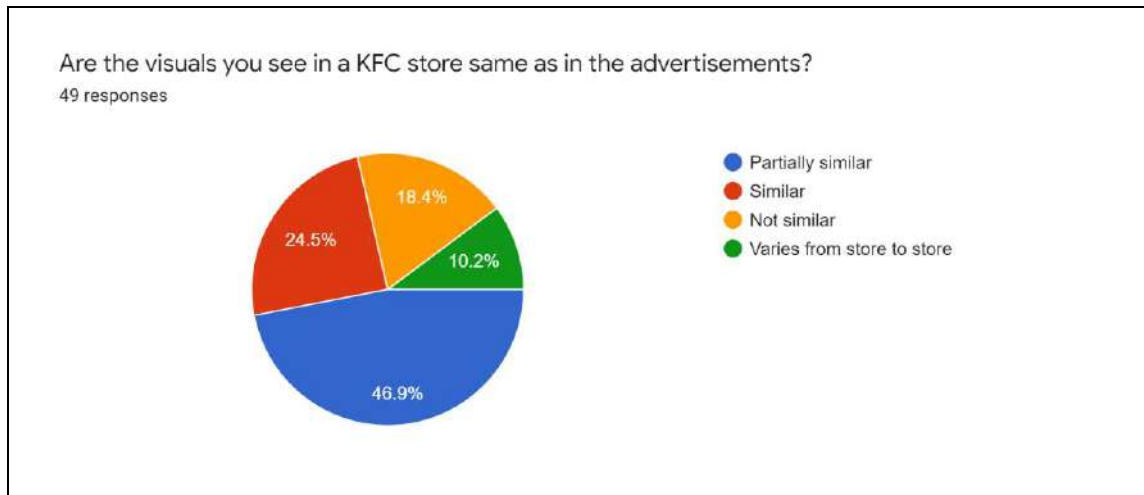
12. Menu used in advertisements: This bar graph representation shows which menu do the respondents often see in the advertisements of KFC.



<u>MENU</u>	<u>RESPONSE COUNTS</u>	<u>PERCENTAGE (%)</u>
WOW MENU	26	53.1%
REGULAR MENU	8	16.3%
COMBO MENU	41	83.7%
VEG MENU	4	8.2%

Interpretation: From the above bar graph representation we can see which menu is often used in the advertisements of KFC. We can see that the Combo Menu is more often used in the advertisements with response count of 41. It is followed by Wow Menu with 26 counts, after that Regular Menu follows with a count of 8 and lastly, Veg menu with a count of just 4. From this, we can make out that KFC advertisements are more focused towards its Combo and Wow Menu.

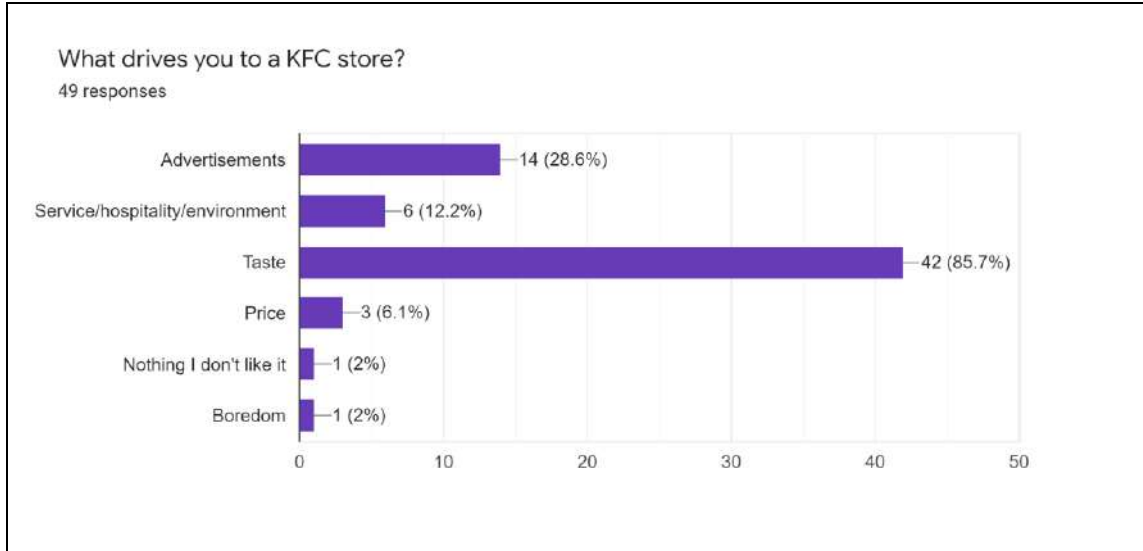
13. Similarity of KFC store in comparison with its advertisements: This pie-chart show the level of similarity the respondents find between the KFC advertisements and its actual stores.



<u>DEGREE OF SIMILARITY</u>	<u>NUMBER OF RESPONSES</u>	<u>PERCENTAGE (%)</u>
PARTIALLY SIMILAR	23	46.9%
SIMILAR	12	24.5%
NOT SIMILAR	9	18.4%
VARIES	5	10.2%

Interpretation: This above pie-chart representation shows how similar visuals do the respondents find in the actual KFC stores as compared to its advertisements. The majority of respondents find the visuals in the store partially similar with 23 responses, while 12 find it similar followed by 9 who don't find it similar. And lastly, 5 respondents say that it varies from store to store. From this, we can say that most the stores of KFC are quite similar to its advertisements and the consumers do not get disappointed when they enter the actual store.

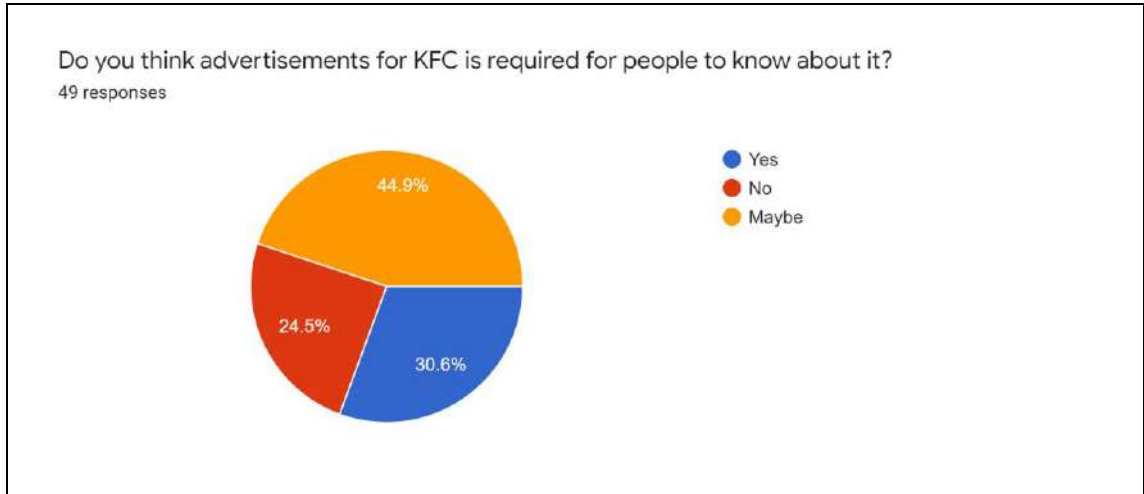
14. Reason behind its attraction: This bar graph representation shows the actual reasons behind the attraction of the respondents towards KFC.



<u>REASON</u>	<u>RESPONSE COUNTS</u>	<u>PERCENTAGE (%)</u>
ADVERTISEMENTS	14	28.6%
SERVICE/HOSPITALITY	6	12.2%
TASTE	42	85.7%
PRICE	3	6.1%
OTHERS	2	4%

Interpretation: From the above bar graph representation we can see the actual reason behind the attraction felt by the consumers toward KFC. We can see that the taste is the biggest attraction of the respondents with response count of 42. It is followed by its advertising with 14 counts, then its service/hospitality/environment with 6 counts, then its price with 3 counts and lastly boredom with a single count. One respondent feels unattracted to KFC. This means that the unique taste of KFC serves as the main attraction to its consumers. The advertisements too is quite a attraction to the consumers.

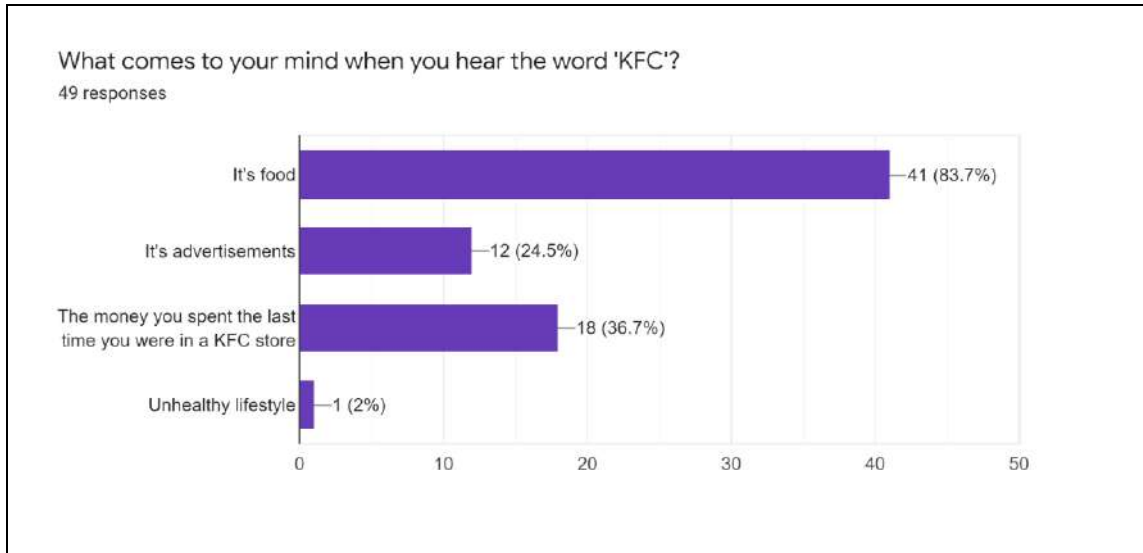
15. Requirement of advertisements: This pie-chart representation shows how necessary do the respondents find KFC’s advertisements for them to get exposed to it.



<u>RESPONSE</u>	<u>NUMBER OF RESPONDENTS</u>	<u>PERCENTAGE (%)</u>
YES	15	30.6%
NO	12	24.5%
MAYBE	22	44.9%

Interpretation: From the above pie-chart representation we can see that the majority of respondents are unsure if the KFC advertisements are required for them to get to know about it with 22 responses. This is followed by 15 responses who think that the advertisements are necessary while 12 think its unnecessary. From this we can say that although majority respond with ‘maybe’, a huge chunk thinks the advertisements are necessary. Therefore, advertisements play a very important role.

16. Instant reaction to KFC: This bar graph representation shows the instant reaction of the respondents when they hear the word ‘KFC’.

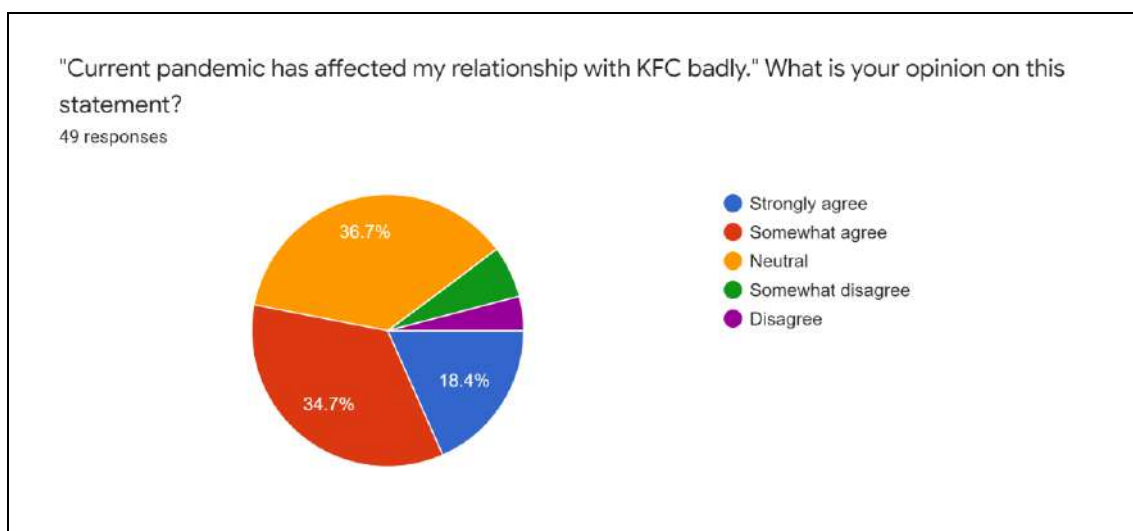


<u>REMINDER OF</u>	<u>RESPONSE COUNTS</u>	<u>PERCENTAGE (%)</u>
FOOD	41	83.7%
ADVERTISEMENTS	12	24.5%
EXPENDITURE	18	36.7%
OTHERS	1	2%

Interpretation: This above bar graph representation shows what the word ‘KFC’ reminds the respondents of. We can see that the majority of the respondents instantly get reminded of the taste of KFC’s food with response count of 41. It’s followed by the expenditure with 18 counts, then the advertisements with 12 counts and one respondent relates it to an unhealthy lifestyle. This shows that food and advertisements leave an imprint on the minds of the consumers which reminds them of KFC. Also, many consumers find it expensive as well since they’re straight-out reminded of the amount of money that they have spent on it.

View with current pandemic in focus.

17. Effect in the relationship: This pie-chart representation shows how the pandemic has affected the relation of the respondents with KFC.

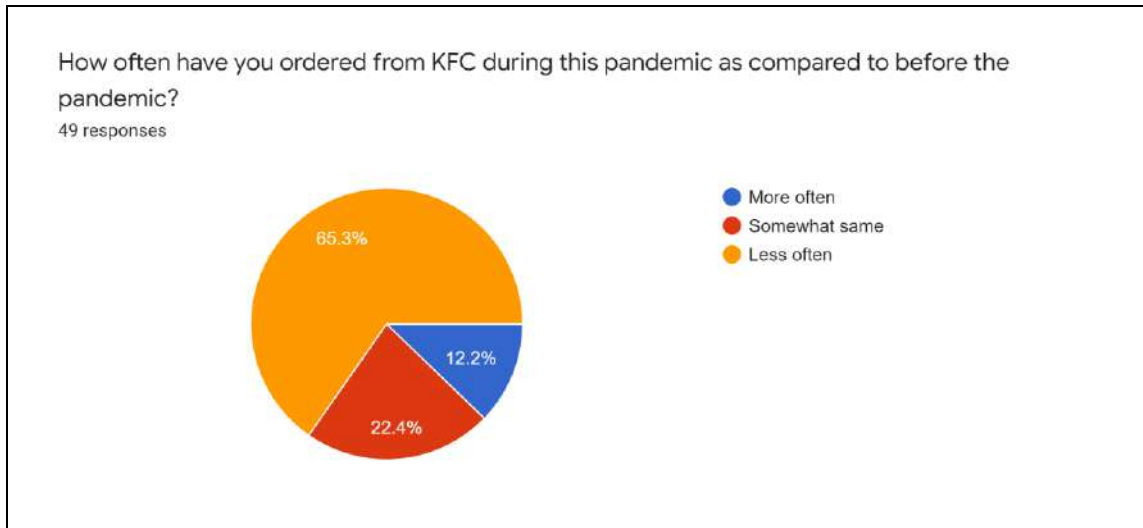


<u>RESPONSE</u>	<u>NUMBER OF RESPONDENTS</u>	<u>PERCENTAGE (%)</u>
STRONGLY AGREE	9	18.4%
SOMEWHAT AGREE	17	34.7%
NEUTRAL	18	36.7%
SOMEWHAT DISAGREE	3	6.1%
DISAGREE	2	4.1%

Interpretation: This above pie-chart representation shows that the majority of the respondents still have the same relationship with KFC despite the pandemic with 18 responses. It is followed by 17 respondents who somewhat agree that the pandemic has affected their relationship badly, then there are 9 respondents who strongly believe that the pandemic has had an adverse effect in their relationship. There are also 3 respondents who somewhat disagree to the statement with 2 respondents strongly disagreeing. Therefore. It is clear that the pandemic has had an adverse effect

in the relationship between KFC and its consumers. Although, we can also see that KFC has managed to keep the same relationship up-to some extent.

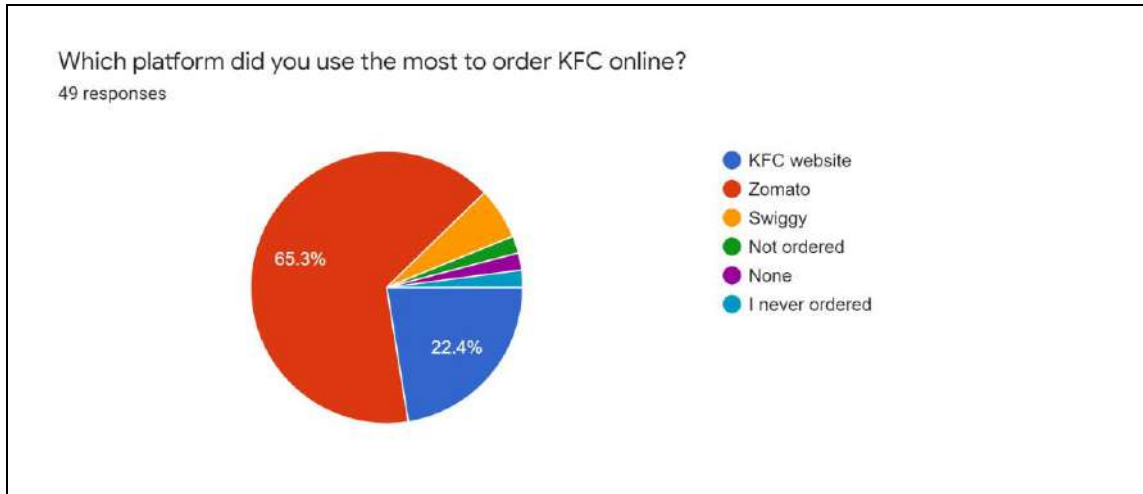
18. Frequency of ordering during the pandemic as compared to earlier: This pie-chart representation shows how the frequency of the respondents ordering from KFC has changed during the pandemic.



<u>RESPONSE</u>	<u>NUMBER OF RESPONDENTS</u>	<u>PERCENTAGE (%)</u>
MORE OFTEN	6	12.2%
SOMEWHAT SAME	11	22.4%
LESS OFTEN	32	65.3%

Interpretation: From the above pie-chart representation we can clearly see that the majority of the respondents say that they have ordered less often from KFC during the pandemic as compared to prior to the pandemic with 32 responses. Following this, there are 11 respondents who think that they have ordered in the same frequency while, 6 have ordered more often. From this, we can say that the pandemic has caused a decrease in number of orders in KFC.

19. Platform used to order: This pie-chart representation shows which app did the respondents use to order KFC online.



<u>PLATFORM</u>	<u>NUMBER OF RESPONDENTS</u>	<u>PERCENTAGE (%)</u>
KFC WEBSITE	11	22.4%
ZOMATO	32	65.3%
SWIGGY	3	6.1%
OTHERS	3	6.1%

Interpretation: From the above pie-chart we can see that the majority of respondents used the Zomato app to order KFC online with 32 responses while, 11 used KFC website, followed by 3 who used the Swiggy app and lastly, 3 of the respondents did not order at all. Therefore, we can say that apps like Zomato is a great help for KFC in meeting its orders online, specially during the pandemic.

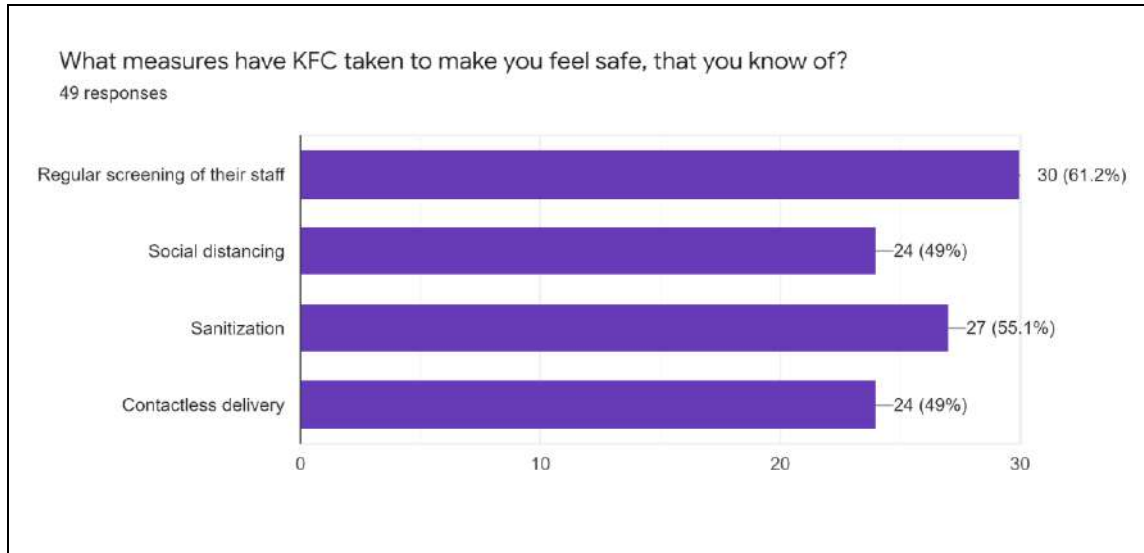
20. Safety: This pie-chart representation shows how safe did the respondents feel in the process of ordering KFC online.



<u>SAFETY</u>	<u>NUMBER OF RESPONDENTS</u>	<u>PERCENTAGE (%)</u>
VERY SAFE	7	14.3%
SOMEWHAT SAFE	24	49%
NEUTRAL	14	28.6%
SOMEWHAT UNSAFE	1	2%
VERY UNSAFE	3	6.1%

Interpretation: This above pie-chart shows that the majority of the respondents are quite happy with the safety provided with 24 responses as well as 7 respondents who are extremely confident about the safety. Then there are 14 respondents who are neutral in this regard. This is followed by 1 respondent finding it quite unsafe and 3 finding it absolutely unsafe. From this, we can say that KFC was able to win the confidence of their consumers regarding the safety.

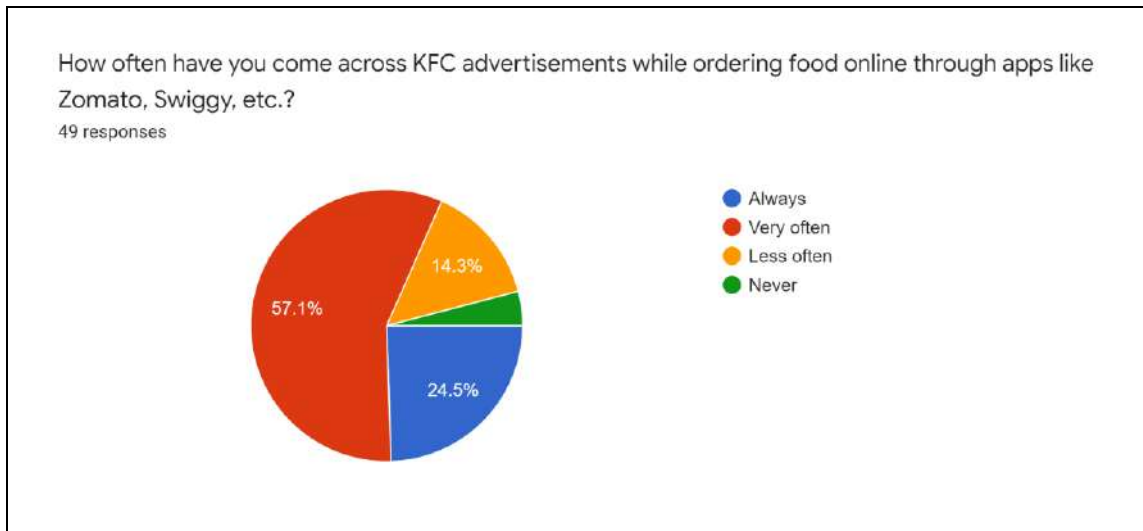
21. Measures taken: This bar graph representation shows what are the measures taken by KFC during the pandemic that the respondents are aware of.



<u>MEASURES</u>	<u>RESPONSE COUNTS</u>	<u>PERCENTAGE (%)</u>
REGULAR SCREENING	30	61.2%
SOCIAL DISTANCING	24	49%
SANITIZATION	27	55.1%
CONTACTLESS DELIVERY	24	49%

Interpretation: This above bar graph shows that 30 respondents are aware that KFC performs regular screening, 24 are aware about the social distancing, 27 about the sanitization and 24 about the contactless delivery. Therefore, we can say that KFC has done good in making its consumers aware about the measures taken by them during the pandemic.

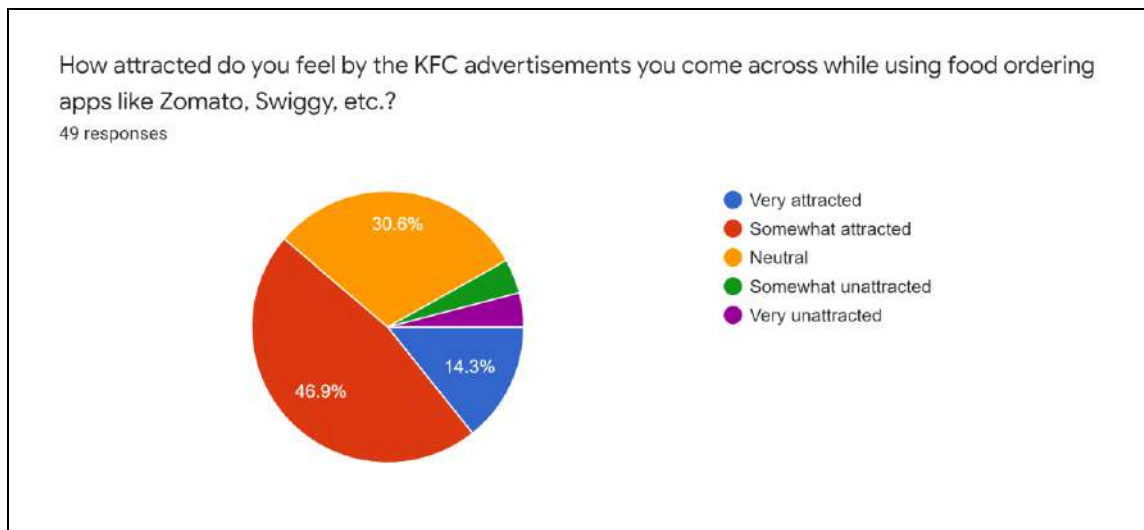
22. Frequency of online advertisements faced: This pie-chart representation shows the frequency in which the respondents come across KFC advertisements while ordering online.



<u>FREQUENCY</u>	<u>NUMBER OF RESPONDENTS</u>	<u>PERCENTAGE (%)</u>
ALWAYS	12	24.5%
VERY OFTEN	28	57.1%
LESS OFTEN	7	14.3%
NEVER	2	4.1%

Interpretation: The above pie-chart representation shows that 12 respondents always come across KFC advertisements while ordering food online, while 28 respondents come across it very often. 7 respondents say they come across it less often while 2 have never come across it. Therefore, we can say that KFC advertisements is visible and spread throughout the various food ordering apps and its somewhat very unlikely to not come across it.

23. Degree of attraction: This pie-chart representation shows the degree of attraction that the respondents feel by the KFC advertisements.

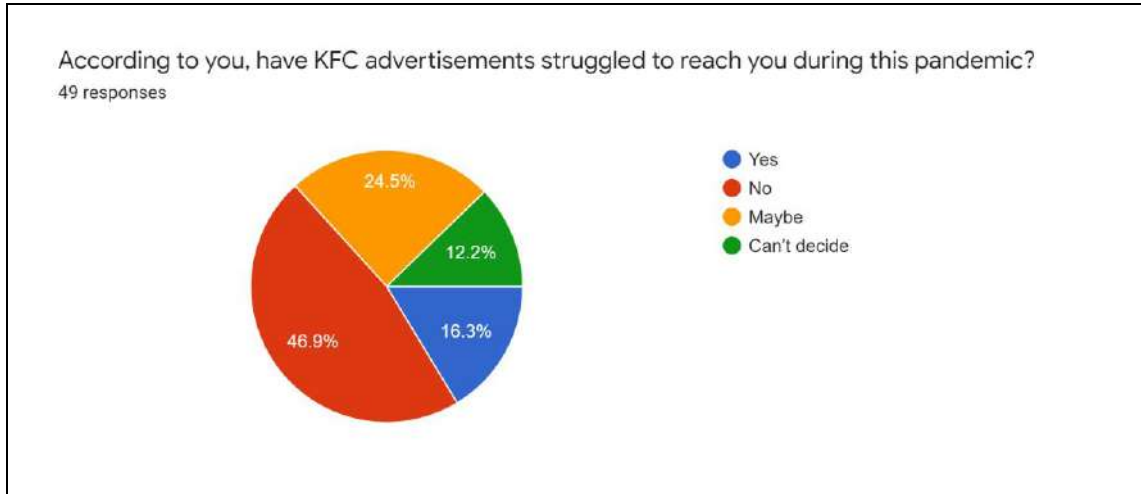


<u>RESPONSE</u>	<u>NUMBER OF RESPONDENTS</u>	<u>PERCENTAGE (%)</u>
VERY ATTRACTED	7	14.3%
SOMEWHAT ATTRACTED	23	46.9%
NEUTRAL	15	30.6%
SOMEWHAT UNATTRACTED	2	4.1%
VERY UNATTRACTED	2	4.1%

Interpretation: From the above pie-chart representation we can see that 7 respondents feel very attracted to the KFC advertisements, while 23 respondents feel quite attracted to it. 15 respondents are neutral in this regard. There are some respondents who are not quite attracted or even unattracted with 2 responses each.

Therefore, we can say that the KFC advertisements are successful in attracting most of its consumers.

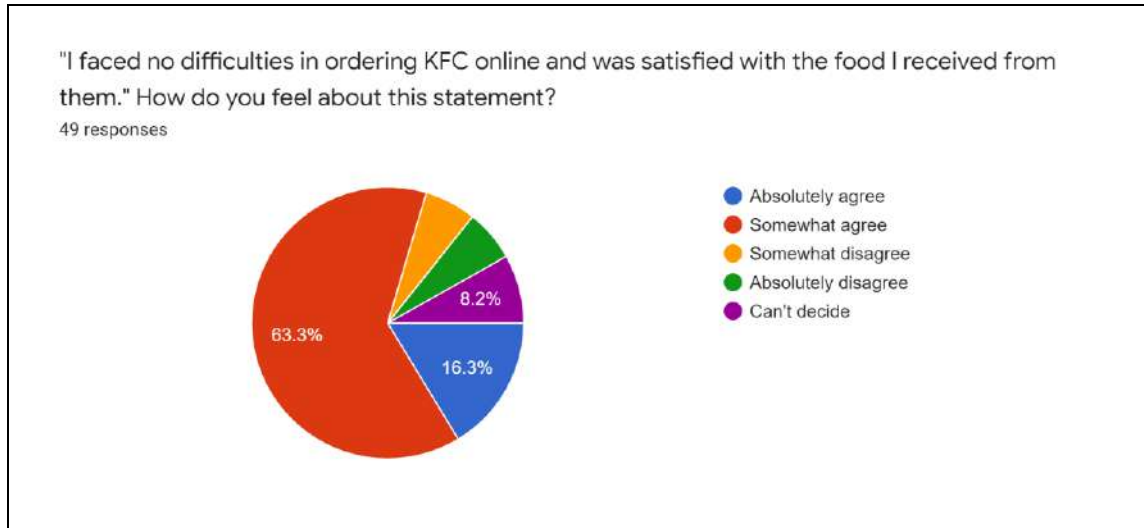
24. Difficulty in reaching the consumers: This pie-chart representation shows how difficult it has been for the KFC’s advertisements to reach its consumers during the pandemic.



<u>DIFFICULTY</u>	<u>NUMBER OF RESPONDENTS</u>	<u>PERCENTAGE (%)</u>
YES	8	16.3%
NO	23	46.9%
MAYBE	12	24.5%
CAN'T DECIDE	6	12.2%

Interpretation: The above pie-chart representation shows that the majority of the respondents think that the KFC advertisements did not struggle to reach its consumers during the pandemic with 23 responses. While, 12 say maybe, 8 say that it has struggled and lastly, 6 respondents are unsure. Therefore, we can say that despite the pandemic, KFC advertisements did not face any major struggles to reach its consumers.

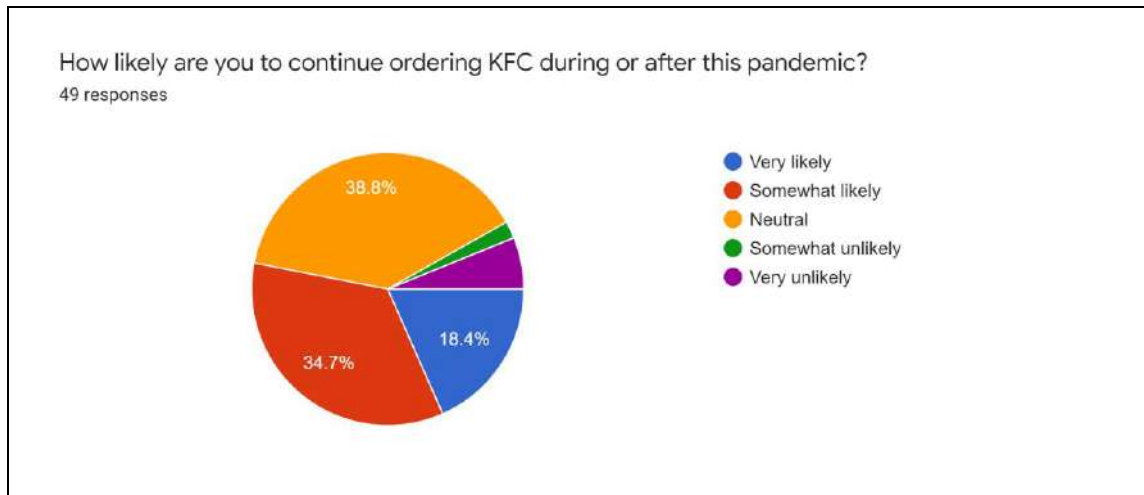
25. Difficulty in ordering: This pie-chart representation shows how difficult it has been for the respondents to order KFC online.



<u>EASE</u>	<u>NUMBER OF RESPONSES</u>	<u>PERCENTAGE (%)</u>
ABSOLUTELY AGREE	8	16.3%
SOMEWHAT AGREE	31	63.3%
SOMEWHAT DISAGREE	3	6.1%
ABSOLUTELY DISAGREE	3	6.1%
CAN'T DECIDE	4	8.2%

Interpretation: From the above pie-chart representation we can see that the majority of the respondents somewhat agree to the statement that they did not face any difficulties in ordering KFC online with 31 responses. While, 8 absolutely agree to the statement. 6 respondents either absolutely disagree or somewhat disagree to the statement. There are also 4 respondents who can't decide how to feel about the statement. Therefore, we can say that over-all the consumers did not face any real difficulties in ordering KFC online.

26. Likeliness of ordering again: This pie-chart representation shows how likely are the respondents to order KFC again.



<u>LIKELINESS</u>	<u>NUMBER OF RESPONDENTS</u>	<u>PERCENTAGE (%)</u>
VERY LIKELY	9	18.4%
SOMEWHAT LIKELY	17	34.7%
NEUTRAL	19	38.8%
SOMEWHAT UNLIKELY	1	2%
VERY UNLIKELY	3	6.1%

Interpretation: From the above pie-chart representation we can see that most of the respondents are either very likely or somewhat likely to order KFC again with a total of 26 responses. 19 of the respondents are neutral. While, some are either very unlikely or somewhat unlikely with a total of 4 responses. Therefore, we can say that most of the consumers are quite satisfied with KFC and would like to order again.

3.4: DATA FINDINGS

- In terms of popularity, we come to know that KFC is quite a popular brand since we see that most of the people are familiar with the brand.
- KFC has used its advertisements very strategically which helped in giving the brand exposure. Apart from the actual advertisements, its numerous branches also act like a type of advertisement giving it exposure. The word of mouth of its consumers also acts as an advertisement as we have seen in our data.
- KFC have been using non-digital mode of advertising like hoardings and posters but, after digitalization, KFC has also used various types of digital advertising.
- KFC had made sure that the consumers frequently come across its advertisements by advertising on YouTube, food ordering apps like Zomato, Swiggy, etc.
- KFC has also been able to use concepts or ideas in its video advertising which are much liked by the consumers.
- The advertisements have been able to attract the consumers towards KFC. The food provided by KFC is seen to be the main attraction which attracts the customers.
- Although KFC is popular but most of the consumers still choose to visit KFC rarely or occasionally as we see in the data collected. The number of consumers who visit KFC frequently is small.
- Our data shows that most of the consumers think that advertising is essential and important for more consumers to know about KFC.
- The pandemic has affected most of the business models. KFC has also felt its impact but it has done well in maintaining its relationship with its customers during the pandemic.
- The number of orders received by KFC has reduced during the pandemic as compared to prior the pandemic.
- KFC has done a good job in making availability of its services online easy. Food ordering apps like Zomato or Swiggy have been helpful in achieving this

feat. KFC's official site has also been active during this pandemic in serving its customers.

- KFC has done good in making its customers feel safe and confident while ordering KFC online. KFC has made its customers aware of all the measures that they have taken in ensuring the safety of their food and services.
- KFC has also made sure that the whole process of ordering and receiving the food is easy for the customers. The customers have faced little or no problems while doing so.
- Despite the pandemic, the advertisements from KFC have faced little struggles in reaching the consumers.
- Overall, KFC has been able to remain close to its customers during the pandemic and has also been to attract them towards it.
- The customers are quite happy and satisfied by KFC's food and services during the pandemic since through our data collected we see that most of them are looking forward to visiting again or ordering online again.

CHAPTER-4: CONCLUSION AND RECOMMENDATION

4.1 CONCLUDING OBSERVATIONS

4.2 RECOMMENDATIONS

4.1: CONCLUDING OBSERVATIONS

There are over 14,000 KFC outlets in 105 countries and territories around the world. And every day, nearly eight million customers are served around the world.

KFC was the first foreign fast food restaurant chain to enter India in 1990s after the Indian government implemented the economic liberalization policy. At that time, KFC received permission from the Indian government to open 30 outlets across the country.

The first KFC outlet in India was opened in Bangalore in June 1995 and from 30 outlets, the number has grown to 296 today. Fast food restaurants have gained popularity in India because of their customized menus that suit the taste buds of the citizens.

From the above survey we could summarize that KFC knows what could be the favorite concepts of its customers and has used them efficiently in their advertisement campaigns. The video advertisements, hoardings, pop-ups have been able to attract the consumers as well inform them about what KFC has to offer. The consumers come across such advertisements and could not help but get attracted towards them. Despite the pandemic, KFC advertisements have found a way to reach the consumers and have made sure that the consumers do not miss out on anything.

Although the pandemic has hampered most of the business models, KFC has been quite successful in maintaining a close relationship with its customers. KFC have tried and have been quite successful in making sure that all their food deliveries are safe and easy to process. The customers are satisfied by the taste of the food and also appreciate the ease and safety of online ordering. Food ordering apps like Zomato, have acted like a bridge connecting KFC with its consumers.

Overall, it can be said that KFC have taken good measures in combat with the pandemic and its customers are happy and appreciative of it.

4.2: RECOMMENDATIONS

- KFC is still expensive for most of the Indian population therefore they need to lower their prices in order to appeal to more masses.
- KFC needs some kind of comfort foods in their menu since most of the customers choose to have the current KFC menu foods only occasionally.
- In a country like India where a huge percentage of the population is vegetarian, KFC needs to add some vegetarian items in their menu.
- The Rice bowl from KFC which was a customized item for India was quite a hit, KFC needs to bring more of such customized items for India.
- The world is getting more health conscious and so is India, KFC needs to bring some healthy options in their menu or prepare their existing menu in a healthier manner.

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<https://www.researchgate.net/publication/233561329> The impact of religious sensitivity on brand trust equity and values of fast food industry in Malaysia

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ANNEXURE

- QUESTIONNAIRE

Following attached link is the survey of questionnaire in Google form

(https://docs.google.com/forms/d/e/1FAIpQLSdd9PMgr8EqXqB2vWDRn8t82XaG0m9b2cmu7lQwCkIGXmq8lw/viewform?usp=sf_link)

The impact of advertising tools and the degree of satisfaction over Indian consumers. - A case study on KFC.

This is purely an academic purpose survey and not for any commercial purpose and given data is strictly confidential.

Respected Sir/Madam,

I am Pankaj Lakra, a student of Scottish Church College, Kolkata. I am hereby requesting you to spend not more than 10 minutes of your valuable time to fill up these questionnaire on a research studying the impact of advertising tools used by KFC and the degree of satisfaction the consumers have with them. With the help of your valuable inputs, I'll be able to proceed with my analysis. I further request you to forward this mail to your friends and family too, if possible. This will enhance the possibilities of a broader and enriched data. If any further queries arises, feel free to mail me.

Thank you for being so kind enough in filling up this form.

Pankaj Lakra
B.Com(Hons.)
Scottish Church College
Email- pankajlakra0002@gmail.com

* Required

Gender *

Mark only one oval.

Male

Female

Prefer not to say

Other: _____

Age *

Mark only one oval.

- Below 20
- Between 20 and 25
- Between 25 and 30
- Above 30

Occupation *

Mark only one oval.

- Student
- Business
- Service
- Professional
- Other: _____

Monthly income *

Mark only one oval.

- Not earning
- Less than ₹25000
- Between ₹25000 and ₹40000
- Above ₹40000

General view.

Are you in any way familiar with KFC? *

Mark only one oval.

- Yes
- No

How do you know about KFC? *

Check all that apply.

- Family or friends
- Advertisements
- Branches near you

Other: _____

What kind of KFC's advertisements have you come across? *

Mark only one oval.

- Digital
- Non-digital
- Both

How often do you come across KFC advertisements? *

Mark only one oval.

- Almost everyday
- 2 to 3 times a week
- Once a week
- Rarely

How often do you prefer going to KFC? *

Mark only one oval.

- Almost everyday
- 1 to 2 times a week
- 1 to 2 times a month
- Rarely

What is your favorite concept/idea among all the KFC advertisements? *

Check all that apply.

- Couples
- Family or friends
- Children

Other: _____

Which menu do you often see in KFC advertisements? *

Check all that apply.

- Wow menu
- Regular menu
- Combo menu
- Veg menu

Are the visuals you see in a KFC store same as in the advertisements? *

Mark only one oval.

- Partially similar
- Similar
- Not similar
- Varies from store to store

What drives you to a KFC store? *

Check all that apply.

- Advertisements
- Service/hospitality/environment
- Taste
- Price

Other: _____

Do you think advertisements for KFC is required for people to know about it? *

Mark only one oval.

- Yes
- No
- Maybe

What comes to your mind when you hear the word 'KFC'? *

Check all that apply.

- It's food
- It's advertisements
- The money you spent the last time you were in a KFC store

Other: _____

View with current pandemic in focus.

"Current pandemic has affected my relationship with KFC badly." What is your opinion on this statement? *

Mark only one oval.

- Strongly agree
- Somewhat agree
- Neutral
- Somewhat disagree
- Disagree

How often have you ordered from KFC during this pandemic as compared to before the pandemic? *

Mark only one oval.

- More often
- Somewhat same
- Less often

Which platform did you use the most to order KFC online? *

Mark only one oval.

- KFC website
- Zomato
- Swiggy
- Other: _____

How safe have KFC made you feel while ordering food online? *

Mark only one oval.

- Very safe
- Somewhat safe
- Neutral
- Somewhat unsafe
- Very unsafe

What measures have KFC taken to make you feel safe, that you know of? *

Check all that apply.

- Regular screening of their staff
- Social distancing
- Sanitization
- Contactless delivery

How often have you come across KFC advertisements while ordering food online through apps like Zomato, Swiggy, etc.? *

Mark only one oval.

- Always
- Very often
- Less often
- Never

How attracted do you feel by the KFC advertisements you come across while using food ordering apps like Zomato, Swiggy, etc.? *

Mark only one oval.

- Very attracted
- Somewhat attracted
- Neutral
- Somewhat unattractedVery
- unattracted

According to you, have KFC advertisements struggled to reach you during this pandemic? *

Mark only one oval.

- Yes
- No
- Maybe
- Can't decide

"I faced no difficulties in ordering KFC online and was satisfied with the food I received from them." How do you feel about this statement? *

Mark only one oval.

- Absolutely agree
- Somewhat agree
- Somewhat disagree
- Absolutely disagree
- Can't decide

How likely are you to continue ordering KFC during or after this pandemic? *

Mark only one oval.

- Very likely
- Somewhat likely
- Neutral
- Somewhat unlikely
- Very unlikely

Kindly, please write a few sentences on your take on KFC. About their advertisements and the degree of satisfaction you have as a customer. *

This content is neither created nor endorsed by Google.






- **RESPONSES**



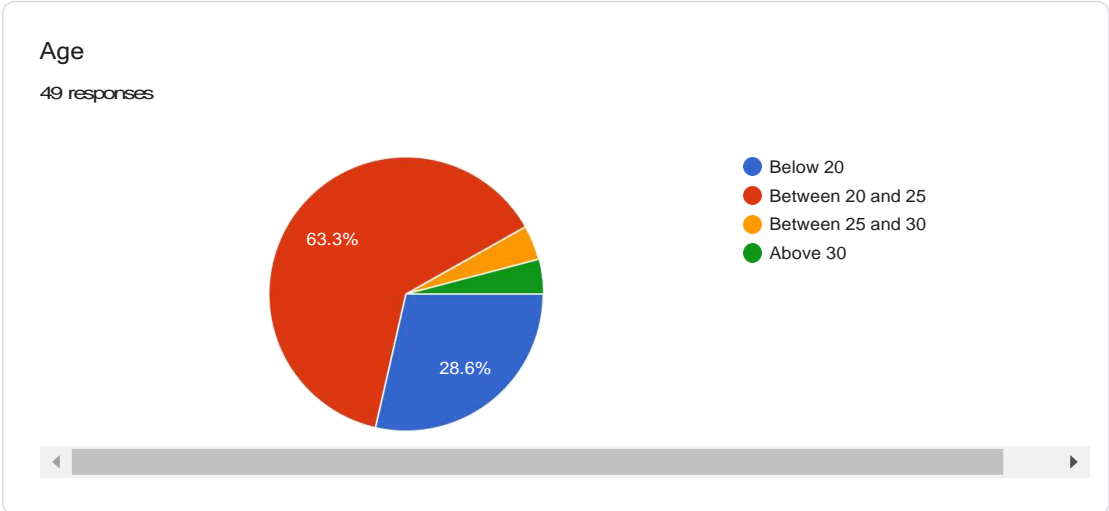
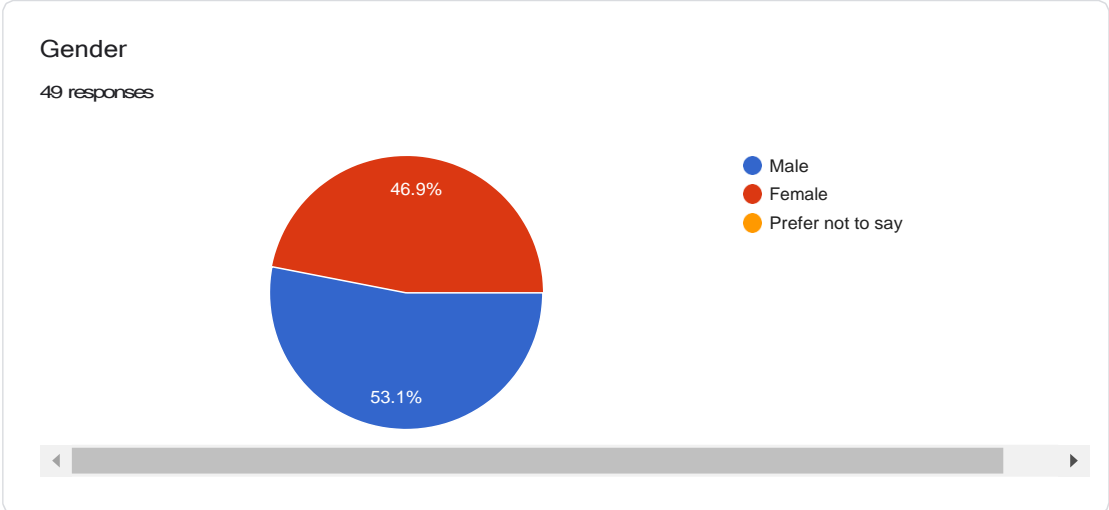
Copy of Untitled form

Questions Responses 49

49 responses  

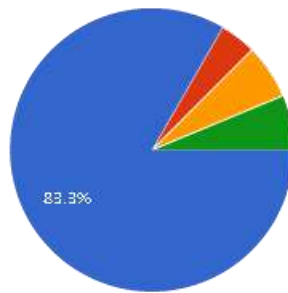
Accepting responses 

[Summary](#) Question Individual



Occupation

48 responses

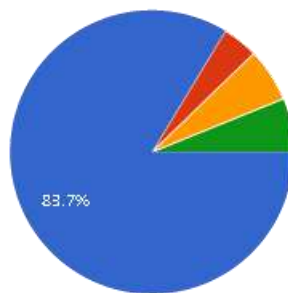


- Student
- Business
- Service
-



Monthly income

49 responses

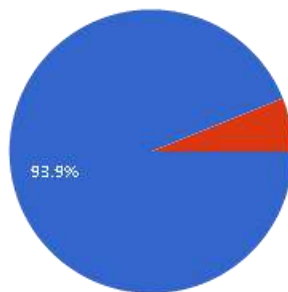


- Not earning
- Less than ₹25000
- Between ₹25000 and ₹40000



Are you in any way familiar with KFC?

49 responses

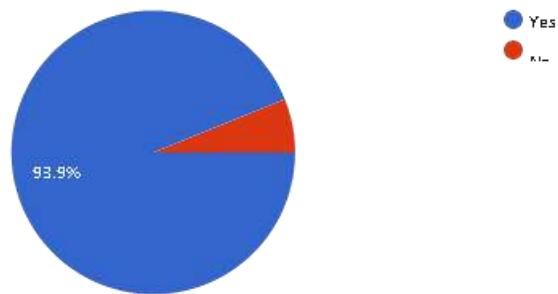


- Yes
- No



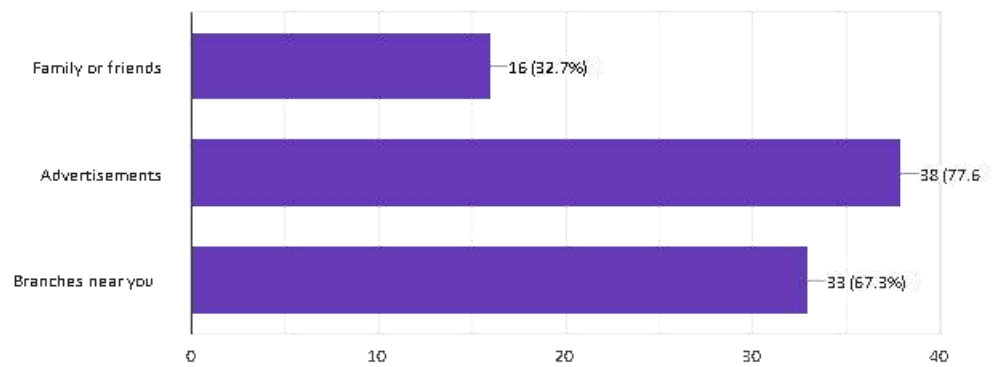
Are you in any way familiar with KFC?

49 responses



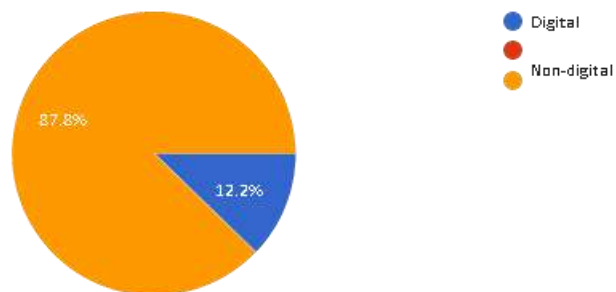
How do you know about KFC?

49 responses



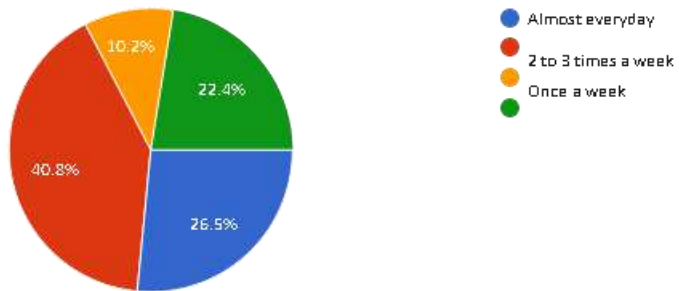
What kind of KFC's advertisements have you come across?

49 responses



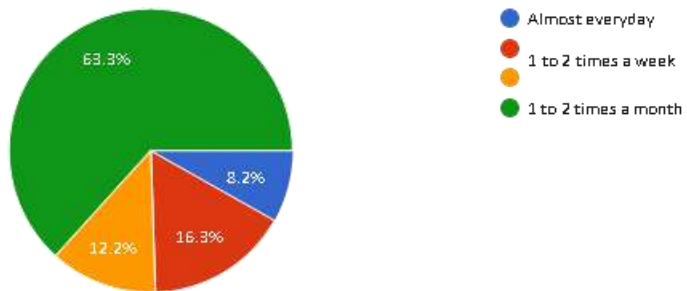
How often do you come across KFC advertisements?

49 responses



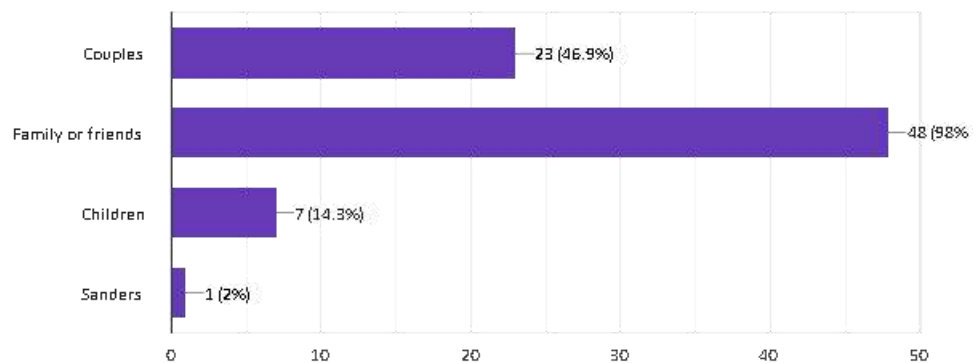
How often do you prefer going to KFC?

49 responses



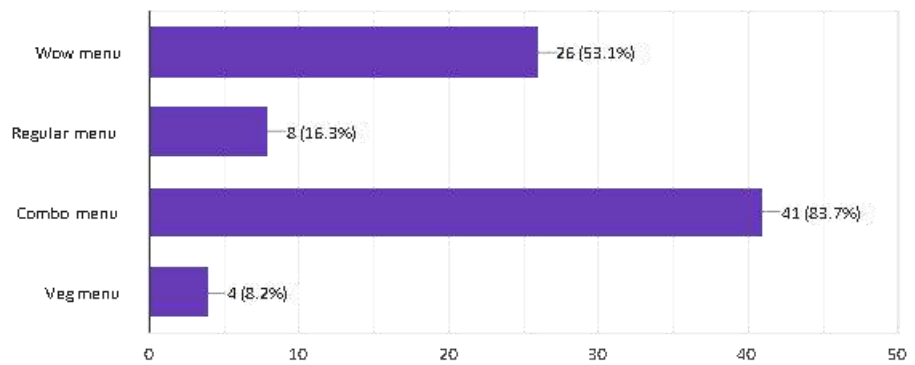
What is your favorite concept/idea among all the KFC advertisements?

49 responses



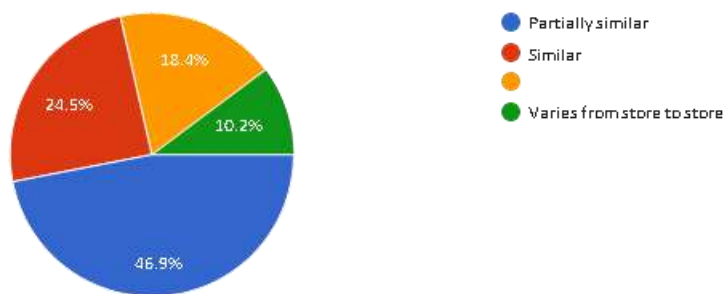
Which menu do you often see in KFC advertisements?

49 responses



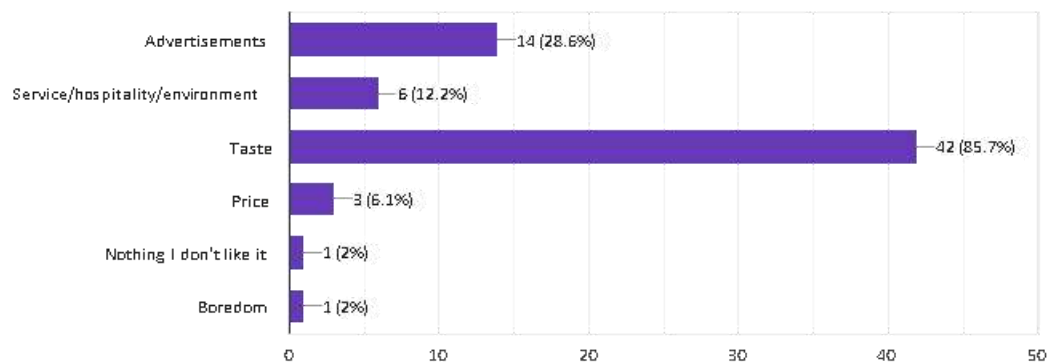
Are the visuals you see in a KFC store same as in the advertisements?

49 responses



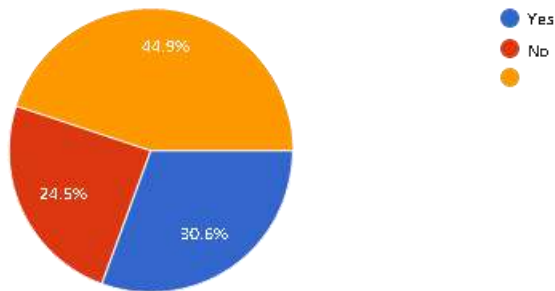
What drives you to a KFC store?

49 responses



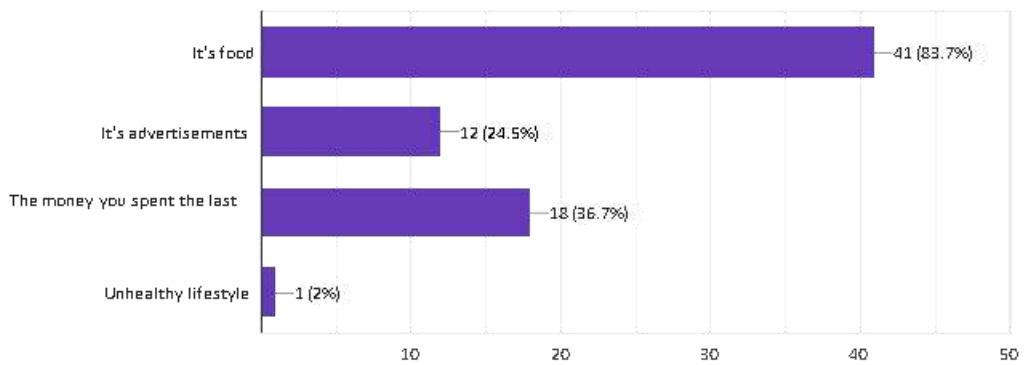
Do you think advertisements for KFC is required for people to know about it?

49 responses



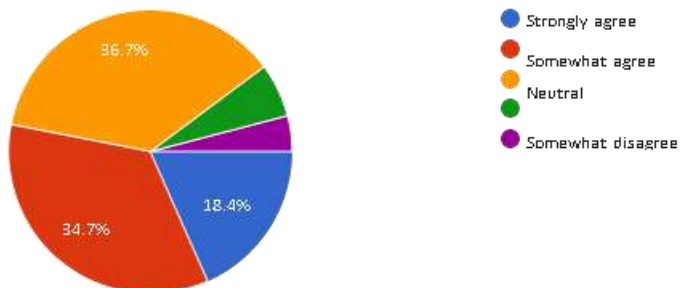
What comes to your mind when you hear the word 'KFC'?

49 responses



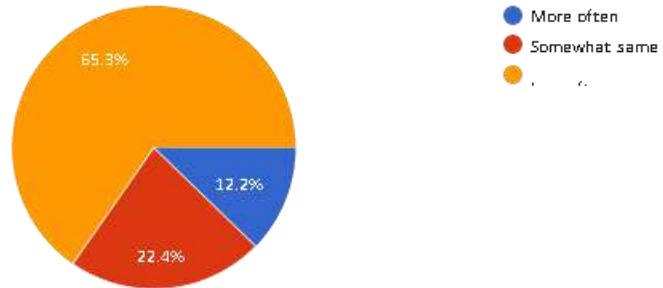
"Current pandemic has affected my relationship with KFC badly." What is your opinion on this statement?

49 responses



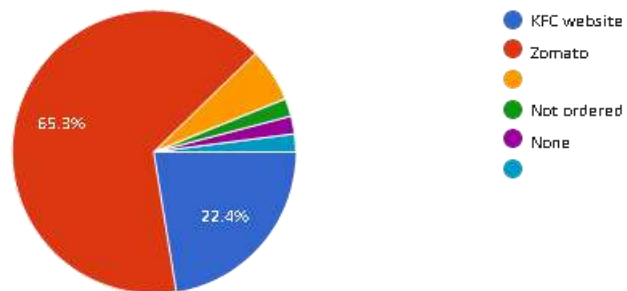
How often have you ordered from KFC during this pandemic as compared to before the pandemic?

49 responses



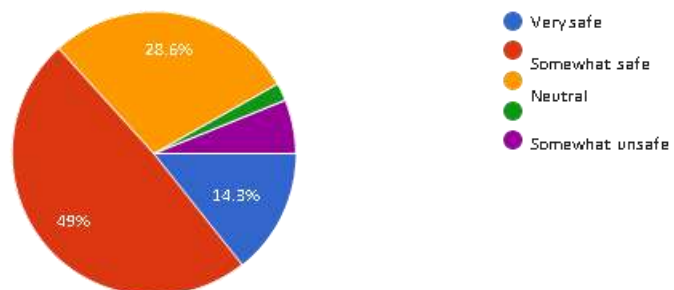
Which platform did you use the most to order KFC online?

49 responses



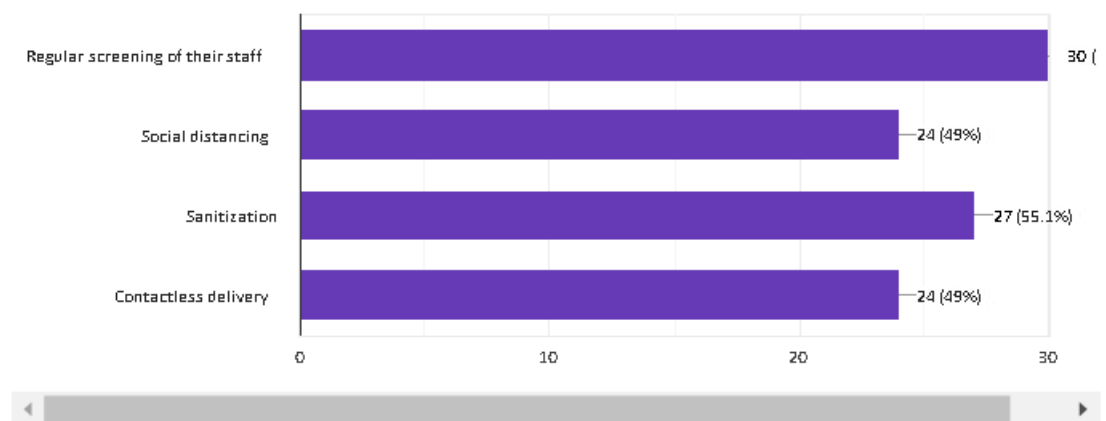
How safe have KFC made you feel while ordering food online?

49 responses



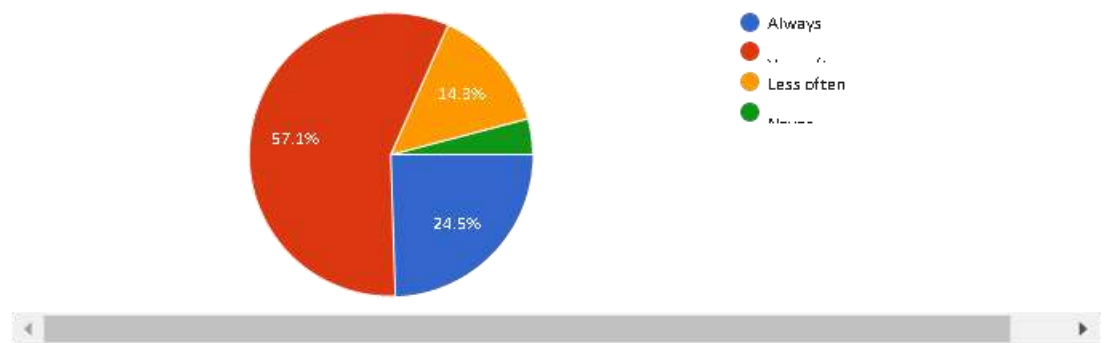
What measures have KFC taken to make you feel safe, that you know of?

49 responses



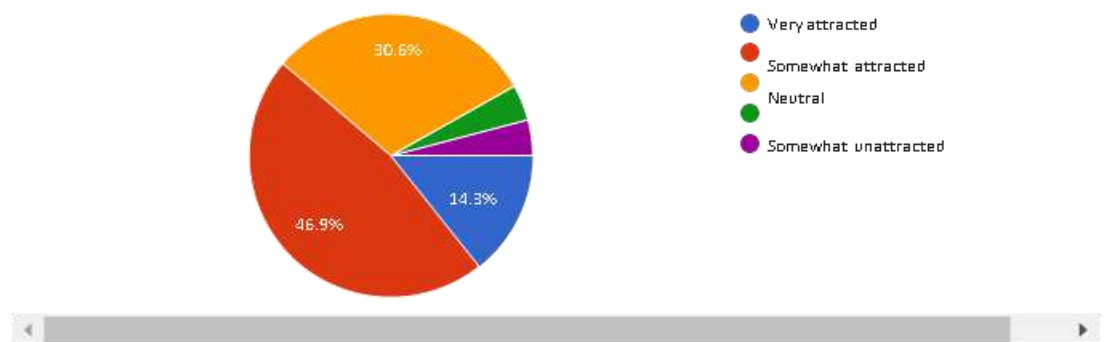
How often have you come across KFC advertisements while ordering food online through apps like Zomato, Swiggy, etc.?

49 responses



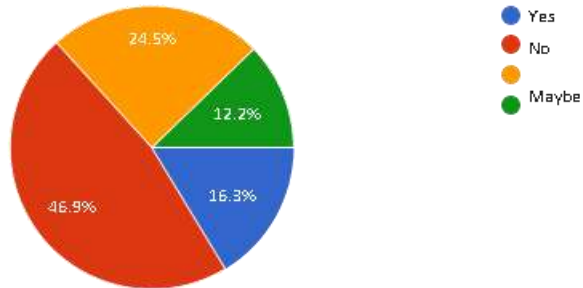
How attracted do you feel by the KFC advertisements you come across while using food ordering apps like Zomato, Swiggy, etc.?

49 responses



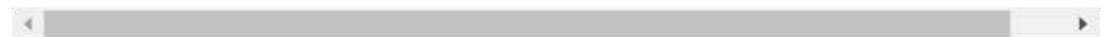
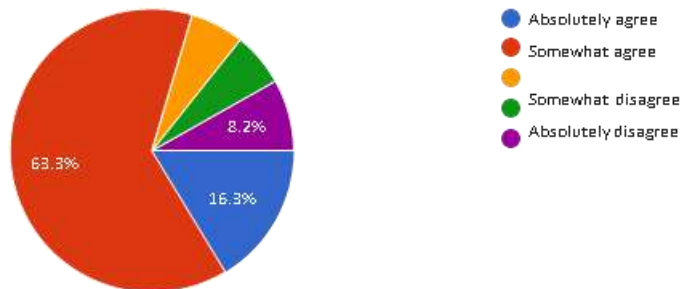
According to you, have KFC advertisements struggled to reach you during this pandemic?

49 responses



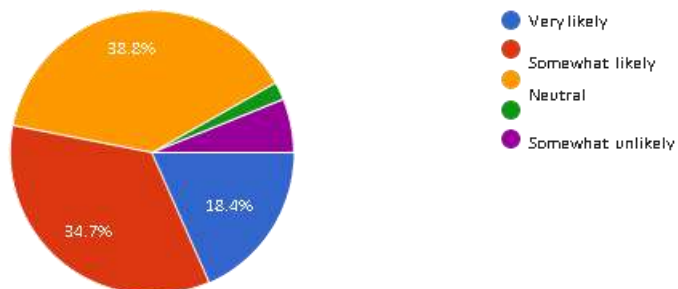
"I faced no difficulties in ordering KFC online and was satisfied with the food I received from them." How do you feel about this statement?

49 responses



How likely are you to continue ordering KFC during or after this pandemic?

49 responses



SHIFT OF TRADITIONAL BANKING MECHANISM TO DIGITAL BANKING MECHANISM IN THE POST COVID-19 ERA



SUBMITTED BY: PARISMITA DAS

C.U. ROLL NO.: 181223-11-0016

REGISTRATION NO.: 223-1211-0495-18

PROJECT REPORT:

(Submitted for the Degree of B.com Honours in the
Accounting & Finance under the University of Calcutta)

TITLE OF THE PROJECT:

**“SHIFT OF TRADITIONAL BANKING MECHANISM TO
DIGITAL BANKING MECHANISM IN THE POST COVID-19
ERA”**

SUBMITTED BY:

Name of the Candidate: PARISMITA DAS

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Name of the college: SCOTTISH CHURCH COLLEGE

SUPERVISED BY:

Name of the Supervisor: PROF. SHREYA BASU

Name of the College: SCOTTISH CHURCH COLLEGE

MONTH & YEAR OF EXAMINATION: *July, 2021*

ANNEXURE- IA

SUPERVISOR'S CERTIFICATE

This is to certify that Ms. PARISMITA DAS a student of B.Com. Honours in Accounting & Finance of Scottish Church College under the University of Calcutta has worked under my supervision and guidance for his Project Work and prepared a Project Report with the title "SHIFT OF TRADITIONAL BANKING MECHANISM TO DIGITAL BANKING MECHANISM IN THE POST COVID-19 ERA" which she is submitting, is her genuine and original work to the best of my knowledge.

Place: Kolkata

Date: 25/07/2021

Signature:

Name: **Prof. Shreya Basu**

Designation: **Professor**

Name of the College: **Scottish Church College**

ANNEXURE- IB

STUDENT'S DECLARATION

I hereby declare that the Project Work with the title “SHIFT OF TRADITIONAL BANKING MECHANISM TO DIGITAL BANKING MECHANISM IN THE POST COVID-19 ERA” submitted by me for the partial fulfilment of the degree of B.Com. Honours in Accounting & Finance under the University of Calcutta is my original work and has not been submitted earlier to any other University/Institution for the fulfilment of the requirement for any course of study.

I also declare that no chapter of this manuscript in whole or in part has been incorporated in this report from any earlier work done by others or by me. However, extracts of any literature which has been used for this report has been duly acknowledged providing details of such literature in the references.

Place: Kolkata

Date: 26/07/2021

NAME: PARISMITA DAS

C.U. ROLL NO.: 181223-11-0016

REGISTRATION NO.: 223-1211-0495-18

ACKNOWLEDGEMENT

This report is an outstanding prospect to convey my gratitude to those people whose timely help and guidance went a long way in finishing this project work from commencement to achievement.

I express my sincere gratitude and indebtedness towards my Supervisor, **Prof. Shreya Basu**, for her guidance and excellent insight which gave direction & inspiration for this project. I thank her for lending her precious time in making this project an authentic piece of work. Her valuable observations helped me in doing a lot of research and shaping this project into reality.

I'm highly obliged in taking the opportunity to thank **Prof. Amitabh Chatterjee** (Head of the Administrative at Scottish Church College) for his co-operation & his valuable guidance towards this project work.

ABSTRACT

The banking system in India has glorious past, pleasant present and a bright future. Indian banking system has been developing day by day. Banks are one of the most important organizations for proper growth of Economy and GDP of the country. It is also important for society which requires faith of customer to keep safe their asset in terms of gold and money in the banks. There is liability of banks to maintain strict policies in terms of asset management. Banks also provide various facilities to the customer so that there must be a very healthy relationship between banker and customer.

This project covers various topics which clearly explain how the banking institution evolved in India. Such as history of Indian banking system, nationalization of Indian banking system and especially the evolution of the banking system from traditional approach to digital approach and how the Covid-19 situation have accelerated the digitalization of the banking system not only in the country but the entire globe.

OBJECTIVE

- ∞ To understand the concept and features and difference between traditional and digital banking.
- ∞ Evolution of banking sector during the COVID-19 pandemic.
- ∞ To analyze the impact of COVID-19 on the digital agenda of banks.
- ∞ To study the key areas for digital success in banking.
- ∞ To measure the satisfaction level of customer regarding usage of digital product of the banks.
- ∞ To understand the views and response of the population in general about the digital banking through questionnaire.

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CHAPTER 1 – INTRODUCTION

1.1 PREVIEW:

Banks play a vital role for economic growth since their evolution. A bank is a financial institution which deals with monetary deposits, lending, and credits to the customers. In present landscape, banks and businesses are interconnected with each other. The increase in innovation in technologies and development of new solutions encourages banks to transform from traditional bank to e-bank. Rising number of banking institutes are moving toward digital platforms to deliver their services online because of increasing usage of smartphones and increasing internet penetration across the world. Hence, rise in adoption of online and mobile banking platforms are positively impacting the adoption of digital payments for banking, across the globe.

It's a time to forget the Fintech Definition that technology meets finance as the banks join their physical hands with virtual banking, virtual currencies, artificial intelligence, block chain, chat bots, big data and robotic process automation. The boundaries between the technology and finance is blurring across the globe resulting in E Collaboration, mergers and amalgamation between traditional banks and technology companies. Banking technology which started with computerization evolved to the revolution in E-commerce and digital finance.

Even as the COVID-19 pandemic exacts a bitter toll on the economy, it is catalysing digital transformation across business models, channels and touch points. Underlying this shift is the need for greater organisational agility as well as closer ties with customers in a changing world order. The process of digital transformation, however, is complex and long-drawn-out for businesses as well as consumers.

Banking and payments, critical pillars of the economy, are among the core areas that have seen a major uptick in digital offerings and adoption. While going digital is not new to the industry, the pandemic has significantly accelerated the adoption of digital technologies, with far-reaching implications for the future of not only the banking sector, but also the larger financial ecosystem.

National Payments Corporation of India (NPCI), has been pivotal to the emergence of the digital payment ecosystem in India, launching innovative and successful initiatives such as UPI, IMPS, Bharat Bill Pay, and ETC

(electronic toll collection) through FASTags. In addition, Indian FinTechs and digital payments companies have made significant progress, and now offer a wide range of integrated and user-friendly solutions that leverage advanced technologies and deploy innovative business models. Growing internet and mobile penetration, availability of low-cost data plans and the shift from offline to online shopping channels are also giving a fillip to the adoption of digital technologies.

The virus outbreak is spurring the adoption of contactless digital payments; and there has been a surge in digital payment volumes across online grocery stores, small retail outlets, online pharmacies, vegetable and fruit vendors, recharges, bill payments as well as OTT (telecom and media) and EdTech players. In these difficult times, the digital ecosystem built up over the years has proven crucial in fulfilling business transactions, peer-to-peer transfers as well as government direct benefit transfers. Contactless payments, through QR Code, wallets, UPI or contactless cards, are gaining popularity as they offer convenience, safety and security while allowing the consumers to maintain physical distancing.

At the same time, there is an urgent need for rugged and low-cost payment platforms that enable faster fault / error resolution. Robust platforms of this nature can help instill greater trust and confidence in end-users, especially in rural areas or those who are at the bottom of the pyramid. India's poor have been among the worst affected, re-emphasising the need to serve people currently outside the ambit of a formal financial system. Financial inclusion is the need of the hour for the millions of unbanked or underbanked people across the country.

There is also a pressing need for an integrated approach between FinTech players, banks, payment system operators, regulators and even telcos for advancing financial inclusion programmes. This collaborative approach can prove crucial in bringing more of the banked and unbanked sections into the digital banking fold.

To enhance the digital banking and payment products/services ecosystem, banks will need to focus on developing and adopting cutting-edge technologies such as Artificial Intelligence (AI), Machine Learning (ML), Cloud, Internet of Things (IOT), Human Computer Interface (HCI), blockchain among others. The disruption has underscored the crucial role of digital, as the mid-office and back office are relying on technology to

serve customers and perform day to day operations. Going forward, it will be critical for banks to move away from branch banking and have a well-established digital infrastructure in place across all channels to deliver enhanced speed and convenience across all customer segments, as well as across urban and rural markets.

1.2 BANKING SYSTEM IN INDIA

The banking system plays an important role in promoting economic growth not only by channeling savings into investments but also by improving allocative efficiency of resources. The recent empirical evidence, in fact, suggests that banking system contributes to economic growth more by improving the allocative efficiency of resources than by channeling of resources from savers to investors. An efficient banking system is now regarded as a necessary pre-condition for growth.

The banking system of India consists of the central bank (Reserve Bank of India - RBI), commercial banks, cooperative banks and development banks (development finance institutions). These institutions, which provide a meeting ground for the savers and the investors, form the core of India's financial sector. Through mobilization of resources and their better allocation, banks play an important role in the development process of underdeveloped countries.

In India the banks and banking have been divided in different groups. Each group has their own benefits and limitations in their operations. They have their own dedicated target market. Some are concentrated their work in rural sector while others in both rural as well as urban. Most of them are only catering in cities and major towns.

There are mainly three Financial regulators in India:

Reserve Bank of India (RBI) - Banking Sector
Securities Exchange Board of India (SEBI) - Capital Markets /Mutual Funds

Insurance Regulatory and Development Authority (IRDA) - Insurance Companies

1.2.1 STRUCTURE OF BANKING SYSTEM IN INDIA

Banks can generally be classified into various sub-categories as follows:

PUBLIC SECTOR BANKS IN INDIA:

The State Bank Group and Nationalized banks: Is a group of 27 banks Has the largest number of branches in metro/ urban/rural areas throughout the country that contributes to about 75% of the total deposits. Most of them have a very large branch network spread over all parts of the country and have a Large deposits and assets base also perform all kinds of core and modern banking functions.

SCHEDULED BANKS:

These are banks which are listed in the second schedule of the Reserve Bank of India Act, 1934

These banks are required to maintain certain amounts with RBI and, in return, they enjoy the facility of financial accommodation and remittance facilities at concessionary rates from RBI.

State Co-operative Banks

Commercial Banks

1.2.2 BANKING DEVELOPMENT AND NATIONALIZATION OF BANKS IN INDIA:

Banking development in India has been, by and large, a state-induced activity. The Reserve Bank of India was nationalized in 1949 followed by the nationalization of Imperial Bank of India (now the State Bank of India - SBI) in 1955. In 1969, 14 major commercial banks were nationalized and the exercise was repeated when 6 more commercial banks were nationalized in 1980. Thus, prior to economic reforms initiated in early

1990s, banking business in India was a near-monopoly of the Government of India.

The underlying philosophy of this approach was to encourage growth, via availability of adequate credit at reasonable/concessional rates of interest, in areas where commercial considerations did not allow for disbursement of credit.

THE FINANCIAL SECTOR IN INDIA -

Along with the rest of the economy and perhaps even more than the rest, financial markets in India have witnessed a fundamental transformation in the years since liberalization. The going has not been smooth all along but the overall effects have been largely positive.

Nationalization of commercial banks was a mixed blessing. After nationalization there was a shift of emphasis from industry to agriculture. The country witnessed rapid expansion in bank branches, even in rural areas. However, bank nationalization created its own problems like excessive bureaucratization, red-tapism and disruptive tactics of trade unions of bank employees. It was in this backdrop that wide-ranging banking sector reforms were introduced as an integral part of the economic reforms program started in early 1990s and which is still under way.

The Indian banking sector has witnessed wide ranging changes under the influence of the financial sector reforms initiated during the early 1990s. The approach to such reforms in India has been one of gradual and non-disruptive progress through a consultative process. The emphasis has been on deregulation and opening up the banking sector to market forces. The Reserve Bank has been consistently working towards the establishment of an enabling regulatory framework with prompt and effective supervision as well as the development of technological and institutional infrastructure.

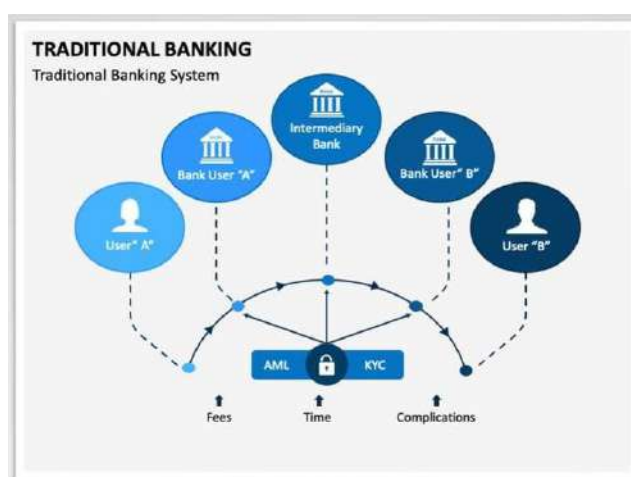
Persistent efforts have been made towards adoption of international benchmarks as appropriate to Indian conditions. While certain changes in the legal infrastructure are yet to be effected, the developments so far have brought the Indian financial system closer to global standards.

Private banks are today increasingly displacing nationalized banks from their positions of pre-eminence. Though the nationalized State Bank of India (SBI) remains the largest bank in the country by far, private banks

like ICICI Bank, Axis Bank and HDFC Bank have emerged as important players in the retail banking sector. Though spawned by government-backed financial institutions in each case, they are profit-driven professional enterprises.

CHAPTER 2 – CONCEPTUAL FRAMEWORK

2.1 THE CONCEPT OF TRADITIONAL BANKING:



Traditional banking is probably what we are most familiar with. The bank has a physical location that you visit in order to open an account. Some traditional banks will allow you to open accounts online, but you still may need to visit the bank to confirm your identity or submit documents. While traditional banking has evolved so that you can do most of your regular banking online or on a mobile app, you will probably have to visit your local branch at some point. While some people prefer being able to talk to a real person when they need it, for others it can be a nuisance. Traditional banking also involves using ATMs to deposit and withdraw cash. Using an ATM that doesn't belong to your bank usually incurs extra fees.

If personal service is of importance to someone, then he/she will probably appreciate traditional banking more. Sometimes we want advice about what to do with our accounts or how to maximize our savings, and having a face to face conversation about it builds a lot more trust. Traditional banks allow you to build relationships with their employees. If trust and service are what matters, then you can't beat traditional banking. Depositing

money is often far easier with traditional banking as well. Knowing that you can always go to an ATM to deposit cash is a benefit many of us don't consider. For example, with N26 you can only deposit funds at the cash register of a partnered store. Depositing cheques is also far easier through traditional banking. Traditional banking may also offer different services you can't get with mobile banking. Things like mortgages, loans, different types of insurance, and investment services are currently only available through traditional banks. If you want a one stop shop, then going with a traditional bank may be your best option.

FEATURES OF TRADITIONAL BANKING:

Relationship lending - A traditional system of bank aims to establish and maintain long-term relationships with borrowers that last beyond the loan deal currently at hand. These relationships generate soft information about the personal character and creditworthiness of individual, household and small business borrowers.

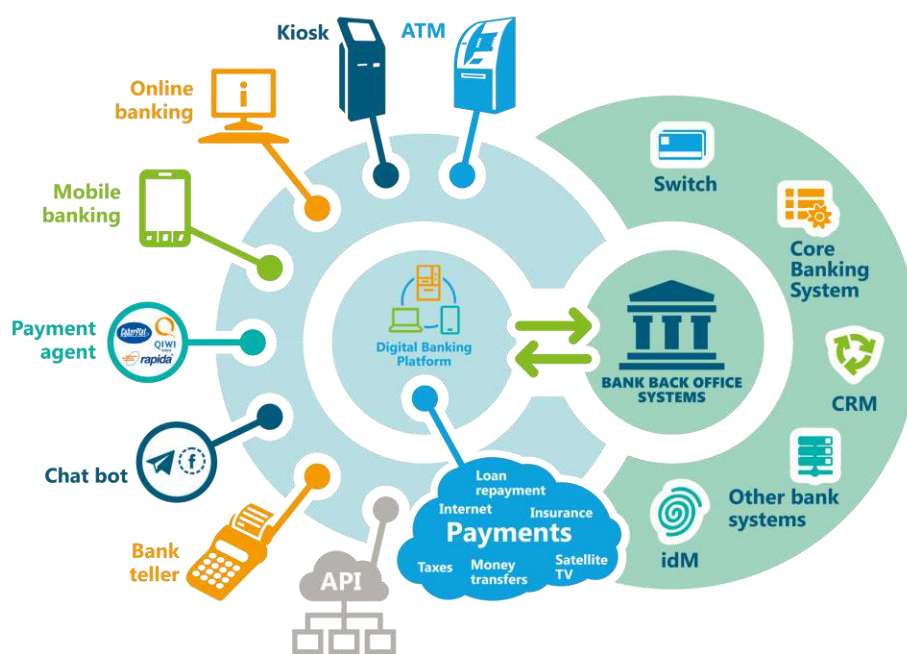
Relationship deposits - In the traditional banking model, core deposits are the primary source of funding. These are interest-inelastic deposits made by household and business customers, which makes them the ideal liability for financing the illiquid relationship loans made by traditional banks. The stability of these deposits encourages bank-depositor relationships that are beneficial to the bank in at least two additional ways: These long-run relationships facilitate the transfer of soft information to the bank, and these long-run depositors are likely to purchase multiple financial products from the bank.

Traditional activities - Interest income is the primary source of revenue at a traditional commercial bank, but it is supplemented by the fee income that the bank earns by providing noninterest financial services to its relationship banking customers. The two most traditional sources of these noninterest revenues are fees collected by the bank in exchange for providing payments services for its transactions depositors (e.g., minimum balance fees, overdraft fees) and fees collected by the bank in exchange for managing the assets of its wealthier business and household clients (i.e., fiduciary services).

Branch networks - Physical bank branches facilitate the person-to-person contact necessary for true relationship banking and relationship

deposit-taking. While traditional banks augment their branch delivery systems with online banking, automated bill pay, mobile banking and other channels, the physical branches remain central to the model because this is where the repeated personal interactions necessary to build and sustain long-lasting relationships most often occur. We measure the intensity of branch banking network as the number of bank branches divided by total bank assets (Branch Intensity).

2.2 CONCEPT OF DIGITAL BANKING:



The Digital Banking definition is banking done through the digital platform, doing away with all the paperwork like cheques, pay-in slips, Demand Drafts, and so on. It means availability of all banking activities online. Digital Banking gives you the luxury of freely accessing and performing all traditional banking activities 24*7 without having to personally go to a bank branch to get your work done. Digital Banking can be done either through a laptop, tablet or your mobile phone.

The term digital banking, essentially, combines online and mobile banking services under one umbrella. Online banking means accessing banking features and services via your bank's website from your computer. You may log into your account to check your balance or pay your electricity bill. You can access additional banking features, such as applying for a loan or credit

card, at many banks via your online banking portal. Online banking lets you sit down at your computer and tackle many of your personal finance needs without ever having to leave your home, something for which the family pet is likely most grateful.

Mobile banking means using an app to access many of those same banking features via mobile devices such as smartphones or tablets. These apps are proprietary, issued by the bank where you hold your account, and usually use the same login information as your online banking portal. Designed for people on the go, mobile banking apps tend to include the most used banking features, such as mobile check deposit, funds transfers and bill payment. They also often have convenient features like peer-to-peer payments through systems like Zelle. Banks also may use their mobile apps to send customers banking alerts such as fraud detection and low balance notifications.

Here's a visual equation that sums up (literally) digital banking:

Online Banking + Mobile Banking = Digital Banking.

Here are some of its advantages.

- **Fund transfers:** The ability to transfer funds is one of the most significant advantages of Digital Banking. There's no need to go through the hassle of issuing cheques or Demand Drafts. All you need to do is use Digital Banking to transfer funds to anyone, anytime. There are several options available, like IMPS, RTGS, NEFT, and so on. It's even easier to do it on the MobileBanking App.
- **Cash withdrawal:** With ATMs in every nook and cranny, you don't have to visit a bank branch. Digital Banking allows to you withdraw cash from the ATM at any time of the day or night!
- **Getting statements:** You can use Digital Banking to download bank statements for any period at any time. There's no need to visit a bank branch and get a printout. It's there on your device, to access whenever you want.
- **Paying the bills:** Digital Banking has made it so much easier to pay your bills. Whether it's electricity, gas, phone or other bills, all you

need to pay is via logging in. And there's the auto-debit facility that allows your bills to be paid automatically as and when they arrive. HDFC Bank allows you even to recharge your pre-paid mobile phone number. Digital Banking has indeed transformed the everyday life of an individual!

- **Investments:** Investing has never been easier, thanks to Digital Banking. Opening a Fixed Deposit with the bank takes a few seconds. And you can use Digital Banking to make investments in other instruments as well. For example, you can invest in Mutual Funds through HDFC Bank NetBanking, buy insurance products, and even apply for loans.
- **Mobile Banking:** The first phase of the Digital Banking revolution was through the internet. The second phase of Digital Banking involves mobile phone platforms. After smartphones came into the market, Digital Banking has taken off in a big way. Smartphones now allow customers to carry out bank transactions on the go. They can transfer funds, invest in Fixed Deposits, pay the bills... even while commuting on the go. Most banks like HDFC Bank have their apps for customers, such as MobileBanking App and PayZapp amongst many others. HDFC Bank also has a mobile phone application called HDFC Bank MobileBanking LITE that can be used without an Internet connection. This app allows users to check balances, get statements, place requests for cheque books, view fixed deposit summary etc.
- **Keeping track of transactions:** Digital Banking has made it so much easier for customers to track transactions. Want to know if your salary has been credited to your account? Just whip out your smartphone and check -- you'll know in a matter of seconds. Plus, banks send SMSes if money has been debited from your account. So in the unlikely event of a fraudulent transaction, you'll come to know of it immediately.
- **Stop cheques:** Sometimes you may need to stop cheques for some reason – like you may have got the amount wrong, or the beneficiary was not the one you wanted. In that case, Digital Banking makes it very easy to stop cheques. All you need to do is log in and with a simple click, you can update the cheque processing.

Digital Banking has drastically changed the way banks and customers interact with one another. And in a booming technological and financial economy like India, more and more people are being connected to Digital Banking Platforms with each passing day.

Most banks in the country offer Digital Banking services today, and these have become an integral part of banking. The true Digital Banking meaning is a transformation!

FEATURES OF DIGITAL BANKING:

- ONLINE BANKING
- PERSONAL FINANCIAL PLANNING
- UNIFIED PAYMENT SYSTEM (UPI)
- DIGITAL WALLET
- REWARDS AND LOYALTY PROGRAMS
- NON-INTERNET BASED PHONE BANKING
- MOBILE BANKING
- AUTOMATIC BILL PAYMENT
- SECURE MESSAGE ALERTS
- DEDICATED REMOTE ADVISOR

2.3 DIFFERENTIATION BETWEEN DIGITAL AND TRADITIONAL BANKING:



BASIS OF DIFFERENCE	DIGITAL BANKING	TRADITIONAL BANKING
<ul style="list-style-type: none"> • PRESENCE 	<ul style="list-style-type: none"> • DOES NOT HAVE PHYSICAL PRESENCE AS SERVICES ARE PROVIDED ONLINE. 	<ul style="list-style-type: none"> • BANKS EXIST PHYSICALLY FOR SERVING THE CUSTOMERS.
<ul style="list-style-type: none"> • TIME 	<ul style="list-style-type: none"> • IT IS NOT AT ALL TIME CONSUMING. 	<ul style="list-style-type: none"> • IT CONSUMES A LOT OF CUSTOMER'S TIME.
<ul style="list-style-type: none"> • ACCESSIBILITY 	<ul style="list-style-type: none"> • IT IS AVAILABLE AT ANY TIME AND IT PROVIDES 24 HOUR ACCESS. 	<ul style="list-style-type: none"> • CUSTOMERS ARE TO VISIT THE BANKS ONLY DURING WORKING HOURS
<ul style="list-style-type: none"> • SECURITY 	<ul style="list-style-type: none"> • SECURITY IS ONE OF THE PROBLEMS IN 	<ul style="list-style-type: none"> • TRADITIONAL BANKING DOES NOT ENCOUNTER

<ul style="list-style-type: none"> • CUSTOMER SERVICE • CONTACT • COSTS 	<p>DIGITAL BANKING AS IT IS THE TEMPTING TARGET FOR HACKERS.</p> <ul style="list-style-type: none"> • IN DIGITAL BANKING, THE CUSTOMER DO NOT HAVE TO STAND IN QUEUES TO CARRY OUT CERTAIN BANK TRANSACTIONS. • CUSTOMERS CAN HAVE ONLY ELECTRONIC CONTACT. • NO COSTS ARE INCURRED IN DIGITAL BANKING AS THEY DO NOT HAVE A PHYSICAL APPEARANCE. 	<p>E-SECURITY THREATS.</p> <ul style="list-style-type: none"> • IN TRADITIONAL BANKING, THE EMPLOYEES AND CLERICAL STAFF OF THE BANK CAN ATTEND ONLY FEW CUSTOMERS AT A TIME. • CUSTOMERS CAN HAVE FACE TO FACE CONTACT IN TRADITIONAL BANKING. • THERE ARE MANY OPERATING AND FIXED COSTS THAT ARE INCURRED IN TRADITIONAL BANKING.
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2.5 EFFECT OF COVID-19 ON THE BANKING SYSTEM

The need for different strategies around innovation and digital banking was apparent in banking well before the pandemic hit. As technology has developed, there has been a rise in customer expectations of banking, not least from the instant and personalized services provided by the leading technology firms. FinTechs have shown what is possible and that all banks need a digital plan. For those who are skeptical, since the lockdown we have seen a **72% rise** in the use of fintech apps in Europe. The COVID-19 situation will not only accelerate the adoption of technology, but will renew focus on the following four key areas of banking:

Embracing new technologies – In the aftermath of the pandemic and economic uncertainties, emerging technologies will play a key role in speeding up transactions and reducing costs for banks. Indian banking sector has already realized the role of technology in achieving the reach and scale.

I foresee higher rates of adoption of microservice architecture by dropping vertically integrated stacks, APIs, containerization, cloud computing, AI and blockchain. These technologies will play critical roles in digital transformation of Banks and Financial Institutions and re-imagine digital delivery of services.

Channels of digitization – As per the 2017 global finindex report by the World Bank, India is home to the world's second largest unbanked population at 190 million adults without access to a bank account. With increased penetration of mobile and Internet, the primary focus would be to accelerate technology enabled digital financial inclusion.

The business focus would also be to create a gradual shift in customer preference from visiting bank branches to using digital channels. Banks will enable its customers to interact over multiple automated and digital channels to offer the optimal channel mix. Banks will consider important factors such as demographics, access to internet, last mile connectivity, customer banking behavior patterns etc. to enable effective adoption by the Indian banking consumers.

Security, privacy and customer trust – According to RBI, for the financial year 2017-18, India's banking sector witnessed a spike in cyber frauds and pegged the losses at \$ 13.7 million. With increased use of cashless and digital economy, it will be imperative for the banks to implement secure frameworks and systems. Some of the obvious cyber risks include financial frauds, money laundering, data loss, identity thefts and privacy breaches.

Banks need to take stringent steps to identify both internal and external system vulnerabilities. They should be technically strengthened by rigorous KYC, strong customer authentication (SCA), financial grade APIs, firewalls, smart networks, etc., for secure and seamless transactions. Robust banking solutions and cyber security initiatives help safeguard against malicious attacks.

Policy and compliance – The focus should be on increased digital payment infrastructure, especially in rural India, with an intention to create a financial ecosystem for the unbanked and underbanked population of our country.

From a security and privacy standpoint, India is already on its path to introduce the Personal Data Protection bill (PDP) on the lines of GDPR in the EU. This bill protects personal information of consumers including sensitive financial information. It would be in the best interest to implement stringent penalties on erring entities found in violation of the bill.

India's banking revolution can be further catalyzed by the introduction of the open banking directive on the lines of the UK and the EU.

The COVID-19 impact on the global and Indian financial systems will be phenomenal and multifold. It is important to take the long view and prioritize accordingly. For Indian banks particularly, resilience, driven by digital agility, is a way to achieve relevance and success on the other side of COVID-19.

CHAPTER 3 – PRESENTATION OF DATA

India's push to build a less-cash economy seems to be gathering momentum with the central bank recording a phenomenal growth in digital transactions till March 2019 and setting an ambitious target to push up the volumes by four times by 2021.

Total digital transactions in volume terms recorded a growth rate of 58.8 per cent during 2018-19, on top of a growth of 50.4 per cent during 2017-18, the Reserve Bank of India said in a report.

The RBI says digital transactions in value terms grew by 19.5 per cent during 2018-19, compared to the growth of 22.2 per cent during 2017-18. Though the bulk of digital transactions in value terms (82.8 per cent) are accounted for by RTGS transactions, retail component of digital transactions (excluding RTGS customers and interbank transactions) witnessed a volume growth of 59.3 per cent during 2018-19, as against 50.8 per cent growth in the previous year.

Given the current trend in cheque usage and the thrust to shift to digitised transactions, the RBI's vision document expects the volume of cheque-based payments would be less than 2.0 per cent of the retail electronic transactions by 2021. Payment systems like the Unified Payment Interface (UPI) are likely to register average annualised growth of over 100 per cent and NEFT at 40 per cent over the vision period. The number of digital transactions is expected to increase more than four times from Rs 2,069 crore in December 2018 to Rs 8,707 crore in December 2021, it says.

"In value terms, retail transactions grew by 38.2 per cent, on top of 45.8 per cent growth last year. They accounted for 99.4 per cent and 17.2 per cent of total digital transactions volume and value, respectively," the RBI said in its report 'Payment and Settlement: The Plumbing in the Architecture of India's Financial System'.

The central bank report says, over the years, the payment and settlement landscape has witnessed unprecedented waves of innovation. “Mobile wallets have literally made banking services available ‘on tap’; digital-only banks have done away with the need for brick and mortar presence. Biometric authentication has made doing transactions much safer and more convenient than the conventional modes of payment. Blockchain may be a potentially disruptive technology but it is creating strong tailwinds in the area of payments for automating and decentralising financial transactions,” it said.

Table 13: Digital Payments in India



Source: RBI Data

Another technological wave is being generated by the application of artificial intelligence (AI) to financial technology, or fintech, industry in the form of automated data analysis, chatbots and robo-advisers. AI is being employed to detect fraud by monitoring patterns of customer behaviour. Near field communication (NFC) technology and central bank digital currencies (CBDCs) are other path-breaking innovations that have emerged into the payment and settlement landscape, the central bank has said.

According to the RBI, volumes under UPI, an instant real-time payment system, reached a peak of 799.5 million in March 2019, 4.5 times the volume in March 2018.

For the fiscal as whole, the total UPI volume was six times larger than the volume during 2017-18. In terms of value, UPI transactions witnessed an eight-fold increase over the previous year. The average value per transaction stood at Rs 1,670 in March 2019, the RBI said.

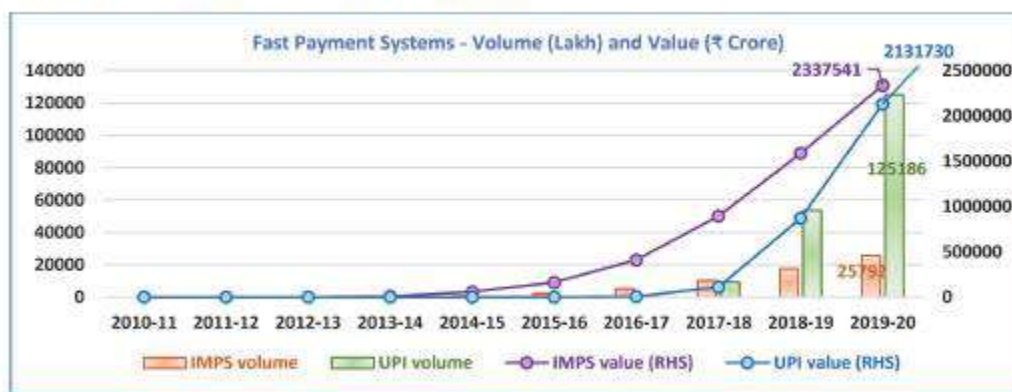
UPI is an immediate money transfer system that enables round the clock interbank fund transfer, throughout the year. Since its commercial launch in August 2016, it has seen a mammoth rise in volumes by far exceeding the transactions done on the IMPS platform.

The volume of cards in point-of-sale (PoS) transactions grew 30.1 per cent during 2018-19 (36.2 per cent last year) and in value terms, by 30.2 per cent (39.6 per cent last year). During 2018-19, debit cards grew by 19.5 per cent and 16.3 per cent in volume and value terms (9 per cent and 24.9 per cent last year), the RBI says.

However, credit cards witnessed higher growth of 25.4 per cent and 31.4 per cent in volume and value, respectively, during 2018-19 (29.2 per cent and 39.7 per cent a year ago).

“Though ATM usage accounted for major share of debit card transactions (69.1 per cent in volume and 84.8 per cent in value), there is evidence of increase in usage of debit cards at PoS consistently, from 4 per cent in 2011-12 to 15 per cent in 2018-19 in value terms,” it said. During 2018-19, debit card PoS usage grew by 32 per cent and 29 per cent for volume and value, respectively (39.3 per cent and 39.5 per cent a year ago).

Table 11: Growth of Fast Payments



Source: RBI Data

The Reserve Bank is now pushing for a 34 per cent increase in PoS terminals to 50 lakh in merchant establishments, mainly involving 44 per cent of total debit card transactions, in the next two years while aiming for “cash-lite economy” and digital modes for e-commerce.

3.1 EVOLUTION OF THE BANKING SECTOR DURING THE COVID-19 PANDEMIC

During the COVID-19 pandemic, financial services are rapidly evolving and transforming their digital business models, with new circumstances. This has, at times, required some leapfrogging through banks' digital transformation agendas. This posed challenges as well as opportunities in the financial services sector, where banks had to execute the provision of a large amount of credit facilities; adapt offerings in support of clients' needs and changed behaviour and introduce fast, flexible and effective measures to keep operations and services stable.

The operational and technical challenges for both the customers and employees highlighted a lacuna and the general lack of agility in our banking systems when faced with an emergency situation. The immediate learnings from the current COVID-19 situation will add the much-needed rigor towards digitizing and optimizing the bank's backend operations. This will eliminate the dependency on manual entries, person led reviews i.e. paper and employee intervention within banks.

When the COVID-19 situation is past us, it is expected that the Indian Banks will shift gears to move away from traditional forms of banking. The

traditional banks will stand the opportunity to leapfrog adopting cutting edge banking technologies and blaze the digital transformation trail. Currently, 27 of Indian public sector (PSU) banks are on a path of consolidation to 10 large banks. It is an opportune time for the PSU's to explore better technology integration and customer adoption.

Other Indian banks (both public and private) which are already online with some core banking functions will focus on a complete transition by digitization of all their functions, processes and systems. Legacy Indian banks and financial institutions will also look at collaboration with the new entrants and fintechs. Such necessity-driven partnerships will drive innovation and jointly reap the benefits of the large customer base of the banks and the new technologies of the fintechs.

3.2 IMPACT OF COVID-19 ON DIGITAL AGENDA OF BANK

The key battleground for banks as they try to convince investors they can incorporate an effective digital path for customers, while also reducing costs and not risking operational resilience. So what has been the impact of COVID-19 on this agenda?

It is always dangerous to look at long-term trends or analyze the impact so quickly after such an unprecedented shock. There is no benefit to monitoring what your customers are saying or watching them get frustrated with a particular process if you can't change it quickly. Bank teams should ensure real time engagement with their risk and compliance teams as well as putting controls in place to minimize conduct and compliance risk.

The ability to spot and quickly smooth over any bumps will be the key to making the experience better for customers and avoid reputational damage. Banks can also improve their web channels by personalizing experiences through self-selection navigation, targeted online banking communication and robust FAQ content and features. It all helps customers and should also ensure less need for more call staff.

Open banking APIs (Application Programming Interfaces) powered by advanced analytics and advanced AI can provide richer real time

personalization than customers receive today, and many FinTechs can provide powerful accelerators.

We may also see bank executives looking at divestments as they look to fund much-needed investment in digitization. It won't be surprising to hear that those banks who have better digital capabilities will benefit relative to peers who may struggle to cope with banking in the lockdown. Customers are being forced to use digital channels and may look unfavorably on banks whose systems feel slow, cumbersome or overly complicated. Banks must ensure customers using remote channels have a positive experience both during, and beyond the crisis.

Regardless of their digital prowess, banks should be using the last few months to digest the data they are seeing from their digital channels. We know many banks have been challenged by a surge in customer queries, which has led to delays in customers being able to contact their bank. Customer insight, say through call center demand analytics, should feed into banks plans to help them increase response times and better serve customers. For example, using chatbots or redeploying branch staff to boost contact center capacity.

Regardless of the increased use of technology, with branches largely unavailable, maintaining connectivity for customers is the key – and we have seen banks do that, using apps, emails and website messages to speak directly to individuals.

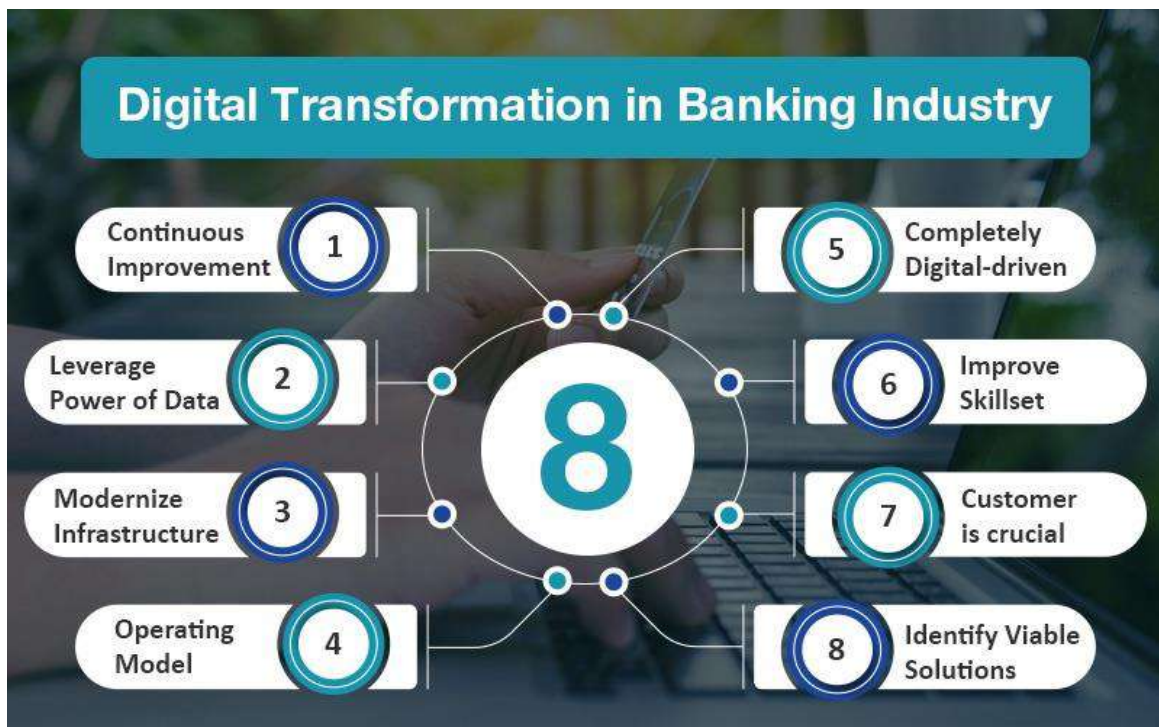
Even for the digitally able customer, many are finding that digital services are unable to handle their very specific, complex and urgent needs. Banks should use the crisis to identify where the current customer journey can be improved to enhance the experience during and post crisis.

3.3 THE KEY AREAS FOR DIGITAL SUCCESS IN BANKING

Digital Transformation is enjoying a deeper penetration across all industries, irrespective of the different end-user base and other factors. Increasing usage of smart devices, improved connectivity and demand for high end-user experience are among key aspects driving the digital transformation trend, taking services to the customer doorstep.

The banking industry is one that is undergoing such rapid modernization giving scope for digital transformation across its operations.

However, a successful digital transformation journey in the banking industry is dependent on 8 key factors, they are:



- ✓ **Customer is Crucial** - Ensure to understand and analyze what the customer is looking for. Seamless delivery of services, high end-user experience, personalized product experience, transparency and security stand at the core of customer satisfaction in today's fast-changing market trend. It has become imperative for organizations to adopt 'customer-first' approach to achieve success in this competitive scenario.

Bring about the change in operating procedures, introduce digital platforms in service offerings, enhance customer interaction procedures, and more. All these activities not only enhance your service delivery, but also boosts customer engagement with your business, the key driver behind any business success.

- ✓ **Continuous Improvement** - Seamless innovation delivery pipeline built on agile principles is key to achieving continuous improvement. The pipeline should be so effective and be able to easily track changing market trends, test innovative products and facilitate fast feedback mechanisms to iterate products for enhancements. This cycle naturally contributes to on-demand service delivery, continuous innovation and continuous improvement, resulting in accelerated time-to-market.
- ✓ **Modernize infrastructure** - Achieving digital transformation is not just introducing digital technologies. The underlying infrastructure has a crucial role in facilitating the information flow that are key to the frontend digital operations. So, it's important to modernize your legacy infrastructure to support digital platforms. Microservice architecture, APIs and DevOps can be helpful in this regard for continuous integration and delivery resulting in shorter release cycles.
- ✓ **Operating Model** - Now, customers are in need for a hybrid experience, a combination of never-seen digital experience in terms of speed and convenience, and personal look and feel of the product. This is possible by transforming business in three different operations models:
 - Digital as Business – At the management level
 - Digital as New Line of Business – At the next level as separate digital division to take care of digital activities.
 - Digital Native – New setup with its own technology stack, focusing directly on customers
- ✓ **Identify Viable Solutions** - Make sure not to miss out anything in the process of modernizing your legacy infrastructure. Even the things you feel obsolete can make some crucial contribution. Identify and leverage the potential of all the minimum viable solutions, and introduce them across digital channels. Ensure to make the effective and best utilization of existing options too.

- ✓ **Leverage Power of Data** - Banking institutions should realize the power of data and related tools and resources in driving business success. They have to think more about implementing data analytics practices to understand and monitor customer thinking patterns. This helps them produce the most relevant products that match customer needs.
This will also help them gain key market insights that can further assist them in enhancing product offerings, experience and deepen the customer relationship.
- ✓ **Improve skillset** - As the World Economic Forum's report shows, more than 55% of finance sector employees will need to upgrade their skillset to fulfill existing and changing operational demands. The drive for improved skillset will require necessary investment for change in operating culture, thinking patterns, culture of learning, skillset training and more across the teams.
- ✓ **Completely Digital-driven** - Finally, the organization should possess all digital capabilities such as strategy, culture, relevant technologies, funding, skillset and more that contribute to a complete digital transformation journey. Learn from the experiences, adopt the best available practices and develop a perfect digital strategy.

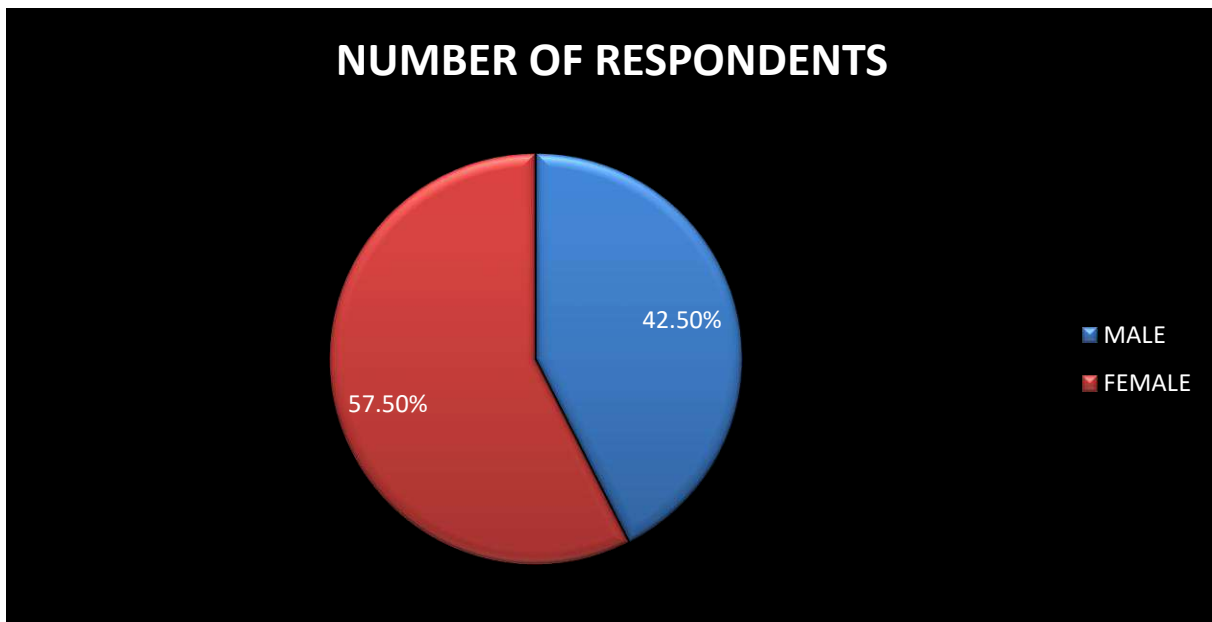
CHAPTER 4 - ANALYSIS AND INTERPRETATION OF DATA

This chapter shows the presentation and analysis of data collected from questionnaires in the form of various charts and graphs to get the opinion of the general population on the shift of banking method from traditional to digital banking method and their satisfaction derived from using the digital products.

TABLE NO. 1- NUMBER OF RESPONDENT

SERIAL NO.	GENDER	NO. OF RESPONDENTS	% OF RESPONDENTS
1	MALE	34	42.5%
2	FEMALE	46	57.5%
	TOTAL	80	100%

COUNT OF GENDER:

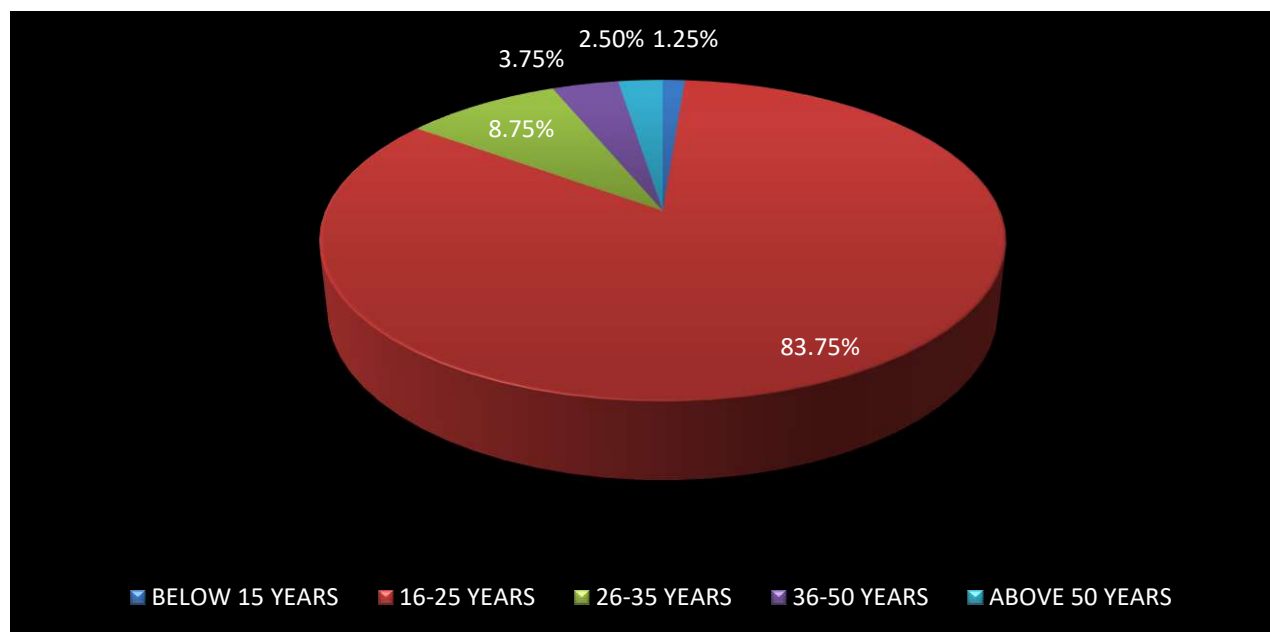


The table and chart shows the number of male and female respondents. There are 34 male respondents whereas 46 female respondents which means there is a majority of female respondents.

TABLE 2- AGE DISTRIBUTION TABLE

SERIAL NO.	AGE RANGE	NO. OF RESPONDENTS	% OF RESPONDENTS
1	Below 15 yrs	1	1.25%
2	16-25 Years	67	83.75%
3	26-35 Years	7	8.75%
4	36-50 Years	3	3.75%
5	Above 50 yrs	2	2.5%
	TOTAL	80	100%

COUNT OF AGE:

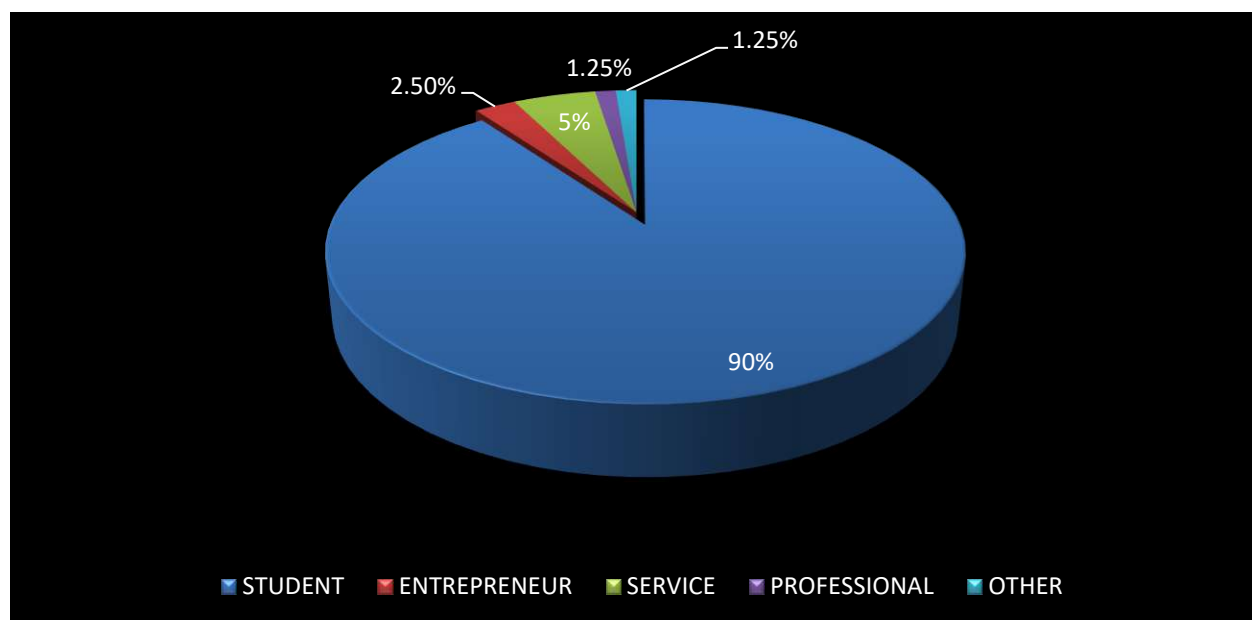


From the above table we can understand that the majority of the respondents are between the age group 16-25 years.

TABLE 3- PROFESSION GRAPH

Serial no.	profession	No. of respondents	% of respondents
1	Student	72	90%
2	Entrepreneur	2	2.5%
3	Service	4	5%
4	Professional	1	1.25%
5	Other	1	1.25%
	TOTAL	80	100%

COUNT OF PROFESSION:

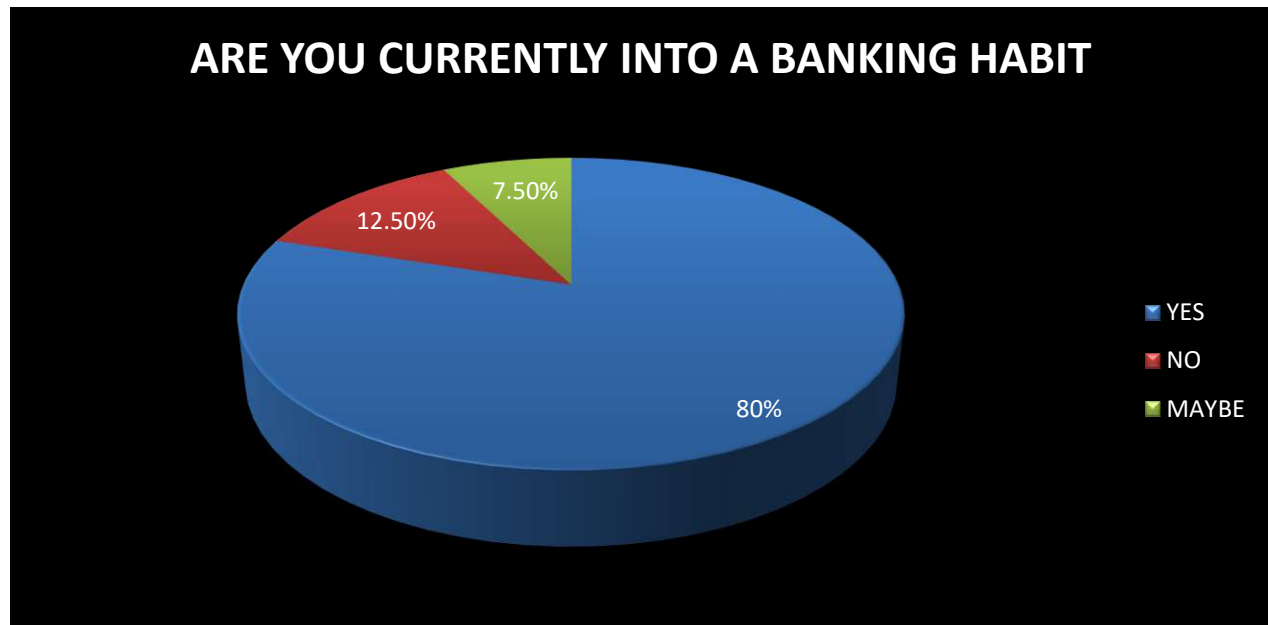


From the above presentation it is clearly understandable that maximum number of responses were recorded of students followed by those in service

and entrepreneurs, least being professional and any other type of profession.

TABLE 4- ARE YOU CURRENTLY INTO A BANKING HABIT?

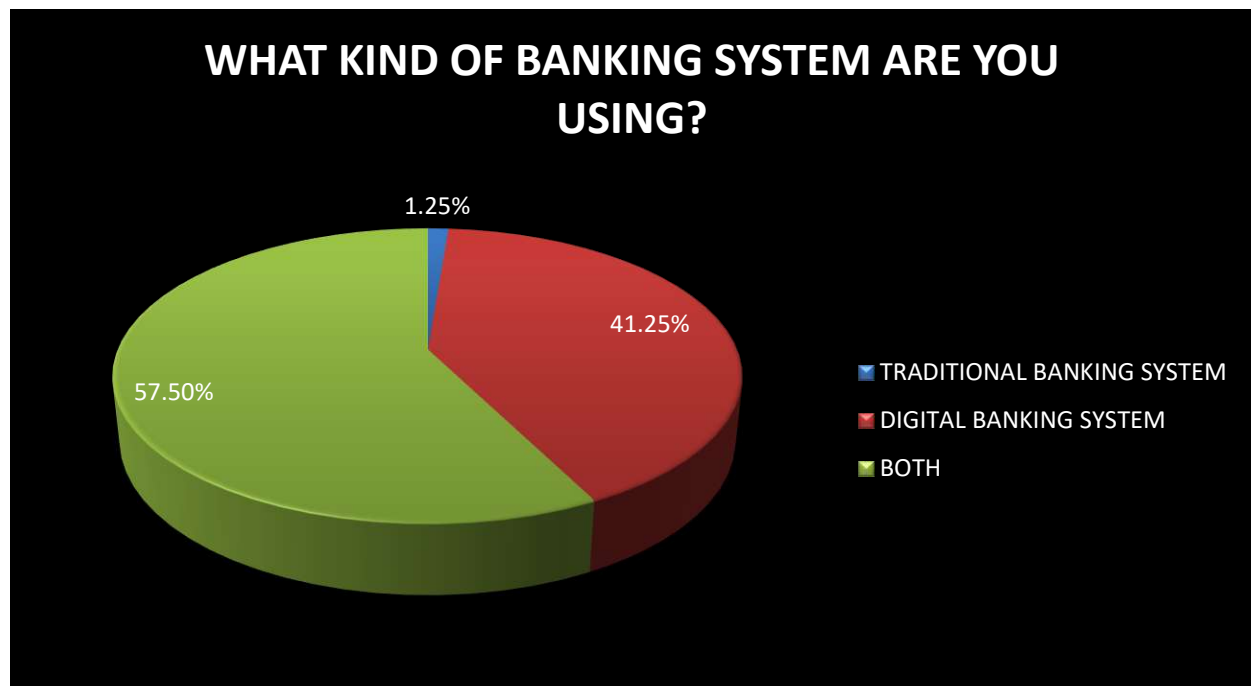
SERIAL NO.	RESPONSE	NO. OF RESPONDENTS	% OF RESPONDENTS
1	YES	64	80%
2	NO	10	12.5%
3	MAYBE	6	7.5%
	TOTAL	80	100%



From the above data we can understand that most of the people are in the habit of banking as 64 respondents which is 80% of the population said 'Yes'.

TABLE 5 -WHAT KIND OF BANKING SYSTEM ARE YOU USING?

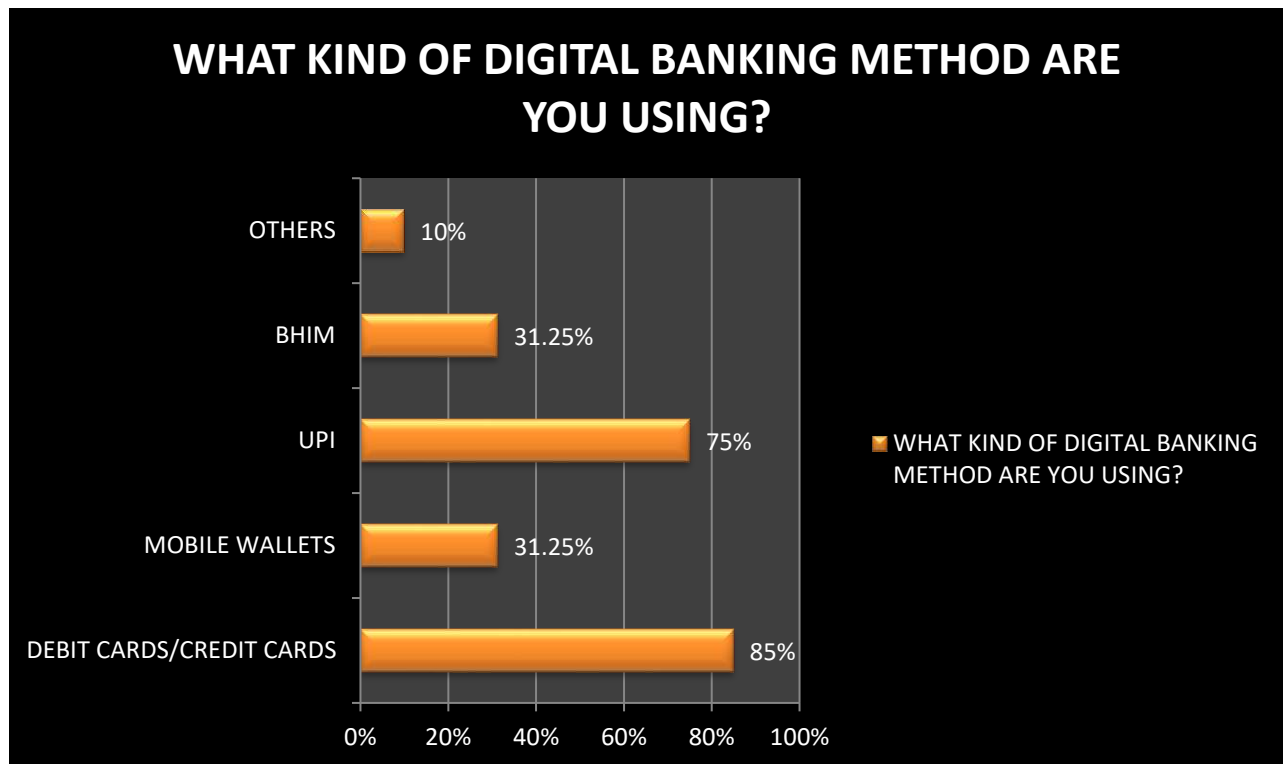
SERIAL NO.	RESPONSES	NO. OF RESPONDENTS	% OF RESPONDENTS
1	TRADITIONAL BANKING SYSTEM	1	1.25%
2	DIGITAL BANKING SYSTEM	33	41.25%
3	BOTH	46	57.5%
	TOTAL	80	100%



From the above diagrammatical representation it is understandable that the consumers use both the traditional and digital banking system more which is 57.5% of the population.

TABLE 6 - WHAT KIND OF DIGITAL BANKING METHOD ARE YOU USING?

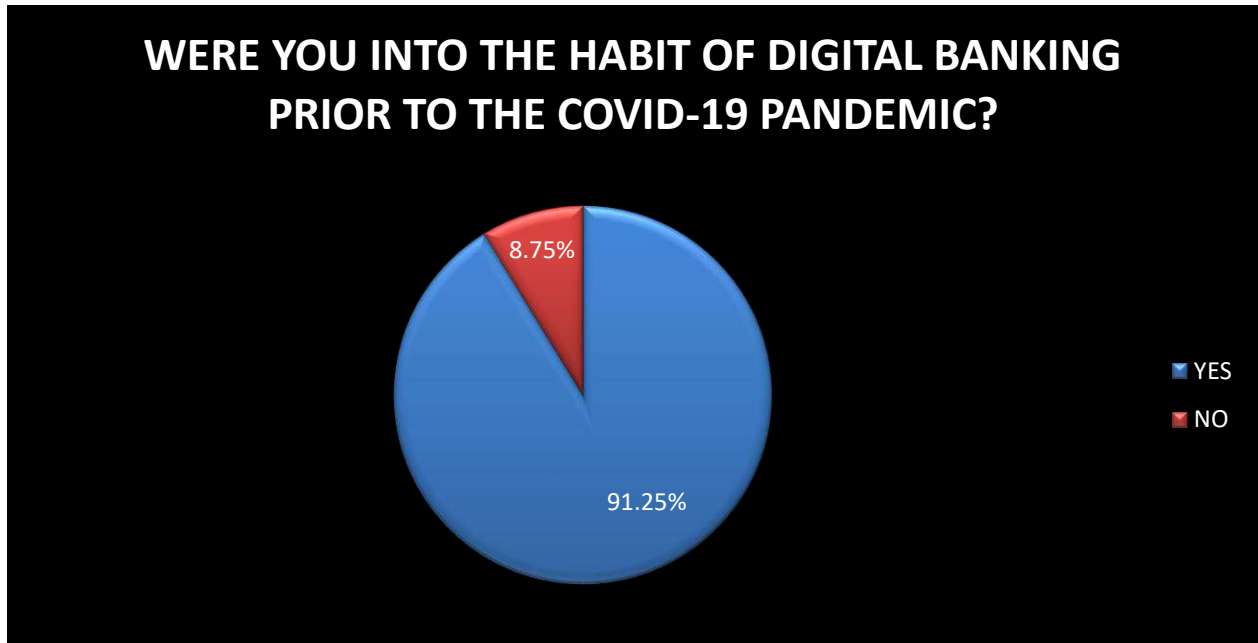
SREIAL NO.	RESPONSES	NO. OF RESPONSES	% OF RESPONSES
1	DEBIT CARDS/CREDIT CARDS	68	85%
2	MOBILE WALLETS	25	31.25%
3	UPI	60	75%
4	BHIM	25	31.25%
5	OTHERS	8	10%



In the above representation it is seen that the customers use the banking cards mostly for their digital transactions followed by UPI, BHIM and Mobile wallets.

TABLE 7- WERE YOU INTO THE HABIT OF DIGITAL BANKING PRIOR TO THE COVID-19 PANDAMIC?

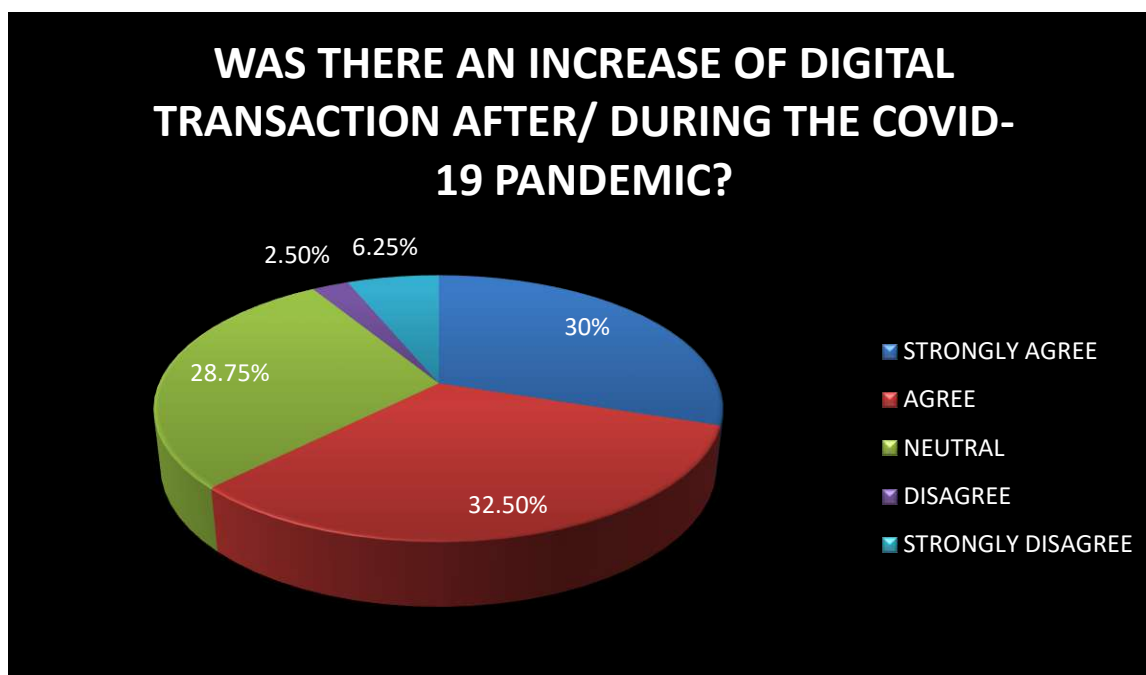
SERIAL NO.	RESPONSES	NO. OF RESPONDENTS	% OF RESPONDENTS
1	YES	73	91.25%
2	NO	7	8.75%
	TOTAL	80	100%



From the above data it is clear that above 90% of the respondents were into the habit of digital banking even before the COVID-19 Pandemic.

TABLE 8- WAS THERE AN INCREASE OF DIGITAL TRANSACTION AFTER/DURING THE COVID-19 PANDAMIC?

SERIAL NO.	RESPONSES	NO. OF RESPONDENTS	% OF RESPONDENTS
1	STRONGLY AGREE	24	30%
2	AGREE	26	32.5%
3	NEUTRAL	23	28.75%
4	DISAGREE	2	2.5%
5	STRONGLY DISAGREE	5	6.25%
		80	100%

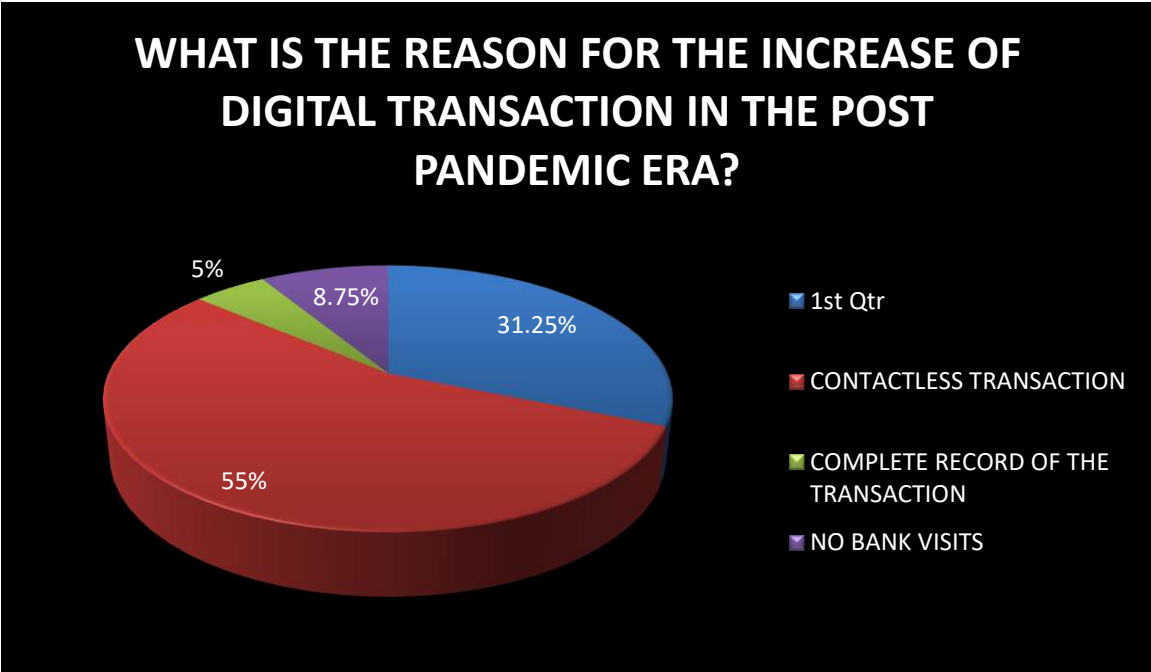


From the above diagram we can acknowledge that most of the respondents believe in the fact that the digital transactions were increased in the post pandemic era.

TABLE 9- WHAT IS THE REASON FOR THE INCREASE OF DIGITAL TRANSACTION IN THE POST PANDEMIC ERA?

SERIAL NO.	RESPONSES	NO. OF RESPONDENTS	% OF RESPONDENTS
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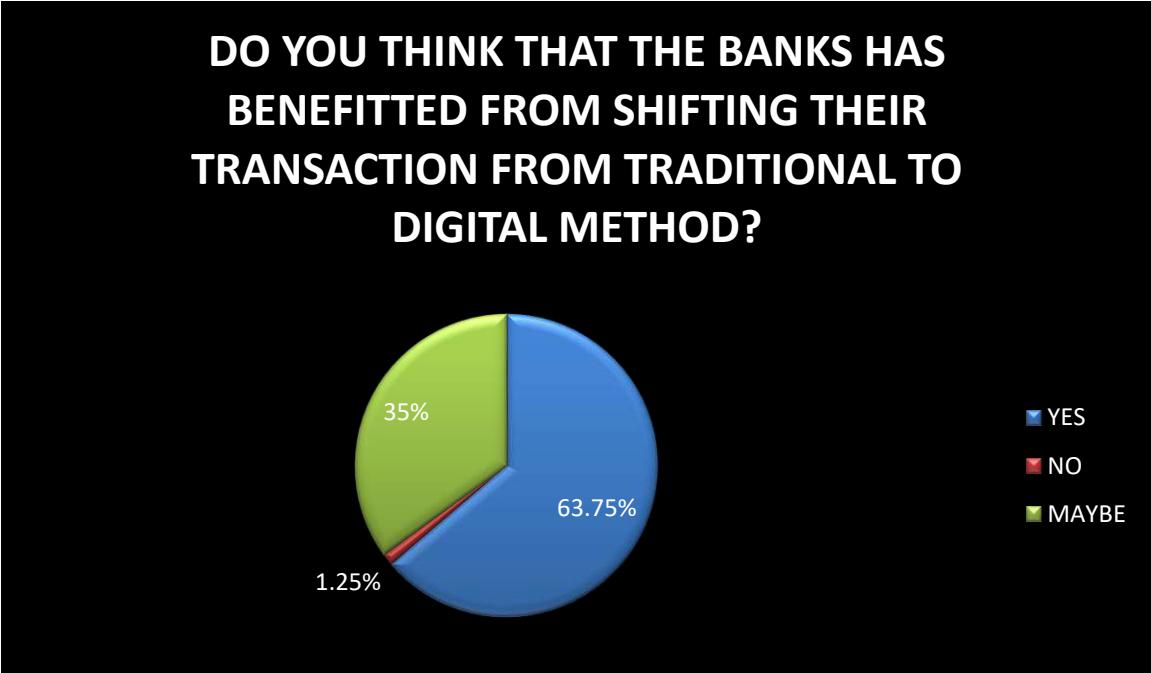
1	EASE OF TRANSACTION	25	31.25%
2	CONTACTLESS TRANSACTION	44	55%
3	COMPLETE RECORD OF THE TRANSACTION	4	5%
4	NO BANK VISIT	7	8.25%
	TOTAL	80	100%



As it is visible in the diagram that the feature of contactless transaction and ease of transaction makes digital banking more selectable method of banking in the post covid-19 era.

TABLE 10- DO YOU THINK THAT THE BANKS HAVE BENEFITED FROM SHIFTING THEIR TRANSACTION FROM TRADITIONAL TO DIGITAL METHOD?

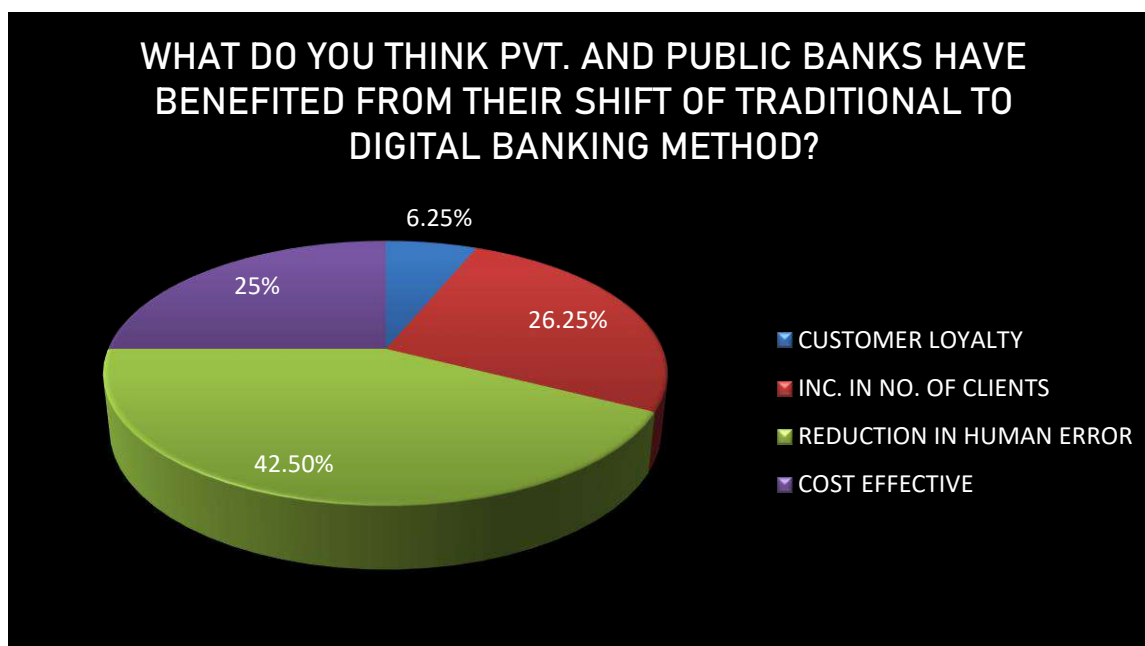
SERIAL NO.	RESPONSES	NO. OF RESPONDENT	% OF RESPONDENT
1	YES	51	63.75%
2	NO	1	1.25%
3	MAYBE	28	35%
	TOTAL	80	100%



As the data suggests, 63.75% of the respondents have the idea that the banks have been benefited from shifting their transactions from traditional banking method to digital.

TABLE 11- WHAT DO YOU THINK PRIVATE AND PUBLIC BANKS HAVE BENEFITED FROM THEIR SHIFT OF TRADITIONAL TO DIGITAL BANKING METHOD?

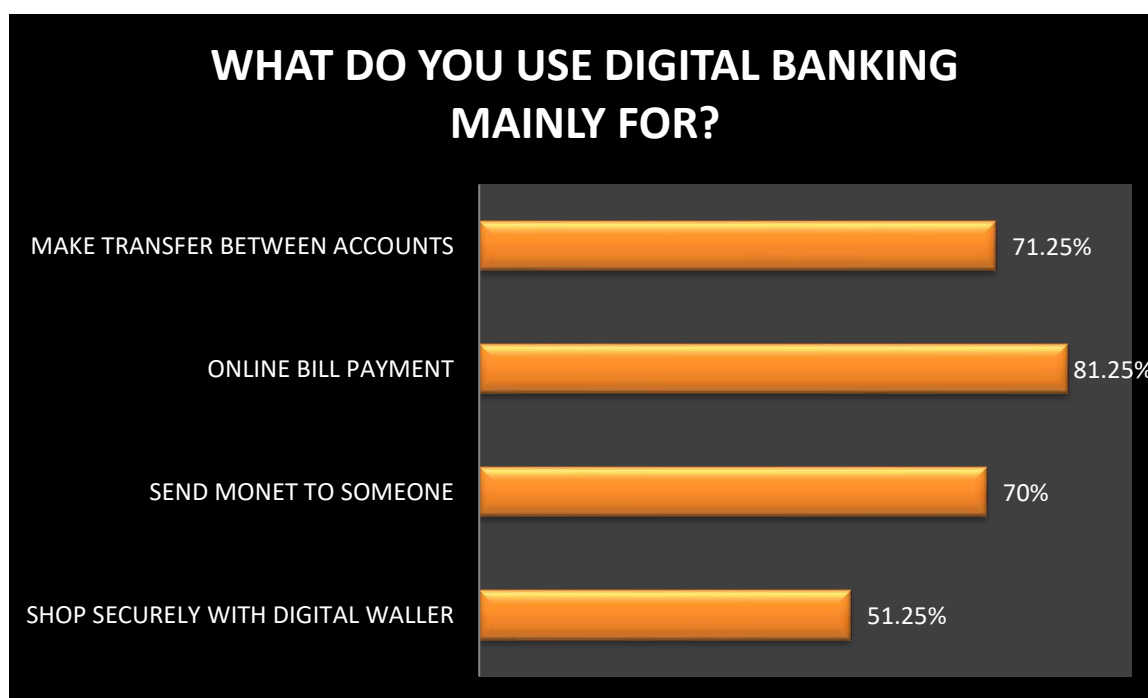
SERIAL NO.	RESPONSES	NO. OF RESPONDENTS	% OF RESPONDENTS
1	CUSTOMER LOYALTY	5	6.25%
2	INCREASE IN NO. OF CLIENTS	21	26.25%
3	REDUCTION IN HUMAN ERRORS	34	42.5%
4	COST EFFECTIVE	20	25%
	TOTAL	80	100%



From the above data it is understandable that the customers think that ‘reduction in human error’ is the biggest benefit that the banks have derived upon shifting their traditional banking method to digital.

TABLE 12- WHAT DO YOU USE DIGITAL BANKING MAINLY FOR?

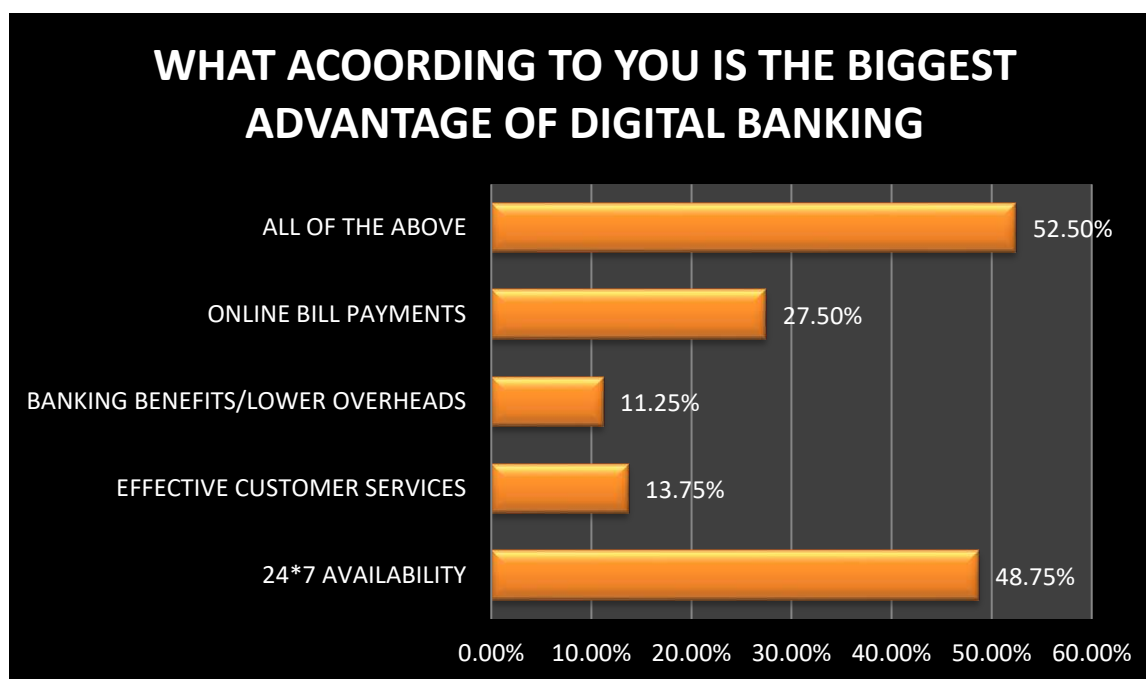
SERIAL NO.	RESPONSES	NO. OF RESPONSES	% OF RESPONSES
1	MAKE TRANSFER BETWEEN ACCOUNTS	57	71.25%
2	ONLINE BILL PAYMENT	65	81.25%
3	SEND MONEY TO SOMEONE	56	70%
4	SHOP SECURELY WITH DIGITAL WALLET	41	51.25%



From the above representation we can draw the inference that most of the customers use digital banking for online bill payments followed by making transfer between accounts, sending money to someone and online shopping.

TABLE 13- WHAT ACCORDING TO YOU IS THE BIGGEST ADVANTAGE OF DIGITAL BANKING?

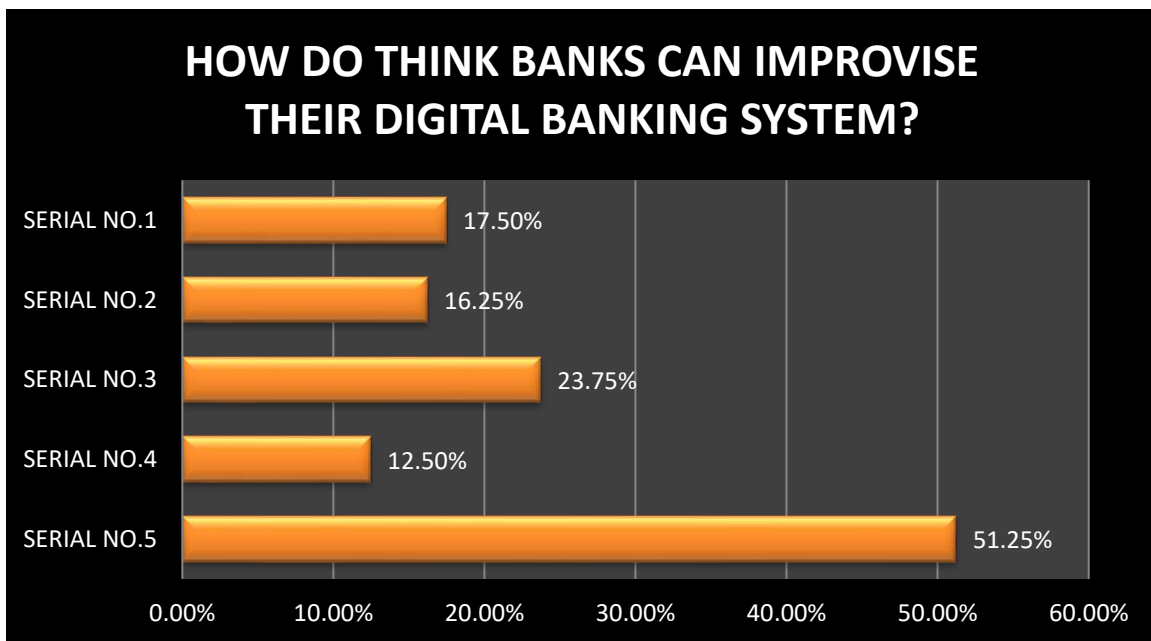
SERIAL NO.	RESPONSES	NO. OF RESPONSES	% OF RESPONSES
1	24*7 AVAILABILITY	39	48.75%
2	EFFECTIVE CUSTOMER SERVICES	11	13.75%
3	BANKING BENEFITS/LOWER OVERHEADS	9	11.25%
4	ONLINE BILL PAYMENTS	22	27.5%
5	ALL OF THE ABOVE	42	52.5%



From the above representation it is conclusive that most of the customers considers that all of the options are goods advantages of digital banking mostly being the 24*7 availability of the products and resources & data.

TABLE 14- HOW DO YOU THINK BANKS CAN IMPROVISE THEIR DIGITAL BANKING SYSTEM?

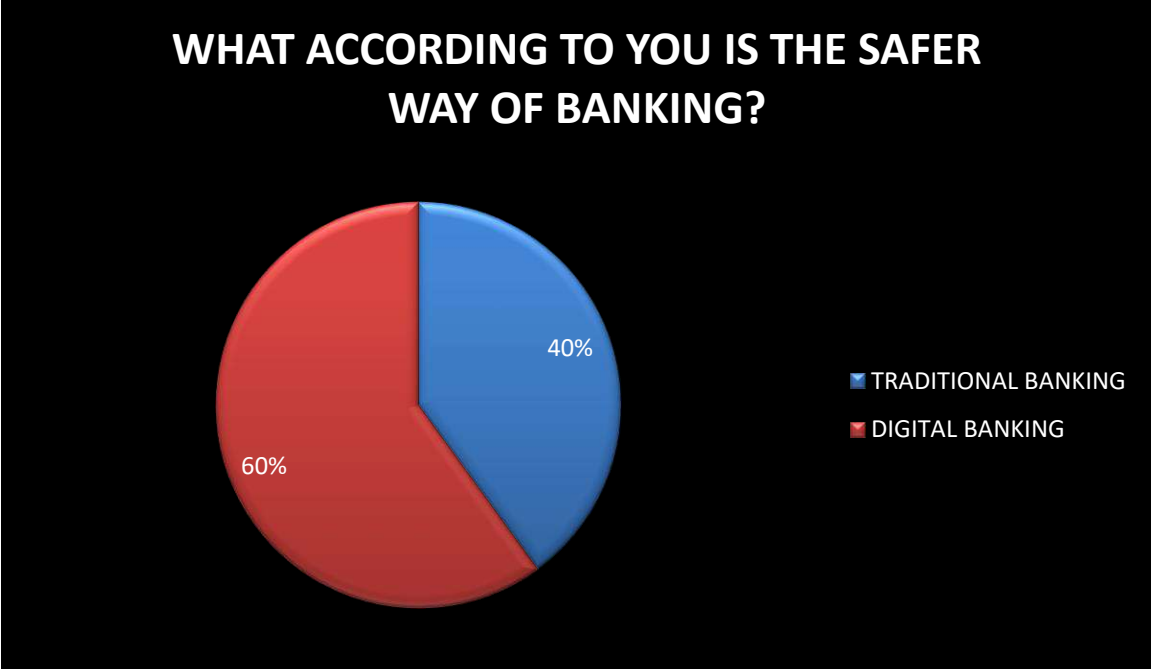
SERIAL NO.	RESPONSES	NO. OF RESPONSES	% OF RESPONSES
1	TARGET ONLINE BANKING FOR MILENNIAL USERS	14	17.5%
2	PROVIDE CUSTOMER VERIFICATION	13	16.25%
3	ENSURING THEIR MOBILE APPS ARE UP TO DATE	19	23.75%
4	PROVIDE VOICE-OVER SERVICES	10	12.5%
5	ALL OF THE ABOVE	41	51.25%



Most of the respondents think that all of the mentioned options must be taken into consideration by the banks to ensure a better service to their customers.

TABLE 15- WHAT ACCORDING TO YOU IS THE SAFER WAY OF BANKING?

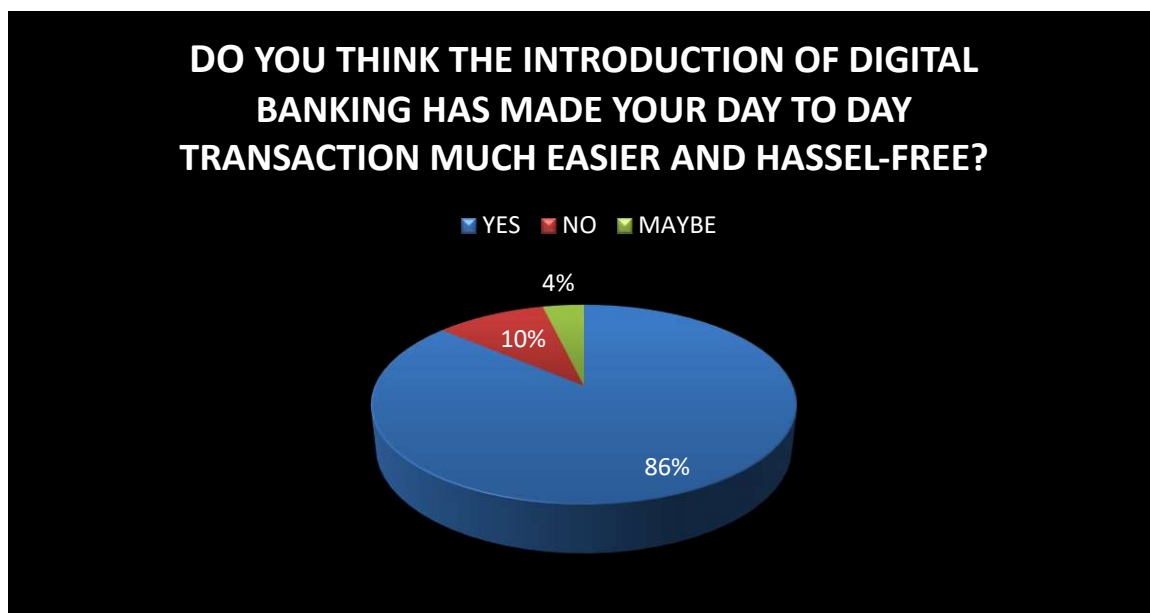
SERIAL NO.	RESPONSES	NO. OF RESPONDENTS	% OF RESPONDENTS
1	TRADITIONAL BANKING	32	40%
2	DIGITAL BANKING	48	60%
	TOTAL	80	100%



The above data shows that 60% of the respondents thinks digital banking is safer while 40% of them have selected the traditional banking to be safer.

TABLE 16- DO YOU THINK THE INTRODUCTION OF DIGITAL BANKING HAS MADE YOUR DAY TO DAY TRANSACTIONS MUCH EASIER AND HASSEL-FREE?

SERIAL NO.	RESPONSES	NO. OF RESPONDENTS	% OF RESPONDENTS
1	YES	69	86.25%
2	NO	8	10%
3	MAYBE	3	3.75%
	TOTAL	80	100%

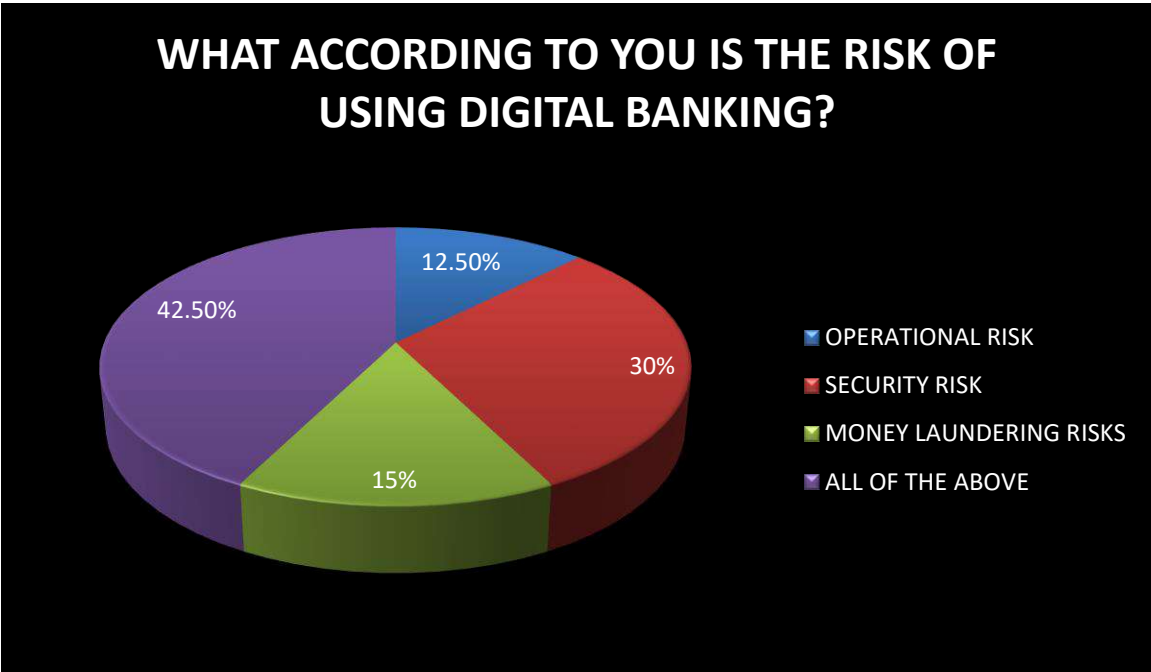


From the data representation, it can be perceived that most of the respondent's (i.e. 86% of the respondent's) day to day transactions are easier due to the digital banking method.

TABLE 17-WHAT ACCORDING TO YOU IS THE RISK OF USING DIGITAL BANKING?

SERIAL NO.	RESPONSES	NO. OF	% OF
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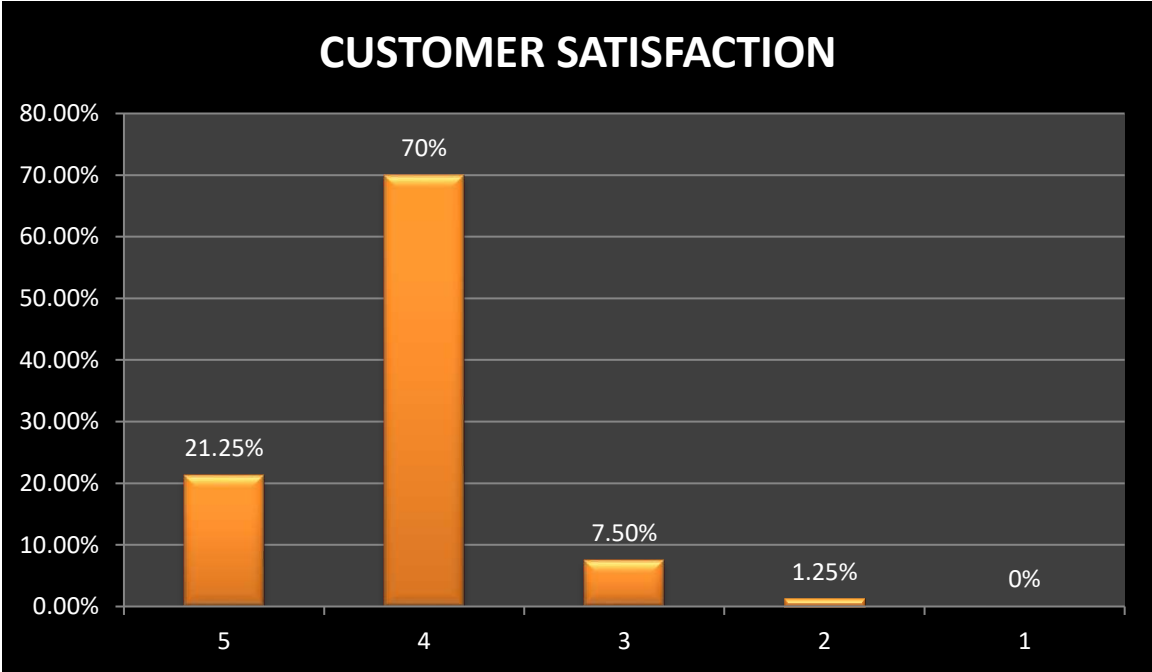
		RESPONDENTS	RESPONDENTS
1	OPERATIONAL RISK	10	12.5%
2	SECURITY RISK	24	30%
3	MONEY LAUNDERING RISK	12	15%
4	ALL OF THE ABOVE	34	42.5%
	TOTAL	80	100



As represented by the above diagram, there are several risk associated with digital banking highest of which is the risk of security, followed by money laundering risk and operational risk. Most respondents however considered all of the above risks to be associated with digital banking.

TABLE 18- HOW SATISFIED YOU ARE USING THE DIGITAL BANKING SYSTEM? (ON A SCALE OF 1 TO 5)

RATINGS	NO OF RESPONDENTS	% OF RESPONDENTS
5	17	21.25%
4	56	70%
3	6	7.5%
2	1	1.25%
1	0	0%
TOTAL	80	100%



All over it was the response coming from the respondents. Maximum no. of respondents i.e., 56 of them have rated their satisfaction with the digital banking system a 4, 17 of them rated 5, 6 of them however rated a 3 and 1 respondent rated 2 out of 5.

CHAPTER 5 - CONCLUSION AND RECOMENDATION

5.1 Conclusion

Digital transformation is a near-top priority for every bank today with investments soaring on technology, up-skilling staff, and innovation. This huge revolution in the banking world has benefited one and all. From the employee working in a small office to a businessman running a million-dollar business, digital banking has proved to be important in their success.

However, these are the conclusions that are drawn from the primary source:

- Most of the respondents are currently into the habit of banking and most of them use both the traditional and digital method of banking. While almost 90% of them were into the habit of digital banking prior to the COVID-19 pandemic however, most of them have agreed that there is an increase in the digital transactions post pandemic.
- Banking cards and UPI are widely used by the respondents for their daily transactions and believes that contactless and ease of transactions is the reason for such increase of digitalization.
- Most of the respondents have responded that the banks were benefitted from their shift of traditional banking method to digital method as they think 24*7 availability of the facility and online bill payment option acts as the biggest advantage of digitalization as they are able to retain customer loyalty in the tough times of the pandemic along with increase in no. of clients and reduction of human error.
- Most of the respondents use the digital banking for online bill payments, make transfer between the accounts or send money to someone at the ease of a touch.
- 60% of the population thinks that digital banking is safer while 40% of them think that traditional method of banking is safer. Although

more than 85% of them confirms that the introduction of the digital banking system have made their day to day transaction easier and hassle-free.

- There are few ways that the population in general thinks banks can do to improve their digital banking system and they are:
 - TARGET ONLINE BANKING FOR MILENNIAL USERS
 - PROVIDE CUSTOMER VERIFICATION
 - ENSURING THEIR MOBILE APPS ARE UP TO DATE
 - PROVIDE VOICE-OVER SERVICES

- Although there are many advantages and benefits derived from the introduction of digital banking there are many risks that are associated with it some of which are security risk, operational risk, money laundering risk, etc.

- With all the pros and cons that digital banking offers it with most of the population are satisfied by its service.

With so many benefits offered for us, it is highly impossible for us to think a world without digital banking.

5.2 RECOMMENDATIONS:

These are few recommendations on how banks can smoothly run their digital agenda:

Protect clients by identifying conspicuous or fraudulent transactions: Organizations can apply successful fraud prevention for credit card transactions using artificial intelligence (AI) with real-time data analytics as an early warning system. A digital solution analyzing a variety of variables

evaluates the fraud probability of credit card transactions and, upon suspicion, initiates an immediate request for client feedback to clarify legitimacy. Adaptive analytics through machine learning can be applied by continuously reintroducing client feedback into the data model. This significantly reduces losses through fraud cases. The sound application and scale of the preventative AI was particularly important during COVID-19, with relative fraud prevention activity levels up by more than 40% compared to pre COVID-19 levels.

Meet regulatory and legal requirements:

Data analysis helps organizations meet legal and regulatory requirements more efficiently. Machine learning is used to detect deviations in client and transaction profiles. Clients with large and complex needs bear an increased level of operational risk such as Anti-Money Laundering (AML)/Know Your Customer (KYC) checks, which can be managed with holistic client and transaction review tools. These tools apply smart analytics to identify issues and enhanced interactivity/visualization to translate data into insights. This allows organizations to identify risks with increased speed and quality, and helps make complex data patterns available to larger audiences through enhanced visualization.

Serve clients better through data and analytics:

Banks can invest to add value for clients by applying advanced analysis to their portfolios and offering related tailored products, investments and advisory services. They can improve products further by evaluating client feedback to improve the overall experience with better quality interactions. Digital solutions and data and analytics can also be used to increase the relevance and efficiency of client communications and tailor financial services better to clients' needs.

Follow sound data principles:

The rising importance and application of data and analytics in financial services means ethical principles for the use of data beyond existing laws, rules and regulations are pivotal. In 2019, leading financial services firms, including UBS, endorsed the principles for use of data developed by the World Economic Forum.

CHAPTER 6 – RESEARCH METHODOLOGY

The research is descriptive in nature, the present study analyses the shift of the traditional banking system to the digital banking system in the past few years. The study has broadly focused on the role of covid-19 on such shift of the banking system and how the pandemic have accelerated the growth of the digitalization of the banking system.

❖ **Data Collection:**

The data has been equally collected from both primary and secondary sources.

❖ **Sources of Data:**

- ✦ **Primary Data:** The study is largely based on the primary data which has been collected through the structured Questionnaire Method.

The Questionnaire have been prepared to study the customer perception towards the digitalization of the banking system and to measure their satisfaction level from using the digital products offered by their respective banks. For the present study purpose questionnaire method is used to collect the primary data. This is a self administrated questionnaire.

- ✦ **Secondary Data:** This type of data has already been collected by someone else and has already passed through statistical process. This type of data has been collected from the following resources:
 - Internet
 - Newspapers and Journals
 - Govt. Gazette
 - Magazine.

❖ **Research Plan :**

- ✦ Data Source : Primary Data
- ✦ Research Approach : Survey
- ✦ Research Instrument: Questionnaire
- ✦ Method of Conduct : Personal
- ✦ Sample Size : 80 Respondents

❖ **Statistical Tools and Techniques :**

Statistical tool of percentage analysis, graphs, pie chart and tables has been used for the analysis of the data and to draw a meaningful conclusion there from.

CHAPTER 7 – LIMITATION OF THE STUDY

- ✦ More primary research could've been used but questionnaire was the only way to get the primary data due to the COVID-19 pandemic.
- ✦ The sample size is small as there were only 80 respondents and the response from the samples may be biased.
- ✦ The answer to the questionnaire largely depends upon the mindset of the respondents.
- ✦ An issue of time constraint as the study was to be submitted within limited time frame.
- ✦ The survey area is small as many people have ignored to fill up the questionnaire.
- ✦ Secondary data was not easily accessible and there was lack of updated data.

CHAPTER 8 – BIBLIOGRAPHY

∞ MAGAZINES:

- ✚ Economic times magazine
- ✚ Forbes magazine

∞ NEWSPAPER:

- ✚ Times of India newspaper

∞ WEBSITES:

- ✚ Rbi.org.in
- ✚ Wikipedia.org
- ✚ Cbinsights.com
- ✚ Pwc.com
- ✚ Techfunnel.com
- ✚ Enterslice.com
- ✚ Mckinsey.com
- ✚ Deloitte.com
- ✚ Gatehub.net
- ✚ researchdive.com
- ✚ dqindia.com
- ✚ hdfcbank.com
- ✚ groww.in

QUESTIONNAIRE:

1. NAME :

2. EMAIL ID :

3. YOUR AGE :

- a) Below 15 Years
- b) 16-25 Years
- c) 26-35 Years
- d) 36- 50 Years
- e) Above 50 Years

4. ARE YOU CURRENTLY INTO A BANKING HABIT?

- a) YES
- b) NO
- c) MAYBE

5. YOUR OCCUPATION:

- a) STUDENT
- b) ENTERPRENUER
- c) SERVICE
- d) OTHERS

6. WHAT KIND OF BANKING METHOD ARE YOU USING?

- a) TRADITIONAL BANKING METHOD
- b) DIGITAL BANKING METHOD
- c) BOTH

7. WHAT KIND OF DIGITAL BANKING METHODS ARE YOU USING?

- a) DEBITCARDS/CREDIT CARDS
 - b) MOBILE WALLETS
 - c) BHIM
 - d) UPI
 - e) OTHERS
- 8. WERE YOU INTO THE HABIT OF DIGITAL BANKING PRIOR TO THE COVID-19 PENDING?**
- a) YES
 - b) NO
- 9. WAS THERE AN INCREASE OF DIGITAL TRANSACTION AFTER/ DURING THE COVID-19 PENDING?**
- a) STRONGLY AGREE
 - b) AGREE
 - c) NEUTRAL
 - d) DISAGREE
 - e) STRONGLY DISAGREE
- 10. WHAT IS THE REASON FOR THE INCREASE OF DIGITAL TRANSACTION IN THE POST PANDEMIC ERA?**
- a) EASE OF TRANSACTION
 - b) CONTACTLESS TRANSACTION
 - c) COMPLETE RECORD OF THE TRANSACTION
 - d) NO BANK VISIT
- 11. DO YOU THINK THAT THE BANKS HAVE BENEFITED FROM SHIFTING THEIR TRANSACTION FROM TRADITIONAL TO DIGITAL METHOD?**
- a) YES
 - b) NO
 - c) MAYBE

12. WHAT DO YOU THINK PRIVATE AND PUBLIC BANKS HAVE BENEFITED FROM THEIR SHIFT OF TRADITIONAL TO DIGITAL BANKING METHOD?

- a) CUSTOMER LOYALTY
- b) INCREASE IN NO. OF CLIENTS
- c) REDUCTION IN HUMAN ERRORS
- d) COST EFFECTIVE

13. WHAT DO YOU USE DIGITAL BANKING MAINLY FOR?

- a) MAKE TRANSFER BETWEEN ACCOUNTS
- b) ONLINE BILL PAYMENT
- c) SEND MONEY TO SOMEONE
- d) SHOP SECURELY WITH DIGITAL WALLET

14. WHAT ACCORDING TO YOU IS THE BIGGEST ADVANTAGE OF DIGITAL BANKING?

- a) 24*7 AVAILABILITY
- b) EFFECTIVE CUSTOMER SERVICES
- c) BANKING BENEFITS/LOWER OVERHEADS
- d) ONLINE BILL PAYMENTS
- e) ALL OF THE ABOVE

15. HOW DO YOU THINK BANKS CAN IMPROVISE THEIR DIGITAL BANKING SYSTEM?

- a) TAGET ONLINE BANKING FOR MILENNIAL USERS
- b) PROVIDE CUSTOMER VERIFICATION
- c) ENSURING THEIR MOBILE APPS ARE UP TO DATE
- d) PROVIDE VOICE-OVER SERVICES
- e) ALL OF THE ABOVE

16. WHAT ACCORDING TO YOU IS THE SAFER WAY OF BANKING?

- a) TRADITIONAL BANKING METHOD
- b) DIGITAL BANKING METHOD

17. DO YOU THINK THE INTRODUCTION OF DIGITAL BANKING HAS MADE YOUR DAY TO DAY TRANSACTIONS MUCH EASIER AND HASSEL-FREE?

- a) YES
- b) NO
- c) MAYBE

18. WHAT ACCORDING TO YOU IS THE RISK OF USING DIGITAL BANKING?

- a) OPERATIONAL RISK
- b) SECURITY RISK
- c) MONEY LAUNDERING RISK
- d) ALL OF THE ABOVE

19. ON A SCALE OF 1 TO 5, HOW SATISFIED YOU ARE USING THE DIGITAL BANKING SYSTEM? (5 BEING MOST SATISFIED AND 1 BEING LEAST SATISFIED)

- 5
- 4
- 3
- 2
- 1

PROJECT REPORT

SUBMITTED FOR THE DEGREE OF B.COM HONORS

IN ACCOUNTING & FINANCE UNDER

THE UNIVERSITY OF CALCUTTA

PROJECT TITLE: CREDIT RATING AND IT'S IMPACT ON THE

MODERN BUSINESS ERA

NAME OF STUDENT : PREZA SHUBHOSREE BISWAS

REGISTRATION No : 223-1211-0510-18

NAME OF THE COLLEGE : SCOTTISH CHURCH COLLEGE

COLLEGE ROLL No. : 18C/041

NAME OF THE SUPERVISOR : MRS. Poushali Bardhan

YEAR OF SUBMISSION : 2021

Annexure-IA

Supervisor's Certificate

This is to certify that Preza Shubhosree Biswas a student of B.Com Honors in Accounting & Finance of Scottish Church College under the University of Calcutta has worked under my supervision and guidance for her Project Work and prepared the Project Report with the title "Credit Rating". A case study on the rating mechanism of credit.

Place: Kolkata

Signature:

Date:

Name: Poushali Bardhan

Designation: Assistant Professor

College: SCOTTISH CHURH COLLEGE

Annexure-IB

Student's Declaration

I hereby declare that the Project Title "Credit Rating" submitted by me for the partial fulfillment of the degree of B.Com Honors in Accounting & Finance under the University of Calcutta is my original work and has not been submitted earlier to any other University or Institution for the fulfillment of the requirement for any course of study. I also declare that no chapter of this manuscript in whole or in part has been incorporated in this report from any earlier work done by others or by me. However, extracts of any literature which has been used for this report has been duly acknowledged as providing details of such literature.

Place: Kolkata

Signature: Preza Shubhosree Biswas

Date: 26th July 2021

Name: Preza Shubhosree Biswas

Address: 10, Durganagar, Kolkata

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Acknowledgment

Presentation, inspiration and motivation have always played a key role in the success of any venture.

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Thanking you,

Preza Shubhosree Biswas

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CREDIT RATING

INTRODUCTION

With the increasing market orientation of the Indian economy investors value a systematic assessment of two types of risks, namely "business risk" arising out of the "open economy" and linkages between money, capital and foreign exchange markets and "payments risk". With a view to protect small investors, who are the main target for unlisted corporate debt in the form of fixed deposits with companies, credit rating has been made mandatory. India was perhaps the first amongst developing countries to set up a credit rating agency in 1988.

The function of credit rating was institutionalized when RBI made it mandatory for the issue of Commercial Paper (CP) and subsequently by SEBI. when it made credit rating compulsory for certain categories of debentures and debt instruments.

In June 1994, RBI made it mandatory for Non-Banking Financial Companies (NBFCs) to be rated. Credit rating is optional for Public Sector Undertakings (PSUS) bonds and privately placed non-convincible debentures up to Rs. 50 million. Fixed deposits of manufacturing companies also come under the purview of optional credit rating.

Credit rating is concerned with an act of assigning values (In terms of symbols) to fund raising Instrument by estimating worth, reputation, solvency and honesty of the borrowing person so as to repose trust in person's ability and intension to repay. The credit rating is an assessment by an independent agency of the capacity of an issuer of debt security to service the debt and repay the principal as per the terms of Issue of debt. The rating given is based on an objective judgement of a team of experts from the rating agency involved in the credit rating. Credit rating is a process by which risk associated with a credit instrument is evaluated. The risk evaluation is only one factor among various other factors such as price of security, maturity period, yield, and tax considerations, which also counts in taking investment decisions. It evaluates only a specific Instrument and indicates risks associated with instruments only.

MEANING AND DEFINITION OF CREDIT RATING

Credit rating is the opinion of the rating agency on the relative ability and willingness of the issuer of a debt instrument to meet the debt service obligations as and when they arise. Rating is usually expressed in alphabetical or alphanumeric symbols. Symbols are simple and easily understood tools which help the investor to differentiate between debt instruments on the basis of their underlying credit quality. Rating companies also publish explanations for their symbols used as well as the rationale for the ratings assigned by them, to facilitate deeper understanding. In other words, the rating is an opinion on the future ability and legal obligation of the issuer to make timely payments of principal and interest on a specific fixed income security. The rating measures the probability that the issuer will default on the security over its life, which depending on the instrument may be a matter of days to thirty years or more. In fact, the credit rating is a symbolic indicator of the current opinion of the relative capability of the issuer to service its debt obligation in a timely fashion, with specific reference to the instrument being rated.

It can also be defined as an expression, through use of symbols, of the opinion about credit quality of the issuer of security/instrument.

Various Definitions are provided by different agencies some of them are listed below:

- According to CRISIL “Credit rating is unbiased, objective and independent opinion as to an issuer’s capacity to meet financial obligations.”
- According to ICRA “Credit rating is a simple and easy to understand symbolic indicators of the opinion of a credit rating agency about the risk involved in a borrowing programmer of an issuer with reference to the capacity of the issuer to repay the debt as per terms of issue.”
- According to CARE “Credit rating is essentially the opinion of the rating agency on the relative ability and willingness of the issuer of a debt instrument to meet the debt service obligations as and when they issue.”

IMPORTANCE OF CREDIT RATING

Credit ratings establish a link between risk and return. They thus provide a yardstick against which to measure the risk inherent in any instrument. An investor uses the ratings to assess the risk level and compares the offered rate of return with his expected rate of return (for the particular level of risk) to optimize his risk-return trade-off. The risk perception of a common investor, in the absence of a credit rating system, largely depends on his familiarity with the names of the promoters or the collaborators. It is not feasible for the corporate issuer of a debt instrument to offer every prospective investor the opportunity to undertake a detailed risk evaluation. It is very uncommon for different classes of investors to arrive at some uniform conclusion as to the relative quality of the instrument. Moreover they do not possess the requisite skills of credit evaluation. Thus, the need for credit rating in today's world cannot be overemphasized. It is of great assistance to the investors in making investment decisions. It also helps the issuers of the debt instruments to price their issues correctly and to reach out to new investors.

Regulators like Reserve Bank of India (RBI) and Securities and Exchange Board of India (SEBI) use credit rating to determine eligibility criteria for some instruments. For example, the RBI has stipulated a minimum credit rating by an approved agency for issue of commercial paper. In general, credit rating is expected to improve quality consciousness in the market and establish over a period of time, a more meaningful relationship between the quality of debt and the yield from it. Credit Rating is also a valuable input in establishing business relationships of various types. However, credit rating by a rating agency is not a recommendation to purchase or sale of a security.

Generally Investors usually follow security ratings while making investments. Ratings are considered to be an objective evaluation of the probability that a borrower will default on a given security issue, by the investors. Whenever a security issuer makes late payment, a default occurs. In case of bonds, non-payment of either principal or interest or both may cause liquidation of a company. In most of the cases, holders of bonds issued by a bankrupt company receive only a portion of the amount invested by them.

Thus, credit rating is a professional opinion given after studying all available information at a particular point of time. Such opinions may prove wrong in the context of subsequent events. Further, there is no private contract between an investor and a rating agency and the investor is free to accept or reject the opinion of the agency.

On the basis of above lines we can conclude that the increasing levels of default resulting from easy availability of finance, has led to the growing importance of the credit rating. The other factors are given below:

1. The growth of information technology.
2. Globalization of financial markets.
3. Increasing role of capital and money markets.
4. Lack of government safety measures.
5. The trend towards privatization.
6. Securitization of debt.

FACTORS AFFECTING THE CREDIT RATING

Some of the factors which generally influence the ratings to be assigned are given below:

1. The security issuer's ability to service its debt. In order, they calculate the past and likely future cash flows and compare with fixed interest obligations of the issuer.
2. The volume and composition of outstanding debt.
3. The stability of the future cash flows and earning capacity of company.
4. The interest coverage ratio i.e. how many number of times the issuer is able to meet its fixed interest obligations.
5. Ratio of current assets to current liabilities (i.e. current ratio (CR)) is calculated to assess the liquidity position of the issuing firm.
6. The value of assets pledged as collateral security and the security's priority of claim against the issuing firm's assets.

NATURE OF CREDIT RATING

Some of the points which shows the nature of Credit Rating are given below:

1. Rating Based on Information

Any rating based entirely on published information has serious limitations and the success of a rating agency will depend, to a great extent, on its ability to access privileged information. Cooperation from the issuers as well as their willingness to share even confidential information are important pre-requisites. The rating agency must keep information of confidential nature possessed during the rating process, a secret.

2. Many factors affect ratings

Rating does not come out of a predetermined mathematical formula. Final rating is given taking into account the quality of management, corporate strategy, economic outlook and international environment. To ensure consistency and reliability a number of qualified professionals are involved in the rating process.

3. Ratings by more than one agency

In the well-developed capital markets, debt issues are, more often than not, rated by more than one agency. And it is only natural that ratings given by two or more agencies differ from each other e.g., a debt issue, may be rated 'AA+' by one agency and 'AA' or 'AA-' by another. It will indeed be unusual if one agency assigns a rating of AA while another gives a 'BBB'

4. Monitoring the already rated issues

A rating is an opinion given on the basis of information available at particular point of time. Many factors may affect the debt servicing capabilities of the issuer. It is, therefore, essential that rating agencies monitor all outstanding debt issues rated by them as part of their investor service. The rating agencies should put issues under close credit watch and upgrade or downgrade the ratings as per the circumstances after intensive interaction with the issuers.

INSTRUMENTS FOR CREDIT RATING

- Equity shares issued by a company.
- Preference shares issued by a company.
- Bonds/debentures issued by corporate, government etc.
- Commercial papers issued by manufacturing companies, finance companies, banks and financial institutions for raising short-term loans.
- Fixed deposits raised for medium-term ranking as unsecured borrowings.
- Borrowers who have borrowed money.
- Individuals.

RATING OTHER THAN DEBT INSTRUMENTS

1. Country Rating

A country may be rated whenever a loan is to be extended or some major investment is to be made in it by international investors to determine the safety and security of their investments. A number of factors such as growth rate, industrial and agricultural production, government policies, inflation, fiscal deficit etc. are taken into consideration to arrive at such rating. Any upgrade movement in such ratings has a positive impact on the stock markets.

2. Rating of Real Estate Builders and Developers

CRISIL has started assigning rating to the builders and developers with the objective of helping and guiding prospective real estate buyers. CRISIL thoroughly scrutinizes the sale deed papers, sanctioned plan, and lawyers' report government clearance certificates before assigning rating to the builder or developer.

3. Chit Fund

Chit funds registered as a company are sometimes rated on their ability to make timely payment of prize money to subscribers. The rating helps the chit funds in better marketing of their fund and in widening of the subscribers base. This service is provided by CRISIL.

4. Rating of States

States of India have also approached rating agencies for rating. Rating helps the State to attract investors both from India and abroad to make investments. Investors find safety of their funds while investing in a state with good rating. Foreign companies also come forward and set up projects in such states with positive rating. Rating agencies take into account various economic parameters such as industrial and agricultural growth of the State, availability of raw material, labor etc. and political parties agenda with respect to industry, labor etc., relation between Centre and State and freedom enjoyed by the states in taking decisions while assigning final rating to the states. States like Maharashtra, Madhya Pradesh, Tamil Nadu, Andhra Pradesh and Kerala have already been rated by CRISIL.

ADVANTAGES OF CREDIT RATING

Some of the advantages are listed below which shows the importance of credit rating:

1. Benefits to Investors

- Safety of investments. Credit rating gives an idea in advance to the investors about the degree of financial strength of the issuer company. Based on rating he decides about the investment. Highly rated issues gives an assurance to the investors of safety of Investments and minimizes his risk.
- Recognition of risk and returns. Credit rating symbols indicate both the returns expected and the risk attached to a particular issue. It becomes easier for the investor to understand the worth of the issuer company just by looking at the symbol because the issue is backed by the financial strength of the company.

- Freedom of investment decisions. Investors need not seek advice from the stock brokers, merchant bankers or the portfolio managers before making investments. Investors today are free and independent to take investment decisions themselves. They base their decisions on rating symbols attached to a particular security.
- Wider choice of investments. As it is mandatory to rate debt obligations for every issuer company, at any particular time, wide range of credit rated instruments are available for making investment. Dependable credibility of issuer. Absence of any link between the rater and rated firm ensures dependable credibility of issuer and attracts investors. As rating agency has no vested interest in issue to be rated, and has no business connections or links with the Board of Directors.

2. Benefits of investing to the Company

Some of the points which shows the benefits of Credit Rating to the company are given below:

- Easy to raise resources. A company with highly rated instrument finds it easy to raise resources from the public. Even though investors in different sections of the society understand the degree of risk and uncertainty attached to a particular security but they still get attracted towards the highly rated instruments.
- Reduced cost of public issues. A company with highly rated instruments has to make least efforts in raising funds through public. It can reduce its expenditure on press and publicity. Rating facilitates best pricing and timing of issues.

DISADVANTAGES OF CREDIT RATING

After having lots of advantages there are several disadvantages also of credit rating some of them are given below:

1. Non-disclosure of significant information- Firm being rated may not provide significant or material information, which is likely to affect the investor's decision as to investment, to the investigation team of the credit rating company. Thus any decisions taken in the absence of such significant information may put invest.
2. Static study- Rating is a static study of present and past historic data of the company at one particular point of time. Number of factors including economic, political, environment, and government policies have direct bearing on the working of a company. Any changes after the assignment of rating symbols may defeat the very purpose of risk inductiveness of rating.

3. Rating is no certificate of soundness- Rating grades by the rating agencies are only an opinion about the capability of the company to meet its interest obligations. Rating symbols do not pinpoint towards quality of products or management or staff etc. In other words rating does not give a certificate of the complete soundness of the company. Users should form an independent view of the rating symbol.
4. Rating may be biased- Personal bias of the investigating team might affect the quality of the rating. The companies having lower grade rating do not advertise or use the rating while raising funds from the public. In such a case the investors cannot get the true information about the risk involved in the instrument.
5. Rating under unfavorable conditions- Rating grades are not always representative of the true image of a company. A company might be given low grade because it was passing through unfavorable conditions when rated. Thus misleading conclusions may be drawn by the investors which hampers the company's interest.

CREDIT RATING AND SCORING SYSTEM

Both credit scores and credit ratings provide a credit risk assessment. When scores are gathered into homogeneous score segments or risk classes, the result of the score is a “rating”. The difference b/t scores and ratings become blurred. The score terminology is particularly used in retail environments where large customer databases are scored automatically by mostly statistical scoring systems. Ratings are assigned to bond issues and take into account objective as well as subjective elements. The subjective elements aim to capture outlooks and future evolutions. Ratings result from a manual process that may take days to weeks to complete.

Score systems and bureau scores are mainly used for internal purposes, whereas external credit ratings are made public by the rating agencies for investors.

CREDIT RATING TERMINOLOGY

The rating industry or banks uses specific terminologies. Some of the important terminologies are listed below:

1. Rating lifetime- A rating is said to be new when it is assigned for the first time to an issuer or issue. Ratings are reviewed on a regular basis by the agencies. A rating is affirmed if the review does not indicate changes. One speaks about a confirmation when the review was triggered by an external request or change in terms. A rating is downgraded/upgraded when the rating has been lowered/raised in the scale. During the lifetime of the issue or issuer, the rating can be withdrawn. This means that the rating is removed for any reason (mergers and acquisitions, not sufficient information, rating contract stopped) and is no longer maintained by the agency.

2. Rating watch and outlook- Ratings also have a rating outlook that indicates the medium-term potential evolution of the rating in the future. A positive/negative outlook indicates that the rating may be raised or lowered. A rating with a stable outlook is not likely to change. A developing rating outlook means the opposite of a stable rating: the rating may be lowered or raised. Credit watch lists are used to determine shorter terms evolution A ratings is put on the watch list when an event or deviation from the expected trend occurs and there is a reasonable probability for a rating change.

WHAT IS CREDIT RISK ASSESSMENT?

Credit risk, or the risk that money owed is not repaid, has been prevalent in banking history. It is a principal and perhaps the most important risk type that has been present in finance, commerce and trade transactions from ancient cultures till today. Numerous small and large failures, combined with the corresponding economic and social impact, further accelerated the importance of credit risk management throughout history. Credit risk management is a process that involves the identification of potential risks, the measurement of these risks, the appropriate treatment, and the actual implementation of risk models. Efficient credit risk management tools have been vital in allowing the phenomenal growth in consumer credit during the last 50 years. Without accurate automated decision tools, credit lending would not have allowed banks to expand the loan book with the speed they have. Nowadays, effective credit risk measurement and management is recognized by many economic factors, not in the least because of financial failures of banks themselves.

State Bank of India

‘CRISIL AAA/Stable’ assigned to Tier II Bonds

(Under Basel III)

Rating Action

Rs.10000 Crore Tier II Bonds (Under Basel III)	CRISIL AAA/Stable (Assigned)
Tier II Bonds (Under Basel III) Aggregating Rs.12000 Crore	CRISIL AAA/Stable (Reaffirmed)
Rs.3610 Crore Tier II Bonds Issue (Under Basel III)#	CRISIL AAA/Stable (Reaffirmed)
Tier-I Bond Issue Aggregating Rs.24100 Crore (Under Basel III)	CRISIL AA+/Stable (Reaffirmed)
Lower Tier-II Bonds Aggregating Rs.18340 Crore (Under Basel II)	CRISIL AAA/Stable (Reaffirmed)
Lower Tier-II Bonds Aggregating Rs.1250 Crore (Under Basel II)#	CRISIL AAA/Stable (Reaffirmed)
Tier-I Perpetual Bonds Aggregating Rs.2550 Crore (Under Basel II)	CRISIL AAA/Stable (Reaffirmed)
Tier-I Perpetual Bonds Aggregating Rs.810 Crore (Under Basel II)#	CRISIL AAA/Stable (Reaffirmed)
Tier-I Perpetual Bonds Aggregating Rs.735 Crore (Under Basel II)#	CRISIL AAA/Stable (Withdrawn)
Upper Tier-II Bonds (Under Basel II) Aggregating Rs.10050 Crore	CRISIL AAA/Stable (Reaffirmed)
Upper Tier-II Bonds (Under Basel II) Aggregating Rs.4340 Crore#	CRISIL AAA/Stable (Reaffirmed)
Upper Tier-II Bonds (Under Basel II) Aggregating Rs.1000 Crore#	CRISIL AAA/Stable (Withdrawn)
Fixed Deposits Programme@	FAAA/Stable (Reaffirmed)
Rs.24000 Crore Certificate of Deposits Programme	CRISIL A1+ (Reaffirmed)
Rs.13500 Crore Certificate of Deposits Programme#	CRISIL A1+ (Reaffirmed)

DETAILED RATIONALS

CRISIL has assigned its 'CRISIL AAA/Stable' rating to the Rs 10,000 crore Tier II Bonds Issue (Under Basel III) of State bank of India (SBI), and has reaffirmed its 'CRISIL AAA/CRISIL AA+/FAAA/Stable/CRISIL A1+' ratings on the bank's other debt instruments.

CRISIL is also withdrawing rating of the upper Tier-II Bonds under Basel II of Rs 1000 crore and Tier-I Perpetual Bonds under Basel II of Rs 735 crore in line with CRISIL withdrawal policy. CRISIL has received independent verification that these instruments are fully redeemed.

The ratings continue to centrally factor in the SBI group's dominant market position in the Indian banking industry, strong resource profile, and adequate capitalization. The ratings also factor in the continued strong support that the bank is likely to receive from the majority owner, the Government of India (GoI), both on an ongoing basis and in the event of distress. These strengths are partially offset by the SBI group's modest asset quality.

The nationwide lockdown, imposed by the Government of India (GoI) to contain the spread of the Covid-19 pandemic, has impacted disbursements and collections of financial institutions. The lockdown has now been extended in containment zones, with re-opening of the prohibited activities in a phased manner in other areas. However, certain states have implemented localised lockdowns. Herein, CRISIL believes that eventual lifting of restrictions will continue to be in a phased manner. Any delay in return to normalcy will put further pressure on collections and asset quality metrics of companies.

SBI has provided moratorium to its borrowers in line with the relief measures provided by Reserve Bank of India and around 9.5% as on June 30, 2020 (23% as on March 31, 2020). Any change in behavior of borrowers on the payment discipline can affect asset quality levels post the moratorium. Also, while the one-time restructuring scheme announced by RBI will aid in providing necessary support to affected borrowers in the current environment, the details and operational implementation of the same will have to be seen.

Rating Sensitivity factors

Downward factors

Material change in expectation of support from GoI and/or significant and continuous increase in delinquency (gross NPAs crossing 10%) impacting profitability

About the Group

SBI is the oldest and largest bank in India. As on June 30, 2020, GoI owned 56.92% of the bank's equity capital. The SBI group offers a wide range of banking and non-banking products and services to its corporate and retail customers. It had over 22,135 branches and 58,582 automated teller machines (ATMs) as on June 30, 2020. SBI has branches across the globe. Through its non-banking subsidiaries and joint venture (JV) companies, it offers a wide range of financial services, such as investment banking, credit cards, life insurance, general insurance, fund management, primary dealership, broking, and factoring.

SBI, on a consolidated basis, reported a profit of Rs 19,767.8 crore for fiscal 2020, as against a profit of Rs 2299.6 crore for fiscal 2019. Profit stood at Rs 4,777 crore for first quarter of fiscal 2021 compared to a profit of Rs 2,951 crore for the corresponding period of the previous fiscal.

The SBI group's return on assets (RoA) was 0.49% for fiscal 2020

As On/For The Period Ended March 31	Unit	2020	2019
Total Assets	Rs Cr.	41,97,492	38,88,464
Total income (net of interest expenses)	Rs Cr.	2,06,887	1,74,820
Profit/(Loss) after tax	Rs Cr.	19,767.8	2299.6
Gross NPA	%	6.07	7.43
Overall capital adequacy ratio	%	13.30	12.83
Return on assets	%	0.49	0.06

(0.06% in fiscal 2019). Profitability improved in fiscal 2020 due to lower provision cost and proceeds from stake sale in subsidiaries in fiscal 2020. The group reported net interest margin (NIM) of 3.03% in fiscal 2020, which remains higher than that of many other PSBs.

CRISIL complexity levels are assigned to various types of financial instruments and are included (where applicable) in the Annexure – Details of Instrument in this Rating Rationale. For more details on the CRISIL complexity levels.

About CRISIL Limited

ISIN	Name of Instrument	Date of Allotment	Coupon Rate (%)	Maturity Date	Issue Size (Rs Crore)	Complexity levels	Outstanding rating with Outlook
INE062A08223	Tier I bonds under Basel III	22-Nov-19	8.5	Perpetual	3813.6	Complex	CRISIL AA+/Stable
INE062A08215	Tier I bonds under Basel III	30-Aug-19	8.75	Perpetual	3104.8	Complex	CRISIL AA+/Stable
INE062A08173	Tier-I Bond Issue (Under Basel III)	04-Dec-18	9.56	31-Dec-99	4021	Complex	CRISIL AA+/Stable
INE062A08181	Tier-I Bond Issue (Under Basel III)	21-Dec-18	9.37	31-Dec-99	2045	Complex	CRISIL AA+/Stable
INE062A08199	Tier-I Bond Issue (Under Basel III)	22-Mar-19	9.45	31-Dec-99	1251.3	Complex	CRISIL AA+/Stable
INE062A08124	Tier I bonds under Basel III	06-Sep-16	9	Perpetual	2100	Complex	CRISIL AA+/Stable
INE062A08132	Tier I bonds under Basel III	27-Sep-16	8.75	Perpetual	2500	Complex	CRISIL AA+/Stable
INE062A08140	Tier I bonds under Basel III	25-Oct-16	8.39	Perpetual	2500	Complex	CRISIL AA+/Stable
INE062A08157	Tier I bonds under Basel III	02-Aug-17	8.15	Perpetual	2000	Complex	CRISIL AA+/Stable
NA	Tier I bonds under Basel III*	NA	NA	NA	764.3	Complex	CRISIL AA+/Stable
INE620A08025	Lower Tier-II Bonds under Basel II	04-Nov-10	9.5	04-Nov-25	866.92	Simple	CRISIL AAA/Stable
INE062A08058	Lower Tier-II Bonds under Basel II	16-Mar-11	9.95	16-Mar-26	3937.595	Simple	CRISIL AAA/Stable
INE062A08066	Lower Tier-II Bonds under Basel II	16-Mar-11	9.45	16-Mar-26	828.323	Simple	CRISIL AAA/Stable
INE648A09078	Lower Tier-II Bonds under Basel II	20-Mar-12	9.02	20-Mar-22	500	Simple	CRISIL AAA/Stable
NA	Lower Tier-II Bonds under Basel II*	NA	NA	NA	13457.162	Simple	CRISIL AAA/Stable
INE651A09064	Upper Tier-II Bonds under Basel II	16-Jan-08	9.08	16-Jan-23	340	Simple	CRISIL AAA/Stable
INE654A09175	Upper Tier-II Bonds under Basel II	26-Mar-12	9.25	26-Mar-27	500	Simple	CRISIL AAA/Stable
INE649A09050	Upper Tier-II Bonds under Basel II	19-Mar-08	9.35	19-Mar-23	500	Simple	CRISIL AAA/Stable
INE652A09054	Upper Tier-II Bonds under Basel II	20-Dec-07	9.3	20-Dec-22	300	Simple	CRISIL AAA/Stable
INE652A09062	Upper Tier-II Bonds under Basel II	27-Mar-08	9.3	27-Mar-23	201.6	Simple	CRISIL AAA/Stable
NA	Upper Tier-II Bonds under Basel II*	NA	NA	NA	12548.4	Simple	CRISIL AAA/Stable
INE062A09221	Tier-I Perpetual Bonds under Basel II	27-Jan-10	9.05	Perpetual	1000	Complex	CRISIL AAA/Stable
INE062A09213	Tier-I Perpetual Bonds under Basel II	14-Aug-09	9.1	Perpetual	1000	Complex	CRISIL AAA/Stable
INE651A09056	Tier-I Perpetual Bonds under Basel II	30-Nov-07	9.8	Perpetual	160	Complex	CRISIL AAA/Stable
INE649A09118	Tier-I Perpetual Bonds under Basel II	20-Sep-10	9.05	Perpetual	200	Complex	CRISIL AAA/Stable
NA	Tier-I Perpetual Bonds under Basel II*	NA	NA	NA	1000	Complex	CRISIL AAA/Stable
INE649A09126	Tier II under Basel III	31-Mar-15	8.32	31-Mar-25	393	Simple	CRISIL AAA/Stable
INE062A08165	Tier II under Basel III	02-Nov-18	8.9	31-Dec-99	5000	Simple	CRISIL AAA/Stable
INE648A08013	Tier II under Basel III	20-Mar-15	8.3	20-Mar-25	200	Simple	CRISIL AAA/Stable
INE651A08033	Tier II under Basel III	17-Dec-14	8.55	17-Dec-24	500	Simple	CRISIL AAA/Stable
INE651A08041	Tier II under Basel III	31-Dec-15	8.4	31-Dec-25	300	Simple	CRISIL AAA/Stable
INE651A08058	Tier II under Basel III	18-Jan-16	8.45	18-Jan-26	200	Simple	CRISIL AAA/Stable
INE654A08011	Tier II under Basel III	30-Mar-16	8.45	30-Mar-26	515	Simple	CRISIL AAA/Stable
INE062A08207	Tier II under Basel III	28-Jun-19	7.99	28-Jun-29	5000	Simple	CRISIL AAA/Stable
NA	Tier II under Basel III*	NA	NA	NA	10000	Simple	CRISIL AAA/Stable
NA	Tier II under Basel III*	NA	NA	NA	3502	Simple	CRISIL AAA/Stable
NA	Fixed Deposit Programme	NA	NA	NA	NA	Simple	FAAA/Stable
NA	Certificate of Deposits	NA	NA	7-365 Days	37,500	Simple	CRISIL A1+

CRISIL is a leading agile and innovative, global analytics company driven by its mission of making markets function better. We are India's foremost provider of ratings, data, research, analytics and solutions. A strong track record of growth, culture of innovation and global footprint sets us apart. We have delivered independent opinions, actionable insights, and efficient solutions to over 1,00,000 customers.

We are majority owned by S&P Global Inc., a leading provider of transparent and independent ratings, benchmarks, analytics and data to the capital and commodity markets worldwide.

About CRISIL Ratings

CRISIL Ratings is part of CRISIL Limited (“CRISIL”). We pioneered the concept of credit rating in India in 1987. CRISIL is registered in India as a credit rating agency with the Securities and Exchange Board of India (“SEBI”). With a tradition of independence, analytical rigor and innovation, CRISIL sets the standards in the credit rating business. We rate the entire range of debt instruments, such as, bank loans, certificates of deposit, commercial paper, non-convertible / convertible / partially convertible bonds and debentures, perpetual bonds, bank hybrid capital instruments, asset-backed and mortgage-backed securities, partial guarantees and other structured debt instruments. We have rated over 24,500 large and mid-scale corporates and financial institutions. CRISIL has also instituted several innovations in India in the rating business, including rating municipal bonds, partially guaranteed instruments and microfinance institutions. We also pioneered a globally unique rating service for Micro, Small and Medium Enterprises (MSMEs) and significantly extended the accessibility to rating services to a wider market. Over 1,10,000 MSMEs have been rated by us.

SUMMARY

The credit rating is an assessment, by an Independent agency, of the capacity of an Issuer of debt security to service the debt and repay the principal as per the terms of Issue of debt. The role of credit rating has become most important in the modern financial market. The international market is witnessing a larger number of credit rating agencies. These rating agencies rate the Instrument internationally and within their provinces. The area of ratings has been wide spread from short term rating to long term rating. The ratings are given by these agencies for the securities, entities and sovereigns. Some of the active and well known international rating agencies are (1) Japan Credit rating Agency Ltd (JCR), (n) Fitch, (mi) Moody's Investors Service, (N) Standard & Poor's, (v) AM Best Company, and (VI) Duff and Phelps Credit Rating Company (DCR).

In India so far market shows very clearly that there is no danger of competitive generosity, which can eventually destroy the credibility of the rating service itself. The experience of the Indian rating agencies so far is that about 25-30 percent of their ratings are not accepted or used. Increasing risk averse on by lenders and investors and restricted avenue for raising capital will lead to a greater demand for structured finance ratings. The newer forms of securitization such as trade receivables and credit card receivables are also expected to contribute to growth in rating business. In coming years the insurance sector privatization and opening up of pension funds would go further long way to ensure whatever they invested is rated. The health insurance industry is opening up new vistas of growth for rating agencies. There will be a strong demand for rating services on the back of debt market upswing due to reducing interest rates and almost stagnation in equity initial public offering and rights issues market. The interest rate being remaining soft would be again a good demand for re-financing and hence ratings.

SUGGESTION

- Current rating system is good. The loan processing time should be reduced.
- Bank provide loan only on the basis of the repayment capacity of the borrower and hence it is suggested to adopt some modern methods to appraise the loan to the business to check the feasibility of the project for appraising such high amount of loan.
- The bank should focus more on advertising to increase awareness among the public about the service it offers.
- Need for improvised methods that are on par with international standards.
- The bank must bring more transparency in rating of the project, there should be explanation for rating of the project that was sanctioned by higher authority.

CONCLUSION

As per the analysis done the result that has been got its good enough to justify that this proposal has all the required criteria's and qualities required by the bank. And it is also expected to give a very good return and value to the company. The financial tools used for assessing is more appropriate to this project and the values are also favorable to the company to be considered by the bank for sanctioning the loan. I like to conclude by saying that this project Proposal should be good and looks more feasible by satisfying the criteria of the bank.

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Project Report

(Submitted for the Degree of B.Com Honours in Accounting & Finance under the University of Calcutta)

PAYTM E-WALLET

Submitted by

Name of the Candidate: DIPAYAN BARMAN

Registration No: 223-1112-0518-18

Name of the College: SCOTTISH CHURCH COLLEGE

CU Roll No: 181223-21-0008

Supervised by

Name of the Supervisor: Prof. BISWADEEP DUTTA

Name of the College: SCOTTISH CHURCH COLLEGE

JULY 2021

SUPERVISOR'S CERTIFICATE

This is to certify that Mr. DIPAYAN BARMAN student of B.Com Honors in Accounting & Finance of SCOTTISH CHURCH COLLEGE under the University of Calcutta has worked under my supervision and guidance for his/her Project Work and prepared a Project Report with the title PAYTM E- WALLET which he is submitting, is his genuine and original work to the best of my knowledge.

Signature

Name: Prof Biswadeep Dutta

Designation: Assistant Professor

Name of the college: SCOTTISH CHURCH COLLEGE

PLACE

DATE

STUDENT'S DECLARATION

I hereby declare that the Project Work with the title PAYTM E-WALLET submitted by me for the partial fulfilment of the degree of B.Com. Honors in Accounting & Finance in Business under the University of Calcutta is my original work and has not been submitted earlier to any other University /Institution for the fulfilment of the requirement for any course of study.

I also declare that no chapter of this manuscript in whole or in part has been incorporated in this report from any earlier work done by others or by me. However, extracts of any literature which has been used for this report has been duly acknowledged providing details of such literature in the references.

Signature

Name: Dipayan Barman

Address:

Registration No. 181223-21-0008

Place:

Date:

ACKNOWLEDGEMENT

In today's modern era, we find the fusion of IT with the traditional commerce which is termed as Internet Commerce or Ecommerce. Seeing the rapid development in this field, I have created a project on PAYTM E-WALLET from the best of my knowledge and sources which I have taken from the internet. I have gone through many websites and have taken the latest information from those websites. After some analysis, I have come to a result and gathered some data which I have mentioned in this project.

I take this opportunity to express my profound gratitude and deep regards to my guide and teacher- Prof. BISWADEEP DUTTA, for his exemplary guidance, monitoring and constant encouragement throughout the course of this project. The blessing, help and guidance given by his time to time shall carry me a long way in the journey of life on which I am about to embark.

I also take this opportunity to express a deep sense of gratitude to my friends for their cordial support, valuable information and guidance which helped me in completing the task through various stages.

Lastly, I thank Almighty, my parents and my sister for their constant encouragement without which this assignment would not be possible.

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CHAPTER-I

INTRODUCTION

1.1 BACKGROUND OF THE STUDY

Smartphone has become essential part of daily life. Due to technology, Digital wallets are quickly becoming mainstream mode of online payment and mobile users can nowadays use their smartphones to make money transaction or payment by using applications installed in the phone. One such application is Paytm.

A digital wallet refers to an electronic device or online service that allows an individual to make electronic transactions. This can include purchasing items online with a computer or using a smartphone to purchase something at a store. An individual's bank account can also be linked to the digital wallet. They might also have their driver's license, health card, loyalty card(s) and other ID documents stored on the phone. The credentials can be passed to a merchant's terminal wirelessly via near field communication (NFC). Increasingly, digital wallets are being made not just for basic financial transactions but to also authenticate the holder's credentials. For example, a digital wallet could verify the age of the buyer to the store while purchasing alcohol. The system has already gained popularity in Japan, where digital wallets are known as "wallet mobiles". A cryptocurrency wallet is a digital wallet where private keys are stored for cryptocurrencies like bitcoin. A digital wallet has both a software and information component. The software provides security and encryption for the personal information and for the actual transaction. Typically, digital wallets are stored on the client side and are easily self maintained and fully compatible with most e-commerce Web sites. A server-side digital wallet, also known as a thin wallet, is one that an organization creates for and about you and maintains on its servers. Server-side digital wallets are gaining popularity among major retailers due to the security, efficiency, and added utility it provides to the end-user,

which increases their satisfaction of their overall purchase. The information component is basically a database of user-input information. This information consists of your shipping address, billing address, payment methods (including credit card numbers, expiry dates, and security numbers), and other information.

Digital wallets are composed of both digital wallet devices and digital wallet systems. There are dedicated digital wallet devices such as the biometric wallet by Dunhill, a physical device that holds cash and cards along with a Bluetooth mobile connection. Presently there are further explorations for smartphones with NFC capabilities. The NFC technology enables the individual to use services like Apple Pay (on Apple devices), Samsung Pay (on Samsung Devices) and other similar services.

Digital wallets are being used more and more in Asian countries as well. One in five consumers in Asia is now using a digital wallet, representing twofold increase from two years ago. A recent survey by MasterCard's mobile shopping survey shows on 8500 adults aged 18–64 across 14 markets showed, 45% users in China, 36.7% users in India and 23.3% users in Singapore are the biggest adopters of digital wallet. The survey was conducted on between October and December 2015. Also analysis showed (48.5%) consumers in these regions made purchase using smartphones. Indian consumers are leading the way with 76.4% using a smartphone to make purchase which is a drastic increase of 29.3% from previous year. This has made companies like Reliance and Amazon India to come out with its own digital wallet. Flipkart has already introduced its own digital wallet.

1.2 NEED OF THE STUDY

- The most important objective of this project is to know about the E-wallet which are widely used in India
- To create awareness about the digital services among the young generation
- To make students aware of how they can maintain digital wellness by taking informed decisions and become safe, respectful and responsible users of digital technology.
- The objective of research is to come out with knowledge of innovative ideas and practical solutions to realize Hon^{ble} Prime Minister Narendra Modi^s vision of a digital India. Prime Minister Modi envisions transforming our nation and creating opportunities for all citizens by harnessing digital technologies.
- To empower every citizen with access to digital services, knowledge and information. This Group will come up with policies and best practices from around the world to make this vision of a digital India a reality.

1.3 REVIEW OF THE LITERATURE

Dr. Stitch Shewta Rathore (2016) "Appropriation of Cashless transactions By Consumers" In her investigations discloses to us computerized wallets are rapidly getting to be standard method of online installment. Customers are embracing advanced wallets at end unfathomably quick pace, to a great extent because of comfort and convenience.

Kiran Vasireddy, COO – Paytm, December 12, 2018said, **“Paytm has become the preferred payment choice amongst customers for in-store payments in India.”**

Today, Paytm is accepted at the largest variety of stores ranging from large brand outlets to online platforms as well as small retailers across India. With „Paytm Cashback Days“, we celebrate our customers choosing Paytm as their preferred mode for payments at offline or online merchants by rewarding them with the best deals & Cashback of the year. This will be a significant part of our efforts to push the adoption of mobile payments in the country & also help our Merchant partners significantly.

Prof Trilok Nath Shukla in his paper “Mobile Wallet: Present and the Future” (June 2016)

He has discussed about mobile wallet, working, types and its advantages and disadvantages. His analysis included perception of consumers and retailers about mobile wallets. He concluded that mobile wallets will be used to engage with the customer by the marketers and digital businesses. Irrespective of the market status of these mobile wallets, marketers should take advantage of the emerging opportunities.

1.4 OBJECTIVE OF THE STUDY

- To study the acceptance level of E-wallet as an alternative to the cash transactions and the general use of it.
- To study the flexible services offered by the Paytm
- To study the opinion among people in adopting E-wallet as a solution to the Indian demonetization.
- To examine the importance of E-wallet in day to day life.
- To study the role played by merchant companies in making India Digital.
- To analyze the preference of customers when it comes to using online payment platforms and their expectations from it

1.5 RESEARCH METHODOLOGY

The project comprises of mainly two types of data-

Primary Data - is data that is collected by a researcher from firsthand sources, using methods like surveys, interviews, or experiments. It is collected with the research project in mind, directly from primary sources.

Secondary Data - is data gathered from studies, surveys, or experiments that have been run by other people or for other research. Typically, a researcher will begin a project by working with secondary data. This allows time to formulate questions and gain an understanding of the issues being dealt with before the more costly and time-consuming operation of collecting primary data.

This project involves data, both from primary and secondary sources.

The sample size for the primary data is 120.

To depict the primary data pie charts, column graphs, and other tools has been used.

1.6 LIMITATIONS OF THE STUDY

- The current study cannot claim to be wholly conclusive as it was collected from only one metropolitan city-Tollygunge, Kolkata.
- Financial and time constraints have prevented me from conducting the survey across the different cities in India.
- Since I do not have an extensive experience in primary data collection, there is a great chance that the nature of implementation of data collection method is flawed.
- A sample size of minimum 120 people isn't sufficient enough to get accurate and fair result.

CHAPTER-II

CONCEPTUAL FRAMEWORK

PAYTM

Paytm, as its abbreviation states, Pay through Mobile was launched in 2010 by One97 communications as a prepaid mobile and DTH recharge company. Gradually, it made its way into the e-commerce market in the year 2014 and further added bus ticketing to its kitty in 2015. Paytm now offers multiple products ranging from primary mobile recharges to buying apparels or electronics enabling customers to get everything at one place. Thus, over a period of time, it has become both a payment platform as well as the marketplace. This strategy not only enables Paytm to serve multiple needs of the customers, giving them a holistic experience by saving their time and efforts but is also expected to be helpful in cross-selling and upselling and thus increasing the overall profitability of the organization. It has even obtained the license from Reserve Bank of India to run a Payments Bank. As a result, Paytm is amongst the top 7 e-commerce companies in India to have billion-dollar valuation and transformed the business model of Paytm from a recharge web site to a payment cum e-commerce marketplace. It has 100 million Paytm Wallet users that carry out over 75 million transactions every month. China's Alibaba Group with its affiliate Ant Financial invested \$680 million in Paytm in September 2015 to raise their stake to 40%, taking its valuation at somewhere around \$4 billion. On account of higher valuation, Paytm had resources to stitch Rs.203 Crores worth of deal with Board of Control for Cricket in India for 84 matches. Considering the quantum of following that cricket has in India, this association with BCCI for primary sponsorship rights is sure to get a lot of visibility to Paytm brand and likely to catapult it as a national brand with significantly high brand recall amongst all sections of society.

Acquisitions:

Paytm has made various acquisitions over the years such as

- Near.in
- Shifu
- EduKart
- Shopsy
- Insider.in
- Little
- Nearbuy, Etc.

Competitors:

Over the time Paytm has faced some competition from companies like:

- Oxigen Wallet
- Mobikwik
- FreeCharge
- PhonePe
- Paypal
- Rupay, Etc.

2.1 NATIONAL SCENARIO

India is one of the fastest growing economies of the world, and it is home to over 1.38 billion people. The country recorded strong GDP growth of 6.5% in 2017, despite some headwinds from GST. India's digital payment industry showed promise and registered double digit value growth during 2013-17. India's middle class continues to grow and International Monetary Fund (IMF)'s GDP growth forecast for FY-2019 is much better at 7.4%, this will improve business sentiments and benefit different industries including E-wallet and other E-Commerce companies.

According to India Mobile Wallet Market Size & Analysis, Forecast & Opportunities, 2018-2023, mobile wallet market registered whopping double digit value growth, with a Compound Annual Growth Rate (CAGR) of 67.10% during review period of 2013-17 despite headwinds like mandatory KYC. The market advanced on the back of rising digital awareness, increasing smartphone ownership coupled with surging internet penetration, and convenience associated with such services.

The market is forecast to gain immensely during forecast period of 2018-23 to reach around USD 7 Billion by 2023, on account of Government's increased focus to make India a cashless and digital economy. This will help the industry and directly benefit companies like Paytm, Mobikwik, FreeCharge, Oxigen and many others.

As far as competitive landscape is concerned, Paytm continues to dominate the market by significant margin followed by tens of players. India mobile wallet has seen growing investment from companies like Google and Whatsapp, who have announced significant investments in the country. Digital payment awareness is anticipated to continue through 2023 and onwards and mobile wallet penetration is likely to go up even in Tier II and Tier III cities through 2023.

2.2 INTERNATIONAL SCENARIO

It is undeniable that cryptocurrencies are slowly becoming a vital part of the world's conventional economy. Throughout the world, consumers are showing increased interest in digital currencies. The number of blockchain wallet users has been growing rapidly. North America and Europe provide an estimated 81% of wallets we have today. However, only 61% of wallet users are located in these two regions. With over 100 million users, the USA is leading the adoption of digital wallets. Similarly, many Europeans are swapping conventional banking and payment methods for more sophisticated digital wallets. The most widely used wallets in the USA include: the Google Wallet, Apple Pay, Venmo, and Massbook. Digital wallets are evidently gaining traction and shaking up conventional banking by allowing transfers of money between different parties at much faster speeds, which are often cheaper and sometimes free of charge as well, not to mention being extremely convenient and flexible. In 2016, digital wallet transactions were valued at \$594 billion and are expected to reach \$3.1 trillion by 2022.

Michelle Hutchison, a money expert, says "Traditionally, banks have charged high fees for transferring money from your bank account to other people. But payment apps allow you to sidestep those fees by removing the bank as the middleman. For instance, major banks may charge up to \$10 in next-day transfer fees, compared to digital provider Venmo, which offers one-day transfers without incurring transaction fees."

Millennials are leading the quest for digital wallets. At 64%, they pretty much appear to be spearheading the adoption of digital wallets. The digital paper trail is enhancing the payment experience, making it even easier for friends to contribute for drinks at a café, for example, or other payments. Among the millennials, the leading users of these wallets are the more educated lot that boasts high incomes.

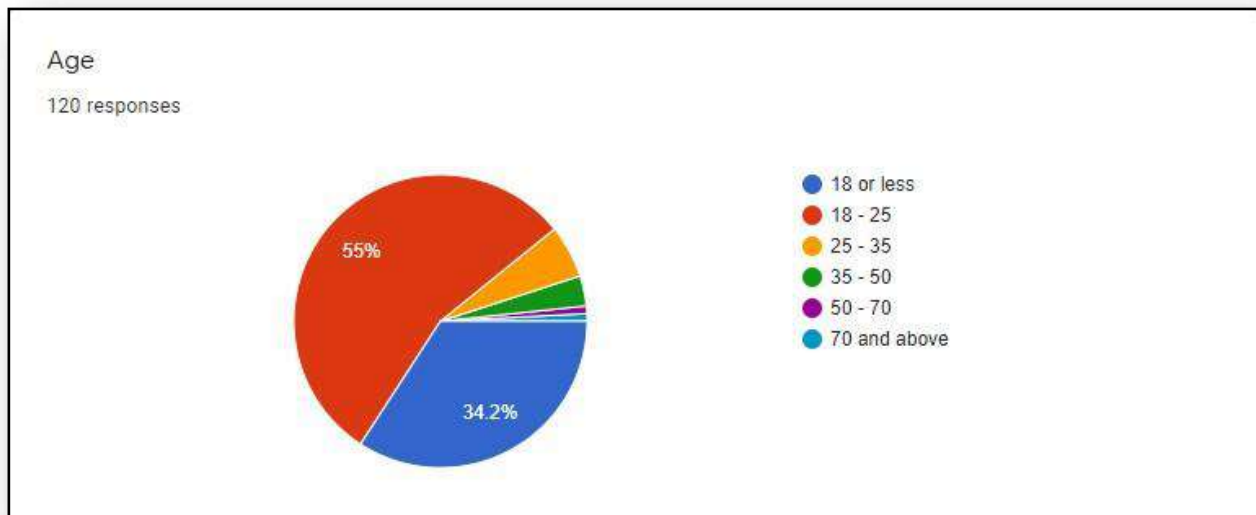
CHAPTER-III

PRESENTATION OF DATA, ANALYSIS & FINDINGS

3.1 PRESENTATION OF DATA AND ANALYSIS OF DATA

- **PRIMARY DATA**

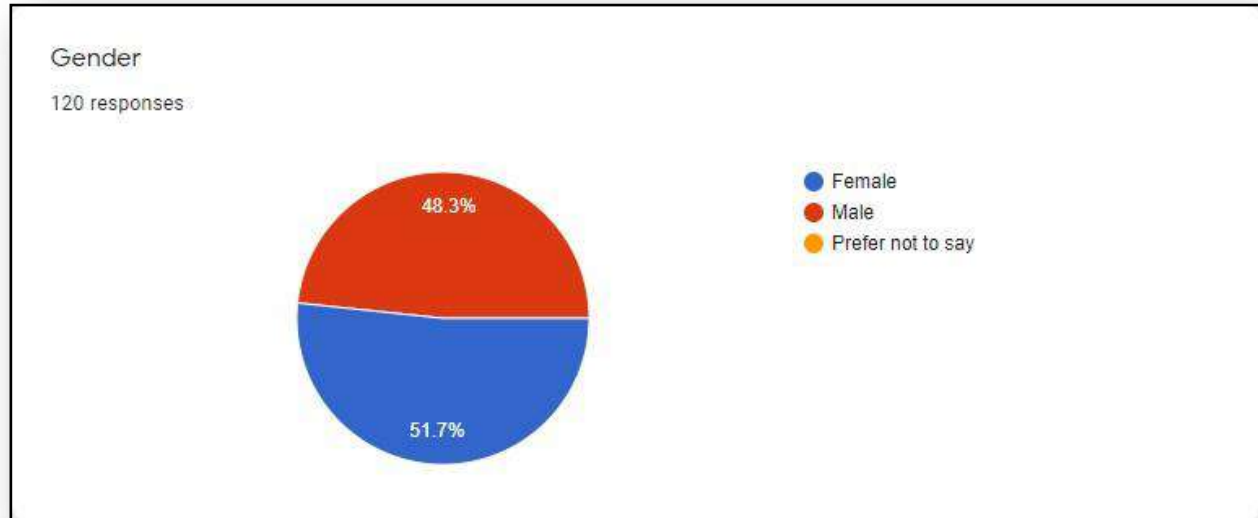
Age of respondent



The age of group 18-25 is the most involved one with 55% response followed by 18 or less age. The remaining age groups are restricted to only 10.8% group.

It mainly concludes that the youth mainly students are the one who are most involved in digital payments.

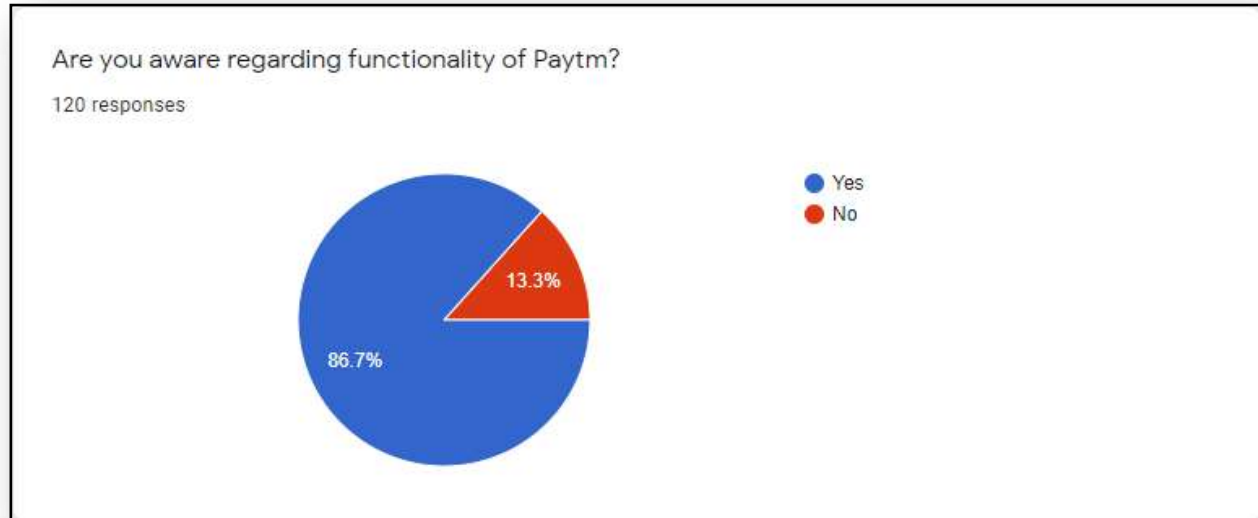
Gender of respondent



When talking about gender both the gender is almost equally involved. The females are leading with 51.7% followed by males with 48.3%.The difference in the

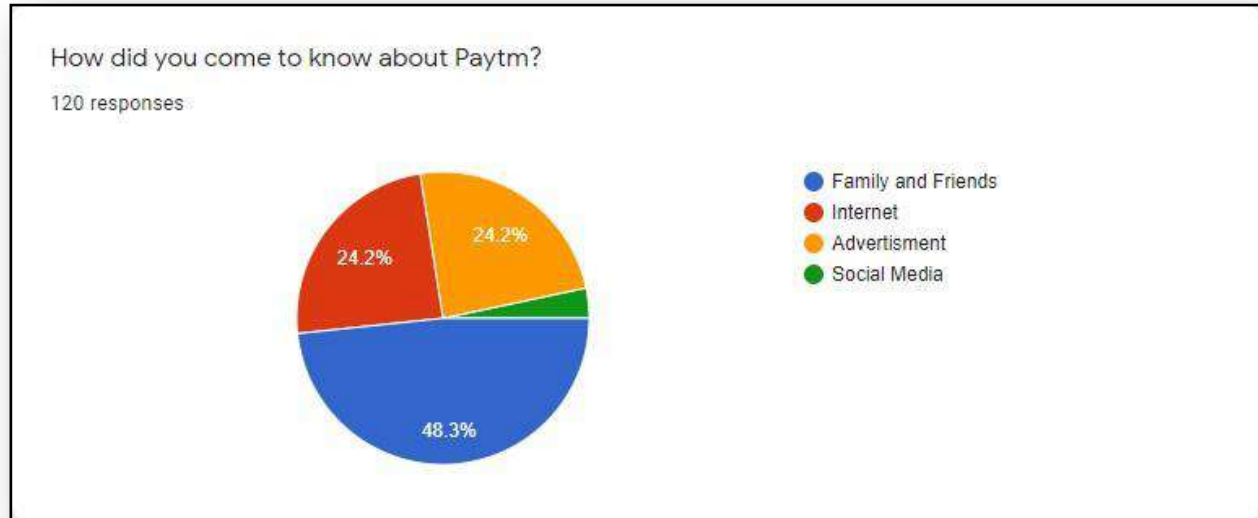
Participation is almost negligible. Hence, it can be conclude that Paytm is equally preferred by both males and females.

Awareness regarding functionality of Paytm



86.7% of the total respondents are aware of the some which means unawareness is almost $1/6^{\text{th}}$ times which undoubtedly reflects that most of the users are using the service for the sake of its advantages and not just because as a trend. The unawareness may be due to accessibility of new users too who will get some time to understand the functioning.

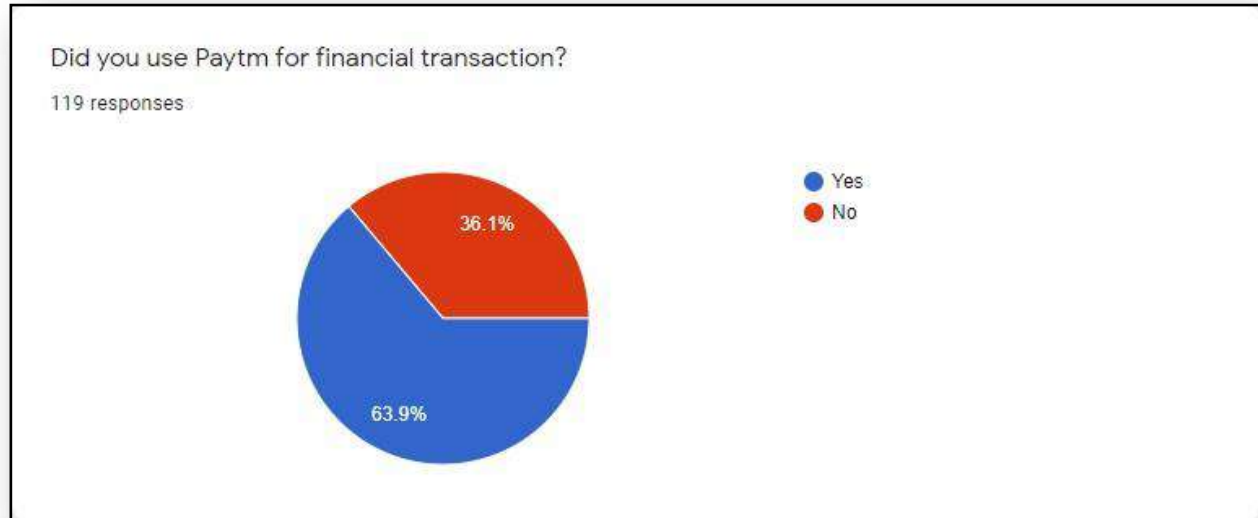
Source through which the respondent knew about Paytm



Among 120 respondents about half of them example 48.3% have claimed that they come to know about Paytm through family and friends which to be also reflects that the good service provided by Paytm is somewhere encouraging the users to recommend the app to their family and friends.

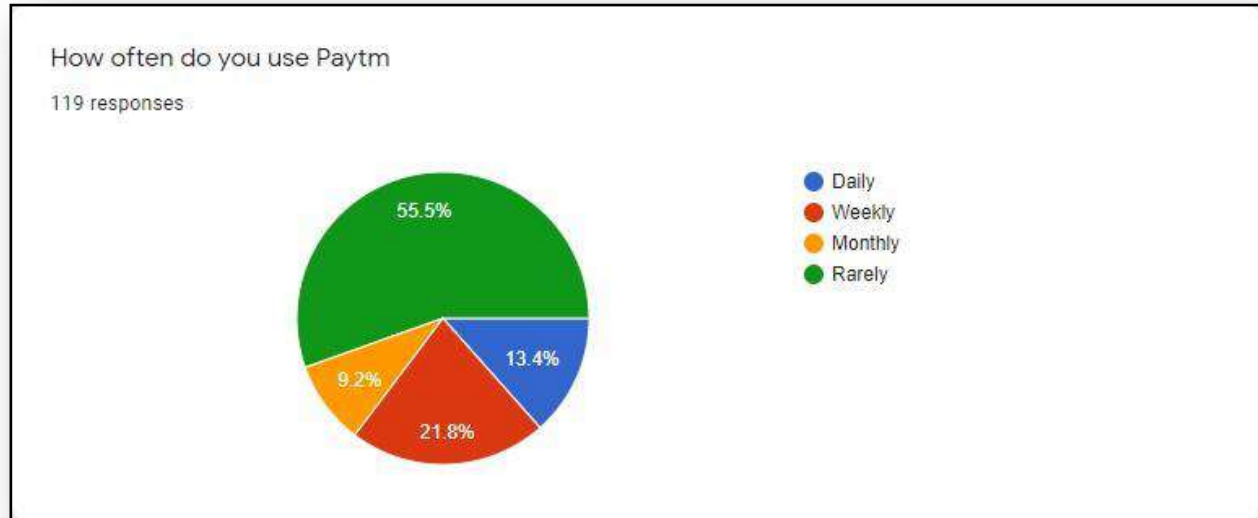
Whereas 24.2% have given the credit to the internet and the others 24.2% to the advertisement, the data significantly reveals that the advertisement policy of Paytm is amazing and is capable to attracting larger number of users.

Usage of Paytm (financial or non financial transaction)



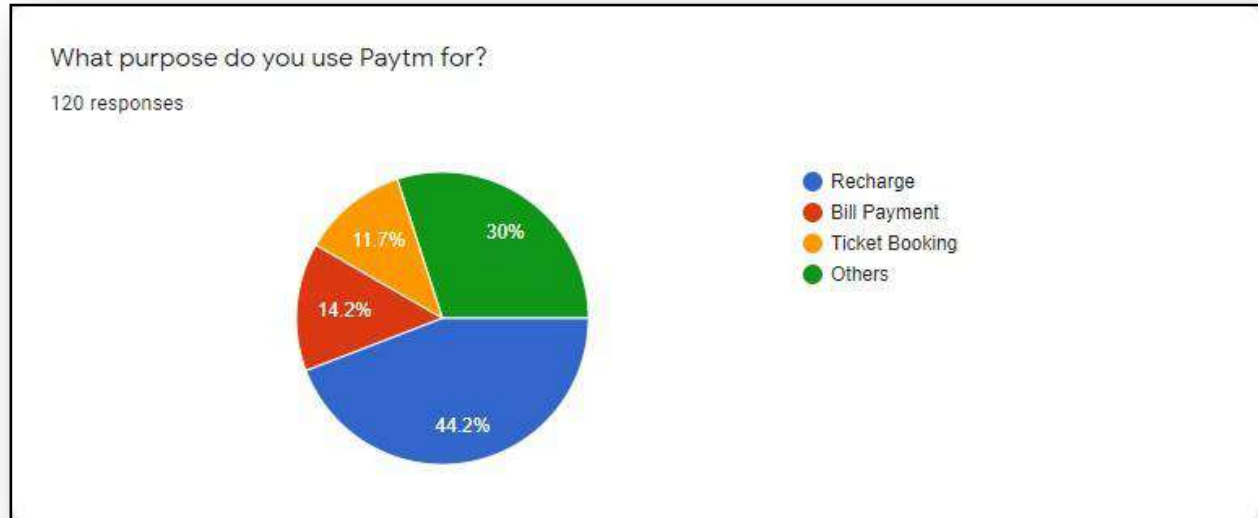
63.9% of total respondents are using Paytm for financial transaction and the remaining 36.1% are not doing so. The difference may be mainly due to the Cashback offers of Paytm on various goods which attracts users to go through it not for financial assistance but only for getting the benefits.

Frequency of using Paytm



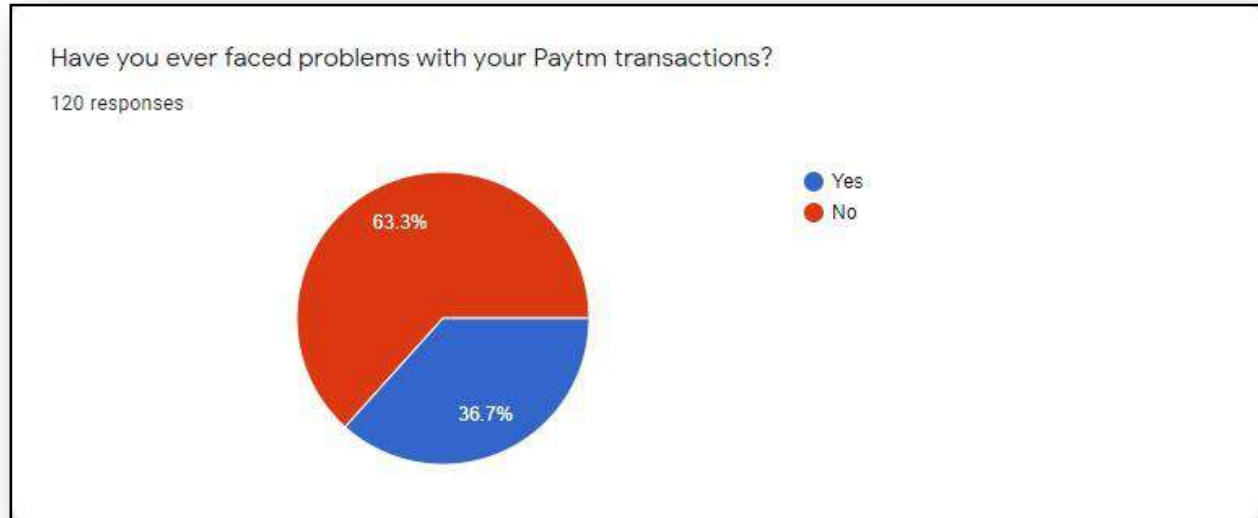
55.5% have claimed that they use Paytm rarely followed by weekly users with 21.8% and daily users with 13.4%. The rare use of app may be due to the complexities involved in its usage such as limited use of wallet money, complexity in KYC etc. The others E-wallets such as Google Pay, PhonePe etc., are on the others hand providing simplicity. Hence, for regular payment more people are to preferring others available options.

Purpose for which Paytm is preferred



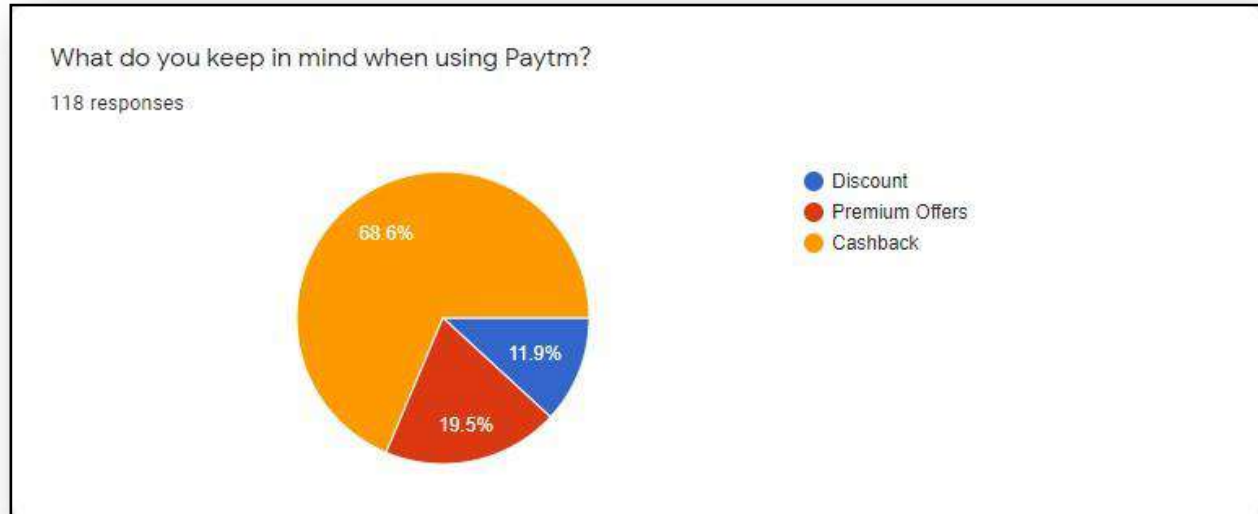
44.2% of total respondents using Paytm for recharge followed by 30%. Who have opted the option others. It somehow reveals that people prefer Paytm either mainly for doing recharge or for others purpose where they find it manageable and profitable of Paytm for market transactions is very low.

Problems faced in transaction through Paytm



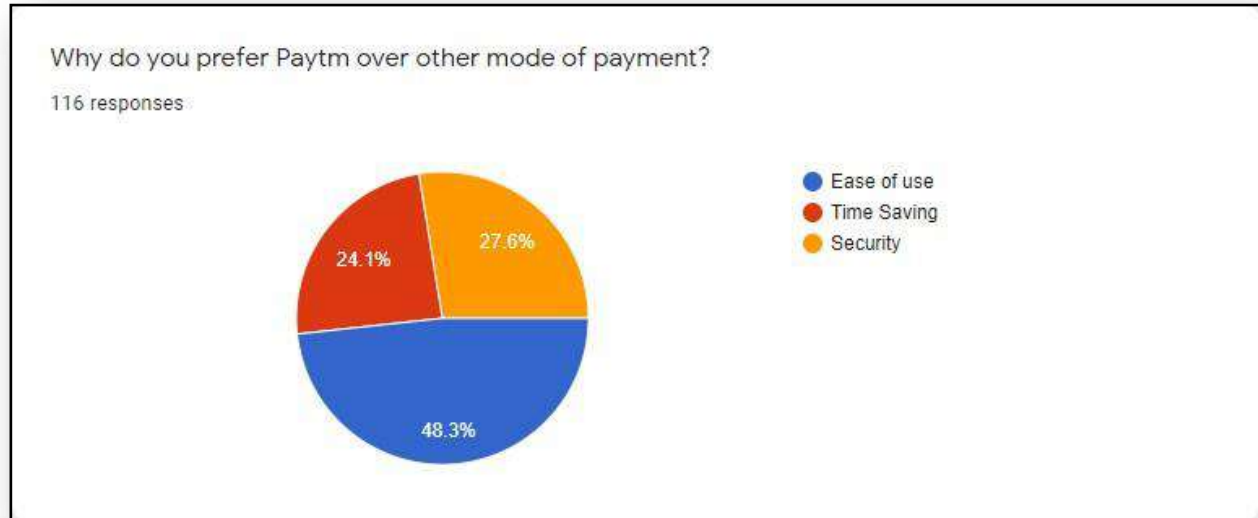
63.3% of total respondents have confronted that they had not faced any kind of problems during Paytm transactions while the remaining 36.7% claims the opposite. It mainly points out that Paytm is efficient but not 100%. There is a scope of correction.

Mental quotient during usage of Paytm



About 69% of total respondents have cleared that the only things that runs in their mind while using Paytm is cashbacks and 20% have exclaimed that. Attracted towards premium offers and merely 11% go for discount. The data somehow clears that more user can created only through providing exciting offers mainly attractive and easy available cashbacks.

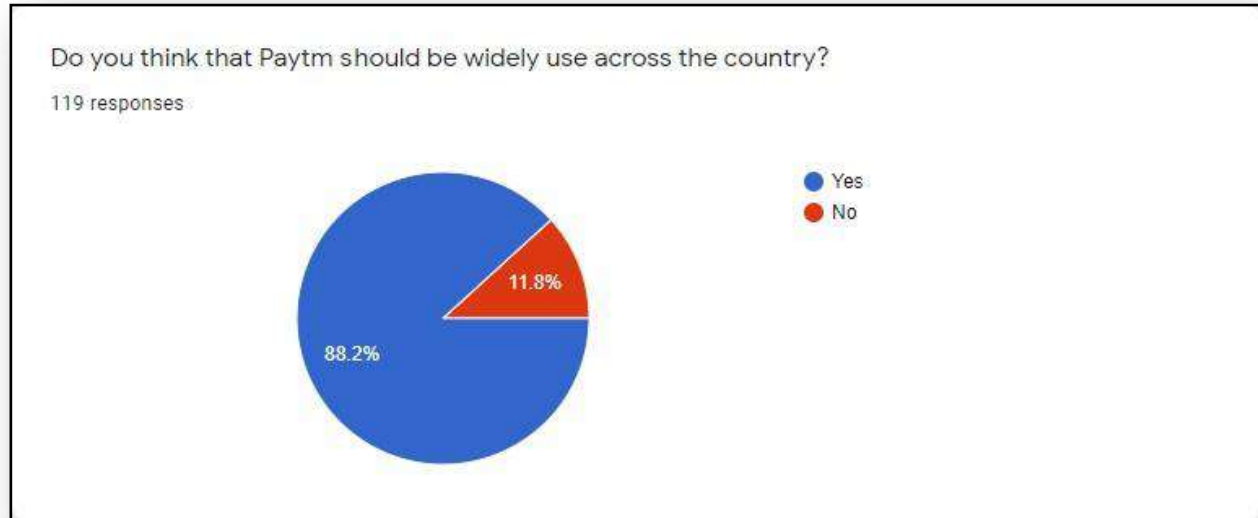
Tendency towards Paytm when compared with others optional



About 48.3% prefers Paytm over other mode of payment due to ease of use followed by 27.6% who prefers due to securities. 24% who prefers due to time saving serve.

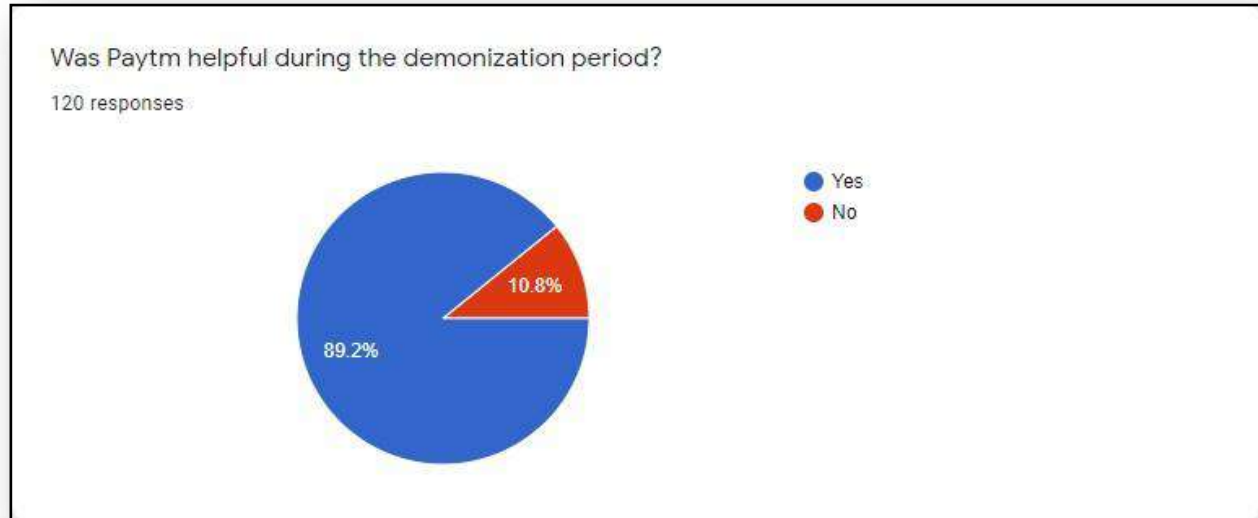
A bluer information is available in this data at preference mainly depends on individual choice. It is a behavioural affect and nothing can be predicated easily but still somewhere we can conclude that Paytm is easy to use.

Accessibility and availability of Paytm



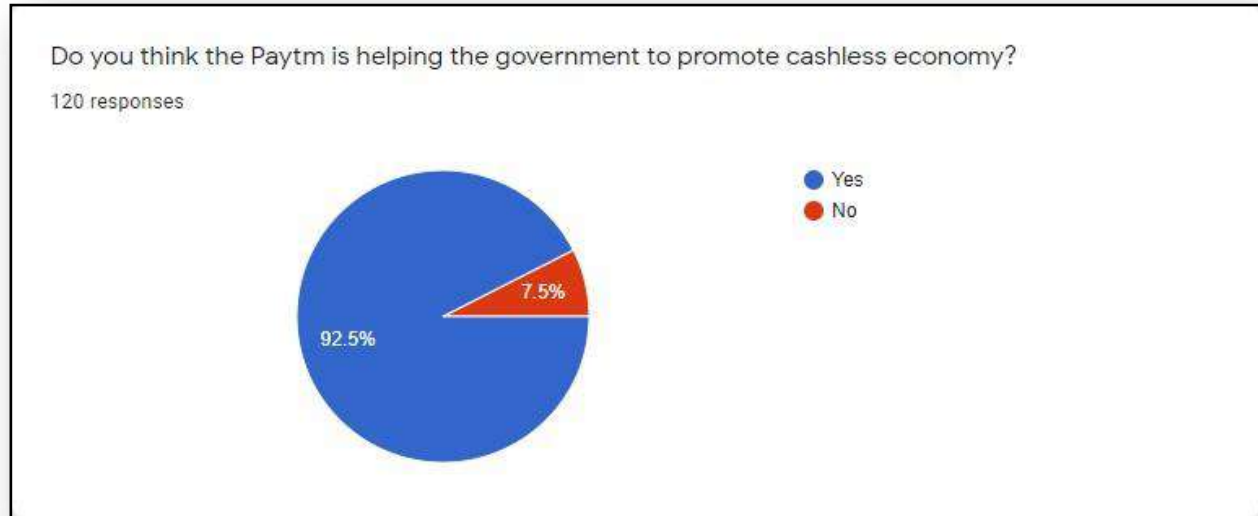
The reaction of this question is highly positive. About 88.7% of total respondents have supported Paytm at national level. It means Paytm is highly recommendable.

Contribution of Paytm in demonetization drive



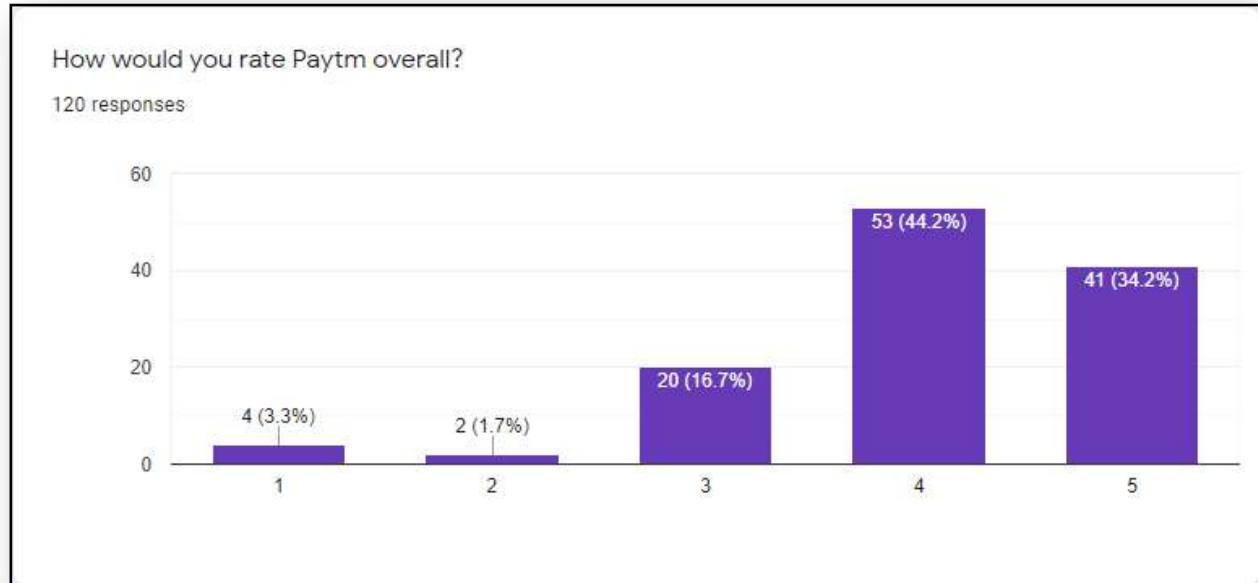
89.2% of total respondents have found the app useful during the demonetization period. It shows that Paytm can be used efficiently for digital payment and it is capable of dragging our economy towards cashless economy.

Efficiency in promoting cashless economy



92.5% have accepted the fact that fact that Paytm is able to promote cashless economy is heading towards digital payment mode very rapidly.

Overall rating for Paytm



On the scale of 5, 34.2% (41 out of 120) respondents have given 5 stars where as 44.2% (53 out of 120) respondents have given 4stars.

16.7% (20 out of 120) respondents have preferred to give 3 stars rating and merely 6% have given 1 and 2 stars. These rating prove that only 34% users are fully satisfied, 44% users are partially satisfied and the remaining users must have been facing few problems which restrict their liking level.

3.2 Findings

Google Forms Online Survey Result: This shows 100% response and obtains the acceptance level of E-Wallet as Paytm.

The discussion of frequency analysis for analyzing awareness and adoption of Paytm E-Wallet services among respondents.

Adoption and Awareness of Paytm (Generated by online Survey): This dimension comes from the response out of 120 respondents

CHAPTER-IV

CONCLUSION & RECOMMENDATION

4.1 CONCLUSION

The present study has allowed me to draw some rather interesting conclusions:

- I came to know that Paytm is widely used amongst the Youth (mainly 18-25 year olds).
- Majority of the people use Paytm rarely and a significant chunk uses them on a day to day basis.
- It is observed that people mostly use Paytm for recharging their prepaid accounts and paying off their bills, as it is way more convenient than standing in long queues and waiting for their turns.
- Apart from this, people also use Paytm for hotel, flight and ticket bookings, as they usually incorporate good discounts, cashbacks and other interesting offers.
- The usage of Paytm is at a satisfactory level.
- The customers face some issue regarding slow Paytm server in their usage of Paytm.
- They may initiate necessary action for periodic updation, up gradation and maintenance of both hardware and software and to prevent cases of slow server and complete breakdown of system by having back storage.

4.2 RECOMMENDATION

Paytm is one of the best mechanical advancement in the present century and the administrations offered by Paytm helps in Time utilization and furthermore it is anything but difficult to utilize. What's more, for the up and coming business visionary's Paytm example of overcoming adversity would be extremely motivational and a lesson to learn before beginning another wander.

Achievement of Paytm could be it was a plan of action presented in the wake of concentrate the current circumstance winning in our nation and that is the reason it went ahead to wind up outstanding amongst other arrangement after demonetization. It can get consideration in the general public as it centers on making mindfulness among individuals and instructing the individuals about its administrations. Fruitful treatment of Paytm by purchasers and shippers is the best case of its positive effect in the general public.

Mobile wallet is rather a new topic in this technology era; henceforth the points of view might be limited. This research paper focuses mainly on consumers, yet in fact, in order to make mobile wallet widely accepted, it requires much effort in terms of change from many related stakeholders, especially the merchants who will have to adapt and change the traditional way of payment.

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- www.iamwire.com

B. ANNEXURE

QUESTIONNARE

PAYTM E-WALLET

1. Name:

2. Age:

- 18 or less
- 18 – 25
- 25 – 35
- 35 – 50
- 50 – 70
- 70 – Above

3. Gender: Male Female Prefer Not to Say

4. Are you aware regarding the functionality of Paytm?

- a) Yes
- b) No

5. How did you come to know about Paytm?

- a) Friend & Family
- b) Internet
- c) Advertisement
- d) Social Media

6. Do you use Paytm for financial transactions?

- a) Yes
- b) No

7. How often do you use Paytm?

- a) Daily
- b) Weekly
- c) Monthly
- d) Rarely

8. What do you use Paytm for?

- a) Recharge
- b) Bill Payment
- c) Ticket Booking
- d) Others

9. Have you ever faced problems with your Paytm transactions?

- a) Yes
- b) No

10. What do you keep in mind when using Paytm?

- a) Discount
- b) Premium Offers
- c) Cashback

11. Why do you prefer Paytm over other mode of payment?

- a) Ease of use
- b) Time Saving
- c) Security

12. Do you think that Paytm should be widely used across the country?

- a) Yes
- b) No

13. Was Paytm helpful during the Demonetization period?

- a) Yes
- b) No

14. Do you think that Paytm is helping the Government to promote Cashless economy?

- a) Yes
- b) No

15. How would you rate Paytm overall?

1	2	3	4	5
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PROJECT REPORT

(Submitted for the Degree of B. Com Honours in
Accounting & Finance under the University of Calcutta)

**Project title: Implementation of GST instead
of VAT and indirect taxes and its analysis**

Submitted by

Name of the Candidate: Subhankar Sannyasi

Registration No: 223-1112-0523-18

Name of the College: Scottish Church College

College Roll No: 18C-017

Supervised by

Name of the Supervisor: Ms. Poushali Bardhan

Name of the College: Scottish Church College

Month and Year of submission:- 26th July 2021

Annexure- IA

Supervisor's Certificate

This is to certify that Mr. SUBHANKAR SANNYASI student of B.com (Honours) in Accounting & Finance in Business of SCOTTISH CHURCH COLLEGE under the University of Calcutta has worked under my supervision and guidance for his/her project work and prepared Project Report with title Implementation of GST instead of VAT and indirect taxes which he/she is submitting is his/her genuine and original work to best of my knowledge.

Place: Kolkata

Date:

Signature:

Name: Mrs. POUHALI
BARDHAN

Designation: Assistant
Professor

Name of college: SCOTTISH
CHURCH COLLEGE

Annexure- IB

Student's Declaration

I hereby declare that the project work with the title implementation of GST Submitted by me for the partial fulfilment of the degree of B.com Honours in Accounting & Finance under the University of Calcutta is my original work and has not been submitted to any other University or Institution for the fulfilment of requirement for any course of study. I also declare that no chapter of this manuscript in whole or in part has been incorporated in this report from any earlier work done by others or by me. However, extract of literature which has been used in this report has been duly acknowledged providing details of such literature in the reference.

Place: DHUPGURI

Date: 26-07-2021

Signature: *Subhankar Sannyasi*

Name: SUBHANKAR

SANNYASI

Address: 12, Dhupguri,
Coochbehar

Registration no: 223-1112-
0523-18

Acknowledgment

Presentation inspiration and motivation have always played a key role in the success of any venture.

I express my sincere thanks to Prof. Amitava Chatterjee, Head of Department, B.COM (Hons), Scottish Church College.

I pay my deep sense of gratitude to Prof. Poushali Bardhan, Scottish church college, to encourage me to the highest peak and to provide me the opportunity to prepare this project. I am immensely obliged to my friends and my parents for their elevating inspiration, encouraging guidance and kind supervision in the completion of the project.

I am thankful to and fortunate enough to get constant support, encouragement, support and guidance from all the teaching staffs of B Com Department which helped me in successfully completing the project.

Thanking you

Subhankar sannyasi

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INTRODUCTION TO GST and VAT

GST is the most ambitious and remarkable indirect tax reform in India's post-Independence history. Its objective is to levy a single national uniform tax across India on all goods and services. GST has replaced a number of Central and State taxes, made India more of a national integrated market, and brought more producers into the tax net. By improving efficiency, it can add substantially to growth as well as government finances.

Implementing a new tax, encompassing both goods and services, by the Centre and the States in a large and complex federal system, is perhaps unprecedented in modern global tax history.

GST is a tax on goods and services with comprehensive and continuous chain of set-off benefits up to the retailer level. It is essentially a tax only on value addition at each stage, and a supplier at each stage is permitted to set-off, through a tax credit mechanism, the GST paid on the purchase of goods and services. Ultimately, the burden of GST is borne by the end-user (i.e., final consumer) of the commodity/service.

With the introduction of GST, a continuous chain of set-off from the original producer's point and service provider's point up to the retailer's level has been established, eliminating the burden of all cascading or pyramiding effects of an indirect tax system. This is the essence of GST. GST taxes only the final consumer. Hence the cascading of taxes (tax-on-tax) is avoided, and production costs are cut down. As already noted, prior to the introduction of

GST, the indirect tax system of India suffered from various limitations. There was a burden of tax-on-tax in the pre-GST system of Central excise duty and the sales tax system of the States. GST has taken under its wings a profusion of indirect taxes of the Centre and the States. It has integrated taxes on goods and services tax. Presently, services sector in India constitutes a tax base with vast potential which has not been exploited yet. It is in this context that GST is justified as it has subsumed under it almost all the services for the purpose of taxation. Since major Central and State indirect taxes have got subsumed under GST, the multiplicity of taxes has been substantially reduced which, in turn, would decrease the operating costs of the country's tax system. The uniformity in tax rates and procedures across the country will go a long way in reducing compliance costs.

In a nutshell, GST is a comprehensive indirect tax levy on manufacture, sale and consumption of goods as well as services at the national level. GST is an indirect tax for the whole of India to make it one unified common market. GST is designed to give India a world class tax system and improve tax collections. It would end the long-standing distortions of differential treatment of manufacturing sector and services sector. GST will facilitate seamless credit across the entire supply chain and across all States under a common tax base.



VAT, is a type of tax that is assessed incrementally. It is levied on the price of a product or service at each stage of production, distribution, or sale to the end consumer. If the ultimate consumer is a business that collects and pays to the government VAT on its products or services, it can reclaim the tax paid. It is similar to, and is often compared with, a sales tax.

VAT essentially compensates for the shared service and infrastructure provided in a certain locality by a state and funded by its taxpayers that were used in the provision of that product or service. Not all localities require VAT to be charged, and exports are often exempt. VAT is usually implemented as a destination-based tax, where the tax rate is based on the location of the consumer and applied to the sales price. The terms VAT, GST, and the more general consumption tax are sometimes used interchangeably. VAT raises about a fifth of total tax revenues both worldwide and among the members of the Organization for Economic Co-operation and Development (OECD).[1]:14 As of 2018, 166 of the 193 countries with full UN membership employ a VAT, including all OECD members except the United States,[1]:14 where many states use a sales tax system instead.

HISTORICAL EVOLUTION OF INDIRECT TAXATION IN POSTINDEPENDENCE INDIA TILL GST

- (I) In post-Independence period, central excise duty was levied on a few commodities which were in the nature of raw materials and intermediate inputs, and consumer goods were outside the net by and large. The first set of reform was suggested by the Taxation Enquiry Commission (1953-54) under the chairmanship of Dr. John Matthai. The Commission recommended that sales tax should be used specifically by the States as a source of revenue with Union governments' intervention allowed generally only in case of inter-State sales. It also recommended levy of a tax on inter-State sales subject to a ceiling of 1%, which the States would administer and also retain the revenue.

- (II) The power to levy tax on sale and purchase of goods in the course of inter-State trade and commerce was assigned to the Union by the Constitution (Sixth Amendment) Act, 1956. By mid-1970s, central excise duty was extended to most manufactured goods. Central excise duty was levied on unit, called specific duty, and on value, called ad valorem duty. The number of rates was too many with no offsetting of taxes paid on inputs leading to significant cascading and classification disputes.

- (III) The Indirect Taxation Enquiry Committee constituted in 1976 under Shri L K Jha recommended, inter alia,

consolidation and input tax credit mechanism of value added tax at manufacturing level (MANVAT). In 1986, the recommendation of the Jha Committee on moving on to value added tax in manufacturing was partially implemented. This was called modified value added tax (MODVAT). In principle, duty was payable on value addition but in the beginning, it was limited to select inputs and manufactured goods only with one-to-one correlation between input and manufactured goods for eligibility to take input tax credit. The comprehensive coverage of MODVAT was achieved by 1996-97.

- (IV) The next wave of reform in indirect tax sphere came with the New Economic Policy of 1991. The Tax Reforms Committee under the chairmanship of Prof. Raja J Chelliah was appointed in 1991. This Committee recommended broadening of the tax base by taxing services and pruning exemptions, consolidation and lowering of rates, extension of MODVAT on all inputs including capital goods. It suggested that reform of tax structure must have to be accompanied by a reform of tax administration, if complete benefits were to be derived from the tax reforms. Many of the recommendations of the Chelliah Committee were implemented., with additional rates on a few luxury goods. In 2000-01, three rates were merged into one rate called Central Value Added Tax (CENVAT). A few commodities were subjected to special excise duty.

- (V) Taxation of services by the Union was introduced in 1994 bringing in its 6 | 54 ambit only three services, namely general insurance, telecommunication and stockbroking. Gradually, more and more services were brought.

In 1994, tax rate on three services was 5% which gradually increased and in 2017 it was 15% (including cess). Before 2012, services were taxed under a positive list approach. This approach was prone to tax avoidance. In 2012 budget, negative list approach was adopted where 17 services were out of taxation net and all other services were subject to tax.

In 2004, the input tax credit scheme for CENVAT and Service Tax was merged to permit cross utilization of credits across these taxes.

(VI) Before state level VAT was introduced by States in the first half of the first decade of this century, sales tax was levied in States since independence. Sales tax was plagued by some serious flaws. It was levied by States in an uncoordinated manner the consequences of which were different rates of sales tax on different commodities in different States. Rates of sales tax were more than ten in some States and these varied for the same commodity in different States. Inter-state sales were subjected to levy of Central Sales Tax. This resulted into exportation of tax from richer to poorer states and also cascading of taxes. Interestingly, States had power of taxation over services from the very beginning. States levied tax on advertisements, luxuries, entertainments, amusements, betting and gambling.

(VII) A report, titled "Reform of Domestic Trade Taxes in India", on reforming indirect taxes, especially State sales tax, by National Institute of Public Finance and Policy under the leadership of Dr. Amaresh Bagchi, was prepared in 1994. This Report prepared the ground for

implementation of VAT in States. Some of 7 | 54 the key recommendations were; replacing sales tax by VAT by moving over to a multistage system of taxation; allowing input tax credits for all inputs, including on machinery and equipment; harmonization and rationalization of tax rates across States with two or three rates within specified bands; pruning of exemptions and concessions except for a basic threshold limit and items like unprocessed food; zero rating of exports, inter-State sales and consignment transfers to registered dealers; taxing inter-State sales to non-registered persons as local sales; modernization of tax administration, computerization of operations and simplification of forms and procedures.

- (VIII) The first preliminary discussion on transition from sales tax regime to VAT regime took place in a meeting of Chief Ministers convened by the Union Finance Minister in 1995. A standing Committee of State Finance Ministers was constituted, as a result of meeting of the Union Finance Ministers and Chief Ministers in November, 1999, to deliberate on the design of VAT which was later made the Empowered Committee of State Finance Ministers (EC). Haryana was the first State to implement VAT, in 2003. In 2005, VAT was implemented in most of the states. Uttar Pradesh was the last State to implement VAT, from 1st January 2008.

Indian taxation system during VAT

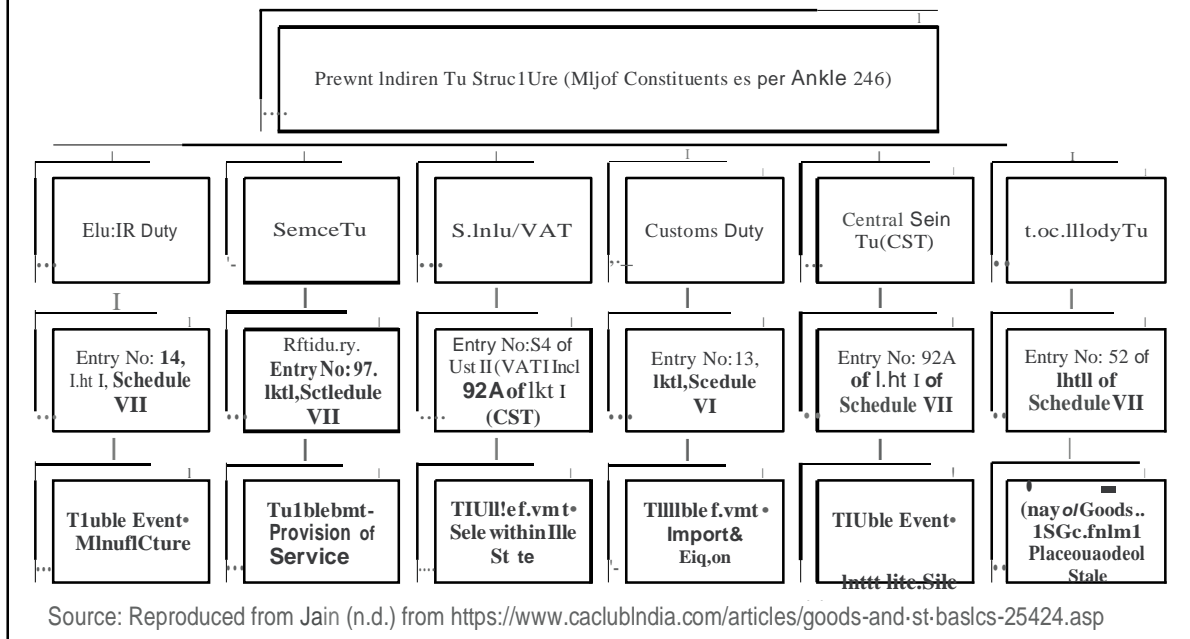
Tax policies play a vital role in any country's progress and have a direct impact on any country's economy in terms of efficiency and equity. A good taxation policy is that which takes care of the entire income distribution and also generates tax revenues in such a manner for Central and State Governments, which can lead to overall benefit in the nation's infrastructure, defense, public amenities, people's security, and a country's exports.

The entire framework to impose indirect taxes comes under Constitutional provisions of India. Article 246, Seventh Schedule gives the right to Central and State Governments to levy taxes and collect indirect taxes on the basis of goods and services transactions. The taxation system varies from manufacturer to manufacturer on point of sale or level of imports or exports.

Indirect taxation-based collection systems are based on origin, and are designed to impose tax and collect the same at the event of happening of any taxable activity.

The Figure 1 depicts a tabular representation of Indian indirect taxation system as per Article 246 of the Indian Constitution System. The following Table 1 gives a tabular representation of taxes imposed and collected by Central and State Governments of India.

Figure 1. Indian Indirect Taxation System as per Article 246



Key difference between VAT and GST

Parameter	GST	VAT
Where is it taxed?	On both goods and services	On the sale of goods (service tax for services)
When is it applicable?	On supply of goods and services	At the time of sale of goods
Tax rate and laws	Tax rates are uniform across India	It has different rates and laws in each state
Authority over taxes	The collected tax is equally shared by the state/central government	The collected tax is confined to the state in which the sale takes place
When is the return filed?	Returns need to be filed every 20th of the next month for the preceding month	The dates for filing returns are 10th, 15th and 20th of the next month for the preceding month

Mode of payment	Both online and offline payment options available (Online payment is mandatory if the GST payable is more than Rs. 10,000)	The only offline payment option is available
Input tax credit	Input tax credit benefit is available, i.e., a taxpayer can claim the credit on the supplies (Goods and Services) received	No input tax credit benefit is available on customs duty paid
Compliance s (Movement of goods)	A similar set of compliances for the movement of goods between states	Compliances for the movement of goods between states differ from one state to another.
Who collects the tax?	consumer state	The seller's state

Proposed GST structure for India

In India, GST was conceived in 2004 by the Task Force on implementation of the Fiscal Responsibility and Budget Management Act, 2003¹⁶ (Kelkar Committee) while analyzing prevailing indirect tax system both at Central and State level. The Kelkar Committee observed that a tax reform of nationwide dual GST which would comprehensively tax the consumption of almost all goods and services in the economy would be able to achieve 'a common market, widen the tax base, improve the revenue productivity of domestic indirect taxes and enhance welfare through efficient resource allocation'.

The existing Indian Indirect tax structure empowers levy of taxes by Central government on manufacturing of goods and supply of services like Customs duties, Central Excise duty, Service tax etc.; and State governments on goods at point of sale such as state VAT, Entry Tax, Octroi etc. Multiplicity of taxes and tax base being fragmented between Centre and States have resulted in a complex system of interconnected legislations leading to substantial distortions, cascading of taxes and adversely affecting growth in Gross Domestic Production (GDP). Some of the limitations of the prevailing Indirect tax structure are:

- Central Value Added Tax (CENVAT) structure does not tax value addition post the stage of production,
- CENVAT portion of input goods remains included in the value of goods to be taxed under State VAT contributing to that extent a cascading effect on account of CENVAT element

- No integration of VAT on input goods with service tax on services at the State level thereby causing cascading effect of service tax.

The proposed GST is consumption type VAT where only final consumption is treated as the final use of a good. GST is expected to integrate taxes on goods and services across all supply chain for availing set-off and capture value addition at each stage. A continuous chain of set-off is expected to be established from the original producer's/service provider's level upto the retailer's level which would eliminate the burden of all cascading effects. Suppliers at each stage would be permitted to set-off the GST paid on the purchase of input goods and services against GST to be paid on the supply of goods and services.

GST proposed for India

Based on the recommendations, the Government Constituted empowered Committee comprising of State Finance Ministers (Empowered Committee) to prepare a Design and Road Map for the implementation of GST.

Salient features of the proposed GST model based on reports of Empowered Committee are summarized below:

1. Aligned with the federal structure of the Indian government, GST model is proposed to be a dual structure (like in Canada) to be levied and collected by the Union government [referred to as Central GST (CGST)] and respective State governments [referred to as State GST (SGST)]. This dual GST model would be implemented and governed by one CGST/IGST statute applicable across the country, SGST statutes for each State, common rules determining valuation, place of supply, place of origin etc. This would imply that the Centre and the States would have concurrent jurisdiction for the entire value chain and the basic principles of law such as chargeability, definition of taxable event and taxable person, measure of levy including valuation provisions, basis of classification, etc. shall be uniform across State statutes. It has been reported that draft laws are already ready and under internal discussions. Also, various allied rules are in the process of being drafted and finalized.

2. CGST and SGST would be comprehensively applicable to all goods and services upto the final consumer (retail level), reflecting the tax base of a typical consumption VAT. Thus, CGST and SGST would be applicable to all transactions involving supply of goods and services made for a consideration (except alcoholic liquor for human consumption) and the exempted goods and services, goods which are outside the purview of GST and the transactions which are below the prescribed threshold limits. Based on recommendations of both the 13th Finance Commission and Empowered Committee, GST on following products shall be levied from a date to be notified by the GST Council

- Petroleum Crude
- High Speed Diesel
- Motor Spirit (commonly known as Petrol)
- Natural Gas
- Aviation Turbine Fuel

3. GST to be structured on the destination principle so that the tax base shifts from production to consumption whereby imports will be liable to tax and exports will be relieved of the burden of GST. Consequently, revenues will accrue to the State in which the consumption takes place or is deemed to take place.

4. Taxes paid on input goods/services against CGST shall be allowed to be utilized as input tax credit (ITC) against output tax liabilities under CGST and same principle applies to SGST. Cross utilization of input tax credit between the Central GST and the State GST would not be allowed except in case of inter-state supply of goods and services. Therefore, a taxpayer or exporter shall be required to maintain separate details in books of account for utilization or refund of credit.

5. In order to maintain uninterrupted credit chain, CST would be phased out in case of inter-state transactions of taxable goods. On such transactions, Centre would levy Integrated GST (referred to as IGST which would be CGST plus SGST) with appropriate provision for consignment or stock transfer of goods and services. The inter-state seller will pay IGST on value addition after adjusting available credit of IGST, CGST, and SGST on his

purchases.

The importing dealer will claim credit of IGST while discharging his output tax liability in his own State. The relevant information will also be submitted to the Central Agency which will act as a clearing house mechanism, verify the claims and inform the respective governments to transfer the funds.

6. A uniform threshold across all States and Union territories is being considered with adequate compensation for the States (particularly, the States in North-Eastern Region and Special Category States) where lower threshold had prevailed in the VAT regime.

7. In view of the fact that the CGST and SGST are intended to be levied on consumption of all goods and services, these two taxes must subsume all taxes presently levied on various goods and services by the Centre and the States, respectively. With an objective of free flow of tax credit in intra and inter-State levels, following indirect taxes as presented in Table 1 (existing under the current structure) are proposed to be subsumed:



CONSTITUTIONAL AMENDMENT

- Unification of Central VAT and State VAT was possible in form of a dual levy under the constitutional scheme. Power of taxation is assigned to either Union or States subject-wise under Schedule VII of the Constitution. While the Centre is empowered to tax goods up to the production or manufacturing stage, the States have the power to tax goods at distribution stage. The Union can tax services using residuary powers, but States could not. Under a unified Goods and Services Tax scheme, both should have power to tax the complete supply chain from production to distribution, and both goods and services. The scheme of the Constitution did not provide for any concurrent taxing powers to the Union as well as the States and for the purpose of introducing goods and services tax amendment of the Constitution conferring simultaneous power on 16 | 54 Parliament as well as the State Legislatures to make laws for levying goods and services tax on every transaction of supply of goods or services was necessary.
- The Constitution (115th Amendment) Bill, 2011, in relation to the introduction of GST, was introduced in the Lok Sabha on 11th March 2011. The Bill was referred to the Standing Committee on Finance on 29th March 2011. The Standing Committee submitted its report on the Bill in August 2013. However, the Bill, which was pending in the Lok Sabha, lapsed with the dissolution of the 15th Lok Sabha.
- The Constitution (122nd Amendment) Bill, 2014 was introduced in the 16th Lok Sabha on 19th December 2014. The Constitution Amendment Bill was passed by the Lok

Sabha in May 2015. The Bill was referred to select Committee of Rajya Sabha on 12th May 2015. The Select Committee submitted its Report on the Bill on 22nd July 2015. The Bill with certain amendments was finally passed in the Rajya Sabha and thereafter by Lok Sabha in August 2016. Further the bill was ratified by required number of States and received assent of the President on 8th September 2016 and has since been enacted as Constitution (101st Amendment) Act, 2016 w.e.f. 16th September, 2016.

- The important changes introduced in the Constitution by the 101st Amendment Act are the following:
 - a) Insertion of new article 246A which makes enabling provisions for the Union and States with respect to the GST legislation. It further specifies that Parliament has exclusive power to make laws with respect to GST on inter-State supplies.
 - b) Article 268A of the Constitution has been omitted. The said article empowered the Government of India to levy taxes on services. As tax on 17 | 54 services has been brought under GST, such a provision was no longer required.
 - c) Article 269A has been inserted which provides for goods and services tax on supplies in the course of inter-State trade or commerce which shall be levied and collected by the Government of India and such tax shall be apportioned between the Union and the States in the manner as may be provided by Parliament by law on the recommendations of the Goods and Services Tax Council. It also provides that Parliament may, by law, and when a supply of goods, or of services, or both takes place.

d) Article 270 has been amended to provide for distribution of goods and services tax collected by the Union between the Union and the States.

e) Article 271 has been amended which restricts power of the Parliament to levy surcharge under GST. In effect, surcharge cannot be imposed on goods and services which are subject to tax under Article 246A.

f) Article 279A has been inserted to provide for the constitution and mandate of GST Council.

g) Article 366 has been amended to exclude alcoholic liquor for human consumption from the ambit of GST, and services have been defined.

h) Article 368 has been amended to provide for a special procedure which requires the ratification of the Bill by the legislatures of not less than one half of the States in addition to the method of voting provided for amendment of the Constitution. Thus, any modification in GST Council 18 | 54 shall also require the ratification by the legislatures of one half of the States.

i) Entries in List I and List II have been either substituted or omitted to restrict power to tax goods or services specified in these Lists or to take away powers to tax goods and services which have been subsumed in GST.

j) Parliament shall, by law, on the recommendation of the Goods and Services Tax Council, provide for compensation to the States for loss of revenue arising on account of implementation of the goods and services tax for five years.

k) In case of petroleum and petroleum products, it has been provided that these goods shall not be subject to the levy of Goods and Services Tax till a date notified.

CHALLENGES IN DESIGNING GST

In the discussion that preceded amendment in the Constitution for GST, there were a number of thorny issues that required resolution and agreement between Central Government and State Governments. Implementing a tax reform as vast as GST in a diverse country like India required the reconciliation of interests of various States with that of the Centre. Some of the challenging issues, addressed in the run up to GST, were the following:

1) Origin-based versus Destination-based taxation: GST is a destination-based consumption tax. Under destination-based taxation, tax accrues to the destination place where consumption of the goods or services takes place. The existing VAT regime was based on origin principle where Central Sales Tax was assigned to the State of origin where production or sale happened and not to the State where consumption happened. Many manufacturing States expressed concerns over the loss of revenue on account of shift from origin-based taxation to destination-based taxation.

An argument put forward on behalf of producing states in support of origin based taxation is that they need to collect at least some tax from inter-State sales in order to recover the cost of infrastructure and public services provided by the State Governments to the industries producing the goods which are consumed in other states. This line of reasoning is based on the assumption that in the absence of a tax on inter-State sales, the location of export industries within their jurisdiction would not contribute to the tax revenues of the exporting state. Spending of this income on consumer goods expands the sales tax base of the producing states and thereby contributes to their revenues. In fact, to the extent that consumer expenditures are dependent on the level of income of the residents of a State, it is the producing state that stand to

gain the most in additional sales tax revenues (even under the destination basis of consumption taxes) from increased export output.

2) Rate Structure and Compensation: There was uncertainty about gains in revenue after implementation of GST. Though attempts were made to estimate a revenue neutral rate, nonetheless it remains an estimate only. It was difficult to estimate accurately as to how much the States will gain from tax on services and how much they will lose on account of removal of cascading effect and phasing out of CST. In view of this, States asked for compensation during the first five years of implementation of GST.

A Committee headed by the Chief Economic Adviser Dr. Arvind Subramanian on possible tax rates under GST suggested RNR (Revenue Neutral Rate). The term RNR refers to that single rate, which preserves revenue at desired (current) levels. This would differ from the standard rate, which is the rate that would apply to a majority of goods and services. It is a given single rate that gets converted into a whole rate structure, depending on policy choices about exemptions, what commodities to charge at a lower rate and what to charge at a very high rate.

The Committee recommended RNR of 15-15.5% (to be levied by the Centre and States combined). The lower rates (to be applied to certain goods consumed by the poor) should be 12%. Further, the sin or demerit rates (to be applied on luxury cars, aerated beverages, pan masala, and tobacco) should be 40%.

3) Dispute Settlement: A harmonized system of taxation necessarily required that all stakeholders stick to the decisions taken by the supreme body, which was later constituted as the Goods and Services Tax Council (the Council). However, the possibility of departure from the recommendations of such body cannot be

completely ruled out. Any departure would definitely affect other stakeholders and in such circumstances, there must be a statutory body to which affected parties may approach for dispute resolution. The nature of such dispute resolution body was a bone of contention. Under the Constitution (One Hundred Fifteenth Amendment) Bill, 2011, a Goods and Services Tax Dispute Settlement Authority was to be constituted for this purpose. This body was judicial in nature. The proposed constitution of this Authority was challenged because its powers would override the supremacy of the Parliament and the State Legislatures. The Constitution (One Hundred Twenty Second Amendment) Bill, 2014 departed from the previous GST amendment bill and proposed that the Goods and Services Tax Council may decide about the modalities to resolve disputes arising out of its recommendations.

4) Alcohol and Petroleum products: Alcoholic liquor for human consumption and petroleum products are major contributors to revenue of States. As States were uncertain about impact of GST on their finances and moreover loss of autonomy in collection of tax revenue, States unanimously argued for exclusion of these products from the ambit of GST. In the 115th Amendment Bill alcoholic liquor for human consumption and five petroleum products namely crude petroleum, high speed diesel, motor spirit or petrol, aviation turbine fuel and natural gas were kept out of GST. But in the 122nd Amendment Bill, only alcoholic liquor for human consumption was kept outside GST and above mentioned five petroleum products were proposed to be brought under GST from a date to be recommended by the Council. The Central Government has also retained its power to tax tobacco and tobacco products, though these are also under GST. Thus, to ensure smooth transition and provide fiscal buffer to States, it was agreed to keep alcohol completely out of the ambit of GST.

FUTURE IMPLICATIONS OF GST

Implementation of GST in India was more focused towards the campaigns launched by Government of India. Campaigns like Make in India, Start-up India, Digital India and Skill India helps the government to attain its mission of New India 2022. The Central Government was more focused and keener to change the bureaucratic environment of the country which will encourage the investors. Goods and Services Tax helps to improve the ratings of investment in India globally. It is very early to measure the implications of GST in the future but following points may highlight its impact on Indian Economy:

Reduction in Prices: GST will give a thrust to the existing tax-credit system, which will drive tax efficiency for manufacturers, wholesalers and for consumers of goods and services. Input tax credit scheme under GST will decrease the overall cost incurred by the manufacturer which will reflect as price reduction in various inflation indices in the long-term. GST could have a negative impact on service sector, which contributes over 50% of Indian GDP. The existing rate of Service Tax is 15% which would surge to 18% in Goods and Service Tax system.

Less Compliance and Procedural Cost: The cost of collecting various taxes, maintaining big records and their respective reports by the government bodies would see a definite decrease as these taxes would come under one big umbrella of GST.

Pricing and Profitability: The resultant tax expenditure after GST would have a direct impact on pricing and profitability of different goods and services which will vary across different sectors. The Margins and Price Bands on Goods and Services would be re-examined and a reduction in prices will have a direct impact on consumer demand.

Government Revenue: Despite the expected change in pricing, the government is expected to set GST at revenue neutral rate, so there might be no significant change in Government Revenue but on the other hand, Central Government is trying to make GST registration compulsory which will increase the number of retailers and taxpayers than existing one in the system.

Increase in Cash Flows: Goods and Service Tax is set to boost cash flows through the removal of concept of excise duty. Being a consumption-based tax, GST would now be collected at the time of sale/supply over current tax predicament being collected at the production/removal of goods. Recompense Location Bias: This would enable uniformity through states and would not let investors discriminate states on basis of tax advantage. The only thing that would drive investor's capital will be profitability, cash flows, and performances promoting smaller businesses and entrepreneurship without location bias.

Uniform Per Capita Taxation: As mentioned above, Goods and Service Tax being destination based consumption tax would allow poverty-stricken states like Bihar to increase its tax revenue. As GST would be paid to states where the consumption of goods takes place, the state's tax revenue would be driven by population (more the population, more the consumption) rather than number of businesses/industries.

Tax Evasion: Being a destination-based tax system, Goods and Service Tax Framework would reduce tax evasion by large extent and will promote the manufacturers and retailers to use bills and invoices.

GST: A GAME CHANGER FOR INDIAN ECONOMY:

GST will have a multiplier effect on the economy with benefits accruing to various sectors as discussed below.

Benefits to the exporters: The subsuming of major Central and State taxes in GST, complete and comprehensive setoff of input goods and services and phasing out of Central Sales Tax (CST) would reduce the cost of locally manufactured goods and services. This will increase the competitiveness of Indian goods and services in the international market and give boost to Indian exports. The uniformity in tax rates and procedures across the country will also go a long way in reducing the compliance cost.

Benefits to small traders and entrepreneurs: GST has increased the threshold for GST registration for small businesses. Those units having aggregate annual turnover more than Rs 20 lakhs (Rs. 10 lakhs in certain cases) in case of supplier of services and Rs. 40 lakhs (Rs. 20 lakhs in certain cases) in case of supplier of goods have to be registered under GST. Unlike multiple registrations under different tax regimes earlier, a single registration is needed under GST in one State. An additional benefit under Composition scheme has also been provided for businesses with aggregate annual turnover up to Rs 1.5 crore (Rs. 75 lakhs in certain cases) in case of supplier of goods and restaurant services and Rs. 50 lakhs in case of supplier of services. With the creation of a seamless national market across the country, small enterprises will have an opportunity to expand their national footprint with minimal investment.

Benefits to agriculture and Industry: GST will give more relief to industry, trade and agriculture through a more comprehensive and wider coverage of input tax set-off and service tax set-off, subsuming of several Central and State taxes in the GST and phasing out of CST. The transparent and complete chain of set-offs which will result in widening of tax base and better tax compliance may also lead to lowering of tax burden on an average dealer in industry, trade and agriculture.

Benefits for common consumers: With the introduction of GST, the cascading effects of CENVAT, State VAT and service tax will be more comprehensively removed with a continuous chain of set-off from the producer's point to the retailer's point than what was possible under the prevailing CENVAT and VAT regime. Certain major Central and State taxes will also be subsumed in GST and CST will be phased out. Other things remaining the same, the burden of tax on goods would, in general, fall under GST and that would benefit the consumer.

Promote –Make in India: GST will help to create a unified common national market for India, giving a boost to foreign investment and –Make in India campaign. It will prevent cascading of taxes and make products cheaper, thus boosting aggregate demand. It will result in harmonization of laws, procedures and rates of tax. It will boost export and manufacturing activity, generate more employment and thus increase GDP with gainful employment leading to substantive economic growth. Ultimately it will help in poverty eradication by generating more employment and more financial resources. More efficient neutralization of taxes especially for exports thereby making our products more competitive in the international market and give boost to Indian Exports. It will also improve the overall investment climate in the country which will naturally benefit the development in the states. Uniform CGST & SGST and IGST rates will 47 | 54 reduce the incentive for evasion by eliminating rate arbitrage between neighbouring States and that

supplies. Average tax burden on companies is likely to come down which is expected to reduce prices and lower prices mean more consumption, which in turn means more production thereby helping in the growth of the industries. This will create India as a –Manufacturing hub.

Ease of Doing Business: Simpler tax regime with fewer exemptions along with reduction in multiplicity of taxes that are at present governing our indirect tax system will lead to simplification and uniformity. Reduction in compliance costs as multiple record-keeping for a variety of taxes will not be needed, therefore, lesser investment of resources and manpower in maintaining records. It will result in simplified and automated procedures for various processes such as registration, returns, refunds, tax payments. All interaction shall be through the common GSTN portal, therefore, less public interface between the taxpayer and the tax administration. It will improve environment of compliance as all returns to be filed online, input credits to be verified online, encouraging more paper trail of transactions. Common procedures for registration of taxpayers, refund of taxes, uniform formats of tax return, common tax base, common system of classification of goods and services will lend greater certainty to taxation system.

LITERATURE REVIEW

Kumar (2018), observed that GST has streamlined India's tax system and eliminated the cascading impact of numerous taxes, which gradually has decreased final burden on customer's end. "The study also identifies the problems that global importers face as they export from India (like delayed delivery, quality etc.)."

Manoj (2019) says GST would provide an efficient tax system for economic development and GDP growth. He further claimed that GST would affect all sectors such as construction, textiles, carpets, telecommunications, vehicles, etc, but that introducing GST will be best for manufacturing compared with the service sector." Dr. R. Vasanth Gopal (2011) argued that transitioning from the present riddle of the indirect tax system to a smooth GST framework is a defining move towards booming the Indian economy, with GST being embraced by more countries worldwide. Nitin Kumar (2014) concluded that the introduction of GST will suppress economic distortions in India from existing indirect taxes and planned to have a rational and impartial tax system. Shanti & Murti (2019) carried out an analysis and noticed that GST has a very strong effect on customer understanding and purchase behaviour. Ehtisham Ahmed and Satya Poddar (2009) studied and found GST to have an easy, simpler and more straightforward indirect tax system that increases Indian economy productivity.

The advantages of applying GST rely, however, on a rational GST architecture. Carpet Export Promotion Council (CPEC) reports that India exports to more than 70 nations, led by Europe with the largest share of exports to the US (48.84%), 27.25% and 23.91% to the rest of the world. According to one of the articles published in TOI's Handmade Carpet Industry, the CEPC president urged the government to provide substantial relief to the carpet industry by raising the duty downside from 12% to 5%. Chaurasia et al. (2016) in

their study concluded that GST would increase india's GDP and lead to economic growth. Kuruvilla, Hari Kumar & Alex (2018) clarified the GST effect in the jewellery industry and concluded that after introduction of the GST, gems and jewellery prices would become competitive. They also claimed that a streamlined input tax credit process for products and services would render a more effective and straightforward system.

CONCLUSION AND SUGGESTIONS

As per my observation and study on GST shows that impact of GST on Indian economy has more positive than negative. As per producer point of view, because of GST Indian product became more comparative in the market which help to face competition and earn more profit .as per customer point of view, GST reduced overall tax burden on goods which is currently estimate 25% to 30% which help them to access goods at lower price.

Since GST is new in India so initially public facing certain issue to understand new law. Business man and service provider news to appoint experts for smoothing business activity which will ultimately increase cost. Business need to bring new software or update software as per new system. Slowly and gradually all these issues are resolve and have more scope in future for growth. GST will grow up Indian economy, as per HSBS expected increase in GDP up to 0.80% and NCAER expect increase in GDP up to 0.9% - 1.7%.

As people facing problem at initial stage stage understand new law and their provisions & technology. So my suggestion there issues are, there should be various seminars and lecture need to conduct for general awareness . Government introduce various technique and technology for registration and updation purpose but while doing survey some some people stated that registration sites and software not working properly. Hence government should look in to there points also so that implementation and application of GST go smoothly in India.

"ONE NATION ONE TAX" Will provide benefits to me , to my family , to my city , to my state , to my nation and economy as hole .

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PROJECT REPORT

**(Submitted for the Degree of B.Com.
Honours in Accounting & Finance under
the University of Calcutta)**

TITLE OF THE PROJECT:

**“GOODS & SERVICES
TAX”**

SUBMITTED BY

Name of the Candidate : Mohit Kumar Singh

Registration Number: 223-1111-0513-18

Name of the College: Scottish Church College

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**B. Com (HONOURS)
Department Of Commerce
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Supervisor's Certificate

This is to certify that **Mr. Mohit Kumar Singh** a student of B.Com. Honours in Accounting & Finance of **Scottish Church College**, under the University of Calcutta has worked under my supervision and guidance for his Project Work and prepared a Project Report with the title "**GOODS & SERVICE TAX**" which he is submitting is genuine and original work to the best of my knowledge.

Place: Kolkata

Date:

Signature:

Name: Prof. Biswadeep Dutta

Designation: PROFESSOR

**Name of the College: Scottish
Church College**

SUPERVISED BY

Name of the Supervisor:

Prof. Biswadeep Dutta

Name of the College: Scottish Church College

MONTH & YEAR OF SUBMISSION:

Date: July 2021

Student's Declaration

I hereby declare that the Project Work with the title “**GOODS & SERVICE TAX**” submitted by me for the partial fulfillment of the degree of B.Com. Honours in Accounting & Finance under the University of Calcutta is my original work and has not been submitted earlier to any other University /Institution for the fulfillment of the requirement for any course of study.

I also declare that no chapter of this manuscript in whole or in part has been incorporated in this report from any earlier work done by others or by me. However, extracts of any literature which has been used for this report has been duly acknowledged providing details of such literature in the references.

Place: Kolkata

Signature:

Date:

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Chapter 1

Introduction On GST

: INTRODUCTION TO THE GST:

The Goods and Services Tax (GST), implemented on July 1, 2017, is regarded as a major taxation reform till date implemented in India since independence. The primary objective behind development of GST is to subsume all sorts of indirect taxes in India like Central Excise Tax, VAT/Sales Tax, Service tax, etc. and implement one taxation system in India.

: SALIENT FEATURES OF GST:

- GST is an indirect tax.
- For the words manufacture, sale, service, etc. the only 'Supply' is used.
- GST is levied on supply of goods or service or both.
- It is a consumption based tax.
- GST is levied both by Central Government and State Government/Union territory
- Tax paid on inward supplies is available as input tax credit against tax on outward supplies subject to fulfillment of certain conditions.
- GST law is applicable all over India

: OBJECTIVES OF GST

- To Develop national Market- One Nation, one Tax
- To reduce multiplicity of indirect taxes.

- To Eliminate classification dispute between goods & services.
- To remove barriers in inter-State movement of goods
- To ease the administrative control.
- Uniformity of tax rates and automated compliances.
- Ensuring availability of input tax credit across the value chain
- Simplification of registration, filing of return, tax administration and compliance.
- Harmonization of tax base, laws, and administration procedures across the country.
- Minimizing tax rate slabs to avoid classification issues.
- Prevention of unhealthy competition among states.
- Free movement of Goods across the country without any additional tax.

: ADVANTAGES OF GST:

- GST eliminates the cascading effect of tax
- Higher threshold for registration
- Composition scheme for small businesses
- Simple and easy online procedure
- The number of compliances is lesser
- Defined treatment for E-commerce operators
- Improved efficiency of logistics
- Unorganized sector is regulated under GST

: DISADVANTAGES OF GST:

- Increased costs due to software purchase
- Being GST-compliant
- GST will mean an increase in operational costs

- GST came into effect in the middle of the financial year
- GST is an online taxation system
- SMEs will have a higher tax burden

: STRUCTURE OF GST



Dual model GST is applicable in India i.e. two varieties of GST will be charged on same bill i.e. CGST (Central goods and service tax) and SGST (State goods and service tax). On an Intra State Supply, both CGST and SGST shall be applicable. Amount of CGST is revenue of the Central Government and the amount of SGST is revenue of State Government.

: TYPES OF GST

- Central Goods and Services Tax (CGST)
- State Goods and Services Tax (SGST)
- Integrated Goods and Services Tax (IGST)
- Union Territory Goods and Services Tax (UTGST)

Types of Differences	CGST	SGST	IGST	UGST/UTGST
Applicable transactions (Goods & Services)	Intrastate (Within one state)	Intrastate (Within one state)	Inter-state (between two states or one state and one UT) and imports	Within one Union Territory (UT)
Collected by	Central Govt.	State Govt.	Central Govt.	UT Govt.
Benefitting Authority	Central Govt.	State Govt.	Central Govt. & State Govt.	UT Govt.

: CENTRAL TAXES SUBSUMED IN GST

- Central Excise Tax
- Service Tax
- Additional Custom duty, commonly known as Countervailing Tax (CVD)

: STATE TAXES SUBSUMED IN GST

- VAT / Sales tax
- Luxury tax
- Purchase tax
- Entry tax / Octroi
- Central Sales Tax

: TAXES NOT SUBSUMED IN GST

- Custom duty
- Stamp duty
- Securities transaction Tax

- Central Excise on Petroleum products, Tobacco
- VAT on Petroleum Products and Alcohol

: RATE OF GST

Rate of GST varies from product to product. There are 4 popular rates of GST i.e.

- (a) 5% (2.5% CGST + 2.5% SGST)
- (b) 12% (6% CGST + 6 % SGST)
- (c) 18% (9 % CGST + 9 % SGST) and
- (d) 28% (14 % CGST+14 % SGST)

Note:

- (a) Special Rate of GST on jewellery : It is 3% in case of Gold, Silver, Platinum etc.
- (b) In case of Rough diamond rate of GST is 0.25%

: GST COUNCIL

Goods & Services Tax (GST) Council is a constitutional body for making recommendations to the Union and State Government on issues related to Goods and Service Tax. The GST Council is chaired by the Union Finance Minister and other members are the Union State Minister of Revenue or Finance and Ministers in-charge of Finance or Taxation of all the States.

: THE TAXABLE EVENT IN GST

The taxable event in GST is supply of goods or services or both. The liability to pay tax arises at the 'time of supply of goods or services'. Thus, determining whether or not a transaction falls under the meaning of supply, is important to decide GST's applicability.

: SUPPLY

The scope of term supply is given under Section 7(1) of CGST Act which provides the inclusive definition of term supply. As per the provision of supply, supply includes:

- (a) all forms of supply of goods or services or both such as sale, transfer, barter, exchange, licence, rental, lease or disposal made or agreed to be made for a consideration by a person in the course or furtherance of business;
- (b) import of services for a consideration whether or not in the course or furtherance of business and;
- (c) the activities specified in Schedule I, made or agreed to be made without a consideration and;
- (d) the activities to be treated as supply of goods or supply of services as referred to in Schedule II.

Chapter 2

IMPACT OF GST ON VARIOUS SECTORS

: INTRODUCTION

Goods and Services Tax (GST) was introduced in the Indian Constitution through the 101st (Hundred and One) Constitutional Amendment Act, 2016. After the enforcement of Goods and Services Tax (GST), many sectors faced some positive effects as well as negative effects.

The enforcement of the tax was for the long term benefit. There were very few sectors that received an immediate benefit from the implementation of Goods and Services Tax (GST). The long term benefit requires the patience of citizens.

Some of the major sectors that have been affected by the implementation of GST are –

- Export-Import sector
- Real estate
- Entertainment industry
- Hotel and tourism
- Logistics industry
- Banking sector

- Gold industry
- Textile/readymade garment sector
- It industry
- Fmcg industry

: EXPORT AND IMPORT SECTOR

Before the enforcement of the Goods and Services Tax (GST), Export and Import were governed by the Service Tax, Value Added Tax, Excise Duty and Customs Duty. These were imposed on the Import and Export goods and services. When Goods and Services Tax (GST) was introduced all these taxes were merged into one. But the Basic Customs Duty (BCD) continues to work on the import bills.

: REAL ESTATE AND PROPERTY

We can see the positive impact of GST on property buyers. 12% GST charges of property value are liable on all under construction properties, excluding the registration charges and Stamp duty. Earlier provision is applicable on the ready property. Input tax credits will increase profit margins for developers or builders, which further transfers benefits to the Homebuyers.

: ENTERTAINMENT INDUSTRY

The GST rate for entertainment services varies from 18% to 28%. These tax rates are different in different states which depend on the type of

entertainment service or product. The states where The entertainment service tax was higher than 28%, GST will decrease the overall cost of entertainment.

: HOTEL AND TOURISM

Tourism and hotel industry play an import part to grow India's GDP. GST rates for hotels are different according to their tariffs:

- Less than Rs. 1000 = 0% (GST free)
- Rs. 1000 to 2500 = 12%
- Rs. 2500 to 7500 = 18%
- Above Rs. 7500 = 28%

It is expected that the cost of tour packages may come down due to the relief to tour operators under GST regime. 5% tax is liable on tour operators currently.

: LOGISTICS INDUSTRY

The logistics industry is the backbone of Indian economy and it is estimated to be worth about

\$200 up to 2021. After the GST, the time taking clearance process has become easy i.e less transit time. Corruption activities are reduced in logistic services. GST reduces the overall cost of logistics services and increases business revenue.

: BANKING SECTOR

18% GST rates levied on banking services like insurance policies, ATM transactions etc. The earlier tax rate was 15%. Banking and financial services become costly.

GST has reduced indirect taxes, i.e. Ease of doing business in the banking and financial sector Which leads to increase in business. It will increase demand for funds and digital transactions in the banking industry.

: GOLD INDUSTRY

18% GST rates levied on banking services like insurance policies, ATM transactions etc. The gold industry is the biggest market in the world. GST on the gold industry hits to consumers. 3% GST rate that is applicable to 10% import duty and 5%, making charges which lead to rising the jewellery prices in India. The demand for Gold may fall 50 to 70 percent. But there is more transparency in the gold industry due to the GST implementation. It will definitely turn in a positive impact on a long term.

: TEXTILE/READYMADE GARMENT SECTOR

Textile industry will be benefitted through GST implementation in India. Ready-made garments up to Rs. 1000 is exempted from GST and branded garments above Rs. 1000 will be taxed at 12%.

: IT INDUSTRY

All IT services and software products, as well as freelancers, are levied

18% GST rate. Overall positive impact on IT industry of GST. Cascading effect is removed through GST implementation. IT will make changes in the process of business process. ITC under GST will Bring down the operating costs and increase the profitability of the IT industry.

2.11. FMCG INDUSTRY

FMCG sector is one of the biggest economic platforms in India. After the GST implementation, Mostly FMCG products and services are taxed under 18 to 20 percent. Lower GST rates, give Benefits to the business holder, manufacturers and consumers directly.

Chapter: 3

Data Finding and Analysis of GST

FIGURE 3.1: IMPACT OF GST ON RETAIL INDUSTRY
 After the implementation of the GST, we can see both its positive and

Impact of GST On Different Sectors					
	Impact of Tax Rate	Inventory Management	Logistics	For Organised players	Overall Impact
Cement	😊	😊	😊	😊	😊
Consumer Durables	😊	😊	😊	😊	😊
FMCG	😊	😊	😊	😊	😊
Pharmaceuticals	😊	😊	😊	😐	😊
Automobile	😊	😊	😊	😊	😊
Cap Goods	😊	😐	😊	😐	😊
IT	😊	😐	😊	😐	😊
Media	😡	😐	😐	😐	😡
BFSI	😊	😐	😐	😐	😊
Textile	😡	😊	😊	😊	😐
Building/Home Material	😊	😊	😊	😊	😐
Telecommunications	😐	😐	😡	😐	😡
Metals	😡	😐	😊	😐	😊
Multiplex	😊	😐	😐	😐	😊

Positive
 Neutral
 Negative

negative effects on different industries. Many sectors like manufacturing, electronics, telecom, FMCG, education, banking, jewellery, tourism, logistics, IT etc. are the important part of the Indian economy. The positive impact of the GST on such sectors is seen in the form of economic development of the country.

FIGURE 3.2: IMPACT OF GST ON RETAIL INDUSTRY

How will GST shape Retail Industry?



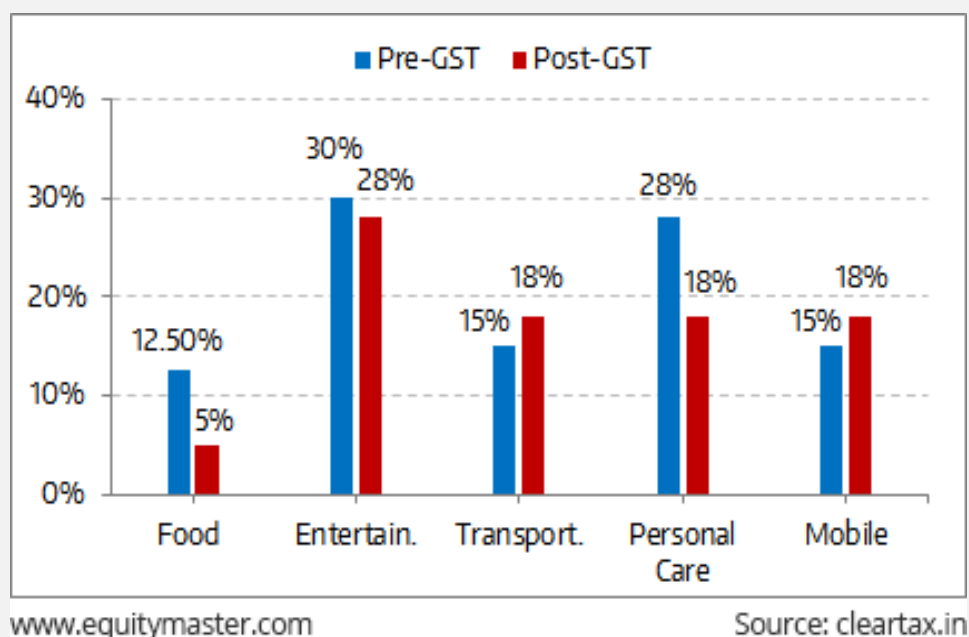
Sources: <https://holisollogistics.com>

Below five factors will significantly change the dynamics of the retail sector in India:

- a. **Reduced taxes** – The main impact of GST on retailers will be a significant reduction of the tax burden on the retailers.
- b. **Seamless Input tax credit** – GST will make an impact by eliminating the cascading effect of taxes thereby reducing the total tax burden on the retail sector.
- c. **Increased Supply chain efficiency** – The impact of GST will be evident on supply chains, as their designs would be efficiency-oriented and not in alignment with the taxation system.
- d. **Tax on gifts and promotional items** – As per the model GST law, any supply without any consideration will attract tax.

e. **Better Opportunities & Growth of Retail Market** – Upon implementation of GST, analysts predict unification of markets.

FIGURE 3.3: IMPACT OF GST ON COMMON PEOPLE'S SPENDING:



Finally, India's biggest tax reform - Goods and service Tax (GST) is a reality. Yes, after a lot of speculation around the timely implementation, GST has been rolled out.

As we have saying, GST is a much-needed economic reform. It should eventually expand India's narrow tax base and increase government revenues.

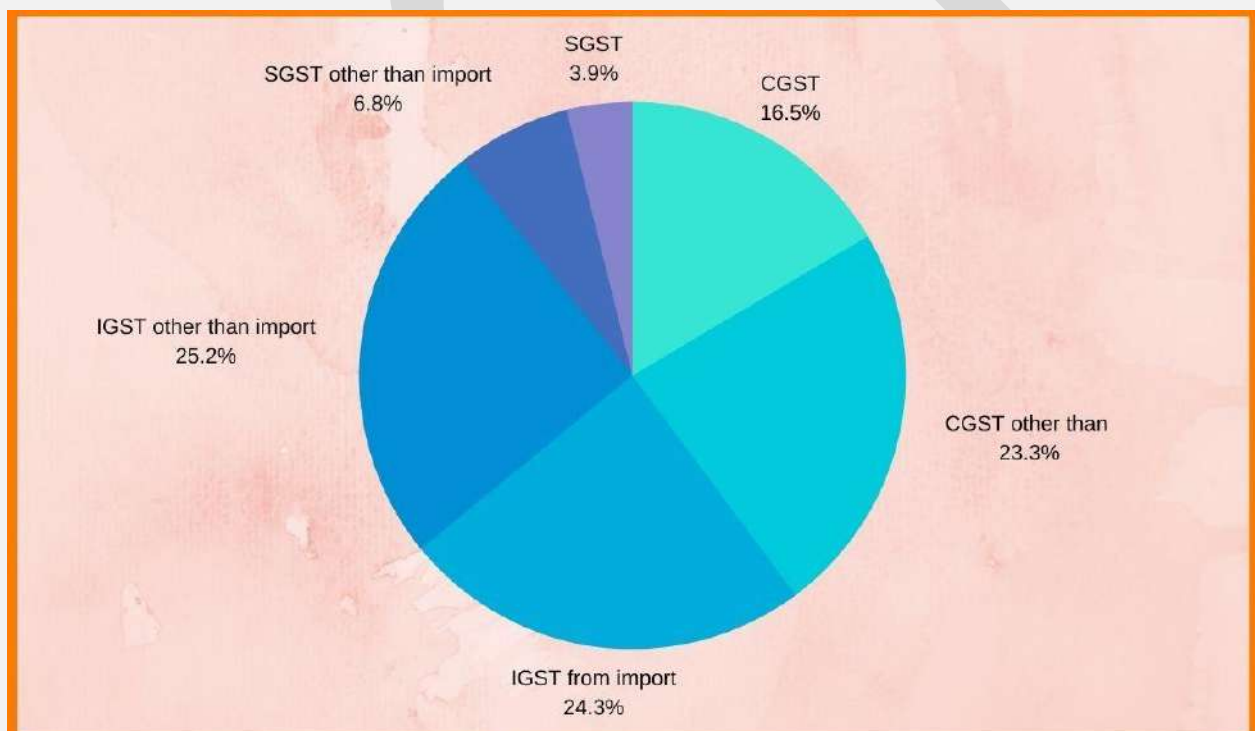
That said, every coin has two sides. GST is no exception. It will have its fair share of chaos in the coming months. There could be

protests across the country over tax rates and compliance burdens and it could affect the smooth functioning of the economy.

While GST will impact businesses and industries in a big way, it won't directly affect the salaried class and self-employed personnel (Aam Aadmi). Since it is an indirect tax, it does not change the way they pay their personal taxes. The only impact they will see would be due to the change in rates of the goods and services they avail.

FIGURE 3.4: COMPONENT ANALYSIS OF GST GROSS COLLECTION IN INDIA

Sources: <https://startuptalky.com>



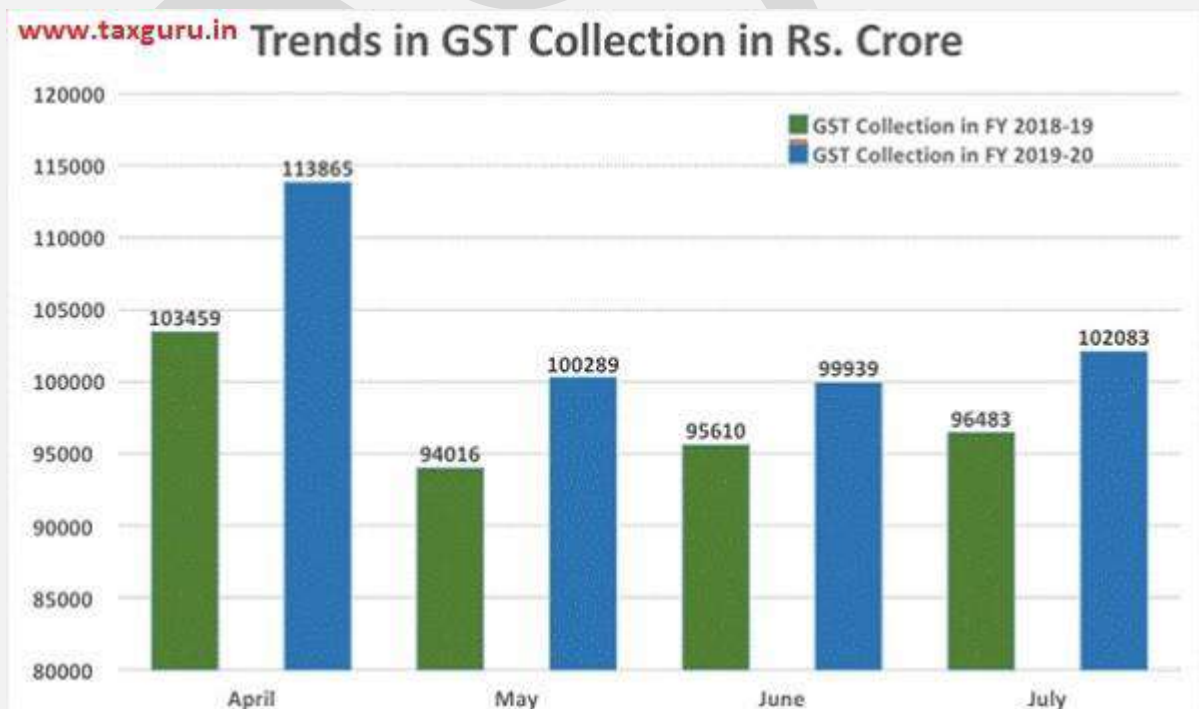
Analysis –

- Average monthly gross collection since the GST introduced up-till month of June 2019 is INR 96,048 crores, with improving average

over the year.

- From August 2017 to March 2018, average monthly gross collection was INR 89,705 crores
- During 2018-19 average monthly gross collection was recorded at 98,114 crores, which was 9.37% higher than 2017-18 (From August 2017).
- For ongoing fiscal year 2019-20, till month of June average monthly gross collection is 1,04,698 crores, which is 6.71% higher than monthly average of 2018-19 and 16.71% higher than 2017-18 (From August 2017).

FIGURE 3.5: TREND OF GST COLLECTION IN INDIA



Sources: <https://taxguru.in>

Analysis –

The total gross GST revenue collected in the month of July, 2019 is ₹ 1,02,083 crore of which CGST is ₹17,912 crore, SGST is ₹ 25,008 crore, IGST is ₹ 50,612 crore (including ₹ 24,246 crore collected on imports) and Cess is ₹ 8,551 crore (including ₹797 crore collected on imports). The total number of GSTR 3B Returns filed for the month of June up to 31st July,2019 is 75.79 lakh.

The revenue in July, 2018 was ₹ 96,483 crore and the revenue during July, 2019 is a growth of 5.80% over the revenue in the same month last year. During April-July 2019 vis-à-vis 2018, the domestic component has grown by 9.2% while the GST on imports has come down by 0.2% and the total collection has grown by 6.83%. Rs. 17,789 crore has been released to the states as GST compensation for the months of April-May, 2019.

Chapter: 4

Conclusion and Recommendation

CONCLUSION:

Primarily, the concept of GST was introduced and proposed in India a few years back, but implementation has been done by the current BJP government under the able leadership of Prime Minister Shri Narendra Modi on July 1, 2017.

The new government was in strong favor for the implementation of GST in India by seeing many positive implications as discussed above in the paper. All sectors in India - manufacturing, service, telecom, automobile and small SMEs will bear the impact of GST.

One of the biggest taxation reform- GST will bind the entire nation under a single taxation system rate.

As forecasted by experts, GST will improvise tax collections and boost up India's economic development and break all tax barriers between Central and State Governments.

No doubt, GST will give India a clear and transparent taxation system, but it is also surrounded by various challenges. There is need for more analytical based research for successful implementation.

RECOMMENDATIONS

Goods and Service Tax was considered to be an epitome of the ideal tax mechanism at the time of its implementation. The assumption is somewhere proved right as the GST system has reduced effective tax rates and boosted supply chain efficiencies of businesses. On the other hand, it is also prevalent that the system is not at all simple and has burdened the taxpayer even more with tax-filing complexities.

Now it is invariably needed to introduce a set of amendments contributing towards the certainty of the GST system.

Steps to Make GST More Compliant:

- Reduction in Number of Tax Slabs Rates
- Effortless Input Tax Credit Claims
- Spreading the GST Net
- Renovating ITC System
- Practical Targets for GST Collection
- Including Some Exempted Goods In GST Regime:
- Let E-waybill Go Away

Chapter: 5

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BIBLIOGRAPHY

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Chapter: 6

QUESTIONNAIRE

Dear Sir/ Madam,

Thank you for visiting us. By filling out this 5-10 minute survey, you will help us obtain the very best results.

1. Gender:

- Male
- Female

2. Age group:

- < 20
- 21-30
- 31-40
- 41-50
- 51-60
- 60+

3. Which of the following describes you best?

- Student
- Employed
- Self employed
- Retired
- Not Employed

4. Please indicate your residential location

- India
- Other country: _____
-

5. Do you feel that the introduction of GST in India has affected the demand for the product/services?

- Positively**
- Negatively**
- No impact**

6. Do you think transition to GST Regime was ?

- Smoother**
- Difficult**
- Very difficult**

7. Are you facing any significant issues in compliance with e-way bill mechanism?

- Yes**
- No**
- Not applicable**

8. Are you facing issues in claiming refund under the GST regime?

- Yes**
- No**
- Not applicable**

9. How can the GSTN portal be made user friendly? Please statesome suggestions below:

PROJECT REPORT

(Submitted for the Degree of B.Com. Honours in Accounting & Finance.....under
the University of Calcutta)

Title of the Project:

GOLD LOAN VS. OTHER TYPES OF LOANS

Submitted by

Name of the Candidate: Jessica Mai

Registration No. : 223-1211-0502-18

Name of the College: Scottish Church College

College Roll No. : 18C-004

Supervised by

Name of the Supervisor: Professor Amitava Chatterjee

Name of the College: Scottish Church College

Month & Year of Submission

July 2021

Annexure - IA

Supervisor's Certificate

This is to certify that Ms. Jessica Mai a student of B. Com Honours in Accounting and Finance of Scottish Church College under the University of Calcutta has worked under my supervision and guidance for her Project work and prepared a project report with the title

“GOLD LOAN VS. OTHER TYPES OF LOANS”

Which she is submitting, is her genuine and original work to the best of my knowledge.

Place: Kokata

Date: 26.7.21

Signature

Amitava Chatterjee

(Administrator and Head

Department of Commerce)

Scottish Church College

Annexure – IB

Student's Declaration

I hereby declare that the Project Work with the title "**GOLD LOAN VS. OTHER TYPES OF LOANS**" submitted by me for the partial fulfillment of the degree of B.Com Honours in Accounting & Finance under the University of Calcutta is my original work and has not been submitted earlier to any other University / Institution for the fulfillment of the requirement for any course of study. I also declare that no chapter of this manuscript in whole or in part has been incorporated in this report from any earlier work done by others or by me. However, extracts of any literature which has been used for this report has been duly acknowledged providing details of such literature in the references.

Signature:

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Place: Kolkata

Date: 26.7.21

ACKNOWLEDGEMENT

In the accomplishment of completion of my project on “GOLD LOAN VS OTHER TYPES OF LOANS”, I would like to convey my special gratitude to Professor Amitava Chatterjee for his valuable suggestions, guidance and encouragement in completion of my project.

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Your valuable guidance and suggestions helped me in various phases of the completion of this project. I will always be thankful to you in this regard.

Date:

26.7.21

Signature

JESSICA MAI

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CHAPTER 1:

INTRODUCTION



Gold has always attracted the human mind and has created the desire to possess the same. Gold has traditionally been considered as one of the most liquid asset and is known as a widely accepted universal currency. It occupies an important role in social and economic settings and is considered as a long term investment that appreciates in value and protects against inflation. In emergency situations gold can be considered as a medium that can be pledged easily for securing financial accommodation or liquidate the same by selling it. As gold is a very transparent asset it wasn't until recently that consumers leveraged it effectively to meet their liquidity needs. India has the highest user rate of gold mainly in the states of Kerala and Tamil Nadu.

Gold has traditionally been among the most liquid asset in an accepted universal currency. It has traditionally been consumed by individuals in the form of jewellery, especially in India where it is considered auspicious. Gold is presumed to be a safe haven in times of economic uncertainty, a fact exemplified by 30% increase in the value of gold. Over the past year India is one of the largest market of gold, accounting for approximately 10% of the total world gold stock as of 2010.

Indian families generally have a personal affiliation and a feeling of gold membership that they have, which is essentially in the form of decorations or coins or bars. Gold, which belongs to Indian families, is rarely liquidated, with the exception of urgent needs. The adoption of golden ornaments for silver and silver credit institutions is visible in rural areas in recent decades. Over the last ten years, banks and NBFC appeared in the organized sector.

Loan are a crucial supply of revenue for banks and alternatively monetary establishments, they conjointly increases the economy. The foremost recent of them being is GOLD LOANS.

Gold loans are secured loans where gold articles such as gold jewellery, ornaments etc. are taken as collateral by the lending bank/NBFC. Lenders offer loans by guaranteeing gold claims as security. Compared to the rest of the world, the gold loan market in India is a great business. Up to a decade, monetary loans comprised most of the loans in the non-organized sector. However, the scenario has changed with the entry of the organized sector as banks and non-banking finance companies (NBFC), which has now captured 25% of the entire market. From 2002 to 2010, the organized gold loan market is grown up to 40% of the CAGR.

MAJOR KEY PLAYERS

The Key Players in the Indian Gold Loan Market include:

- The Unorganized Sectors
- Public Banks & Private Banks
- Co-operative Banks
- NBCFs

1.2 **OBJECTIVES OF THE STUDY:**

- Understanding the GOLD LOAN Market in INDIA
- Comparison between Gold loan vs. Personal Loan
- Analyzing the reason behind the increase in the number of farmer's suicide due to financial crisis
- Exploration of the benefits of Gold Loan in reducing the rate of farmer's suicide

TYPE OF DATA:

The type of data used for this study is SECONDARY DATA.

1.3 **What is a Gold Loan?**

Gold Loan, also referred to as a loan against gold, is a secured loan that a borrower takes from a lender in lieu of gold ornaments such as gold jewelry, gold bars. The loan amount sanctioned by the lender is generally a certain percentage of the current market value and the quality of gold. It can be repaid through monthly installments after which one can get the gold collaterals back. Unlike other secured loans such as a home loan or car loan, there are no restrictions on the end use of gold loans. Gold loan is similar to a personal loan in meeting immediate financial requirements, be it an international education, marriage expenses, covering medical emergencies or any other personal use. Moreover, a lot of private and nationalized banks along with NBFCs offer gold loans at affordable interest rates.

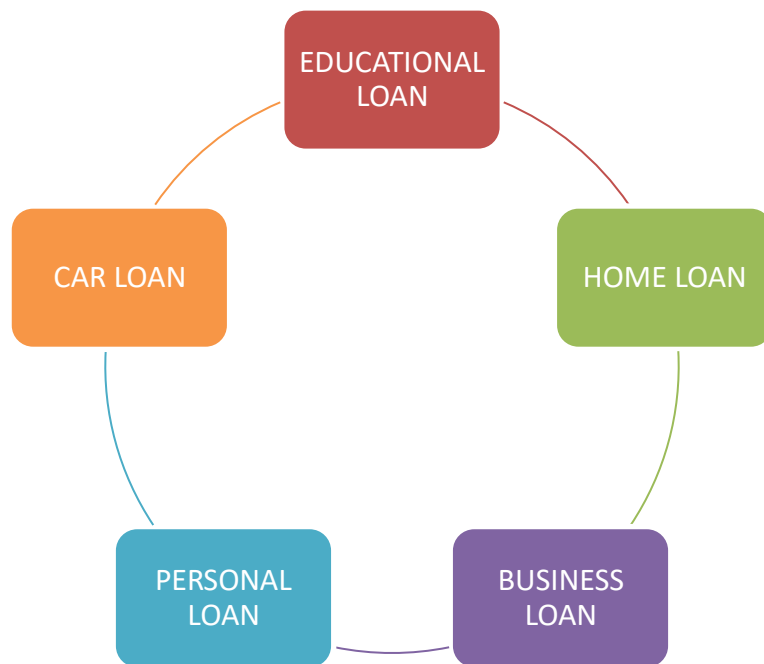
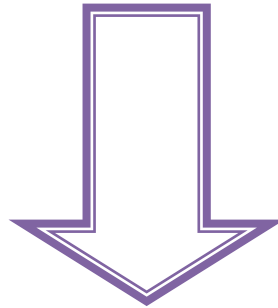
How does Gold Loan works?

The entire process of gold loan is quite similar to other secured loans. In this, you take your gold articles to a lender along with the required set of documents. The lender evaluates the gold articles and verifies the submitted documents. As per the evaluations, the lender sanctions the loan amount. As per the loan agreement, you pay off the principal amount along with the interest amount and get the pledged gold articles back.

Who is eligible to apply for a gold loan?

Anyone who has gold can get a gold loan. Unlike personal loans, which include stringent eligibility criteria, gold loans can be availed by any Indian resident, which can include salaried professionals, businessmen, housewives, and even farmers. You don't even need to have a good credit score to be eligible for a gold loan. So if you have a low credit score, you still have a chance to get funds, provided you have enough gold to pledge for it.

1.4 OTHER TYPES OF LOANS AVAILABLE IN INDIA



CHAPTER 2:

CONCEPTUAL FRAMEWORK

LITERATURE REVIEW

Geetha and Jancy (2014) had investigated on “The attitude towards gold loan.” This study is descriptive in nature and aims to deepen the understanding of the Indian gold loan market. They also tried to know the difference between the conventional personal loans and gold loans and attempted various purposes for which clients acquire gold loans. The study shows that the respondents preferred gold loans from the banks, and most of the respondents use the fund for their consumption smoothing.

G. Maria Delicia Helina (2017) presented on “Consumer perception toward Muthoot finance Limited - A study on toothukudi.” The present paper identifies the various factors which are considered by borrowers while availing the gold loan and the various reasons for opting Muthoot Finance for availing gold loan. The studied also identifies the various demographic factors like gender, age, income level, educational background of the borrowers which have an impact in opting Muthoot Finance for availing gold loan.

Dr. Mahima Gupta (2019) studied on “A study on consumer attitude and perception towards gold loan with reference to beawar city.” This paper presented the various factors which are considered by borrowers while availing the gold loan. The gold loans have appeared as mostly use as quick & short-term capital. Gold loans were preferred more than traditional personal loans due to less procedures, fast disbursement and easy EMI. The study shows that the respondents preferred gold loans from the banks, NBFCs and most of the respondents use the fund for their consumption smoothing

Aarti Varma (2013) investigated on “Gold loan: A study on consumer perception with reference to thane region.” For the present study gold loan companies operating are selected, some of the gold loan companies operating in thane region. Data used in this paper was primary and secondary. Gold has been a value commodity particularly in India. Possession gold has been a symbol of prosperity.

Rosita (2010) has focused attention upon ‘Gold loan’ which served financial support to the borrowers, she noted that the loan meets urgent needs and gold is considered an essential investment from a cultural, emotional and safety perspective.

CHAPTER 3:

PRESENTATION, ANALYSIS & FINDINGS

3.1 GOLD LOAN VS. PERSONAL LOANS

In the post crisis amount, personal loans have become expensive with frequent upward revision. The interest rates by the banks and money establishments and tough documentation people, petty traders, borrowers within the low and middle financial gain cluster resorted to taking loans by pledging their gold jewellery with banks and gold loan non-bank financial corporations (NBFCs) to satisfy their funding needs.

The standard and present pawn broker's square measure acknowledged charge unfair rate of interest. Therefore, there has been a fast increase within the range of people and business entities seeking gold loans approaching the banks and NBFCs. Because the demand for gold loans enhanced at an increasing rate in recent years, the gold loan NBFCs have started to increase their operations at a fast pace across the length and breadth of the country.

3.2 FEATURES OF GOLD LOAN & PERSONAL LOANS:

SERIAL NO.	FEATURES	GOLD LOAN FROM BANKS	PERSONAL LOAN
1.	Security	SECURED	UNSECURED
2.	Processing Fees	AS APPLICABLE	AS APLLICABLE
3.	Proof of income or salary	NOT REQUIRED	REQUIRED
4.	Maximum loan amount	RS. 10-15 LAKHS	UPTO RS. 20 LAKHS
5.	Tenure	SHORTER TENNURE	LONGER TENURE
6.	Pre-payment options	BOTH INTEREST PLUS PRINCIAL	BOTH INTEREST PLUS PRINCIAL
7.	Pre-payments charges	AS APPLICABLE	AS APPLICABLE
8.	Credit score	CREDIT SCORE DOESN'T IMPACT THE LOAN VALUE	CREDIT SCORES IMPACTS THE PROCESSING OF LOAN AND LOAN VALUE
9.	Interest rates	14%-16%	16%-25%

3.3 BANKS WHO PROVIDES BOTH GOLD LOANS AS WELL AS AND PERSONAL LOANS ALONG WITH THE INTERESTS RATES :

SERIAL NO.	NAME OF THE BANKS	GOLD LOAN INTEREST RATES	PERSONAL LOAN INTEREST RATES
1.	STATE BANK OF INDIA	7.50% ONWARDS	9.60% ONWARDS
2.	CANARA BANK	7.65% ONWARDS	11.25% ONWARDS
3.	PUNJAB NATIONAL BANK	8.75% ONWARDS	8.95% ONWARDS
4.	FEDERAL BANK	8.50% ONWARDS	10.49% ONWARDS
5.	ICICI BANKS	10% ONWARDS	10.50% ONWARDS

1. SBI Gold Loan

Benefits/Key Highlights

- The lender offers two types of gold loans – Gold Loan, and Realty Gold Loan.
- The repayment tenures for Gold Loan and Liquid Gold Loan are up to 36 months.
- Individuals over the age of 18 years can apply for a gold loan from SBI.
- Joint Loan Facility: Gold loans from SBI can be availed by individuals on a single or joint basis.

Penalties/Internal Charges: Applicant will have to pay the applicable gold appraiser charges.

2. Canara Bank Gold Loan

Benefits/Key Highlights

- The loan amount is disbursed in a timely manner by the lender.
- No guarantee is required to avail this loan.
- The application process is hassle-free.

Penalties/Internal Charges:
Borrowers will have to pay for the applicable jewel appraising charges.

3. PNB Gold Loan

Benefits/Key Highlights

- No prepayment charges.
- The lender offers a convenient application process.
- Only 22-carat gold is accepted by the lender as security for this loan.

Penalties/Internal Charges:
Documentation charges of Rs.500 will be availed.

4. Federal Bank Gold Loan

Benefits/Key Highlights

- Gold ornaments that have a purity of 22 carats can be pledged.
- Loans are sanctioned instantly.
- There are no hidden charges.

5. ICICI Gold Loan

Benefits/Key Highlights

- The gold pledged by you is kept safely in a vault.
- Minimal documentation is required to apply for this loan.
- The loan will be approved instantly provided your application is approved.

Penalties/Internal Charges:

- A foreclosure fee of up to 1% may be charged.
- Applicants will have to pay documentation charges of Rs.199
- The applicable stamp duty charges will have to be paid.

3.4 RISK INVOLVED WHILE LENDING GOLD LOAN TO CUSTOMERS:

1. Fluctuations in prices of Gold: The higher price of gold also increases the asset quality and collateral risks that gold lenders will face if the price falls. Gold loans are underwritten solely on the basis of the collateral value, not borrower repayment capacity.

2. Fraud Risk: There is always a risk that the consumer to whom the bank lends loans, may commit fraud.

3. Failure in payment: Failure of the borrower to follow the terms and conditions and payment in due time may have a negative effect on bank's profitability.

4. NPA: Now that the borrower has failed to make the payment the gold which had been pledged as collateral against the loan will ultimately lead to the gold being auctioned off by the bank or the financial institution.

This is now a Non-Performing Asset which will be sold off for recovery. Banks may not get the exact price of the gold compared to when they lent it due to the fall in the price of gold.

3.5 AGRICULTURAL GOLD LOAN:



Farming is still considered to be a significant sector for employment opportunities. Activities like dairy, livestock rearing, animal husbandry, crop cultivation, purchasing machinery, irrigation, etc. constitute a major part of farming activities.

Farmers need adequate and hassle-free finance to meet their operating expenses and investment needs.

GOLD LOAN is an attractive option when it comes to sources of finance. Interest rates for farmers are relatively low in the case of gold loans for farmers.

Majority of Indian banks and NBFCs offer gold loans for farmers to help them with various agricultural and allied activities. These activities include buying land, purchasing equipment or machinery for irrigation purposes, buying raw materials or goods, crop cultivation, enhancing inventory or stock and much more.

➤ **Tenure of Gold Loan for Farmers**

The duration for these loans is usually up to 1 year. However, it may range from 3 months to 36 months, depending upon the financial institution.

➤ **Features of the Agriculture Gold Loan**

- 1. Easy Loan Process-** Easy and hassle-free loan process and quick disbursement of loan amount
- 2. Low Interest Rates-** Low interest rates when compared to other type of loans, as low as 7.00% onwards
- 3. Convenient Repayment Schedule-** You can either choose to pay the amount in lump sum or in EMIs
- 4. Minimal Documentation-** The documentation for agriculture gold loan is quite simple
- 5. Safety-** Gold is kept safe in bank vaults that is returned to the customer upon full repayment of loan

➤ **Eligibility Criteria**

Only certain people are eligible to avail the facility of farmers gold loan. They are as following:

- The minimum age criteria is 18 years & maximum age should not be more than 60 years at the time of maturity.
- Legal ownership of gold to be pledged.

3.6 AGRICULTURAL GOLD LOAN FROM LEADING BANKS - 2021

Mentioned below are the interest rates and processing fee of banks offering agriculture gold loans in India.

AGRICULTURAL GOLD LOANS	INTEREST RATES*	PROCESSING FEES
SBI Multi Purpose Gold Loan	8.25%	Nil
Federal Bank Agri Gold Loan	8.50%	Rs. 250 – Rs. 1500
Axis Bank Gold Loan for Farmers	13%	0.50%+GST
Indian Bank	7.00%	Nil

3.7 FARMER'S SUICIDE IN INDIA :

India is an agrarian country with around 70% of its population depending directly or indirectly upon agriculture for their livelihood. The agriculture industry contributes more than 15% to India's GDP. All the economic development in the country is possible only if the farmer's community is taken care of on a priority basis. Agriculture has been practiced in India for ages, it is called the **Backbone of the Indian economy.**

As per the Central Government, despite a multi-pronged approach to improving income and social security of farmers, over 12,000 suicides were reported in the agricultural sector every year since 2013. Farmer suicides account for approximately 10% of all suicides in India.

There are a lot of reasons as to why farmer suicides happen in our country. Many social, economic, political, and individual crises has forced farmer to end their lives. As a known fact, agriculture in India is referred to as "Gamble of the Monsoon", which means it is very much dependent on nature, so whenever there is a failure of monsoons, there is a failure of crops. Even irrigation facilities are not so developed in India and because of this, they have to take heavy loans for growing crops and later they kill themselves due to their inability to repay loans mostly taken from landlords and banks. Also, family pressure is too high for farmers, they fail to make ends meet and thus commit suicide because of this failure.

❖ **What are the reasons behind farmers' suicides in India?**

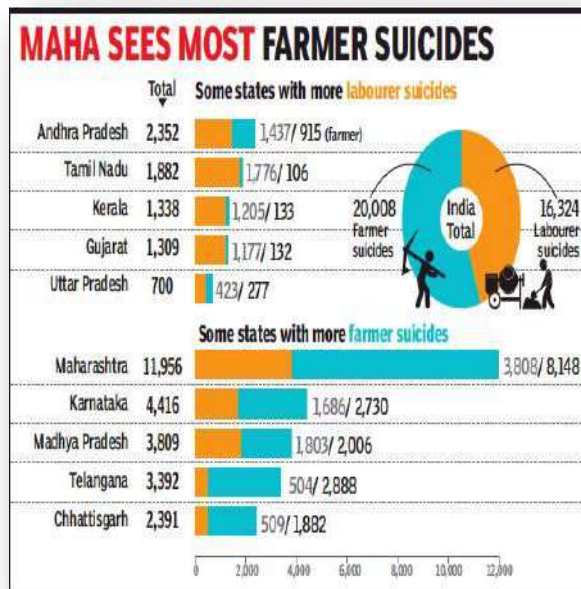
1. Indebtedness
2. Crop failure
3. Inability to sell the crops grown
4. Natural calamities
5. Family problems
6. Sense of loss and depression

The indebtedness of farmers is one of the main reasons driving them to commit suicide. The problem starts with the availability of timely credit. The banking sector is not ready to provide credit or loan to agriculture for avoiding risk. From 1991 to 2001, the indebtedness of farmers has grown by two times. Agriculture credit became a low priority, with some committees suggesting withdrawal of credit support to farmers.

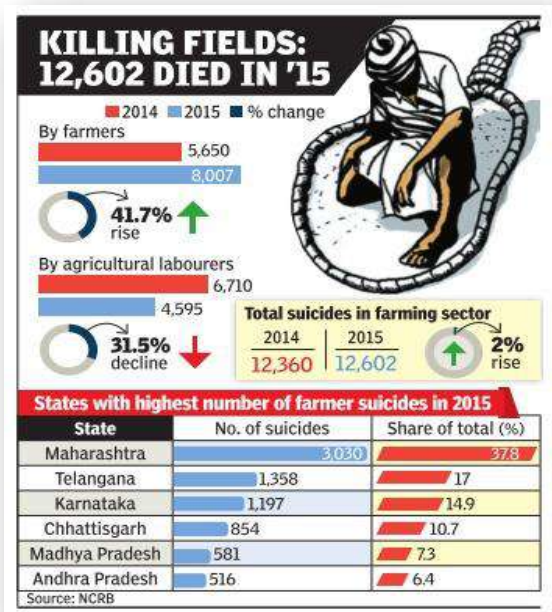
Credit for housing and buying a car is available at a 9% to 11% rate of interest **while the crop loans to the farmer are 17%.**

This shows the lack of government support for the farmers.

❖ **STATES WITH THE HIGHEST NUMBER OF SUICIDE IN INDIA (2015) :**



(FIG 1.1)



(FIG 1.2)

FROM FIGURE 1.1 & 1.2 , WE CAN CLEARLY SEE THAT MAHARASHTRA IS THE STATE WITH THE HIGHEST RATES OF SUICIDE COMMITTED BY FARMERS.

3.8 REGIONAL RURAL BANKS



The **Regional Rural Banks (RRBs)** were established in 1975 under the provisions of the Ordinance promulgated on September 26, 1975, and the Regional Rural Banks Act, 1976, with the purpose of improving the rural economy by providing credit and other facilities, especially to small businesses, for the development of agriculture, trade, commerce, industry, and other productive activities in rural areas.

The Objectives of Regional Rural Banks:

In light of the Act's preamble, RRBs' objectives and activities can be summarized as follows:

- Bridging credit gaps in rural regions
- To devise steps that would prevent rural deposits from flowing into urban areas
- Reduce regional imbalances and increase rural job creation

RRBs offer financial assistance to various segments of the rural population engaged in rural activities in order to achieve these goals.

**Table 1: STATE WISE NUMBER OF BRANCH OF
REGIONAL RURAL BANKS**

(AS AT END-MARCH)

Region/State/Union Territory	2012	2013	2014	2015	2016	2017	2018	2019
NORTHERN REGION	2246	2420	2512	2751	2914	3048	3184	3274
Haryana	446	508	542	597	610	642	664	666
Himachal Pradesh	160	187	188	188	188	186	187	269
Jammu and Kashmir	263	266	273	275	326	328	360	343
Punjab	277	300	311	367	387	403	422	421
Rajasthan	1100	1159	1198	1324	1403	1489	1,551	1575
Chandigarh	-	-	-	-	-	-	-	-
Delhi	-	-	-	-	-	-	-	-
NORTH-EASTERN REGION	687	690	704	778	821	859	867	879
Arunachal Pradesh	18	18	21	28	29	29	30	30
Assam	407	408	408	465	465	479	481	481
Manipur	27	27	27	21	21	21	23	28
Meghalaya	55	55	55	62	79	91	93	94
Mizoram	58	59	58	64	80	85	86	86
Nagaland	9	9	10	10	10	10	10	11
Tripura	113	114	125	128	137	144	144	149
EASTERN REGION	3733	3763	3896	4242	4425	4489	4,519	4523
Bihar	1537	1555	1672	1950	2056	2097	2117	2104
Jharkhand	416	417	433	433	449	441	442	453
Odisha	875	884	884	934	961	990	999	994
Sikkim	-	-	-	-	-	-	-	-
West Bengal	905	907	907	925	959	961	961	972
Andaman & Nicobar Islands	-	-	-	-	-	-	-	-
CENTRAL REGION	4958	5253	5613	5907	6173	6404	6,553	6569
Chhattisgarh	467	499	566	583	586	597	618	624
Madhya Pradesh	1106	1127	1200	1234	1294	1327	1339	1335
Uttar Pradesh	3171	3396	3604	3828	4005	4188	4,304	4323
Uttarakhand	214	231	243	262	288	292	292	287
WESTERN REGION	1106	1169	1261	1339	1406	1463	1493	1508
Goa	-	-	-	-	-	-	-	-
Gujarat	476	519	581	640	695	736	752	761
Maharashtra	630	650	680	699	711	727	741	747
Dadra & Nagar Haveli	-	-	-	-	-	-	-	-
Daman & Diu	-	-	-	-	-	-	-	-
SOUTHERN REGION	3440	3690	3915	4455	4677	4988	5,189	5289
Andhra Pradesh	1403	1496	1531	1015	1098	1171	1,231	1263
Karnataka	1272	1325	1472	1621	1652	1742	1,778	1791
Kerala	404	496	509	558	589	614	626	645
Tamil Nadu	336	346	372	448	485	558	617	636
Lakshadweep	-	-	-	-	-	-	-	-
Puducherry	25	27	31	33	36	37	37	43
Telangana	-	-	-	780	817	866	900	911
ALL INDIA	16170	16985	17901	19472	20416	21251	21,805	22042

:- Nil/Not Applicable/Negligible.

Source: Quarterly Statistics on Deposits and Credit of Scheduled Commercial Banks, RBI, Various Issues.

3.9 List of RRB Banks in the states with highest number of suicide in INDIA (2021) :

STATE	NAME OF THE REGIONAL RURAL BANK	SPONSOR BANK
MAHARASHTRA	a) Vidarbha Konkan Gramin Bank	Bank of India
	b) Maharashtra Gramin Bank	Bank of Maharashtra
CHHATTISGARH	Chhattisgarh Rajya Gramin Bank	State Bank of India
TELANGANA	Tripura Gramin Bank	United Bank of India
MADHYA PRADESH	a) Central Madhya Pradesh Gramin Bank	State Bank of India
	b) Madhyanchal Gramin Bank	Bank of India
ANDHRA PRADESH	a) Chaitanya Godavari Grameena Bank	Andhra Bank
	b) Andhra Pradesh Grameena Vikas Bank	State Bank of India
	c) Saptagiri Grameena Bank	Indian Bank

CHAPTER 4:

CONCLUSIONS & RECOMMENDATIONS

1. GOLD IS A BETTER DEBT OPTION

Among the various asset classes, gold has probably been the most secured one.

Key benefits of gold loan against personal and other loans:

1. The interval is a smaller amount and gold loan doesn't need several papers, solely few documents like ID proof and address proof is enough to avail for such loan.
2. Gold loan doesn't demand any certificate to point out your regular payment or financial gain and even no master card history is needed. Therefore even discharged and non-operating folks will opt for gold loan.
3. The number loan in such a case depends on the worth of the gold being deposited instead of the repaying capability of the individual that plays a lesser role.
4. In rural areas, agricultural loan against gold is additionally out there for grower at terribly nominal rate of Interest of 7% - 8%, proof of agricultural document has to be provided.
5. Timely payment is ensured as most Indians harbor emotional attachment to gold and wouldn't wish to lose their family jewellery through defaults.
6. Taking a private loan against the gold lying idle in lockers is being thought of by many people as a preferred choice over different styles of loans out there within the market.

2. MORE RRBs TO OPERATE IN RURAL AREAS TO FACILITATE HELP TO FARMERS

The government of India needs to take measures to prevent the farmers from committing suicide.

The farmers normally resort to borrowing from money lenders, in the absence of institutionalized finance. Where institutional finance is available, the ordinary farmer does not have a chance of availing it because of the "procedures" involved in disbursing the finance. The institutional finance available is mostly availed by the medium or large land owners, the small farmers do not even have the awareness of the existence of such facilities. Thus making institutional finance such as RRBs available to every farmer is another important solution to save to the farmers from debt traps of money lenders.

Where institutional finance is available, it should be made easily accessible to the poorest farmers. This calls for removing of elaborate formalities and procedures for obtaining the loans. A poor farmer would be unable to understand the complexities of procedures, he needs a simple solution for his financial needs. Effective monitoring of the disbursed funds is also required because in many cases, the poor farmer is used as a front-end while in fact the benefit of the loan is availed by a bigger land owner. In addition, monitoring is also needed to ensure that the farmers are using the funds for the right purposes.

For Farmers, **Gold loan** is a good option due to its features of:

- a) Faster Processing
- b) Lower interest rates
- c) No processing fees
- d) Credit score is not requires and
- e) Documentation process is straight forward and minimum.

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THANK YOU

Project Report

(Submitted for the Degree of B.Com. Honours in Accounting & Finance under
the University of Calcutta)
EXAMINATION 2021

ROLE OF MSMEs IN THE INDIAN ECONOMIC DEVELOPMENT

SUBMITTED BY:

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**Month & Year of Submission
July,2021**

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It is difficult to acknowledge precious a debt as that of learning as it is the only debt that is difficult to repay except through gratitude.

It is a matter of great satisfaction and pleasure to present this report on “**Role of MSMEs in the Indian economic development**”. I take this opportunity to owe thanks to all my faculty members for their encouragement and able guidance at every stage of this project.

I am very thankful to my supervisor **Prof. Sreeparna Mukherjee** for her full support in completing this project work.

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This project is really knowledgeable & memorable one & will go a long way in my career.

SUPERVISOR'S CERTIFICATE

This is to certify that **AYUSHI BHOWMIK** a student of B.Com. Honours in Accounting & Finance of **SCOTTISH CHURCH COLLEGE** under the University of Calcutta has worked under my supervision and guidance for her Project Work and prepared a Project Report with the title "Role of MSMEs in the Indian economic development"

The project report which she is submitting, is her genuine and original work to the best of my knowledge.

Signature:

Name: SREEPARNA MUKHERJEE

Designation: SACT

Name of the college: Scottish Church College

Place: Kolkata

Date:

STUDENT'S DECLARATION

I hereby declare that the Project Work with the title **ROLE OF MSMEs IN THE INDIAN ECONOMIC DEVELOPMENT** submitted by me for the partial fulfilment of the degree of B.Com. Honours in Accounting & Finance under the University of Calcutta is my original work and has not been submitted earlier to any other University /Institution for the fulfilment of the requirement for any course of study.

I also declare that no chapter of this manuscript in whole or in part has been incorporated in this report from any earlier work done by others or by me. However, extracts of any literature which has been used for this report has been duly acknowledged providing details of such literature in the references.

Signature:

Name: AYUSHI BHOWMIK

Registration No.: 223-1212-0528-18

Place: Kolkata

Date: 24.07.21

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CHAPTER 1

INTRODUCTION

The micro small and medium enterprises (MSMEs) have been accepted as the engine of economic growth and for promoting equitable development. The labour intensity of the MSME sector is much higher than that of the large enterprises. The MSMEs constitute over 90% of total enterprises in most of the economies and are credited with generating the highest rates of employment growth and account for a major share of industrial production and exports. The MSMEs play a vital role in the overall growth of industrial economy of the country.

Micro, Small and Medium Enterprises (MSME) sector has emerged as a highly vibrant and dynamic sector of the Indian economy over the last five decades. MSMEs not only play crucial role in providing large employment opportunities at comparatively lower capital cost than large industries but also help in industrialization of rural & backward areas, thereby, reducing regional imbalances, assuring more equitable distribution of national income and wealth. MSMEs are complementary to large industries as ancillary units and this sector contributes enormously to the socio-economic development of the country. Ministry of Micro, Small & Medium Enterprises (MSME) envision a vibrant MSME sector by promoting growth and development of the MSME 2 Sector, including Khadi, Village and Coir Industries , in cooperation with concerned Ministries/Departments, State Governments and other Stakeholders, through providing support to existing enterprises and encouraging creation of new enterprises.

In India, the enterprises have been classified broadly into two categories:

- (i) Manufacturing; and
- (ii) Those engaged in providing/rendering of services.

Both categories of enterprises have been further classified into micro, small and medium enterprises based on their investment in plant and machinery (for manufacturing enterprises) or on equipments (in case of enterprises providing or rendering services). The present ceiling on investment to be classified as micro, small or medium enterprises is as under:

CLASSIFICATIONS	MANUFACTURING ENTERPRISES	SERVICE ENTERPRICES
Micro	Up to Rs.25 lakh	Upto Rs.10 lakh
Small	Above Rs.25 lakh and upto Rs.5 crore	Above Rs.10 lakh and upto Rs.2 crore
Medium	Above Rs.5 crore and upto Rs.10 crore	Above Rs.2 crore and upto Rs.5 crore

OBJECTIVES:

- To study the performance of MSME in terms of number of units, employment and investment.
- To analyze the regional disparity through district wise performance of MSME
- Find key challenges faced by MSMEs
- Find out the contribution of MSME's in economic development of the country.
- Challenges confronting by MSME.
- Finding out ways to overcome the challenges in MSME.

GROWTH AND PERFORMANCE

In recent years the MSME sector has consistently registered higher growth rate compared to the overall industrial sector in India. During the first 4 years of XI Plan, MSME Sector exhibited a growth rate of 13% on an average, an impressive performance compared to most of the other sectors. As per the 4th Censes of MSME Sector, this sector employs an estimated 59.7 million persons spread over 26.1 million enterprises. It is estimated that in terms of value, MSME sector accounts for about 45% of the manufacturing output and around 40% of the total export of the country. The major advantage of the sector is its employment potential at low capital cost.

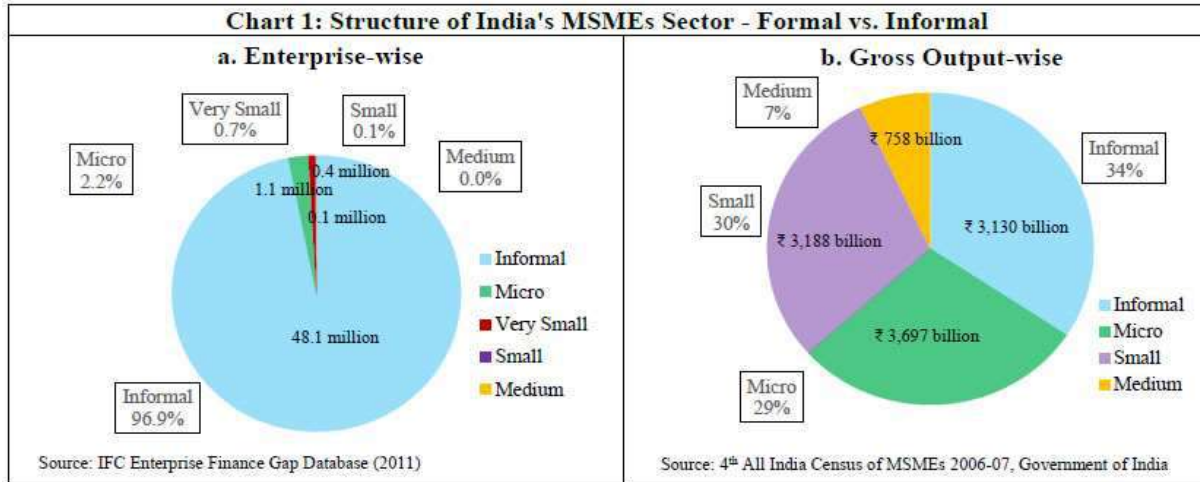
PRESENT POLICY FRAMEWORK

The Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 seeks to facilitate the development of these enterprises as also enhance their competitiveness. It provides the first-ever legal framework for recognition of the concept of “enterprise”, which comprises both manufacturing and service entities. It defines medium enterprises for the first time and seeks to integrate the three tiers of these enterprises, namely, micro, small and medium. The Act also provides for a statutory consultative mechanism at the national level with balanced representation of all sections of stakeholders, particularly the three classes of enterprises; and with a wide range of advisory functions.

EMPLOYMENT OPPORTUNITIES

Employment opportunities are one among the important variables of economic growth of a country. Now a days, the Arab world is facing the problems created by its unemployed unrest people. No economy can economically sustain unless and until it provide lively hood to its local people. Traditionally the MSME are labour intensive and alleviating unemployment problems to a great extent. Indian MSME sector is the second largest employment generator next to agricultural sector. It employs about 101 million people and creates 4 million employment opportunities a year.

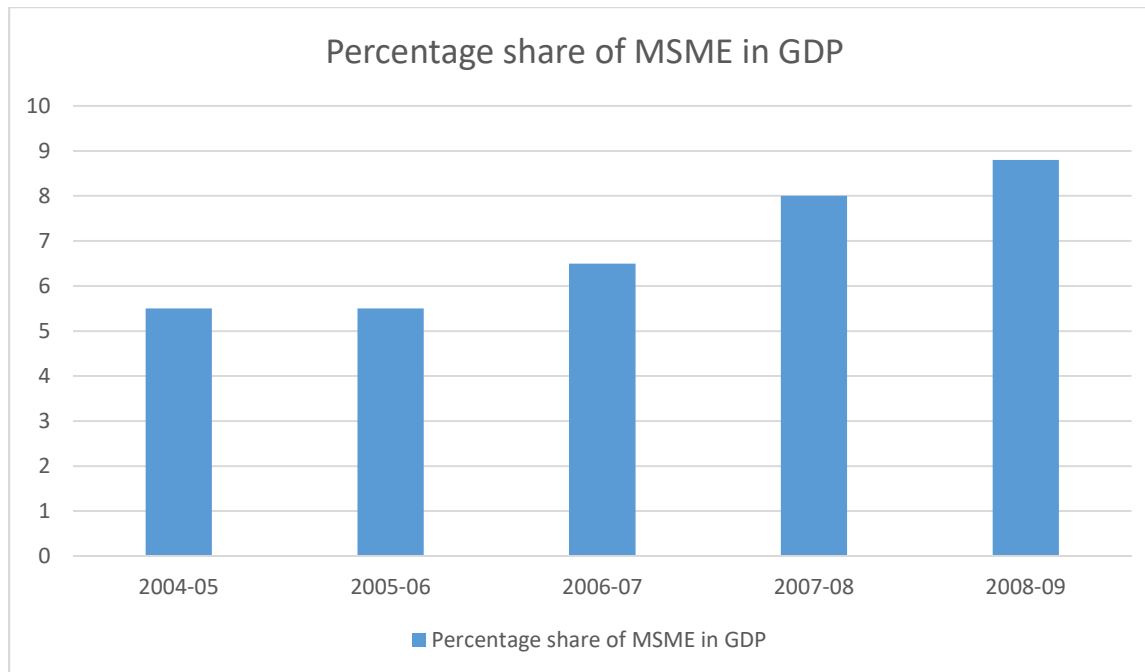
The number of MSME has been increasing steadily. In 1991 there were only 67.87 lakh units, but it increased multi folded by 2011- 2012. This change might be the result of conducive policy environment during the liberalization era. As MSME, generally are labour intensive, employment generation always follows the increase in the number of units. It seems to be a boon to rural people as MSME do not demand highly skilled employees and semi skilled and even unskilled people can be employed in such units.



MAJOR CONTRIBUTION TO GDP

MSME sector is a major contributor to nation's GDP. News about GDP we listen to is alarming now a days. In the fourth quarter of 2012-2013 (January to March 2013) witnessed a slid of GDP to 4.8 percent. MSME sector constitutes an inevitable portion of GDP and hence it needs attention of the policy makers.

The statistics show that the contribution of MSME to GDP is ever increasing. The below given graph delineates the percentage share of MSME in the nation's GDP over the years. It has managed to increase from 5.8 percent 2004-05 to 8.72 percent in 2008-09



Data for the period up to 2005-06 is for SSI and subsequent to 2005-06 is for MSME

LITERATURE REVIEW

There are more studies that have been conducted from time to time on the aspects of MSME as a vibrant and dynamic tool for sustainable development. At the same time that the most of the studies are related to growth of MSME, role of MSME, scheme performance evaluation and so on.

Subramanyam and Reddy (2012) presented an overview of Micro, Small and Medium Enterprises (MSMEs) in India. The study analysed the performance of MSMEs in India. It made a comparison of the growth of MSME sector with overall industrial sector and also

investigated into the sickness of MSMEs. The study found that MSME sector has contributed significantly to India's Gross Domestic Product and export earnings. It also found that sickness in Industry doesn't occur overnight rather it takes 5 to 7 years to erode the health of an industrial unit.

Kumar and Gugloth (2012) evaluated the performance of MSMEs before and after liberalization. The study also analysed the impact of globalization on the performance of MSMEs and made a comparative analysis of the growth pattern of key parameters between pre and post globalization period. It took a period from 1999 to 2010 for the analysis. It also focused on the on-going changes in the business environment. The study found that the small scale sector has grown rapidly over the years. It also found that the period of liberalization and the development of MSMEs sector constituted an important segment of our economy.

Singh and Raina (2013) described the problems and challenges faced by women entrepreneurs in India and also analysed the policies of Indian government for women. The study mainly focused to find out the status of women entrepreneurs in India. The study found that in modern India, more and more women are taking up entrepreneurial activity especially in MSMEs. It also observed that Indian women have imprinted a position for themselves in the male dominated world. It further showed that Indian women can well manage their household work as well their workplace deadlines.

Benard and Victor (2013) examined the growth of women entrepreneurs in Dar es Salaam city of Tanzania on strengths, weaknesses, opportunities and threats. It used a sample of 130 women entrepreneurs and simple random sampling technique for the selection of sample. The study found that a major strength was the need for financial independence for women entrepreneur. It also observed that the major opportunity was the desire to own boss which leads to women entrepreneurship. It further found that the weakness was that most

women lack entrepreneurs fail because of lack of education and the major threat to be the pressure of child care in the family.

Jayan (2013) analysed women entrepreneurship in MSMEs and the relationship between industries related factors and success of entrepreneurs with special reference to Coimbatore city. The study identified that the factors which motivate women to become a successful entrepreneurs are achievement motivation and human relation

Rupali Sharma., Zia Afroz. (2014) examined the contribution of MSME in GDP and identified the opportunities of employment created by the MSMEs in their study “Growth and Performance of MSME’s in Present Scenario for the Development of India”. The researcher found that the MSMEs are the major contributor towards the growth of domestic economy and employment generation.

Gilda Farajollahzadeh., Abdol Rahman Noorinasab., and Babak Yazdanpanah.(2016) in their study “Role of MSME in Economic Growth ” studied the policy support and opportunities for MSME and examined the growth and contribution of MSME in India and they found various assistance that were rendered by Ministry of MSMEs and other commercial banks in order to develop the Indian economy and improve the employment opportunities.

Rajamohan. S. and Sathish. A., (2018) made an attempt on “Micro, Small and Medium Enterprise – Before and After the MSMED Act, 2006”. In their study they systematically compared the MSME performance before and after the enactment of MSMED Act, 2006. Number of registered units and number of employments produced before and after the enactment of the act was studied by the researchers and they found that there was a significant difference in the performance of before and after the enactment of MSMED act, 2006.

Rajamohan. S. and Sathish. A., (2019) in their study “MSME in India for the Sustainable Societal Development” earmarked the significant role of MSME in sustainable societal development. The study confronts

that around 29 percent share in Indian GDP and 32 percent share in GVA and it occupies indispensable role in entrepreneurship development and employment generation in every year.

ANALYTICAL TOOLS

- For the purpose of this study, simple bar diagram is used to show and represent data to make the better understanding of available data.
- The scope of the present study has been confined to the contributions made by the MSME to the Indian economy .The data for the present study have been collected from various Secondary sources especially from the annual report published by Ministry of Micro, Small And Medium Enterprises for various years.

CHAPTER 2

CONCEPTUAL FRAMEWORK

The MSMEs in India are playing a crucial role by providing large employment opportunities at comparatively lower capital cost than large industries as well as through industrialization of rural & backward areas, inter alia, reducing regional imbalances, assuring more equitable distribution of national income and wealth. As per the National Sample Survey (NSS) 73rd round, conducted by National Sample Survey Office, Ministry of Statistics & Programme Implementation during the period 2015-16, there were 633.88 lakh unincorporated non agriculture in the country engaged in different economic activities (196.65 lakh in Manufacturing, 0.03 lakh in Non-captive Electricity Generation and Transmission , 230.35 lakh in Trade and 206.85 lakh in Other Services) excluding those MSMEs registered under

(a) Sections 2m(i) and 2m(ii) of the Factories Act, 1948,

(b) Companies Act, 1956 and

(c) construction activities falling under Section F of National Industrial Classification (NIC) 2008.

FINANCING OF MSME's

Finance is the lifeline of any enterprise; India has one of the most extensive banking infrastructure in the world. A large no. of MSMS's run only on the promoters investment which severely limits their growth. In India, the preferred mode of finance is either self and other private sources. But now-a-days MSME's have started looking beyond traditional lending institutions like banks, state financial institutions for supporting innovation and commercialization of indigenously developed technologies. MSMEs have also started some innovate finance options which include.

a) **Factoring Services:** This combines sales –linked finance, bad debt protection, payment collection and transmission services that helps business complete with local suppliers on equal trading terms.

b) **Micro credit:** Provision of thrift, credit and other financial services and products of a very small amount to the poor in rural, semi urban and urban areas.

c) **Angel Investors:** Angel investors are typically high-net-worth individuals (HNIs) who have often been successful entrepreneurs themselves. They re-deploy their wealth in next-generation businesses. They invest in new-idea enterprises (that do not yet have external validation), help bring these ideas to market, take significant risks and invest a lot of time and energy in mentoring, management guidance and networking. Angel investors are also governed by considerations other than finance alone, such as belief in Entrepreneurship itself. Their time horizons are limited and aimed at ensuring the availability of larger institutional funding, mainly from VCs. In recent years, institutional seed funds that perform the roles of sophisticated angel investors have

also emerged in India. Where access to early-stage capital is a serious issue, angel investors have the potential to become one of the most important catalysts for increasing the number of new entrepreneurial ventures in India.



d) **Venture Capital:** Venture capital funding provides funds for early stage companies once they have passed the seed stage and report some returns. VC investments are traditionally made for scaling up operations (i.e., developing, launching and expanding new products or services). VCs take lesser degrees of risk and invest more money than angel investors. However, a VC is about more than financial based value-addition, often in the form of providing financial advice, human resources, establishing networks with customers and overall guidance in company strategy. In return, VCs also retain a degree of control over decisions governing the company's functioning (e.g., through board seats and legal covenants etc.), and usually look at fixed time horizons for predetermined exit, usually via a private equity fund.

e) **Private Equity:** Private Equity (PE) funds are among the largest sources of funding for enterprises that are relatively secure with an establish track record, requiring significantly large funds for expansion and growth. PEs make capital investments in companies not yet quoted on a stock exchange in exchange for equity and management participation. As such, they take reasonably well-defined risks and their exit strategy is usually up to the stage when the company goes public or gets acquired at high value.

OPPORTUNITIES

a) **Processing :** The Indian Food processing industry is estimated to cross the \$300 Billion mark by 2015. MSME's currently contribute 90% of the industrial units and 40% of the revenue to the sector. With the current policy of SSI reservation, this sector has been predominant growth of regional enterprise.

MSME's can further advance into Geographical areas and new product markets.

b) **Biotech and pharma:** The Indian pharmaceutical market is the 4TH largest in the world in terms of volume and 14th largest in terms of value. India is expected to be one of the top 10 markets by 2020. The collaborative initiative between the AIMS and Stanford University aims to provide a forum for the development of new medical technologies to solve some of India's healthcare challenges.



CHALLENGES



a) Strategic: IPR the effective implementation of IPR's in India has always remained a contentious issue. Weak implementation, ineffective legislation and implementation drastically (and illegally) cut down lead time, thereby negating the ability of MSME's to effectively monetize their innovation.

b) High cost of credit: In the current Indian economic scenario, cheap funds are difficult to come by, with the RBI reiterating that cost of funds will remain high. For a while to curb inflation, this will continue to remain a challenge for the sector.

c) Lack of Technology: One of the crucial factors that prompts in the success or failure of enterprise is technology. The best use of technology no doubt enables enterprise in reducing cost of production, maintain consistency in quality, improve productivity and finally develop the competitiveness of the enterprise.

d) Insufficient Infrastructure: The state of infrastructure, including power, water, roads, etc. is poor and unreliable. While these act as threat to MSME's, the biggest impact is felt by their research arm as they don't have the firework to be able to innovate.

e) Lack of skilled labour: Although India has a large pool of human resource, the industry continues to lack skilled manpower required for manufacturing, marketing, servicing, etc.

f) Delays in settlement: Large –scale buyers usually have a long settlement lead times when they deal with MSME's owing to their limited bargaining power in the market. This hurt the ability of MSME's to divert funds to other cape req. and to R&D.

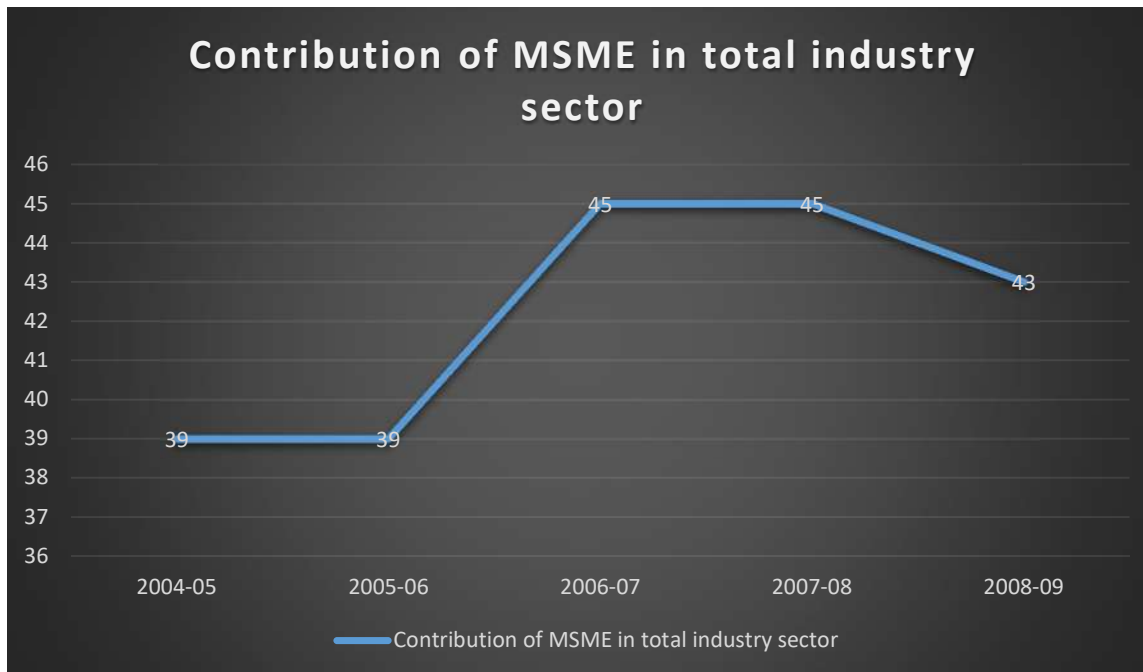
CHAPTER 3

PRESENTATION, ANALYSIS & FINDINGS

CONTRIBUTION TO INDUSTRIAL PRODUCTION AND EXPORT

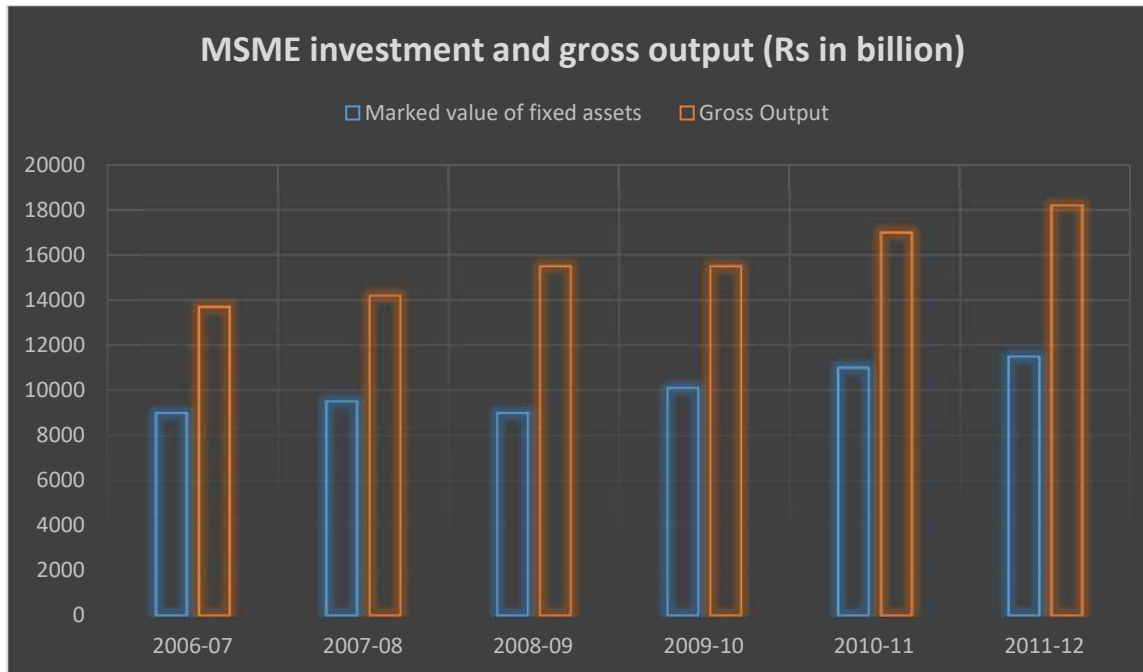
MSME are, at present, operating in wide variety of sectors such as manufacturing, trade and services and there by constitute a formidable component of country's industrial production.

Over the year MSME reached at a level on the optimum utilization of available domestic resources and produces quality products and services. The sector contributes much to the industrial growth of the country. The sector account for more than 90 of the percent Industrial units in India and it has been increasing impressively for last many years. MSME had an impact on various issues of the economy such as industrial progress, entrepreneurship, job creation, economic empowerment etc. MSME made possible an inclusive and balanced growth. Around 50% MSME are owned by rural people and hence increases the standard of living of people.



Data for the period up to 2005-06 is for SSI and subsequent to 2005-06 is for MSME.

As per the MSME Annual Report of FY 12 published by Ministry of Micro, Small and Medium Enterprises MSME contribute 45% of the total manufacturing output. MSME experiencing a significant increase in investment flows. The fixed investment in MSME is ever increasing. Graph above shows the contribution of MSME to the total industrial production. It is very clear that around 50 percent of total industrial production is constituted by MSME. The total production of MSME sector is showing increasing trend. We can read it from the graph given below. The graph depicts that investment in fixed asset has increased from Rs 8685.44 billion in 2006 - 07 to Rs 11769.39 billion in 2011- 12 and total production shows an increase from Rs 13513.83billion in 2006-07 to Rs 18343.32 million in 2011-12.



Annual report FY 2012-13, Ministry of Micro, Small and Medium Enterprises, Govt. Of India.

FINDINGS

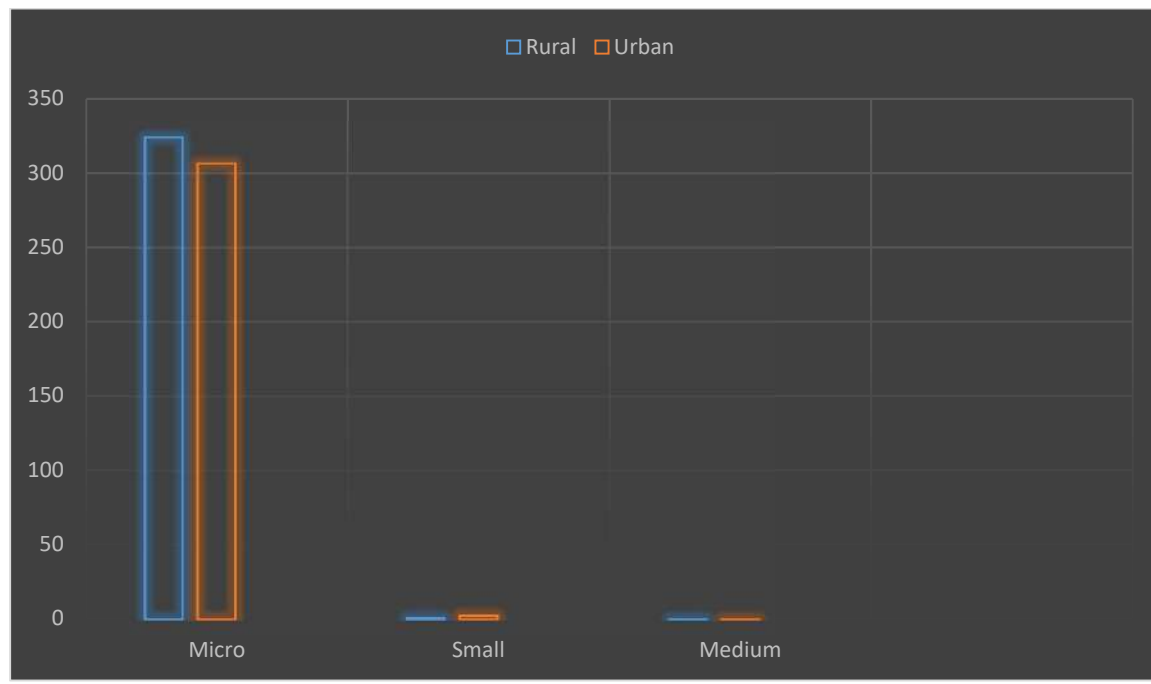
DISTRIBUTION OF ENTERPRISES CATEGORY WISE

Micro sector with 630.52 lakh estimated enterprises accounts for more than 99% of total estimated number of MSMEs. Small sector with 3.31 lakh and Medium sector with 0.05 lakh estimated MSMEs accounted for 0.52% and 0.01% of total estimated MSMEs, respectively.

Out of 633.88 estimated number of MSMEs, 324.88 lakh MSMEs (51.25%) are in rural area and 309 lakh MSMEs (48.75%) are in the urban areas.

(Numbers in lakh)

Sector	Micro	Small	Medium	Total	Share (%)
(1)	(2)	(3)	(4)	(5)	(6)
Rural	324.09	0.78	0.01	324.88	51
Urban	306.43	2.53	0.04	309.00	49
All	630.52	3.31	0.05	633.88	100

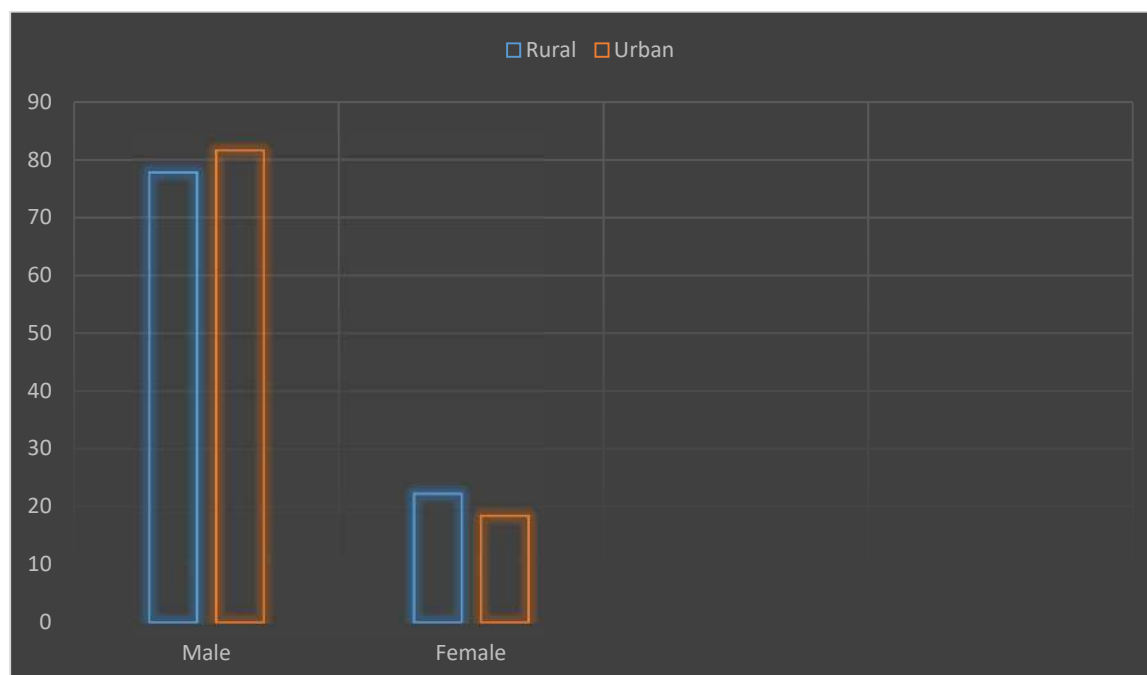


PERCENTAGE DISTRIBUTION OF ENTERPRISES IN RURAL AND URBAN AREAS.

(Male/ Female ownership) category wise)

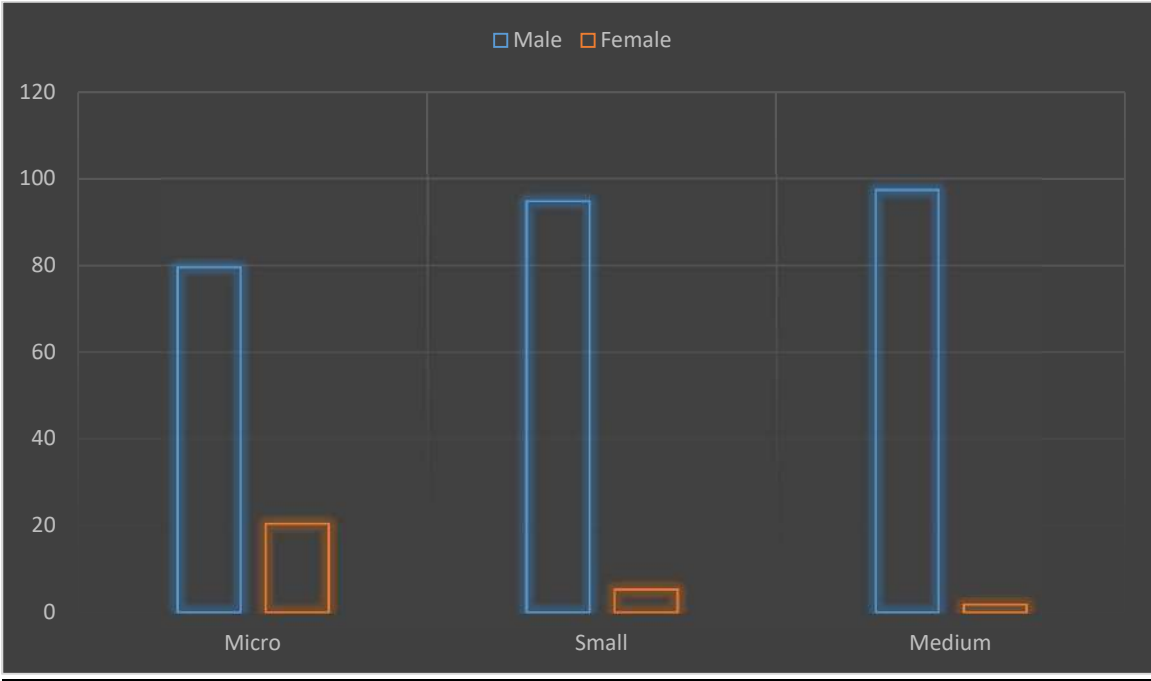
Out of 633.88 MSMEs, there were 608.41 lakh (95.98%) MSMEs were proprietary concerns. There was dominance of male in ownership of proprietary MSMEs. Thus, for proprietary MSMEs as a whole, male owned 79.63% of enterprises as compared to 20.37% owned by female. There was no significant deviation in this pattern in urban and rural areas, although the dominance of male owned enterprises was slightly more pronounced in urban areas compared to rural areas (81.58% as compared to 77.76%).

<u>Sector</u>	<u>Male</u>	<u>Female</u>	<u>All</u>
Rural	77.76	22.24	100
Urban	81.58	18.42	100
All	79.63	20.37	100



PERCENTAGE DISTRIBUTION OF ENTERPRISES OWNED BY MALE/ FEMALE ENTREPRENEURS WISE

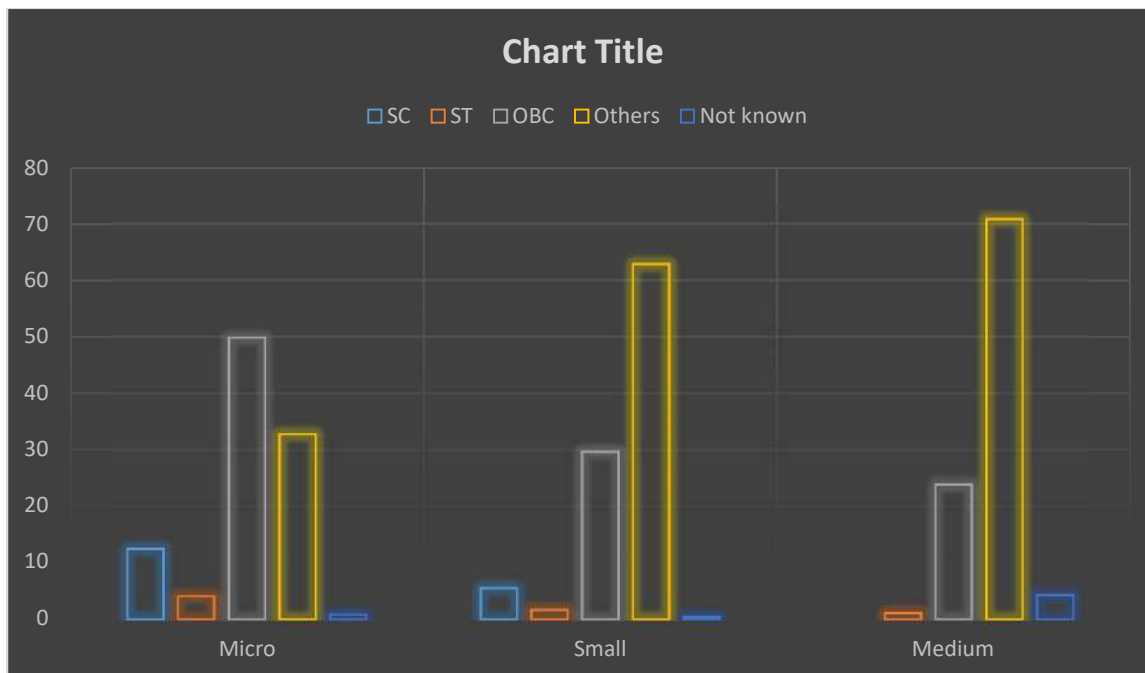
Category	Male	Female	All
Micro	79.56	20.44	100
Small	94.74	5.26	100
Medium	97.33	2.67	100
All	79.63	20.37	100



PERCENTAGE DISTRIBUTION OF ENTERPRISES SOCIAL CATEGORY WISE

The analysis of enterprises owned by socially backward groups in each of the three segments of MSME sector reveals that micro sector had 66.42% of enterprises owned by socially backward group, whereas small and medium sectors had 36.80% and 24.94% of enterprises owned by socially backward groups, respectively.

Sector	SC	ST	OBC	Others	Not known	Total
Micro	12.48	4.11	49.83	32.79	0.79	100
Small	5.50	1.65	29.64	62.82	0.39	100
Medium	0.00	1.09	23.85	70.80	4.27	100
All	12.45	4.10	49.72	32.95	0.79	100



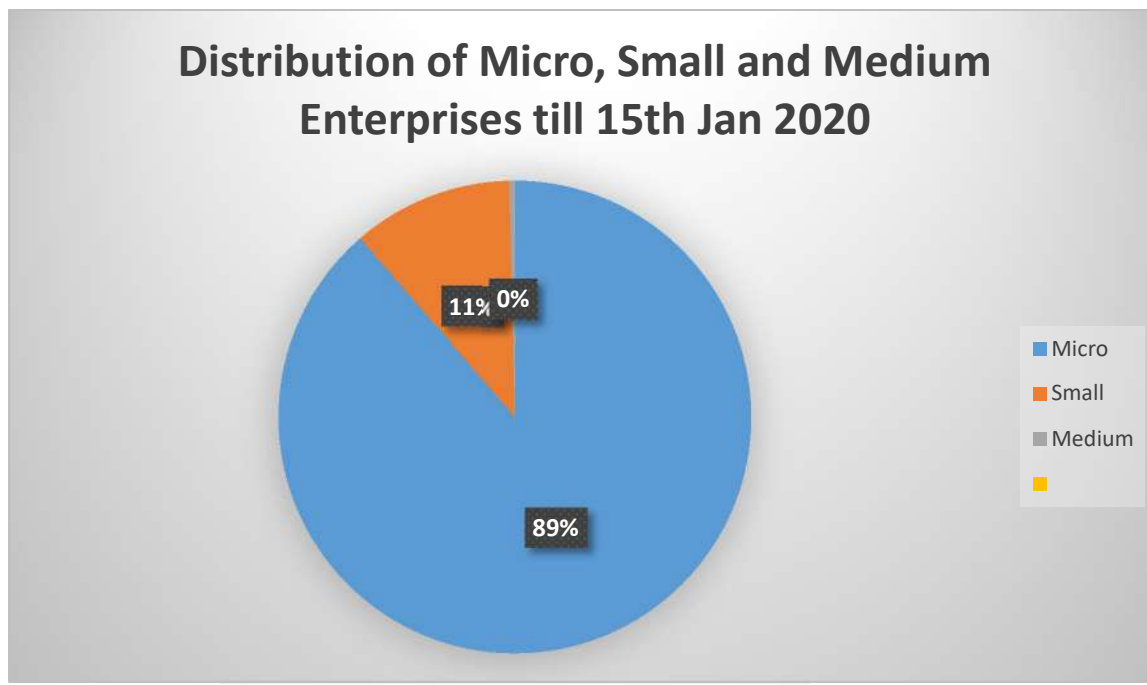
STATE-WISE DISTRIBUTION OF ENTERPRISES

State of Uttar Pradesh had the largest number of estimated MSMEs with a share of 14.20% of MSMEs in the country. Top 10 States accounted for a share of 74.05% of the total estimated number of MSMEs in the country.

Sl. No.	State/UT	Estimate Number of MSMEs (in lakh)	Estimate Shares of MSMEs (in %)
1	Uttar Pradesh	89.99	14
2	West Bengal	88.67	14
3	Tamil Nadu	49.48	8
4	Maharashtra	47.78	8
5	Karnataka	38.34	6
6	Bihar	34.46	5
7	Andhra Pradesh	33.87	5
8	Gujarat	33.16	5
9	Rajasthan	26.87	4
10	Madhya Pradesh	26.74	4
11	Total of above ten States	469.36	74
12	Other State/UTs	164.52	26
13	All	633.88	100

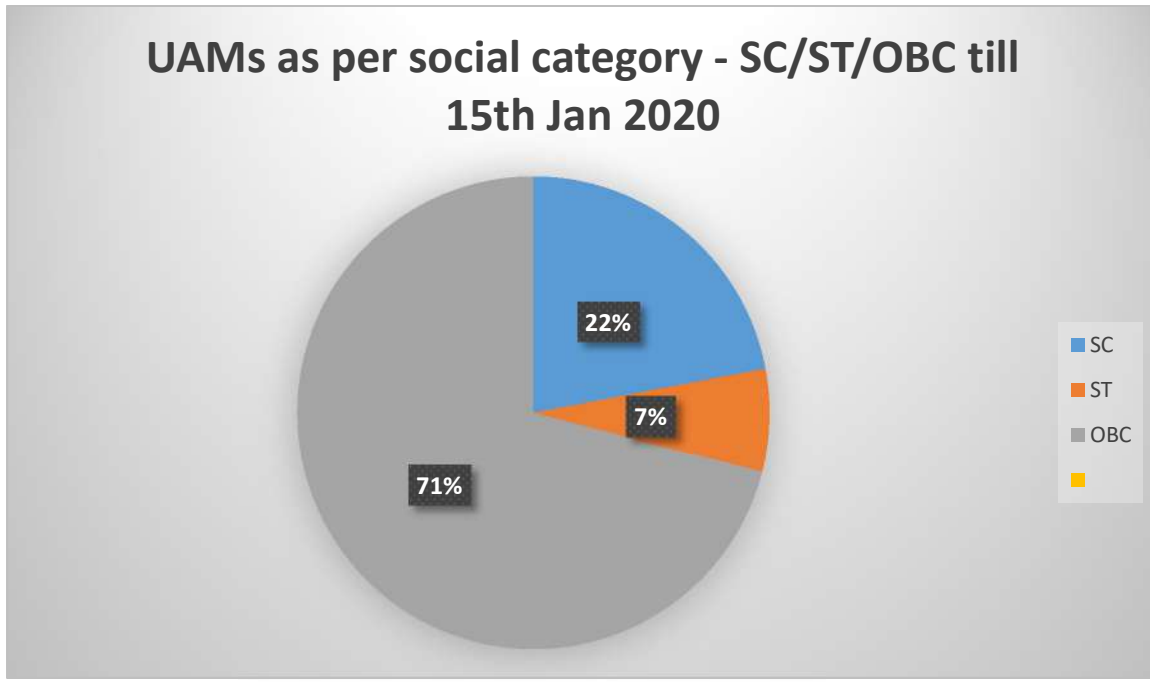
DISTRIBUTION OF MICRO, SMALL AND MEDIUM ENTERPRISES AS PER UAM FILINGS

The below pie chart shows the distribution of Micro, Small and Medium enterprises within the total number of UAM filings. As can be seen, Micro enterprises constitute the vast majority of the enterprises (89%) who have filed UAMs since 2015, while the remaining are mostly Small Enterprises (11%) with Medium enterprises constituting less than 0.5% of the total UAMs filed.



UAMs AS PER SOCIAL CATEGORY - SC/ST/OBC

UAMs also collect information regarding the social category of owners of enterprises.



AREAS TO BE FOCUSED TO STRENGTHEN THE MSMEs SECTOR IN INDIA

There are few areas where state and central governments are required to focus on to strengthen MSMEs sector, so that it can continue its contribution in the nation's growth.

Technology and environment: The economy competitiveness depends on how efficiently all the resources in the process of production are utilized and how efficiently these are marketed, thus the entire chain of production has to be efficient. This means that the course of production has to be cost efficient and should meet quality needs of the consumers. This improvement can come through the use of latest technology. However India has a vast pool of technical talent with a well developed intellectual infrastructure, the country still lagging behind in the matter of developing and adapting new technologies in the MSME sector. The MSME sector presently needs an effective information system to support and deliver information to different users. Such information systems will be used to provide effective interface between users and computer technology and will also provide information for managers on the day-to-day operations of the enterprises

DEVELOPMENT OF MSMEs

UNION BUDGET 2019-20

Provision of loans upto **₹1 crore** for MSMEs within 59 minutes through a dedicated online portal

₹350 crore allocated for FY 2019-20 for 2% interest subvention for all GST registered MSMEs, on fresh or incremental loans

Creation of payment platform for MSMEs to eliminate delays in govt payments

Extension of pension benefit to about 3 crore retail traders & small shopkeepers with annual turnover < ₹1.5 crore under **Pradhan Mantri Karam Yogi Maandhan Scheme**

Access to markets: To face the competition from large enterprises within and outside, MSMEs are required to respond promptly to the evolving marketing needs and innovations. There is an immediate need to be provided better market access facilities in order to sustain and further increase its contribution towards output, employment generation and exports. A published research has highlighted that a massive opportunity exists for SMBs to reach their desired financial goals by optimizing their network presence and capabilities. It additionally pointed out that since the majority of India's MSMEs, especially the small businesses, generate a large amount of their revenue from the local market; they still rely on traditional media like telephone directories and newspapers to reach their customer base.

Infrastructural bottlenecks: One of the major concern is lack of Infrastructural facilities, it can cause serious damages to an enterprise's value chain process such as production, consumption and distribution of the products, besides, lack of finance, technological obsolescence and inadequate marketing facilities etc. that are being already faced by MSMEs. Common infrastructure projects for MSMEs could be solution for this, MSMEs coming together and sharing the costs of infrastructure, which are otherwise unaffordable for individual or single MSMEs, could benefit from economies of scale, synergy and collective bargaining by collaborating with each other particularly in case of common infrastructure, common facilities, raw material procurement, marketing & transportation of finished goods, testing laboratory, common tooling/machining, Research & Development etc.

Mentoring and Advocacy: Entrepreneurs who are coming forward to establish the business organizations often have a product or service idea, a passion to hard work but limited money, knowledge about markets, Government or bank procedures, cash flows or how to manage man power. This is where mentoring a hand holding support becomes crucial. At times, this comes from different sources such as friend, relative, an NGO or a parent unit. This is interrupted and unable to meet the vast requirement of the country. This is required to be institutionalized through extension/outreach efforts Governments. Trained human resources are made available for this task, right down the district levels to act as a guide. These resource persons guide in setting up a unit, making it commercially viable, interacting with financial institutions and understanding markets, as well as the impact of globalization with advancements in it. The Small Industry Development Organization now playing a direct promotional role of hand holding, advocacy and facilitation. This encompasses the legislative support put in place, fiscal incentives and protection from unequal competition.

Access to Credit: Credit is the lifeline of business. As risk perception about small businesses is high, investors are unwilling to invest in sole proprietorships, partnerships or unlisted companies. Institutional credit, when available requires collateral which in turn makes the owner of the unit even more exposed to foreclosure. Credit guarantee funds which assist lending institution in mutual guarantee or advancing loans involving common guarantees from a group of people have not emerged in a significant manner. Unit finances come under severe stress whenever an occasional event such as a large order, rejection of consignment, and inordinate delay in payment occurs. Under these circumstances, not International Journal of Pure and Applied Mathematics Special Issue 1736 surprisingly small enterprises prefer to first tap own resources or loans from friends and relatives and there's look for external finance. In this connection, Micro Units Development and Refinance Agency Bank (MUDRA Bank), is a new institution setup by the Central Government for the development of micro units and refinance of MFIs to encourage entrepreneurship in country and to provide the funding to the non-corporate small business sector. MUDRA Bank will need two type of product like refinance for the micro units having loan requirement from Rs 50 thousands to 10 lakhs and support of Micro Finance Institutions (MFI) for on landing. MUDRA will refinance to micro business under the scheme of Pradhan Mantri MUDRA Yojana.

Globalization: The globalization of trade & commerce has been changed the business environment through WTO agreement. It has therefore become necessary to make aware SMEs about these changes and prepare them for the future. In India, a number of steps have been taken in this view. Apart from setting up a WTO cell in the nodal ministry, 28 awareness workshops were conducted across the country. Workshops have also been held on intellectual property rights and bar

coding. Monitoring of imports in specific sectors where SMEs have a significant presence and initiation of anti-dumping action where dumping was noticed, are the other steps taken in this respect.



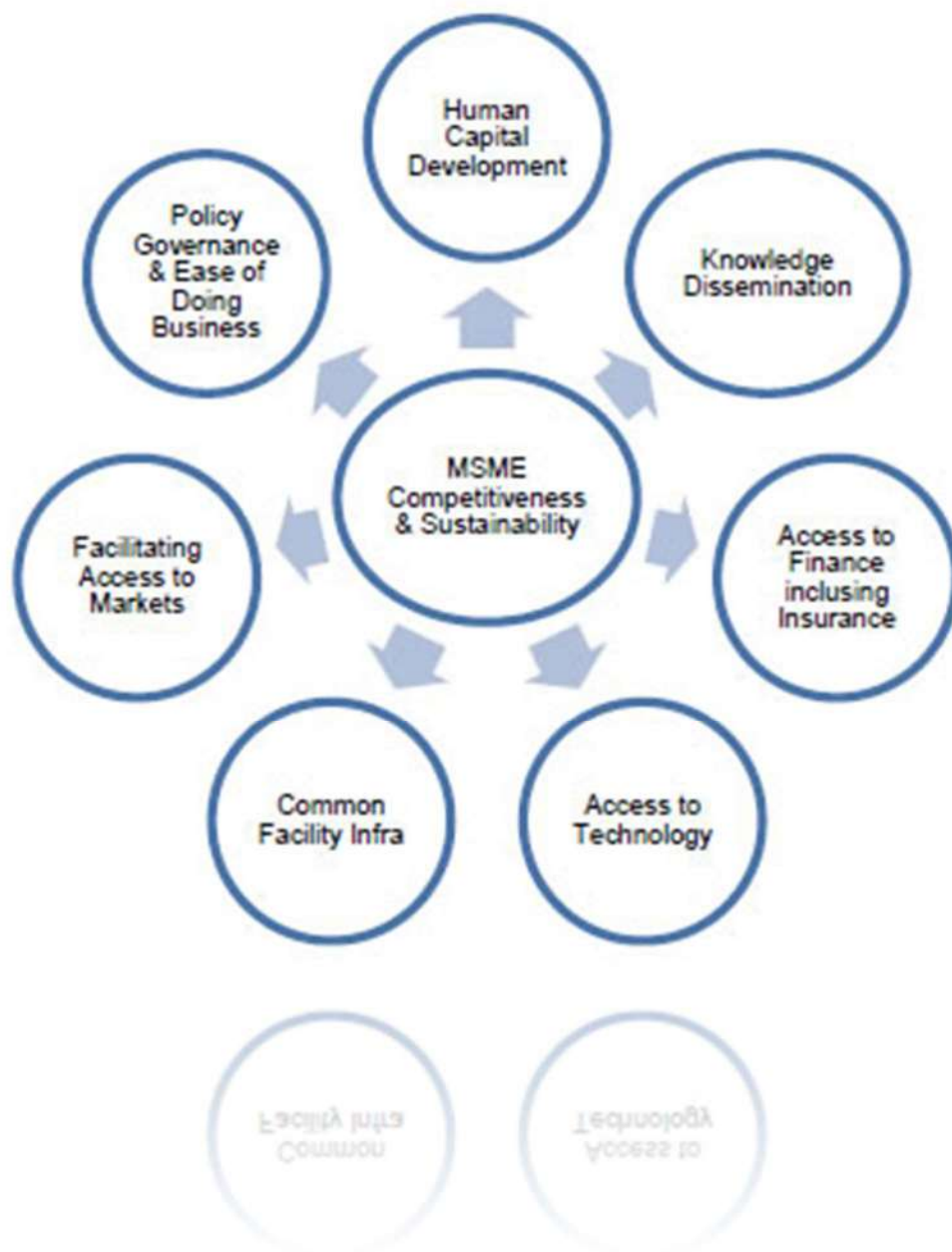
STRATEGY INTERVENTION FOR REVITALIZATION AND GROWTH OF MSMEs

Significant changes in economic environment are being heralded in by the WTO. The removal of QRs has led to increased competition with imports. Indian industries particularly MSMEs are facing competition from Asian countries like China or Taiwan in imports and Sri Lanka, Bangladesh or Nepal in exports. Indian Government is stood on policy that 'promotion and not protection is the solution to the issues of survival and growth'.

Hence, while reservation of goods for exclusive production continues, the focus must now be on strengthening competencies. This implies a holistic look at the concerns of industry. As part of this, the following strategic interventions have been initiated:

- Easing credit accessibility
- Introduction of options for limited partnership and factoring
- Subsidy in finance cost for upgrading technology
- Industry specific technology up gradation programmes
- Support for developing and accessing overseas markets for export
- Expanding reach of infrastructure programmes
- Encouraging self-declarations in lieu of inspections for various regulations

Interventions should remove the hurdles for growth in future. They must encourage a flawless movement from small to medium to large. The Indian Government, therefore, is working on a new vision for the SSI sector through a flexible approach and a motivated team. The encouragement role of Government now involves new dimensions such as arguing cases before the world trade body or dispute redressal, communicating needs of small enterprises before decision makers and other agencies.



STRATEGIES ADOPTED BY THE GOVERNMENT OF INDIA FOR SUSTAINABLE DEVELOPMENT AND ENTREPRENEURSHIP

After the era of independence, consistent and remarkable efforts were made by the Indian government for the sustainable development. In order to that, policies and strategies were formulated and numerous acts have been enacted to develop the entrepreneurship and employment. Moreover, various skill development programmes and plenty of training and development schemes also offered for the benefit of an entrepreneur in order to enhance their entrepreneurial skill and knowledge. In short, the following steps have been taken or efforts have been made for the entrepreneurship development in India.

1. Industrial Policies

The government of India has been continuously revising and declaring the industrial policies. From the year of 1948 to 1991 five times such as 1956, 1980 and 1986 respectively the industrial policy has been revised. According to that the amount of small entrepreneurs were also significantly got increased. In order to that, the government of India has also established many institutions like Small Industries Development Organisation (SIDO), National Small Industries Corporation (NSIC) Entrepreneurship Development Institute of India (EDII) and so on for the development of entrepreneurship in India.

2. Ease of Licensing Procedure

Limited industries only required to obtain licenses from the government others have been exempted from this procedure. The process of obtaining the license has been simplified substantially reduced.

3. Liberal Economic Policies

The central government has made its economic policies, like export-import policy, taxation policy, fiscal policy, and monetary policy, etc. excessively liberal, which has resulted in entrepreneurship development in the country.

4. Development of Industrial Estates

The Government has developed various industrial areas/estates in various states, wherein private entrepreneurs have established their industries. The government has attracted the entrepreneurs to establish new industries in these industrial areas by providing facilities of land, transportation, banks, warehouses, water, and electricity and so on.

5. Development of Technical and Vocational Education

The central government, as well as the state government, have also established technical and vocational education centres where vocational education has been provided. The technical and vocational education at the level of schools, colleges and universities have been introduced, where education is being provided relating to entrepreneurial development, entrepreneurial feelings and facilities and procedures for establishment of small industries. In the present education policy, the government of India aims at vocational and technical education by dispensing with the essentiality of degree and for that open universities have also been established.

6. Establishment of Science and Technology Parks

Science and technology parks have also been established in India for the development of entrepreneurs. Industrial development bank of India is making efforts for these parks. Bank has established an entrepreneurial park and industrial parks.



7. Organization of Seminars and Workshops

Seminars and workshops are organized in India and other countries for entrepreneurial development. Indian industrial entrepreneurial development institute and other popular institutions.

8. Declaration of Product Wise Policies

Government has declared product wise policies for developing new and existing entrepreneurs. These include textile policy, electronic policy, drug policy As a result, the entrepreneurs will be encouraged and benefited in respect of innovations in the field of industries, use of new commodities, use of new methods for production of new commodities, the search of new markets and their development.

9. Establishment of Entrepreneur Assistance Unit

Government of India had established an Entrepreneur Unit in the industries development department, in the year 1966.

Its functions are as follows

1. This unit help in implementation of industries (development and regulation) Act, 1951, foreign cooperation, import of capital goods, providing information about foreigners of Indian origin.
2. This unit also informs the entrepreneurs about action taken on their applications.
3. This unit makes efforts for getting the problems of entrepreneurs resolved through various governmental institutions.

This unit, thus, tries to provide substantial cooperation in entrepreneurial development, which provides opportunities to the entrepreneurs to develop.

10. Development of Women Entrepreneur

In the modern age, entrepreneurial tendencies are developing in women folk also, due to coeducation and women education. Women are also getting attracted to technical and management education. Various types of organizations, therefore, are providing cooperation to women entrepreneurs in India for entrepreneurial activities.

11. Establishment of Financial Institutions

Government of India has established various specific financial institutions. These institutions prepare projects of the new entrepreneurs and also help them in implementing the projects. These institutions provide fixed capital, seed capital and working capital. In addition, several companies in the private sector are, presently establishing venture capital fund also, to encourage new entrepreneurs to establish industries, by providing capital to new entrepreneurs.

12. Export Promotion Programmes

The central government has taken various measures for export promotion, as the organization of international rebates in taxes to

export-oriented units, organization of international seminars and workshops and encouragement to the entrepreneurs to enter into the international market making export contracts with several countries. The small industries Development Institute (SIDO) has been established in India to provide advisory services to the entrepreneurs in technical, managerial and economic fields.

13. Start-up India

Start-up India is a flagship initiative of the Government of India, intended to build a strong ecosystem that is conducive for the growth of start-up businesses, to drive sustainable economic growth and generate large scale employment opportunities. The Government through this initiative aims to empower start-ups to grow through innovation and design. Young Indians today have the conviction to venture out on their own and a conducive ecosystem lets them watch their ideas come to life. In today's environment, we have more Start-ups and entrepreneurs than ever before and the movement is at the cusp of a revolution. However, many Start-ups do not reach their full potential due to limited guidance and access. The Government of India has taken various measures to improve the ease of doing business and is also building an exciting and enabling environment for these Start-ups, with the launch of the "Start-up India" movement.

14. Make in INDIA



The Make in India initiative was launched by Prime Minister in September 2014 as part of a wider set of nation-building initiatives. Devised to transform India into a global design and manufacturing hub, Make in India was a timely response to a critical situation: by 2013, the much-hyped emerging markets bubble had burst, and India's growth rate had fallen to its lowest level in a decade. The promise of the BRICS Nations (Brazil, Russia, India, China, and South Africa) had faded, and India was tagged as one of the so-called 'Fragile Five'. Global investors debated whether the world's largest democracy was a risk or an opportunity. To start a movement, you need a strategy that inspires, empowers and enables in equal measure.

15. Quick Approval of Project Reports

The project reports submitted by the entrepreneurs to district industries centre established by the government are quickly approved, as a result, the entrepreneur is able to quickly obtain loan from the bank or financial institution.

CHAPTER 4

CONCLUSIONS

The Indian economy provides a revealing contrast between the manner individuals react under a government-controlled environment and how they respond to a market-based environment. The evidence presented here suggests that recent market reforms encouraging individual enterprise have led to higher economic growth in the country and can yield a wide range of economic benefits. In India these benefits include increased economic growth, reduced inflation, a smaller fiscal deficit, and higher inflows of the foreign capital needed for investment.

We further conclude that India can generate additional economic growth by fostering entrepreneurial activities within its borders, particularly within its burgeoning middle class. Not only has entrepreneurship been found to yield significant economic benefits in a wide variety of nations, but India specifically has reached a point in its development where it can achieve similar results through entrepreneurial efforts. Among other things, India is poised to generate new business startups in the high technology area that can help it become a major competitor in the world economy. For example, it has a strong education base suited to entrepreneurial activities, increased inflows of foreign capital aimed at its growing information technology services sector, and a host of successful new business start-ups. To pursue further the entrepreneurial approach to economic growth, India must now provide opportunities for

- (1) education directed specifically at developing entrepreneurial skills,
- (2) financing of entrepreneurial efforts, and

(3) networking among potential entrepreneurs and their experienced counterparts.

Despite the MSME's Strategic importance in overall industrialization strategy and employment generation, Indian landscape presents the small sector due to its large scale dependency on credit. The performance of developed economies and confidence index of the manufacturing sector and many other factors determine the fate of small sector in the country ,as MSME's form an integral part of almost every value chain.

The Ministry of MSME undertakes the crucial role in entrepreneurship development for the sustainable development in India. It adopts considerable and significant contribution in providing large financial and supporting assistance to the small and medium sized industries. It widened their domain across all the sectors of the Indian industries to develop employment opportunities and entrepreneurship development of the county by fostering entrepreneurship opportunities. Hence, the study presented the significant contribution of the MSME to empower the sustainable development in India

CHAPTER 5

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**Month & Year of Submission
July,2021**

Project Report on A Comparative on Stock Market performance of HUL & P&G in the last five years

Capital Market



ACKNOWLEDGEMENT

It is difficult to acknowledge precious a debt as that of learning as it is the only debt that is difficult to repay except through gratitude.

It is a matter of great satisfaction and pleasure to present this report on “**A Comparative on Stock Market performance of HUL & P&G in the last five years**”. I take this opportunity to owe thanks to all my faculty members for their encouragement and able guidance at every stage of this project.

I am very thankful to my supervisor **Prof. Sreeparna Mukherjee** for her full support in completing this project work.

I would also like to thank my parents, friends and everybody who helped directly or indirectly for their full cooperation & continuous support during the course of this assignment. They have always encouraged me which has persuaded me to work even better and efficiently.

This project is really knowledgeable & memorable one & will go a long way in my career.

SUPERVISOR'S CERTIFICATE

This is to certify that **HRIDAY SAHA** a student of B.Com. (Honours) in Accounting & Finance of **SCOTTISH CHURCH COLLEGE** under the University of Calcutta has worked under my supervision and guidance for his Project Work and prepared a Project Report with the title "**A Comparative on Stock Market performance of HUL & P&G in the last five years**"

The project report which he is submitting, is his genuine and original work to the best of my knowledge.

Signature:

Name: SREEPARNA MUKHERJEE

Designation: SACT

Name of the college: Scottish Church College

Place: Kolkata

Date:

STUDENT'S DECLARATION

I, HRIDAY SAHA, hereby declare that the Project Work with the title **A Comparative on Stock Market performance of HUL & P&G in the last five years** submitted by me for the partial fulfilment of the degree of B.Com. Honours in Accounting & Finance under the University of Calcutta is my original work and has not been submitted earlier to any other University /Institution for the fulfilment of the requirement for any course of study.

I also declare that no chapter of this manuscript in whole or in part has been incorporated in this report from any earlier work done by others or by me. However, extracts of any literature which has been used for this report has been duly acknowledged providing details of such literature in the references.

Signature:

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Place: Kolkata

Date: 24.07.21

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CHAPTER I

INTRODUCTION 1.1.

Background of Study

Capital market is one of important instruments in term of investment because it gives a big role to the wheel of economic sector. The developments of the company rely to the capital market to raise their long-term funds. In the other hand, the importance of capital market shows the development of the economics of the country. A good growth of the capital market condition will increase the economic growth of the country also. Based on the definition of capital market, capital market is where government and industry can raise long-term capital and investors can purchase and sell securities (Arnold, 2004). The form of capital market is described as a fixed-income investment and equity investment. According to Brown & Reilly (2009), a fixed-income investment is having a contractually mandated payment schedule. Their investment contracts promise specific payments at predetermined times, although the legal force behind the promise varies and this affects their risks and required return. The instruments that include in fixed-income investment are Treasury Bonds, Government Agency Bonds, Municipal Bonds, Corporate Bonds, and Preferred Stock. While equity instrument is differ from fixed-income securities because their returns are not contractual (Brown & Reilly, 2009). The instruments that include in equity investment are Common Stock and other special equity instrument such as Futures, Puts and Calls.

1.2: Objectives of the Study

The economic services which a well-regulated and efficiently run capital market can render to a country with a large private sector are considerable.

- ❖ Study the Comparative Of HUL & P&G in respect Of Price.
- ❖ To Study Of Market Share Of HUL & P&G
- ❖ To Analyse Sales Trend In previous 5 Years
- ❖ To Study the Growth in Past years In Stock Market
- ❖ To Study The Dividend Yield over the Years

1.3: Need For The Study

- ❖ *To analyse Companies Capital Market performance Of HUI & P&G***
- ❖ *How much Profit Company has Made***
- ❖ *How Much Growth Company has Made Over the Period of Time***
- ❖ *What are the Future Potential Of the Company***
- ❖ *EBITDA Growth of the Company on Year to Year Basis***

1.4: Limitation Of the Study

- ❖ The accuracy of financial information largely on how accurately financial statements are prepared. If their preparation is wrong, the information obtained from their analysis will also be wrong.
- ❖ Financial Statements are based on historical data. Therefore comparative analysis of financial statements of different years can not be done.
- ❖ The results for indication derived from analysis of financial statements may be differently interpreted different users.
- ❖ There are different tools of analysis available for analyst. However, Which tool is to be used in a particular situation depends on the skill.

1.5:LITERATURE REVIEW

Hindustan Unilever Limited (HUL) is the largest Fast Moving consumer goods company in India, touching the lives of two out of three Indians with more than 20 different categories in home and personal care products and food and beverages. Hindustan Unilever was recently ranked among the four global companies on the list of "Large Global Leader Companies" by a study sponsored by Hewitt Associates, in partnership with Fortune magazine and the RBL Group. The company has ranked as number one in the Asia-Pacific region and in India. The mission that inspires the more than 15,000 HUL employees, including more than 1,400 managers, is to "increase vitality to life." The company meets the daily needs of nutrition, hygiene and staff. With brands that help people feel good, look good and make more of their living, it is a mission that HUL shares with its parent company, Unilever, which has around 52% of the capital.

Procter and Gamble have continually used the strategy of innovation to lead the consumer goods industry. The constantly changing market place has forced the strategist at Procter and Gamble to focus on innovation as a way of maintaining their position in the market. The strategy of innovation is to always ensure that their products and services are of the highest quality and above meets the expectation and needs of the consumers. (Davila, T. Etal 2006) said "Procter and Gamble is very adaptable to changing customer demands by carefully and clearly defining its innovative strategies; it almost lost the market dominance in the mid 1980's, had it not been its aggressive play to win strategy.

Another innovative play to win strategy that Procter and Gamble management had adopted to manage changes in the market place is the acquisition of its domestic and foreign competitors. It had over the years acquired a number of companies that helped diversified its product line and increase d its profit significantly. Some of the acquire manufacturing companies includes Folgers coffee, Norwich Eaton pharmaceuticals, Richardson- Vicks, Noxell, Shulton's old spice and many others.

1.6: Research Methodology

This report is based on primary as well secondary data, however primary data collection was given more importance since it is overbearing factor in attitude studies.

One of the most important users of research methodology is that it helps in identifying the problem, collecting, analyzing the required information data and providing an alternative solution to the problem.

Data sources: Research is based on Primary data & Secondary data.

Research has been done by primary data collection and primary data has been collected by interacting with various people.

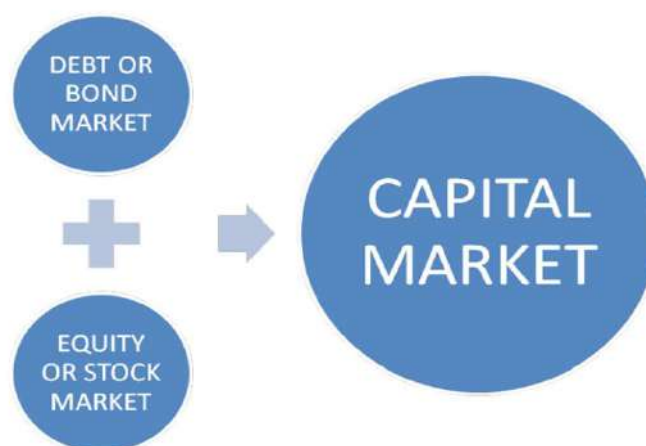
The secondary data has been collected through various journals and websites.

Duration of Study: The study was carried out for a period of 12 days, from 1st July to 12th July 2021

CHAPTER 2

Conceptual Framework

2.1: Meaning Of Capital Market : The capital market is the market for securities, where Companies and governments can raise long-term funds. It is a market in which money is lent for periods longer than a year. A nation's capital market includes such financial institutions as banks, insurance companies, and stock exchanges that channel long-term investment funds to commercial and industrial borrowers. Unlike the money market, on which lending is ordinarily short term, the capital market typically finances fixed investments like those in buildings and machinery. Nature and Constituents: The capital market consists of number of individuals and institutions (including the government) that canalize the supply and demand for long term capital and claims on capital. The stock exchange, commercial banks, co-operative banks, saving banks, development banks, insurance companies, investment trust or companies, etc., are important constituents of the capital markets. The capital market, like the money market, has three important Components, namely the suppliers of loanable funds, the borrowers and the Intermediaries who deal with the leaders on the one hand and the Borrowers on the other. The demand for capital comes mostly from agriculture, industry, trade The government. The predominant form of industrial organization developed Capital Market becomes a necessary infrastructure for fast industrialization. Capital market not concerned solely with the issue of new claims on capital, But also with dealing in existing claims.



2.2: Role of Capital Market in India

The primary role of the **Capital market** is to raise long-term funds for governments, banks, and corporations while providing a platform for the trading of securities.

This fundraising is regulated by the performance of the stock and bond markets within the capital market. The member organizations of the capital market may issue stocks and bonds in order to raise funds. Investors can then invest in the capital market by purchasing those stocks and bonds. The capital market, however, is not without risk.

India's growth story has important implications for the capital market, which has grown sharply with respect to several parameters — amounts raised number of stock exchanges and other intermediaries, listed stocks, market capitalization, trading volumes and turnover, market instruments, investor population, issuer and intermediary profiles.

The capital market consists primarily of the debt and equity markets. Historically, it contributed significantly to

- ❖ ***Mobilization Of Funds***
- ❖ ***Proper regulation of Fund***
- ❖ ***Continuous availability of Fund***
- ❖ ***Speed up Economic Growth & Development***

2.3: Factors affecting Capital Market in India

The capital market is affected by a range of factors . Some of the factors which influence capital market are as follows:-

A) Performance of domestic companies:- The performance of the companies or rather corporate earnings is one of the factors which has direct impact or effect on capital market in a country. Weak corporate earnings indicate that the demand for goods and services in the economy is less due to slow growth in per capita income of people . The corporate earnings for the April – June quarter for the current fiscal has been good. The companies like TCS, Infosys, Eicher Motors, Bharti Airtel, ACC, ITC, Wipro, HDFC Ltd, Shree Cement, IDEA, Canara Bank, Piramal Enterprise, India cements , L&T, ICICI Bank, Dr. Reddy's Laboratories, ,Fortis HealthCare have registered growth in net profit compared to the corresponding quarter a year ago. This across the sector growth indicates that the Indian economy is on the path of recovery which has been positively reflected in the stock market (Rise I hn **Sensex & Nifty**) in the last two weeks.

B) Environmental Factors :- Environmental Factor in India's context primarily means- Monsoon . In India around 60 % of agricultural production is dependent on monsoon.

Thus there is heavy dependence on monsoon. The major chunk of agricultural production comes from the states of Punjab , Haryana & Uttar Pradesh. Thus deficient or delayed monsoon in this part of the country would directly affect the agricultural output in the country. Apart from monsoon other natural calamities like Floods, tsunami, drought, earthquake, etc. also have an impact on the capital market of a country.

C) Global Cues :- In this world of globalization various economies are interdependent and interconnected.

An event in one part of the world is bound to affect other parts of the world .Thus capital market in India is also affected by developments in other parts of the world i.e. U.S. , Europe, Japan , etc. Global cues includes corporate earnings of MNC's, consumer confidence index in developed countries, jobless claims in developed countries, global growth outlook given by various agencies like IMF, economic growth of major economies, price of Crude –oil, Credit rating of various economies given by Moody's, S & P, etc.

D) Political stability and government policies:- For any economy to achieve and sustain growth it has to have political stability and pro- growth government policies. This is because when there is political stability there is stability and consistency in government's attitude which is communicated through various government policies. The vice- versa is the case when there is no Political Stability. So capital market also reacts to the nature of government, attitude of government, and various policies of the government.

The above statement can be substantiated by the fact the when the mandate came **in BJP Government's favor 2014, the Stock market had a bullish rally with Sensex closing higher** over the previous day's close. The reason was political stability.

2.4: Indian Stock Exchange Overview

MEANING OF STOCK EXCHANGE:

A stock exchange is an important factor in the capital market. It is a secure place where trading is done in a systematic way. Here, the securities are bought and sold as per well-structured rules and regulations. Securities mentioned here includes debenture and share issued by a public company that is correctly listed at the stock exchange, debenture and bonds issued by the government bodies, municipal and public bodies.

IN INDIA there are a lot of stock exchanges. But Investors mainly Work On BSE& NSE.

What is NSE?

- ❖ National Stock Exchange (NSE) was founded in 1992 and is in Mumbai. Electronic trading platform was first introduced by the NSE.

Nifty50: Nifty is the abbreviation of National Stock Exchange 50. It is the benchmark index of NSE comprising 50 stocks.

What s BSE?

- ❖ BSE (Bombay Stock Exchange) was founded in 1875 and is the oldest stock exchange in Asia.

Sensex is the benchmark index of BSE and it is derived from the words sensitive and index. Sensex comprises of 30 stocks.

❖ **Stock Exchanges In India:-**

Name of the Stock Exchange	Headquarters	Year of Establishment	Current Status
Bombay Stock Exchange (BSE)	Mumbai	1875	Permanent
National Stock Exchange of India (NSE)	Mumbai	1992	Permanent
Calcutta Stock Exchange (CSE)	Kolkata	1908	Permanent
India International Exchange (India INX)	Gujarat	2017	Valid till Dec 28, 2019
Metropolitan Stock Exchange of India Ltd.	Mumbai	2008	Valid till Sep 15, 2019
NSE IFSC Ltd.	Gujarat	2016	Valid till May 28, 2020
Madras Stock Exchange	Chennai	1937	Closed in 2015
Inter-connected Stock Exchange Ltd.	Mumbai	1998	Closed in 2014
OTC Exchange Of India	Mumbai	1990	Closed in 2015

Bangalore Stock Exchange (BgSE)	Bangalore	1963	Closed in 2014
Ahmedabad Stock Exchange	Ahmedabad	1894	Closed in 2018
Cochin Stock Exchange	Kochi	1978	Closed in 2014
Madhya Pradesh Stock Exchange	Indore	1919	Closed in 2015
Saurashtra Kutch Stock Exchange	Rajkot	1989	Closed in 2013
Mangalore Stock Exchange	Mangalore	1984	Closed in 2014
Vadodara Stock Exchange	Vadodara	1990	Closed in 2015
Bhubaneswar Stock Exchange	Bhubaneswar	1989	Closed in 2015

2.5 : Capital Market Efficiency

An efficient capital market is a market where the share prices reflect new information accurately and in real time.

- ❖ Capital market efficiency is judged by its success in incorporating and inducting information, generally about the basic value of securities, into the price of securities. This basic or fundamental value of securities is the present value of the cash flows expected in the future by the person owning the securities.

- ❖ The fluctuation in the value of stocks encourage traders to trade in a competitive manner with the objective of maximum profit. This results in price movements towards the current value of the cash flows in the future. The information is very easily available at cheap rates because of the presence of organized markets and various technological innovations. An efficient capital market incorporates information quickly and accurately into the prices of securities.

- ❖ In the weak-form efficient capital market, information about the history of previous returns and prices are reflected fully in the security prices; the returns from stocks in this type of market are unpredictable.

- ❖ In the semi strong-form efficient market, the public information is completely reflected in security prices; in this market, those traders who have non-public information access can earn excess profits.

- ❖ In the strong-form efficient market, under no circumstances can investors earn excess profits because all of the information is incorporated into the security prices.

2.6 : Mutual funds as a part of capital market

INTRODUCTION TO MUTUAL FUND AND ITS VARIOUS ASPECTS:

Mutual fund is a trust that pools the savings of a number of investors who share a common financial goal. This pool of money is invested in accordance with a stated objective. The joint ownership of the fund is thus “Mutual” i.e. the fund belongs to all investors. The money thus collected is then invested in capital market instruments such as shares, debentures and other securities. The income earned through these investments and the capital appreciations realized are shared by its unit holders in proportion the number of units owned by them.



ADVANTAGES OF MUTUAL FUND

- Portfolio Diversification
- Professional management
- Diversification of Risk
- Liquidity
- Flexibility & Convenience
- Reduction in Transaction cost
- Safety of regulated environment
- Choice of schemes
- Transparency

DISADVANTAGE OF MUTUAL FUND

- No control over Cost in the Hands of an Investor
- No tailor-made Portfolios
- Managing a Portfolio Funds
- Difficulty in selecting a Suitable Fund Scheme

3.Presentation of Data & Analysis

3.1: History of Companies

HINDUSTAN UNILEVER: Hindustan Unilever Limited (HUL) is an Indian Consumer goods company headquartered in Mumbai, India. It is a subsidiary of Unilever, an Anglo-Dutch company. Its products include foods, beverages, Cleaning agents, Personal Care Products, Water Purifiers and other FMCG.

HUL was established in 1931 as Hindustan Vanaspati Manufacturing Co. and following a merger of constituent groups in 1956, it was renamed Hindustan Lever Limited. The company was renamed in June 2007 as Hindustan Unilever Limited.

The Procter & Gamble Company (P&G) : The Procter & Gamble Company (P&G) is an American multinational Consumer goods corporation headquartered in Cincinnati Ohio, founded in 1837 William Procter & James Gamble.

It specializes in a wide range of personal health/consumer health, and Personal Care and hygiene products; these products are organized into several segments including Beauty; Grooming; Health Care; Fabric & Home Care; and Baby, Feminine, & Family Care.

3.2: Data Analysis and Its Interpretation

3.2.1. What Is Revenue?

- ❖ Revenue is the income generated from normal business operations and includes discounts and deductions for returned merchandise. It is the top line or gross income figure from which costs are subtracted to determine net income.

$$\text{Sales Revenue} = \text{Sales Price} \times \text{Number of Units Sold}$$

Revenue is also known as sales on the income statement.

Income Statement of HUL Ltd. Is given Below:-

Annual	March 2021	March 2020	March 2019	March 2018	March 2017
Sales	42028	39783	39310	35545	33162
Other Income	410	632	550	384	369
Total Income	47438	40415	39860	35929	33531
Total Exp.	36715	31124	31223	28599	27017
EBIT	10728	9291	8637	7330	6514
Insterest	117	118	33	26	35
Net Profit	2606	2409	2544	2079	1977

Income Statement of P&G Ltd. Is Given below:-

Annual	March 2021	March 2020	March 2019	March 2018	March 2017
Sales	3001	2946	2455	2320	2484
Other Income	44	53	24	77	87
Total Income	3046	3000	2479	2397	2571
Total Exp.	2446	2387	1892	1715	1931
EBIT	599	612	587	682	640
Interest	6	5	5	10	4
Net Profit	433	419	374	432	426

3.2.2. What Is Cash Flow ?

- ❖ Cash flow is the net amount of cash and cash equivalents being transferred into and out of a business. Cash received represents inflows, while money spent represents outflows.

Cash Flow of Last 5 years Of HUL Ltd. Is given Below:-

Annual	March 2021	March 2020	March 2019	March 2018	March 2017
Operating Activities	8957	7305	5728	5916	4953
Investing Activities	(1367)	1926	(264)	(1264)	(752)
Financing Activities	(9280)	(6676)	(5462)	(4651)	(4264)
Net Cash Flow	(1690)	2555	2	1	(63)

Cash Flow of last 5 Years of P&G Ltd:-

Annual	March 2021	March 2020	March 2019	March 2018	March 2017
Operating Activities	474	412	415	445	353
Investing Activities	74	34	(19)	149	224
Financing Activities	(190)	(313)	(106)	(1558)	(121)
Net Cash Flow	358	133	289	(964)	456

3.2.3. Ratio Analysis:-

What is Ratio? :

- ❖ Accounting ratio is the comparison of two or more financial data which are used for analyzing the financial statements of companies. It is an effective tool used by the shareholders, creditors and all kinds of stakeholders to understand the profitability, strength and financial status of companies. This is also widely known as financial ratios based on which business performance can be monitored and important business decisions are made.

Liquidity Ratio:-

- ❖ Liquidity ratio is an essential accounting tool that is used to determine the current debt repaying ability of a borrower. Simply, this ratio reflects whether an individual or business can pay off the short-term dues without any external financial assistance.

Liquidity Ratio of last 5 years of HUL Ltd. Is given below:-

Liquidity Ratios	Mar 2021	Mar 2020	Mar 2019	Mar 2018	Mar 2017
Current Ratio (X)	1.28	1.32	1.37	1.31	1.32
Quick Ratio (X)	0.96	1.03	1.08	1.03	0.99

Liquidity Ratio of last 5 years of P&G Ltd. Is given below:-

Liquidity Ratios	Jun 2020	Jun 2019	Jun 2018	Jun 2017	Jun 2016
Current Ratio (X)	2.23	1.66	1.54	1.04	2.51
Quick Ratio (X)	1.89	1.35	1.33	0.73	2.32

Turnover Ratio:

- ❖ The turnover ratio or turnover rate is the percentage of a mutual fund or other portfolio's holdings that have been replaced in a given year (calendar year or whichever 12-month period represents the fund's fiscal year).

Turnover Ratio of last 5 years of HUL Ltd. Is given below:-

Turnover Ratios	Mar 2021	Mar 2020	Mar 2019	Mar 2018	Mar 2017
Asset Turnover Ratio (%)	68.39	197.40	211.01	198.99	211.14
Inventory Turnover Ratio (X)	13.14	14.38	15.27	14.14	13.05

Turnover Ratio of last 5 years of P&G Ltd. Is given below:-

Turnover Ratios	Jun 2020	Jun 2019	Jun 2018	Jun 2017	Jun 2016
Asset Turnover Ratio (%)	164.18	180.57	172.25	200.01	114.77
Inventory Turnover Ratio (X)	14.64	14.49	19.86	13.08	19.49

3.2.4. Dividend:

What Is a Dividend?

- ❖ A dividend is the distribution of some of a company's earnings to a class of its shareholders, as determined by the company's board of director.

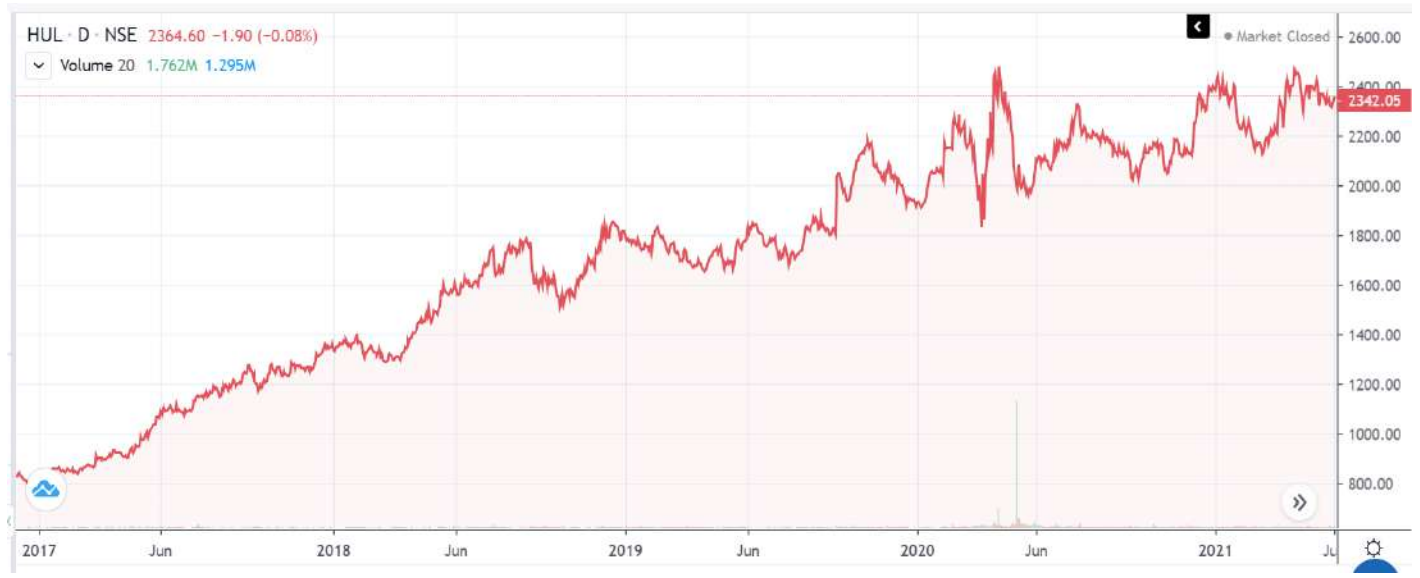
$$\text{Dividend Per Share} = \text{Total Dividend Paid} / \text{Total Number of Share}$$

Dividend per share paid over the last 5 years by the Companies

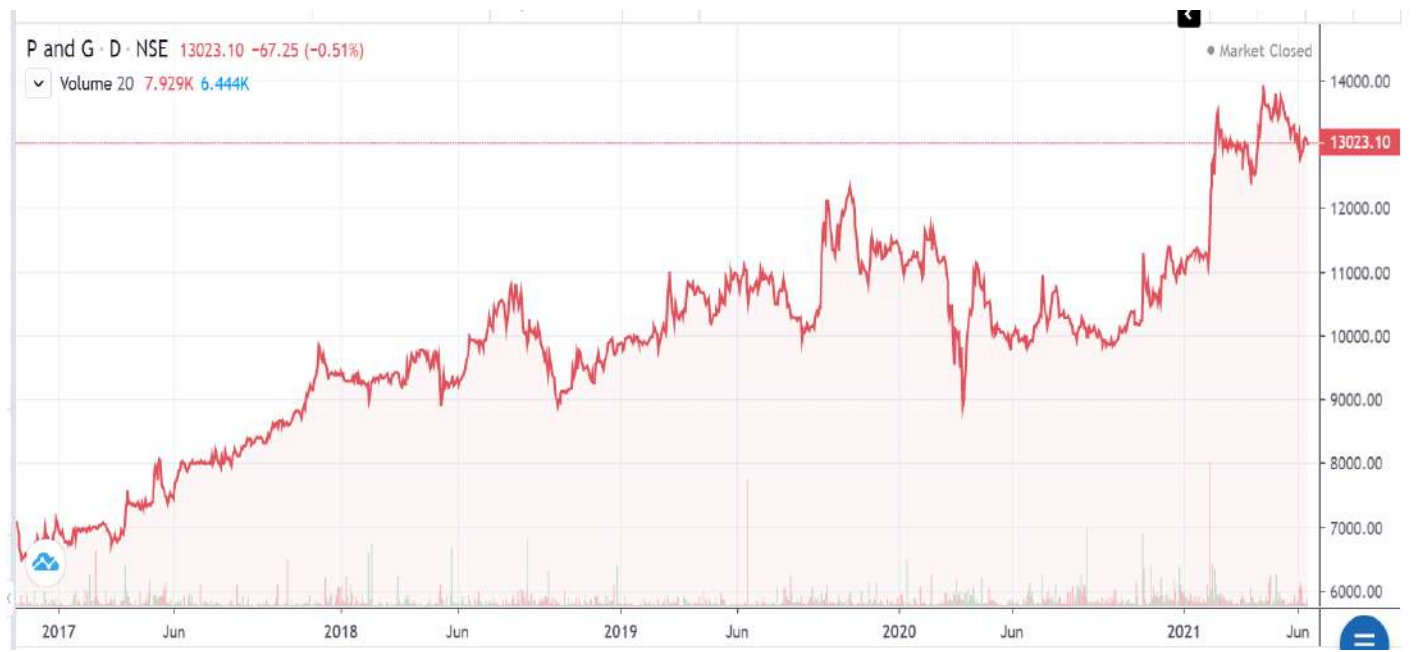
<i>Year</i>	<i>2021</i>	<i>2020</i>	<i>2019</i>	<i>2018</i>	<i>2017</i>
<i>Dividend/Share by HUL Ltd.</i>	<i>31</i>	<i>34.5</i>	<i>22</i>	<i>20</i>	<i>17</i>
<i>Dividend/Share by P&G Ltd.</i>	<i>105</i>	<i>88</i>	<i>40</i>	<i>389</i>	<i>36</i>

3.2.5. Growth in Capital Market Over the Period of Last 5 years:-

Growth Of HUL Ltd in Capital Market:-



Growth of P&G Ltd In Capital Market:-



3.2.6. Performance in Market on last year:-

Company Name	Share Price	MCap (cr.)	P/B	ROE(%)	1 yr perform (%)	Net Profit	Net Sales (Rs.)
P & G	13023.10	42273.94	37.24	37.40	30.75	433	3001
HUL	2364.60	555583.78	11.65	16.77	12.21	8000	47028

Where,

MCap= Market Capital

P/B = Price to Book Value

ROE= Return On Equity

3.3: Findings Of the Research

- ❖ The Net Profit of both of the companies gradually Increases but in 2019 there is a decrease in Profit of P&G Ltd and in 2020 there is also a decrease in Net profit of HUL Ltd.***
- ❖ Cash Flow is overall in better position of P&G LTD. Whereas Cash out flow is increasing year to year of HUL Ltd.***
- ❖ Dividend Policy is far better for both of the companies.***
- ❖ Liquidity ratio of both of the companies is in better position.***
- ❖ Market Capital of P&G is Rs.42273.94 whereas for HUL is Rs.555583.78***

3.4. Analyze of Research

HUL Analysis :

Revenue from operations is a measure of how much revenue a company is generating from its core business. Revenue from operations does not include income from non operating activities such as sales of assets, sale of subsidiaries, income from investments made etc. Revenue from operations/share measures how much revenue a company is generating from its core business on per share basis.

Dividend per share is the amount of dividends a shareholder receives on per share basis. Dividend per share includes all the interim dividends paid during the financial year as well as the final dividend paid at the end of the financial year.

- Company is a market leader in FMCG segment.
- Has a huge portfolio of consumer products spread over 20 categories.
- Strong brand recognition, some of the brands are synonymous to the product itself (Surf, one of the brands of the company is synonymously used as detergent)
- Strong distribution network, and rural penetration, coupled with strong and efficient supply chain.

P&G Analysis:

The operating income and net income has also grown at a rate of 10.4% and 9.86%. This indicates declining efficiency due to the increasing scale for the company. The working capital has remained linear and positive and the Cap-Ex also indicates a predictable linear growth for the company.

The gross margin has shown a slight decline in recent years, this is due to the inflation-related costs and indicates that the company is not able to pass this down to its consumers. This is the nature of the FMCG business.

The free cash flow as a percentage of net income is also high and stable. The operating and free cash flow growth rate has also stabilized over recent years. Overall this indicates a good cash flow position for the company.

4. Conclusion

4.1: Conclusion

HUL has a large brand portfolio consisting of nearly 110 brands. In every product line, it has built a number of brands over a period of time. Quite a few brands have come to its fold from the parent company. It has also acquired several ongoing brands from the market. HUL also vigorously pursues brand extension strategy. And concurrently, HUL undertakes line pruning and brand restructuring and consolidation, based on marketing compulsions. HUL is also playing the rejuvenation and re-launch game. With great benefit the corporate-level endeavors at business expansion and diversification are also throwing new challenges on the brand strategy front.

Procter and Gamble is one of the largest companies in the world that manufactures personal care products. Many familiar brands are owned by P&G which makes it a common household name. The values and standards that P&G uses to guide their decisions to respond to customer needs, product issues, and community involvement are very important to their market and non-market stakeholders. Some of the non-market strategies they have implemented include a strong emphasis on corporate social responsibility, an active crisis management team, and ethical media practices.

Recommendation

4.2:Recommendation:

— On the basis of my studies, I want to Suggest that P&G has to make out more products varieties according with different products same as the HUL did to grasp the market share.

Because any companies stands in the competitive market should have lot of varieties of products to overtake the entire Market. The P&G has to check out their pricing strategy because the price of the HUL is Much lesser than P&G and other Companies.

Therefore, I suggest to other related companies that they should emphasis on their sales activities and should make their proper marketing Strategy.

Last but not the least that the channel of distribution, packing and moreover only after the proper marketing research they should launch their new product to increase the market share.

5:BIBLIOGRAPHY OR REFERENCES

5.1 : Bibliography:

Link of the websits:

Www.TickerTape.in

www.screener.in

www.moneycontrol.com

www.investing.com

www.Zerodha.com

TERM PAPER PROJECT

[Submitted for the degree of B.COM (Hons.) under Calcutta University]

Title of the Project

**IS ATTRACTIVE PACKAGING REALLY A NECESSITY OR
AN EYEWASH ? A STUDY ON PACKAGING ON SOME
SELECTED COMPANIES.**

Submitted by

Name of the Candidate : Nang Himakhi Tungkhang

C.U. Registration Number : 223-1213-0511-18

C.U. Roll Number : 181223-11-0014

College Roll Number : 18C-019

Name of the college : Scottish Church College

Year of submission

2021

Annexure-1A

Supervisor's Certificate

This is to certify that Ms. Nang Himakhi Tungkhang a student of B.com Honors in Accounting and Finance of Scottish Church College under the University of Calcutta has worked under my Supervision and guidance for her project work and prepared a project report with the title IS ATTRACTIVE PACKAGING REALLY A NECESSITY OR AN EYEWASH ? A STUDY ON PACKAGING ON SOME SELECTED COMPANIES.

Which she is submitting, is her genuine and original work to the best of my knowledge.

Place: Kolkata

Date: 26th July 2021

**Signature: Amitava Chatterjee (Administrator & Head
Department Of Commerce)**

Scottish Church College

Annexure-1B

Student's Declaration

I hereby declare that the project title “Is attractive packaging really a necessity or an eyewash? A study on packaging on some selected companies.” Submitted by me for the partial fulfillment of the degree of B.com Honors in Accounting and Finance under the University of Calcutta is my original work and has not been submitted earlier to any other university or institution for the fulfillment of the requirement for any course of study. I also declare that no chapter of this manuscript in whole or in part has been incorporated in this report from any earlier work done by others or by me. However, extracts of any literature which has been used for this report has been duly acknowledge as providing details of such literature in the references

Signature: Nang Himakhi Tungkhang

Place: Kolkata

Date:26th July 2021

Acknowledgement

It gives me great satisfaction on completion of project entitled

‘IS ATTRACTIVE PACKAGING REALLY A NECESSITY OR AN EYEWASH ? A STUDY ON PACKAGING ON SOME SELECTED COMPANIES.’.

I would like to express my special thanks to my supervisor Professor Amitava Chatterjee (Administrator & Head Department of Commerce, of Scottish Church College) who has been a constant source of inspiration and courage during the entire research work.

He provided all the necessary resources which were important for my project without his unconditional support and guidance the research could not be attained to this realistic.

My special thanks are also to people who have willingly helped me through their abilities. Their comments, questions and encouragement both personal and academic have left a mark on the work.

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1. Introduction.

1.1 Introduction:

Packaging is the science, art, and technology of enclosing or protecting products for distribution, storage, sale, and use.

Packaging also refers to the process of design, evaluation, and production of packages. Packaging can be described as coordinated system of preparing goods for transport, warehousing, logistics, sale, and end use. Packaging contains, protects preserves, transports, informs, and sells (Soroka, 2002).

Packaging is any container or wrapping in which the product is offered for sale and can consist of variety of materials such as glass, paper, metal or plastic, depending upon what is to be contained (Brassington& Petit, 2002). Packaging is defined as an extrinsic element of the product (Olson & Jacoby, 1972) -an attribute that is related to the product but does not form part of the physical product itself. Packaging is a structure prepared to contain a commercial food product, i.e. enabling it easier and safer to transport, protecting the product against contamination or loss, degradation or damage and maintaining a convenient way to dispose the product (Sacharow& Griffin, 1980).

1.2 Background

The prehistoric man cared less about packaging. This was due to the fact that commodities were consumed in their raw states either on the spot or sometimes carried to their abodes or caves in their bare hands. It is also probably because society had not developed to the extent that there was no competition as regards the manufacture and sale of products. With evolution, however, packaging in one form or other developed gradually. The most significant era of packaging is when man started keeping some of his wares in leaves, gourds and shells as containers, endowed by nature. The oldest information on manufactured package available to the research dated as far back as 1844 when paper production was introduced in Europe. What necessitated the use of manufactured package could be linked primarily to transportation and agglomeration ("History of Packaging", 2006). Packaging started in a different form from what we know today. The earliest form was by the use of animal skins, shells, broad leaves and hard "skin" fruits and vegetables. Liquids were stored in containers made from animal skins, hollowed out logs, gourds, coconuts and shells. In Ghana, most food made of corn, such as the "Gakenkey" (komi) and "nkyekyer" of the Asantes for example, are still wrapped in corn husk to this day. Food stuffs were and are still carried from the farm to market places or homes in woven palm fronds called "Bɛɛɛ" in the Twi language. From this, it may be concluded that packaging is not new to Ghanaians. Branded packaging is however, fairly new in Ghana (Essuman, 2008) In the Ancient Egypt and Roman Empires, materials such as clay were used as containers. Glass, metal and paper were later introduced upon their invention and therefore used for packaging. Butter and cheese were kept in baskets, vinegar in barrels, and tea in chests whilst grains were put in sacks during the Victorian times (Hook & Heimlich, 2007).³The first ever branded package was introduced in England in 1746 by one Dr. Robert James who packaged his "Fever-Powder" in a box for retailing (Ariev, 2007). Other people followed suit by introducing other forms of packaging by using 12 different materials such as metal and glass. A. F. Pears, an Englishman established the first soap packaging company (Ariev, 2007). Yardley of London also packaged his famous lavender water in glass bottles, whilst Crosse and Blackwell also branded olive oil and mustard in jars (Ariev, 2007).

Packaging as a method for food preservation began in the latter part of the 16th century. In 1795, when the French War was raging, there was an urgent need for food preservation for soldiers in the war. As a result, food had to be canned. The famous French warrior Napoleon Bonaparte realizing the need to preserve and transport food to his army, offered a prize to reward anyone who could find answers to his demands. In 1809, one Nicholas Appert, a confectioner, invented the process of canning by introducing an airtight glass jar to win the prize. By this, he introduced canning which was further developed to the light weight cans of today (Hook & Heimlich, 2007). Canned product was first used by the army before it came to the consumer's domain. The British Army first used the canned food during the Crimean war (1853 – 1865);

In the American Civil war (1861 – 1865) the militant groups used these bulky cans for food preservation and transportation. It is interesting to note that light cans that we have today and are easy to open used to be bulky and required the use of hammer and chisel for opening

when it was first introduced Product packaging became very important during the World Wars. Therefore, the author finds this contradictory to Herdeg (1961) assertion that the problem of packaging may appear of a relatively little importance to people when they face problems that involve their survival. The author is of the view that although war is bad but this development of food product packaging is one good thing that was initiated by the demands of war at that period in history. The 19th century was the period when advancements in canning and paper containers fabrications we use today got started. The packaging industry at that time availed itself with the development of mechanical printing processes, photoengraving and process colour printing. Many packages were decorated using the printing processes to make them more attractive to the buyers, to bear the names of the products and their manufacturers' information. This marked the beginning of packaging, branding and labelling.

1.3 Literature review :

Lightweight compostable packaging:

Edward Kosior, RadekMessiasBraganca, Paul Fowler

The Waste & Resources Action Programme 26, 1-48, 2006

In the UK where the total consumption of plastics amounted to 2,414 million tonnes, of which approximately 60% of which is packaging, that is discarded as soon as the package is open. Many of these plastics end-up in landfills where they will stay for centuries.

In recent years, many companies have introduced compostable polymers made from agricultural resources as substitutes of petroleum based thermoplastics. Compostable polymers are expected to lessen the environmental impacts of packaging by shrinking landfill requirements, while decreasing the dependence of non-renewable resources, provided measure that a number of barriers to their widespread use would be overcome, such as the existence of composting infrastructures, better understanding on how to use these materials in novel food packaging design that would subsequently improve retailer/consumer know-how, and a lowering of the unit price as a function of the increase of their market share.

1.4 Objectives of the study:

This project is based on the impact of packaging on the purchase and consumption of the chocolate products.

Objectives of the study are:

- To ensure the packaging and the label can be used by the markets to encourage potential buyers to purchase the product or not.
- To measure that most packaging should be designed to reflect the brand's message and identity influences customers to trust and consume the product with satisfaction.
- To ensure packaging gives a brief information about the product, so the consumer get the right information while purchasing.
- To study the factors affecting the consumption pattern.

1.5 Research Methodology

-Research design

The research design is an expository research.

-Sampling design

56 Sample number of questionnaire.

-Collection of data are based on two process they are:

- Primary data.
- Secondary data.

-Data analysis and interpretation

Data were collected using questionnaire administered in July 2021 to 56 people who are the resident of Kolkata. The returned and complete questionnaires were subjected to confirmatory factor analysis.

1.6 Limitations of the study:

This study, as is the case for any piece of research, is subject to a number of noteworthy limitations. These are mentioned below.

Existing Brands Cannot Be ‘Unseen’ and ‘Unflavoured’

- Whereas market research may ask respondents to acknowledge associations with colours and the feelings they induce, actual purchase behaviour may deviate quite substantially from this stated intent. The problem is compounded by specific brands that exist in a real world setting.
- Environmental Factors in Probing Respondents Time of day is likely to be a pertinent factor pertaining to an individual’s decision making. A study by Chetthamrongchai and Davies (2000) revealed that consumers demonstrate different purchasing behaviours at different times of the day. Perhaps respondents who answered the questionnaire in the morning, a time seen as less conducive to chocolate consumption, may have been unenthusiastic about purchasing chocolate in general.
- In contrast, those answering the questionnaire at lunchtime, when chocolate is generally seen to be more suitable to consume, may have responded more assertively and positively. In order to mitigate this effect, consumers were asked to answer the questionnaire at random times throughout the day.
- The Influence of Exogenous Variables in Stimulating Purchasing Behaviour This study did not interrogate consumers’ familiarity with the chocolate category, their consumption habits, etc.
- It is possible that some of those consumption statistics may have influenced their respective views and, hence, response towards certain colours.

1.7 Chapter Planning

This study is limited to consumer products packaged locally by the manufacturers.

Thus, products whose packages require structural design, decoration and labelling as required by the regulatory authorities of the packaging industry. These include food products such as plantain chips, gari, dough nut, wood carvings and textile products as well as toiletries like the "Azumah Blow", "AlataSamina", etc. The study will make use of available existing data on the packaging material properties where possible to support a claim or make a claim. It will, however, not include packaging material sciences. Although this work will have an overview of the popular packaging materials used in Ghana, it will, however, focus on structures using paper, so as to enable the researcher create alternative packages with ease. This is because the researcher will not have to use heavy equipment as is the case with other materials like glass and metals.

2. Conceptual framework

2.1 Advantage and disadvantage of packaging.

Advantage of packaging.

- Physical protection: the objects enclosed in the package may require protection from mechanical shock, vibration, electrostatic discharge, compression, temperature, etc.;
- Hygiene: a barrier from e.g. oxygen, water vapour, dust, etc. is often required. Keeping the contents clean, fresh, sterile and safe for the intended shelf life is a primary function;
- Containment or agglomeration: small objects have to be grouped together in one package for efficiency reasons;
- Information transmission: packages can communicate how to use, store, recycle, or dispose of the package or product;
- Marketing: packages can be used by marketers to encourage potential buyers to purchase the product;
- Security: packages can play an important role in reducing the risks associated with shipment. Organizations may install electronic devices like RFID tags on packages, to identify the products in real time, reducing the risk of thefts and increasing security.
- Protecting against breakage from being dropped, crushed or vibrated during transport.
- Guarding your products from the effects of the environment, such as changing temperatures, humidity and light.
- Preventing an infestation from bugs or micro-organisms and contamination from chemicals or toxins as well.

Disadvantage

- **Cost:** While packaging can do a lot to get customer attention, and may even add value to a product, it also adds to the cost of production and the eventual retail price.
- **Landfill Impact:** Packaging is responsible for significant portions of the waste stream. Some waste can be recycled, but many materials are not appropriate for recycling. Much of the waste produced by packaging ends up in a landfill.
- **Production Footprint:** Products with more packaging also use more resources in production. Over 10 million barrels are used to make water bottles, and one pound of polystyrene (Styrofoam) uses about two pounds of petroleum stock. Production also requires energy, usually sourced from burning fossil fuels, and may produce air and water pollution.

2.2 National and international scenarios.

The reference to the chocolate products are

- AMUL.
- NESTLE.
- CADBURY.

National and international scenario of AMUL.

National scenario:

Amul Milk chocolate with a total score of 78 /100 is the highest rated brand in the milk chocolate category leaving behind leading brands like Cadbury dairy milk, LindtLindor, Hershey's and ChoconMilcreme as per the report published in its latest edition.



In dark chocolate category also Amul Dark chocolate has been rated as the No. 1 brand with 84 points out of 100 points. Cadbury's Bourneville has been rated second with 76 points.

The scores given in the study are based on physicochemical parameters like – Cocoa Solids, Energy Value, Cholesterol, carbohydrates, milk fat etc. and microbiological activity as well as sensory attributes. The tests have been conducted independently in government approved laboratories.

International scenario :

Although, the company has maintained a chocolate portfolio for more than 20 years, the dairy products major never posed a threat to market leaders such as Cadbury and NestleThe growth in Amul's chocolate sales has remained stagnant over the years. Industry experts say that since the company is present in more than one category, some of its categories have performed better than others. In Amul's case, the bulk of its sales comes from its dairy products such as milk packets.

The company has also placed its chocolate products at lesser price points compared with its competitors. Other chocolate brands by Amul include Bindaaz, Fundoo, Almond bar, Milk chocolate and Fruit-n-nut. Yet chocolate has never been a major thrust area for the company. It still remains one of its non-core categories. Its chocolate drinks have received better response than its chocolates, say company executives.

The chocolate category in India is also seeing increased activity with MNCs such as Hershey's planning to introduce products from its global stable in India in the coming year.

National and international scenario of NESTLÉ

National scenario: NESTLÉ's relationship with India dates back to 1912, when it began trading as The NESTLÉ Anglo-Swiss Condensed Milk Company (Export) Limited, importing and selling finished products in the Indian market. NESTLÉ India is a responsible organisation and facilitates initiatives that help to improve the quality of life in the communities where it operates.



Good Food, Good Life

NESTLÉ has been a partner in India's growth for over a century now and has built a very special relationship of trust and commitment with the people of India. The Company's activities in India have facilitated direct and indirect employment and provides livelihood to about one million people including farmers, suppliers of packaging materials, services and other goods.

The Company continuously focuses its efforts to better understand the changing lifestyles of India and anticipate consumer needs in order to provide Taste, Nutrition, Health and Wellness through its product offerings.

International scenario: NESTLÉ manufactures products of truly international quality under internationally famous brand names such as NESCAFÉ, MAGGI, MILKYBAR, KIT KAT, BAR-ONE, MILKMAID and NESTEA and in recent years the Company has also introduced products of daily consumption and use such as NESTLÉ Milk, NESTLÉ SLIM Milk.

According to the official website of the Company, Nestlé was formed by Henry Nestlé in 1867. He was a pharmacist. The company was located in Switzerland, where the actual largest headquarter is located even today. Then, in short period the company started to grow and expand, and also offering a large variety of products. Nowadays, the company is a corporation which has multiple stockholders. Throughout its existence, Nestlé has merged

with some international companies. For example, in 1905 merged with a Anglo-Swiss milk company. (MARKETING PROCESS OF NESTLE CORPORATION) In 1998 Nestlé purchased the UK largest chocolate factory. Nestlé's collaboration with Fairtrade began in 2009, when the UK's best-selling chocolate wafers, KitKat 4 finger, first received ethical certification through the FAIRTRADE Mark in the UK and Ireland. This move was then extended to the 2 finger.

KitKat, made in York, is the UK's favourite chocolate wafer fingers, with 1bn sold here each year. Launched in 1935 and originally called Chocolate Crisp, it has grown to become Nestlé's biggest confectionery brand in the UK. The UK is the biggest market for KitKat globally, twice as big as the next highest, Japan.

National and international scenario of CADBURY

National scenario : Mondelez International, which owns the Cadbury brand, is optimistic about India and its opportunities. But the packaged food market is dominated by Indian companies that best understand local tastes

A factory that recently opened in the south of India will churn out 60,000 tonnes of Cadbury's Dairy Milk chocolate a year. That's just to start.

By 2020, the US\$30 billion Mondelez International, which owns the confectionery brand, aims to produce 250,000 tonnes of the chocolate at the plant in Andhra Pradesh annually and employ 1,600 workers. As its largest factory in the Asia Pacific region, it has been set up with an investment of \$190 million and it covers more than 53 hectares.

International scenario :

Cadbury chocolate is one of the world's best-selling brands, with more than \$3 billion in netrevenues in 2016. But it didn't become one of the world's favourite chocolate brands overnight. It has a rich and delicious history spanning nearly 200 years, when Johncadbury opened a grocery shop in 1824 in Birmingham, U.K., selling, among other things,cocoa and drinking chocolate. We sold our first chocolate bar in 1847, our iconic CadburyDairy Milk was born in 1905...Cadbury isintroducingrecyclable cardboard packaging for its Roses and Heroes chocolates this Christmas.The Purple Goes Green programme, launched by Cadbury in 2007, includes pledges to cut packaging, carbon emissions and water usage you.

Iconic Packaging; The Start



Cadbury began making milk chocolate bars in the late 1890s, packing them in decorated boxes for sale. After some experimentation, they developed a chocolate bar with a higher proportion of milk than previous candy bars. Seeing the opportunity to set this chocolate apart from all others, the name Dairy Milk was born.

Dairy Milk began its life sold in large unwrapped blocks that could be broken down into penny bars. As demand for easier-to-handle candy grew, a continental-style parcel wrap consisting of a pale mauve background with red script became its go-to packaging design.

Iconic Packaging: Chocolate Ascending



With its popularity beginning to soar, Dairy Milk moved to using a purple and gold wrapper—the same style that would stick with the brand permanently. As its line began to expand, Fruit and Nut joined the Dairy Milk family in 1925, with Whole Nut following soon after in 1933.



Due to their enormous success, unsurprisingly, Cadbury quickly became the brand leader in the United Kingdom.



With their recipe perfected, Cadbury knew they had a good thing going. Leaving the chocolate unchanged, they focused on improving and updating their Dairy Milk packaging to reflect the changing times. Moving from just a paper wrapper in the 20s, they introduced a layer of silver foil in the 30s, eventually graduating through the 60s and 70s to a layer of eye-catching gold foil.

Iconic Packaging: The Present Day



2009

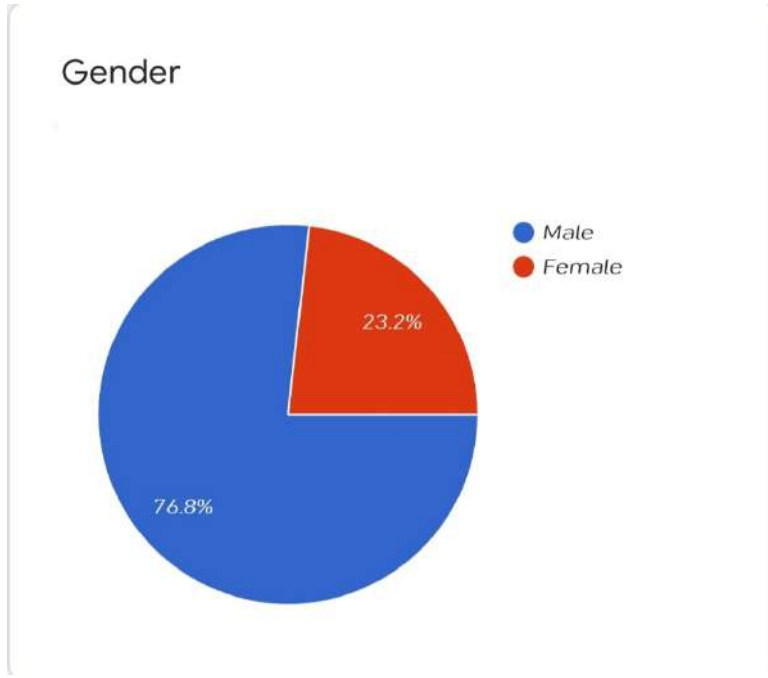
Dairy Milk bars changed to a full-colour plastic wrapper in 2009 to ensure freshness, the first radical change in its packaging style in decades—though it still kept a paper wrapper style in some of its packaging styles. This was followed in 2012 by a re-shaping of the bar chunks into more circular shapes to reduce the bar weight—this was even more significant, as the bar hadn't seen a major change in shape since its introduction back in 1905.

Finally, in 2013, Cadbury began a personalization option for its Dairy Milk bars. Here's how we'd like to think The Packaging Company edition would look:

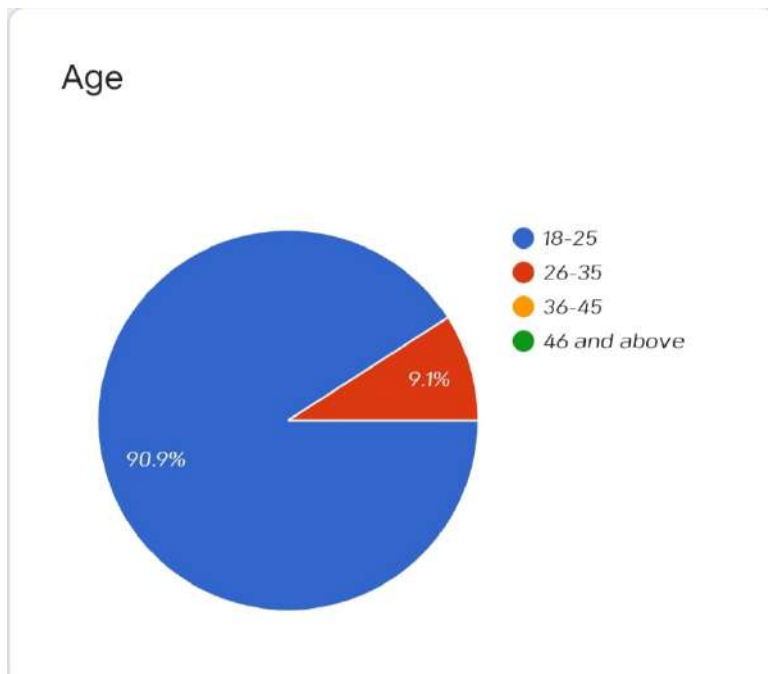


Analysis & Findings

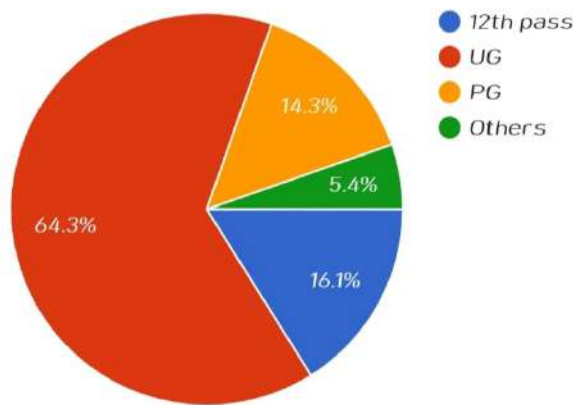
3.1 Primary data.



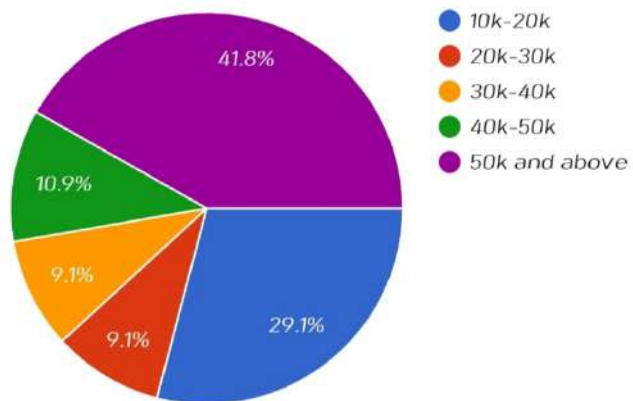
The data is fulfilled with correct information by both the genders.



Educational qualifications

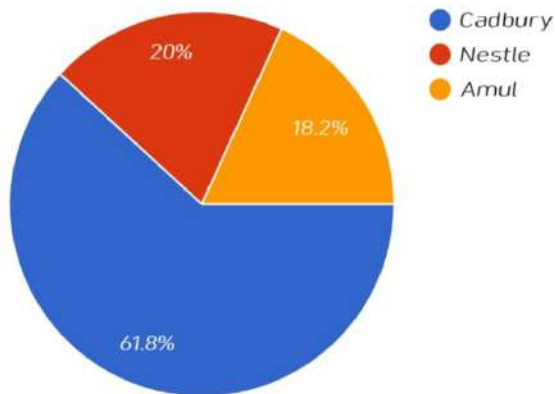


Income of the household (per month)



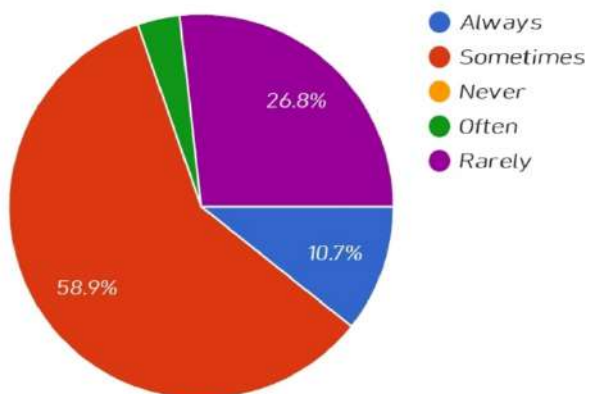
It has been analysed that chocolate products is consumed by all types of income holders from minimum to maximum

Which of the brand do you like the most?



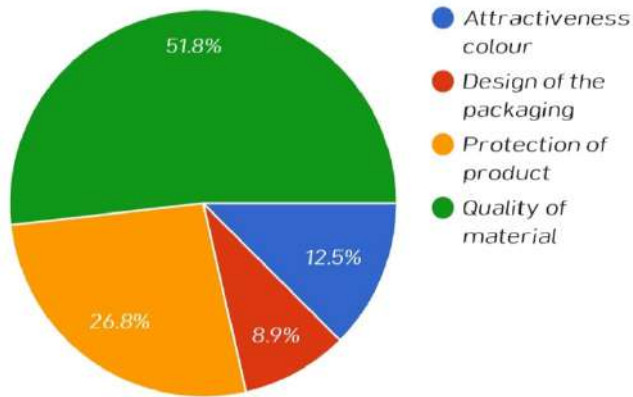
It has been analysed that 61.8% prefers Cadbury out of the other two brands.

How often do you buy chocolates?



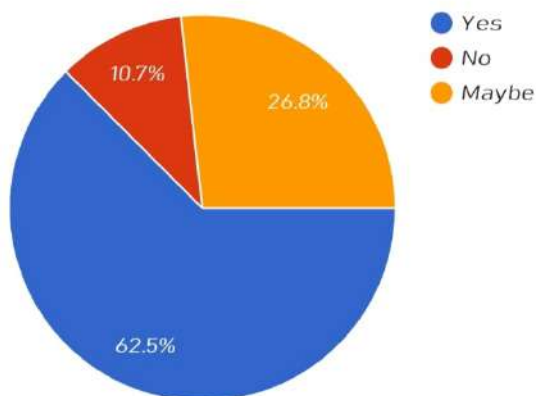
Here from 56 responses, it has been analysed that maximum response i.e. 58.9% people stated that sometimes they buy and consume chocolates.

Which of the packaging issue will you concern about when you buy chocolates?



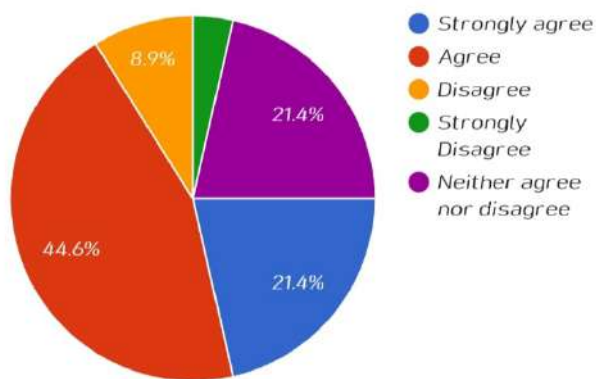
Here from 56 responses it has been analysed that maximum of people rates there concern about the protection of the product and they also check the quality of material.

Does clear written instructions and ingredients on packaging encourage you to buy the products?



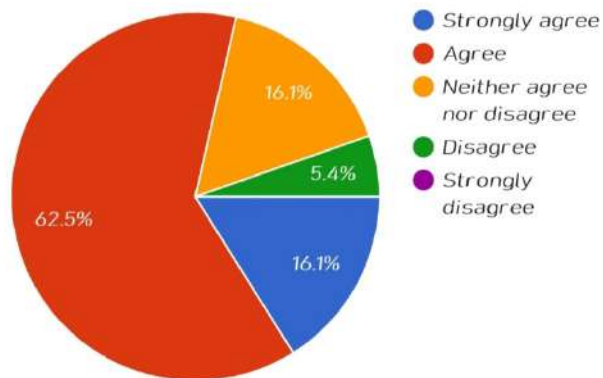
Here it has been analysed that 62.5% rated that a proper written information about the chocolate packaging influences the buyers to buy.

PACKAGING VISUAL ELEMENTS :
SELECT ONE ANSWER TO IDENTIFY
YOURSELF. colour of chocolate
packaging gain my attention at the
point of purchase.



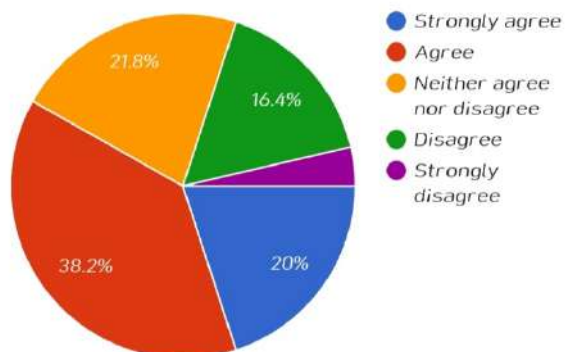
Here about 44.6 % agree that the colour of packaging gains the attention of the buyers

Texture & special features in packaging gain my attention at the point of purchase.



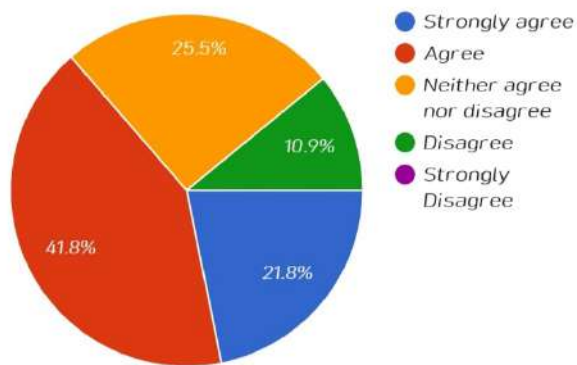
Texture that is a good quality of the packaging which gives the proper protection to the product and special feature like discount and anything which is free offers with the product always gains maximum number of people's attention to buy that product.

More to choose products with strong visual element than that with outstanding flavours.



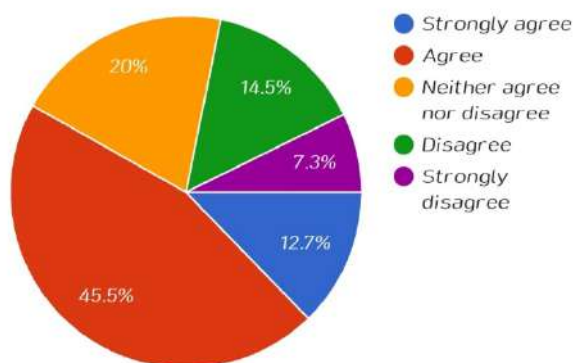
This survey helped us to find that the maximum buyers were attracted towards the visual element of the packaging rather than the outstanding flavour of the product.

PURCHASING HABBIT: SELECT ONE ANSWER PER OF IDENTITY YOURSELF. I am the person who usually fall in love at with the products in the shops



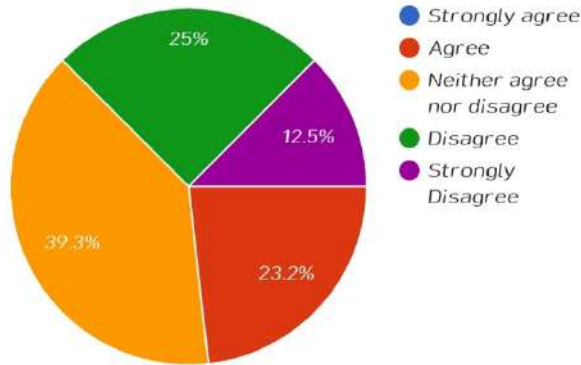
Maximum 41.8% of the response agreed with the fact a product's appearance and good packaging lets people fall in love through visual attraction.

It is hard for me not to buy the nice packaging products



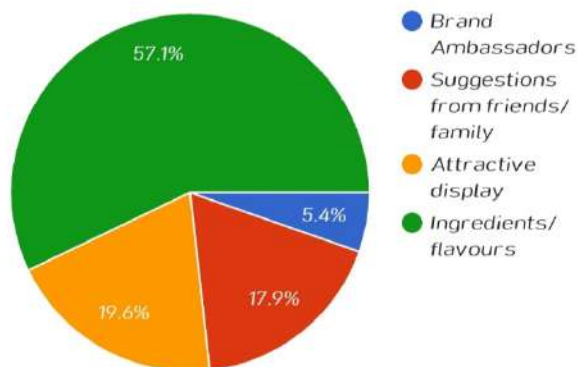
It has been analysed that well packed chocolates products always attracts consumers attention as well as people buy those products easily and consume them with full satisfaction.

I will buy chocolates when packaging is nice, price is expensive.



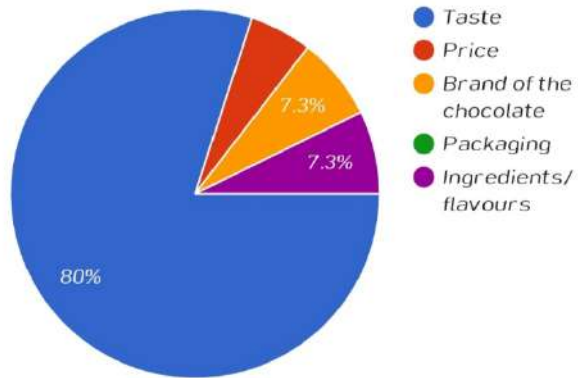
Price of the product is an important factor in marketing. The above responses states that mostly based on the income background of their household 25% people disagree with the fact while 39.3% of people agrees with the fact.

Which of these factors affect your purchase?

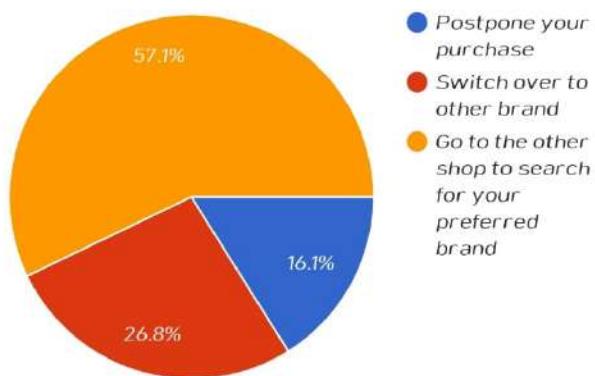


57.1% of people responded that ingredient and flavour of the product effect their factors of purchasing of the product.

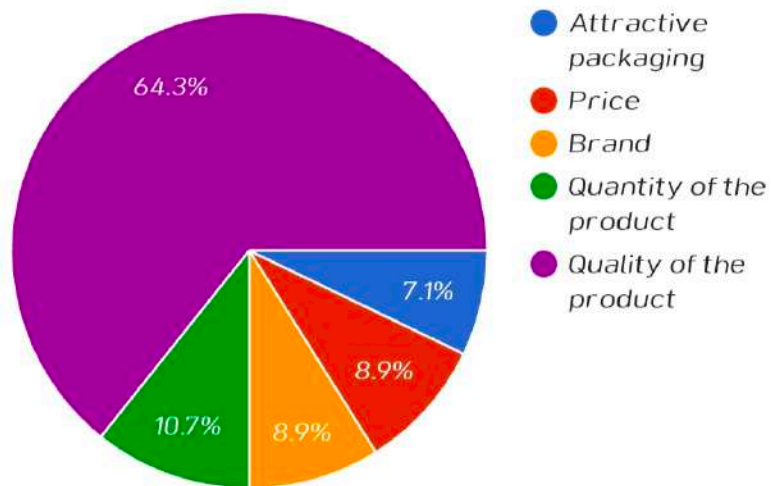
According to you, your preferences in choice of chocolates



If your preferred is not available for repeat purchases then what will you do?



According to you, which of the factor matters mostly on purchase of chocolates



3.2 Secondary data.

Swot analysis of AMUL

Strengths.

Strengths are defined as what each business does best in its gamut of operations which can give it an upper hand over its competitors. The following are the strengths of Amul Chocolates :

- **Marketing:** Amul Chocolates because of its association with Amul has benefitted greatly from the marketing campaigns of the brand including the brand icon, the Amul Girl and its tagline Taste of India.
- **Continuous spirit of innovation:** Amul has drawn inspiration from leading confectionery businesses across the world and innovated in their chocolates. This has resulted in the new category of dark chocolate and the chocolate syrup. The spirit of innovation is also reflected in their marketing campaigns and packaging.
- **Focus on brand Amul:** One **strategy** that has helped the company as a whole is that instead of advertising **individual** products the focus has always been on the brand Amul. This has resulted in building goodwill and trust which has reflected in each of its products including its chocolates.
- **Distribution channel:** Amul follows a three-tier **distribution strategy** for all its products where their products are sourced at three levels from village to district to state and then distributed at three tiers namely company, wholesaler, and retailer. This ensures maximum coverage for Amul Chocolates.
- **Focus on quality:** Amul Chocolates has never compromised on quality. The company takes all possible steps to ensure that there is total compliance with all norms mandated by various health, safety, and quality regulatory agencies.

Weakness.

Weaknesses are used to refer to areas where the business or the brand [needs](#) improvement. Some of the key weaknesses of Amul Chocolates are:

- **Lack of importance:** Amul has never emphasized enough on its chocolates and the vertical has always been regarded as a low importance category with the company choosing to focus on butter or cheese.
- **Lower number of variants:** In comparison to competitors like [Cadbury](#)'s the number of varieties in the milk chocolate is low. This leads to boredom amongst customers who do not prefer this brand in spite of the chocolate being higher in quantity and quality.
- **Low relative cost of promotion:** The confectionery market is highly competitive and the purchase is focused on impulse purchase behavior. This means that only advertisements can trigger the purchase. However, the relative cost of promotion is low and thus the number of advertisements for chocolates is low.
- **Low differentiation:** The customer is unable to [differentiate](#) between various brands of chocolates because the category does not have anything much to offer in terms of a real difference in taste or texture.
- **Focus on a regional hub:** Most of Amul's products are related to milk and the source is just a single hub which is Gujarat. Procurement and management of milk and manufacturing of chocolates is a [supply](#) chain challenge.

Opportunities

Opportunities refer to those avenues in the [environment](#) that surrounds the business on which it can capitalize to increase its returns. Some of the opportunities include:

- **Healthy chocolates:** The customer is growing more conscious about health and this is creating a new need for sugar-free and low calories chocolates. Dark chocolate is also a preferred option for customers. These are areas that Amul Chocolates can look at.

- Steep growth potential in emerging economies: The confectionery market from a global level had a market potential of \$184,056 million in 2015, and with a CAGR of 3.4 % the growth is expected to reach \$232,085 million by 2022. Companies can capitalize on this.
- **Chocolate flavoured products:** Amul can look at chocolate flavoured products like milk powder, cream biscuits, chocolate cookies etc since chocolate is a hot favourite amongst kids.

Threats

Threats are those factors in the environment which can be detrimental to the growth of the business. Some of the threats include:

- **Competition:** The main competitors of Amul are Perfetti Van Melle, Cadburys, [Mars](#), Lindt etc.
- **Low barriers to entry:** The confectionery market has low barriers to entry with the result that many new players are entering into the market. There is also a huge market for homemade chocolates today which is proving to be a threat for branded chocolates.

Swot analysis of nestle.

Strengths in the SWOT analysis of Nestle

1. **World Renowned [brand](#):** It is fortune 500 Company and is world's largest food company measured by revenues (2014). Nestle does [individual](#) branding of their different food brands which help them in creating awareness about their various food brands. This also helps them because if a brand like Maggi is affected, it does not affect the sale of Coffee.
2. **Extensive distribution system:** With its diversified [product portfolio](#) Nestle has been successful in penetrating Urban as well as rural [markets](#). Locally adapted distribution methods & decentralization in [supply](#) chain, including street markets, mobile street

vendors, door-to-door distributors & Medical outlets has helped the company in making its [products](#) visible in the market. If you just look at the

3. **Broad Product portfolio:** Nestle has more than 8000 brands / products under its name which ranges from beverages like Coffee & Mineral water, Breakfast cereals, Soups & sauces etc. Under each product categories Nestle have deep assortments to satisfy different [needs](#) & wants of the consumers.
4. **Large workforce:** Nestle have engaged 340000 odd global workforce who are continuously working to make its products available in every nook & corner of the world.
5. **R & D centers:** Nestle have the world's largest food & nutrition research organization, with about 5000 [people](#) involved in R & D, as well as corporate venture funds and research partnerships with business partners and universities. It has 21 research centers globally.
6. **Brand equity** – As of 2016, it is the 37th highest rank brand in the world which says a lot about its brand equity.

Weaknesses in the SWOT analysis of Nestle

1. **Maggi Controversy** – In India, Maggi was recently banned because it was found to contain additives which were harmful. This affected the [brand name](#) of Nestle as well as Maggi big time. However, it has been re-launched recently and Nestle is trying to convince people about the quality of Maggi.
2. **Brand structure:** It has many brands under the same umbrella group so managing such large number of individual brands can create conflict of interest.
3. **Legal & consumer issues:** Although Nestle is global food giant but it got into controversies over the years like Nestle baby formula boycott. Child labour by suppliers, Chocolate price fixing etc. which resulted in negative word of mouth.

Opportunities in the SWOT analysis of Nestle

1. **Healthy breakfast** – Maggi oats or other such healthy breakfast alternatives have a big time future as most breakfast alternatives are heavy and people are becoming more

health conscious. Nestle needs to do more [market penetration](#) with regards to its Cereals.

2. **Expanding market:** By entering into other markets & penetrating more & more in the rural markets through its robust supply chain and transition of spots of unorganized business to organized one will lead to further expansion of the company's business.
3. **Increasing Income levels:** Due to stable political scenario, improved literacy rate & controlled inflation, disposable income of the people is increasing there by resulting into upsurge in [demand](#) & changing their [lifestyle](#).
4. **Strategic Alliances:** Nestle is already engaged in partnerships with a number of major companies, such as Coca-Cola, and several others, opening doors of opportunities for the company. It is one of the main shareholders of L'Oréal, the world's largest cosmetics. So, partnering with other food giants will help the company in further growth.
5. **Focusing more on R & D to handle ethical issues:** Recent outcry of Maggi Noodles in India for lead presence like issue will create hindrances in the future growth of the company. So in order to handle these health issues Nestle must invest in R & D further to come up with more hygienic food products.

Threats in the Marketing strategy of Nestle

1. **Competition in the market:** With increasing number of local & national players it's becoming very hard for the companies to differentiate themselves from others. There is also threat from counterfeit products destroying its [brand image](#) in the market.
2. **Price of commodities:** Increasing price of commodities will result in further increase in the price. Further increase in price will result in decrease in sales, margins & [brand switching](#).
3. **Buyers power:** With highly diversified consumer [goods](#) market where there are lots of brands claiming different sorts of benefits, it's very difficult for consumers to stick to a particular brand & hence results into brand switching where consumer got power to select a brand based on several factors like availability, reference group recommendation, preference & price.

Swot analysis of Cadbury

Strengths in the SWOT analysis of Cadbury

World leader – Cadbury is the world’s leader in chocolates. Known to have the best manufacturing and a wide distribution channel, Cadbury has a presence in 200 or more countries.

Powerhouse brands and Products – Cadbury has many strong brands in its product portfolio such as dairy milk, Bournvita, Oreo, five star and others. The products are high quality products and some of them are cash cows for Cadbury.

Brand name, brand equity and Brand loyalty – Cadbury products are blessed with a fantastic brand loyalty. Due to its marketing and strong branding over the years, the brand equity of Cadbury is also high and hence Cadbury is comfortable charging a premium for its product because of the high brand equity. Finally some brand names within the Cadbury family are known world wide and are desired by many.

Positioning as gift – The smartest tactic that Cadbury has done over the years with products like dairy milk and celebrations is that these chocolates are positioned for gifting. In fact the recent Bourneville, has a complete focus on the gifting position. Due to this smart strategy Cadbury has safely differentiated itself from majority of its competitors.

Promotions – With an amazing tag line of “kuchmeethahojaye” along with fantastic ATL and BTL activities, Cadbury has one of the strongest promotions in the FMCG industry. This further imparts strength to Cadbury because it provides excellent brand recall.

Indian connect – Cadbury is one of the few brands which connects so well with the Indian diaspora. For Indians, family, friends and love are all important parts of their life. And Cadbury has always focused on emotional marketing to connect with the Indian audience.

Placement and distribution – Cadbury has a superb distribution strategy in place and like all FMCG companies, it uses the strategy of breaking the bulk. Distributing to 200 countries with a variety of more than 40 variants is not a small feat. And Cadbury has been achieving

the same for the past many years. It is known to have one of the best FMCG distribution channels in India.

Weaknesses in the SWOT analysis of Cadbury

As mentioned previously, a brand like Cadbury is expected to have many strengths and few weaknesses, and the same is the case. Cadbury's weakness is its rural distribution considering India has such a wide rural diaspora which can be covered.

At the same time, A few cases here and there have happened based on the quality of the product where cockroaches or other rodents were found in the chocolate. It is inexcusable for a brand like Cadbury to show such ignorance because such infected chocolates should not leave quality control at all. Thus quality control needs to be strengthened.

Opportunities in the SWOT analysis of Cadbury

Rural markets – What is a weakness can become an [opportunity](#). Penetrating rural markets and distribution in rural markets can be a large opportunity for Cadbury. It is present in foreign countries and a rural presence is much needed for Cadbury which will [boost](#) the brands presence and turnover.

New Tastes – Indian consumers have a sweet tooth and they frequently like to eat small chocolates as well as chocolate bars. On top of it, there are various flavours which consumers like. Thus, new tastes and new flavours are an opportunity which Cadbury can generate regularly.

Threats in the SWOT analysis of Cadbury

Cost and price increase – With an increase in fuel cost as well as cost of transportation, distribution cost has gone up. At the same time, the cost of procurement and manufacturing is high as well. Thus, over the years, the constant increase in costing and thereby [pricing](#) of the product is a threat to Cadbury as it creates a gap for other companies to enter.

Health consciousness on the rise – Health consciousness is on the rise amongst the Indian population. Many [people](#) prefer drinking health juices as well as fruits rather than having chocolates. Every week you will see articles on news papers as well as on blogs which advice against eating chocolate and propagate the benefits of staying healthy. At the same time, many parents have stopped giving chocolates to their kids looking at the adverse affects.

Decreasing importance of festivals –Cadbury has spent years to get the position of a gift on festivals and occasions. What happens when the importance of these festivals drops? The buying of chocolates also drops.

Rising [demand](#) of people, growing purchasing power – Nowadays, if you gift a chocolate to children, they are likely to demand a toy car, a bicycle or for a young adult, a computer. Thus, with a rise in purchasing power, the demands of gifts also has gone up in value and just a chocolate will not suffice. This is also a threat for Cadbury.

Thus, this is the complete [SWOT analysis](#) of Cadbury.

3.3 Findings of the study.

1. The overall data across the background characteristic categories shows that across the background categories the preference for Cadbury chocolate and milk products is better than Nestle and Amul.
2. Most respondents would purchase both Chocolate and Milk products of Cadbury for its Taste and that of Nestle for its price and Amul for its availability.
3. It can be seen that more percentage of respondents has seen the advertisement of both Cadbury and Nestle products.
4. All the companies have been using the promotion media to enhance the reading of their message to the target audience through a attracting packets.
5. The overall effectiveness of the Cadbury products has been rated higher than that of Nestle and Amul products.
6. It is observed that for Chocolate and Milk products of Cadbury as well as Nestle, most of the respondents take festive season or mood and Word of mouth communication respectively as more important factors affecting their buying individually. Whereas packaging as a factor affects the decisions for both the products in Cadbury.
7. It can be observed that most percentage of respondents are satisfied by the packaging of Chocolate and Milk products of both Cadbury as well as Nestle more than the dark chocolate of Amul.

4. Conclusion of the study:

4.1. Conclusion

The focus of this study was to ascertain the effect of packaging in stimulating purchase intent to buy chocolate, both in terms of impulse purchases and planned purchases. Furthermore, the study considered whether there was a discernible difference in response between upper and lower income consumer groups.

- This study and questionnaire helped me to understand that packaging plays a huge role in the factors of purchase for the customers as the colours were highly conducive to show the responses where packaging was mentioned as all those were a positive response.
- No Effect of Income Group on Response to Colour the effect of income group was found to have a very minimal effect on colour perception. To this end, no consistent trends were evident as the three instances of bias were spread over different colours.
- It may therefore be concluded that a consumer's income level has no bearing on the manner in which they respond to colours, in terms of both spontaneous response and brand loyalty.

4.2 Recommendation

Future researchers working within this area could make use of direct observation and then approach the consumer (respondent), enquiring whether it was a planned or unplanned purchase. This would align colour preference with confirmed, as opposed to anticipated, purchasing behaviour.

This study looked at natural associations that consumers have with colours. Future researchers may wish to investigate the impact that the psychological or cultural associations of colour have on consumer purchasing behaviour of chocolate products. Investigating this aspect in conjunction with natural colour associations may lead to more conclusive results in determining the comprehensive effect.

Lastly, researchers investigating this research topic in future could expose respondents to a wider spectrum of colours than used in this particular study. This may shed further light on precisely which colours are best suited to chocola

Appendix

This project was to study that “ IS ATTRACTIVE PACKAGING REALLY A NECESSITY OR AN EYEWASH ? A STUDY ON PACKAGING ON SOME SELECTED COMPANIES.” I selected some of my friends by using a random sample and gave them a questionnaire. It was about purchases of different brand of chocolates and how important packaging impacted their way of viewing and purchasing the product. This are the responses I have received from them.

The Questionnaire that was shared to them are as follows:

Questionnaire:

Packaging of chocolates and its impact

Name

Your answer

Gender

- Male
- Female

Age

- 18-25
- 26-35
- 36-45
- 46 and above

Educational qualifications

- 12th pass
- UG
- PG
- Others

Income of the household (per month)

- 10k-20k
- 20k-30k
- 30k-40k
- 40k-50k
- 50k and above

Which of the brand do you like the most?

- Cadbury
- Nestle
- Amul

How often do you buy chocolates?

- Always
- Sometimes
- Never
- Often
- Rarely

Which of the packaging issue will you concern about when you buy chocolates?

- Attractiveness colour
- Design of the packaging
- Protection of product
- Quality of material

Does clear written instructions and ingredients on packaging encourage you to buy the products?

- Yes
- No
- Maybe

Packaging visual elements:

SELECT ONE ANSWER TO IDENTIFY YOURSELF.

Color of chocolate packaging gain my attention at the point of purchase. Texture & special features in packaging gain my attention at the point of purchase.

- Strongly agree
- Agree
- Neither agree nor disagree
- Disagree
- Strongly disagree

More to choose products with strong visual element than that with outstanding flavors.

- Strongly agree
- Agree
- Neither agree nor disagree
- Disagree
- Strongly disagree

Purchasing Habit:

SELECT ONE ANSWER PER OF IDENTITY YOURSELF.

I am the person who usually fall in love at with the products in the shops

- Strongly agree
- Agree
- Neither agree nor disagree
- Disagree
- Strongly disagree

It is hard for me not to buy the nice packaging products

- Strongly agree
- Agree
- Neither agree nor disagree
- Disagree
- Strongly disagree

I will buy chocolates when packaging is nice, price is expensive.

- Strongly agree
- Agree
- Neither agree nor disagree
- Disagree
- Strongly Disagree

Which of these factors affect your purchase?

- Brand Ambassadors
- Suggestions from friends/family
- Attractive display
- Ingredients/flavors

According to you, your preferences in choice of chocolates

- Taste
- Price
- Brand of the chocolate
- Packaging
- Ingredients/flavors

If your preferred is not available for repeat purchases then what will you do?

- Postpone your purchase
- Switch over to other brand
- Go to the other shop to search for your preferred brand

According to you, which of the factor matters mostly on purchase of chocolates

- Attractive packaging
- Price
- Brand
- Quantity of the product
- Quality of the product

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www.mhhe.com/ramaswamy5e.

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Philip Kotler & Kevin Lane Keller

Research By

K Kumar

www.iimb.ac.in/user/88/k-kumar

***** **THANK YOU** *****

Project Report

(Submitted for the degree of B. Com Hons. In Accounting and Finance under University of Calcutta)

Title of the Project

Digital Marketing Strategies obtained by food industries: A case study on Zomato

Submitted by

Name: Riya Hela

Registration No.: 223-1212-0496-18

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College Name: Scottish Church College

Supervised by:

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Month and year of Submission: 2021

Supervisor's Certificate

This is to certify that Miss. RIYA HELA a student of B.Com Hons. in Accounting and Finance of SCOTTISH CHURCH COLLEGE under the university of Calcutta has worked under my super vision and guidance for her project and prepared a project report with the title " Digital Marketing Strategies Obtained by Food Industries: A Case Study on Zomato " which she is submitting, in her genuine and original work to the best of my knowledge.

Signature:

Name: Smt. Poushali Bardhan

Designation: Assistant Professor

Name of the College: Scottish Church College

Place: Kolkata

Date:

STUDENTS DECLARATION

I hereby declare that the Project Work with the title " Digital Marketing Strategies obtained by Food Industries: A case study in Zomato " submitted by me for the partial fulfillment of the degree of B.Com Hons. In ACCOUNTING AND FINANCE under the University of Calcutta, it is my original work and has not been submitted earlier to any other University for the Fulfillment of the requirement of any course of study. I also declare that no chapter of this manuscript in whole or in a part has been incorporated in this report from any earlier work done by others or by me. However, extracts of any literature which has been used for this report has been duly acknowledged by providing details of such literature in references.

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CHAPTER :1

Introduction

1.1 Background

Digital Marketing digital marketing refers to advertising delivered through digital channels such as search engines, websites, social media, email, and mobile apps. Using these online media channels, digital marketing is the method by which companies endorse goods, services, and brands. While modern day digital marketing is an enormous system of channels to which marketers simply must onboard their brands, advertising online is much more complex than the channels alone. In order to achieve the true potential of digital marketing, marketers have to dig deep into today's vast and intricate cross-channel world to discover strategies that make an impact through engagement marketing. Engagement marketing is the method of forming meaningful interactions with potential and returning customers based on the data you collect over time. By engaging customers in a digital landscape, you build brand awareness, set yourself as an industry thought leader, and place your business at the forefront when the customer is ready to buy. By implementing an Omni channel digital marketing strategy, marketers can collect valuable insights into target audience behaviors while opening the door to new methods of customer engagement. Additionally, companies can expect to see an increase in retention



The digitization of the food and beverage sector have had a huge effect. In fact, over 40% of people learn about food via a digital method. Not just social media sites, Instagram in particular, are overrun with food and drink promotional posts and reviews, but looking beyond that there are also all the review sites, the bookings sites and delivery services. Everything has been affected. As a result of this shift, there is one form of marketing that is most important to any business and that's digital marketing. Food and beverage brands need it.

Recently a food delivery industry named Zomato showed exponential growth by applying digital marketing strategies. That's why it has managed to get a lot of engagement and increased audience. This research is designed to provide information about marketing implementation and get a better knowledge regarding strategies adopted by Zomato. The method used in this research is quantitative research method using correspondent analysis which will provide an emphasis on numerical data (number) processed with Statistical methods. The data from this research were gathered by using questionnaire, which the sample is the representative customer with simple random sampling approach. There are several Points that can be found, to be the main point is that each strategy implemented by Zomato is directly proportional to the profit it earns.

1.2 Rationale/ Justification of the topic

Beverage sector is a huge and diverse industry, ranging from large brands to restaurant chains, from producers and distributors, both at the local and national level; it's an industry that deals with essential goods, for everyone. If we go deeper, we then have to look at the material "goods" themselves, but also more abstract aspects that are experience based, that concern, in short, more pleasure than necessity.

In addition to the quality of food, visibility also matters for businesses in this highly competitive environment. Brands should be successful in making aware of the public that they offer something unique that is better than their competitors. For this, mouth publicity alone won't help, unlike older times. You would need to invest sufficient time and resources for digital marketing as well. Especially, you must acknowledge that most millennials are preferring digital platforms as an important channel for communication and networking. Just scroll through the Facebook or Instagram feed, one can see at least some of one's friends posting updates about their visit to a nearby restaurant or cafe. So one cannot simply underestimate the impact that social media and other digital platforms have on the customers. Hence it is a must for businesses in the food industry to leverage digital marketing to scale up a business. Firms should implement their digital marketing

strategy using different channels. But the most prominent channel through which they can implement this strategy is definitely social media. Over the years, a food delivery industry Zomato has grown exponentially and has become a dominant brand in the online food delivery industry. The top digital marketing company in Gurgaon found- that by constantly applying multiple digital strategies with strategic expansion plans, Zomato has successfully been able to spread its operations across 24 countries and over 10,000 cities globally.

The case study on digital marketing strategies adopted by Zomato is important because of the exponential growth of this brand, apart from this its business point is unique and different. To make food delivery revolutionary experience, Zomato brought different types of delivery modes and delivery experiences. The application is designed in such a way that ordering food becomes one of the most straightforward tasks, even for a baby boomer. Anyone who has a smartphone can take the benefit of ordering food from their favorite restaurant using Zomato food delivery application. Zomato' Digital marketing strategies are quite unique and it focusses mainly on the trends making it more relatable to people. Today, people are so digitally connected and each and every thing that consumer relates with impacts hugely on influencing people. Digital marketing brings new opportunities for company to use multichannel to marketing products and service.

Company should consider digital marketing as a important part of their marketing strategy. Digital media and technology can be should as advertising medium, direct-response medium, platform for sales transactions, lead-generation method, distribution channel, customer service mechanism and relationship-building medium. The scope of digital marketing in 2020 and 2021 has seen drastic growth. When we think of the key indicators of success in marketing, the first thing we think of is the number of people reached through marketing practices. The internet's penetration has reached outstanding numbers. Looking at India, it has the 2nd largest number of internet users in the world.

1.3 Literature Review.

What is digital Marketing?

“Digital marketing is a form of direct marketing which links consumers with sellers electronically using interactive technologies like emails, websites, online forums and newsgroups, interactive television, mobile communications etcetera (**Kotler and Armstrong, 2009**). It facilitates many to-many communications due to its high level of connectivity and is usually executed to promote products or services in a timely, relevant, personal and cost-effective manner (**Bains et al., 2011**).”

Digital Marketing Strategies: digital marketing strategy is a series of action that enables you to use online marketing channels to achieve goals. A digital marketing action plan allows you to build and launch your online marketing strategy with success.

- **Prashant Raman, (2018)**, found out the different factors that were instrumental to the success of Zomato, its various revenue sources, its development through new products and services and growth expansion through acquisitions. The company which was primarily known for restaurant reviews gradually expanded into other areas of food-tech business like online ordering and delivery of food, table bookings, and developing applications software for managing the operations of restaurants. Soon after conquering the Indian market, Zomato successfully expanded to international markets particularly Europe, US, UK, and Middle-East.
- **Ashok Panigrahi (2020)**, Zomato had helped a few cafés to pitch their business underneath their space to expand their everyday business. Many conveyance people who do half time/all day occupation got utilized thus helped in expanding the Gross Domestic Product (GDP) of our nation. Zomato has prepared 2,000,000 online nourishment arranges on its foundation in a solitary month on a promoting cost under \$50000 every month. Web based requesting has tremendous commitments for Zomato's fund as normal commission rate is practically 8.5% (for eatery conveyed requests) and from that point organization says the unit financial matters are appallingly positive and net edges on a request are about 55%.

- **KM. Kiran Raj & Nandha Kumar (2021)** , said that the online delivery services are progressing at a rapid rate. Even though there has been a slowdown in the market due to customer buying habit is influenced by fear of spreading COVID-19 and implementation of Lockdown. After loosening of lockdown hotel-related industry in growing back, we can see increase in demand for online food delivery service. Zomato has taken lot of steps to come out of the crisis of COVID-19 and initiatives to help its partners. From the conducted survey decrease in the ordering can be seen, but as the time progresses, it is expected to grow back. From the survey, it can be noticed that customers are not loyal to one service provider. The Zomato should expand itself to rural areas since lot of customers are available. The quality of food and logistical issues should be solved so food can be delivered on time.

D'Souza Prima Fredrick & Sachin K. Parappagoudar (2021), explained the factors that affect internet users' attitude toward online food ordering are ease of use, utility, advancement, along with trust and external influence. Both large and small restaurants complain they are gradually being forced into accepting terms and conditions favorable to the aggregators. This involves financing a large part of the discounts, using only the distribution of the aggregators' fleet, a dramatic reduction in meal preparation time, and total non-transparency about how in app recommendations operate and what restaurants should do to get recommended more often. About customer details, there are few concerns to be considered; some restaurant owners say that a few major aggregators refuse to disclose information on who their customers are. There could also be challenges for individuals who are not familiar with the technology or for those who are apprehensive about the technology. These barriers would have a direct impact on the online food ordering system's satisfaction and adoption, as customers may be hesitant to place orders on the internet. People who like the expression of their opinions with personnel would also be unwilling to use the online food ordering service, which is self-serving. Restaurants should work with experts to ensure that the platform is accessible and that it performs well consistently to maintain the ordering system's consistency. According to current trends, Zomato's Digital Marketing Strategy will have to keep advancing. They need to find fresh ways to draw more interest in their customers. They are doing a stellar job right now. If they continue to work hard on it, they will reap more profit. Zomato needs to be more dynamic in compete with other online food service providers by timely making changes according to customer needs.

- **Hirsh Chitkara (2021)**, said that on paper, Zomato has a lot going for it: Demand for food delivery has soared during the pandemic, the company operates in a nation home to over 1.3 billion people and its backers include Ant Group and Sequoia. But turning a sustainable profit in the food delivery space is notoriously difficult, and Zomato is no exception. It posted a net loss of \$320 million for the year ended March 31, 2020; this was more than double the net loss reported for the year prior, and more than 22x the loss from two years prior. With several deep-pocketed competitors vying for a larger share of India's food delivery market, Zomato faces a long and treacherous road toward profitability.

1.4 Objective

Based on the research requirement following are the objectives of research:

- ❖ To explore the digital marketing strategies followed by Zomato.
- ❖ To know more about the trends that Zomato is following to boost its engagement.
- ❖ To analyze the mechanism behind its profit making.
- ❖ To know the consumer perception about Zomato as Food Delivery company
- ❖ To look into the upcoming plans of Zomato to sustain in the market.

1.5 Data sources and Methodology

Methodology

- (a) **Research Design:** The research design is the blueprint for the fulfilment of objectives and answering questions. It is a master plan specifying the method and procedures for collecting and analyzing needed information.
- (b) **Data Collection Methods:** The source of data includes primary and secondary data sources. Primary Sources: Primary data has been collected directly from sample respondents through questionnaire and with the help of interview. Secondary Sources: Secondary data has been collected from standard textbooks, Newspapers, Magazines & Internet. Research Instrument: Research instrument used for the primary data collection is Questionnaire
- (c) **Analysis:** Sample design is definite plan determine before any data is actually obtaining for a sample from a given population. The researcher must decide the way of selecting a sample. Samples can be either probability samples or non-probability samples.

Sampling Technique: Convenience
Sample Size: 50 Respondents.
Area of Study: Kestopur

1.6 Limitations

- Shortage of time.
- Few people refused to give interview.
- Few people were reluctant to spend time on filling the questionnaire.
- Huge cost involved in preparing the project.
- It was a time-consuming work.
- Preparing data analysis was a strenuous work.
- Lack of proper internet facilities, server problem.
- Lack of experience as it is the first project to be done by me.

1.7 Chapter Planning

Chapter 1: Introduction

Background of the study, literature review, research gap, objective of the study, data source and methodology limitations of the study and chapter planning.

Chapter 2: Conceptual Framework

Main discussion of the chapters

Chapter 3: Data Analysis and Findings

Three Parts: Data Presentation, Analysis and Findings

Chapter 4: Conclusion and Recommendation

Two parts: Conclusion of the study and recommendation as a future scope of the study

CHAPTER- 2

Conceptual Framework

2.1 Conceptual Understanding Digital Marketing

Digital marketing is the marketing of products or services using digital technologies, mainly on the Internet, but also including mobile phones, display advertising, and any other digital medium. Digital marketing channels are systems based on the internet that can create, accelerate, and transmit product value from producer to the terminal consumer by digital networks.

Digital marketing is the use of the Internet to reach consumers. Digital marketing is a broad field, including attracting customers via email, content marketing, search platforms, social media, and more .Digital marketing targets a specific segment of the customer base and is interactive.

Digital marketing is on the rise and includes search result ads, email ads, and promoted tweets – anything that incorporates marketing with customer feedback or a two-way interaction between the company and customer. Internet marketing differs from digital marketing. Internet marketing is advertising that is solely on the Internet, whereas digital marketing can take place through mobile devices, on a subway platform, in a video game, or via a smartphone app. In the parlance of digital marketing, advertisers are commonly referred to as sources, while members of the targeted ads are commonly called receivers. Sources frequently target highly specific, well defined receivers. For example, after extending the late-night hours of many of its locations, McDonald's needed to get the word out. It targeted shift workers and travelers with digital ads because the company knew that these people made up a large segment of its late-night business. McDonald's encouraged them to download a new Restaurant Finder app, targeting them with ads placed at ATMs and gas stations, as well as on websites that it knew its customers frequented at night.

While modern day digital marketing is an enormous system of channels to which marketers simply must onboard their brands, advertising online is much more complex than the channels alone. In order to achieve the true potential of digital marketing, marketers have to dig deep into today's vast and intricate cross-channel world to discover strategies that make an impact through engagement marketing. Engagement marketing is the method of forming meaningful interactions with potential and returning customers based on the data you collect over time. By engaging customers in a digital

landscape, you build brand awareness, set yourself as an industry thought leader, and place your business at the forefront when the customer is ready to buy.

Types of Digital Marketing

- Search engine optimization (SEO): - search engine optimization or SEO refers to the process of growing your online visibility in non-paid (organic) search engine results.

serfs or search engine results pages appear to users after they search for a given set of keywords using a search engine like google or Bing. each user receives an individualized results page based on keywords, the user's location at the time of searching, and their browsing history.



- Search engine marketing and pay-per-click advertising: - search engine marketing or seem covers the ground SEO ignores, paid traffic from search engines. with seem you purchase advertisement space that appears on a user's serf. the most common paid search platform is Google AdWords. next, is Bing ads.
- Social media marketing: - by now you know that social media is a crucial part of your marketing strategy. social media marketing gives you increased exposure. it allows you to connect with your consumers in a more intimate way. from this interaction, you can gain valuable customer feedback that allows you to improve your customer service, product, or service.



- Content marketing: - content marketing refers to the practice of delivering a quality piece of content to your users to generate sales and leads. this content can live anywhere online. tweets, a YouTube video, and blogs on your website all comprise content marketing. content marketing works because it melds together exceptional content with other types of digital marketing like SEO and social media marketing.

- **Affiliate marketing:** - affiliate marketing refers to the process of paying for conversions. think of it like hiring a sales person for your product or service. that affiliate earns a commission. you determine the rate for affiliate marketing. you only pay for conversions. this means there is no upfront cost to affiliate marketing. many bloggers or e-commerce websites use affiliate marketing.
- **Influencer marketing:** - influencer marketing is among the newer types of digital marketing. influencer marketing uses people with an enormous online reach considered experts by your target market to drive traffic and sales.



- **Email marketing:** - email marketing allows you to update your email subscribers on a regular basis about your company. this fosters a relationship unlike any of the other types of digital marketing. your email updates provide value to your consumer. as a result, you build brand trust and brand loyalty.
- **Viral marketing:** - viral marketing refers to a post of some sort that is trendy, funny, or trance enough to garner a massive number of shares online. viral marketing causes an enormous spike in website traffic over a short period of time. this is hard to do but the benefits alone make the effort worth your time.
- **Mobile phone advertising:** - each of the types of digital advertising can happen on a mobile device. some types of marketing using a mobile phone do not fit the above types of digital marketing. these include SMS advertising which could prove an asset to local marketing efforts. you can prompt your consumers to use SMS to receive special offers, coupons, and updates from your company.

Advantages and Disadvantages

Advantages and disadvantages of digital marketing are very necessary information for today's modern world. Nowadays social media affects us in all the aspects of our life.

Advantage

- Extremely low risk
- Reduction in costs through automation and use of electronic media
- Faster response to both marketers and the end user
- Increased ability to measure and collect data
- Opens the possibility to a market of one through personalization
- Increased interactivity
- Increased exposure of products and services
- Boundless universal accessibility

Disadvantages of digital marketing:

Before you start working on the digital marketing area, you should know about its limitations also. Otherwise, you may regret afterward. So, before you work on digital marketing, you should well aware of its limitations also. The limitations are:

- Dependability on technology
- Security, privacy issues
- Maintenance costs due to a constantly evolving environment

Higher transparency of pricing and increased price competition

Worldwide competition through globalization

2.2 National Scenario

Digital advertising in 2019 witnessed a 26% increase from 2018 to reach Rs. 13,683 crores, where the overall advertising growth was 9.4% as per the report by Dentsu Aegis Network. The digital marketing sector is booming and expecting to grow at 27% in 2020 to cross the 17,000 crores mark. In 2020, India has around 700 million internet users, and the numbers are expected to grow to over 970 million users by 2025.

The earliest examples of online connectivity were demonstrated with the introduction of Michael Aldrich online shopping system. In the following years, the Thomson Holidays UK was launched, then came the India MART B2B in 1996. It was ultimately in 2007 that the launch of

Flipkart, an e-commerce marketing website changed the structure of marketing in India. What followed was a rise in the number of people picking up mobile phones, online shopping, at-home delivery, and internet marketing as a means to popularize the brands. And over the years the Digital Marketing Industry has prospered into bringing a large percent of business online with its promising ability to create a global network and flourish even the small businesses internationally. From 69 million online shoppers in 2016 and more than 100 million in 2017, India has seen a stark rise in the internet population. Ever since the launch of Digital India in 2015 as an initiative to improve online infrastructure and digital empowerment, there has been mushrooming of a complete market of start-ups, services and more than connect people globally! It has resulted in a rise of active internet users, mobile connections, social media traffic and more.

According to the International Journal of Advanced Research Foundation, India is undergoing a golden period of digital marketing growth ever since 2013 and the trend continues till 2020 at least.

Digital marketing is a big umbrella under which the technical, as well as non-technical skills to create a wave of popularity over the internet, is covered. The industry has created a variety of job roles for individuals to seek employment and display their talents. It takes experts from the field of web designing, web development, social media consultants, brand consultants, content writers, graphic designer, artists, etc to come together and collectively work towards creating a visual representation of ideas that is easy to plant into the minds of the audience. As the industry grows, the demand for creative experts in the field is rising too generating more employment in India and making India a hub for IT activities. The return on investment for businesses through digital platforms has exceeded than that from real life platforms. Companies are today shifting towards a more digitally empowered set-up to make the most of the golden period of digital marketing that India is witnessing. About 70-80% of the population is dedicated to making purchases online, and e-commerce websites like Flipkart, Amazon, Myntra, etc. are making waves with their influence over the market. And all of it in a country that still has about 2/3rd of the population with no access to the internet or smartphones. As the access to the internet over a larger population rises, India is to witness a revolution in terms of digitalization that will soon make India as one of the top markets in the world with the highest numbers of internet users.

2.3 International Scenario

The global digital marketing scenario has seen a hike of over a whopping 1000% between 2000-2018. All thanks to the availability and reach of the internet. This demand is met with the growth in numbers of digital media professionals who deliver excellent quality of work relentlessly. The global digital marketing market was valued at around \$290–310 billion in 2019 with future estimates looking much stronger owing to continual attraction on digital channels. The digital marketing industry report forecasted the industry to grow at a CAGR of 12.8%, reaching around \$330–340 billion in 2020. Rising investments in online video and mobile advertising have fueled the overall digital marketing expenditure in North America and Western Europe. The mobile ad expenditure contributes to approximately 39-42% of the digital spend in Western European markets such as the UK, Germany, and Spain and was expected to reach 55-60% by 2019. Customers in Europe consider mobile in-app display to be intrusive, and as such, spending on

mobile in-app display is expected to decrease in the region in order to avoid devaluing the brand image.

This digital marketing industry report covers the regional market overview, growth rate, digital marketing market size, end-use industries, and identifies regions with a well-developed market for digital marketing.

Retailers are increasingly adopting location-based ad services to interact with consumers by offering them tailored updates on discounts, offers, and products, which is considerably driving the digital marketing industry growth.

The rising penetration of electronic gadgets and the development of high-speed networks such as 4G and 5G technology has led to an uptick in demand for mobile advertising thus opening new growth opportunities for marketers to enhance customer relationships.

Given the amplifying competition, marketing tactics are moving from selling to consumer satisfaction and retention. The data gathered via digital marketing campaigns is used to assess customer behavior patterns, which is further tailored to optimize ad campaigns.

The digital marketing market size in Europe and North America collectively was expected to balloon at a CAGR of 11% and contribute around 65% of the global revenue in 2018. This robust growth is owing to the positive expenditure inclination from key industries including, BFSI, CPG, entertainment, and media and telecom. Rising adoption of Real-Time Bidding (RTB) of online display ad slots and increasing consumption of rich media and video advertisements are expected to propel display advertising market size spend in the coming years in Western Europe.

Adoption of digital Out-Of-Home (OOH) media is limited to the developed countries; e.g., the emergence of digital TVs in gas stations, where 78% of the drivers (in the US) watch TV as their vehicles are refueled. Per digital marketing industry report, Targeted Mobile Ad Delivery Emerging advertising technologies (such as RTB platforms, location-aware, and bandwidth aware technology tools) are enabling contextually relevant and personalized ads based on device features, mobile internet speed, and location.

2.4 Brief profile of Case Study

<p>Key Activities</p> <ul style="list-style-type: none"> Provide local restaurants and hotel search services. Collect data on food menus, contacts and relevant information to users. <p>Key Resources</p> <ul style="list-style-type: none"> Large database of restaurants across cities. Presence across 23 countries. 	<p>Value Proposition</p> <ul style="list-style-type: none"> One-stop shop for dines and offers restaurants a way to differentiate them. Bridges the gap between customers and restaurants by efficient technology which reduces delivery time. Rating based pricing model for foods. 	<p>Customer Segments</p> <ul style="list-style-type: none"> Users who try to find local restaurants of various cuisines. Restaurants who want their name to reach targeted audiences. Customer preferring home delivery. Database companies. Market research companies. 	<p>Key Partners</p> <ul style="list-style-type: none"> Uber Taxi Paytm Mobiwiki Delhivery Freecharge
<p>Revenue streams</p> <ul style="list-style-type: none"> Advertising Ticket sales Consulting 		<p>Channels</p> <ul style="list-style-type: none"> Mobile Application Internet 	<p>Customer relationship</p> <p>Online service build in mandatory rating system</p>

ZOMATO AT A GLANCE

ABOUT THE COMPANY

Zomato is a global restaurant search and discovery service founded in 2008 by Deepinder Goyal and Pankaj Chaddah. It currently operates in 22 countries, including India, Australia and North America. It features restaurant information such as scanned menus and photos sourced by Local Street teams, as well as user reviews and ratings. The company also provides cashless payment, online ordering, white-label apps, table reservation, and point-of-sale systems as a part of digital marketing move.

In 2008, Zomato commenced with the name 'Foodiebay,' and in 2010 it was renamed as 'Zomato'. It started its operations in Delhi 12 years ago with a home project and became one of the biggest food aggregators globally. Currently operates in 24 countries, 10000+ cities worldwide, enabling more people to see better food and aims not only to link people with food in any sense but also to

work closely with restaurants to create a sustainable ecosystem.

MARKETING STRATEGIES

Zomato was supposed to be the site of the Foodies' hangout. Currently, it was renamed as Food Network. The food market in India in 2015 was around 23 trillion Indian rupees, according to the Boston Consulting company, and by 2020 it is projected to cross 42 lakh crores and is revolutionizing the experience of food service delivery, technology plays its main role.

1. Search Engine Optimization

Zomato has put in a lot of efforts in SEO. As per Uber Suggest data, it ranks in India for 816,952 keywords as on July 2019. Its organic traffic is 6,719,882 user Zomato takes the top keywords in their niche and creates webpage URLs of them. This tells the search engine that

their pages are relevant to the search query of the user. This is a very good strategy to ensure that your website. Zomato gets backlinks from 12,274,172 unique domains. It also gets 233 backlinks from high authority domains like .gov and .edu domains. All this increases the Domain Authority of Zomato's domain and helps it rank higher. Keywords that include food names, restaurant names, and phrases like "order food online in Mumbai" tell the search engines that these pages have the content related to these search queries.



SEARCH AND SEO STRATEGY

CONTENTS

1. EXECUTIVE SUMMARY
2. OVERVIEW OF BUSINESS
3. SITUATIONAL ANALYSIS
 - SWOT
 - COMPETITOR ANALYSIS
4. OBJECTIVE
5. TARGET AUDIENCE
6. DETAILED CHANNEL STRATEGY
 - SEARCH ENGINE MARKETING
 - SEARCH ENGINE OPTIMISATION
7. MEASUREMENT
8. CONCLUSION
9. LEARNING REFLECTION

SUBMITTED BY : Acharya Laksh (5200012) & Iltire Joseph (15200164)

DATE OF SUBMISSION : 22nd October 2016

WORD COUNT : 4679

DDMMYY SEARCH AND SEO STRATEGY

1

2. Social Media Marketing

Zomato is active on Instagram, Facebook and Twitter. As of July 2019, it has 154k followers on Instagram, 1,899,405 followers and 1.42 Million followers on Twitter. Zomato engages with the audience by posting on trendy topics. The brand understands the audience's nature. Hence, it promotes content which makes users share it, comment on it and view it again and again. It utilizes trendy topics and posts simple images in order to interact with viewers online. Posting on the trendy topics-built connectivity with the

audience. Probably, users don't wish to think much when they are on social media. As a matter of fact, users are there on social media to enjoy and see funny content.



3. Paid Ads

Zomato runs Search Ad Campaign using Google AdWords. It targets keywords related to food, ordering online, names of restaurants and much more. It targets users whose intent is to get some food delivered to them. It also runs Google Display ads to target users on third party websites and apps. Along with this, it runs promotions on Facebook and Instagram to target users on these platforms.

Zomato - Order Food Online | Get 50% Off On First 5 Orders

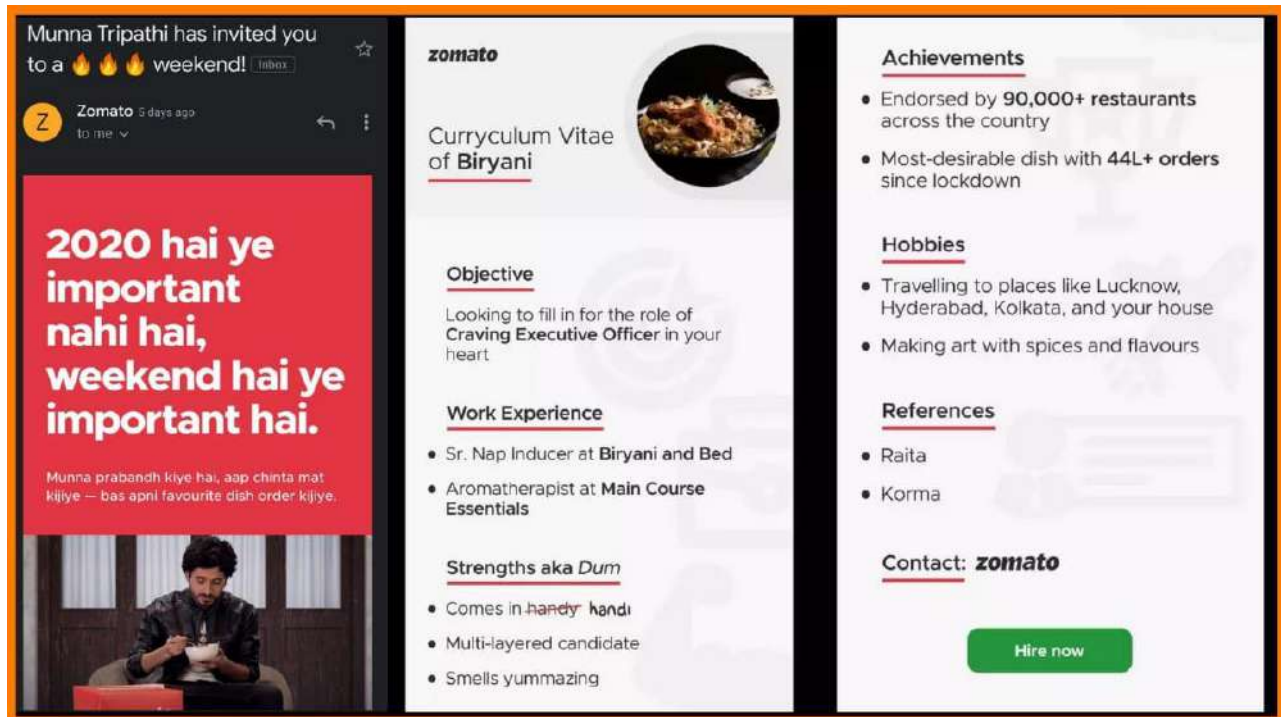
[www.zomato.com/](#)

Use Code ORDER150 And Get Up To Rs. 150 Off. Choose From 88000+ Delivery Restaurants. Hassle-Free Ordering. Trusted Zomato Ratings. Super Quick Delivery. Unlimited Choices. Limitless Options. Online Payment Options. COD Available. Types: Pizza, Burger, Sandwich, Biryani, Arabian.

4.

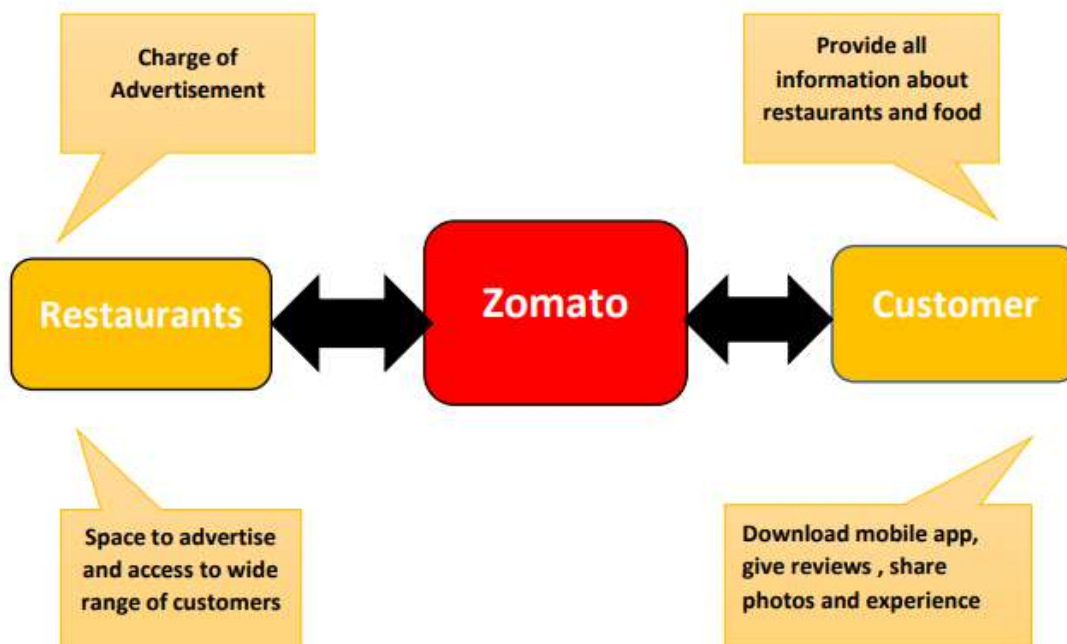
Email Marketing

Zomato knows well how to utilize the Email Marketing tool optimally. Zomato's Email marketing is one of the wittiest and compelling strategy. With compelling subject lines and a call to action, Zomato maintains its brand loyalty. In its recent email marketing campaign, Zomato created emails with the theme of Amazon Prime Video's famous series Mirzapur season -2. Zomato included subject lines related to Mirzapur characters. Also, one of its best email marketing strategies was when it created a resume for Biryani. Zomato included phrases related to food like "curriculum Vitae of Biryani," Also it used the CTA "hire now" instead of using "order now." That's how Zomato does a phenomenal job with its Email Marketing Strategy.



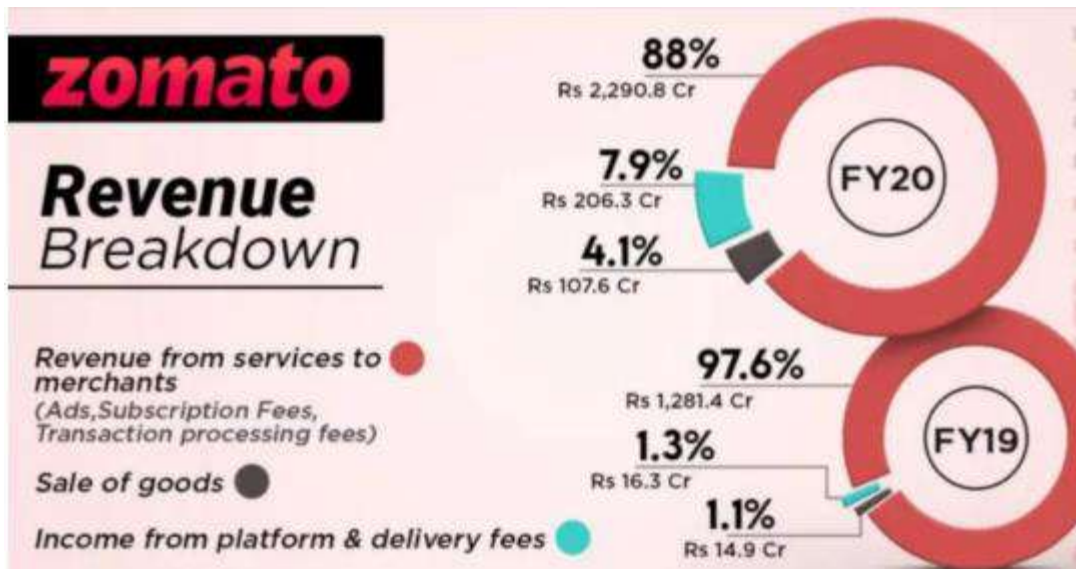
BUSINESS MODEL OF ZOMATO

ZOMATO provides information of all restaurants about their food menu, detailed analysis of restaurant, its branches and locations, service hours and reviews & comments from other users who have already experience of having food on respective restaurant. The business model of ZOMATO is affiliate marketing model which work with website and mobile apps. The website enables user to search for food in different ways. Such as by name of food, general search in a specific location, search for available restaurant open in particular time of a day and even they can find out if the restaurant has a bar, buffet, live music, happy hours and other service.



REVENUE MODEL

Zomato witnessed stupendous growth in the financial year that went by even as it guzzled money to attain it. The online food delivery major registered a 98.4% surge in its collections during the fiscal ended in March 2020. Its revenue from operations grew from Rs 1312.6 crore in FY19 to nearly Rs 2,605 crore in FY20. Around 88% of its revenue was generated through the rendering of services to merchants on its platform including advertisement, subscriptions and transaction processing fees. This income grew by 79% to Rs 2,290.8 crore in FY20 from Rs 1,281.4 crore earned in FY19.



Zomato in itself does not offer the products to customers but the revenue is massive. Zomato is not just a food business, as it also into the advertising business. Zomato business has two parts, one is the delivery business and two is that they are in the advertising business. Today, Zomato has multiple revenue channels besides online ordering, which most consumers would be familiar with. The revenue generating ways are:

Revenue	FY18	FY19
Delivery	\$38 million	\$115 million
Dining out	\$30 million	\$49 million
Sustainability	\$0 million	\$2 million

CHAPTER 3

3.1 Research Design

This research is both exploratory and analytic in nature. Since, perception of the consumer has been taken up here as parameters to explore the area of sample. Later, it becomes descriptive in nature as well as when it comes to evaluating consumer's perception of different services and marketing methodologies adopted for the same. The details for the research are drawn with the help of frequencies, averages and other statistical calculation. The structural development of the research was made primarily by keeping in mind the different parameters of services provided to the consumers and the channels of communication of the same. Thus, the design is broadly guarded majorly with the qualitative data and supported via secondary data as well.

3.2 Research Methodology

3.2.1>SAMPLE

The total number of respondents was 50 and 52 respondents have filled up the forms.

3.2.2>DATA TYPE

Primary data is the close ended questionnaire which is self-designed by me.

Secondary data has been the literature review, websites and the newspapers.

3.2.3>DATA SOURCE

Questionnaire and personal information.

3.2.4>PERIOD OF STUDY

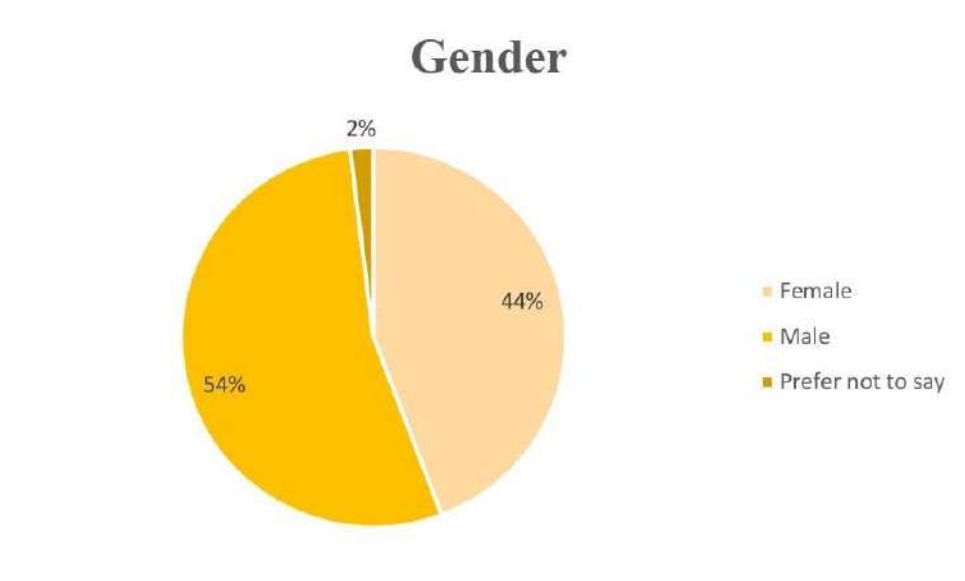
The period of study was from the month of April to August i.e., the total duration was in the ratio of 1:2:1. The time duration for the Literature Review and objectives was 1 1 months, for the Questionnaire and Data collection 2 months and lastly, for constructing the entire project it took 1 month, which makes the total period of study for 4 months.

3.2.5>TOOLS USED

The tools used for data analysis are graphical representation such as pie chart, bar graph column graph.

3.3 DATA ANALYSIS

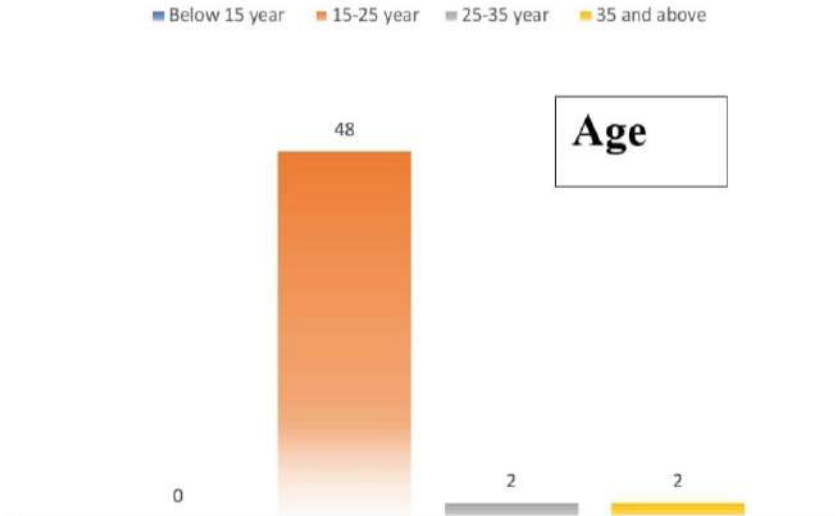
1. **Gender:** This pie chart shows the number of male and female respondents.



Gender	No. Of Respondents	Percentage
Female	23	44%
Male	28	54%
Prefer not to say	1	2%

Interpretation: From the following pie chart representation we can say that the number of male respondents i.e. 28 is more than that of female respondents i.e. 23 and the rest 1 person doesn't prefer to share his/her gender.

2. **Age:** this bar graph representation shows the number of Respondents from different age group who order food.



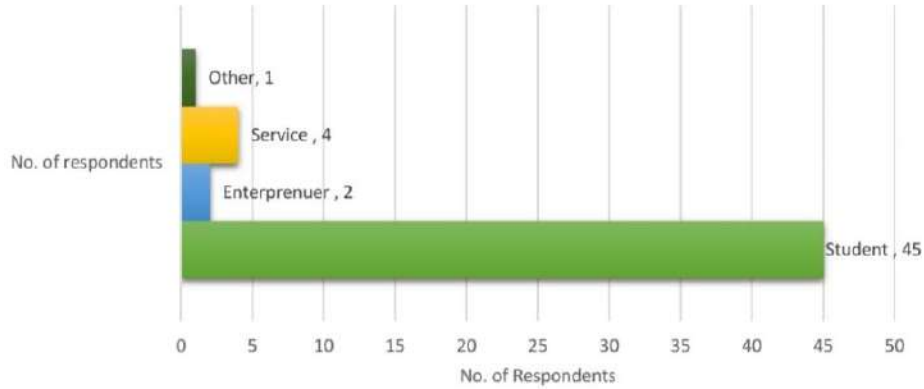
No. of respondents

Age	No. Of Respondents	Percentage
Below 15 year	0	
15-25 year	48	92%
25-35 year	2	4%
35 and above	2	4%

Interpretation: From the following bar graphical representation we can see that the number of respondents is maximum in the age group category of 15-25 years i.e. 48 . While in the other category years there are 2 respondents both in the category of 25-35 years and in the category of 35 year and above and there is no respondent from the age group of below 15 year. From this we can assume that the age group of 15-25 enjoys ordering food online.

3. **Occupation:** This bar graph representation shows the occupation of respondents

Occupation



No. of Respondents

Occupation	No. Of Respondents	Percentage
Student	45	86%
Entrepreneur	2	4%
Service	4	8%
Other	1	2%

Interpretation: from the above bar graph we can see that the maximum number of respondents are student i.e. 45 and 4 respondents are from service background and 2 respondents are from the entrepreneur category and rest 2% respondents are from other occupation.

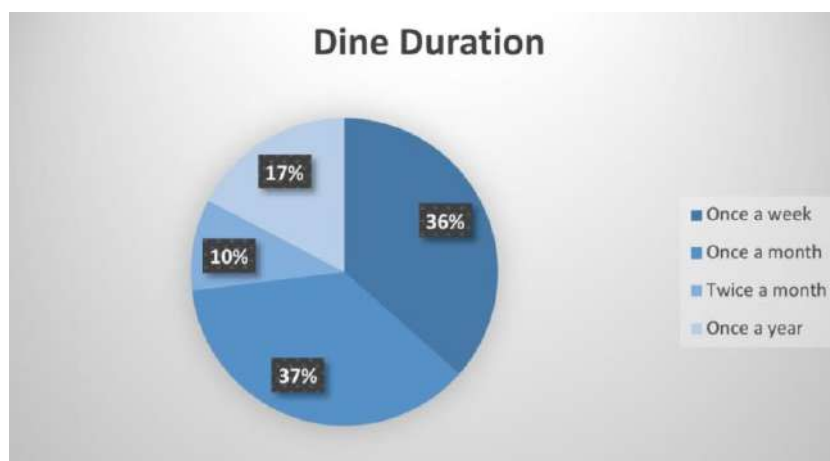
4. **Monthly income:** this bar graph representation shows the household monthly income of different respondents belonging to different groups.



Monthly household income (in Rs)	No. Of respondents	Percentage
Less than 15000	18	34%
15000-30000	5	10%
30000-60000	15	29%
60000 and above	14	27%

Interpretation: from the above graphical representation we can see that majority of the respondents i.e. 18 or 34% of them have monthly household income below 15000. While respondents of monthly income 30000-60000 are 15 and 60000 above are 14. The lowest being in the range of 15000-30000 i.e. 5 respondents. Therefore, we can assume that people with higher monthly household income can order more online food compared to people with low household income.

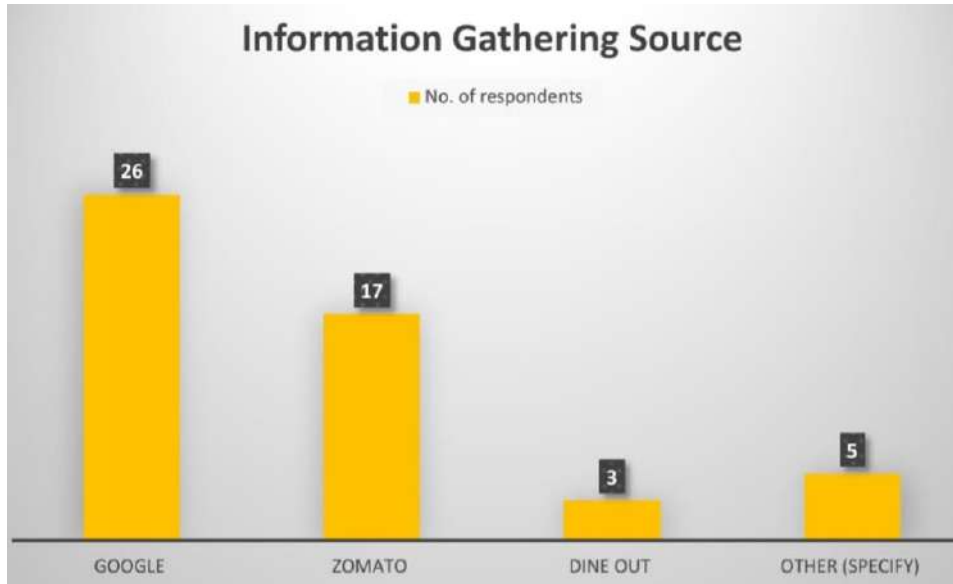
5. In Terms of Dine Duration: this pie chart representation shows how often the respondents dine on weekly, monthly or yearly basis.



Dine Duration	No. Of Respondents	Percentage
Once a week	19	36%
Once a month	19	37%
Twice a month	5	10%
Once a year	9	17%

Interpretation: from the above pie chart we can see that most respondents around 19 respondents dine once a week or once month so we can assume that dining is quite common now a days and people enjoy going out and ordering food. Around 5 respondents that is 10% of the respondents dine twice a month and 17% respondents that is 9 respondents dine once a year.

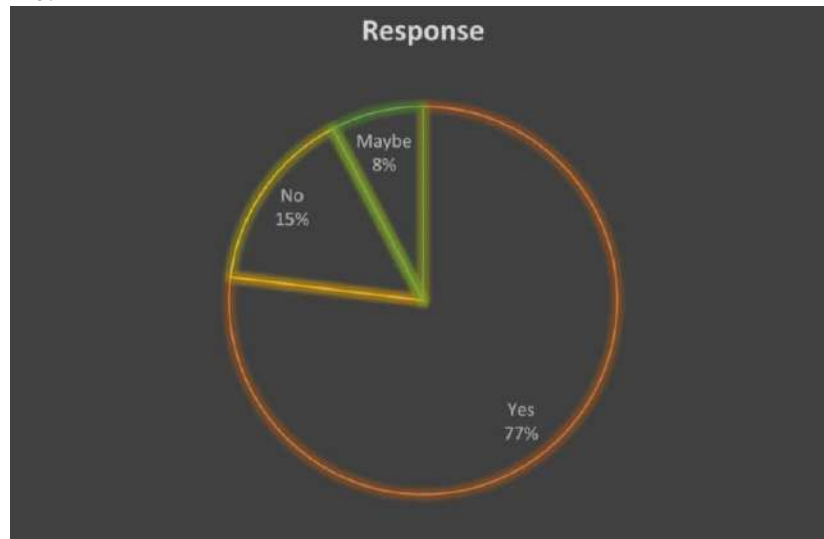
6. Gathering information about cafés and restaurants: this composite bar graph representation shows us via which website/app/channel respondents gather information about restaurants and cafes.



Apps/Website/Channels	No. Of respondents	Percentage
Google	26	50%
Zomato	17	33%
Dine out	3	6%
Other (relatives, family, friends)	5	10%

Interpretation: the graphical representation shows about 50% of the respondents i.e. 26 respondents, rely on Google to gather information about restaurants and cafés and 33% of the respondents i.e 17 respondents are using Zomato to figure out about restaurants and cafes. About 3 respondents use dine out to gather information about restaurants and cafes and 10% of the respondents that is 5 people still rely on their friends and families to know about new restaurants and cafes around them. As we can see that mostly people use Google to find about her places and restaurants but Zomato is also emerging as a new source for knowing about cafes and restaurants.

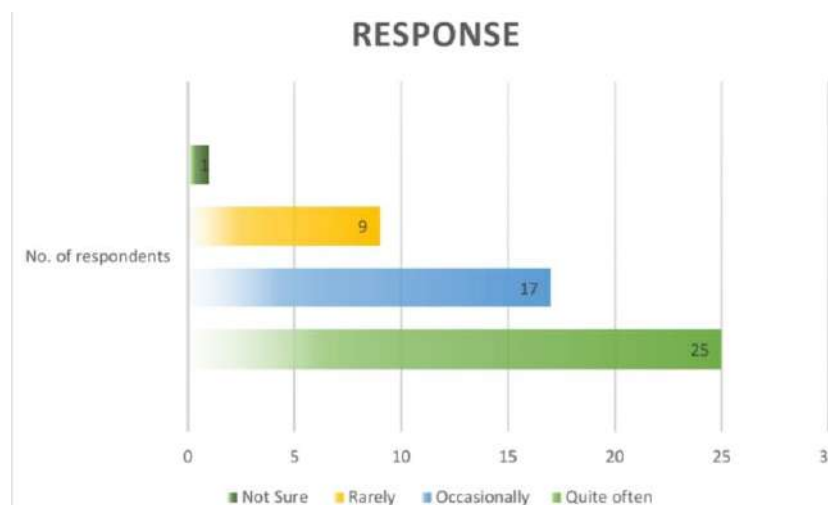
7. Preference on ordering food online: this composite pie chart shows the response of people on ordering food online.



Response	No. Of Respondents	Percentage
Yes	40	77%
No	8	15%
Maybe	4	8%

Interpretation: from the above pie chart we can say that 40 respondents like order food online and rest 15% of the respondents i.e. 8 don't like ordering food online. While 4 respondents don't particularly like or dislike ordering food online it depends on their preference.

8. Frequency of ordering food online: this composite bar graph shows how often people order food online



Response	No. Of respondents	Percentage
Quite often	25	48%
Occasionally	17	33%
Rarely	9	17%
Not sure	1	2%

Interpretation: it is clear from the above chart that 25 respondents order food often and 17 respondents occasionally order food online. And 17% of the respondents rarely order food online and the rest 2% people aren't sure about how often they order food online.

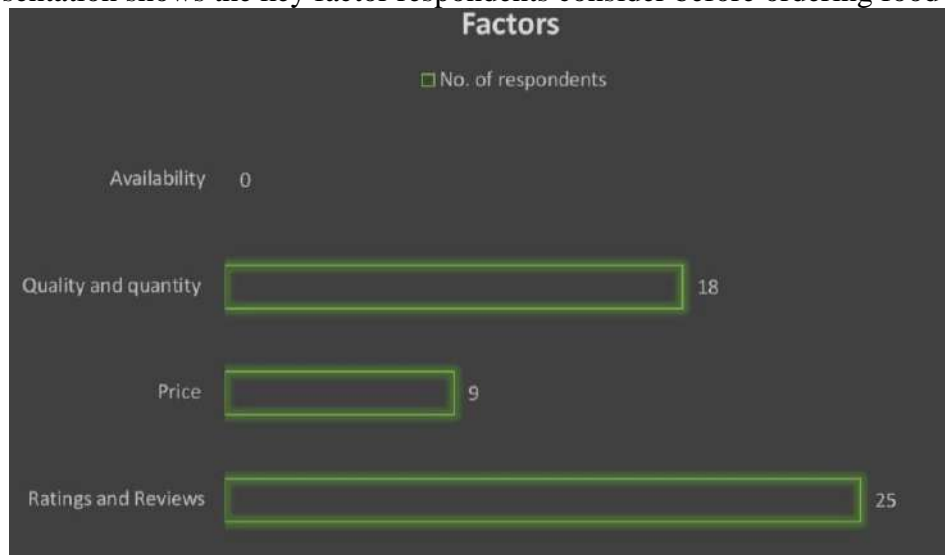
9. **Apps for ordering food online:** this pie chart shows the apps which respondents actively use to order food online.



Apps	No. of respondents	Percentage
Swiggy	5	10%
Zomato	47	90%
Uber eats	0	0
Particular restaurant app	0	0

Interpretation: from the above chart it is clear that 90% of the respondents use Zomato to order food online hardly 10% of the respondents i.e 5 respondents order food from Swiggy. Here’s a clear win of Zomato in terms easy accessibility so more and more people can use their app and order food online also Zomato’s focus on digital marketing strategies is helpful in increasing the consumer base.

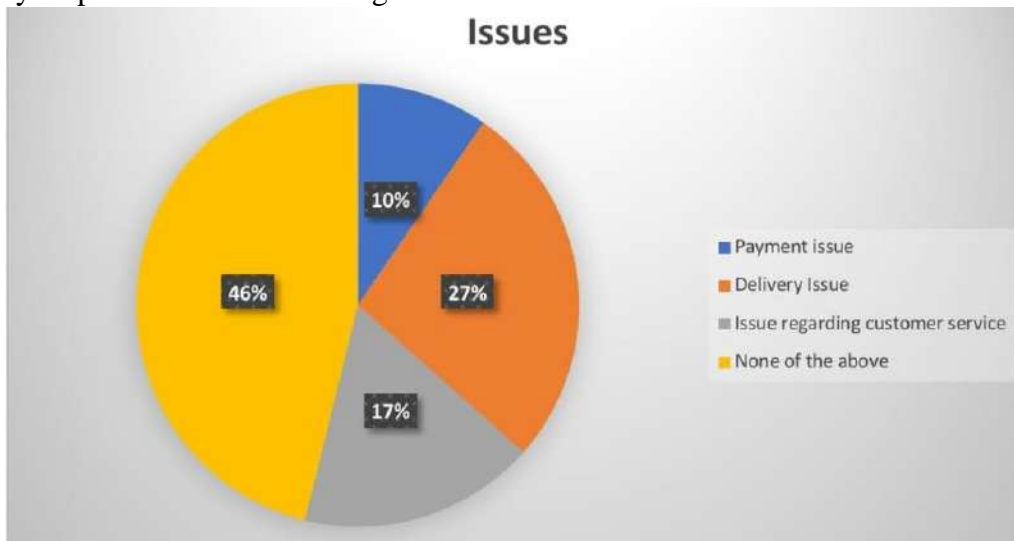
10. **Important factors to consider before ordering food online:** this composite bar graph representation shows the key factor respondents consider before ordering food online



Factors	No. Of respondents	Percentage
Ratings and reviews	25	48%
Price	9	17%
Quality and quantity	18	35%
Availability	0	-

Interpretation: from the above graphical representation on the basis of key factors to consider before buying we can see that 48% percent of the respondents i.e. 25 respondents consider ratings and reviews to be the key factor before ordering food online. 17% or 9 respondents give emphasis on price while ordering food online and the rest 35% consider the second most important factor i.e. quality and quantity as their key factor to consider before ordering food online.

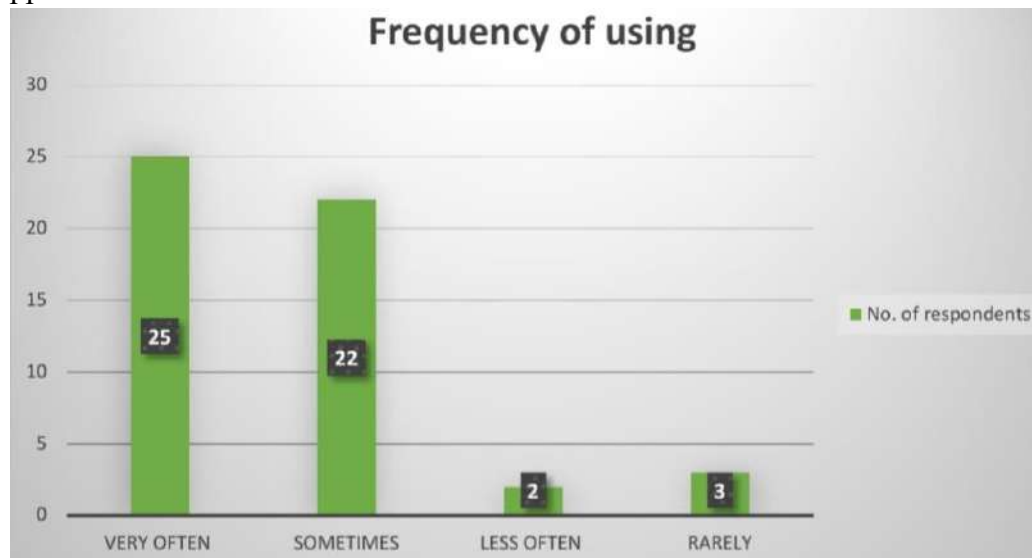
11. **Issue faced while ordering food online:** the pie chart representation shows the issues which are faced by respondents while ordering food online.



Issues	No. Of respondents	Percentage
Payment issue	5	10%
Delivery issue	14	27%
Issue regarding customer service	9	17%
None of the above	24	46%

Interpretation: the above graphical representation shows that around 46% or 24 respondents don't face any issue regarding ordering food online. But around 27% or 14 respondents face issue related to delivery and 17% or 9 respondent's face issue regarding customer service, while ordering food online. The lowest being the payment related issue comprising of 10% or 5 respondents. So, we can conclude that majority of the consumers face no problem while ordering food online.

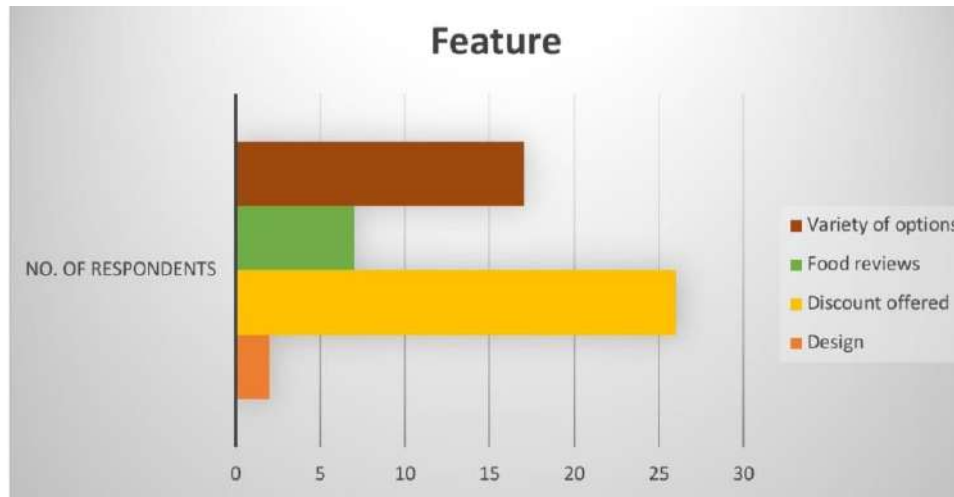
12. **Frequency of using Zomato:** this composite bar graph shows how frequently the respondents use Zomato’s App.



Frequency	No. Of respondents	Percentage
Very often	25	48%
Sometimes	22	42%
Less often	2	4%
Rarely	3	6%

Interpretation: from the above graphical representation it is clear that 48% of the respondents or 25 respondents use Zomato very often and 42% or 22 respondents use Zomato sometimes. While the rest of the respondents i.e. 4% respondents and 6% respondents either use Zomato less often or rarely use it

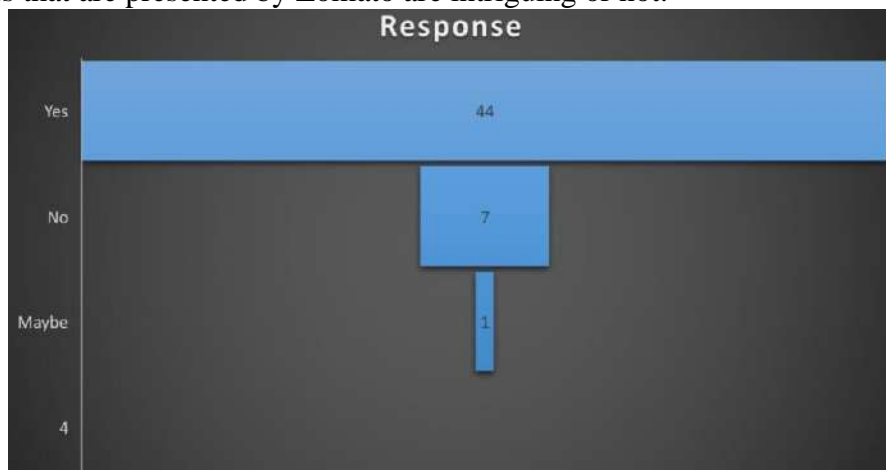
13. **Key feature of Zomato which attracts respondents:** this graphical representation shows the key feature of Zomato which attracts the respondents.



Feature	No. Of respondents	Percentage
Design	2	4%
Discount offered	26	50%
Food reviews	7	13%
Variety of options	17	33%

Interpretation: from the above graphical representation we can see that the majority of respondents 50% or 26 respondents are attracted with the discount offered feature of Zomato. While 33% of the respondents or 17 respondents are impressed with the variety of options that Zomato offers 13% or 7 respondents are attracted towards the food review option of Zomato. Rest 4% or 2 respondents are happy with the design and outlook of Zomato app.

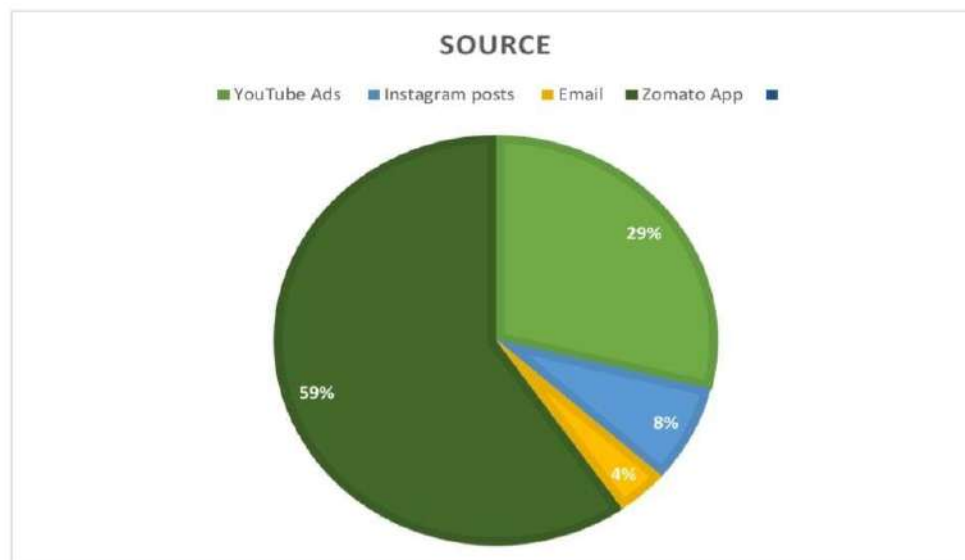
14. **On the basis of whether Zomato's food ads are intriguing or not:** this funnel graph shows whether the ads that are presented by Zomato are intriguing or not.



Response	No. Of respondents	Percentage
Yes	44	85%
No	7	13%
Maybe	1	2%

Interpretation: from the above graphical representation we can see that 85% or 44 respondent's find Zomato's ads are intriguing and 13% of the respondents that is 7 respondents think that it is not interesting rest 2% of the respondent aren't sure whether they find it intriguing or not. Since majority of the respondents find the ads interesting, we can conclude that Zomato's promotional strategies are working exceptional.

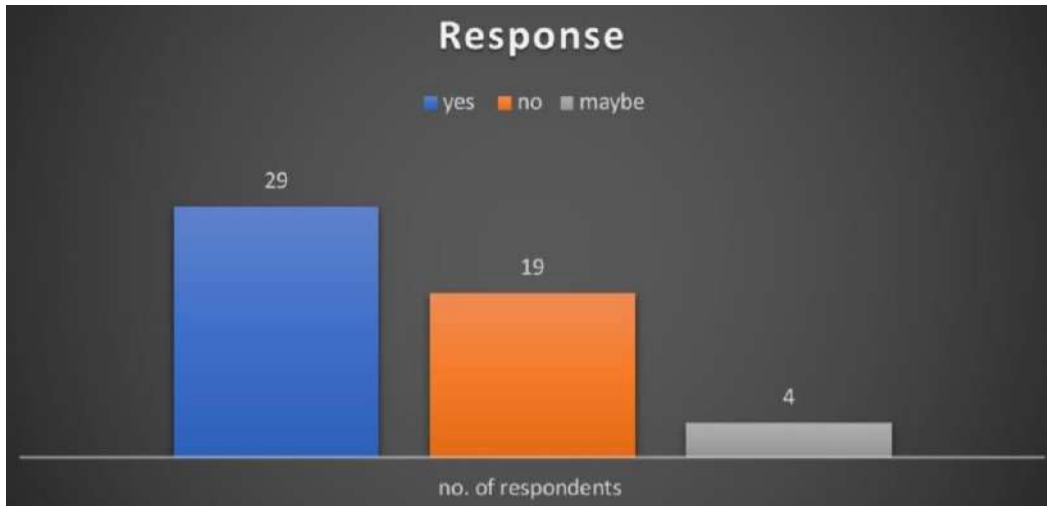
15. **Source of knowing about Zomato's offers:** this pie chart representation shows us the key source from where the respondents are knowing about the offers which are offered by Zomato



Source	No. Of respondents	Percentage
YouTube Ads	15	29%
Instagram posts	4	8%
Email	2	4%
Zomato App	31	59%

Interpretation: from the above graphical representation we can say that 59% of the respondents (31 respondents) know about the offers on Zomato through the app while 29% of the respondents know these ads via YouTube videos and the rest 8% and 4% of the respondents know it through Instagram posts or through an email which is given by Zomato

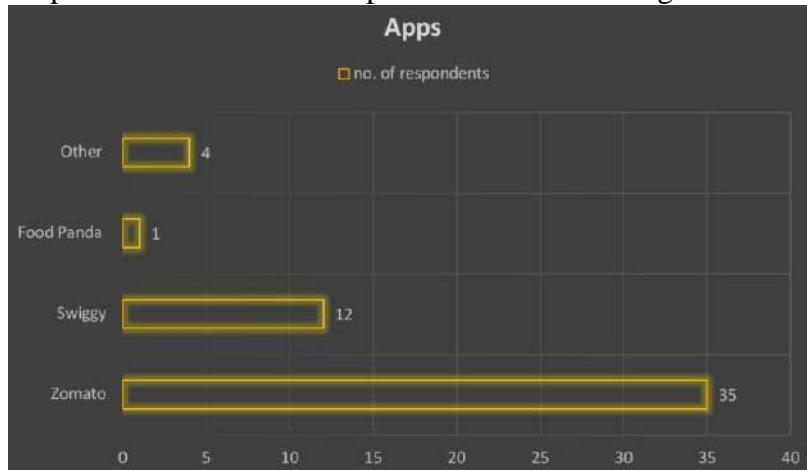
16. Awareness about the digital marketing strategies used by Zomato: the composite bar graph representation shows whether the respondents are aware of the digital marketing strategies used by Zomato or not.



Response	No. Of respondents	Percentage
Yes	29	56%
No	19	36%
Maybe	4	8%

Interpretation: from the above graphical representation we can see that 56% of the respondents or 29 respondents are aware about the digital marketing strategies used by Zomato while 36% of the respondents or 19 respondents aren't aware of the digital marketing strategies used by Zomato and rest 8% of the respondents aren't sure whether they are aware of the digital marketing strategies used by Zomato are not.

17. **On the basis of app which provides more offers and promotions:** the composite bar graph shows the app which provide more offers and promotions for ordering food online.



Apps	No. Of Respondents	Percentage
Zomato	35	67%
Swiggy	12	23%
Food Panda	1	2%
Other	4	8%

Interpretation: from the above graphical representation we can see that the most respondents about 67% or 35 respondents agree that Zomato provides more offers and promotions for ordering food online and 23% of the respondents or 13 feels that Swiggy provides more offers and promotions when it comes to food. Rest 2% and 8% respondents feel that food panda and other apps provide more promotions when it comes to ordering food online

18. **Rating Zomato on the basis of ordering service and delivery service:** this composite bar graphs shows what respondents' rate Zomato on the basis of ordering service and delivery service.



Ratings	No. Of respondents	Percentage
1	1	2%
2	1	2%
3	10	19%
4	26	50%
5	14	27%

Interpretation: from the above graphical representation we can see that half of the respondents i.e. 50% or 26 respondents have given 4 ratings to Zomato in terms of ordering process and delivery and 27% or 14 respondents have given it full 5 ratings. Then 19% of the respondents have given it 3 ratings it means that they are not fully satisfied or unsatisfied with the services of Zomato and expect an improvement in terms of ordering and delivery process. Rest 4 % of the respondents have given 1 and 2 ratings respectively.

3.4 Data Interpretation

- In terms of dine duration we can summaries that most numbers of respondents comprising of 36% and 37% prefer dining once a week or once a month. So, from this we can see that dining is becoming quite popular now a days and very less percentage of people dine twice a month or once a year comprising of 10% and 17% respectively.
 - Most of the people still use google to gather information about new cafe and restaurant which is clear by the data 50% of the respondece use google to find about new restaurant and cafe and Zomato is still emerging as a digital platform for providing data about restaurant and cafes. The minority of the people use dine out to know about new restaurant and cafes, and some people rely on the family, friends and relatives to know about new cafes.
- In accordance with the data, we can say that most people (77% of the respondents) prefer ordering food online. And 15% of the people don't prefer ordering food online and rest 8% people don't know in particular whether they prefer ordering food online or not. We can see that there's a rise in trend of ordering food online .
- From the data it's clear that 48% of the respondent's order food quite often and 33% of the respondent's order food occasionally. The category of people who order food rarely or

people who are not sure is comparatively less . So, we can see that food sector is growing rapidly.

- The digital marketing strategy of Zomato is working quite well that's why 90% of the respondents use Zomato for ordering food online and rest 10% rely on swiggy for ordering food online.
- Now a days people check ratings and reviews for each and every product before buying it same goes for ordering food online Most respondents (48% respondents) focus on ratings and reviews before placing order. And around 35% of the people focus on quality and quantity of the food rest 17% consider price as an important factor before ordering food online.
- With the improvement of technology and constant consumer support majority of the respondents i.e 48% of the respondents don't face any issue while ordering food online but exceptions are there as still 27% of the respondents feel delivery related issue and 17% face issue regarding consumer service and rest 10% respondents face issue regarding payment.
- People are frequently using Zomato around 48% of the respondents use Zomato quite often and 42% of the respondents use Zomato sometimes. However, 6% of the respondents use Zomato rarely and 4% use it less often.
- Zomato is well known for the discount it offers on order food online show about 50% or 26 respondents are attracted with this feature of Zomato. Apart from this 33% of the respondents are happy about the variety of options that it offers and 13 % of the respondents are attracted with its food review feature and rest 4% like its design and Outlook.
- As a huge amount of its capital on paid ads so it needs to be catchy that's why 85% of the respondents are intrigued by the food as that it presents. However, 13% of the people are not intrigued by the ads that Zomato present and 2% people aren't sure whether they are intrigued by the ads or not.
- Around 59% of the people know about Zomato offers via its app and 29% of the people get to know about the offers through Zomato's ad on YouTube rest 8% of the people know the offers through Instagram and remaining 4% person get an email via Zomato.
- On the basis of providing offers and promotions 67% of the people prefer Zomato ,23% of the respondents preferred swiggy and 2% respondents prefer foodpanda and rest 8% of the respondents preferred other apps.
- According to data 50% of the people gave 4 ratings to Zomato on the basis of ordering service and delivery service, 27% of the respondents gave it 5 ratings and 19% of the respondents gave it 3 ratings and remaining 4% respondents gave with 1 and 2 ratings respectively. Since, the greatest number of respondents give it 4 and 5 ratings we can conclude that Zomato is performing very well in providing ordering and delivery service.

Chapter 4

CONCLUSION AND RECOMMENDATIONS

4.1 CONCLUSION

Zomato's digital marketing strategy is not only successful but also paves the way for other startups. While doing Zomato case study, we found that, it proves that digital marketing can contribute to a brand's success and make it a unique name to reckon with. The company spends a fraction of traditional marketing budget on digital marketing and manages to resonate with billions of people out there. Zomato definitely knows what it's doing with its marketing strategy. Not only is it one of India's original unicorns and one of the largest players in India's multimillion dollar food delivery business, it's also refreshing, down-to-earth and to the point when it comes to its marketing strategy.

The biggest learnings for me, as a marketer, from Zomato's marketing strategy are as follows:

Simple, yet powerful messaging works. Humor is a great tool – one must leverage it whenever possible.

Powerful visuals and bold colors are great for standing out – whether it is on a billboard in a crowded crossing or online.

Sticking to brand identity and colors are really important – even without being told that Zomato is behind a certain ad/billboard we just know it's Zomato because of consistency.

Adding value – Zomato's offers are always ones which are different, yet aimed at bridging some sort of gap in the market. You can tell that a lot of thought has been put into the offers.

Creating a community is of utmost importance. This is at the core of Zomato's business strategy and you can see that this is definitely something they keep in mind during their marketing meetings. A good example of the fact that they support an entire ecosystem is their approach to tackling Coronavirus in India.

4.2 RECOMMENDATIONS

- Further development: The number 1 open door for Zomato to develop is to more nations and set up its base speedier. Administration industry has a noteworthy interfered with that administrations can be replicated quick and absolutely. Accordingly, it is significant for Zomato to build up and develop itself quicker.
- . More acquisitions: There are and were numerous little open in this space. Zomato can obtain a significant number of its rivals and simultaneously, it needs to keep a look on the tech organization and addition any tech development it can get its hands on to continue developing.
- . Cloud eateries: Zomato is thinking of the idea of Cloud cafés wherein eateries won't need to get a physical space to really sell their nourishment items. Next to, they can sell from Zomato.
- Creating a network: Zomato has a high after however the clients don't connect with one another. Making a discussion and a network out of the clients officially following Zomato can be of a high advantage for the brand.
- Adoption of the web and smartphones: There is a high increment in the selection of Internet crosswise over creating and immature regions also. Correspondingly, reception of cell phone has likewise expanded. In this way an ever-increasing number of requests and research about cafés can happen.

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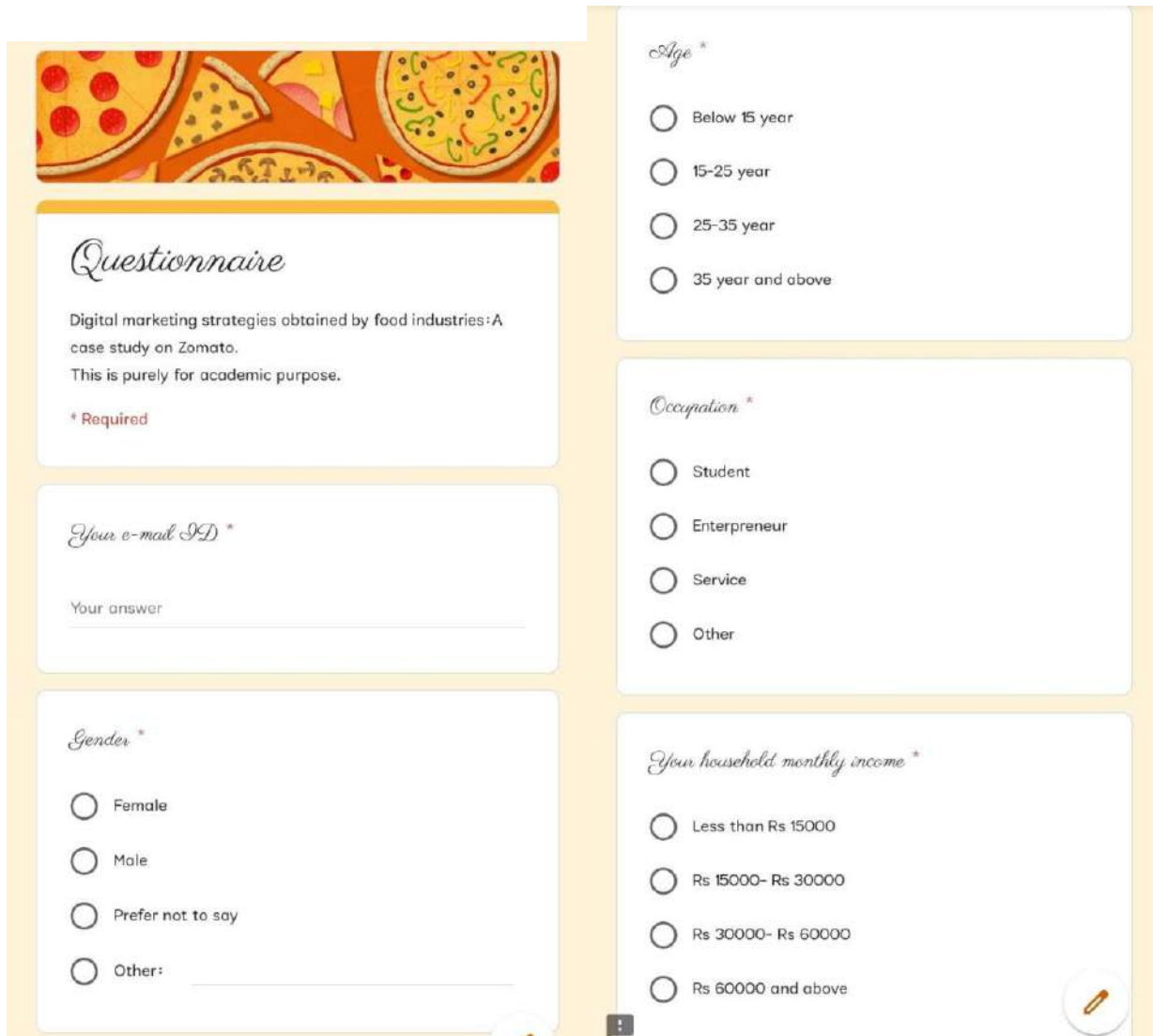
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QUESTIONNAIRE

Following attached link is the survey of questionnaire in Google form.

(<https://forms.gle/S9UrXS5WyTggau6y9>)



Questionnaire

Digital marketing strategies obtained by food industries: A case study on Zomato.
This is purely for academic purpose.

* Required

*Your e-mail ID **

Your answer _____

*Age **

- Below 15 year
- 15-25 year
- 25-35 year
- 35 year and above

*Gender **

- Female
- Male
- Prefer not to say
- Other: _____

*Occupation **

- Student
- Entrepreneur
- Service
- Other

*Your household monthly income **

- Less than Rs 15000
- Rs 15000- Rs 30000
- Rs 30000- Rs 60000
- Rs 60000 and above

Questionnaire

Questions

Responses

52

1. How often do you dine ?

*

*

- Once a week
- Once a month
- Twice a month
- Once a year



2. Where do you receive information about restaurants and cafes ?

*

*

- Google
- Zomato
- Dineout
- Other...

Questionnaire

Questions

Responses

52

3. *Do you like ordering food online ?*

* *

Yes

No

Maybe

⋮

4. *How often do you order food?*

* *

Quite often

Occasionally

Rarely

Not sure

Questionnaire

Questions

Responses

52

5. *Which app do you use for ordering food?* * *

- Swiggy
- Zomato
- Uber eats
- Particular restaurant app

6. *Which is the key factor that you consider before ordering food online ?* * *

- Ratings and reviews
- Price
- Quality and quantity
- Availability

7. *What issue do you face while ordering food online?* * *

- Payment issues
- Delivery issues
- Issues regarding customer service
- None of the above

8. *How often do you use Zomato* * *

- Very often
- Sometimes
- Less often
- Rarely

Questionnaire

Questions

Responses

52

9. *What features in Zomato app attracts you ?* * *

- Design
- Discount offered
- Food reviews
- Variety of options



10. *Do you find Zomato's food ad intriguing?* * *

- Yes
- No
- Maybe

Questionnaire

Questions

Responses

52

11. *Do you find the app user friendly?*

* *

Yes

No

Maybe

12. *From where do you know about the existing offers on zomato ?*

* *

YouTube Ads

Instagram posts

Email

Zomato app

Questionnaire

Questions

Responses

52

13. *Are you aware about the digital marketing strategies used by Zomato ?*

* *

- Yes
- No
- Maybe

14. *According to you which company provide more offers and promotions?*

* *

- Zomato
- Swiggy
- Food panda
- Other

Questionnaire

Questions

Responses

52

Food panda

Other

15. On a scale of 1 to 5, how would you rate Zomato * *
on the basis of ordering process and delivery service?

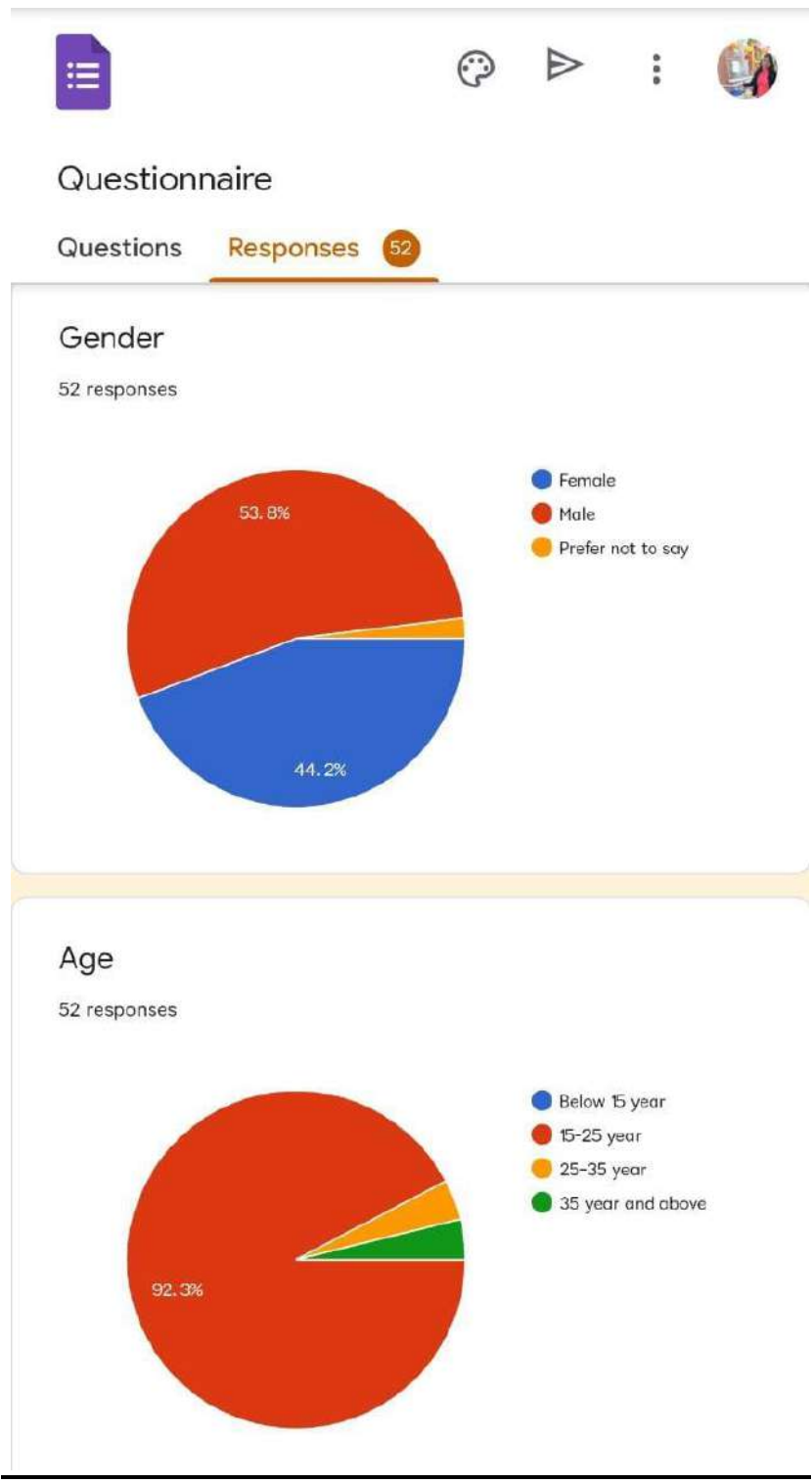
Poor 1 2 3 4 5 Excellent

Any other suggestions for improving Zomato's marketing strategies.

Short answer text

.....

RESPONSES:





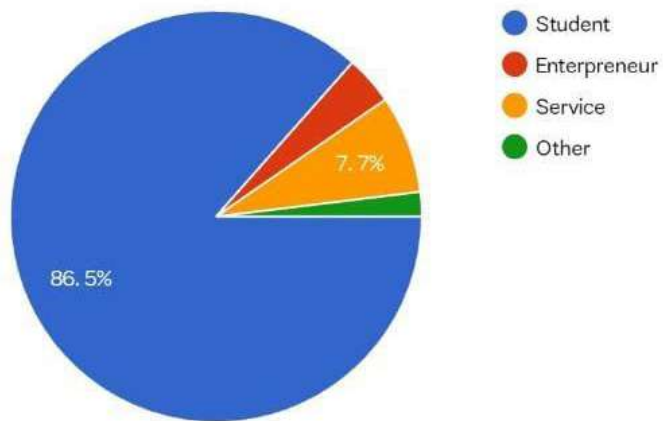
Questionnaire

Questions

Responses **52**

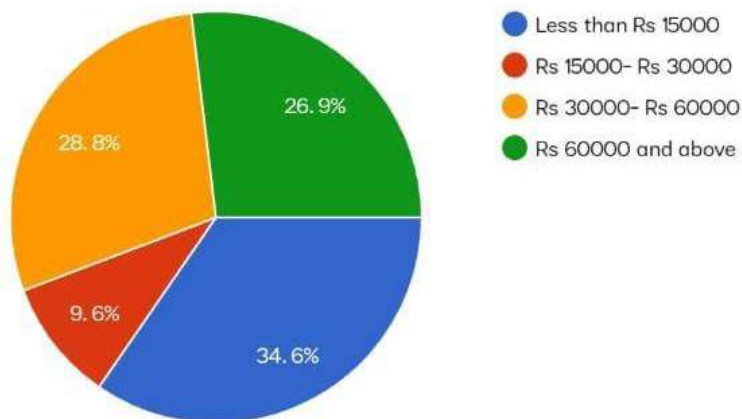
Occupation

52 responses



Your household monthly income

52 responses



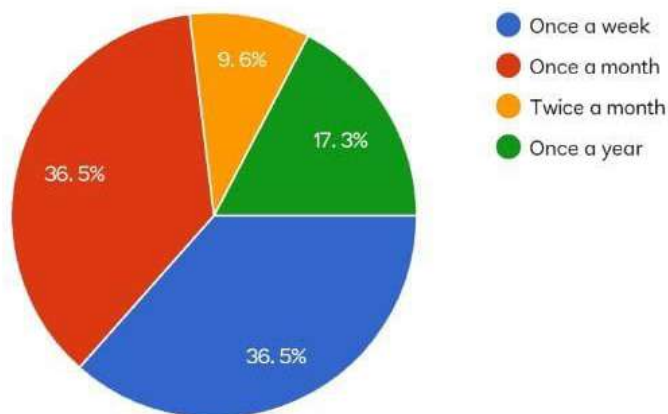


Questionnaire

Questions **Responses** 52

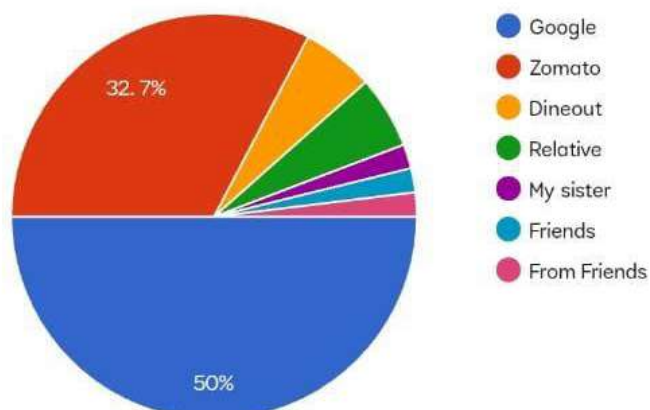
1. How often do you dine ?

52 responses



2. Where do you receive information about restaurants and cafes ?

52 responses



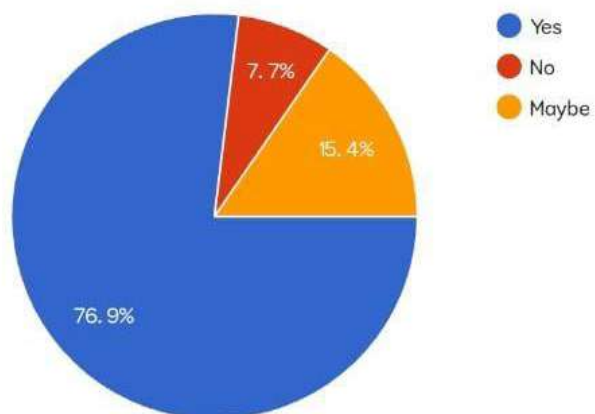


Questionnaire

Questions **Responses** 52

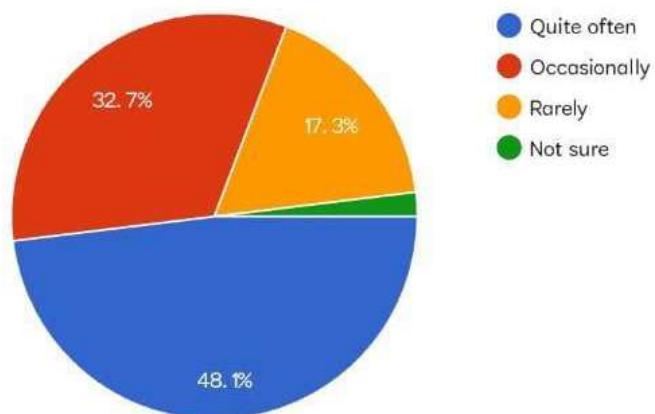
3. Do you like ordering food online ?

52 responses



4. How often do you order food?

52 responses



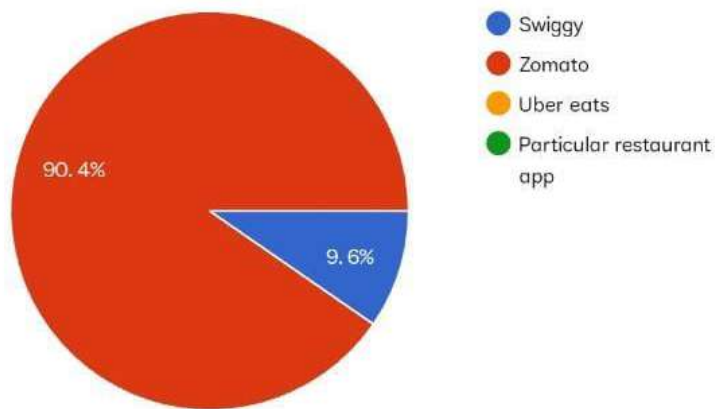


Questionnaire

Questions **Responses** 52

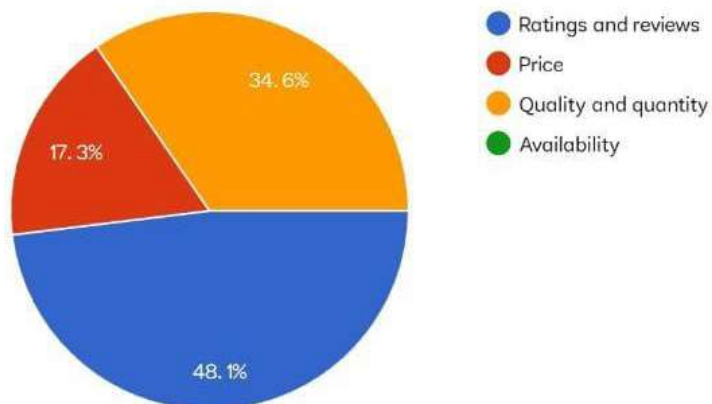
5. Which app do you use for ordering food?

52 responses



6. Which is the key factor that you consider before ordering food online ?

52 responses



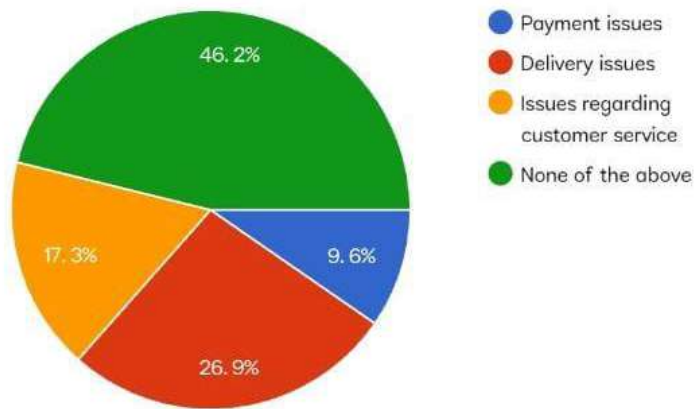


Questionnaire

Questions **Responses** 52

7. What issue do you face while ordering food online?

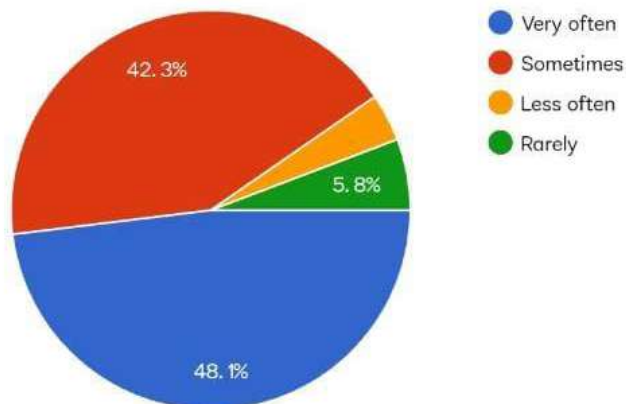
52 responses



8. How often do you use Zomato



52 responses



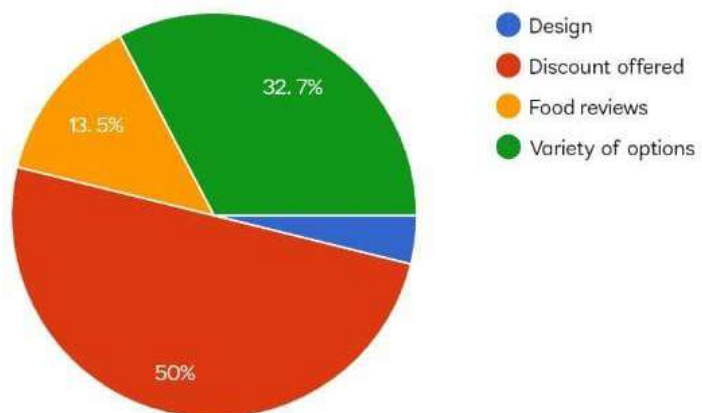


Questionnaire

Questions **Responses** 52

9. What features in Zomato app attracts you ?

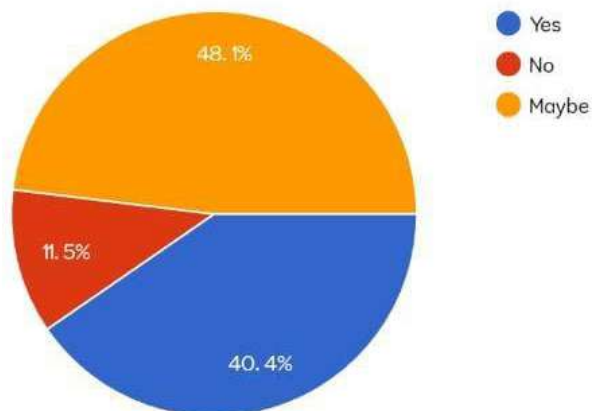
52 responses



10. Do you find Zomato's food ad intriguing?



52 responses



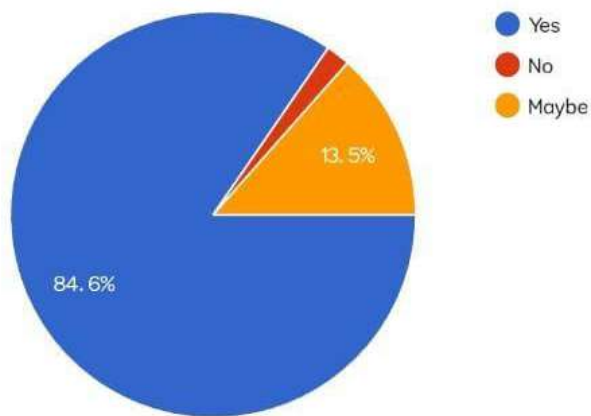


Questionnaire

Questions **Responses** 52

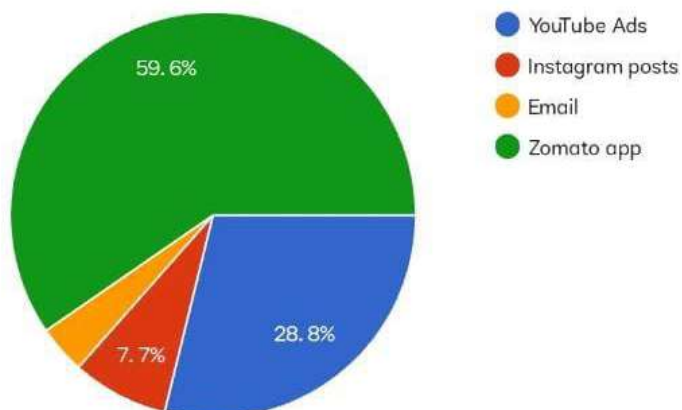
11. Do you find the app user friendly?

52 responses



12. From where do you know about the existing offers on zomato ?

52 responses



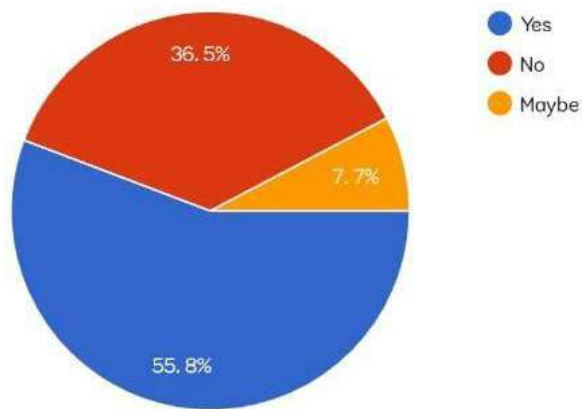


Questionnaire

Questions Responses **52**

13. Are you aware about the digital marketing strategies used by Zomato ?

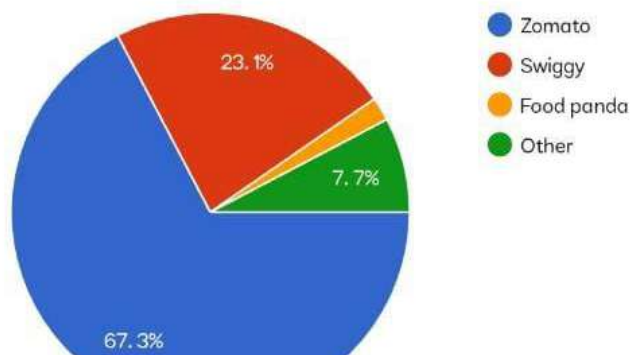
52 responses



14. According to you which company provide more offers and promotions?



52 responses





Questionnaire

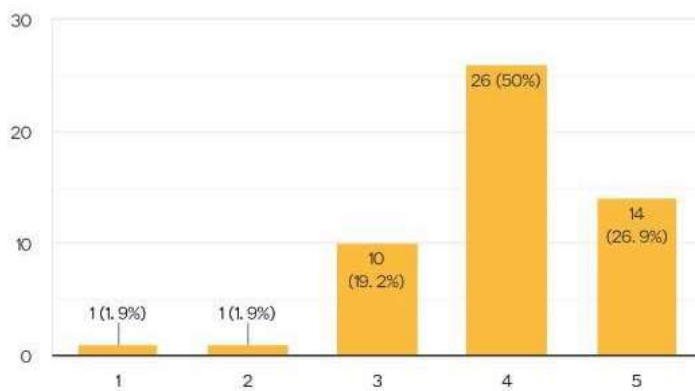
Questions

Responses

52

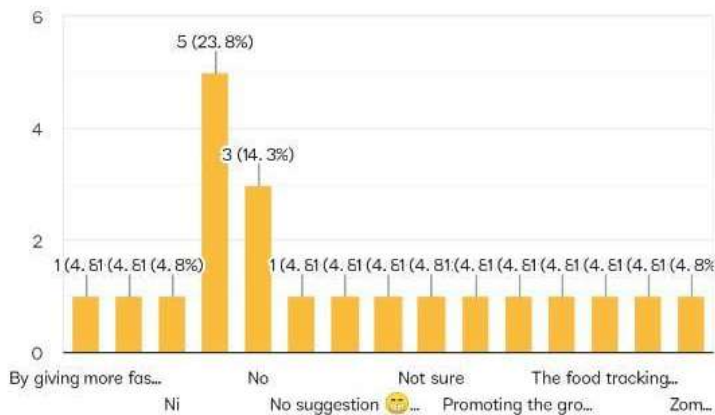
15. On a scale of 1 to 5 , how would you rate Zomato on the basis of ordering process and delivery service?

52 responses



Any other suggestions for improving Zomato's marketing strategies.

21 responses





PROJECT REPORT

(Submitted for the Degree of Bachelors of Commerce Honors in Accounting and Finance/Marketing under the University of Calcutta.)

TITLE OF THE PROJECT

Financial Services provided by Private Banks

SUBMITTED BY:

Name of the Candidate: Rahul Kumar Hela

Registration Number: 223-1112-0524-18

CU Roll Number: 181223-21-0016

Name of the College:- Scottish Church College

SUPERVISED BY:

Name of the Supervisor: Prof. Smt. Shreya Basu

Name of the College: Scottish Church College

ANNEXURE I

SUPERVISOR'S CERTIFICATE

This is to certify that Rahul Kumar Hela a student of B.Com. Honours in Accounting and Finance of Scottish Church College under The University of Calcutta has worked under my supervision and guidance for her project work and prepared a project report with the title “Financial Services provided by Private Banks”. The project report which she is submitting is her genuine and original work to the best of my knowledge.

Place: Kolkata

Signature:

Date: 25/July/2021

ANNEXURE II

STUDENT'S DECLARATION

I hereby declare that the Project Work with the title ‘ **Financial Services provided by Private Banks**’ submitted by me for the partial fulfillment of the degree of B.Com. Honours in Accounting & Finance in Business under the University of Calcutta is my original work and has not been submitted earlier to any other University/ Institution for the fulfillment of the requirement for any course of study.

I also declare that no chapter of this manuscript in whole or in part has been incorporated in this report from any earlier work done by others or by me. However, extracts of any literature which has been used for this report has been duly acknowledged providing details of such literature in the references.

PLACE: Kolkata

SIGNATURE: Rahul Kumar Hela
Roll no. 181223-21-0016
Registration No.223-1112-0524-18

DATE: 25/July/2021

ACKNOWLEDGEMENT

I express my sincere gratitude to every individual who has been instrumental in the successful preparation of this project report titled “**Financial Services provided by Private Banks**”.

I am highly grateful to Scottish Church College and Calcutta University for giving me an opportunity to do this project.

I take immense pleasure in thanking our respected Principal, for permitting us to carry on this project.

I thank my teacher in guide Prof. Shreya Basu to help me and supervise me in every step to complete this project.

It is my sincere thanks to all our faculty members of the Department of Commerce, the Scottish Church College and Kolkata for extending their cooperation during our project work.

:Rahul Kumar Hela

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CHAPTER 1

1.1 BACKGROUND OF THE STUDY

Financial Services is a term used to refer to the services provided by the finance market. Financial Services is also the term used to describe organizations that deal with the management of money. Examples are the Banks, investment banks, insurance companies, credit card companies and stock brokerages. Financial services are the economic services provided by the finance industry, which encompasses a broad range of businesses that manage money, including credit unions, banks, credit-card companies, insurance companies, accountancy companies, consumer-finance companies, stock brokerages, investment funds.

Companies in the financial services industry are in the business of managing money. Globally, the financial services industry leads the world in terms of earnings and equity market capitalization. Large conglomerates dominate this sector, but it also includes a diverse range of smaller companies. According to the Finance and Development department of the (IMF), a financial service is best described as the process by which a consumer or business acquires a financial good. For example, a payment system provider is providing a financial service when it is able to accept and transfer funds from a payer to a recipient. This includes accounts that are settled through credit and debit cards checks and electronic funds transfers.

Consider a financial advisor. The advisor manages assets and offers advice on behalf of a client. The advisor does not directly provide investments or any other product. Instead, the advisor facilitates the movement of funds between savers and the issuers of securities and other instruments. This service is a temporary task rather than a tangible asset.



1.2 LITERATURE REVIEW

LEVINE ROSS (1997)

Recognized the countries with larger banks and more active stock markets grow faster subsequent decades even faster controlling many other factors underlying economic growth. Industries and firms that rely heavily on external financing grow disproportionately faster in countries with well developed banks and securities market than in countries with poorly developed financial system and the relationship between the initial level of financial development and growth is large.

MORENO, L.A (2007)

Identified that a population that plays an active part in the economic process is much more likely to identify with the rest of the society contributing towards stability and to have a sense of ownership and belonging thereby belonging means having something to lose and this sense is fundamental to social cohesion

BECK ET AL. (2008)

Insist that recently the debate expanded to include the notion of financial exclusion as a barrier to economic development and the need to build an inclusive financial system. Besides banking insurance companies too would be required to target bottom of the pyramid (BoP) customers to achieve inclusive banking and in turn to achieve inclusive growth.

LUCE EDWARD (2008)

Has remarked that a vast army of labourers is living in India, where the growth is not labour intensive which means a severe lack of job opportunities for the low and semi skilled. The poor are not reaping the benefits of growth in the same way as in other rapidly growing economies like China and Vietnam. India finds itself higher on the (value added) ladder than one would

perhaps expect it to be. It is just that most of its population is still standing at the bottom and India's usual development path is a serious problem.

RANGARAJAN, C. (2009)

Remarks that economic growth and social development are the two legs on which a nation must walk and FI is no long an option but a compulsion. He asserts that one aspect of inclusive growth is FI. The process of FI is an attempt to bring within the ambit of the organised financial system, the weaker and vulnerable section of society and Inclusive Growth cannot come without FI.

CHAKRABORTY, K.C. (2009)

Comments that Inclusive Growth cannot come without FI and enabling people to get from small money lenders and like is not FI but the access has to be through mainstream institutional players and only then such access will be fair, transparent and cost effective.

SAMEER KOCHARR (2009)

Affirms that economic growth can leave many people in persistent poverty, if they donot have the necessary capacity to participate in an benefit from the growth process. FI offers incremental and complementary solution to tackle poverty to promote inclusive development and to address the Millennium Development Goals (MDGs).

ASHA JALAN (2009)

Opines that Inclusive Growth aims to integrate the country's poor in its growth trajectory, integrating the informal sector into the formal financial markets The Self Help Group-Bank Linkage Program (SBLP), India's large scale microfinance initiative growth. This model of microfinance in India has the dual challenge of FI and poverty alleviation.

MANDIRA SARMA (2010)

Explains that an inclusive financial system has several merits It facilitates efficient allocation of productive resources and thus can potentially reduce the cost of capital. In addition, access to appropriate financial services can significantly improve the day to day management of informal sources of credit (such as money lenders) that are often found to be exploitative. An all inclusive

system enhances efficiency and welfare by providing avenues for secure and safe saving practices and by facilitating a whole range of efficient financial services.

NAGESWARA RAO (2010)

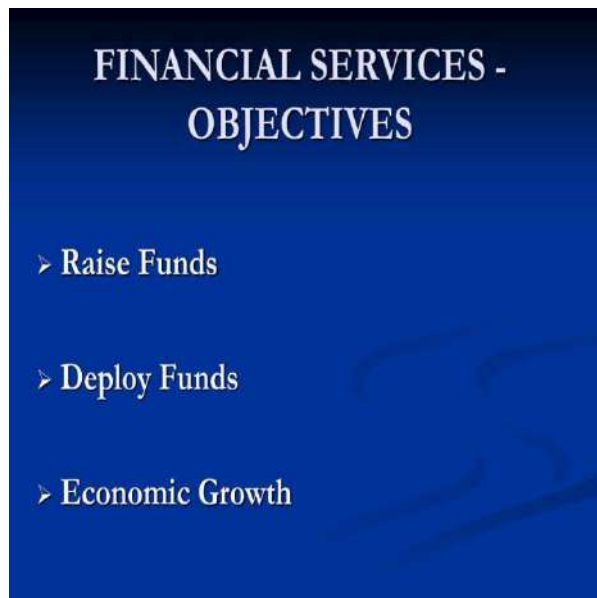
Observes that the objective before present day economy is to ensure growth with distributive justice in tune with the democratic principles of the greatest happiness to the greatest number growth cannot be considered as an end itself until it translates into income generation and empowerment of the whole population irrespective of areas and sectors. Growth has to be an inclusive phenomenon and not confined to a few pockets of area and people which makes it exclusive.

SAROJ UPADHYAY (2010)

States that access to financial services is an important tool for both economic growth and human development. Inclusion should be viewed as a process of including the excluded as agents of development instead of welfare targets. Inclusion should entail understanding the poor, their lives, their needs, their productivity and their their vulnerability. If a poor person has to participate in economic growth, he should have the power to access a wide range of financial services such as savings, payments, remittances and insurance.

1.3 OBJECTIVES

- To gain knowledge about the financial services provided by the various private banks
- Expertise in the field of customer satisfaction as per the financial services by the private banks.
- To understand all the financial facilities of the private banks;
- To be informed about the recent changes in the financial services sector;
- Facilitate the event of the financial services sector.
- Explore the recent development in the financial services in India.



1.4 RESEARCH

METHODOLOGY

DEFINITION

The process used to collect information and data for the purpose of making business decisions. The methodology may include publication research, interview, surveys and other research techniques and could include both present and historical information.

TYPES

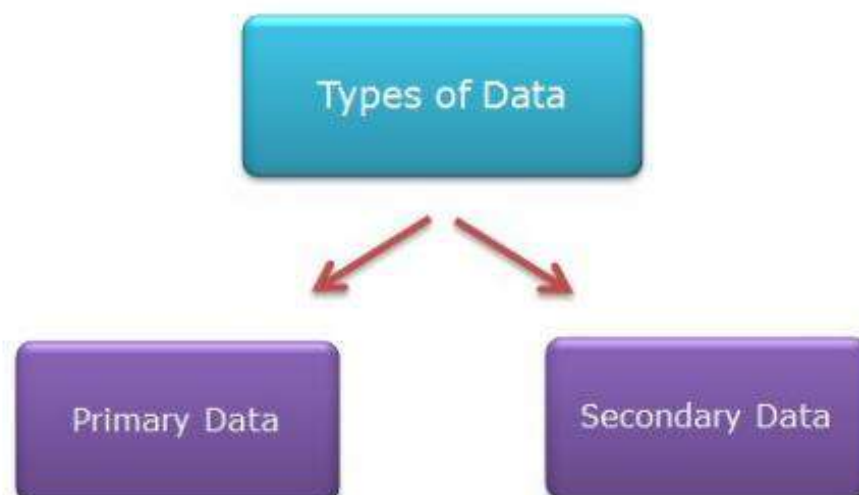
PRIMARY DATA

An advantage of using primary data is that researchers are collecting information for the specific purposes of their study. In essence the questions the researchers ask are tailored to elicit the data that will help them with their study. Researchers collect the data themselves using service interviews and direct observation. In the field of work place health research for eg.-direct observation may involve a researcher watching people at work. A researcher could count and code the number of times. She sees practices or behaviours relevant to her interest eg. intance of improper lifting posture or the number hostile or disrespectful interaction workers engaged in with clients and customers over a period of time.

SECONDARY DATA

There are several types of secondary data they can include information from the national population census and government information collected by statistics Canada. One type of secondary data that's use increasing in administrative data. This term refers to data it is collected routinely as part of the day to day operation of an organization, institution or agency, there are any numbers of example: motor vehicle registration, hospital intake and discharge records workers compensation claims records and more.

Compared to primary data, secondary data tends to be readily available and inexpensive to obtain. In addition, administrative data tends to have large samples, because the data collection is comprehensive and routine.



1.5 LIMITATIONS OF THE STUDY

- **THE COVID 20**

Due to COVID 20 pandemic it was very difficult for us to cope with the pace of the research work.

- **TIME LIMIT**

Due to the time crises it was being a bit tough for us to get many respondents for the questionnaire

- **LIMITED SCOPE**

Due to limited reach of the people the opinions were similar which could make the questionnaire monotonous

CHAPTER 2

CONCEPTUAL FRAMEWORK

Hidden behind the dark clouds of bad loans is an opportunity for an exciting new dawn in Indian banking. Once the clouds begin to clear, over the next two-three years, there will be tremendous potential for the emergence of strong, next-generation banks. But lenders that fail to prepare for the possibility, enabled by the confluence of three key factors outlined below, could miss the bus. The first of these are macroeconomic tail winds. India is expected to rank among the top three global banking markets in terms of revenue over the next decade. Millions of new banking customers, a majority of who will be armed with smart phones, will join the workforce every year. Thousands of new companies created by enterprising entrepreneurs will have the chance to

thrive in a vibrant start-up ecosystem. Over 500 new billion-dollar companies will be created in India. The net new demand for modern banking services, in this rapidly growing market, is estimated to be one of the strongest in the world.

The second set of factors entails several positive developments in the country's banking infrastructure, technology and regulatory framework, enabling us to leapfrog many advanced economies in quality of banking experience. Indian regulations have been very progressive in the recent past. Over the last five years, the Reserve Bank of India, has been steadily promoting a spirit of embracing technology to deepen and broaden banking in India. Innovative experiments like creation of specialized payments banks and small finance banks have been undertaken. India is also poised to have the world's finest banking infrastructure in the form of an online identity system, credit information bureau coverage and interbank payment systems. Once these projects are completed over the next few years, every single Indian resident will have an online, verifiable biometric identity and address record. It will be possible for banking to be almost entirely paperless. Furthermore, Credit Information Bureau scores will help bring millions under the purview of the formal banking system, creating a complete picture of the credit history of more than half the population.

The payment infrastructure in India is also poised to become one of the most advanced in the world. The National Payments Corporation of India has quietly set about connecting all the banks in the country to ensure seamless, convenient and instantaneous payment transactions across banks. The much-discussed Unified Payments Interface is just one of the organization's many levers of change. The biggest driver of transformation, is the fact that digital technology is becoming more affordable and powerful than ever. Continuous innovation and productivity enhancements have become a norm in banking. Some global banks are discovering that India is one of the most conducive markets to pilot their digital innovations.

The third set of factors that will help raise Indian banking to greater heights are the reforms likely to be engendered by the current crisis of non-performing assets in corporate credit. These reforms will lay the foundation for next-generation data-driven credit practices. The increasing digitization of the economy is generating large volumes of useful, online electronic information on commercial enterprises. These rapidly growing data repositories are expected to get a further boost with the introduction of the goods and services tax, potentially helping digitize invoices across commercial value chains. Given the rising importance of data, banks are gearing up to use advanced analytics and technology for better risk management. In addition, the bankruptcy law is also likely to be refreshed in due course.

All these factors have the potential to create a conducive environment for accelerated growth in banking in the near future. But only those banks that embrace distinct new capabilities will be

able to harness the new opportunities and emerge as winners. By building and leveraging differentiators, financial institutions can deliver a whole new banking experience for customers—individuals and corporate entities alike.

2.1 TEN DIFFERENTIATORS TO SET THE WINNERS APART:



1. Digitized operations: We believe that banks that become digitally proficient will be able to enhance customer engagement, ultimately achieving improved brand loyalty and profitability. As more banks deliver digital services in the future, we will see a dramatic decline in paper-based, manual processes. With the widespread use of world-class, online biometric authentication infrastructure, the need for filling out paper applications or using physical signatures to access services, could reduce significantly. As banks’ internal processes become electronic, they can control risks better, deliver on customer requests much faster and at much lower costs. Customers will be able to gain real-time, granular visibility into the status of their requests.

2. Mastering payments and analytics on payments data: Banks must be able to harness the top-quality payment infrastructure in the country to upgrade the payment experience of their customers. This will be manifested most starkly in the way customers pay utility bills and make payments at merchant shops. Both are expected to be on mobile and with a single click. Winning banks will enable their customers to safely make seamless payments, keep track of their expenses, and make offers and suggestions to them, based on analysis of their payment transactions. Winning banks will also master making contextual offers to customers based on the knowledge of where customers are at the moment and what they are doing.

3. Driving bionic distribution: Instead of being purely digital, future banks will be hybrid, compelled by customer demand for such a proposition. They will most likely offer a “bionic model of distribution” that blends digital with a human touch. Branches in the future could look like an extension of digital channels, where one can seamlessly continue what one initiates over digital channels. In all probability, branches would also be smaller, taking on an advisory role, or

focusing on training customers to effectively use their digital channels. Winning institutions will also establish advanced call centres that support their faceless digital channels, with audio or video calls, whenever customers need assistance.

4. Going the e-commerce way: Digital sales are poised to become the cornerstone of future success. Today, banks feel satisfied if their electronic channels are effectively used for transactions by customers. However, in the future, banks will increasingly look to drive sales and acquire new customers over online channels. In that sense, tomorrow's successful banks could quite possibly look like e-commerce companies.

5. Corporate transaction banking: Today, the primary banker to a commercial enterprise is the one that lends it more money. In the future, this role would go to the bank that provides enterprises with a technology-based transaction platform for efficient liquidity and risk management. Transaction banking could then become the centrepiece of commercial banking relationships. Successful banks would create sector-specific solutions that all participants across an industry value chain can embrace. Winning banks will leverage application programming interface solutions that effortlessly integrate with client technology platforms, making the lenders themselves invisible. Further, apart from advising clients on financing issues, banks may also start counselling them on operational bottlenecks, based on insights obtained from transaction analytics.



2.2 ICICI BANK

HISTORY

ICICI Bank was originally promoted in 1994 by ICICI Limited, an Indian financial institution, and was its wholly-owned subsidiary. ICICI's shareholding in ICICI Bank was reduced to 46%

through a public offering of shares in India in fiscal 1998, an equity offering in the form of ADRs listed on the NYSE in fiscal 2000, ICICI Bank's acquisition of Bank of Madura Limited in an all-stock amalgamation in fiscal 2001, and secondary market sales by ICICI to institutional investors in fiscal 2001 and fiscal 2002. ICICI was formed in 1955 at the initiative of the World Bank, the Government of India and representatives of Indian industry. The principal objective was to create a development financial institution for providing medium-term and long-term project financing to Indian businesses.

In the 1990s, ICICI transformed its business from a development financial institution offering only project finance to a diversified financial services group offering a wide variety of products and services, both directly and through a number of subsidiaries and affiliates like ICICI Bank. In 1999, ICICI became the first Indian company and the first bank or financial institution from non-Japan Asia to be listed on the NYSE.

After consideration of various corporate structuring alternatives in the context of the emerging competitive scenario in the Indian banking industry, and the move towards universal banking, the managements of ICICI and ICICI Bank formed the view that the merger of ICICI with ICICI Bank would be the optimal strategic alternative for both entities, and would create the optimal legal structure for the ICICI group's universal banking strategy. The merger would enhance value for ICICI shareholders through the merged entity's access to low-cost deposits, greater opportunities for earning fee-based income and the ability to participate in the payments system and provide transaction-banking services. The merger would enhance value for ICICI Bank shareholders through a large capital base and scale of operations, seamless access to ICICI's strong corporate relationships built up over five decades, entry into new business segments, higher market share in various business segments, particularly fee-based services, and access to the vast talent pool of ICICI and its subsidiaries.

In October 2001, the Boards of Directors of ICICI and ICICI Bank approved the merger of ICICI and two of its wholly-owned retail finance subsidiaries, ICICI Personal Financial Services Limited and ICICI Capital Services Limited, with ICICI Bank. The merger was approved by shareholders of ICICI and ICICI Bank in January 2002, by the High Court of Gujarat at Ahmedabad in March 2002, and by the High Court of Judicature at Mumbai and the Reserve Bank of India in April 2002. Consequent to the merger, the ICICI group's financing and banking operations, both wholesale and retail, have been integrated in a single entity.

2.3 FUNCTIONS OF FINANCIAL SERVICES

The following are the functions of financial services.

- Facilitating transactions.
- Mobilizing savings.
- Allocating capital.
- Monitoring managers.
- Transforming risk



2.4 FEATURES OF FINANCIAL SERVICES

CUSTOMER SPECIFIC-

They are usually customer focused. The firms providing these services, study the needs of their customers in detail before deciding their financial strategy, giving due regard to costs, liquidity and maturity considerations. Financial services firms continuously remain in touch with their customers, so that they can design products that can cater to the specific needs of their customers. The providers of financial services constantly carry out market surveys so they can offer new products much ahead of need and impending legislation. Newer technologies are being used to introduce innovative, customer-friendly products and services which indicate that the concentration of the providers of financial services is on generating firm/customer-specific services

INTANGIBILITY-

In a highly competitive global environment, brand image is very crucial. Unless the financial institutions providing financial products; and services have a good image, enjoying the confidence of their clients, they may not be successful. Thus institutions have to focus on the quality and innovativeness of their services to build up their credibility. The tendency to Perish: Unlike any other service, they do tend to perish and hence cannot be stored. They have to supply as required by the customers. Hence financial institutions have to ensure proper synchronization of demand and supply.

PEOPLE-BASED SERVICES:

Marketing of financial services has to be people-intensive and hence it's subjected to the variability of performance or quality of service. The personnel in their organizations need to select based on their suitability and trained properly so that they can perform their activities efficiently and effectively.

MARKET DYNAMICS-

The market dynamics depends to a great extent, on socioeconomic changes such as disposable income, the standard of living and educational changes related to the various classes of customers. Therefore, they have to constantly redefine and refine taking into consideration the market dynamics. The institutions providing their services, while evolving new services could be proactive in visualizing

2.5 THE SCOPE OF FINANCIAL SERVICES:

The following scope of financial services, and cover a wide range of activities. They can broadly classify into two, namely:

Traditional Activities: Traditionally, the financial intermediaries have been rendering a wide range of services encompassing both capital and money market activities. They can group under two heads, viz.

- Fund based activities and
- Non-fund based activities.

A. Fund based activities: The traditional services which come under fund based activities are the following:

- Underwriting or investment in shares, debentures, bonds, etc. of new issues (primary market activities).
- Dealing with secondary market activities.
- Participating in money market instruments like commercial papers, certificates of deposits, treasury bills, discounting of bills, etc.
- Involving in equipment leasing, hire purchase, venture capital, seed capital, etc.
- Dealing in foreign exchange market activities. Non-fund based activities
- **B. Non-fund based activities:** Financial intermediaries provide services-based on non-fund activities also. This can call “fee-based” activity. Today customers, whether individual or corporate, not satisfy mere provisions of finance. They expect more from their companies. Hence a wide variety of services, are being provided under this head. They include:
 - Managing the capital issue i.e. management of pre-issue and post-issue activities relating to the capital issued by the SEBI guidelines and thus enabling the promoters to market their issue.

- Making arrangements for the placement of capital and debt instruments with investment institutions.
- The arrangement of funds from financial institutions for the client's project cost or his working capital requirements.
- Assisting in the process of getting all Government and other clearances.

Modern Activities: Besides the above traditional services, the financial intermediaries render innumerable services in recent times. Most of them are like the non-fund based activities. Because of the importance, these activities have been in brief under the head "New-financial-products-and-services". However, some of the modern services provided by them are given in brief hereunder.

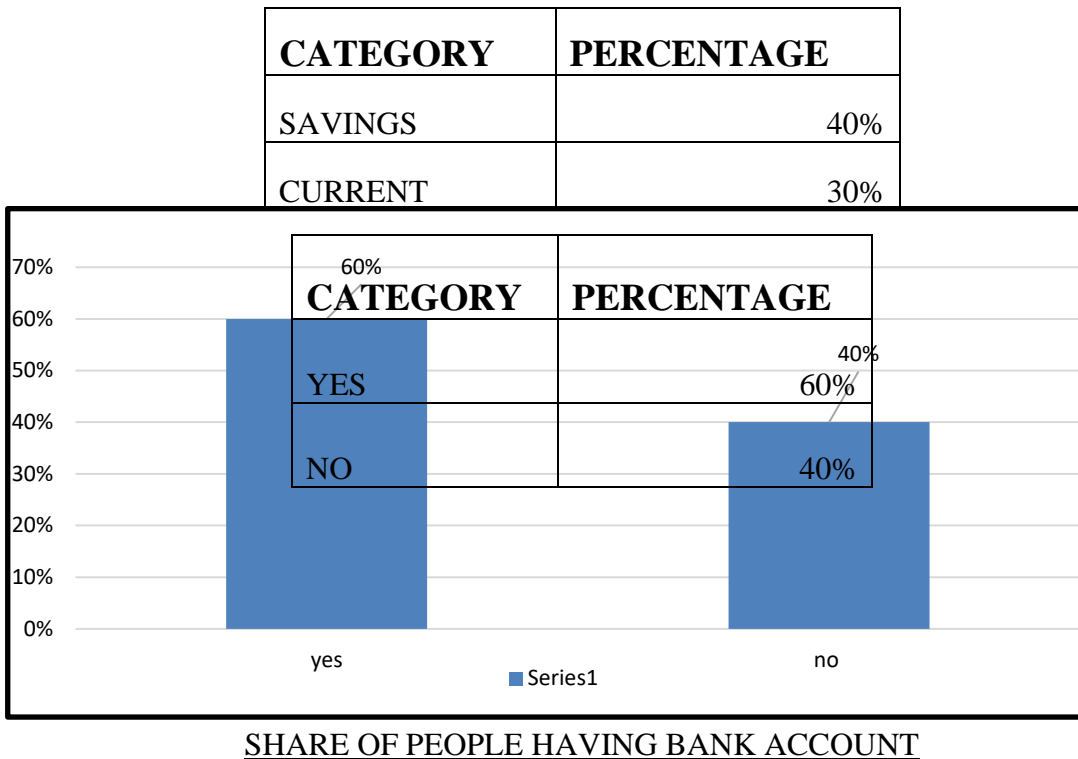
1. Rendering project advisory services right from the preparation of the project report until the raising of funds for starting the project with necessary Government approvals.
 2. Planning for M&A and assisting with their smooth carry out.
 3. Guiding corporate customers in capital restructuring.
 4. Acting as trustees to the debenture holders.
 5. Recommending suitable changes in the management structure and management style to achieve better results.
 6. Structuring the financial collaborations/joint ventures by identifying suitable joint venture partners and preparing joint venture agreements.
 7. Rehabilitating and restructuring sick companies through an appropriate scheme of reconstruction and facilitating the implementation of the scheme.
- Undertaking risk management services like insurance services, buy-back options, etc.
 - Advising the clients on the questions of selecting the best source of funds taking into consideration the quantum of funds required, their cost, lending period, etc.
 - Guiding the clients in the minimization of the cost of debt and the determination of the optimum debt-equity mix.
 - Promoting credit rating agencies for rating companies that want to go public by the issue of the debt instrument. Undertaking services relating to the capital market, such as 1) Clearing services, 2) Registration and transfers, 3) Safe custody of securities, 4) Collection of income on securities.

CHAPTER 3

DATA REPRESENTATION

PRIMARY DATA

1 .Do you have a bank account?



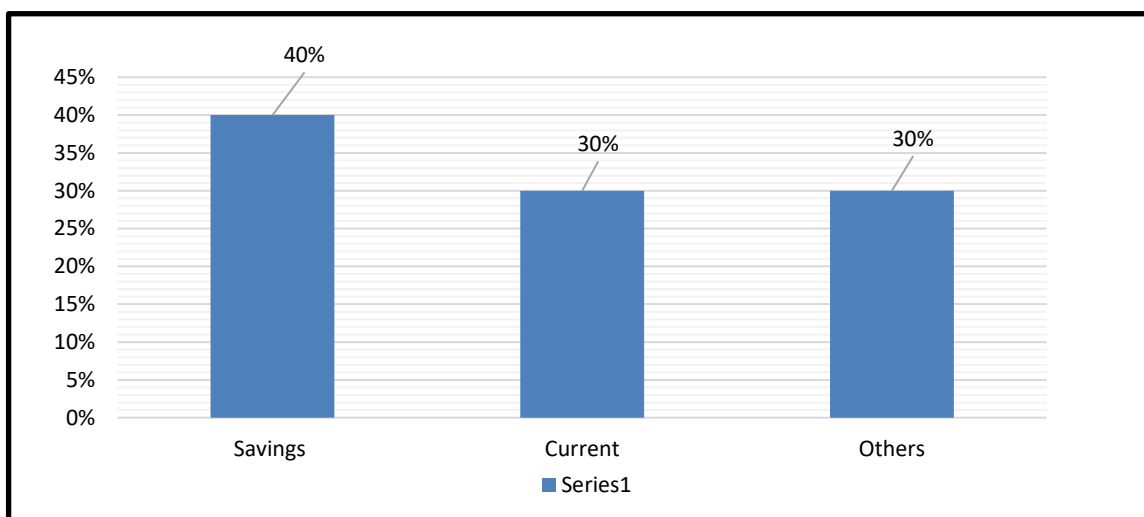
INTERPRETATION

- The above data is shown in a pie chart format.
- 20 people out of 50 people don't have their bank accounts that boils down to 40%.
- 30 people out of 50 people have their bank accounts that boils down to 60%.

2. What type of account do you maintain?

OTHERS	30%
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CATEGORY	PERCENTAGE
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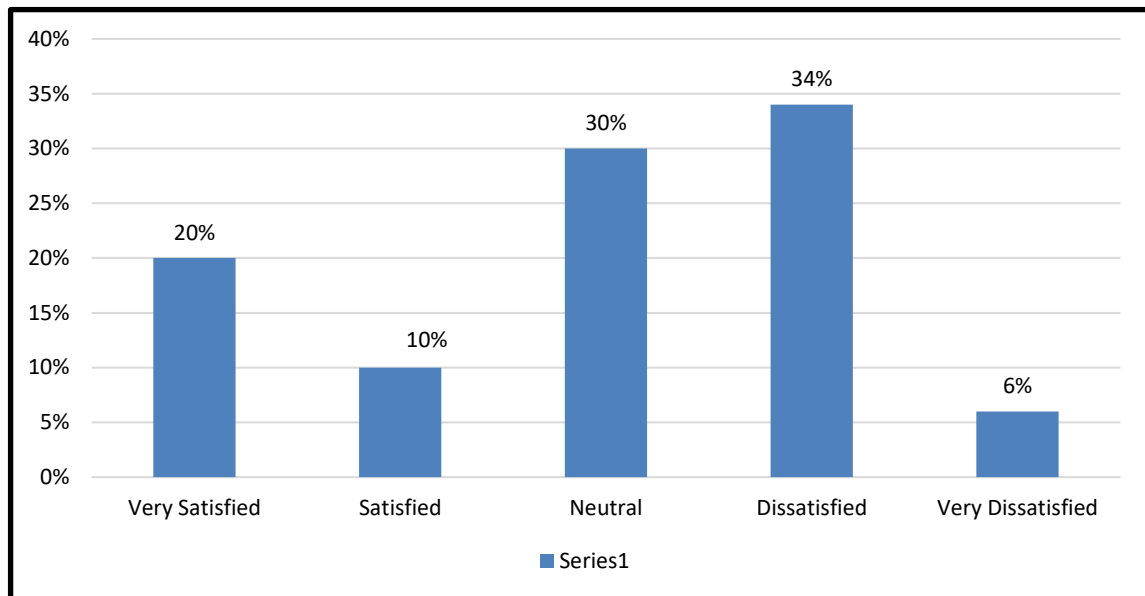
SHARE OF PEOPLE HAVING SAVINGS, CURRENT AND OTHER TYPES OF BANK ACCOUNTS

INTERPRETATION

- The abovedata is represented in a column graph format.
- 20 people out of 50 people have savings bank account that comes to 40%.
- 15 people out of 50 people have current bank account that comes to 30%.
- 15 people out of 50 people have other bank accounts that comes down to 30% in total.

3. How do you rate the interest rates charged by ICICI Bank?

CATEGORY	PERCENTAGE
VERY DISSATISFIED	6%
DISSATISFIED	34%
NEUTRAL	30%
SATISFIED	10%
VERY SATISFIED	20%



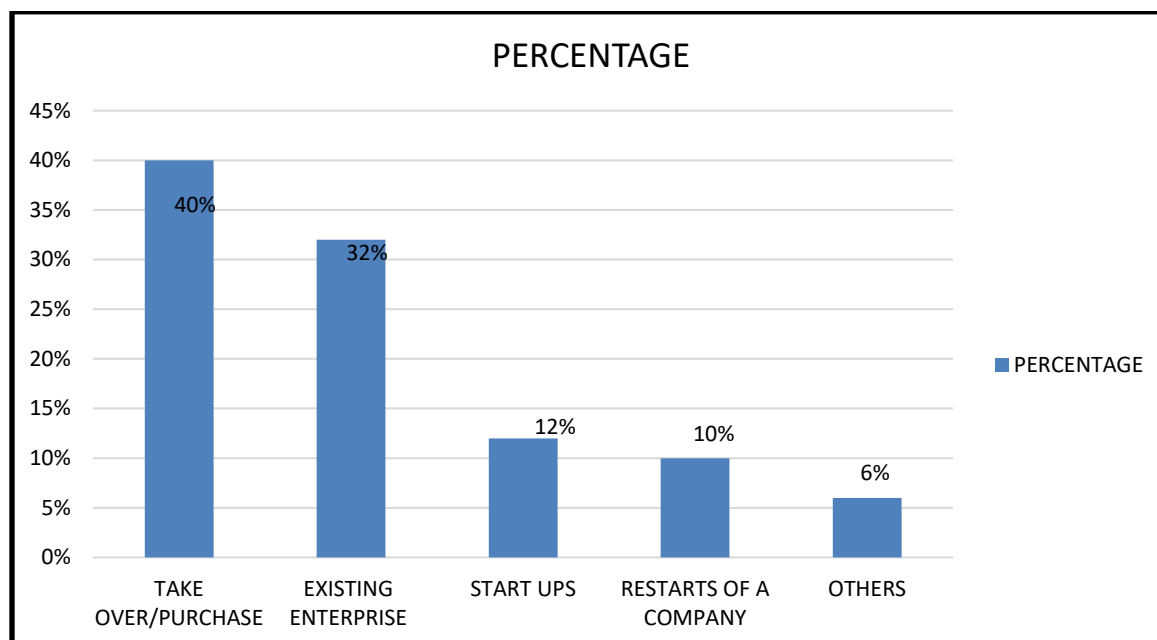
SATISFACTION OF CUSTOMERS WITH THE BANK'S INTEREST RATES

INTERPRETATION

- The above data is displayed in a bar graph format in order to show the various interest rates charged by ICICI bank.
- 6% of the sample size which is 50 people were very dis satisfied.
- 34% of the sample size is dissatisfied.
- 30% of the sample size is neutral.
- 10% of the sample size is satisfied.
- 20% of the sample size is very satisfied.

4. What type of business do you have?

OVER/PURCHASE	
EXISTING ENTERPRISE	32%
START UPS	12%
RESTARTS OF A COMPANY	10%
OTHERS	6%



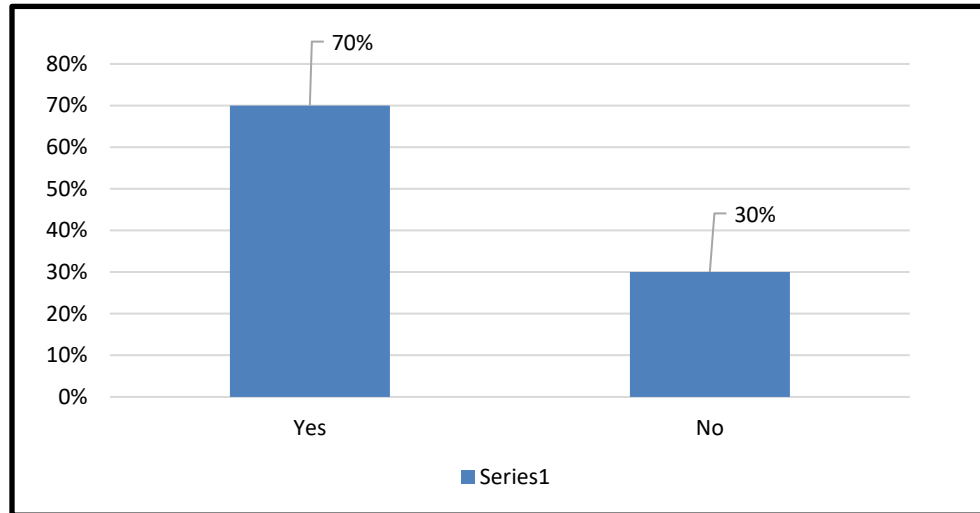
SHARE OF DIFFERENT TYPES OF BUSINESS

INTERPRETATION

- The above data is the diagrammatic representation of the various kinds of businesses in a histogram format.
- 40% of the businesses are of the takeover/purchase of another enterprise nature.
- 32% of the businesses are of the creation by an existing enterprise nature.
- 12% of the businesses are of the start-ups company.
- 10% of the businesses are of the kinds where restarts of a business takes place.
- 6% of the businesses are of the other kinds.

5. Do you use loan facility for your business purpose?

CATEGORY	PERCENTAGE
YES	70%
NO	30%



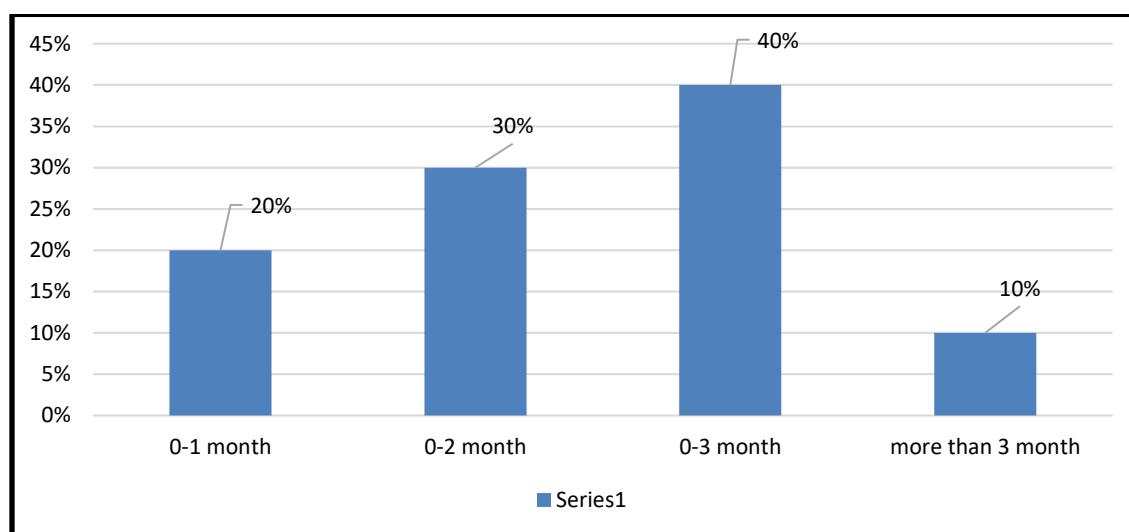
SHARE OF PEOPLE USING LOAN FACILITY OF BANKS

INTERPRETATION

- The above data is a diagrammatic representation of the loan facility for the business purpose in pie chart format.
- 15 people out of the 50 people which boils down to 30% don't use the loan facility for the business purposes.
- 35 people out of the 50 people which boils down to 70% use the loan facility for the business purposes.

6. Duration taken by ICICI bank to sanction a home loan?

DURATION (IN MONTHS)	PERCENTAGE
0-1	20%
0-2	30%
0-3	40%
MORE THAN 3	10%



DURATION TAKEN BY ICICI BANK TO SANCTION A LOAN

INTERPRETATION

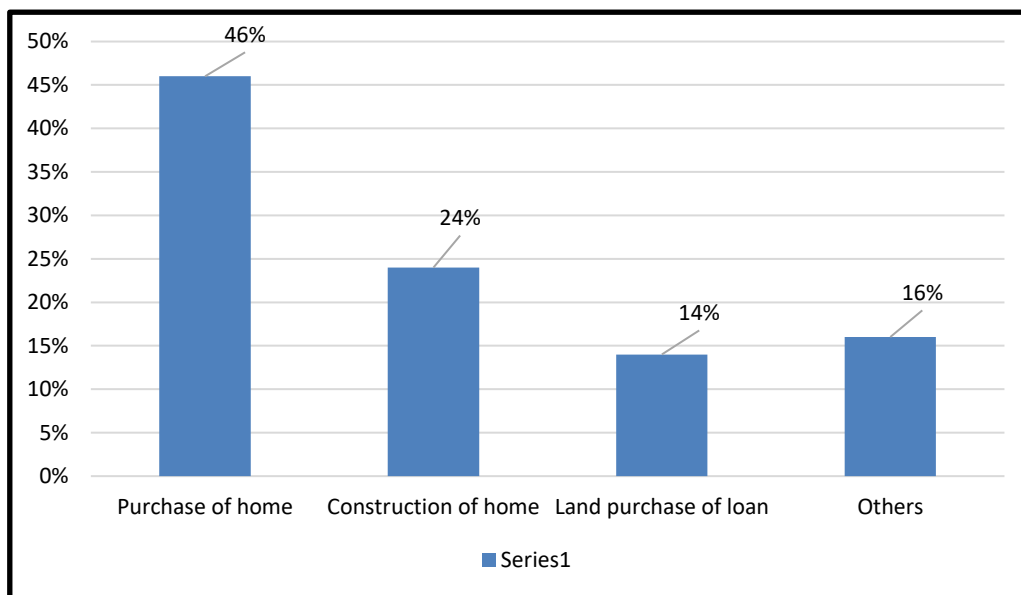
- The above data is a diagrammatical representation in the form of column graph to show the duration taken by ICICI bank to sanction a home loan.
- In the time span of 1-2 months the percentage is 20%.
- In the time span of 0-2 months the percentage is 30%.
- In the time span of 0-3 months the percentage is 40%
- In the time span of more than 3 months the percentage is 10%.

7. Which type of you applied for?

TYPES	PERCENTAGE
--------------	-------------------

housing loan have

PURCHASE OF HOME	46%
CONSTRUCTION OF HOME	24%
LAND PURCHASE	14%
OTHERS	16%



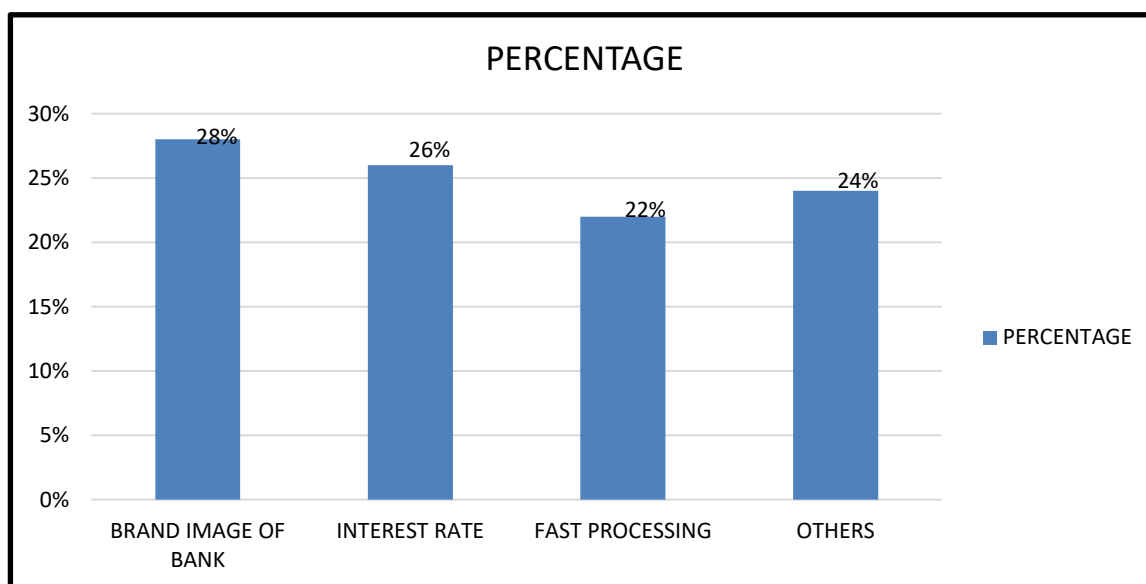
TYPES OF HOUSING LOANS

INTERPRETATION

- The above data is displayed in order to show the types of loans applied by the people in a bar graph format.
- 46% of the sample size which is 50 people are in favour of purchasing of home.
- 24% of the sample size is in favour of construction of home.
- 14% of the sample size is in favour of the land purchase of the home
- 16% o the sample size is in favour of other kinds of housing loans.

8. Reason for taking home loan from ICICI Bank?

REASONS FOR TAKING HOME LOAN	PERCENTAGE
BRAND IMAGE OF BANK	28%
INTEREST RATE	26%
FAST PROCESSING	22%
OTHERS	24%



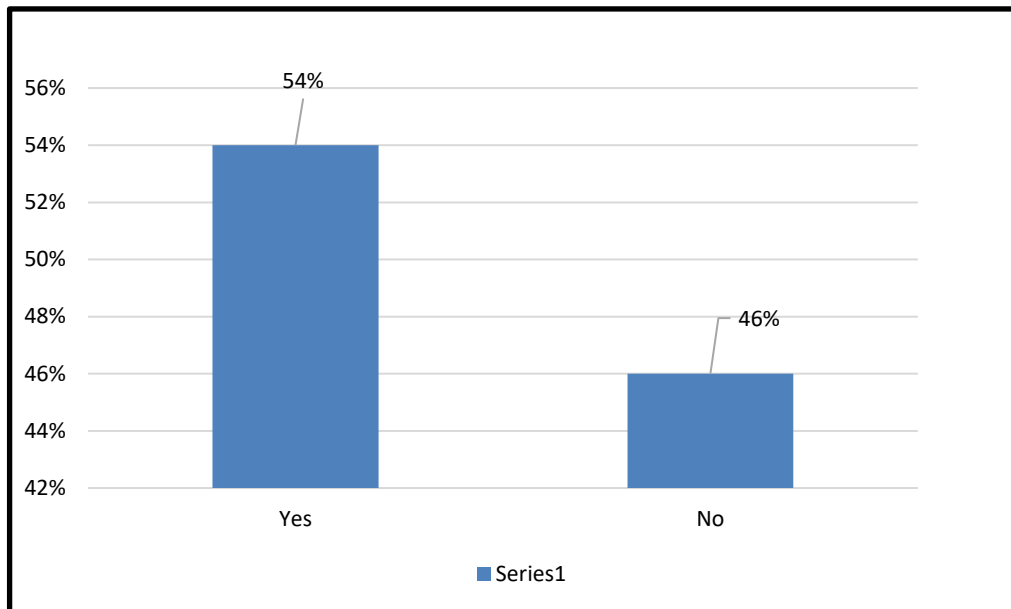
REASONS FOR TAKING LOANS FROM BANK

INTERPRETATION

- The above diagrammatic representation is of the various reasons for taking home loan from ICICI bank in histogram format.
- 28% of the sample size is in favor of brand image of bank.
- 26% of the sample size is in favor of the interest rate of the bank.
- 24% of the sample size is in favor of other kinds of home loans.
- 22% of the sample size is in favor of faster processing.

9. Are penalties and charges levied upon satisfactory?

CATEGORY	PERCENTAGE
YES	54%
NO	46%



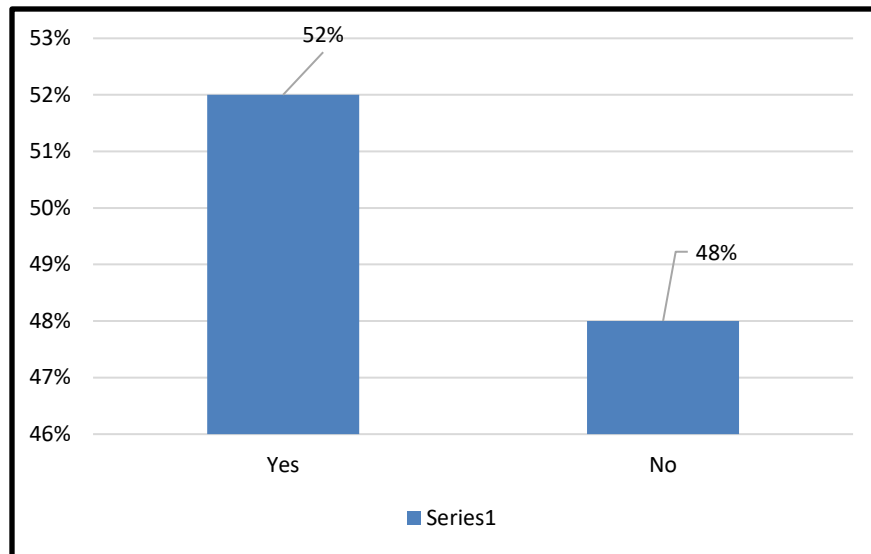
SATISFACTION OF CUSTOMERS REGARDING PENALTIES AND CHARGES LEVIED

INTERPRETATION

- The diagrammatic representation shows the penalties and charges levied upon satisfactory.
- 46% of the sample size that is 50 people says NO.
- 54% of the sample size that is 50 people says YES.

10. Is period of re-payment of the loan acceptable?

CATEGORY	PERCENTAGE
YES	52%
NO	48%



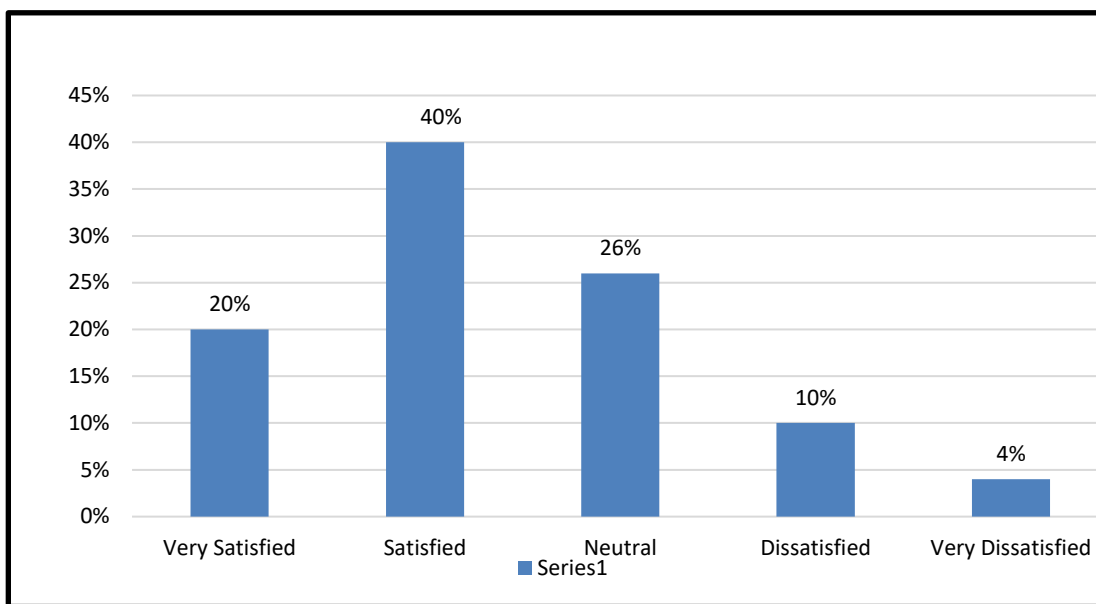
ACCEPTABILITY OF PERIOD OF LOAN

INTERPRETATION

- The above diagram is the representation of the period of re-payment of the loan acceptable in a pie chart format.
- 48% of the sample size says NO.
- 52% of the sample size says YES.

11. How do you rate the EMI of ICICI Bank?

CATEGORY	PERCENTAGE
VERY SATISFIED	20%
SATISFIED	40%
NEUTRAL	26%
DISSATISFIED	10%
VERY DISSATISFIED	4%



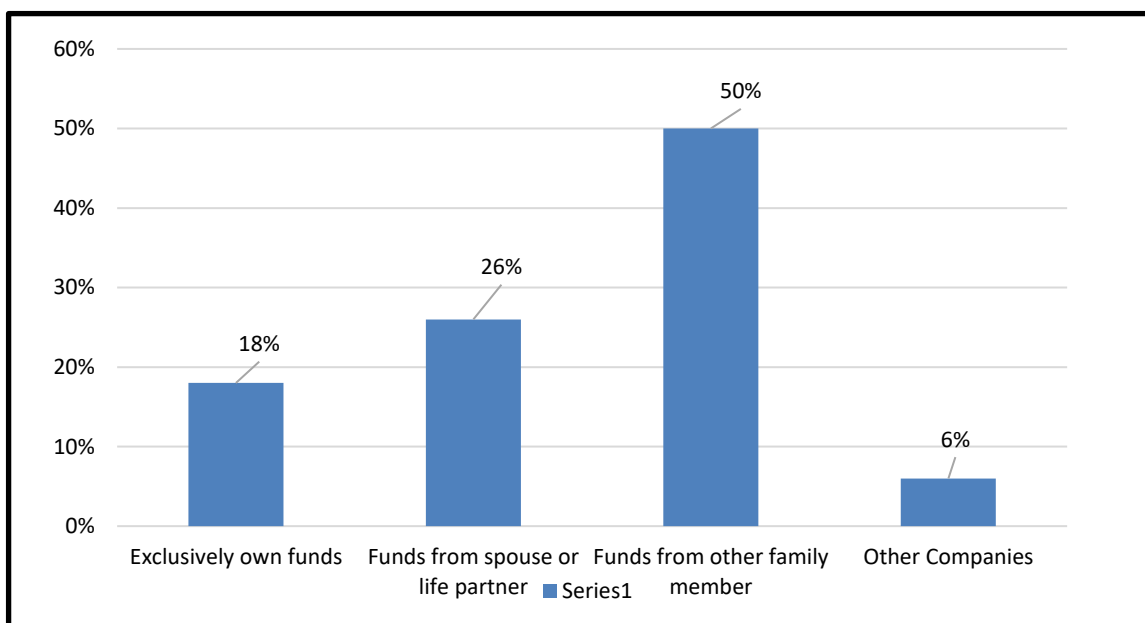
SATISFACTION LEVEL OF CUSTOMERS REGARDING THE RATE OF EMI

INTERPRETATION

- The above diagram is shown to show the rate of the EMI of ICICI banks in the column graph.
- 20% of the sample size is very satisfied.
- 40% of the sample size is satisfied.
- 26% of the sample size is neutral
- 10% of the sample size is dissatisfied.
- 4% of the sample size is very dissatisfied.

12. What type of Equity Financing has your enterprise received since start up?

TYPES OF EQUITY FINANCING	PERCENTAGE
EXCLUSIVELY OWN FUNDS	18%
FUNDS FROM SPOUSE OR LIFE PARTNER	26%
FUNDS FROM OTHER FAMILY MEMBER	50%
OTHER COMPANIES	6%



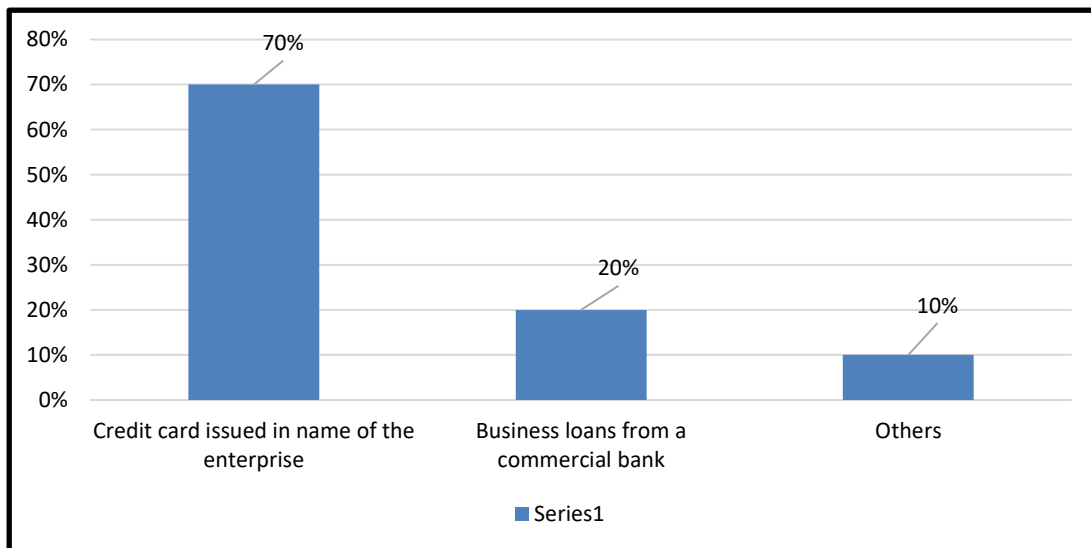
TYPES OF EQUITY FINANCE RECEIVED SINCE STARTUP

INTERPRETATION

- The above is a diagrammatic representation of the types of Equity Finance, the various enterprises received since start up.
- 18% of the sample size have received exclusively own funds.
- 26% of the sample size has received funds from spouse pr life partner.
- 50% of the sample size has received funds from the other family members.
- 6% of the sample size has received funds from other sources.

13. Did the enterprise since it's start use any of following Debt Financing options?

CATEGORY	PERCENTAGE
CREDIT CARD ISSUED IN NAME OF THE ENTERPRISE	70%
BUSINESS LOANS FROM A COMMERCIAL BANK	20%
OTHERS	10%



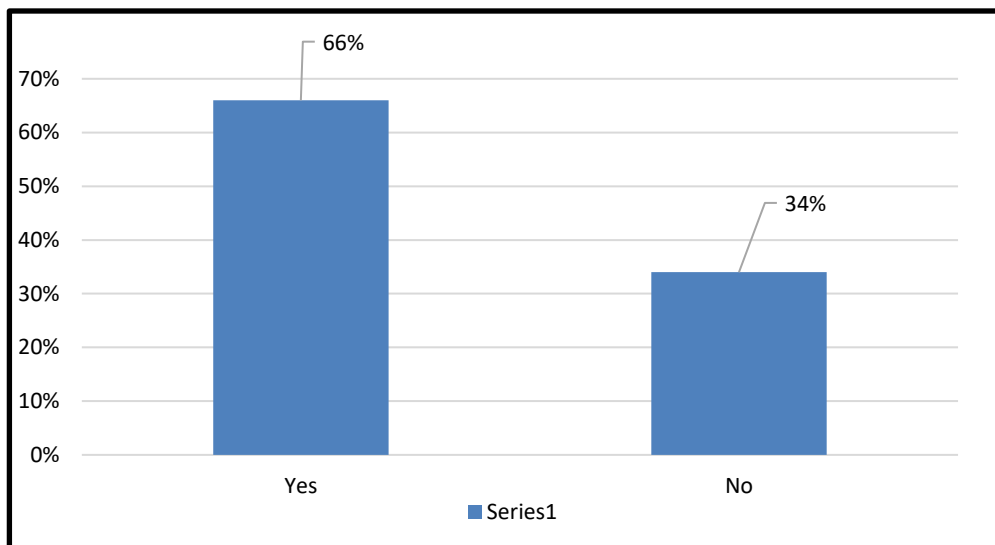
DEBT FINANCING OPTIONS

INTERPRETATION

- The above is a diagrammatic representation of the usage of various Debt Financing options in histogram format

14. Have you used Mutual Funds Facility in ICICI Bank?

CATEGORY	PERCENTAGE
YES	66%
NO	34%



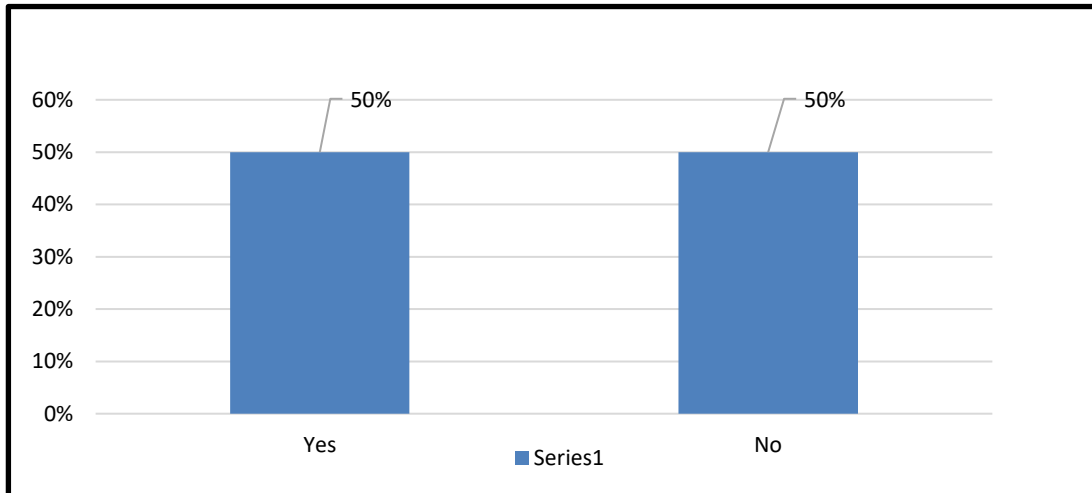
USAGE OF MUTUAL FUNDS FACILITY

INTERPRETATION

- The above data analysis is of the usage of Mutual Funds Facility in ICICI bank in bar graph format.
- 34% of the sample size says NO.
- 66% of the sample size says YES.

15. Are your grievances attended by the bank agent?

CATEGORY	PERCENTAGE
YES	50%
NO	50%



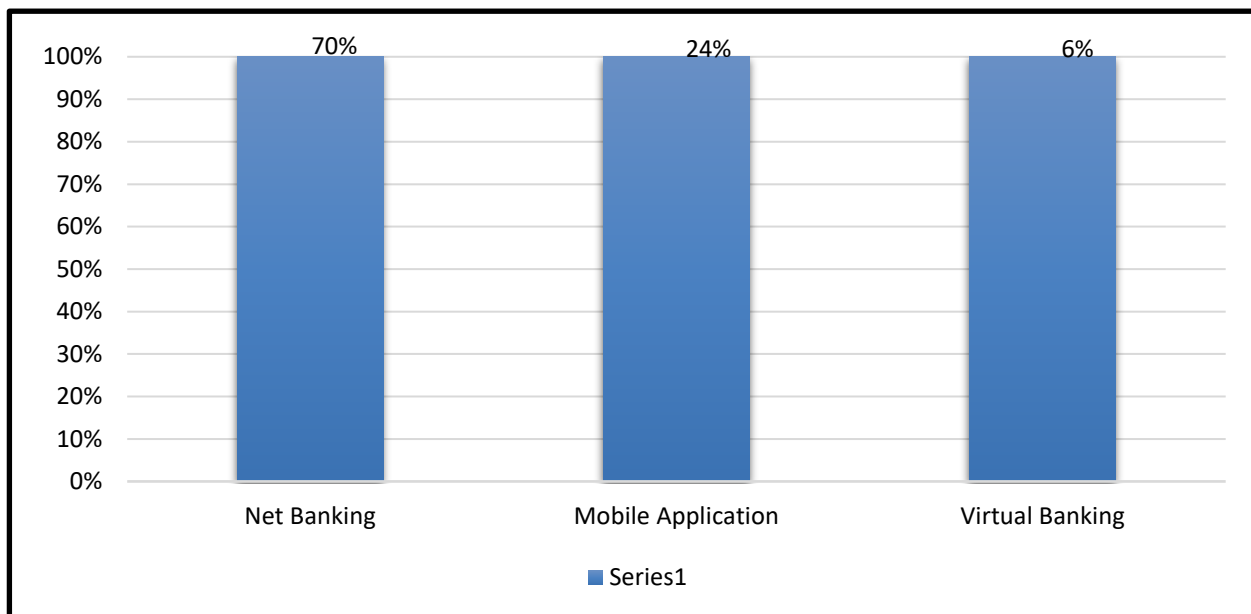
GRIEVANCES ATTENDED BY THE BANK

INTERPRETATION

- The above is the diagrammatic representation of the grievances attended by the bank agents in the form of pie chart.
- 50% of the respective sample size says NO.
- 50% of the respective sample size says YES.

16. You prefer which mode for making payments, paying EMI's, for transaction purposes and other facilities?

MODES	PERCENTAGE
NET BANKING	70%
MOBILE APPLICATION	24%
VIRTUAL BANKING	6%



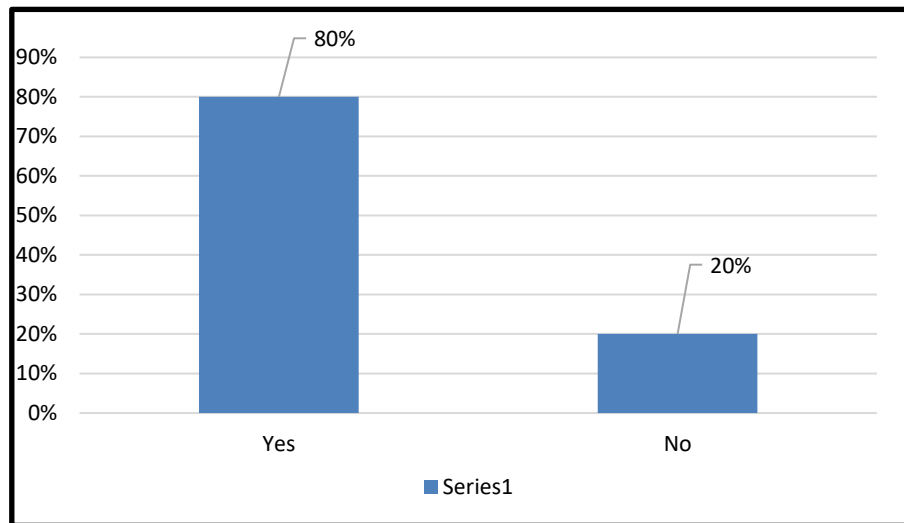
MODES FOR MAKING PAYMENTS

INTERPRETATION

- The diagrammatic representation shows the various preference of mode for making payments, paying EMI's for transaction purposes and other facilities in column graph format.
- 70% of the sample size uses Net Banking.
- 24% of the sample size uses mobile application.
- 6% of the sample size uses virtual banking.

17. Do you frequently use Debit/Credit Card Facility?

CATEGORY	PERCENTAGE
YES	80%
NO	20%



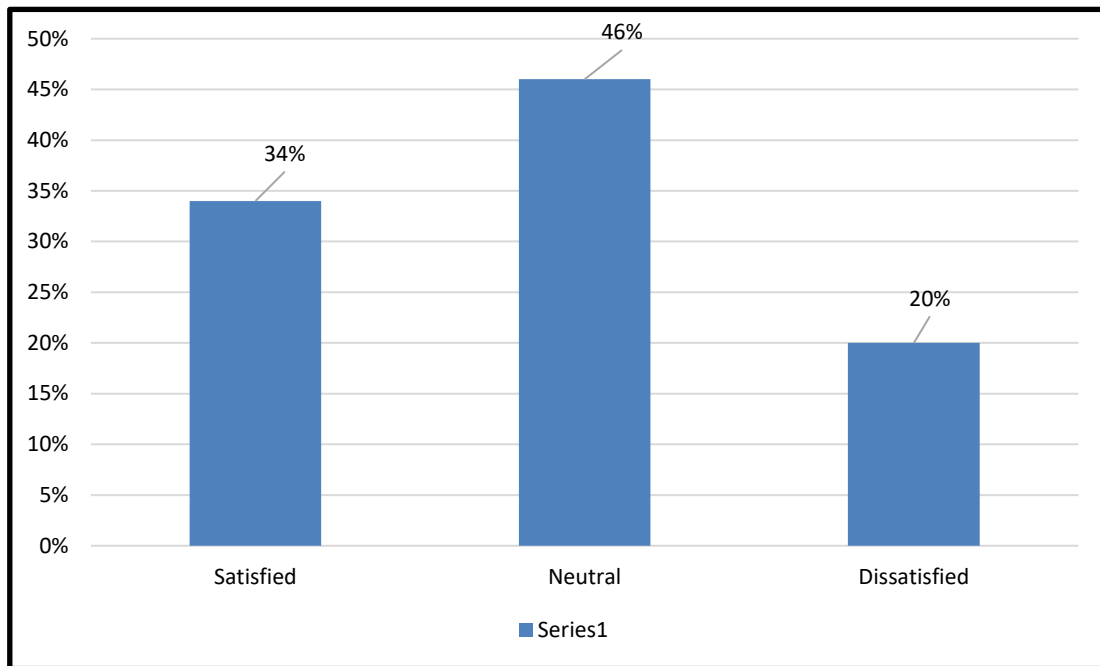
FREQUENCY OF USING DEBIT & CREDIT CARD FACILITY

INTERPRETATION

- The diagrammatic representation is about the frequent usage of debit and credit facility by the customers in bar graph format.
- 20% of the sample size says 'NO'
- 80% of the sample size says 'YES'

18. How do you rate sanctioning procedure of ICICI Bank?

CATEGORY	PERCENTAGE
SATISFIED	34%
NEUTRAL	46%
DISSATISFIED	20%



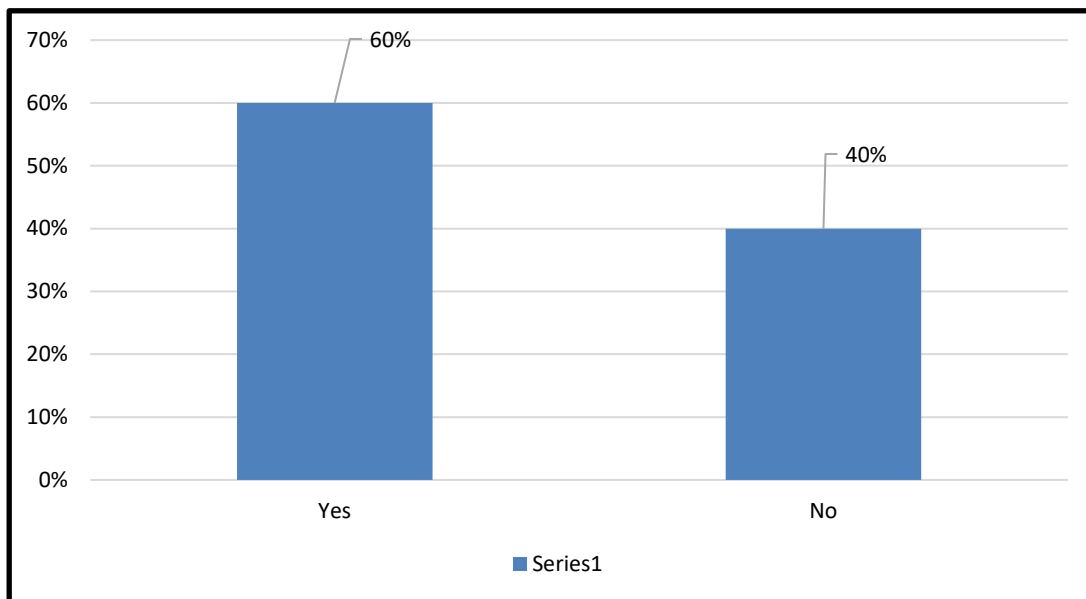
RATING OF SANCTIONING PROCEDURE OF ICICI BANK

INTERPRETATION

- The above pie chart is the representation of the rates sanctioning procedure of ICICI bank.
- 20% is dissatisfied.
- 34% is satisfied.
- 46% is neutral.

19. Do you want more improvement in Banking Facility be it online or virtual?

CATEGORY	PERCENTAGE
YES	60%
NO	40%



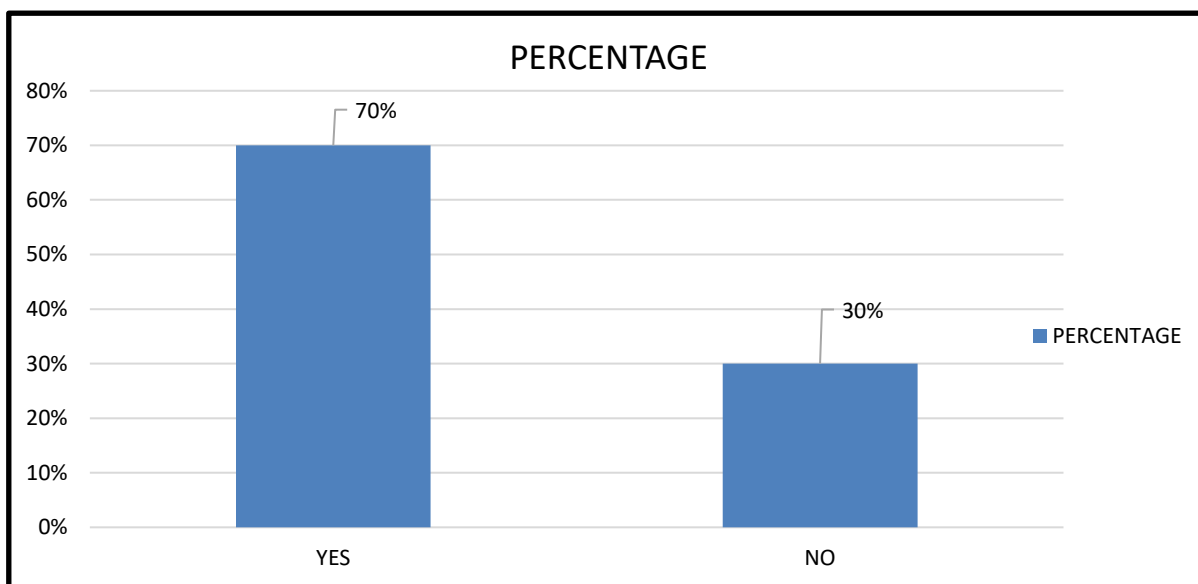
ONLINE OR VIRTUAL IMPROVEMENT IN BANKING FACILITY

INTERPRETATION

- The above pie chart is the graphical representation of the improvement in banking facility be it online or virtual.
- 40% of the sample size says 'NO'
- 60% of the sample size says 'YES'

20. Would you recommend other people to use the Financial Services of ICICI Bank?

CATEGORY	PERCENTAGE
YES	70%
NO	30%



RECOMMENDATION OF USING FINANCIAL SERVICES OF ICICI BANK

INTERPRETATION

- The above diagrammatic representation in the form of histogram is the recommendations of the people to use the financial services of ICICI bank.
- 30% of the sample size says 'NO'
- 70% of the sample size says 'yes'

CHAPTER 4

4.1 CONCLUSION

The financial service industry in India consists of various Financial Institutions (FIs) such as finance companies, commercial banks, securities funds and investment banks, mutual funds and insurance companies, etc. The basic function of financial institutions involves channelizing public money in a profitable manner by bearing sufficient risk and in turn distributing profits by the way of interest and dividends to the investors. Universal banking system in which banks provide a wide variety of financial services, including both commercial and investment services. For the purpose of the study we have selected ICICI bank. The objectives of the study are to identify the various factors which affect universal banking in India on a case study on ICICI bank to check the relationship of universalization on efficiency and profitability. Data have been collected from primary sources and this data have been collected from the questionnaire prepared by me for the genuine customers of the ICICI Bank. For the purpose of the study we have also used bar diagrams and tables to interpret the financial data. From the extensive review of literature we found factors of financial services mainly of ICICI bank, after discussing the concepts we conclude by providing few recommendations.

4.2 RECOMMENDATIONS

Present study is a useful contribution to understand the relationship between profitability and efficiency of the banks such as ICICI bank.

- Safeguard savings and the integrity of the financial services in the ICICI bank.
- Provide broad access to financial services products and services
- Provide effective markets in the financial sector
- Interest rates can be made a bit lower so that the customers can be attracted
- Due to insufficiency of the bank employees the loan sanction can takes longer time.
- Loans can provided at consumer friendly rates.
- At times ATM machines do not work at certain places which can be improved.
- Due to improper connectivity sometimes web pages do not function properly.

CHAPTER 5

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ANNEXURE II

QUESTIONNAIRE

1. Do you have a bank account in ICICI Bank? *

- Yes
- No

2. What type of account do you maintain? *

- Savings
- Current
- Others

3. How do you rate the interest rates charged by ICICI Bank? *

- Very Satisfied
- Satisfied
- Neutral
- Dissatisfied
- Very Dissatisfied

4. What type of business do you have? *

- Start of completely new enterprise/business/activity
- Creation by an existing enterprise
- Take over/purchase of another enterprise
- Restart of a business
- Others
-

5. Do you use loan facility for your business purpose? *

- Yes
- No

6. Duration taken by ICICI bank to sanction a home loan?

- 0-1month
- 0-2month
- 0-3month
- More than 3 months

7. Which type of housing loan have you applied for? *

- Purchase of home
- Construction of home
- Land purchase of loan
- Others

8. Reason for taking home loan from ICICI Bank? *

- If you have taken a loan
- Faster processing

- Interest rate
- Brand image of bank
- Others

9. Are penalties and charges levied upon satisfactory? *

- Yes
- No

10. Is period of re-payment of the loan acceptable? *

- Yes
- No

11. How do you rate the EMI of ICICI Bank? *

- Highly Satisfied
- Satisfied
- Neutral
- Dissatisfied
- Highly Dissatisfied

12. What type of Equity Financing has your enterprise recieved since start up? *

- Exclusively own funds
- Funds from spouse or life partner
- Funds from other family member
- Other Companies

13. Did the enterprise since it's start use any of following Debt Financing options? *

- Credit card issued in name of the enterprise
- Business loans from a commercial bank
- Others

14. Have you used Mutual Funds Facility in ICICI Bank *

- Yes
- No

15. Are your grievances attended by the bank agent? *

- Yes
- No

16. You prefer which mode for making payments, paying EMI's, for transaction purposes and other facilities? *

- Net Banking
- Mobile Application

- Virtual Banking

17. Do you frequently use Debit/Credit Card Facility? *

- Yes
- No

18. How do you rate sanctioning procedure of ICICI Bank? *

- Satisfied
- Neutral
- Dissatisfied

19. Do you want more improvement in Banking Facility be it online or virtual? *

- Yes
- No

20. Would you recommend other people to use the Financial Services of ICICI Bank? *

- Yes
- no

Project Report

(Submitted for the degree of B.com Honours in Accounting and Finance under the University of Calcutta)

Title of the project: INTRODUCTION OF E-COMMERCE TO THE ECONOMY AND ITS SCOPE IN THE FUTURE: A CASE STUDY ON FLIPKART

Details:

Name of the candidate: Ritarshi Banerjee

Registration Number: 223-1111-0532-18

College Roll Number: 18C-030

Name of the supervisor: Ms. Poushali Bardhan

Name of the college: Scottish Church College

Year of submission- 2021

Supervisor's Certificate

This is to certify that Mr. Ritarshi Banerjee, a student of B.com Honours in Accounting & Finance of Scottish Church College, under the University of Calcutta has worked under my supervision and guidance for his project work, and has prepared a project report with the title "Introduction of e-commerce to the economy and its scope in the future: A case study on Flipkart". The report that he is submitting, is his genuine and original work, and to the best of my knowledge.

Signature

Details:

Name- Ms. Poushali Bardhan

Name of the college- Scottish Church College

Place- Kolkata

Date- 26.07.2021

Student's Declaration

I, hereby declare, that the project work with the title “Introduction of e-commerce to the economy and its scope in the future: A case study on Flipkart” that has been submitted by me for the partial fulfillment of the degree of B.com Honours in Accounting & Finance, under the University of Calcutta is my original work and has not been submitted earlier to any other university/institution for the fulfillment of the requirement of any course of study. I also declare that no chapter of this manuscript in whole or in part has been incorporated in this report by any earlier work done by others or by me. However, extracts of any literature which has been used for this report has been duly acknowledged providing details of such literature in the references.

R. Banerjee

Signature

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Date- 26.07.2021

Acknowledgement

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Thanking you,

Ritarshi Banerjee.

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1. Introduction

Background study of e-commerce

E-commerce (electronic commerce) is the activity of electronically buying or selling of products on online services or over the Internet. It draws on technologies such as mobile commerce, electronic funds transfer, supply chain management, Internet marketing, online transaction processing, electronic data interchange, inventory management systems, and automated data collection systems. It is also in turn driven by the technological advances of the semiconductor industry, and is the largest sector of the electronics industry. Modern electronic commerce typically uses the World Wide Web for at least one part of the transaction's life cycle although it may also use other technologies such as e-mail. Typical e-commerce transactions include the purchase of online books (such as Amazon) and music purchases (music download in the form of digital distribution such as iTunes Store), and to a less extent, customized/personalized online liquor store inventory services. There are three areas of e-commerce: online retailing, electronic markets, and online auctions. E-commerce is supported by electronic business. E-commerce businesses may also employ some or all of the followings:

- Business-to-business(B2B) buying and selling;
- Gathering and using demographic data through web contacts and social media;
- Business-to-business(B2B) electronic data interchange;
- Marketing to prospective and established customers by e-mail or fax(for example, with newsletters);
- Engaging in pretail for launching new products and services;
- Online financial exchanges for currency exchanges or trading purposes;
- Online shopping for retail sales direct to consumers via Web sites and mobile apps, and conversational commerce via live chat, chatbots, and voice assistants;
- Providing or participating in online marketplaces, which process third-party business-to-consumer (B2C) or consumer-to-consumer (C2C) sales.

In March 2020, global retail website traffic hit 14.3 billion visits signifying an unprecedented growth of e-commerce during the lockdown of 2020. Studies show that in the US, as many as 29% of surveyed shoppers state that they will never go back to shopping in person again; in the UK, 43% of consumers state that they expect to keep on shopping the same way even after the lockdown is over. Retail sales of e-commerce shows that COVID-19 has a significant impact on e-commerce and its sales are expected to reach \$6.5 trillion by 2023. Some of the major e-commerce websites of the world are:

- a. Flipkart- It is the most popular in India and in other Asian regions. At first, the site was launched as a bookstore and after that, it started to gain popularity and more things were made available on their website. Today, you will find clothes, apparels, lifestyle-related products, mobiles, televisions, laptops, accessories, and many other things.
It displays its products with brief descriptions and shows reviews and comments that help the customers get a better analysis of the product.
- b. Walmart- Its malls are mainly popular shopping destinations in the United States of America. However, now it has become one of the top 10 e-commerce websites in the world. It offers home appliances, toys, electronics, fashion accessories, sports-related products, gifts, crafts, groceries, etc.
It also provides its customers with discount coupons, shipping, and interesting discounts on special days. It has a very user-friendly interface which makes the whole shopping process easier and fun.
- c. Amazon - It is considered the world's top e-commerce platform. People love shopping on this website mainly because of the reason that the interface is simple, easy checkout, different payment methods, and have great discounts and offers.
Other reasons that attract people from all across the world are that the site offers an array of product at affordable rates, fast delivery, and versatile collection.
- d. Ebay- It is another amazing e-commerce website. One cannot just buy different products here but can also sell them to prospective buyers. Customers can create their shopping store with the help of Ebay store web application, and can also add their content, along with images and a proper description.
The website attracts both buyers as well as sellers from around the world. On special occasions, they offer some great deals on various categories of products.
- e. Alibaba- It is one of the top 10 e-commerce websites in the world that is primarily used for trading between buyers and sellers from around the world. It is mainly popular in Asia, and the concept behind this website is to generate an easy connection between the buyers and sellers.
It offers the suppliers a platform to sell their products at affordable rates. Today, there are over two million suppliers registered on the website. One can also compare products, ensure easy and fast checkout, secure payment gateways, and also get fast service, along with many other features.
- f. Overstock- It also has earned its place amongst the top 10 e-commerce websites in the world. The website features an array of products ranging from bedding, clothes, furniture, jewelry, cars, etc. This online platform deals in high quality products at great prices.

Additionally, their deliveries also tend to be quick which attracts customers towards the website. However, one of its specialties is that it sells cars. This is something that very few websites do online.

Background study of Flipkart

Flipkart is an Indian e-commerce company headquartered in Bangalore, Karnataka, India, and incorporated in Singapore as a private limited company. It was founded in October 2007 by Sachin Bansal and Binny Bansal, alumni of the Indian Institute of Technology, Delhi, and former Amazon employees. The company initially focused on online book sales before expanding into other product categories such as consumer electronics, fashion, home essentials, groceries, and lifestyle products, along with country-wide shipping. Flipkart slowly grew in prominence and was receiving 100 orders per day by 2008. In 2010, Flipkart acquired the Bangalore-based social book discovery service WeRead from Lulu.com. The service competes primarily with Amazon's Indian subsidiary and domestic rival Snapdeal. As of March 2017, Flipkart held a 39.5% market share of India's e-commerce industry. Flipkart has a dominant position in the apparel segment, bolstered by its acquisition of Myntra, and was described as being "neck and neck" with Amazon in the sale of electronics and mobile phones. Flipkart also owns PhonePe, a mobile payments service based on the Unified Payments Interface. In August 2018, US-based retail chain Walmart acquired a 77% controlling stake in Flipkart for US\$16 billion, valuing Flipkart at around \$20 billion. According to a report in November 2014, Flipkart was operating through a complex business structure that included nine firms, some registered in Singapore and some in India. In 2012, Flipkart co-founders sold WS Retail to a consortium of investors led by Rajeev Kuchhal. Flipkart's Indian entities are owned by Flipkart Pvt. Ltd, which is registered by Singapore. The Singapore registered entity owns eight Indian companies, including Flipkart Internet Pvt. Ltd, the company that runs the e-commerce marketplace Flipkart.com, Flipkart India Pvt. Ltd, the wholesale business, and Flipkart Logistics Pvt. Ltd, which runs Ekart. Some additional points have been mentioned below:

- A. Acquisitions- In 2011, Flipkart acquired the digital distribution business Mime360.com and the digital content library of the Bollywood portal Chapak. Following this acquisition, Flipkart launched their DRM-free online music store Flyte in 2012. The site was unsuccessful, and was shut down in June 2019 because of competition from free streaming sites.

With its eyes on the Indian retail market, Flipkart acquired Letsbuy, an online electronics retailer, for \$280 million in May 2014. Myntra continues to operate alongside Flipkart as a standalone subsidiary focusing on separate market segments. In April 2015, Flipkart acquired Appiterate, a Delhi-based mobile marketing automation firm. Flipkart stated that it would use Appiterate's technology to enhance its mobile services. In December 2015, Flipkart purchased a minority stake in the

digital mapping provider MapmyIndia. In 2016, Flipkart acquired the online fashion retailer Jabong.com from Rocket Internet for \$70 million and the UPI mobile payments startup PhonePe. In January 2017, Flipkart made a \$2 million investment in TinyStep, a parenting information startup. Flipkart invested \$35 million in Arvind Fashions Limited's newly formed subsidiary Arvind Youth Brands for a 27% stake in the company. Flipkart wholesale recently launched a digital platform for kiranas and MSMEs. In October 2020, Flipkart acquired a 7.8% stake in Aditya Birla Fashion and Retail for \$204 million.

- B. Partnerships- In April 2017, eBay announced that it would sell its subsidiary, eBay.in, to Flipkart and invest \$500 million in the company. While eBay suggested that the partnership would eventually allow Flipkart to access eBay's network of international vendors, these plans never actually came to fruition. In July 2017, Flipkart made an offer to acquire its main domestic competitor, Snapdeal, for \$700-800 million. It was rejected by Snapdeal, which was seeking at least \$1 billion. In August 2019, Flipkart entered into a partnership with Authentic Brands to license and distribute Nautica in India. Flipkart invested \$4 million in the customer engagement and rewards platform EasyRewardz on 19th November, 2019.
- C. Mobile retailing- In February 2014, Flipkart partnered with Motorola Mobility to be the exclusive Indian retailer of its Moto G smartphone. Motorola also partnered with Flipkart on the Moto E, a phone targeted primarily towards emerging markets such as India. High demand for the phone following its midnight launch on 14 May caused the Flipkart website to crash. Flipkart subsequently held exclusive Indian launches for other smartphones, including the Xiaomi Mi 3 in July 2014(whose initial release of 10,000 devices sold out in around 5 seconds), the Redmi 1S and Redmi Note in late 2014, and Micromax's Yu Yunique 2 in 2017. Flipkart held a 51% share of all Indian smartphone shipments in 2017, overtaking Amazon India (33%). On October 6 2014, in honor of the company's anniversary and the Diwali season, Flipart held a major sale that it promoted as "Big Billion Day". The event generated a surge of traffic, selling \$100 million worth of goods in 10 hours. In October 2015, Flipkart reprised the Big Billion Day event as a multi-day event exclusive to the Flipkart app. Flipkart bolstered its supply chain and introduced more fulfillment centers to meet customer demand. Flipkart achieved a gross merchandise volume of \$300 million during the event, with the largest volumes coming from fashion sales and the largest value coming from mobiles. In 2017, Flipkart sold 1.3 million phones in 20 hours on 21 September in its Big Billion Days promotion, doubling the number sold on the first day of the same event in 2016.

D. House brands- Flipkart operates several house brands, including Citron (home appliances) and Digiflip (formerly for electronics and accessories). In 2017, Flipkart launched additional house brands, including Billion (smartphones), Smartbuy (electronics accessories, effectively replacing Digiflip), and MarQ (for large appliances, although its launch was complicated by a trademark dispute with an existing company, Marc enterprises).

In 2019, Flipkart began selling Nokia-based televisions. A 55-inch, Android TV-based 4K smart TV was the first product released under that licensing agreement. A 43-inch TV was unveiled on 4th June, 2020.

E. Awards and recognition-

- Sachin Bansal was awarded Entrepreneur of the year, 2012-2013 from The Economic times, a leading Indian economic daily newspaper.
- In September 2015, the two founders entered Forbes' India Rich List, debuting in the 86th position with a net worth of \$1.3 billion each.
- In April 2016, Sachin and Binny Bansal were named to Time magazine's annual list of the 100 Most Influential People in the World.

2. Conceptual Framework

The e-commerce industry in India

E-commerce has transformed the way business is done in India. The Indian e-commerce market is expected to grow to US\$ 200 billion by 2026 from US\$ 38.5 billion as of 2017. Much of the growth for the industry has been triggered by an increase in Internet and smartphone penetration. As of September 2020, the number of internet connections in India significantly increased to 776.45 million, driven by the 'Digital India' programme. Out of the total internet connections, ~61% connections were in urban areas, of which 97% connections were wireless:

A. Market size

The Indian online grocery market is estimated to reach US\$ 18.2 billion in 2024 from US \$1.9 billion in 2019, expanding at a CAGR of 57%. India's e-commerce orders volume increased by 36% in the last quarter of 2020, with the persona care, beauty and wellness (PCB&W) segment being the largest beneficiary. Propelled by rising smartphone penetration, launch of 4G network and increasing consumer wealth, the Indian E-commerce market is expected to grow to US\$ 200 billion by 2026 from US\$ 38.5 billion in 2017. Online retail sales in India is expected to grow 31% to touch US\$ 32.70 billion in 2018, led by Flipkart, Amazon India and Paytm Mall. In India, smartphone shipments reached 150 million units and 5G smartphone shipments crossed 4 million in 2020, driven by high consumer demand post-lockdown. In festive season CY20, the Indian e-commerce GMV was recorded at US\$ 8.3 billion, a significant jump of 66% over the previous festive season. Similarly, the Indian e-commerce market recorded ~88 million users in festive season CY20, a significant jump of 87% over the previous festive season.

B. Investments/Developments

Some of the major developments in the Indian e-commerce sector due to the growth of Flipkart are as follows:

- a. In April 2021, Flipkart announced a commercial alliance with Adani Group to improve the company's logistics and data centre capabilities and create about 2,500 direct jobs.
- b. In April 2021, Flipkart announced to acquire Cleartrip, an online travel technology firm. Flipkart announced to purchase 100% shareholding of Cleartrip as the company expands its investments to broaden its digital commerce offerings for customers.
- c. In February 2021, Flipkart partnered with Maharashtra State Khadi & Village Industries Board and Maharashtra Small Scale Industries Development Corporation to bring local artisans and small and medium businesses into the e-commerce ecosystem.

- d. In February 2021, Flipkart Wholesale, the digital B2B marketplace of Flipkart group will offer grocery on its app with an aim to provide kiranas and small retailers' one-stop access to a wide selection of products.
- e. In January 2021, Flipkart introduced SuperCoin Pay to strengthen its SuperCoin rewards programme by allowing customers to pay through SuperCoins at >5,000 retail outlets across the country.
- f. Flipkart partnered with PayTM for its annual Big Billion Days Sale event in October 2020, offering customers the convenience of making payments directly through the latter's application with the bonus of receiving PayTM cashbacks over and above Flipkart discounts.

C. Government initiatives

Since 2014, the Government of India has announced various initiatives, namely Digital India, Make in India, Start-up India, Skill India and Innovation Fund. The timely and effective implementation of such programs will likely support growth of E-commerce in the country. Some of the major initiatives taken by the Government to promote e-commerce in India are as follows:

- a. As of February 15, 2020, the Government e-Marketplace (GeM), listed 1,071,747 sellers and service providers across over 13,899 product and 176 service categories. For the financial year 2020-21, government procurement from micro and small enterprise was worth Rs. 23,424 crore (US\$ 3.2 billion).
- b. Government e-Marketplace (GeM) signed a Memorandum of Understanding (MoU) with Union Bank of India to facilitate a cashless, paperless and transparent payment system for an array of services in October 2019.
- c. Under the Digital India movement, Government launched various initiatives like Umang, Start-up India Portal, and Bharat Interface for Money (BHIM), etc. to boost digitization.
- d. In order to increase the participation of foreign players in E-commerce, Indian government hiked the limit of FDI in e-commerce marketplace model to up to 100% (B2B models).
- e. Heavy investment made by the Government in rolling out fiber network for 5G will help boost e-commerce in India.
- f. In October 2020, Minister of Commerce and Industry, Mr. Piyush Goyal invited start-ups to register at public procurement portal, GeM, and offer goods and services to government organizations and PSUS.

D. Road Ahead

The e-commerce industry has been directly impacting micro, small & medium enterprises (MSME) in India by providing means of financing, technology and training and has a favorable cascading effect on other industries as well. Indian e-commerce industry has been on an upward growth trajectory and is expected to surpass the US to become the second largest e-commerce market in the world by 2034. Technology enabled innovations like digital payments, hyper-local logistics, analytics driven customer engagement and digital advertisements will likely support the growth in the sector. The growth in e-commerce sector will also boost employment, increase revenues from export, increase tax collection by ex-chequers, and provide better products and services to customers in the long-term. Rise in smartphone usage is expected to rise 84% to reach 859 million by 2022. E-retail market is expected to continue its strong growth, it registered a CAGR of over 35% to reach Rs. 1.8 trillion (US\$ 25.75 billion) in FY20. Over the next 5 years, the Indian e-retail industry is projected to exceed ~300-350 million shoppers, propelling the online Gross Merchandise Value (GMV) to US\$ 100-120 billion by 2025. According to Bain & Company report, India's social commerce gross merchandise value (GMV) stood at ~US\$ 20 billion, with a potentially monumental jump to US\$ 70 billion by 2030, owing to high mobile usage.

The impact of Walmart & Flipkart on the Indian economy

After trying for more than 15 years, the retail giant Walmart finally managed to enter the Indian market via a deal with the e-commerce giant Flipkart which is very much expected to shake things up. After three months of celebration, Competition Committee of India (CCI) approved the proposed acquisition of Bangalore-based Flipkart Private Limited by Walmart International Holdings Inc, Walmart acquired 77% controlling stake in Flipkart for \$16 billion making it the biggest e-commerce deal in the world. The deal had set a different momentum for the Indian startup ecosystem as the entry of Flipkart into the Walmart validated the potential of the Indian retail market. The impacts of this deal on the Indian e-commerce market have been mentioned below:

- Walmart trusted the potential of Indian e-commerce sector. The deal raised confidence on the Indian e-commerce market, and thereby, has attracted more investors.
- The deal with Walmart has given Flipkart a big boost so as to be able to compete, more intensively, with another e-commerce giant, Amazon.
- The deal was able to end the monopoly of Amazon in the Indian e-commerce industry.
- More competition leads to more benefits to customers in the struggle to attract customers' base.
- More investments have resulted in attracting best talent to the e-commerce sector.
- Walmart has been very efficient in managing supply chains. Since the 1980s, Walmart has been buying products directly from the manufacturers. The efficiency of the supply

chain has been replicated in India, which has resulted in Indian e-commerce companies turning more profitable.

- Walmart has helped Flipkart with the part of accessing global supply chains.
- The employees of Flipkart have also benefited from this deal because of them having 'Employee Stock Ownership Plan (ESOP)'. It has encouraged ESOPs culture.
- The specific problems to deliver products to rural areas such as lack of warehouses, etc, got solved because of this major investment.
- More jobs got created especially to semi-skilled workers in logistics, delivery, back office operations, etc.
- Better supply-chain strategy has resulted in benefits to traders and farmers.
- Walmart-Flipkart is expected to make the Indian retail e-commerce sector ready for future demand.

Besides, the company is working to build technology that is experiential and is working seamlessly beyond social and economic barriers. Though the company has been part of the Walmart group, its senior representatives say that not much has changed in the company. Its focus on India, the working style, and Indian identity are intact. Flipkart as a company has experienced the market virtually from scratch. Flipkart that started with books today sells products and services across 80 plus categories, servicing almost 100% of pin codes in India. The company's move to introduce Hindi interface on the Flipkart app is on lines to ease the online shopping experience for first-time customers. Statistics suggest that video content and entertainment play a key role in bridging the gap for consumers to come online and experience e-commerce. And hence, the company is also leveraging the power of video content online, the first internet touch-point for most customers. Flipkart is on a continuous mission to bridge the gap between its sellers and customers. The company looks at small sellers and brands as the backbone of the Indian retail landscape. It has over one lakh sellers offering over 80 million products. The company also has an initiative- Flipkart Samarth, for India's artisans and NGO partners and is now aiming for access to a pan-India market, preservation of art and a permanent flow of income for the artisans.

Online fashion is also something in which Flipkart has been able to find huge potential that has not been fully tapped. Recently, the company partnered with Lifestyle to expand its product portfolio and has brought international brands like H&M through Myntra that has around of 18 private label brands. The company also went into an agreement with Authentic Brands Group (ABG) that helped Flipkart manage Nautica's online and offline business, through a network of franchise partners, helping them strengthen the brand and its business in India. At the same time, the company has relaunched 2GUD that caters to consumers who are not brand conscious, but prepared to buy quality products at affordable prices.

Grocery is another category where the company feels that it has huge potential. However, it is equally a challenging space as the items need to be fresh and delivered within a stipulated time.

The app-in-app experience for groceries is tailor-made to help users buy multiple items seamlessly. “It is like navigating in an aisle at an offline store where you can buy products of similar categories that are placed next to each other.” For further market expansion, Flipkart has also focused strongly on consumer finance innovations such as No Cost EMI, Debit Card EMIs, Buy Now Pay Later, Product Exchange (Prexo), and BuyBack Guarantee. These, the company said, have driven affordability among consumers in cities, towns as well as villages. Consumer finance affordability programmes are a major draw for first-time users wanting to give e-commerce a try.

Literature Review

1. Mallika Rangaiah (August 11, 2020)- shared the steps behind the success of Flipkart

Flipkart stands as one of the most dominant e-commerce companies in the nation. In order to make sure that its reach is at the maximum level, it has been using the social media platforms of Twitter, Facebook, Instagram, and Youtube, for the purpose of extensive promotion of their items. Flipkart has also been comprehensively utilizing the perks of online retail sector for further expansion, and in order to take full advantage of this shift in their sector’s favor. It has also introduced the scheme of offering branded products at more or less economical prices, as well as a couple of additional benefits. There are items that have been allotted the Flipkart Assured product badge for implying that they are assessed and double-checked in order to ensure better safety as well as quality. Apart from the technical aspects, it has also set-up more centers in Mumbai, Delhi, and Kolkata, aside from their center in Bangalore. It was also able to acquire the fashion-based companies “Myntra” and “Jabong”, the e-payment website “PhonePe”, and the e-commerce corporation “Ebay”. The largest revolutionary movement of Flipkart started after it was bought by Walmart, since then, it witnessed a massive degree of growth and advancement, and has also been able to enhance its product categories which played a huge part in encouraging investments from national and foreign investors. The very recent venture has been the introduction of a hyperlocal 90-minute delivery service termed as Flipkart Quick in Bangalore across categories including grocery, mobiles, electronics, and home accessories. Through this launch, the firm has been able to venture into items like fresh fruits and vegetables, as well as meats and milk on its platform. It has gained profitable investments from Ebay, Axis bank, Manhattan Venture Partners, Naspers, and Softbank Vision Fund, and thus, has been able to go beyond the national boundaries.

2. Indifi.com- shared the anecdotes of customer loyalty via Flipkart

A business which is flourishing, both physically and digitally, is indeed successful but the main key behind the success of a business is the ability to retain the loyalty of customers. In this context, we’ll be discussing about the various fine techniques that are used by Flipkart for the purpose of customer retention:

- a. The digital bridge- It is indeed true that Flipkart is an independent platform but it cannot be denied that it is made up of a variety of components which includes mainly of sellers it is associated with. Flipkart took up the initiative of registering the prospective seller with its website for assurance as a legit seller, so as to make the retention of customer loyalty easier. All one has got to do is get a thorough read of the tips provided, and then implement them.
- b. Enabling the geographical reach- Flipkart has enabled the feature of making its products available to the potential customer 24*7 by ensuring the facility of country-wide reach, and even to the most remote of locations. It has also taken up initiative of ensuring enough manpower, management and energy to take orders from the entire mainland and then bear the shipping as well.
- c. Ensuring maximum satisfaction- Once a customer has placed an order on Flipkart, it ensures the timely delivery with a high-quality product and also a reasonable price is set for it, along with proper packaging, so as for customers to be satisfied with the overall service, and also to be able to meet their demands.
- d. Asking for feedback- In order to make sure that the availability of a particular product is made known to others in a particular area, the feature of asking for feedback has been made available by Flipkart. Once the review and rating has been placed and is made public, it would assure and attract a potential customer. Not just that, an existing customer is also more likely to buy from a previous seller who has also been rated well by other buyers.
- e. Communication is the key- Flipart ensures that a particular user's experience regarding a certain product is made public. It makes sure to note of what the customer appreciates, what are the expectations and if possible, manages to reply and answer queries coming from the customers.

3. Mallika Rangaiah (January 14, 2021) - shared the steps of Flipkart making use of Artificial Intelligence (AI)

Accessing products at any time or place, with the mere click of a button has now become a piece of cake, with e-commerce sites rising to the ranks and emerging as the new trend. As a result, various leading e-commerce platforms have been employing technologies for developing products of better quality, providing enhanced user experience, resourceful logistics, targeting the correct demographics, and become the favored option for their target audience. Flipkart has taken up this challenge by employing artificial intelligence as its weapon to head forward. This technical aspect has been adopted for the purpose of execution of a series of tasks ranging from extracting insights through the behavior of customers and their reviews, averting transaction fraud, consumer support, logistics, and warehousing, estimating product popularity, image speech, and text processing, intent modeling, conversational search, discovery, forecasting, pricing, address understanding, and contriving separate items or private labels through AI and ML models. Flipkart has also been able to grasp over a unique position in the e-

commerce market by developing affordable high-quality products, and also introduced self-owned labels in categories like furniture, consumer durables, extensive appliances as well as fashion. It has also taken up the important step of taking into account customers' needs and grievances, thus, fulfilling the social objective.

4. Online Bureau (May 11, 2021)- shared the plan of Flipkart adding 8 lakh sq. ft. worth of warehousing for its grocery-related operations.

Flipkart has made a very significant reputation in offering 7K products across more than 200 categories-ranging from daily household supplies, staples, snacks and beverages, confectionary and personal care. Now, it has taken up the initiative of expanding its fulfillment centre capacity for grocery by more than 8 lakh square feet over the next 3 months across Delhi, Kolkata and other cities. In accordance of a very recent statement, for the purpose of catering more than 73K grocery order every day, this initiative is being taken up by Flipkart. The main inspiration behind this initiative is to curb the challenges of the pandemic era by making sure that their e-commerce website emerges as a safe means of making purchases. Flipkart wants to strongly ensure that customer safety is the centre of their group efforts by ensuring that proper hygiene measures are taken into account, and also by serving more customers in the country who will be able to order daily essentials seamlessly and avail of contactless delivery. Flipkart had also announced the expansion of its hyperlocal service Flipkart Quick to six new cities- Delhi, Gurugram, Ghaziabad, Noida, Hyderabad, and Pune, for providing consumers access to order daily essentials such as fruits and vegetables to get delivery within 90 minutes of ordering.

5. Judith Mckena (February 19, 2021)- shared how Flipkart will be the frontrunner for winning India's e-commerce future.

The current covid-stricken era has been a disaster for the business world and many businesses have already succumbed to its hardships but the Walmart-owned company in India, Flipkart, has risen to its challenges by the adoption of a digital platform that has been accelerating across the country at a very rapid pace. Despite the cons of the pandemic, Flipkart witnessed more than 250 million customers over a five-day period during its recent flagship 'Big Billion Day' sale event. It has been facing stern competition from its counterparts, the USA-based company Amazon and the Indian-based company JioMart, and it has been a lead runner in the race for dominance of the Indian market, as per a mass survey that was conducted very recently. As per the valuation that was conducted by Walmart in the July of 2020, when the pandemic was at its peak, Flipkart was valued at \$24.9 billion. It has a plan of going public in USA in the upcoming years. Its gross merchandise value (GMV) was heavily impacted in the first half of the pandemic but it bounced back from the setback and delivered GMV growth, roughly double that of the full year, in the fourth quarter of the year. Flipkart's CEO, Kalyan Krishnamurthy, estimates that by 2030, more than 700 million Indians will have access to the 'Digital Media' vision, with about 75% of the population should constitute millennials and people from the Generation Z, which is

going to result in the market being more young and innovative. In accordance to the latest estimate, Flipkart is expected to reach a valuation of \$100 billion by the year 2025. It has been a rapidly expanding e-commerce platform, with the availability of products in categories like fashion, health-oriented, electronics and appliances, and also having the necessary ability to create numerous amounts of jobs; it has been a boon to the society.

Objectives of the study

- To determine and measure the satisfaction level in the services provided by Flipkart to its customers.
- To measure the availability of products & services at the web portal of Flipkart.
- To aware the customers about the services and offers provided by Flipkart, with the special reference to Flipkart.
- To improve the availability of products & services at the web portal, and for influencing the customers for making them access Flipkart for shopping.

Research Methodology

For the purpose of completion of this project in a pandemic-stricken world, the necessary research is being undertaken on the basis of secondary data. It involves the summary, collation and/or synthesis of existing research. When secondary research is an on-going process, data is drawn up from published academic papers, government documents, statistical databases, historical records, and the world of internet. The perks of secondary research have been mentioned below:

- Most information for secondary research is readily available. There are many sources from which relevant data can be collected and used.
- It is a less expensive and less time-consuming process as data required is readily available and doesn't cost much if extracted from authentic sources. A minimum expenditure is associated to obtain data.
- The data that is collected through secondary research, gives organizations or businesses an idea about the effectiveness of the provided information. Hence, organizations or businesses can form a hypothesis and evaluate cost of conducting primary research.

- It is quicker to conduct because of availability of data. Secondary research can be completed within a few weeks depending on the objective of businesses or scale of data needed.
- It can be performed by people who aren't familiar with the different data collection methods. Practically, anyone can collect it.
- It allows one to perform a longitudinal analysis which means the studies are performed spanning over a long period of time. This can help one to determine different trends. In addition one can find secondary data from many years back up to a couple of hours ago. It allows one to compare data over time.

Limitations of the study

All the necessary attention was taken for eliminating any kind of biasness & misinterpretation in the study to get optimum result, even though the following limitations could have a certain degree of impact on the findings:

- Since the research was conducted in a pandemic-stricken era, it was impossible to collect primary data.
- Many consumers were not ready to participate in the research study.
- Lack of research experience.
- The major problem lied in the part of finding out consumers of Flipkart as my study's aim is to find out the satisfaction level of the services provided by Flipkart to its customers.
- Data collected about the satisfaction & awareness level of the number of customers may not represent the real picture.
- The study was done on the basis of the respondents living in different parts of Kolkata which may not represent the entire picture of the city.
- My study is confined to only 100 respondents.

SWOT analysis of Flipkart

Strengths:

- Strong brand value
- Own logistic arm
- Own online payment gateway solution
- Own market place model
- Inventory management
- Customer service
- Supplier network/relation

Weaknesses:

- Investors-driven organization or lack of independent board
- Secrecy, and influenced by politics
- Excessive focus on expanding customer base rather than pulling profits
- Lack of global reach

Opportunities:

- Extensive reach of online fashion and apparel business
- Presence of a strong brand name
- Providing of logistics services to its competitors
- Growth of online retail sector in India
- Presence of new untapped global markets

Threats:

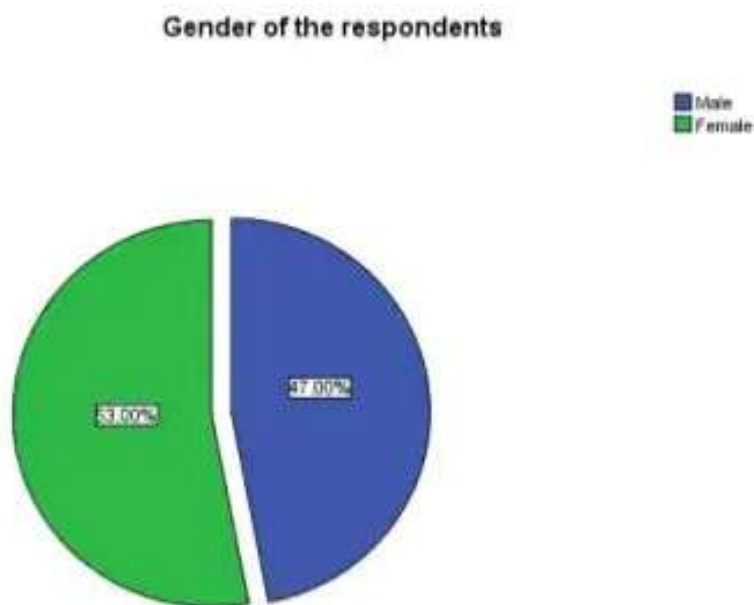
- Presence of its competitors like Amazon, Snapdeal, Alibaba, Infibeam, etc
- Less usage/preference of online buying
- Low internet penetration

3. Company Data & Data Analysis

On the basis of Gender

Gender of the respondents

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	47	47.0	47.0	47.0
	Female	53	53.0	53.0	100.0
	Total	100	100.0	100.0	



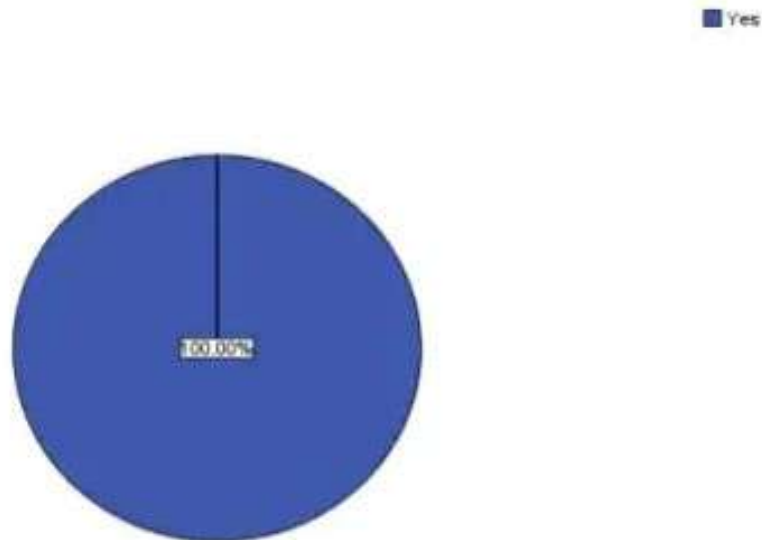
INTERPETATION: Among all 100 respondents, there were 47.00% males and 53.00% females.

Does the respondent access any website for Online Shopping?

Do they access any website for online shopping

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Yes	100	100.0	100.0	100.0

do they access any website for online shopping



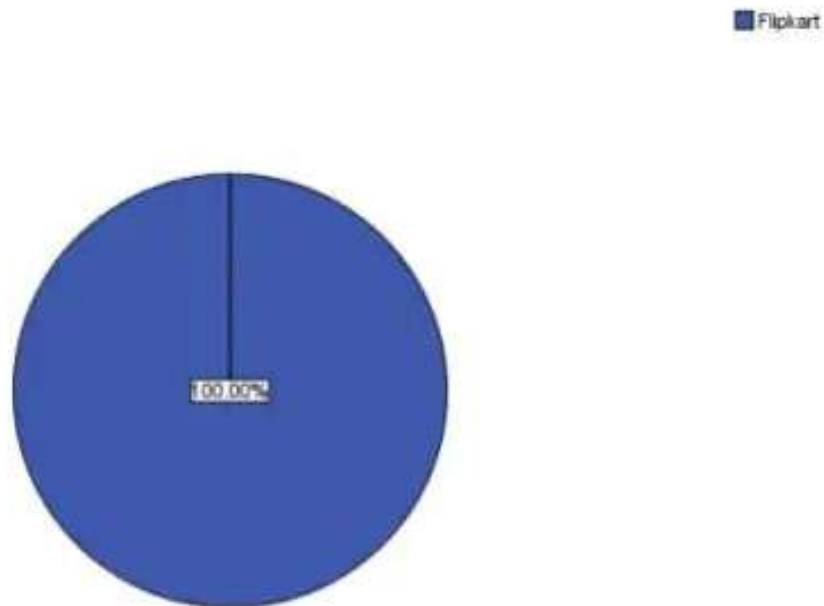
INTERPETATION: Among all 100 respondents, there were 100.00% respondents accessing websites for online shopping.

On the basis which website does the respondent access?

which company do they access for online shopping

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Flipkart	100	100.0	100.0	100.0

which company do they access for online shopping



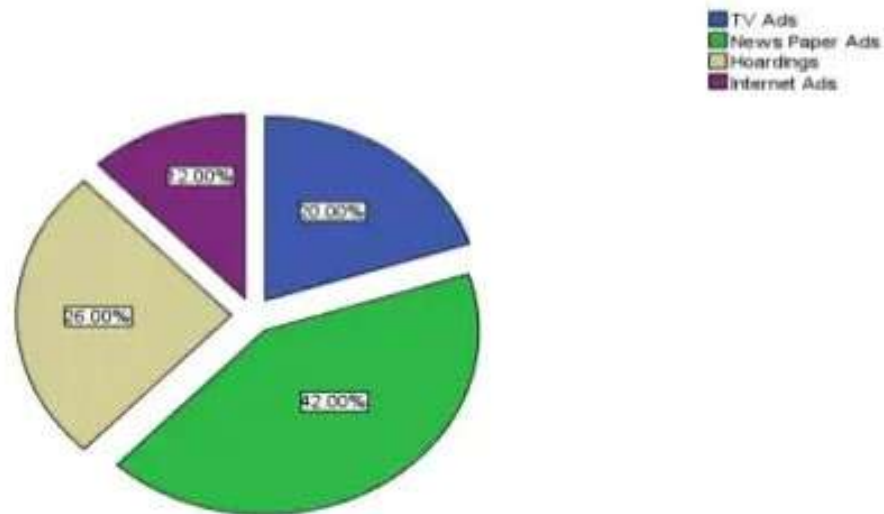
INTERPETATION: Among all 100 respondents, there were 100.00% respondents accessing Flipkart for online shopping.

How the respondents did came to know about Flipkart?

how did they come to know about Flipkart

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid TV Ads	20	20.0	20.0	20.0
News Paper Ads	42	42.0	42.0	62.0
Hoardings	26	26.0	26.0	88.0
Internet Ads	12	12.0	12.0	100.0
Total	100	100.0	100.0	

how did they come to know about Flipkart



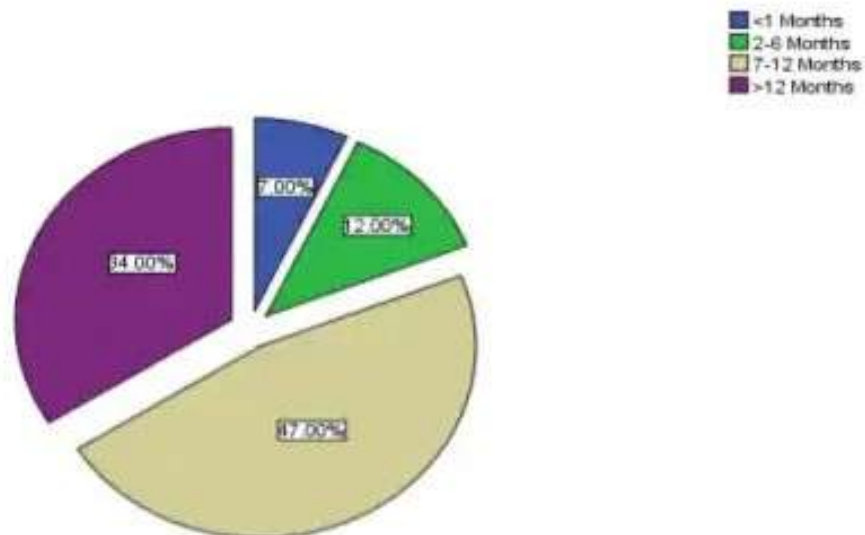
INTERPETATION: Among all 100 respondents there were 12.00% knew threw Internet Ads, 20.00% respondents knew threw TV Ads, 26.00% knew threw hoardings and 42.00% respondents knew threw News Paper Ads.

How long the respondent accessing Flipkart?

How long they accessing Flipkart

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid <1 Months	7	7.0	7.0	7.0
2-6 Months	12	12.0	12.0	19.0
7-12 Months	47	47.0	47.0	66.0
>12 Months	34	34.0	34.0	100.0
Total	100	100.0	100.0	

How long they accessing Flipkart



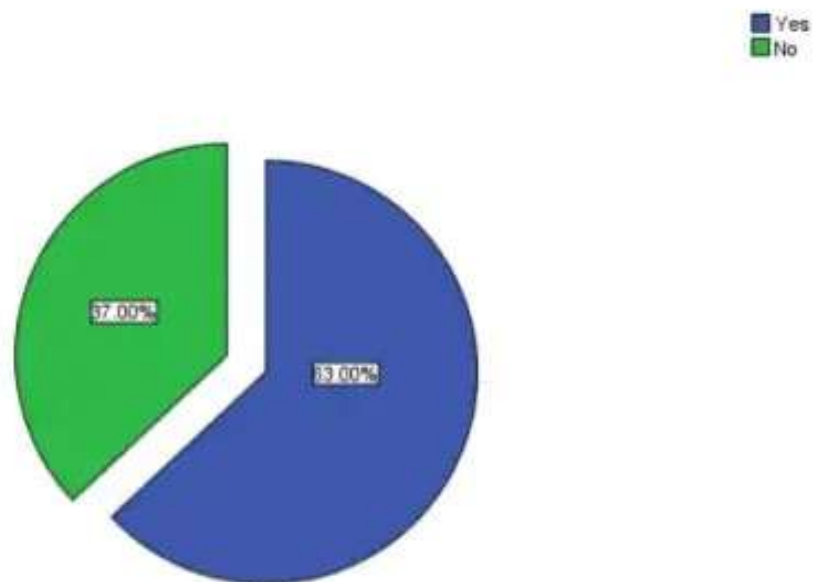
INTERPETATION: Among all 100 respondents there were 7.00% using from less than 1 months, 12.00% respondents using from 2 to 6 months, 47.00% using from 7 to 12 months and 34.00% respondents using from more than a year.

Did the respondent get any offer from Flipkart?

Did they get any offer from Flipkart

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	63	63.0	63.0	63.0
	No	37	37.0	37.0	100.0
Total		100	100.0	100.0	

Did they get any offer from Flipkart



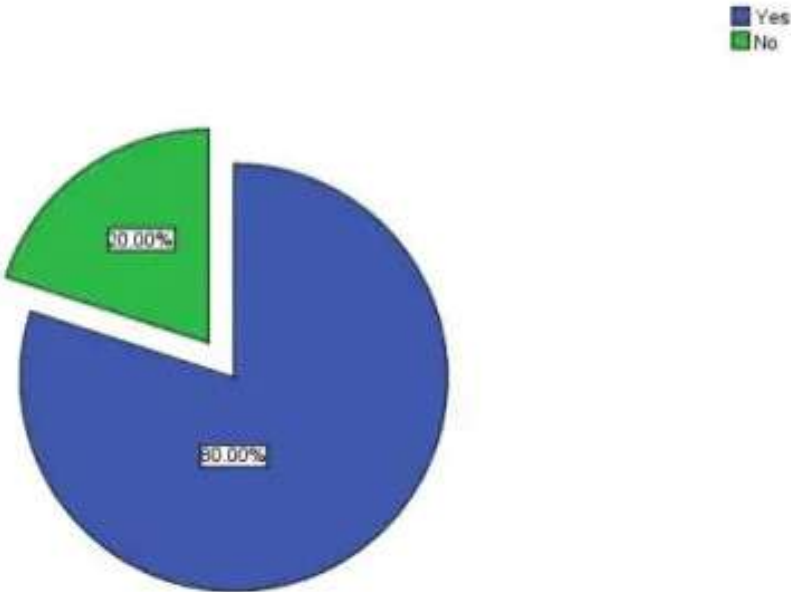
INTERPETATION: Among all 100 respondents there were 35.00% respondents got some offer from Pureit and 65.00% respondents did not get any offer from Purerit.

Do you agree on Flipkart's claim that it sells 100% genuine product?

Do you agree on Flipkart's claim of Genuinity

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Yes	80	80.0	80.0	80.0
No	20	20.0	20.0	100.0
Total	100	100.0	100.0	

Do you agree on Flipkart's claim of Genuinity



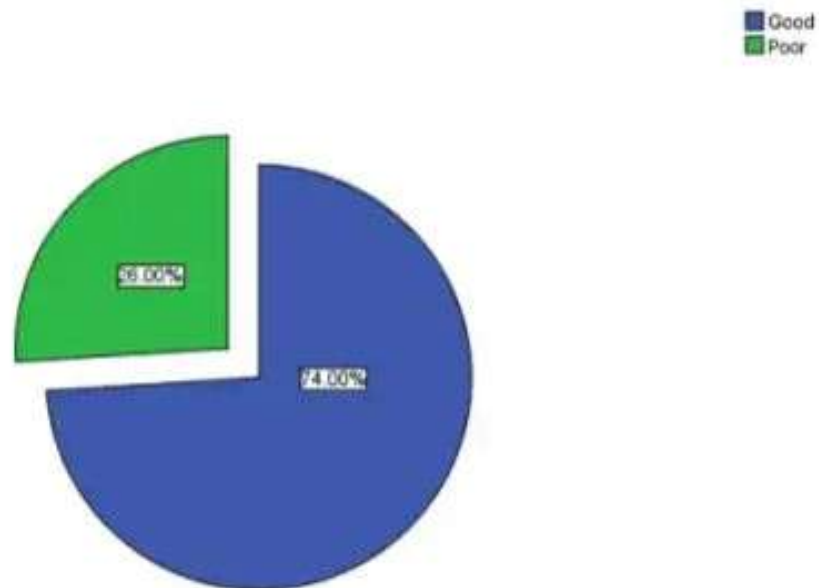
INTERPETATION: Among all 100 respondents there were 80.00% respondents said that "YES", 20.00% respondents said "NO" that Flipkart's all products are 100% genuine.

What are the views of respondents towards the service of Flipkart?

Respondents' view on the Services

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Good	74	74.0	74.0	74.0
	Poor	26	26.0	26.0	100.0
	Total	100	100.0	100.0	

Respondents' view on the Services



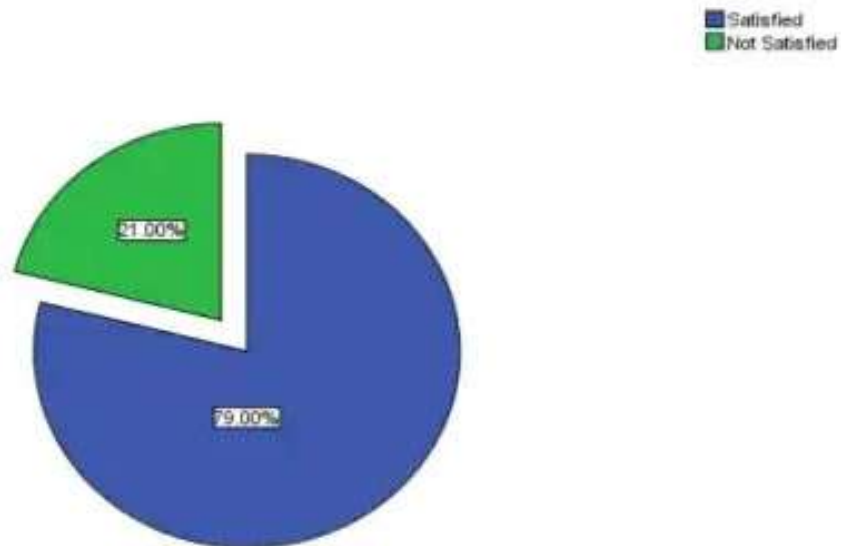
INTERPETATION: Among all 100 respondents there were 74.00% respondents said that "GOOD" and 26.00% respondents said "BAD".

What are the views of respondents towards offers provided by Flipkart?

Respondent's view on the Offers

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Satisfied	79	79.0	79.0	79.0
Not Satisfied	21	21.0	21.0	100.0
Total	100	100.0	100.0	

Respondent's view on the Offers



INTERPETATION: Among all 100 respondents there were 79.00% respondents said that they are Satisfied and 21.00% respondents said that they are not Satisfied in the respect of test, order and clarity of water which they get from Pureit water purifier.

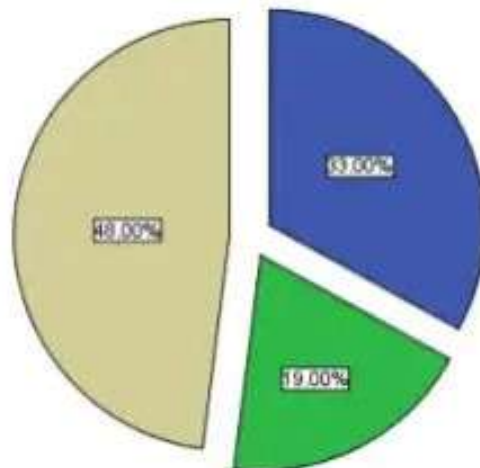
Do the respondents believe that at Flipkart's web portal all several stuffs are always available?

Do the respondent believe that at Flipkart's web portal all several stuffs are always available

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	33	33.0	33.0	33.0
	No	19	19.0	19.0	52.0
	Can't Say	48	48.0	48.0	100.0
Total		100	100.0	100.0	

Do the respondent believe that Flipkart sell all range of product

■ Yes
■ No
■ Can't Say



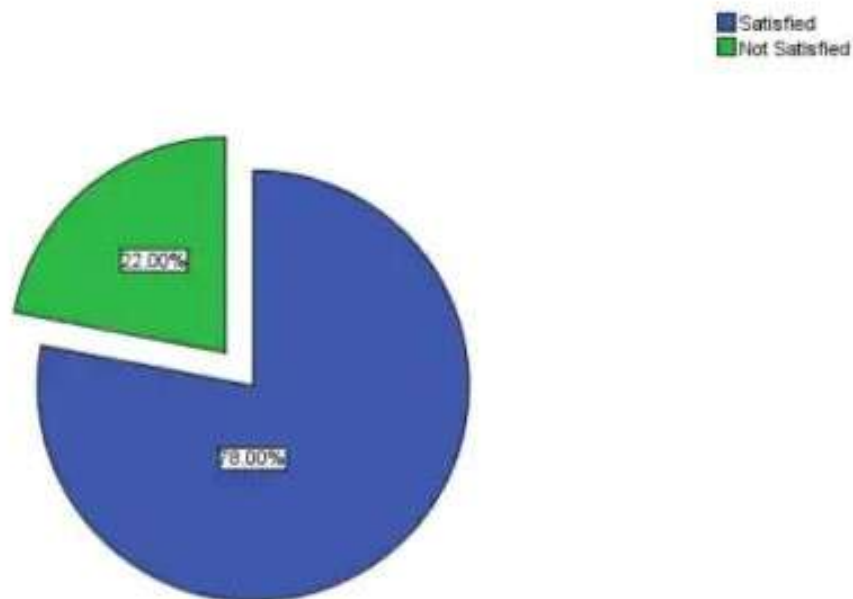
INTERPETATION: Among all 100 respondents there were 33.00% respondents said that "YES", 19.00% respondents said "NO" and only 48.00% respondents said "CAN'T SAY".

Are the respondents satisfied with the behaviour of delivery boys?

How is the behavior of delivery boys

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Satisfied	78	78.0	78.0	78.0
Not Satisfied	22	22.0	22.0	100.0
Total	100	100.0	100.0	

How is the behavior of delivery boys



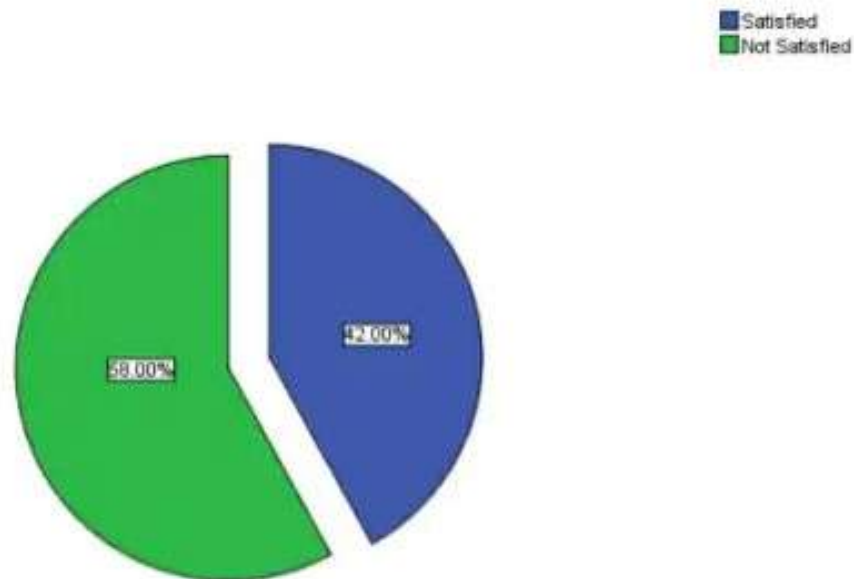
INTERPETATION: Among all 100 respondents there were 78.00% respondents said that they were "Satisfied" and 22.00% respondents were "Not Satisfied" in the respect of the behavior of delivery boys.

Are you satisfied with the after sales service of Flipkart?

How do they rate after sales service of flipkart

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Satisfied	42	42.0	42.0	42.0
Not Satisfied	58	58.0	58.0	100.0
Total	100	100.0	100.0	

How do they rate after sales service of flipkart



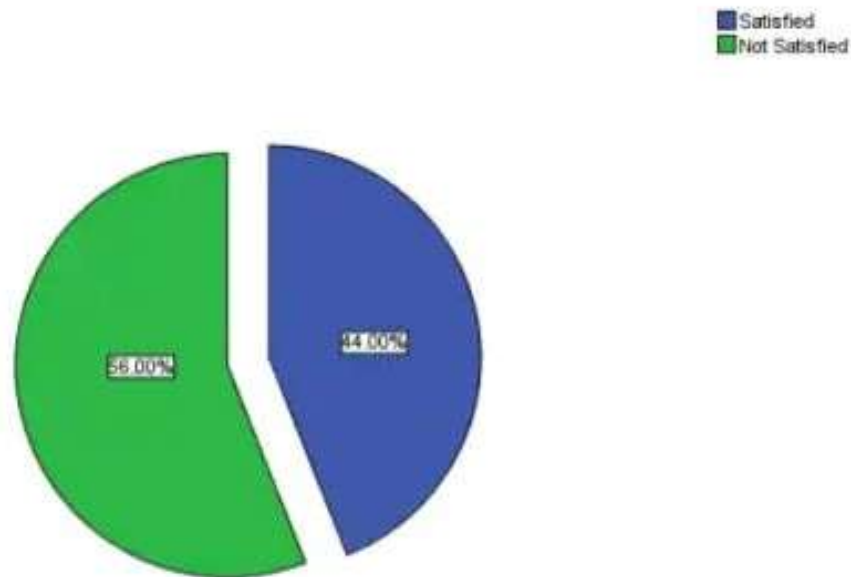
INTERPETATION: Among all 100 respondents there were 42.00% respondents said that they were "Satisfied" and 58.00% respondents were "Not Satisfied" in the respect of the after sales services.

Are you satisfied with the pricing Strategy of Flipkart?

What is the price strategy Flipkart follows

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Satisfied	44	44.0	44.0	44.0
	Not Satisfied	56	56.0	56.0	100.0
	Total	100	100.0	100.0	

What is the price strategy Flipkart follows



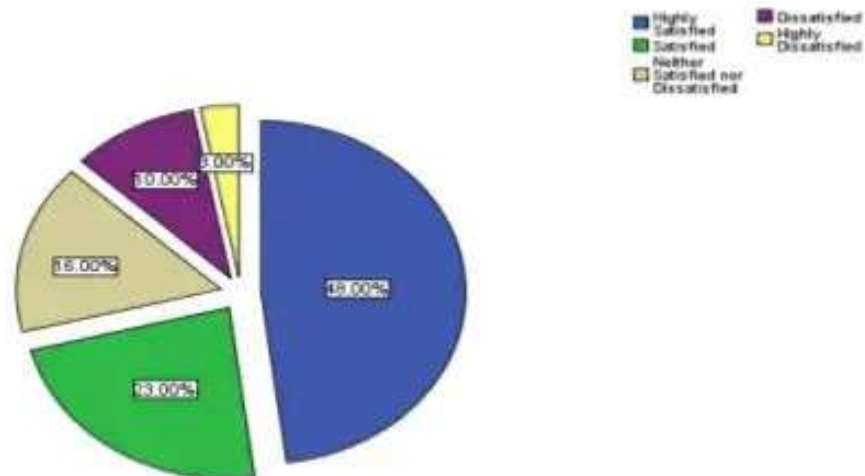
INTERPETATION: Among all 100 respondents there were 44.00% respondents said that they were "Satisfied" and 56.00% respondents were "Not Satisfied" in the respect of price strategy of Flipkart.

The overall Satisfaction of the respondents towards Flipkart?

The overall satisfaction level of the respondent towards Flipkart

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Highly Satisfied	48	48.0	48.0	48.0
Satisfied	23	23.0	23.0	71.0
Neither Satisfied nor Dissatisfied	16	16.0	16.0	87.0
Dissatisfied	10	10.0	10.0	97.0
Highly Dissatisfied	3	3.0	3.0	100.0
Total	100	100.0	100.0	

The overall satisfaction level of the respondent towards Flipkart



INTERPETATION: Among all 100 respondents there were 48.00% respondents were Highly Satisfied, 23.00% respondents were Satisfied, 16.00% were Neither Satisfied nor Dissatisfied, 10.00% Dissatisfied and 3.00% respondents were Highly Dissatisfied in respect of overall Satisfaction towards Flipkart.

On the basis of the above company data & data analysis of Flipkart, we can draw these findings:

- Most of the respondents were not satisfied with the after sales services of Flipkart.
- 74% consumers were satisfied with the services of Flipkart, and 24% were not.
- 33% consumers believed that many things are available at Flipkart's website, 19% did not believe in that, and 48% couldn't say anything about the same.
- 78% of the respondents were satisfied with the behavior of the Flipkart delivery boys, and 22% were not.
- 20% consumers came to know about Flipkart from TV ads, 42% from newspaper ads, 26% from hoardings, and 12% from internet ads.
- Sale of premium products at Flipkart is not good.
- 79% of the respondents were satisfied with the offers provided by Flipkart while the rest 21% were not.
- Many of the consumers were carrying the impression that the price of products at Flipkart is higher than the other shopping portals.

On the basis of the above findings on Flipkart, we can suggest these recommendations:

- Company should always check the availability of various products on its website.
- Company should change its sales strategy.
- Company should improve its after sales service.
- Company should use more of social media for the purpose of promoting its website.
- The company should avail the use of better kind of technology for the purpose of providing better service to its customers.

4. Conclusion

I have learned a lot of things while conducting my secondary survey on Flipkart like how the consumer psychology works towards the website, how does Flipkart work while providing large-scale services, how their delivery boys behave with the customers, etc.

Flipkart has a wide range of products on its website, some are in the core category and the rest are in the premium category. Most of the customers tend to know more about the core products in comparison to the premium products and this may be due to the lack of proper advertising or absence of proper marketing of the premium range of products.

After the survey was completed, I came to know that the consumers are not using online shopping for the easiest way but also for the purpose of buying their products at a cheap range in comparison to the retailers. On the basis of the study, it can be concluded that 48% of the respondents were highly satisfied with the services of Flipkart while 23% of the respondents were a bit more than satisfied with its services. It was also found that apart from price and quality of products offered by Flipkart, it still hasn't been able to reach its peak form because of other drawbacks. No doubt Flipkart has good quality products available at its web portal. Most of the consumers feel delightful regarding the services of Flipkart, and have been satisfied with its after sales service.

5. Bibliography

For the purpose of completion of this project, I've collected my data from the following sources:

- www.wikipedia.com
- www.coursera.org
- www.yahooanswers.com
- www.cleverism.com
- www.commerceworld.com
- Financial Reporting & Financial Statement Analysis- Prof. M Hanif and A Mukherjee

-PTO-

Questionnaire

Q1. Gender?

Male Female Other

Q2. Do you have access to any website for online shopping?

Yes No

(Terminate this interview if answer is “No”)

Q3. Which company website do you access for online shopping?

Snapdeal Amazon Flipkart Any other

(Terminate this interview if answer is not “Flipkart”)

Q4. From where did you come to know about Flipkart?

TV ads Newspapers Internet pop-ups Any other

Q5. Since how long have you been accessing Flipkart?

Less than 1 month 2 to 6 months 7 to 12 months

More than 1 year

Q6. Do you agree with Flipkart's claim that its every product is 100% genuine?

Yes No

Q7. What is your view on the services offered by Flipkart?

Good Satisfactory Poor

Q8. Have you got any offers from Flipkart?

Yes No

Q9. Are you satisfied with the offers provided?

Yes No

Q10. Do you believe that Flipkart's website has everything always available?

Yes No Can't say

Q11. Are you satisfied with the after sale services of Flipkart?

Yes No

Q12. What is your view on the price strategy of Flipkart?

Satisfied Not satisfied

Q13. Please rate your overall experience with Flipkart.

Highly satisfied Satisfied Neither satisfied nor dissatisfied

Dissatisfied Highly dissatisfied



*Analysis of Working Capital Management of
ITC Ltd. for last 5 years (2016-17 to 2020-21)*

Project Report

(Submitted for the Degree of B.Com Honours in Accounting & Finance under the University of Calcutta)

Title of the Project

**Analysis of Working Capital Management of
ITC Ltd. for last 5 years (2016-17 to 2020-21)**

Submitted by

Name of the Candidate: Sagar Singha

Calcutta University Roll Number: 181223-21-0018

Calcutta University Registration Number: 223-1112-0515-18

Name of the College: Scottish Church College

Calcutta University Roll Number: 18C-015

Supervised by

Name of the Supervisor: Smt. Nancy Jaiswal

Name of the College: Scottish Church College

Month & Year of Supervision: July'2021

Annexure- IA

Supervisor's Certificate

This is to certify that **Mr. Sagar Singha** a student of B.com. Honours in Accounting & Finance in Business of Scottish Church College under the University of Calcutta has worked under my supervision and guidance for his Project Work and prepared a Project Report with the title “**Analysis of Working Capital Management of ITC Ltd. for last 5 years (2016-17 to 2020-21)**” which he is submitting, is his genuine and original work to the best of my knowledge.

Signature: NANCY JAISWAL

Name: Smt. Nancy Jaiswal

Designation: SACT (State Aided College Teacher)

Name of the College: Scottish Church College

Place: KOLKATA

Date: 28.07.21

Annexure-IB

Student's Declaration

I hereby declare that the Project Work “**Analysis of Working Capital Management of ITC Ltd. for last 5 years (2016-17 to 2020-21)**” submitted by me for the partial fulfillment of the degree of B.Com. Honours in Accounting & Finance in Business under the University of Calcutta is my original work and has not been submitted earlier to any other University /Institution for the fulfillment of the requirement for any course of study. I also declare that no chapter of this manuscript in whole or in part has been incorporated in this report from any earlier work done by others or by me. However, extracts of any literature which has been used for this report has been duly acknowledged providing details of such literature in the references.

Signature: SAGAR SINGHA

Name: Mr. Sagar Singha

Address: 83, Salkavita, New Rangia,

Matigara, Darjeeling, 734013

C.U Registration Number: 223-1112-0515-18

Place: KOLKATA

Date: 28.07.21

ACKNOWLEDGEMENT

First and foremost, I would like to thank **Calcutta University** for giving me the opportunity to work on such a project by introducing a dynamic subject altogether to get our hand on practice of the real corporate world.

I would also like to express my gratitude and thanks to our Principal ma'am, **Dr. (Mrs.) Madhumanjari Mandal** and our **Head of the Department, Prof. Amitava Chatterjee**, for their cooperation and support.

I would like to thank my supervisor, **Smt. Nancy Jaiswal** for her guidance and for providing me the necessary information regarding the project.

Lastly, I would like to thank my friends and my sister for helping me doing this project.

Therefore, I express my immense love and respect to all of them.

Mr. Sagar Singha

B.Com (H) in Accounting & Finance

Semester: VI

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INTRODUCTION

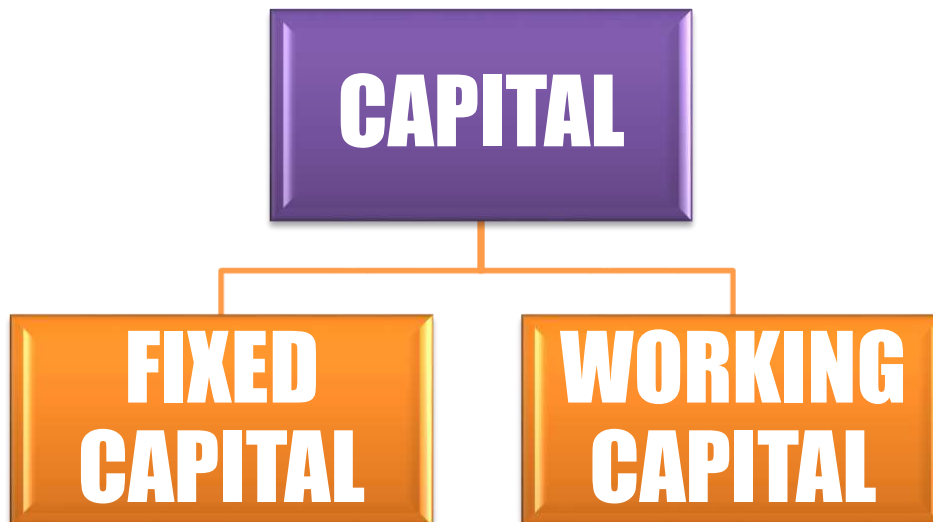
1.1 BACKGROUND

❖ DEFINITION OF CAPITAL

Capital is a term for financial assets, such as funds held in deposit accounts and funds obtained from special financing sources. Capital can also be associated with capital assets of a company that requires significant amounts of capital to finance or expand.

❖ TYPES OF CAPITAL

There are mainly two types of capital which are as follows:



IMPORTANCE OF WORKING CAPITAL

Working Capital is an important metric for all businesses, regardless of their size. Working Capital is a signal of a company's operating liquidity. Having enough Working Capital means that the company should be able to pay all of its short term expenses and liabilities. But in real scenario also any business cannot run without Working Capital whether the availability of Working Capital is available as per requirement or not is also to be checked thus the management of such Working Capital is the real methodology which is available Working Capital in a rational manner.

Management is an art of anticipating and preparing for risks, uncertainties and overcoming obstacles. An essential precondition for sound and consistent assets management is establishing the sound and consistent assets management policies covering fixed as well as current assets. In modern financial management, efficient allocation of funds has a great scope, in finance and profit planning, for the most effective utilization of enterprise resources, the fixed and current assets have to be combined in optimum proportions.

Working capital in simple terms means the amount of funds that a company requires for financing its day-to-day operations. Finance manager should develop sound techniques of managing current assets.

1.2 LITERATURE REVIEW ON WORKING CAPITAL MANAGEMENT

- ❖ **NCEAR (1966):-** The National council of applied Economic Research (NCEAR) in 1966 first time formal study was conducted on working capital management in India. The council published a structure of working capital which was limited analysis of the creation of working capital with special attention to the fertilizers, and cement and sugar industries the main objective of this study was emphasized on come out with findings that working capital management practices were extremely unplanned and hence need to develop proper accounting policies like inventory management, debtors management as above. And the study suggested developing suitable working capital policies.
- ❖ **Bhatt V. V. (1972):-** He has given concentration on system to appraise working capital management and its finance especially for the large scale companies. This tools also helpful to other sectors like agriculture as well retail trade etc. As bank provide short term finance to operation of business at the same time need to pay attention on repayment of loan and required finance necessity. If these two areas are to be maintain properly no need to appraise the working capital management concern.
- ❖ **Smith Keith V. (1973):-** Research has been given focused on the short term finance need to be given more attention for the success of the individual firm. For that finance manager has to give more attention on current assets and current liability. Many firms do investment of current assets in a basket while current liability in many different request. This paper consist eight distinct approaches to working capital management out of it first three gives common guidelines next three regarding constrain set and cost balancing and last two about probability models and portfolio theory.
- ❖ **Chakraborty S. K. (1974):-** In this research author try to make difference among cash working capital v/s balance sheet working capital. And research is based on two dimensions. First is operating cycle concept and second calculation this research is to exhibit operating cycle concept based on published annual report of the firm.
- ❖ **Rao K.V. and RaoChinta (1991):-** This study observed that strong and weak point of conventional techniques of working capital analysis. Outcomes of this study show that some of the conventional techniques which could realize the working capital behavior well. And some of them fail to do so. And thus authors suggest proper working capital management with conventional method i.e. ratio analysis. Study suggests further inclusive factors which are decisive yardstick in working capital efficiency.

1.3 OBJECTIVES OF THE STUDY

- ❖ To study the working capital management of the concern so as to analyze and interpret the inventory position of the ITC limited.
- ❖ To assess the strength and weakness of the concern in various areas.
- ❖ To assess the overall efficiency and performance of the company.

1.4 DATA SOURCE

Data is a collection of raw, unorganized facts and details like text, observations, figures, symbols and description of things etc. Data can be collected from two sources:

A) Primary Data: - Primary data is the kind of data that is collected directly from the data source without going through any existing sources.

For example – Personal observation, Survey and Questionnaire.

B) Secondary Data: - Secondary data is the data that has been collected in the past by someone else but made available for others to use.

For example – Data collected through Website, Journals, Research Work, Articles, and E-content.

In order to have a proper understanding of the customer service of ITC Ltd. a depth study was done from the various sources such as books; a lot of data is also collected from various social media websites of ITC Ltd. and the articles from various search engines like Google, Yahoo, and Quora.

1.5 METHODOLOGY

This type of analysis helps the management of the company to plan its future policies according to external environment. Any sound research must have a proper design to achieve the required result; this study is constructed on the basis of descriptive design.

The methodology, I have adopted for my study is the various tools which basically analyze critically financial position of the organization:

- ❖ **COMMON-SIZE P/L A/C**
- ❖ **COMMON-SIZE BALANCE SHEET**
- ❖ **COMPARATIVE P/L A/C**
- ❖ **COMPARATIVE BALANCE SHEET**
- ❖ **RATIO ANALYSIS**

The above parameters are used for critical analysis of financial position. With the evolution of each component, the financial position from different angles is tried to be presented well and systematic manner. By critical analysis with the help of different tools, it becomes clear how the financial manager handles the finance matters in profitable manner in the critical challenging atmosphere; the recommendations are made which would suggest the organization in formulation of a healthy and strong position financially with proper management system.

1.6 LIMITATIONS OF THE STUDY

- ❖ Non monetary aspects are not considered making the results unreliable.
- ❖ Different accounting procedures many make results misleading.

- ❖ In spite of precautions taken there are certain procedural and technical limitations.
- ❖ Accounting concepts and conventions cause serious limitation to financial analysis.
- ❖ Lack of sufficient time to exhaust the detail study of the above topic became hindering factor in my research.

1.7 CHAPTER PLANNING

In every business an optimum level of Working Capital is to be maintained for the purpose of day to day remittances. Any Business cannot grow in absence of satisfactory working capital level. In case of shortage of working capital the business may suffer scarcity of resources. But it should also be kept in mind that even working capital in excessive quantity, possibly will result into superfluous cost. Therefore, the management of business firm should goal an optimal level of working capital. Working capital should be ample enough to carry out the current liabilities but should not be much more than the genuine requirement. It must be ensured by the firm's managing people that the return yield through the funds engrossed in structuring working capital is no less than the return earned from other investment alternatives. In the circumstances, when the financial resources are insufficient and as a consequent capital cost is to be enlarged, management of working capital becomes even more crucial and significant due to its profound influence on liquidity and profitability of the business.

The basic objective of Working Capital Management is to avoid over investment or under investment in Current Assets, as both the extremes involve adverse consequences. Over investment in Current Assets may lead to the reduced profitability due to cost of funds.

The objective of Working Capital Management is to ensure Optimum Investment in Current Assets. In other words, Working Capital Management intends to ensure that the investment in Current Assets is reduced to the minimum possible extent. However, the normal operations of the organization should not be affected adversely. If the normal operations of the organization are affected adversely, reducing the investment in Current Assets is fruitless.

Generally, it will not be possible for any organization to operate without the working capital. Let us assume that a manufacturing organization commences its business with a certain amount of cash. This cash will be invested to buy the raw material. The raw material purchased will be processed with the help of various infrastructural facilities like labor, machinery etc. to convert the same in the form of finished products. These finished products will be sold in the market on credit basis whereby the receivables get created. And when receivables make the payment to the organization, cash is generated again. As such, there is a cycle in which cash available

to the organization is converted back in the form of cash. This cycle is referred to as Working Capital Cycle.



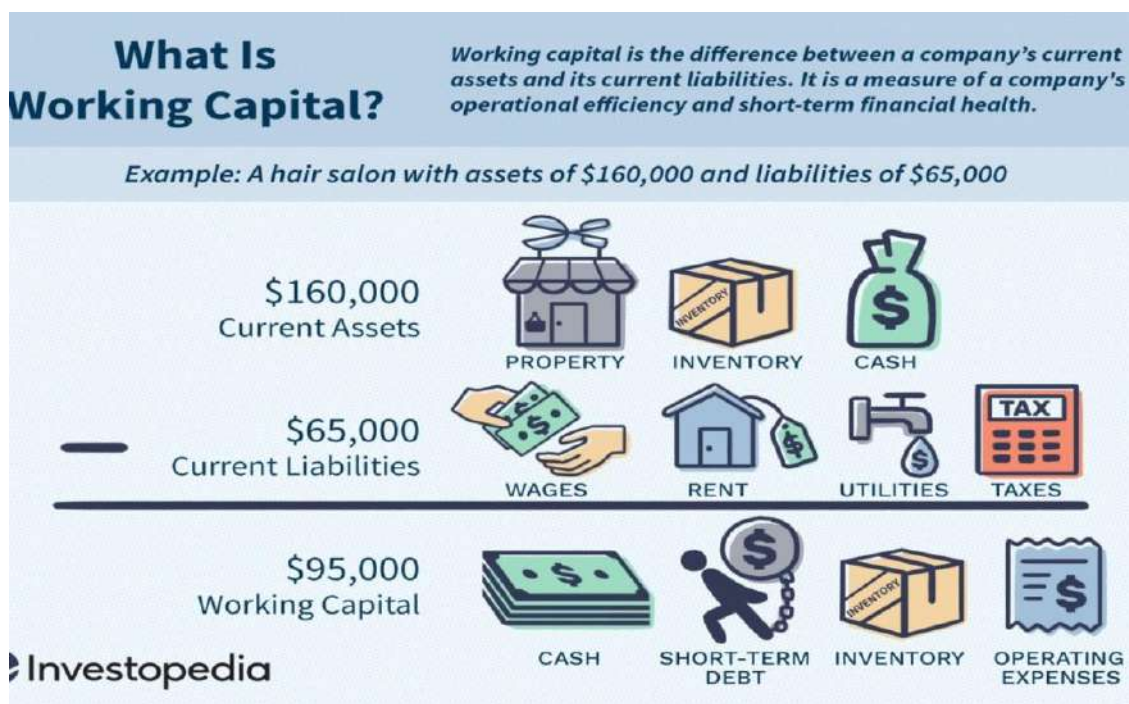
2.1 CONCEPTUAL UNDERSTANDING

INTRODUCTION

❖ WHAT IS WORKING CAPITAL?

Working capital, also known as net working capital (NWC), is the difference between a company's **current assets**, such as cash, accounts receivable (customers' unpaid bills), and inventories of raw materials and finished goods, and its **current liabilities**, such as accounts payable. NWC is a measure of a company's liquidity and refers to the difference between operating current assets and operating current liabilities. In many cases, these calculations are the same and are derived from company cash plus accounts receivable plus inventories, less accounts payable, and less accrued expenses.

Working capital is a measure of a company's **liquidity, operational efficiency**, and short-term financial health. If a company has substantial positive working capital, then it should have the potential to invest and grow. If a company's current assets do not exceed its current liabilities, then it may have trouble growing or paying back creditors, or even go bankrupt.



COMPOSITION OF WORKING CAPITAL

❖ Major Current Assets

- ✓ Cash
- ✓ Accounts Receivables
- ✓ Inventory
- ✓ Marketable Securities

❖ Major Current Liabilities

- ✓ Bank Overdraft
- ✓ Outstanding Expenses
- ✓ Accounts Payable
- ✓ Bills Payable

CONCEPT OF WORKING CAPITAL MANAGEMENT

There are two concepts of working capital which is **quantitative** and **qualitative**. Some people also define the two concepts as **gross concept** and **net concept**.

According to **quantitative concept**, the amount of working capital refers to 'total of current assets'. Current assets are considered to be gross working capital in this concept. The qualitative concept gives an idea regarding source of financing capital.

According to **qualitative concept** the amount of working capital refers to "excess of current assets over current liabilities." **L.J. Guthmann** defined working capital as "the portion of a firm's current assets which are financed from long-term funds." The excess of current assets over current liabilities is termed as 'Net working capital'. In this concept "Net working capital" represents the amount of current assets which would remain if all current liabilities were paid.

Both the concepts of working capital have their own points of importance. "If the objectives is to measure the size and extent to which current assets are being used, 'Gross concept' is useful; whereas in evaluating the liquidity position of an undertaking 'Net concept' becomes pertinent and preferable. It is necessary to understand the meaning of current assets and current liabilities for learning the meaning of working capital, which is explained below.

- ❖ **Current Assets** – It is rightly observed that "Current assets have a short life span. These types of assets are engaged in current operation of a business and normally used for short-term operations of the firm during an accounting period i.e. within twelve months. The two important characteristics of such assets are, (i) short life span, and (ii) swift transformation into other form of assets. Cash balance may be held idle for a week or two; account receivable may have a life span of 30 to 60 days, and inventories may be held for 30 to 100 days.

- ❖ **Current Liabilities** – The firm creates a Current Liability towards creditors (sellers) from whom it has purchased raw materials on credit. This liability is also known as accounts payable and shown in the balance sheet till the payment has been made to the creditors. The claims or obligations which are normally expected to mature for payment within an accounting cycle (1 year) are known as current liabilities. These can be defined as “those liabilities where liquidation is reasonably expected to require the use of existing resources properly classifiable as current assets, or the creation of other current assets, or the creation of other current liabilities.”

FACTORS DETERMINING WORKING CAPITAL

The following factor determines the amount of working capital:

1. Nature of Companies: The composition of an asset is a function of the size of a business and the companies to which it belongs. Small companies have smaller proportions of cash, receivables and inventory than large corporation. This difference becomes more marked in large corporations. A public utility, for example, mostly employs fixed assets in its operations, while a merchandising department depends generally on inventory and receivable. Needs for working capital are thus determined by the nature of an enterprise.

2. Demand of Creditors: Creditors are interested in the security of loans. They want their obligations to be sufficiently covered. They want the amount of security in assets which are greater than the liability.

3. Cash Requirements: Cash is one of the current assets which are essential for the successful operations of the production cycle. A minimum level of cash is always required to keep the operations going. Adequate cash is also required to maintain good credit relation.

4. Nature and Size of Business: The working capital requirements of a firm are basically influenced by the nature of its business. Trading and financial firms have a very less investment in fixed assets, but require a large sum of money to be invested in working capital. Retail stores, for example, must carry large stocks of a variety of goods to satisfy the varied and continues demand of their customers. Some manufacturing business, such as tobacco manufacturing and

construction firms also have to invest substantially in working capital and a nominal amount in the fixed assets.

5. Time: The level of working capital depends upon the time required to manufacturing goods. If the time is longer, the size of working capital is great. Moreover, the amount of working capital depends upon inventory turnover and the unit cost of the goods that are sold. The greater this cost, the bigger is the amount of working capital.

6. Volume of Sales: This is the most important factor affecting the size and components of working capital. A firm maintains current assets because they are needed to support the operational activities which result in sales. They volume of sales and the size of the working capital are directly related to each other. As the volume of sales increase, there is an increase in the investment of working capital-in the cost of operations, in inventories and receivables.

7. Terms of Purchases and Sales: If the credit terms of purchases are more favorable and those of sales liberal, less cash will be invested in inventory. With more favorable credit terms, working capital requirements can be reduced. A firm gets more time for payment to creditors or suppliers. A firm which enjoys greater credit with banks needs less working capital.

8. Business Cycle: Business expands during periods of prosperity and declines during the period of depression. Consequently, more working capital required during periods of prosperity and less during the periods of depression.

9. Production Cycle: The time taken to convert raw materials into finished products is referred to as the production cycle or operating cycle. The longer the production cycle, the greater is the requirements of the working capital. An utmost care should be taken to shorten the period of the production cycle in order to minimize working capital requirements.

10. Liquidity and Profitability: If a firm desires to take a greater risk for bigger gains or losses, it reduces the size of its working capital in relation to its sales. If it is interested in improving its liquidity, it increases the level of its working capital. However, this policy is likely to result in a reduction of the sales volume, and therefore, of profitability. A firm,

therefore, should choose between liquidity and profitability and decide about its working capital requirements accordingly.

11. Seasonal Fluctuations: Seasonal fluctuations in sales affect the level of variable working capital. Often, the demand for products may be of a seasonal nature. Yet inventories have got to be purchased during certain seasons only. The size of the working capital in one period may, therefore, be bigger than that in another.

2.2 BRIEF CASE STUDY ON ITC LTD.



Formerly	Imperial Tobacco Company of India Limited (1910–1970) India Tobacco Company Limited (1970–1974) I.T.C. Limited (1974–2001) ITC Limited (2001–present)
Type	Public
<u>Traded as</u>	BSE: 500875 NSE: ITC BSE SENSEX constituent NSE NIFTY 50 constituent
<u>ISIN</u>	INE154A01025
Industry	Conglomerate
Predecessor	W.D. & H.O. Wills
Founded	24 August 1910; 110 years ago ^{[1][2]}
Headquarters	Virginia House, Kolkata , West Bengal , India ^[3]
Area served	Indian subcontinent Gulf countries
Key people	Sanjiv Puri (Chairman & MD)
Products	Consumer goods

	Cigarettes Apparel Education Hotels and Resorts Paperboards & Specialty papers Packaging Agribusiness Information technology
Revenue	▲ ₹52,001 crore (US\$7.3 billion) (2020) ^[4]
<u>Operating income</u>	▲ ₹20,081 crore (US\$2.8 billion) (2020) ^[4]
<u>Net income</u>	▲ ₹15,584 crore (US\$2.2 billion) (2020) ^[4]
<u>Total assets</u>	▲ ₹77,367 crore (US\$11 billion) (2020) ^[4]
<u>Total equity</u>	▲ ₹62,021 crore (US\$8.7 billion) (2020) ^[4]
Number of employees	27,279 (2019) ^[4]
<u>Subsidiaries</u>	ITC Hotels ITC Paperboards and Specialty Papers Division ITC Infotech Sunrise Foods
Website	www.itcportal.com

❖ History

A purely an Indian conglomerate, ITC Limited or ITC is headquartered in Kolkata, West Bengal. The business across five segments viz., Information Technology, Fast Moving Consumer Goods (FMCG), Paperboards & Packaging, Hotels and Agri Business makes it a diversified conglomerate.

ITC was first established as the Imperial Tobacco Company of India Limited in 1910 followed by its first renaming in 1970 to Indian Tobacco Company Limited. It got its current name of I.T.C. Limited in 1974 which again witnessed slight modifications in September 2001 with the removal of periods (dots) from its previous name to be recognized as ITC Ltd. A century celebration of its existence was celebrated in 2010 as of 2012-13, it boasts of an annual turnover of USD 8.31 billion and a market capitalization of USD45 billion. More than 25000 people are employed by it from 60 locations across India and also feature as the World's biggest companies by appearing on the Forbes 2000 list.

❖ **Product Line**

The Company has forayed into different sectors such as cigarettes & tobacco products, packaging & printing, hospitality, paperboards, agricultural commodities, stationery products, lifestyle retailing, information technology, packaged food products, personal care products, and Agarbattis business. The Company is also into manufacturing & exporting of garments through its subsidiary in Nepal, Surya Nepal Private Limited. The Company has 31,000 employees, 462,000 shareholders and has successfully created household brand names such as Aashirwad, Bingo, Fiama Di Wills, mint-o, classmate and many more.

❖ **Financials**

With a turnover of more than US\$ 7 billion, the Company is considered as one of ten most valuable brands of India. The Company is amongst the largest earners of foreign exchange in India with nearly US\$ 6 billion earnings in the last ten years and more than half of it on account of agri exports. Its market capitalization is over US\$ 45 billion and the market worth of its cigarette business is around US \$6 billion. The total share of cigarettes/ tobacco products of ITC in its total product line are around 13.33%.

❖ **CSR History**

The Company has policies in place for environment & health safety, prohibition of child & forced labour, equal opportunity for all and responsible sourcing. The Company has set-up ITC Education Trust, ITC Rural development and Sangeet Research Academy for the benefit of general public. As a part of its CSR initiative, Company also has a policy for minimizing E-Waste, material subsidiaries and food wastage. The Company has shown keen interest in research & development activities over the last 100 years and has set-up R&D Centers at Bhadrachalam, Rajahmundry and Gurgaon. The Company was the first from India to publish its sustainability report in Compliance with the GRI G3 guidelines.

❖ ITC Ltd. Analysis

During the analysis of ITC Ltd. it was found that the company in its Sustainability Report does not talk about a very material aspect i.e. the effect of its major line of operation Cigars and Tobacco on the health of the society. ITC brand name is always synonymous to the tobacco business despite the fact that it has ventured into different lines of business activities. The earliest and major area of operation still remains cigarettes and tobacco products. ITC Ltd. cannot ignore this issue as it is a substantial part of the Company and its revenue. The Company nowhere in its sustainability report even mentions about ill effects caused by its tobacco, cigars, cigarettes etc. and how the Company addresses the issue of deteriorating health of general people by tobacco consumption. ITC report does not mention anything regarding the negative aspects or unfavorable results of the practices related to its tobacco business.

2.3 NATIONAL SCENARIO

ITC Limited is an Indian company headquartered in Kolkata, West Bengal. ITC has a diversified presence across industries such as cigarettes, FMCG, hotels, packaging, paperboards and specialty papers and agribusiness. The company has a total of 13 businesses in 5 segments. Also there are 90 countries where ITC exports its products. Its products are available in 6 million retail outlets.

**ITC: Powered by the Vitality
of world-class Indian Brands**



Established in 1910 as the **Imperial Tobacco Company of India Limited**, the company was renamed as the **India Tobacco Company Limited** in 1970 and later to **I.T.C. Limited** in 1974. The company now stands renamed to **ITC Limited**, where "ITC" today is no longer an acronym or an initialized form. The company completed 100 years in 2010 and as of 2019–20, had an annual turnover of US\$10.74 billion and a market capitalization of US\$35 billion. It employs over 36,500 people at more than 60 locations across India and is part of the Forbes 2000 list. Within a relatively short span of time, ITC has built 25 mother brands, many of which are market leaders in their segments. This vibrant portfolio of brands represents an annual consumer spends of over H19, 700 crore today. ITC's world-class Indian brands anchor competitive and inclusive value chains that create, capture and retain larger value within the country.

2.4 INTERNATIONAL SCENARIO

ITC's International Business Division (ITC-IBD) launched Project Symphony three years ago to transform itself from a speculation and price-based commodity trading outfit into a knowledge-based and customer-focused enterprise.

The aim was to become a Rs 1,000-crore entity in three years. Last year, the division achieved a turnover of Rs 800 crore against around Rs 300 crore three years ago. Its agro-exports grew by over 48 per cent during 2001-02. The harnessing of information technology across the value

chain from farm to the foreign customer is stated to have enabled ITC-IBD to substantially increase its export earnings.

Indian agricultural exports are stuck in what is called a classical "lemon's problem". That is, a seller goes to the market and offers a consumer a basket of good and bad lemons. The consumer has to bid for the whole basket without identifying and choosing. Hence, a customer is likely to bid at lower than the average price to minimize his risk. Consequently, the next time around, the seller comes back with a basket of lesser quality lemons because there is no incentive for improved quality and the customer is likely to bid even lower. This vicious cycle continues.

In India, we have very good quality, average quality and also very bad quality agricultural produce. Similarly, we have very good exporters, average exporters and fly-by-night operators. Generally, India has got labeled as an inferior quality producer and unreliable exporter having inconsistent quality and processing facilities.

As a result, there is a lower price that is normally offered to Indian products. Barring a few special products, general Indian commodities are typically bought at a discount in the international market.

Consequently, the Indian exporter is not interested in enhancing the quality. Because the quality enhancement efforts are not happening, the price discount is getting standardized in the international market.

Hence, in this context, if we go on operating in the current manner, the future is not very bright as there are many countries which are increasing their agricultural productivity. That is the context behind our symphony concept where we look at the specific customer needs and then develop and deliver those kinds of products.

Even if the general market has a discount, even if the general market is bogged down by unreliability problems, the customers are willing to pay the right price.

Future of ITC's International Business Unit

One aspect is lot of emphasis on serving customers of different kind in the international as well as domestic markets. We will look at different needs of international customers such as their own preferred packaging, preferred shipping time and other logistics requirements.

The servicing of customer needs includes meeting specialized quality requirements such as organic farming and crops grown under certain conditions.

The second aspect relates to servicing ITC's food business. We would deliver a sourcing advantage through our e-choupals to be able to get a cost-effective and quality-oriented supply chain that provides the back-end to the food business in terms of supply of raw materials.

3.1 RESEARCH DESIGN

For the proper analysis of data simple statistical techniques such as percentage were use. It helped in making more accurate generalization from the data available.

3.2. METHODOLOGY

3.2.1 SAMPLE

Profit & Loss - ITC Ltd.

Rs (in Crores)

	Mar'21	Mar'20	Mar'19	Mar'18	Mar'17
	12Months	12Months	12Months	12Months	12Months
INCOME:					
Sales Turnover	48524.54	46807.34	45784.39	44329.77	55448.46
Excise Duty	3039.43	1187.64	788.74	3702.23	15359.78
NET SALES	45485.11	45619.70	44995.65	40627.54	40088.68
Other Income	3250.9900	3013.6600	2484.5400	2129.8400	1985.9100
TOTAL INCOME	48736.10	48633.36	47480.19	42757.38	42074.59
EXPENDITURE:					
Manufacturing Expenses	672.11	744.55	714.88	620.92	550.32
Material Consumed	20241.29	17537.13	17598.15	16050.73	16238.53
Personal Expenses	2820.95	2658.21	2728.44	2487.46	2444.31
Selling Expenses	1083.51	979.71	976.53	886.23	792.44
Administrative Expenses	5144.79	5795.85	5672.14	5041.22	5485.04
Expenses Capitalized	.00	.00	.00	.00	.00
Provisions Made	.00	.00	.00	.00	.00
TOTAL EXPENDITURE	29962.65	27715.45	27690.14	25086.56	25510.64
Operating Profit	15522.46	17904.25	17305.51	15540.98	14578.04
EBITDA	18773.45	20917.91	19790.05	17670.82	16563.95
Depreciation	1561.83	1563.27	1311.70	1145.37	1038.04
Other Write-offs	.00	.00	.00	.00	.00
EBIT	17211.62	19354.64	18478.35	16525.45	15525.91
Interest	47.47	55.72	34.19	86.65	22.95

EBT	17164.15	19298.92	18444.16	16438.80	15502.96
Taxes	4132.51	4030.76	5979.84	5628.45	5302.06
Profit and Loss for the Year	13031.64	15268.16	12464.32	10810.35	10200.90

Balance Sheet - ITC Ltd.

Rs (in Crores)

Particulars	Mar'21	Mar'20	Mar'19	Mar'18	Mar'17
	12	12	12	12	12
Liabilities	Months	Months	Months	Months	Months
Share Capital	2937.40	3251.40	3223.80	1220.43	1214.74
Reserves & Surplus	56067.18	60777.76	54725.99	50179.64	44126.22
Net Worth	59004.58	64029.16	57949.79	51400.07	45340.96
Secured Loan	5.28	5.63	7.89	.00	.01
Unsecured Loan	.00	.00	.00	11.13	17.99
TOTAL LIABILITIES	59009.86	64034.79	57957.68	51411.20	45358.96
Assets					
Gross Block	29222.17	26144.37	22717.26	18595.00	16843.67
(-) Acc. Depreciation	7047.34	5626.82	4230.86	3029.01	1963.43
Net Block	22174.83	20517.55	18486.40	15565.99	14880.24
Capital Work in Progress	3333.47	2780.20	3401.36	5025.58	3537.02
Investments	26997.09	30630.61	26578.00	23397.22	18585.29
Inventories	9470.87	8038.07	7587.24	7237.15	7863.99

Sundry Debtors	2090.35	2092.00	3646.22	2357.01	2207.50
Cash and Bank	4001.50	6843.27	3768.73	2594.88	2747.27
Loans and Advances	3512.43	4333.66	6329.97	6203.48	4394.64
Total Current Assets	19075.15	21307.00	21332.16	18392.52	17213.40
Current Liabilities	12244.56	10938.84	11682.36	10808.96	8683.79
Provisions	326.12	261.73	157.88	161.15	173.20
Total Current Liabilities	12570.68	11200.57	11840.24	10970.11	8856.99
NET CURRENT ASSETS	6504.47	10106.43	9491.92	7422.41	8356.41
Misc. Expenses	.00	.00	.00	.00	.00
TOTAL ASSETS(A+B+C+D+E)	59009.86	64034.79	57957.68	51411.20	45358.96

3.2.2 DATA TYPE

In this project the data has been presented in secondary format, i.e. via internet, books, journals from where the information is readily available.

Some information are also from the website of ITC Ltd. <https://www.itcportal.com/> and from their financial records and income statements.

3.2.3 SOURCES OF DATA

Secondary data were collected to meet the objective. The data is collected for the annual reports of the ITC. Data has been taken as per the requirements of the study for the last 5 years that is 2016-17 to 2020-21. Secondary data is used for it.

3.2.4 PERIOD OF STUDY

The study covers a period of five years form 2017-18 to 2020-21, completeness of data and availability of updated information were the two criteria adopted by the researcher in choosing this time period of study.

3.2.5 TOOLS OF ANALYSIS

It is essential to use a systematic research methodology for the assessment of a project because without the use of a research methodology analysis of any company or organization will not be possible. In the present analysis mostly secondary data have been used. It is worth a white to mention that I have used the following types of published data:

- ❖ **Profit and loss Account**
- ❖ **Balance sheet**

3.3 DATA ANALYSIS

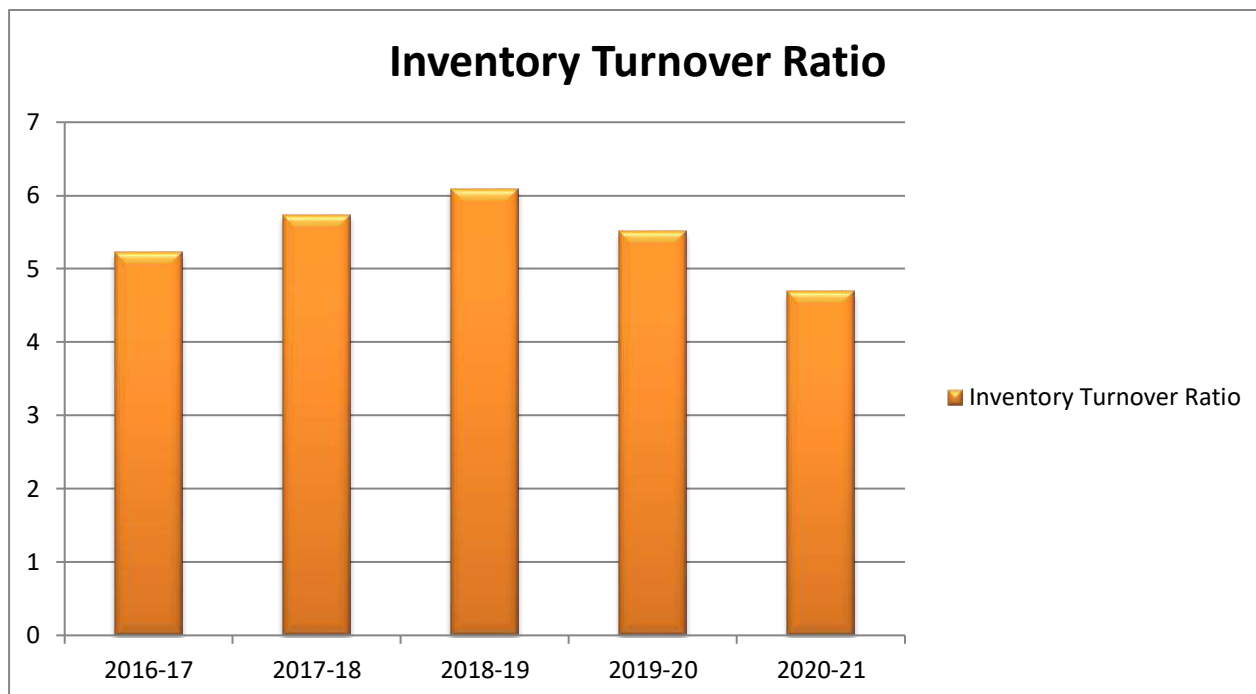
3.3.1 Analysis of financial strength and weakness of the company

Activity Ratio

i. Inventory Turnover Ratio-

Inventory Turnover Ratio= Net Sales/Average Inventory at Selling Price

Particulars	16-17	17-18	18-19	19-20	20-21
I.T.R	5.23	5.73	6.09	5.51	4.69



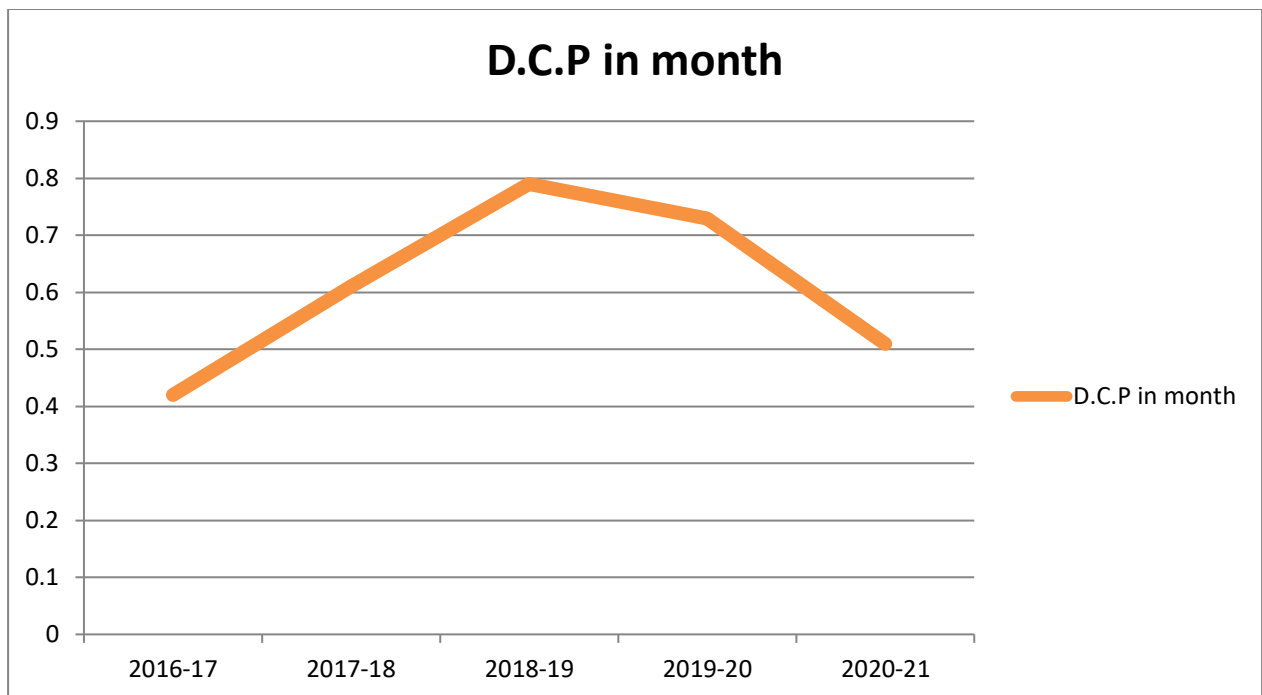
Interpretation: - A high ratio indicates fast moving inventories and a low ratio, on the other hand, indicates slow moving or obsolete inventories in stock. A low ratio may also be the result of maintaining excessive inventories needlessly. Maintaining excessive inventories unnecessarily indicates poor inventory management because it involves tying up funds that could have been used in other business operations. Here, in the chart we see that there was an increase in I.T.R from the year 2016-17 to 2018-19. After that there is a fall in the I.T.R from 6.09 to 4.69.

ii. Debtors Collection Period: -

Debtors collection period = 12 MONTHS/DEBTORS TURNOVER RATIO

Particulars	2016-17	2017-18	2018-19	2019-20	2020-21
Period in month	12	12	12	12	12
D.T ratio	28.48	19.42	15.25	16.31	23.20

D.C.P	in	0.42	0.61	0.79	0.73	0.51
month						



Interpretation: - In the year 2016-17 we can see that the D.C.P is 0.42, and in the year 2017-18 it has increased which indicates that both debtors and sales have been decreasing, so the average collection period is increasing till the year 2018-19. From 2019-20 the D.C.P has decreased which shows that the recovery from debtors.

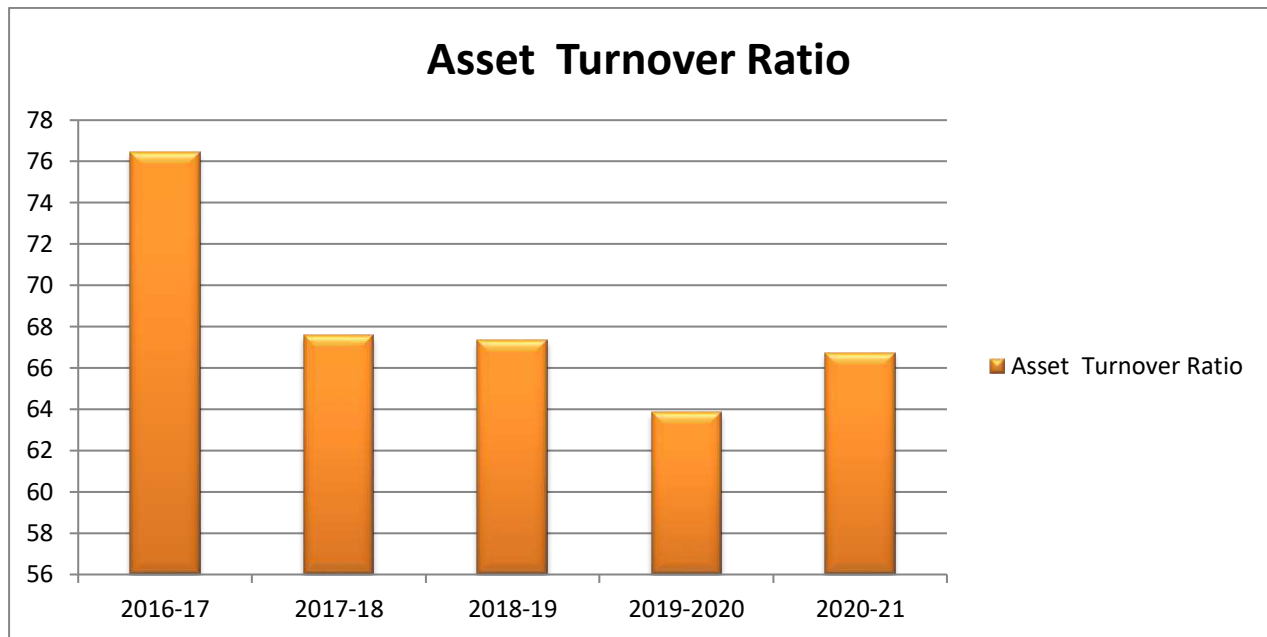
iii. **Asset Turnover Ratio:-**

The asset turnover ratio measures the efficiency with which a company utilizes its assets to generate sales. The ratio calculates net sales as a percentage of assets.

This ratio is calculated at the end of a financial year and can vary widely from one industry to another. The higher the asset turnover ratio, the better the company is performing.

Asset Turnover Ratio = Sales / Average Total Assets

Particulars	2016-17	2017-18	2018-19	2019-20	2020-21
Assets Turnover Ratio	76.46	67.58	67.34	63.85	66.74



Interpretation: - In the year 2016-17 the asset turnover ratio was 76.46 which show that the company was using its assets more efficiently but in the following years there has been a decrease in the asset turnover ratio which shows that the company is not using its assets efficiently. In the year 2020-21 the asset turnover ratio is 66.74.

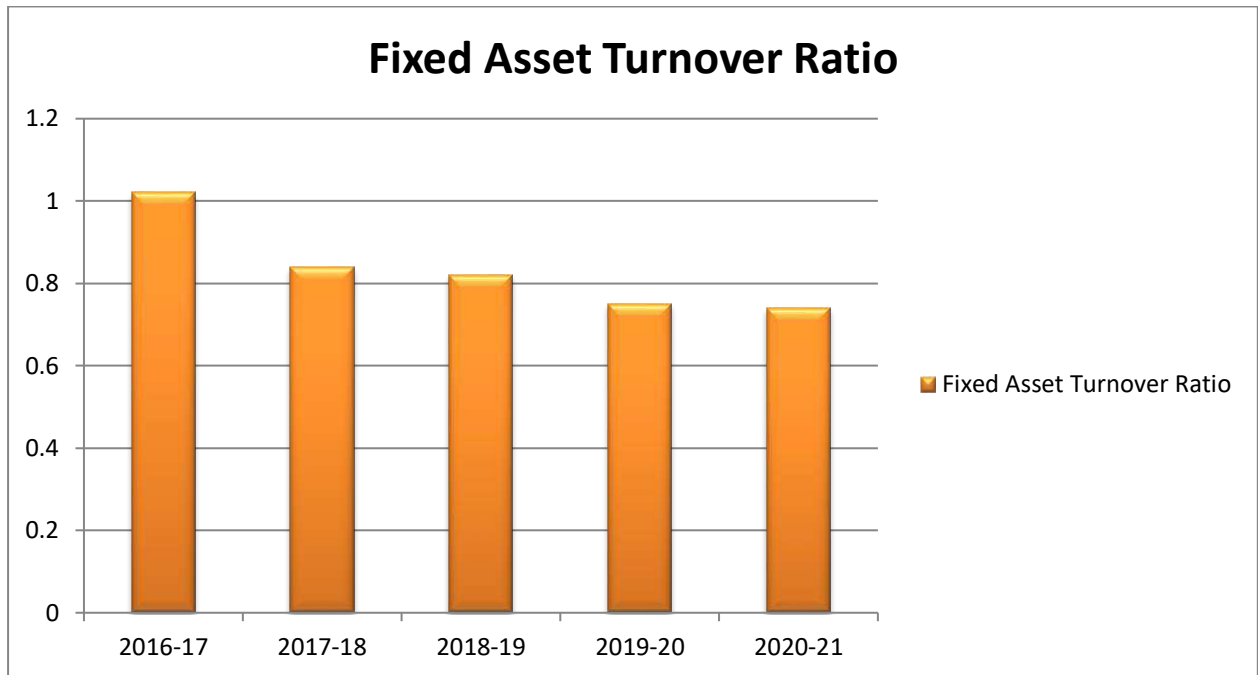
iv. **Fixed Asset Turnover Ratio:-**

This ratio measures the business' ability to generate sales from fixed assets such as property, plant and equipment. To calculate the ratio, you need to divide the net sales by the total property, plant, and equipment net of accumulated depreciation.

A high turnover ratio indicates the assets are being utilized efficiently for generating sales.

Fixed Asset Turnover Ratio = Net Sales / (Fixed Assets – Accumulated Depreciation)

Particulars	2016-17	2017-18	2018-19	2019-20	2020-21
Fixed asset turnover ratio	1.02	0.84	0.82	0.75	0.74



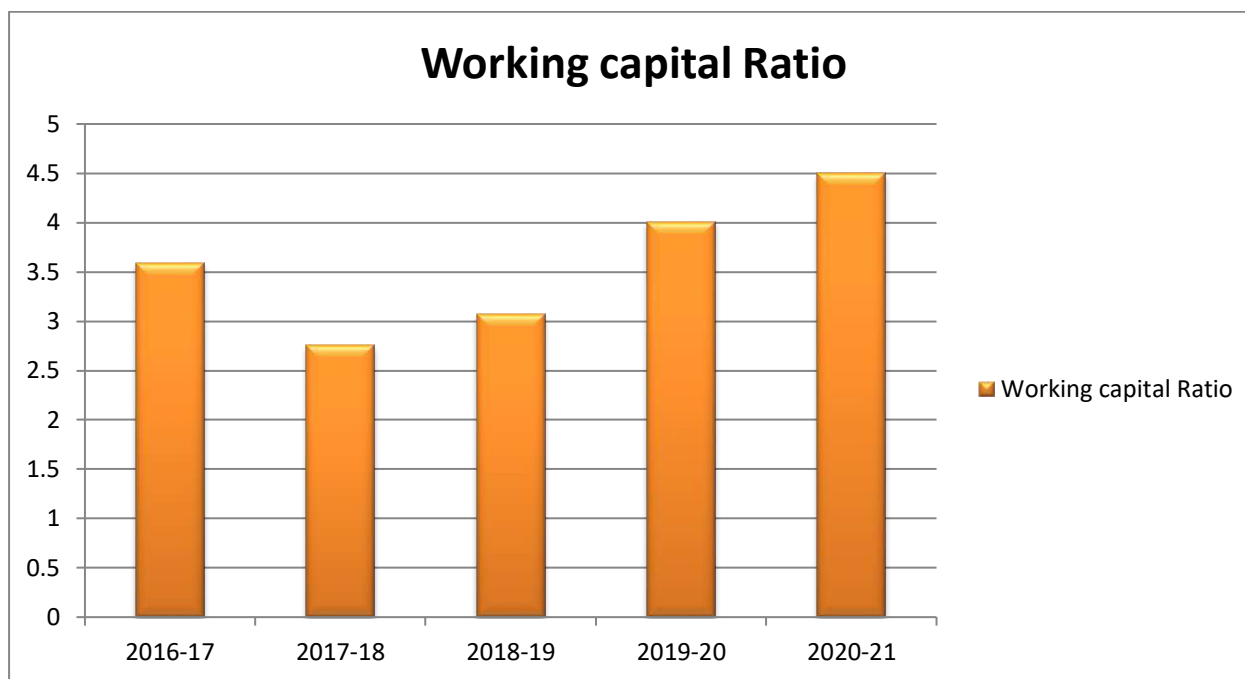
Interpretation: - In the year 2016-17 the fixed asset turnover ratio is 1.02 which indicates that the company was using its assets efficiently but in the following years the company has shown a decrease in the fixed asset ratio. In the year 2020-21 the ratio is 0.74.

v. **Working Capital Ratio:-**

Working Capital Ratio = Current Assets/Current Liabilities

Particulars	2016-17	2017-18	2018-19	2019-20	2020-21
-------------	---------	---------	---------	---------	---------

Current Assets	24537.39	24503	29568.96	36506.91	31815.42
Current Liabilities	6830.07	8856.60	9621.56	9089.41	10174.17
W.C Ratio	3.59	2.76	3.07	4.01	3.12



Interpretation:- Since the working capital ratio measures current assets as a percentage of current liabilities, it would only make sense that a higher ratio is more favorable. A WCR of 1 indicates the current assets equal current liabilities. In the above chart we see that the Working capital ratio is more than 1 throughout the last 5 years. A ratio less than 1 is considered risky by creditors and investors because it shows the company isn't running efficiently and can't cover its current debt properly. A ratio less than 1 is always a bad thing and is often referred to as negative working capital. On the other hand, a ratio above 1 shows outsiders that the company can pay all of its current liabilities and still have current assets left over or positive working capital.

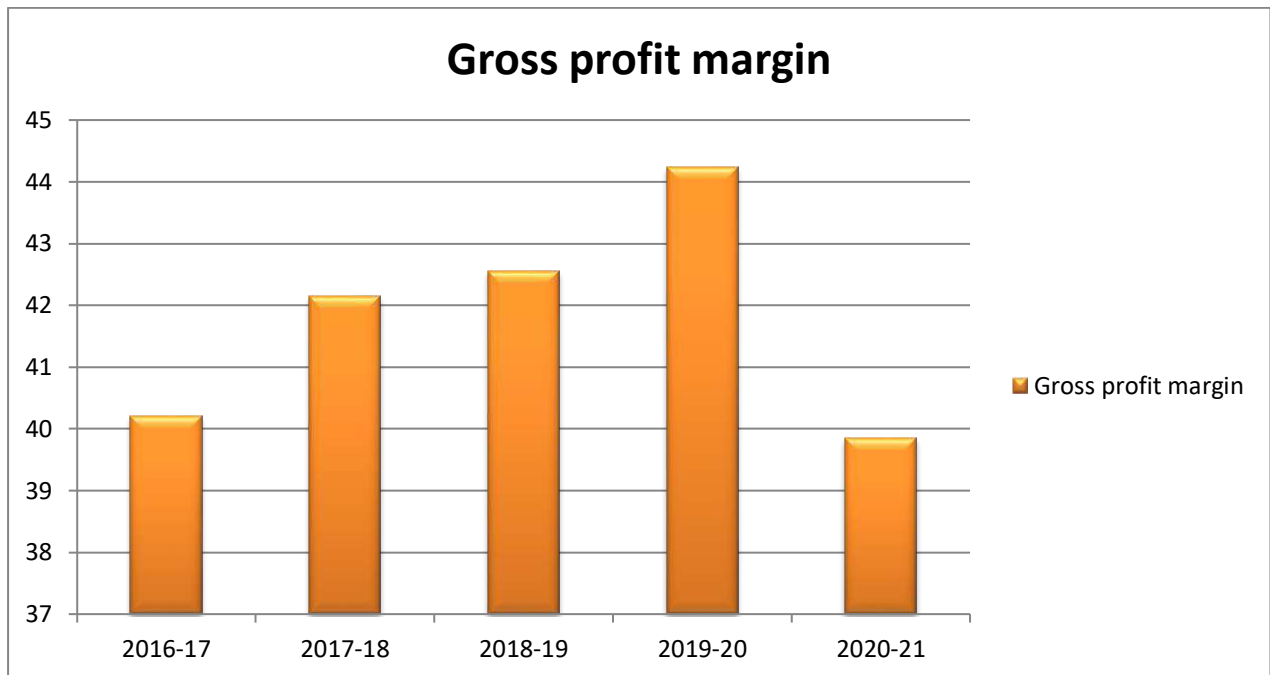
3.3.2 Analysis of profitability of the company

Profitability Ratio

i. Gross Profit Margin:-

Gross Profit Margin = GROSS PROFITS/SALES × 100

Particulars	2016-17	2017-18	2018-19	2019-20	2020-21
Gross Profit Margin	40.20	42.15	42.56	44.24	39.85



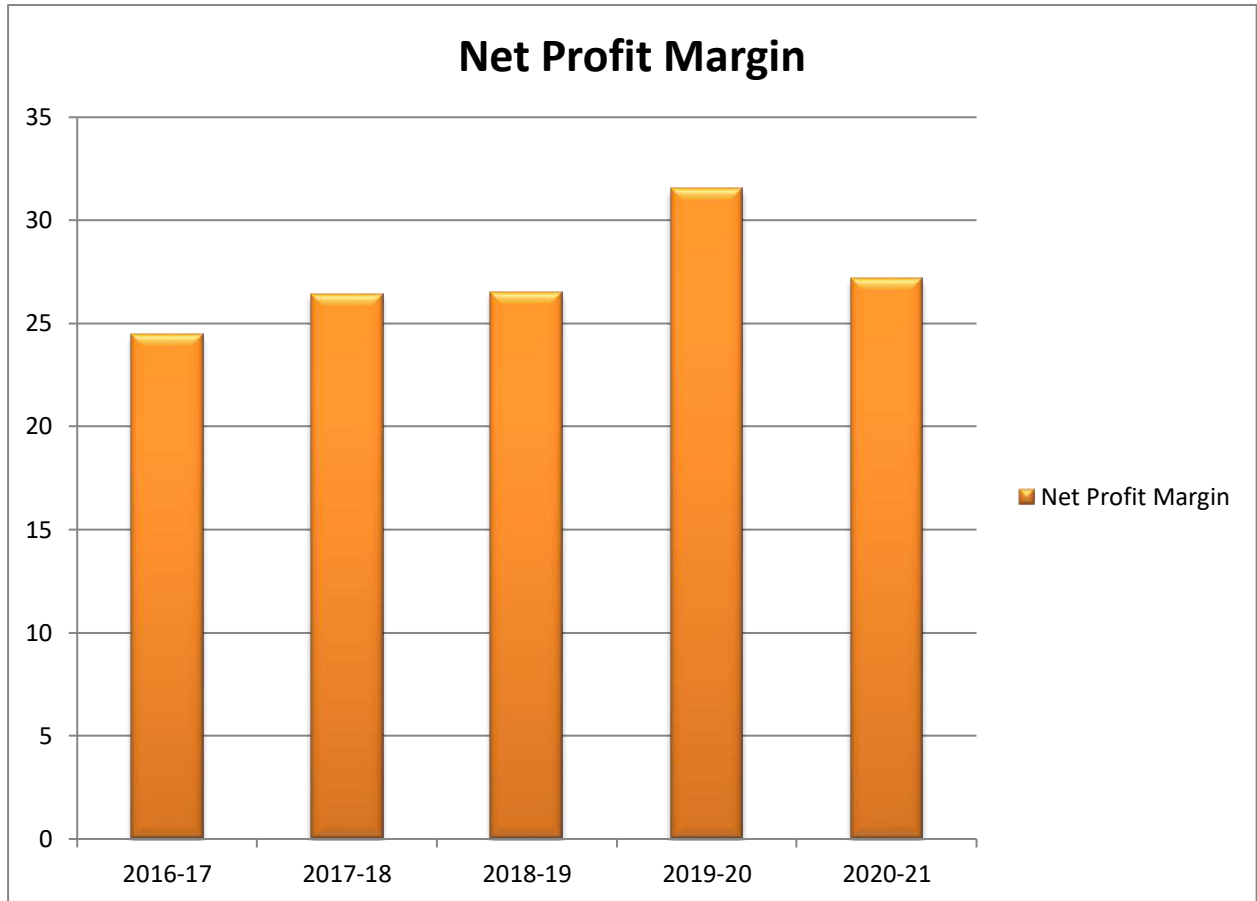
Interpretation:- There was increase in sales as well as increase in gross profit from 2016-17 to 2019-20. After which there was a drastic fall in the gross profit margin from 44.24 to 39.85 in the year 2020-21.

ii. **Net Profit Margin: -**

Net Profit Margin = NET PROFIT (AFTER TAX & INTEREST)/ SALES × 100

Particulars	2016-17	2017-18	2018-19	2019-2020	2020-21
-------------	---------	---------	---------	-----------	---------

Net profit margin	24.47	26.43	26.52	31.54	27.17
--------------------------	-------	-------	-------	-------	-------



Interpretation: - In the year 2016-17 the net profit ratio was 24.47 and in the following years we see that the profit after tax and the sales have increased. In the year 2019-20 it was 31.54. But in the year 2020-21 there is a decrease in profit after tax as well as in sales so the net profit ratio is 27.17.

iii. Operating Margin:-

Operating Margin= Operating income/Revenue

Particulars	2016-17	2017-18	2018-19	2019-20	220-21
Operating Margin	37.50	39.30	39.67	40.91	36.51



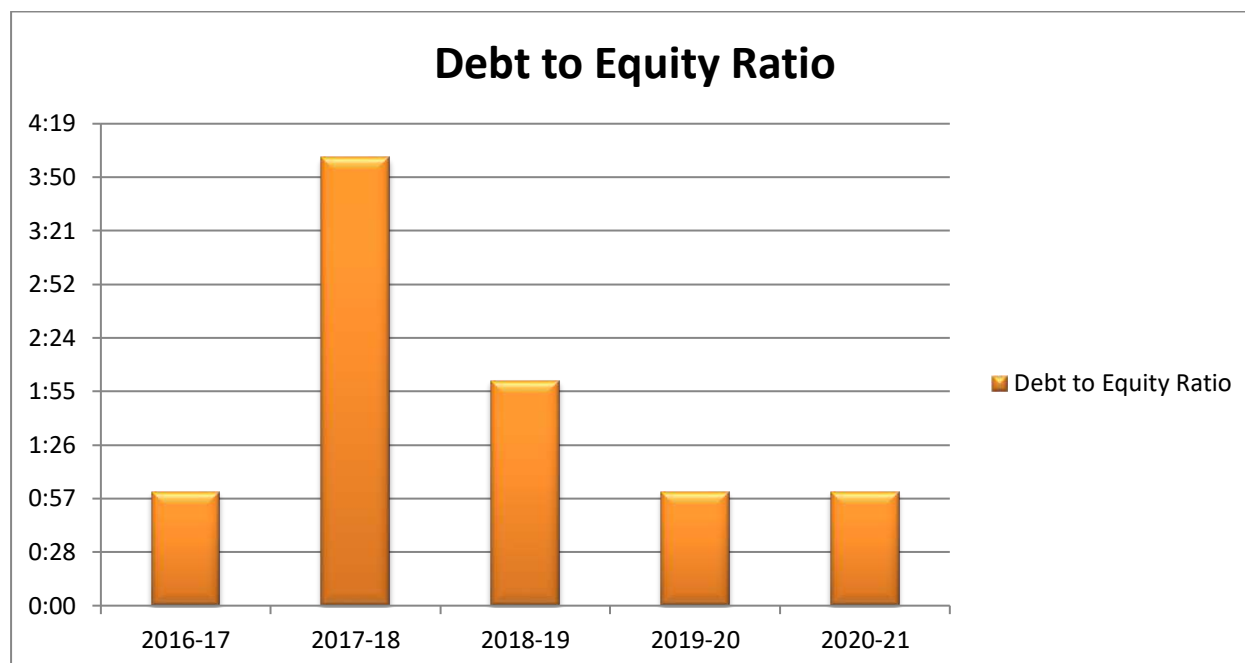
Interpretation:- In the above chart it can be seen that there is a continuous increase in the operating margin till the year 2019-20. Continuous increase shows that the company is in a profitable situation. In the year 2020-21 it has fallen down to 36.51.

3.3.3 Analysis of financial performance of the company

i. Debt to Equity Ratio: -

Debt to Equity Ratio = TOTAL DEBTS/EQUITY (SH. CAP. + R & S)

Particulars	2016-17	2017-18	2018-19	2019-20	2020-21
Debt to Equity Ratio	1:1	4:1	2:1	1:1	1:1



Interpretation:- In the year 2016-17 the Debt to Equity Ratio is 1:1 that shows a decrease in total debt and a increase in shareholder's equity. In the year 2017-18 it has shot up to 4:1. After which the company's debt to equity ratio has been improving continuously, from 4:1 to 2:1 in the year 2018-19 and 1:1 in the following two years.

3.3.4 Analysis of financial capacity of the company

Financial Ratio

i. Interest Coverage Ratio:-

The interest coverage ratio measures how many times a company can cover its current interest payments with its available earnings. In other words, it measures the margin of safety a company has for paying interest on its debt during a given period.

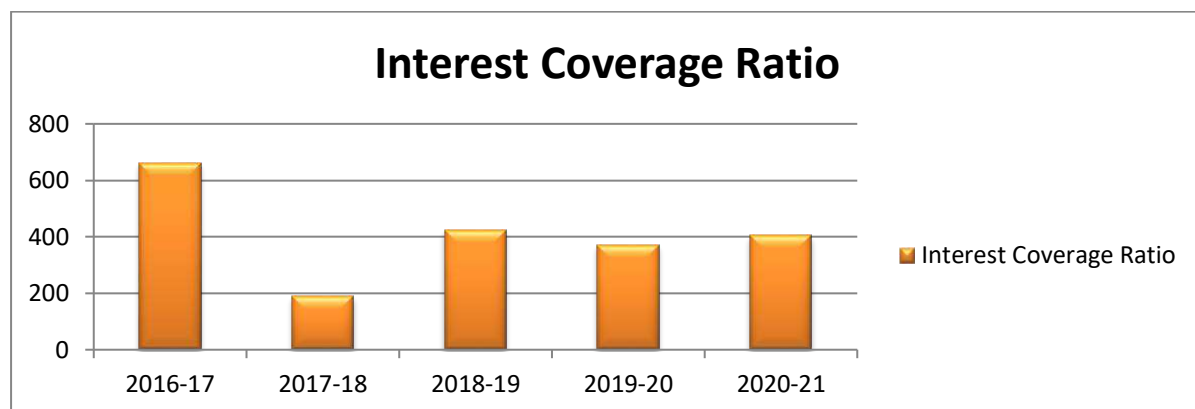
The interest coverage ratio is calculated as follows:

Interest Coverage Ratio= EBIT/Interest Expenses

Where:

EBIT=Earnings before interest and taxes

Particulars	2016-17	2017-18	2018-19	2019-20	2020-21
Interest coverage ratio	660.27	189.95	422.36	369.66	403.54



Interpretation:- We can see in our chart that the interest coverage ratio is fluctuating in nature for the last 5 years.

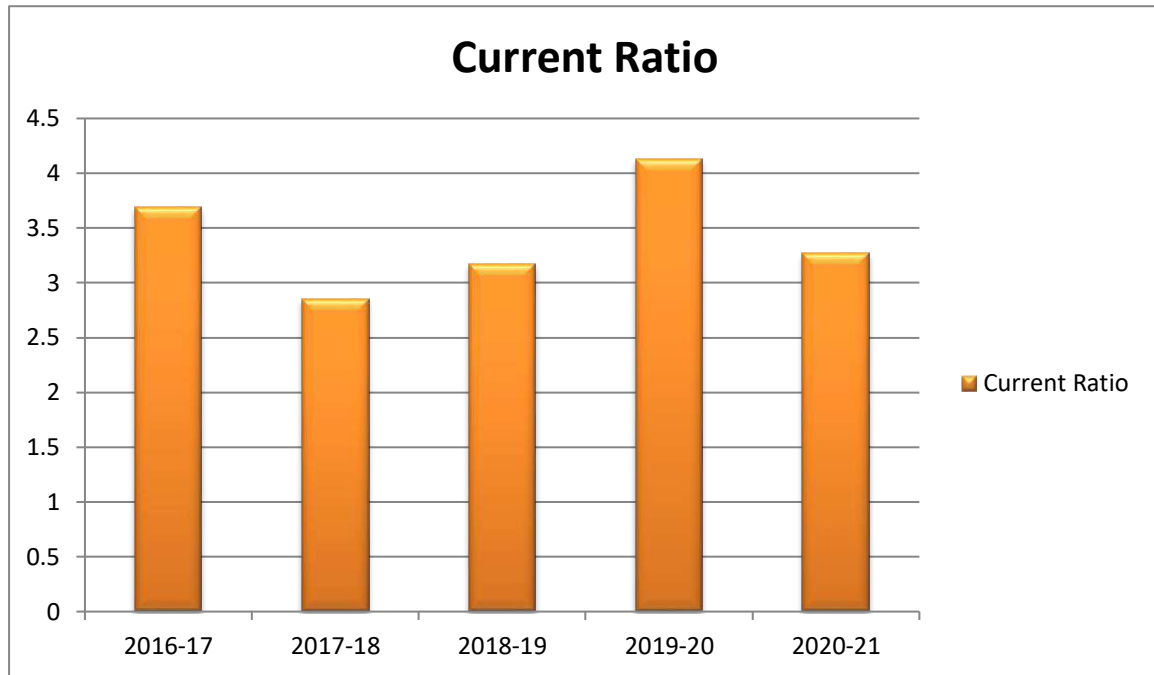
3.3.5 Analysis of liquidity of the company

Liquidity Ratio

i. Current Ratio:-

Current Ratio = Current assets / Current liability

Particulars	2016-17	2017-18	2018-19	2019-20	2020-21
Current Ratio	3.69	2.85	3.17	4.13	3.27

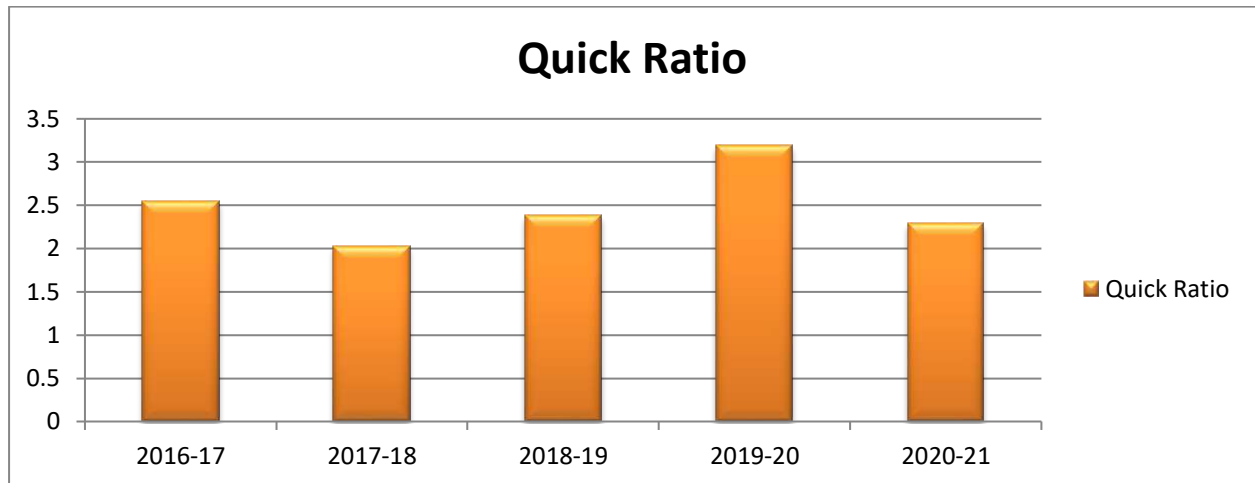


Interpretation: In the year 2016-17 the current ratio is 3.69 which was a desirable situation for the company. In the following years it has shown a decrease from 3.69 to 2.85. In the year 2019-20 it was 4.13 and in 2020-21 it is 3.27.

ii. **Quick Ratio:-**

Quick ratio = (Current assets – Prepaid expenses – Inventory) / Current liabilities

Particulars	2016-17	2017-18	2018-19	2019-20	2020-21
Quick Ratio	2.54	2.03	2.38	3.19	2.29



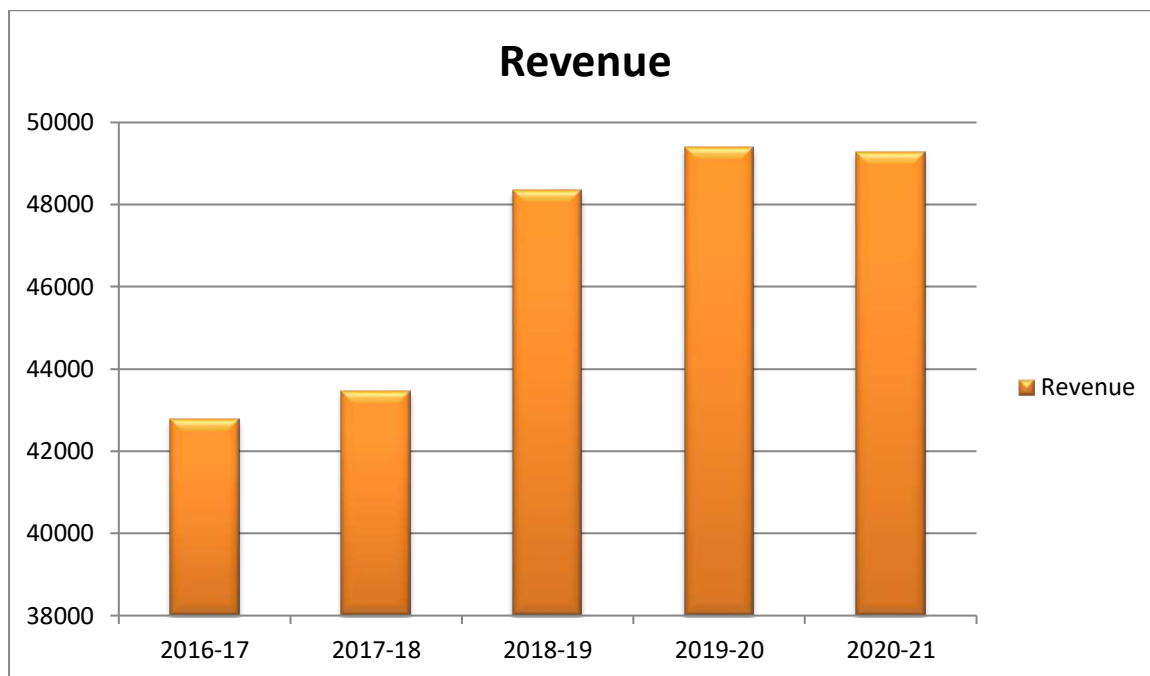
Interpretation: In the year 2016-17 the quick ratio is 2.54. It has decreased from 2.54 to 2.03 in the year 2017-18. In the year 2019-20 it has shown a desirable result with 3.19 and in 2020-21 it has again fallen down to 2.29.

3.4 DATA FINDINGS

- ❖ **Inventories** of the analysis from the year 2016-17 to 2020-21 reveals that fourth and fifth year it has decreased.

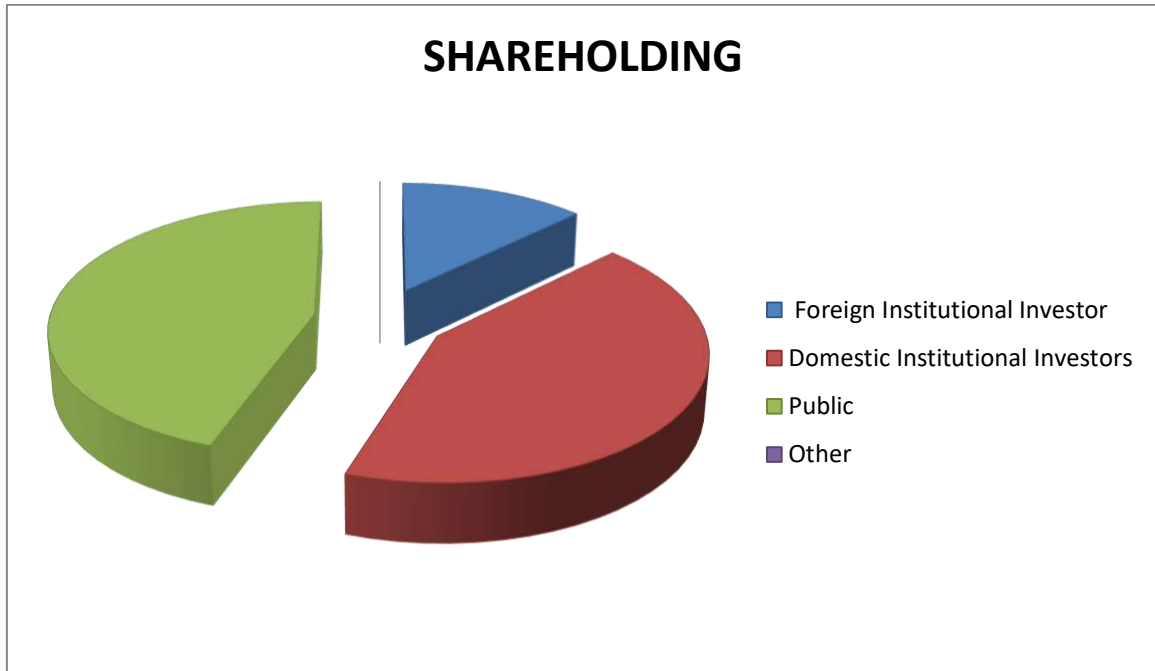
- ❖ **D.C.P** of the analysis from the year 2016-17 to 2020-21 reveals that from the last 2 years it has been decreasing.
- ❖ **Asset Turnover Ratio** of the analysis from the 2016-17 to 2020-21 reveals that it has decreased from the second year till the fourth year and has increased in the last year.
- ❖ **Fixed Asset Turnover Ratio** reveals that it has been decreasing from the last five years.
- ❖ The **Working Capital Ratio** of the analysis from the year 2016-17 to 2020-21 reveals that it has slightly decreased in the second year and gradually increased from the third year.
- ❖ The **Gross Profit Margin** has shown an increasing trend till fourth and has decreased in the fifth year.
- ❖ The **Net Profit Margin** of the analysis from 2016-17 to 2020-21 reveals that it has increased till the fourth year and has slightly decreased in the last year.
- ❖ The **Operating Margin** has shown a increasing trend till the fourth year and has drastically decreased in fifth year.
- ❖ The **Debt to Equity Ratio** of the analysis from 2016-17 to 2020-21 reveals that it has increased in the second year and from thereon it has decreased but still remained in a favourable condition.
- ❖ The **Interest Coverage Ratio** shows that in the second year it has drastically fallen down and from the third year it has increased.
- ❖ The **Current Ratio** of the analysis from the year 2016-17 to 2020-21 reveals that in the second year it has decrease, in the third and fourth year it has shown a increasing trend and in the fifth year it has decreased.
- ❖ The **Quick Ratio** of the analysis from 2016-17 to 2020-21 reveals that it has decreased in the second year then increased in the third and fourth year and again decreased in the fifth year.

REVENUE OF ITC LTD FROM 2016-17 TO 2020-21



Interpretation: - In the above chart it can be clearly seen that the average revenue of the company has increased year by year. It was 42776 in the year 2016-17 and in the year 2020-21 it is 49272.

SHAREHOLDING OF ITC LTD FROM 2016-17 TO 2020-21



Interpretation: - It can be seen that there is more of public shareholding than there is of domestic institutional investors and foreign institutional investor.

INCOME STATEMENT OF ITC LTD FROM 2016-17 TO 2020-21

Annual	2016-17	2017-18	2018-19	2019-20	2020-21
Sales	42766	43448	48352	49404	49272
Other Income	1761	1831	2173	2597	2632
Total Income	44538	45280	50526	52001	51905
Total Expenditure	28493	27789	31342	31920	33915
EBIT	16044	17491	19183	20081	17989
Interest	24	89	45	54	44
Tax	5549	5916	6313	4441	4555
Net Profit	10471	11485	12824	15584	13389

CASH FLOW STATEMENT OF ITC LTD FROM 2016-17 TO 2020-21

Particulars	2016-17	2017-18	2018-19	2019-20	2020-21
Operating Activities	10627	13169	12583	14689	12527
Investing Activities	-3250	-7113	-5545	-6174	5682
Financing Activities	-7301	-6221	-6868	-8181	-18633
Others	0	0	0	0	56
Net Cash Flow	75	-165	169	334	-366

CONCLUSION AND RECOMMENDATION

4.1 Conclusion:-

According to me following are the factors that helped ITC in gaining such market capitalization & immense success.

- ❖ **Sourcing Capability**– ITC has strong sourcing capabilities. With the help of various sources, ITC was able to extend its business in different sectors. They entered into FMCG after establishing a strong base in the agricultural sector. The wheat from the agricultural sector held in establishing a market for the Ashirvaad aata. Similarly, ITC used its various sources very effectively and efficiently.

- ❖ **Effective Brand Utilization**-After getting recognized in the agricultural & FMCG sector, ITC used its established brand name for entering into the stationary market. They introduced classmate by ITC which helped them in grabbing a good market share. They know how to do effective Business Branding.

- ❖ **Related Businesses**-ITC had very interrelated businesses. This helped them in the in-house production of their raw materials. For example, ITC used its paperboard business for the packaging of its various products. It reduced the costs & need for outsourcing.

- ❖ **Role of Management**-Management is the heart and soul of a successful business. Having a leader like YC Deveshwar helped ITC in reaching heights.

- ❖ **Focus on Sustainability**– ITC focuses on sustainability as its goal. Major projects of ITC are focusing on Sustainability They have targeted majorly those sectors which are sustainable in the long run, offering more growth.

- ❖ **Meeting Corporate Social Responsibility (CSR)** – ITC focuses on fulfilling its social responsibility. This aspect is very important in today’s scenario. They started serving the society in Sarapaka, an economically backward area in Andhra Pradesh. ITC contributed to the development in education, environmental protection & community development.

4.2 Recommendations:-

After interpretation and analyzes I am giving certain recommendations to the company

- ❖ The company should utilize its stock more efficiently.
- ❖ The company should pay attention towards the proper and efficient utilization of working capital.
- ❖ The company can reduce the time for purchase order. The buffer should be maintaining in case of emergency. Insurance should be covered especially fire in case of transit journey also.

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ANNEXURE I

Profit & Loss - ITC Ltd.

Rs (in Crores)

	Mar'21	Mar'20	Mar'19	Mar'18	Mar'17
	12Months	12Months	12Months	12Months	12Months
INCOME:					
Sales Turnover	48524.54	46807.34	45784.39	44329.77	55448.46
Excise Duty	3039.43	1187.64	788.74	3702.23	15359.78
NET SALES	45485.11	45619.70	44995.65	40627.54	40088.68
Other Income	3250.9900	3013.6600	2484.5400	2129.8400	1985.9100
TOTAL INCOME	48736.10	48633.36	47480.19	42757.38	42074.59
EXPENDITURE:					
Manufacturing Expenses	672.11	744.55	714.88	620.92	550.32
Material Consumed	20241.29	17537.13	17598.15	16050.73	16238.53
Personal Expenses	2820.95	2658.21	2728.44	2487.46	2444.31
Selling Expenses	1083.51	979.71	976.53	886.23	792.44
Administrative Expenses	5144.79	5795.85	5672.14	5041.22	5485.04
Expenses Capitalized	.00	.00	.00	.00	.00
Provisions Made	.00	.00	.00	.00	.00
TOTAL EXPENDITURE	29962.65	27715.45	27690.14	25086.56	25510.64
Operating Profit	15522.46	17904.25	17305.51	15540.98	14578.04
EBITDA	18773.45	20917.91	19790.05	17670.82	16563.95
Depreciation	1561.83	1563.27	1311.70	1145.37	1038.04

Other Write-offs	.00	.00	.00	.00	.00
EBIT	17211.62	19354.64	18478.35	16525.45	15525.91
Interest	47.47	55.72	34.19	86.65	22.95
EBT	17164.15	19298.92	18444.16	16438.80	15502.96
Taxes	4132.51	4030.76	5979.84	5628.45	5302.06
Profit and Loss for the Year	13031.64	15268.16	12464.32	10810.35	10200.90

ANNEXURE II

Balance Sheet - ITC Ltd.

Rs (in Crores)

Particulars	Mar'21	Mar'20	Mar'19	Mar'18	Mar'17
	12	12	12	12	12
Liabilities	Months	Months	Months	Months	Months
Share Capital	2937.40	3251.40	3223.80	1220.43	1214.74
Reserves & Surplus	56067.18	60777.76	54725.99	50179.64	44126.22
Net Worth	59004.58	64029.16	57949.79	51400.07	45340.96
Secured Loan	5.28	5.63	7.89	.00	.01
Unsecured Loan	.00	.00	.00	11.13	17.99
TOTAL LIABILITIES	59009.86	64034.79	57957.68	51411.20	45358.96
Assets					
Gross Block	29222.17	26144.37	22717.26	18595.00	16843.67
(-) Acc. Depreciation	7047.34	5626.82	4230.86	3029.01	1963.43
Net Block	22174.83	20517.55	18486.40	15565.99	14880.24
Capital Work in Progress	3333.47	2780.20	3401.36	5025.58	3537.02
Investments	26997.09	30630.61	26578.00	23397.22	18585.29
Inventories	9470.87	8038.07	7587.24	7237.15	7863.99
Sundry Debtors	2090.35	2092.00	3646.22	2357.01	2207.50
Cash and Bank	4001.50	6843.27	3768.73	2594.88	2747.27
Loans and Advances	3512.43	4333.66	6329.97	6203.48	4394.64
Total Current Assets	19075.15	21307.00	21332.16	18392.52	17213.40
Current Liabilities	12244.56	10938.84	11682.36	10808.96	8683.79

Provisions	326.12	261.73	157.88	161.15	173.20
Total Current Liabilities	12570.68	11200.57	11840.24	10970.11	8856.99
NET CURRENT ASSETS	6504.47	10106.43	9491.92	7422.41	8356.41
Misc. Expenses	.00	.00	.00	.00	.00
TOTAL ASSETS(A+B+C+D+E)	59009.86	64034.79	57957.68	51411.20	45358.96

PROJECT REPORT

(Submitted for the Degree of B.Com. Honours in Accounting and Finance under the University of Calcutta)

Title of the project

Capital Market

Submitted by

Name of the candidate: Sarbajit Rudra

CU Registration No: 223-1111-0521-18

CU Roll No: 181223-21-0020

Name of the College: Scottish Church College

College Roll No: 18c-035

Supervised By

Name of the supervisor: Smt. Shreya Basu

Name of the College: Scottish Church College

Month and year of Submission: July 2021

SUPERVISOR'S CERTIFICATE

Annexure-1A

THIS IS TO VERIFY THAT I SARBAJIT RUDRA A STUDENT OF B.COM HONOURS IN ACCOUNTING AND FINANCE IN BUSINESS OF SCOTTISH CHURCH COLLEGE UNDER THE UNIVERSITY OF CALCUTTA HAS WORKED UNDER MY SUPERVISION AND GUIDANCE OF HIS PROJECT WORK AND PREPARED A PROJECT REPORT WITH THE TITLE "CAPITAL MARKET" WHICH HE IS SUBMITTING, IS THE ORIGINAL AND GENUINE WORK TO THE BEST OF MY KNOWLEDGE.

Place- Kolkata

Date- 26 July 2021

Signature-

Name- Smt. Shreya Basu

College- Scottish Church College

STUDENTS'S DECLARATION

Annexure 1B

I HEREBY DECLARE THAT THE PROJECT WORK "CAPITAL MARKET" IS SUBMITTED BY ME FOR THE PARTIAL FULFILLMENT OF THE DEGREE OF B.COM HONOURS IN ACCOUNTING AND FINANCE IN BUSINESS UNDER THE UNIVERSITY OF CALCUTTA IS MY ORIGINAL WORK AND HAS NOT BEEN SUBMITTED EARLIER TO ANY OTHER UNIVERSITY/ INSTITUTION FOR THE FULFILLMENT OF THE REQUIREMENT FOR ANY COURSE OF STUDY. HOWEVER, EXTRACTS OF ANY LITERATURE WHICH HAS BEEN USED FOR THIS REPORT HAS BEEN DULY ACKNOWLEDGED PROVIDING DETAILS OF SUCH LITERATURE IN THE REFERENCES.

PLACE – KOLKATA

DATE- 26 JULY 2021

SIGNATURE-

NAME – SARBAJIT RUDRA

CU REGISTRATION NO- 223-1111-0521-18

CU ROLL NO- 181223-21-0020

ACKNOWLEDGEMENT

I, Sarbajit Rudra would like to take this opportunity to express my deep sense of gratitude to Calcutta University who has given me the environment to gather information about my area of interest, i.e Capital market.

I am highly grateful and indebted to my project mentor Mr. Amitava Chatterjee and all other Teachers without whom I would not have been able to complete this project. Their constructive criticism and expert guidance has been an inspiration.

By Sarbajit Rudra

Semester VI

B.Com(H) Accounting and Finance

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1. INTRODUCTION

The capital market is the market for securities, where Companies and governments can raise long-term funds. It is a market in which money is lent for periods longer than a year. A nation's capital market includes such financial institutions as banks, insurance companies, and stock exchanges that channel long-term investment funds to commercial and industrial borrowers. Unlike the money market, on which lending is ordinarily short term, the capital market typically finances fixed investments like those in buildings and machinery. Generally, the personal savings of an entrepreneur along with contributions from friends and relatives are the source of fund to start new or to expand existing business. This may not be feasible in case of large projects as the required contribution from the entrepreneur (promoter) would be very large even after availing term loan; the promoter may not be able to bring his / her share (equity capital). Thus availability of capital can be a major constraint in setting up or expanding business on a large scale.

Capital market consists of primary markets and secondary markets. Primary markets deal with trade of new issues of stocks and other securities, whereas secondary market deals with the exchange of existing or previously-issued securities. Another important division in the capital market is made on the basis of the nature of security traded, i.e. stock market and bond market.

Initial public offering (IPO) or stock market launch is a type of public offering in which shares of a company are usually sold to institutional investors that in turn, sell to the general public, on a securities exchange, for the first time. Through this process, a privately held company transforms into a public company. Initial public offerings are mostly used by companies to raise the expansion of capital, possibly to monetize the investments of early private investors, and to become publicly traded enterprises. A company selling shares is never required to repay the capital to its public investors. After the IPO, when shares trade freely in the open market, money passes between public investors. Although IPO offers many advantages, there are also significant disadvantages, chief among these are the costs associated with the process and the requirement to disclose certain information that could prove helpful to competitors. The IPO process is colloquially known as going public.

1.1 BACKGROUND AND IMPORTANCE

Introduction

Background...

- EGX : Among oldest exchanges in region
 - Alexandria: established 1883, Cairo: 1903
 - Ranked 5th in the world in 1940s
- However, capital markets languished post WW2
 - Central planning and nationalization during 1950's -60's
- CMA: established in late 1970's
- 1991: Start of economic reforms
- 1992: Capital Market Law
- 1994: Start of privatization

Importance or Functions of Capital Market: The capital market plays an important role immobilizing saving and channel is in them into productive investments for the development of commerce and industry. As such, the capital market helps in capital formation and economic growth of the country.

1. It is only with the help of capital market, long-term funds are raised by the business community.
2. It provides opportunity for the public to invest their savings in attractive securities which provide a higher return.
3. A well developed capital market is capable of attracting funds even from foreign country. Thus, foreign capital flows into the country through foreign investments.
4. Capital market provides an opportunity for the investing public to know the trend of different securities and the conditions prevailing in the economy.
5. It enables the country to achieve economic growth as capital formation is promoted through the capital market.

6. Existing companies, because of their performance will be able to expand their industries and also go in for diversification of business due to the capital market.

7. Capital market is the barometer of the economy by which you are able to study the economic conditions of the country and it enables the government to take suitable action.

8. Through the Press and different media, the public are informed about the prices of different securities. This enables the public to take necessary investment decisions.

9. Capital market provides opportunities for different institutions such as commercial banks, mutual funds, investment trust; etc., to earn a good return on the investing funds. They employ financial experts who are able to predict the changes in the market and accordingly undertake suitable portfolio investments.

1.2 FUNCTIONS OF CAPITAL MARKET

- It acts in linking investors and savers.
- Facilitates the movement of capital to be used more profitably and productively to boost the national income.
- Boosts economic growth.
- Mobilization of savings to finance long term investment.
- Facilitates trading of securities.
- Minimization of transaction and information cost.
- Encourages a massive range of ownership of productive assets.
- Quick valuations of financial instruments.
- Through derivative trading, it offers insurance against market or price threats.
- Facilitates transaction settlement.
- Improvement in the effectiveness of capital allocation.
- Continuous availability of funds.

1.3 PRODUCTS OF CAPITAL MARKET

1. Equity

This refers to a stock or any other security that represents an ownership interest in a limited liability company. Equity ownership can be obtained through an Initial Public Offer (IPO), a Rights Issue or through purchase through the Nairobi Securities Exchange.

As at 31st March 2018 had 64 companies listed and trading at the Nairobi Securities Exchange.

2. Bonds

A bond is a debt instrument in which an investor loans money to an entity (typically corporate or government) for a defined period of time at a variable or fixed interest rate. Bonds are used by companies, municipalities, states and sovereign governments to raise money and finance a variety of projects and activities. Owners of bond are creditors of the issuers. There are two main categories of bond namely-

i. Treasury Bonds

These are debt instruments issued by the Government of Kenya to finance budgetary goals. Treasury bonds are medium to long-term debt instruments usually longer than one year issued by the government to raise funds in local currency. Treasury bonds may be defined by the purpose, interest rate structure, maturity structure, and even by issuer.

The most commonly issued bonds in Kenya are fixed coupon bonds. Additionally, Treasury bonds in Kenya are issued on a monthly basis.

Treasury bonds are available in both the primary market (through auctions) and the secondary market (through the Nairobi Securities Exchange). An investor needs at least Kshs. 50,000 to purchase bonds in Kenya.

ii. Corporate Bonds

These are long-term (at least one year and above) debt instruments issued by the private sector. Issuers of this instrument target high net worth investors who understand technical information about pricing, valuation, yields etc.

3. Loan Stocks & Preference Shares

i. Preference shares

These are shares of a company's stock that rank higher in seniority, compared to ordinary shares, with dividends getting paid out first to shareholders holding them before common stock dividends are paid. In the event of bankruptcy, shareholders with preferred stock are have to be paid from the bankrupt company's residual assets first, before ordinary shareholders are paid.

ii. Loan stocks

Loan stocks are shares in a business that have been pledged as collateral for a loan. This type of collateral is most valuable for a lender when the shares are publicly traded on a securities exchange and are unrestricted, so that the shares can be easily sold for cash.

4. Collective Investment Schemes (CISs)

Collective investment schemes securities offered by a company under which, contributions made by the investors, are pooled and utilized with a view to paying a return in accordance with specific shared investment objectives that have been established for the scheme. Collective investment funds thus group assets from individuals and organizations to develop a larger, diversified portfolio.

In return for putting money into these funds, the investor receives shares or units that represent their pro-rata share of the pool of fund assets. The unit price (also known as the net asset value (NAV)) is dependent on the market value of the instruments in which the pool of money is invested and therefore rises and falls. It is calculated daily.

As at 31st March 2018, there were 26 fund managers and 23 collective investment schemes licensed by the Capital Markets Authority.

1. Real Estate Investment Trusts (REITs)

Real Estate Investment Trusts are pooled investments typically designed to enable the investors to benefit from investments in large-scale real estate enterprises. They invest in real estate through **property or mortgages** and often trade on a securities exchange like a stock. REITs provide investors with a **liquid stake** in real estate and mortgage properties.

In Kenya, the two main types of REITs are:

2. Income Real Estate Investment Trusts (I-REITs)

This is a REIT that primarily derives its revenue from property rentals. It owns and manages income generating real estate for the benefit of its investors. Distributions to investors are underpinned by commercial leases. This means that income returns are predictable and generally less volatile. I-REITs provide an instrument for investing in the real estate market offering both liquidity and a stable income stream.

Kenya has already covered some ground on this front, with the listing of the first Real Estate Investment Trust, THE STANLIB FAHARI INCOME REIT in October 2016. The REIT raised KES3.6 billion to be invested in real estate projects.

3. Development Real Estate Investment Trust (D-REIT)

This is a real estate investment trust that is principally involved in the development and construction of property for sale or and for rental.

1.4 OBJECTIVES OF THE STUDY

- 1. To analyze the listing day performance of the IPOs in the market during financial year 2020 -2021.**
- 2. To know the return generated by IPOs on listing day.**
- 3. To know the correlation co-efficient between issue price and short term return.**
- 4. To know the correlation co-efficient between issue size and short term return.**
- 5. To know the sector wise division of IPOs during the sample period.**
- 6. To know the best performing IPO sectors in India.**
- 7. To understand the divisions of IPO rating and its effects in primary and secondary market**

1.5 LIMITATIONS OF THE STUDY

- The study is limited to the companies listed on NSE and BSE during the year 2020-2021.
- The data collected for the study includes nominal values, which are not free from the effect of inflation.
- As the data has been collected by secondary source it is not free from errors.
 - The ratings differ as per year so slight possibilities of mistakes can occur

2. Conceptual framework

2.1 PRIMARY AND SECONDARY MARKET

Primary Market: The primary market is a new issue market; it solely deals with the issues of new securities, a place where trading of securities is done for the first time. The main objective is capital formation for government, institutions, companies, etc. also known as Initial Public Offer (IPO). Companies and government entities sell new issues of common and preferred stock, corporate bonds and government bonds, notes, and bills on the primary market to fund business improvements or expand operations. Although an investment bank may set the securities' initial price and receive a fee for facilitating sales, most of the funding goes to the issuer. Investors typically pay less for securities on the primary market than on the secondary market. All issues on the primary market are subject to strict regulation. Companies must file statements with the Securities and Exchange Commission (SEC) and other securities agencies and must wait until their filings are approved before they can go public. A rights offering (issue) permits companies to raise additional equity through the primary market after already having securities enter the secondary market. Current investors are offered prorated rights based on the shares they currently own, and others can invest anew in newly minted shares. Other types of primary market offerings for stocks include private placement and preferential allotment. Private placement allows companies to sell directly to more significant investors such as hedge funds and banks without making shares publicly available. While preferential allotment offers shares to select investors (usually hedge funds, banks, and mutual funds) at a special price not available to the general public. Similarly, businesses and governments that want to generate debt capital can choose to issue new short- and long-term bonds on the primary market. New bonds are issued with coupon rates that correspond to the current interest rates at the time of issuance, which may be higher or lower than pre-existing bonds.

Secondary Market: The secondary market is a place where trading takes place for existing securities. It is known as stock exchange or stock market. Here the securities are bought and sold by the investors. Now, let us have a look at the functions of secondary market:

1. Regular information about the value of security
2. Offers liquidity to the investors for their assets
3. Continuous and active trading
4. Provide a Market Place Also known as aftermarket, is the follow on of public offering in the market.

It is the place where stocks, bonds, options and futures, issued previously, are bought and sold. In simple it is a marketplace where securities issued earlier, are sold and purchased. The secondary market facilitates the liquidity and marketability of securities. It serves as a monitoring and controlling channel for management of company by

- Facilitating value build up control activities and,
- Accumulates information with market capitalization Secondary market provides real time valuation of securities on the basis of demand and supply. Secondary market definition itself states that it is second-hand market, when previously issued securities are bought and sold. Now let's see what is secondary market for general investors, secondary market is a place which provides an efficient platform for trading of securities i.e. to provide liquidity to convert investments into cash. Types of Secondary Market:
 - Over the Counter market: OTC market refers to the process where securities are traded in an informal way i.e. that is not listed on a formal exchange. Under this the securities that didn't fulfill the requirements to have a listing on a standard market exchange. It is a bilateral contract, where two parties are involved i.e. the investor and dealer. Stocks traded in OTC market are basically of smaller companies that cannot meet exchange requirements for formal exchange.
 - Exchange traded market: Exchange-traded market also known as auction market is a place where all the transactions are routed through a central source (exchange) that is completely responsible for being the intermediary that connects buyers and sellers.

Primary market vs Secondary market:- The word "market" can have many different meanings, but it is used most often as a catch-all term to denote both the primary market and the secondary market. In fact, "primary market" and "secondary market" are both

distinct terms; the primary market refers to the market where securities are created, while the secondary market is one in which they are traded among investors. Knowing how the primary and secondary markets work is key to understanding how stocks, bonds, and other securities trade. Without them, the capital markets would be much harder to navigate and much less profitable. We'll help you understand how these markets work and how they relate to individual investors.

- The primary market is where securities are created, while the secondary market is where those securities are traded by investors.
- In the primary market, companies sell new stocks and bonds to the public for the first time, such as with an initial public offering (IPO).
- The secondary market is basically the stock market and refers to the New York Stock Exchange, the Nasdaq, and other exchanges worldwide.

2.2 PRICING MECHANISMS IN PRIMARY MARKET

- Primary markets are when investors are able to purchase securities directly from the issuers.
 - In the primary market, companies sell new stocks and bonds to the public for the first time, such as with an initial public offering (IPO) - often at a pre-determined or negotiated price.
 - Stock exchanges instead represent secondary markets, where investors buy and sell from one another. Reasons for Companies to Issue Shares to the Public Companies come to the primary market to raise money for expansion as each and every company requires capital for expansion and growth. The capital can be in the form of:
 - Equity: It is termed as the stock capital of the company, also known as share capital.
 - Debt: it is termed as the loans taken by the business the money raised in the primary market goes directly to issuing company. It is a place where capital formation takes place. Method of Flotation of Securities in Primary Market The securities may be issued in primary market by the following methods:

2.3 METHODS OF ISSUE OF SHARE IN PRIMARY MARKET

1. Public Issue through Prospectus: Under this method company issues a prospectus to inform and attract general public. In prospectus company provides details about the purpose for which funds are being raised, past financial performance of the company, background and future prospects of company. The information in the prospectus helps the public to know about the risk and earning potential of the company and accordingly they decide whether to invest or not in that company Through IPO company can approach large number of persons and can approach public at large. Sometimes companies involve intermediaries such as bankers, brokers and underwriters to raise capital from general public.

2. Offer for Sale: Under this method new securities are offered to general public but not directly by the company but by an intermediary who buys whole lot of securities from the company. Generally the intermediaries are the firms of brokers. So sale of securities takes place in two steps: first when the company issues securities to the intermediary at face value and second when intermediaries issue securities to general public at higher price to earn profit. Under this method company is saved from the formalities and complexities of issuing securities directly to public.

3. Private Placement: Under this method the securities are sold by the company to an intermediary at a fixed price and in second step intermediaries sell these securities not to general public but to selected clients at higher price. The issuing company issues prospectus to give details about its objectives, future prospects so that reputed clients prefer to buy the security from intermediary. Under this method the intermediaries issue securities to selected clients such as UTI, LIC, General Insurance, etc. The private placement method is a cost saving method as company is saved from the expenses of underwriter fees, manager fees, agents' commission, listing of company's name in stock exchange etc. Small and new companies prefer private placement as they cannot afford to raise from public issue.

4. Right Issue (For Existing Companies): This is the issue of new shares to existing shareholders. It is called right issue because it is the pre-emptive right of shareholders that company must offer them the new issue before subscribing to outsiders. Each shareholder has the right to subscribe to the new shares in the proportion of shares he already holds. A right issue is mandatory for companies under Companies' Act 1956. The stock exchange does not allow the existing companies to go for new issue without giving pre-emptive rights to existing shareholders because if new issue is directly issued to new subscribers then the existing equity shareholders may lose their share in capital and control of company i.e., it would water their equity. To stop this the pre-emptive or right issue is compulsory for existing company.

5. e-IPOs, (electronic Initial Public Offer): It is the new method of issuing securities through on line system of stock exchange. In this company has to appoint registered brokers for the purpose of accepting applications and placing orders. The company

issuing security has to apply for listing of its securities on any exchange other than the exchange it has offered its securities earlier. The manager coordinates the activities through various intermediaries connected with the issue. Investment in IPO An IPO usually occurs when a company, which is presently not listed at any stock exchange, makes either a fresh issue of shares or makes an offer for sale of its existing shares or both for the first time to the public through a public offering for its security. The shares are made available to the investors at the price determined by the promoters of the company in consultation with the investment bankers. The successful completion of the IPO process leads to the listing in the secondary market and subsequently trading begins at the designated stock exchange. In India, there are many stock exchanges are operating, but among them, most of us have concerned with the two major stock exchanges, namely BSE and NSE. An important development that took place in the Indian capital market and fuelled the growth of IPO market was the establishment of National Stock Exchange (NSE), a state of the art exchange supported by sophisticated technology in order to ensure improving trading practices and inspecting any unethical dealing. This is further complemented by a strong legal framework to strengthen the governance structure, the hallmark of the Indian capital market in the last two decades. Though BSE has a long history and it is the first officially recognized exchange in India but with the establishment of NSE, the role of BSE and its business have impacted considerably. Now, NSE is bigger compared to BSE in terms of volume of transactions, market capitalization and liquidity whereas in terms of the number of listed companies the BSE remains the undisputed leader. A company can be listed its stock simultaneously in both the BSE and NSE or in either of these two exchanges.

Primary market vs Secondary market:- The word "market" can have many different meanings, but it is used most often as a catch-all term to denote both the primary market and the secondary market. In fact, "primary market" and "secondary market" are both distinct terms; the primary market refers to the market where securities are created, while the secondary market is one in which they are traded among investors. Knowing how the primary and secondary markets work is key to understanding how stocks, bonds, and other securities trade. Without them, the capital markets would be much harder to navigate and much less profitable. We'll help you understand how these markets work and how they relate to individual investors.

- The primary market is where securities are created, while the secondary market is where those securities are traded by investors.
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- The secondary market is basically the stock market and refers to the New York Stock Exchange, the Nasdaq, and other exchanges worldwide.

2.4 UPCOMING IPO OF INDIA

Upcoming IPO	Dates	Size	Price
<u>Zomato</u>	14-16 July	₹9375 Cr.	₹72 - ₹76
<u>Tatva Chintan Pharma</u>	16-20 July	₹450 Cr.	₹1073 - ₹1083
<u>Glenmark Life Sciences</u>	27-29 July	₹1514 Cr.	₹694 - ₹710
<u>Rolex Rings</u>	28-30 July	₹700 Cr.	₹960 - ₹970
<u>GoAir</u>	2021	₹3600 Cr.	₹
<u>PayTM</u>	2021	₹21800 Cr.	₹
<u>MobiKwik</u>	-	₹1900 Cr.	₹

<u>Penna Cement</u>	2021	₹1550 Cr.	₹
<u>HDB Financial</u>	2021	- Cr.	-
<u>Harsha Engineers</u>	2021	₹370 Cr.	-
<u>Muthoot Microfin</u>	2021	₹700 Cr.	-
<u>Shriram Properties</u>	2021	₹1250 Cr.	-
<u>Narmada Bio-chem</u>	2021	₹90 Cr.	-
Hinduja Leyland Finance	2021	₹500 Cr.	-
Srei Equipment Finance	2021	₹1100 Cr.	-
<u>Aakash Educations</u>	2021	-	-

<u>Ami Organics</u>	2021	-	-
<u>Century Metal Recycling</u>	2021	-	-
<u>LIC IPO</u>	2021	-	-



3. DATA ANALYSIS

3.1 CAPITAL IPO MEANING AND IMPORTANCE

An initial public offering (IPO) is a type of public offering. In an initial public offering, shares of stock in a company are sold to the general public, on a stock exchange, for the first time. Initial public offerings are used by companies to raise money for expansion and to become publicly traded enterprises. It is a process by which a privately owned company becomes a publicly traded company by offering its shares to the public for the first time. Companies can raise equity capital with the help of an IPO by issuing new shares to the public or the existing shareholders can sell their shares to the public without raising any fresh capital. A company

before it becomes public hires an investment bank to handle the IPO. The investment bank and the company work out the financial details of the IPO in the underwriting agreement. Later, along with the underwriting agreement, they file the registration statement with SEC. SEC scrutinizes the disclosed information and if found right, it allows a date to announce the IPO. The number of IPOs being issued is usually a sign of the stock market's and economy's health. During a recession, IPOs drop because they aren't worth the hassle when share prices are depressed. When the number of IPOs increase, it can mean the economy is getting back on its feet again.

Importance of IPO:-

1. **Going Public:** The Key to Financial Success Going public is the key to raising money, offering a window of opportunity that unlocks financial doors. Public companies get better rates when debt is issued and once there is market demand, more stock can be issued by the public firm. But with the advent of the information age and the internet boom, strong financials are no longer a prerequisite for going public. An initial public offering is also a golden opportunity to access strong financials instead. Many small start-ups have expanded their business through the benefit of IPO for P.G. Department of Commerce, Investors should be wary about exit strategy whereby companies undertake the initial public offering to make founders rich and make IPO benefits to shareholders lose their wealth. In such cases, a benefit of IPO for Investors can become dead ends rather than a beginning of the financial success story. In many ways sale of an initial public offering is like selling stock.
2. **The Mechanism of IPO for Investors = Underwriting** The process through which an IPO for Investors is carried out is known as underwriting. When companies want to go public, they can hire investment banks much in the same way that Wall Street functions. Raising money through debt or equity is the basis of underwriting. Think of underwriting as the middle ground between the investor and the company. Most well-known underwriters are high profile financial companies such as Credit Suisse and Goldman Sachs. A deal is negotiated following deliberations between the company and the investment bank. Amount of money raised by a company, nature of securities issued and details indicated in the underwriting agreement are the issues discussed when the deal is made. There are many ways to go about scripting an underwriting process.
3. A Benefit of IPO for investor size depends upon success is a long complicated journey. The road to IPO for Investors are long, complicated ones and individual investors are involved at the end. Small investors cannot hope to attain big success in the initial public offering market because underwriters are only interested in institutional clients. To get a hot Benefit of IPO, you need to be a frequently traded client with a massive account or underwriter syndicate's interest will cool off. Chances of snaring early shares in IPOs is very low unless you have strong financials and you are a large investor.

4. One Price Mechanism, 2 Kinds There are initial public offerings or initial public offering based on the share price as fixed price and book building issue. A fixed price IPO fixes the price of shares of the company much before and no investor can breach the amount value of the share by bidding higher or lower. Bidding for shares is possible in the book building issue. Here, investors can choose and bid based on a range of prices allowed for the shares by the company. Based on the bids, shares are allotted to investors through a process called book building. Depending on your needs and requirements as an investor, you can opt for either.

3.2CM IPO RATING AND REVIEW ANALYSIS

CM IPO RATING & REVIEW ANALYSIS 2021

<u>Company Name</u>	<u>Capital Market Rating</u>	<u>Listing Date</u>	<u>Issue Price (Rs)</u>	<u>Listing Day - Close Price (Rs)</u>	<u>Current Price (Rs)</u>	<u>Gain / Loss (%)</u>
<u>India Pesticides Limited</u>	42	Jul 05, 2021	296	343.15	344.35	16.3
<u>Krishna Institute of Medical Sciences Limited</u>	44	Jun 28, 2021	825	995.9	1122.35	36.04
<u>Dodla Dairy Limited</u>	44	Jun 28, 2021	428	609.1	586.45	36.82
<u>Sona BLW Precision Forgings Limited</u>	51	Jun 24, 2021	291	362.85	422.25	44.93
<u>POWERGRID Infrastructure Investment Trust</u>		May 14, 2021	100	102.98		13.28

3.3 TOP 10 IPO IN INDIA 2021 (MAINBOARD IPO AT BSE, NSE)

A list is given below of the top 10 best performing IPO in India for the year 2021. Find the best IPO shares of 2021 based on their performance calculated with IPO offer price and current market price.

Some IPO's perform exceptionally well while others got a poor response from investors.

We closely track the Mainline IPO Performance of shares listed at BSE and NSE. Following reports provide the list of IPO shares listed in 2021 and gave maximum profit to the investors.

<u>Company Name</u>	<u>Listing Date</u>	<u>Issue Price (Rs)</u>	<u>Current Price at BSE (Rs)</u>	<u>Current Price at NSE (Rs)</u>	<u>Gain (%)</u>
<u>Nureca Limited</u>	Feb 25, 2021	400	1658.1	1661.15	314.53
<u>MTAR Technologies Limited</u>	Mar 15, 2021	575	1375.7	1376.2	139.25
<u>Easy Trip Planners Limited</u>	Mar 19, 2021	187	431.6	431.75	130.8
<u>Laxmi Organic Industries Limited</u>	Mar 25, 2021	130	264.4	264.5	103.38
<u>Stove Kraft Limited</u>	Feb 05, 2021	385	723.95	724.4	88.04

3.3 TOP 10 IPO IN INDIA

<u>Company Name</u>	<u>Issue Size (Rs Cr)</u>	<u>QIB (x)</u>	<u>NII (x)</u>	<u>Retail (x)</u>	<u>Employee (x)</u>	<u>Others (x)</u>	<u>Total (x)</u>
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<u>Company Name</u>	<u>Issue Size</u> <u>(Rs Cr)</u>	<u>QIB (x)</u>	<u>NII (x)</u>	<u>Retail</u> <u>(x)</u>	<u>Employee</u> <u>(x)</u>	<u>Others</u> <u>(x)</u>	<u>Total</u> <u>(x)</u>
<u>MTAR Technologies Limited</u>	596.41	164.99	650.79	28.4			200.79
<u>Tatva Chintan Pharma Chem Ltd</u>	500	185.23	512.22	35.35			180.36
<u>Nazara Technologies Limited</u>	582.91	103.77	389.89	75.29	7.55		175.46
<u>Easy Trip Planners Limited</u>	510	77.53	382.21	70.4			159.33
<u>Shyam Metalics and Energy Limited</u>	909	155.71	339.98	11.64	1.55		121.43
<u>Indigo Paints Limited</u>	1176	189.57	263.05	15.93	2.5		117.02
<u>Laxmi Organic Industries Limited</u>	600	175.43	217.62	20.1			106.81
<u>G R Infraprojects Limited</u>	963.28	168.58	238.04	12.57	1.37		102.58
<u>Clean Science and Technology Ltd</u>	1546.62	156.37	206.43	9			93.41
<u>Heranba Industries Limited</u>	625.24	67.45	271.15	11.84			83.29

3.4 IPO PERFORMANCES IN INDIA

<u>Company Name</u>	<u>Listed On</u>	<u>Issue Price</u>	<u>Listing Day Close</u>	<u>Listing Day Gain</u>	<u>Current Price</u>	<u>Profit/Loss</u>
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<u>Company Name</u>	<u>Listed On</u>	<u>Issue Price</u>	<u>Listing Day Close</u>	<u>Listing Day Gain</u>	<u>Current Price</u>	<u>Profit/Loss</u>
G R Infraprojects Limited IPO Detail Stock Quotes	Jul 19, 2021	837	1746.8	108.7%	1721.9	105.72%

Close

G R Infraprojects Limited Stock Quotes & Charts:

- Last Trade(Rs): 1721.9
- Change(Rs): **-24.9 (-1.43%)**
- Day Open(Rs): 1739.85
- Day High(Rs): 1775
- Day Low(Rs): 1681.8
- Volume: 153236
- Previous Close: 1746.8



7D

15D

1M

3M

<u>Company Name</u>	<u>Listed On</u>	<u>Issue Price</u>	<u>Listing Day Close</u>	<u>Listing Day Gain</u>	<u>Current Price</u>	<u>Profit/Loss</u>
<u>6M</u>						
<u>1Y</u>						
<u>18M</u>						
<u>2Y</u>						
Clean Science and Technology Ltd IPO Detail Stock Quotes	Jul 19, 2021	900	1585.2	76.13%	1738.45	93.16%
India Pesticides Limited IPO Detail Stock Quotes	Jul 5, 2021	296	343.15	15.93%	337.5	14.02%
Krishna Institute of Medical Sciences Limited IPO Detail Stock Quotes	Jun 28, 2021	825	995.9	20.72%	1283.6	55.59%
Dodla Dairy Limited IPO Detail Stock Quotes	Jun 28, 2021	428	609.1	42.31%	600.9	40.4%

<u>Company Name</u>	<u>Listed On</u>	<u>Issue Price</u>	<u>Listing Day Close</u>	<u>Listing Day Gain</u>	<u>Current Price</u>	<u>Profit/Loss</u>
Shyam Metalics and Energy Limited IPO Detail Stock Quotes	Jun 24, 2021	306	375.85	22.83%	442.4	44.58%
Sona BLW Precision Forgings Limited IPO Detail Stock Quotes	Jun 24, 2021	291	362.85	24.69%	439.25	50.95%
POWERGRID Infrastructure Investment Trust IPO Detail Stock Quotes	May 14, 2021	100	102.98	2.98%	118.74	18.74%
Macrotech Developers Limited IPO Detail Stock Quotes	Apr 19, 2021	486	463.15	-4.7%	794.55	63.49%
Barbeque Nation Hospitality Limited IPO Detail Stock Quotes	Apr 7, 2021	500	590.4	18.08%	871.7	74.34%
Nazara Technologies Limited IPO Detail Stock Quotes	Mar 30, 2021	1101	1576.8	43.22%	1852.6	68.27%

<u>Company Name</u>	<u>Listed On</u>	Issue Price	Listing Day Close	Listing Day Gain	Current Price	Profit/Loss
Kalyan Jewellers India Limited IPO Detail Stock Quotes	Mar 26, 2021	87	75.3	-13.45%	72.3	-16.9%
Suryoday Small Finance Bank Ltd IPO Detail Stock Quotes	Mar 26, 2021	305	276.2	-9.44%	213.05	-30.15%
Craftsman Automation Limited IPO Detail Stock Quotes	Mar 25, 2021	1490	1433	-3.83%	2075.45	39.29%
Laxmi Organic Industries Limited IPO Detail Stock Quotes	Mar 25, 2021	130	164.6	26.62%	252.8	94.46%
Anupam Rasayan India Limited IPO Detail Stock Quotes	Mar 24, 2021	555	525.9	-5.24%	781.3	40.77%
Easy Trip Planners Limited IPO Detail Stock Quotes	Mar 19, 2021	187	208.3	11.39%	411.25	119.92%
MTAR Technologies Limited	Mar 15,	575	1082.25	88.22%	1495.4	160.07%

<u>Company Name</u>	<u>Listed On</u>	Issue Price	Listing Day Close	Listing Day Gain	Current Price	Profit/Loss
<u>IPO Detail</u> <u>Stock Quotes</u>	2021					
Heranba Industries Limited <u>IPO Detail</u> <u>Stock Quotes</u>	Mar 5, 2021	627	812.25	29.55%	798.2	27.3%
RailTel Corporation of India Limited <u>IPO Detail</u> <u>Stock Quotes</u>	Feb 26, 2021	94	121.4	29.15%	142.6	51.7%
Nureca Limited <u>IPO Detail</u> <u>Stock Quotes</u>	Feb 25, 2021	400	666.65	66.66%	1570.35	292.59%
Brookfield India Real Estate Trust <u>IPO Detail</u> <u>Stock Quotes</u>	Feb 16, 2021	275	269.96	-1.83%	267.59	-2.69%
Stove Kraft Limited <u>IPO Detail</u> <u>Stock Quotes</u>	Feb 5, 2021	385	445.95	15.83%	732.2	90.18%
Home First Finance Company India Ltd. <u>IPO Detail</u> <u>Stock Quotes</u>	Feb 3, 2021	518	527.4	1.81%	536.65	3.6%

<u>Company Name</u>	<u>Listed On</u>	<u>Issue Price</u>	<u>Listing Day Close</u>	<u>Listing Day Gain</u>	<u>Current Price</u>	<u>Profit/Loss</u>
Indigo Paints Limited IPO Detail Stock Quotes	Feb 2, 2021	1490	3118.65	109.31%	2625.8	76.23%
Indian Railway Finance Corporation Limited IPO Detail Stock Quotes	Jan 29, 2021	26	24.85	-4.42%	23.3	-10.38%
Antony Waste Handling Cell Limited IPO Detail Stock Quotes	Jan 1, 2021	315	407.25	29.29%	347.1	10.19%

3.5 OVERPRICING AND UNDERPRICING IN IPO

Overpricing and under pricing in IPO:

Under pricing:- It is the practice of listing an initial public offering (IPO) at a price below its real value in the stock market. When a new stock closes its first day of trading above the set IPO price, the stock is considered to have been underpriced. Underpricing is short-lived because investor demand will drive the price upwards to its market value. An IPO may be underpriced deliberately in order to boost demand and encourage investors to take a risk on a new company. It may be underpriced accidentally because its underwriters underestimated the demand in the market for this company's stock.

Over pricing: - If the closing price is lower than the offer price, the IPO is considered to be over priced. Over pricing the IPO can lead to a rapid fall in prices, even though the higher price benefits the underwriting bank issuing the stock. Minimum Number of Days for which an IPO/FPO Subscription List has to remain open Except as otherwise provided in the SEBI ICDR Regulations 2009, public issue shall be kept open for at least three working days but not more than ten working days including the days for which the issue is kept open in case of revision in price band. In case the price band in a public issue made through the book building process is revised, the bidding (issue) period disclosed in the red herring prospectus shall be

extended for a minimum period of three working days, provided that the total bidding period shall not exceed ten working days.

4. Findings and interpretation of data

4.1 LISTING THE COMPANIES ACCORDING TO THE PRICING METHODS

In this study data has been collected from secondary source and total of 67 IPOs listed during the year 2019 and their listing day data have been taken for analysis. Analysis is done through,

1. Division of IPOs on the method of pricing.
2. Sectoral wise division of IPOs.
3. Short term return calculation.
4. Correlation analysis.

Data analysis method:- Short term return :- Comparison of returns by IPO from the closing price and issue price on the day of listing. $R_i = (P_1 - P_o) / P_o * 100$ Where, R_i = return of single security on listing day, P_1 = Closing Price of security on listing day, P_o = offer price of security. If R_i is more than zero, one can interpret that short term returns were positive and the issues were under-priced, if R_i is less than zero, one can interpret that short term returns were negative and the issues were overpriced, and if R_i was zero, it means there were no returns

Explanation of Independent variables:- Issue Price: Issue price is the final offer price offered by the company determined after book building process or fixed price process to the public for subscription of the Initial Public Offer. Issue Size: Issue size is the total amount that the issuing company want to raise from Initial Public Offer. The total issue size is the total number of shares offered multiplied by the final offer price of the IPO decided by the merchant bank. Correlation:- Meaning: In Finance and investment industries correlation is a statistical tool that measures the degree to which two securities move in relation to each other. Correlations technique is used in advanced portfolio management, computed as the correlation coefficient, which has a value that must fall between -1.0 and +1.0.

<u>Company Name</u>	<u>Issue Open</u>	<u>Issue Close</u>	<u>Issue Size - Base (Rs Cr)</u>	<u>Issue Size - Shelf (Rs Cr)</u>	<u>Rating</u>
<u>Piramal Capital & Housing Finance Limited</u>	Jul 12, 2021	Jul 19, 2021	200	800	CARE AA, ICRA AA with outlook (Negative)
<u>IIFL Home Finance Ltd</u>	Jul 06, 2021	Jul 28, 2021	100	900	CRISIL AA/Stable, BWR AA+/ Negative
<u>KLM Axiva Finvest Limited</u>	Jul 05, 2021	Jul 26, 2021	100	50	CARE BB+; Stable (Double BB plus; Outlook: Stable)
<u>Sakthi Finance Limited</u>	Jun 29, 2021	Jul 23, 2021	100	100	[ICRA] BBB (Stable)
<u>India Grid Trust</u>	Apr 28, 2021	Apr 30, 2021	100	900	This Issue have been rated 'CRISIL AAA/Stable' by CRISIL Ratings Limited and 'IND AAA/Stable' by India Ratings and Research Private Limited.
<u>Muthoot Fincorp Limited</u>	Apr 07, 2021	Apr 29, 2021	200	200	The NCDs have been rated "A+ (Stable)" by CRISIL Limited
<u>Muthoot Finance Limited</u>	Apr 08, 2021	Apr 12, 2021	100	1600	The NCDs have been rated '[ICRA] AA+/"Stable"' by ICRA and "CRISIL AA+/Stable" by CRISIL
<u>Edelweiss Financial Services Limited</u>	Apr 01, 2021	Apr 23, 2021	200	200	'Acuite AA': (Outlook: Negative) by Acuite Ratings & Research Limited and "BWR AA-/Stable (Assigned)" by Brickwork Ratings India Private Limited
<u>Kosamattam Finance Limited</u>	Mar 30,	Apr 23,	175	175	'BWR BBB+' - Outlook Stable, by Brickwork Ratings India Private Limited

<u>Company Name</u>	<u>Issue Open</u>	<u>Issue Close</u>	<u>Issue Size - Base (Rs Cr)</u>	<u>Issue Size - Shelf (Rs Cr)</u>	<u>Rating</u>
	2021	2021			
<u>Muthoottu Mini Financiers Limited</u>	Mar 30, 2021	Apr 23, 2021	125	125	'IND BBB': Outlook Stable' by India Ratings
<u>IIFL Finance Limited</u>	Mar 03, 2021	Mar 18, 2021	100	900	The NCDs have been rated CRISIL AA/Negative by CRISIL Limited BWR AA+/ Negative by Brickworks Ratings India Private Limited.
<u>Muthoot Fincorp Limited</u>	Feb 18, 2021	Mar 09, 2021	150	150	The NCDs have been rated 'A (Stable)' by CRISIL Limited
<u>Power Finance Corporation Limited</u>	Jan 15, 2021	Jan 18, 2021	500	4500	'CARE AAA; Stable' by CARE; 'CRISIL AAA / Stable' by CRISIL; and '[ICRA]AAA(Stable)' by ICRA.
<u>Muthoottu Mini Financiers Limited</u>	Jan 13, 2021	Feb 09, 2021	125	125	IND BBB' : Outlook Stable for Secured and Unsecured Redeemable Non-Convertible Debentures

What are the key measures of market volatility?

Volatility is the measure of the price fluctuation of the stocks. Indicators to measure Volatility:



4.2 CALCULATION OF SHORT TERM RETURN AND DIVISION OF COMPANIES IN SECTOR WISE

Short term performance: IPO performance of a firm is under the influence of many factors such as: pricing, effects of corporate ownership, regulatory, timing, retention and smoothing the IPOs. The performance may be positive or negative and also be nil (0). In the above tables the total 67 companies that are listed during the year 2019 have been segregated according to different sectors and listing day returns of those companies have been calculated using short term return formula,

$R_i = (P_1 - P_0) / P_0 * 100$ Where,

Where, P1 = Closing Price of security on listing day, Po = Issue price of security.

Date	Issue Details			Subscription				Price					
	IPO Name	Profile	Issue Size (in crore s)	QIB	HNI	RII	Total	Issue	Listing Open	Listing Close	Listing Gains(%)	CMP	Current Gains (%)
19-07-21	<u>G R Infra</u>	Vie w	963.28	93.18	73.01	4.89	43.48	837.00	1700.00	1746.80	108.7	1,721.90	105.72
19-07-21	<u>Clean Science</u>	Vie w	1546	156.37	206.43	9.00	93.41	900.00	1784.40	1585.20	76.13	1,738.45	93.16
30-03-21	<u>Nazara</u>	Vie w	582.91	52.82	148.42	34.49	75.04	1101.00	1971.00	1576.80	43.22	1,852.60	68.27
26-03-21	<u>Kalyan Jeweller</u>	Vie w	1175	1.18	0.97	1.47	1.28	87.00	73.90	75.30	-13.45	72.30	-16.90
26-03-21	<u>Suryoday Small</u>	Vie w	582.34	2.18	1.31	3.09	2.37	305.00	274.75	276.20	-9.44	212.95	-30.18
25-03-21	<u>Crafts man</u>	Vie w	823.7	0.56	0.05	1.04	0.69	1490.00	1440.00	1433.00	-3.83	2,075.45	39.29
25-03-21	<u>Laxmi Organi</u>	Vie w	600	1.13	0.73	4.4	2.68	130.0	173.0	164.6	26.62	252.8	94.46

Date	Issue Details			Subscription				Price					
	IPO Name	Profile	Issue Size (in crore s)	QIB	HNI	RII	Total	Issue	Listing Open	Listing Close	Listing Gains(%)	CMP	Current Gains (%)
21-03-21	<u> </u>	<u> </u>				1		0	0	0		0	
24-03-21	<u>Anupa</u> <u>m</u> <u>Rasaya</u> <u>n</u>	Vie w	760	30.8 0	62.0 6	4.6 2	23.8 6	555.0 0	534.7 0	525.9 0	-5.24	781.3 0	40.77
19-03-21	<u>Easy</u> <u>Trip</u>	Vie w	510	0.00	2.79	14. 48	3.39	187.0 0	182.0 0	208.3 0	11.39	411.2 5	119.9 2
15-03-21	<u>MTAR</u> <u>Tech</u>	Vie w	596.4 1	52.0 1	522. 35	12. 78	133. 18	575.0 0	990.0 5	1082. 25	88.22	1,495. 40	160.0 7
05-03-21	<u>Heranb</u> <u>a</u>	Vie w	60	25.9 8	108. 72	4.8 2	33.1 3	627.0 0	900.0 0	812.2 5	29.55	798.2 0	27.30
26-02-21	<u>Railtel</u>	Vie w	819.2 4	22.0 3	51.4 0	7.0 8	20.6 8	94.00	109.0 0	121.4 0	29.15	142.7 0	51.81
25-02-21	<u>Nureca</u>	Vie w	100	0.24	17.1 0	74. 29	17.9 8	400.0 0	634.9 5	666.6 5	66.66	1,570. 35	292.5 9
05-02-21	<u>Stove</u>	Vie	412.6	8.02	32.7	26.	18.0	385.0	498.0	445.9	15.83	732.5	90.26

Date	Issue Details			Subscription				Price					
	IPO Name	Profile	Issue Size (in crores)	QIB	HNI	RII	Total	Issue	Listing Open	Listing Close	Listing Gains (%)	CMP	Current Gains (%)
02-21	<u>Kraft</u>	w	3		2	04	3	0	0	5		0	
03-02-21	<u>Home First</u>	Vie w	1153.72	52.53	39.00	6.59	26.66	518.00	612.15	527.40	1.81	533.75	3.04
02-02-21	<u>Indigo Paints</u>	Vie w	1170.56	96.21	115.76	6.50	54.84	1490.00	2607.50	3118.65	109.31	2,620.05	75.84
29-01-21	<u>IRFC</u>	Vie w	4633	0.89	0.52	1.59	1.16	26.00	25.00	24.85	-4.42	23.30	-10.38
01-01-21	<u>Antony Waste</u>	Vie w	300.53	0.64	0.28	7.22	3.85	315.00	430.00	407.25	29.29	347.10	10.19
24-12-20	<u>Bectors Food</u>	<u>Vie w</u>	540.54	176.85	620.86	29.33	198.02	288.00	501.00	595.55	106.79	443.85	54.11
14-12-20	<u>Burger King</u>	<u>Vie w</u>	796.5	86.64	354.11	68.15	156.65	60.00	115.35	138.40	130.67	175.65	192.75
20-	<u>Gland</u>	<u>Vie w</u>	6479.	6.40	0.51	0.2	2.06	1500.	1710.	1820.	21.36	3,800.	153.3

Date	Issue Details			Subscription				Price					
	IPO Name	Profile	Issue Size (in crores)	QIB	HNI	RII	Total	Issue	Listing Open	Listing Close	Listing Gains (%)	CMP	Current Gains (%)
11-20		<u>w</u>	55			4		00	00	45		00	3
02-11-20	<u>Equitas Bank</u>	<u>Vie w</u>	517.6	3.91	0.22	2.08	1.95	33.00	31.00	32.75	-0.76	62.10	88.18
12-10-20	<u>Mazagon Dock</u>	<u>Vie w</u>	443.69	89.71	678.88	35.63	157.41	145.00	216.25	173.00	19.31	253.15	74.59
12-10-20	<u>UTI AMC</u>	<u>Vie w</u>	2159.88	3.34	0.93	2.32	2.31	554.00	476.20	476.60	-13.97	872.75	57.54
05-10-20	<u>Angel Broking</u>	<u>Vie w</u>	600	5.74	0.69	4.31	3.94	306.00	275.00	275.85	-9.85	1,271.25	315.44
01-10-20	<u>Chemcon Special</u>	<u>Vie w</u>	318	113.54	449.14	41.21	149.33	340.00	731.00	584.80	72	480.45	41.31
01-10-20	<u>CAMS</u>	<u>Vie w</u>	2244.33	73.18	111.85	5.55	46.99	1230.00	1535.00	1401.60	13.95	3,420.30	178.07
21-	<u>Route</u>	<u>Vie</u>	600	89.7	192.	12.	73.3	350.0	708.0	651.1	86.03	2,063.	489.4

Date	Issue Details			Subscription				Price					
	IPO Name	Profile	Issue Size (in crores)	QIB	HNI	RII	Total	Issue	Listing Open	Listing Close	Listing Gains (%)	CMP	Current Gains (%)
09-20		w		6	81	67	0	0	0	0		00	3
17-09-20	<u>Happiest Minds</u>	Vie w	702.02	77.43	351.46	70.94	150.98	166.00	351.00	371.00	123.49	1,491.45	798.46
23-07-20	<u>Rossari</u>	Vie w	496.25	2.75	4.34	2.51	2.97	425.00	670.00	742.35	74.67	1,257.95	195.99
16-03-20	<u>SBI Card</u>	Vie w	10286.2	57.18	45.23	2.50	26.54	755.00	658.00	683.20	-9.51	964.25	27.72

Return over Short Run

year	No of IPOs	Underpriced on Listing Day	Overpriced on Listing Day	UP %	OP %
2012	11	5	6	45.45	54.55
2013	3	1	2	33.33	66.67
2014	5	4	1	80.00	20.00
2015	20	12	8	60.00	40.00
2016	27	21	6	77.78	22.22

Interpretation

Increase in underpricing – Rosy pictures to investors

5. Suggestions and conclusions

5.1 SUGGESTIONS

The investment in IPO can prove too risky because the investor does not know anything about the company because it is listed first time in the market so its performance cannot be measure.

- On the other hand, it can be said that the higher the risk higher the returns earned. So we can say that the though risky if investment is done then it can give higher returns as well.
- Investors are advised not to rate or assess IPOs based on these variables but the factor Oversubscription should be taken into consideration for the investment decision.

Overall primary issue market has faced downward sloping growth in terms of number of IPO due to global economic crisis.

- During the sample year 2021 majority of the listed companies used fixed method of pricing even though it an outdated method.
- Correlation results reveals that independent variables like Issue price and Issue size have weak significant relation with initial day returns of IPO and independent variable.

5.2 CONCLUSION

Investment in India has become more of a security necessity than a business lifestyle. The Initial Public Offers (IPO) has become a most preferred investments option for the investors nowadays as it is being considered as one of the safest investment option available (especially for long term retail investors) in comparison to the secondary market securities. This research tried to find out the initial day returns, pricing mechanism used, sectoral wise return and correction between the variables. The data for the research has been taken of total 78 IPOs listed on NSE and BSE in the period 2021. It was found out that listing day return in other sector is more and there is negative return in pharmaceutical sector. And the variables like issue price, issue size and short term return and relationship between them is weak yet positively correlated.

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Project Report
**(Submitted for the Degree of B.Com. Honours in Accounting
& Finance under the University of Calcutta)**

Title of the Project
ECOMMERCE
**“CONSUMER BUYING PATTERN THROUGH ZOMATO
APP DURING COVID-19”**

Submitted by

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- **NAME OF THE SUPERVISOR** : Prof. Dipanwita Mitra
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- **MONTH & YEAR OF SUBMISION** : JULY 2021

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“It is not possible to prepare a project report without the assistance & encouragement of other people. This one is certainly no exception.”

On the very outset of this report, I would like to extend my sincere & heartfelt obligation towards all the personages who have helped me in this endeavor. Without their active guidance, help, cooperation & encouragement, I would not have made headway in the project.

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Any omission in this brief acknowledgement does not mean lack of gratitude.

Annexure- IA

Supervisor's Certificate

This to certify that Ms. Ankita rose hansdah , a student of B.Com Honours in Accounting & Finance of Scottish church College under the University of Calcutta has worked under my supervision and guidance for his Project Work and prepared a Project Report with the title “CONSUMER BUYING PATTERN THROUGH ZOMATO APP DURING COVID-19” which he is submitting, is his genuine and original work to the best of my knowledge.

- SIGNATURE Dipanwita Mitra
- DESIGNATION SACT
- NAME OF THE COLLEGE Scottish Church College
- PLACE Kolkata
- DATE 26.07.2021

ANNEXURE- IB

STUDENT'S DECLARATION

I hereby declare that the Project Work with the title“CONSUMER BUYING PATTERN THROUGH ZOMATO APP DURING COVID-19” is submitted by me for the partial fulfilment of the degree of B.COM HONOURS in ACCOUNTING & FINANCE under the University of Calcutta is my original work and has not been submitted earlier to any other university /institution for the fulfilment of the requirement for any course of study.

I also declare that no chapter of this manuscript in whole or in part has been incorporated in this report from any earlier work done by others or by me. However, extracts of any literature which has been used for this report has been duly acknowledged providing details of such literature in the references.

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ABSTRACT

The advancement and use of smart-phones and internet resulted in improving online services.

Zomato is a digital platform combining restaurants and an online food delivery system launched in 2008. The implementation of Lockdown to slow down the spread of pandemic COVID-19 resulted in badly affecting tourism, transport, economy, and hotel industry.

Zomato food delivery is recovering from the effect of COVID-19 at a rapid rate with ~80% recovery in metro regions.

The revenue in the fiscal year 2020 is increased by 105% and cost by 47%.

The main objective of this reaserach is to understand online food delivery service by using a survey,how Zomato is operating in COVID-19, its effect on the culture of the hotel industry,

The introduction of contactless dinning and challenges.

CHAPTER – 1

INTRODUCTION

1.1 Introduction

The recent development of the Internet has augmented the e-commerce industries in a country like India. E-commerce development has made Online food ordering services seamless for people who want to get food delivered at their doorstep. Although consumers continue to go out for the meals, consumers feel very convenient to order food online since it frees the customer from personally visiting the restaurants. In this study, our main focus was to analyze the perception of consumer towards Online food ordering services through Zomato.. In order to understand what factors have played a dominant role to attract consumer in the developing country like India towards them, we decided to study on the consumer perception on online food ordering app like Zomato.

In today's world service sector contributes 64.80% in GDP. Zomato is one of the most popular applications that provide services to the user to discover restaurants. The rise of digital technology is reshaping the industries. With the increased use of technology, the number of people engaging into the digital sector are rapidly increasing. Even Consumers are accustomed to shopping or even ordering online through apps or websites, with maximum convenience and transparency, expecting the same experience that they would get from the outlet itself. To match up with the consumer's expectations apps are providing increased facilities and services to the customers. This scenario doesn't exist only in one country but all across the globe. Being up to date with the customers' expectations helps firm retain customer's to a greater extent. Zomato is an online discovery guide for restaurants, bars, pubs and clubs and for dine-outs. The registered users are required to post reviews and rate (on a scale of 1 - 5 stars) the restaurants on the basis of their choice, visit and experience. The website helps in defining the restaurant/pub/club on the basis of presence or absence of air conditioning, smoking area, WiFi Internet, stag entry, live performances and outdoor seating or whether non-vegetarian food and alcohol are served or not. Zomato also provides information related to cuisines served, operation timings, approximate cost of a meal for two, credit cards accepted or not.

1.2 Review of Literature

B. Eswaran, Dr.V. Bhuvaneshwari, Sivasankari, A.S. Kiran and E. Aravind (2020), emphasized that occupation plays a crucial role in type and time of food ordered online and mobile apps were used selectively by the customers for food ordering online in different times.

Mrs I.Karthika, Miss. A.Manojanaranjani (2018), in their article about “*A Study on the various food ordering apps based on consumer preference*” stated that the advent of the Internet, accompanied by the growth of related technologies, has created a significant impact on the lives of people around the globe. For marketers, one of the most significant impacts has been the emergence of virtual stores that sell products and services online. Consumer can now purchase goods and services virtually anywhere, 24 hours a day, 7days a week, without geographical and temporal boundaries. The goal is to save time of customers by providing facilities like vacancy list at reception, digital food ordering, instant e-billing and fast parking service which will result in consumer satisfaction and ultimately profit the restaurant. This automated system saves time, reduce human errors, and reduce manpower and gives consumer satisfaction, thus beneficial for both restaurant and customer.

Ms. Harshleen Kaur Sethi (2017), in his article about “Product and Brand Strategy of Zomato” stated that With the advent of e-commerce boom in India, the in almost every vertical from online shopping to ticket bookings, healthcare, etc. One of such verticals is e-food industry, which has very efficiently utilized the e-commerce platform in the online food review and food ordering business. This is a vertical, which has brought almost every restaurant in India under a single roof in the hands of the consumer. Now, finding a great place to eat, ordering food, reserving tables, and giving positive or negative feedback for a restaurant has become very easy and accessible for the consumer. This vertical has shown tremendous growth over the last 5 years signifying the untapped potential. The pioneer and leader of this segment in India has been Zomato. Zomato is a brand, which every consumer would associate to when he thinks of an e-food platform.

H.S. Sethu & Bhavya Saini (2016), “*Customer Perception and Satisfaction on Ordering Food via Internet, a Case on Foodzoned.Com, in Manipal*” stated that their was to investigate the student’s perception, behavior and satisfaction of online food ordering and delivery services. Their study reveals that online food purchasing services help the students in managing their time better. It is also found that ease of availability of their desired food at any time and at the same time easy access to internet are the prime reasons for using the services.

Leong Wai Hong (2016), *“Food Ordering System Using Mobile Phone”* stated that the technological advancement in many industries have changed the business model to grow. Efficient systems can help improve the productivity and profitability of a restaurant. The use of online food delivery system is believed that it can lead the restaurant’s business grow from time to time and will help the restaurants to facilitate major business online.

Hong Lan, et al, (2016), *“Improvement of Online Food Delivery Service Based on Consumers’ Negative Comments”* stated that online food delivery market is immature yet; there are some obvious problems that can be seen from consumers’ negative comments. In order to solve these problems, we can neither rely merely on the self-discipline of online food delivery restaurants nor the supervision and management of online food delivery platforms. Only by taking laws as the criterion, with the joined efforts of the online food delivery platforms and restaurants, the government departments concerned, consumers and all parties in the society, can these problems be solved and a good online take away environment can be created.

Varsha Chavan, et al, (2015), in their study about *“Implementing Customizable Online Food Ordering System Using Web Based Application”* the use of smart device based interface for customers to view, order and navigate has helped the restaurants in managing orders from customers immediately. The capabilities of wireless communication and smart phone technology in fulfilling and improving business management and service delivery. Their analysis states that this system is convenient, effective and easy to use, which is expected to improve the overall restaurant business in coming times.

Serhat Murat Alagoz & Haluk Hekimoglu (2012), *“Customer Perceptions of Electronic Food Ordering”* in their stated that e-commerce is rapidly growing worldwide, the food industry is also showing a steady growth. In this research paper they have used the Technology Acceptance Model (TAM) as a ground to study the acceptance of online food ordering system. Their data analysis revealed that the attitude towards online food ordering vary according to the ease and usefulness of online food ordering process and also vary according to their innovativeness against information technology, their trust in retailers and various external influences.

Sheryl E. Kimes (2011), *“Customer Perceptions of Electronic Food Ordering”* his study found that perceived control and perceived convenience associated with the online food ordering services were important for both users and non-users. Non-users need more personal interaction and also had higher technology anxiety to use the services.

1.3 Need for the study

Researchers have keenly observed that people sometimes are not willing to spend hours to enjoy good food at the restaurants. So, she was curious to know whether such apps can help customers to change their perception about the dining experience.

1.4 Statement of the Problem

Biggest challenge Zomato is facing under Zomato Order in India is the delivery. They don't have their own delivery system like Swiggy & Runnr. Though they are providing deliveries with their on invested Grab but they are also failing in service. QSR & Only delivery merchants are getting more orders from Zomato but only issue they are facing is in delivering it and it's spoiling the brand of merchants also. I think they need to look into their delivery services which will be prompt and to rely on. To overcome with issues present study is conducted

1.5 Objectives of the Study

- To study the customer perception towards Online Food Ordering app Zomato.
- To determine the motivating factor for purchasing the product through Zomato.
- To find out the expectations of the customers while ordering food from Zomato App.

1.6 Scope of the Study

Scope of the study is limited towards those customers who have experienced such online food delivery services through Zomato app during Covid-19. The study is basically conducted to know how consumers perceive the online food delivery services. The perception of consumers may vary under different circumstances. From this study, we can have a better understanding of the Online Food Delivery Service Market. We will know about the consumer perception regarding the services they provide and will get to know the variables affecting their perception. Therefore, these findings may help the service providers to work upon on these variables to fill up the gaps in the mindset of consumers. The survey was conducted in different areas of city and around 40 responses were collected

1.7 Research Methodology

The descriptive research is used to identify the perception and expectation of consumer and its impact brand preferences.

The study is based on the collection of primary data. Quantitative research method was used in this research so as to investigate and observe the collected data with the help of statistical, mathematical and computational techniques. A structured questionnaire was designed with close-ended and open-ended questions. It was designed in such a manner so that it caters all the areas of study. The survey was conducted in areas and around 40 responses were collected. As the population was small & homogeneous, all subsets of the frame are given an equal probability. Thus non-probability sampling method was used. Under non-probability technique, convenience sampling method was used. The population consist of the students, self-employed, homemaker, private company employee and business owners of different areas of field . For all variables used in the study, multi-item scales (5-point, Likerttype) ranging from strongly agree (5) to strongly disagree (1) are used.

1.8 Sources of data collection

Primary Data

Primary data has been used by me in the form of Questionnaire & Observation, which are the two basic methods of collecting primary data, which suffices all research objectives.

Secondary data

Secondary data sources like catalogue of the company, product range book of the company, various internet sites and Literature Reviews have been used.

1.9 Sampling design

The research was designed to achieve the above mentioned objectives and the following tools were used to collect the required data.

Sampling Size

The sample size for the consumer's survey is 40.

Sampling Method

The Convenience sampling method was adopted for the study with a sample size of 40 respondents from the customers. Convenience sampling techniques has been used to select the respondents. Sample design is non probability sampling design.

Sampling Frame

The sample frame represents the groups of respondents that were contacted during the survey it also represents the profession of the respondents that were connected for data.

Tools For Statistical Analysis

Structured Questionnaires were the tools for data collection. The Questionnaire was neatly designed and constructed for the purpose in line with the objective of the study. Analyze the data and interpret the results by using percentage analysis and ranking. simple Percentage Method.

1.10 Limitations of the study

- A small sample size of 40 respondents has been taken
- The data has been collected within the city
- Shortage of time due to Covid 19 and this the major limitation of the study.

1.11 CHAPTER PLANNING

No. of Chapter	Title of the Chapter
Chapter 1	Introduction
Chapter 2	Conceptual Framework
Chapter 3	Data presentation, analysis and findings
Chapter 4	Conclusions & Recommendations
Chapter 5	Bibliography & References

CHAPTER 2

CONCEPTUAL FRAMEWORK

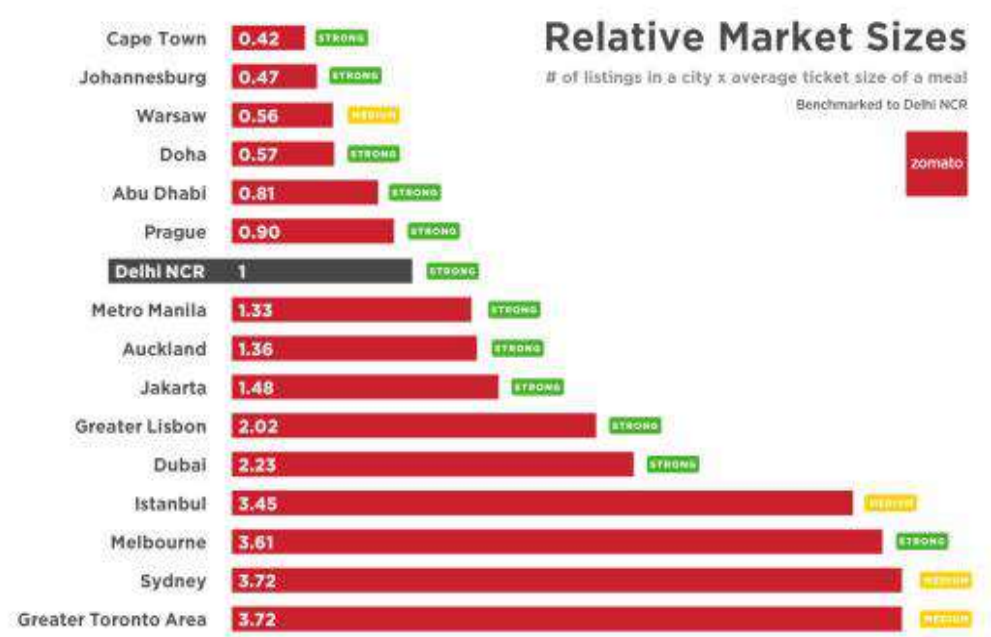
2.1 NATIONAL SCENARIO

The online food delivery market in India is growing in tandem with evolving lifestyle patterns and eating habits of Indians. Hectic work schedules and rise in disposable incomes have popularized food delivery, especially in urban areas. The online food delivery market in India is expected to expand at compound annual growth rates of ~30.55% (based on revenue) and ~10.19% (based on the number of users) during the 2020-2024 period, to generate a revenue of INR ~1,334.99 Bn and develop a user base of ~300.57 Mn by 2024. Major players currently operating in the Indian online food delivery market include platform-to-customer service providers like Swiggy (Bundl Technologies Private Limited), FreshMenu (FoodVista India Private Limited), Faasos (Rebel Foods Private Limited) and Zomato (Zomato Media Private Limited). Apart from these, there exist certain companies that operate with a restaurant-to-customer delivery model like Box8, Domino's (Domino's Pizza, Inc.), and KFC (Yum! Brands, Inc.). In 2019, out of the major online food delivery service providers, Zomato held a share of ~38% in terms of user base. High adoption rates in tier I and tier II cities, as well as swift delivery services has helped the company to gain the high share in the Indian market. In the recent years, the number of working women has increased in the Indian workforce, especially in the city-based organized sectors. As a result, the number of double income families is also on the rise. With both the partners working and maintaining hectic working schedules, it becomes difficult for people to get time and energy to cook at home. Moreover, the dual income scenario has increased the overall spending capacity of the families. Also, the key player Zomato keeps on announcing lucrative offers for the customers, both existing and new, in order to keep up the stiff competition in the online food ordering market. This in turn is leading towards people's preference towards ordering food online and enjoying their favourite cuisine at home at an affordable price, thereby increasing the overall value and user base of the online food ordering market in India.

2.2 INTERNATIONAL SCENARIO

In January 2020, Zomato, an Indian food delivery services company, has acquired Indian operations of Uber Eats for \$350 million in an all-stock transaction. The combined entity of Zomato and Uber Eats India is expected to corner more than a 50-55% market share in terms of the number and value of orders. Uber Eats is an online food delivery services vertical of Uber, a US-based ride-hailing company.

An increase in smartphone users has given a boost to online food delivery services worldwide. Smartphone users are the primary online shoppers for the F&B industry and an increase in the number of smartphone users reflects a potential increase in online shopping for food and beverages. The world F&B e-commerce users reached 1.5 billion in 2019 and are expected to grow by 800 million, with an average of 25% y-o-y growth, by 2024. Indian food delivery platform, Zomato, has 80 million monthly active users and has set targets of reaching 20 million over the next few years. Hence increase in smartphone users and internet penetration is driving growth in online food delivery services.



Source: http://68.media.tumblr.com/1b062eac908e77e5daa767adb877e8c2/tumblr_inline_octn1wYFz71sl9h5n_540.jpg

COMAPNY PROFILE

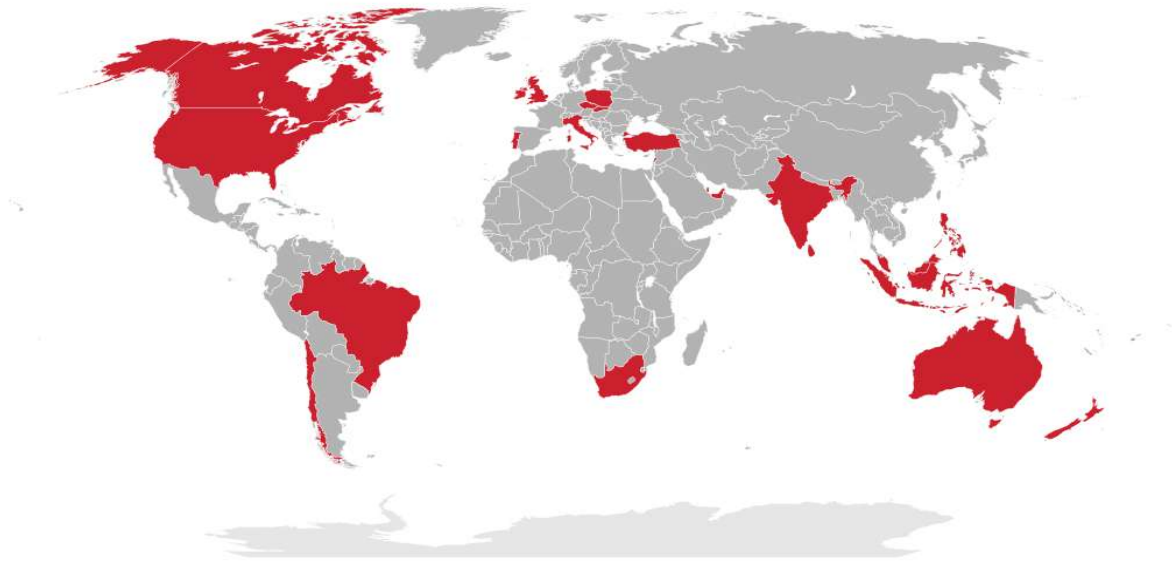
Zomato (/zooːmɑːtoʊ/) is an Indian multinational restaurant aggregator and food delivery company founded by Pankaj Chaddah and Deepinder Goyal in 2008. Zomato provides information, menus and user-reviews of restaurants as well as food delivery options from partner restaurants in select cities.¹ As of 2019, the service is available in 24 countries and in more than 10,000 cities!

zomato



2.3 COUNTRIES WHERE ZOMATO OPERATES

Zomato was founded as *Foodiebay* in 2008, and was renamed *Zomato* on 18 January 2010 as Zomato Media Pvt. Ltd. In 2011, Zomato expanded across India to Delhi NCR, Mumbai, Bangalore, Chennai, Pune and Kolkata. In 2012, the company expanded operations internationally in several countries, including the United Arab



Emirates, Sri Lanka, Qatar, the United Kingdom, the Philippines, and South Africa. In 2013, Zomato was launched in New Zealand, Turkey, Brazil and Indonesia, with its website and apps available in Turkish, Portuguese, Indonesian and English languages. In April 2014, Zomato launched its services in Portugal, which was followed by launches in Canada, Lebanon and Ireland in 2015.

Source:https://upload.wikimedia.org/wikipedia/commons/thumb/b/b4/Availability_of_Zomato.svg/1024px-Availability_of_Zomato.svg.png

INVESTMENTS

Between 2010 and 2013, Zomato raised approximately US\$16.7 million from Info Edge India, giving Info Edge India a 57.9% stake in Zomato. In November 2013, it raised an additional US\$37 million from Sequoia Capital and Info Edge India.

In November 2014, Zomato completed another round of funding of US\$60 million at a post-money valuation of ~US\$660 million. This round of funding was being led jointly by Info Edge India and Vy Capital, with participation from Sequoia Capital.

While in April 2015, Info Edge India, Vy Capital and Sequoia Capital led another round of funding for US\$50 million. This was followed by another US\$60 million funding led by Temasek, a Singapore government-owned investment company, along with Vy Capital in September.

In October 2018, Zomato raised \$210 million from Alibaba's payment affiliate Ant

Financial. Ant Financial received an ownership stake of over 10% of the company as part of the round, which valued Zomato at around \$2 billion. Zomato had also raised an additional \$150 million also from Ant Financial earlier in 2018.

In September 2020, Zomato raised \$62 million from Temasek, after previously committed capital from Ant Financial never came through.

In October 2020, as part of a Series J round of funding, Zomato raised \$52 million from Kora, a US-based Investment firm.

In February 2021, Zomato raised US\$250 million from five investors, including Tiger Global Management, at a valuation of US\$5.4 billion.

2.4 ZOMATO CONTRIBUTION TOWARDS COVID-19



Source:<https://images.indianexpress.com/2018/11/swiggy-1200.jpg>

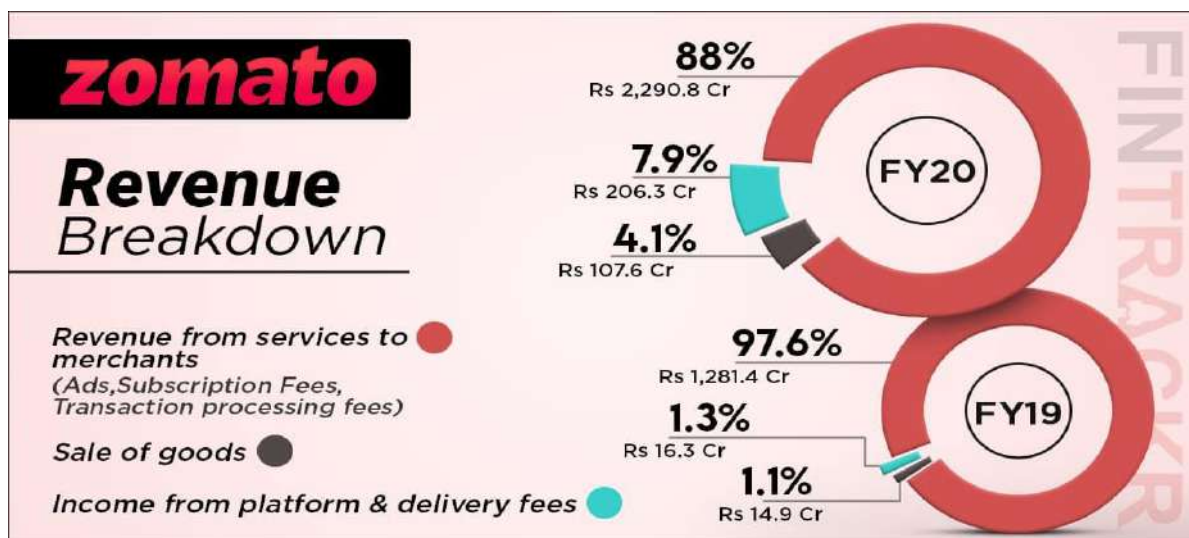
In September 2019, Zomato fired almost 10% of its workforce (540 people) tending to back-end activities like customer service, merchant and delivery partner support functions. In April 2020, due to rising demand for online groceries amid the COVID-19 pandemic, Zomato launched its grocery delivery services named Zomato Market in 80+ cities across India.

In April 2020, Zomato introduced Contactless Dining to get ready for a post-lockdown world. Through this initiative, the company aims to minimize customer contact with anything that someone else might have touched, by eliminating the use of high-touch elements such as the menu, ordering, and bill payments through bar codes or the app while the staff will wear masks.

In May 2020, Zomato further laid off 520 employees due to the COVID-19 pandemic. Despite the fact that demand for services delivering food from restaurants and takeaways surged, Zomato's nominal reasoning for needing cuts is that coronavirus will be followed by an economic downturn, which could hit orders.

In August 2020, Zomato drew praise for introducing a period leave policy, allowing female employees to take up to 10 days time off per year if they are unable to work due to menstrual cycle health effects. The policy applies to transgender employees as well.

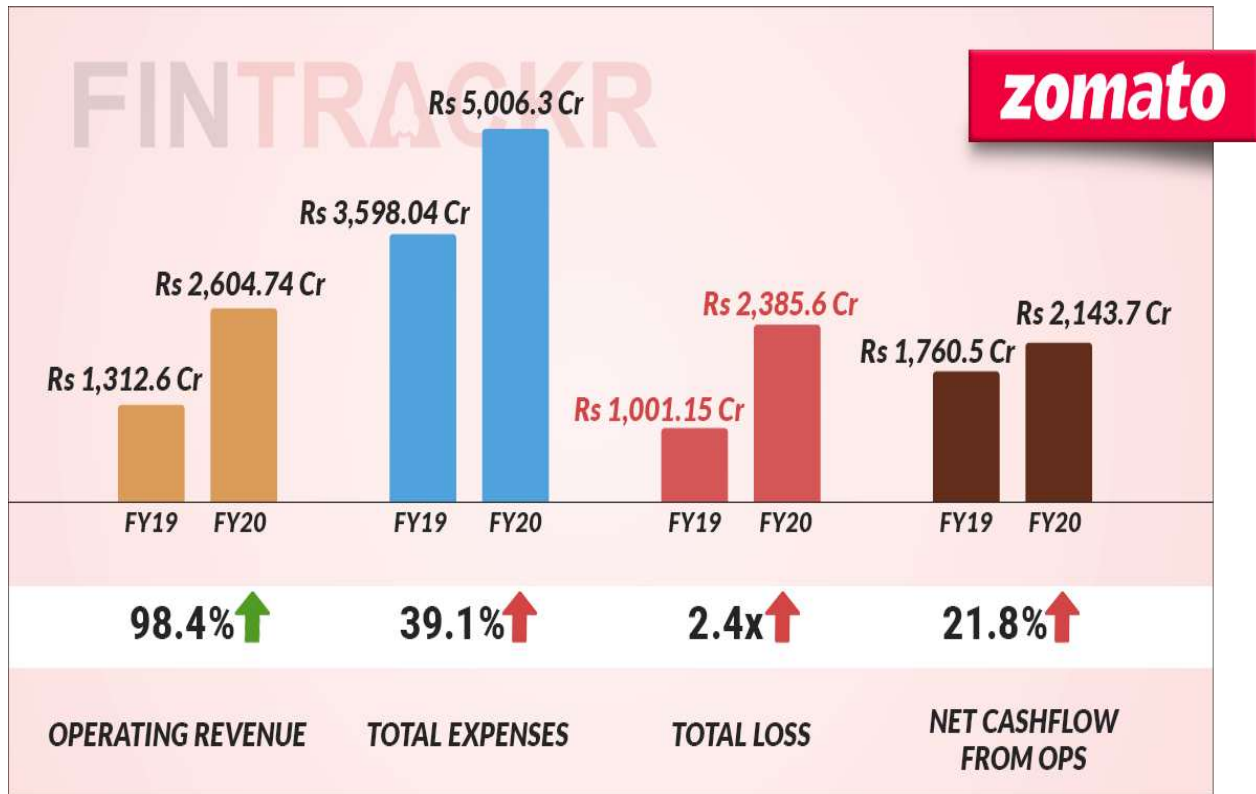
2.5 FINANCIAL HIGHLIGHTS



Source: <https://entrackr.com/wp-content/uploads/2021/01/Zomato-revenue-222-560x280.jpg.webp>

According to the DRHP, Zomato reported a loss of Rs 682 crore in the nine months ending December 2020. Previously, In the financial year 2019-20, the company had a net loss of Rs 2,386 crore, up from Rs 1,010 crore in the financial year 2018-19. Although the company reported a jump in revenue from Rs 1,397 crore in FY19 to Rs 2,743 crore in FY20, its expenses have increased from Rs 3,608 crore to Rs 5,006 in the same period. April 28, 2021; Food delivery platform Zomato has filed its Draft Red Herring Prospectus (DRHP) with the market regulator today, kicking off one of India's most anticipated internet initial public offerings (IPOs) in a tumultuous year. According to the DRHP filed by Zomato, the company will offer equity shares aggregating up to Rs 8,250 crore (nearly \$1.1 Billion). Of this, Rs 7,500 crore will be fresh issue, while Rs 750 crore will be an offer for sale for its existing investor Info Edge. Info Edge on April 27th said it will sell shares worth Rs 750 crore in the upcoming initial public offering. The company's internal review of the IPO and other processes was completed on April 22, 2021, a development that was first reported by Moneycontrol on April 23rd, 2021. Sebi is likely to take about two weeks to review the DRHP and the final launch will depend on the market conditions, a source familiar with the development said. Zomato raised \$250 million in its pre-IPO primary fundraise a couple of months ago at a valuation of \$5.4 Billion from investors such as Kora Management, Tiger Global, Fidelity, Dragoneer, and Bow Wave. Post this, Info Edge, one of Zomato's earliest investors said its effective stake in Zomato is now 18.4 percent. This was on top of the \$660 million primary round that it closed in December 2020, at a valuation of \$3.9 billion from ten new investors including Tiger Global, Kora, Luxor, Fidelity (FMR), D1 Capital, Baillie Gifford, Mirae, and Steadview. Goyal had said then that the company is in the process of also closing a \$140 million secondary round and that it was raising primary capital as a war-chest for future

mergers and acquisitions and to fight off price wars from the competition. Zomato reported a revenue of Rs 2,486 crore for FY20, even as its losses widened to Rs 2,451 crore during this period, as the pandemic shrunk order volumes and dine out revenue. Zomato IPO: The initial public offering (IPO) of online food delivery platform Zomato will open on Wednesday, July 14, 2021, and will be available for subscription



till Friday, July 16, 2021. The price band of the IPO has been fixed at Rs 72-76 per share of the face value of Rs 1 each. Earlier this week, the company had received a go-ahead from markets regulator Sebi. The online food delivery giant aims to raise Rs 9,375 crore through the offer. The Zomato IPO comprises a fresh issue of equity shares worth Rs 9,000 crore and an offer for sale (OFS) worth Rs 375 crore by Info Edge (India), the parent company of Naukri.com, as per the information provided in the red herring prospectus available on the National Stock Exchange (NSE). Investors who wish to subscribe to Zomato's IPO can bid in the lot of 195 equity shares and multiples thereof, as per its newspaper advertisement to Financial Express. At the upper price band, they will have to shell out Rs 14,820 to get a single lot of Zomato. The shares will be listed on both BSE and NSE. The Zomato IPO will have 75 per cent reserved for qualified institutional buyers (QIBs) and 15 per cent will be reserved for non-institutional investors (NIIs). The remaining 10 per cent of the issue will be available for retail investors. The anchor portion is likely to open on Tuesday, July 13, 2021, one working day prior to the opening date for the public offer, the share allotment is likely to take place on July 22, 2021, and the shares are expected to be listed on July 27, 2021.

CHAPTER-3

DATA PRESENTATION, ANALYSIS AND FINDINGS

Analysis of data means studying the original material to discover the inherent facts. The data are studied from as many angles as possible to explore the research data has been collected and data analysis has been made the researcher can proceed of interpretation is essentially one, stating what the result show. The research data becomes meaningful only being analyzed and interpreted.

Results and findings are also called as Analysis and Interpretation. This part of the report contains an allotment of tables, graph s, graphs, and narrative of the results of the survey.

The analysis identifies the various factors that play a major role in determining why the respondents go for a particular product on brand.

The analysis has also been made with reference to factory affecting buying decisions the multinational factor to go far a particular brand.

For some of the tables. Graphs are used to interpret the findings in a better manner.

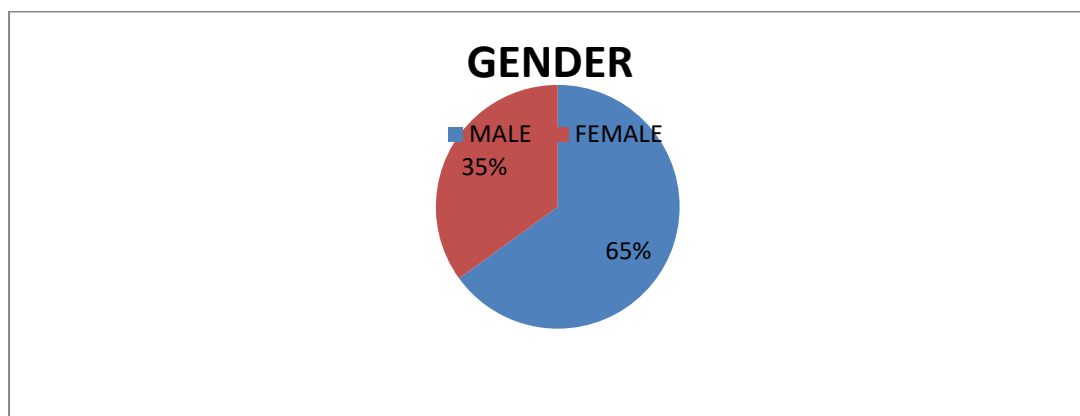
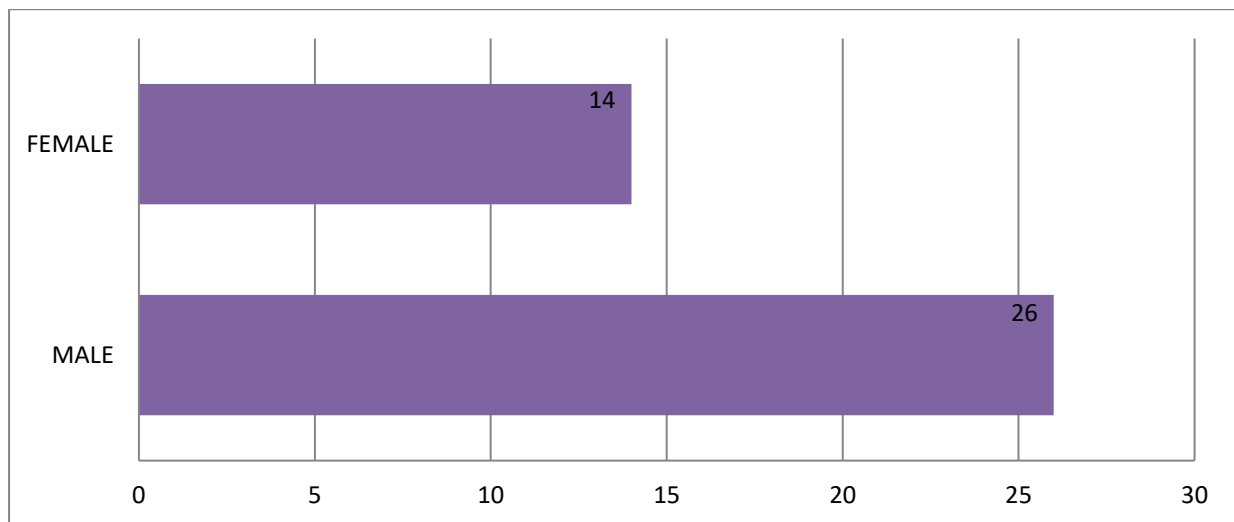
The occupation, income of the respondents is also recorded in order to know the correlation between these features.

Table No: 3. 1: Classification of Respondents on the Basis of Gender

GENDER	NO. OF RESPONDENTS	PERCENTAGE
MALE	26	65.00
FEMALE	14	35.00
TOTAL	40	100

Source:primary data

GRAPH 3.1



The above table and graph analysis represents that 65% of the respondents are male and 35% of the respondents are female.

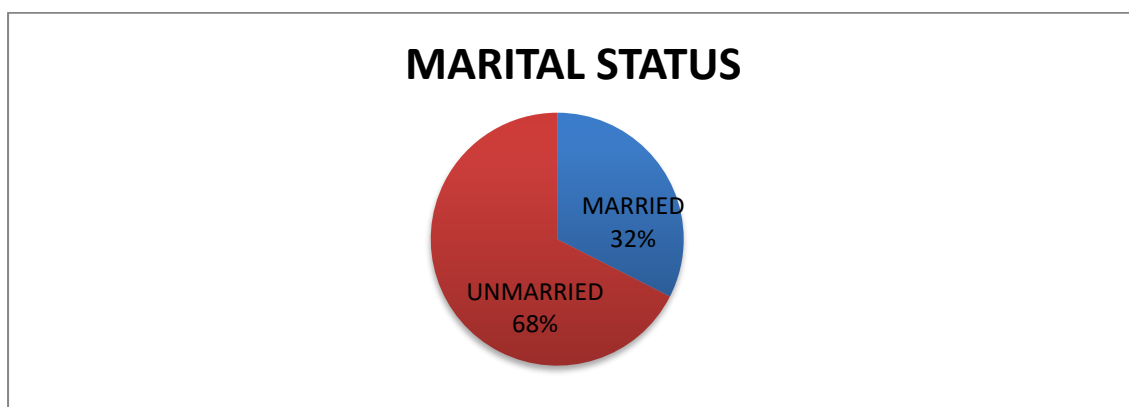
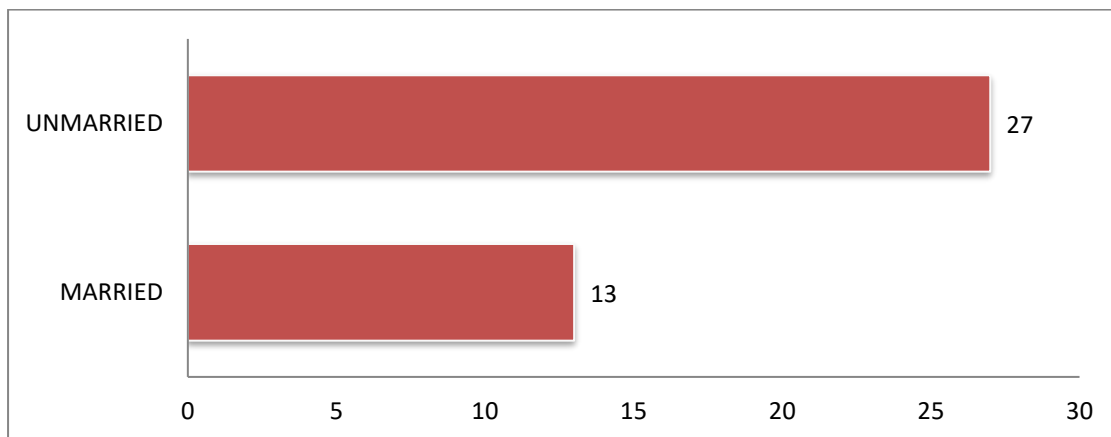
Majority of the respondents found in the survey are male.

Table No: 3. 2: Classification of the Respondent's on the Basis Marital Status

MARITAL STATUS	NO.OF RESPONDENTS	PERCENTAGE
MARRIED	13	32.50
UNMARRIED	27	67.50
TOTAL	40	100

Source:primary data

GRAPH 3.2



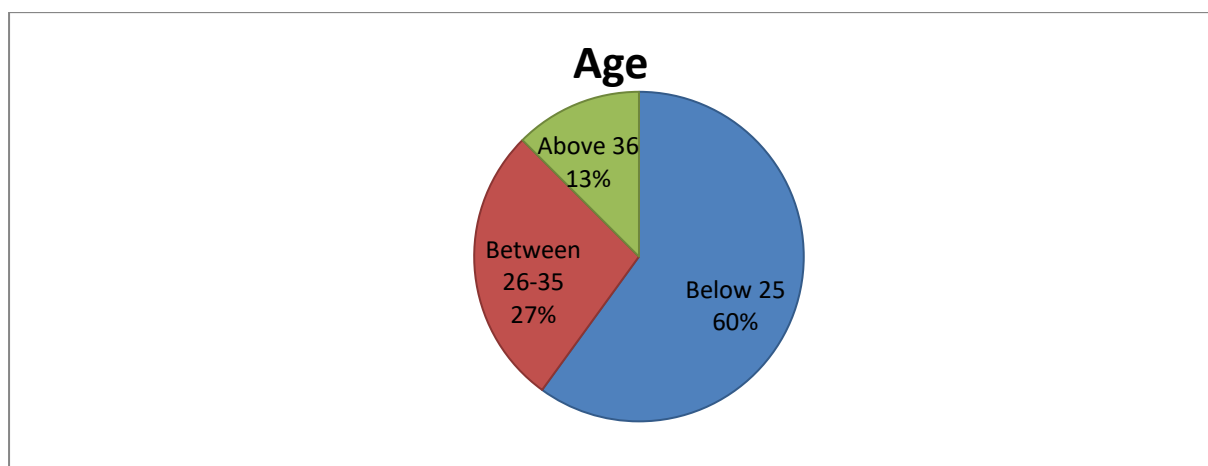
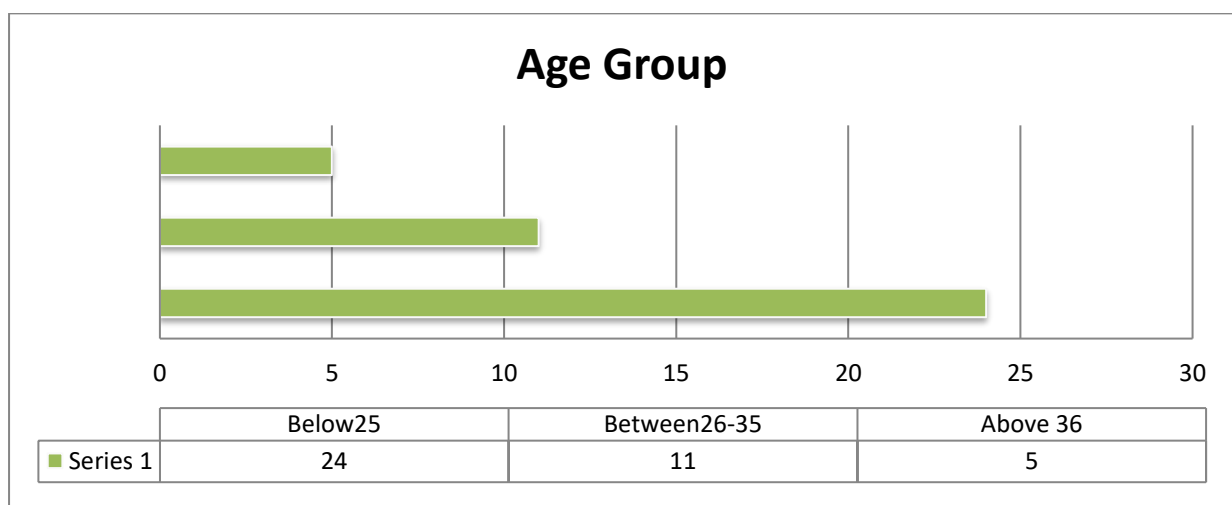
The above table and graph analysis represents that almost near about 68% of the respondents are unmarried and the remaining 32% of the respondents are married. Its interprets that Majority of the respondents found in the survey are unmarried.

Table No: 3.3: Classification of the Respondent's on the Basis Age Group

AGE	NO.OF RESPONDENTS	PERCENTAGE
BELOW 25	24	60.00
BETWEEN 26-35	11	27.50
ABOVE 36	5	12.50

Source:primary data

GRAPH 3.3



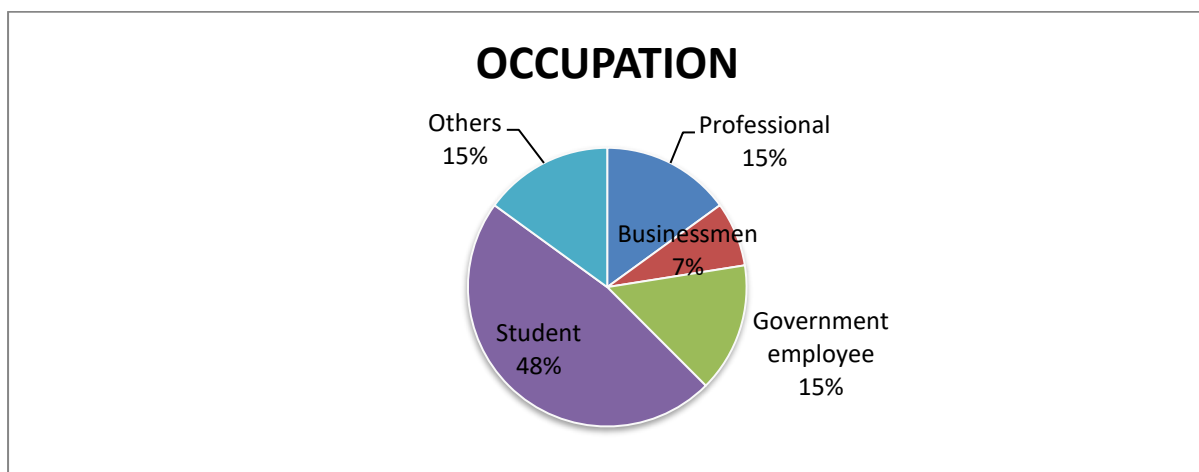
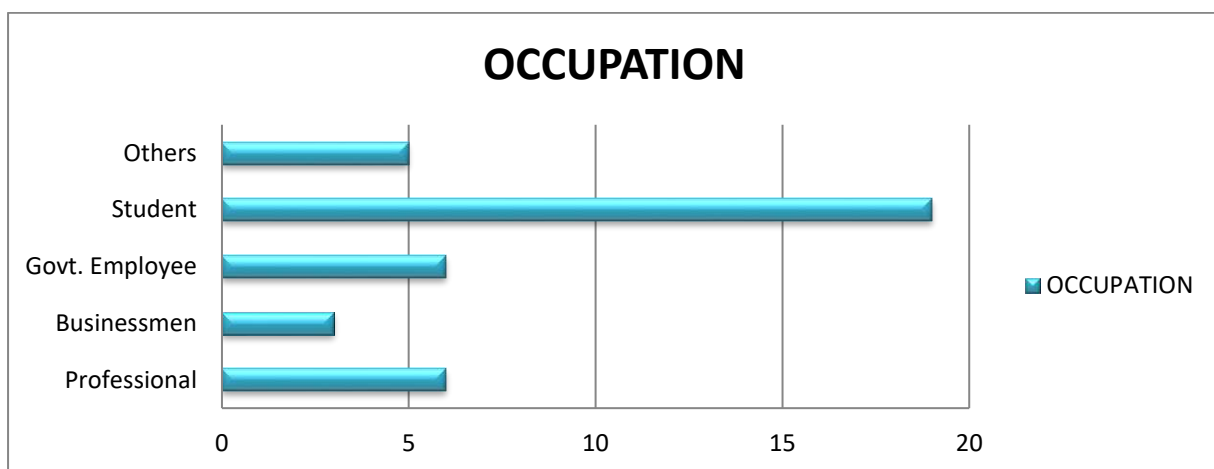
The above table and graph analysis represents that almost 60% of the respondents age group is below 25 years, 27% of the respondents age group is between 26-35 years and the remaining almost 13% of the respondents age group is above 36 years. Majority of the respondents found in the survey are below 25 years of age group.

Table No: 3. 4: Classification on the Basis of Respondent’s Occupation

DESIGNATION	NO.OF RESPONDENTS	PERCENTAGE
PROFESSIONAL	6	15.00
BUSINESSMEN	3	7.50
GOVT. EMPLOYEES	6	15.00
STUDENT	13	47.50
OTHERS	6	15.00
TOTAL	40	100

Source:primary data

GRAPH 3.4



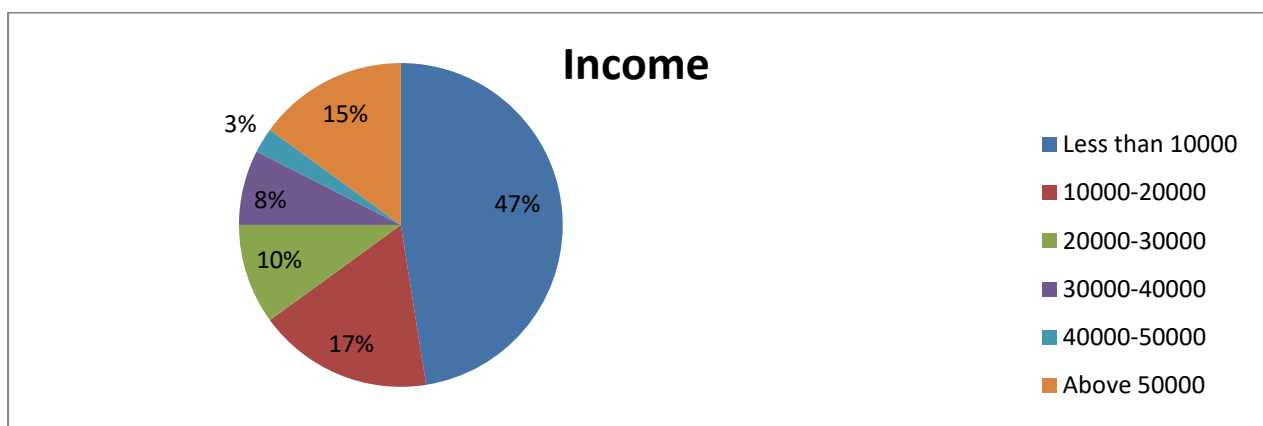
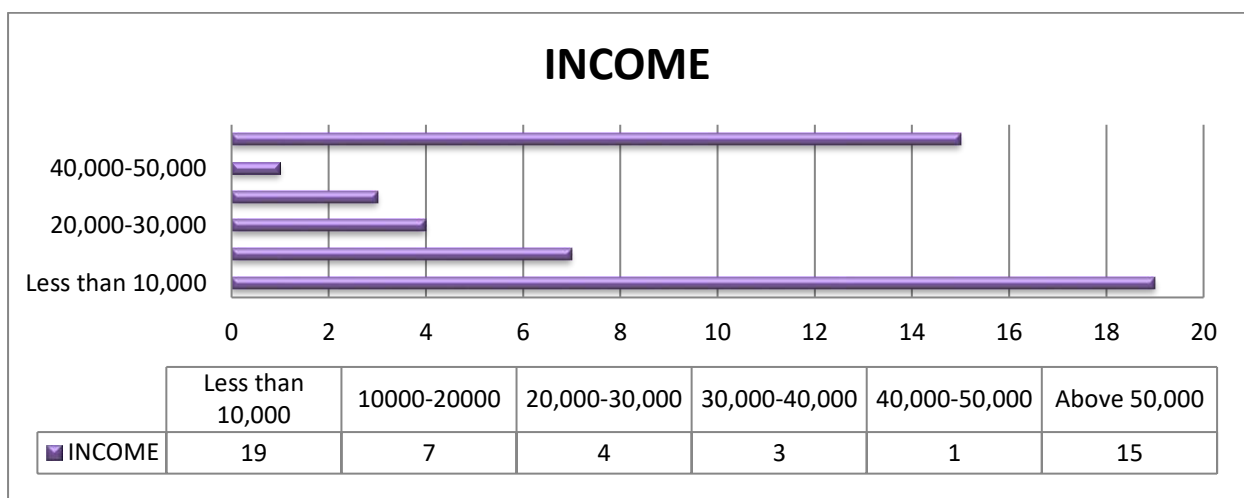
The above graph analysis represents that 15% of the respondents are Professionals, 7% of the respondents are Businessmen, 15% of the respondents are Govt. Employees, 48% of the Respondents are Students and 15% of the respondents are belongs to others.

Its interprets that majority of the respondents are participated in the survey are students.

Table No: 3. 5: Table showing Monthly Income of the Respondents

PARTICULARS	NO. OF RESPONDENTS	PERCENTAGE
LESS THAN 10000	19	47.50
10000-20000	7	17.50
20000-30000	4	10.00
30000-40000	3	7.50
40000-50000	1	2.50
Above 50000	6	15.00
TOTAL	40	100

GRAPH 3.5



The above representation shows that 47.50% of the respondents income are less than 10000, 17.50% of the respondents are income earners from 10000-20000, 10% of the respondents are earning 20000-30000, 7.50% of the respondents are earning 30000-40000, 2.50% of the respondents are earning 40000-50000 and 15% of the respondents are earning above 50000.

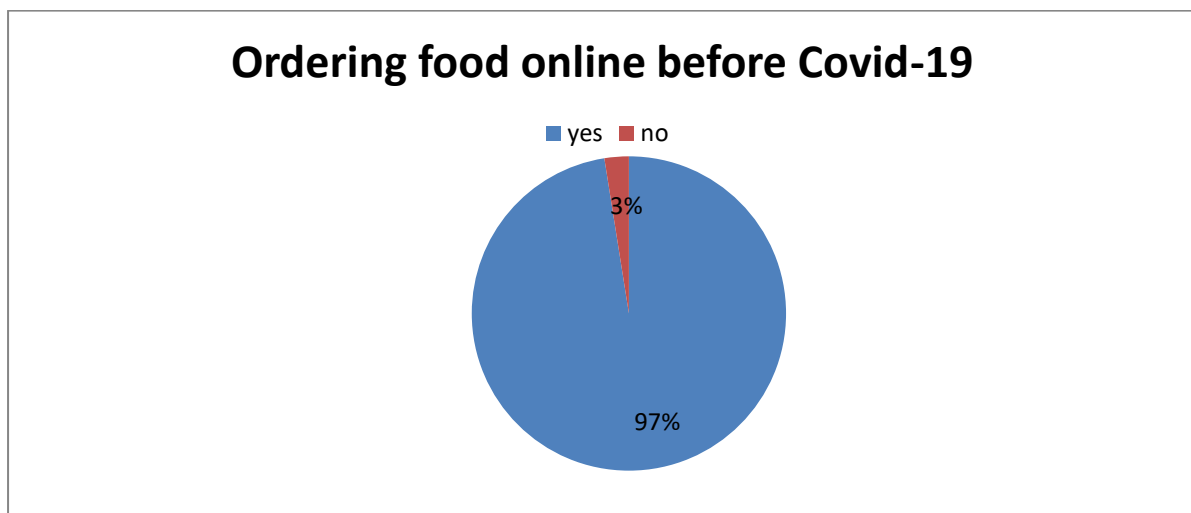
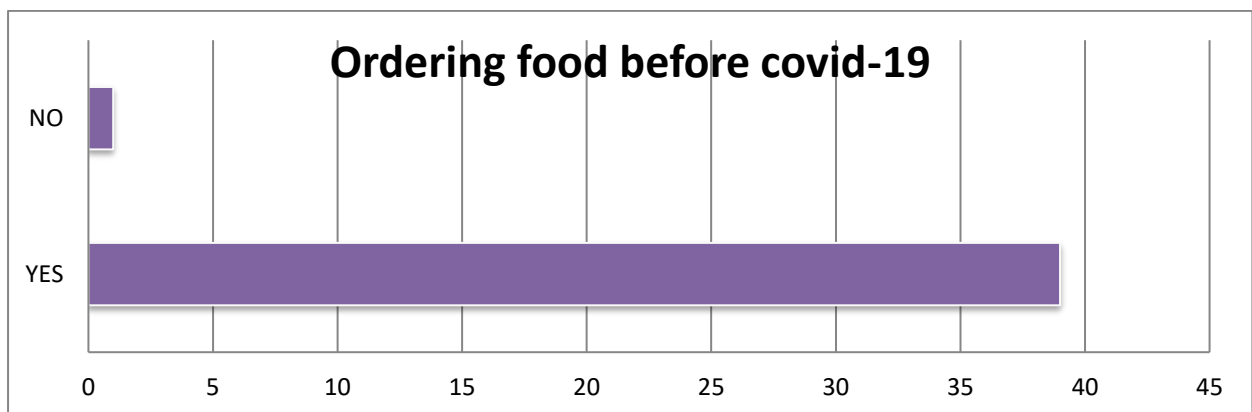
Therefore most of the respondents are earning below 10000.

Table No: 3. 6 Table shows on the Basis Respondent’s order food online pre-covid-19

PARTICULARS	NO. OF RESPONDENTS	PERCENTAGE
YES	39	97.50
NO	1	2.50
TOTAL	40	100

Source: Primary data

Graph 3.6



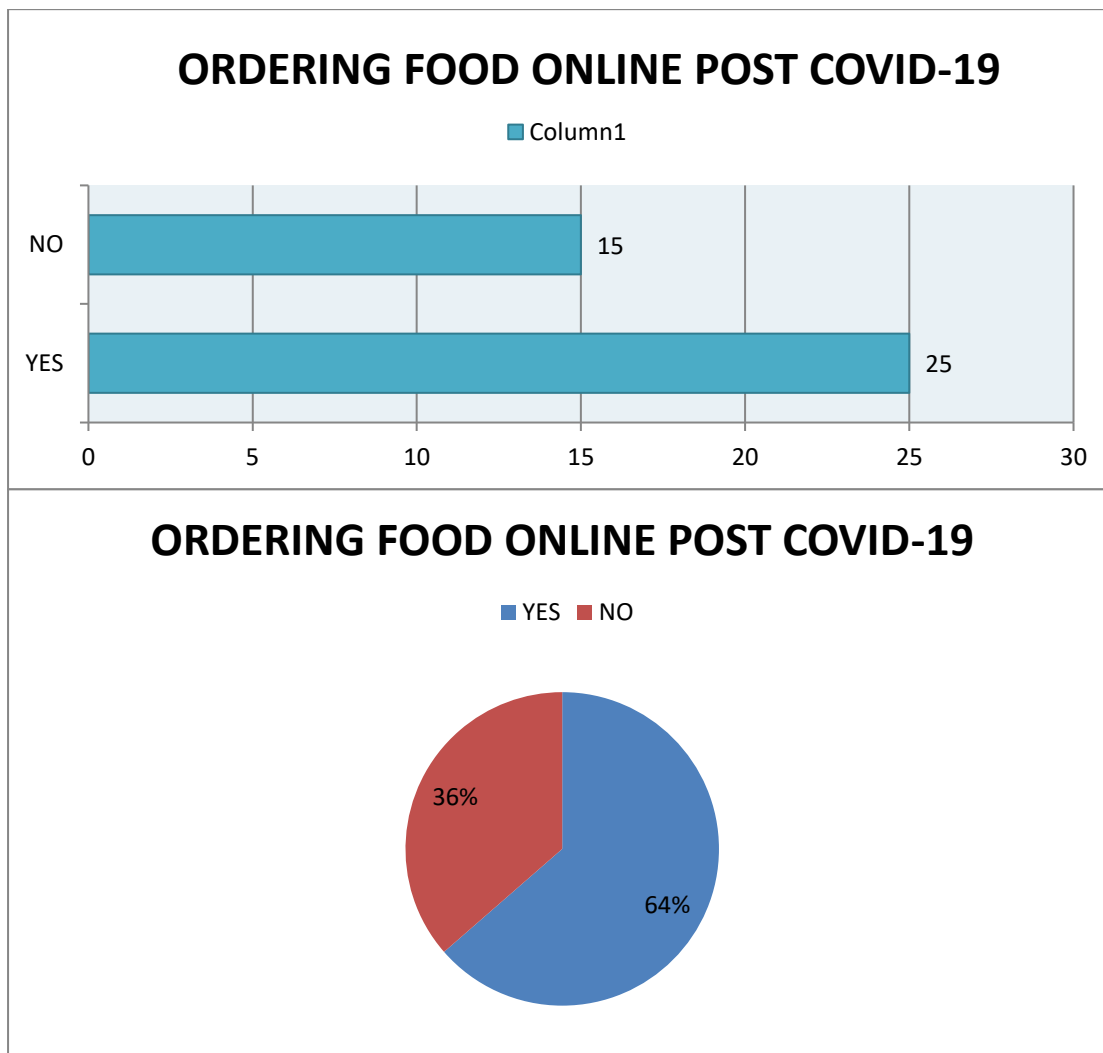
The above table and graphs showing that, most of the respondents who participated in the survey ordered food through online pre-covid-19.

Table No: 3. 7 Table shows on the Basis Respondent’s order food online post covid-19

PARTICULARS	NO. OF RESPONDENTS	PERCENTAGE
YES	25	62.50
NO	15	37.50
TOTAL	40	100

Source: Primary data

GRAPH 3.7

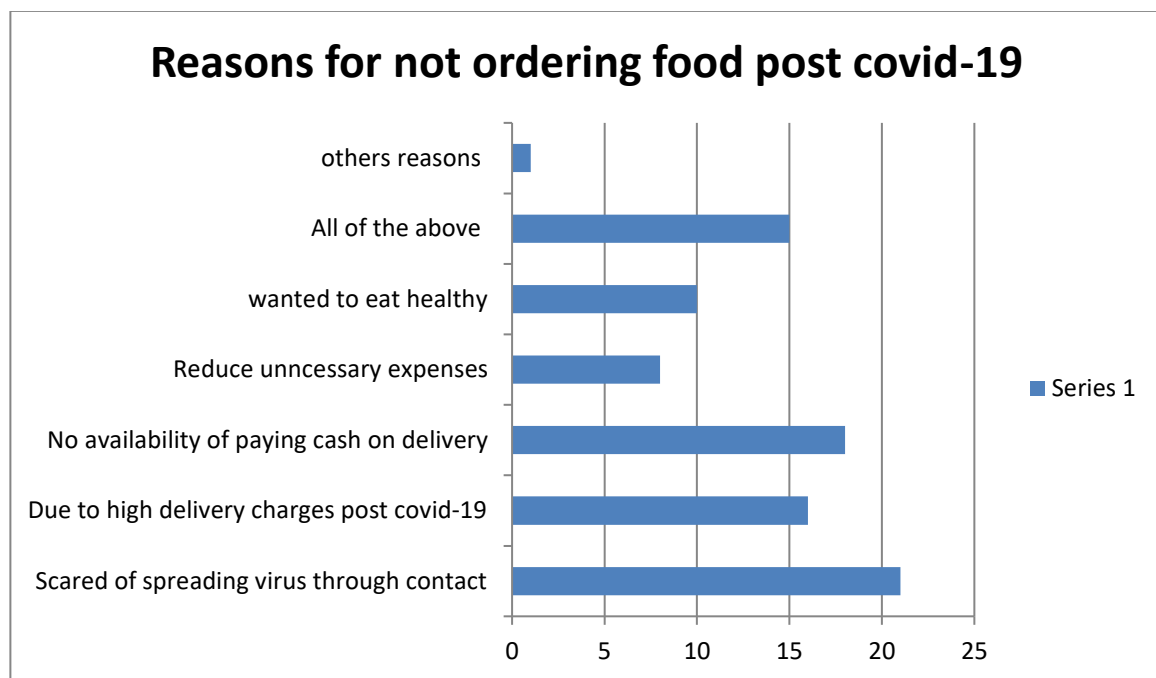


The above table and chart shows that 64% of the respondents order food online post covid-19 and 36% of the respondents did not order food online post covid-19

TABLE NO.: 3.8 Graphical representation on the Basis Respondent's reasons for not ordering food online post covid-19

PARTICULARS	NO. OF RESPONDENTS	PERCENTAGE
SCARED OF VIRUS SPREADING THROUGH CONTACT	21	23.60
DUE TO HIGH DELIVERY CHARGES POST COVID-19	16	17.68
NO AVAILABILITY OF CASH ON DELIVERY	18	20.22
REDUCE UNNECESSARY EXPENSES	8	8.99
WANTED TO EAT HEALTHY	10	11.24
ALL OF THE ABOVE	15	16.85
OTHERS	1	1.12
TOTAL	40	100

Source: Primary data



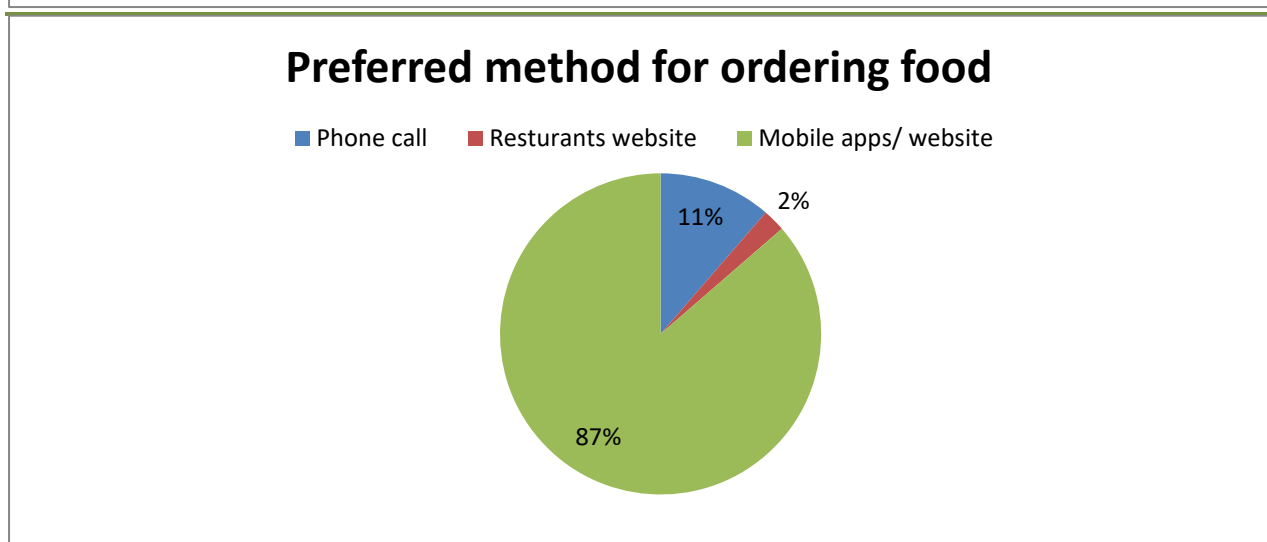
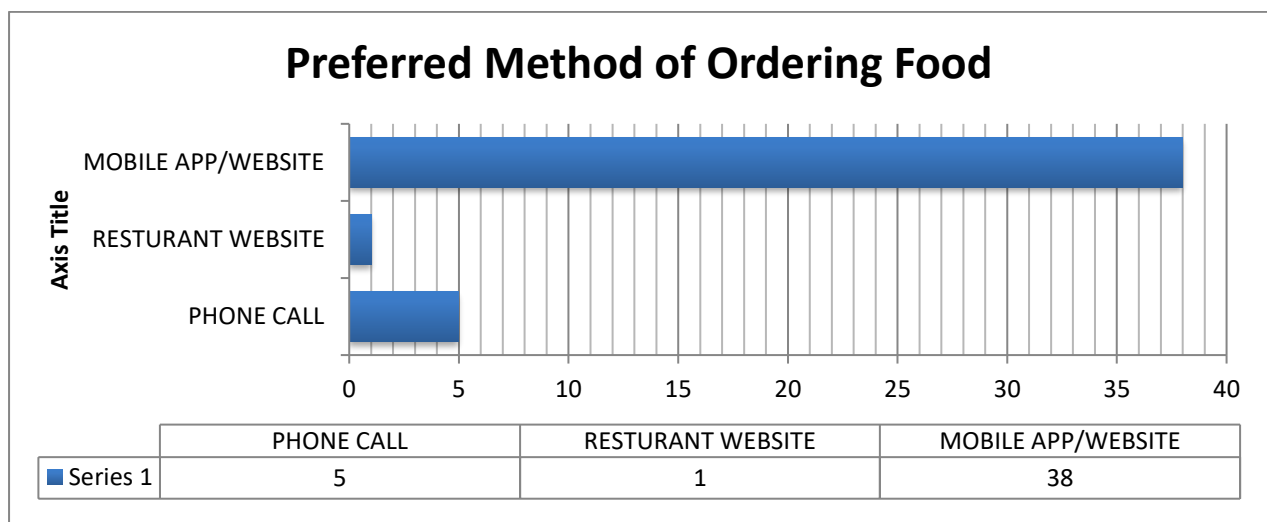
The above representation shows the reasons by the respondents why they did not order food online after post covid-19

Table No: 3. 9 Table showing which preferred method first to mind while ordering food online

PARTICULARS	NO. OF RESPONDENTS	PERCENTAGE
PHONE CALL	5	11.36
RESTURANT WEBSITE	1	2.27
MOBILE APPS/WEBSITE	38	86.36
TOTAL	40	100

Source: Primary data

GRAPH 3.9



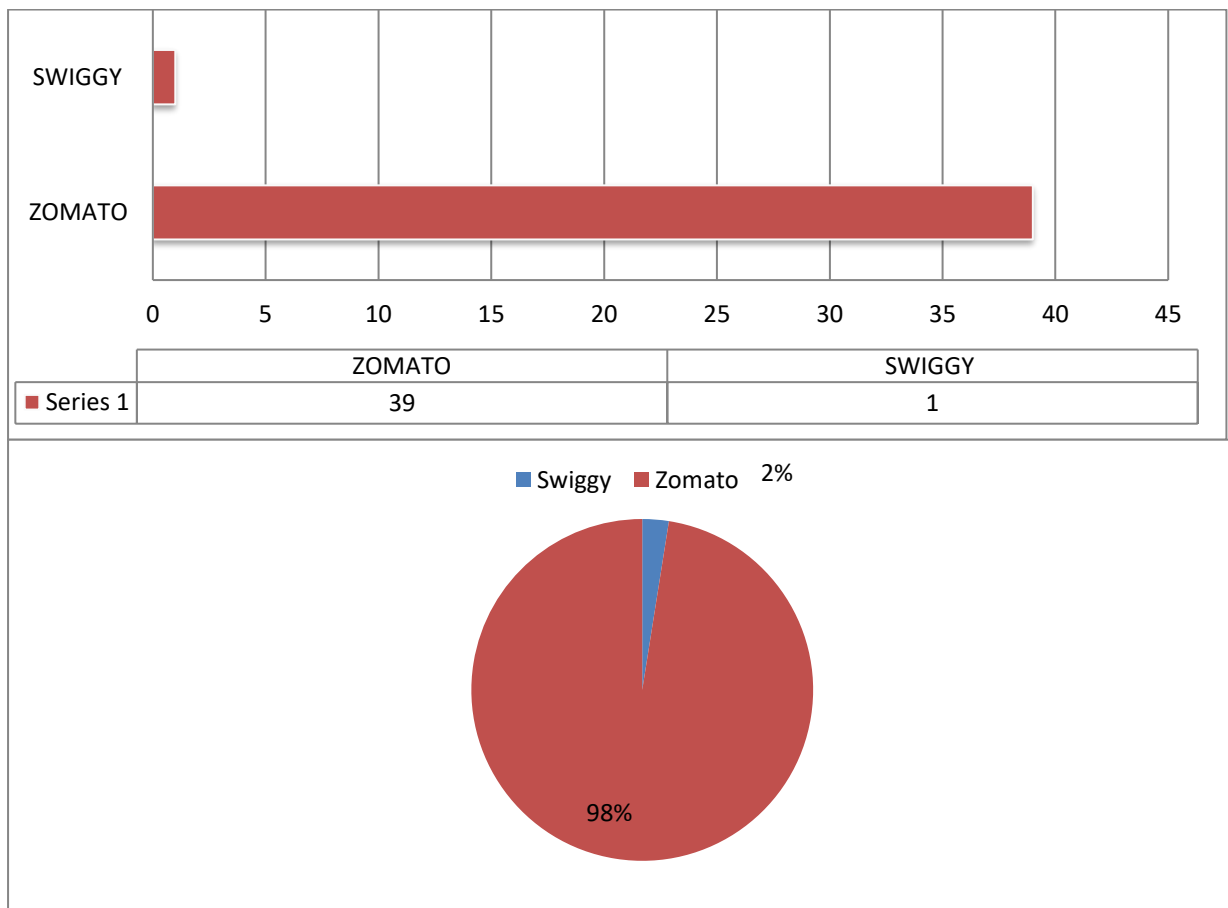
The above representation shows for ordering food using food delivery service through Mobile apps/Website is high in 87% compared to that of ordering food through phone call which is 11% and 2% restaurant website is used by the respondents.

Table No: 3. 10 Table showing which Company comes first to mind while here the word food ordering app

PARTICULARS	NO. OF RESPONDENTS	PERCENTAGE
ZOMATO	39	97.50
SWIGGY	1	2.50
TOTAL	40	100

Source: Primary data

GRAPH 3.10



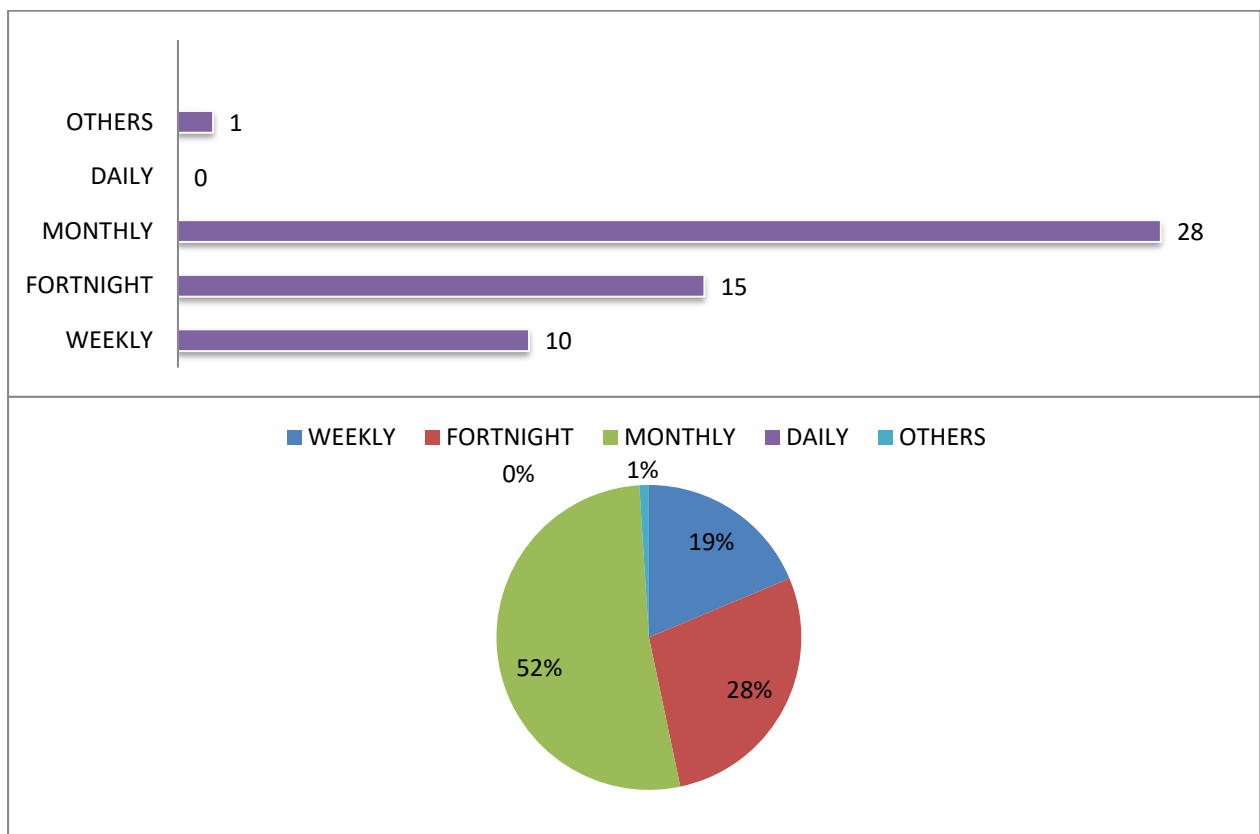
The above table and graph analysis represents that 2.50% of the Respondents belongs to Swiggy, and 97.50% of the respondents are opined that Zomato Company comes first to mind while here the word food ordering app. Its interprets that Majority of the Respondents are well known about Zomato Company.

Table No: 3.11 : Table shows How often do respondents order food in online post covid-19 through Zomato

Particular	No. of Respondents	Percentage
Weekly	10	18.52
Fortnight	15	27.78
Monthly	28	51.85
DAILY	0	0
TOTAL	40	100

Source: Primary data

GRAPH 3.11



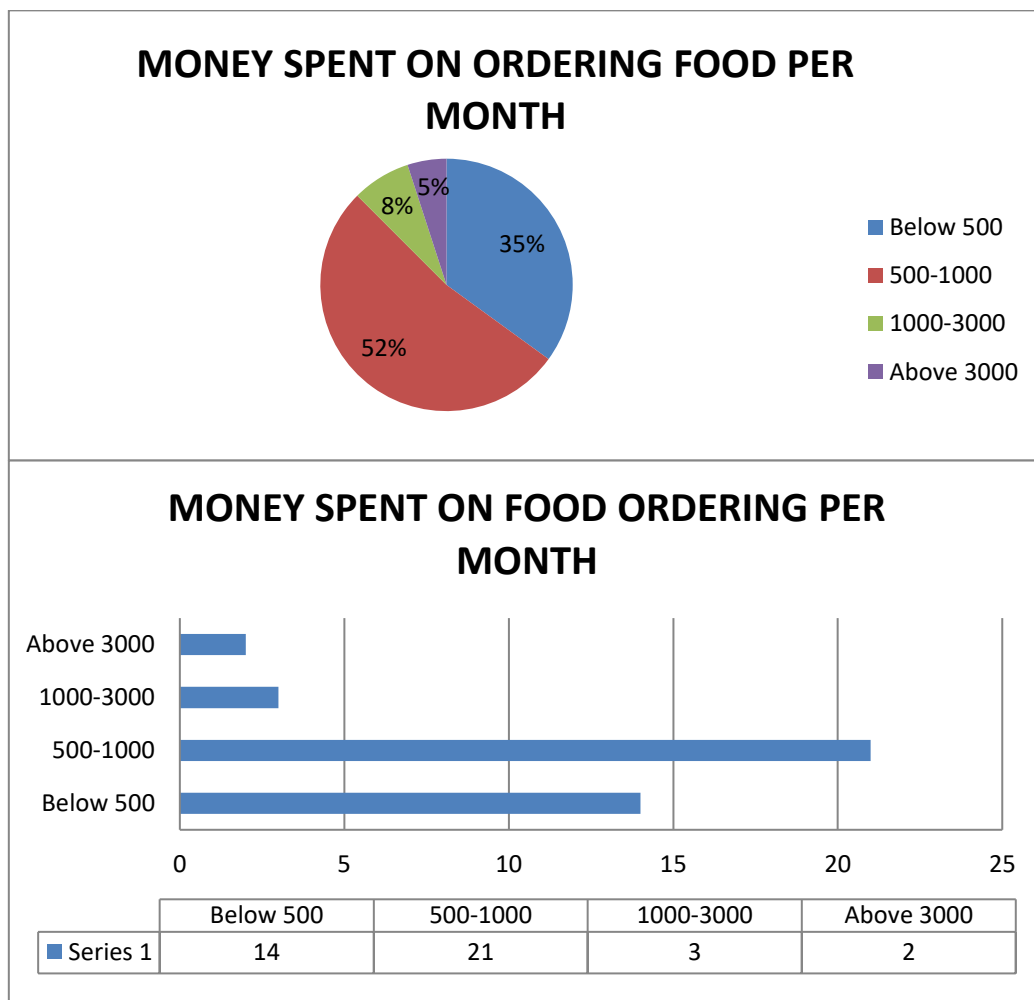
The above graph analysis represents that not anyone of the Respondents opined that they daily order Food in Online through zomato , 18.52% of the Respondents opined that they weekly order Food in Online through zomato, 27.78% of the Respondents opined that they fortnightly order Food Online through zomato and 51.85% of the Respondents opined that they monthly order Food in Online through zomato post covid-19.Its interprets that majority of the respondents order food in online monthly post covid-19.

Table No: 3.12 : Table shows How much money do respondents spent per month on ordering food online through zomato

PARTICULARS	NO. OF RESPONDENTS	PERCENTAGE
BELOW 500	14	35.00
500-1000	21	52.50
1000-3000	3	7.50
ABOVE 3000	2	5.00
TOTAL	40	100

SOURCE: PRIMARY DATA

GRAPH 3.12



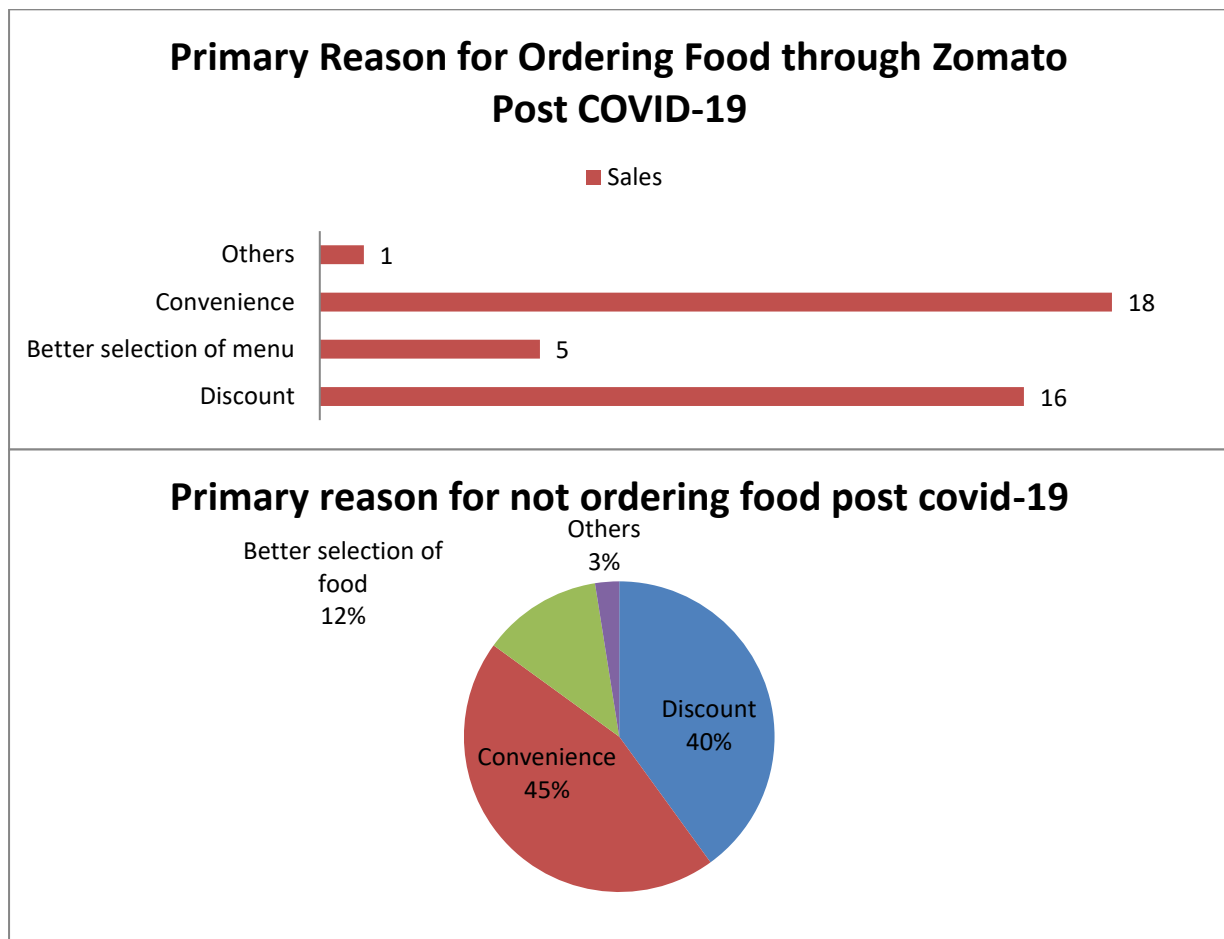
The above representation shows the money spent per month on average is 41% since more of the respondents are students and fall under below 500 and 500-1000.

Table No: 3.13 : Table shows Primary reason to order food online through zomato post covid-19

PARTICULARS	NO. OF RESPONDENTS	PERCENTAGE
DISCOUNT	16	40.00
CONVENIENCE	18	45.00
BETTER SELECTION OF MENU	5	12.00
Others	1	3.00
Total	40	100

Source: Primary data

GRAPH 3.13



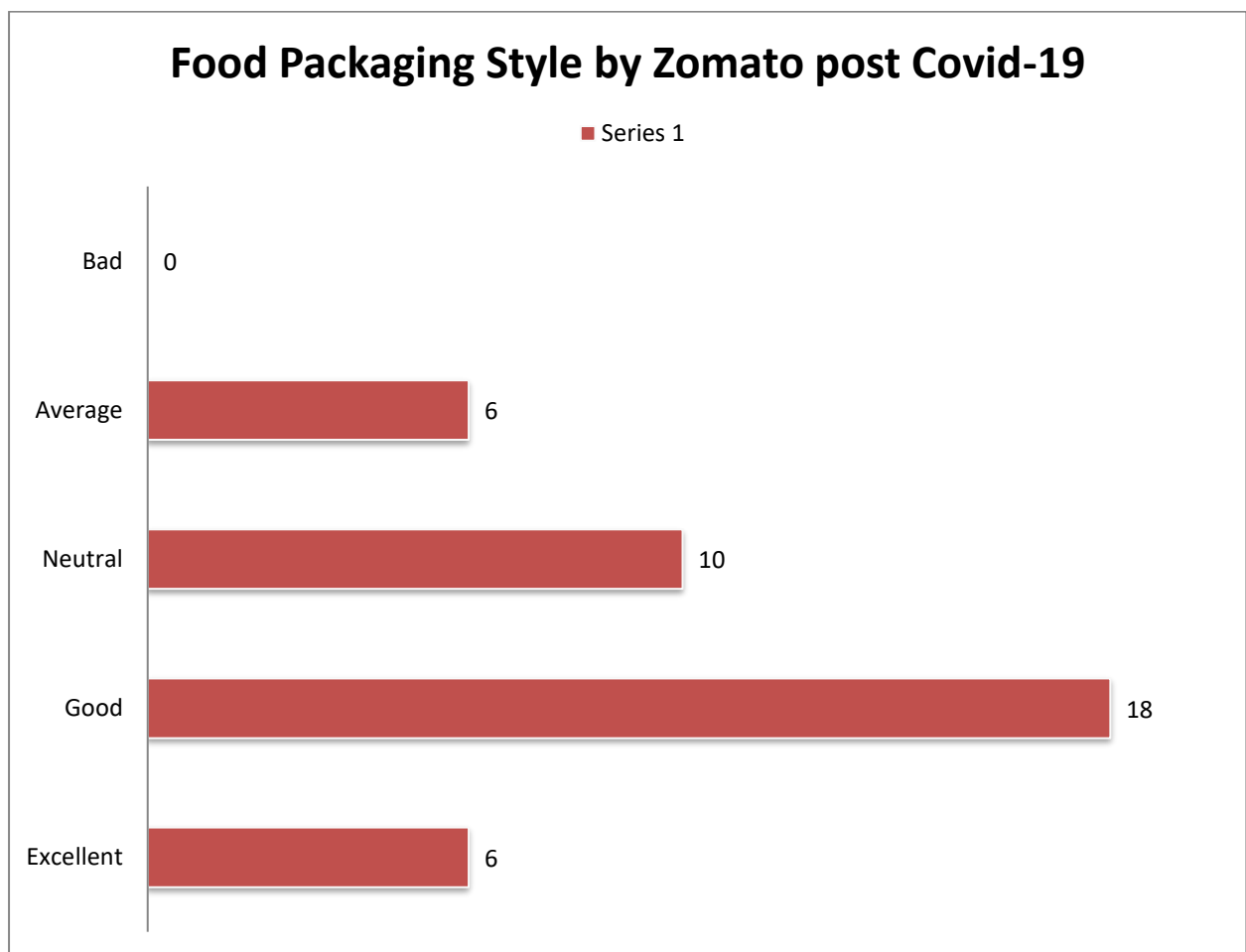
The above representation shows that the primary reason for ordering food shows 45% of the respondents order food because of convenience and 40% of the respondents order food due to discount and rest of them because of better selection of menu

Table No: 3. 14: Table shows respondents rate the food packing style by Zomato after post covid-19

Particular	No of Respondents	Percentage
Excellent	6	15
Good	18	45
Neutral	10	25
Average	6	15
Bad	0	0
Total	40	100

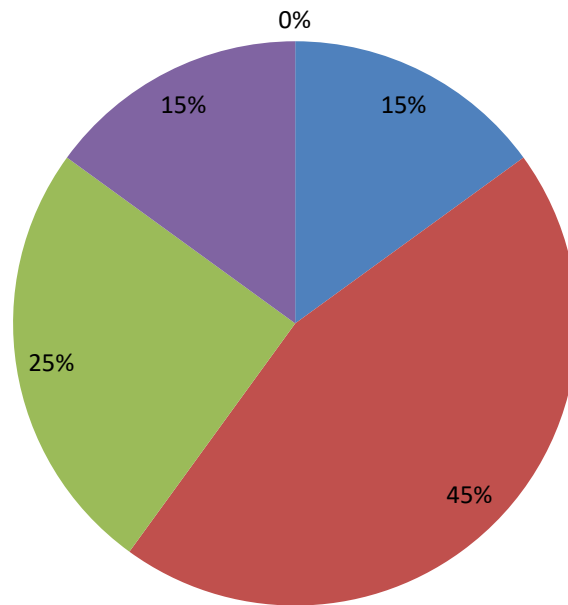
Source: Primary data

GRAPH 3.14



Food packaging style by zomato post covid-19

■ Excellent ■ Good ■ Neutral ■ Average ■ Bad



The above table and graph showing that, 15% of the respondents rate the Food Packaging Style by Zomato as Excellent, 45% of the respondents rate the Food Packaging Style by Zomato as Good 25% of the respondents rate the zomato food packaging style as Neutral and 15% of the respondents rate the food packaging by zomato as Average.

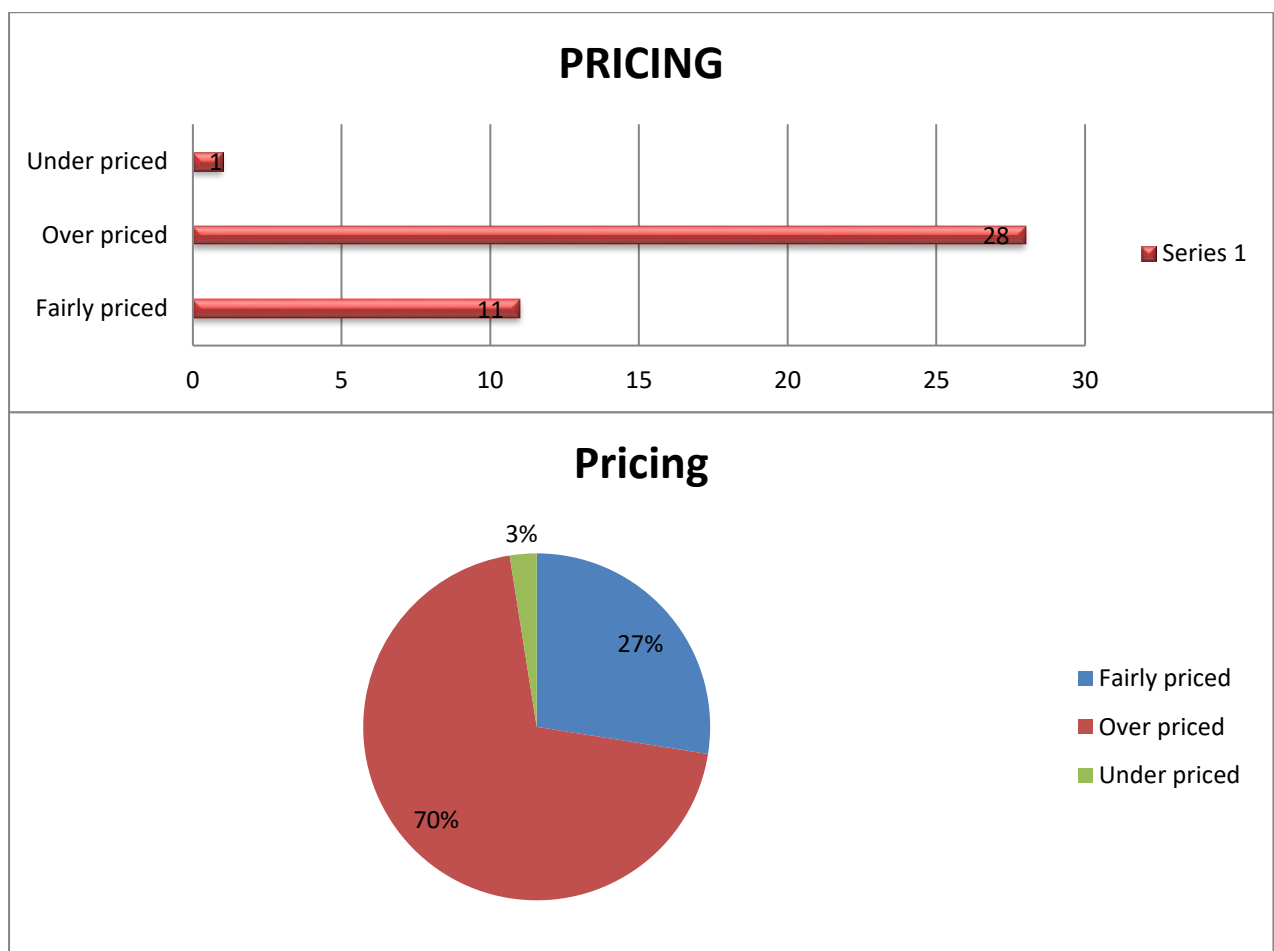
It interprets that 45% of the respondents rate zomato’s packaging as Good .

Table No: 3. 15: Table shows respondents to say about the pricing of Zomato after post covid-19

Particulars	No of Respondents	Percentage
Fairly priced	11	27.50
Over priced products	28	70
Under priced	1	2.50
Total	40	100

Source: Primary data

GRAPH 3.15



The above table and graph showing that 27% of the respondents opined that pricing of Zomato services is Fairly priced, 70% of the respondents opined that pricing of Zomato services is over priced and 3% of the respondents opined that pricing of Zomato services is under priced.

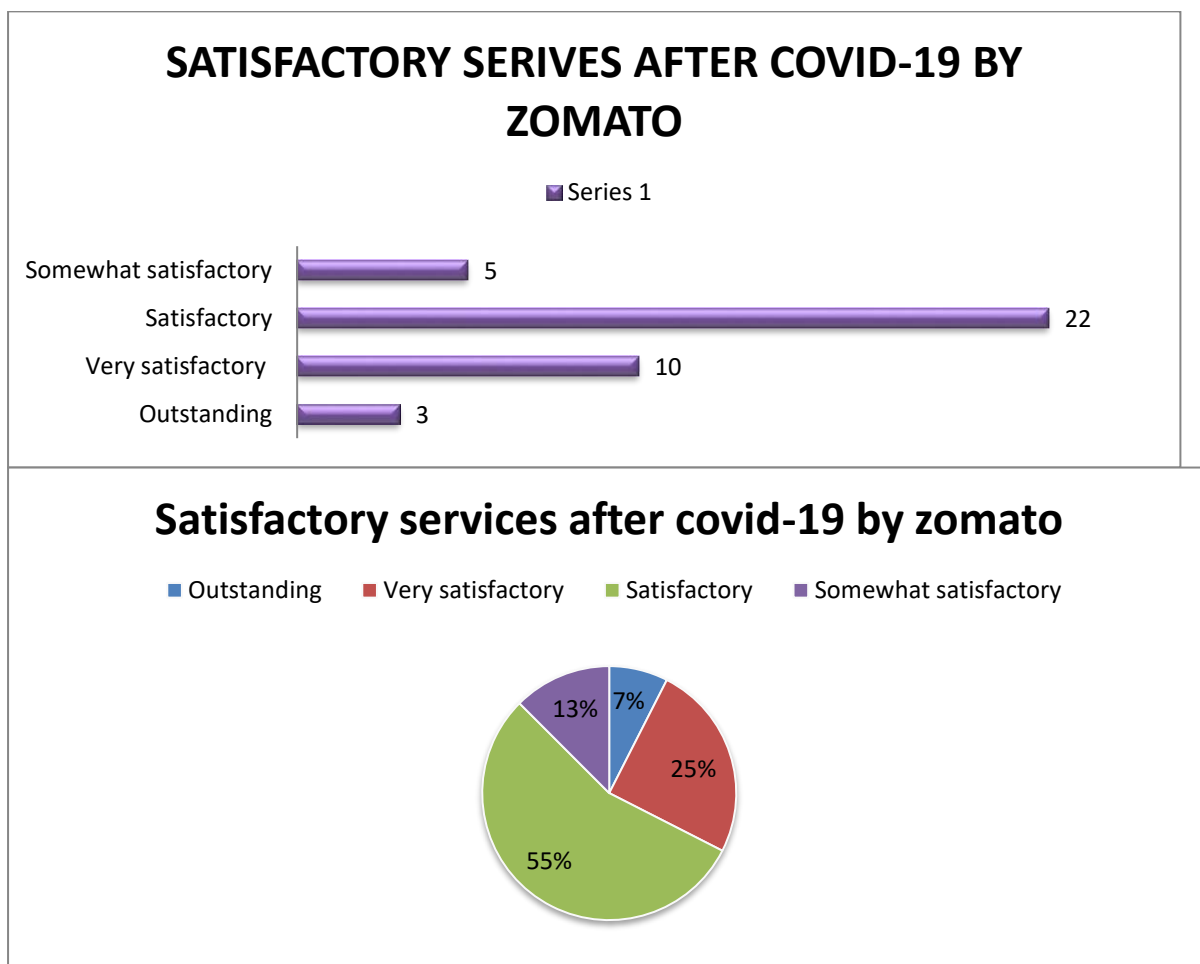
Majority respondents says that its over priced after post covid-19.

Table No: 3. 16: Table shows respondents give ratings towards satisfaction level with Zomato services after covid -19

Particular	No of Respondents	Percentage
Outstanding	3	7.50
Very satisfactory	10	25.00
Satisfactory	22	55.00
Somewhat satisfactory	5	12.50
Total	40	100

Source:Primary data

GRAPH 3.16



The above table and graph showing that more than 7% of the respondents rated zomato’s services as outstanding 25% of the respondents rated zomato’s services as very satisfactory 55% of the respondents rated zomato’s services satisfactory and 13% of the respondents rated zomato’s services as somewhat satisfactors.It interprets that majority of the respondents are satisfied with the services of zomato.

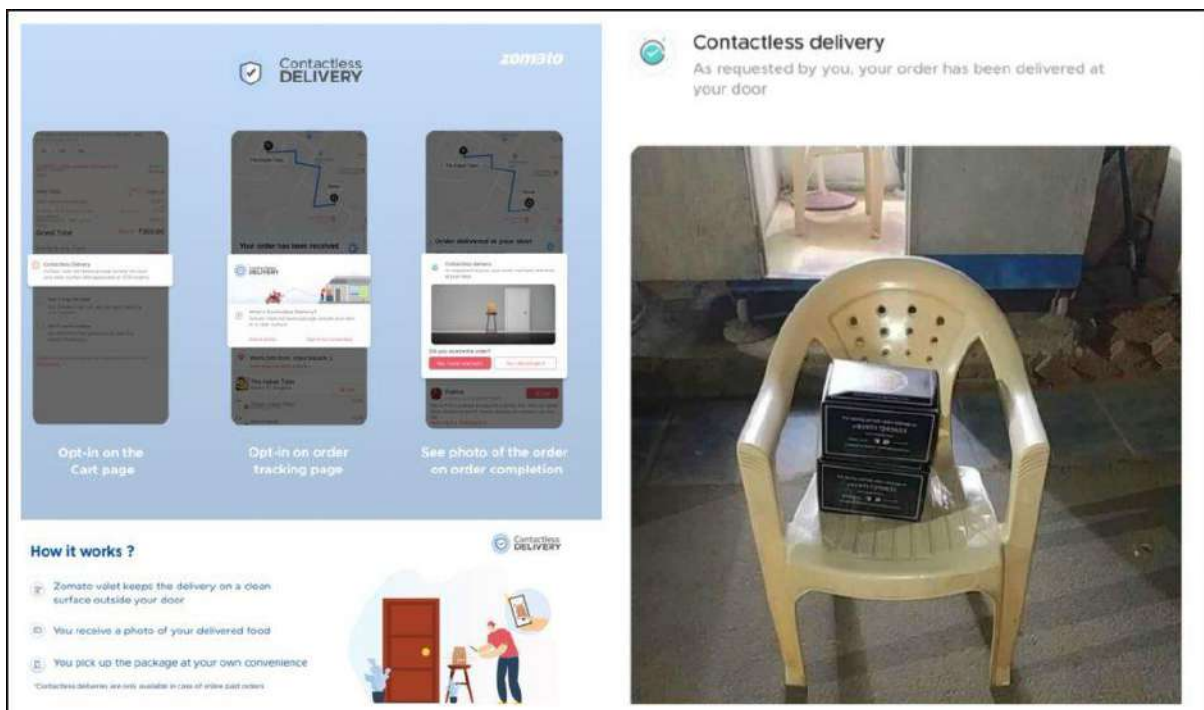
3.17 FINDINGS

1. 65% of the respondents are males.
2. 67.50% of the respondents are unmarried
3. 60% of the respondents are below 25
4. 47.50% of the respondents are students
5. 47.50% of the respondents are students that's why their earning is less than 10000
6. 97.50% of the respondents did order food online pre covid-19
7. 62.50% of the respondents order food online post covid-19
8. 23.60% of the respondents primary reason to not order food online is because they are scared of virus spreading through contact post covid-19
9. 87% of the respondents prefer mobile apps like zomato to order food online
10. 97.50% of the respondents prefer zomato app to order food online
11. 51.85% of the respondents prefer to order monthly post covid-19
12. 52.50% of the respondents prefer to spend 500-1000 rupees monthly on ordering food online
13. 75% of the respondents prefer to order food online because its convenient
14. 45% of the respondents says the packaging by zomato is good
15. 70% of the respondents believe that post covid-19 zomato has increased the price of food and delivery
16. 55% of the respondents says that zomato services is satisfactory

3.18 SECONDARY DATA

In Mid COVID-19 to decrease the loss incurred itself and its delivery, restaurant partners due to the following lockdown rules. In Lockdown period, 60%-70% of orders were reduced. Zomato understood the need of delivery of grocery, and it started online delivery of grocery in 80+ cities. It also partnered with Grofers for delivery. Grocery delivery not only reduced the financial burden on company but also competed with JioMart and BigBasket

For Customers:



Source:<https://www.zomato.com/blog/wp-content/uploads/2020/04/CONTACT-1024x602.jpg>

- To remove the fear of getting transmitted with virus contactless delivery, where delivery personal
- Drop delivery at a particular location, or in front of a door started.



Source: <https://www.zomato.com/blog/wp-content/uploads/2020/04/DRIVA-1024x688.jpg>

- Face masks were distributed to customers and its partners
- Completely disabled cash on delivery and encouraged digital payment to reduce contact.
- Started grocery delivery to deliver groceries.
- The subscription plan Zomato Gold was extended

For Delivery Partners:

- Donated money through Rider Relief Fund to the delivery personals since their earnings dropped with decrease in online food delivery
- Delivery Partner Insurance Plan helped delivery personals by covering hospitalization charges, and lost earning if they infected by COVID-19

For Restaurant Partners & Workers:

- The Zomato Gold Support Fund helped the restaurant personal where annual subscription plan money was provided to them.
Takeaway not only allowed customers to directly collect food from restaurants but also zero commissioned.
- Which reduced burden of customer and restaurants.



Source: <https://www.zomato.com/blog/wp-content/uploads/2020/04/FEEDA-1024x688.jpg>

Our underprivileged community – India’s daily wage workers

- **Food Security** – Zomato’s mission is ‘better food for more people’. And for some underserved segments of our country, ‘better food’ simply means being able to put some food on the table.
- **Feeding Foundation** – Zomato runs a not-for-profit called the Feeding Foundation (in India, known as [Feeding India](#)). The purpose of Feeding Foundation is to leverage our relationship with the food industry, and our users to be able to provide food security to millions of people who run the risk of dying from hunger. In the middle of this chapter, we also started the Philippines chapter of the Feeding Foundation, called Feeding Philippines.
- **Feed the Daily Wager** – about 450 million Indians depend on daily wages to run their household and have lost their livelihoods due to the lockdown. All these people are going hungry and they desperately need someone’s support. To help with the situation, we started the “Feed the Daily Wager” initiative in India, wherein we are **distributing ration kits to daily wager communities**. These ration kits provide 100 meals to a family (three meals a day for a family of five, for a week).
- This initiative is powered by people like you – we have been able to raise ₹25 crores for this from individuals and corporates, and are aiming to double the amount. If you haven’t already done so, please donate towards feeding our daily wagers

at <http://www.feedingindia.org/donate>; countless drops fill an ocean – please add yours.

- We have already distributed more than 100,000 ration kits (to the same number of daily wagger families) in more than 20 cities as of now. Apart from our mega cities, we have now also started distributing these ration kits in other cities like Patna, Jhansi, Guwahati, Dehradun etc.
- We plan to distribute 1M ration kits as part of this initiative, and have already secured supplies to do that.
- Working for Feeding India is incredibly humbling. Here are some images and conversations that will move you.



“

There are many daily wage workers out there who aren't able to earn a meal for their family. We must all do our bit to help them.

POONAM KANAV
HUNGER HERO AND CITY HEAD,
NASHIK



“

We must help the daily wagers' families through donations or by volunteering, as we are working to provide them the basics.

AMRAPALI VIKRAM
HUNGER HERO AND CITY LEADER,
KOLHAPUR



“

My father is a daily wage worker and is forced to stay at home. We have received 20 kg of rice, 4 kg of dal and some other supplies, which would be enough to take us through a month.

DISHA BANJARI
STUDENT



“

We are out of work and are dependent on the mercy of strangers. We feel hopeless at times as we don't know when this bandi (lockdown) will end. Now that you people showed up, we are able to get food supplies.

SAVITRI
LABOURER



“

The hotel I used to work for is closed now. I have a wife and two young children. We are thankful to Feeding India for helping us at a time when we are at our lowest. I pray you continue your good work.

RAJENDRA KUMAR
HOTEL WORKER



“

We don't even have a ration card. For the past few weeks, we were barely managing. We can't wait to go back to work. Thanks to you, we have something to rely on for the next few weeks.

SUNITA MALVI
CONSTRUCTION WORKER

Source:<https://www.zomato.com/blog/wp-content/uploads/2020/04/TESTES2-1024x693.png>

For people who are directly affected by COVID-19

- **Food for quarantine facilities** – as an essential service provider, it is important we find more than just a few ways to help our community fight against this

pandemic. We have teamed up with Apollo Hospitals to **deliver food to those who are in isolation wards**, in their quarantine facilities. We are currently doing this in Bangalore and Hyderabad, and are expanding this support to hospitals/quarantine facilities across major cities.

Chapter -4

Conclusions and Recommendations

The online delivery services are progressing at a rapid rate. Even though there has been a slowdown in the market due to customer buying habit is influenced by fear of spreading COVID-19 and implementation of Lockdown. After loosening of lockdown hotel-related industry is growing back, we can see increase in demand for online food delivery service. Zomato has taken lot of steps to come out of the crisis of COVID-19 and initiatives to help its partners. From the conducted survey decrease in the ordering can be seen, but as the time progresses, it is expected to grow back. From the survey, it can be noticed that customers are loyal to one service provider. The zomato should expand itself to rural areas since lot of customers are available. The quality of food and logistical issues should be solved so food can be delivered on time.

The application must be high responsiveness, friendliness to handle unpredictable cases like unable to deliver food on time, wrong delivery etc. Timely delivery will increase the likeness toward the application since most complaints are related to it. Zomato can target college students in these areas since students spend more time in social media, in the period of developing buying/eating habits, limited mobility. The Zomato has a separate review system for online food delivery service and dine out but it should also provide a separate review system for delivery service since they influence one another. The actions can be easily implemented in the respective area. Provision to order food from different types of cuisines, and restaurant must be provided which will increase options to customers. Providing offers will increase the financial burden on company and not help in gaining customer loyalty, instead removing delivery charges can gain trust and more popularity with customers.

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Questionnaire

7/26/2021

A STUDY ON CONSUMER BEHAVIOUR TOWARDS ZOMATO DURING COVID-19

A STUDY ON CONSUMER BEHAVIOUR TOWARDS ZOMATO DURING COVID-19

I am ANKITA ROSE HANSDAH studying final year [B.COM](#) in SCOTTISH CHURH COLLEGE. I have undergone a project report on the topic "A STUDY ON CONSUMER BEHAVIOUR TOWARDS ZOMATO DURING COVID-19". I would like to request you to fill the questionnaire.

Thanking you

Yours faithfully,

(ANKITA ROSE HANSDAH)

* Required

A STUDY ON CONSUMER BEHAVIOUR TOWARDS ZOMATO DURING COVID-19

1. 1. GENDER *

Mark only one oval.

- Male
- Female
- Other: _____

2. 2. MARITAL STATUS *

Mark only one oval.

- MARRIED
- UNMARRIED
- Other: _____

3. 3. Age *

Mark only one oval.

- Below 25
- Between 26-35
- Above 36

4. 4. Occupation *

Mark only one oval.

- Professional
- Businessman
- Government Employee
- Student
- Other: _____

5. 5. Monthly Income *

Mark only one oval.

- Less than 10000
- 10000-20000
- 20000-30000
- 30000-40000
- 40000-50000
- Above 50000

6. 6. Did you order food online before Covid-19 *

Mark only one oval.

- Yes
- No

7. 7. Did you order food online post Covid-19 *

Mark only one oval.

- Yes
- No

8. 8. If NO, reasons for not ordering food online post Covid-19 *

Check all that apply.

- Scared of spreading the virus through contact
- Due to high delivery charges post covid -19
- No availability of paying cash on delivery
- Reduce unnecessary expenses
- Wanted to eat healthy
- All of the above

9. 9. In general how do you prefer to order food online *

Mark only one oval.

- Phone call
- Restaurant website
- Mobile apps/ website

10. 10. Which company comes first to your mind when you hear the word food ordering app? *

Mark only one oval.

- Swiggy
- Zomato
- Other: _____

11. 11. If zomato, How often do you order food online post covid-19 *

Mark only one oval.

- Weekly
- Fortnight
- Monthly
- Daily

12. 12. How much money do you spend on ordering food online through Zomato *

Mark only one oval.

- Below 500
 500-1000
 1000-3000
 Above 3000

13. 13. Primary reason to order food online post covid-19 *

Mark only one oval.

- Discount
 Convenience
 Better selection of menu

14. 14. How do you rate the food packaging style by Zomato post covid-19 *

Mark only one oval.

- Excellent
 Good
 Neutral
 Average
 Bad

15. 15. What do you have to say about the pricing of Zomato post covid-19 *

Mark only one oval.

- Fairly priced
 Over priced
 Under priced

16. 16. How do you rate satisfaction level with Zomato services post covid-19 *

Mark only one oval.

- Outstanding
- Very satisfactory
- Satisfactory
- Somewhat satisfactory

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Google Forms

Project report

(Submitted for the degree of B.com Honours in
Accounting and Finance under the University of Calcutta)

Title of the Project

Customer's Satisfaction towards Amazon.in

Submitted by-

Name of the Candidate- Sanket Kundu

Registration no. - 223-1111-0512-18

Name of the college- Scottish Church College

College Roll no. - 18C-027

Supervised by-

Name of the Supervisor- Mrs. Dipanwita Mitra

Name of the College- Scottish Church College

Month and Year of Submission- July, 2021

Annexure- IA

Supervisor's Certificate

This is to certify that **Mr. Sanket Kundu** a student of B.Com. Honours in Accounting & Finance of **Scottish Church College** under the University of Calcutta has worked under my supervision and guidance for his Project Work and prepared a Project Report with the title '**Customer Satisfaction towards Amazon.in**' which he is submitting, is his genuine and original work to the best of my knowledge.

Place: Kolkata

Name: Mrs. Dipanwita Mitra

Date: 26th July, 2021

Designation- SACT

Name of the College: Scottish Church College

Annexure- IB

Student's declaration

I hereby declare that the Project Work with the title **Customer Satisfaction towards Amazon.in** submitted by me for the partial fulfilment of the degree of B.Com. Honours in Accounting & Finance under the **University of Calcutta** is my original work and has not been submitted earlier to any other University/Institution for the fulfilment of the requirement for any course of study.

I also declare that no chapter of this manuscript in whole or in part has been incorporated in this report from any earlier work done by others or by me. However, extracts of any literature which has been used for this report has been duly acknowledged providing details of such literature in the references.

Place: Kolkata

Date: 26th July, 2021

Signature: *Sanket Kundu*

Name: Sanket Kundu

Address: Kolkata

Registration No.: 223-1111-0512-18

Acknowledgement

I would like to thank the University of Calcutta for providing an opportunity which gives a glimpse idea of real corporate environment at academic level.

I would like to thank our Principal Dr. (Mrs.) Madhumanjari Mandal for providing uninterrupted infrastructural and other amenities as and when required.

I would also like to thank Prof. Amitava Chatterjee (Head of B.com Department) for providing continuous support and encouragement for completion of project.

I would like to thank my supervisor, Mrs. Dipanwita Mitra for her guidance and for providing me the necessary information regarding the project.

I would like to thank all the faculty member of Scottish Church College (B.com Department) for guiding and supporting me in the completion of the project. I would also like to thank my family who provided their devotion and support in this project.

Mr. Sanket Kundu

B.Com in Accounting & Finance

Semester VI

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CHAPTER-1: INTRODUCTION

1.1 Background

Nowadays online shopping is used everywhere, and it is happening just because of the internet. Internet is changing the way consumers shop and buy goods and services and has rapidly evolved into global phenomenon. The online shopping has become a trend in India and the reason behind the adoption of this technique lies in the attractive online websites, user friendly interface, bulky online stores with new fashion, easy payment methods and cash-on delivery, no bound on quantity & quality, one can choose the items based on size, colour, price, etc.

Many companies have started using the internet with the aim of cutting marketing costs, thereby reducing the price of their products and services in order to stay ahead in highly competitive markets. Companies also use the internet to convey, communicate and disseminate the information, to sell the product to take feedback and conduct satisfaction surveys.

This project takes a look at the consumers' satisfaction towards Amazon.in. Amazon is one of the most popular e-commerce sites in India. Amazon is known for its wide variety and faster prime deliveries. It not only provides a variety of products but also provides a great user experience and splendid customer service. These e-commerce sites help the customers to choose between variety of products at the same time which they want and that is why online shopping is more popular now. So, in this project we will try to find out consumer complacency with reference to amazon online shopping with the help of various questionnaires and secondary data.

1.2 Objectives of the study

- To study the consumer buying behaviour towards online shopping in amazon.
- To study the consumer satisfaction towards Amazon online shopping
- To study the customer preference towards online shopping in Amazon.
- To evaluate and find out the factor that influences the customer complacency.
- To know why they prefer Amazon against other e-commerce sites.

1.3 Literature Review

In this research we are considering some literature review based on some articles which is related to the title of the study.

1. Vikash and Vinod Kumar (2017) "A study on customer Perception towards Online Shopping". In this research they found out that customer perceived online shopping with positive frame of mind and another fact they find out that customers pertain to convenience, satisfaction and product availability all these factors shows that online shopping provides convenience to the customer and online shopper prefer because these revealed from the effort of going to the market and purchase the product and finally concluded that there is a positive perception toward online shopping.
2. Dr. A.B Santhi (2017) "A study on the customer satisfaction towards Online Shopping in Tirupati Town". This research was been undertaken to know the factors influencing customer satisfaction. The objective of this study is to understand the demographic factor affecting customer satisfaction with respect to online shopping in India and also descriptive research used in this research, in findings they come out with result that the respondents are becoming more internet savvy every day and also they are ready to purchase the high quality product as well.

1.4 Research Methodology

Data Collection-

The data required for understanding will be collected from various online customers. In order to conduct the study digital survey was conducted through google forms. All those responses are collected and further analysis was done.

The data collected in this particular research comprises of two forms-

1. Primary data
2. Secondary data

Primary data- Primary data is generally originated by any researcher to address any specific problem or issue at hand, where the only drawback is it can be time consuming and expensive.

In this study, the primary data is collected through well-formed questionnaire. The questionnaire consists of various multiple choice questions so that the respondents can easily select answers as per their preferences

Secondary Data – The data that is collected from existing journals reports and statistics from the internet or from newspapers or journals are called Secondary Data.

In this study the secondary data has been collected from various websites. Secondary Data helps the author to comprehend the perception of Indian consumers on online shopping.

1.5 Limitations of the study:

- The response from the sample may be biased.
- Questionnaires is the only way to get the details.
- Sample is limited to 30 people only.
- The answer to the questionnaire largely depends upon the mind setup of the respondents.
- Time constraint as the study was to be submitted within limited time frame.
- The survey area is small as many people ignored to fill up the survey.
- Secondary data was not easily accessible and there was lack of updated data.

1.6 Chapter Planning

Chapter 1: Introduction

Background of the study, objective of the study, Research Methodology, Limitations of the study and Chapter planning.

Chapter 2: Conceptual Framework

Main discussions of the Chapter which will include conceptual understanding of Customer Satisfaction, National and International Scenario of Amazon, Brief profile of Amazon.

Chapter 3: Data Analysis and Findings

Presentation of Data and its analysis and findings.

Chapter 4: Recommendations and Conclusion

Conclusion of the study and some recommendations.

Chapter 2: Conceptual Framework

2.1. Conceptual Understanding-

- **What is Customer Satisfaction?**

Customer satisfaction is defined as a measurement that determines how happy customers are with a company's products, services, and capabilities. Customer satisfaction information, including surveys and ratings, can help a company determine how to best improve or changes its products and services.

An organization's main focus must be to satisfy its customers. This applies to industrial firms, retail and wholesale businesses, government bodies, service companies, non-profit organizations, and every subgroup within an organization.

- **Who are the customers?**

Customers include anyone the organization supplies with products or services. For example-

Supplier	Customer	Product or service
Automobile Manufacturer	Individual Customer	Cars
Hospital	Patients	Healthcare

- **What does it take to satisfy the customers?**

Organizations should not assume they know what the customer wants. Instead, it is important to understand the voice of the customer, using tools such as customer surveys, focus groups, and polling. Using these tools, organizations can gain detailed insights as to what their customers want and

better tailor their services or products to meet or exceed customer expectations.

Why is customer satisfaction important?

- **It identifies the unsatisfied customers**

Identifying and addressing unhappy customers is crucial to the success of any business. Negative customer reviews, or word-of-mouth warnings to friends and family based on bad experiences, can adversely impact a company's longevity. Asking for feedback through surveys, and acting on any unfavourable responses by addressing problems and making adjustments, shows that customers are your top priority.

- **It identifies the happy customer**

Prioritization of customer success is an important aspect to grow a business. To determine if customers are happy, you'll need to measure and analyse their satisfaction rates. The satisfied customers are important because they will maintain loyalty and increase referrals.

- **It powers internal processes**

Customer satisfaction data gives a seller the powerful insights into who is consuming his product or service. These metrics can be very advantageous when used correctly. By learning more about his customer base and who is satisfied with his product, he can adjust his marketing plans, sales techniques and other internal operations.

- **It makes an organization stand out among the competition.**

Customer satisfaction can also serve as your unique selling proposition, helping you stand out in a competitive industry. That's because people no longer rate companies based on price or product. Instead, they evaluate the

customer experience delivered by a particular business. So, when a company provide stellar customer experience, they create an environment where satisfaction levels are high. And that serves as a core differentiator between this company and its competition.

Some famous quotes with reference to customer satisfaction-

- “The single most important thing is to make people happy. If you are making people happy, as a side effect, they will be happy to open up their wallets and pay you.”

Derek Sivers, Founder CD Baby

- “If you’re competitor focused, you have to wait until there is a competitor doing something. Being customer focused allows you to be more pioneering.”

Jeff Bezos, Founder of Amazon.com

- Customer service shouldn’t just be a department, it should be the entire company.

Tony Hsieh

2.2. Brief profile of Case study



Founder – Jeffrey Preston Bezos

CEO- Andy Jassy

Headquarters: Seattle, Washington, United States

Founded- July 5, 1994

Bellevue, Washington, U.S.

Website- www.amazon.com

Logo- Their logo depicts that the smile that goes from A to Z that the company is willing to deliver any product, anywhere in the world.

Amazon was originally called "Cadabra," as in "abracadabra," according to Brad Stone's book "The Everything Store."

What is Amazon?

Amazon is an American multinational technology company which focuses on e-commerce, cloud computing, digital streaming, and artificial intelligence. It is one of the big five companies in the United States information technology, along with Google, Apple, Microsoft and Facebook.

Amazon held the number 1 spot with a brand value of \$684 billion in a new BrandZ report released by Kantar. The market report lists the world's most valuable global brands, across a total of 13 categories.

Companies that are owned by Amazon

1. **Zappos:** Apparel and footwear website
2. **Elemental Tech:** Software company
3. **Souq.com:** E-commerce marketplace, also called 'Amazon of the Middle East'
4. **Blue Origin:** Rocket Company.
5. **Whole Foods:** Grocery company
6. **IMDb:** Movie and TV programmes database
7. **Kiva Systems:** Robotics company
8. **Alexa:** Web rankings and ratings website
9. **DP Review:** Digital photography website
10. **Fabric.com:** Online fabric store
11. **Woot.com:** Daily deals website.
12. **Goodreads:** Website for readers and book recommendations
13. **Twitch:** Live-streaming website
14. **Audible:** Audio books company

Amazon.in

Amazon India is a fully owned subsidiary of US based e-commerce giant Amazon, Inc. the company found great potential in India and launched its operations in 2013.

Amazon India launched operations in June 2013. The company launched its website Amazon.in, offering customers a wide variety of choices in books, movies and television shows. On the first day of its operations, Amazon India had received more than 10,000 orders.

Chairperson – Amit Agarwal

Website- www.amazon.in

2.3. International scenario of Amazon

Jeff Bezos founded Amazon from his garage in Bellevue, Washington, on July 5, 1994. It started as an online marketplace for books but expanded to sell electronics, software, video games, apparel, furniture, food, toys, and jewellery. In 2015, Amazon surpassed Walmart as the most valuable retailer in the United States by market capitalization. In 2017, Amazon acquired Whole Foods Market for US\$13.4 billion, which substantially increased its footprint as a physical retailer. In 2018, its two-day delivery service, Amazon Prime, surpassed 100 million subscribers worldwide.

Amazon accounts for over 13% of e-commerce sales worldwide. Its biggest market is its native market, the US, where it's second to none in the e-commerce sector. Amazon Germany, on the other hand, is the company's biggest foreign presence, accounting for one-third of the company's sales revenue. The company has amassed a yearly revenue of 11.59 billion dollars, and has a seat at the table in a diversity of industries, from cloud computing to entertainment.

Currently Amazon is operating in 20 countries and they are Brazil, Canada, Mexico, United States, China, India, Japan, Singapore, UAE, Saudi Arabia, France, Germany, Italy, Netherlands, Poland, Spain, Sweden, Turkey, United Kingdom, and Australia. But they ship their products to about more than 150 countries.

2.4. National Scenario of Amazon

Amazon India currently offers millions of products on its platform and has millions of registered users. Amazon India currently offers products across various categories such as mobile phones, computers and accessories, men's and women's fashion, books, sports & fitness, electrical & electronic items, movies, music, cars, motorbike, baby products, toys, grocery items, etc.

Amazon India also operates a Global Store, where customers can buy directly from sellers in the United States. Not only has Amazon.in opened its US store to customers in India but has allowed Indian Amazon Sellers to sell in foreign markets through their international FBA shipping program. Many sellers within India are selling local products to foreign customers. Many have also set up seller accounts on other marketplaces while operating their business from India.

Here is a timeline of Amazon's India journey:

- **June 2013**- Amazon goes live with its India Marketplace.
- **July 2014**- Jeff Bezos says amazon will spend \$2 billion to grow its e-commerce business in India.
- **February 2016**- Amazon launches its two hour grocery delivery service, Amazon now, in India. This was later rebranded as prime now in May 2018 and Amazon Fresh in 2019.
- **June 2016**- Jeff Bezos says the company would invest an additional \$3 billion in India, taking its total investment in the country to over \$5 billion.

- **July 2016**- Amazon launches its Prime membership programme in India.
- **December 2016**- Amazon launches Pay balance, its payment service in India.
- **December 2016**- Amazon Prime video makes its debut.
- **October 2017**- Amazon launched Alexa, a virtual AI assistant.
- **March 2018**- Amazon Prime music is launched in India.
- **September 2018**- Amazon and private equity firm Samara Capital jointly acquire Aditya Birla Group's grocery retail chain more for Rs.4,050 crore. They invested a further Rs.275 crore in the venture in September 2020.
- **August 2019**- Amazon enters into an agreement to acquire 49% stake in Future Coupons, a promoter entity of Future Retail, in August 2019 for around Rs.1500 crore. Amazon is currently involved in an ongoing court tussle with Future Group and Reliance Industries after the latter acquired Future Group's retail and wholesale business.
- **August 2019**- Amazon opened its largest campus in the world in Hyderabad.
- **January 2020**- Jeff Bezos says Amazon will invest \$1 billion in digitizing Small and Medium Businesses in India. Amazon India also makes a commitment to induct 10,000 electric vehicles into its delivery fleet by 2025.

Chapter 3: Data analysis and Findings

This chapter shows the presentation and analysis of data collected from questionnaires in the form of google forms administered to get the opinions of the customer who prefer the service of Amazon.

The data collected here is a true reflection of the customer and it is represented in the form of charts.

For studying Consumer Satisfaction towards Amazon.in, samples were randomly selected.

Sample Media- Questionnaire in the form of google forms.

Sampling Method – Random sampling

Sample size – 30

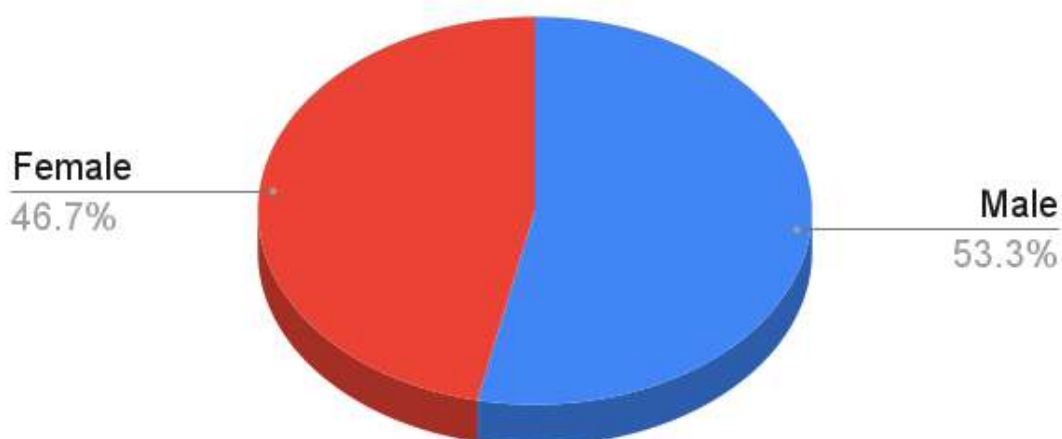
Research Mode – Online

3.1. Data Analysis

Table 1- Number of respondents

Serial No.	Gender	No. of Respondents	Percentage of respondents
1	Male	16	53.3%
2	Female	14	46.7%
	Total	30	100%

Count of Gender:

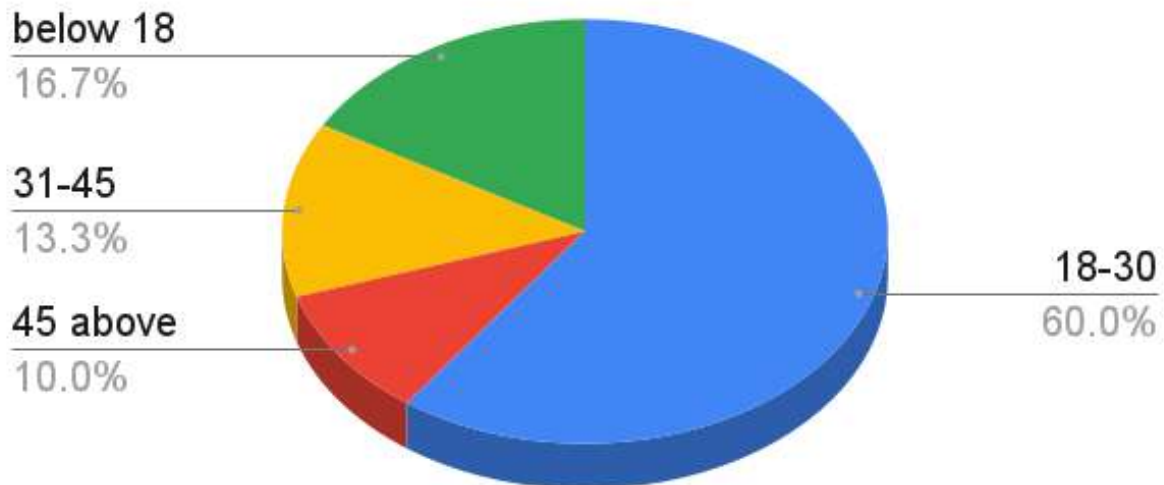


The table and chart shows the number of males and females respondents, 53.3% are male respondents whereas females are 46.7%. This means that there is a majority of male respondents.

Table 2- Age Distribution graph

Serial No.	Age Range	No. of Respondents	% of respondents
1	Less than 18	5	16.7%
2	18-30	18	60%
3	31-45	4	13.3%
4	45 above	3	10%
	Total	30	100%

Count of Age

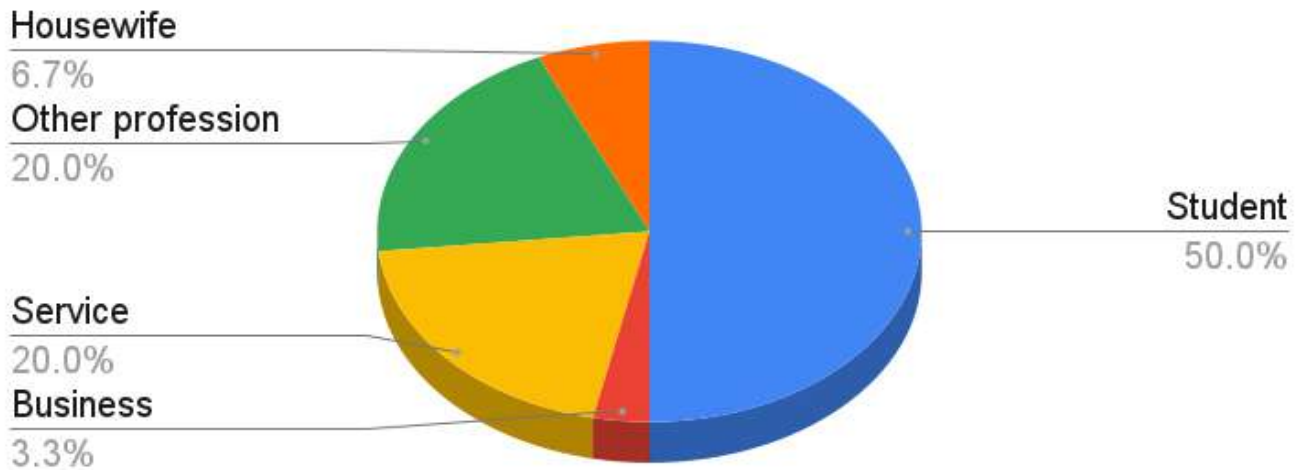


From the above table we can understand that the majority of respondents belong from the age group between 18-30.

Table 3- Profession graph

Serial no.	Profession	No. of Respondents	% of Respondents
1	Student	15	50%
2	Service	6	20%
3	Business	1	3.3%
4	Other Profession	6	20%
5	Housewife	2	6.7%
	Total	30	100%

Count of Profession:

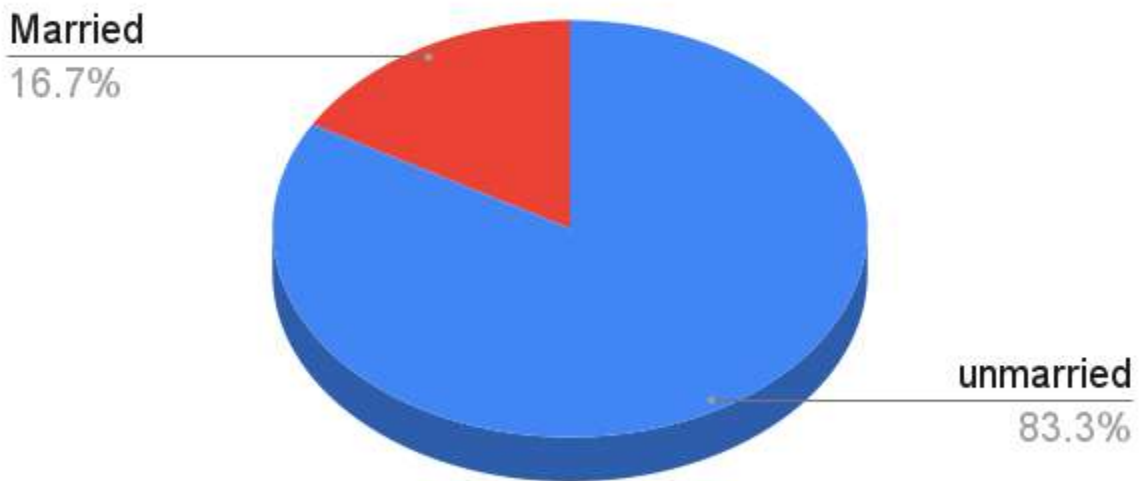


From the above chart and table we can understand that maximum response was given by students followed by people doing service and other professions.

Table 4- Marital Status

Serial No.	Marital Status	No. of Respondents	% of Respondents
1	Unmarried	25	83.3%
2	Married	5	16.7%
	Total	30	100%

Count of Marital Status:

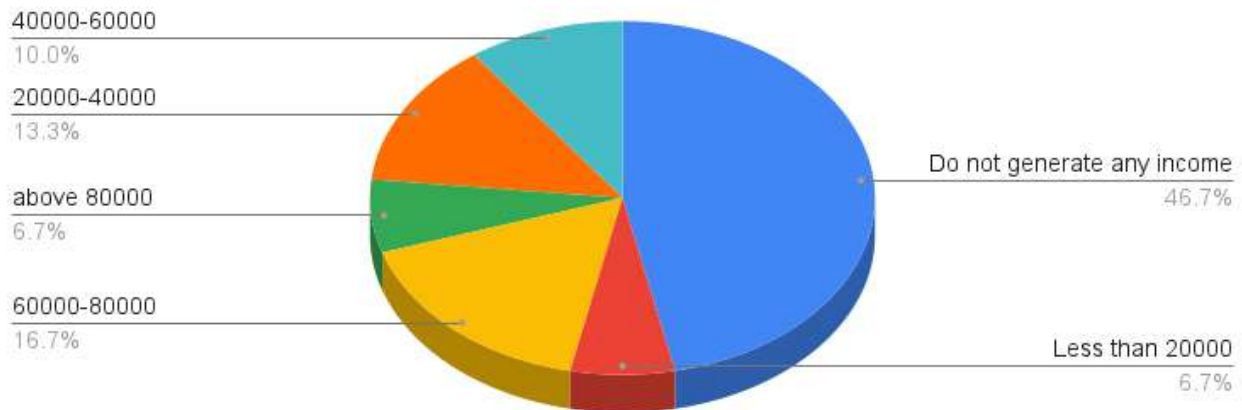


The above graph and table shows that maximum respondents were unmarried.

Table 5- Income status

Serial No.	Income Levels	No. of Respondents	% of Respondents
1	Less than 20000	2	6.7%
2	20000-40000	4	13.3%
3	40000-60000	3	10%
4	60000-80000	5	16.7%
5	Above 80000	2	6.7%
6	No income	14	46.7%
	Total	30	100%

Count of Income:



The above table and graph represents that more than 50% of people do generate income whereas 46.7% people are not earning any income.

Table 6- Do you prefer online shopping?

Serial No.	Response	No. of Respondents	% of Respondents
1	Yes	26	86.7%
2	No	1	3.3%
3	Maybe	3	10%
	Total	30	100%

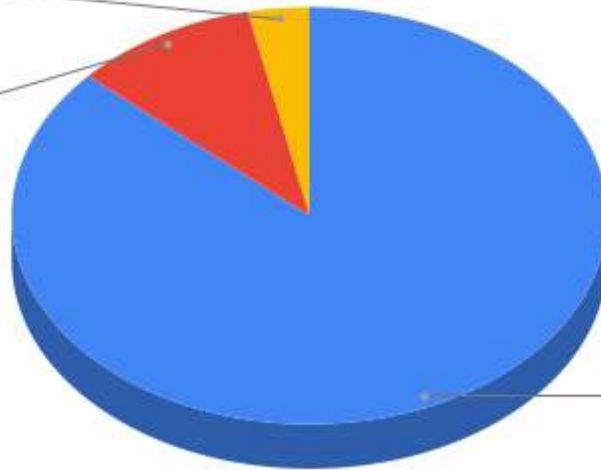
Count of 1. Do you prefer online shopping ?

No

3.3%

Maybe

10.0%



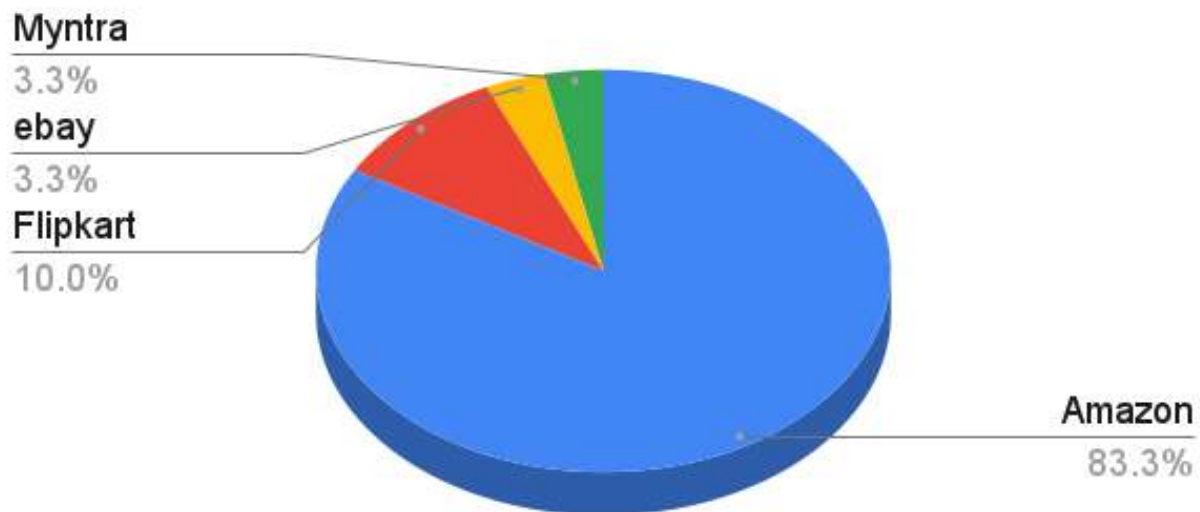
Yes
86.7%

From the above data we can understand that almost everyone is now buying things from online as more than 80% of people respondent as 'yes'.

Table 7- Which platforms comes to your mind while buying products from online?

Serial No.	Platforms	No. of respondents	% of respondents
1	Amazon	25	83.3%
2	Flipkart	3	10%
3	eBay	1	3.3%
4	Myntra	1	3.3%
	Total	30	100%

Which platform comes to your mind while buying products from online?

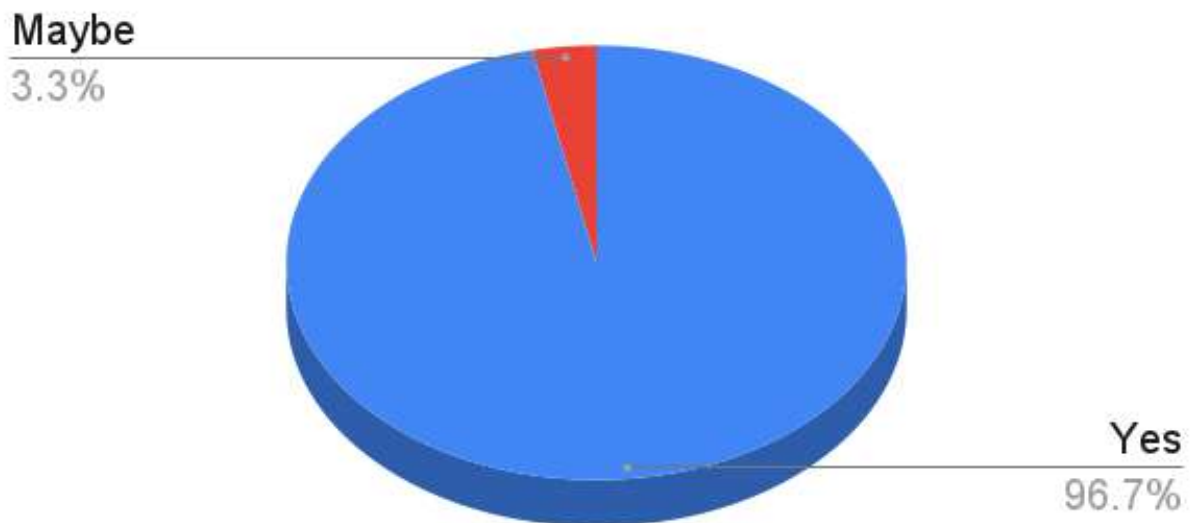


The above chart indicates that the people who responded were more inclined towards Amazon. Total percentage of people who favoured Amazon were 83.3% .

Table 8- Have you ever purchased something from Amazon?

Serial No.	Response	No. of Respondents	% of Respondents
1	Yes	29	96.7%
2	No	0	0%
3	Maybe	1	3.3%
	Total	30	100%

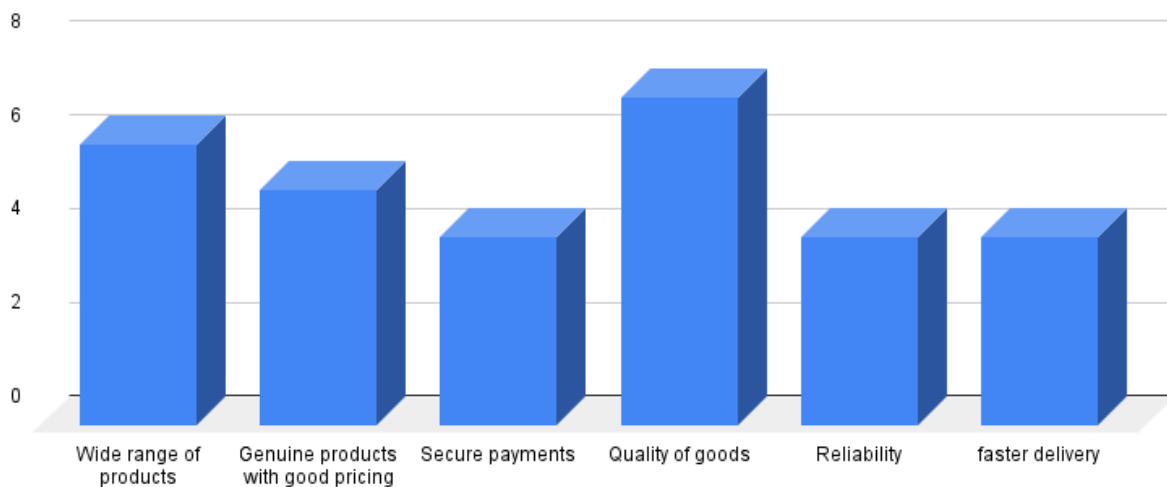
Have you ever purchased something from amazon?



Majority of the respondents have purchased online from amazon.

Table 9- What are the main reasons you preferred Amazon for shopping?

Serial No.	Response	No. of respondents	% of Respondents
1	Quality of goods	7	23.3%
2	Reliability	4	13.3%
3	Faster Delivery	4	13.3%
4	Secure Payments	4	13.3%
5	Genuine products with good pricing	5	16.7%
6	Wide range of Products	6	20%
	Total	30	100%



Count of 4. What are the main reasons you preferred amazon for shopping?

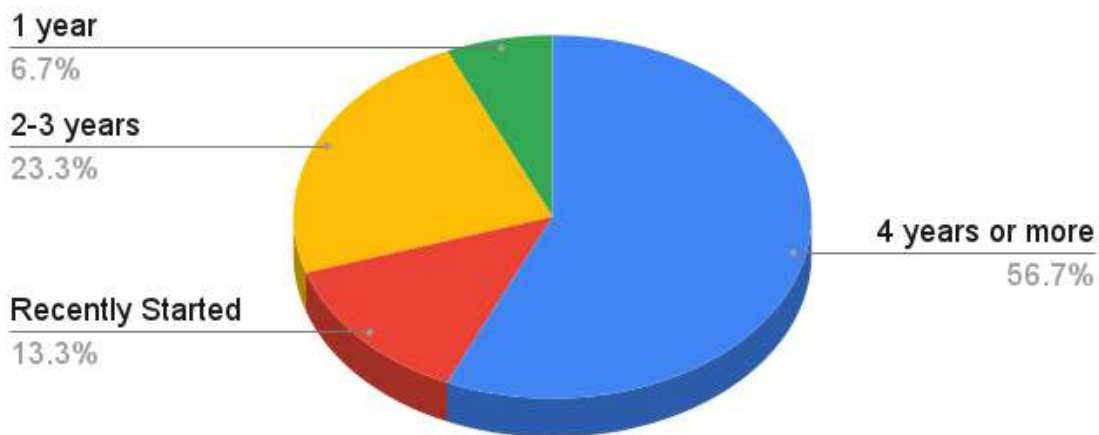
From the above data we can understand that most people prefer the quality of goods delivered through Amazon and the next best option

which they prefer is wide range of products. Reliability, faster delivery and secure payments are opted equally which is 13.3%.

Table 10- How long you have been using Amazon for online shopping?

Serial No.	Response	No. of Respondents	% of respondents
1	Recently Started	4	13.3%
2	1 year	2	6.7%
3	2-3 year	7	23.3%
4	4 years or more	17	56.7%
	Total	100	100%

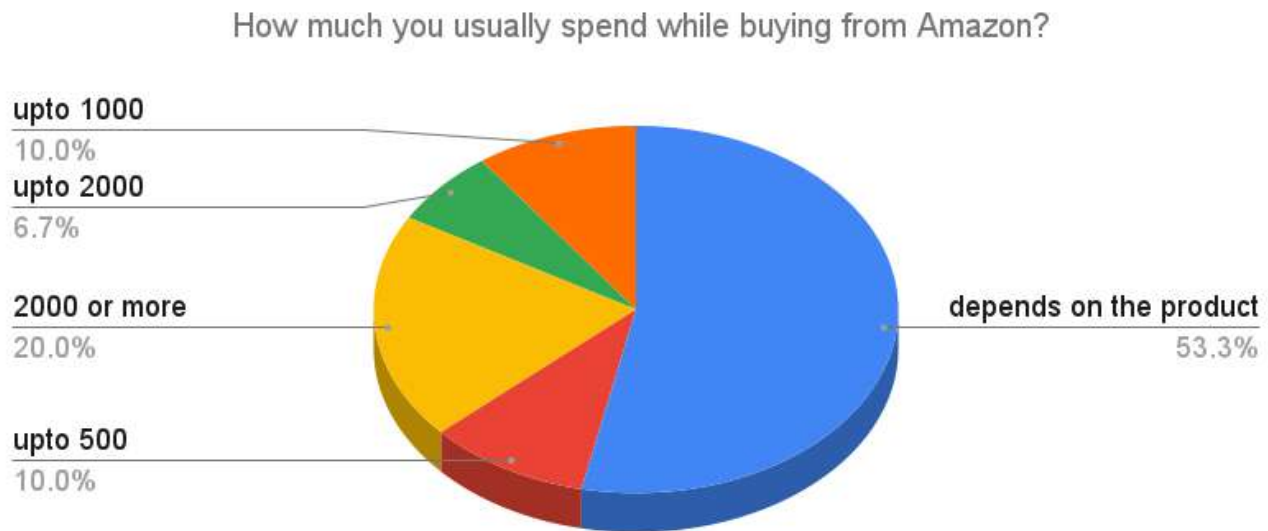
How long you have been using Amazon for online shopping?



The above chart depicts that most of the respondents i.e. 56.7% have been using amazon for more than 4 years. Next major group have been using it for 2-3 years.

Table 11- How much you usually spend while buying from Amazon?

Serial No.	Response	No. of Respondents	% of Respondents
1	Up to 500	3	10%
2	Up to 1000	3	10%
3	Up to 2000	2	6.7%
4	2000 or more	6	20%
5	Depends on the product	16	53.3%
	Total	30	100%

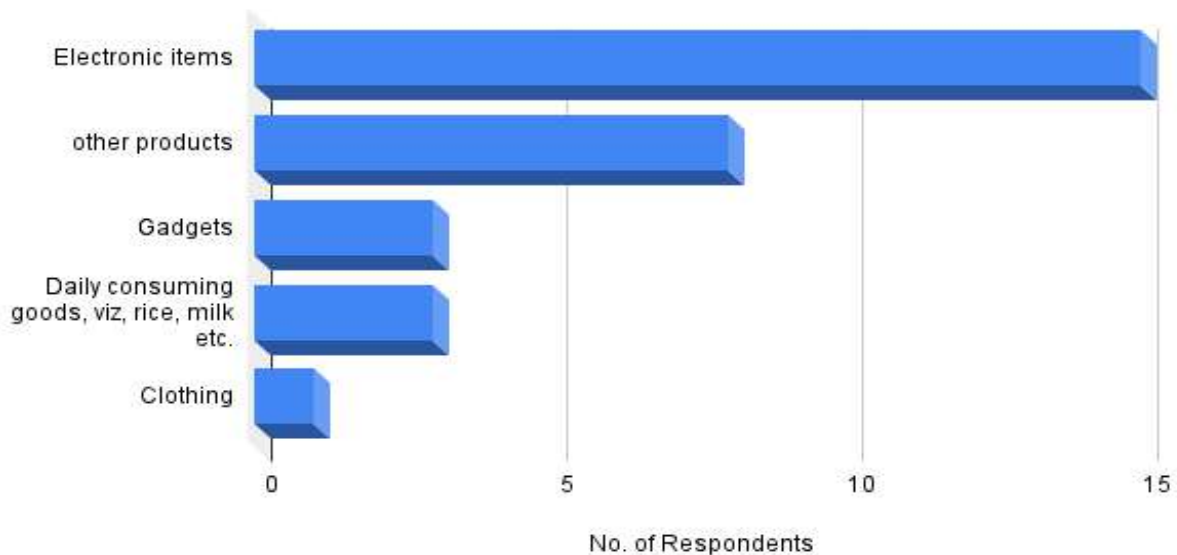


The above chart depicts that majority of people i.e. 53.3% usually spend their money depending on the product they don't have fixed amount to spend. Another major group spends 2000 or more which shows the reliability of the customers towards Amazon.

Table 12- Which products you mostly buy from Amazon?

Serial No.	Response	No. of Respondents	% of Respondents
1	Electronic Items	15	50%
2	Gadgets	3	10%
3	Clothing	1	3.3%
4	Daily consumable goods	3	10%
5	Furniture	0	0%
6	Other Products	8	26.7%
	Total	30	100%

Which products you mostly buy from amazon?

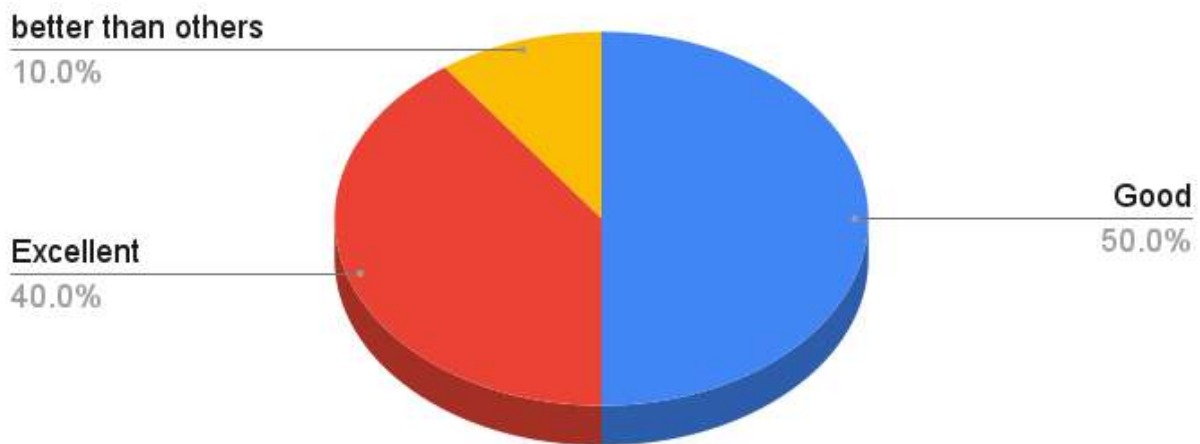


From the data we can understand that people usually buy electronic items from Amazon followed by other products (26.7%) and daily consumable goods (10%).

Table 13- How far the quality of delivered products are?

Serial No.	Response	No. of Respondents	% of Respondents
1	Excellent	12	40%
2	Good	15	50%
3	Better than others	3	10%
4	Could have been better	0	0%
	Total	30	100%

How far the quality of delivered products are?

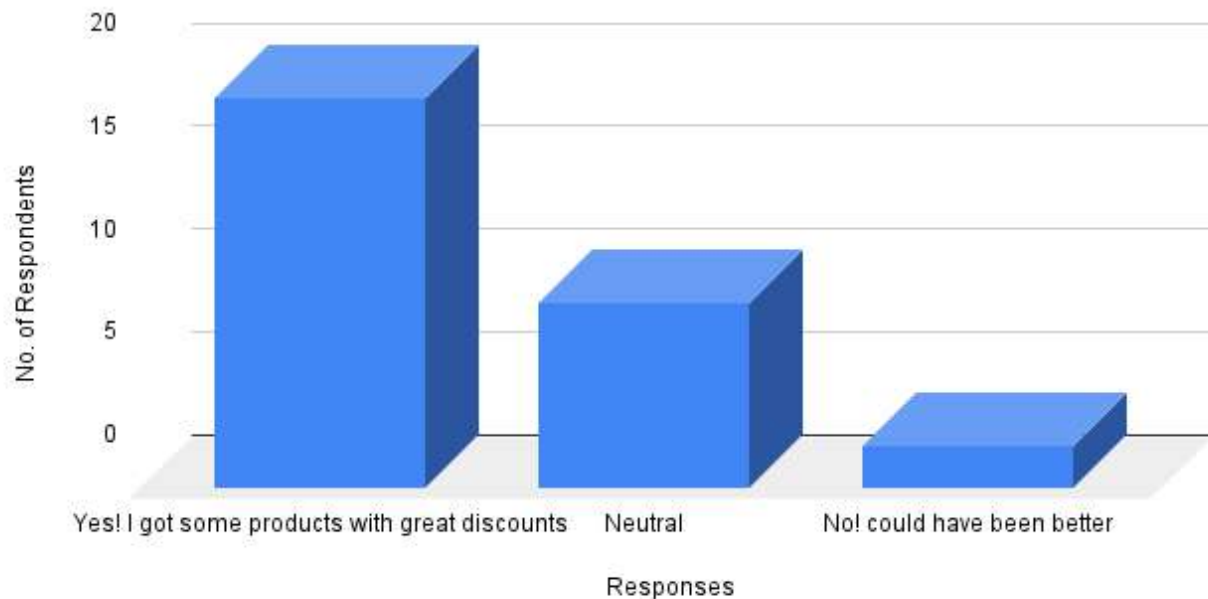


Most of the people are quite satisfied from the products delivered by Amazon. 90% of the people gave positive responses when asked about the quality of goods. For 10% of people it did not meet the expectations but they still said that it was better than others.

Table 14- Are you satisfied with the interesting offers and discounts given in the sale days like Great Indian Sale by amazon?

Serial no.	Response	No. of Respondents	% of Respondents
1	Yes! I got some products with great discounts	19	63.3%
2	No! could have been better	2	6.7%
3	Neutral	9	30%
	Total	30	100%

Are you satisfied with the interesting offers and discounts given in the sale days like Great Indian Sale by amazon?

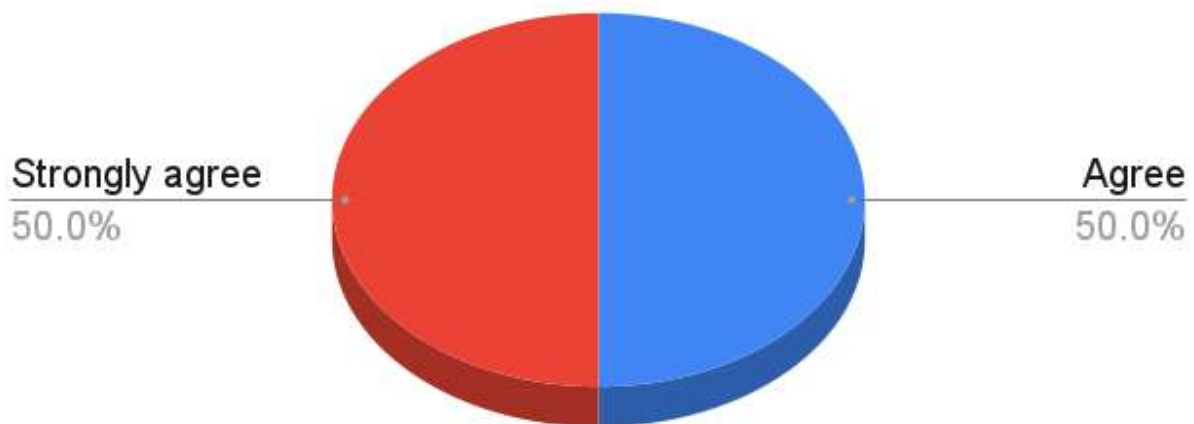


Most of the people are satisfied with the deals and discounts they got during season sales. Almost 63.3% of respondents gave a positive response. 9% of respondents were neutral and 6.7% respondents showed a negative approach.

Table 15- So far, you got your product on the estimated period given by Amazon.

Serial no.	Response	No. of Respondents	% of Respondents
1	Strongly agree	15	50%
2	Agree	15	50%
3	Disagree	Nil	-
4	Strongly Disagree	Nil	-
	Total	30	100%

So far, you got your product on the estimated time period given by Amazon.

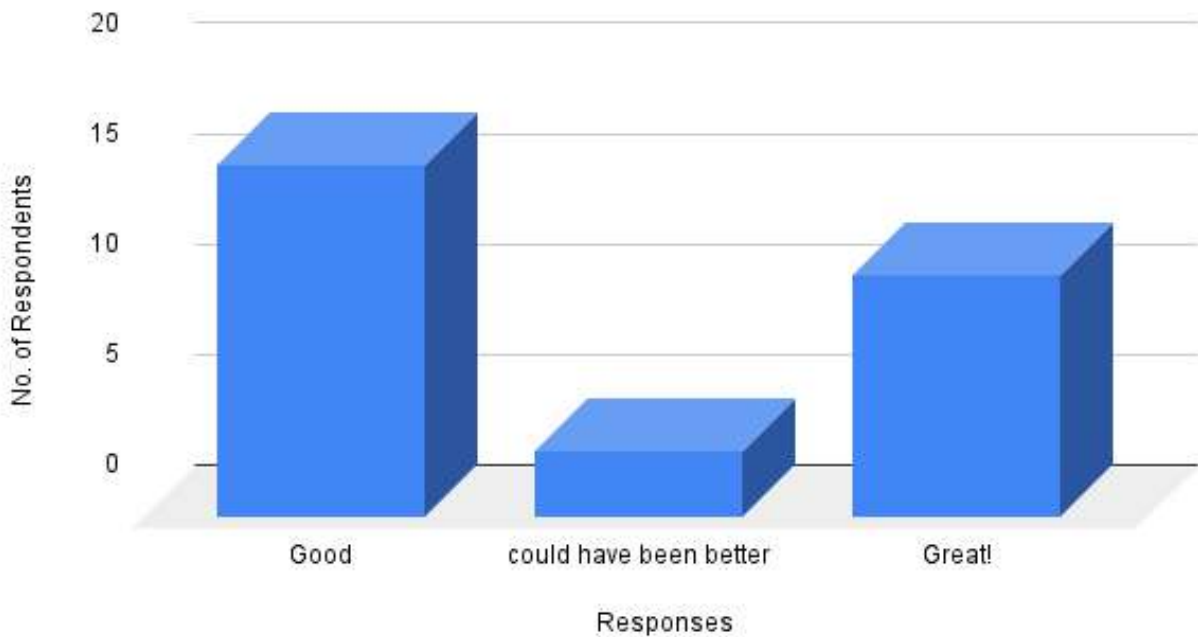


From the above data we can understand that almost every respondent gave a positive when they were asked about the punctuality of delivery. 50% were strongly agreed whereas remaining 50% just agreed.

Table 16- How is the customer care service of Amazon?

Serial No.	Responses	No. of Respondents	% of Respondents
1	Great	11	36.7%
2	Good	16	53.3%
3	Could have been Better	3	10%
4	Poor Response	Nil	-
	Total	30	100%

How is the customer care service of Amazon?

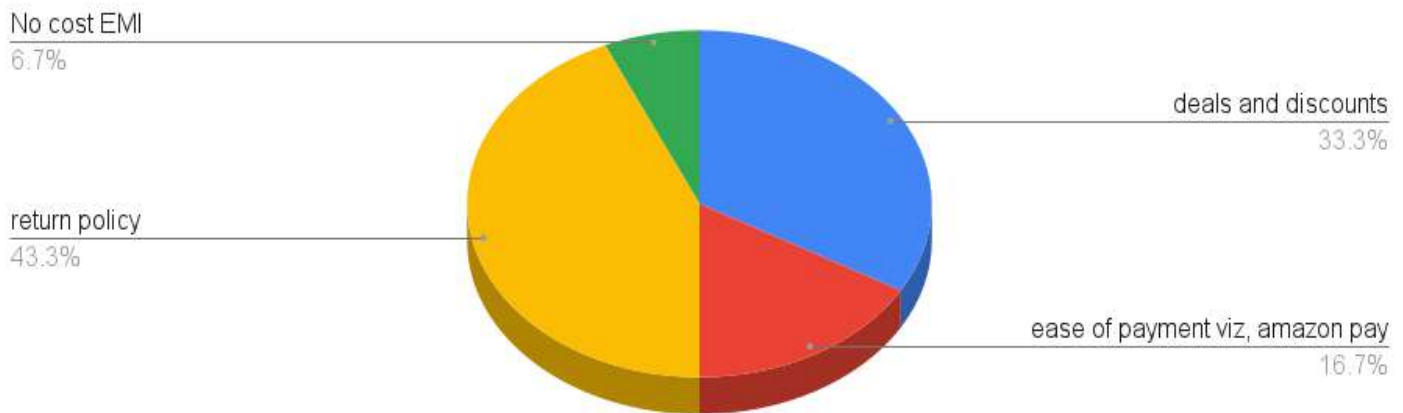


From the above graph we can understand that almost above 80% of people had a positive response about customer care service of amazon. Rest 10% were not that satisfied.

Table 17- What makes Amazon different from other ecommerce websites?

Serial No.	Responses	No. of Respondents	% of Respondents
1	Return Policy	13	43.3%
2	No Cost EMI	2	6.7%
3	Ease of Payment viz, amazon Pay	5	16.7%
4	Deals and Discounts	10	33.33%
	Total	30	100%

What makes Amazon different from other ecommerce websites?

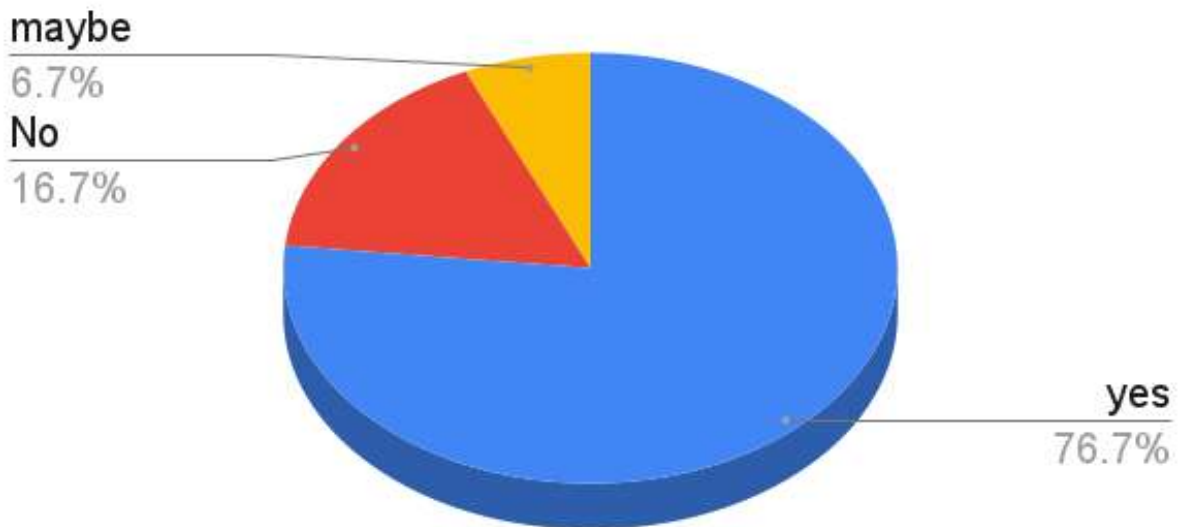


This graph shows that Amazon has a great return policy that is why 43.3% of the respondent opted for this. Also they have amazing deals and discounts which attracts the consumers a lot that is why 33.33% of respondents opted for this option. Rest 16.7% of respondents loved the ease of payment through the amazon app itself. And the remaining 2% of the respondents preferred No Cost EMI.

Table 18- Did you ordered something from amazon during the pandemic?

Serial No.	Responses	No. of Respondents	% of Respondents
1	yes	23	76.7%
2	No	5	16.7%
3	Maybe	2	6.7%
	Total	30	100%

Did you ordered something from amazon during the pandemic?

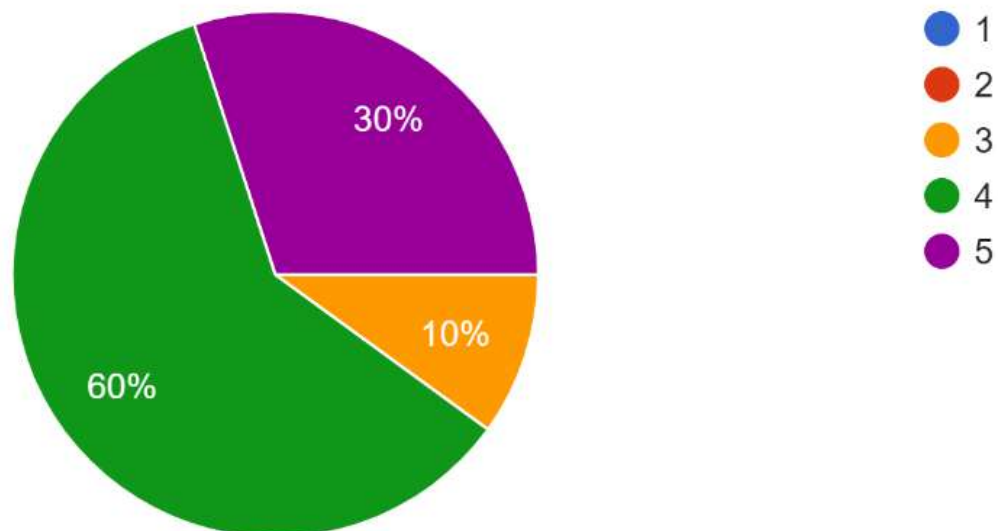


Majority of the respondents had done online shopping during the covid-19 pandemic. Rest 16.7% did not preferred online shopping from Amazon. And rest 2% were not sure that whether they shopped anything from amazon or not.

Table 19- Rate how well you liked the services from Amazon during this Covid-19 pandemic. (Total out of 5).

Rating	No. of Respondents	% of Respondents
5	9	30%
4	18	60%
3	3	10%
2	Nil	-
1	Nil	-
Total	30	100%

Rating Graph-

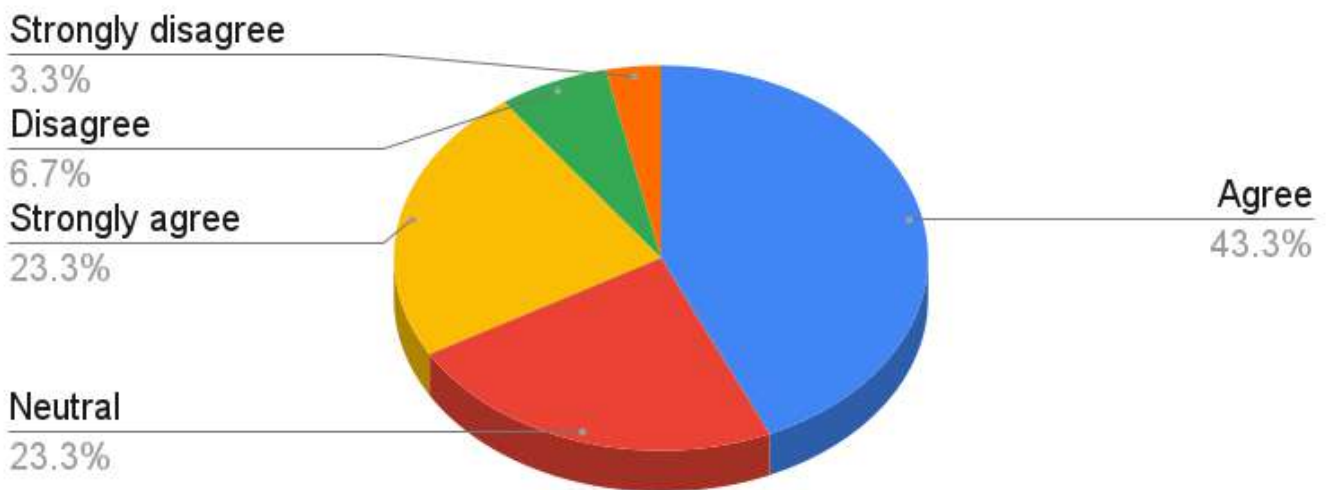


All over it was a response coming from the respondents. Maximum no. of respondents rated amazon service during the pandemic at 4. And next 30% of the respondents rated 5 and 10% of respondents rated 3.

Table 20- Instead of other websites you are able to retain yourself with Amazon.

Serial no.	Response	No. of Respondents	% of Respondents
1	Strongly agree	7	23.3%
2	Agree	13	43.3%
3	Neutral	7	23.3%
4	Disagree	2	6.7%
5	Strongly Disagree	1	3.3%
	Total	30	100%

Instead of other websites you are able to retain yourself with Amazon.



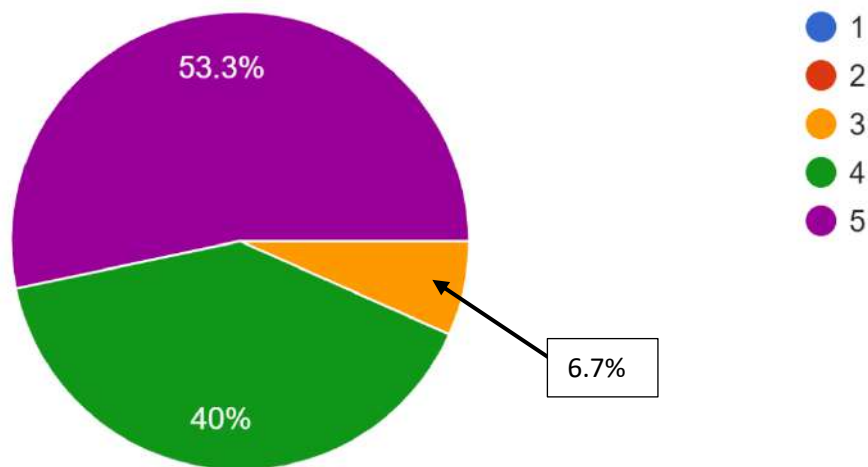
More than 60% of people agreed that they were able to retain themselves as a customer of Amazon instead of looking for other websites which might be giving competition to Amazon.

And the rest 11% person denied the statement and about 23.3% of people remain silent.

Table 21- How much will you rate Amazon for their overall services?

Rating	No. of Respondents	% of Respondents
5	16	53.3%
4	12	40%
3	2	6.7%
2	Nil	-
1	Nil	-
Total	30	100%

Rating Graph-



Overall experience of Amazon has been rated as 5 by 53.3 % of respondent which is a good sign. The rest 40% of the respondent rated it 4. Rest About 6.7% rated it 3. That means almost 93% of people are satisfied with Amazon services.

3.2. Data Findings

1. Almost every Indian customer (based on our research) is satisfied with the service of Amazon. As 90% of respondents gave a positive feedback which is a very good sign.

2. Many of the respondents were very familiar and have trust on Amazon as most of them were using it for more than 4 years.

3. Many of the respondents still did not leave Amazon for grabbing the discounts listed on another websites as they know Amazon is more reliable. Whereas some people were neutral about this and some people ignored the statement.

4. Majority of the respondents liked the return policy of Amazon. That means Amazon provides the best return policy on their goods as compared to other ecommerce websites.

5. People buy products from Amazon only because they provide genuine products with good pricing and more importantly the quality they offer.

6. Also we got a positive response from the respondents when they were asked about the punctuality of delivery. Everyone had accepted that amazon delivers its products between the given time frame.

7. People mostly prefer to buy electronic item from Amazon. We know that electronic items have good amount pricing but still people prefer to buy these things from Amazon by spending lots of money as they have trust on Amazon.

8. In the Covid times 70% of the respondents ordered something from Amazon and almost 60% of the people respondent rated it as high as 4 out of 5.

9. Majority of the respondents had a great experience while ordering from Amazon for the first time as they provide wide variety of products, faster prime deliveries and much more.

10. Amazon is very price efficient company as it removes the profit margin of middlemen and sells the product lower than the market price.

Chapter 4: Recommendations and Conclusion

4.1. Recommendations

1. Many of the respondent had complained about their brand Solimo. We can find Solimo products exclusively on Amazon. They really need to look after on their product as the product quality is really not that great.
2. Many of the consumers do not prefer buying online as they think the products will not last long or may not be as good as advertised. To tackle this situation online service providers should create an awareness to consumers.
3. The application of Amazon needs more improvement as it is very old fashioned and they should bring some dynamic and visual changes into it.
4. As there are no proper laws for online purchases, they have to be implemented to prevent anonymous intruders to keep the information of consumers safe.
5. Urgent delivery without any extra cost will make Amazon better against the competitors.
6. Still large segment of population do not comes under these facilities it would be very good if they try to expand their services in rural areas as well.

4.2. Conclusion

The study consisted with the aspects in which customers of Amazon are satisfied. The innovative thinking of online shopping sites to reach more and more consumers is appreciable. Talking about domestic market i.e. India, Amazon is the most superior E-business portal which is aggressively expanding & planting its roots deep into the Indian market & at the same time shifting the mind-set of the people from going & shopping from physical store to online stores, which is very good. Having access to online shopping has truly revolutionized and influenced our society as a whole. This use of technology has opened new doors and opportunities that enable for a more convenient lifestyle today. Not only that these companies are trying to hear all of the queries and complains regarding a product and simultaneously resolving it i.e. no need of stepping out of the house just sit back and your issue will be resolved. Amazon is trying its best to keep their customers satisfied.

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- <https://www.gadgetsnow.com/slideshows>
- [https://en.wikipedia.org/wiki/Amazon_\(company\)](https://en.wikipedia.org/wiki/Amazon_(company))
- <https://www.ibef.org/industry/ecommerce/showcase/amazon-development-centre-india-pvt-ltd>
- <https://www.indeed.com/career-advice/career-development/what-is-customer-satisfaction>
- https://www.aboutamazon.in/?utm_source=gateway&utm_medium=footer

Questionnaire

Section 1 of 2

Survey on Customer's Satisfaction Towards Amazon.in

This is a survey which includes the opinion of the public about their experience in online shopping with Amazon India. There are some set of questions with various options with it so that you can choose as per your preferences. I kindly request you to cooperate in my research study by filling this questionnaire. This is purely an academic purpose survey not for any commercial purpose and the given data is strictly confidential.

Thank you,
Sanket Kundu
B.com(Hons.)
Scottish Church College

Name :

Short answer text

Age *

- below 18
- 18-30
- 31-45
- 45 above

Gender: *

- Male
- Female
- Others

Profession: *

- Student
- Service
- Business
- Other profession
- Housewife

Marital Status: *

- Married
- unmarried

Income: *

- Less than 20000
- 20000-40000
- 40000-60000
- 60000-80000
- above 80000
- Do not generate any income

Section 2 of 2

Questionnaire



Please select your preferred options

1. Do you prefer online shopping ? *

- Yes
- No
- Maybe

2. Which platform comes to your mind while buying products from online? *

- Amazon
- Flipkart
- ebay
- snapdeal
- Myntra

3. Have you ever purchased something from amazon? *

- Yes
- No
- Maybe

4. What are the main reasons you preferred amazon for shopping? *

- Quality of goods
- Reliability
- faster delivery
- Secure payments
- Genuine products with good pricing
- Wide range of products

5. How long you have been using Amazon for online shopping? *

- Recently Started
- 1 year
- 2-3 years
- 4 years or more

6. How much you usually spend while buying from Amazon? *

- upto 500
- upto 1000
- upto 2000
- 2000 or more
- depends on the product

7. Which products you mostly buy from amazon? *

- Electronic items
- Gadgets
- Clothing
- Daily consuming goods, viz, rice, milk etc.
- Furniture
- other products

8. How far the quality of delivered products are? *

- Excellent
- Good
- better than others
- could have been better

9. Are you satisfied with the interesting offers and discounts given in the sale days like Great Indian Sale by amazon? *

- Yes! I got some products with great discounts
- No! could have been better
- Neutral

10. So far, you got your product on the estimated time period given by Amazon. *

- Strongly agree
- Agree
- Disagree
- Strongly Disagree

11. How is the customer care service of Amazon? *

- Great!
- Good
- could have been better
- Poor response

12. What makes Amazon different from other ecommerce websites? *

- return policy
- No cost EMI
- ease of payment viz, amazon pay
- deals and discounts

13. Did you order something from Amazon during the pandemic? *

- yes
- No
- maybe

14. Rate how well you liked the services from Amazon during this Covid-19 pandemic. (Total out of 5) *

- 1
- 2
- 3
- 4
- 5

15. Instead of other websites you are able to retain yourself with Amazon. *

- Strongly disagree
- Disagree
- Neutral
- Agree
- Strongly agree

16. How much will you rate Amazon for their overall services? *

1

2

3

4

5

17. Any suggestions for improvement-

Long answer text

PROJECT REPORT

(SUBMITTED FOR THE DEGREE OF B.COM (H) IN ACCOUNTING & FINANCE
UNDER THE UNIVERSITY OF CALCUTTA)

"STUDY OF CONSUMER BEHAVIOUR IN BIG BAZAAR"

Submitted by:

Name of the student: WILLIAM SOUMYOJIT NARU

Registration number: 223-1111-0534-18

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Name of the college: SCOTTISH CHURCH COLLEGE

Supervised by:

Name of the supervisor: Prof. DIPANWITA MITRA

Year of Submission:

July, 2021

Annexure- IA

Supervisor's certificate

This is to certify that Mr. William Soumyojit Naru a student of B.Com. Honours in Accounting and Finance of The Scottish Church College under the University of Calcutta has worked under my supervision and guidance for his Project work and prepared a Project Report with the title "**STUDY OF CONSUMER BEHAVIOUR IN BIG BAZAAR**" which he is submitting, is his genuine and original work to the best of my knowledge.

Place: Kolkata

Date: 26th July, 2021

DIPANWITA MITRA
Signature

Name: Prof. Dipanwita Mitra

Designation: SACT

Name of the college: Scottish Church College

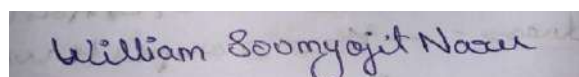
Annexure - IB

Student's Declaration

I hereby declare that the Project Work with the topic "Consumer behaviour in big bazaar" submitted by me for the partial fulfilment of the degree of B.Com. Honours in Accounting and Finance under the University of Calcutta is my original work and has not been submitted earlier to any other University/Institution for the fulfilment of the requirement for any course of study. I also declare that no chapter of this manuscript in whole or in part has been incorporated in this report from any earlier work done by others or by me. However, extracts of any literature which has been used for this report has been duly acknowledged providing details of such literature in the references.

Place : Kolkata

Date : 26th July,2021



Signature

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The

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CHAPTER - 1

INTRODUCTION

1.1 BACKGROUND OF BIG BAZAAR

Big Bazaar is an Indian retail chain of hypermarkets, discount department stores, and grocery stores. The retail chain was founded by Kishore Biyani under his parent organisation Future Group, which is known for having significant prominence in Indian retail and fashion sectors. Big Bazaar is also the parent chain of Food Bazaar, Fashion at Big Bazaar (abbreviated as fbb) and eZone where at locations it houses all under one roof, while it is sister chain of retail outlets like Brand Factory, Home Town, Central, eZone, etc. Founded in 2001, Big Bazaar is one of the oldest and largest hypermarket chains of India, housing about 250+ stores in over 120 cities and towns across the country.

Timelines:

2001: Three stores launched within span of 22 days in Kolkata, Bangalore, and Hyderabad.

2002: ICICI Bank Card is launched.

Food Bazaar becomes part of Big Bazaar with the launch of the first store in Mumbai at High Street Phoenix.

2003: Enters Tier II cities with the launch of the store in Nagpur.

Welcomes its 10 millionth customers at its new store in Gurgaon.

2004: Wins its first award and national recognition. Big Bazaar and Food Bazaar awarded the country's most admired retailer award in value retailing and food retailing segment at the Indian Retail Forum.

A day before Diwali , the store Lower Parel becomes the first to touch Rs 10 million turnovers on a single day.

2005: Implementation of SAP and pilots a RFID project at its central warehouse in Tarapur.

Launch of a shopping program: the Big Bazaar Exchange Offer, inviting customers to exchange household junk at Big Bazaar.

Electronic Bazaar and Furniture Bazaar are launched.

Big Bazaar and ICICI Bank launched ICICI Bank-Big Bazaar Gold credit card program to reward its loyal customers.

2011: Enters the rural wholesale and distribution business through 'Aadhaar Wholesale' store at Kalol, Gujarat.

Big Bazaar has come up a new logo with a new tag line: 'Naye India ka Bazaar'.

200th store opened in India.

2012: Big Bazaar redefined the concept of customer service with the launch of the Rajajinagar Family Centre in Bengaluru with its unique Seva initiative.

2014: Big Bazaar and Ezone were voted as one of the Top 50 Most Trusted Brands in the country in the Brand Equity Survey 2013 conducted by Nielson. The survey also revealed that Big Bazaar is the 4th Most Trusted Service Brand of the country.

2018: Big Bazaar organised one of the world's first 24hrs of Facebook Live Shopping Carnival to celebrate the 12th anniversary of Sabse Sasta Din.

Big Bazaar dropped prices of 1,500 everyday items with the 'Har Din Lowest Price' Promise.

In 2020, Big Bazaar was acquired by Reliance Retail, the retail division of the Reliance Industries, as part of a ₹24,713 crore (\$3.36 billion) sale transaction of the Future Group. The acquisition is being disputed in Singapore courts by Amazon, which is citing a contract agreement prohibiting deals with 'restricted list' of companies.

1.2 LITERATURE REVIEW

A review of previous studies has supported the researcher to conduct the present study. The previous study was examined and certain area which requires more attention has been considered in the present study.

Lancaster et al, (2002)

Suggests that understanding consumer behaviour has become crucial especially due to fierce competition in retail industry in the UK and worldwide. This chapter will introduce some other areas of research background of consumer behaviour addressing the works of researchers and marketers. Moreover, consumer decision making process, in particular, five stages of consumer decision making process will be discussed in detail.

Kotler and Keller (2005)

Suggested that once the relevant information about the product or service is obtained the next stage involves analyzing the alternatives. Consider this stage as one of the important stages as the consumer considers all the types and alternatives taking into account the factors such as size, quality, and also price.

Blackwell et al (2006)

Suggested that one of the common models of consumer decision making process has been offered by Blackwell. According to him, the five stages of consumer decision making process are following: problem/need recognition, information search, evaluation of alternatives, purchase decision made and post-purchase evaluation.

Neal and Questel (2006)

Suggested that this view is also supported by stating that need recognition occurs due to several factors and circumstances such as personal, professional and lifestyle which in turn lead to formation of idea of purchasing.

Schiffman and Kanuk, (2007)

Suggested that in the next stage, consumer searches information related to desired product or service. Information search progress can be internal and external. While internal search refers to the process where consumers rely on their personal experiences and beliefs, external search involves wide search of information which includes addressing the media and advertising or feedbacks from other people.

Kotler and Keller (2012)

Suggested that the topic of consumer behaviour is one of the massively studied topics by the researchers and marketers in the past and still being studied. It is worth noting that consumer buying behaviour is studied as a part of the marketing and its main objective is to learn the way how the individual, group or organisation choose, buy, use and dispose the goods and the factors such as their previous experience, taste, price and branding on which the consumers base their purchasing decisions.

1.3 OBJECTIVE OF THE STUDY

- To study consumer buying behaviour towards BIG BAZAAR customers of Kolkata.
- To know about the consumer awareness towards Big Bazaar.
- To identify the features that encourage consumer to prefers service out of a particular retail store.
- To study the consumer's satisfaction level towards various services offered by Big Bazaar.
- To study major factors influencing consumer buying behaviour.
- To understand the performance of Big Bazaar in the market on various parameters like service quality, promotion and CSA.
- To identify main competitors of Big Bazaar.
- To find out the customers response towards Big Bazaar.
- To understand the psychology of the customers about Big Bazaar and their buying patterns and their perception after the shopping.
- It provides help to further the research for organised retail sector in Kolkata area.
- It aim to understand the skill of the company in the area like technological advancement, competition in management.

1.4 RESEARCH METHODOLOGY

The methodology which is used for carrying out the research is as follows:

Research Design:

The study is related to changing buying behaviour of consumers in organised retails such as Big Bazaar as well as unorganised retail in select area. The studies made to know the changing buying behaviour of the consumers. The data related to study was collected through structured questionnaires from the customers who visits big bazaar as well as unorganised retail shops. The study includes 3 months period from May 2021 to July 2021. The data was collected from approx 30 respondents and for analysing the data different analytical tools such as tables, columns charts & pie charts are used.

Data Collection Method:

The data was collected through structured questionnaires from customers who visits Big Bazaar as well as unorganised retail shops by using Google Form an online platform for convenience method due to lack of physical contact for the ongoing pandemic situation. For research work primary as well as secondary data used as SWOT analysis for collection of information.

Research was broadly classified into two sections.

Primary data:

The primary data was collected by structured questionnaire through Google form on digital platform due to the ongoing pandemic and lockdowns. The questionnaire was distributed through whatsapp an online communication platform. The benefit of these approaches include richness of data and deeper insight into the phenomena under study. Primary data has been collected from all types of target consumers both urban and semi-urban, also on the basis of observing the socio-economic, living and working aspects of the consumers.

Secondary data:

Secondary data has been collected through a wide range of written materials i.e., to understand the philosophy of consumer behaviour. These includes research papers, articles in various magazines and journals, annual reports of the Govt of India, etc. Other sources used for collecting data are downloads from company's website, newspaper reports, technical and trade journal, books, magazines. All these data has being represented in the SWOT analysis.

1.5 LIMITATIONS OF THE STUDY

- Since the research had time constraints thus the researcher had to depend on a secondary data whose reliability may be doubtful.
- The way things are measured may change over time, making historical comparisons difficult.
- Due to the pandemic , getting primary data has being very difficult and hence has to rely on the online platform for the questionnaire to be answered.
- Some information are insufficient.
- Dependability on technology.
- The present study has seen limitations that need to be taken into account when considering the study and its contributions. In this research report there are certain things which are needed to be explored and should be investigated at a big approach.
- The subject under study is a vast topic and the oceans of literature associated with it could not all be incorporated in this project.
- Security and privacy issue.

Chapter 2

Conceptual framework & national scenario

2.1 CONCEPT OF CONSUMER BEHAVIOUR

Consumer behaviour is the study of how individual customers, groups, or organisations select, buy, use and dispose ideas, goods and services to satisfy their needs and wants. It refers to the actions of the consumers in the marketplace and the underlying motives for those actions.

Marketers expect that by understanding what causes the consumers to buy particular goods and services, they will be able to determine – which products are needed in the marketplace, which are obsolete, and how best to present the goods to the consumers.

The study of consumer behaviour assumes that the consumers are actors in the marketplace. The perspective of role theory assumes that consumers play various roles in the marketplace. Starting from the information provider, from the user to the payer and to the disposer, consumers play these roles in the decision process.

The roles also vary in different consumption situations; for example, a mother plays the role of an influencer in a child's purchase process, whereas she plays the role of a disposer for the products consumed by the family.

Nature of Consumer Behaviour

1. Influenced by various factors:- The various factors that influence the consumer behaviour are as follows:

- a. Marketing factors such as product design, price, promotion, packaging, positioning and distribution.
- b. Personal factors such as age, gender, education, and income level.
- c. Psychological factors such as buying motives, perception of the product and attitudes towards the product.
- d. Situational factors such as physical surroundings at the time of purchase, social surroundings and time factor.
- e. Social factors such as social status, reference groups and family.
- f. Cultural factors, such as religion, social class – caste and sub-castes.

2. Undergoes a constant change:

Consumer behaviour is not static. It undergoes a change over a period of time depending on the nature of products. For example, kids prefer colourful and fancy footwear, but as grow up as teenagers and young adults, they prefer trendy footwear, and as middle-aged and senior citizens they prefer more sober footwear. The change

in buying behaviour may take place due to several other factors such as increase in income level, education level and marketing factors.

3. Leads to purchase decision:

A positive consumer behaviour leads to a purchase decision. A consumer may take the decision of buying a product on the basis of different buying motives. The purchase decision leads to higher demand, and the sales of the marketers increase. Therefore, marketers need to influence consumer behaviour to increase their purchases.

4. Improves standard of living:

The buying behaviour of the consumers may lead to higher standard of living. The more a person buys the goods and services, the higher is the standard of living. But if a person spends less on goods and services, despite having a good income, they deprive themselves of higher standard of living.

2.2 NATIONAL SCENARIO OF BIG BAZAAR

- **Wednesday Bazaar**

The concept of Wednesday Bazaar was promoted as 'Hafta ka Sabse Sasta Din' (cheapest Day of the Week). Initiated in January 2007, the idea behind this scheme was to draw customers to stores on Wednesdays, the day when customer presence is usually less. According to the chain, the aim of concept was 'to give homemakers the power to save the most'.

- **Mahabachat**

The concept of 'Mahabachat' (Mega Saving) was introduced in the year 2006 as a single day campaign with promotional offers across the company outlets. Over the years, the concept has grown to become a six-day biannual campaign, offers are given in all value formats including Big Bazaar, Food Bazaar, Electronic Bazaar and Furniture Bazaar.

- **The Great Exchange Offer**

Introduced on 12 February 2009, 'The Great Exchange Offer' allows customers to exchange their goods for Big Bazaar coupons. The coupons can be redeemed later for buying brand new goods from Big Bazaar outlets across the nation.

Till now Big Bazaar have its outlets within Indian boundaries. So there are no international approaches.

Chapter 3

Presentation of data, analysis and findings

3.1 COMPANY PROFILE

At big Bazaar we have always tried understanding our customer's better keeping in mind their love for better bargains and getting maximum value out of each rupee they spend. This has always pushed us to think innovatively and striving to continuously giving our customers additional reasons to shop.

Times are tough and we understand that this is the time when we need to stand by our customers. Hence, to share the burden of running our customer's household the idea of Big Bazaar PROFIT CLUB was born. Big Bazaar PROFIT CLUB is the most innovative product that the Indian retail market has ever witnessed. It offers an unmatched value proposition to its customers. A unique membership program where one can pay Rs.10,000 and can shop for Rs.1000 per month for the next 12 months i.e., Rs.12,000 over a period of 12 months. After the huge success of 'Profit Club Rs.10,000', Big Bazaar launches its new program "Profit club Rs.5000 card". On paying Rs.5000, customers will get a membership card topped up with Rs.6000, with which they can shop for Rs.400 Every month for 15 months discard can be used across to 240+ Big Bazaars, Food Bazaars and fbb- Fashion at big Bazaar stores across the country. In case you miss shopping in a particular month, the amount can be carried forward to the next month. Members of the big Bazaar PROFIT CLUB will also receive the benefit of existing offers on their Payback cards and T24 mobile services. The Big Bazaar PROFIT CLUB Card can be used as a Gift Card for your friends and family, like children living away from home or parents residing in other cities etc. The Big Bazaar PROFIT CLUB Card can also serves as an excellent Employee Incentive program for your employees. It can also be extended to your business partners as a gift.

3.2 SWOT ANALYSIS *(based on Secondary data)*

Strengths:

- **Distribution and Reach:** Big Bazaar has a large number of outlets in almost every state, supported by a strong distribution network that makes sure that its products are available easily to a large number of customers in a timely manner.
- **Cost structure:** Big Bazaar's low cost structure helps it produce at a low-cost and sell its product at a low price, making it affordable for its customers.
- **Dealer community:** Big Bazaar has a strong relationship with its dealers that not only provide them with supplies but also focus on promoting the company's products and training.
- **Financial position:** Big Bazaar has a strong financial position with consecutive profits in the past 5 years, along with accumulated profit reserves that can be used to finance future capital expenditures.
- **Return on capital expenditure:** Big Bazaar has been successfully able to generate positive returns on the capital expenditure it has incurred on various projects in the past.
- **Automation:** of various stages of production has allowed the most efficient use of resources and reducing cost. It also allows for consistency in quality of its products and provides the ability to scale up and scale down production as per the demand in the market.
- **Skilled labour force:** Big Bazaar has invested extensively in the training of its employees that has resulted in its employing a large number of skilled and motivated employees.
- **Big Bazaar has a diversified workforce:** with people Of many geographical, racial, cultural and educational backgrounds that helps the company by bringing in diverse ideas and methodologies of doing things.
- **Entering new markets:** big Bazaar's innovative teams have allowed it to come up with new products and enter new markets. It has been successful in past, in most of the initiatives it has taken a new markets.

Weakness

- **Research and Development:** Even though Big Bazaar is spending more than the average research and development expenditure within the industry, it is spending way less than a few players within the industry that have had a significant advantage as a result of their innovative products.
- **High Day Sales Inventory:** The time it takes for products to be purchased and sold or higher than the industry average, meaning that Big Bazaar builds up on inventory adding unnecessary costs to the business.
- **Rented property:** A significant proportion of the property that Big Bazaar owns is rented rather than purchased. It has to pay large amounts of rent on these adding to its cost.
- **Low current ratio:** The current ratio that shows the company's ability to meet its short-term financial obligations, is lower than the industry average. This could mean that the company could have liquidity problems in the future.
- **Cash flow problems:** There is a lack of proper financial planning at Big Bazaar regarding cash flows, leading to certain circumstances where there isn't enough cash flow as required leading to unnecessary unplanned borrowing.
- **Integration:** Big Bazaar's current structure and culture have resulted in the failure of various mergers aimed at vertical integration.
- **Diversification in the workforce:** The workforce at Big Bazaar is concentrated with mostly local workers and low amounts of workers from other racial backgrounds. Lack of diversification makes it difficult for employees from different racial background to adjust at the workplace, leading to loss of talent.
- **Market Research:** Big Bazaar has not conducted market research within the market that a source since the past two years. As a result, it is making decisions based on two years old data, while customer needs may have evolved over time.
- **High employee turnover Rates:** Big Bazaar has a higher employee turnover rate compared to competitors. This means that it has more people leaving the job, and as a result, it is spending more on training and development as employees keep leaving and joining.

Opportunities:

- **Internet:** there has been an increase in the number of internet users all over the world. This means that there is an opportunity for Big Bazaar to expand their presence online, by using the internet to interact with its customers.
- **E-commerce:** there has been a new trend and a growth in sales of the e-commerce industry. This means that a lot of people are now making purchases online. Big Bazaar can earn revenue by opening online stores and making sales through these.
- **Social media:** there has been an increase in the number of social media users worldwide the three social media platforms, Facebook, Twitter and Instagram, have shown the greatest number of increase in monthly active users. Big Bazaar can use social media to promote its products, interact with customers and collect feedback from them.
- **Technological developments:** technology comes with numerous benefits among many departments. Operations can be automated to reduce cost. Technology enables better data to be collected on customers and improves on marketing efforts.
- **Population:** the population has been growing and is expected to do grow at a positive rate for the upcoming years. This is beneficial for big Bazaar as there will be an increase in the number of potential customers that it can target.
- **Transport industry:** the transport industry has been flourishing in the past few years and shows growth potential in the future. This has reduce the cost of transportation which is beneficial for Big Bazaar at it will lower its overall cost.
- **Tax policy:** the government's reduction in tax rate is beneficial for Big Bazaar as a lower amount would be expensed out as a tax.
- **Globalization:** Increase globalization does not restrict Big Bazaar to its own country. It can extend its operations to other countries, entering into these markets and making use of the opportunities that lie in these markets.

Threat analysis:

- **Technological development by competitors:** New technological development by a few competitors within the industry polls or tried to Big Bazaar as customer attracted to this new technology can be lost to competitors, decreasing Big Bazaar's overall market share.

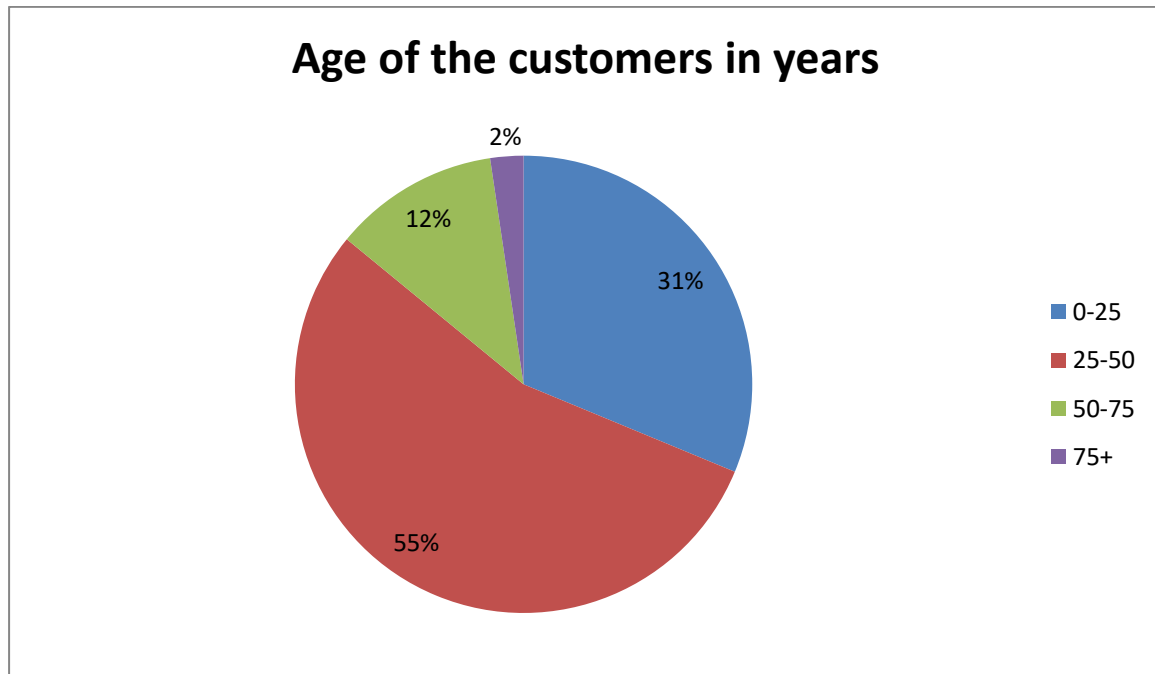
- **Suppliers:** The bargaining power of suppliers has increased over the years with the decrease in the number of suppliers. This means that the cost of imports could increase for Big Bazaar.
- **New entrants:** there have been numerous players that have entered the market and are gaining market share by gaining existing companies market share. This is a threat to Big Bazaar as it can lose its customers to these new entrants.
- **Increasing competition:** there has been an increase in competition within the industry putting downward pressure on prices. This could lead to reduced revenue for Big Bazaar if it adjusts to the price changes, or loss of market share if it doesn't.
- **Exchange rate:** the exchange rate keeps fluctuating and this affects a company like Big Bazaar that has sales internationally, while its suppliers are local. The fluctuating interest rates in the country do not provide a stable financial and economic environment.
Consumer tastes are changing and this puts pressure on companies to constantly change their products to meet the needs of these consumers.
Regulations on international trade keep changing, and this requires compliance by companies if they are to operate globally.
Substitute products available are also increasing, which is straight collectively for the whole industry as consumption of current products declines.

3.3 ANALYSIS AND INTERPRETATION

Table 1: Age in years

Age in years	No. of respondents
0-25	16
25-50	28
50-75	6
75+	0

CHARTS:



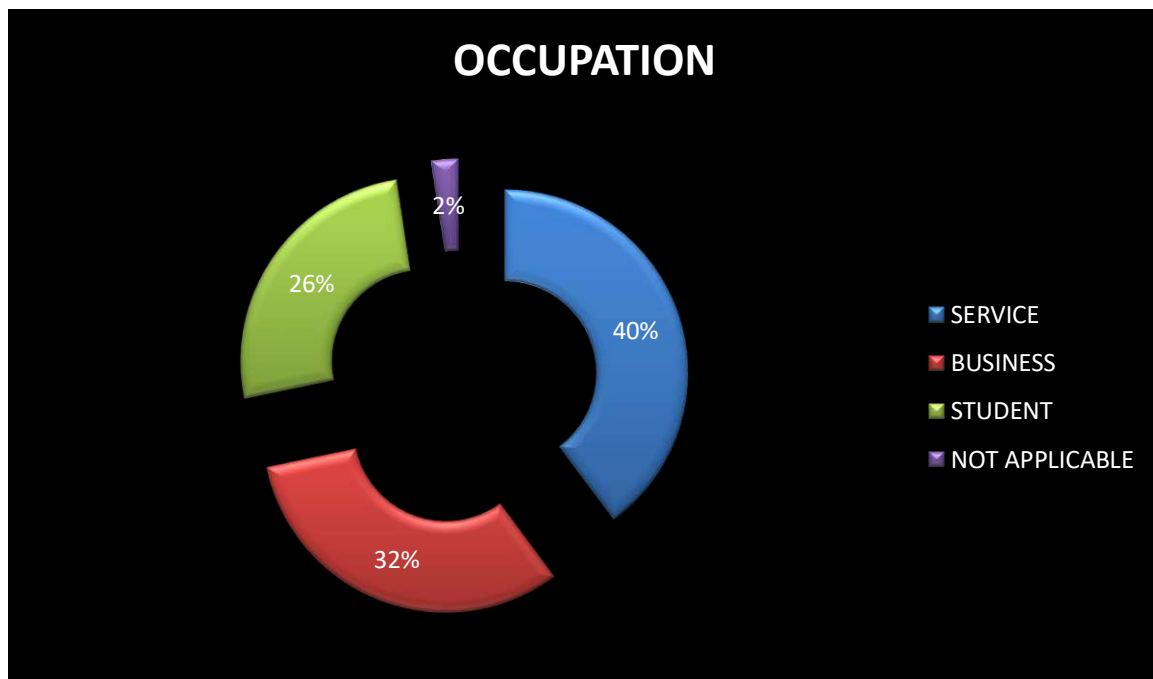
INTERPRETATION:

By analyzing the responses to this question, I, as a researcher, as well as companies, can identify the demographics of the population that visit outlets. The highest number of respondents falls in the group of 25-50. It can be concluded that most of the consumers who visit retail outlets regularly are the middle aged group. They make up almost more than half of the population who shop at retail stores.

Table 2 : Occupation of the customers

Options	No. of respondents
Service	<u>20</u>
Business	<u>16</u>
Student	<u>13</u>
NA	<u>1</u>

CHART:



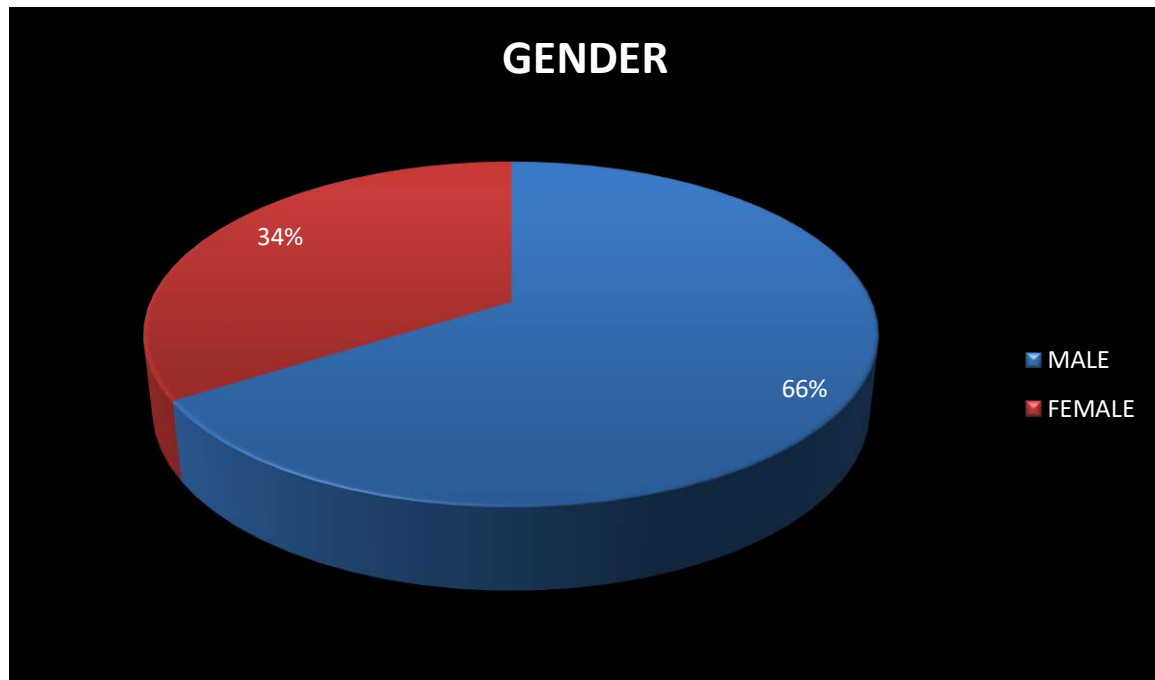
INTERPRETATION:

The above table and chart shows us the occupation of the customers who is likely to visit the Big Bazaar. The service category customers is the one with the highest 20 respondents followed by business, student and NA composing of 16, 13 and 1 respectively. From this it can be concluded that the mostly customers who visit to Big Bazaar is of service class.

Table 3: Gender of the Customers

Gender	No. of respondents
Male	<u>33</u>
Female	<u>17</u>

CHART:



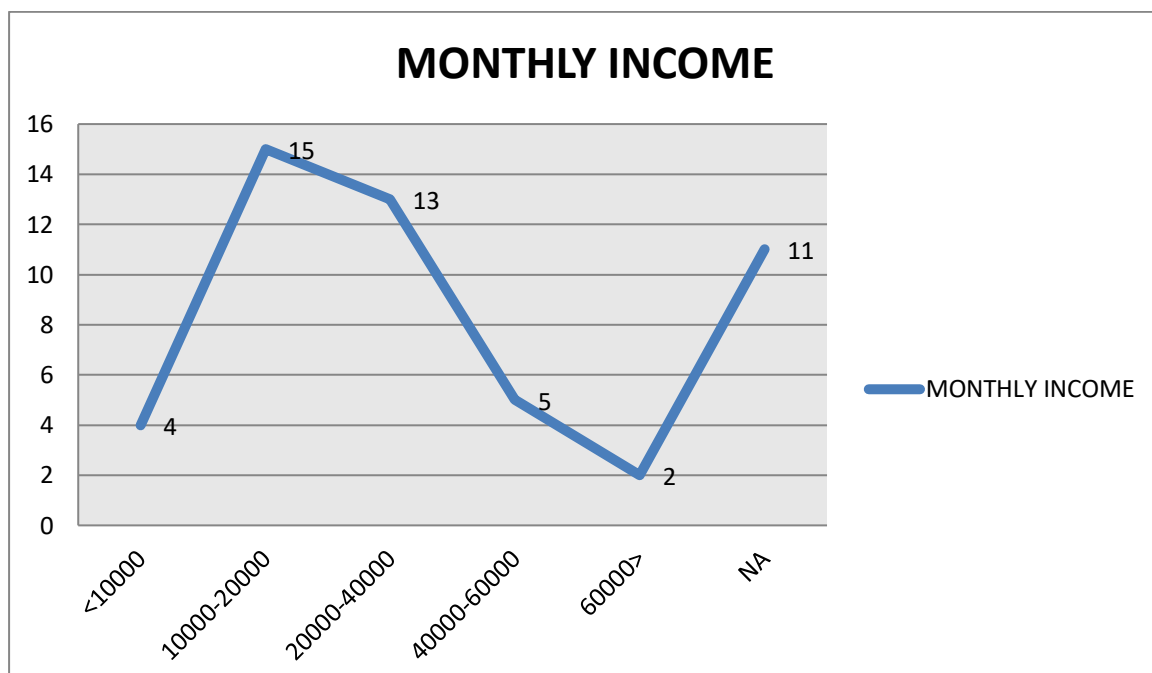
INTERPRETATION:

By analysing the response to this question, I, as a researcher can identify the distribution in the number of men and women who visit the retail outlets and appropriate decision can be made keeping these numbers in mind. The high number of respondents were male; as is depicted by the graph and chart presented above. The number of females were less compared to the male respondents.

Table 5: Monthly income of the customers

Monthly Income	No. of respondents
<10000	4
10000-20000	15
20000-40000	13
40000-60000	5
60000>	2
NA	11

CHART:



INTERPRETATION

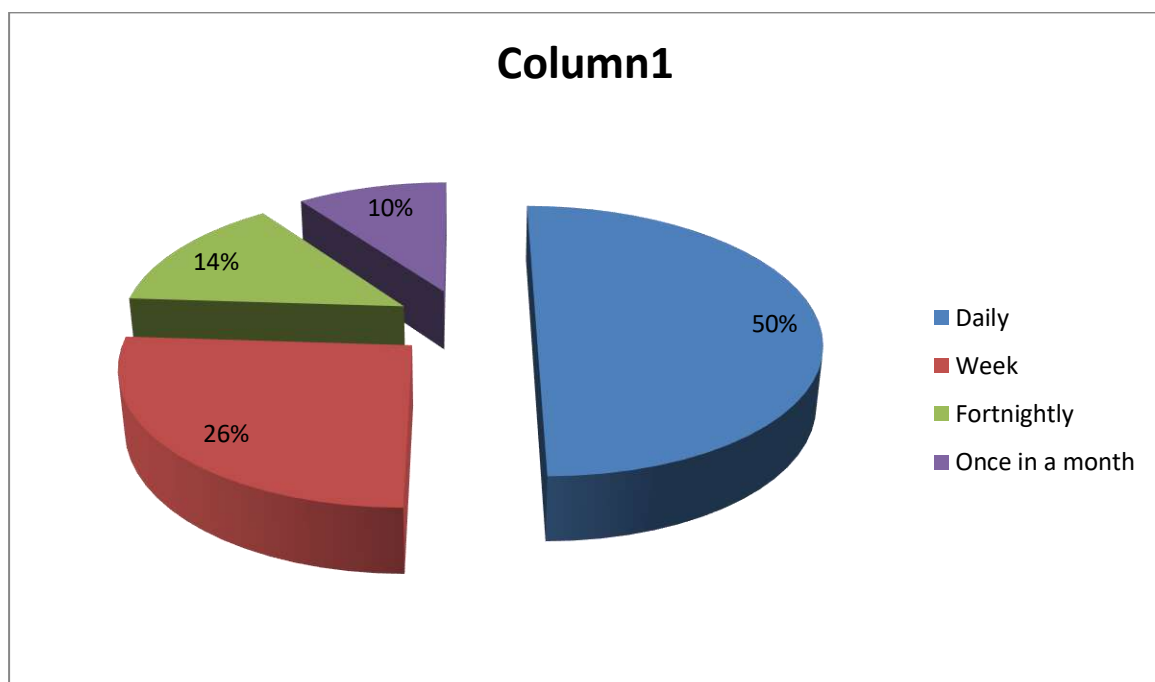
By analysing the monthly income of the customers of the Big Bazaar it can be depicted that the income ranging from Rs.10000-20000 & 20000-40000 are with the respondents of 15 and 13 respectively which is the largest number of respondents falling under these groups of income category. NA stands for Not Applicable group are those who are under the category of students and they don't have any monthly income.

1) How often do you shop ?

Table 6: showing the shopping behaviour of the customers of Big Bazaar.

Parameter	No. of respondents	Percentage
Daily	25	50%
week	13	26%
fortnightly	7	14%
Once in a month	5	10%

CHART :



INTERPRETATION:

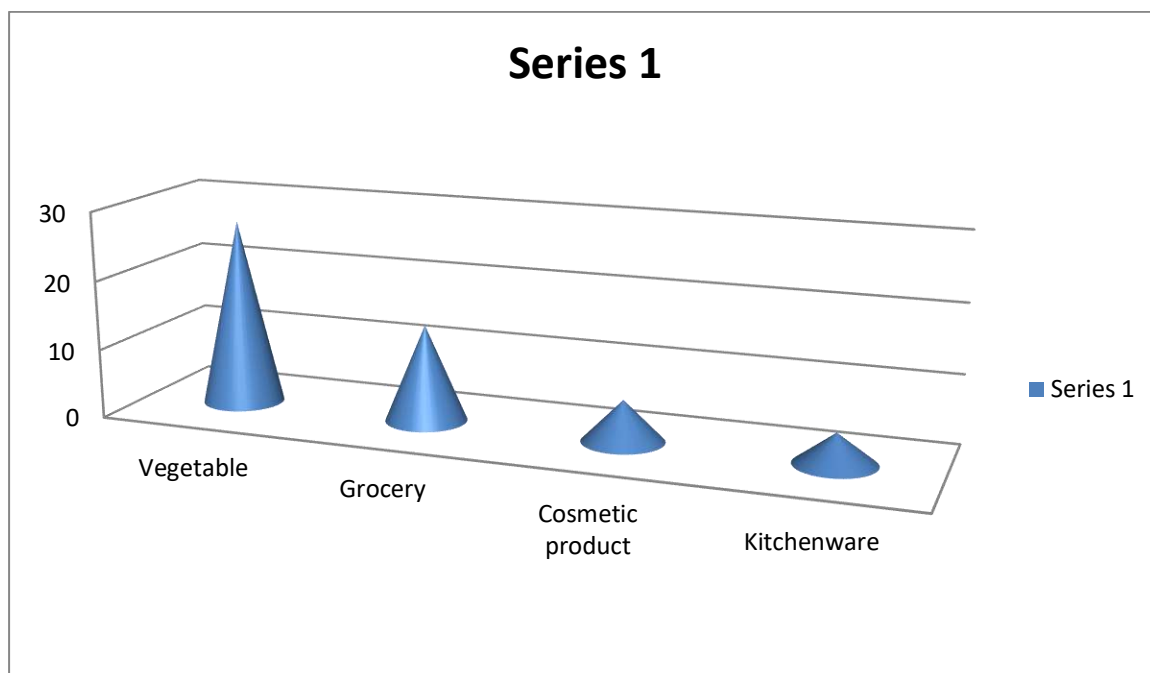
It is interpreted that about 50% of the customers shops on daily basis, 26% weekly, 14% fortnightly and 10% once in a month in Big Bazaar which is good for a retail store to have such number for daily and weekly customers.

2) What do you mostly shop for at mentioned store?

Table 7: Showing the purpose of visit by the customers in big bazaar.

Parameter	No. of respondents
Vegetable	27
Grocery	14
Cosmetic products	6
Kitchenware	3

CHART:



INTERPRETATION:

It is interpreted that about 83% of customers mostly shop for vegetables and fruits, 14% for Grocery, 2% for cosmetic products and 1% for kitchenware.

3) What is your preference of shopping?

Table 8: showing the preference of shopping in Big Bazaar

Parameter	No . of respondents
Quality	8
Brand	12
Price	3
One stop shop	27

CHARTS:



INTERPRETATION:

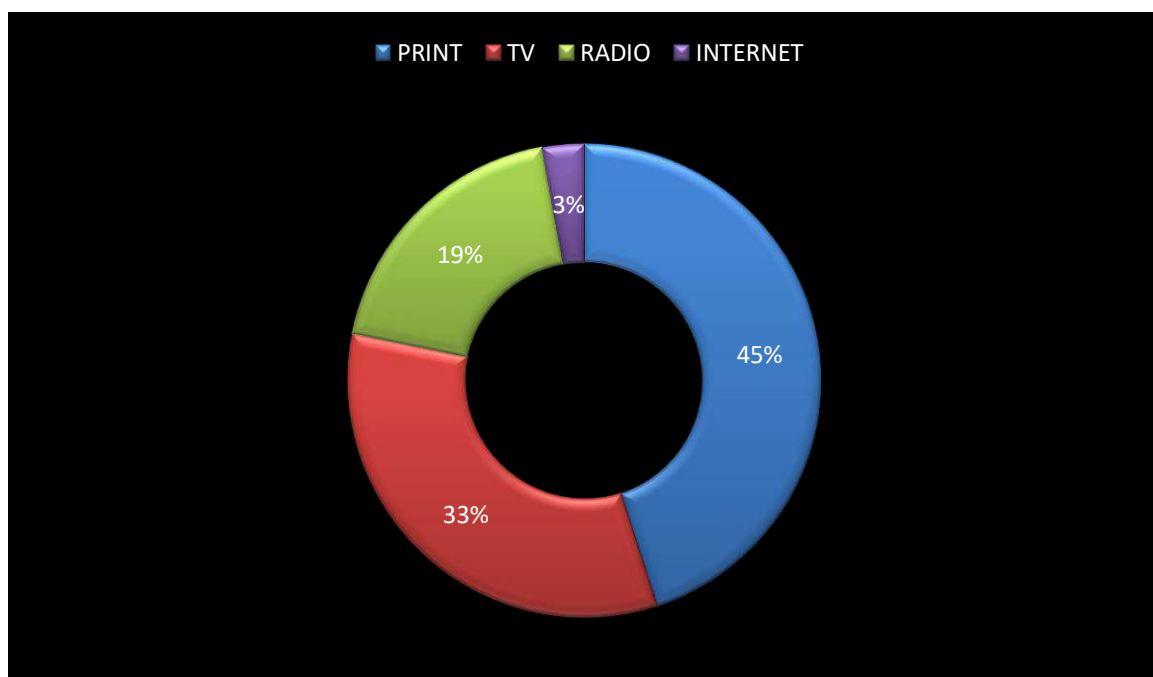
It is interpreted that around 54% of the customers shops due to one stop shop feature of Big Bazaar while 24% shop from brand, 16% for Quality and 6% for price.

4) Which form of advertisement do you think is most effective?

Table 9: showing the effectiveness of the form of advertisement

Parameter	No. of respondents
Print	19
TV	14
Radio	8
Internet	9

CHARTS:



INTERPRETATIONS:

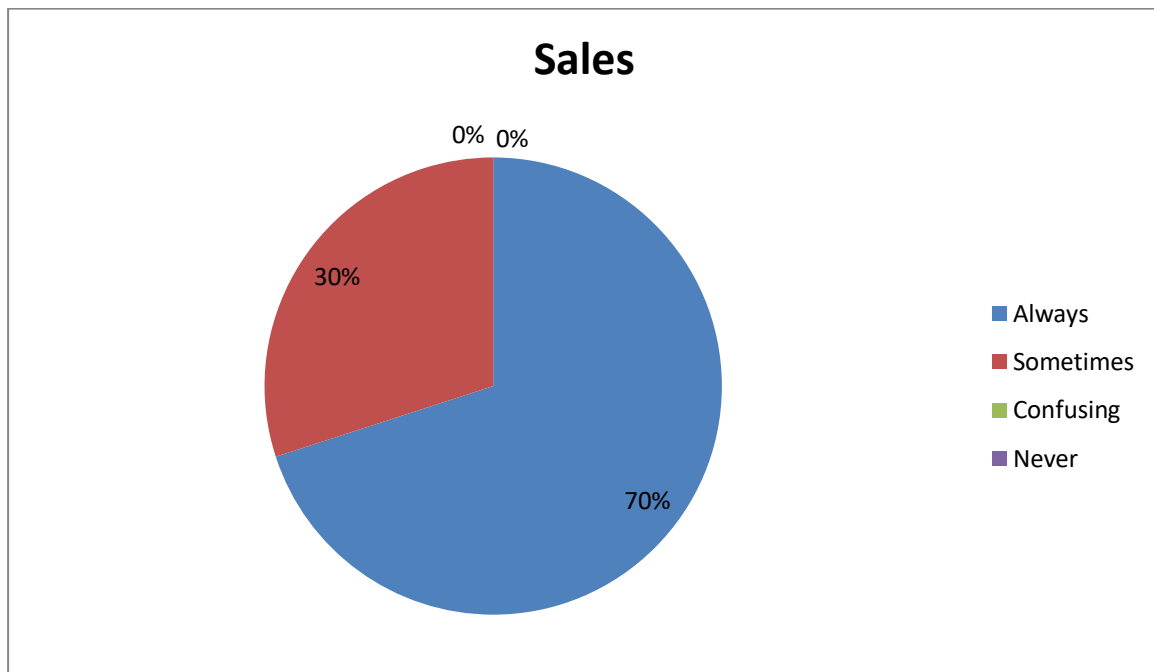
It is interpreted that around 45% of respondents think Print media, 33% TV, 19% Radio, and 3% Internet as the most effective form of advertisement.

5) Are promotional schemes easy to understand?

Table 10: showing the understanding of promotional schemes.

parameter	No. of respondents
Always	35
sometimes	15
Confusing	0
Never	0

CHARTS:



INTERPRETATION:

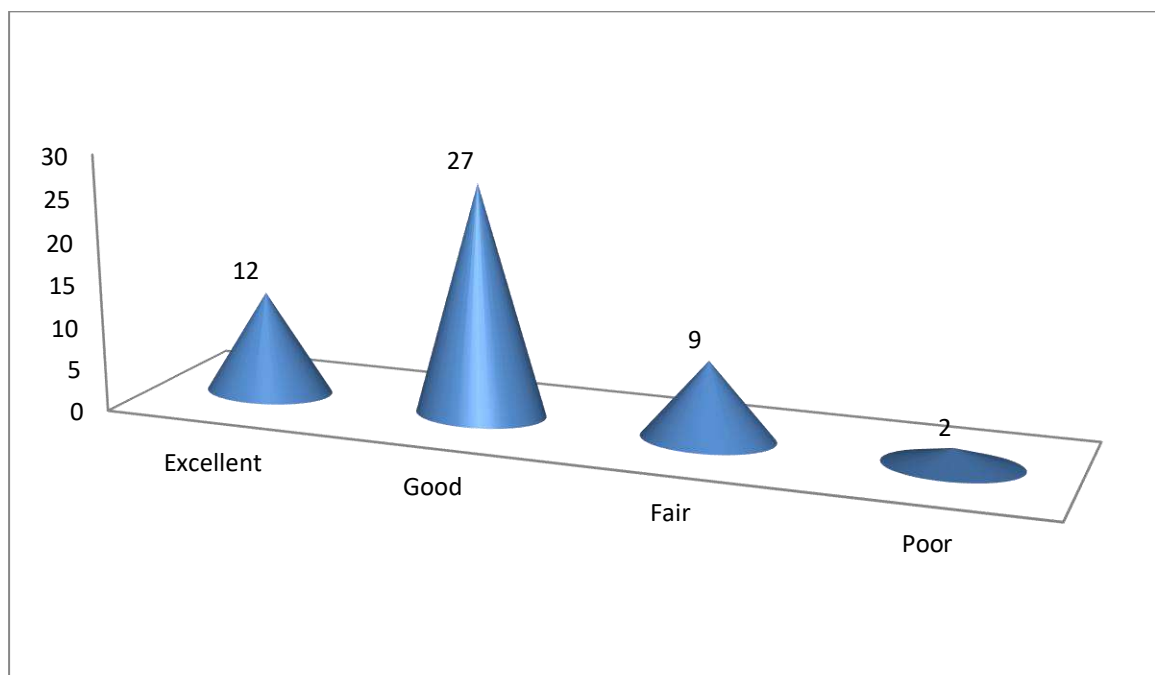
It is interpreted that 70% of customers believes the promotional schemes always understandable, 30% said sometimes while none said confusing and never which indicates about the ideal advertisement effectiveness.

6) Rate the store layout of Big Bazaar?

Table 10: showing the rating of store layout.

Parameters	No. of respondents
Excellent	12
Good	27
Fair	9
Poor	2

CHARTS:



INTERPRETATION:

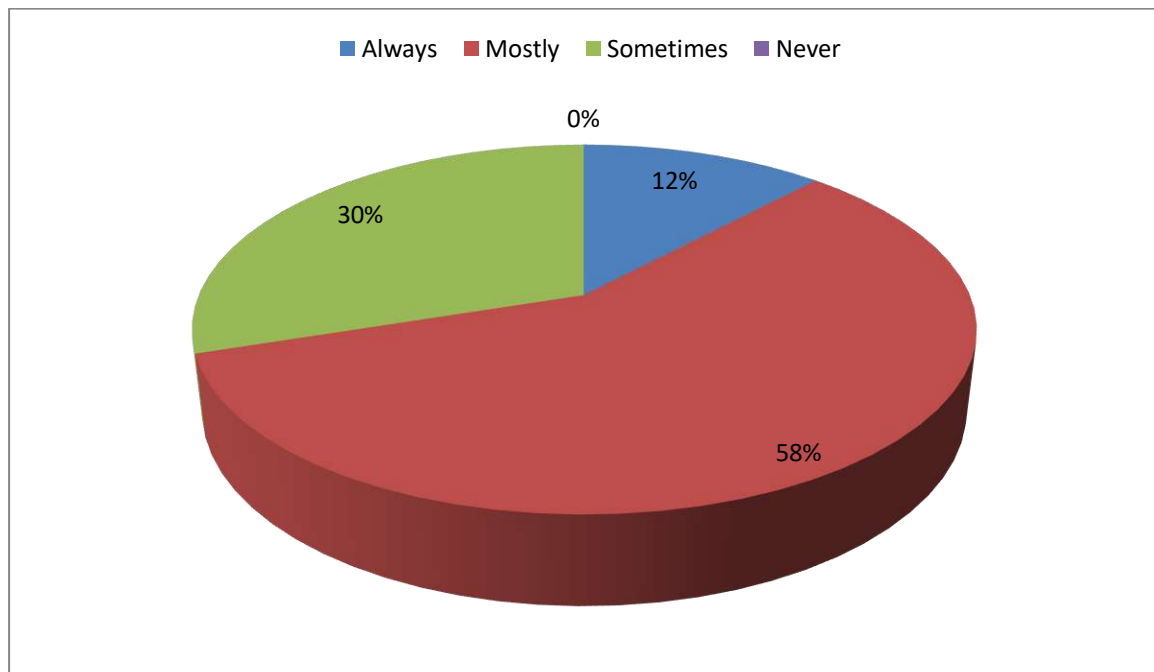
It is interpreted that around 20% rates it as Excellent, 67% of the respondents rates the store layout as good, 12% fair and 1% as poor which shows the layout is appealing to the customers.

7) Does the desired product are available and the shelves are full with stock?

Table 11: showing the availability of the stock.

Parameters	No of respondents
Always	6
Mostly	29
Sometimes	15
Never	0

CHARTS :



INTERPRETATION:

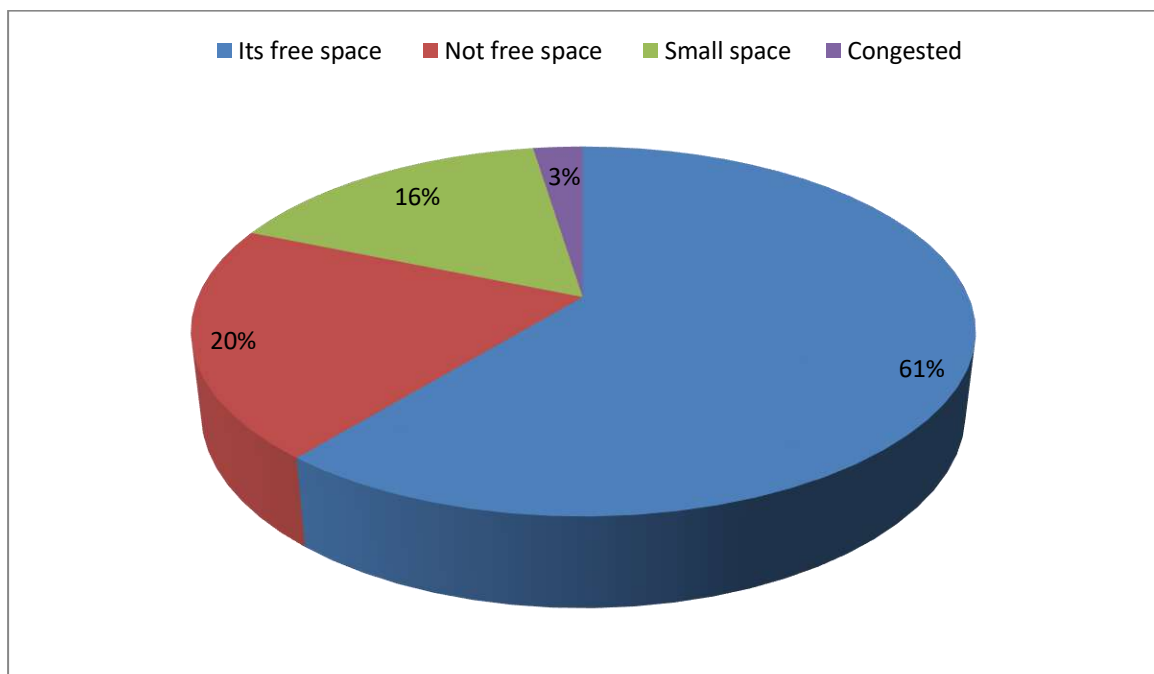
It is interpreted that around 58% of respondents ensures that there is mostly availability of the stock, 12% has said always, and 30% said sometimes while none said never in Big Bazaar.

8) How is the store space in Big Bazaar for moving around for products?

Table 12: showing the store space.

Parameters	No. of respondents
Its free space	30
Not free space	10
Small space	8
congested	2

CHARTS:



INTERPRETATION:

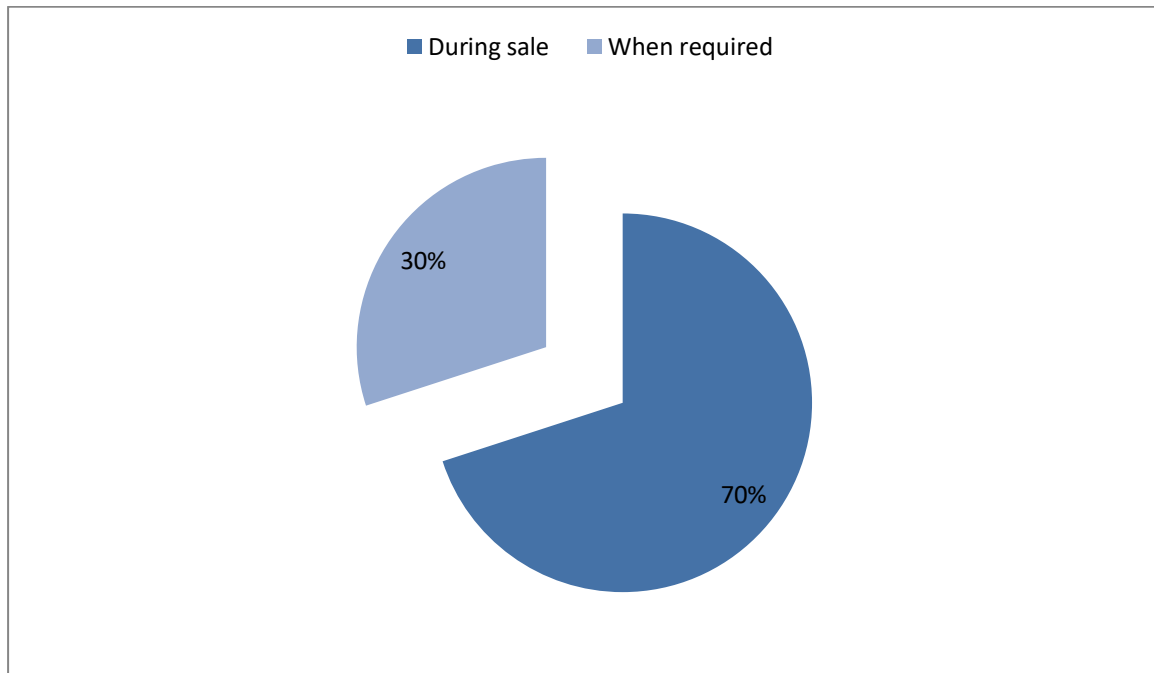
It is interpreted that around 61% respondent believes the store space to be a free space, only 20% believes to be not so free space, 16% believes small space and 3% thinks its congested.

9) When do you prefer to visit at Big Bazaar?

Table 13: showing the preference of visit

Parameters	No. of respondents
During sale	35
When required	15

CHARTS:



INTERPRETATION:

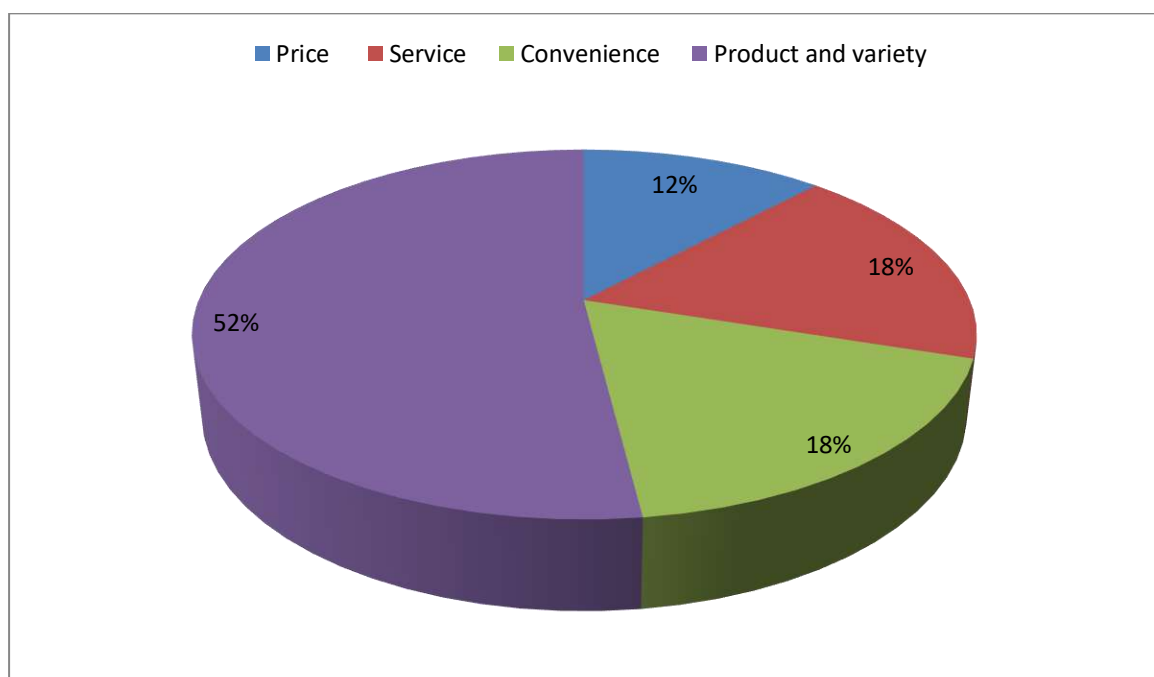
It is interpreted that around 70% of respondents will visit Big bazaar during Sale and around 30% will visit when required. This shows the customer base and promotional schemes of Big Bazaar.

10) What motivates you to visit Big Bazaar?

Table 14: showing the motivations of the customers

Parameters	No. of respondents
Price	6
Service	9
Convenience	9
Product variety and quality	26

CHARTS:



INTERPRETATION:

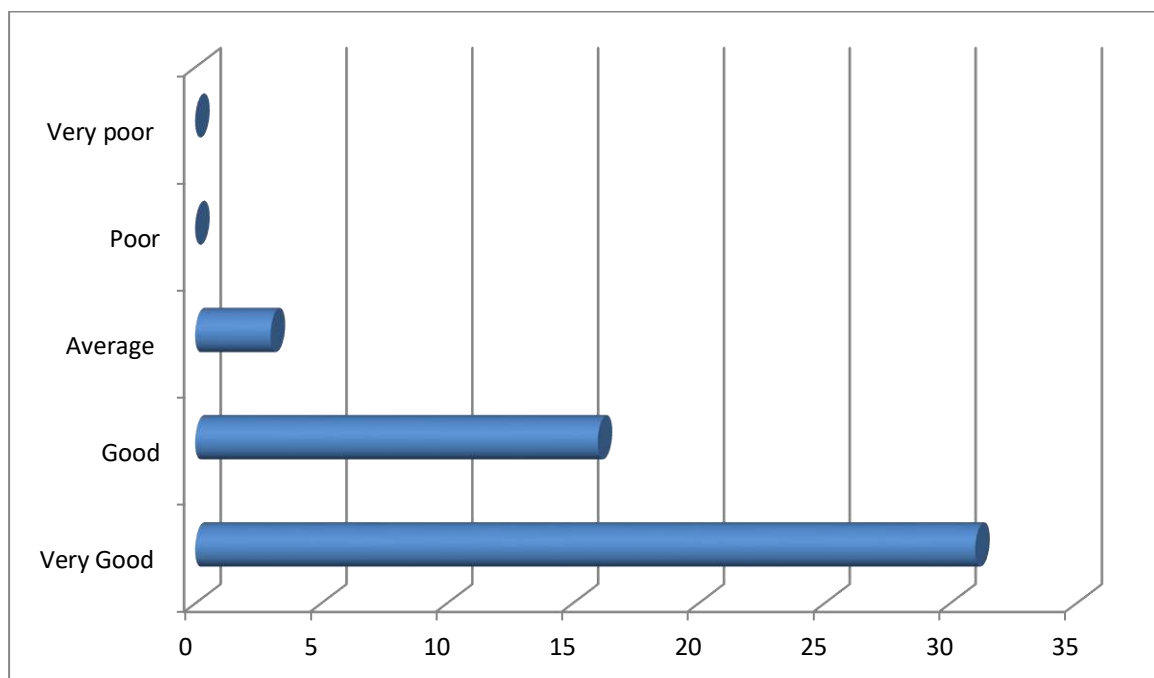
The above chart depicts that the reason for visiting of Big bazaar by the customers are product variety and quality are the main reasons. Since Big Bazaar has a wide range of product variety and quality of the products that encourages the customers to frequently visit the Bazaar.

11) How do you rate to the services of the sales personnel?

Table 15: showing the rate to the services of the sales personnel.

Parameters	No. of respondents
Very good	31
Good	16
Average	3
Poor	0
Very poor	0

CHARTS:



INTERPRETATION:

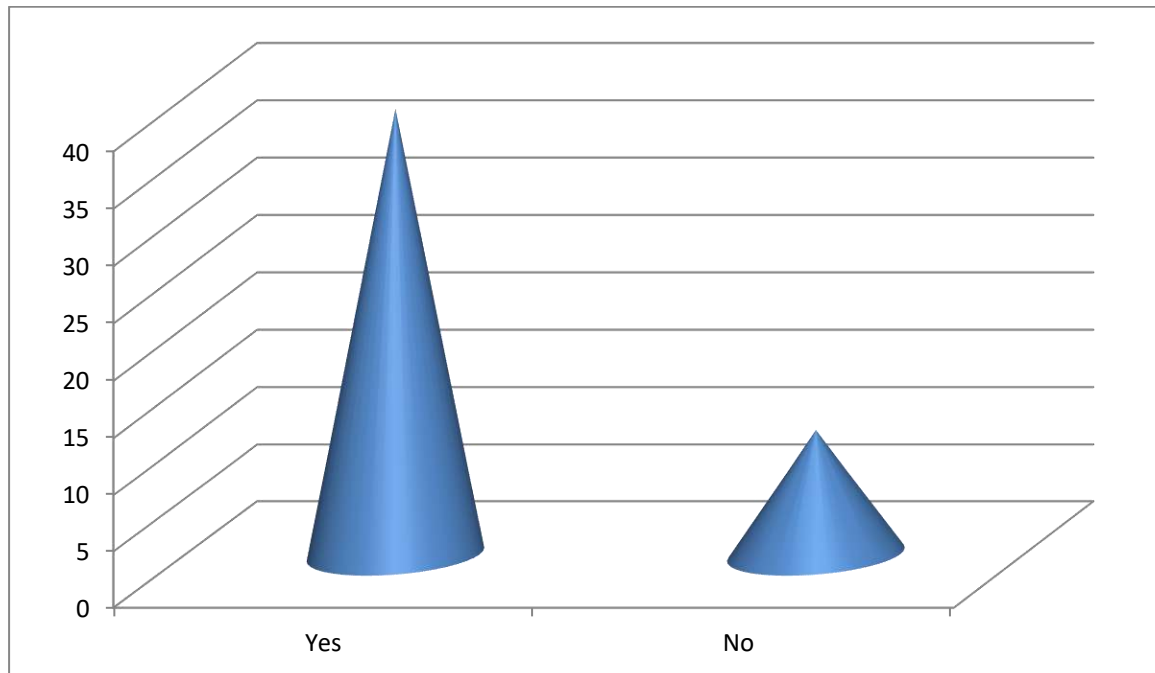
The above chart shows us the rating of the services provided by the sales personnel of the Big Bazaar. Since the sales personnel are gradually and frequently in touch with the customers, it is the customer who helps to know the services provided and the need of improvement as the feedback gathered from them. The customers rated the services of the sales personnel with the very good comprising of 31 respondents followed by the good of 16 respondents.

12) Do you go to Kirana store in addition?

Table 16: showing people who go to local kirana store in addition.

Parameters	No . of respondents
Yes	39
No	11

CHARTS:



INTERPRETATION:

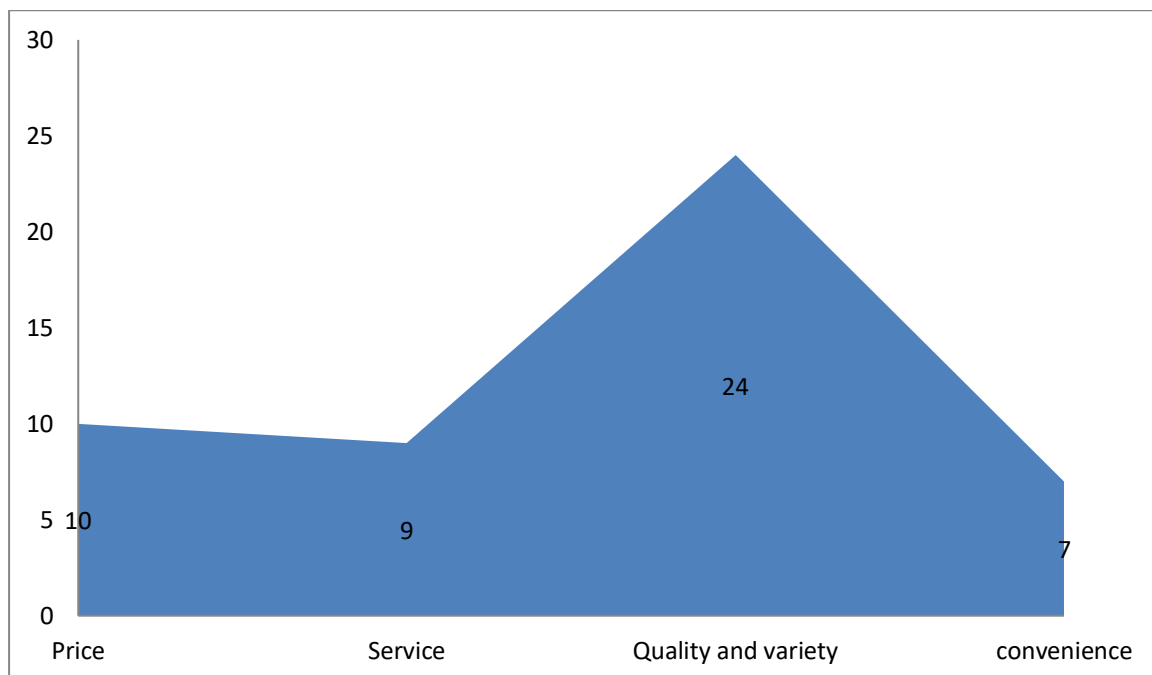
This question was designed in order to know whether the customers of the Big Bazaar visits to the kirana store or not. It can be seen that maximum of the respondents i.e., 39 respondents favoured going to the kirana outlet since it is easily available and convenient to the customers in case of immediate products needed by them. While 11 respondents do not prefer to go to the kirana outlets available in their locality.

13) How do you compare products of kirana store with Big Bazaar?

Table 17: showing the comparison of products of kirana store with Big Bazaar.

Parameters	No of respondents
Price	10
Service	9
Quality and variety	24
convenience	7

CHARTS:



INTERPRETATION:

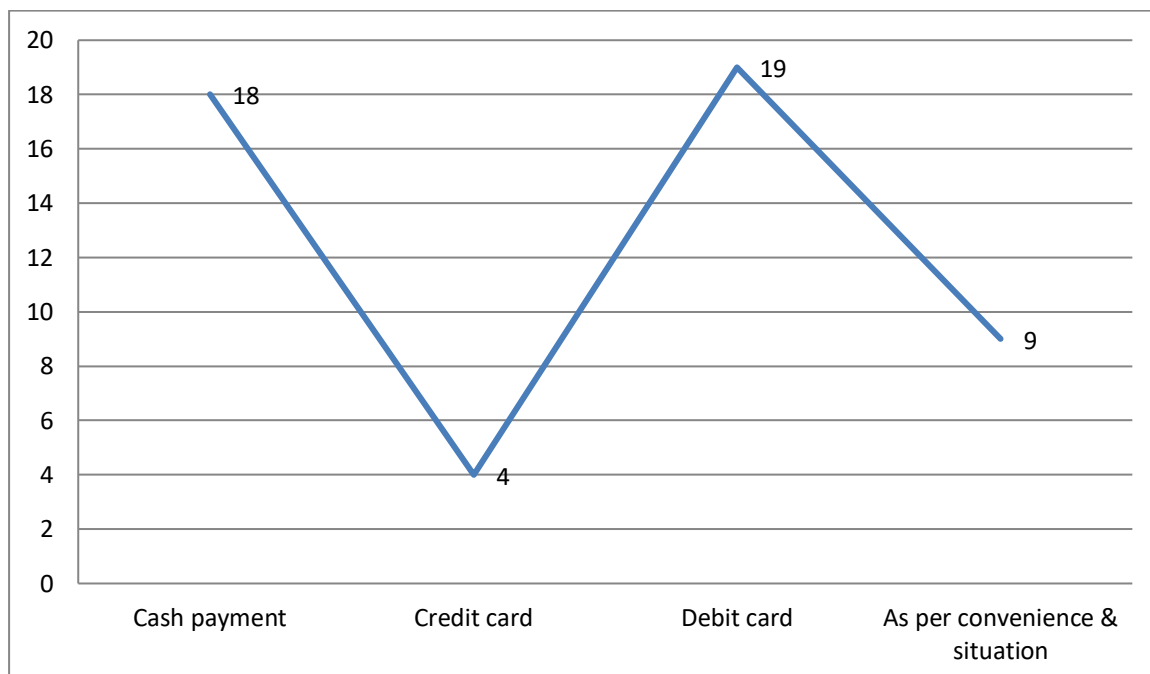
While going through the research we came to know that the main basis of comparison of products of kirana store with Big Bazaar is the quality and variety which is perceived expectation of the customers from the products and services. 24 respondents were supporting and comparing on the basis of the quality and variety while 10 respondents were comparing on the basis of price.

14) How do you make payments?

Table 18: showing the payment method.

Parameters	No. of respondents
Cash payments	18
Credit card	4
Debit card	19
As per convenience & situation	9

CHARTS:



INTERPRETATION:

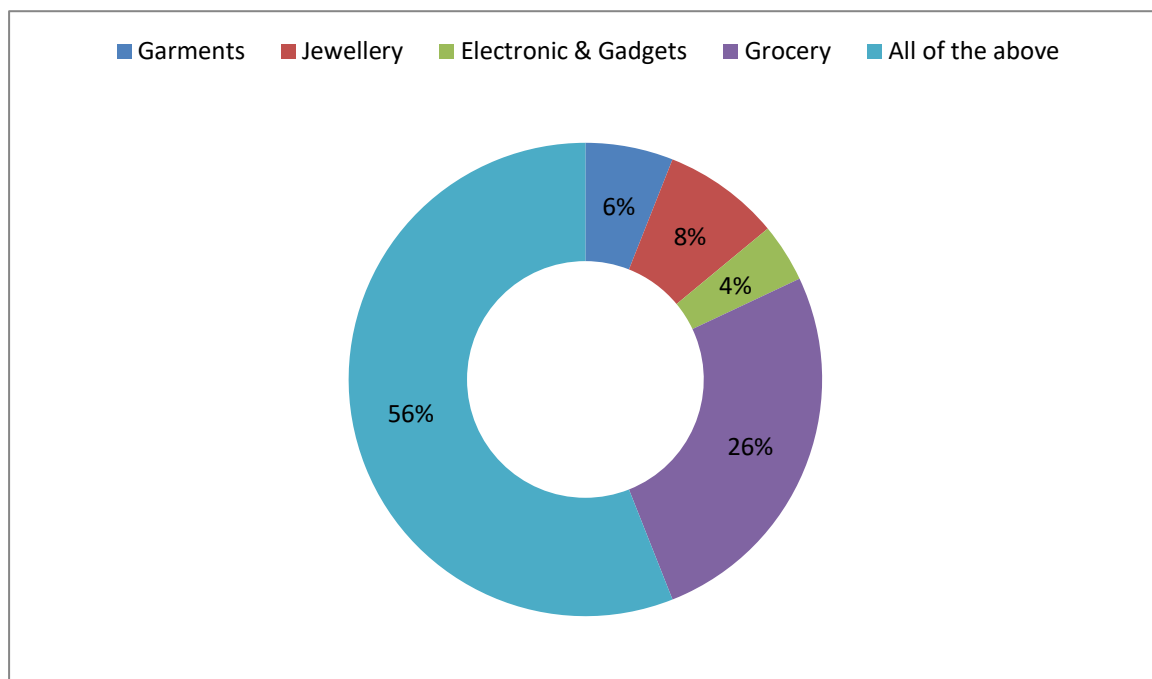
We can easily depict that the debit card along with the cash payment modes is extensively used by the customers of the Big Bazaar. The payment made through the debit card was from 19 customers while through cash payments comprising of 18 customers. From this we can say that the initiative that is taken by the GOI for the digital payment is in process of effectiveness and in the near future it will be extensively used by the people of the country since it is easy and safe to carry.

15) In which segment/ product line do you pre-decide the brands?

Table 19: Showing the segment or product line customers pre-decide.

Parameters	No. of respondents
Garments	3
Jewellery	4
Electronic & gadgets	2
Grocery	13
All of the above	28

CHARTS:



INTERPRETATION

This question was designed in order to know the product line/segments the customers pre-decide the brands. While going through the research we came to know the customers were not particular to any segments in deciding the brands since the mix response were given by the customers of the Big Bazaar. The customers who gave the response in mix terms of the brands were 28 respondents out of 50. While 13 respondents were seen preferring the Grocery items as product line for pre-deciding the brands.

3.4 FINDINGS OF THE STUDY

1. About 72% of the customers' shops on daily basis in big bazaar which is good for retail store to have such number for daily and weekly customers.
2. About 83% of customers mostly shop for Vegetables and fruits for their quality, freshness, variety and availability.
3. Around 73% of customers shops due to One stop shop feature of the Big bazaar store.
4. It is interpreted that around 87% of customers prefer to shop when required by them and 13% of them prefer during sale.
5. Around 95% of the shopping decisions are influenced by advertisement and promotion activities. Therefore, more advertisement and promotional efforts should be done on continuous basis.
6. It is interpreted that 94% of customers believes the promotional schemes to be understanding which indicates about the ideal advertisement effectiveness.
7. It is interpreted that around 67% of respondents rates the store layout as good while 20% rates it as excellent which shows the layout is appealing to the customers.
8. Around 92% of respondents ensure that there is mostly availability of the stock in Reliance fresh.
9. It is interpreted that around 88% respondents believes the store space to be a free space and only 6% believes to be a small space.

Chapter 4

Conclusion, recommendation & bibliography

4.1 Conclusion

The study has basically helped to know the Customer behavior towards BIG BAZAR Hand what influence people to shop at BIG BAZAR. Most of the consumers are influenced by the offers and price discounts. The majority of consumers' perception is almost all the products are available at one roof with one stop shopping experience. Customers shop more in the Food section. BIG BAZAR is a major shopping complex for today's customers as customers find variety of products at a reasonable price. The majority of customers belong to middle class family. Volume sales always take place in BIG BAZAR. Impulse buying behavior of customers comes into play most of the times in Grocery section in BIG BAZAR .It holds a large customer base and it seemed from the study that the customers are quite satisfied with BIG BAZAR. It seems that there is a vast growth of BIG BAZAR lying as customers demand is increasing for big bazaar.

4.2 Recommendation

1. More promotion scheme should be used to penetrate the market.
2. Skilled employees should be higher because mostly customers are educated
3. Promotion scheme should in such way that customer can understand easily.
4. Service of store should be providing in such way which fulfill the need of the customer.
5. The store staff should be trained adequately so as to convince the potential buyers.
6. The company has to concentrate more on the customers of age group 25-35 years to enhance the sales.
7. Big bazaar should provide more offers and discounts to attract new customers.
8. The company should go with TV-ads and newspaper in order to reach customers.
9. The displays are needed to be changed daily and a bit during weekends as heavy crowd comes in to big bazaar during those days.
10. Cash counter and credit card payment counter should be placed differently in order to reduce the rush and save the customer's time.

4.3 Bibliography

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QUESTIONNAIRE

QUESTIONNAIRE ON CONSUMER BEHAVIOR IN BIG BAZAAR

***Required**

NAME *

Your answer _____

AGE *

0-25

25-50

50-75

75+

OCCUPATION *

SERVICE

BUSINESS

STUDENT

NA

GENDER *

Female

Male

Prefer not to say

Other: _____

MONTHLY INCOME

<10000

[10000-20000](#)

[20000-40000](#)

[40000-60000](#)

60000>

NA

QUESTIONS

1. How often do you shop? *

- Daily
- Weekly
- Fortnightly
- Once in month

2. What do you shop the most at the mentioned store? *

- Vegetable
- Grocery
- Cosmetic products
- kitchenware

3. What is your preference of shopping? *

- Quality
- Brand
- Price
- One stop shop



4. which form of advertisement and promotion influence your shopping decision?

- Print
- TV
- Radio
- Internet

5. Are promotional Schemes easy to understand? *

- Always
- Sometimes
- Confusing
- Never

6. Rate the store layout of Big Bazaar? *

- Excellent
- Good
- Fair
- Poor



7. Does the desired products are available and the shelves are full with stock? *

- Always
- Mostly
- Sometimes
- Never

8. How is the store space in Big Bazaar for moving around for products? *

- Its free space
- Not free space
- Small space
- Congested

9. When do you prefer visit at Big Bazaar? *

- During sale
- When required

10. What motivates you to visit Big Bazaar? *

- Price
- Service
- Convenience
- Product variety and quality

11. How do you rate to the services of the sales personnel? *

- very poor
- Good
- Average
- Poor
- Very Poor

12. Do you go to Kirana store in addition? *

- Yes
- No

13. How do you compare products of kirana store with Big Bazaar? *

- Price
- Service
- Quality and Variety
- Convenience

14. How do you make payments? *

- Cash payments
- Credit Card
- Debit Card
- As per convenience & situation

15. In which segment/product line do you pre-decide the brands? *

- Garments
- Jewellery
- Electronic & Gadgets
- Grocery
- All of the above.



Project Report

**(Submitted for the Degree of B.Com. Honours in Accounting &
Finance under the University of Calcutta)**

Title of the Project

Big Battle: Amazon vs Alibaba

Submitted by

Name of the Candidate: Sramana Sarkar

CU Roll No. : 181223-11-0019

CU Registration No. : 223-1211-0527-18

Name of the College: Scottish Church College

CU Roll No. : 18C-053

Supervised by

Name of the Supervisor: Smt. Dipanwita Majumder

Name of the College: Scottish Church College

Month & Year of Supervision

July,2021

Annexure- IA..

Supervisor's Certificate

This is to certify that **Ms. Sramana Sarkar**, a student of B.com. Honours in Accounting & Finance in Business of Scottish Church College under the University of Calcutta has worked under my supervision and guidance for her Project Work and prepared a Project Report with the title “**Big Battle: Amazon vs Alibaba**” which she is submitting, is her genuine and original work to the best of my knowledge.

Signature: Dipanwita Mitra

Name: Smt. Dipanwita Mitra

Designation: SACT (State Aided College Teacher)

Name of the College: Scottish Church College

Place: Kolkata

Date: 26/07/2021

Annexure-IB

Student's Declaration

I hereby declare that the Project Work "Big battle: Amazon vs Alibaba" submitted by me for the partial fulfilment of the degree of B.Com. Honours in Accounting & Finance in Business under the University of Calcutta is my original work and has not been submitted earlier to any other University/Institution for the fulfilment of the requirement for any course of study. I also declare that no chapter of this manuscript in whole or in part has been incorporated in this report from any earlier work done by others or by me. However, extracts of any literature which has been used for this report has been duly acknowledged providing details of such literature in the references.

Signature: Sramana Sarkar

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Date: 26/07/2021

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I would also like to express my gratitude and thanks to our **Principal ma'am, Dr. (Mrs.) Madhumanjari Mandal** and our **Head of the Department, Prof. Amitava Chatterjee**, for their cooperation and support.

I would like to thank my **Supervisor, Smt. Dipanwita Mitra** for her guidance and for providing me the necessary information regarding the project.

Lastly, I would like to thank my friends and my sister for helping me doing this project. Therefore, I express my immense love and respect to all of them.

Ms. Sramana Sarkar

B.Com(Hons) in Accounting & Finance

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BACKGROUND

E-Commerce or Electronic Commerce means buying and selling of goods, products, or services over the internet. E-commerce is also known as electronic commerce or internet commerce. These business transactions occur either as business-to-business (B2B), business-to-consumer (B2C), consumer-to-consumer (C2C) or consumer-to-business. (C2B). The terms E-commerce and E-business are often used interchangeably. In the last decade, widespread use of E-commerce platforms such as Amazon and Alibaba have contributed to substantial growth in online retail. In 2007, E-commerce accounted for 5.1% of total retail sales; in 2019, E-commerce made up 16.0%.

These two E-commerce giants, Amazon and Alibaba, have become notable players in the market by operating through an online presence alone. While Amazon and Alibaba each have distinct features that make them purely e-commerce companies, their respective business models differ greatly.

Amazon is a massive retailer for both new and used goods, and Alibaba operates as a middleman between buyers and sellers.

This study is to examine and compare the two (Amazon and Alibaba) leading firms in the context of an ever-changing market.

LITERATURE REVIEW

- **Chatterjee (2016)** studied the “E-Commerce in India: A review on culture and challenges” and it is observed that E-Commerce business throughout the world has brought a remarkable change in the business landscape and redefined the business scenario by radically changing contours of space and time and conception of nature of business management. India having large population with internet

users is expected to be one of the major players in E-Commerce environment.

- **Arora & Rahul (2018)** studied that the key components of perceived risk (security risk, privacy risk, product risk and non-delivery risk) in e-commerce and the impact of perceived risk on online shopping attitude among online women shoppers in India and the study proved that perceived risk is not a significant factor influencing attitude of women shoppers in India. Security risk was marginally significant out of the different types of risks considered in the study.

- **Rakesh & Khare (2012)** “Impact of promotions and value consciousness in online shopping behaviour in India” and the study observed that online shopping continues to attract investment from retailers and offers of e-retailers are not influenced by Indian consumers. Promotions may not be essentially viewed by consumers as an important attribute while purchasing products or services online.

OBJECTIVE OF THE STUDY

Following are the objectives of the study:

- To find out the buying pattern of the consumers.
- To find out whether they are relying more on Amazon or Alibaba.
- To find out what is making the two companies tick.

- To find out how the companies are making money.
- To find out how they are different from each other.
- To find out what Amazon and Alibaba mean for the future of E-commerce.
- To find out satisfaction level of the consumers.

DATA SOURCES

Data is a collection of raw, unorganized facts and details like text, observations, figures, symbols and description of things etc. Data can be collected from two sources

a) Primary Data: Primary data is the kind of data that is collected directly from the data source without going through any existing sources.

For example – Personal observation, Survey and Questionnaire.

b) Secondary Data: Secondary data is the data that has been collected in the past by someone else but made available for others to use.

For example – Data collected through Website, Journals, Research Work, Articles, E-content.

In this study Primary Data has been the self-designed questionnaire and Secondary Data has been the literature review, website and e-content.

METHODOLOGY

The study was exploratory in nature and self-designed questionnaire was used to collect the data. The total population among which the

survey is done with the help of questionnaire is 30. The data was analyzed with the help of table, bar graph and pie chart.

LIMITATIONS OF THE STUDY

1) Lack of time

Time constraint was an important limitation as the study was not full-fledged research study instead had to complete within limited time frame.

2) Limited area

The survey areas were limited as because the knowledge regarding the selection of the survey area was not there due to research at infancy. Again, some of the respondents were not willing to talk or were giving bias responses, which limited the research study.

3) Cost constraint

Hard but true, that money was also a limited factor due to which the research could not get extended elaborately.

4) Biased data

Some of the respondents were biased in their responses, which again are not supporting the generalized conclusions of the study, those were uncontrollable.

5) Lack of updated data

The sources for collection of secondary data also were not accessible every time. Some of the sources again, gave the results in the absence of major influencing factor, which altogether impacted the generalized conclusions of the study.

CHAPTER PLANNING

CHAPTER 1: INTRODUCTION

Background of the study, Literature Review, Objectives of the study, Data source and Methodology, Limitations of the study, Chapter Planning.

CHAPTER 2: CONCEPTUAL UNDERSTANDING

Four parts: Conceptual Understanding, National Scenario, International Scenario, Brief Profile of Case Study.

CHAPTER 3: DATA ANALYSIS AND FINDING

Four parts: Data Presentation, Interpretation, Analysis and Findings.

CHAPTER 4: CONCLUSIONS AND RECOMMENDATIONS

Two parts: Conclusion of the study and Recommendations as future scope of the study.

CHAPTER 5: BIBLIOGRAPHY

One part: Websites

CHAPTER 6: ANNEXURE

One part: Questionnaire

CONCEPTUAL UNDERSTANDING

AMAZON

Most of the people will be familiar with Amazon's history. In **1994**, **Jeffrey P. Bezos** founded Amazon which began by focusing solely on selling books. They have since grown into the behemoth they are today and are now the largest online retailer in North America.

ALIBABA

Alibaba was founded in China by **Jack Ma** in **1999**. Ma did not have Bezos' technology or business background. An English teacher, he had failed at his previous two business ventures. But despite those

setbacks, he raised money from family and friends to launch Alibaba.com – a B2B portal for connecting Western businesses and Chinese manufacturers.

Since then, the company has grown to be the largest E-commerce company in the world (measured by both gross sales and company value) and recently went public in the largest IPO in history.

Features

Amazon

Dedicated Business Homepage

Access to the dedicated business homepage to discover products, offers and features relevant for buyer's organization. Also available on-the-go through the Amazon App.

Smooth checkout

Add multiple addresses and payment methods. Choose the preferred option with just a click during checkout.

Easy returns & replacements

Return products for a refund or place replacement for damaged or defective products. With Amazon's A-to-z Guarantee, purchases are protected.

Reduce costs

More money with Amazon Business. Whether a growing startup or an established business, there are plenty of ways to reduce costs.

Alibaba

Attract sellers

They attract sellers by eliminating listing fees. Alibaba does not charge anything upfront from sellers or buyers for joining. It is still free.

Unique Business Model

Alibaba's largest business is its core E-commerce operations, but cloud computing is growing the fastest. Alibaba Cloud provides enterprise customers with a complete suite of cloud services, including database, storage, management and application services, big data analytics, a machine-learning platform, and other services.

Translation Tools

Allow to communicate seamlessly with conversations translated into 18 languages, so that one can sell to a global buyer base.

Live Stream Shopping

Alibaba helps to get your product in front of potential customers in a more intimate, live setting.

Advantages

Amazon

Positive Customer Trust

In a low trust world, customers trust Amazon because the company has earned it over time. Further, Amazon continues to reward customers for sharing information with them.

Offers voice search via Alexa

Specifically Amazon accounts for about 90% of all voice shopping spend and 70+% of people who did a voice search last year used Alexa.

Fast Delivery

Amazon has a lot of products available at reasonable prices, which can be delivered to customer's door, even overnight if they are willing to pay the fee.

Prime Service

Amazon prime is a paid membership service that is largely providing its customers video-streaming, music, e-books, early access to deals & new launches and unlimited free shipping.

Alibaba

Accessibility

One of the best things about Alibaba is that it's available to everyone – even solo merchants can thrive and prosper.

Negotiable

As Alibaba is a wholesale platform and the number of suppliers are huge, customers can actually negotiate the prices and come to a flexible decision.

Retail Store

Alibaba made an even more significant transformation. It launched over 20 Hema Fresh stores in Beijing and Shanghai, which provide imported seafood, meat, fruit, and vegetables for high-end customers.

Wide Selection

Alibaba provides businesses with many options for overseas sourcing as there are millions of products and hundreds of thousands of sellers on the platform. Thus, makes it easy to compare them against each other.

Disadvantages

Amazon

Delivery Scam

Some sellers may place mischief and deliver a fake or a used product. Hence one should always buy from Prime sellers.

Fake Reviews

Fake reviews for a lot of products make them sound really good. It can mislead from buying.

Poor Delivery

Delivery persons might not come at convenience. It is still massive problem in many cities.

Harmful for Community

If people are buying from Amazon, they are not buying from local businesses, which might have an effect on the community.

Alibaba

Bad Reputation

An appalling F rating given to alibaba.com from the BBB. The report on the BBB website states that this rating is due to a failure to respond to 114 complaints, with the company having received 154 complaints in the last three years alone. The vast majority of these complaints are regarding problems with a product or service, but there are also billing, advertising and delivery complaints too.

Delayed Shipping

Shipments are very slow and a product can take months to reach the client.

Different Purchase Process

Customers contact the seller and agree on the details of the order before making the payment. Therefore, it's not a direct buy as usually done in a conventional marketplace.

Bulk Orders

Maximum order amount needed for discounted pricing.

NATIONAL SCENARIO

AMAZON

Amazon India launched operations in June 2013. The company launched its website Amazon.in. On the first day of its operations, Amazon India had received more than 10,000 orders.

Amazon India is a fully-owned subsidiary of US based e-commerce giant Amazon, Inc. With sales and growth nearing saturation limits in the United States, Amazon was looking to explore other countries for its future growth. They launched operations in China. However, due to stiff competition by local e-commerce companies such as Alibaba, Amazon started looking for other viable options. The company found great potential in India.

Amazon India currently offers millions of products on its platform and has millions of registered users. Currently It offers products across various categories. Amazon India also operates a Global Store, where customers can buy directly from sellers in the United States. Recently, Amazon Prime was launched in India, which provides users access to various services such as streaming video, music, e-books, the latest offers, etc. Amazon India currently delivers to most of the serviceable PIN codes in India. It has more than 20,000 Indian sellers and 41 fulfillment centers across 13 states.

ALIBABA

For Alibaba.com, the B2B arm of the world's largest e-retailer Alibaba Group India is the second largest market globally.

"India is the second most important market for Alibaba globally, next only to China for us," said Timothy Leung, head of global business development, Alibaba. The B2B subsidiary of Alibaba Group launched an online platform to provide Indian small and medium enterprises (SMEs) access to global counterparts.

The company has 4.5 million registered users from India, with the country accounting for the second-highest paid users on the platform after China. SMEs in India can also avail assistance in terms of financing, logistics (domestic and cross-border), inspections and certifications, technology and SME trade-linked education on this platform. The Chinese company has partnered with enterprises such as ICICI Bank, Kotak Mahindra Bank, CRISIL Rating, Tally, Capital Float, JEENA, SGS and MYPACCO to help Indian SMEs expand their business.

The recently launched initiative, known as SMILE, hopes to connect Indian manufacturers with quality Chinese suppliers on Alibaba.com, provide Indian sellers the trading support and facilitate the global sales of Indian products through the platform.

INTERNATIONAL SCENARIO

AMAZON

In May 1997, Amazon went public. It began selling music and videos in 1998, at which time it began operations internationally by acquiring online sellers of books in United Kingdom and Germany. Amazon

Germany is the company's biggest foreign presence, accounting for one-third of the company's sales revenue.

Amazon entered the Chinese market in 2004, when it acquired online book retailer Jojo. Competing against Alibaba, the company perceived losses for 11 years. In 2015, Amazon decided to join forces with Alibaba, and started doing business through the Chinese platform's "Tmall" website.

Currently, Amazon has established its website in 20 countries including Japan, Spain, Brazil, Saudi Arabia, France etc. It also provides international shipping to certain countries for some of its products.

ALIBABA

Alibaba has the presence in China and various international markets. It had 423 MM active buyers in the year 2015-16 who helped the company in surpassing 3 trillion Renminbi (RMB) of Gross Merchandise Value. Alibaba is ruling the market in China but in other Developing and Developed nations, it is still struggling to emerge as a most preferred E-commerce player.

Alibaba already dominates the Chinese market. Now the company's challenge is finding new customers outside of China. To do so, they're investing billions in expanding into Europe.

But Amazon has a head start on that continent, with about 10% of European e-commerce taking place on Amazon. And Alibaba might face regulatory challenges. Some countries might take issue with a Chinese-owned company operating within its borders. Some nations' governments might levy additional taxes or regulatory oversight for Alibaba to sell to their citizens.

BRIEF PROFILE OF CASE STUDY

- Amazon was founded in 1994 by Jeffrey P. Bezos. Jeff Bezos incorporated the company (as Cadabra) in July 1994 which was later renamed to Amazon.
- Alibaba was founded in China by Jack Ma in 1999. Ma did not have Bezos' technology or business background. An English teacher, he had failed at his previous two business ventures.
- In May 1997, Amazon went public. It began selling music and videos in 1998, at which time it began operations internationally by acquiring online sellers of books in United Kingdom and Germany.
- In 2014, Alibaba's initial public offering (IPO) on New York Stock Exchange raised US\$25 billion, giving the company a market value of US\$231 billion and, by far, then the largest IPO in world history.
- In 1999, Amazon began selling items including video games, consumer electronics, home improvement items, software, games, and toys.
- In January 2018, Alibaba became the second Asian company to break the US\$500 billion valuation mark, after its competitor Tencent. As of 2020, Alibaba has the sixth-highest global brand valuation.

DATA PRESENTATION

With Alibaba's recent IPO, people are eager to pit the two E-commerce juggernauts against each other to create an Alibaba vs. Amazon faceoff.

But Alibaba is widely misunderstood. And despite being an enormous E-commerce peer, it's extremely different from Amazon. Are the two really destined to be arch enemies or is it all just exaggerated drama?

In this study, I'll be analyzing Alibaba and Amazon. Dive deep into the nitty gritty of both companies: what makes them tick, how they make money, how they're different and what they mean for the future of E-commerce.

Alibaba's revenue in fiscal year 2020 was \$72 billion – its highest yet – while Amazon's revenue in the first quarter of 2020 was an astonishing \$75 billion. These numbers represent impressive growth. And that expansion is reflected in these businesses' stock prices.

Amazon stock jumped by about \$3,000 per share between 2015 and 2020. And Alibaba stock increased by about \$170 per share over the same period.

But which e-commerce giant is the better investment?

That's exactly what will be discussed.

DATA ANALYSIS

Amazon vs. Alibaba Similarities

In some ways, Amazon and Alibaba appear similar.

- Both companies started in the 1990s. And both businesses' founders were men with visions for a new e-commerce business.

- Amazon and Alibaba each have their proprietary payment systems for customers. Amazon's is Amazon Pay, and Alibaba's is Alipay.
- Both companies operate online media platforms through which they sell products, content, and services. Alibaba and Amazon each dominate e-commerce in their home nations.
- And both companies have international aspirations.

But there are many differences between these companies as well. Knowing those variations is crucial to making the right investment decision when it comes to Amazon vs. Alibaba.



FIG 1: Similarities and Differences between Amazon and Alibaba

Alibaba vs. Amazon Differences

While there are similarities between Amazon and Alibaba, there are critical differences between the two companies.

- An obvious distinction is where each company is located. Amazon calls Seattle, Washington, home with a second headquarters planned for Arlington, Virginia. This location means Amazon is subject to laws, regulations, and taxes of the United States.
- Alibaba's headquarters are in Hangzhou, China. That places Alibaba under the Chinese government's observation, which has less transparency and more oversight than the U.S. government.
- You see another difference when looking at Jack Ma vs. Jeff Bezos. While Bezos still runs Amazon, Ma stepped down as chair of Alibaba in September 2019.
- But the most significant difference between Amazon and Alibaba for investors is each company's business model. Alibaba is a middle man for most of its products and services. It uses its platform to connect buyers and sellers. Amazon sells directly to consumers. It uses its platform to help people find things to buy. In fact, by 2018, more people searched for products on Amazon than on Google.

Having different business models impacts every aspect of how Alibaba and Amazon operate. It drives who they're trying to reach, how they make money, and more.

The Differences Between Amazon's and Alibaba's Target Audiences

Who a company sells to, its target audience, is an essential part of a business model.

Looking at Amazon vs. Alibaba, there is a big difference between each company's target audiences.

- Amazon is B2C company. Its target audience is people looking to buy everything from clothes, to household goods, to books and movies. As such, Amazon devotes resources to attracting consumers to its e-commerce platform. And Amazon owns warehouses holding items that people buy. It even has its own delivery force, including planes, trucks, and final delivery vans. Meanwhile, Alibaba is business-to-business, or B2B. It focuses on getting other businesses to sell on its platform. And it doesn't deal with warehouses of goods.
- A B2B model presents a different sales pipeline for Amazon vs. Alibaba. It can take longer for Alibaba to convince a business to become an Alibaba customer than it can for Amazon to get you to buy detergent on its website. At the same time, Alibaba can offer more products than Amazon. Alibaba isn't limited to what it
- can buy and store. Instead, its customer, which is another business, provides products for consumers to purchase. And that's another key difference between Amazon and Alibaba.

Alibaba vs. Amazon Revenue

How Alibaba and Amazon each make money differs.

Both companies have diverse revenue streams, but they vary in the specifics.

Amazon makes money from consumers buying products on its website, advertising on its site, and from subscription services, such as Amazon Prime. About 71% of Amazon's revenue comes from e-commerce.

Amazon also owns Whole Foods, which in Q1 2020 contributed \$4.64 billion to Amazon's quarterly revenue.

But one of Amazon's most successful enterprises has been its Amazon Web Services, which is a massive cloud server. AWS alone is valued at over \$500 billion, which means even if it split from Amazon into a new company, both AWS and Amazon would be in the 10 largest U.S. companies by market cap.

capitalization. It's a sign that Amazon is continually innovating and expanding its business beyond selling products online.

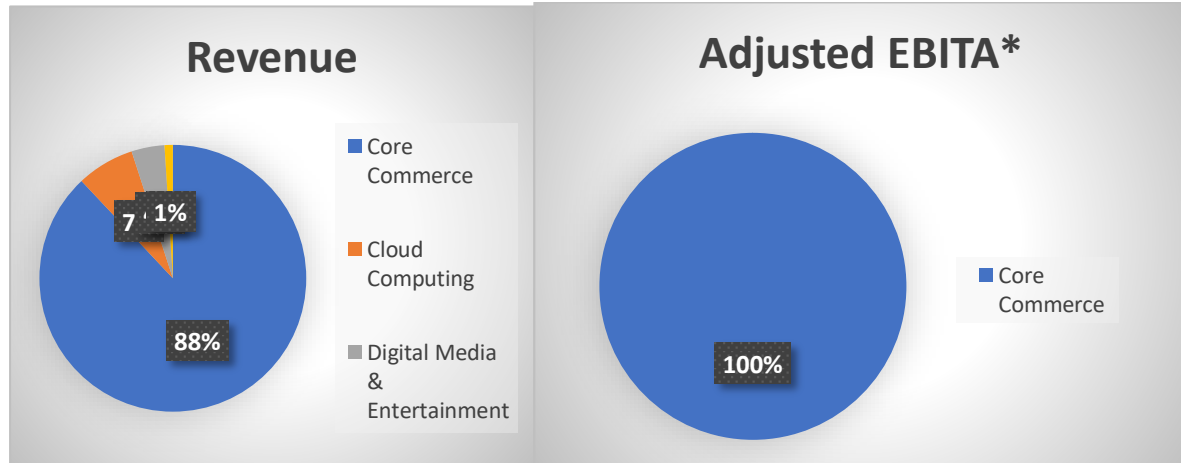
Like Amazon, Alibaba's revenue is majority e-commerce. But the share of income the company makes from its website is higher than Amazon's. About 86% of Alibaba's income comes from its online platform.

In the fiscal year ending March 31, 2020, Alibaba Group recorded a revenue of 473.68 billion yuan in Chinese online sales. This translates to approximately 72.3 billion U.S. dollars. In 2019, the gross merchandise volume of China's e-commerce market amounted to around 9.9 trillion yuan and was forecasted to reach nearly 14 trillion

yuan by 2022. Some of the factors contributing to this growth are increased internet penetration and ever-growing spending power of the general population, but also the expansion of e-commerce giant Alibaba Group.

Alibaba's most prominent e-commerce websites include Taobao Marketplace, Tmall, cross-border e-commerce platforms AliExpress and Kaola.com, a developer of platforms for cloud computing and data management called Alibaba Cloud, as well as O2O fresh food service Freshippo. Its payment provider Ant Group, formerly known as Alipay or Ant Financial, has been spun off in 2014 into an independent company.

Diving more deeply into each company's revenue streams, we see another crucial difference between Amazon and Alibaba – their fees.



*earnings before interest, taxes, and amortization

FIG 2: Revenue structure

Fees vs. No Fees

We referenced that Amazon makes money from advertising on its website. That's worth closer inspection, as that's another critical way to differentiate Amazon vs. Alibaba.

Amazon charges seller fees for promoting products on its platform. For example, a business selling blue jeans can pay Amazon to highlight its pants at the top of related search results.

Amazon charges fees every time a business sells a product through its platform. The costs vary depending on what a merchant sells, for how much, and if Amazon handles shipping or not.

Plus, Amazon charges consumers a fee through its Amazon Prime membership. Prime customers pay an annual fee in exchange for free, expedited shipping and content such as movies and TV shows.

Alibaba doesn't charge fees for businesses selling on its platform. Instead, it lets its sellers pay to rank higher in product search results.

That sounds similar to Amazon, but advertising is a far greater share of Alibaba's revenue than Amazon's. At least half of Alibaba's income comes from selling ads.

Both companies are making money, which is fueling their growth. But how they're growing differs.

Income from Fees Charged to 3rd Party Merchants

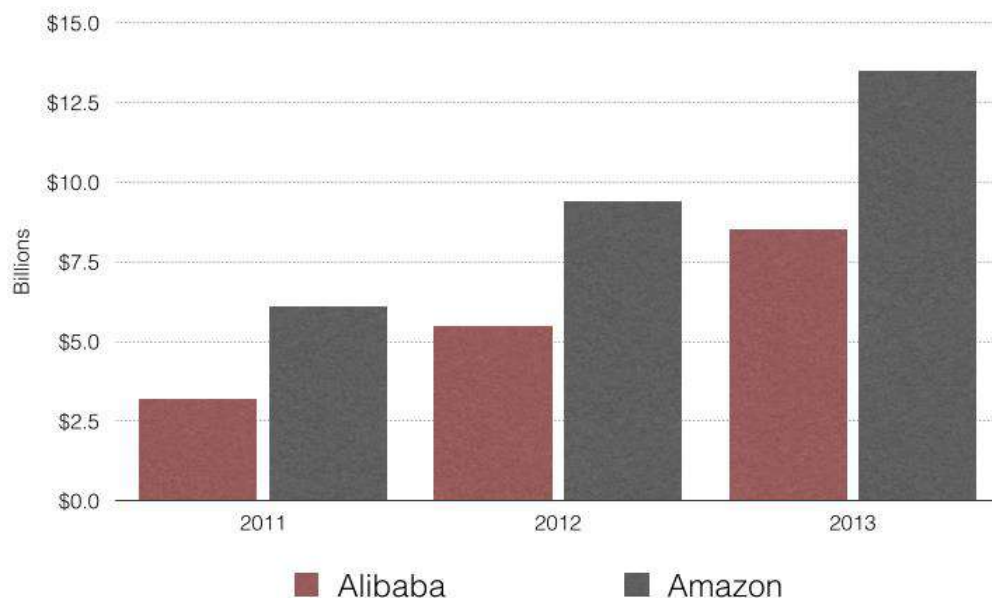


FIG 3: Income from fees charged to 3rd party merchants

Which Company's Growing Faster?

Alibaba grew by 44% each year between 2015 and 2018. During the same period, Amazon grew by 27% annually.

Alibaba revenue grew by 38% in its final quarter of the fiscal year 2020. Meanwhile, Amazon revenue grew by 21% during the same period.

It looks like Alibaba is the faster-growing company, but that's not the whole story. Alibaba already dominates the Chinese market. Now the company's challenge is finding new customers outside of China. To do so, they're investing billions in expanding into Europe. But Amazon has a head start on that continent, with about 10% of European e-commerce taking place on Amazon. And Alibaba might face regulatory challenges. Some countries might take issue with a Chinese-owned

company operating within its borders. Some nations' governments might levy additional taxes or regulatory oversight for Alibaba to sell to their citizens. For the most part, since it's a U.S.-based business, Amazon doesn't face the same international trade headwinds that Alibaba might.

On the other hand, Amazon's essentially surrendered China and its 730 million-plus online consumers to Alibaba. Amazon's instead focuses on growing its U.S. operations and expanding into other countries, such as India.

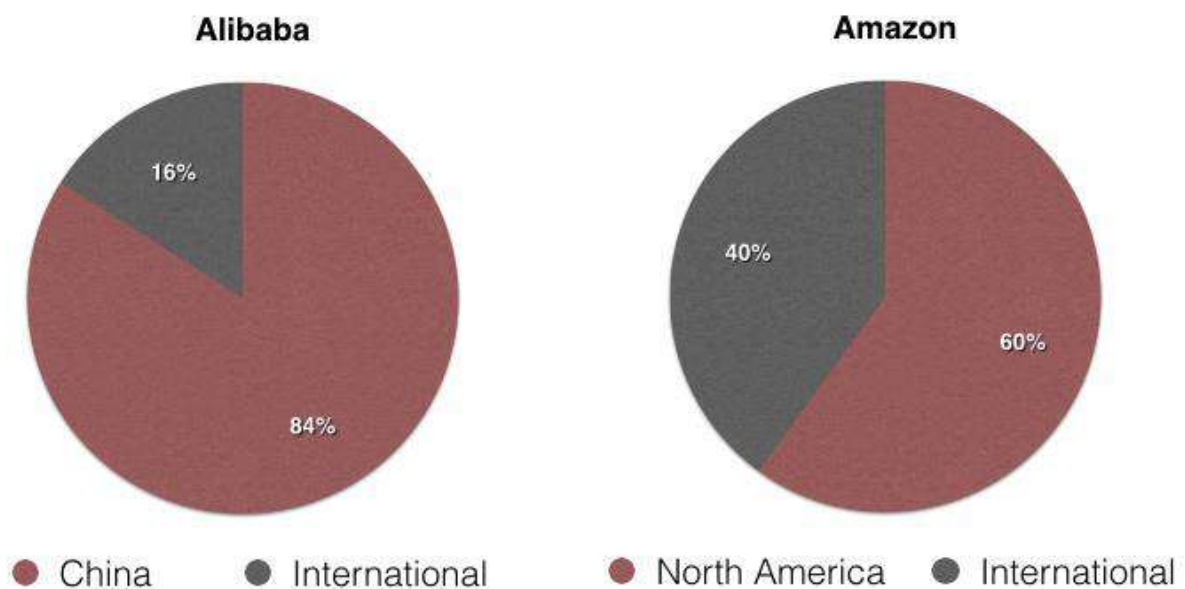


FIG 4: National and International Scenario

So, which company is growing faster, Alibaba or Amazon?

By most metrics, the answer is Alibaba. Its revenue across the board is growing faster than Amazon's. And while it's behind Amazon in expanding into Europe, there's still opportunity. After all, Amazon only has about a 10% market share of European e-commerce.

Annual Profits

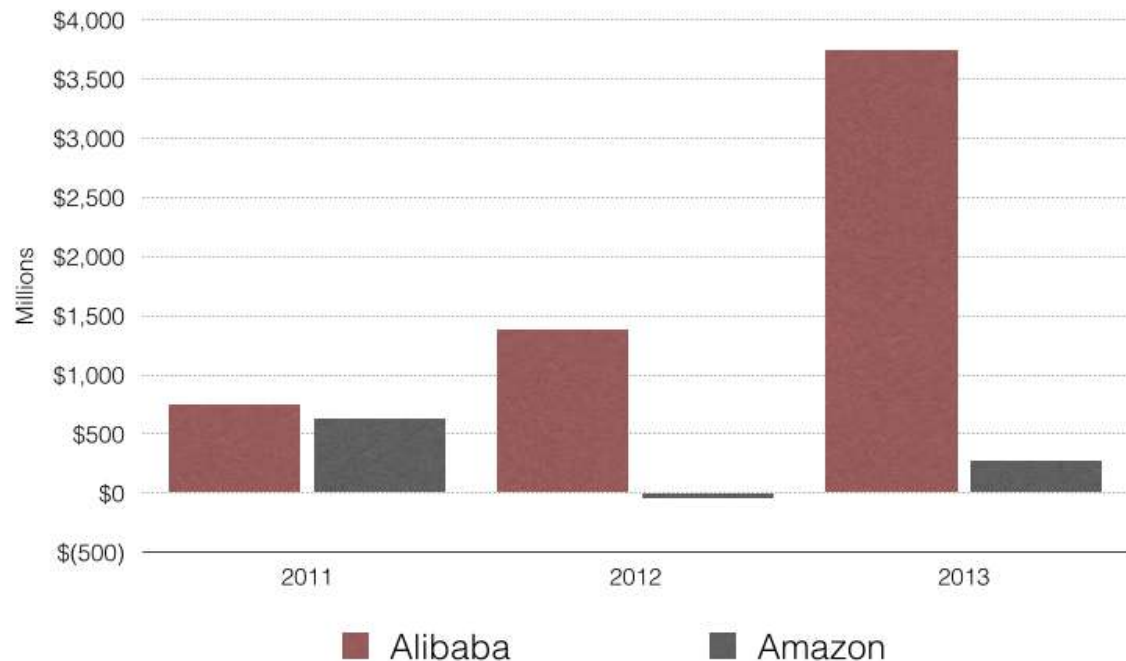


FIG 5: Annual profits of Amazon and Alibaba

That said, Alibaba doesn't come without risk because it's based in China. While there's no evidence that the company's financial reports aren't accurate, other Chinese companies have had fraud issues.

For example, a research firm found in early 2020 that China-based Luckin Coffee overstated its 2019 revenue. The finding resulted in the company's delisting from the Nasdaq stock exchange.

Which leaves us with the question, which should you buy, Alibaba stock or Amazon stock?

Which Should People Invest In?

Deciding between Amazon stock or Alibaba stock depends on your comfort with risk and price.

Amazon's stock trades much higher than Alibaba's, around \$3,100-\$3,200 per share versus \$200-\$250 per share. Of course, the share price doesn't reflect value. And with fractional trading becoming more popular, Amazon's share price shouldn't hold you back from investing in the company.

Here after the whole study, I think both stocks make fantastic buys.

Money Morning (A financial information website for investors) Executive Editor William Patalon, says a savvy investor can build their entire portfolio around Alibaba stock. It has that much potential. But that doesn't mean Amazon is past its prime either. Shares of Amazon are up 68% on the year, an incredible run for a stock that's already made many of its shareholders rich.

When investors ask Money Morning Defense and Tech Specialist Michael Robinson if it's too late to buy Amazon, he has a very simple answer: "Absolutely not."

Amazon isn't content being a simple e-commerce website. The company continues to innovate, with its massive cloud computing business and savvy acquisitions of upstarts like PillPack, there's no ceiling for the company.

DATA INTERPRETATION

(\$bil)	2011	2012	2013
Alibaba			
Revenue	\$3.2	\$5.5	\$8.5
Profit	\$0.7	\$1.4	\$3.7
Profit Margin	21.1%	24.3%	44.0%
Amazon			
Revenue	\$48.1	\$61.1	\$74.5
Profit	\$0.6	-\$0.03	\$0.6
Profit Margin	1.2%	0.0%	0.8%

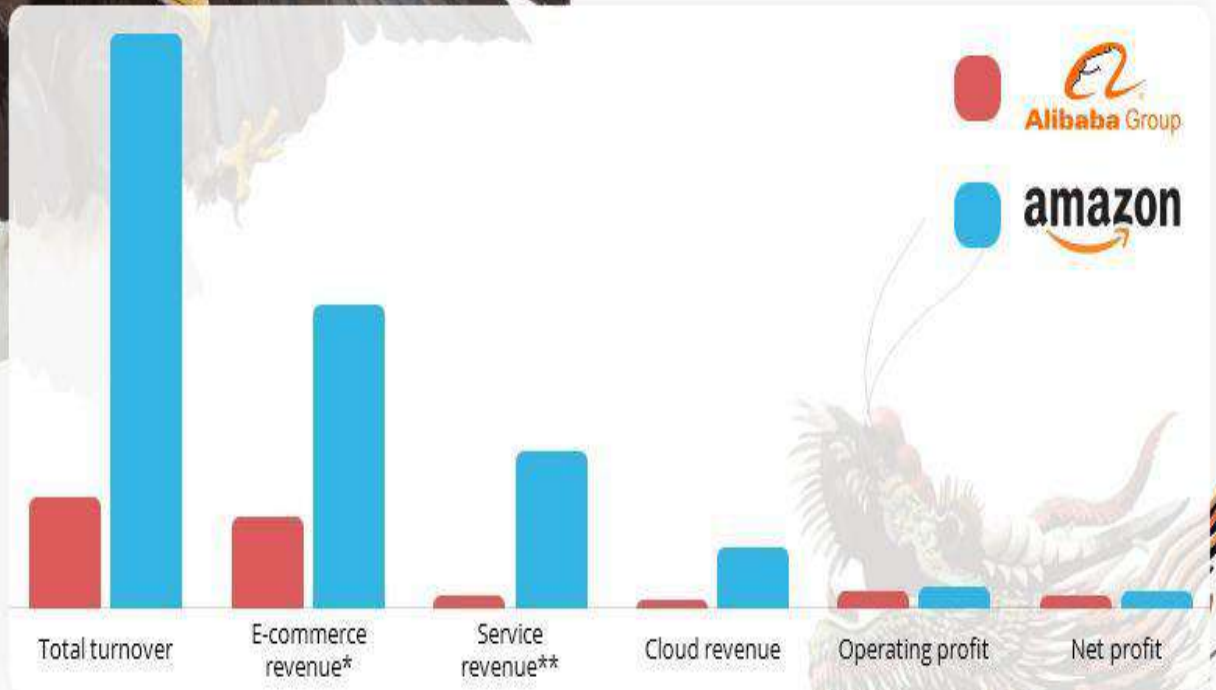
FIG 6: Profit margin of Amazon and Alibaba



FIG 7: Percentage change for Amazon vs Alibaba

Alibaba is not yet Amazon

Selected Alibaba and Amazon Financials for Q1 2018 (in \$ billion)



* Includes one-time purchases of digital content, without subscription fees

** e.g. advertising, subscriptions

source:



Alibaba cannot keep up with Amazon's sales figures, but this could change in view of Alibaba's European expansion and the rapidly growing Chinese eCommerce.

FIG 8: Amazon and Alibaba financials

	Alibaba	Amazon
Foundation Date	1999	1994
Leadership	Jack Yum Ma (founder and executive chairman) Daniel Yong Zhang (CEO)	Jeffrey P. Bezos (founder, chairman and CEO)
Headquarter	Hangzhou (China)	Seattle, Washington (USA)
Mission Statement	Alibaba Group's mission is to make it easy to do business anywhere)	Seek to be Earth's most customer-centric company
Annual Revenue	\$15,686 millions	\$1,07,006 millions
Key regions	China (\$133,077 millions)	United States (\$70,537 millions)
Net income	\$11,056 millions	\$596 millions
Total asset	\$56,521 millions	\$65,444 millions
Main competitors	eBay Inc. Amazon.com, Inc. Google Inc. Tencent Holdings Limited Baidu, Inc. NetEase, Inc. Paypal, Inc.	Barnes and Noble, Inc. Alibaba.com, Inc. Bluefly, Inc. Books-a-Million, Inc. eBay Inc. Overstock.com, Inc.
Capital expenditure	\$1,682 millions	\$4.6 billion
Free cash flow	\$7,953 millions	\$7,331 millions

TABLE 1: Comparative table of key figures and facts*

* General data and facts on the two companies are collected from the newest annual reports of Amazon and Alibaba (see Amazon, 2015a, pp. 5, 15, 17, 22, 31, 69; Alibaba, 2016a, pp. 2, 6, 56, 139), Alibaba's official website (see Alibaba, n.d.-b; Alibaba, n.d.-c), and the online statistics portal Statista (see Statista, 2016). The main competitors are extracted from third-party reports (see MarketLine,

2016, p. 27; Canadean, 2013, p. 29). It is worth specifying that Amazon's latest annual report shows figures from FY2015 (which ended the 31st of December 2015) while Alibaba's annual report shows figures from FY2016 (which ended the 31st of March 2016).



FIG 9: Taobao filters*

*The presentation on Tmall is similar

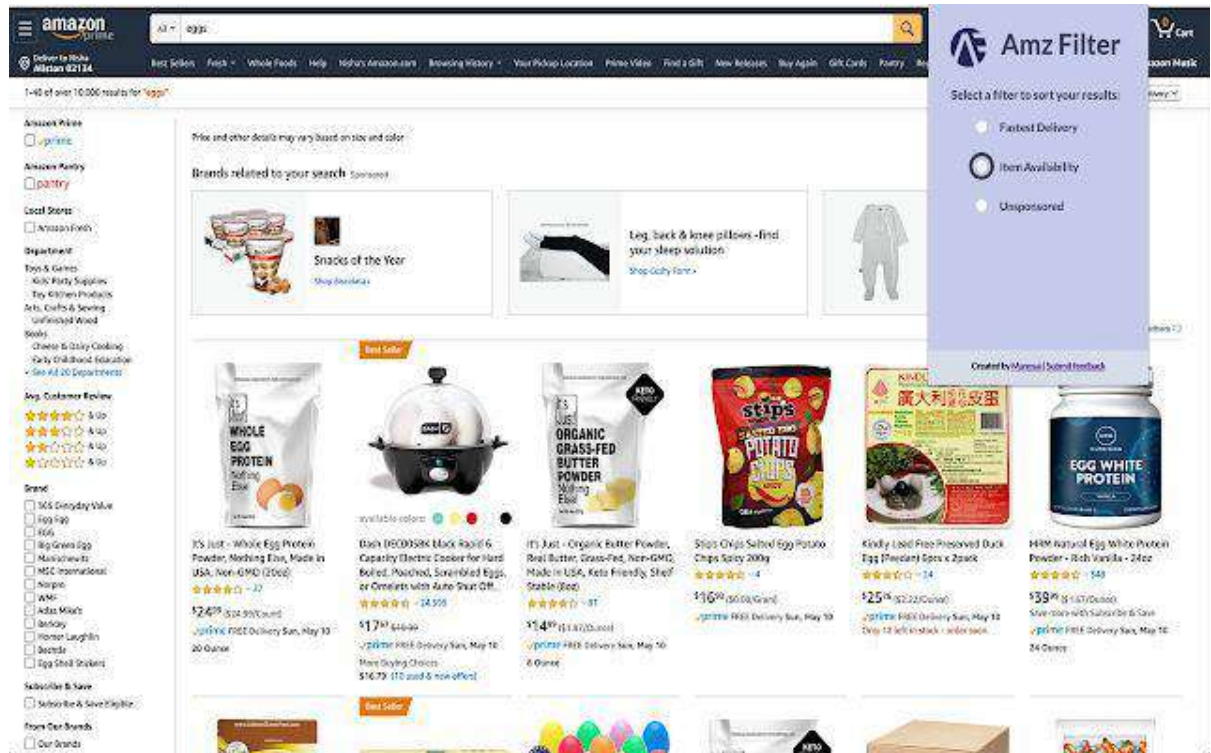


FIG 10: Amazon filters

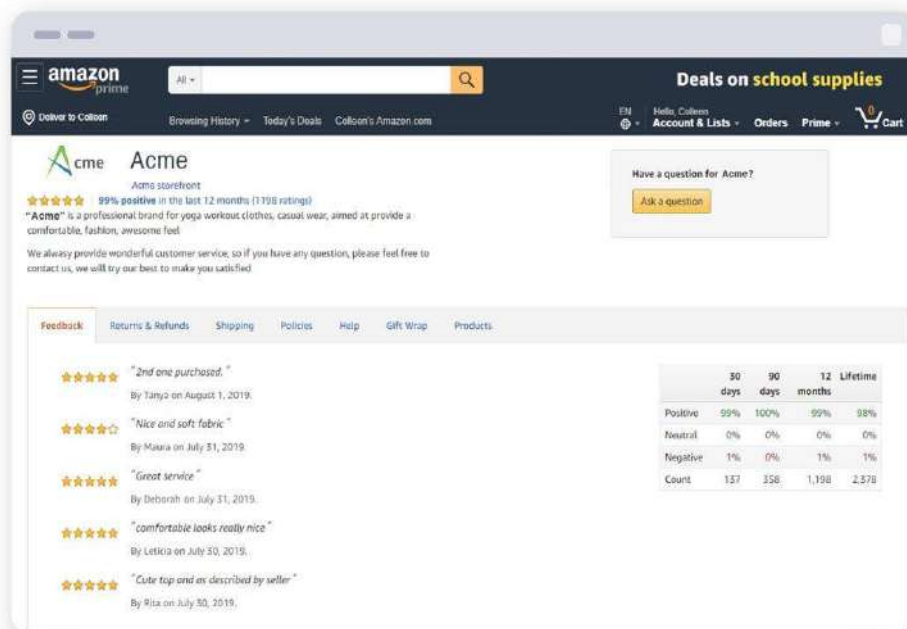


FIG 11: Amazon merchant's page and customer feedbacks section

Seller rating score	Seller rating grade
<4	
4-10	❤️
11-40	❤️❤️
41-90	❤️❤️❤️
91-150	❤️❤️❤️❤️
151-250	❤️❤️❤️❤️❤️
251-500	💎
501-1000	💎💎
1001-2000	💎💎💎
2001-5000	💎💎💎💎
5001-10,000	💎💎💎💎💎
10,001-20,000	💎
20,001-50,000	💎💎
50,001-100,000	💎💎💎
100,001-200,000	💎💎💎💎
200,001-500,000	💎💎💎💎💎
500,001-1,000,000	👑
1,000,001-2,000,000	👑👑
2,000,001-5,000,000	👑👑👑
5,000,001-10,000,000	👑👑👑👑
10,000,001-	👑👑👑👑👑

FIG 12: Taobao’s point-based rating system measurement scale for buyers and sellers respectively.

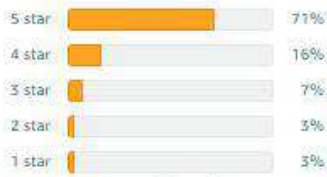
 Seller credit evaluation show praise rate: 98.80%					
Last week		Last month		The last six months	
Six months ago					
	 Praise	 Average	 Bad review		
total	18064	130	116		
Clothing shoes bag	18064	130	116		
Non - core industry	0	0	0		

FIG 13: Taobao reputation system

Customer reviews

★★★★☆ 4.5 out of 5

8,908 global ratings



How are ratings calculated?

By feature

Quality of material: ★★★★★ 4.5

Easy to use: ★★★★★ 4.4

Durability: ★★★★★ 4.4

See more

Review this product

Share your thoughts with other customers

Write a customer review

Customer images



See all customer images

Read reviews that mention



Top reviews

Top reviews from the United States

Molly

★★★★☆ Unhappy with this garlic press.

Reviewed in the United States on November 25, 2018

Verified Purchase

I purchased the model [redacted] Garlic Press, Stainless Steel Mincer and Crusher with Garlic Rocker and Peeler Set - Professional Grade, Dishwasher safe, Rusting-proof and Self Cleaning from Amazon on September 11, 2018. While this product is sturdy and made of good quality materials it, regrettably, does not perform well.

FIG 14: Amazon customer review section



*Product description and recommendations
*Listing
*Filtering and sorting Option

*Pricing
*Communication
*Checkout

*Rating system
*Fake reviews and counterfeit products
*Payment and guarantees
*Tracking and delivery

TABLE 2: Different type of costs

Customer Questions & Answers

Have a question? Search for answers

6
votes

Question: How many GBs is the phone?
Answer: 16gb
By yusnie1537 on October 23, 2015
[See more answers \(12\)](#)

3
votes

Question: can i use any type of sim card?
Answer: No it requires mini sim
By Everett McClure III on September 9, 2015
[See more answers \(7\)](#)

2
votes

Question: How long will it take to ship to Massachusetts
Answer: Will ship out tmr after you paid , then arrives 2_3 days
By Polyoutlet on December 16, 2015
[See more answers \(3\)](#)

1
vote

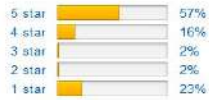
Question: Does this phone come with all accessories?
Answer: come with wall charger ,usb cable ..no headphone
By Polyoutlet on December 18, 2015
[See more answers \(9\)](#)

[See more answered questions \(141\)](#)

Customer Reviews

3.9 out of 5 stars 44

3.9 out of 5 stars



Share your thoughts with other customers

[Write a customer review](#)

FIG 15: Amazon's customer question and answer section

DATA FINDINGS

The major findings of the primary survey are :

- 40 people respond to this study. But out of which 30 people claim that they use E-commerce sites.
- Out of 30 people 15 male and 15 female. That's mean both male and female have equal knowledge about the online shopping sites and having more knowledge about the services provided by the sites.
- Most of the respondents who lie under below 20-35 are using Amazon and Alibaba.
- Most of the respondents are students.
- Most of the respondents whose Income is between 0 to 10000 per month.
- Most of the respondents are either HS pass or graduate.
- Most of respondents buy electronic goods from Amazon and Alibaba.
- Most of the respondents did not buy from Alibaba as all the respondents are from India.
- Most of the respondents say Alibaba is not reliable to them as It is a Chinese shopping site.
- Most of the respondents are not happy with the purchase from Alibaba.

- It is very interesting to see the 29 people have account in Amazon.in but only 2 people have account in Alibaba.com.
- Almost 80% users are running internet more than 3 hours.
- 24*7 business hours, Easy to use and saving time and money is the main benefit which

- online shopping users have seen among other options.
- The study revealed that most of the users' claim that they aware of security threats and they took recommend steps to secure the E-shopping.
- Most of the respondents claim that lack of awareness place computer facilities and less interest connection are the main cause for non accessibility of online shopping by majority of people in their area.
- Most of the respondents also claim that it replace traditional shopping to online shopping in future.
- Last of all so many are satisfied on using Amazon than of Alibaba.

CONCLUSION

The approach taken by Alibaba and Amazon is different but they share the same ultimate goal is to be able to keep growing and delivering value to the various stakeholders. Their respective business models have also shown to be quite balanced regarding the three dimensions presented. Comparatively, Alibaba's business model is more centred toward matching, acting as a pure intermediary for most of its platforms, while Amazon's business model is more about assembling and integrating diverse businesses so as to be able to capture rents.

As shown by the analysis, the advantage of Amazon's business model is that it has more control over the quality of the content that are offered on its platform and benefits from higher efficiency. Indeed, it is taking care of a large part of the value chain itself. The downside is that this business model requires high investments, which may not generate satisfying returns quickly enough – a reproach that has been often addressed to Amazon by its shareholders. In contrast, Alibaba's business model disposes of a broader selection of less integrated functionalities and higher economies of scale, and could therefore grow more rapidly due to the fact that it does not have to invest in expensive supporting infrastructures, and has presence in more than one industry.

As announced by the company, next developments will take place in rural China, as the market is currently underserved but presents great opportunities. Alibaba has, nonetheless, to resolve the issue of counterfeit goods if it wishes to position itself as a solid contender internationally.

The survey was conducted with 30 people of Asansol, Durgapur and Kolkata area. So we can't say that this is a real trend of E-commerce of whole the country.

People are not confident enough to whether to rely completely on Electronic commerce. There is hesitancy in their minds with regards to preference. So they use both the online and offline shopping.

At the time of Survey when I give questionnaires to people, they very casually fill it without think of the depth of the study.

Another point is people and not discloses their personal data truly.

Due to COVID-19 Pandemic I can't collect more data because this time is very hard to convince with people is absolutely don't allowed so in social media and using google form this data was collected by them.

Due to shortage of time data can't be collected from all type of people.

The study was conducted with the help of students, service holders and Business men etc.

RECOMMENDATIONS

We can see the time is changing and we are not accepting technology but there is still a lot of perceptual locking which hampers the growth its normal tendency of technology, that why the growth of internet banking is very primitive in nature.

➤ **Recommendations to E-commerce sites:**

- Make sure your site loads quickly, whether on a computer or a mobile device.

- Remember that a good display photo can be worth a thousand words (and maybe a thousand dollars).
- Include customer reviews.
- Pay attention to color psychology when planning your color scheme.
- Let customers know if an item is in stock, or what the backorder date is, right on the product page.
- Make it easy for customers to contact you, get a quote or sign up for email.
- Offer free shipping. Customers love free shipping.
- Offer live chat.

➤ Recommendations to users:

- The buyer should go through the terms and conditions of the contract and after sale service available to the online shopper.
- Before committing purchase, it is better to check the quality and/or security certificates if relevant.
- Customers should not buy goods from websites that request them to send personal or financial information before the purchase of goods.
- It is better to get advice and recommendations about good sites from third parties. The online shopper must collect ample information about the company and its background to avoid getting cheated.
- It is advisable to shop through reputable third party online shopping sites. The sites after analyzing the credit worthiness of the merchant lists them on the website.

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- <https://www.fact-finder.com/blog/amazon-vs-alibaba/>
- https://dial.uclouvain.be/memoire/ucl/fr/object/thesis%3A7258/datastream/PDF_01/view
- <http://www.researchgate.net>
- <https://www.forbes.com/sites/greatspeculations/2020/05/22/amazon-vs-alibaba--one-big-difference/amp/>

ANNEXURE

Questionnaire

A Study of Two E-commerce Giants- “Amazon vs Alibaba”



Big Battle: Amazon vs Alibaba

This is completely for final semester project purpose.

* Required

Email id *

Your answer: _____

Gender *

Female

Male

Other: _____

How old are you? *

15-29

30-44

45-59

60-74

75 and above

Have you bought anything from Amazon? *

Yes

No

Have you heard of Alibaba? *

- Yes
- No

Have you bought anything from Alibaba? *

- Yes
- No

What kind of electronic equipment do you usually use to shop from these sites? *

- Mobile
- Laptop
- Computer
- Tab
- Other: _____

How often do you shop from Amazon? *

- Once a month
- Once a week
- 2-3 times a week
- Never

How often do you shop from Alibaba? *

- Once a month
- Once a week
- 2-3 times a week
- Never

Which kind of goods do you often shop from these sites? *

- Clothes
 - Cosmetics
 - Groceries
 - Medicines
 - Electronics
 - Other: _____
-

Why do you like Alibaba? *

- The range of goods are wider than amazon
 - It is more suitable for Chinese people.
 - There are some pictures of customer reviews
 - Other: _____
-

Why do you like Amazon? *

- It can be used in all over the world
 - There is no fake on amazon
 - The history of amazon is longer than alibaba
 - Other: _____
-

The disadvantage of Alibaba in your mind *

- Too many fakes
- It cannot be used in so many countries
- Maximum order amount needed for discounted pricing.
- Other: _____

The disadvantage of Amazon in your mind? *

- Several providers of the same product can result a price battle
- Some sellers place mischief and deliver a fake or a used product.
- Delivery persons do not come at our convenience
- Other: _____

Are you happy with the order purchased from Amazon? *

- Yes
- No

Are you happy with the order purchased from Alibaba? *

- Yes
- No

Which one do you prefer more? *

- Amazon
- Alibaba
- None of the above

Why so? Describe in brief. *

Your answer _____

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THANK YOU.

PROJECT REPORT

(Submitted for the Degree of B.com Honours in the Accounting & Finance under the University of Calcutta)

TITLE OF THE PROJECT

“GOODS & SERVICE TAX”

SUBMITTED BY

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MONTH & YEAR OF EXAMINATION

July, 2021

Annexure – 1A

Supervisor Certificate

This is to certify that **Mr. SHIVAM AGRAHARI** a student of B.Com. Honours in Accounting & Finance of **SCOTTISH CHURCH COLLEGE** under the University of Calcutta has worked under my supervision and guidance for his Project Work and prepared a Project Report with the title **“GOODS & SERVICE TAX”** which he is submitting, is his genuine and original work to the best of my knowledge.

Place: Kolkata

Date: 25.07.2021

Signature:

Name: Prof. Shreya Basu

Designation: Professor

Name of the College: Scottish Church College

Annexure 1B

Student's Declaration

I hereby declare that the Project Work with the title “**GOODS & SERVICE TAX**” submitted by me for the partial fulfillment of the degree of B.Com. Honours in Accounting & Finance under the University of Calcutta is my original work and has not been submitted earlier to any other University /Institution for the fulfillment of the requirement for any course of study.

I also declare that no chapter of this manuscript in whole or in part has been incorporated in this report from any earlier work done by others or by me. However, extracts of any literature which has been used for this report has been duly acknowledged providing details of such literature in the references.

Place: Kolkata

Date: 25.07.2021

Signature:

Name : SHIVAM AGRAHARI

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CHAPTER – 1

INTRODUCTION

1.1 BACKGROUND

This Project Report Purpose to examine the key factor that has contributed to the Customers Perception towards Goods and service Tax (GST) at Lake Town. In this study, several identifiable variables were selected concerning tax knowledge, tax morale and tax compliance. Using questionnaire as a research instrument, 50 sets of questionnaires had been distributed. Multiple regression analysis was used to test cause of relationship among tax knowledge, tax morale, and tax compliance with tax payer's awareness on GST. The results revealed that all of three independent variables were found to have significant impact towards the public awareness on Goods and Service Tax (GST)



1.2. LITERATURE REVIEW

- **According to Tan and Chin-Fat (2000)**, Malaysian understanding regarding GST was still low. Based on study conducted by Djawadi and Fahr (2013) pointed out that knowledge about tax is important to increase the thrust of authorities and also the citizens.
- **Tulu (2007)**, indicate that other factors such as taxpayers' attitude or morale found to be the result of lack of awareness has found to have little impact on taxpayers' attitude towards taxation. A lot of individuals or taxpayers might want to comply in full with the tax systems, but are unable to do so because they are not aware of and lack of understanding their full obligations. Even they understand their obligations they may not know how to comply with it because of there is no two way communications between the authorities and taxpayers. Dup (2014) claimed that the ability of taxpayers to comply with the tax laws have a strong relationship with tax awareness.
- **Ehtisham Ahmed and Satya Poddar (2009)** studied, "Goods and service tax reforms and intergovernmental consideration in India " and found that GST introduction will provide implies and transparent tax system with increase in output and productivity of economy in India. But the benefits of GST are critically dependent on rational design of GST.
- **According to Palil et al. (2010)**, Public awareness towards GST is low can happen due to introduction of GST especially in the early years such as lack of familiarity with the new system. There are several factors that discouraged customers from accepting GST implementation in Malaysia and the most important factor among all is a fear of price increase and will cause the inflation.

1.3. RESEARCH METHODOLOG

In this research we will use random sampling. Random sampling technique is a technique in which each member of the population has an equal chance of being selected as subject. The entire process of sampling is done in a single step with each subject selected independently of the other members of the population.

Sources of Data:

- **Primary Data:** The study is largely based on the primary data which has been collected through the structured Questionnaire Method.

The Questionnaire have been prepared for study the customer perception towards the Goods and Service Tax in city of kolkata

For the present study purpose questionnaire method is used to collect the primary data. This questionnaire is self administrated questionnaire and it is divided into two sections – Section A and Section B.

- Section A consist the questions regarding Personal Information. For E.g. Name, Age, Gender, Qualification, Marital Status, Occupation.
- Section B Consist the questions which fulfill the research objectives and it contains 20 Questions.

- **Secondary Data:** This type of data has already been collected by someone else and has already passed through statistical process. This type of data has been collected from the following resources:

- Internet
- Books
- Journal
- Govt. Gazette
- Magazine.

Research Plan

Data Source	Primary Data
Research Approach	Survey
Research Instrument	Questionnaire
Method of Contact	Personal
Sample Size	50 Respondent



1.3 OBJECTIVE OF THE STUDY

The main objectives of this study are as follows:

- To study the concept of GST and rationale behind it.
- To analysis customers (common man) perception regarding GST in Laketown, Kolkata.
- To learn the nitty-gritty and deeper impact on tax model change on common man

1.4 LIMITATION OF THE STUDY

The present research is exploratory in nature. Since GST is a new phenomenon in India, there are hardly any studies in this area. Especially there is a huge gap of empirical and behavior studies on GST in India. The study tries to find the significance of popular perception regarding GST.

- The study is only for the resident of Laketown and is confined to particular locations and a very
- small sample of customers/ respondents.
- Processing the data takes long, unnecessary time consumed which makes it difficult and lengthy.
- Respondents may give biased answers based on their personal experiences

Respondents are not always too eager to take the survey, and in order to fill the questionnaire faster, they select random answers. This makes it harder to come to the correct result.

CHAPTER – 2

CONCEPTUAL FRAMEWORK

2.1 AN OVERVIEW OF GOODS AND SERVICES TAX (GST)

[A] MEANING OF GST

Clauses 366 (12A) of the constitution Bill defines GST as “goods and service tax” means any tax on supply of goods, or services or both except taxes on the supply of the liquor for human consumption.

GST is a destination-based consumption tax. It is levied at all stages right from the manufacturer up to the final consumer. Credit of taxes paid at previous stages known as Input tax credit is available as set off. All manufacturers and traders pay GST and take input tax credit of the same. Simply put, only value addition is taxed under GST and the burden of tax is ultimately borne by the final consumer.

Thus, GST is a comprehensive indirect tax on manufacture, sale and consumption of goods and services throughout India, to replace various indirect taxes levied by the central and state governments. It is levied on both goods and services.

The components of GST Laws:

1. The Central Goods and Services Tax Act, 2017 (1 Act)
2. The Integrated Goods and Services Tax Act, 2017 (1 Act)
3. The Union Territory Goods and Services Tax Act, 2017

This Act is applicable for Union Territories without State Legislature (i.e., Andaman & Nicobar Islands, Lakshadweep, Dadra and Nagar Haveli, Daman and Diu, and Chandigarh).



4. The Goods and Services Tax (Compensation to States Act), 2017 (1 Act)
5. The State Goods and Services Tax Act, 2017 (31 Acts)
6. The Central Goods and Service Tax (CGST) Rules, 2017

India has adopted a **dual GST model**, i.e., where the tax is imposed concurrently by the Centre and State. For an intra- state sale, the GST is equally divided between the Centre and the State (CGST + SGST) and for inter-state sales, the GST is collected by the Centre (IGST).

[B] EVOLUTION OF GOODS AND SERVICES TAX

Constitutional Power for Levy of Tax in India

Articles 265 provide that unless and until the Constitution of India permits for levy of any tax, no tax can be charged or collected by any Government in India.

The **article 246** of constitution gives respective authority to Union and State for levying tax in the following manner:

Schedule VII of Constitution of India:

List 1: **UNION LIST**

- Power of legislation is with Central Govt.
- Entries 82 to 91 provides the subject where Central Govt. can levy tax

List 2: **STATE LIST**

- Power of legislation is with State Govt.
- Entries 45 to 63 provides the subject where State Govt. can levy tax

List 3: **CONCURRENT LIST**

- Power of legislation is with both Centre and State

The Chronological Events leading to birth of GST

The following are the chronological events that led to the advent of GST:

1974: Report of LK Jha Committee suggested introduction of VAT system.

1986: Introduction of Modified Value Added Tax called “**MODVAT**”.

1991: Chelliah Committee report recommended VAT/Goods and Service Tax (GST)

1994: [Service Tax](#) introduced in India

1999: Empowered Committee formation on State VAT.

2000: Implementation of uniform State sales tax rates (1%, 4%, 8%, 12%) 2003:

Implementation of VAT system in Haryana.

2004: Central level taxes integrated by introduction of '[CENVAT](#)'.

2005-06: Implementation of VAT based taxation system in 26+ states in India.

2007: First GST Stuffy released by Mr. P. Shome in January; Finance Minister speech carries the introduction of GST in Budget; CST phase out starts in April 2007; joint working group created and reports submitted.

2008: Empowered Committee finalize the strategy on GST 2009:

Date proposed for Implementation as April 1, 2010.

2010: Department of Revenue commented on GST discussion paper and finance minister suggested probable GST rate.

2011: Nanadan Nilekani introduced IT strategy on commission and [115th Constitutional Amendment Bill](#) for GST introduced by the Parliament.

2012: Negative list regime for service tax was implemented.

2013: Parliamentary Standing committee submitted its report on the Bill.

2014: The [122nd Constitutional Amendment Bill](#) was introduced in Lok Sabha and got passed 2015: It was introduced on Rajya Sabha.

2016: It was passed by Rajya Sabha.

2017: Finally on 2017 President gave his assent and Bill becomes an ACT.

The GST Law born at the stroke of midnight on [1st July, 2017](#) and become applicable to whole of India. Originally the CGST Act and IGST Act was extends to whole India except Jammu and Kashmir but later on it has been extended to J&K also affect from 8th July, 2017 by virtue of Ordinance, since Parliament was not in session.

France is the first country to adopt GST in the year 1954. At present around 160 countries have adopted GST. It is the most adopted because this system increases the revenue with most transparent and neutral manner.

[C] FEATURES OF GOODS AND SERVICES TAX

The salient features of GST are as under:

1. The GST would be applicable on the supply of goods or services as against the present concept of tax on the manufacture and sale of goods or provision of services. It would be a destination based *consumption tax*.
2. It would be a *dual GST* with the Center and States simultaneously levying it on a common tax base. The GST to be levied by the Center on intrastate supply of goods and / or services would be called the Central GST (CGST) and that to be levied by the States would be called the State GST (SGST).
3. The GST would apply to all goods other *than alcoholic liquor for human consumption and five petroleum products*, viz. petroleum crude, motor spirit (petrol), high speed diesel, natural gas and aviation turbine fuel.
4. *Tobacco and tobacco products* would be subject to GST.
5. Tax subsumed under GST:

Central taxes:

- Central Excise Duty on manufacture of goods.
- Excise Tax under Medicinal and Toilet Preparation Act
- Additional Duties of Excise (Goods of Special Importance)
- Additional Duties of Excise (Textiles and textile Products)
- Additional Duties of Customs (commonly known as CVD)

- Special Additional Duty of Customs (SAD)
- Services Tax
- Cesses and surcharges insofar as they relate to supply of goods or services

- State taxes:

- State VAT
- Central Sales Tax
- Purchases Tax
- Luxury Tax
- Entry Tax (all forms)
- Entertainment Tax (except those levied by the local bodies)
- Tax on advertisement
- Tax on lotteries, betting and gambling

6. State cesses and surcharge insofar as they relate to supply of goods and services

7. The Goods and Services Tax Council shall make recommendations to the Union and the States on---

- The taxes, cesses and surcharges levied by the Union, the States and the local bodies which may be subsumed in the goods and services tax;
- Exemptions under GST
- The rates including floor rates with bands of goods and services tax.

8. Setting Off of Input Tax Credit:

- ITC on IGST to be fully utilised first towards payment of IGST.
- Remaining ITC on IGST can be utilized for payment of CGST and SGST/UTGST in any order.
- ITC on CGST shall be set off first for payment of CGST and then for payment of IGST.

- ITC on SGST/UTGST shall be first set off for payment of SGST/UTGST and then for payment of IGST. However, Input Tax Credit on account of SGST/UTGST can be set off against IGST only if ITC on CGST is not available for payment of IGST.

NOTE: Cross set off of CGST with SGST is not allowed.

9. Rate of GST varies from product to product. There are four popular rates of GST are

- 5% (2.5% CGST + 2.5% SGST)
- 12% (6% CGST + 6% SGST)
- 18% (9% CGST + 9% SGST)
- 28% (14% CGST + 14% SGST)

10. *Exports shall be treated as zero-rated supply.* No tax is payable on export of goods or services but credit of the input tax related to the supply shall be admissible to exporters and the same can be claimed as refund by them.

11. *Import of goods and services would be treated as inter-State* supplies and would be subject to IGST in addition to the applicable customs duties. The IGST paid shall be available as ITC for payment of taxes on further supplies.

12. Goods are to be classified based on *HSN Coding System*. Taxpayer having turnover:

- Up to Rs.1.5crore – not required to mention HSN/Service Code in their invoices.
- Above Rs1.5cr but up to Rs.5crore – use 2digit code in the service
- Above Rs.5cr – use 4digit code in the invoice

[D] ADVANTAGES OF GOODS AND SERVICES TAX

1. An end to cascading effects

This will be the major contribution of GST for the business and commerce. At present, there are different state level and center level indirect tax levies that are compulsory one after another on the supply chain till the time of its utilization.

2. Reduces transaction costs and unnecessary wastage's

If government works in an efficient mode, it may be also possible that a single registration and single compliance will suffice for both SGST and CGST provided government produces effective IT infrastructure and integration of such infrastructure of states level with the union.

3. Eliminates the multiplicity of taxation

One of the great advantages that a taxpayer can expect from GST is elimination of multiplicity of taxation. The reduction in the number of taxation applicable in a chain of transaction will help to clean up the current mess that is brought by existing indirect tax laws.

4. One Country One Tax

Another feature that GST must hold is it should be 'one country one tax'. This also gives a lot of comforts and confidence to business community that they would focus on business rather than worrying about other taxation that may crop at later stage. This will help the business community to decide their supply chain, pricing moralities and in the long run helps the consumers being goods competitive as price will no longer be the function of tax components but function of sheer business intelligence and innovation.

5. Reduces average tax burdens

Under GST mechanism, the cost of tax that consumers have to bear will be certain, and GST would reduce the average tax burdens on the consumers.

6. Reduces the corruption

It is one of the major problems that India is overwhelmed with. We cannot expect anything substantial unless there exists a political will to root it out. This will be a step towards corruption free Indian Revenue Service.

[E] DISADVANTAGE OF GOODS AND SERVICES TAX

1. IT Infrastructure

Since GST is an IT-driven law, it cannot be sure whether all the states in India are currently equipped with infrastructure and workforce availability to embrace this law. Only a few states have implemented this E- Governance model. Even today some states use the manual VAT returns system.

2. Higher Tax Burden of SME'S

Earlier the small and medium enterprises had to pay excise duty only on a turnover that exceeded Rs.1.5crore every financial year. However, under the GST administration, businesses whose turnover exceeds Rs. 40lacs are liable to pay GST.

3. Burden of Compliance

The GST administration states that companies are required to register in all the states they operate in. Businesses who operate in state are required to file return 3 times in a month. This implies, minimum of 36 filings in a year per state. This is seen as a slight inconvenience for the taxpayers.

4. Petroleum Products don't fall under the GST Slab

Petrol and petroleum products have not been included in the scope of GST until now. States levy their taxes on this sector. Tax credit for inputs will not be available to these industries or those related industries.

5. Rise in Operational costs

GST has transformed the way in which taxes are paid. Moreover, to achieve compliances, businesses are required to depend on services by professional GST consultants. This has led to an additional cost for smaller businesses for hiring GST consultants leading to operational costs. Implementation of GST has led to shortage of available funds. Traders have been facing issues in claiming tax refunds or transitional refund owing to complicated procedures.

2.2 NATIONAL SCENARIO

GST will impact the overall taxation system of the Indian economy. It will improve the country's GDP ratio and also control inflation to a certain extent. However, the reform will mainly be advantageous to the manufacturing industry, but will make some things challenging for the service sector industry.

GST is expected to raise the GDP growth from 1% to 2%, but these figures can only be analyzed after successful implementation.

The GST rate is implemented in various slabs like 5%, 12%, 18%, and 28%, which will automatically provide great tax increments to the government and the manufacturing sector will face immense growth with reduction in tax rate. There is definitely something good for everyone. Various unorganized sectors which enjoy the cost advantage equal to tax rate which will be brought under GST. This will make various sectors like Hardware, Paint, Electronics etc. under the tax slab.

Impact on Manufacturing Industries (Manufacturers, Distributor and Retailers):

GST is expected to improve competitiveness and performance in India's manufacturing sector. On the way out exports and high infrastructure spending are just some of the concerns of this sector. Multiple indirect taxes have also increased the administrative costs for manufacturers and

distributors and it is being hoped that with GST in place, the compliance burden will ease and this sector will grow more strongly.

Impact of GST on Service Providers:

As of March 2014, there were 12, 76,861 service tax assesses in the country out of which only the top 50 paid more than 50% of the tax collected nationwide. Most of the tax burden is borne by domains such as IT services, telecommunication services, Insurance industry, business support services, Banking and Financial services etc. These pan-India businesses already work in a unified market, and while they will see compliance burden becoming lesser there will apparently not be much change in the way they function even after GST implementation.

Impact of GST in different sector:

1. Agriculture:

Agricultural sector is the primary sector contributing to the overall Indian GDP. It contribute around 16% to Indian GDP. One of the major setbacks to the agricultural sector is transportation of agricultural products to the different states of the country. It is highly probable that GST will resolve the problems of transportation across the country. It may also provide the country with its first National Market for the agricultural products. However, there are a lot of clarifications which need to be provided for rates for agricultural products.

2. Automobiles:

Automobile industry is a wide spread industry of our country as it adds to the production of huge number of cars annually, fueled mostly by the huge population of the country. The primitive current structure, levied different kind of taxes such as excise, VAT, sales tax, road tax, motor vehicle tax, registration duty which will be subsumed by GST. Though there is still some vagueness due to tax rates and incentives/exemptions provided by different states to the manufacturers/dealers for manufacturing car/bus/bike, the future of the industry looks rosy.

3. Banking, Financial Services And Insurance (BFSI):

Among the services provided by Banks and NBFCs, financial services such as fund based, feebased and insurance services will see major shifts from the current scenario. Owing to the nature and

volume of operations provided by banks and NBFC vis a vis lease transactions, hire purchase, related to actionable claims, fund and non fund based services etc., GST compliance will be quite difficult to implement in these sectors.

4. E-com:

The e-com sector is a fast growing sector in India. GST will prove to be beneficial to the e-com sector in many ways as it would witness a continuous growth but the long-term effects will be really interesting as according to GST model there is a tax collection at source (TCS) mechanism, which e-com companies are not too happy with. The current rate of TCS is at 1% and it would be the same if it dilutes the rapid boom in this sector in any way in the future.

5. FMCG:

Due to GST there would be remarkable savings in logistics and distribution costs as it would eliminate the need for multiple sales depots. The GST rate for this sector is around 17% which is way lesser than the 24-25% tax rate paid currently by FMCG companies. This includes excise duty, VAT and entry tax – all of which will be subsumed by GST.

6. Logistics sector:

Logistics sector serves as a backbone of the economy in our country. The new initiative of “Make In India” introduced by the Government of India would definitely turn out to be a great success.

7. Pharmacy:

There would be a great benefit of GST in both pharmacy and healthcare sectors. It would make tax structure a bit simplified and would boost the medical tourism. This would make healthcare affordable and easily accessible for all.

8. Real Estate:

The real estate sector is another core sector of Indian economy, playing an important role in employment generation in India. It is difficult to predict the actual impact of GST on the real estate sector as it largely depends on the tax rates.

9. Startups:

As we know that different Indian states impose different kind of taxes for the startups which are according to the VAT laws which are very confusing for the companies. Due to the implementation of GST the single tax will be imposed which would make things easier for the startups.

10. Telecommunications:

It is expected that the prices of the telecom sector would experience a downward trend. There would be a reduction in cost by the efficient management of the inventory system Handset manufacturers will find it easier to sell their equipment as GST will negate the need to set up statespecific entities, and transfer stocks. The will also save up on logistics costs.

GOODS & SERVICE TAX

2.3 INTERNATIONAL SCENARIO

The Goods and Services Tax (GST) also known as the National VAT (Value Added Tax) has been introduced in more than 150 countries. Most of the countries have a unified GST system. Brazil and Canada follow a dual system where GST is levied by both the Union and the State governments. France was the first country to introduce GST system in 1954. The standard GST rate in most countries ranges between 15-20%. Most of the sectors are taxed except for few exemptions. The United States of America does not have a national level VAT.

AUSTRALIA

The GST (Goods and Services Tax) is a value added tax on the supply of goods and services in Australia, including items that are imported. In most cases, GST does not apply to exports of goods or services, or other items consumed outside Australia.

The GST is levied at a flat rate of 10% on most goods and services, apart from GST exempt items, and input taxed goods and services. GST is administered by the Tax Office on behalf of the Australian Government, and is appropriated to the States and territories.

CANADA

The Canadian Goods and Services Tax (GST) is a multi-level value-added tax introduced in Canada on January 1, 1991, by Prime Minister Brian Mulroney and Finance Minister Michael Wilson. The GST replaced a hidden 13.5% Manufacturers' Sales Tax (MST).

Harmonized Sales Tax: In Canada, the Harmonized Sales Tax combines the Goods and Services Tax (GST) and Provincial Sales Tax (PST) into a single sales tax. In those provinces, the current HST rate is 13%. HST is administered by the federal government, with revenues divided among participating governments according to a formula. Ontario proposed in its 2009 Budget to harmonize its 8% retail sales tax with the GST effective July 1, 2010. It is the only province to administer the federal tax. The HST is composed of the GST and the 8% provincial tax and applies to the same base of goods and services that are taxable under GST. HST follows the same general rules as GST.

GST/HST registrants continue to collect GST on taxable supplies (other than zero-rated).

NEW ZEALAND

Goods and Services Tax (GST) is a Value Added Tax introduced in New Zealand on October 1, 1986 at 10%, and later increased to 12.5% on June 30, 1989. End users pay this tax on all liable goods and services directly, in that it is included in the purchase price of goods and services. GST registered organizations only pay GST on the difference between GST-liable sales and GST-liable supplies (i.e. pay GST on the difference between what they sell and what they buy: income less expenditure). This is accomplished by reconciling GST received (through sales) and GST paid (through purchases) at regular periods (typically every 2 months, with some qualifying companies opting for 1 month or 6 month periods), then either paying the difference to Inland Revenue Department (IRD) if the GST collected on sales is higher, or receiving are funded from IRD if the GST paid on purchases is higher. Unlike most similar taxation regimes, there are few exemptions - all types of food are taxed at the same rate, for example. Exceptions that are present include rents collected on residential rental properties, donations and financial services. The headline price must always be GST-inclusive in advertising and stores. The only exceptions are for businesses which claim a mainly wholesale clientbase. Otherwise, displaying a prominent GST-exclusive price (i.e. larger and more obvious than the GST-inclusive price), is illegal.

SINGAPORE

Goods and Services Tax was introduced in Singapore on April 1, 1994, at 3%, but later increased to 4% on 1 January 2003, and 5% on 1 January 2004. It was raised again to 7% on 1 July 2007.

Singapore's GST is a broad-based consumption tax levied on import of goods, as well as nearly all supplies of goods and services. The only exemptions are for the sales and leases of residential properties and most financial services. Export of goods and international services are zero-rated. In Singapore, the tax is broad based which include all essential goods like water, electricity, rice, etc. Hence, a low income worker who would not pay income taxes would have to pay GST on his daily living expenses. This can be a burden especially during times of high inflation when the 7% tax is paid on the increasing price of daily essentials. GST is a self-assessed tax. Businesses are required to continually assess the need to be registered for GST.

CHAPTER – 3
PRESENTATION OF DATA, ANALYSIS & FINDINGS

GOODS & SERVICE TAX

3.1 PRESENTATION OF DATA

In Table 1 An attempt has been made of classify the respondents on the basis of Age factor

Classification of respondents on the basis of Age

Sr. No.	Age Group	No. of Respondents	Percentage (%)
1	Below 25	5	10
2	25- 40	16	32
3	Above 40	29	58
	Total	50	100

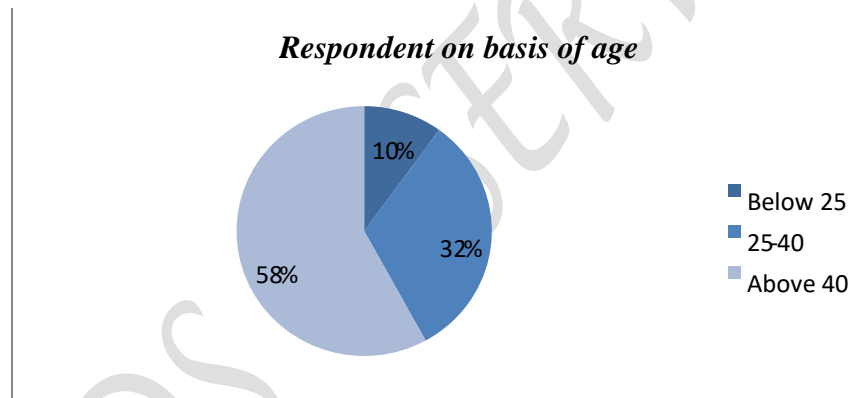


Figure 1

Interpretation :

From the above table and figure it is clear that majority of respondents that is 58% are above 40 years. Whereas 32 % belongs to 25 – 40 years are and rest of 10 % are below 25 years. Thus it can be concluded that there are majority of the respondents are above 40 years.

In Table 2 An attempt has been made of classify the respondents on the basis of qualification factor. The qualification have been divided in to Three Categories – Graduation, Post Graduation and Any other qualification . The description of this as below:

Classification of respondents on the basis of Qualification

Serial No.	Qualification	No. of Respondents	Percentage (%)
1	Graduation	19	38.00%
2	Post Graduation	11	22
3	Any others Metric, Secondary and PHD also)	20	40
	Total	50	100

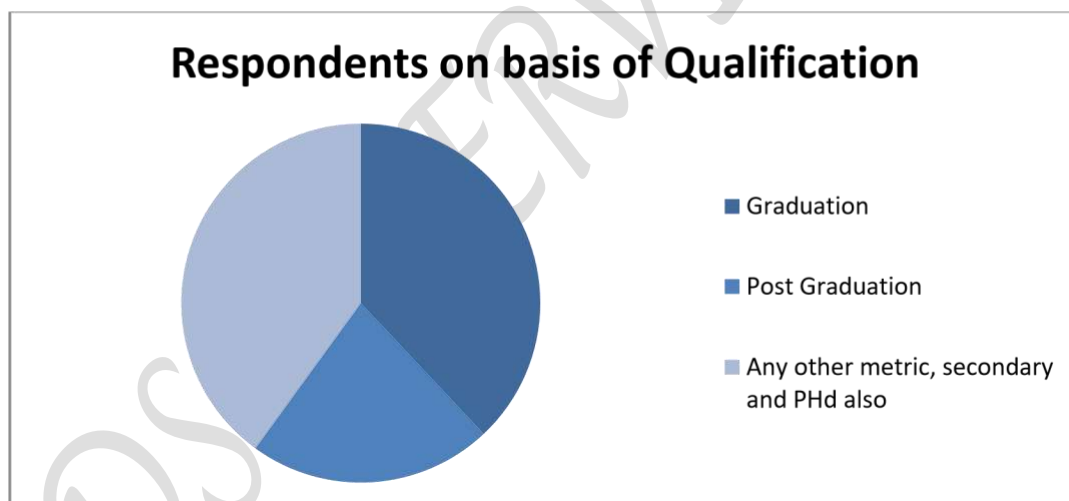


Figure 2

Interpretation:

From the above table and figure it is depicted that majority of respondents i.e. 40% are related to high and low background that means other areas, where as 38% are Graduation and 22 % are Post Graduate. Thus it can be concluded that majority of the respondents are Concerned Graduation and other Qualifications.

In Table 3 An attempt has been made of classify the respondents on the basis of their Occupation or Category Basis. The description of this as below:

Classification of respondents on the basis of Occupation

Sr No.	Occupation	No. of Respondents	Percentage (%)
1	Businessmen	30	60.00%
2	Servicemen	8	16.00%
3	Professionals	5	10.00%
4	Any Customers	7	14.00%
	Total	50	100.00%

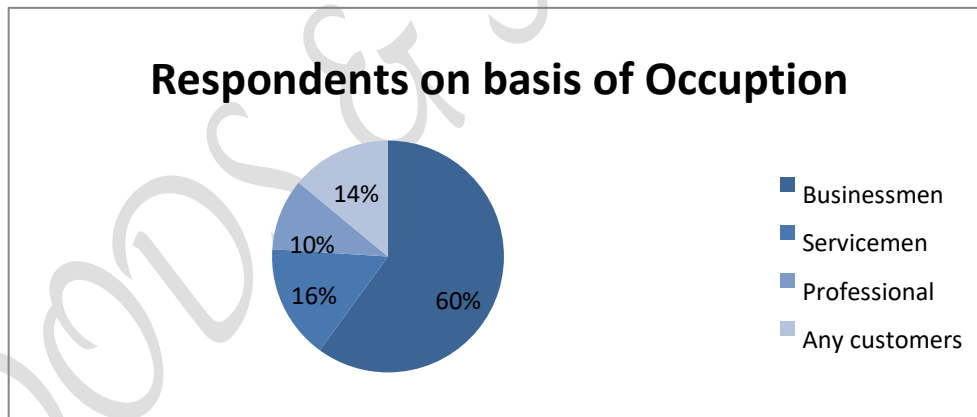


Figure 3

Interpretation :

From the above table and figure it is depicted that maximum respondents are businessman and as well as customers are 60 and 14 % respectively. Whereas servicemen and professionals are 16% and 10% respectively. Thus it can be concluded that majority of the respondents are doing own busines

In Table No. 4 An attempt has been made of classify the respondents perception towards the GST. The Perception level of the respondents has been divided in to five categories – Strongly Agree, Agree, Neutral, Disagree, Strongly Disagree. The description of this as below:

Sr. No.	Response	No. of Respondents	Percentage (%)
1	Strongly Agree	28	56
2	Agree	15	30
3	Neutral	6	12
4	Disagree	1	2
5	Strongly Disagree	-	-
	Total	50	100

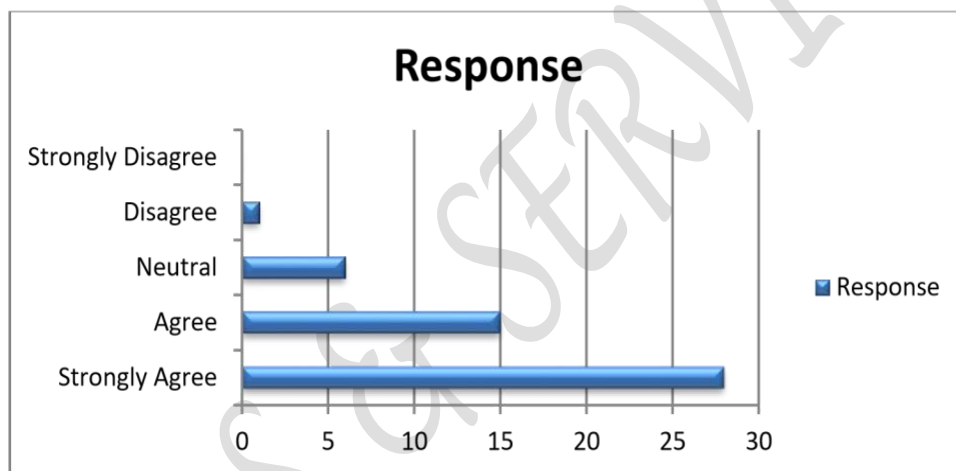


Figure4

Interpretation :

Above chart depicted that majority of the respondents satisfied with the statement this taxation reform in India is very good 56% respondents are strongly agree with this statement and 30% are agree and also 12 % are neutral . Hence it is concluded that majority of the respondents i.e. 56 % are strongly agreed and 30% agreed with this statements.

In Table No. 5 An attempt has been made of classify the respondents on the basis of their response regarding the statement “GST has increased the various legal formalities”.

Classification of respondents on the basis of their perception regarding the GST implementation.

Sr No.	Response	No. of Respondents	Percentage(%)
1	Strongly Agree	21	42
2	Agree	21	42
3	Neutral	7	14
4	Disagree	1	2
5	Strongly Disagree	0	0
	Total	50	100

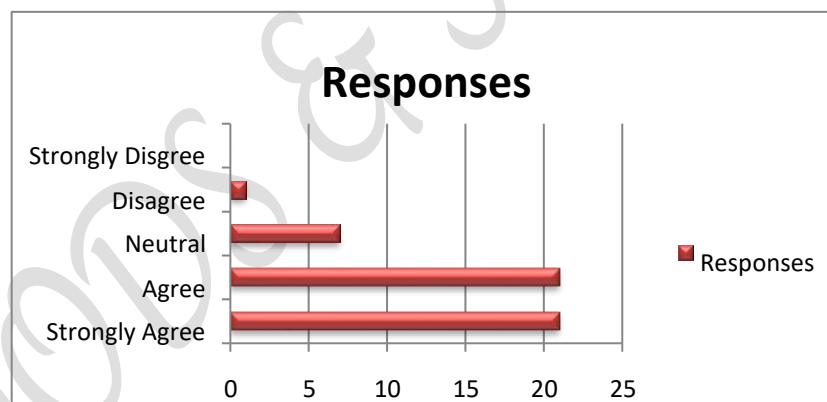


Figure 5

Interpretation :

Above Chart depicted that majority of the respondents satisfied with the statement after implementation of GST has increased various types of formalities. 42% respondents are strongly agree and also 42 % are Agreed and 14% are also neutral .So it is concluded that majority of the respondents satisfied this statement.

In Table No 6 An attempt has been made classify the respondents on the basis of their response regarding statement “GST has increased the Tax burden on Common Man”.

Classification of respondents on the basis of response of the respondents regarding the statement GST has increased tax burden on common man.

Sr No.	Response	No. of Respondents	Percentage(%)
1	Strongly Agree	8	16
2	Agree	16	32
3	Neutral	15	30
4	Disagree	11	22
5	Strongly Disagree	0	0
	Total	50	100

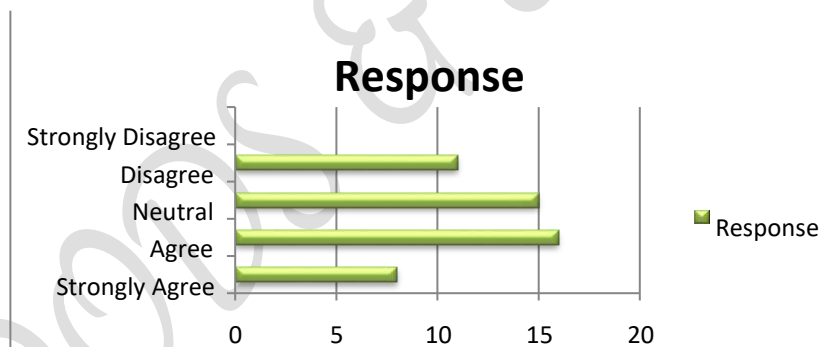


Figure6

Interpretation :

According to above table , it is shows that majority of the respondents i.e. 32% are agree with this statement and 30% are neutral and also 22% are disagree for this statement . 16% are strongly agreed. So it is concluded that majority and cum majority peoples are said that GST has increased the burden of common man.

In Table No.7 An attempt has been made of classify the respondents on the basis of their statement GST has increased the Tax burden on Businessman. The results are represents on five categories are given below:

Sr. No.	Response	No. of Respondents	Percentage (%)
1	Strongly Agree	12	24
2	Agree	19	38
3	Neutral	13	26
4	Disagree	6	12
5	Strongly Disagree	0	0
	Total	50	100

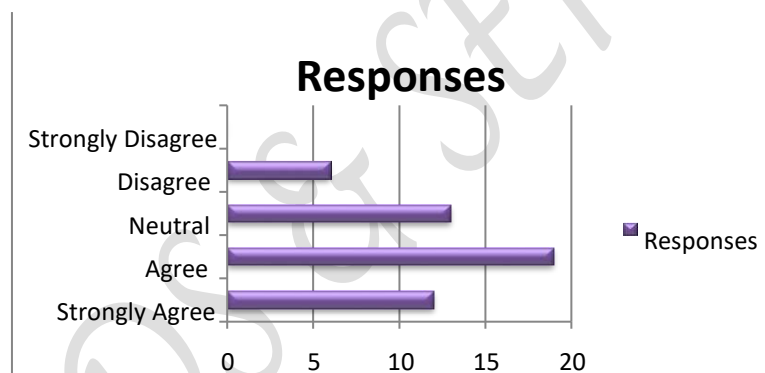


Figure 7

Interpretation :

From the above data table and figure show that maximum respondents are represents that GST has increased the tax burden on businessman so 38% respondents are Agree and 24% are strongly agree this statement and also 26 % are neutral but even 12% are Disagreed for this statement. Hence, it is concluded that maximum results are positive nature for this statement.

In Table No 8 An attempt has been made of classify the respondents on the basis of their perception regarding statement are GST is impacts Customer Purchasing Power in effectively. The description is given as below:

Classification of respondent’s response on the basis of their perception regarding GST is impact Customer Purchasing Power Effectively.

Sr. No.	Response	No. of Respondents	Percentage(%)
1	Strongly Agree	8	16
2	Agree	12	24
3	Neutral	11	22
4	Disagree	19	38
5	Strongly Disagree	0	0
	Total	50	100

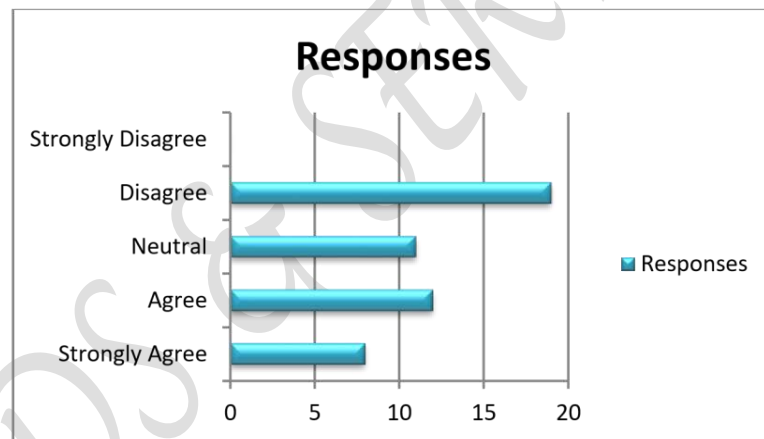


Figure 8

Interpretation :

From the Above data depicted that majority of the respondents are not agree for this statement Majority of the respondents i.e. 38% are disagreed. And 22% are Neutral for this statement .But also further 24% respondents are agree for this statement, So maximum result are against this statement . And may be 24% are agreed to GST impact the customer purchasing power. Hence, results are some may be negative or positive.

In Table No. 9 An Attempt has been made of classify the respondents on the basis of their perception regarding statement are GST affects the Indian capital stock market operations. The following descriptions for these statements are show as below:

Classification of respondents on the basis of their perception regarding the GST is affects the Indian Capital Stock Market Operations:

Sr. No.	Response	No. of Respondents	Percentage (%)
1	Strongly Agree	3	6
2	Agree	4	8
3	Neutral	13	26
4	Disagree	25	50
5	Strongly Disagree	5	10
	Total	50	100

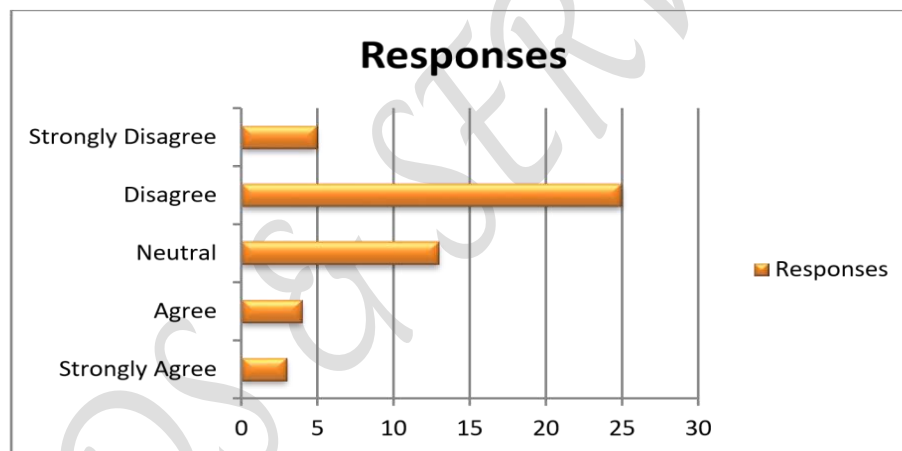


Figure9

Interpretation :

From the above table, it shows that majority of the respondents i.e. 50% are Disagree with the statement are GST affects the Indian capital stock market operations and 26% respondents are neutral for this statement. So, after all 6 and 8% are strongly agree also. Hence it is concluded that majority of the respondents more than 50% are disagreed and results are this statement are pure negative. And some little bit .i.e. 26% are positive but perception of respondents regarding this statements are negative.

In Table No. 10 An attempt has been made of classify the respondents on the basis of their perception regarding this statement GST is affecting small business very badly. The following responses are given below as:

Sr No.	Response	No. of Respondents	Percentage (%)
1	Strongly Agree	9	18
2	Agree	10	20
3	Neutral	25	50
4	Disagree	6	12
5	Strongly Disagree	0	0
	Total	50	100

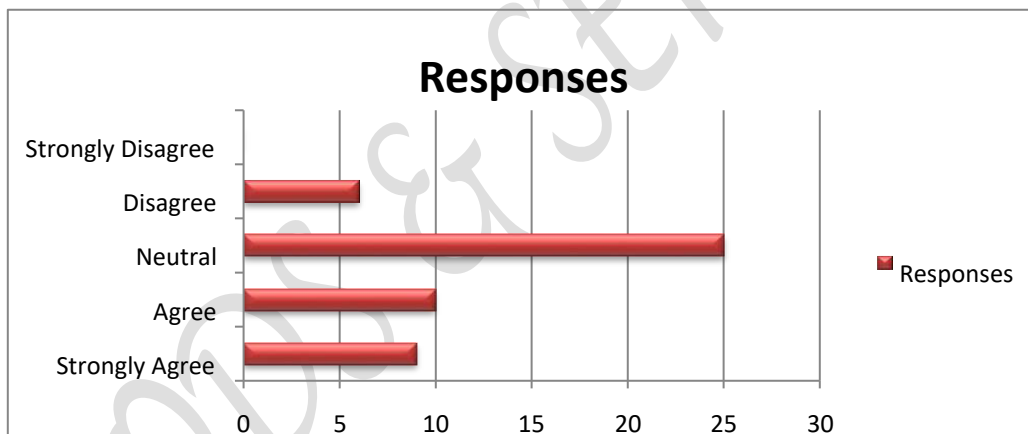


Figure 10

Interpretation:

According to above table , it shows that majority of the respondents are i.e. 50% are neutral and 20% are agreed and also 18% are strongly agree for this statement GST affecting small business very badly. This data represents the GST has normal affect of Small business firms and it affect the medium business is more than smalls. So it is concluded that majority of the respondents i.e. 50% are neutral this Statement and results are may be positive nature.

In Table No.11 An attempt has been made of classify the respondents on the basis of their perception regarding this statement are GST will increase the inflation (prices) in the country. The following statement data are given below as:

Sr No.	Response	No. of Respondents	Percentage (%)
1	Strongly Agree	9	18
2	Agree	6	12
3	Neutral	17	34
4	Disagree	14	28
5	Strongly Disagree	4	8
	Total	50	100

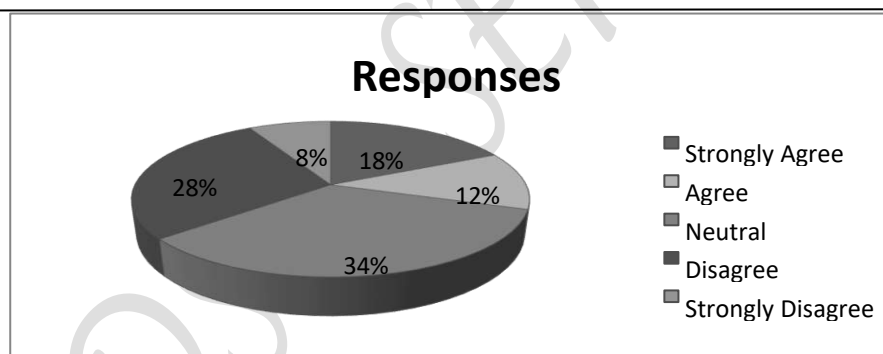


Figure 11

Interpretation:

From the above table and figure represents that maximum respondents are not sure the inflation affect of economy or country on GST. Only 18% and 12% peoples are strongly agree this statement rest of 34% are neutral and 28 or 8% are disagree this statement. GST will increase the inflation of country . So finally it is concluded that the results of this statement is may or may not be positive but maximum responses are neutral.

In Table No. 12 An attempt has been made of classify the respondents on the basis of their response regarding the statement GST is beneficial in Long Term. The description of following data is given below as:

Classification of respondents on the basis of their opinion regarding the GST beneficial in Long Term.

Sr No.	Response	No. of Respondents	Percentage (%)
1	Strongly Agree	8	16
2	Agree	25	50
3	Neutral	14	28
4	Disagree	3	6
5	Strongly Di agree	0	0
	Total	50	100

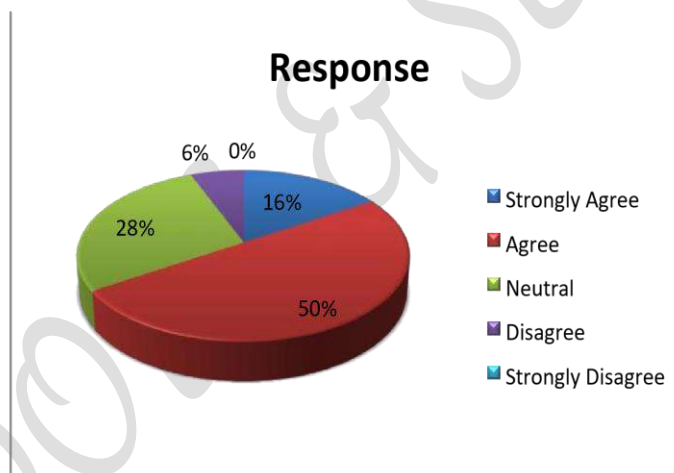


Figure 12

Interpretation:

From the above figure and table it is concluded that 50% respondents responds GST is beneficial in Long Term. More than 50 and 16% are agreed and strongly agreed with this statement and 28% are neutral. So hence, majority of the respondents are provided positive results in this statement.

In Table No.13 An attempt has been made of classify the respondents on the basis of their response regarding this statement GST will increase the Tax Collection of Government. The following informations are collected from this statement are given below:

Sr No.	Response	No. of Respondents	Percentage (%)
1	Strongly Agree	22	44
2	Agree	17	34
3	Neutral	8	16
4	Disagree	3	6
5	Strongly Disagree	0	0
		50	100

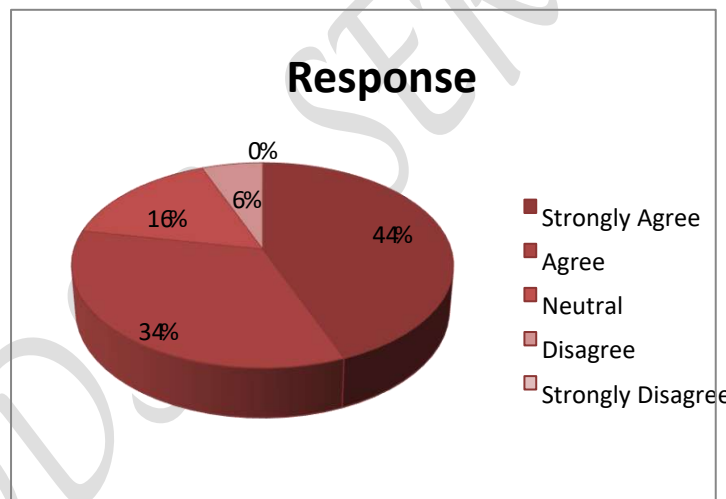


Figure 13

Interpretation:

According to above table , it is shows that majority of the respondents i.e. 44 % are strongly Agree and 34% are Agreed with this statement are GST will increase the Tax collection of GOVT. and 16% are neutral or 6% are Disagreed also . Hence it is concluded that majority of the respondents are more than over all 78% are agreed and results are so positive statement.

In Table No. 14 An attempt has been made of classify the respondents on the basis of their response regarding the statement GST is a Good method to replace the sales and services tax. The description of this as below:

Sr No.	Response	No. of Respondents	Percentage (%)
1	Strongly Agree	13	26
2	Agree	14	28
3	Neutral	12	24
4	Disagree	9	18
5	Strongly Disagree	2	4
	Total	50	100

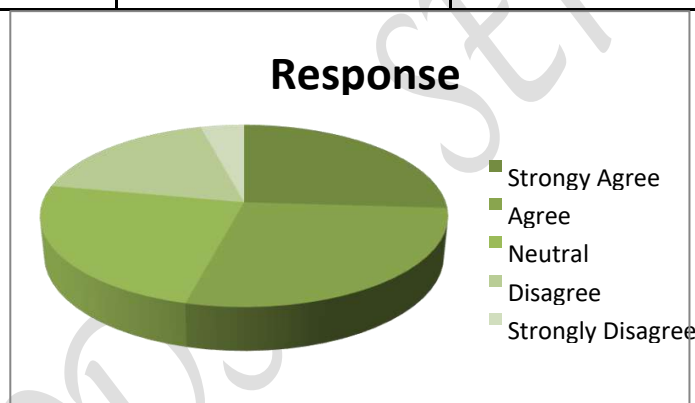


Figure 14

Interpretation :

Above Chart depicted that majority of the respondents satisfied with the statement of GST is a good method to replace the sales and service tax. 26% respondents are strongly agreed and 28% are agreed with this statement. Further 24% are neutral and some respondents are disagree i.e. 18% are this statement. Hence, it is concluded that majority of the respondents are show positive perception of this statement. And maximum results are in favour of this statement.

In Table No. 15 An attempt has been made of classify the respondents on the basis of their response towards the Implementation of Goods and Services Tax will result in the products or services more expensive .

Classification of respondents on the basis of response of the respondents regarding the Implementation of GST will result in the products or services to be more expensive .

Sr. No.	Response	No. of Respondents	Percentage (%)
1	Strongly Agree	7	14
2	Agree	8	16
3	Neutral	20	40
4	Disagree	13	26
5	Strongly Disagree	2	4
	Total	50	100

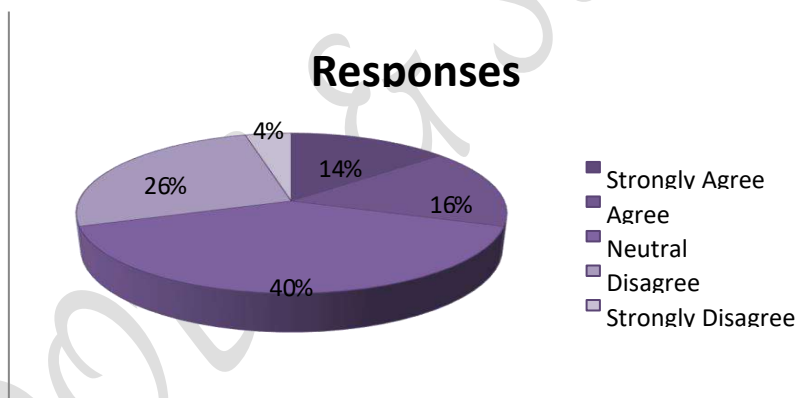


Figure 15

Interpretation :

From above table and figure depict that majority of the respondents i.e. 40% are neutral and 26% are disagree with this statement. Further also 14% and 18% are strongly agreed in respectively. Hence it is concluded that the maximum respondents are 40% in neutral and result some may positive or negative.

In Table No.16 An attempt has been made of classify the respondents on the basis of their response towards the statement The GST system is a way for the government to collect revenue to manage an economy. The description of the followings statements are given as below:

Sr No.	Response	No. of Respondents	Percentage (%)
1	Strongly Agree	10	20
2	Agree	19	38
3	Neutral	11	22
4	Disagree	9	18
5	Strongly Disagree	1	2
	Total	50	100

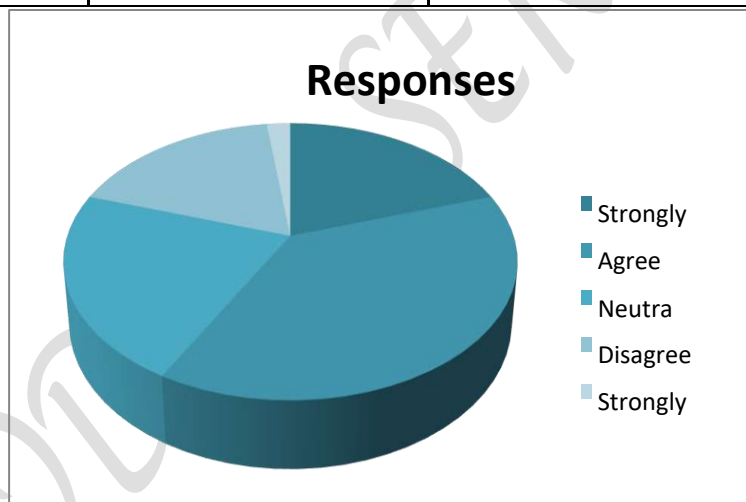


Figure 16

Interpretation:

From the above table and Figure represents that 38% respondents are strongly Agree and 20% respondents are Agree with the statement The GST system is away for the govt. to collect revenue to manage an economy .Further 22% respondents are neutral and also 18% are disagree with this statement. Hence it is concluded that the results of this statement are positive and show the perception are positive as well as good.

In Table No. 17 An attempt has been made of classify the respondents on the basis of their response towards the statement are GST encourage individuals to save part of their Income. The following descriptions are given as below:

Classification of respondents on the basis of response of respondents regarding the statement GST encourages individuals to save part of their income.

Sr No.	Response	No. of Respondents	Percentage (%)
1	Strongly Agree	0	0
2	Agree	5	10
3	Neutral	14	28
4	Disagree	24	48
5	Strongly Disagree	7	14
	Total	50	100

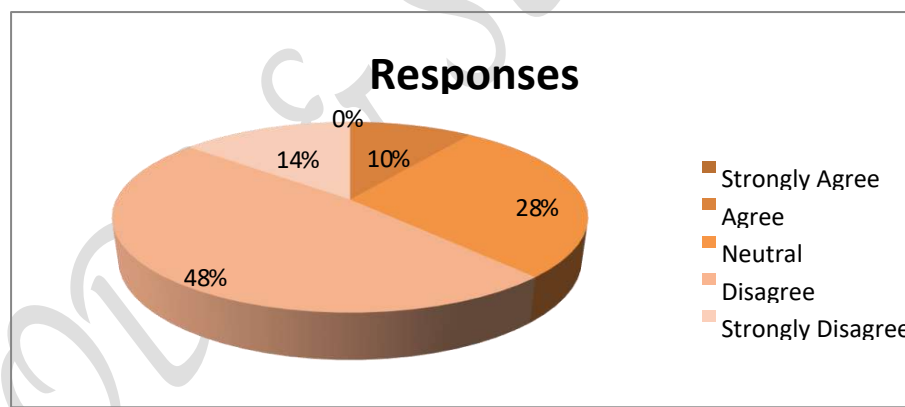


Figure 17

Interpretation :

Above figure shows that majority of the responds i.e 48% respondents disagreed with this Statement and 14% are Strongly disagree with the statement of GST encourage individuals to save part of their income. And 28 % respondents are neutral and 10% also agree with this statement. Hence it is

concluded that the maximum respondents are respond in disagreed and result are show in very low or negative.

3.2 FINDINGS

After Analysis and Interpretation of the data these are followings findings were emerged:

- Most of the respondents are Male.
- Majority of the respondents i.e. 58 % comes under the age group above 40 years and 32% are comes under 25- 40 years.
- More than 60% respondents are related to Businessman category.
- The most of respondent's perception are very positive towards the GST and they are aware of GST through the mass media.
- 56 % respondents are that opinion GST is very good tax reform for India and it is the turning point of the taxation system.
- Most of the customer's perception that GST is very beneficial in Long Term for economy of the country and also effect of GDP.
- Maximum 50% respondents are respond GST has increased the various Legal formalities.
- Majority of the peoples have perception that they still need more clarity on GST and opened that they discuss about GST with other.
- Most of the customer's opinion that GST is fair tax. And also GST is predominantly compliance tax.

CHAPTER – 4

CONCLUSION & RECOMMENDATION

4.1 CONCLUSION

India has many taxes in place like excise, sales tax, service tax, entertainment tax, VAT etc. These taxes are divided at Central as well as state level. These bundle of taxes are difficult to manage and sometimes cause inconvenience to businesses and customers. GST aims to solve it with single indirect taxation system.

GST has been the buzzword in the country for the last few days and finally the bill has passed, leading to the realization of “One country, one tax”, at least on papers for now.

This study highlighted the overall overview of GST in Laketown area of Kolkata. The Government has to put in more effort to ensure that consumers have a clear understanding and develop a positive perception towards GST, leading to its acceptance. Good understanding among customers is important as it can generate a positive perception towards the taxation policy. The Government should initiate and promote an extensive publicity program which could help to create awareness and generate positive perception among customers in understanding the rationale and importance of GST in India.

4.2. RECOMMENDATION

- ✓ The customers suggested that there should be a smooth, transparent and simple transition provisions which is easily understandable.
- ✓ Special focus on awareness and training of all officers, professionals and assesses should be given on GST.
- ✓ Since the public are very clear about GST, any disputes on GST introduction should be protectively addressed by way of speedy redress.
- ✓ The people are not well informed on the implementation of the GST. Therefore, in order to ensure efficient implementation of the GST, the government should come out with a proper guideline to the society on the procedures for the implementations of GST.
- ✓ Gradual stages may be employed for the implementation like the agricultural sector, then industrial and then the service sector.
- ✓ The relevant authorities especially the customers department must work closely with other departments like information, Inland Revenue and other enforcement authority ensure good implementation.
- ✓ Lastly, the government must ensure a good management of the income collected from the GST.

CHAPTER – 5

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QUESTIONNAIRE

A STUDY ON THE CUSTOMERS PERCEPTION TOWARDS GOODS & SERVICE

TAX (GST) OF LAKETOWN

SECTION A

PERSONAL DETAILS

1. Name: _____

2. Contact No: _____

3. E- Mail Id: _____

4. Gender:

(a) Male

(b) Female

5. Status:

(a) Married

(b) Unmarried

6. Age Group:

(a) Below 25

(b) 25-40

(c) Above 40

7. Occupation:

(a) Businessman

(b) Serviceman

(c) Professional

(d) Any Other

8. Qualification:

(a) Graduation

**(b) Post-
Graduation**

(c) Any other

GOODS & SERVICE TAX

SECTION B

Kindly Tick your perception regarding the Goods and Service Tax.

Sr. No.	Statements	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
1	GST is a very good tax reforms for India.					
2	GST has increased the various legal formalities.					
3	GST has increased the tax burden on common man.					
4	GST has increased the tax burden on businessman.					
5	GST is impacts the customer purchasing power in effectively.					
6	GST affects the Indian capital stock market operations.					
7	GST will affecting small business very badly.					
8	GST will increased the inflation in the country.					
9	GST is beneficial in Long Term.					
10	GST will increase the Tax collection of GOVT					

11	GST is a good method to replace the sales and service tax.					
12	The implementation of GST will result in the products and services to be more expensive.					
13	The Goods and Service Tax system is a way for the government to collect revenue to manage an economy.					
14	Goods and Service Tax (GST) encourage individuals to save part of their Income.					

Sources : Primary Data Collection.

GOODS & SERVICE TAX

GOODS & SERVICE TAX

PROJECT REPORT

(Submitted for the degree of B.com Honours in Accounting & Finance under the University of Calcutta)

TITLE OF THE PROJECT:

“Comparative Analysis of Short Video Content apps”

Submitted by

Name of the student : AANCHAL GIRI
CU Registration no. : 223-1211-0508-18
CU Roll no. : 181223-11-0001
Name of the college : SCOTTISH CHURCH COLLEGE
College Roll no. : 18C-028

Supervised by

Name of The Supervisor : SREEPARNA MUKHERJEE
Name of The college : SCOTTISH CHURCH COLLEGE

Month and Year of Submission: July, 2021

Annexure-IA

SUPERVISOR’S CERTIFICATE

This is to certify that AANCHAL GIRI a student of B.com Honours in Accounting and Finance in SCOTTISH CHURCH COLLEGE under the UNIVERSITY OF CALCUTTA has worked under my supervision and guidance for her project work and prepared a project report with the title “A Comparative Analysis of Short Video Content Apps” which she is submitting is her genuine and original work to the best of my knowledge.

Name of the College : Scottish Church College

Name : Sreeparna Mukherjee

Place : Kolkata

Date :

Signature :

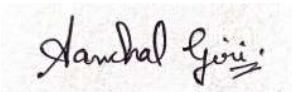
Annexure-IB

STUDENT'S DECLARATION

I hereby declare that the project work with the title "A COMPARATIVE ANALYSIS OF SHORT VIDEO CONTENT APPS" submitted by me for the partial fulfilment of the degree of B.COM Honours in Accounting & Finance in Scottish Church College under the University of Calcutta is my original work and has not been submitted earlier to any other University/Institutions for the fulfilment of the requirement for any course of study.

I also declare that no chapter of this manuscript in whole or in part has been incorporated in this report from any earlier work done by others or by me. However, extracts of any literature which has been used for this report has been duly acknowledged providing details of such literature in the references.

Signature

: 

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Date : 19th July, 2021

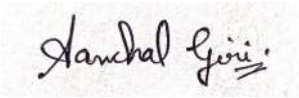
ACKNOWLEDGEMENT

It is a matter of great pleasure to present this project on “A comparative study of short video content apps ” . I take this opportunity to thank our respected Principal Dr. Madhumanjari Mandal for giving me an opportunity to work in this field.

I am eagerly grateful and also very thankful to my supervisor PROF Sreeparna Mukherjee for her full support in completing this project work, without whom this project would not have been a successful one.

Finally, I am grateful to acknowledge the support of my family and friends, who had given me full support and cooperated with me to carry out this research work and help with the project work by filling up the questionnaire.

Signature :



Date : 19th July, 2021

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CHAPTER 1

INTRODUCTION

What is Short-Form Video Content?

Short-form video content is anything short enough to hold a viewer's attention span, but long enough to get your point across in an engaging way. Typically, this lands in the 15 seconds to two minute time frame.

Short-form video content is found on YouTube and popular social media platforms like Snapchat, Facebook, Instagram, Facebook, and many other short video content apps; however, brands also leverage this type of content for their websites and blogs. Google, of course, favors YouTube content and even LinkedIn users are embracing video content.

Short-form video performs exceptionally well because it allows a brand to get its point across in a visual and very personal way. Another major advantage is that it forces companies to deliver their brand message in a memorable way.

BACKGROUND

EMERGENCE & GROWTH OF SHORT VIDEO CREATION APPS

While being able to watch movies on smartphones people soon started to film short movies with the use of the smartphones and digital cameras. With the emerging trend noticed across the countries there were some companies that came up with the business mindset and launched their apps for creating short videos and providing a platform to youth and the people across countries to showcase their talent. Such short video creation apps soon got the limelight and gained popularity across the world. The apps gained huge response and were accepted across various countries and states. There were many companies who came up with their short video creation app. There was a growing competition amongst the app and the companies. There was an app called Tiktok (which was previously known as musically) that was launched across countries and was given a huge response. Similarly, in competition to Tiktok there were various apps that were launched.

NEED FOR THE STUDY

Need of a Short-Form Video Content Strategy

Human attention spans have rapidly decreased over recent years, thanks in part to the increased popularity and use of social media and smartphones. A study by Microsoft reported the average human being now has an attention span of eight seconds. And, according to Jampp, our attention span has been rapidly decreasing over the last 15 years and at a rate of 88 percent year-over-year.

Video content strategy offers an opportunity to humanize and personalize your brand identity. Another benefit of using video as part of your digital marketing plan is that it creates more natural opportunities for email marketing. Research shows that adding video to email can boost click-through rates by 200-300 percent and accelerates a company's sales cycle.

Short-form video also helps with your Google and SEO ranking. YouTube videos tend to rank high in Google search results and the most popular type of videos on YouTube are short-form. Additionally, embedding videos into your website's landing pages can help increase the time visitors stay on your site, which contributes to search engine rankings. This study is very relevant because it is an attempt to find out the determinants which directly and indirectly affects the Consumer Preference and help the providers to improve their services and strategies.

BRIEF REVIEW OF LITERATURE

- **Hu TAO and Jing-hui YANG (2018)** - “Believes that short video is a few seconds of video content that is played on a new media platform and is suitable for watching in a short period of leisure. The playing time ranges from a few seconds to a few minutes.”
- **Xiu-qi Li (2017)** - “Believes that short video refers to video clips that can be shared, uploaded, and then shared by various digital video terminals.”
- **Meng (2016)** - “Summarized the main content type of the majority of short video apps. He divided content types into three categories. The first category is education, that means teaching the users how to move up, cook and speak languages. The second category is entertainment, for example, some funny and parody videos which are used to please the users. The third category is the promotion, for example promoting cosmetics to audiences and calling for them to buy, in other words, it is a kind of online commercial activity. These three types of video constitute the main content of the short video app..”

- **Jia, (2017)** - “The analysis of big data can recommend the content that users are interested in according to their preferences, and the video time is mostly 15 seconds which increases users’ stickiness through the use of user fragmented time. ”
- **Zhi (2018)** - “From the angle of entertainment short video, he mentioned the advantages of the entertainment short video. When life speeds up, many people have to be under 17, the tremendous pressure from life and work. Hence, these short videos help them relieve stress and make them get positive about life. For example, some positive funny short videos, although on the surface it is funny, but actually it transfers positive energy.”

OBJECTIVES OF THE STUDY

- To identify the differences between market performances of Mx Takatak, Moj, Josh and Instagram reels.
- To compare various parameters of marketing strategies, downloads, active users, celebrities, funding, sponsorship and tie-ups, revenue model, content acquisition and user retention of the 4 companies.
- To analyse relation between demographic profile (age, gender) of consumer and their behaviour towards consumption of online video streaming channels
- To identify perception of Indian viewers based on factors such as Features, Quality, Content, Device friendly for the 4 companies.
- To know why short video content is gaining more popularity over long video content.
- To know among the 4 most used short video content apps which one satisfied more people.
- To know how short video content will affect the Advertisement industry and contribute to increasing sales of companies.

METHODOLOGY

The research methodology is a systematic way of studying the research problem. The research methodology means the way in which we can complete our prospected task. Before undertaking any task it becomes very essential to determine the problem of study. I have adopted the following procedure in completing my report study.

1. Research Problem.
2. Research Design.
3. Data Collection
4. Tools used for analysis of data
5. Analysing the Data.
6. Interpretation of the data.
7. Preparing a research report.

(1) Research Problem

I am interested in Digital Marketing and I want to make a future in it. So, I have decided to make my research

(2) Research Design

Collected data and information has been organized, explained and analyzed by using different statistical tools and techniques. This study shows results both in a descriptive and analytical way.

(3) Determining the data sources

It is a process of collecting information from all relevant sources to find the answer to research work. Generally Data collection are two types: primary data collection method and secondary data collection method.

- Primary Data - Primary data is the data which is collected by researchers himself or herself. Primary data has been collected on the basis of the survey of “Short video content industry”. The data has been collected on the basis of the qualitative method. Qualitative methods include questionnaires, case studies, interviews through the online medium like whatsapp, messenger.
- Secondary Data - Secondary data is the data that has been already published in books, magazines, newspapers, journals, internet. A comparative study of 4 Most used Short video content apps has been done based on various articles and websites over the internet.

(4) Tools used for analysis of data

The survey process involved two phases: First phase included identification and selection of the target audience to be studied and to determine the parameters on which respondents will justify their preferences. A questionnaire was designed to collect the needed information from the respondents. Analysis was done with the help of Bar graphs, pie charts and tables.

For the second phase, i.e. secondary analysis, various newspaper articles, Company reports and websites were thoroughly studied to gather various information.

(5) Analyzing the Data

The Primary or secondary data both would never be useful until they are edited and studied or analysed. The data was analysed, edited and turned into a useful manner, eliminating all the irrelevant information. This data was analysed on the basis of the responses of the viewers.

(6) Interpretation of the data

With the use of analysed data I managed to prepare my project report. But an analysis of the data would not help my study to reach its objectives. The interpretation of the data is required so that the others can understand the Crux of the study in a more simple way without any problem. So I have added the chapter of analysis that would explain to others to understand my study in a simpler way.

(7) Preparing a research report.

This is the last step in preparing the project report. The objective of the report writing was to report the findings of the study to the concerned authorities. I have attached all the requirements with my report.

LIMITATIONS OF THE STUDY

- Faced problems in collecting primary data due to lockdown.
- It was not possible to go anywhere for survey and physical interaction with the respondents in the lockdown period.
- So the whole survey was done online using Whatsapp and messenger.
- Because of being a newly originated industry, secondary research relating to the short video content industry was constrained to limited information.

CHAPTER PLANNING

- Chapter 1 is INTRODUCTION, in which I have discussed the background of the topic, literature review of the study, Objectives of the study, methodology of the study. There are also some limitations of the study which has also been discussed in chapter 1.
- Chapter 2 is CONCEPTUAL FRAMEWORK, in which I have discussed the introduction of the topic and terminologies based on the objectives
- Chapter 3 is PRESENTATION OF DATA ANALYSIS AND FINDINGS, in which there are some data presentations with the help of some graphs and diagrams etc. In this chapter I have also discussed the findings.
- Chapter 4 is CONCLUSION AND RECOMMENDATION, in which I have shown the conclusion and the recommendation and suggestions which will be helpful in future.

CHAPTER 2

CONCEPTUAL FRAMEWORK

Lowering Attention Spans Of Gen Z And The Emergence Of Short-Form Video Content In India

The past two centuries witnessed creative/literary traditions like Japanese short-form poetry Haiku and extremely concise flash fiction. From the brevity of the 6-word story back then to the introduction of a 6-second video format on Vine in 2013, the idea of expression through short-form content has come a long way.

While only a few digital content consumers in India are aware of now-defunct short-form video content platform Vine, as many as 468 Mn Indians have downloaded Bytedance's micro-consumption video content application TikTok.

The active users on the short-form video creation and sharing platforms comprise of Gen Z and millennials. These digital enthusiasts consume video more than any other form of digital content on a daily basis. With low attention spans and an affinity for original/niche content, this audience fits the target demographic for the short video platforms in India. Innovative startups like Clip and Sharechat, which have been a part of the 42Next by Inc42 list in 2018, have been targeting the regional market spaces of the country to increase user engagement. Bytedance's Helo and Likee are creating a stir in the semi-urban parts of India while bringing dynamic influencers onboard.

Capitalizing on short spans of audiences while increasing their engagement is the key driver for digital startups in the short-form app market. Interactivity and personalization are crucial to achieving immense engagements, as has been done by the top players in the market































Case study of TikTok: Global Dominance in 4 years

The Growth of TikTok

TikTok soon became a force to reckon with. Only 2 years after their Global launch in 2017, TikTok surpassed 1 billion downloads globally on Apple Store and Google Play store in March 2019. And by November 2019, it surpassed 1.5 billion downloads globally. Look at the rankings below:

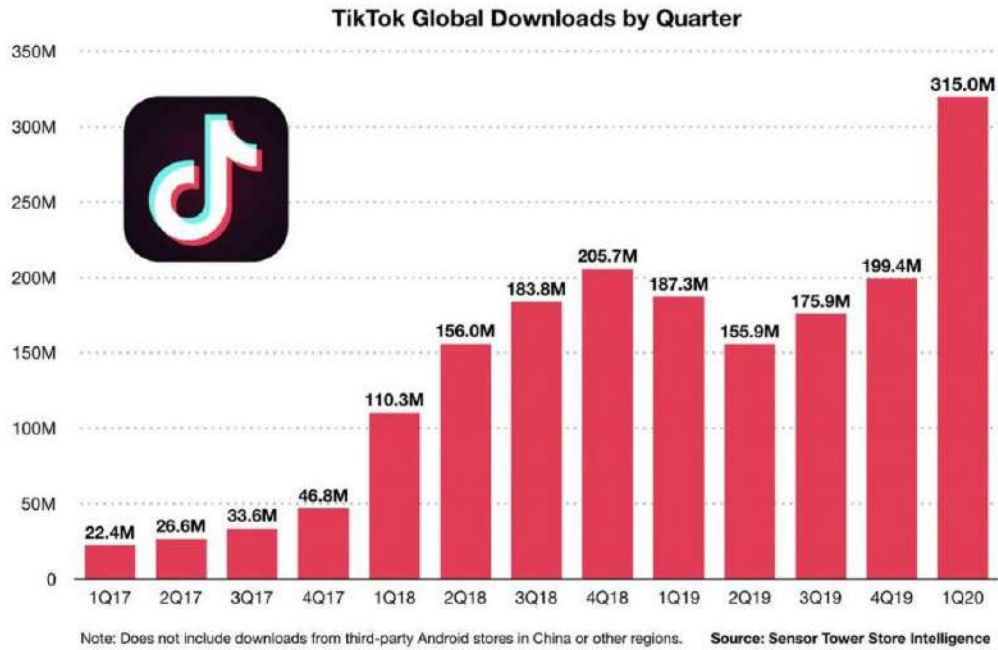
This growth seemed a little unnatural to the US authorities. So, when TikTok planned to expand their business into the US in a big way, they were investigated. The authorities claimed that this expansion had some sort of Politics involved and that the Chinese app can use the data to monitor and compromise confidential data.

Top Social Media Apps Worldwide for July 2019 by Downloads

Overall Downloads	App Store Downloads	Google Play Downloads
1  Facebook	1  TikTok	1  Facebook
2  TikTok	2  Instagram	2  TikTok
3  Instagram	3  Facebook	3  Likee
4  Likee	4  Snapchat	4  Instagram
5  Snapchat	5  Twitter	5  Snapchat
6  HAGO	6  Pinterest	6  HAGO
7  Twitter	7  QQ	7  Helo
8  Helo	8  WeChat	8  Twitter
9  Pinterest	9  Little Red Book	9  Pinterest
10  BIGO LIVE	10  Discord	10  BIGO LIVE

Note: Does not include downloads from third-party Android stores in China or other regions.

But that did not stop TikTok. The entire thing was perceived as a part of the “Ongoing US-China trade war”. Again, what helped them here was their earlier acquisition of an American short-video company Flipagram.



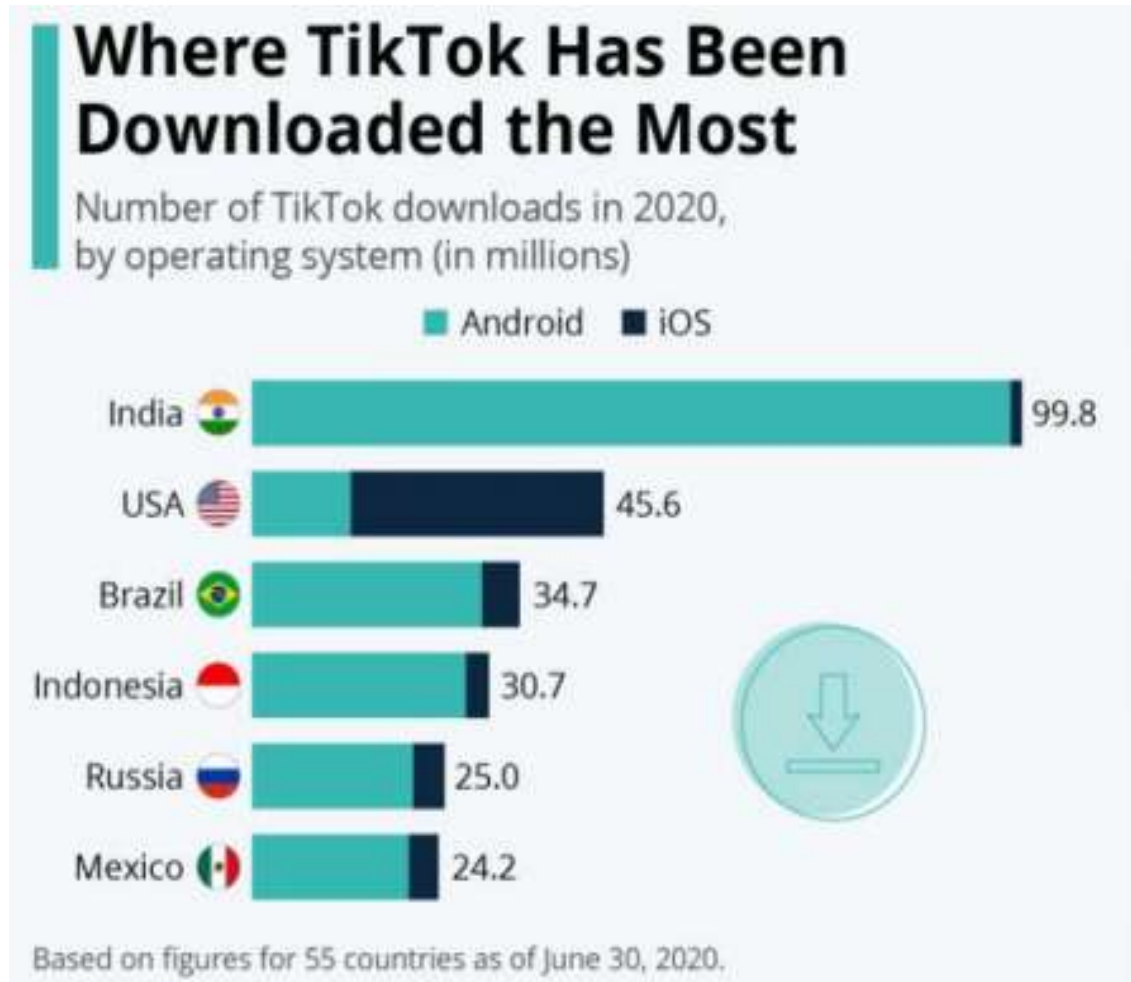
It clocked 2 billion downloads globally in April 2020. This growth attracted a lot of the best talents around the World. Former Walt Disney streaming chief Kevin Mayer joined TikTok as their CEO in May 2020.

Top Apps in the U.S. for January 2020 by Downloads (Non-Game)



Overall Downloads	App Store Downloads	Google Play Downloads
1 TikTok	1 TikTok	1 TikTok
2 Disney+	2 Disney+	2 Disney+
3 Instagram	3 Instagram	3 Instagram
4 Messenger	4 YouTube	4 Messenger
5 Netflix	5 Netflix	5 Netflix
6 Facebook	6 Messenger	6 Snapchat
7 Snapchat	7 Gmail	7 Facebook
8 WhatsApp	8 Facebook	8 WhatsApp
9 YouTube	9 Spotify	9 Android Auto
10 Cash App	10 Google Maps	10 Cash App

TIKTOK BAN IN INDIA









On 3 April 2019, the Madras High Court while hearing a PIL asked the Indian Government to ban it, quoting that it "encourages pornography" and shows "inappropriate content". The court noted that children using the app were at high risk of being targeted by the sexual predators. The court asked the media not to air any of those videos from the app. TikTok stated that they were abiding by local laws and were looking for the copy of the court order before they took any action. On 17 April, both Google and Apple removed the app from their Google Play store and the App Store respectively. As the court rejected the plea to reconsider the ban on the app, the company said that they removed more than 6 million videos that violated their content policy and guidelines.

On 25 April 2019, the ban was removed after the Madras High Court order, following a plea from TikTok developer ByteDance Technology. India's TikTok ban might have cost the app 15 million new users from the country.

Therefore, later on 29th June, 2020 TikTok was banned in the country by the Ministry of Electronics and Information Technology, along with many other Chinese apps, with a statement saying they were "prejudicial to sovereignty and integrity of India, defence of India, security of state and public order". The ban was because of a military clash between Indian and Chinese troops in a territory along their border between Ladakh and West China. The Indian Government said that the decision to ban the app was "to protect the data and privacy of its citizens" and put a break to technology that is "stealing and surreptitiously transmitting users' data in a wrong manner to servers outside the country". Apar Gupta, executive director of the Internet Freedom Foundation, said the censorship was absent from well-defined national security criteria and has "impacted more Indians than any before". Dev Khare, a partner at the venture firm Lightspeed India said that although India's app ban was a populist "feel-good" step, he did not see it as a bad thing because "it's something that China did a long time ago" and "the rest of the world has the right to do it to China."

LISTENFIRST

Cheat Sheet: What You Need to Know About Short Form Video Platforms

	 Instagram Reels	 TikTok	 YouTube Shorts
Length:	30 seconds	60 seconds	15 seconds
Key Features:	Augmented reality effects, transitions, speed up or slow down videos	Sounds, duets, stickers, filters, effects	Multi-segment camera, speed controls, a timer, countdown, hundreds of thousands of songs
Music:	Access to songs from Instagram music library, but not for business accounts	Partnerships w/Universal Music Group, Warner Music Group, Sony Music, Merlin	All the music covered by YouTube's extensive existing music licensing agreements
Ideal for:	Beauty/fashion videos, shorter content targeting your Instagram audience	Video challenges, duets, Cosplay, Tutorials (e.g., makeup)	Shorter content that appeals to your existing YouTube audience
	 Triller	 Dubsmash	 Byte
Length:	16-30 seconds	10 seconds	6-8 seconds
Key Features:	Unique auto-editing algorithm, 100+ filters, add text, drawings and emojis to videos, add top tracks or music from your own library, group video	Add filters, stickers, text, duets	Floaties, beats that can be shortened or lengthened, create sounds from popular music, moderated channels
Music:	Partnerships w/Universal Music Group, Warner Music Group, Sony Music	N/A	"Create sounds from popular music" is listed as coming soon
Ideal for:	Music videos, any content relating to professional musicians	Dance challenge videos and comedy	Not yet embraced by brands, but one joke comedy videos work best

OPENING OF OPPORTUNITIES FOR INDIAN SHORT VIDEO CREATION APPS

Ever since the ban of TikTok in India, people were rushing to local alternatives to fuel their want for short videos. In the Google Play Store, Indian apps were battling it out for the topmost position. The only catch was that they were not exactly at the equal level as TikTok when it comes to functionality and operator interface.

The likes of Moj, Josh and Chingari were among the top free apps on the Play Store. Like Lite also is good, even though its parent app was among the 59 apps banned in the country.

Replacing an app with such a wide base of viewers was difficult. Though for the app developers the government of

India had paved a new path entirely free of competition. But, still it was a big question as to which app will replace tik-tok. There were some apps which were creating buzz after the ban of tik-tok. But, still it's a long way to go for any app to replace tik-tok. Some potential apps which were able to dot his fate were:

- **Chingari** - Dubbed “India’s substitute to TikTok”, the Chingari app is steadily gaining popularity as patriots scramble to find innovative ways to substitute China-made products. Boasting over 2.5 million downloads, Chingari offers all the features and functions as TikTok does and more.
- **MX Takatak** - MX Takatak is a video streaming platform established by MX Media & Entertainment. It serves as an alternative to Tiktok. MX TakaTak offers you real and entertaining videos that one can watch and share on social media. Browse all different types of videos ranging from dubbing, dialogue, gaming, comedy, memes, food, DIY, sports, and lots more.
- **Moj**- Moj has been established by ShareChat, which is an Indian social media platform. Moj allows users to upload 15-second clips and beautify themselves with the use of filters and emotes. There is also lip-syncing functionality inbuilt in the app. The interface is quite easy to use and user friendly.
- **Insta reels**- Akin to TikTok, Instagram users can record and edit together 15 to 30-second video clips set to music and share those on their Stories, Explore Feed, and the Reels tab on the user's Instagram profile. One can find Instagram Reels at the forefront of Instagram. It is taking the center stage of the main navigation bar.
- **Manch TV**- This app is intended to be the entertainer of India. Bharat ka apna rangmanch- Manch, this will gain the fandom and belief of the patriots after the rage against whatever Chinese. This app is user friendly and easy to operate for anyone either a tech pro or just any newbie to the technology. It is unpaid as well as fast. It has users from all over India and small to big creators are showcasing their talents and are making their way to MachTv. Its omnipresence and not regional presence will take it a long way ahead.
- **ROPOSO**- The Roposo App is a new social media video creation site, developed in India. Compared to TikTok, Roposo App users can use a TV-like browsing interface to make customized videos and photos. The content on Roposo App is created largely by users. The Roposo App can be seen in both Google Play and Apple App Store. One can find videos in almost every language as per the wants.
- **Bolo Indya App**- This is a video sharing app similar to the apps as TikTok. It is made in India and originates in Gurgaon. This application allows the users to make dialect videos in eight different Indian languages such as Hindi, Marathi, Tamil, Kannada, Telugu, Bengali, Malayalam and Gujarati. For creating short videos, one can also discuss your ideas with the other user using the application. This application is used by youths to create, alter, and earn money.

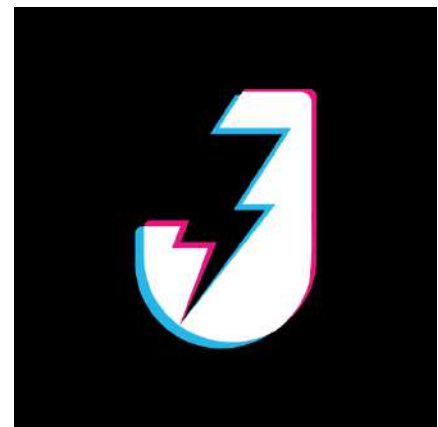
CHAPTER 3

PRESENTATION OF DATA, ANALYSIS AND FINDINGS

Research project was based on competitor analysis. Famous competitors in the SVC sector are Josh, Mxtakatak, Moj, Insta reels, etc. A detailed analysis was made through primary research by using the app for a few days and secondary analysis through news articles and websites.

1. JOSH

- 100 million+ downloads
- 1 billion+ video plays per day
- 200+ A-rated exclusive creators
- 4 mega music labels
- 23 million+ daily active users
- 21 minutes+ time spent per daily active users
- 5 million+ User Generated Content (UGC) content creators
- Current status:
 - 88 million MAUs (Monthly Active Users), 42 million DAUs (Daily Active Users) and 1.75+ billion video plays



per day.

• Its description on Playstore is indeed appealing to the users, especially the hashtag that they are using to invite the people, it reads as “You can bring out your inner superstar and create your own unique videos for a chance in our Hall of Fame — or — snack on our endless stream of videos curated to meet your needs. With new challenges every day and thousands to win in cash prizes, you can be our next Josh celebrity! Come join the Josh with #JoshMeinAaja.”

Features Of Josh App

- ✓ Videos Across Genres
- ✓ Daily Challenges
- ✓ Duet Videos
- ✓ Vast Music Playlist
- ✓ Celebrity Influencers
- ✓ Easy Share across platforms, there's an option to directly share in whatsapp.

Parent company:

Virendra Gupta serves as Founder of Dailyhunt with Co-founder Umang Bedi in September 2020.

Downloads:

The app has crossed the 100 million downloads mark and the reach of the app is increasing day by day.

Active users:

85 million monthly active users (MAU), 40 million daily active users and more than 1.5 billion video plays every day.

Celebrities

Josh hosts 200+ exclusive creators on its platform including popular online content creators such as Faisal Shaikh (Mr. Faisu), Sameeksha Sud, Bhavin Bhanushali and Vishal Pandey, Aditi Shetty.

Funding:

Alphabet Inc.'s Google and Microsoft Corp. joined an investment round of more than \$100 million in VerSe Innovation Pvt, maker of India's Josh short-video app and Dailyhunt news aggregator, valuing the company at more than \$1 billion.

Sponsorship and tie ups :

Dailyhunt To Be Associate Partner for IPL 2020, Short-Video App 'Josh' To Get a New Release. The Indian Premier League 2020 will kick start in a couple of days. Ahead of the mega-event, the founders of Daily hunt have announced that they will be the associate sponsors for IPL 2020.¹⁷

It has also announced collaborations with India's biggest music labels T-Series, Sony, Zee Music and Divo Music offering users one large music libraries

Revenue model

Its revenue model is currently divided into two folds - offline and online. A large part of the online revenue comes from advertising through Brand Partnerships & YouTube and the offline programs are usually co-created properties along with sponsors

Content acquisition and User Retention

VerSe Innovation, the parent company of the latest content aggregator unicorn Dailyhunt and short video app Josh, has acquired Veblar, which is an interest-based photo and video sharing app.

Users can earn money on the app via-

Promotion: It is one of the best ways to earn on the application. There are brands on the app that will contact you based on your content for the promotion of their products, in return to which they will offer you a good amount of money.

Sponsorship: If a content creator has a good or average number of followers on their channel then many brands will ask them to tell their followers about their product. The user will have to make a video describing their product and then the product will be given to the content creators.

Affiliate Marketing: It is also a very good way to earn from the Josh app. The users need to make a video, explaining all the details and features of the product and then they can use affiliate link to earn.

Branding: If the user has a good number of followers on their channel then they can also do branding of a product over their other social media accounts like Instagram, Facebook, etc.

Collaboration: This is also a great way to earn from this application. If the content creator is already a celebrity creator/Influencer then they can collaborate with a lot of small creators and can charge from them in return.

Other ways for user retention on the app is-

Current Contests:

Eid Mubarak challenge

Bartan bajao challenge to win upto 10 phones

Front line warrior challenge

Super mom challenge

Mahamari challenge to win prizes

Radhe title track challenge, etc.

2. MX TAKATAK

MX TakaTak is a short video community, made locally in India. It was founded in July 2020. It offers users real and fun videos that they can watch and share on social media.

Parent company

MX Media & entertainment (owner) and Times Internet Group (Parent Company after acquisition)

Downloads

MX Takatak has already crossed the 100 million mark in India. The no. of downloads are increasing day by day and so are the video views and active users.

Monthly active users (MAUs)

There are 70 million monthly active users on the app and over 15 million+ unique content creators and digital influencers).

Revenue model

- Their revenue model is based on attracting advertisers and giving sponsorship and promotions to their content creators. They also leverage the MX player stars and try to create popularity for the app with the help of youth stars. They also bring in big superstars to their platform and use their social media accounts to promote their app and hence increase viewership and eventually the revenue for the app.
- MXtakatak recently launched a ₹100 crore creator plan for its users to provide incentives to users for creating engaging content on the short video app.



- It also provides the facility of Affiliate Marketing on the app for its content creators.
- MX Takatak also provides the opportunity of monetization to its content creators. It allows its influencers to tie up with a lot of national/international brands and thus gives them a chance to do influencer marketing and thus creates a professional career avenue for them.

Recent market campaigns

- #vaccinelagao campaign, #duet are some of the most recent market campaigns of MX takatak.
- It has tie ups with IPL teams and hence many IPL related events and promotional activities are done on the app.
- It has recently roped in Indian Rapper Badshah for its advertisement.
- It has also launched "My Home" to provide equal opportunity to content creators, and is also the short video partner of some South and Bollywood movies.

Strategies and contests

It comes up with new challenges and events almost daily and notifies all of its users about the events with the help of an icon on the home page itself which brings in attention of people to it. It also shows trending content creators and videos in the search bar page which motivates its users and it brings a lot of promotion activities and sponsors for its users on the app itself which makes it one of the most irresistible app for common people.

Content acquisition and retention

- There are new events and Contests on the app almost daily.
- The app verifies accounts of popular content creators based on likes, views and followers and the verified content creators receive a lot of perks including monetary benefits.
- The app has great features for editing on the app itself thus there is no need for the creators to go to other apps for editing.
- There is also a unique game section in the app.
- There is a wallet for its users on the app itself.
- It gives many opportunities to its popular content creators to showcase their talents on Shows in MX players like Fame house which acts as a great catalyst to motivate users.
- The prizes of the contests are pretty huge which helps in maximum participation from users.
- Affiliate marketing on the app is pretty prominent and helps in retaining both viewers and content creators on the app.
- It is pretty easy to gain followers and likes on the app which motivates the content creators.

Celebrities on the app

The app has many famous cricketers on the app like Suresh Raina. It also has many TV stars and big bollywood stars most of whom came after the Vaccinelagao Nobel Campaign. The app is also used by rappers like Badshah and Influencers like Jannat Zubair, Avneet kaur and many more. the app.

3.INSTAGRAM REELS

Instagram Reels is a brand new Instagram feature for users to create 15-second video clips set to music and share to their Stories, Explore Feed, and the new Reels tab on a user's profile. Similar to TikTok, Reels is the latest video feature on Instagram and is now available in the United States and 50 other countries.

Parent Company :

Founders: Kevin Systrom and Mike Krieger.
Parent Company - Facebook

Demographic:

As of January 2021, 33 percent of global Instagram audiences were aged between 25 and 34 years..On the other hand, most Instagram users are aged between 18 to 34 years. According to statista, half of the global Instagram population are aged 34 years or younger. If you want to target a millennial audience, create more videos for Instagram Reels.



Downloads :

Instagram Reels was released in India on July 12, 2020. From July 12 through August 16, 2020, Instagram downloads increased only marginally, from 7 million downloads in the 30 days prior to the launch of Instagram Reels to 7.8 million downloads after the launch (Apptopia). This is an increase in Instagram downloads of 11.4%.

Content Acquisition :

The feature lets users create and publish 15-second videos using a new set of editing tools that include options like AR effects, a countdown timer, a new align tool to line up different takes and, of course, music. Instagram's deals with major record labels mean users won't have to wonder if their sound will later be removed due to a rights issue and will offer a variety of musical content right out of the gate.

Monthly Active Users :

Instagram user statistics

There are 1.074 billion active monthly users on Instagram in 2021 (eMarketer, 2020), having crossed the 1 billion mark in 2018.

Revenue Model :

In 2019, Instagram generated \$20 billion in advertising revenue, according to Omnicore, a direct marketing agency. About 69% of America's marketers planned to spend most of their 2020 influencer budget on Instagram. According to a Bloomberg Intelligence report, Instagram was worth \$100 billion by 2018

Recent Marketing Campaigns :

Instagram reels has launched the campaign -Do Your Thing, to promote its video product Reels. The Instagram campaign will appear across mediums during IPL. For the unacquainted, Reels is Instagram's new video surface that gives the option to create short-form, edited videos. India was one of the first countries where it was tested.

Monetization Strategy :

Facebook will begin monetising Instagram Reels in India, Brazil, Germany, and Australia in order to take advantage of the growth of its short-video feature. The company is testing ads in Instagram Reels as part of its monetisation strategy.

It will allow select Indian content creators on Instagram to share short video clips Reels on the news feed. Some Indian users who create the 30-second long Reels on Instagram will have the option of having them recommended on Facebook.

Funding Rounds :

Facebook bought Instagram for about \$1 billion in 2012. By 2018, it was worth an estimated \$100 billion.

Strategies and Contests

Various Brands, as their marketing strategy, to grow brand awareness, engage in creating various contests through instagram reels.

Celebrities on the app :

Virat Kohli, Katrina Kaif, Diljit Dosanjh, Neha Kakkar, And almost all celebrities.

4.MOJ

Parent Company :

June 2020

Parent company : Share Chat (owned by Indian company Mohalla Tech)

Demographic:

Top 10 Indian Cities

Urban Gen Z

Downloads :

10 CR + downloads



Content Acquisition :

Moj Creators program: It helps the creators build their content strategy, groom them, etc. The program includes physical destinations, where the creators can visit and shoot videos. This, in turn, affects the quality of the content on the platform.

Active Users :

Moj has an average of over 2.8 million users creating about 2.5 lakh new videos every day, and users had consumed over 3.4 billion minutes of video play in the first month itself.

And monthly active user base of 80 MN + MAU

Revenue Model :

MOJ Financial Summary

Title	Mar 31, 2021	Jun 30, 2020
Total Revenue	11.60	7.25
Gross Profit	2.18	1.20
Operating Income	0.73	-0.42
Net Income	0.51	-0.19

Recent Marketing Campaigns :

TV and Digital campaign #swipeupwithmoj
Moj collaborated with Big Boss in Dec 2020

Monetization Strategy :

Currently through contest sections, no ads were served even after 20-30 swipes, has plans to get into influencer marketing

Funding Rounds :

In Sep 2020, ShareChat has raised \$40m of new funding to continue driving Moj's growth from investors including Twitter Inc and Lightspeed Ventures

Contest Activities and Tie-Ups :

Mix of sponsored and non sponsored contests. Tie ups have started with music labels and movies for promotion.

Strategies and Contests

Sharechat's Moj has a new strategy to add more users — ties up for exclusive content with one of India's most viewed reality shows, Bigg Boss.

Celebrities on the app :

The app has on boarded actors Bollywood actor Ananya Pandey and Telugu film star Vijay Deverakonda as brand ambassadors who are present on the app's brand videos and also as creators on Moj. The commercials, launched on 3 April, are being promoted in Hindi, Telugu, Tamil, Kannada and Malayalam

TABULAR COMPARATIVE ANALYSIS

Basis	JOSH	MX TAKATAK	INSTAGRAM REELS	MOJ
Userbase	85 million monthly active users	70 million + monthly active users	1.074 billion active monthly users	80 MN + MAU
Demographic	18-25 years. Mostly college students.	15-24 age group, GenZ. Millennials constitute upto 34% of the users	18 to 34 years	Urban Gen Z
Promoter	VerSe Innovation founders Virendra Gupta and Umang	The Times Group	Kevin Systrom and Mike Krieger. Parent Company - Facebook	Parent company : Share Chat (owned by Indian company)

	Bedi			Mohalla Tech)
Target Audience	<p>Josh primarily focuses on the audience from the non-metro segment, which accounts for nearly 60% of the population. The app arises as a platform that allows the creation and distribution of content in local languages for a population that is generally more in tune with traditional Indian cultural practices</p>	<p>44% Users - age group 15-24 ,34% - age group 25-34</p>	<p>Millennial Audience</p>	<p>Top 10 Indian Cities</p>
Advertisements & Promotion	<p>No ads served</p>	<p>Mx Takatak is the short video partner for 7 Ipl teams.Launched "My home" to provide equal opportunities to every content creator.It has also collaborated with bollywood and South movies as short video partner</p>	<p>Carries Advertisements</p>	<p>TV and Digital campaign #swipeupwithmoj Moj collaborated with Big Boss in Dec 2020</p>

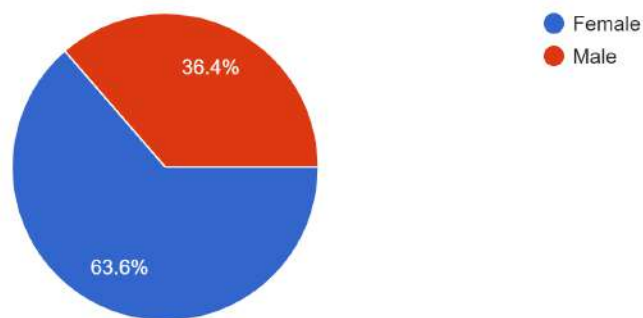
Funding	In 2020, it raised \$73Mn, led by Falcon Edge Capital, Lupa Systems and B Capital Group, followed by a \$100 mn funding round from global investors AlphaWave, Google and Microsoft. Sofina Group and Lupa Systems are also prime investors.	1 billion	\$57.5 M	In Sep 2020, ShareChat has raised \$40m of new funding to continue driving Moj's growth from investors including Twitter Inc and Lightspeed Ventures
Valuation	\$1 Bn	over USD 1 billion	Facebook bought Instagram for about \$1 billion in 2012. By 2018, it was worth an estimated \$100 billion.	Share chat valued at 2 Bn \$

FINDINGS AND ANALYSIS

1. Gender of The Respondents

Gender	No.of Respondents	Percentage
Female	35	63.6
Male	20	36.4

Gender
55 responses

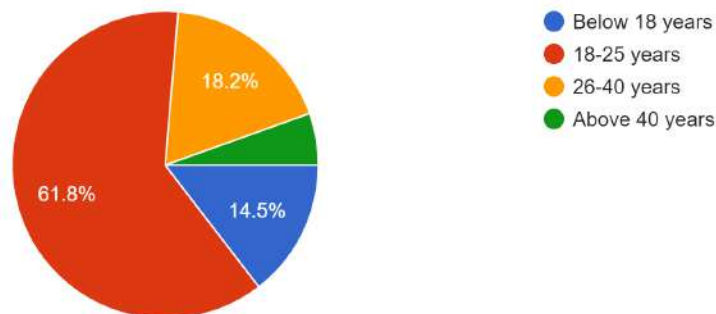


ANALYSIS: From the above graph it is visible that there are more female users (63.6%) as compared to male users (36.4%), out of the total respondents.

2.Age of The Responders:-

Age	No.of Respondents	Percentage
Below 18 years	8	14.5%
18-25 years	34	61.8%
26-40 years	10	18.2%
Above 40 years	3	5.5%

Age
55 responses

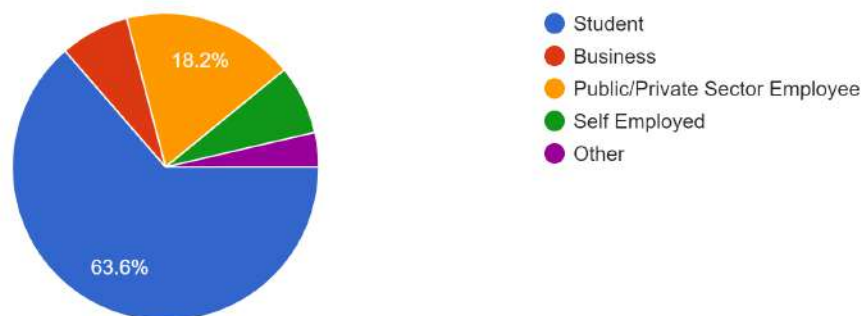


ANALYSIS - As we can see from the above graph, the people who are in the age group of 18-25 years are the ones who are the maximum users of short video content apps. This segment of young people is the one which gives the maximum business to the industry. Next we have people of age groups below 18 years and 26-40 years creating almost the same percentage of user base out of the people interviewed. And the next is the oldest generation who are above 40 years old with the least contribution.

3. Occupation of people entertaining themselves through Video content

Occupation	No. of Respondents	Percentage
Students	35	63.6%
Business	4	7.3%
Public or Private sector	10	18.2%
Self Employed	4	7.3%
Other	2	3.6%

Occupation
55 responses

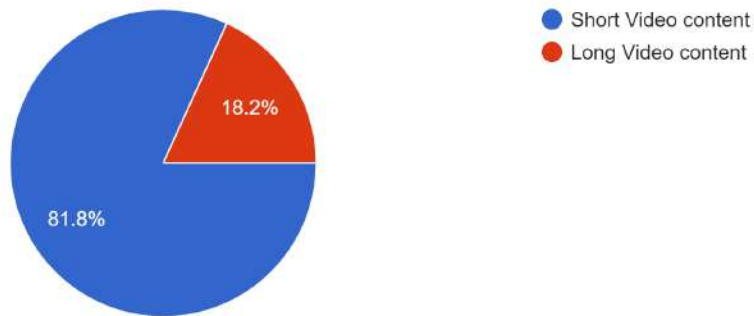


ANALYSIS - As the above graph shows that 63.6% of the total people interviewed are students, they create the maximum user base. The next category is of the people who are public/private sector employees. Then comes the people who are doing business or are self employed. And 3.6% of the whole is engaged with an occupation other than mentioned above.

4. Preference of video content.

Video content preference	No.of Respondents	Percentage
Short video content	45	81.8
Long video content	10	18.2

What kind of video content do you prefer?
55 responses

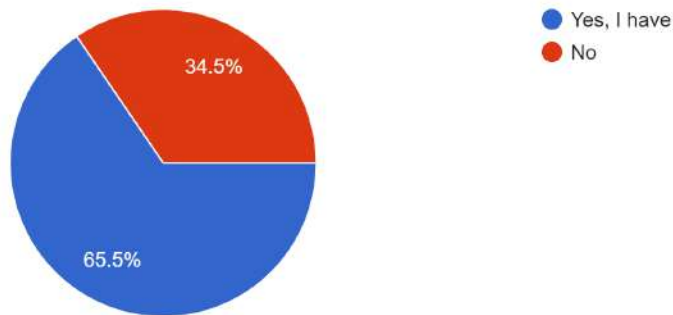


ANALYSIS - It is clearly visible from the graph shown above that the majority of the respondents prefer short video content over long video content.

5. Uploading of short videos through mobile app.

Status	No.of Respondents	Percentage
Yes	36	65.5
No	19	34.5

Have you uploaded short videos to any mobile app in the past?
55 responses



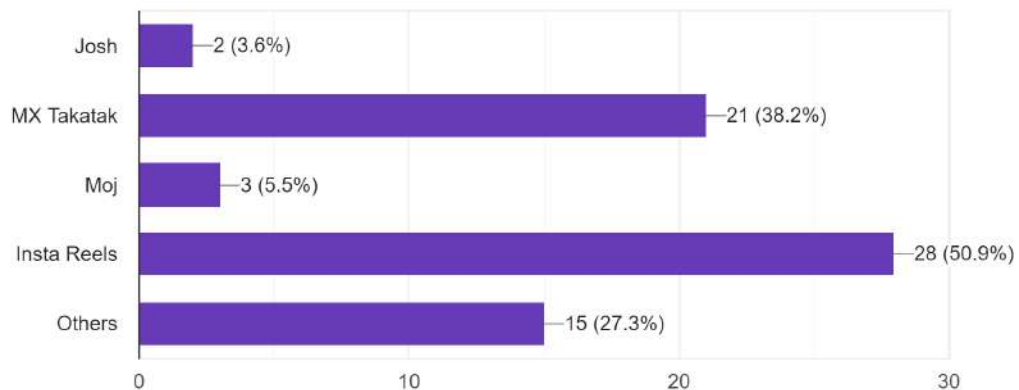
ANALYSIS - The above graph clearly shows that out of the total respondents 65.6% people have used short video content apps to upload their videos.

6. Which of the following apps is used most often to watch/upload short videos. (More than one option was chosen by one respondent)

Apps used	No.of Respondents	Percentage
Josh	2	3.6
MX Takatak	21	38.2
Moj	3	5.5
Insta Reels	28	50.9
Others	15	27.3

In a typical day, which of the following apps do you use most often to watch/upload short videos?
(You can choose more than one option)

55 responses



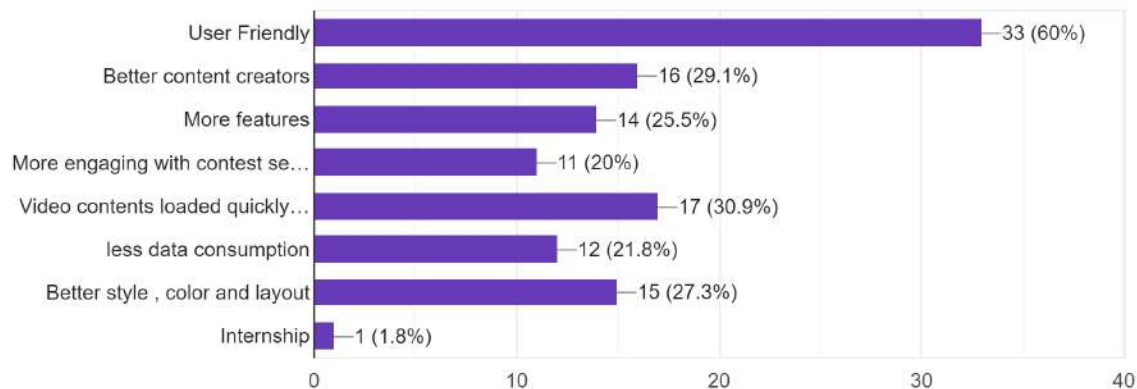
ANALYSIS - The above graph shows that Insta Reels has the maximum number of users followed by MX Takatak in the second position. 27.3% of the respondents use apps other than the mentioned apps. Moj and Josh have 5.5% and 3.6% of the user base out of the total 55 people interviewed respectively.

7.What makes you prefer your app over the other apps? (more than one option was chosen by one respondent)

Basis	Choices	Percentage
User Friendly	33	60
Better content creators	16	29.1
More features	14	25.5
More engaging with content sections	11	20
Video content loaded quickly	17	30.9
Less data consumption	12	21.8
Better style color and layout	15	27.3
Internship opportunity	1	1.8

What makes you prefer your app over the other apps? (You can choose more than one option)

55 responses



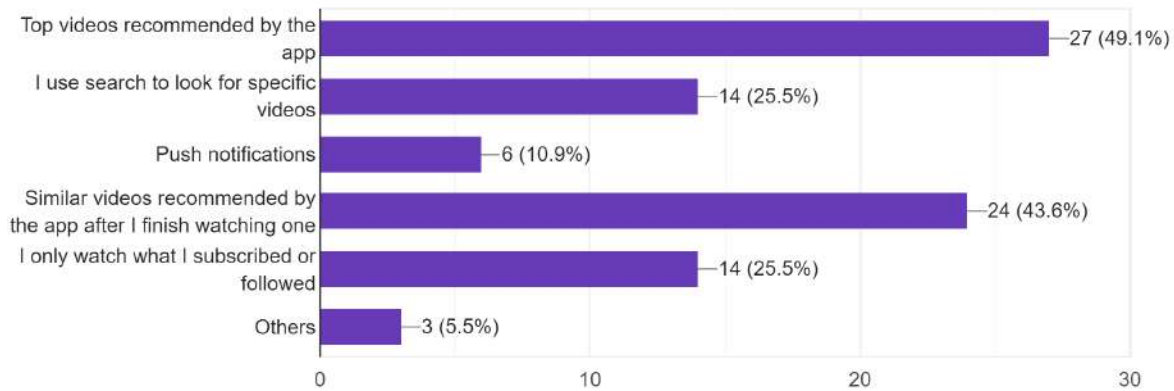
ANALYSIS - As the above graph clearly shows that people prefer more user friendly apps. Then they consider how quickly video gets loaded, better content creators, style, color, layout, more features, less data consumption and number of contests for choosing their short video content app.

8.Features which best describes where people pick videos to watch in the app from. (You can choose more than one option)

Factors	No.of Respondents	Percentage
Top videos recommended by the app	27	49.1
Use of search to look for specific videos	14	25.5
Push notifications	6	10.9
Similar video recommendations	24	41.6
Watch what's subscribed and followed	14	25.5
Others	3	5.5

In a typical day, which of the following best describes where you pick your videos from? (You can choose more than one option)

55 responses



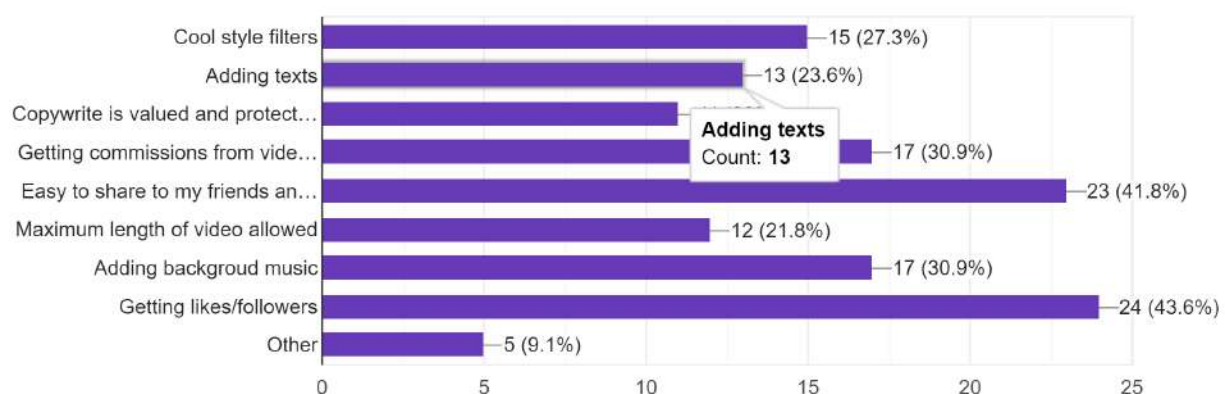
ANALYSIS - From the above graph it is clearly visible that most of the people pick their videos from the top videos recommended by the app. 43.6% of the people prefer to watch similar videos after they finish watching one. Some of them use search to look for specific videos or prefer to watch only subscribed videos. 5.5% of them use some other ways to pick what videos to watch.

9. When Choosing what app to upload video, which of the following features matter the most to people. (more than one option was chosen by one respondent)

Features	No.of Respondents	Percentage
Cool style filters	15	27.3
Adding texts	13	23.6
Copyright is valued and protected	17	30.9
Easy to share	23	41.8
Maximum length of videos allowed	12	21.8
Adding background music	17	30.9
Getting likes and followers	24	43.6
Other	5	9.1

When Choosing what app you use to upload video, which of the following features matter to you?
(You can choose more than one option)

55 responses

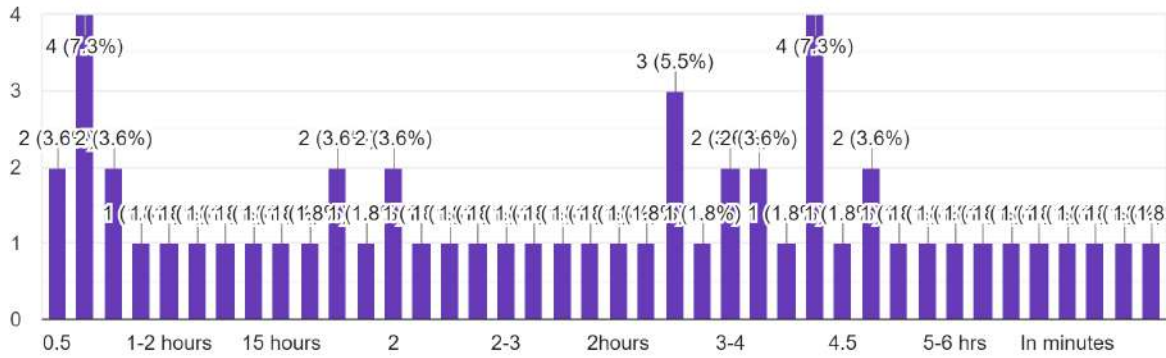


ANALYSIS - Out of the total respondents most of them voted for ‘getting likes/followers’ feature followed by ‘easy to share’ feature. After these the most preferred features are ‘adding background music’ and ‘monetary rewards’. Then comes features like filters, adding texts, length of the video and less copyright issues.

10. How much time is spent by people, in a day on short video content apps.

In a typical day how much time do you spend using Short video content app? (in Hours)

55 responses



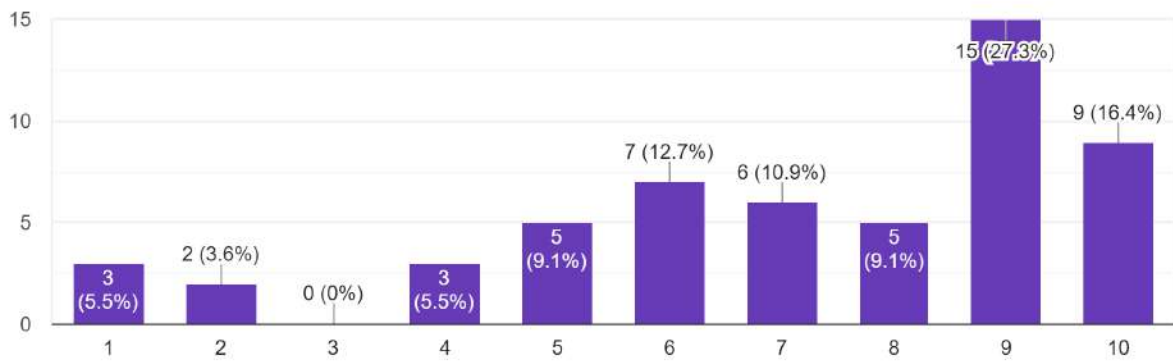
ANALYSIS - On an average, 1-4 hours per day is spent by most people on the social media content apps. The maximum responses came for 1hour and 4hours.

11.On a scale of 1 to 10, how much does the advertisements shown in apps influence People.

Scale	No.of Respondents	Percentage
1	3	5.5
2	2	3.6
3	0	0
4	3	5.5
5	5	9.1
6	7	12.7
7	6	10.9
8	5	9.1
9	15	15
10	9	9

On a scale of 1 to 10, how much does the advertisements shown in your app influence you?

55 responses



ANALYSIS - It is clearly visible from the above graph that the maximum number of respondents gets highly influenced by the advertisements shown in their app which helps in the promotion of their business.

CHAPTER 4

CONCLUSION :

- The Short Media and Entertainment industry is ruled by consumer choices of content and accessibility all over the world.
- The short video streaming service market in India is still maturing and it won't be a wise decision to call out a specific app as the best performing app. Mostly, because each one of them has its own pros and cons.
- But out of all the options available for on-demand online short video streaming apps Josh, Moj, Mx Takatak and Instagram Reels are the major players with the maximum user base in India.
- Features are considered as one the most important factors when it comes to creating short video content in apps, user friendliness along with better features has proven to be the most important factor responsible, and Mx Takatak has a slight edge over other apps in terms of features.
- Considering the overall datas, Instagram Reels proves to be the best, with a huge user base of 1.074 Billion MAUs.
- On-demand short video content apps are dependent on the age of the consumer and the product is consumed mostly within the age group of 18-25 and least by people aged above 40.
- According to the survey, the advertisements shown through short videos play a major influential role for the viewers.
- Monetary rewards through contests, easy sharing option and better features are important influential factors for the users and marketers should make sure that the advertising and promotion is based on the same line in order to attract more consumers.

RECOMMENDATIONS :

- The age group of 18-25 is mostly attracted towards the short video content apps, which is actually their target group. While the age group above 40 is the least interested group in terms of short video content app usage. The Industry as a whole should not lose focus on this age group, to increase the user base. The content and features should be molded in a way that all the age groups can be attracted towards the apps.
- The user interface should be designed in such a way that it allows the user to choose their particular regional language for the entire interface and not just for the content they watch.
- Monetary rewards on various contests and point systems should be introduced since they act as motivation for most of the viewers. Points on posting videos or any other activity on app which can be further redeemed into cash can be introduced.

CHAPTER 5

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CHAPTER 6

ANNEXURE

18/07/2021

Study on Short Video Content Industry

Study on Short Video Content Industry

Sample survey on Short Video Content (SVC) Industry

Name

Your answer

Gender

- Female
- Male
- Other:

Age

- Below 18 years
- 18-25 years
- 26-40 years
- Above 40 years

Occupation

- Student
- Business
- Public/Private Sector Employee
- Self Employed
- Other

What kind of video content do you prefer?

- Short Video content
- Long Video content

Have you uploaded short videos to any mobile app in the past?

- Yes, I have
- No

In a typical day, which of the following apps do you use most often to watch/upload short videos? (You can choose more than one option)

- Josh
- MX Takatak
- Moj
- Insta Reels
- Others



What makes you prefer your app over the other apps? (You can choose more than one option)

- User Friendly
- Better content creators
- More features
- More engaging with contest sections
- Video contents loaded quickly and played smoothly
- less data consumption
- Better style , color and layout
- Other:

In a typical day, which of the following best describes where you pick your videos from? (You can choose more than one option)

- Top videos recommended by the app
- I use search to look for specific videos
- Push notifications
- Similar videos recommended by the app after I finish watching one
- I only watch what I subscribed or followed
- Others



When Choosing what app you use to upload video, which of the following features matter to you? (You can choose more than one option)

- Cool style filters
- Adding texts
- Copywrite is valued and protected
- Getting commissions from video views/monetary rewards for posting videos
- Easy to share to my friends and family
- Maximum length of video allowed
- Adding background music
- Getting likes/followers
- Other

In a typical day how much time do you spend using Short video content app? (in Hours)

Your answer

On a scale of 1 to 10, how much does the advertisements shown in your app influence you?

1 2 3 4 5 6 7 8 9 10
Not influenced ○ ○ ○ ○ ○ ○ ○ ○ ○ ○ Highly influenced

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A PROJECT REPORT

**(Submitted for the Degree of B.Com. Honors in Accounting
& Finance under the University of Calcutta)**

Title of the Project

**A STUDY ON EFFECTIVENESS OF ADVERTISING
WITH THE HELP OF THE PRIMARY RESEARCH ON COCA
COLA COMPANY**

Submitted by

Name of the candidate: SUBHANGI DAS

BACHELOR OF COMMERCE VI SEMESTER

Registration number: 223-1211-0509-18

College Roll no: 18C-010

Name of the college: SCOTTISH CHURCH COLLEGE

UNDER THE GUIDANCE OF

Prof. Sreeparna Mukherjee

DEPARTMENT OF COMMERCE

SCOTTISH CHURCH COLLEGE, KOLKATA, 2021

SUPERVISOR'S DECLARATION

ANNEXURE 1(A)

This is to certify that student of B.Com. Honours in Accounting & Finance in Business of under the University of Calcutta has worked under my supervision and guidance for his Project Work and prepared a Project Report with the title A STUDY ON EFFECTIVENESS OF ADVERTISING WITH THE HELP OF THE PRIMARY RESEARCH ON COCA COLA COMPANY

which he is submitting, is his genuine and original work to the best of my knowledge.

PLACE: KOLKATA

SIGNATURE:

NAME : Prof.SREEPARNA MUKHERJEE

DESIGNATION: SACT

STUDENT'S DECLARATION

ANNEXURE 1 (B)

I hereby that the project work with the title “A STUDY ON THE EFFECTIVENESS OF ADVERTISEMENT” with the help of the primary research on COCA COLA COMPANY submitted by me for the partial fulfillment of the degree B.COM (Hon) in Accountancy & Finance under the University of Calcutta is my original work. I have specified by means of references, from where the information has been taken. I also confirm that, the report is only prepared for my academics requirement not for any other purpose. It might not be used with the interest of opposite party of the corporation.

PLACE: KOLKATA

SIGNATURE:

NAME : **SUBHANGI DAS**

Date :

REGISTRATION NO : **223-1211-0509-18**

ROLL NO : 18C-010

ACKNOWLEDGEMENT

It gives me immense pleasure to present this project report on Advertisement Media and Policies of Coca Cola Company in partial fulfillment of B.COM (H) 3rd year. No work can be carried out without the help and guidance of various persons. I am happy to take this opportunity to express my gratitude to those who have been helpful to me in completing this project report. At the outset I would like to thank [Prof .SREEPARNA MUKHERJEE](#), for her valuable advice and guidance during my project completion, also (Head of Department) for timely help concerning various aspects of project. I would be failing in my duty if I do not express my deep sense of gratitude to my friends.

There are no sources in the current document without her guidance it wouldn't have been possible for me to complete this project work. Lastly I would like to thank my parents and well wishers who encouraged me to do this research work and all those who contributed directly or indirectly in completing this project to whom I am obligated to.

PREFACE

Advertising is the promotion of a company's products and services, carried out primarily to drive up its sales. It is also done to build a brand identity, communicate changes in old products, or introduce new product/services to the customers. Advertising has become an essential element of the corporate world, and hence, companies allot a considerable amount of resources towards their advertising budget. The basic aim of this project is to identify the different forms of advertisement and determine the suitable form of advertisement for different kinds of product/services by comparatively analyzing their features and their demand in the consumer market.

The purpose of the research was to understand the advertising needs of different companies like what are their expectations from advertising, do they understand the importance of selecting the right medium for advertising etc. So that after advertising needs of the businesses are known, on the basis of our secondary research and the primary research with consumers, the suitability of advertising medium could be analyzed with respect to the need of the company. In the analysis, we studied the opinions of people and industry on different advertising mediums and further the role of all advertising mediums at different places, purposes and function of business. A case study on Coca Cola Company has been made and the advertisement policy adopted by the company has been discussed. Various charts and data have been used for better presentation.

Finally I concluded that which type of advertisement is most suitable and what all measures the coca cola company is required to take in order to improve its advertisement practices.



A STUDY ON
EFFECTIVENESS OF
ADVERTISING
WITH THE HELP OF THE
PRIMARY RESEARCH ON
COCA COLA COMPANY

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Chapter 1

INTRODUCTION

Advertising is the art of convincing people to spend money they don't have for something they don't need.

-Will Rogers

The objectives of all business are to makes profits and a merchandising concern can do that by increasing its sales at remunerative prices.. Publicity makes a thing or an idea known to people. It is a general term indicating efforts at mass appeal. As personal stimulation of demand for a product service or business unit by planting commercially significant news about it in a published medium or obtaining favourable presentation of it upon video television or stage that is not paid for by the sponsor.

On the other hand, advertising denotes a specific attempt to popularize a specific product or service at a certain cost. It is a method of publicity. It always intentional openly sponsored by the sponsor and involves certain cost and hence is paid for.

Advertising has been defined by different experts. Some of the quoted definition are :

American marketing association has defined advertising as "any paid form of non personal presentation and promotion of ideas, goods or services by an identified sponsor. The medium used are print broad cast and direct.

Stanton deserves that "Advertising consists of all the activities involved in presenting to a group a non- personal, oral or visual openly, sponsored message regarding a product, service, or idea. This message called an advertisement is disseminated through one or more media and is paid for by the identified sponsor.

In developing an advertising programme, one must always start by identifying the market needs and buyer motives and must make five major decisions commonly referred as 5M (mission, money message, media and measurement) of advertising.

BASIC FEATURES OF ADVERTISING

On the basis of various definitions it has certain basic features such as :

1. It is a mass non-personal communication.
2. It is a matter of record.
3. It persuades buyers to purchase the goods advertised.
4. It is a mass paid communication.
5. The communication media is diverse such as print (newspapers and magazines)

FUNCTIONS OF ADVERTISING

For many firms advertising is the dominant element of the promotional mix – particulars for those manufacturers who produce convenience goods such as detergent, non – prescription drugs, cosmetics, soft drinks and grocery products. Advertising is also used extensively by makers of automobiles, home appliances, etc, to introduce new product and new product features its uses its attributes, availability etc.

Advertising is particularly effective in certain other spheres too such as:

- i) When consumer awareness of products or service is at a minimum.

- ii) When sales are increasing for all terms in an industry.
- iii) When a product is new and incorporates technological advance not strong and.
- iv) When primary buying motive exists.

It performance the following functions:

- i) Promotion of sales
- ii) Introduction of new product awareness.
- iii) Mass production facilitation
- iv) Education of people.

ADVERTISING OBJECTIVES

Advertising is a highly versatile communications tools and may therefore by used for achieving various short and long term objectives. Among these objectives are the following:

1. To do the entire selling job (as in mail order marketing).
2. To introduce a new product (by building brand awareness among potential buyers).
3. To force middlemen to handle the product (pull strategy).
4. To build brand preference 9by making it more difficult for middleman to sell substitutes).
5. To remind users to buy the product (retentive strategy).

BENEFITS

The functions of advertisement, and that purpose its ethics, may be discussion below:

1. It leads to cheaper prices. "No advertiser could live in the highly competitive arena of modern business if his methods of selling were more costly than those of his rivals."

2. It acquaints the public with the features of the goods and advantages which buyers will enjoy.
3. It increases demand for commodities and this results in increased production.
Advertising:
 - a) Creates and stimulates demand opens and expands the markets;
 - b) Creates goodwill which leads to an increase in sales volume;
 - c) Reduces marketing costs, particularly product selling costs.
 - d) Satisfies consumer demands by placing in the market what he needs.
4. It ensures the consumers better quality of goods. A good name is the breath of the life to an advertiser.

1.1 BACKGROUND

Advertising or **advertising** in business is a form of marketing communication used to encourage, persuade, or manipulate an audience (viewers, readers or listeners; sometimes a specific group) to take or continue to take some action. Most commonly, the desired result is to drive consumer behavior with respect to a commercial offering, although political and ideological advertising is also common. This type of work belongs to a category called affective labour.

The reason why I choose this project is the increasing importance of advertisement and the consumer right that it fulfills i.e. **RIGHT TO INFORMATION**. Today's consumer does not only rely on the brand name but analyses the reasonableness of a particular brand.

Cold drinks are something which could be found in each and every variety shops or counters now a day and has become the taste of all the age groups and the most recognized brand is as we all know COCA COLA- the one with the largest market share in cold drinks.

COCA COLA- THE BRAND



The Coca-Cola Company has always taken seriously its commitment to market responsibly, across the globe, across all advertising media, and across all of our beverages. Honoring the rights of parents and caregivers to make the appropriate choices for their children is a cornerstone of our Responsible Marketing Policy.

THE MISSION, VISION AND VALUES OF THE INDUSTRY:

Company's Mission

Our Roadmap starts with our mission, which is enduring. It declares our purpose as a company and serves as the standard against which we weigh our actions and decisions.

- To refresh the world...
- To inspire moments of optimism and happiness...
- To create value and make a difference.

Company's Vision

Our vision serves as the framework for our Roadmap and guides every aspect of our business by describing what we need to accomplish in order to continue achieving sustainable, quality growth.

- **People:** Be a great place to work where people are inspired to be the best they can be.
- **Portfolio:** Bring to the world a portfolio of quality beverage brands that anticipate and satisfy people's desires and needs.
- **Partners:** Nurture a winning network of customers and suppliers, together we create mutual, enduring value.
- **Profit:** Maximize long-term return to shareowners while being mindful of our overall responsibilities.
- **Productivity:** Be a highly effective, lean and fast-moving organization.

Live the Values

Company's values serve as a compass for our actions and describe how we behave in the world.

- **Integrity:** Be real
- **Accountability:** If it is to be, it's up to me
- **Diversity:** As inclusive as our brands
- **Quality:** What we do, we do well

This project is all about the several **means of advertisement** like media and a related case study on coca cola- the most preferred brand in cold drinks. Media selection is important since it costs time, space and money. Various factors influence this section, the most important being the nature of the target market segment, the type of the product and cost involved.. A brief summary on the important heads of media adopted by coca cola industry are as follows:

Television, Radio and Print

The Coca-Cola Company will not place any of our brands' marketing in television, radio and print programming made specifically for children. This means that we will not buy advertising in programs with an audience profile higher than 35% ¹ of children less than 12 years of age.

Internet and Mobile Phones

the Coca-Cola Company recognizes the growing use of the Internet and mobile phones amongst children. While we believe the Internet can be a wonderful learning tool and mobile phones may be considered a necessity, The Coca-Cola Company will not buy advertising on Internet sites/mobile phones directly targeted to children.

Youth Education

our system supports education programs for children in local communities throughout the world, particularly programming focused on promoting active healthy living.

1.2.LITERATURE REVIEW

As known for decades, advertisement is one of the main strategies in marketing either a product or service. It can be defined as “An Advert that does not create a buying response, or at least produce a desire to want to know more is not an advert”(Quinn, 1985). According to a research concentrating on the advertisers viewpoint, Advertisement is an important tool which companies use to directly persuade buyers and Public (Kotler, 1994). One of the main obstacles is the low audience involvement (Krugman, 1975). In most forms of communication, the audience least make some effort to pay attention or appear to be doing so. The existence of the advertisement rooted in Malaysia dated back to the 1971 as claimed by **Bonnex (1975)** in his thesis. His theory is even supported by the Honourable Minister **Tan Sri Gazali’s speech in 1971(Bernama, 1971)**. Advertising agencies fuel the basic needs of a company to plan, strategise and introduce their product in the market. It is one of the basis of the supply chain and many advertising agencies are involved in this business in India. The print media has a very high potential coverage where more than 5.6 million Indian adults read daily newspaper at least once on an average day representing 54% reach of adult population in the year of 2001 (**Ministry Of Information, 2002**). This makes the print media one of the powerful methods of advertising. The

value chain is a systematic approach in examining the development of competitive advantage. It was introduced by one of the pioneer in the ICT and business industry **Porter (1980)**. According to **Stern (2004)**, advertisements geared towards women emphasize the importance of physical appearance. These advertisements also urge consumers to buy specific products and conduct certain behaviors to look as young and thin as the models represented in the image.

ABOUT COCA COLA

Founded in 1886 in Atlanta, Coca-Cola Company is the world's leading manufacturer, marketer and distributor of nonalcoholic beverage concentrates and syrups, used to produce more than 230 beverage brands. Though the company grew rapidly and roared into some European countries during the 1900s, its presence worldwide grew swiftly only after World War II. Due to strong competition with Pepsi-Cola, Coca-Cola wants to reduce its dependence on United States market, which is their similar domestic market, as to reduce its risk and increase its global market share by going international. Presently, the company has already reached six billion consumers in nearly two hundred countries. The company has been sponsoring big events, like Olympics, Sea Games, FIFA Cup and International Film Festivals all over the world to create awareness, credibility and to brand itself as world-class company. It also makes big donations to organizations, charities and involvement in the communities. These activities have aided Coca-Cola in creating a positive image and consumers' perception toward the company.

1.3.OVERALL OBJECTIVE

The prime objective of the study, from the business perspective are stated as follow:

1. To understand the need of advertising for businesses.
2. To understand and explore different available mediums of advertising for businesses.
3. To make a comparative study of different types of advertisement for different businesses.
4. To understand the Suitability of various Advertising mediums for COCA COLA industry.
5. To correlate the effectiveness of various advertisements with the choice of medium used.
6. To study the marketing policy of coca cola.

RESEARCH METHODOLOGY

Research is voyage from known to unknown .Research is a procedure of logical and systematic application of the fundamentals of science to the general and overall questions of a study and scientific technique which provide precise tools, specific procedure and technical rather than philosophical means for getting and ordering the data prior to their logical analysis and manipulation. Different type of research designs is available depending upon the nature of research project, availability of able manpower and circumstances.

Methodology

1. **Research Design:** The research design is the blueprint for the fulfillment of objectives and answering questions. It is a master plan specifying the method and procedures for collecting and analyzing needed information.

- **Descriptive Research** is used in this study as the main aim is to describe characteristics of the phenomenon or a situation.

2. **Data Collection Methods:** The source of data includes primary and secondary data sources.

- **Primary Sources:** Primary data has been collected directly from sample respondents through questionnaire and with the help of interview.
- **Secondary Sources:** Secondary data has been collected from standard textbooks, Newspapers, Magazines & Internet.

3. **Research Instrument:** Research instrument used for the primary data collection is Questionnaire.

4. **Sample Design:** Sample design is definite plan determine before any data is actually obtaining for a sample from a given population. The researcher must decide the way of selecting a sample.

Sampling Technique: Convenience **Sample Size:** 50 Respondents

To make a comparative study on the financial data of 2-3 years of coca cola industry to observe

LIMITATIONS



- ❖ The project relied mainly on the primary data.
- ❖ Consumer give very unclear picture.
- ❖ We have a limited time.
- ❖ The study is based on limited sample.
- ❖ It begin my first attempt to undertake such a study, thus the inexperience is also a obstacle to accomplish the project in a proper way.
- ❖ It was also difficult to get proper information from the people because they were indulging in some other activities.

7.

8. e benefits of suitable advertisement.



Chapter 2

2.CONCEPTUAL FRAMEWORK

Thomas J. Barratt from London has been called "**the father of modern advertising**". Working for the Pears Soap company, Barratt created an effective advertising campaign for the company products, which involved the use of targeted slogans, images and phrases. One of his slogans, "Good morning. Have you used Pears' soap?" was famous in its day and well into the 20th century, Under Barratt's guidance; Pears Soap became the world's first legally registered brand.

INTERNATIONAL SCENARIO

19th CENTURY: In June 1836, French newspaper *La Presse* was the first to include paid advertising in its pages, allowing it to lower its price, extend its readership and increase its profitability and the formula was soon copied by all titles. Around 1840, Volney B. Palmer established the roots of the modern day advertising agency in Philadelphia. In 1842 Palmer bought large amounts of space in various newspapers at a discounted rate then resold the space at higher rates to advertisers. The actual ad – the copy, layout, and artwork – was still prepared by the company wishing to advertise; in effect, Palmer was a space broker. The situation changed in the late 19th century when the advertising agency of N.W. Ayer & Son was founded. Ayer and Son offered to plan, create, and execute complete advertising campaigns for its customers. By 1900 the advertising agency had become the focal point of creative planning, and advertising was firmly established as a profession. Around the same time, in France, Charles-Louis Havas extended the services of his news agency, Havas to include advertisement brokerage, making it the first French group to organize. At first, agencies were brokers for advertisement space in newspapers. N. W. Ayer & Son was the first full-service agency to assume responsibility for advertising content. N.W. Ayer opened in 1869, and was located in Philadelphia.

20th CENTURY:

commercial goods and services can be used to inform, educate and motivate the public about non-commercial issues, such as HIV/AIDS, political ideology, energy conservation and deforestation.

Advertising, in its non-commercial guise, is a powerful educational tool capable of reaching and motivating large audiences. " At the turn of the 20th century, there were few career choices for women in business; however, advertising was one of the few. Since women were responsible for most of the purchasing done in their household, advertisers and agencies recognized the value of women's insight during the creative process.

On the radio from the 1920s

In the early 1920s, the first radio stations were established by radio equipment manufacturers and retailers who offered programs in order to sell more radios to consumers. As time passed, many non-profit organizations followed suit in setting up their own radio stations, and included: schools, clubs and civic groups.

Public service advertising in World War 2

The advertising techniques used to promote Advertising justifies its existence when used in the public interest – it is much too powerful a tool to use solely for commercial purposes." Attributed to Howard Gossage by David Ogilvy.

Commercial television in the 1950s -This practice was carried over to commercial television in the late 1940s and early 1950s. A fierce battle was fought between those seeking to commercialise the radio and people who argued that the radio spectrum should be considered a part of the commons – to be used only non-commercially and for the public good. In the early 1950s, the DuMont Television Network began the modern practice of selling advertisement time to multiple sponsors.

Cable television from the 1980s - The late 1980s and early 1990s saw the introduction of cable television and particularly MTV. Pioneering the concept of the music video, MTV ushered in a new type of advertising: the consumer tunes in *for* the advertising message, rather than it being a by-product or afterthought. As cable and satellite television became increasingly prevalent, specialty channels emerged, including channels entirely devoted to advertising, such as QVC, Home Shopping Network, and ShopTV Canada.

On the Internet from the 1990s - with the advent of the ad server, marketing through the Internet opened new frontiers for advertisers and contributed to the "dot-com" boom of the 1990s. At the turn of the 20th to 21st century, a number of websites, including the search engine Google, started a change in online advertising by emphasizing contextually relevant ads based on an individual's browsing interests.

ADVERTISEMENT POLICY WITH REFERENCE TO COCA COLA INDUSTRY

The coca cola industry has a soft corner for children and focuses to a great extent on children below the age group of 12.

15 July 2003

The Coca-Cola Company's new global advertising and promotion policy for children

ATLANTA, USA--July 15, 2003--Today we are restating and reiterating our global policy regarding advertising and promotion to children. The updated document, which follows, is the official position of The Coca-Cola Company. For more than 50 years, our company has had a policy against marketing to

children under 12. However, as our portfolio of beverages has grown, and as interest in youth marketing practices has intensified throughout the world, we thought it made sense to update and redistribute our longstanding policy. The Coca-Cola system respects and supports the primary role played by parents, guardians and other caregivers in the broad range of decisions affecting children, including choices about lifestyle and diet. The global policy restatement affirms our conviction that decisions about the beverages children drink should belong to those most responsible for their care.

Douglas N. Daft
Chairman, Board of Directors,
CEO The Coca-Cola Company

Global Policy of Advertising and Promotion to Children: The Coca-Cola system offers people around the world a wide range of refreshing beverages to meet the needs of people of all ages and lifestyles, including diet and regular carbonated soft drinks, fruit juices, fruit drinks, water, coffees, teas, sports drinks and dairy-based drinks. We are committed to offering people the beverage choices that suit their needs.

While carbonated soft drinks and all of our beverages are refreshing and appropriate for people of all ages, the Coca-Cola system respects and supports the primary role that parents, guardians and other caregivers play in the broad range of decisions affecting the lives of young children, including choices about diet and lifestyle. Consequently, we believe that decisions about the beverages that children drink should belong to those most responsible for their care. Based on that belief, we now reaffirm and update the following guidelines.

In keeping with a policy that has been in place for more than half a century, The Coca-Cola Company and its local bottling partners do not aim or direct any marketing activity from any source to children under the age of 12.

Coca Cola's Responsibility- Social responsibility, consumer education, Provides consumer education through packaging containing information on calorie contents and other nutrition information. It deals with other projects supported to address global obesity epidemic and promote a healthy lifestyle. Active Healthy Living One of seven core areas aimed towards making a positive difference in the world Low- and no- calorie products. Products and Programs To help address iron-deficiency anemia and malnutrition in children in the Philippines Nutri Juice TM – an orange juice fortified with iron, zinc, lysine and vitamins A and approximately 30,000 children have benefited from consuming this product. Coca Cola Strategy Build on fundamental strengths in marketing and innovation increased efficiency and effectiveness and has Generate new energy through core brands that focus on reaching upto the market needs.

CHAPTER 3

DATA ANALYSIS

MARKET PROFILE

(Coca Cola)

Brands of Coca- Cola

- i) Coca Cola
- ii) Thums-up
- iii) Limca
- iv) Fanta
- v) Maaza
- vi) Maaza Tetra
- vii) Sprite

Flavours of the brand :

- i) Cola
- ii) Lemon
- iii) Soda
- iv) Orange
- v) Mango
- vi) Clear Lemon

SIZE OF COCA COLA COLA DRINKS IN MARKET

- i) 200 ml Bottles (RGB Glasses)
- ii) 300 ml Bottles (RGB Glasses)
- iii) 500 ml Bottles (RGB Glasses)
- iv) 1 Litre (PVC Bottles)
- v) 1.5 Litre (PVC Bottles)
- vi) 2 Litre (PVC Bottles)

Sales of Coca Cola Cold drinks

Coca Cola Cold drinks	Weekly (in carets)	Monthly (in carets)	Yearly (in carets)
Coca Cola	520	1840	22400
Fanta	250	1030	12900
Thums-up	350	1350	18500
Limca	380	1210	16300
Maaza Tetra	80	380	6200
Sprite	70	280	5000
Maaza	120	690	10000

(Primary data)

There is more consumption of Coca Cola and has 70% market share in the AVANI MALL and Coca Cola is having maximum consumption and

after that Thumps-up and after it Limca cold drink IN THE MARKET and all the products has good sale but less than these.



TABLE 4.1

RESPONDENT'S CLASSIFICATION ACCORDING TO AGE

Age (in years)	No. of respondents	Percentage
11-20	22	44
21-40	25	50
41-60	3	6
Total	50	100

Table 4.1 shows that 44% of the respondents are in the age group of 11-20, 50% are in the age group of 21-40 and 6% are in the age group of 41-60.

TABLE 4.2

RESPONDENT'S CLASSIFICATION
ACCORDING TO SEX

Sex	No. of respondents	Percentage
Male	30	60
Female	20	40
Total	50	100

Table 4.2 shows that 60% of the respondents are males and 40% of them are females

TABLE 4.3

**RESPONDENT'S CLASSIFICATION
ACCORDING TO EDUCATIONAL
QUALIFICATION**

Qualification	No. of respondents	Percentage
Illiterate	-	-
Below Matric	-	-
Matric	5	10
Graduate	29	58
Post graduate	16	32
Total	50	100

Table 4.3 reveals that out of 50 respondents 5 are matriculate and 29 are Graduate and rest of them 16 are post graduate.

TABLE 4.4

DRINKING OF COLD DRINK

Do you take cold drinks	No. of respondents	Percentage
Yes	50	100
No	-	-
Total	50	100

Table 4.4 reveals that all the respondents are drinking cold drinks.

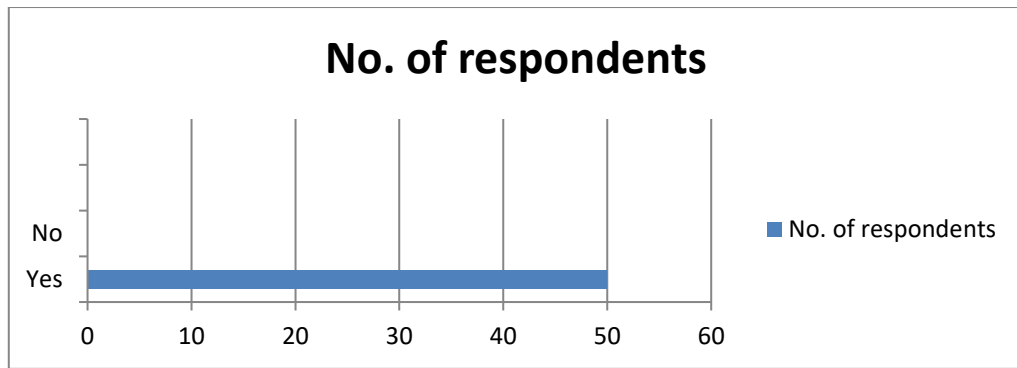


TABLE 4.5

FREQUENCY OF TAKING COLD DRINKS

HOW FREQUENTLY YOU DRINK	No. of respondents	Percentage
Once a day	15	30
Twice a day	2	4
More than twice	1	2
Not regular drinker	32	64
Total	50	100

Table 4.5 reveals that 30% of the respondents drink it once a day, 4% twice a day, 2% more than twice and 32% drink it no regularly.

TABLE 4.6

NAME OF THE COLD DRINKS AVAILABLE IN MARKET

Name of cold drinks	No. of respondents	Percentage
Coca cola	-	-
Fanta	-	-
Limca	-	-
Thums-up	-	-
Maaza	-	-
All of above	50	100
Total	50	100

Table 4.6 reveals that all of the respondents are of the view that all the above mentioned cold drinks are available IN THE MARKET .

TABLE 4.7

PREFERENCE OF COLD DRINK

Which cold drink you like most	No. of respondents	Percentage
Coca cola	12	24
Fanta	6	12
Limca	7	14
Thums-up	12	24
Sprite	8	16
Maaza	5	10
Total	50	100

Table 4.7 indicate that out of 50 respondents- 12 like Coca cola, 12 like Thums-up, 7 like Limca, 6 like Fanta, 8 like Sprite and 5 like Maaza.

TABLE 4.8

FLAVOURS OF COLD DRINKS

Flavours	No. of respondents	Percentage
Cola	30	60
Lemon	7	14
Orange	7	14

Mango	2	4
Others	4	8
Total	50	100

Table 4.8 shows that out of 60% of the respondents like the cola flavour of cold drink, 14% like the Lemon flavour and same percentage of respondents like the orange flavour of cold drink.

TABLE 4.9

ADVERTISEMENT OF COLD DRINK

Do you think advertisement of cold drink is required	No. of respondents	Percentage
Yes	48	96
No	2	4
Total	50	100

Table 4.9 indicate that 96% of the respondents are of the view that they have been the advertisement of the cold drink they like most while 4% shows that they don't have seen the advertisement they like most .

TABLE 4.10

MEDIA OF ADVERTISEMENT

THROUGH WHICH MEDIA YOU HAVE SEEN IT?	No. of respondents	Percentage
TV	46	92
Newspaper	2	4
Magazine	1	2

Other	1	2
Total	50	100

Table 4.10 reveals that 92% of the respondents are of opinion that they have seen the advertisement on TV while 4% are of the opinion that they have seen the advertisement through newspaper.

TABLE 4.11

NO. OF ADVERTISEMENT

How many advertisements you seen are of the most likely cold drink by you	No. of respondents	Percentage
1	11	22
2	14	28
3	11	22
4	14	28
Total	50	100

Table 4.11 shows that out of the 50 respondents 11 are of view that there is 1 type of advertisement and other says that there are more than one type.

REASON FOR LIKING THE ADVERTISEMENT

Why you like advertisement	No. of respondents	Percentage
Its theme and making is appealable	30	60
It has film stars	7	14
Because of good music	7	14
Other reasons	6	12
Total	50	100

TABLE 4.14

EFFECT OF ADVERTISEMENT ON CONSUMPTION OF COLD DRINK

Do you think ads. Effect the	No. of respondents	Percentage
------------------------------	--------------------	------------

consumption of cold drink		
Yes	23	46
No	17	354
Can't say	10	20
Total	50	100

Table 4.14 shows that 46% of the respondents are of the view that advertisement forced them to consume product more 34% of them has view that advertisement don't force them to consume the product while 20% of them cannot say anything about it.

TABLE 4.15

BEST MEDIA OF ADVERTISEMENT

Which Media Presently Is More Effectively	No. of respondents	Percentage
TV	50	100
Newspaper	-	-
Magazine	-	-
Others	-	-
Total	50	100

Table 4.15 reveals that 100% of the respondents are of the view that presently the TV is most effective media of advertisement.

TABLE 4.16

NECESSITY OF ADVERTISEMENT

DO YOU THINK THE ADVERTISEMENT IS NECESSARY FOR COLD DRINKS?	No. of respondents	Percentage
Necessary	14	28
Very necessary	34	68
Can't say	2	4
Total	50	100

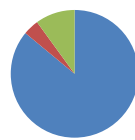
TABLE 4.17

EFFECTIVENESS OF EXPENDITURE INCURRED ON ADVERTISEMENT

Does expenditure should be	No. of respondents	Percentage
----------------------------	--------------------	------------

incurred on advertisement		
Yes	43	86
No	2	4
Can't say	5	10
	50	100

No. of respondents answer on Does expenditure should be incurred on advertisement



■ Yes
 ■ No
 ■ Can't say

REASONS FOR DIFFERENCE OF ADVERTISEMENT EFFECTIVENESS

WHICH REASON YOU FIND FOR THE DIFFERENCE OF ADVERTISEMENT EFFECTIVENESS	No. of respondents	Percentage
Education	20	40
Liking	10	20
Standard of Living	10	20
Level of Development	10	20
Total	50	100

Table 4.18 shows that 40% of the respondents say education is one of the main reason of Advertisement effectiveness while equal % of the respondents are in the favour of likings, standars of living and level of development

TABLE 4.19

ADD EFFECTIVENESS AND IMPROVEMENT IN ADVERTISEMENT

WILL THE STUDY OF EFFECTIVENESS WOULD CONTRIBUTE TO IMPROVEMENT OF PRESENT ADVERTISEMENT	No. Of respondents	Percentage
Yes	45	90
No	1	2
Cannot say	4	10
Total	50	100

Table 4.19 shows that the majority of the respondents are of the view that the study of effectiveness contributes the improvement in present advertisement.

TABLE 4.20

NECESSITY OF ADVERTISEMENT EFFECTIVENESS

IS ADVERTISEMENT EFFECTIVENESS IS NECESSARY FOR COMPANY?	No. of respondents	Percentage
Yes	48	96
No	1	2
Can't say	1	2
Total	50	100

Table 4.20 reveals that majority of the respondents say that the advertisement effectiveness is necessary while some did not replied.

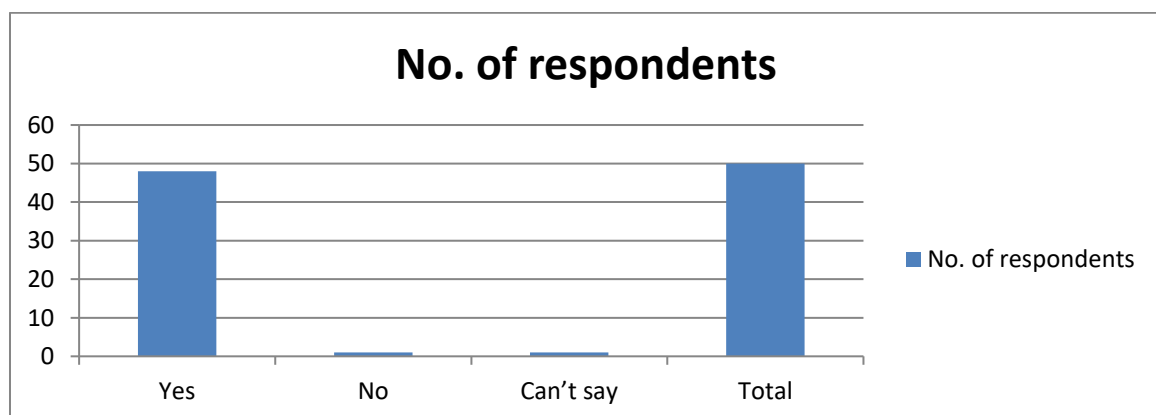


TABLE 4.21

USERS OF ADVERTISEMENT EFFECTIVENESS

THE USE STUDY OF	No. of respondents	Percentage
------------------	--------------------	------------

EFFECTIVENESS IS FOR WHOM?		
For company	34	68
For employees	1	2
For customers	15	30
None of these	-	-
Total	50	100

Table 4.21 indicates that 68% of the respondents are of the view that the study of effectiveness is meant for company while 30% say that it is meant for customers.

CHAPTER 4

SUMMARY

FINDINGS

After going through all the project and the collected data, I found that:

- 84% of the respondents said that TV is the most effective media of advertisement.
- 60% of the respondents said that they like the advertisement of cold drinks because of its theme whereas, 14% said that they like celebrities in advertisement.
- Some 32% of the respondents said that 'yeh dil maange more' is the most popular slogan whereas 28% of the respondents said that 'yara da tashan' is the popular slogan.
- Majority of respondents are of the view that advertisement is very necessary for cold drink.
- Majority of respondents sees the advertisement of the cold drink they like most.
- Majority of the respondents like cola flavor of cold drink



RECOMMENDATIONS

We reached some suggestions :

- ⇒ Advertisement should not be too expensive, because the advertisement leads and increase the prize of the product.
- ⇒ Media should be selected according to the choice of customers.
- ⇒ In rural areas media should be according to the choice of the people.
- ⇒ To give more attention in making the advertisement to make it effective for the sale of cold drink.
- ⇒ Price should be decreased so as to attract the consumers to use product more.
- ⇒ To give attention on the weak media of advertisement so that the consumers comes to know about the product.
- ⇒ It should be attractive one so that people are attracted toward the advertisement.

CONCLUSION

In last you conclude that majority of the respondents said that TV is the most effective media for advertisement of cold drinks and the celebrities and the slogans in the advertisement effect the consumers. All mediums of advertising, have their different functions, cover different needs and have different set of target audience. The needs of the business should be analyzed first and then the above information can be used to understand, which medium of advertising could be the best for a particular product or service. Advertisement has various aspects and is the life blood of every organization. Every company needs to inform the customers through various sources about their products in order to sell them. Various sources include print and non- print media. From this project we can conclude that print media is the most suitable source as it reaches to all types of consumers whether rich or poor, old or young or the ones living in city or villages.

Conclusion



After the through research and study we come to the conclusion that the marketing strategy of coca cola is working for them and the product is gaining popularity day by day. Not only this coca cola takes care of the small children below the age of 12 years and plans its marketing strategy accordingly. Moreover the marketing strategies of coca cola is environment friendly too. It has undertaken various projects in collaboration with mc donalds, dominos, nokia etc to promote its products. It has held various festivals and campaigns as a part of its promotional policies. Moreover the company should keep a watch on its competitors in order to maintain its BRAND image.

Advertisement?

- a. agree
- b. disagree
- c. neutral

11) Is advertisement effectiveness is necessary for company ?

- a. Yes
- b. No
- c. Can't Say

12) What do you think the use of study of effectiveness is for whom?

- a. For Company
- b. For Employees
- c. For Customers
- d. None of these

13) Do you think brand ambassador is necessary ?

- a. Yes
- b. No

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Project Report

(Submitted for the Degree of B.Com. Honours in Accounting & Finance under the University of Calcutta)

Title of the Project

The Inevitable performance of E-commerce in current pandemic- A case study on Amazon.in

Submitted by

Name of the Candidate: Sunny Simon Koshy

CU Roll No. : 181223-21-0027

CU Registration No. : 223-1111-0525-18

Name of the College: Scottish Church College

College Roll No. : 18C-046

Supervised by

Name of the Supervisor: Smt. Nancy Jaiswal

Name of the College: Scottish Church College

Month & Year of Supervision

JULY, 2021

Annexure- IA

Supervisor's Certificate

This is to certify that **Mr. Sunny Simon Koshy** a student of B.com. Honours in Accounting & Finance in Business of Scottish Church College under the University of Calcutta has worked under my supervision and guidance for his Project Work and prepared a Project Report with the title "**The Inevitable performance of E-commerce in current pandemic- A case study on Amazon.in**" which he is submitting, is his genuine and original work to the best of my knowledge.

Signature: NANCY JAISWAL

Name: Smt. Nancy Jaiswal

Designation: SACT(State Aided College Teacher)

Name of the College: Scottish Church College

Place: Kolkata

Date: 28.07.21

Annexure-IB

Student's Declaration

I hereby declare that the Project Work “**The Inevitable performance of E-Commerce in current pandemic- A case study on Amazon.in**” submitted by me for the partial fulfilment of the degree of B.Com. Honours in Accounting & Finance in Business under the University of Calcutta is my original work and has not been submitted earlier to any other University /Institution for the fulfilment of the requirement for any course of study. I also declare that no chapter of this manuscript in whole or in part has been incorporated in this report from any earlier work done by others or by me. However, extracts of any literature which has been used for this report has been duly acknowledged providing details of such literature in the references.

Signature: SUNNY KOSHY

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CU Registration No. : 223-1111-0525-18

Place: Kolkata

Date: 28.07.21

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First and foremost, I would like to thank **Calcutta University** for giving me the opportunity to work on such a project by introducing a dynamic subject altogether to get our hand on practice of the real corporate world.

I would also like to express my gratitude and thanks to our **Principal ma'am, Dr. (Mrs.) Madhumanjari Mandal** and our **Head of the Department, Prof. Amitava Chatterjee**, for their cooperation and support.

I would like to thank my supervisor, **Smt. Nancy Jaiswal** for her guidance and for providing me the necessary information regarding the project.

Lastly, I would like to thank my friends and my sister for helping me doing this project. Therefore, I express my immense love and respect to all of them.

Mr. Sunny Simon Koshy

B.Com(H) in Accounting & Finance

Semester VI

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CHAPTER -1: INRODUCTION

1.1 BACKGROUND

1.2 RATIONALE/JUSTIFICATION OF THE TOPIC

1.3 LITERATURE REVIEW

1.4 OBJECTIVES OF THE STUDY

1.5 DATA SOURCES & METHODOLOGY

1.6 LIMITATIONS OF THE STUDY

1.7 CHAPTER PLANNING

1.1 BACKGROUND

E-Commerce or Electronic Commerce means buying and selling of goods, products, or services over the internet. E-commerce is also known as electronic commerce or internet commerce. E-Commerce facilitates new types of information based business processes for reaching and interacting with customers. It can also reduce costs in managing orders and interacting with a wide range of suppliers and trading partners. Electronic commerce draws on technologies such as mobile commerce, electronic funds transfer, supply chain management, Internet marketing, online transaction processing, electronic data interchange (EDI), inventory management systems, and automated data collection systems. Before the utilization of Internet for commercial purposes, companies used private networks, such as- Electronic Data Interchange (EDI), to transact business with each other. But installing and maintaining such private networks was very expensive. With the aid of Internet as public network, e-commerce spread and expanded rapidly, because of the lower costs involved and because the internet is based on open standard.

1.2 RATIONALE/JUSTIFICATION OF THE TOPIC

This study is aimed at finding out the impact of pandemic on the buying pattern of the consumers. This study helps in understanding how shopping through online platform (Amazon.in) has taken over the traditional market and the reasons behind it to be one of the most used shopping sites of consumers during the pandemic.

1.3 LITERATURE REVIEW

- **Chatterjee** (2016) studied the “E-Commerce in India: A review on culture and challenges” and the study observed that E-Commerce business throughout the world has brought a remarkable change in the business landscape and it also has redefined the business scenario by radically changing contours of space and time and it has reshaped the conception of nature of business management. India having large population with internet users is expected to be one of the major players in E-Commerce environment.
- **Arora, N & Rahul** (2018) studied that the key components of perceived risk (security risk, privacy risk, product risk and non-delivery risk) in e-commerce and the impact of perceived risk on online shopping attitude among online women shoppers in India and the study proved that perceived risk is not a significant factor influencing attitude of women shoppers in India. Security risk was marginally significant out of the different types of risks considered in the study.
- **Rakesh, S & Khare, A** (2012) analysed the “Impact of promotions and value consciousness in online shopping behaviour in India” and the study observed that online shopping continues to attract investment from retailers and offers or other promotional methods of e-retailers are not influenced by Indian consumers. Promotions may not be essentially viewed by consumers as an important attribute while purchasing products or services online.
- **Gehrt, Rajan , Shainesh, Czerwinski & O'Brien** (2012) studied the “Emergence of online shopping in India: Shopping orientation segments” and surveys were collected from 536 consumer panel members. Three segments were identified: Value singularity, quality at any price and reputation/recreation. The quality at any price and reputation/recreation segments was playing the major role in online purchase decision in India.

- **Kalia, P, Arora, R & Law, P (2016)** noticed that legal validity of electronic transactions, security, content regulation, intermediary liability and jurisdiction are partially addressed by IT Act, whereas, junk mail and spamming, intellectual property, payment, taxation of e-commerce transactions and consumer protection are unaddressed. This Information is useful for policy and decision makers in government and e-commerce businesses.

1.4 OBJECTIVES OF THE STUDY

Following are the objectives of the study:

- To observe the change in behaviour of the consumers during the pandemic
- To find out the buying pattern of the consumers
- To find out whether they are relying more on online platform during the pandemic
- To find out whether the pandemic has affected their buying pattern
- To find out their preferred e-commerce website
- To find out why the consumers prefer Amazon.in over its competitors
- To find out whether they were a regular customer of Amazon.in before the pandemic
- To find out the satisfaction level of the consumers

1.5 DATA SOURCES & METHODOLOGY

DATA SOURCES

Data is a collection of raw, unorganised facts and details like text, observations, figures, symbols and description of things etc. Data can be collected from two sources

a) **Primary Data**: Primary data is the kind of data that is collected directly from the data source without going through any existing sources.

For example – Personal observation, Survey and Questionnaire.

b) **Secondary Data**: Secondary data is the data that has been collected in the past by someone else but made available for others to use.

For example – Data collected through Website, Journals, Research Work, Articles, E-content.

In this study Primary Data has been the self-designed questionnaire and Secondary Data has been the literature review, website and e-content.

METHODOLOGY

The study was exploratory in nature and self- designed questionnaire was used to collect the data. The total population among which the survey is done with the help of questionnaire is 52. The data was analysed with the help of table, bar graph and pie chart.

1.6 LIMITATIONS OF THE STUDY

1) Lack of time

Time constraint was an important limitation as the study was not full-fledged research study instead had to complete within limited time frame.

2) Limited area

The survey areas were limited as because the knowledge regarding the selection of the survey area was not there due to research at infancy. Again some of the respondents were not willing to talk or were giving bias responses, which limited the research study.

3) Cost constraint

Hard but true, that money was also a limited factor due to which the research could not get extended elaborately.

4) Biased data

Some of the respondents were biased in their responses, which again are not supporting the generalised conclusions of the study, those were uncontrollable.

5) Lack of updated data

The sources for collection of secondary data also were not accessible every time. Some of the sources again, gave the results in the absence of major influencing factor, which altogether impacted the generalised conclusions of the study

1.7 CHAPTER PLANNING

CHAPTER 1: INTRODUCTION

Background of the study, Rationale /Justification of the topic, Literature Review, Objectives of the study, Data source and Methodology, Limitations of the study, Chapter Planning.

CHAPTER 2: CONCEPTUAL UNDERSTANDING

Main discussions of the chapter

CHAPTER 3: DATA ANALYSIS AND FINDING

Three parts: Data Presentation, Analysis and Findings.

CHAPTER 4: CONCLUSIONS AND RECOMMENDATIONS

Two parts: Conclusion of the study and Recommendations as future scope of the study

CHAPTER-2 : CONCEPTUAL FRAMEWORK

2.1 CONCEPTUAL UNDERSTANDING

2.2 NATIONAL SCENARIO

2.3 INTERNATIONAL SCENARIO

2.4 BRIEF PROFILE OF CASE STUDY

2.1 CONCEPTUAL UNDERSTANDING

E-COMMERCE

E-Commerce or Electronic Commerce means buying and selling of goods, products, or services over the internet. E-commerce is also known as electronic commerce or internet commerce. These services provided online over the internet network. Transaction of money, funds, and data are also considered as E-commerce.

There are four main types of ecommerce models that can describe almost every transaction that takes place between consumers and businesses.

1. Business to Consumer (B2C):

When a business sells a good or service to an individual consumer.

2. Business to Business (B2B):

When a business sells a good or service to another business.

3. Consumer to Consumer (C2C):

When a consumer sells a good or service to another consumer.

4. Consumer to Business (C2B):

When a consumer sells their own products or services to a business or organization.

FEATURES OF E-COMMERCE

1.E-Commerce is Technology-Enabled:

Traditional commerce is taking place since times immemorial but E-commerce is result of integration of digital technology with business processes and commercial transactions. The technological foundations of E-commerce are internet, WWW and various protocols.

2. Technology Mediated:

In E-commerce buyers and sellers meet in cyber space rather than physical place. Hence E-commerce does not involve face to face contact.

3. Universality:

Buying and selling take place through websites in E-Commerce. The websites can be accessed from anywhere around the globe at any time therefore it possess the feature of universality.

4. Intercommunication:

E-commerce technology ensures two way communications between buyer and seller. On one hand by using E-commerce firms can communicate with customers through E-commerce enabled websites. On the other end, customers can also fill order forms, feedback forms and can communicate with business operating firms.

5. Delivery of Information:

E-commerce serves as the best channel of communication. E-commerce technologies ensure speedy delivery of information at very low cost and considerably increase information density as well.

6. Customization: With the use of E-commerce technology, the world is moving from mass-production to mass-customization. Product customization ensures that goods are tailor made as per the requirements and preferences of customers.

ADVANTAGES OF E-COMMERCE

1.Global presence:

E-commerce is not confined by geographic border or by national boundary. Even a very small supplier can take the benefits of global market with the help of e-commerce. This benefit of global presence in the market, if properly utilised, can convert a small supplier to a big one, in course of time.

2. Quality of service:

E-commerce improves the quality of services to the customers and enables the suppliers to improve competitiveness by becoming closer to the customers.

3. Reduction in cost:

A business can reach out to a worldwide customers at a very low cost. Order processing cost is reduced as no manual data entry is required.

4. Convenience to customers:

An website remains open 24 hours, it can take order at any time and maintain feedback on the delivery of the goods and services and payment for the transaction.

5. Reduction in inventory size:

As transaction time is reduced, inventory size is also reduced.

6. Easy distribution process:

Different information and services can be delivered to the customers through computers simplifying distribution system.

DISADVANTAGES OF E-COMMERCE

1. Loss of customer's privacy:

The privacy of the customers may be lost when the buying habits of the customers are regularly tracked in electronic-commerce process.

2. Attack by hackers:

Sometimes shopping portals are attacked by hackers and other electronic vandalism and espionage. The hackers may also impersonate and pretend to be a customer.

3. Dishonest trading: Sometimes fake websites are created by dishonest businessmen and they take money from the customers without making any supply of goods.

4. Expensive communication infrastructure:

The communication infrastructure of e-commerce is very expensive

5. Brand hijacking:

Brand hijacking is made through internet and it involves serious loss of goodwill to the owners of established brands.

6. Limited to sensory information:

It does not allow the customers any scope to see, or smell or feel the goods or products.

2.2 NATIONAL SCENARIO OF AMAZON

Amazon India launched operations in June 2013. The company launched its website Amazon.in, offering customers a wide variety of choices in books, movies and television shows. On the first day of its operations, Amazon India had received more than 10,000 orders.

Amazon India is a fully-owned subsidiary of US based e-commerce giant Amazon, Inc. The parent company Amazon was founded in 1994 by Jeff Bezos. With sales and growth nearing saturation limits in the United States, Amazon was looking to explore other countries for its future growth. China seemed lucrative with its huge market, well-developed infrastructure and internet connectivity, which prompted Amazon to launch operations in China. However, due to stiff competition by local e-commerce companies such as Alibaba, Amazon started looking for other viable options. The company found great potential in India and launched operations in 2013.

Amazon India currently offers millions of products on its platform and has millions of registered users. Amazon India currently offers products across various categories such as mobile phones, computers and accessories, men's and women's fashion, books, sports & fitness, electrical & electronic items, movies, music, cars, motorbike, baby products, toys, grocery items, etc. Amazon India also operates a Global Store, where customers can buy directly from sellers in the United States. Recently, Amazon Prime was launched in India, which provides users access to various services such as streaming video, music, e-books, the latest offers, etc. Amazon India currently delivers to most of the serviceable PIN codes in India. It has more than 20,000 Indian sellers and 41 fulfillment centers across 13 states.

2.3 INTERNATIONAL SCENARIO OF AMAZON

In May 1997, Amazon went public. It began selling music and videos in 1998, at which time it began operations internationally by acquiring online sellers of books in United Kingdom and Germany. Amazon Germany is the company's biggest foreign presence, accounting for one-third of the company's sales revenue.

Amazon entered the Chinese market in 2004, when it acquired online book retailer Jojo. Competing against Alibaba, the company perceived losses for 11 years. In 2015, Amazon decided to join forces with Alibaba, and started doing business through the Chinese platform's "Tmall" website.

Currently, Amazon has established its website in 20 countries including Japan, Spain, Brazil, Saudi Arabia, France etc. It also provides international shipping to certain countries for some of its products.

2.4 BRIEF PROFILE OF CASE STUDY



- Amazon was founded in 1994 by Jeffrey P. Bezos. Jeff Bezos incorporated the company (as Cadabra) in July 1994 which was later renamed to Amazon.
- In May 1997, Amazon went public. It began selling music and videos in 1998, at which time it began operations internationally by acquiring online sellers of books in United Kingdom and Germany.
- In 1999, Amazon began selling items including video games, consumer electronics, home improvement items, software, games, and toys.
- In 2002, Amazon launched Amazon Web Services (AWS), which provided data on website popularity, Internet traffic patterns and other statistics for marketers and developers.
- In 2006, Amazon grew its AWS portfolio when Elastic Compute Cloud (EC2), which rents computer processing power as well as Simple Storage Service (S3), that rents data storage via the Internet, were made available.
- In 2007 Amazon.com began to sell its own Kindle e-readers, which helped energize the e-book market. In 2011 the company introduced a related low-cost tablet computer, the Kindle Fire, and by 2012, the Kindle Fire was estimated to constitute 50 percent of the tablets sold that used Google's Android mobile operating system.
- In 2012, Amazon bought Kiva Systems to automate its inventory-management business, purchasing Whole Foods Market supermarket chain five years later in 2017.

CHAPTER-3: ANALYSIS AND FINDINGS

3.1 RESEARCH DESIGN

3.2 RESEARCH METHODOLOGY

3.2.1 SAMPLE

3.2.2 DATA TYPE

3.2.3. DATA SOURCE

3.2.4 PERIOD OF STUDY

3.2.5 TOOLS USED

3.3 DATA ANALYSIS

3.4 DATA FINDINGS

3.1 RESEARCH DESIGN

This research is both exploratory and analytic in nature. Since, perception of the consumer has been taken up here as parameters to explore the area of sample. Later, it becomes descriptive in nature as well as when it comes to evaluating consumer's perception of different services and marketing methodologies adopted for the same. The details for the research are drawn with the help of frequencies, averages and other statistical calculation. The structural development of the research was made primarily by keeping in mind the different parameters of services provided to the consumers and the channels of communication of the same. Thus, the design is broadly guarded majorly with the qualitative data and supported via secondary data as well.

3.2 RESEARCH METHODOLOGY

3.2.1 SAMPLE

The total number of respondents was 52. Primary data has been collected by close ended questionnaire designed by myself.

3.2.2 DATA TYPE

Primary Data has been the self-designed questionnaire.

Secondary Data has been the literature review, website and e-content.

3.2.3 DATA SOURCE

Questionnaire and personal information .

3.2.4 PERIOD OF STUDY

The period of study was from the month of April to July . The time duration for the Literature Review and objectives was 1 month, for the Questionnaire and Data collection 2 months and lastly, for constructing the entire project it took 1 month, which makes the total period of study for 4 months.

3.2.5 TOOLS USED

The tools used for the data analysis are the graphical representations such as pie chart, bar graph and columnar graph.

3.3 DATA ANALYSIS

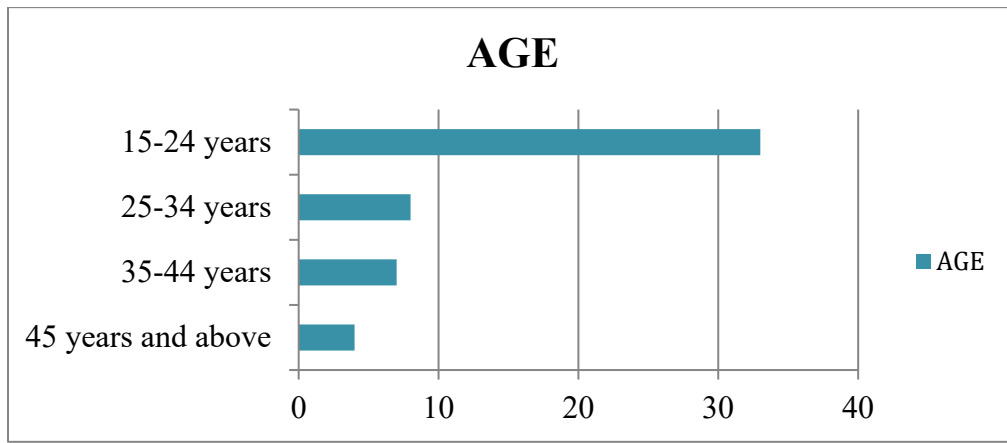
DEMOGRAPHIC DETAIL

Q.1 Age

Table 1.1

AGE GROUP	NUMBER OF RESPONDENTS	PERCENTAGE (%)
15-24 years	33	63.4
25-34 years	8	15.4
35-44 years	7	13.5
45 years and above	4	7.7

Fig 1.1



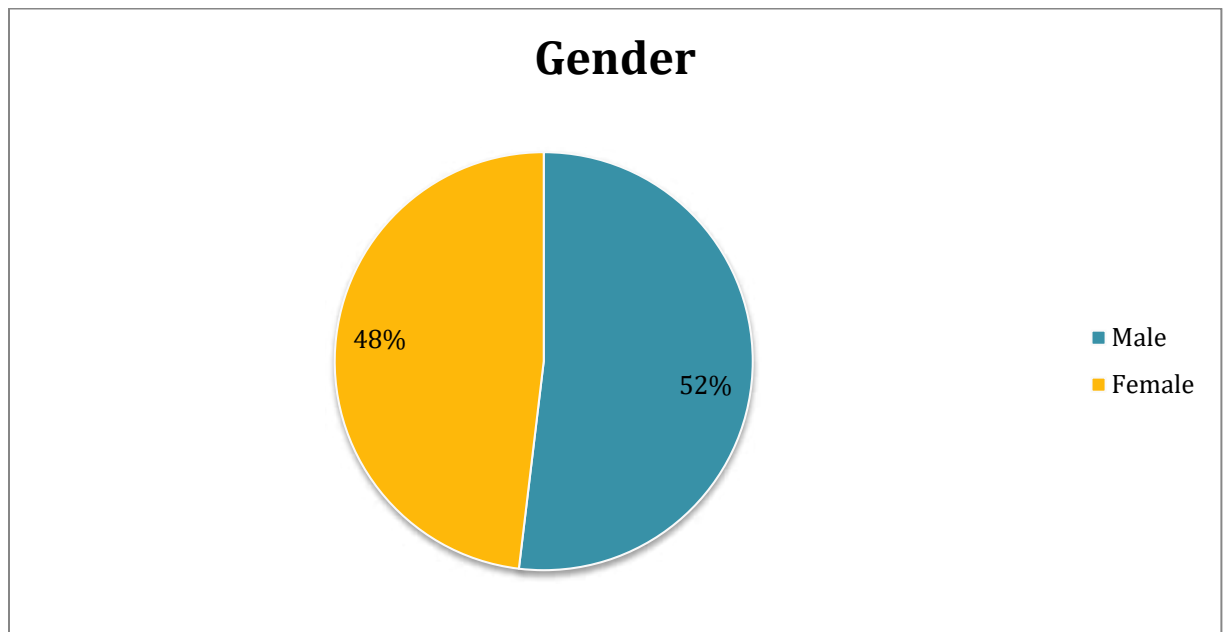
Interpretation: From the following bar graphical representation we can see that the number of respondents is more in the age group category of 15-24 years i.e. 33. While in the other categories, 25-34 years there are 8 respondents, in the category of 35-44 years the respondents are 7. So, there is not much difference in the above mentioned both the age groups. Lastly, we can see that the respondent in the age group of 45 years and above is only 4. This means the elderly group shops online the least.

Q.2 Gender

Table 1.2

<u>GENDER</u>	<u>NUMBER OF RESPONDENTS</u>	<u>PERCENTAGE (%)</u>
Male	27	52
Female	25	48

Fig 1.2



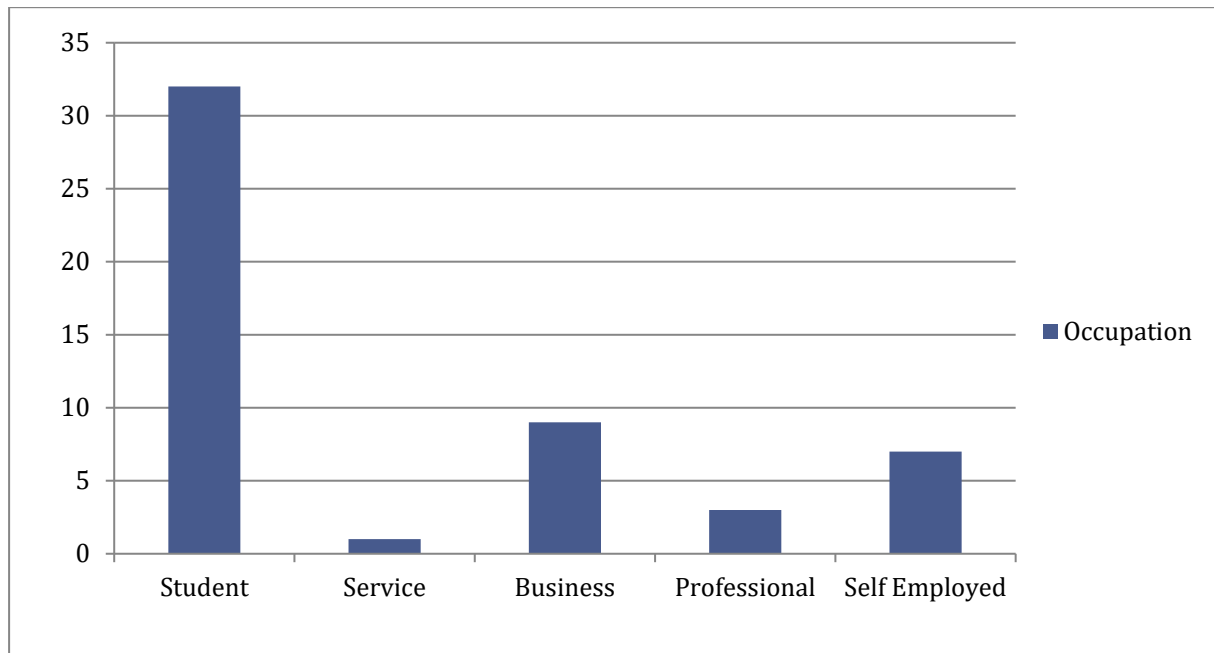
Interpretation: From the following pie-chart representation we can see that the number of male respondents' i.e. 27 is more than the number of female respondents' i.e. 25. Therefore we can say that males shop online more than females.

Q.3 Occupation:

Table 1.3

<u>OCCUPATION</u>	<u>NUMBER OF RESPONDENTS</u>	<u>PERCENTAGE (%)</u>
Student	32	61.53
Service	1	1.93
Business	9	17.31
Professional	3	5.77
Self Employed	7	13.46

Fig 1.3



Interpretation: From the following columnar graph representation we can see that students shop online the most.

Q.4 Family income per month:

Table 1.4

<u>FAMILY INCOME</u>	<u>NUMBER OF RESPONDENTS</u>	<u>PERCENTAGE (%)</u>
Below 20,000	12	23.1
20,000-40,000	7	13.5
40,000-60,000	13	25
60,000-80,000	13	25
80,000-1,00,000	5	9.6
Above 1,00,000	2	3.8

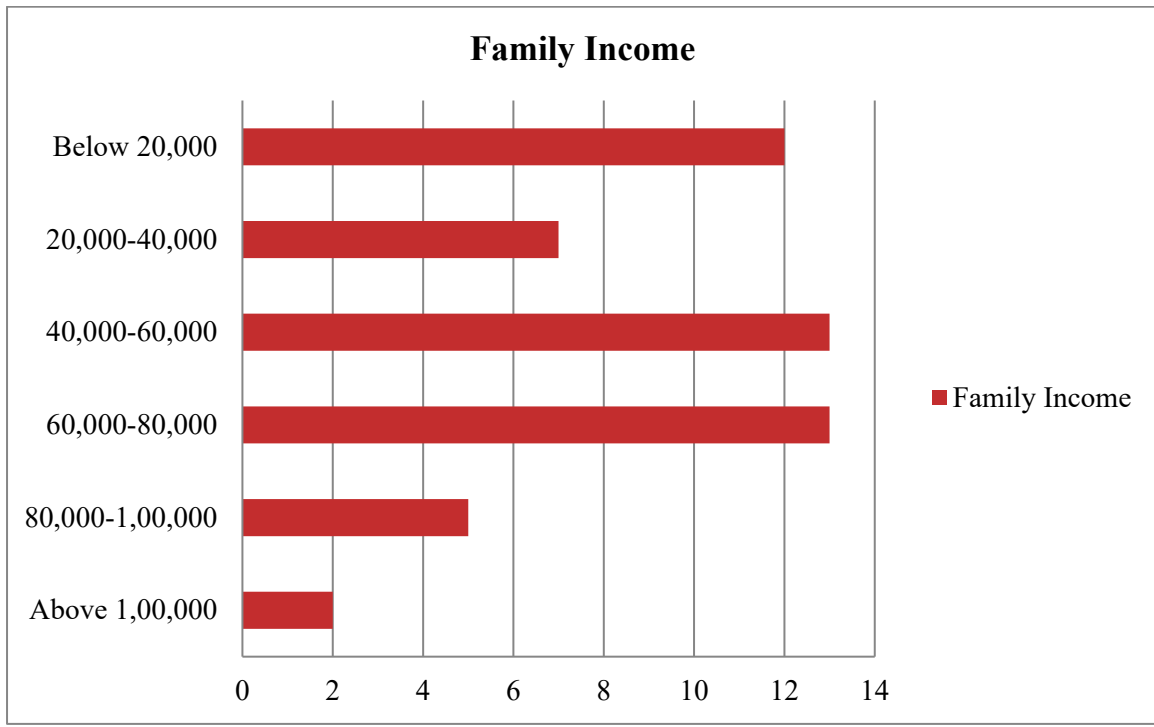


Fig 1.4

Interpretation: From the following bar graph representation we can see that respondents in the category of 40,000-60,000 and 60,000 -80,000 shop online the most.

RESEARCH SPECIFIC(1)

Q.1 Are you aware of E-commerce?

Table 2.1

<u>AWARE OF E-COMMERCE</u>	<u>NO OF RESPONDENTS</u>	<u>PERCENTAGE (%)</u>
YES	52	100
NO	0	0

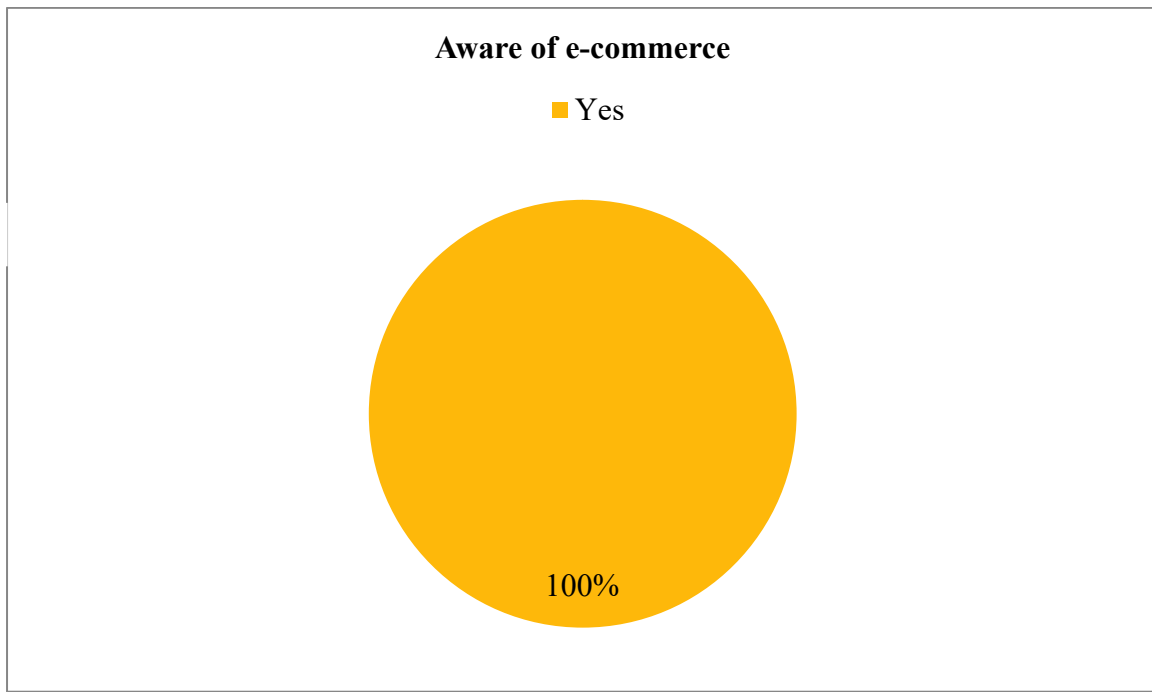


Fig 2.1

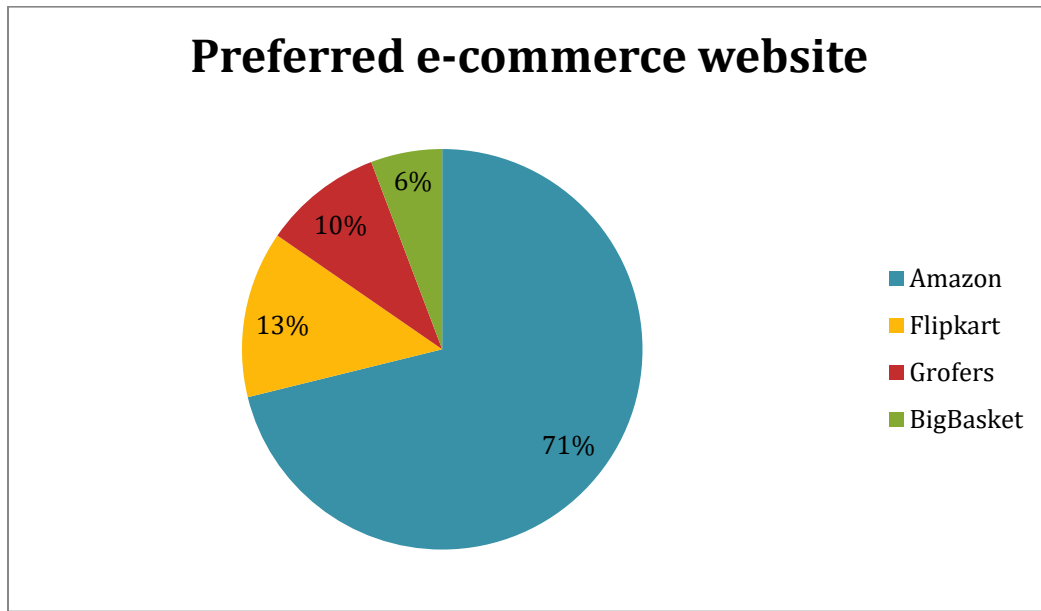
Interpretation: From the following pie-chart representation we can see that all the respondents are aware of e-commerce.

Q.2 What is your most preferred E-commerce website?

Table 2.2

<u>PREFERRED E-COMMERCE WEBSITE</u>	<u>NO OF RESPONDENTS</u>	<u>PERCENTAGE (%)</u>
Amazon	37	71
Flipkart	7	13
Grofers	5	10
BigBasket	3	6

Fig 2.2



Interpretation: From the above pie-chart representation we can see that 71% respondents prefer Amazon, 13% Flipkart, 10% Grofers and 6% BigBasket. Therefore, we can say most number of respondents prefer Amazon over other e-commerce websites.

Q.3 From where did you come to know about Amazon?

Table 2.3

<u>MEDIUM</u>	<u>NO OF RESPONDENTS</u>	<u>PERCENTAGE (%)</u>
Tv	8	15.4
Newspaper	4	7.7
Social Media	21	40.4
Friends & Family	19	36.5

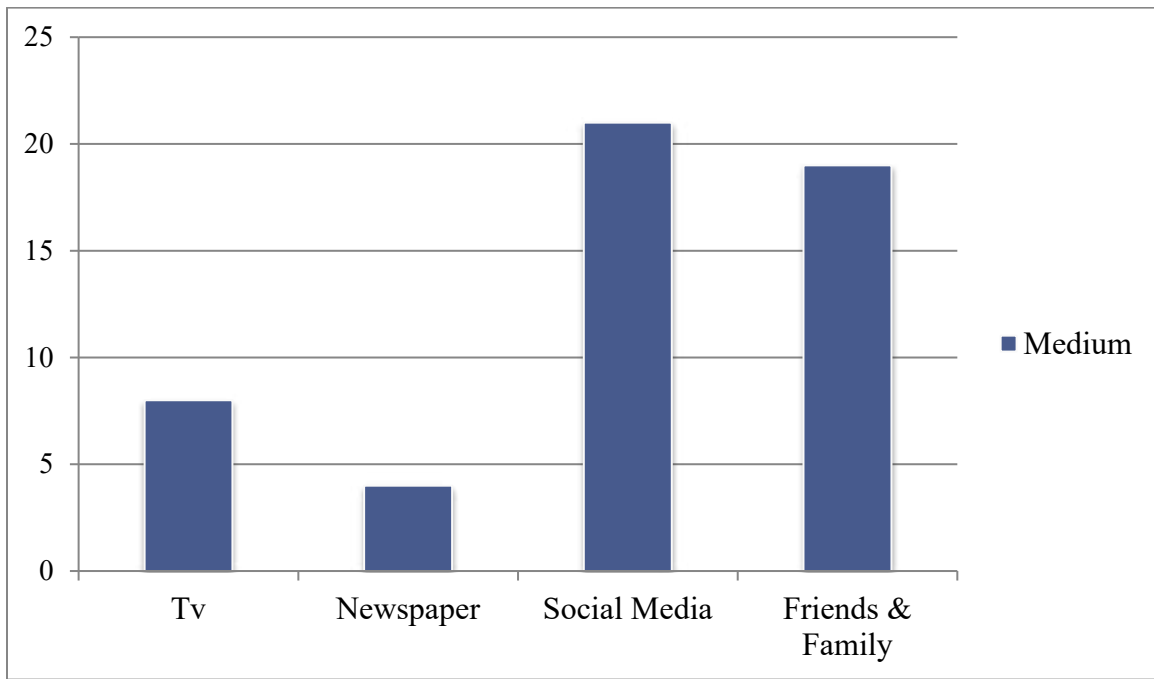


Fig 2.3

Interpretation: From the following columnar graph we can see that 21 respondents came to know about Amazon from social media, 19 from friends & Family, 8 from TV and 4 from newspaper. Therefore, we can say that most of the respondents came to know about Amazon from social media.

Q.4 Why do you prefer Amazon over its competitors?

Table 2.4

<u>FEATURES</u>	<u>NO OF RESPONDENTS</u>	<u>PERCENTAGE (%)</u>
Wide Variety	41	78.8
Better Service	19	36.5
Better Quality	24	46.2
Price efficient	21	40.4
Faster Delivery	21	40.4
Discount	13	25

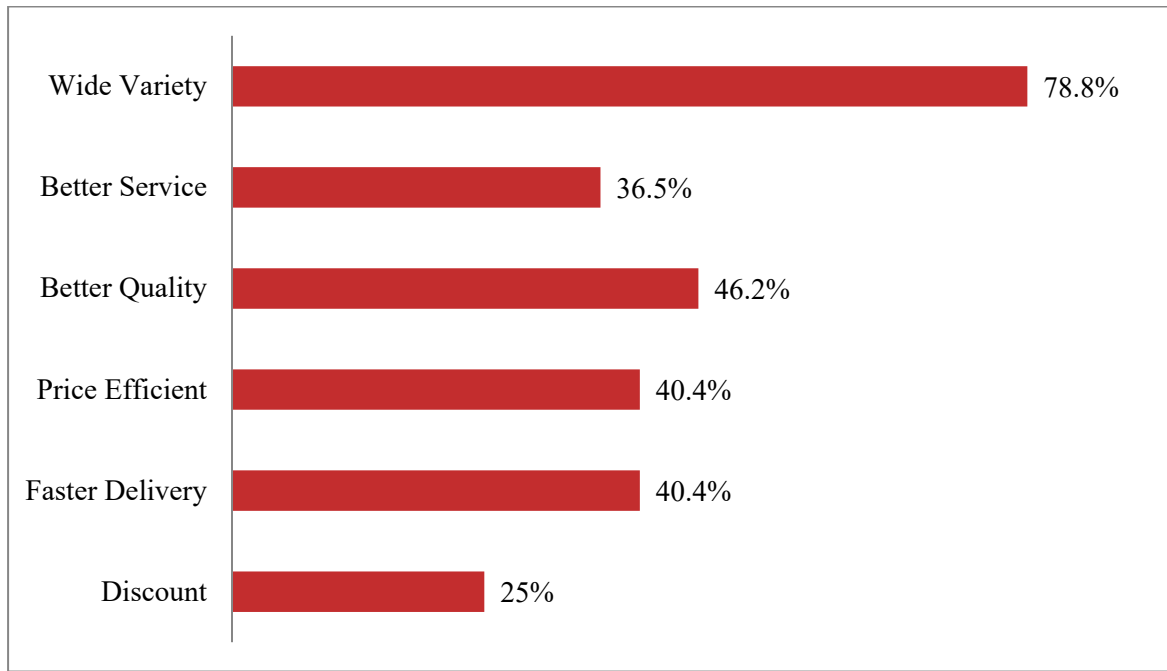


Fig 2.4

Interpretation: From the following bar graph representation we can see that most of the respondents prefer Amazon over its competitors for providing wide variety of products.

Q.5 How was your first experience with Amazon?

Table 2.5

<u>REVIEWS</u>	<u>NO OF RESPONDENTS</u>	<u>PERCENTAGE (%)</u>
Excellent	20	38.5
Good	28	53.8
Average	4	7.7
Bad	0	0
Poor	0	0



Fig 2.5

Interpretation: From the following bar graph representation we can see that first experience of 20 respondents was excellent, 28 was good and 4 was average. Therefore, we can say that most of the respondents had a good first experience with Amazon.

Q.6 Which of the following products you purchase more frequently from Amazon?

Table 2.6

<u>PRODUCTS</u>	<u>NO OF RESPONDENTS</u>	<u>PERCENTAGE (%)</u>
Baby products	14	26.9
Skincare products	22	42.3
Grocery	21	40.4
Electronics	39	75
Health & Hygiene	20	38.5
Books	10	19.2
Fitness products	18	34.6
Clothing & Accessories	24	46.2

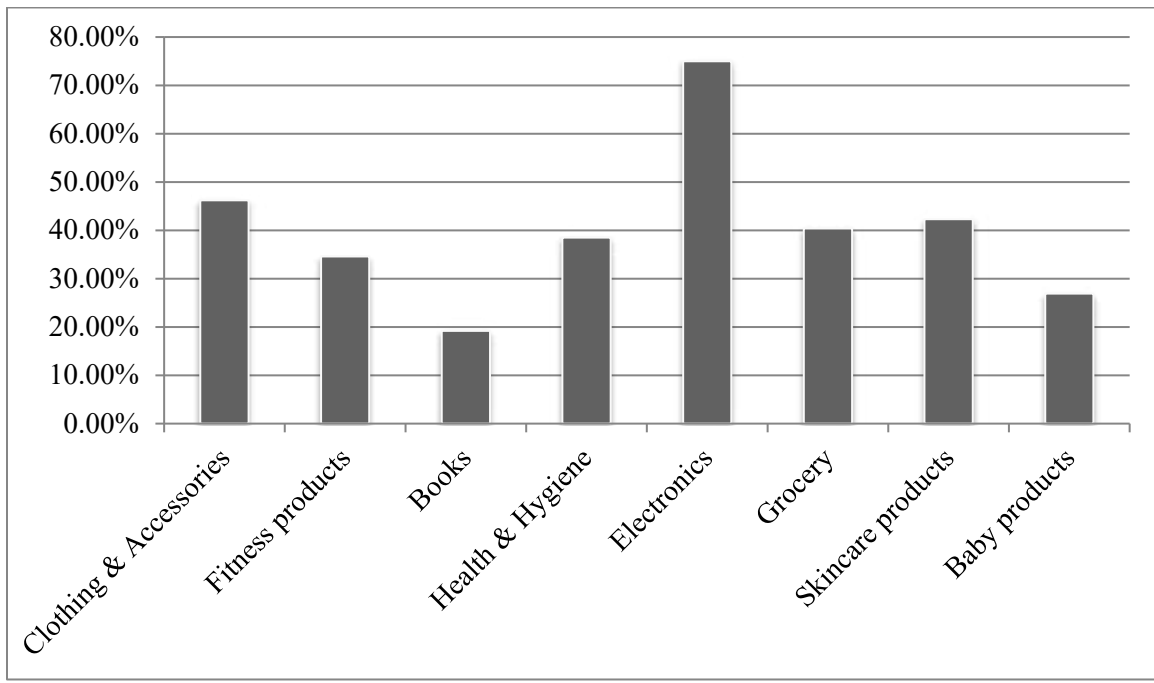


Fig 2.6

Interpretation: From the following columnar graph representation we can see that most of the respondents purchase electronics more frequently than other products.

Q.7 How often do you order from Amazon?

Table 2.7

<u>Frequency of order</u>	<u>NO OF RESPONDENTS</u>	<u>PERCENTAGE (%)</u>
Daily	8	15.4
Weekly	21	40.4
Monthly	15	28.8
Yearly	2	3.9
Occasionally	6	11.5

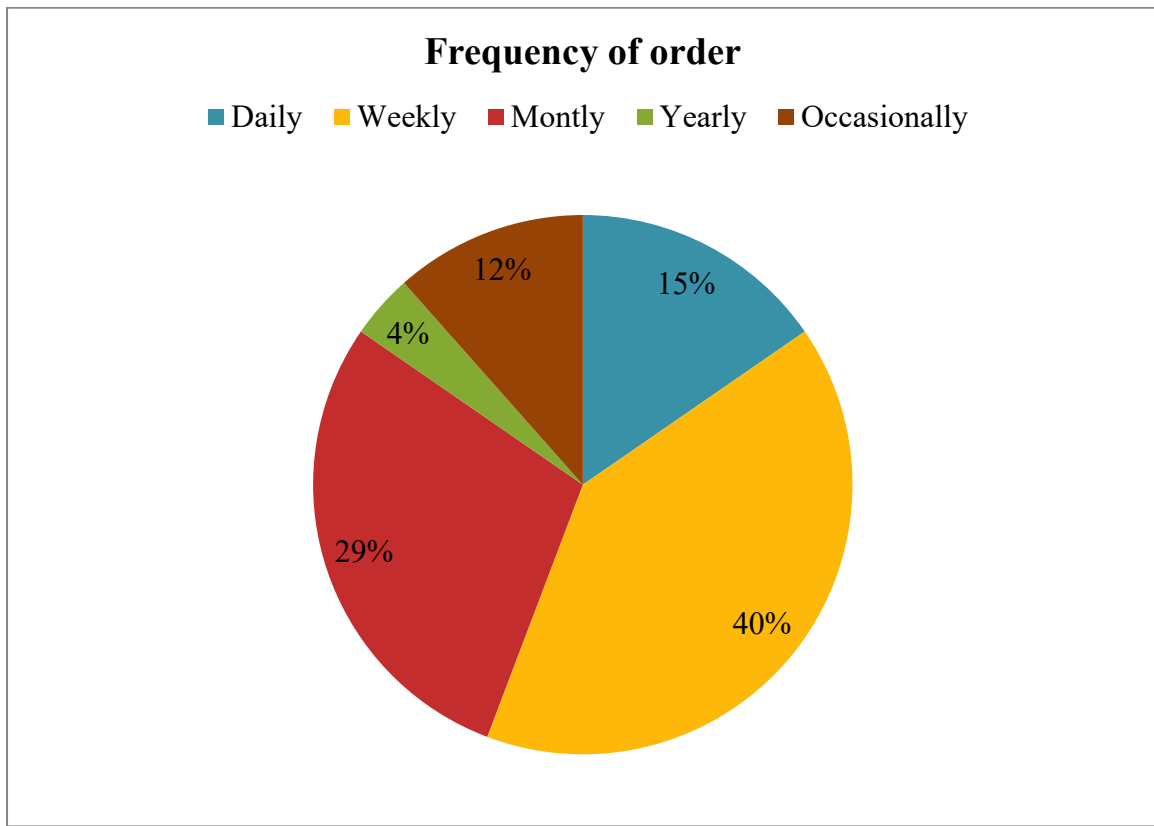


Fig 2.7

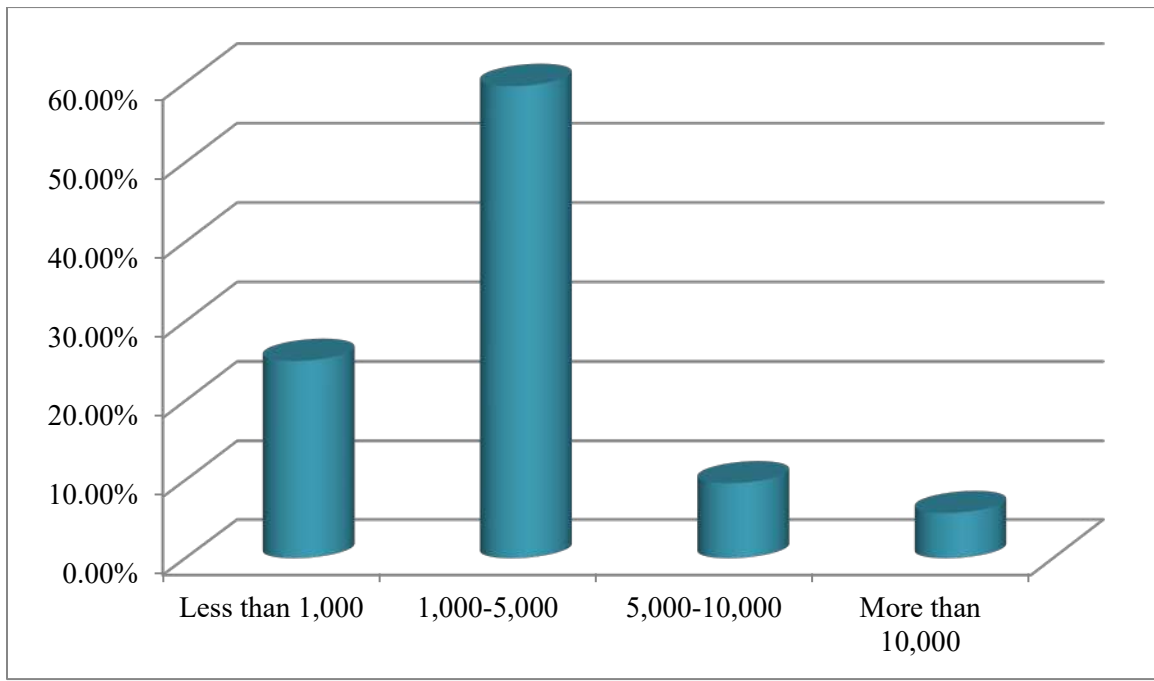
Interpretation: From the following pie-chart representation we can see that most of the respondents order products weekly.

Q.8 On an average, how much do you spend on an order?

Table 2.8

<u>AVERAGE AMOUNT SPENT ON AN ORDER</u>	<u>NO OF RESPONDENTS</u>	<u>PERCENTAGE (%)</u>
Less than 1,000	13	25
1,000-5,000	31	59.6
5,000-10,000	5	9.6
More than 10,000	3	5.8

Fig 2.8



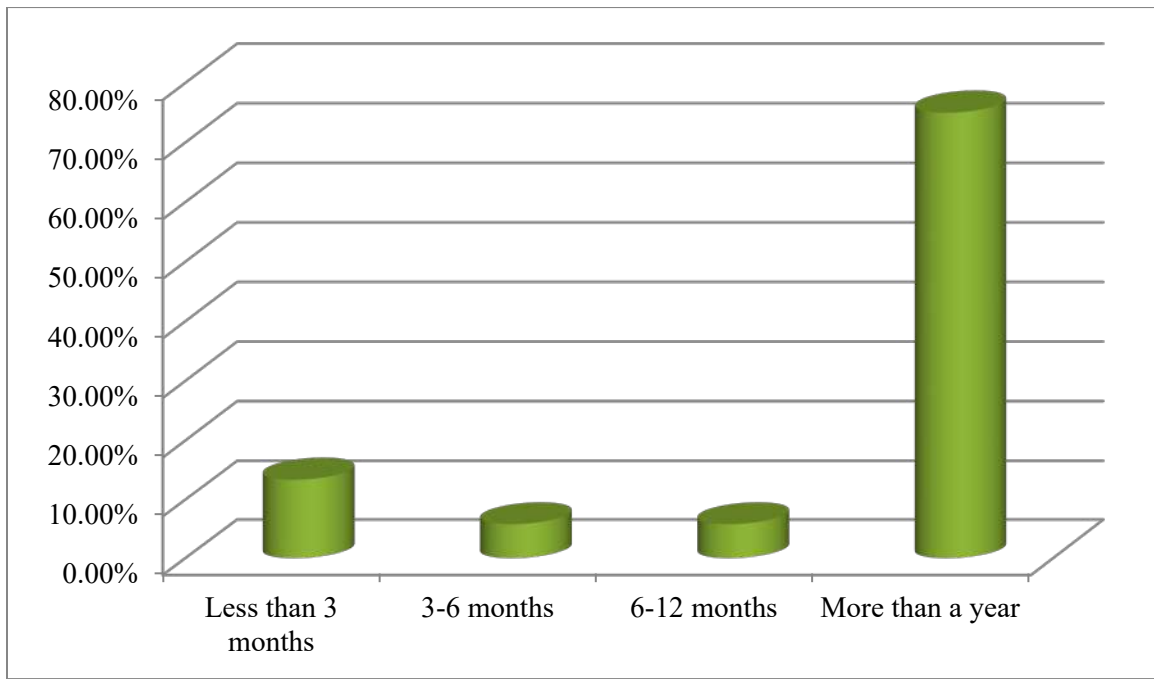
Interpretation: From the following columnar graph representation we can see that most of the respondents spend an average of 1,000-5,000 on an order.

Q.9 Since how long have you been ordering products through Amazon?

Table 2.9

<u>DURATION</u>	<u>NO OF RESPONDENTS</u>	<u>PERCENTAGE (%)</u>
Less than 3 months	7	13.4
3-6 months	3	5.8
6-12 months	3	5.8
More than a year	39	75

Fig 2.9



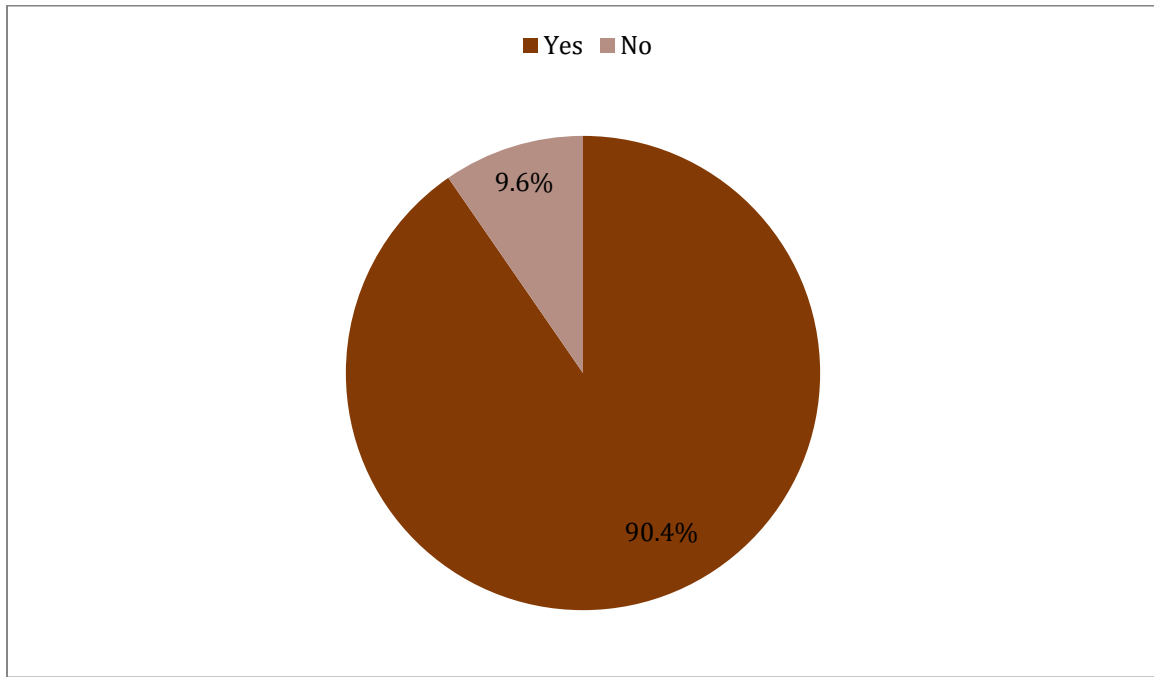
Interpretation: From the following columnar graph representation we can see that most of the respondents are ordering products through Amazon for more than a year.

Q.10 Were you a regular customer of Amazon before the pandemic?

Table 2.10

<u>RESPONSE</u>	<u>NO OF RESPONDENTS</u>	<u>PERCENTAGE (%)</u>
Yes	47	90.4
No	5	9.6

Fig 2.10



Interpretation: From the following pie-chart representation we can see that 90.4 % were regular customers of Amazon before the pandemic while the remaining 9.6% were not regular customers of Amazon before the pandemic. Therefore, we can say that most of the respondents were regular customers of Amazon before the pandemic.

RESEARCH SPECIFIC(2)

Q.1 Do you feel you are more restricted to online platform during pandemic?

Table 3.1

<u>RESPONSE</u>	<u>NO OF RESPONDENTS</u>	<u>PERCENTAGE (%)</u>
Yes	47	90.4
No	5	9.6

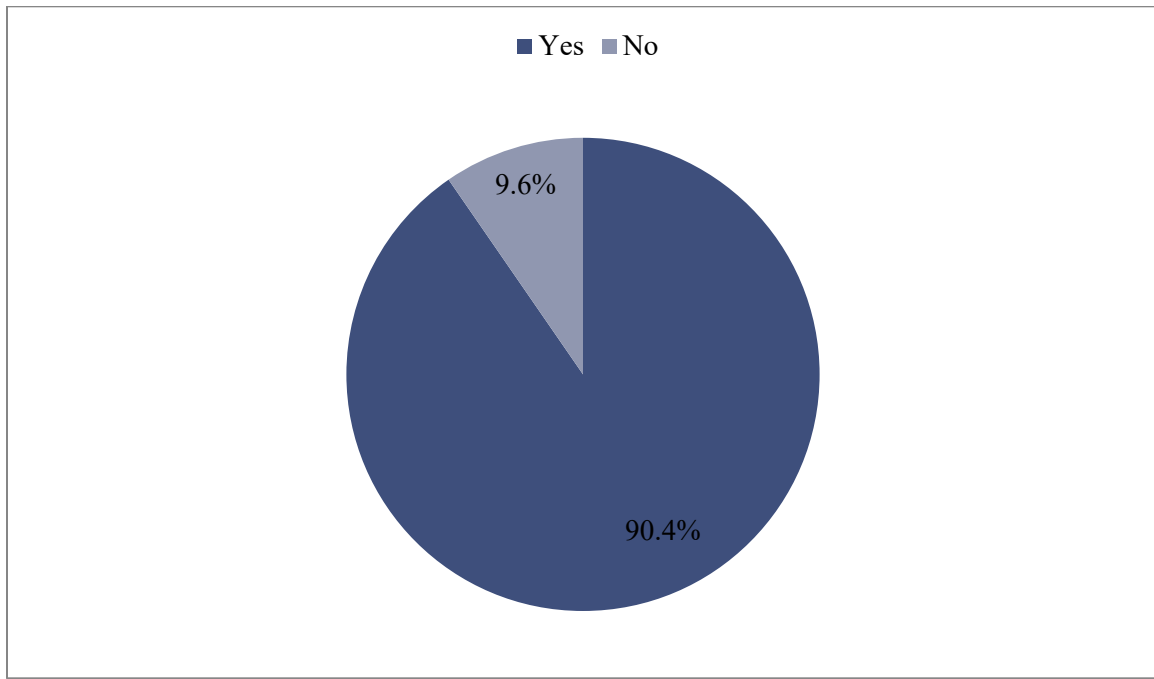


Fig 3.1

Interpretation: From the following pie-chart representation we can see most of the respondents feel restricted to online platform during the pandemic.

Q.2 As an impact of the pandemic have you started purchasing more frequently from E-commerce platform?

Table 3.2

<u>RESPONSE</u>	<u>NO OF RESPONDENTS</u>	<u>PERCENTAGE (%)</u>
Yes	46	88.5
No	6	11.5

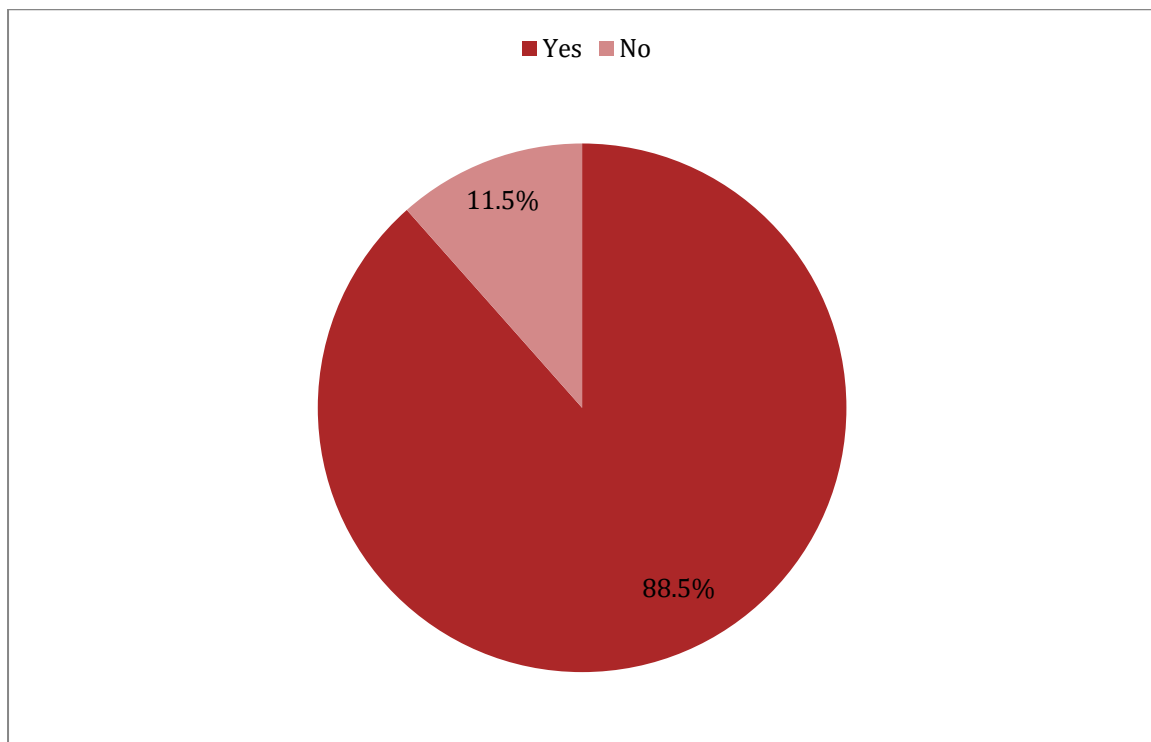


Fig 3.2

Interpretation: From the following pie-chart representation we can see that most of the respondents have started purchasing more frequently from e-commerce platform because of the pandemic.

Q.3 During pandemic which new products have you been purchasing more from Amazon?

Table 3.3

<u>PRODUCTS</u>	<u>NO OF RESPONDENTS</u>	<u>PERCENTAGE (%)</u>
Baby products	14	26.9
Skincare products	17	32.7
Grocery	26	50
Electronics	28	53.8
Health & Hygiene	21	40.4
Books	13	25
Fitness products	13	25
Clothing & Accessories	17	32.7

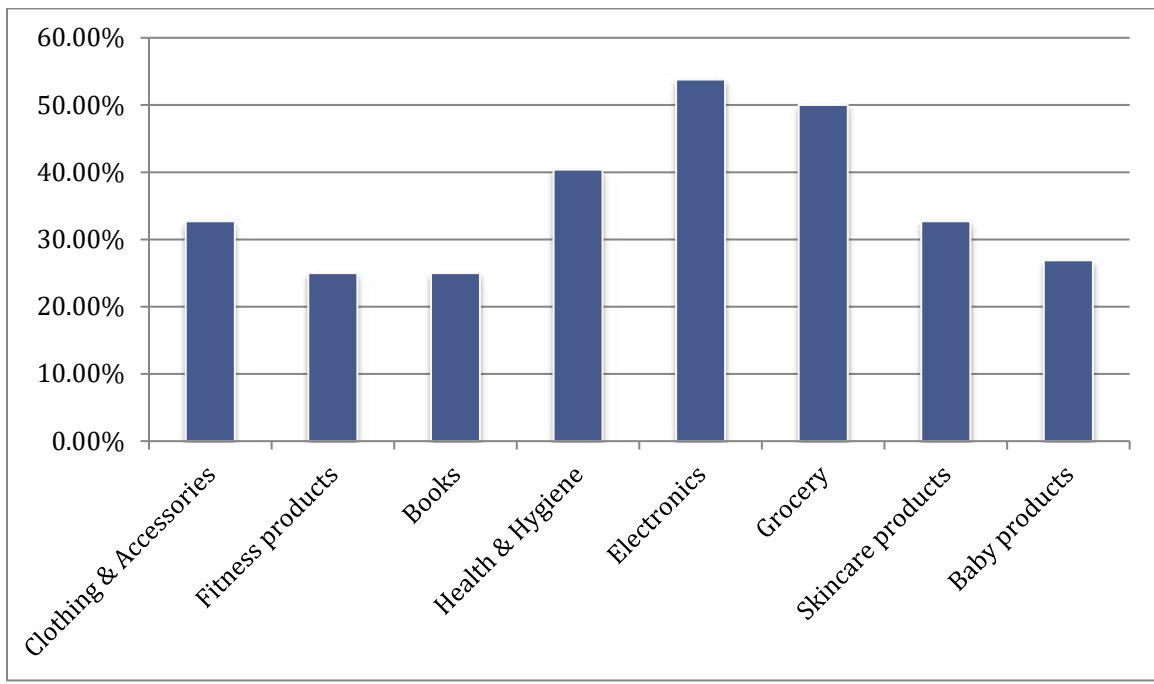


Fig 3.3

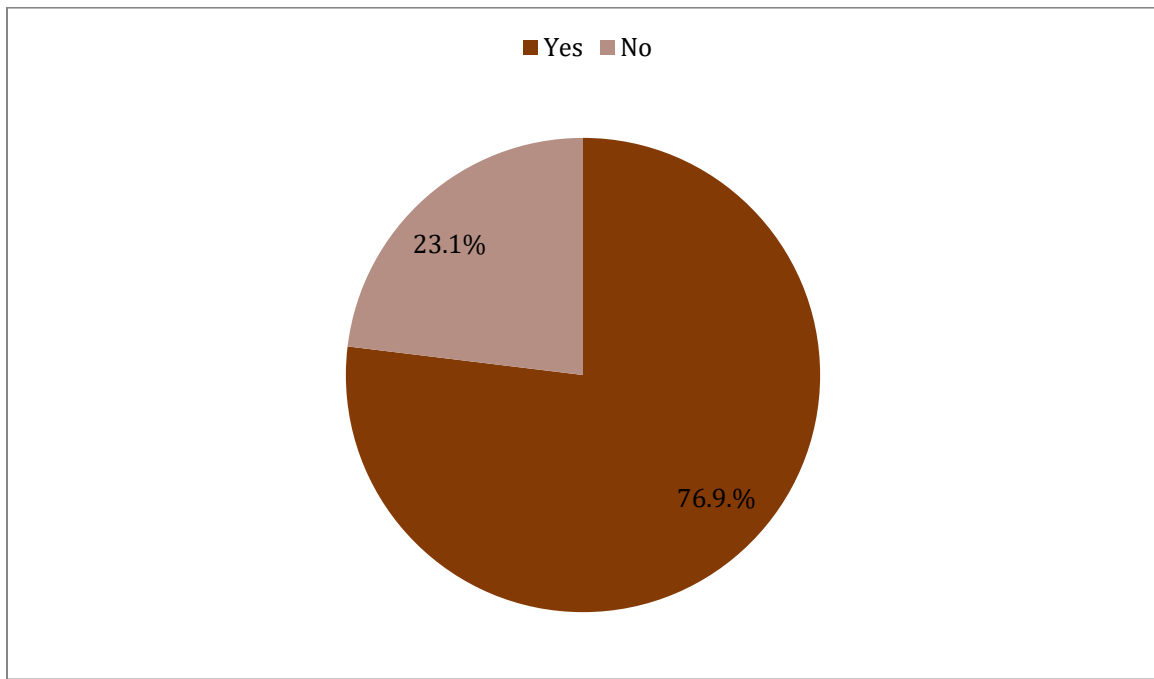
Interpretation: From the following columnar graph representation we can see that during the pandemic most of the respondents are purchasing electronics more frequently than the other products.

Q.4 Is there any change in the performance of Amazon during the pandemic

Table 3.4

<u>RESPONSE</u>	<u>NO OF RESPONDENTS</u>	<u>PERCENTAGE (%)</u>
Yes	40	76.9
No	12	23.1

Fig 3.4



Interpretation: From the following pie-chart representation we can see that most of the respondents feel that there is a change in the performance of amazon during the pandemic.

Q.5 The unnecessary hike in the price during Covid-19 has significantly impacted online shopping.

Table 3.5

<u>REVIEWS</u>	<u>NO OF RESPONDENTS</u>	<u>PERCENTAGE (%)</u>
Strongly agree	21	40.4
Agree	26	50
Neutral	4	7.7
Disagree	1	1.9
Strongly Disagree	0	0

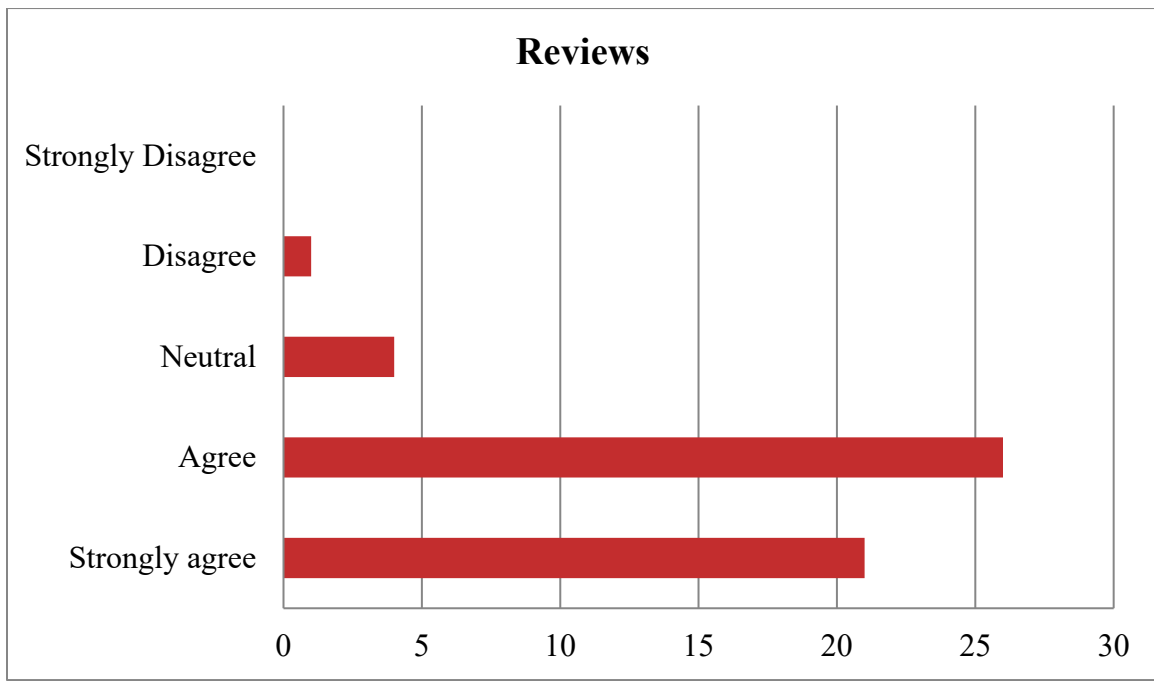


Fig 3.5

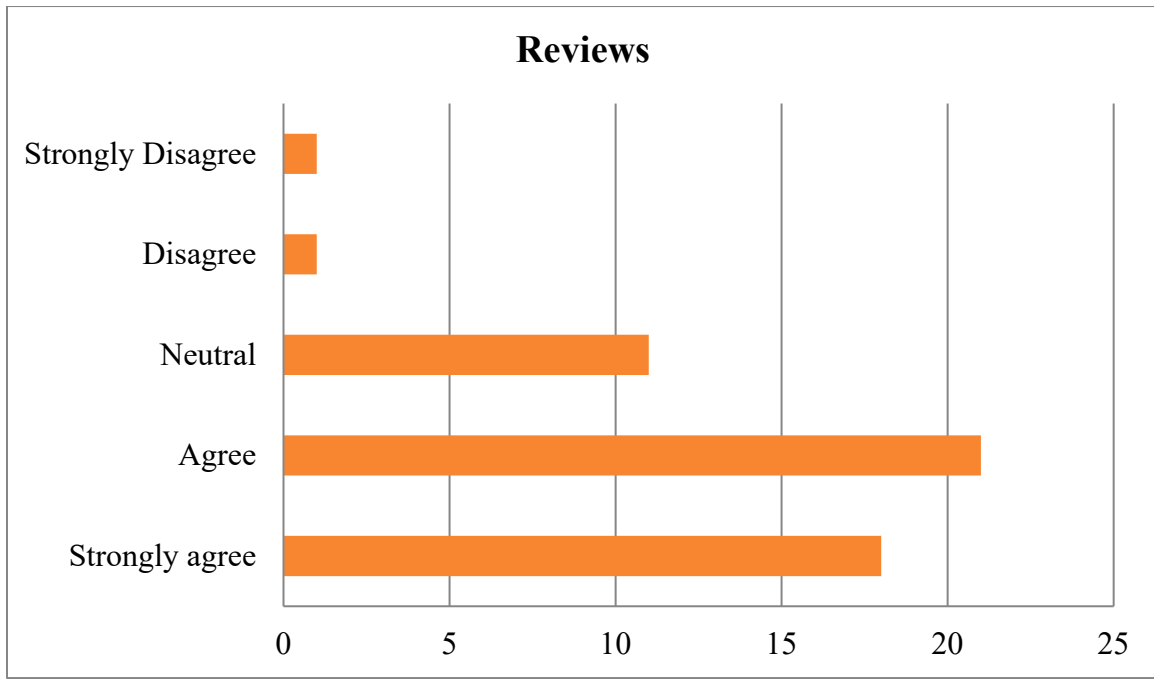
Interpretation: From the following bar graph representation we can see that most of the respondents agree that the unnecessary hike in the price during Covid-19 has significantly impacted online shopping.

Q.6 The products available online are priced low in comparison to traditional market during the pandemic.

Table 3.6

<u>REVIEWS</u>	<u>NO OF RESPONDENTS</u>	<u>PERCENTAGE (%)</u>
Strongly agree	18	34.6
Agree	21	40.4
Neutral	11	21.2
Disagree	1	1.9
Strongly Disagree	1	1.9

Fig 3.6



Interpretation: From the following bar graph representation we can see that most of the respondents agree that the products available online are priced low in comparison to traditional market during the pandemic.

Q.7 The speed of delivery of Amazon during the pandemic is highly satisfactory.

Table 3.7

<u>REVIEWS</u>	<u>NO OF RESPONDENTS</u>	<u>PERCENTAGE (%)</u>
Strongly agree	16	30.8
Agree	27	51.9
Neutral	7	13.5
Disagree	2	3.8
Strongly Disagree	0	0

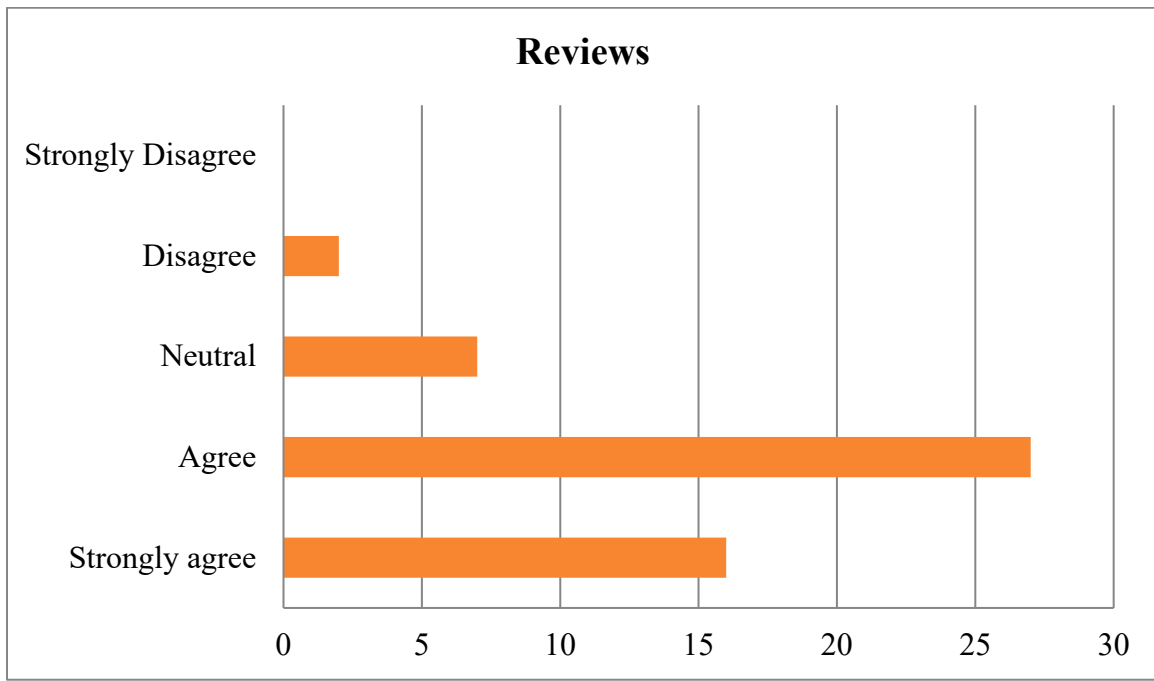


Fig 3.7

Interpretation: From the following bar graph representation we can see that most of the respondents agree that the speed of delivery of Amazon during the pandemic is highly satisfactory.

Q.8 The after sales service offered by Amazon during Covid-19 is highly satisfactory.

Table 3.8

<u>REVIEWS</u>	<u>NO OF RESPONDENTS</u>	<u>PERCENTAGE (%)</u>
Strongly agree	17	32.7
Agree	25	48.1
Neutral	10	19.2
Disagree	0	0
Strongly Disagree	0	0

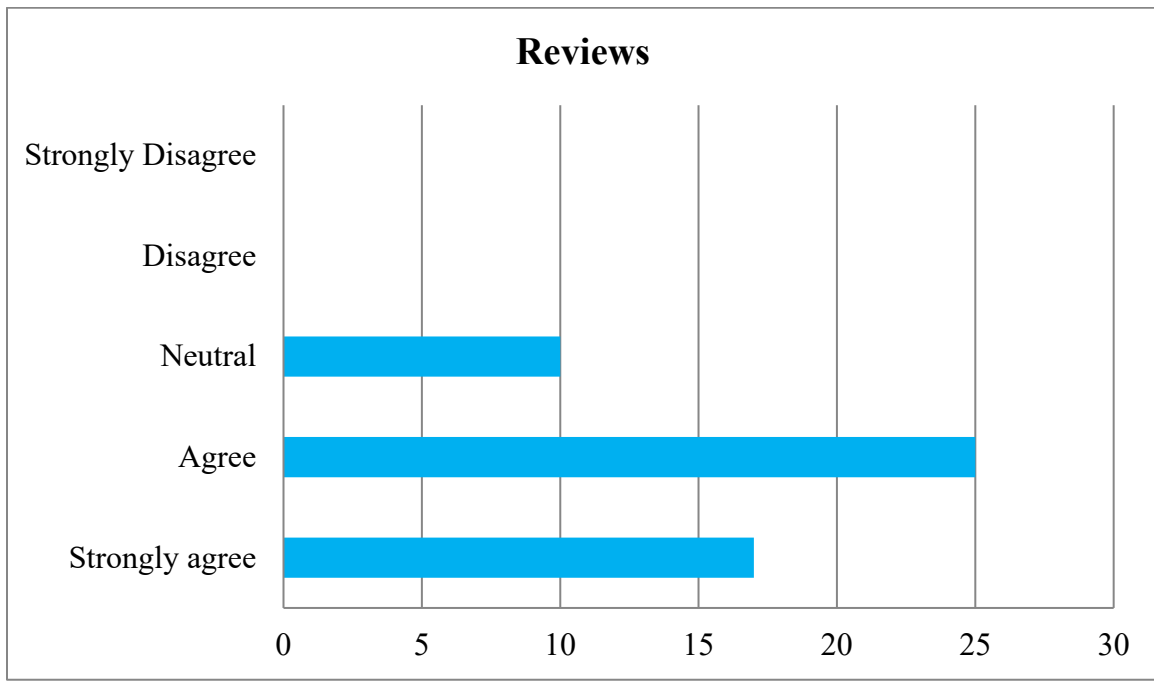


Fig 3.8

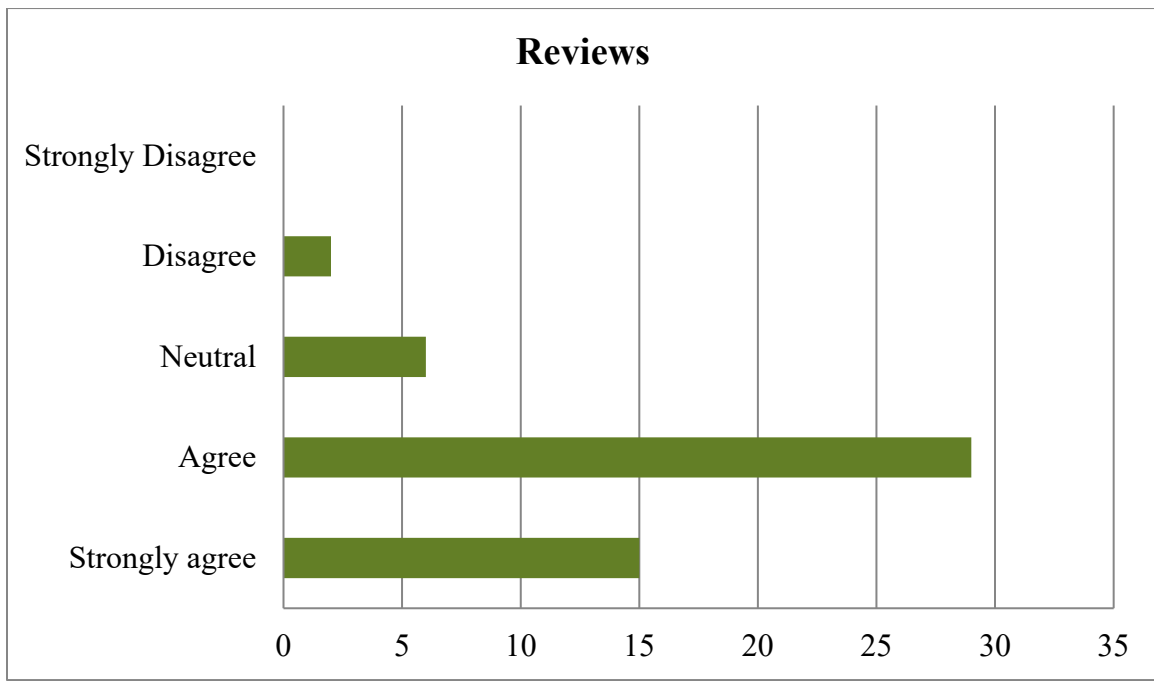
Interpretation: From the following bar graph representation we can see that most of the respondents agree that the after sales service offered by Amazon during Covid-19 is highly satisfactory.

Q.9 There is no difficulty in returning/replacing the product bought on Amazon during the pandemic.

Table 3.9

<u>REVIEWS</u>	<u>NO OF RESPONDENTS</u>	<u>PERCENTAGE (%)</u>
Strongly agree	15	28.9
Agree	29	55.8
Neutral	6	11.5
Disagree	2	3.8
Strongly Disagree	0	0

Fig 3.9



Interpretation: From the following bar graph representation we can see that most of the respondents agree that there is no difficulty in returning/replacing the product bought on Amazon during the pandemic.

Q.10 You are highly satisfied with your shopping experience on Amazon during the pandemic.

Table 3.10

<u>REVIEWS</u>	<u>NO OF RESPONDENTS</u>	<u>PERCENTAGE (%)</u>
Strongly agree	17	32.7
Agree	28	53.8
Neutral	7	13.5
Disagree	0	0
Strongly Disagree	0	0

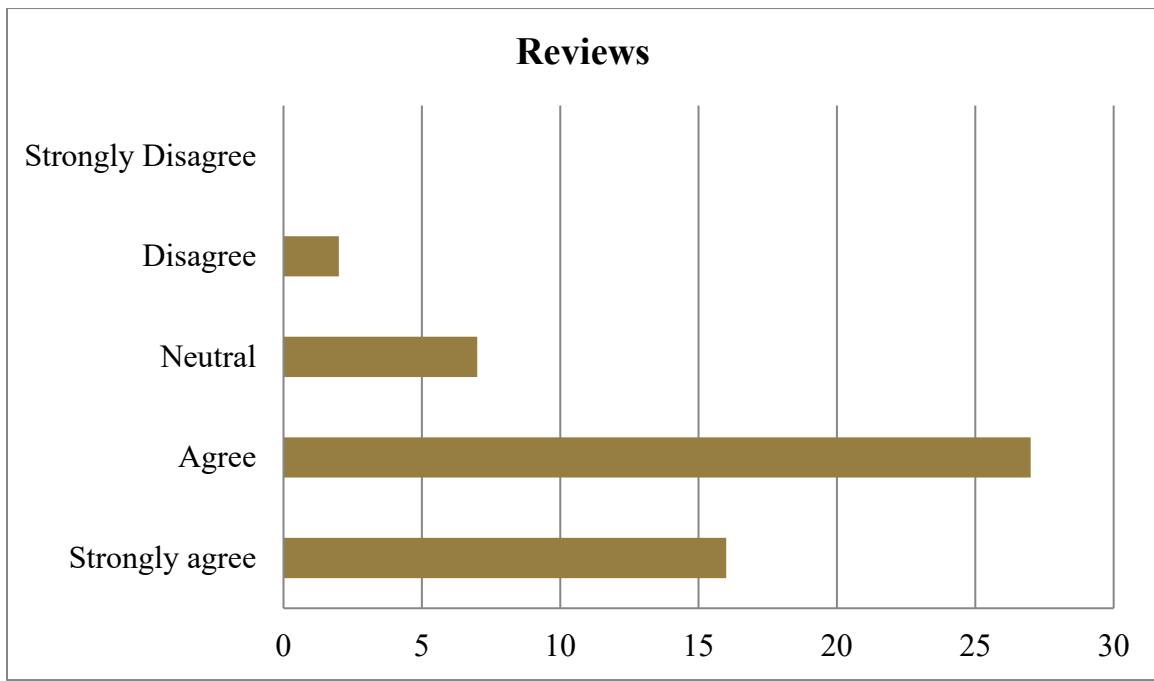


Fig 3.10

Interpretation: From the following bar graph representation we can see that most of the respondents are highly satisfied with their shopping experience on Amazon during the pandemic.

3.4 DATA FINDINGS

- 100% of the respondents are aware of e-commerce.
- 71% of the respondents prefer Amazon, 13% Flipkart , 10% Grofers and 6% BigBasket. Therefore, we can see that most number of respondents prefer Amazon over other e-commerce websites.
- 21 respondents came to know about Amazon from social media, 19 from friends & Family, 8 from TV and 4 from newspaper. Therefore, we can say that most of the respondents came to know about Amazon from social media.
- Most of the respondents prefer Amazon over its competitors for providing wide variety of products.
- 53.8% of the respondents had a good first time experience with Amazon, while the 38.5% of the respondents had an excellent first time experience with Amazon and the remaining respondents said that they had an average first time experience with Amazon. Therefore, we can see that most of the respondents had a good first time experience with Amazon.
- 75% of the respondents purchase electronics more frequently than any other product on Amazon.
- Most of the respondents order from Amazon on a weekly basis.
- Most of the respondents spend an average of 1,000-5,000 on an order.
- Most of the respondents are ordering products through Amazon for more than a year.
- 90.4 % were regular customers of Amazon before the pandemic while the remaining 9.6% were not regular customers of Amazon before the pandemic. Therefore, we can say that most of the respondents were regular customers of Amazon before the pandemic.
- 90.4 % of the respondents feel that they are restricted to online platform during the pandemic while the remaining respondents don't feel restricted to online platform during the pandemic. Therefore, we can say that most of the respondents feel restricted to online platform during the pandemic.

- Most of the respondents have started purchasing more frequently from e-commerce platform because of the pandemic.
- Most of the respondents are purchasing electronics more frequently than any other product during the pandemic.
- Most of the respondents feel that there is change in the performance during the pandemic.
- Most of the respondents agree that the unnecessary hike in the price during the Covid-19 has significantly impacted online shopping.
- Most of the respondents agree that the unnecessary hike in the price during Covid-19 has significantly impacted online shopping.
- Most of the respondents agree that the speed of delivery of Amazon during the pandemic is highly satisfactory.
- Most of the respondents agree that the after sales service offered by Amazon during Covid-19 is highly satisfactory.
- Most of the respondents agree that there is no difficulty in returning/replacing the product bought on Amazon during the pandemic.
- Most of the respondents are highly satisfied with their shopping experience on Amazon during the pandemic.

CHAPTER - 4: CONCLUSION AND RECOMMENDATION

4.1 CONCLUDING OBSERVATIONS

4.2 RECOMMENDATIONS

4.1 CONCLUDING OBSERVATIONS

Amazon competes head-to-head for market share with some of the largest corporations in the world. While Amazon started out as an online retailer of books, it has grown over the decades to become the world's largest online retailer and is rapidly growing its footprint in other areas such as physical retail stores, subscription services, and web services.

From the above survey we could summarize that most of the customers prefer Amazon over other e-commerce websites due to the various benefits it offers. Amazon has got mostly positive response from the above survey. This is because despite the pandemic, Amazon has not compromised its service quality. Instead it is offering better price deals, discounts, and faster delivery with better after sales service and easier returns which has helped its customers in these unprecedented times. Amazon has proved that besides the customers it also takes care of its workforce who makes it what it is now by adding the feature of giving tip to the delivery person to show their relentless efforts during the pandemic.

4.2 RECOMMENDATIONS

- Amazon has been serving the urban areas successfully but it can widen its market and tap the rural areas as well with a different pricing strategy and suitable products.
- Amazon can tap the remote areas through prompt service, wide variety and easy accessibility as people in these areas are deprived of online shopping facilities.
- Amazon should pay keen attention to the various sellers who are there on it and look into the quality of products they are selling as there are various complaints relating to product quality as well.
- Amazon should also improve its customer care services so that customers get prompt replies instead of waiting for days to solve the issue.
- Instead of different delivery rates from various sellers, Amazon can provide for either a uniform rate or give completely free delivery above Rs. 499, irrespective of the sellers selling the product.
- Amazon should verify its sellers to save its customers from frauds.

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- <https://pnghunter.com/png/amazon-logo/>

Annexure

- Questionnaire

Following attached link is the survey of questionnaire in Google form

<https://docs.google.com/forms/d/e/1FAIpQLSeUdLN9uREOG93VDhWj-rGU9Sdb0nJ7DklSUKCH3XeSGOh7Dg/viewform>

The Inevitable performance of E-commerce in current pandemic- A case study on Amazon.in

This is purely an academic purpose survey not for use of any commercial purpose and given data is strictly confidential.

Respected Sir/Madam,

I am Sunny Simon Koshy requesting you to spend only 10 minutes of your valuable time to fill up the questionnaire on a research study based on "The Inevitable performance of E-commerce in current pandemic- A case study on Amazon.in". On the basis of your inputs I can proceed on my project work. I further request you to forward this questionnaire to your friends as much as you can in order to enhance the possibilities of a broader enriched data.

Email Id - sunnykoshy10@gmail.com

Thank you

Sunny Simon Koshy

B.com(Hons.)

Scottish Church College.

Demographic detail

Age

- 15-24
- 25-34
- 35-44
- 45 or above

Gender

- Male
- Female

Occupation

- Student
- Business
- Service
- Professional
- Self Employed
- Other: _____

Family income per month

- Below 20,000
- 20,000-40,000
- 40,000-60,000
- 60,000-80,000
- 80,000-1,00,000
- Above 1,00,000

Research Specific(1)

Are you aware of E-commerce?

- Yes
- No

What is your most preferred E-commerce website?

- Amazon
- Flipkart
- Grofers
- BigBasket
- Other: _____

From where did you come to know about Amazon?

- Tv
- Newspaper
- Social Media
- Friends & Family
- Other: _____

Why do you prefer Amazon over its competitors?

- Wide Variety
- Better Service
- Better Quality
- Price efficient
- Faster delivery
- Discount

How was your first experience with Amazon?

- Excellent
- Good
- Average
- Bad
- Poor

Which of the following products you purchase more frequently from Amazon?

- Baby products
- Skincare products
- Grocery
- Electronics
- Health & Hygiene
- Books
- Fitness products
- Clothing & Accessories

How often do you order from Amazon?

- Daily
- Weekly
- Monthly
- Yearly
- Occasionally

On an average, how much do you spend on an order?

- Less than 1,000
- 1,000-5,000
- 5,000-10,000
- More than 10,000

Since how long have you been ordering products through Amazon?

- Less than 3 months
- 3-6 months
- 6-12 months
- More than a year

Were you a regular customer of Amazon before the pandemic?

- Yes
- No

Research Specific(2)

Do you feel you are more restricted to online platform during pandemic?

Yes

No

As an impact of the pandemic have you started purchasing more frequently from E-commerce platform?

Yes

No

During pandemic which new products have you been purchasing more from Amazon?

Baby products

Skincare products

Grocery

Electronics

Health & Hygiene

Books

Fitness products

Clothing & Accessories

Is there any change in the performance of Amazon during the pandemic

- Yes
- No

The unnecessary hike in the price during Covid-19 has significantly impacted online shopping.

- Strongly agree
- Agree
- Neutral
- Disagree
- Strongly Disagree

The products available online are priced low in comparison to traditional market during the pandemic.

- Strongly agree
- Agree
- Neutral
- Disagree
- Strongly disagree

The speed of delivery of Amazon during the pandemic is highly satisfactory.

- Strongly agree
- Agree
- Neutral
- Disagree
- Strongly disagree

The after sales services offered by Amazon during Covid-19 is highly satisfactory.

- Strongly agree
- Agree
- Neutral
- Disagree
- Strongly disagree

There is no difficulty in returning/replacing the product bought on Amazon during the pandemic.

- Strongly agree
- Agree
- Neutral
- Disagree
- Strongly disagree

You are highly satisfied with your shopping experience on Amazon during the pandemic.

- Strongly agree
- Agree
- Neutral
- Disagree
- Strongly disagree

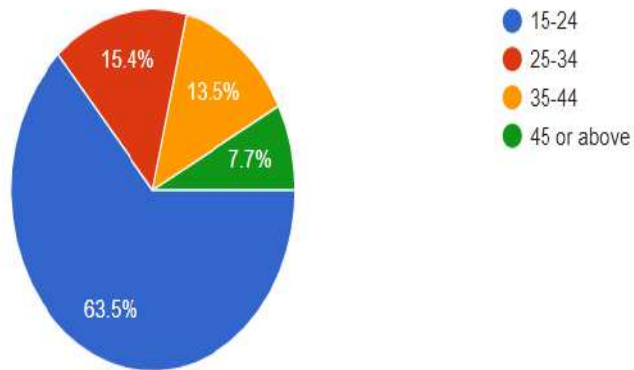
Would you like to share some experience of yours with Amazon during the pandemic?

Your answer _____

Demographic detail

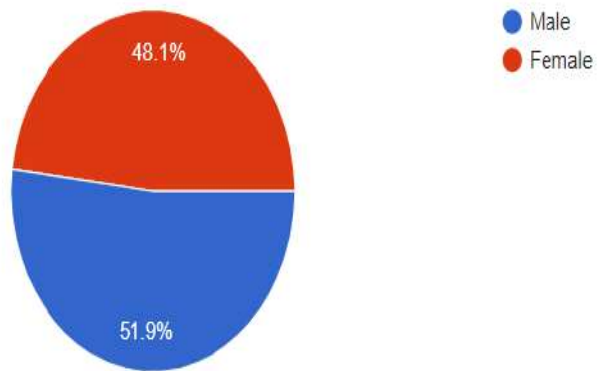
Age

52 responses



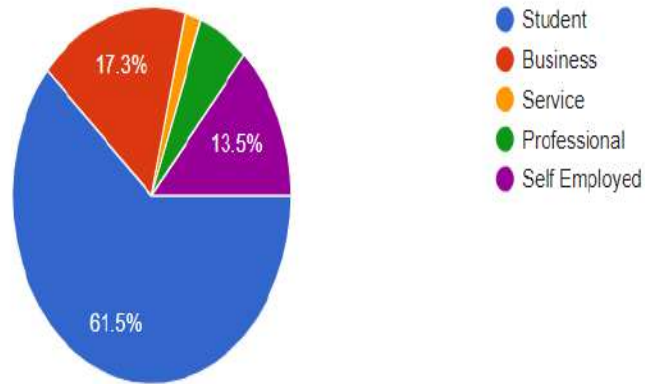
Gender

52 responses



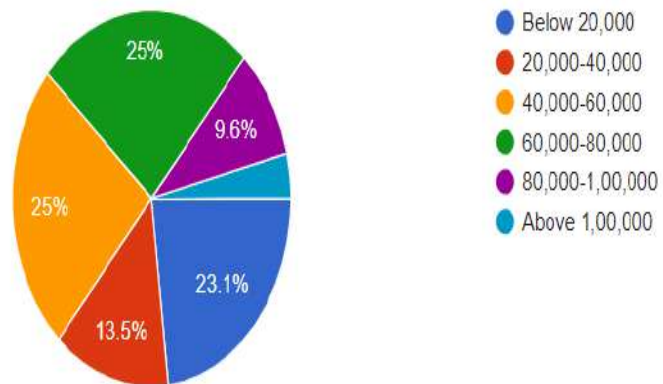
Occupation

52 responses



Family income per month

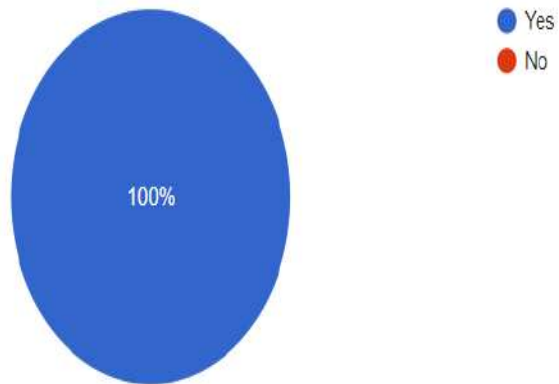
52 responses



Research Specific(1)

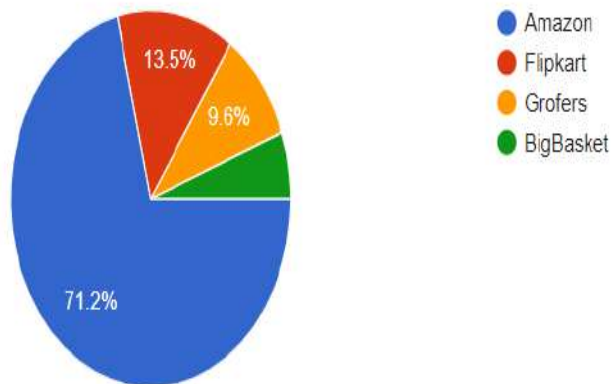
Are you aware of E-commerce?

52 responses



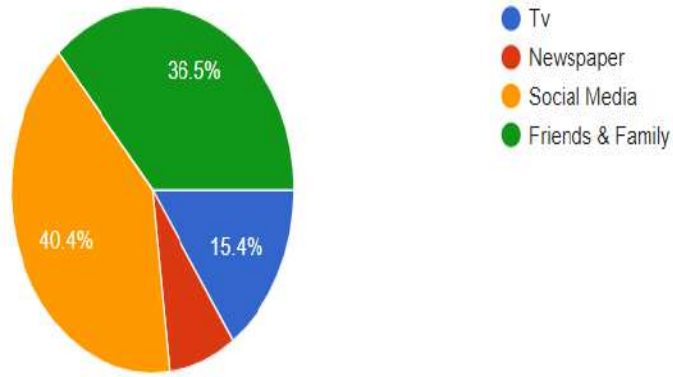
What is your most preferred E-commerce website?

52 responses



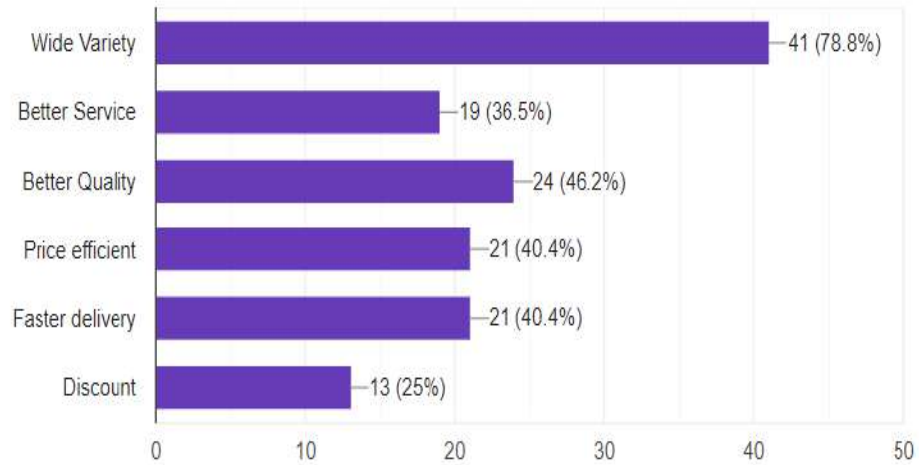
From where did you come to know about Amazon?

52 responses



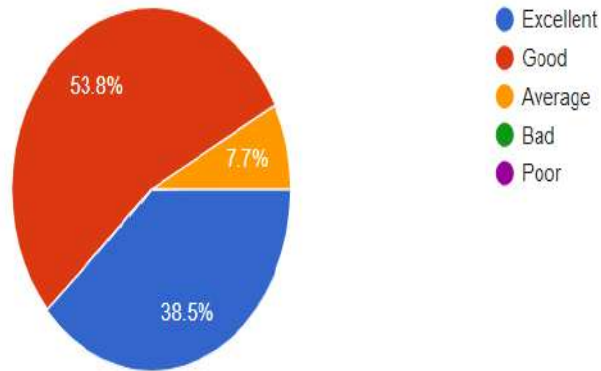
Why do you prefer Amazon over its competitors?

52 responses



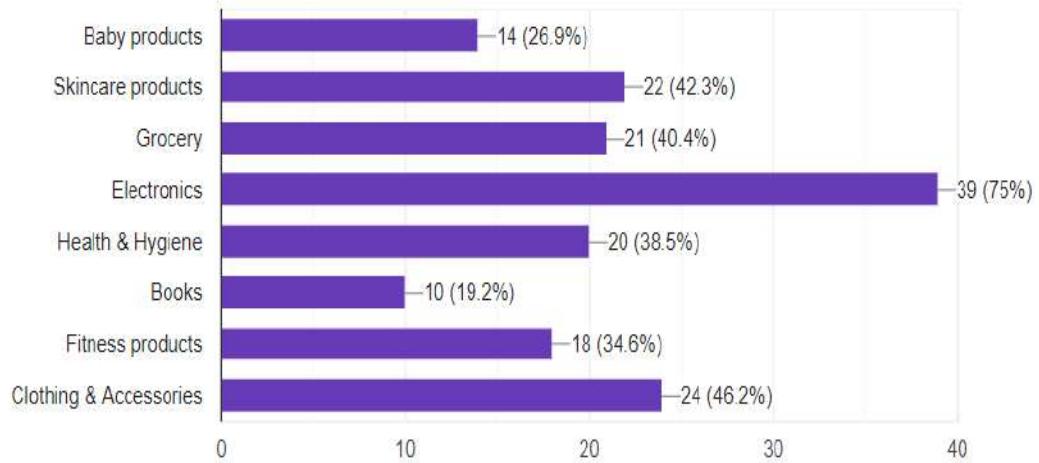
How was your first experience with Amazon?

52 responses



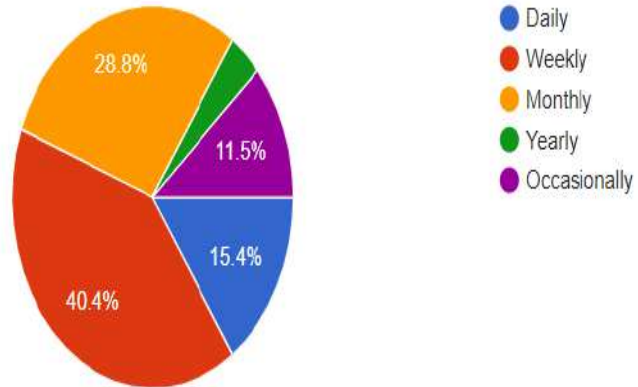
Which of the following products you purchase more frequently from Amazon?

52 responses



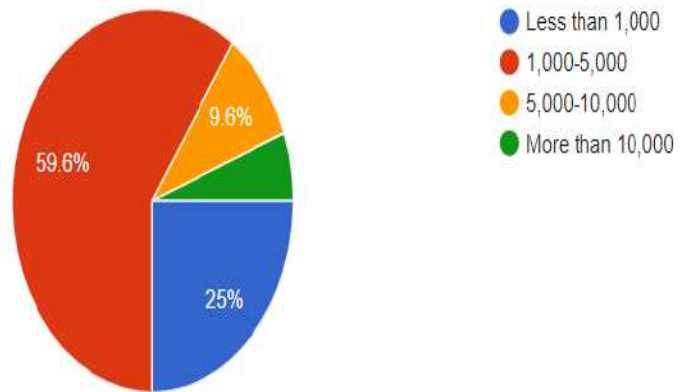
How often do you order from Amazon?

52 responses



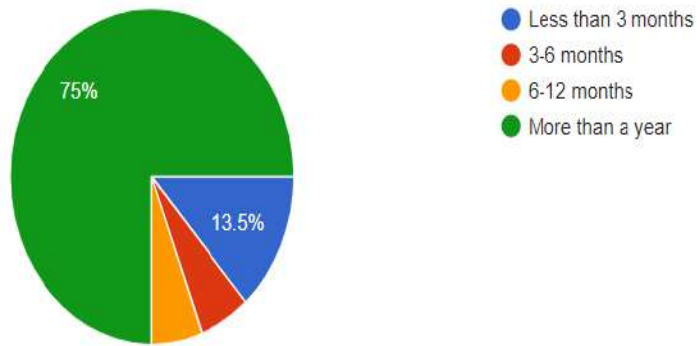
On an average, how much do you spend on an order?

52 responses



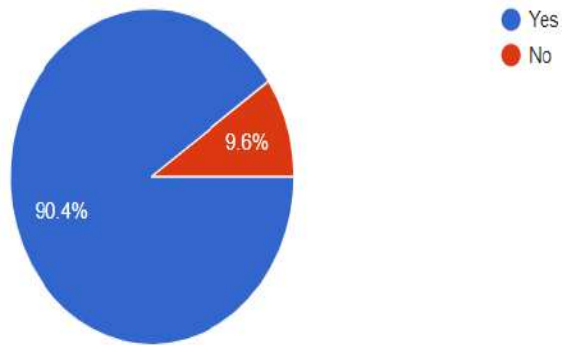
Since how long have you been ordering products through Amazon?

52 responses



Were you a regular customer of Amazon before the pandemic?

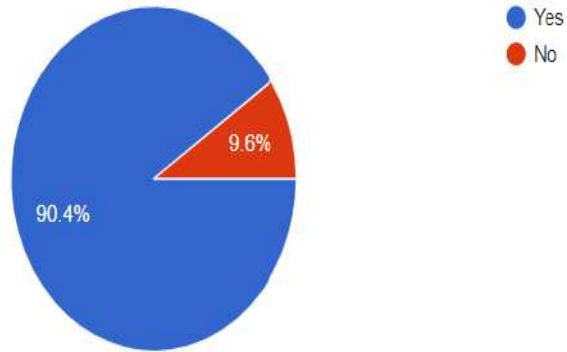
52 responses



Research Specific(2)

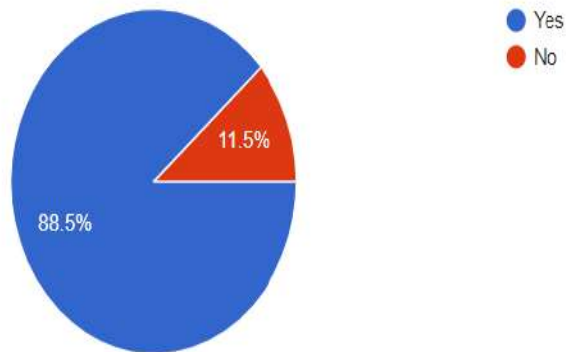
Do you feel you are more restricted to online platform during pandemic?

52 responses



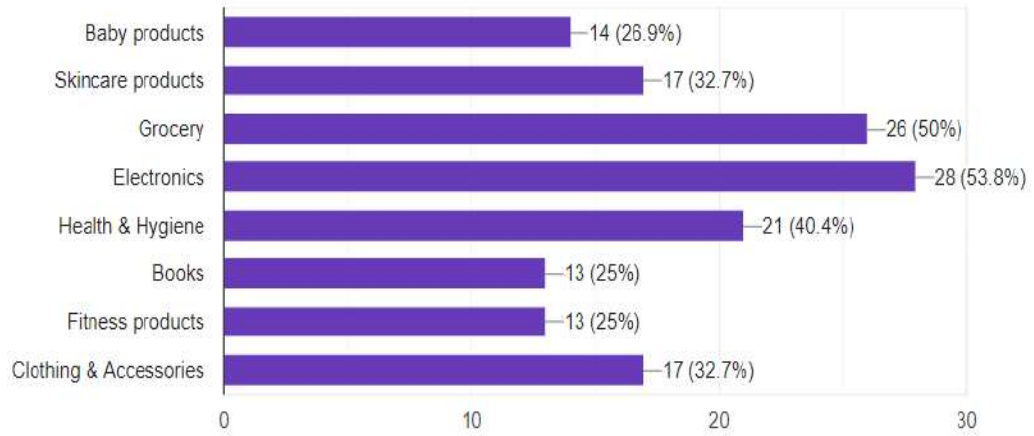
As an impact of the pandemic have you started purchasing more frequently from E-commerce platform?

52 responses



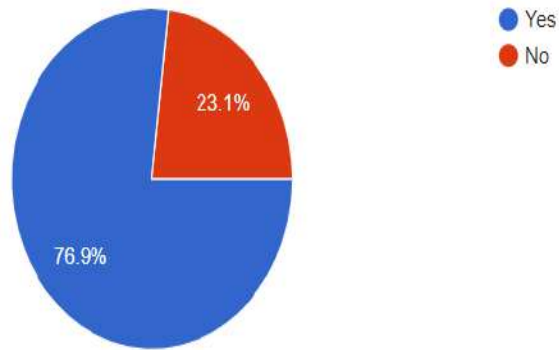
During pandemic which new products have you been purchasing more from Amazon?

52 responses



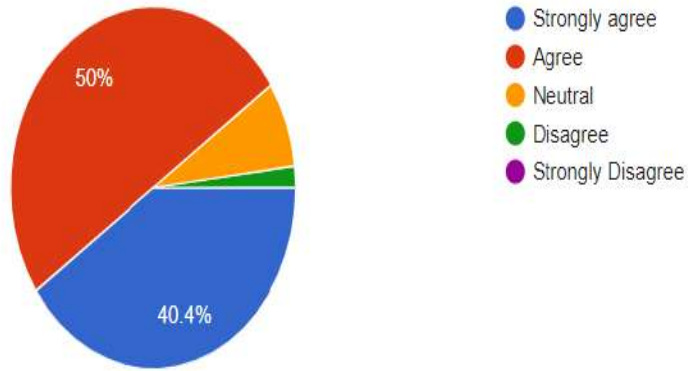
Is there any change in the performance of Amazon during the pandemic

52 responses



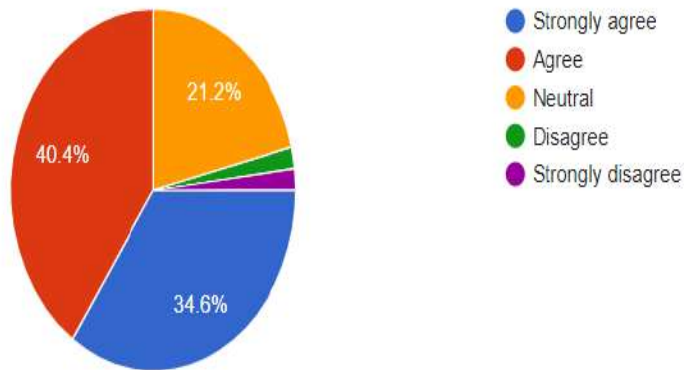
The unnecessary hike in the price during Covid-19 has significantly impacted online shopping.

52 responses



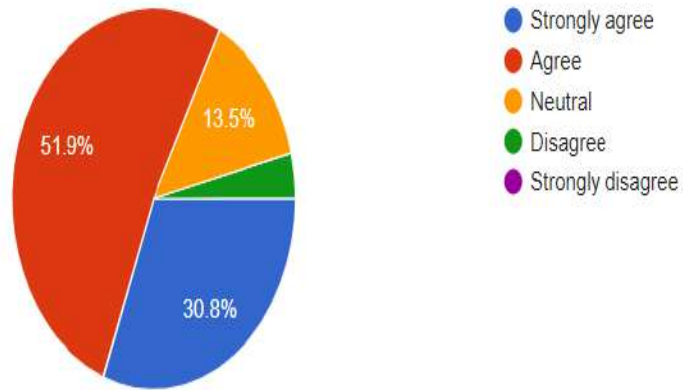
The products available online are priced low in comparison to traditional market during the pandemic.

52 responses



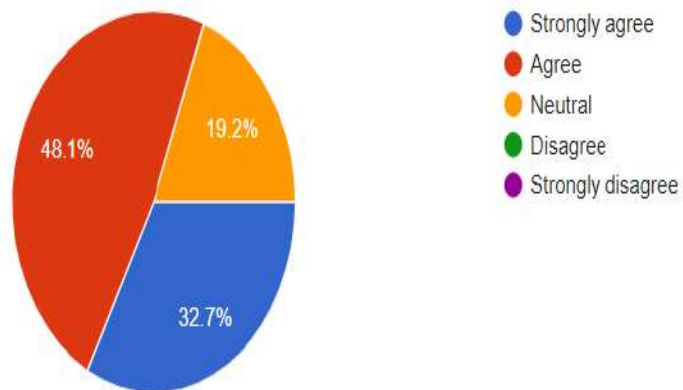
The speed of delivery of Amazon during the pandemic is highly satisfactory.

52 responses



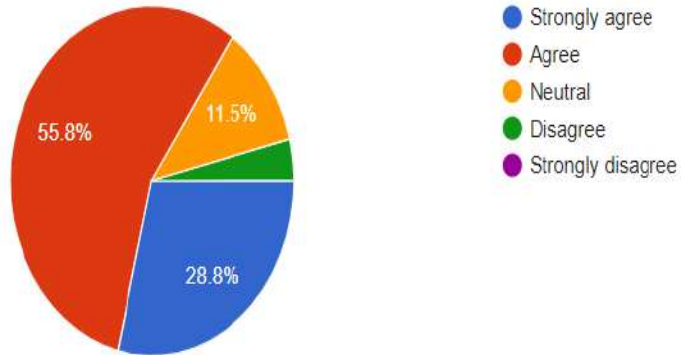
The after sales services offered by Amazon during Covid-19 is highly satisfactory.

52 responses



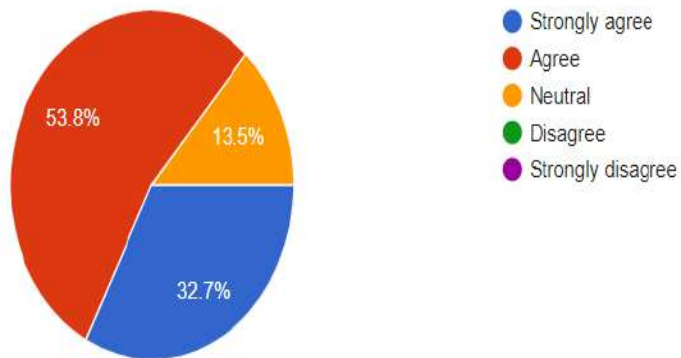
There is no difficulty in returning/replacing the product bought on Amazon during the pandemic.

52 responses



You are highly satisfied with your shopping experience on Amazon during the pandemic.

52 responses



Would you like to share some experience of yours with Amazon during the pandemic?

12 responses

No

The services are at the peak of its form

No experience as of now.

Amazon provides the best service among all.

..

The facilities provided are great

It was a good experience but i was disappointed with the delivery dates

Project Report

Submitted for the Degree of B.Com Honours in Accounting & Finance
Under the University of Calcutta)



Scottish Church College

Title of the Project

“THE COMMERCIALISATION OF SPORTS IN INDIA”

Submitted by

Name of the Candidate : **Suvankar Sen Gupta**
C.U Registration No : **223-1111-0533-18**
C.U Roll No : **181223-21-0028**
College Roll No : **18C-029**
Name of the College : **Scottish Church College**

Supervised By

Name of the supervisor : **Shreya Basu**
Name of the College : **Scottish Church College**
Month & Year of Submission : **July, 2021**

ANNEXTURE-IA

Supervisor's Certificate

This is to certify that "Mr. SUVANKAR SEN GUPTA", a student of B.COM. Honours in Accounting and Finance of "SCOTTISH CHURCH COLLEGE" under the "UNIVERSITY OF CALCUTTA" has worked under my supervision and guidance for his Project Work and prepared a Project Report with the title of

" THE COMMERCIALISATION OF SPORTS IN INDIA."

which he is submitting is his genuine and original work to the best of my knowledge.

Place - Kolkata

Date -

Signature –

Name – SHREYA BASU

Designation – Professor (Assistant)

Name of the college–Scottish Church College

ANNEXTURE-IB

Student's Declaration

I hereby declare that the Project Work with the title **"COMMERCIALISATION OF SPORTS IN INDIA"** submitted by me for the partial fulfilment of the degree of B.COM. Honours in Accounting & Finance Under the "UNIVERSITY OF CALCUTTA" is my original work and has not been submitted earlier to any other University/Institution for the fulfilment of the requirement for any course of study.

I also declare that no chapter of this manuscript in whole or in part has been incorporated in this report from any earlier work done by others or by me. However, extracts of any literature which has been used for this project has been duly acknowledged providing details of such literature in the reference.

Place - Kolkata

Date – 25/07/2021

Signature – Suvankar Sen Gupta

Name - SUVANKAR SEN GUPTA

Address - Agarpara, Kolkata-700109

Registration No. - 223-1111-0533-18

Roll No. - 181223-21-0028

ACKNOWLEDGEMENT

Smt Dr. MADHUMANJARI MONDAL Principal of our college. Prof. AMITAVA CHATTERJEE head of the department of our college, commerce stream.

I express my thanks to this principal of our college Smt, Dr. MADHUMANJARI MONDAL and our head of the department Prof. AMITAVA CHATTERJEE, and also my college's internal teacher smt Prof. SHREYA BASU for providing the excellent infrastructure for the completion of this project work in our extern organization SCOTTISH CHURCH COLLEGE. A special word of thanks for smt Prof. SHREYA BASU madam of our college for guided me for completion of my project.

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CHAPTER-I

INTRODUCTION:-

❖ BACKGROUND OF THE STUDY

Definition of "COMMERCIALISATION" –

The process by which a new product or service is introduced into the general market. Commercialisation is broken into phases, from the initial introduction of the product through its mass production and adoption. It takes into account the production, distribution, marketing, sales and customer support required to achieve commercial success. As a strategy, commercialisation requires that a business develop a marketing plan, determine how the product will be supplied to the market and anticipate barriers to success.

What is commercialisation of sports??

The commercialisation of sports is that aspect of the sports enterprise that involves the sale, display, or use of sport or some aspect of sport so as to produce income, in course to make the sport better, with more world-class facilities. When India won the 1st world cup of cricket in 1983 then the prize money was 14.3 lacks but in 2011 the prize money was 13.8 cores because the sponsored from all around the world contribute for the cricket world cup. This sum of money indicates that the cricket has progressed lot in field of commercialisation. The all credit goes to the spectators that love cricket more than thoughts.

❖ RATIONALE

- The project 'Commercialisation of sports in India' is helpful to know the effect of sports in Indian economy on long term basis as well as short span of time.
- It creates the good impression on people's mind from all over the world and also the participation of corporate world in sports is maximising the foreign investments in our Indian economy.
- It also has another effect in our tourism industry.
- It is opening doors to next big media movement, and making the sports one of the most valuable industries in India.
- Last but not the least the project is showing the effect in govt. revenues for the 'Commercialisation of sports'.

❖ LITERATURE REVIEW

➤ **Competitive Advantage**

- Achieving competitive advantage strengthens and positions a business better within the business environment.
- Bain (1951) described Monopoly is a market structure where there is only one firm and it is as large as the market.

➤ The 'Stakeholders theory'

- The vision of the firm is defined by addressing the levels of the stakeholders and their interest & involvement with the type of returns they deserve.
- Sloane suggested that profits are not the only factors that should be measured while calculating the success of a sports league. Various stakeholders involved have different sets of goals other than financial gains.

➤ Market entry strategy

- Theory of internationalisation or the electric paradigm is a theory of economics also known as the OLI paradigm.
- Franchising mode.

➤ The strategy

- Market entry, competitive advantage, growth and sustainability.
- The probability of achieving profitable growth is higher whenever an organisation has a clear growth strategy and strong execution infrastructure.



❖ OBJECTIVES OF STUDY

The objectivity of the study is to show, how the sports are becoming an industry in India. Sport has made a huge impact on today's economy of India. Sport business is one of the fastest growing businesses in India. Indian government gets a huge amount of tax from it. So I have tried to highlight the commercial part of IPL and how IPL is producing the income and more employment opportunities and also how, many new innovative business ideas are taking places around the IPL. The revenues and the income from the business of sports is a big part of our National income. Business of sports is a major reason behind the increasing National income of India.

The main objectives of the study are –

- To determine the trend in P/L throughout the years.
- To show the investment factors of IPL.
- To find the sources of income of IPL.
- To determine the Revenues and expenses of IPL.
- The main but not the least is to calculate the Govt., BCCI and Franchisee's interest in IPL.

Objective

To increase the digital engagement of people in the IPL,
by creating the world's best fantasy league.

❖ RESEARCH METHODOLOGY

- ✓ To analyse the most appreciated IPL business model.
 - ✓ To identify the key variables that was responsible for the phenomenal success of the model.
 - ✓ Evaluating the future prospects of the business.
- Extensive research was carried out for the successful completion of this project. The project totally based on **“secondary data”**.
- The secondary data in this study is collected from various magazines, Newspapers and Websites. Analysis and others parts are done on the basis of these secondary data and knowledge collected from the marketing lectures.

❖ LIMITATIONS OF THE STUDY

- ✓ The study is conduct fully on the base of secondary data.
- ✓ The time period of the research is very short.
- ✓ Due to time and more constrictive there are many short coming reality to collection of data.
- ✓ Getting correct and sufficient data for the project was a big challenge.

❖ **CHAPTER PLANNING**

The Project Report has been completed in five chapters via "Introduction", "Conceptual Framework", "Presentation of data and data analysis, findings", "Conclusion and Recommendation" and finally "Bibliography and References".

CHAPTER-I

This chapter deals with the Introduction, Literature Review, Objectives of the study, Research & Methodology, Limitation of the study and Chapter Planning. This chapter summarizes the theme and nature of work done in this study.

CHAPTER-II

This chapter deals with conceptual framework of the study. Here both the national and international perspectives have been taken into consideration.

CHAPTER-III

Highlights presentation of data analysis and makes a comprehensive and evaluate discussions on the findings.

CHAPTER-IV

It summarises brief conclusion and recommendation.

Last of all Bibliography and references have given guidelines to the researchers and scholars to make research work on the untouched part of the study in the future.

CHAPTER-II

CONCEPTUAL FRAMEWORK:-

❖ NATIONAL SCENARIO

Sports in India refers to the large variety of games played in India, ranging from tribal games to more mainstream sports such as field hockey, kabaddi, cricket, badminton and football. India's diversity of culture, people, and tribes, as well as its colonial legacy, are reflected in the wide variety of sporting disciplines in the country.

➤ Hockey

The *Indian Hockey Team* is the national men's hockey team of India. It was the first non-European team to be a part of the International Hockey Federation. In 1928, the team won its first Olympic gold medal. From 1928 to 1956, was the golden period for the Indian Hockey team. The Indian men's team remained unbeaten in the Olympics, gaining six gold medals in a row. The Indian team has won a total of eight gold, one silver and two bronze medals in Olympics.

➤ Kabaddi

Kabaddi is a contact sport, native to the Indian subcontinent. It is one of the most popular sports in India, played mainly among people in villages. India has taken part in four Asian Games in kabaddi, and won gold in all of them. Four forms of kabaddi played in India are Amar, Suranjeevi, huttuttoo, and Gaminee. Amar is generally played in Punjab, Haryana, the United States, Canada, and other parts of the world, mostly by Punjabi sportsmen. Suranjeevi is the most played form of kabaddi in India and the world. This is the form used in

international matches generally and played in Asian Games. Huttuttoo was played by men in Maharashtra. In Gaminee style, seven players play on each side and a player put out has to remain out until all his team members are out. The team that is successful in outing all the players of the opponent's side secures a point. The game continues until five or seven such points are secured and has no fixed time duration.

➤ **Cricket**

Cricket is the most popular sport in India by far, and is played almost everywhere. The Indian national cricket team won the 1983 Cricket World Cup, the 2007 ICC World Twenty20, the 2011 Cricket World Cup, the 2013 ICC Champions Trophy, and shared the 2002 ICC Champions Trophy with Sri Lanka. The 2021 ICC Men's Twenty20 World Cup & 2023 Cricket World Cup will be hosted by India. The IPL is the most-attended cricket league in the world and in 2014 was ranked sixth by average attendance among all sports leagues.

➤ **Badminton**

Badminton is a racquet sport played using racquets to hit a shuttlecock across a net. Although it may be played with larger teams, the most common forms of the game are "singles" (with one player per side) and "doubles" (with two players per side). Badminton is often played as a casual outdoor activity in a yard or on a beach; formal games are played on a rectangular indoor court. Points are scored by striking the shuttlecock with the racquet and landing it within the opposing side's half of the court.

➤ **Football**

Football is a family of team sports that involve, to varying degrees, kicking a ball to score a goal. Unqualified, the word *football* normally means the form of football that is the most popular where the word is used. Sports commonly called *football* include association football (known as *soccer* in North America and Oceania); gridiron football (specifically American football or Canadian football); Australian rules football; rugby football (either rugby union or rugby league); and Gaelic football. These various forms of football share to varying extent common origins and are known as **football codes**.



- I choose the **IPL** to show the commercial side of sports, and its effect on Indian economy. IPL is the fastest growing sport league not only in India but also internationally, for this reason I choose IPL for the project of

'Commercialisation of Sports in India'.



THE INDIAN PREMIER LEAGUE (IPL) - AN INTRODUCTION:

The Indian Premier League (IPL) is a professional **Twenty 20 league**, contested by eight teams based out of eight different Indian cities. The league was founded by the **Board of Control for Cricket in India** (BCCI) in 2007. It is usually held between March and May of every year and has an exclusive window in the **ICC Future Tours Programme**. The IPL is the most-attended cricket league in the world and in 2014 was ranked sixth by average attendance among all sports leagues. In 2010, the IPL became the first sporting event in the world to be broadcast live on **YouTube**. The brand value of the IPL in 2019 was **₹475 billion (US\$6.7 billion)**, according to **Duff & Phelps**. According to BCCI, the 2015 IPL season contributed **₹11.5 billion (US\$160 million)** to the GDP of the Indian economy. There have been thirteen seasons of the IPL tournament. The venue for the 2020 season was moved due to the COVID-19 pandemic and games were played in the United Arab Emirates.

IPL - A MARKETER'S PARADISE



HISTORY OF FORMATION OF THE IPL:

The ICL was set up with a billion dollar Indian Rupee corpus, and was to initially comprise six teams playing Twenty20 cricket, with plans to expand to sixteen teams within three years and to eventually move to 50-over matches. These plans if they had been realised, would have made the ICL the richest professional league in India. On 24th July 2007, some famous international names were announced to have signed to play in the ICL. The BCCI started its own international Twenty20 league. **The official league, which was launched in April 2008, was called the Indian Premier League Twenty20.** More importantly, first every professional sports league in India, and emerging economy not categorised as developed nation with high amount of disposable income classes. IPL is named as the second highest paid league in the world after NBA of US with an average player's salary of **\$2.5M** per season (Espnstar, 2011).Forbes (2009) published that IPL is the hottest sports league in the world today and it is the fastest-appreciating sports business on earth.

(ii) ECONOMICS OF THE INDIAN PREMIER LEAGUE (IPL)

Q. How does IPL make money?

- ✓ Auction of broadcasting rights.
- ✓ Title sponsorship and corporate sponsorship.
- ✓ Sale of tickets (20% of tickets allocated to IPL).
- ✓ Auction of franchises rights.
- ✓ Official umpire's sponsorship.

Q. How is the IPL income distributed?

- ✓ Share of broadcasting money with franchises.
- ✓ Share of sponsorship money with franchises.
- ✓ Share of ticket money with franchises.
- ✓ Inauguration expenses.
- ✓ Prize money: \$ 5 million (\$3 million for winner; \$2 million divided among others).

Q. What are the sources of income for an IPL Franchisee (ROI)?

- ✓ Share in revenue from broadcast rights(equal share for all franchisee after IPL's share)
- ✓ Share in sponsorship money (60% of the amount distributed equally).
- ✓ Share in revenue from sale of tickets.
- ✓ Revenue from in-stadium advertising.
- ✓ Sale of players to other franchisee.

Q. How is the Franchisee income distributed?

- ✓ Franchisee fees-10% of total franchisee costs every year to IPL.
- ✓ Players cost (Each franchisee have paid around \$4-6 million per year).
- ✓ Match fees and Inauguration expenses.
- ✓ Rent of stadium (expenses of around Rs.2.5mn per match).
- ✓ Marketing and promotional cost (around \$3-4mn per match).
- ✓ Fee for coaches, physiotherapists and other members.
- ✓ Administrative cost.

(iii) THE BUSINESS MODEL/REVENUE MODEL OF IPL

- ✓ The format is the most exciting and popular version of cricket.
- ✓ Business model based on a long term franchise model.
- ✓ 8 teams with a mix of domestic, international and young players.
- ✓ IPL is a well-planned business models with a low risk strategy and appreciated by the most of the sports fraternity of the world.
- ✓ Direct stakeholders are BCCI, franchises, players, viewers and advertisers. Indirect stakeholders being media.
- ✓ BCCI gets 20-50% of the central pool revenue along with the franchise fees.
- ✓ The only risk to them is losing on future broadcasting and sponsoring interest from the commercial sector if the IPL fails.

BCCI set to lose over Rs 3000 crores due to IPL 2021 postponement amid Covid-19 crisis

- The Board of Control for Cricket in India (BCCI) stands to lose in excess of **Rs 3000 crore**, mainly from the broadcast revenue, after the Indian Premier League (**IPL**) **2021 was postponed** due to Covid-19 cases in bio-bubbles across franchises.
- “We would be losing anything between Rs 2000 to Rs 2500 crore for the midway postponement of this season. I would say something in the range of Rs 2200 crore will be closer to accurate estimation,” the Press Trust of India quoted a **senior BCCI official as saying**.
- The biggest loss for BCCI is the money it gets from Star Sports for the broadcast rights of the tournament, the report added. Star Sports has a five-year contract worth Rs 16,347 crore which is Rs 3269.4 crore per year. If there are 60 games in a season, the per match valuation comes to approximately Rs 54.5 crore.
- If Star pays per match, then the amount for 29 matches would be Rs 1580 crore approximately out of what would have been Rs 3270 crore for a full tournament. This means a loss of Rs 1690 crore for the Board.
- Similarly, mobile manufacturers VIVO, as tournament's title sponsors, pay Rs 440 crore per season and BCCI is likely to get less than half of that amount because of the postponement. Add to it, associate sponsor companies like Unacademy, Dream11, CRed, Upstox, and Tata Motors, who pay in the range of Rs 120 crore each. Some subsidiary sponsors are also there.

Indian cricket chief **Saurav Ganguly** has broken silence on the COVID-19 fiasco after which IPL 2021 was postponed due to positive cases among the players and officials.



The Business model/Revenue model of IPL



(iv) TEAMS AT A GLANCE:

TEAMS	TEAM BRAND VALUE	CAPTAIN	OWNER	COACH	CEO
Chennai Super Kings (CSK)	INR 611 Cr	Mahendra Singh Dhoni	Chennai Super Kings Cricket Ltd. (N. Srinivasan)	Stephen Fleming	Kashi Vishwanath
Kolkata Knight Riders (KKR)	INR 543 Cr	Eoin Morgan	Shahrukh Khan (Red Chillies Entertainment) – 55% shareholder, Jay Mehta and Juhi Chawla (Mehta Group) – 45% shareholder	Brendon McCullum	Venky Mysore
Royal Challengers Bangalore (RCB)	INR 536 Cr	Virat Kohli	Diageo through United Spirits Limited	Simon Katich	Anand Kripalu.
Sunrisers Hyderabad (SRH)	INR 442 Cr	David Warner	Kalanidhi Maran, (Chairman & MD – Sun Network)	Trevor Bayliss	K. Shanmugam
Rajasthan Royals (RR)	INR 249 Cr	Sanju Samson	Amisha hathiramani, Manoj Badale, Lachlan Murdoch, Ryan Talkevic, Shane Warne	Andrew McDonald	Ranjit Barthakur

Mumbai Indians (MI)	INR 761 Cr	Rohit Sharma	Reliance Industries owned by Mukesh Ambani	Mahela Jayawardene	Prakash Iyer
Punjab Kings (PBKS)	INR 318 Cr	K. L. Rahul	Ness Wadia, Preity Zinta, Mohit Burman, Karan Paul	Anil Kumble	Satish Menon.
Delhi Capitals (DC)	INR 370 Cr	Rishabh Pant	JSW Group & GMR Group	Ricky Ponting	Dheeraj Malhotra








(v) NATIONAL SPORT'S INSTITUTIONS:

The vision with regard to sports & game are pursued through various Institutions under the department of sports like-

- ✓ Sports Authority of India (SAI).
- ✓ Netaji Subhash Institution of sports Patiala (NSIS).

❖ INTERNATIONAL SCENARIO

We have analysed the business models of various from the Cricket Premier League like Big Bash League (BBL), Caribbean Premier League (CPL), Pakistan Super League (PSL), Lanka Premier League (LPL) and Bangladesh Premier League (BPL).

Nation/s	Tournament	Period	Current Trophy Holder
 AUSTRALIA	Big Bash League (BBL)	(2011-present)	Sydney Sixers (SS)
 WEST INDIES	Caribbean Premier League (CPL)	(2013-present)	Trinbago Knight Riders (TKR)
 PAKISTAN	Pakistan Super League (PPL)	(2015-present)	Karachi Kings (KK)
 SRI LANKA	Lanka Premier League (LPL)	(2012-present)	Jaffna Stallions (JS)
 BANGLADESH	Bangladesh Premier League (BPL)	(2012-present)	Rajshahi Royals (RR)

➤ Big Bash League (BBL)

The Big Bash League (known as the KFC Big Bash League for sponsorship reasons, often abbreviated to BBL or Big Bash) is an Australian professional franchise Twenty 20 cricket league, which was established in 2011 by Cricket Australia. The Big Bash League replaced the previous competition, the KFC Twenty 20 Big Bash, and features eight city-based franchises instead of the six state teams which had participated previously.

The salary cap was initially **\$1 million**, and increased to **\$1.05 million** for the third season. In February 2015, the salary cap increased to **\$1.3 million** for the fifth season and to **\$1.6 million** for the sixth season.



BBL 2021 Prize money

- **\$20,000** - To the team finishing in the season 2020-21.
- **\$80,000** - To each losing semi-finalist.
- **\$26,000** – To the Runner up.
- **\$45,000** – To the Champion of the season 2020-21.

However, the additional cash increase of **\$6,00,000** will go to successful clubs and not their players. Up to the 2020-21 BBL season, total prize money of **\$2,93,000** was awarded.

➤ Caribbean Premier League (CPL)

The Caribbean Premier League (abbreviated to CPL or CPLT20) is an annual Twenty 20 cricket tournament held in the Caribbean. It was founded by Cricket West Indies in 2013 to replace the Caribbean Twenty 20 as the premier Twenty 20 competition in the Caribbean. It is currently sponsored by Hero Moto Corp and consequently officially named the Hero CPL.

The total amount of the Caribbean Premier League prize money is around **\$2.16 million**. The winners of the tournament will collect a cheque of **\$100000**, while the runner-up who lost the final match will receive a cheque of **\$660,000**. There's no right information about the 3rd and 4th standings prize money distribution. The above prize money list is the same as the previous one.

CPL 2021 Prize money



Stage	Amount
Champion	\$100000
Runners-up	\$660,00
3rd Place	\$250,00
4th Place	\$100,00
Players prize money	\$150,00
Longest Sixes Prize	\$5,000
Total	\$815000

➤ Pakistan Super League (PSL)

The Pakistan Super League (abbreviated PSL) is a professional Twenty 20 cricket league contested during February and March of every year by six teams representing six cities in Pakistan. The league was founded on 9 September 2015 with five teams and now comprises six teams. Instead of operating as an association of independently owned teams, the league is a single entity in which each franchise is owned and controlled by investors. From 2021, The PSL will have an exclusive window in the ICC Future Tours Programme.

The prize money of PSL is decided by Pakistan Cricket Board (PCB) and Pakistan Super League (PSL) governing councils. The winning team would get prize money of a whopping **\$5,05,000**. It is an increase of about **\$300,000** from the last edition while the runner's up is also going to benefit from the increase in the purse money. From **\$200,000** last year, they are going to have a new PSL prize money of **\$225,000**, an crease of 12 per cent.

PSL 2021 Prize money



Standings	Prize Money (PKR)	Prize Money (USD)
Winner	PKR 80 million	\$505,000
Runner-up	PKR 35 million	\$225,000
Third Place	PKR 13.5 million	\$85,000
Fourth Place	PKR 7.9 million	\$50,000
Player of the match	PKR 7 Lakh	\$5,000
Player of the tournament	PKR 12.7 million	\$80,000
Total PSL Prize Money		\$930,000 (reported)

➤ Lanka Premier League (LPL)

The Sri Lanka Premier League (SLPL) was a Twenty20 cricket competition in Sri Lanka. It was intended to be the premier Twenty20 league in the country, held by Sri Lanka Cricket, when it replaced the Inter-Provincial Twenty20 competition. The 2011 season was postponed, its first season was held in 2012. The 2013 and 2014 seasons were cancelled due to organizational problems and lack of sponsorship. The 2014 Super 4's T20 replaced the tournament. A new competition called **Lanka Premier League (LPL)** was later created and ran its first season in 2020.

The winners will receive the coveted trophy and prize money worth **\$100,000** along with the winner's trophy. The runners-up will receive **\$50,000**. There are some other individual awards given throughout the tournament. The Player of the tournament will bag **\$10,000** along with the player of the final receiving **\$25,000**. The emerging player of the LPL will receive **\$20,000** and a team will receive an amount of **\$2,500** which is called the Fair play award.

LPL 2021 Prize money



Stage	Amount
Champion	\$ 100,000
Runners-up	\$ 50,000
Player of the Final	\$ 25,000
Player of the Tournament	\$ 10,000
Emerging Player of LPL	\$ 20,000
Fair play Award	\$ 2,500

➤ **Bangladesh Premier League (BPL)**

The Bangladesh Premier League (BPL) (Bengali: বাংলাদেশ প্রিমিয়ার লীগ) is a professional cricket league consisting of seven franchises. The BPL is one of the three professional cricket leagues in Bangladesh. It is the 16th most attended premier league in the world. The Bangladesh Premier League was formed in 2011 by the Bangladesh Cricket Board, after the suspension of its predecessor organisation, 2009/10 National Cricket League Twenty20. The first season was held during February 2012, and the games were held across Dhaka and Chittagong. The BPL is headed by the chairman of its Governing Council.

The prize money for Bangladesh Premier League 2019-20 the Team who lost the final of Bangladesh Premier League season earn (\$350k). Third place team collect (\$200k) and fourth place (\$150k). Cash prizes for the leading wicket taker and highest run scorer. According to cricket sources (\$100,000) distributed among the top run scorer and wicket taker.

BPL 2021 Prize money



Stage	Amount (BDT)	Amount (USD)
Champion	20,000,000	2,36,099
Runners up	75,00,000	88,537
Player of the tournament	4,23,681	5,000
Player of the match	84,736	1,000

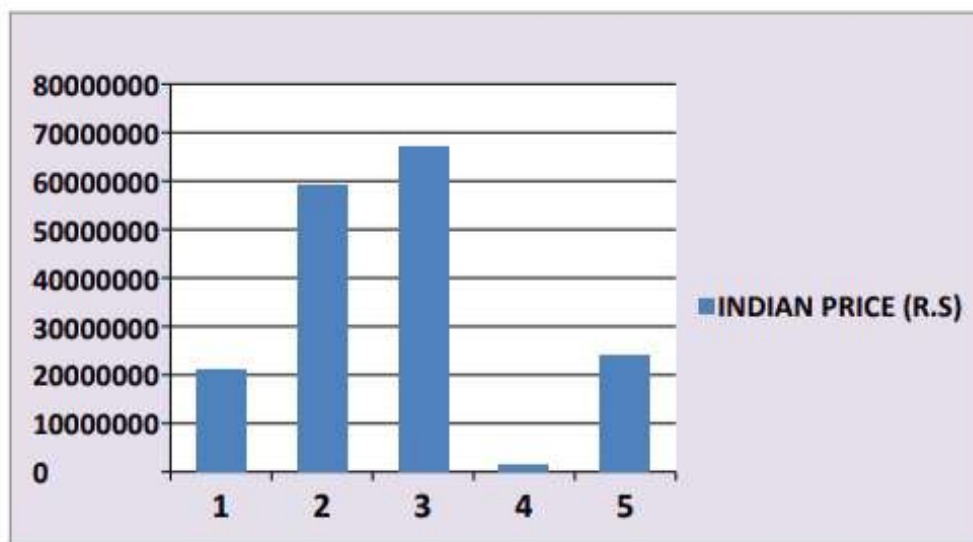
Tournaments' expenses are shown in the below table:-

Table No: 1 > Total expenses on various league

1 DOLLER = R.S 72.39

TOURNAMENT NAME	TOTAL EXPENSES (\$)	INDIAN PRICE (R.S)
BBL	\$293000	21210270
CPL	\$815000	58997850
PSL	\$930000	67322700
LPL	\$207500	1502093
BPL	\$330636	23934740

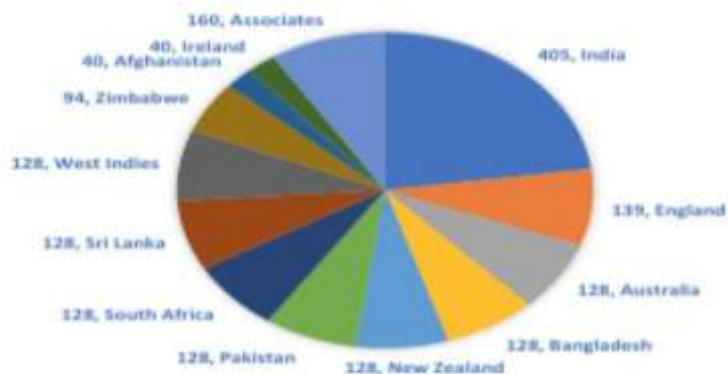
Chart No: 1



Comment

We are showing that PSL has more higher expenses (\$930000) than BBL (\$293000),CPL (\$815000),LPL (207500) and BPL (\$330636).

LATEST FINANCIAL MODEL VOTED FOR BY ICC BOARD



Under the new financial model and governance structure, the split of revenues from the ICC for the years 2016 to 2023 will be altered to address the imbalance currently favouring the three boards.



The Indian cricket board (BCCI), according to local media, was the only one to oppose the new financial model, which would see their revenue share cut by almost half. Based on current forecasts for revenues and costs, the BCCI would now receive **\$293 million (£227.87 million)** across the eight year cycle, down from the **\$570 million** it would have received under the 2014 arrangement. The ICC said the England and Wales Cricket Board would be the second-best earners with **\$139 million**; Zimbabwe would receive **\$94 million**, Australia - **\$128 million**, Bangladesh - **\$128 million**, New Zealand - **\$128 million**, Pakistan - **\$128 million**, South Africa - **128 million**, Sri Lanka - **\$128 million**, West Indies - **\$128 million**, Afghanistan - **\$40 million**, Ireland - **\$40 million**, Associates - **\$160 million** and last and final is India - **\$405 million**. "This is another step forward for world cricket and I look forward to concluding the work at the Annual Conference," former BCCI chief **Shashank Manohar**, who will step down in June due to personal reasons, said.

CHAPTER-III

PRESENTATION OF DATA:-

❖ ANALYSIS OF DATA

What comes in and goes out??

➤ Revenues

World over, any league has three main sources of income namely media receipts, gate receipts and sponsorship. Under IPL, these three streams are categorised under central and local. Central revenues are through IPL.

✓ Central:-

Media rights - To be shared equally amongst franchises after removing IPL's share.

Sponsorship rights - 60% of the amount collected to be distributed equally amongst the franchises.

✓ Local:-

Sponsorship - Team sponsorship revenues are the most variable and are dependent on the marketing skills. For example, teams like 'India Cements' have marketed their teams based on the format of IPL – where sponsorships are sold on categories. IPL's main sponsor is *Dream 11*.

Gate receipts - Are anticipated to be a major source of revenues. 20% of tickets are to be allocated to IPL.

➤ **Expenses**

Team franchising cost - A franchisee has to pay 10% of total franchisee costs every year to IPL. Assuming that a team is bought by a franchise at US \$100mn – it would have to pay US \$10mn per year to IPL.

Player costs - Franchisees have acquired players at a total cost of US\$4-6mn per year. This includes cost of manager and coaches.

Marketing cost - each franchise is expected to incur a marketing cost of US \$4-3mn for promoting its team.

Stadium expenses - The franchises have to contract stadiums for seven matches at BCCI agreed rates. On an average Rs. 2.5mn per match. There are some other expenses like administration and event management.

Indian Premier League is one of the biggest sporting properties in India. It is a format of worship in a country where Cricket is considered a religion. In this newsletter, [we will examine three years \(2016, 2017 and 2018\) of “BARC India data” on the Indian Premier league.](#)



**BROADCAST
AUDIENCE
RESEARCH
COUNCIL
INDIA**

The following Channels & Period have been considered for the analysis in this news letter:

- ✓ **IPL 2016:** 09th April - 29th May; Sony ESPN (V); Sony ESPN HD (V); Sony Max; Sony Six; Sony Six HD.
- ✓ **IPL 2017:** 05th April - 21st May; Sony ESPN (V); Sony ESPN HD (V); Sony Max; Sony Six; Sony Six HD.
- ✓ **IPL 2018:** 07th April – 27th May; Asianet Movies; Star Suvarna Plus; Jalsha Movies; Star Gold HD; Star Maa Movies; Star Plus SD+HD; Star Gold; Star Pravah; Star Sports 1; Star Sports 1 HD; Star Sports 1 Hindi; Star Sports 1 HD Hindi; Star Sports 1 Tamil; Star Sports Select 1 SD + HD; DD Sport; Star Sports 2 SD + HD.



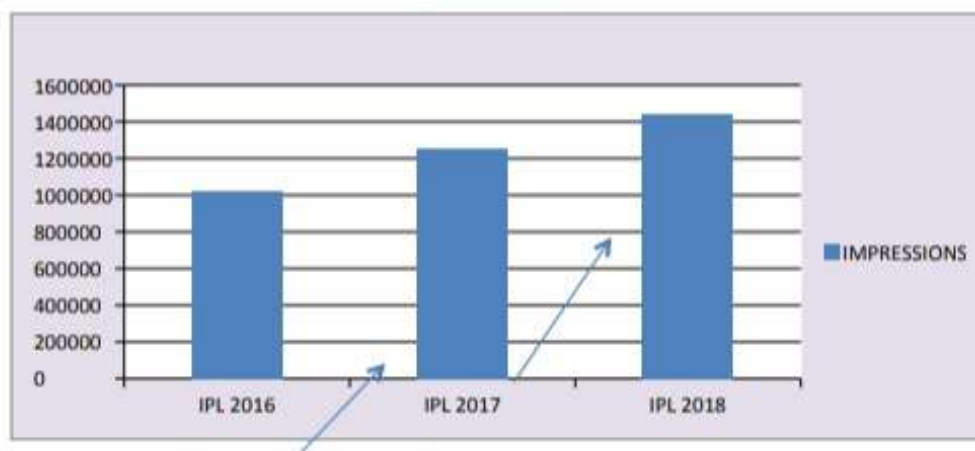
TV Impressions for IPL 2018 witnessed a growth of 41% over 2016 season, and grew at 16% in the 2018 edition over previous season.

Beyond Impressions, Average Time Spent watching IPL matches too exhibits an upward trend. From an average of 28 minutes in 2016, it increased to 34 minutes in 2018.

Table No: 2 > Impressions on IPL season

SEASON	IMPRESSIONS
IPL 2016	1027176
IPL 2017	1249975
IPL 2018	1446841

Chart No: 2



Comment

We are showing from the above chart that impressions on IPL season-2018 (1446841) are greater than IPL season-2016 (1027176) and IPL season-2017 (1249975).

Table No: 3 > Time spent for IPL season

SEASON	TIME SPENT (MINUTES)
IPL 2016	28
IPL 2017	31
IPL 2018	34

Chart No: 3



Comment

We are showing that time spent (minutes) for IPL season-2018 (34) is greater than IPL season-2016 (28) and IPL season-2017 (31).

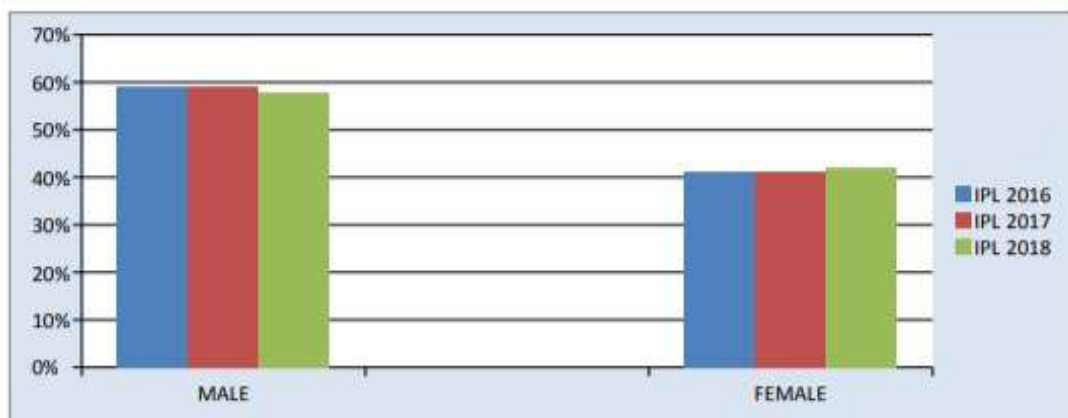
We have looked at how the IPL audience has evolved over the 3 years that BARC India has reported the event.

The male and female contribution to IPL has remained largely consistent, with a marginal increase in viewership share of female viewers in the 2018 edition.

Table No: 4 > Share of viewership by gender on IPL 3 IPL seasons

SEASON	SHARE OF VIEWERSHIP BY GENDER	
	MALE	FEMALE
IPL 2016	59%	41%
IPL 2017	59%	41%
IPL 2018	58%	42%

Chart No: 4



Comment

We are showing that share of viewership by gender- male (59%,59%,58%) is greater than female gender (41%,41%,42%) for all IPL season.

As popularity of IPL as a TV property remains buoyant, so does the number of brands that seek higher visibility through this platform. Over the last 3 years, the total number of advertised brands has grown from 138 to 247 (a growth of 79%).the 247 brands that advertised on IPL 2018 were accounted for by 123 advertisers (count of which has grown 50% since 2016). While part of this growth may be on account of increase in number of broadcasting channels, there is little doubt that IPL remains a favourite destination for brands.

Table No: 5 > Showing advertisers and brands for all 3 IPL season

YEAR	# ADVERTISERS	# BRANDS
2016	82	138
2017	74	135
2018	123	247

Chart No: 5



Comment

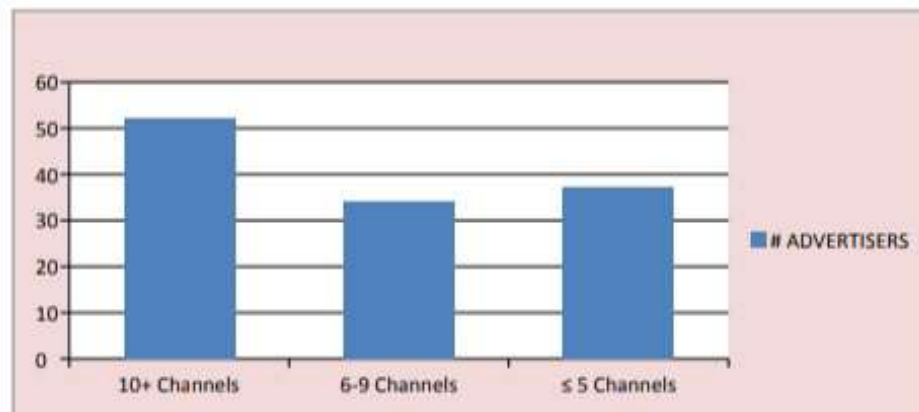
We are showing that advertisers and brands of IPL-2018 (123,247) are greater than IPL-2016 (82,138) and IPL-2017 (74,135).

If we look at spread of advertisers across channels that broadcast IPL, we see that a good **42%** opted to be present across **10+ channels**, while about **28%** chose to advertise on a mix of **6-9 channels**. The remaining (**30%**) advertisers were present on **5 or less channels**.

Table No: 6 > Population of channels

CHANNELS	# ADVERTISERS
10+ Channels	52
6-9 Channels	34
≤ 5 Channels	37
TOTAL	123

Chart No: 6



Comment

We are showing that 10+ channels (52) is greater than 6-9 channels (34) and ≤5 channels (37).

❖ FINDINGS OF DATA

➤ Splitting of Revenues :

✓ Central Broadcasting (BCCI) Revenues

At close of 2016, the financial year during which BCCI earned a massive Rs **2,408.46 crore**, its net worth rose to Rs **7,847.07 crore**.

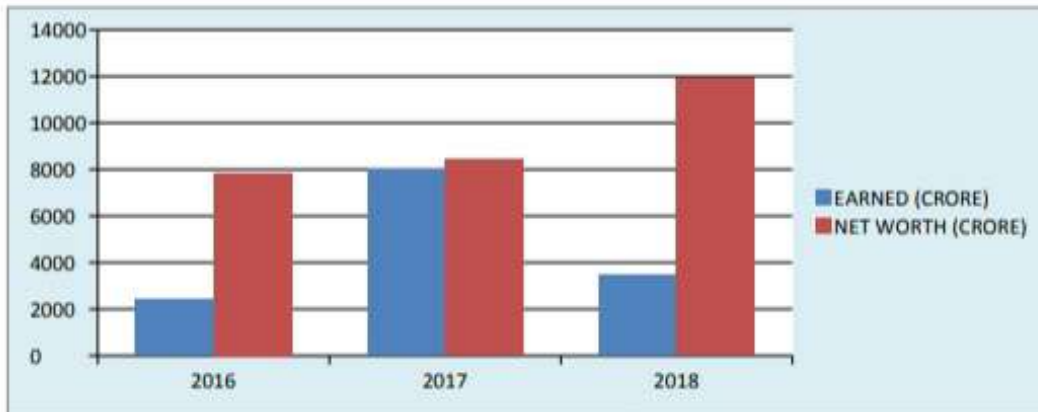
Then, the board breached the Rs **8,000 crore** marks in 2017, taking its net worth to Rs **8,431.86 crore**.

And in 2018, the board added a colossal Rs **3,460.75 crore** in just one year to take its worth to Rs **11,892.61 crore**.

Table No: 7 > Total earned and total net worth for 3 IPL years

YEAR	EARNED (CRORE)	NET WORTH (CRORE)
2016	2408.46	7847.07
2017	8000	8431.86
2018	3460.75	11892.61

Chart No: 7



Comments

We can see that total earned from IPL 2017 (8000) is greater than IPL 2016 (2408.46) and IPL 2018 (3460.75).

Besides total net worth of IPL 2018 (11892.61) is greater than IPL 2016 (7847.07) and IPL 2017 (8431.86).

The BCCI has a total of seven sponsors -- STAR Sports (broad caster), Byju's (team sponsor), PayTm (title sponsor), Dream11, Hyundai, and Ambuja Cement (partners), and kit sponsor (MPL Sports).

How does all the money flow?



➤ How do the IPL teams make money?

Major source of income comes from the official sponsors of the IPL. For eg. Vivo is the title sponsor for IPL 9, 2016 along with other sponsors like Yes Bank, Vodafone etc. A certain percentage of the income that the tournament/BCCI generates from its sponsors (around 60%), is distributed equally amongst all the franchises.

Another huge stake of income comes from the broadcasting rights. Sony Entertainment has struck a media broadcast rights deal with the BCCI for Rs. **8,200 crores** up to 2017. A major chunk of that money is distributed amongst the franchises by the BCCI. This is another guaranteed income that all the franchises make annually.

A lot of inflow is garnered from the stadium tickets in an IPL game. The franchises make a lot of money from the tickets that are bought during their respective “home” game. Also a lot of merchandised products like t-shirts and souvenirs are sold in the stadium, with food and drinks to go with it. In short, a major portion of all the activities seen in a stadium goes to the owners of the host team.



Table No: 8 > Expectations of Profitability of an Individual Team

	MOST PROFITABLE (CRORES)	AVERAGE (CRORES)
REVENUES		
CENTRAL BROADCASTING	675	675
CENTRAL SPONSORSHIP	108	108
TEAM SPONSORSHIP	150	220
GET RECEIPTS	100	130
ADVERTISING	25	50
MERCHANDISE SALES	20	50
MEDIA TIE-UP	0	50
PRIZE MONEY	15	15
TOTAL REVENUES	1093	1298
EXPENSES		
FRANCHISEE FEES	310	500
PLAYER'S SALARY	170	300
STADIUM FEES	35	35
TRAVEL AND STAY COSTS	40	40
TEAM PROMOTION	50	120
OTHER COSTS	50	50
TOTAL EXPENSES	655	1045
PROFITS	438	253

Chart No: 8(a)

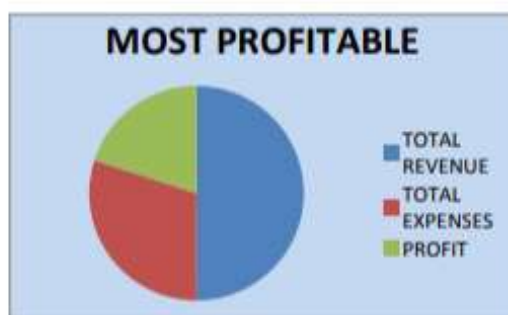
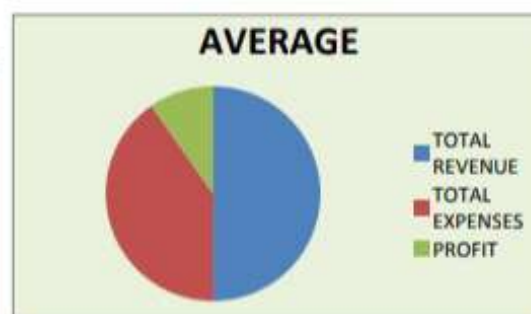


Chart No: 8(b)



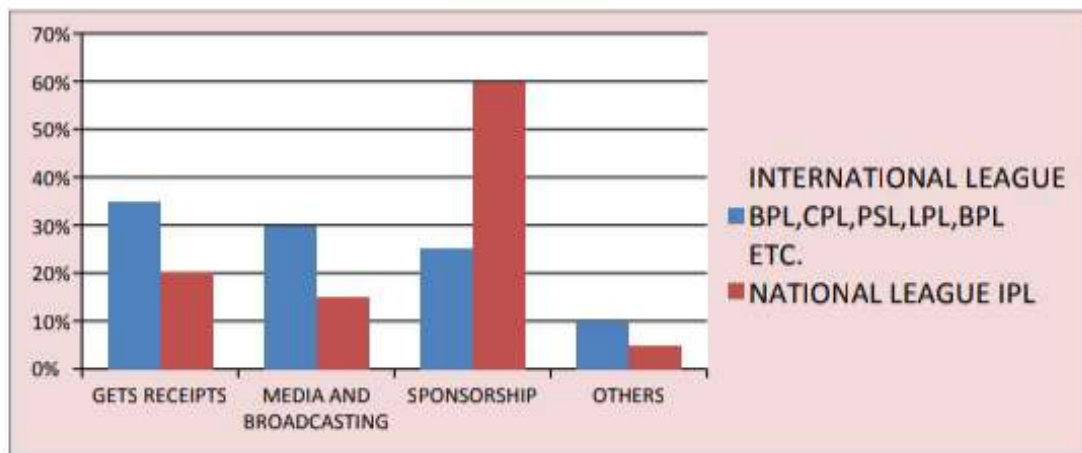
Comment

We can see that total revenue (1093,1298) is always higher than total expenses (655,1045). So we can get profit (438,253)

Table No: 9 > Comparison between International league and Indian league (BBL, CPL, PSL, LPL, BPL VS IPL)

	INTERNATIONAL LEAGUE	NATIONAL LEAGUE
FORMS OF REVENUE (%)	BPL,CPL,PSL,LPL,BPL ETC.	IPL
GETS RECEIPTS	35%	20%
MEDIA AND BROADCASTING	30%	15%
SPONSORSHIP	25%	60%
OTHERS	10%	5%

Chart No: 9



Comment

So in this above chart we can see that **revenue from sponsorship** of IPL (60%) is better than other international league (25%). Otherwise get receipts, media and broadcasting and others is always good for international league (35%,30%,10%) than IPL (20%,15%,5%).

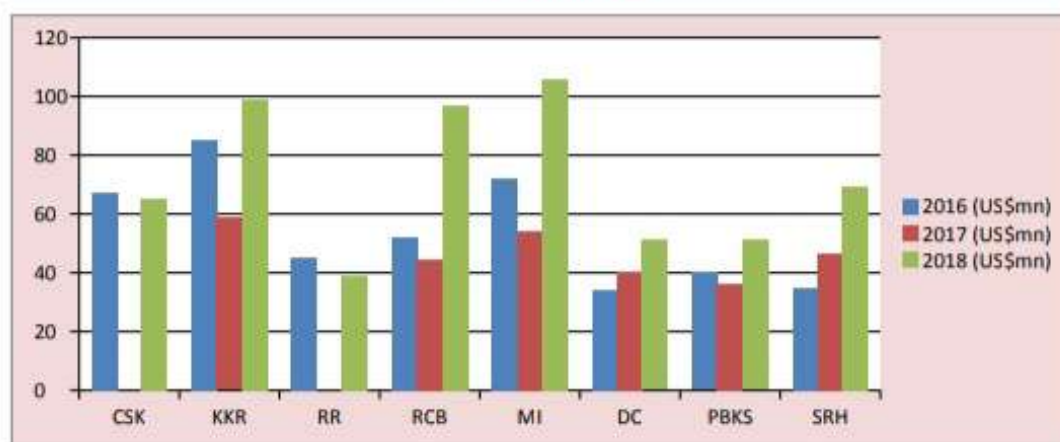
Table No: 10 > Brand Value of the IPL teams throughout the years

TEAMS	2016 (US\$mn)	2017 (US\$mn)	2018 (US\$mn)
CSK	67	NIL	65
KKR	85	58.6	99
RR	45	NIL	39
RCB	52	44.45	97
MI	72	54.1	106
DC	34	40.5	51
PBKS	40	36.2	51
SRH	35	46.5	69

NOTE:

In IPL 2017 CSK and RR have been excluded due to suspension. RPS and GL have not been included due to two-year contract.

Chart No: 10



Comment

In IPL 2016 brand value of KKR (US\$85) is higher, in IPL 2017 brand value of KKR (US\$58.6) is higher and in IPL 2018 brand value of MI (US\$106) is higher.

CHAPTER-IV

CONCLUSION & RECOMMENDATION:-

➤ CONCLUSION:

- IPL has strategically strong position in the market with no competitors nationally and a very fan following. IPL has the political and financial power to hold on for a long time.
- IPL is here to stay for a long time; same as EPL, NBA or MLB, but the league is on a maturity stage now and will certainly have its ups and downs. Average will remain profitable for all stakeholders because of its strategic model.
- IPL will remain the most productive of all the others sub-continental leagues for certain years to come until BCCI commits suicidal measures to lose it.
- IPL is successful in binding the three strong elements of current Indian culture –Cricket, Bollywood and corporate, it is a unique mix of value for all.
- Cricket in India has the highest followers but other games like Tennis, Golf and Motor race are increasing interest. Games like Hockey, Basketball, Football, Badminton and Athletics are also gaining traction but are limited to loyal fans only.
- Competition in the neighbouring countries with their own version of premier leagues have initiated but still IPL has its lustre to shine.

➤ **RECOMMENDATION:**

- IPL administrators need to understand the demise that a controversy creates the brand.
- Stakeholders like sponsors and franchisees are needed to be handled with care and support.
- Needs to be more innovative in creating excitement in audiences.
- India is still available for exploring geographically. Get receipt revenue can be increased by having matches on more grounds. This will increase its reach to the people and can attract more revenue through sponsorship.
- Strategic changes according to result of the previous actions are required to sustain itself.
- Indian govt. needs to show some more concern and care towards the sports. Because by the govt. support the sports industry will be the most profitable industry and income gainer for the next generation of India.

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Project Report (Submitted for the Degree of B.Com
Honours in Accounting and Finance under the University of
Calcutta)

**Title of the Project: ONLINE BANKING vs TRADITIONAL
BANKING**

Submitted By

Name of the Candidate : Tamomoy Roy
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Name of the College: Scottish Church College

Month and Year of Submission
July 2021

Annexure- I (A):

Supervisor's Certificate

This is to certify that Mr. Tamomoy Roy a student of B.Com. Honours in Accounting & Finance of Scottish Church College under the University of Calcutta has worked under my supervision and guidance for his/her Project Work and prepared a Project Report with the title Online Banking vs Traditional Banking

The project report, which he is submitting is genuine and original work to the best of my knowledge.

Place : Kolkata

Date :

Signature

Name : Sreeparna Mukherjee

Designation: SACT

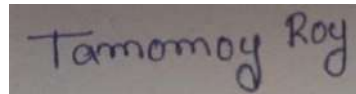
Name of the College : Scottish Church College

Annexure – 1 (B)

Student's Declaration

I hereby declare that the Project Work with the **title ONLINE BANKING VS TRADITIONAL BANKING** submitted by me for the partial fulfilment of the degree of B.Com. Honours in Accounting & Finance under the University of Calcutta is my original work and has not been submitted earlier to any other University /Institution for the fulfilment of the requirement for any course of study.

I also declare that no chapter of this manuscript in whole or in part has been incorporated in this report from any earlier work done by others or by me. However, extracts of any literature which has been used for this report has been duly acknowledged providing details of such literature in the references.



Signature

Place: Bandel

Name: Tamomoy Roy

Date :

Address: Bandel, West Bengal

Registration No: 223-1111-0520-18

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I express my sincere gratitude towards my supervisor, [Prof. Sreeparna Mukherjee](#), for her guidance and excellent insight which gave direction & focus to this project. I thank her for lending her precious time in making this project an authentic piece of work. She also gave me golden opportunity to do this project which also helped me in doing a lot of Research & to gain much knowledge. Her continuous support for the dissertation, from initial advice & through ongoing advice, helped me doing this dissertation paper

I express my thanks to the Principal of our Scottish Church college [Dr. Madhumanjari Mandal mam](#) for providing the excellent infrastructure for completion of this project work. My sincere thanks to our Head of the Department [Prof. Amitava Chatterjee sir](#) who have provided support directly or indirectly for completion of my project.

I am grateful to all other teachers of Scottish Church College for their valuable suggestions. I express my sincere thanks to all staff member of our Department for their kind co-operation during the execution of this project work in this pandemic situation.

I am also grateful to my friends and my family members who have extended support and help for completion of this project. I am grateful to all other teachers of Scottish Church College for their valuable suggestions. I express my sincere thanks to all staff member of our Department for their kind co-operation during the execution of this project work in this pandemic situation.

**Best Regards
Tamomoy Roy
(18C-037)**

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CHAPTER 1 : INTRODUCTION

1.1 BACKGROUND OF STUDY:

Most people are very familiar with how a bank operates. The concept is very simple; you take your money to the bank and they will keep it safe for you and you can collect it later. There are other uses of a bank, such as loans and interest. But with nearly everything going digital, including money transfers, pay checks, bill payments and debit cards, cash is practically becoming obsolete. And while some might be slightly nervous to make the switch to an online-only bank, there are some terrific benefits to online banking. Some of the best online banking services.



People are probably very comfortable walking into your local bank and depositing a check or making a withdrawal. However, you are also probably very familiar with the lines associated with doing even the most basic tasks. And in order to get into the building, you'll have to keep in mind all the federal holidays and other banking days when the bank won't be open. And if you need to

visit the bank past regular business hours, forget it, it will just have to wait until the next day. Traditional banking has some serious flaws in hours of operation and convenience, which is why online banking can be so appealing.

With online banking, you won't ever have to worry about full access to your account. You'll have quick and easy 24-hour access from anywhere in the world. The online bank won't ever be closed for a holiday or for maintenance. You won't ever have to rush over to the bank after work and fight lines because with online banking, you can access your account from any computer with an internet connection. Also, because online banking services don't have to rent a building, they often offer higher interest rates with their savings accounts.

Depositing funds and using the online banking services is simple and quick. The most common and easiest way to use the internet bank is to have a direct deposit established with an employer. Most employers prefer direct deposit and setting up an account is free and simple. You can also move funds into an online bank via an online transfer or money transfer. Most online banks have check scanning and check entry money depositing options as well. And, of course,

there's always the standard United States Postal Service mailing system to deposit funds as well.

When you need to withdraw funds from your online banking service, you can use a debit card or a standard ATM card. Many of the cards have very similar setups as the standard and more traditional banks. You can use the debit card for any online or retail shopping and the ATM cards work in any ATM machine. There's almost no difference between the ways you would use an online banking service card and a card from a traditional bank.

Online banking can be intimidating if you're new to the idea. But with the added convenience, higher interest rates and overall better-quality service, it is an appealing option for many.

❖ **TECHNOLOGY in Banking :**

Many of the largest and most successful banks in the world emerged from the technical changes, they are able to recognize at an early stage. India's Banking

sector has a long way to go, before it can compete globally. Situation is especially maintained in the late introduction of ICT in Indian banks. Our information technology is designed to compete with information technology in the world and when we are in the area very quickly, it may be difficult for us to benefit from liberalization.



Bank, with the right technology to provide timely information to increase productivity and thus see a competitive advantage. Compete in the economy, which has been opened, it is certainly the Indian banks to comply with the latest technology and adapt to its surroundings. Except that the banks need much improved use of technology to customer-friendly, efficient and competitive in the current authorities and businesses, they also need the technology to new products and new forms of service and the increasingly dynamic global environment to offer. Information technology allows banks to build new systems, which bite the needs of many customers that cannot be considered today.

Online banking, for example, promises customers to conduct banking transactions in a direct access to the core of the bank customer account works. Customers to verify all information, all so far, all the checks, all credit card information.

In future, the banks freed from the constraints of a delivery channel. They can create package, market and product niches and because the tumbling price of the technology, they can do so cost-effectively.

Technology gives banks the opportunity to be closer to customers, to a broader range of services at lower costs, streamline the March belong system, so that all information in one place where it can be used for the trends that can quickly lead into new products. Electronic banking data can be gathered and analysed. Interactivity allows the consumer to save the settings, directing the development of truly new products.

The development of IT has helped the boom of E-Commerce. So it is also important to know the concept of E-Commerce.

1.2 Need of Study

This study is needed to find out the working of online banking in respect to traditional banking system and its importance to customer as well as to bank.

1.3 Review of Literature



Adoption issues that exist in Indian banks

Rogers,1983 identifies and describe the regarding internet banking, I have read many articles like: diffusion model by analysed consumers' attitude towards direct banking (Lockett and Littler,1997).The

main advantage that I found in these researches regarding internet banking is that its availability 24 hours a day and 7 days a week. The main disadvantages associated with direct banking, however, included its complexity and the security risks involved in using it. The results of this exploratory study are used to confirm the choice of approach to the main study. In December,2005,the global internet access exceeded the 1000 million mark; this was one of the most



important milestones in the internet revolution(IWS,2006).According to ABA(2004) and FOX(2005) internet based strategy is more effective than the traditional banking as according to reports it is more profitable, loyal, and produces committed consumers. According to Black et al(2002)-In the new banking environment, internet banking is increasingly managed as an operational activity and an important component of multichannel strategy. R.K Uppal in his book 'BANKING WITH TECHNOLOGY' mentions that India's banking made rapid strides in reforming and aligning itself to the new competitive business environment.

1.4 Objectives of study

The objectives of this paper are as follows:

To know about the activities being provided by traditional banking system.

To know how traditional banking concept differs from online banking concept.

To know the role of internet in banking system

To analyse customers' preferences between online banking or traditional banking.

To know what are the challenges of online banking.

To know the extent of awareness of online banking among the people.

To know the advantages and disadvantages of both the concepts faced by general public in large.



1.5 DATA SOURCE AND METHODOLOGY:

Type of Data:-

PRIMARY DATA:- Questionnaire was used to collect primary data from respondents. The questionnaire was structured type and contained questions relating to different dimensions of e-banking preferences among service class such as level of usage, factors influencing the usage of e-banking services, benefits accruing to the users of e-banking services, problems encountered. An attempt was also made to elicit reasons for its non-usage. The questions included in the questionnaire were open ended, dichotomous and offering multiple choices.

SECONDARY DATA: •Articles on E-Banking and traditional banking taken from journals, magazines published from time to time.

METHODOLOGY:- A well structured questionnaire was administered among 30 respondents of which 25 respondents are aware of online banking. Simple graphical tools are used as methodology.

1.6 Limitations of Study :-

The survey has been made only with 25 respondents.
Respondents were reluctant to give the actual feedback
The project has been made within a limited period of time.

CHAPTER 2 : CONCEPTUAL FRAMEWORK

2.1 ONLINE BANKING IN DETAIL



Online banking, also known as internet banking, e -banking or virtual banking, is an electronic payment system that enables customers of a bank or other financial institution to conduct a range of financial transactions through the financial institution's website. The

online banking system will typically connect to or be part of the core banking system operated by a bank and is in contrast to branch banking which was the traditional way customers accessed banking services.

To access a financial institution's online banking facility, a customer with internet access would need to register with the institution for the service, and set up a password and other credentials for customer verification. The credentials for online banking is normally not the same as for telephone or mobile banking. Financial institutions now routinely allocate customers numbers, whether or not customers have indicated an intention to access their online banking facility. Customer numbers are normally not the same as account numbers, because a number of customer accounts can be linked to the one customer number. Technically, the customer number can be linked to any account with the financial institution that the customer controls, though the financial institution may limit the range of accounts that may be accessed to, say, cheque, savings, loan, credit card and similar accounts.

The customer visits the financial institution's secure website, and enters the online banking facility using the customer number and credentials previously set up. The types of financial transactions which a customer may transact through online banking are determined by the financial institution, but usually includes obtaining account balances, a list of the recent transactions, electronic bill payments and funds transfers between a customer's or another's accounts.

Most banks also enable a customer to download copies of bank statements, which can be printed at the customer's premises (some banks charge a fee for mailing hard copies of bank statements). Some banks also enable customers to download transactions directly into the customer's accounting software.

The facility may also enable the customer to order a cheque book, statements, report loss of credit cards, stop payment on a cheque, advise change of address and other routine actions.

2.2 TRADITIONAL BANKING IN DETAIL

Physical location that you visit in order to open an account. Some traditional banking is probably what you are most familiar with. The bank has a banks will allow you to open accounts online, but you still may need to visit the bank to confirm your identity or submit documents Traditional banks are the checking-account issuing financial intermediaries that most often come to mind when the term "bank" is used. Like other depository institutions that



accept deposits and make loans, traditional banks are also responsible for maintaining liquid checkable deposits that are used as money for the economy. While mergers and bankruptcies change the number for year to year, about 10,000

traditional banks operate in the U.S. economy. Traditional banks are classified as either "national" or "state" depending on the level of government that does the chartering.

National banks are chartered by the Comptroller of the Currency at the federal level. State banks are chartered by one of the fifty state corporation commissions. All traditional banks are subject to regulations by the Federal Reserve System and the Federal Deposit Insurance Corporation. If an aspiring banking entrepreneur, such as Duncan Thurley, aspires to start a "bank," then a traditional bank is bound to be at the top of the list. A traditional bank would allow Duncan to provide any and all banking services that he might desire to offer--checking accounts, savings accounts, car loans, free popcorn, and little league sponsorship. It would allow Duncan to construction a fancy building with marble pillars outside and a big vault inside.

2.3 ADVANTAGES & DISADVANTAGES OF ONLINE BANKING AND TRADITIONAL BANKING

ADVANTAGES:

ONLINE BANKING:

It's generally secure. But make sure that the website you're using has a valid security certificate. This let's you know that the site is protected from cyberthieves looking to steal your personal and financial information.

You have twenty-four-hour access. When your neighbourhood

bank closes, you can still access your account and make transactions online. It's a very convenient alternative for those that can't get to the bank during normal hours because of their work schedule, health or any other reason.

You can access your account from virtually anywhere. If you're on a business trip or vacationing away from home, you can still keep a watchful on your money and financial transactions - regardless of your location.

Conducting business online is generally faster than going to the bank. Long teller lines can be time-consuming, especially on a Pay Day. But online, there are no lines to contend with. You can access your account instantly and at your leisure.



Many features and services are typically available online. For example, with just a few clicks you can apply for loans, check the progress of your investments, review interest rates and gather other important information that may be spread out over several different brochures in the local bank.

TRADITIONAL BANKING:

Credit Unions typically pay higher dividend rates on savings

Credit Unions typically offer lower rates on loans

Credit Unions typically provide better service; since they are owned and governed by their membership, they tend to prioritize the needs of their members above all else

Credit Unions operate on a not-for-profit business model, so excess earnings are returned back to the membership in form of competitive rates and lower fees, and sometimes even special dividends • Many Credit Unions offer the same products and services found at banks

Credit Unions often have added-value benefits, such as free financial education, discounted theme park tickets, and special member rates for services such as home alarm systems...even discounts at online retailers like Barnes & Noble

DISADVANTAGES:

ONLINE BANKING

1. Low Broadband Internet Penetration

India has one of the lowest broadband connectivity penetration rates in Asia as compared to Japan, Taiwan, Korea and Singapore. While the bigger cities such as Mumbai, Delhi, Chennai and Bangalore have relatively better broadband penetration rates, PC users in smaller cities and towns still use dial-up options to

connect to the Internet. Slow connectivity speeds often dampen the online banking experience for many customers, eager to use such services.

2. Bank's Ambivalent Commitment Levels

Internet banking did take off in India at the turn of the millennium but soon faltered due to lack of takers. In the middle of this decade, multinational and domestic private banks started offering net banking services as a competitive differentiator. However, banks' ambivalent commitment levels and their reluctance to allocate huge budgets for net banking branding initiatives, as well as a lack of industry advocacy efforts, have resulted in poor acceptance levels of Internet banking by customers.

3. Customers' Preference for Traditional Branches

There are thousands of highly active traditional bank branches in India's crowded cities and major towns. Office workers take longer lunch breaks to finish banking activities and transactions at these branches rather than conduct them online. Most customers prefer the personal touch and customized service offered by staff in brick-and-mortar bank branches. Many Indians are also averse to calling call centres and banks' customer contact lines to address issues related to online bank accounts.

Fear of Online Threats/Scams:

Ubiquitous and prevalent online threats about hackers, identity theft, stolen passwords, viruses, worms and spyware tend to make customers wary just like in any other country. Conservative Indian bank customers used to years of saving in an erstwhile mixed-socialist economy are always fearful of losing hard-earned savings in online scams. These customers are also not sure about the efficacy of banks' websites and their commitment to allocate funds for reliable encryption mechanisms and robust back-end technologies and systems.

Other Problems:

Workplace constraints and corporate policies about using external websites or pursuing personal activities such as online banking have affected its expected fast paced acceptance among the growing affluent class in India. Cultural issues, such as parents giving priority use of the home PC to their children rather than using it themselves, stifle the potential growth of home access to Internet Banking Services. Public sector banks with vast customer bases also don't tend to invest money in training personal for e-banking initiatives, resulting in poor customer services levels.

TRADITIONAL BANKING

Limited Accessibility Accessibility at traditional banks is limited, as you can only conduct business at their brick-and-mortar locations. If you're traveling or unable to make it into the location during standard hours of operation, you won't be able to do business.

Less Efficient Getting in the car, driving to a bank and waiting in line to be served takes up your valuable time. It is more efficient to do your banking online, where you can open new accounts, set up auto bill pay, check account balances and transfer funds all from your own computer.

Lower Interest Rates on Savings Online banks are typically able to offer much lower interest rates than traditional banks, because they have much lower overhead costs. An

October 2016 study by Money Rates.com , revealed that the average interest rate for a savings account at an online business was 0.569 percent, while it was just 0.123 percent at a traditional bank



2.4 DIFFERENCE BETWEEN ONLINE BANKING AND TRADITIONAL BANKING

Online banks

No physical locations - Online banks don't have physical locations you can visit, you'll do all of your banking via the web, or a mobile app.

Speedy account opening process - Opening bank account at online mode can be a quick and easy process. You'll need to provide some personal info, but once you identify yourself, your new account can be up and running in a matter of minutes.

A slick online process - Online banks focus on the user experience, making banking as easy as possible via their online platform.

Some ATM fees - Online banks may offer ATM access, but you'll want to make sure you find out what in-network fees you might encounter, and what cash limits your account imposes.

Higher interest rates - Online banks usually offer better interest rates. They don't always have the expenses that traditional banks do — no buildings and so on — so they can pass a little more of the savings on to the customer.

Few to no fees - Online banks are the clear winner when it comes to fees. Just as many online banks don't need to shave your interest yields down to nearly nothing, they also have the wiggle room to charge less for fees.

Phone or online customer service - While online banks definitely have customer support teams, you'll also find yourself scrolling for answers in support forums or chatting with an online bot to get the help you need.

Traditional banks

Local branches are available - Banks like Chase have actual buildings, called branches, that you can visit, either on foot or via a drive-through. These branches are staffed with bank tellers and other employees who can help you complete all your banking needs.

Opening an account can take a while - At a traditional bank, you'll likely have to bring documentation with you and visit a branch during normal business hours. You could find yourself waiting anywhere from five minutes to an hour for your account to be completely set up.

Some online banking options - Traditional banks frequently offer a banking website or mobile app for you to conduct your transactions. However, oftentimes, those apps aren't as robust as online banks.

Large ATM network - Since traditional banks have bank branches, they'll also offer ATM access at their network of ATMs.

Lower interest rates - You might get 0.10% APY (or even 0.01% APY) on a savings account at a traditional bank, but it's much easier to find higher yields at online banks.

Typically come with fees - A traditional bank might charge \$10 or even \$15 per month just to have a checking account.

In-person customer service - Here's where traditional banks definitely have the edge. After all, part of all that overhead that keeps them charging more is staffing bank branches with friendly faces.

2.5 Conceptual framework and national and international scenario on online and traditional banking system.

National scenario on online banking- Today most of the banking happens while you are sipping coffee or taking an important call. ATMs are at your doorstep.

Banking services are accessible 24x7. There are more plastic cards in your wallet than currency notes. A huge part of this change is due to advent of IT.

Banks today operate in a highly globalized, liberalized, privatized and a

competitive environment. In order to survive in this environment banks have to use IT. Indian banking industry has witnessed a tremendous development due to sweeping changes that are taking place in the information technology. Electronic banking has emerged from such an innovative development. The objective of the present paper is to study and analyse the progress made by Indian banking industry in adoption of technology. The study is secondary based and analytical in nature. The progress in e-banking in Indian banking industry is measured through various parameters such as Computerization of branches, Automated Teller Machines, Transactions through Retail Electronic Payment Methods etc. Statistical and mathematical tools such as simple growth rate, percentages and averages etc are used. The paper also highlights the challenges faced by Indian banks in adoption of technology and recommendations are made to tackle these challenges. The paper concludes that in years to come e-banking will not only be acceptable mode of banking but preferred mode of banking.

National scenario on traditional banking-The banking industry in India has a huge canvas of history, which covers the traditional banking practices from the time of Britishers to the reforms period, nationalization to privatization of banks and now increasing numbers of foreign banks in India. Therefore, Banking in India has been through a long journey. Banking industry in India has also achieved a new height with the changing times. The use of technology has brought a revolution in the working style of the banks. Nevertheless, the fundamental aspects of banking i.e. trust and the confidence of the people on the institution remain the same. The majority of the banks are still successful in keeping with the confidence of the shareholders as well as other stakeholders. However, with the changing dynamics of banking business brings new kind of risk exposure. In this paper an attempt has been made to identify the general sentiments, challenges and opportunities for the Indian Banking Industry. This article is divided in three parts. First part includes the introduction and general scenario of Indian banking industry. The second part discusses the various challenges and opportunities faced by Indian banking industry. Third part concludes that urgent emphasis is required on the Indian banking product and marketing strategies in order to get sustainable competitive edge over the intense competition from national and global banks. This article is a small seed to existing branch of knowledge in banking industry and is useful for bankers, strategist, policy makers and researchers.

International scenario on online banking-Internet banking involves consumers using the Internet to access their bank account and to undertake banking transactions. At the basic level, Internet banking can mean the setting up of a Web page by a bank to give information about its product and services. At an advance level, it involves provision of facilities such as accessing accounts, funds transfer, and buying financial products or services online. This paper is an

attempt to explore the various levels of Internet Banking services provided by banks using these secondary data. It also compares the traditional banking systems with net banking. It lists out the various advantages of internet banking and the successful security measures adopted by different banks for secured banking transactions. It also analyzes how E-banking can be useful for banking industry during this global financial melt down.

International scenario on traditional banking- The traditional branch model of bank is now giving place to alternative delivery channels with ATM network. Once the branch offices of bank are interconnected through terrestrial or satellite links, there would be no physical identity for any branch.

CHAPTER 3 : DATA ANALYSIS AND FINDINGS

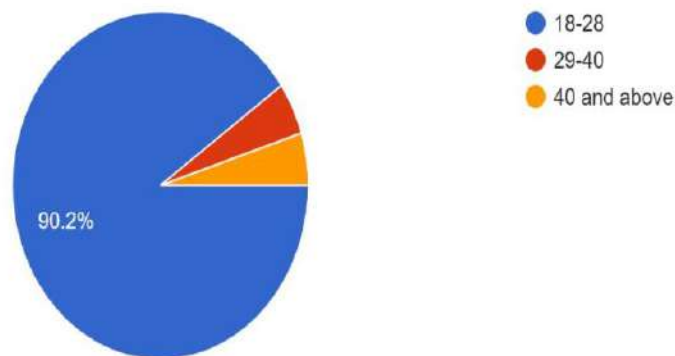
3.1 DATA ANALYSIS:

A survey was conducted on online banking in India for the primary data among 41 people. The analysis of this survey or data is:

Analysis on the basis of age :

Age

41 responses

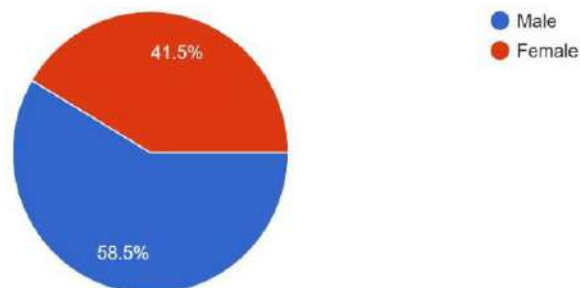


Poll out of 41 :18-28 :37, 29-40: 2, Above 40-2

• Analysis on the basis of sex.

Sex

41 responses

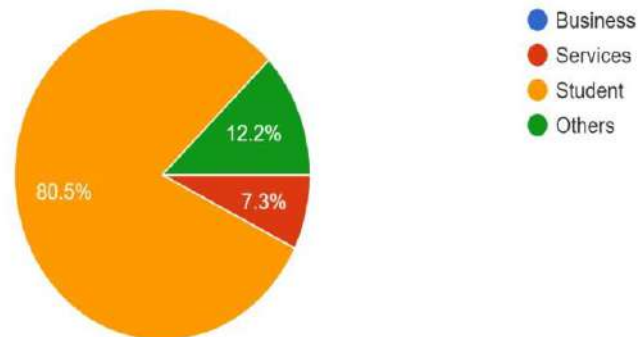


Poll Out Of 41 :Male:24 , Female :17

Analysis on the basis of occupation

Occupation

41 responses

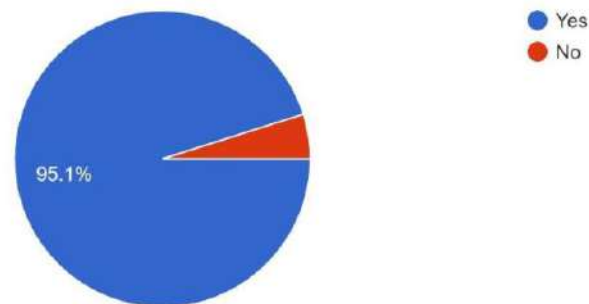


Poll out of 41 Business : 0 services:3 others: 5 Student : 33

Q : 1

Are you aware of online banking?

41 responses

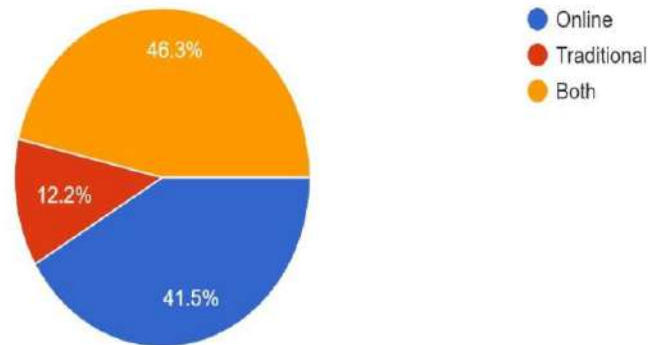


FINDINGS: The figure shows the 95.1 % of users who are aware of the online banking system across the past few years. The above figure shows the increased number of users who are totally aware of this system.

Q : 2

What kind of banking do you prefer?

41 responses

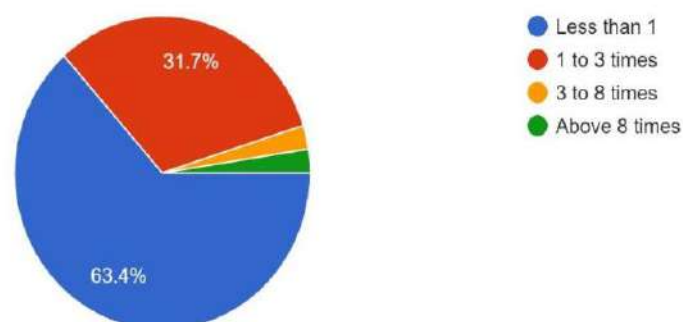


FINDINGS: This shows us the preference of the people towards the type of banking. They prefer to use the services of both the online and traditional banking rather than a particular type. It shows that we have developed quite efficiently in the digital sector and have earned the trust most of the people in believing that their money can be transferred in a secured manner through digital process.

Q - 3

How frequently do you visit your bank branch per month?

41 responses

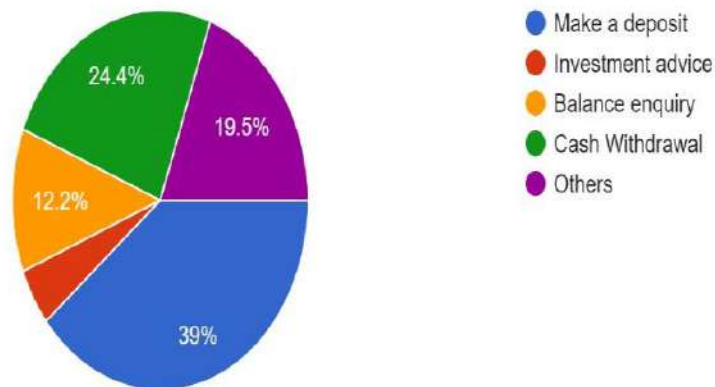


FINDINGS: The figure shows that 63.4% of users visit the bank less than 1 time in a month. The above figure shows a decreasing number of users who visit the bank frequently. This pattern depicts that users rely more on mobile banking rather than their physical presence in the bank or traditional banking.

Q - 4

What is the main reason that you typically visit your bank branch (please choose the single most important reason)?

41 responses

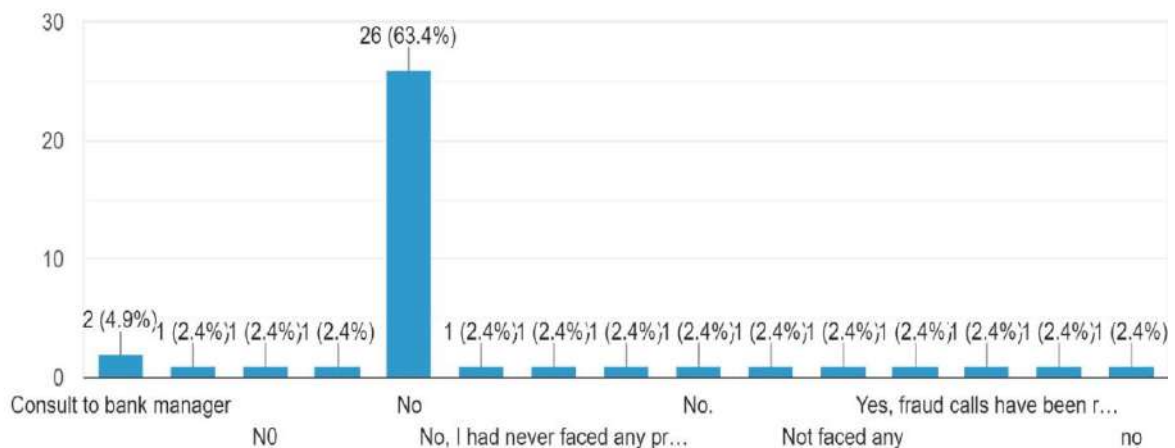


FINDINGS: This shows us the preference of the people regarding the uses of bank is still very traditional where a bank is typically considered only as a medium of two basic functions that is deposit of money and withdrawal of it and has thus failed to explore the different functions of the bank which it offers.

Q - 5

Have you ever faced any fraudulent activities? If yes, how was it resolved?

41 responses

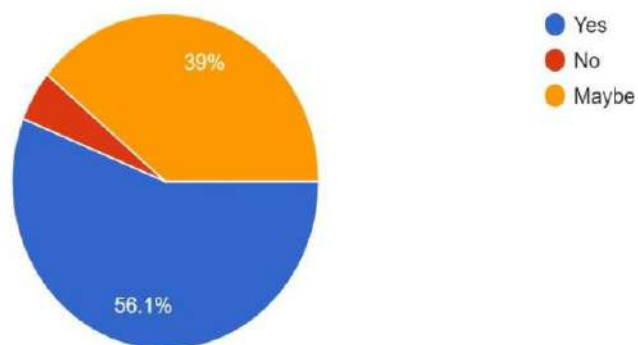


FINDINGS: This shows us the 63.4 % of the people doesn't face any kind of fraudulent activities. Where some of faced fraudulent activities but they manage to resolve it successfully. This as enable to understand that both the banking organizations and the users of it deal in money with quite honest manner and have secured the trust of the people into online transaction.

Q-6

Do you feel your account is secured in online banking?

41 responses

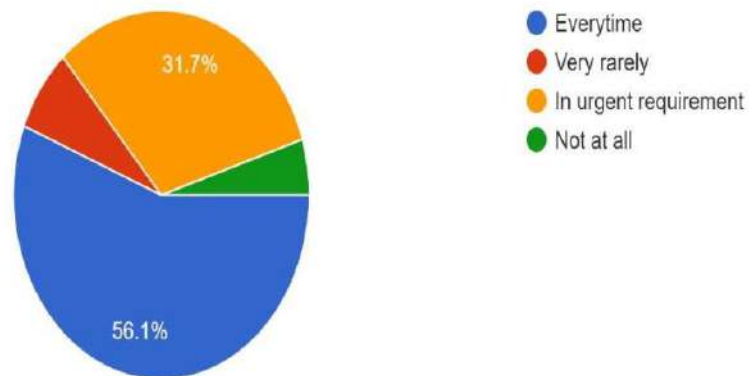


FINDINGS: Majority of the users think that their Account is secured, but unfortunately the online banking system has not been able to earn the trustworthiness of the users and this is showed by the % of people where are not aware or sure of the security of their account. Thus it is the responsibility of the banking sector to make it users aware of their security of their accounts by eradicating loopholes associated with these and launch policies and programs to educate its users and earn credibility.

Q-7

How frequently do you use online banking?

41 responses

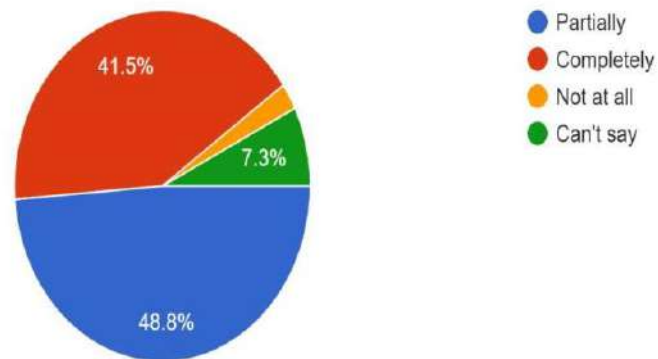


FINDINGS: This shows that keeping in mind the idea of technological development and digitalization the sector of online banking as grown quite rapidly and has been quite efficiently abled to earn the trust how the users of the country and has helped in a gradual shift from traditional banking to digital banking. In spite of these growths the sector needs to perform in a better manner show that 31.7 % of people to rely on online banking in urgency should shift to online sector permanently.

Q- 8

How happy are you with the services of online banking?

41 responses

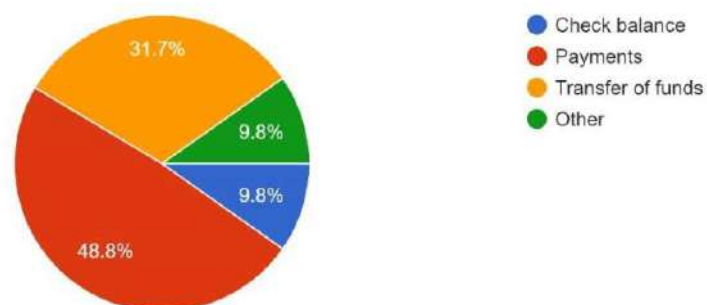


FINDINGS: In spite of providing great boost and impetus to the growth of the online banking sector it has failed to bring a complete satisfaction in the lives of his users. So in the current scenario the banking organizations should carefully monitor the needs and wants of its customers thus bringing a change in the pattern of their services so that people archive complete satisfaction in the services provided by the organizations in the online sector.

Q- 9

What are the types of transactions offered?

41 responses

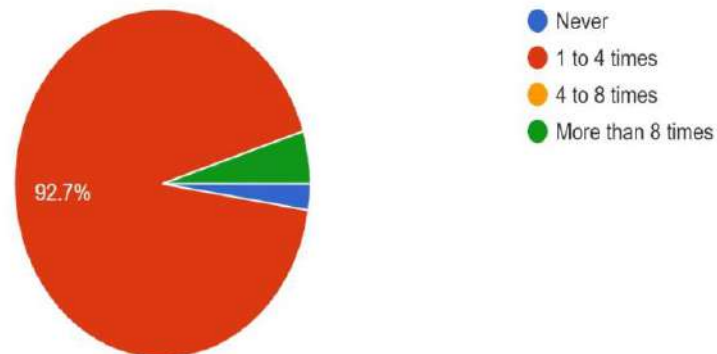


FINDINGS : The utility of the online banking in service, is not used to the extent it should be and it is being majorly used for the purpose of payments .The reason for this is the low volume of transaction among people.

Q-10

How frequently do you use an Automated Teller Machine (ATM) per month?

41 responses

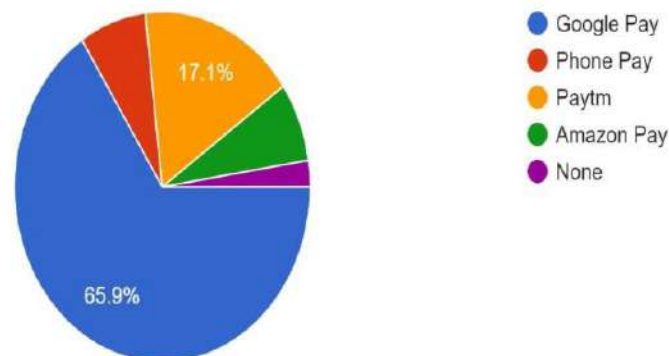


FINDINGS: Most of the people are use an ATM 1 to 4 times per months. Where only few peoples used ATM more than 4-8 times and above 8 times in a month.

Q - 11

What are the most preferred sites where you make online transactions?

41 responses



FINDINGS: Majority of the people (65.9%) used Google Pay for onlineTransaction.

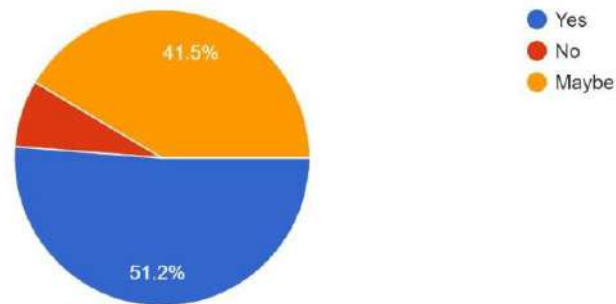
Where some of them used Paytm, phone pay, amazon pay & others .Form this it has been proved that Google pay, Digital online transaction medium has played a major role in the development of online banking and has secured a leading a position in online transaction and has left far behind its rival digital banking platforms. This has been accomplished due to the numerous opportunities &

facilities it offers to use his user an encourages for online transactions each and every moment ,while it competitors have failed to understand the consumers needs and preferences.

Q-12

Do you feel safe about online money transfer?

41 responses

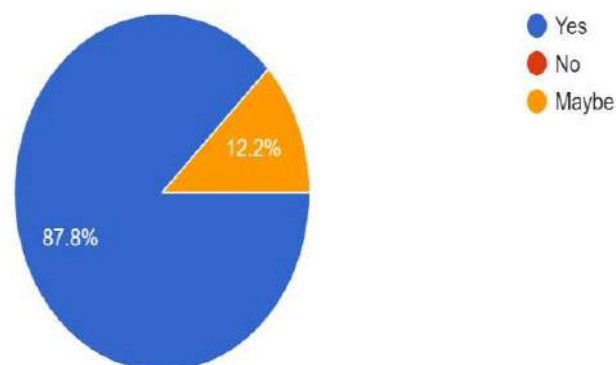


FINDINGS : Although half of the users feels safe and secure about online money transfer yet it is disappointing to see that 41.5 % of the people are unsure of the secure and safe transfer of money through digital banking and this tendency once again proves that there are quite no people among the users were unaware of the advantages provided by the bank in the online sector and points out that the banking sector has failed to achieve its started of complete credibility and efficiencies in the online sector.

Q- 13

Do you feel online banking has growth potential?

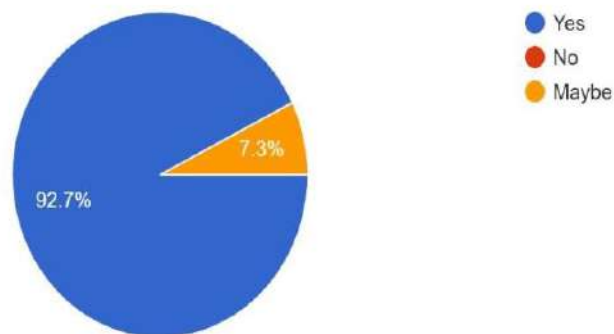
41 responses



FINDINGS: People feel that online banking will definitely make a rapid growth in its fields. Maximum people have trust on it while some still rely on traditional form of banking and the rest have mixed responses.

Q-14

Does e banking makes life easier?
41 responses



FINDINGS : There is no one who thinks that online banking has contributed nothing in making our life easier. Every other person knows that apart from its limitations it has definitely made our life easier.

CHAPTER 4 : CONCLUSION AND RECOMENDATION

4.1 CONCLUSION:

People are not confident enough to rely completely on online banking. There is hesitancy in their minds in regard to preference. So they use both the techniques of banking i.e. Online and Traditional. Because of the complexity and unawareness in the people, regarding the online banking, there is less utilization of the online banking services provided by the banks. 0% 20% 40% 60% 80% 100% 120% yes no of respondents answer e-banking makes life easier Series People are not sure whether their account is completely secured in online banking. Security concern is the main and the core reason, why people do not tend to use online banking. People in India are not aware of the full utility of online banking and the services that can be availed of in online banking. Most of the Indian population are salaried employees who do not have that volume of transaction that can be used for online transaction.

Banks provide security and convenience for managing your money and sometimes allow you to make money by earning interest. Convenience and fees are two of the most important things to consider when choosing a bank. Writing and depositing checks are perhaps the most fundamental ways to move money in and out of a checking account, but advancements in technology have added ATM and debit card transactions and ACH transfers to the mix.

All banks have rules about how long it takes to access your deposits, how many debit card transactions you're allowed in a day, and how much cash you can withdraw from an ATM. Access to the balance in your checking account can also be limited by businesses that place holds on your funds. Debit cards provide easy access to the cash in your account, but can cause you to rack up fees if you're not careful. While debit cards encourage more responsible spending than credit cards, they do not offer the same protection or perks to consumers. Regularly balancing your check book or developing another method to stay on top of your account balance is essential to successfully managing your checking account and avoiding fees and bounced checks.

4.2 RECOMMENDATION

- After analysing the entire study on online banking with respect to both the primary and the secondary data, the following recommendations are put forth:-
- The infrastructure for the development is not duly implemented in a way that could be beneficial.
- There are various obstacles in the banking scenario with regard to guidelines and issues for functioning. This has led to decline in the usage of the online banking service of the banks.
- The banks should really arrange programme to make people learn online banking so that the customers do not have to rush to banks which ultimately saves their time
- The banks will have to think about how people adopt their technology
- Online banking is usually convenient so it should be used in place of traditional banking as far as possible.
- Knowledge regarding the process to make use of online banking should be taught and made aware in general public.
- The people having accounts may be urged to take-up an internet banking facility. They should be motivated rather than just being told that there exists a service of online banking
- There are more people who are not actually aware of all the benefits that they reap out of the transaction of online banking. There should be proper awareness.
- Most of the people do not count online banking due to the problem of security concerns. Proper security software should be developed and people should be convinced that their accounts are secured in online transactions.

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publications Simon and Schuster, 2008



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Questionnaire

Email ID:

Sex---

- (a) Male
- (b) Female
- (c) Other

Age----

Occupation-----

- (a) Business
- (b) Services
- (c) Student
- (d) Others

Name:

1. Are you aware of online banking?

- (a) Yes
- (b) No

2. What kind of banking do you prefer?

- (a) Online
- (b) Traditional
- (c) Both

3. How frequently do you visit your bank branch per month?

- (a) Less than 1
- (b) 1 to 3 times
- (c) 3 to 8 times
- (d) Above 8 times



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4. What is the main reason that you typically visit your bank branch (please choose the single most important reason)?

- (a) Make a deposit
- (b) Investment advice
- (c) Balance enquiry
- (d) Cash Withdrawal
- (e) Others

5. Have you ever faced any fraudulent activities? If yes, how was it resolved?

.....

6. Do you feel your account is secured in online banking?

- (a) Yes
- (b) No
- (c) Maybe

7. How frequently do you use online banking?

- (a) Every time
- (b) Very Rarely
- (c) In a urgent requirement
- (d) Not at all

8. How happy are you with the services of online banking?

- (a) Partially
- (b) Completely
- (c) Not at all
- (d) Can't say

9. What are the types of transactions offered?

- Check balance
- Payments

Transfer of funds

Other

10. How frequently do you use an Automated Teller Machine (ATM) per month?

Never

1 to 4 times

4 to 8 times

More than 8 times

11. What are the most preferred sites where you make online transactions?

Google Pay

Phone Pay

Paytm

(d)Other

12. Do you feel safe about online money transfer?

(a) Yes

(b)No

(c)Others

13. Do you feel online banking has growth potential?

(a)Yes

(b)No

(c)Maybe

14. Does e banking makes life easier?

(a)Yes

(b)No

(c)Maybe

[Questionaries Form Link : <https://forms.gle/wqyvQagdmgdakwSA9>]



Project Report

(Submitted for the Degree of B.Com. Honours in Accounting & Finance under the University of Calcutta)

Title of the Project : *Online Advertising*

Submitted by

- **Name of the Candidate : Triasha Chakraborty**
- **Registration No. : 223 – 1211 – 0499 - 18**
- **Name of the College : Scottish Church College**
- **College Roll No. : 18c-049**

Supervised by

- **Name of the Supervisor : Nancy Jaiswal**
- **Name of the College : Scottish Church College**

Month & Year of Submission

July , 2021

Annexure- IA

Supervisor's Certificate

This is to certify that Ms **Triasha Chakraborty** , a student of B.Com. Honours in **Accounting & Finance** of **Scottish Church College** , under the **University of Calcutta** has worked under my supervision and guidance for her Project Work and prepared a Project Report with the title – **“Online Advertising”** which she is submitting, is her genuine and original work to the best of my knowledge.

Signature : **NANCY JAISWAL**

Name : **Nancy Jaiswal**

Designation : **SACT I**

Date : **28.07.21**

Annexure-IB

Student's Declaration

I hereby declare that the Project Work with the title :
“ONLINE ADVERTISING” , submitted by me for the partial fulfilment of the degree of B.Com. Honours in Accounting & Finance under the **University of Calcutta** is my original work and has not been submitted earlier to any other University /Institution for the fulfilment of the requirement for any course of study.

I also declare that no chapter of this manuscript in whole or in part has been incorporated in this report from any earlier work done by others or by me. However, extracts of any literature which has been used for this report has been duly acknowledged providing details of such literature in the references.

Signature : **TRIASHA CHAKRABORTY**

Date : **28.07.21**

ACKNOWLEDGEMENT

I, **Triasha Chakraborty**, would like to thank **Calcutta University** for giving an opportunity to us for working on the project. Following, I would like to extend my gratitude to our Head of the Department, **Amitabha Bhattacharya**, who guided me throughout the project which actually made me do this project till the completion. The success and the final outcome of this project required constant supervision and support, for which I would like to thank my supervisor, **Nancy Jaiswal** and I am extremely privileged to have got this all from her to complete my project within the time frame. Her suggestions helped me in adding great value to this project.

At the same time, I would also like to thank my parents and my friends for extending their constant support. I'm really grateful to all of them.

Triasha Chakraborty

6th Sem

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CHAPTER-1

INTRODUCTION

1.1 BACKGROUND OF THE STUDY :

Advertising is a marketing communication that employs an openly sponsored, non-personal message to promote or sell a product, service or idea. Sponsors of advertising are typically businesses wishing to promote their products or services. Advertising is differentiated from public relations in that an advertiser pays for and has control over the message. It differs from personal selling in that the message is non-personal, i.e., not directed to a particular individual. Advertising is communicated through various mass media, including traditional media such as newspapers, magazines, television, radio, outdoor advertising or direct mail; and new media such as search results, blogs, social media, websites or text messages. The actual presentation of the message in a medium is referred to as an **advertisement: advert** or **ad** for short.

Internet has roughly doubled the influence of the second strongest medium -- television -- and roughly eight times the influence of traditional printed media. This shift in consumer influence indicates a need and an opportunity for companies to reprioritize the mix of communications channels they use to reach their customers. Consumers use the Internet in different ways to make different decisions. For example, consumers are more likely to seek opinions of others through social media and product-rating sites when making choices that have a great deal of personal impact (e.g., healthcare options or major electronics purchases). But they do use company-controlled sources when making transactional decisions on commoditized items, such as utilities or airline tickets. The Internet has given consumers more control in accessing information on products and services. There are several factors that contribute to consumers pull for online content—consumers are the one who decide when, where, what, and how much commercial content they wish to view. The Internet enables consumers to access an unlimited range of products and services from companies around the world, and it has reduced the time and effort they spend on shopping. Consumers play a much more active role in searching for information online with some goal in mind, and that goal can influence individual behaviours and responses to online information and advertisements (Smith, 2002). With the rapid advancement in the computer industry, many companies have made the Internet as part of their advertising media mix to take advantage of the online technologies. The Internet has become a popular advertising platform because marketers found that the

Internet possess greater flexibility and control over the advertising materials. Since the Internet can be used as an efficient marketing communication tool, both scholars and practitioners are interested in understanding how to take full advantage and maximizing the value of this communication medium. The growth of internet advertising is both globally and locally outpacing offline advertising. While outdoor advertising is also experiencing growth, it is not growing as rapidly as Internet advertising.

1.2. LITERATURE REVIEW:

An estimated figure is around Rs. 100 crore worth of ads on the net. Ads on the net are still not paid to the extent of 60-70% . Even billed ads are at discounted rates. The real ad business on the net is still Rs. 25-30 crore. A lot of agencies are coming forward to do net advertising. Clients still are not comfortable with this new medium. On-line media planning is emerging as a new business. In the US, the leading firm is the Double click. In India, firms are Micromedia, Media Acope and Intercept. A net can narrowcast and target ads at a sharply defined segment. Some sites have a revenue model based on ad income. Ads on the net have to buy audience rather than space or banners. An advertiser can approach his target through a variety of sites, but with one single media buy. Advertisers can select audience location wise, say a BPL mobile ad in Mumbai and Bharati Telecom ad in Delhi. Ads can be targeted to editorial content of the web pages, say cosmetic ads to the health and beauty pages. Ads can be targeted in terms of time, say deos in the afternoon rather than in the morning. Research can increase the effectiveness of on-line communication. SHH Kazmi and Satish K Batra “Advertising and Sales Promotion” p.320, edition 2. ISBN 81-7446-394-1(PB) It was certainly a sad day for newspapers and magazines when eMarketer released a report early in 2012 stating that this year would be the year that spending for online advertising would surpass spending for print advertising. Print publishers, of course, knew that this day was coming. After all, in 2011, online ad spending grew 23% in the United States, just passing the \$32 billion mark. In 2012, spending on online ads will grow another 23% to nearly \$40 billion. Meanwhile, the more spending for online ads grows, the more spending for print ads shrinks. Spending for magazine and newspaper ads is anticipated to fall by 6.1% this year to a scant \$36 billion. ANTHONY R. N. (2015) in his paper entitled “The Effectiveness of Internet Advertising on Consumer Behaviour”. He mainly aimed to find the reliability of internet advertisement through the recall, relationship between advertising and purchase decisions. His study had benefited to marketers, business, government and academicians. Stratified sampling technique was used to select the units for study. The study found that the effectiveness

of internet advertising on reach and creations of awareness was determined by the level of knowledge about the existing platforms of advertisements and time spent on these media. The study concludes that internet advertising influenced purchase decisions of the customers to moderate extent as only nearly half of the respondents were influenced purchase decisions.

1.3 OBJECTIVE OF THE STUDY :

The objectives of the study is to find out the answers of the followings:

- To understand the core concept of online advertising.
- To Identify which of the following selected tool is chosen by consumer in buying behavior : - (a) Social Media
(b) Mail
(c) Search Engine (Ex-Google) is most frequently used by the responded or sample sites.
- To identify the major factors which triggers due to online advertising
- To identify perception & attitude of the consumer towards the most frequent tool of inline advertisement
- To identify the different reason due to which people today are driving towards online advertising instead of physical advertising.
- To identify the role of different E-Commerce Apps for advertising.
- To identify the significance role of reviews behind the success of Questionnaire.

Apart from these there are many more objectives of this study.

1.4. RESEARCH METHODOLOGY

Secondary Research: I first of all surveyed the available literature related to the problem. The published data from various sources like e-Journals, Internet, Books were studied.

Quantitative Research: After the collection of secondary data, the questionnaire was designed to collect the primary data. It is analyzed on the basis of suitable table by using – Bar technique and percentage analysis.

1.5 LIMITATIONS OF THE STUDY :

a) Lack of time: Time constraint was an important limitation as the study was not a full-fledged research study instead had to complete within limited time frame.

b) Limited area: The survey areas was limited as because the knowledge regarding the selection of survey area was not there due to research at infancy. Again, many approached respondents were not willing to talk or were giving bias responses, which limited the research study

c) Cost Constrain: Hard but true, that money was also a limiting factor due to which the research could not get extended elaboratory.

d) Biased Data: Some of the respondent were biased in case of their responses, which again is not supporting the generalized conclusion of the study, those were uncontrollable.

e) Lack of Updated Data: The sources for collecting of secondary data also were not accessible every time. Some of the sources again, gave the result in absence of major influencing factors, which altogether impacted the generalized conclusion of the study.

1.6 CHAPTER PLANNING

Chapter 1: Introduction- Background of the study, Literature Review, Research gap, Objectives of the study, Data source and, methodology, Limitations of the study and Chapter planning.

Chapter 2: Conceptual Framework- Main discussions of the chapter.

Chapter 3: Data Analysis - Three parts: Data Presentation, Analysis and Findings.

Chapter 4: Conclusion and Finding- Two parts: Conclusions and Recommendations as future scope of study.

CHAPTER-2

CONCEPTUAL FRAMEWORK

2.1 Conceptual Understanding

Internet advertising is a form of promotion that uses the Internet and World Wide Web for the expressed purpose of delivering marketing messages to attract customers. Examples of online advertising includes contextual ads on search engine results pages, banner ads, Rich Media Ads, Social network advertising, online classified advertising, advertising networks and e-mail marketing, including e-mail spam. Online video directories for brands are a good example of interactive advertising. These directories complement television advertising and allow the viewer to view the commercials of a number of brands. If the advertiser has opted for a response feature, the viewer may then choose to visit the brand's website, or interact with the advertiser through other touch points such as email, chat or phone. Response to brand communication is instantaneous, and conversion to business is very high. This is because in contrast to conventional forms of interruptive advertising, the viewer has actually chosen to see the commercial. 4 Consumer can gather information about products and services, communicate with other consumers and firms for related products and services, and sometimes complete transactions. As the Internet session is a self-selected environment of the consumer, the promotion message will be more effective. Internet advertising is also capable of providing an experiential environment to the consumer through virtual reality interfaces thus allowing the consumer to experience some of the features of products before making the purchase decision. Consumer can provide feedback content about the product, to the firm and to other consumers. A positive feedback becomes a good promotion for the marketer. A marketer can even exploit a negative feedback by solving the consumer's problem and showing the commitment of the organization to satisfying consumer needs. Consumer can also add "collective content" to the medium through discussion forums like the virtual communities. In India, online advertising has gained increased popularity with more people spending time online.

- **The Origin of Online advertisement** In its 17-year existence, Online Advertising has become the fastest, and one of the most effective

advertising mediums in history. Today, it is one of the essentials of a successful business, a media platform that allows interaction with customers in the most creative and interesting ways, (although there continues to be a large majority of irritated web users). The year 1994 saw the first online advertisement that was quickly followed by a period of experimentation on advertiser and publisher ad formats and technology. This initial phase e need with the launch of one of the first ad technologies, the DoubleClick in 1995. The earliest advertisers were aware of the differences between traditional and online advertising and undertook a targetmarket research. However, it wasn't until many years in following that the Internet was used as a full-blown medium for effective advertising. In the late 1990s, billions were invested in online advertising

- **Types of Online advertisement:**

- ✚ **Floating ads:** A floating ad is a type of rich media Web advertisement that appears uninitiated superimposed over a user-requested page, and disappears or becomes unobtrusive after a specific time period (typically 5-30 seconds). The most basic floating ads simply appear over the Web page, either full screen or in a smaller means of escape, such as a close button. More sophisticated versions can come in any shape or size and include sound, animation, and interactive components

- ✚ **Expanding ads:** These are ads that expand when users click on them. The ads do not expand just from mousing over hyperlinks, which is a technique used by some other advertisers. They often take a long time to download, which in turn can negatively impact the visitor's experience on that page. Polite ad formats were developed to address this challenge by enabling advertisers to serve larger file formats without disturbing the load time for the rest of the images on the page. A polite ad format is loaded in two phases:

- ✚ **Phase One:** The initial load is a compact image or SWF file that is smaller in size, so there is no delay in loading other contents on the page. This could be the first few frames of the ad, or a teaser. file that is smaller in size, so there is no delay in loading other contents on the page. This could be the first few frames of the ad, or a teaser.

- ✚ **Phase Two**: The main load is the full version of the ad. The full ad can have a larger file size. It is loaded only after the whole web page has finished loading into the visitor's browser
- ✚ **Wallpaper ads**: An ad which changes the background of the page being viewed
Trick Banner: A banner ad that attempts to trick people into clicking, often by imitating an operating system message.
- ✚ **Pop-up**: A new window which opens in front of the current one, displaying an advertisement, or entire webpage.
- ✚ **Pop-under**: Similar to a Pop-Up except that the window is loaded or sent behind the current window so that the user does not see it until they close one or more active windows.

- **Advantage of Online Advertising**



Global Reach

Through Internet advertising, we can highlight our business beyond your local area and reach out to your target audience worldwide. You don't have to travel anywhere to expand your business; you can easily connect with your audience with the help of the Internet. With this, your business will be accessible to millions of clients.



Cost Effective

One of the greatest benefits of online advertising is its cost effectiveness. Unlike other conventional methods we don't have to spend millions of dollars to promote your products and services. It's inexpensive and affordable for marketers to promote their business online.



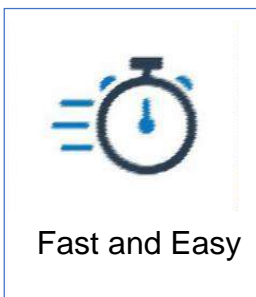
Target Audience

Online advertising helps us to find the right audience. It targets the ones who are more likely to be interested in what you're selling. Online advertising tools such as, online display ads, social media ads like Facebook and Twitter Ads, video ads make it easier to reach your types of target audience.



Access to Data

With the help of online analytics tools, we can decipher which strategies are working for us and which are not. We can analyze customer data such as keyword data and can further make the required changes. We can easily track the conversion and measure the effectiveness of your campaign. This data helps to identify areas for improvement in our ads and advertising strategy as well.



Fast and Easy

Unlike traditional marketing and advertising methods, online advertising is fast and easy. Traditional advertising procedure is too long and consumes much time. But in online advertising the moment you start your ad campaign, you start receiving qualified leads. This allows you to reach your goals quickly.

2.2 Brief Profile of Case Study

“The Impact of Online Advertisement on Consumer Buying Behaviour” Survey is done on the basis of several Social Media platforms. Social media is computer-based technology that facilitates the sharing of ideas, thoughts, and information through the building of virtual networks and communities. By design, social media is internet-based and gives users quick electronic communication of content. Content includes personal information, documents, videos, and photos. Users engage with social media via computer, tablet or smartphone via web-based software or web application, often utilizing it for messaging. Some of the social media platforms are as follows:



Facebook- Facebook is an American online social media and social networking service based in Menlo Park, California, and a flagship service of the namesake company Facebook, Inc. It was founded by Mark Zuckerberg, along with fellow College students and roommates. Facebook can be accessed from devices with internet, such as p.c., Smartphine. After registering, users can create a profile revealing information about themselves. We can post text, photos and multimedia which is shared with any other users that have agreed to be their "friend", or, with a different privacy setting, with any reader. Users can also buy and sell items or services on Marketplace, and receive notifications of their Facebook friends' activities and activities of Facebook pages they follow.



Instagram - Instagram is an American photo and video sharing social networking service owned by Facebook, created by Kevin Systrom and Mike Krieger and originally launched on iOS in October 2010. The Android version was released in April 2012, The app allows users to upload media that can be edited with filters and organized by hashtags and geographical tagging. Posts can be shared publicly or with pre-approved followers. Users can browse other users' content by tags and locations and view trending content. Users can like photos and follow other users to add their content to a feed.



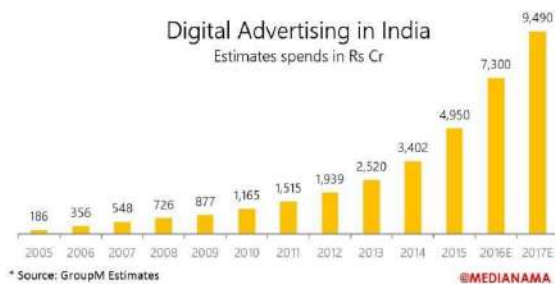
Whatsapp - WhatsApp Messenger, or simply **WhatsApp**, is an American freeware, cross-platform messaging and Voice over IP (VoIP) service owned by Facebook, Inc. It allows users to send text messages and voice messages, make voice and video calls, and share images, documents, user locations, and other media.



Twitter - It is an American microblogging and social networking service on which users post and interact with messages known as "tweets". Registered users can post, like, and retweet tweets, but unregistered users can only read them. Users access Twitter through its website interface, through Short Message Service (SMS) or its mobile-device application software ("app"). **Twitter, Inc.** is based in San Francisco, California, and has more than 25 offices around the world.

2.3. National and International Scenario

National Scenario



Online advertising is still in the embryonic stages in India, while in other parts of the world it has already taken deep roots. But developing countries like India; where Internet users are growing very rapidly, it has huge potential. India's leading advertisers are starting to advertise online, but at a very slow pace. Indian companies are also showing keen interest in promoting

their products or services online. Some of the leading companies from this sector are HDFC, Citibank, SBI, and UTI etc. FMCG goods have just started to come in led by companies like Hindustan Lever, Procter and Gamble etc. India is among the fastest growing economies of the world. Economic Survey of India has predicted that Indian Gross Domestic Product (GDP) will grow at a rate of 6% in the financial year 2013-14. Also, a large population with continuously increasing purchasing power has resulted in creation of a stupendously huge and lucrative market. Total Online Advertising market of India was estimated at **INR 785 crores** for the financial year 2009-10 and is estimated to grow in the coming financial year.

CHAPTER-3

DATA ANALYSIS AND FINDINGS

3.1 Research Design

This research is both exploratory and analytic in nature. Since, perception of the consumer has been taken up here as parameter to explore the area of sample. Later, it become descriptive in nature as well as when it comes to evaluating consumer's perception of different services and marketing methodologies adopted for the same The details further esear chare drawn with the help of frequencies, averages and other statistical calculation. The structural development of the research was made primarily by keeping in mind the different parameters of services provided to the consumer and the channel so communication no the same.Thus,the designis broadly guarded majorly with the qualitative data and support via secondary data aswell.

3.2 Methodology

3.2.1 SAMPLE

The total number of responses was 51 .

3.2.2 Data Type

Primary data has been the self-designed questionnaire.Secondary data is the Literature Review, Website and Newspaper.

3.2.3 Data Sources

Questionnaire and the personal information.

3.2.4 Period of theStudy

The period of the study was from the month of March to June i.e., the total duration was in the ratio of 1:2:1. For the Literature Review $\frac{1}{4}$ for the questionnaire and data collection $\frac{2}{4}$ and lastly for constructing the entire project it took $\frac{1}{4}$ which makes total period of study 4 months.

3.2.5 Tools Used

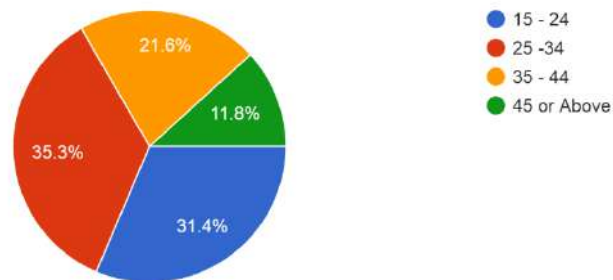
The tool used for the Data Analysis are the graphical representation as such as pie-chart, bar graph and column graph.

3.3 Data Analysis

1. Age

The pie-chart represented shows that the AGE respondents from 15-24 are 16, from 25-34 are 18, from 35-44 are 11 and from 45 and above are 6.

1. Age
51 responses



Age	No. of Respondent	PERCENTAGE (%)
15-24	16	31.4%
25-34	18	35.3%
35-44	11	21.6%
45 Or above	6	11.8%

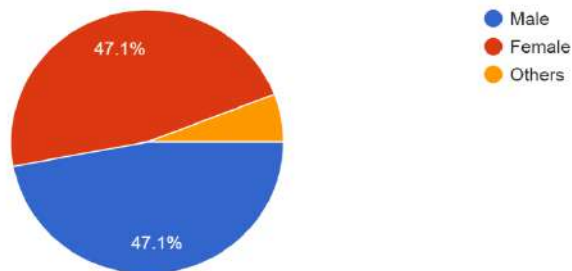
INTERPRETATION:-

From the following pie-chart we can say that the no of respondents from age group 25-34 years is 18 which is more than other age groups. Therefore, we can say that the people belonging to age group 25-34 years use mobile phones or surf internet more than other age groups.

2. Gender

The pie-chart represented shows that the MALE respondents are 24 and FEMALE respondents are also 24 and others are 3.

2. Gender
51 responses



Gender	No. of Respondent	PERCENTAGE (%)
Male	24	47.1%
Female	24	47.1%
Others	3	5.9%

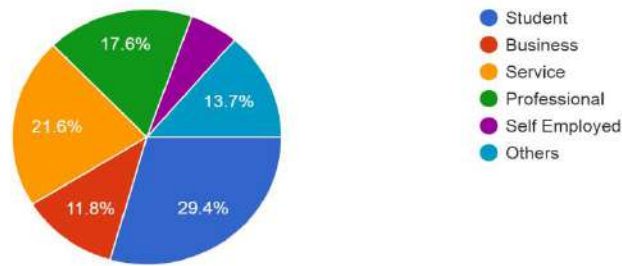
INTERPRETATION

From the following pie-chart it is clear that MALE and FEMALES use mobile phones or active in online platforms equally.

3..Occupation

The following pie-chart represents that the student respondents are 15, business respondents are 11, service respondents are 6, professional respondents are 9, self employed respondents are 3 and others are 15.

3. Occupation
51 responses



Occupation	No. of Respondent	PERCENTAGE (%)
Student	15	13.7%
Business	11	11.8%
Service	6	21.6%
Professional	9	17.6%
Self Employed	3	5.9%
Others	15	29.4%

INTERPRETATION

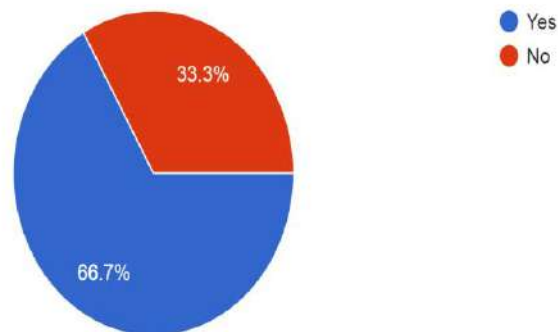
Usually mobile phones and specially online platforms are most popular in STUDENTS but from this survey we can see that the number of Others respondents are more than any other occupation.

4.Do you like to surf social media?

The pie-chart represents that 34 people have responded YES while 17 people have responded NO.

4. Do you like to surf on social media?

51 responses



Comments	No. of Respondent	PERCENTAGE (%)
Yes	34	66.7%
No	17	33.3%

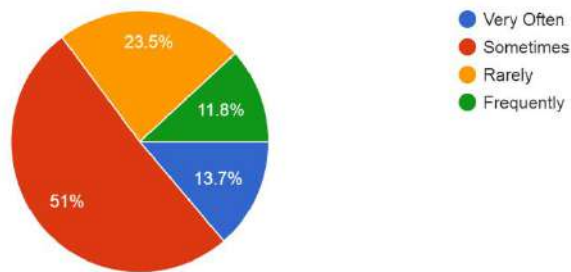
INTERPRETATION

From this survey it is clearly visible that in that time more people are interested in surfing social media.

5.How many hours do you spend on social media daily?

The pie-chart represented shows that 7 respondents spend hours very often on social media, 26 respondents spend hours sometimes on social media, 12 respondents spend hours rarely on social media and 6 responded for frequently.

5. How many hours do you spend on social media daily?
51 responses



Answer	No. of Respondent	Percentage
Very often	7	13.7%
Sometimes	26	51%
Rarely	12	23.5%
Frequently	6	11.8%

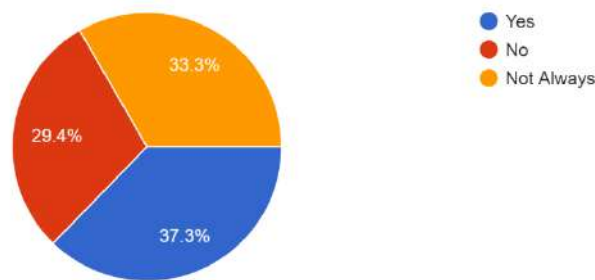
INTERPRETATION:-

From the following pie-chart it is clear that most of the people are interested in social media where they spend hours for sometimes in a day.

6.Do you check internet before purchasing a product?

The pie-chart represented shows that 19 respondents for YES, 15 respondents for NO and others goes for NOT ALWAYS.

6. Do you check internet before purchasing a product?
51 responses



Comments	No. of Respondent	PERCENTAGE (%)
Yes	19	37.3%
No	15	29.4%
Not always	17	33.3%

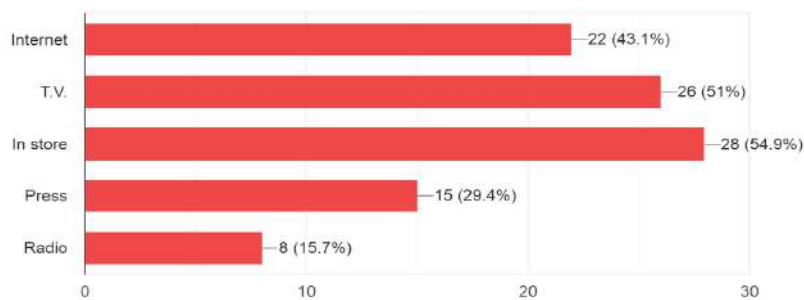
INTERPRETATION:-

From the following information we can see that more respondents are goes for YES. Therefore, we can say that most of the users depends upon social media before purchasing any prouct.

7. Which media advertising do you think is most reliable?

The graph represented shows that 22 respondents rely on Internet, 26 rely on T.V. , 28 respondents rely on store, 15 respondents rely on Press, and 8 respondents rely on Radio.

7. Which media advertising do you think is most reliable?
51 responses



Medium	No. of Respondent	PERCENTAGE (%)
Internet	22	43.1%
T.V.	26	51%
In Store	28	54.9%
Press	15	29.4%
Radio	8	15.7%

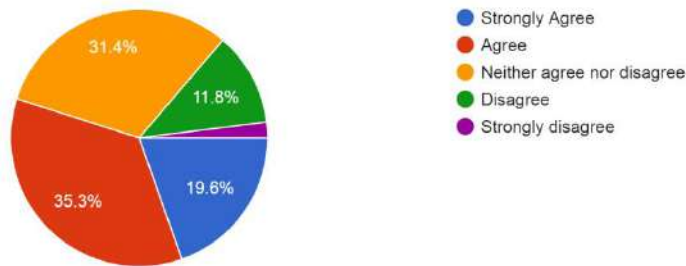
INTERPRETATION:-

From the following graph most of the respondents rely on IN STORE where as 22 responded for INTERNET.

8.Do you think that online campaigns generate more sales?

The pie-chart represented shows that 10 respondents strongly agree, 18 respondents agree, 16 respondents neither agree nor disagree, 6 respondents disagree and 1 respondents strongly disagree.

8. Do you think online campaigns generate more sales ?
51 responses



Comments	No. of Respondent	PERCENTAGE (%)
Strongly agree	10	19.6%
Agree	18	35.3%
Neither agree nor disagree	16	31.4%
Disagree	6	11.8%
Strongly disagree	1	2%

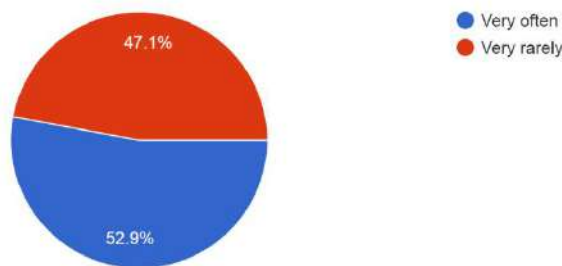
INTERPRETATION:-

From the following pie-chart we can see that INTERNET has become a platform where the advertisers not only use it to sell their products online indeed it is mostly used to build the brand awareness among the customers

9. How often do you purchase a product in physical store after getting exposed to an online ad?

The pie-chart represented shows that 27 respondents purchase a product very often after seeing online ads and 24 respondents purchase a product very rarely after exposing of online ads.

9. How often do you purchase a product in physical store after getting exposed to an online ad?
51 responses



Comments	No. of Respondent	PERCENTAGE (%)
Very often	27	52.9%
Very rarely	24	47.1%

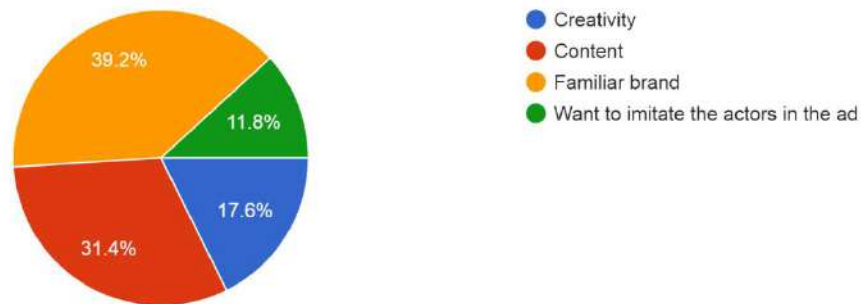
INTERPRETATION:-

Though a majority of the respondents have chosen the option Very Often i.e, 29 it is also understood that the online advertising will take a mind share of the customer and helps in brand recall.

10.What triggers your purchasing intent when you come across an online ad?

The pie-chart represented shows that 9 respondents likes for Creativity, 16 respondents for Content, 20 respondents for their Familiar Brand and 6 respondents want to imitate the actor.

10. What triggers your purchasing intent when you come across an online ad?
51 responses



Options	No. of Respondent	PERCENTAGE (%)
Creativity	9	17.6%
Content	16	31.4%
Familiar brand	20	39.2%
Wants to imitate the actor	6	11.8%

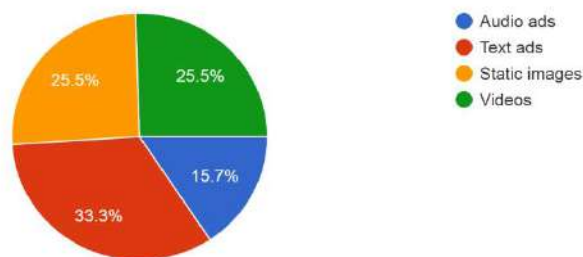
INTERPRETATION:-

From the following pie-chart we can see that majority of the people have chosen Familiar Brand for purchasing their product after seeing online ad.

11. Which type of online advertising do you react most often?

The pie-chart represented shows that 8 respondents for Audio ads, 13 respondents for Static Images, 17 respondents for Text Ads and 13 respondents for Videos.

11. Which type of online advertising do you react most often ?
51 responses



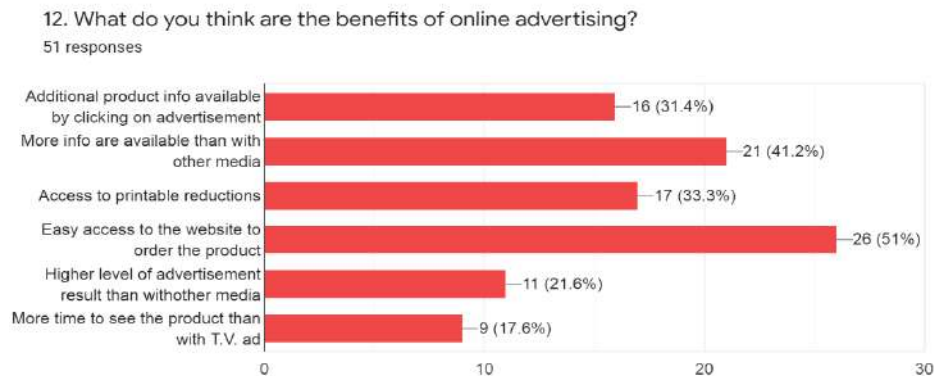
Options	No. of Respondent	PERCENTAGE (%)
Audio ads	8	15.7%
Text ads	17	33.3%
Static images	13	25.5%
Videos	13	25.5%

INTERPRETATION:-

From the following survey here we get majority votes for Text Ads i.e, 17 but in generally Video ads and Static Images are more popular than any other medium.

12. What do think are the benefits of online advertising?

In the graph format people can choose options more than one. So here we couldn't get the proper survey but we can definitely get a clear view of which consumers are interested in online purchasing.



Options	No. of Respondent	PERCENTAGE (%)
Op. 1	16	31.4%
Op. 2	21	41.2%
Op. 3	17	33.3%
Op.4	26	51%
Op. 5	11	21.6%
Op. 6	9	17.6%

INTERPRETATION:-

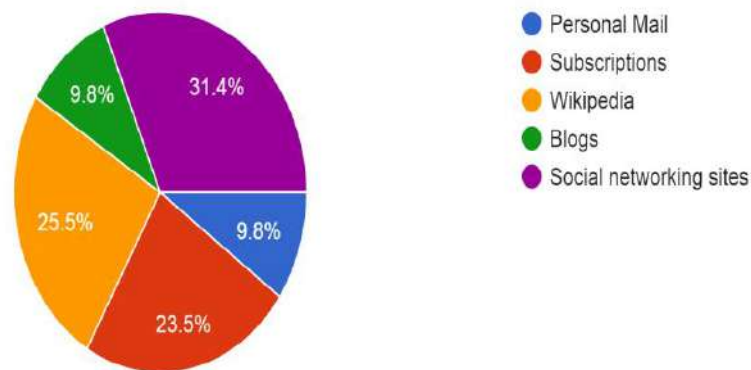
Here we can see that majority of the respondents are interested in Easy access to the website to order the product.

13. Where do you like to check online ad?

The pie-chart represented shows that 5 respondents for Personal Mail, 12 respondents for Subscription, 13 respondents for Wikipedia, 5 respondents for Blog and 16 respondents for Social networking sites.

13. Where do you like to check online ad?

51 responses



Options	No. of Respondent	PERCENTAGE (%)
Op. 1	5	9.8%
Op. 2	12	23.5%
Op. 3	13	25.5%
Op.4	5	9.8%
Op. 5	16	31.4%

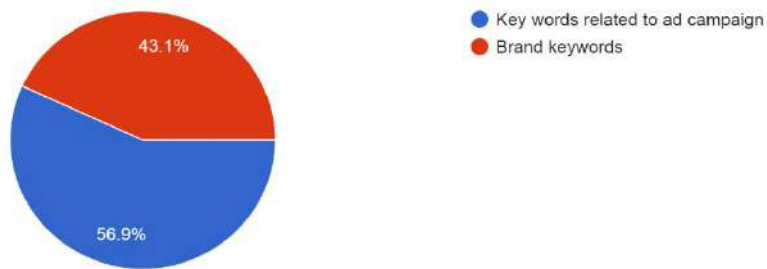
INTERPRETATION:-

From the following we can see with most of the time spent on social media majority of the respondents opted that they would like to see the ads on Social Networking Sites.

14.What do you request in search engine when you are seeking about a product info. ?

To this question majority of the internet users responded saying that they would request for Key words related to ad campaign.

14. What do you request in search engine when you are seeking about a product's info.?
51 responses



Options	No. of Respondent	PERCENTAGE (%)
Op. 1	29	56.9%
Op. 2	22	43.1%

INTERPRETATION:-

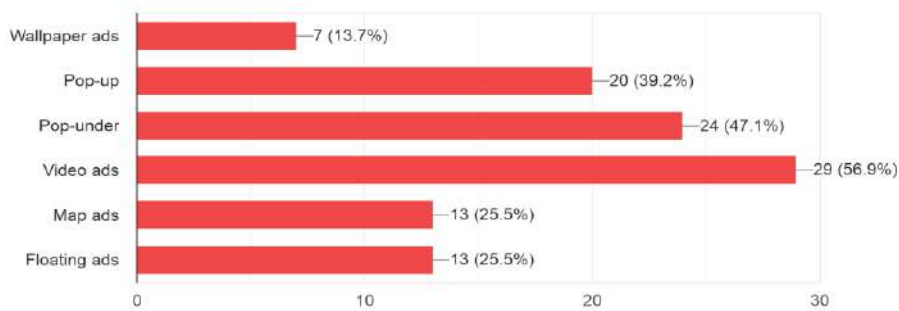
From the following we can see most of the people like to search key words related to ad campaign

15. Which of the following ads are you aware of?

The graph represents that 29 respondents for video ads and this is the majority part

15. Which of the following online ads are you aware of?

51 responses



Options	No. of Respondent	PERCENTAGE (%)
Op. 1	7	13.7%
Op. 2	20	39.2%
Op. 3	24	47.1%
Op.4	29	56.9%
Op. 5	13	25.5%
Op. 6	13	25.5%

INTERPRETATION:-

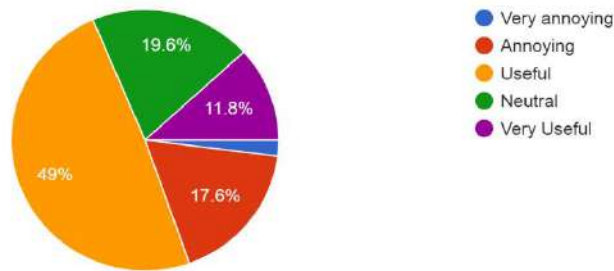
This graph shows that more or less every internet user is exposed to all kind of advertisements. Majority of the respondents show their interest in Video ads.

16.How do you feel about online advertising on social media?

The pie-chart gives us a great view that majority of the respondents feel useful for online advertising. 25 respondents Useful, only 1 respondent Very Annoying, 9 respondents Annoying, 10 respondents Neutral and 6 respondents very useful

16. How do you feel about online advertising on social media ?

51 responses



Options	No. of Respondent	PERCENTAGE (%)
Op. 1	1	2%
Op. 2	9	17.6%
Op. 3	25	49%
Op.4	10	19.6%
Op. 5	6	11.8%

INTERPRETATION:-

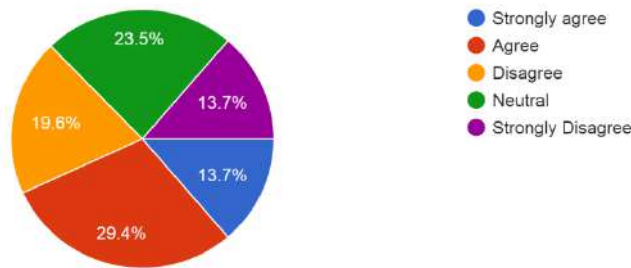
This graph shows that most of the user find online advertising as useful.

17.Do you agree that people becomes victims of advertising by purchasing unnecessary products?

The pie-chart represented shows that 7 respondents strongly agree, 15 respondents agree, 10 respondents disagree, 12 respondents neutral, 7 respondents strongly disagree.

17. Do you agree that people becomes victims of advertising by purchasing unnecessary products ?

51 responses



Options	No. of Respondent	PERCENTAGE (%)
Op. 1	7	13.7%
Op. 2	15	29.4%
Op. 3	10	19.6%
Op.4	12	23.5%
Op. 5	7	13.7%

INTERPRETATION:-

From the point of view of respondents it is clear that people are becoming victims of online advertisement.

3.4 Data Finding

The number of respondents from age group 25-34 years is more than other age group i.e. from 15-24 years, 35-45 years and from 45 to above.

The number of female respondents is equal to the number of male respondents.

The number of student respondents are more than any other occupations i.e. business, service etc.

Most of the people now a days like to surf on social media.

Most of the people spend hours sometimes on social media. Some spend frequently and very often and rarely too.

We can say that most of the users depends upon social media before purchasing any product as more respondents are goes for YES.

Most of the people rely on In store as their preferred advertising as well as they like T.V. and internet too.

Most of the people thinks that online campaigns generates more sales.

It is clear that people like to buy products from store after getting exposed by online ads as most of them chose “very often” option.

Now a days most of the people search for familiar brand and content more than the other options when they come across an online ad.

According to the survey most of the people react on text ads as well as static image and video ads most often.

Most of the people choose option 4 and then option 2 as the benefits of online advertising

People like to check online ads on social networking sites more than the other options i.e. subscriptions, personal mail etc.

Most of the people request keywords related to the ad campaign , in search engine when they are seeking about a product info.

According to the survey more or less every internet user is exposed to all kind of advertisements. Majority of the respondents show that they are aware of Video ads as it take more time.

Most of the people find online advertising on social media as useful.

Most of the people think that people are becoming victims of online advertisement.

CHAPTER-4

CONCLUDING OBSERVATIONS AND RECOMMENDATIONS

4.1 Concluding Observation

As in India everyone is used to do traditional shopping i.e. to go and shop from a local store it is very difficult to convenes Indians to buy products from online platform as they don't feel that the product is upto mark, but still today youth are very much convenes with online advertisements and they sometimes prefer to buy from online platform as they uses social media platforms very often than the elder ones. Though youth agrees that online platform increases brand awareness. In past 10 years the use of Smart phones has increased, most adults say that they own a mobile phone, even the survey which I have conducted is almost done over mobile phones. In India, the purchasing behavior is very much influenced by the recommendations by their friends and family as they believe that the product recommended by their family or friends are good and are of reasonable price. The youth today is ready to buy products from online platforms if they are available at a reasonable price and quality but elder people who mostly don't uses mobile phones and are generally do not prefer buying from online platforms.

4.2 Recommendations

- The time given for the survey was very short it would have been better if more time is given so that the survey can be done more nicely.
- In India Online platform should improve their quality of product so that people do not hesitate to shop from online platforms.
- Online platform should set a price which is reasonable so that people can easily buy products.
- As in India the Under-Graduates uses online platform more than any other age group so online platform owners should concentrate more in the age group 21-30 years.
- As they out huses around 3-4 hours on internet daily they should focus on Online advertisement which provide information about their products.
- Online platforms should make sure that there is no mislead activities are going on'
- They should provide customer loyalty, so that people can trust and make purchase.

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Govind, Mishra Hari (2005) International Marketing Management, Jaipur RBSA Publishers, 2005.

Annexure

Following attached link is the survey questionnaire in Google Form:

<https://forms.gle/mtYC6Qi7QEEkyx7b7>

Online Advertising.

This is purely an academic purpose survey not for use of any commercial purpose and given data is strictly confidential.

Respected Sir/Madam,

I am Triasha Chakraborty requesting you to spend only 10 minutes of your valuable time to fill up the questionnaire on a research study based on "Online Advertising". On the basis of your inputs I can proceed on my project work. I further request you to forward this questionnaire to your friends and relatives as much as you can in order to enhance the possibilities of a broader enriched data.

Email ID : triashacal30@gmail.com

Thanking You,
Triasha Chakraborty
B.Com.(Hons.)
Scottish Church College.

Next

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Google Forms

Online Advertising.

*Required

Online Advertising

Survey Questionnaire

1. Age *

- 15 - 24
- 25 -34
- 35 - 44
- 45 or Above

2. Gender *

- Male
- Female
- Others

3. Occupation *

- Student
- Business
- Service
- Professional
- Self Employed
- Others

4. Do you like to surf on social media? *

- Yes
- No

5. How many hours do you spend on social media daily? *

- Very Often
- Sometimes
- Rarely
- Frequently

6. Do you check internet before purchasing a product? *

- Yes
- No
- Not Always

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Google Forms

Online Advertising

Survey Questionnaire

7. Which media advertising do you think is most reliable? *

- Internet
- T.V.
- In store
- Press
- Radio

8. Do you think online campaigns generate more sales ? *

- Strongly Agree
- Agree
- Neither agree nor disagree
- Disagree
- Strongly disagree

9. How often do you purchase a product in physical store after getting exposed to an online ad? *

- Very often
- Very rarely

10. What triggers your purchasing intent when you come across an online ad? *

- Creativity
- Content
- Familiar brand
- Want to imitate the actors in the ad

11. Which type of online advertising do you react most often ? *

- Audio ads
- Text ads
- Static images
- Videos

12. What do you think are the benefits of online advertising? *

- Additional product info available by clicking on advertisement
- More info are available than with other media
- Access to printable reductions
- Easy access to the website to order the product
- Higher level of advertisement result than with other media
- More time to see the product than with T.V. ad

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Online Advertising

Survey Questionnaire

13. Where do you like to check online ad?

*

- Personal Mail
- Subscriptions
- Wikipedia
- Blogs
- Social networking sites

14. What do you request in search engine when you are seeking about a product's info.? *

- Key words related to ad campaign
- Brand keywords

15. Which of the following online ads are you aware of? *

Wallpaper ads

Pop-up

Pop-under

Video ads

Map ads

Floating ads

16. How do you feel about online advertising on social media ? *

Very annoying

Annoying

Useful

Neutral

Very Useful

17. Do you agree that people becomes victims of advertising by purchasing unnecessary products ? *

- Strongly agree
- Agree
- Disagree
- Neutral
- Strongly Disagree

18. From your point of view ,what can online advertisement be improved to help you in reaching decision to purchase? *

Your answer

Please Enter Your Email ID *

Your answer

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Online Advertising.

Questions **Responses 51**

51 responses

Accepting responses

Summary Question Individual

Online Advertising

1. Age

51 responses

Age Group	Percentage
15 - 24	31.4%
25 - 34	35.3%
35 - 44	21.6%
45 or Above	11.8%

Online Advertising.

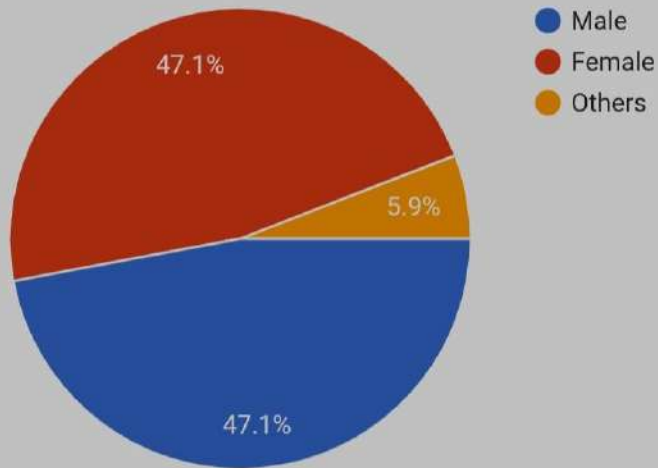
Questions

Responses

51

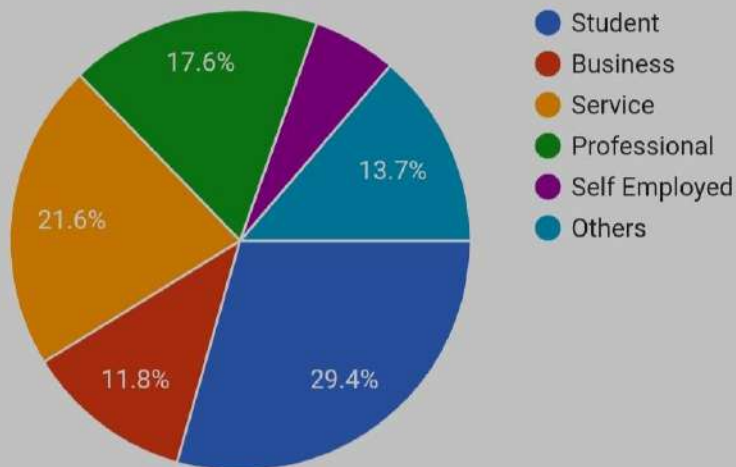
2. Gender

51 responses



3. Occupation

51 responses





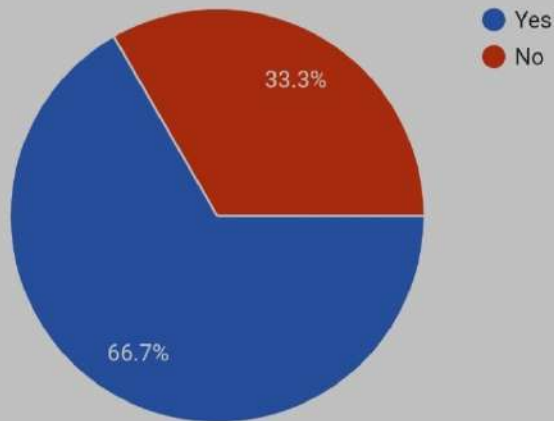
Online Advertising.

Questions

Responses **51**

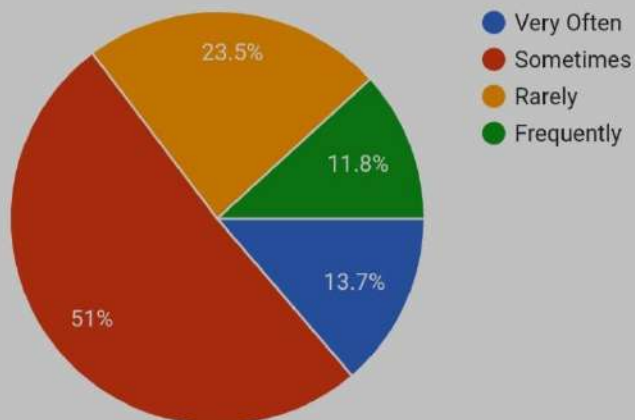
4. Do you like to surf on social media?

51 responses



5. How many hours do you spend on social media daily?

51 responses





Online Advertising.

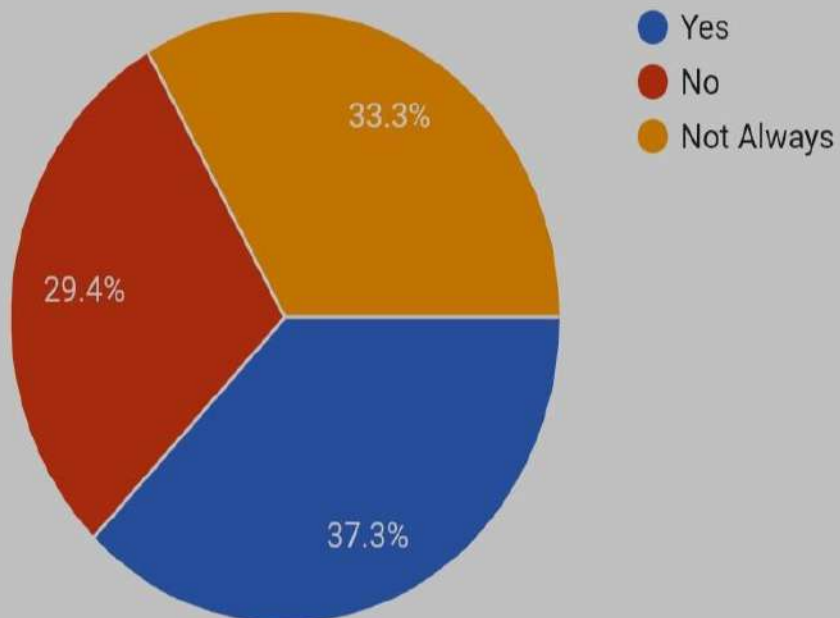
Questions

Responses

51

6. Do you check internet before purchasing a product?

51 responses



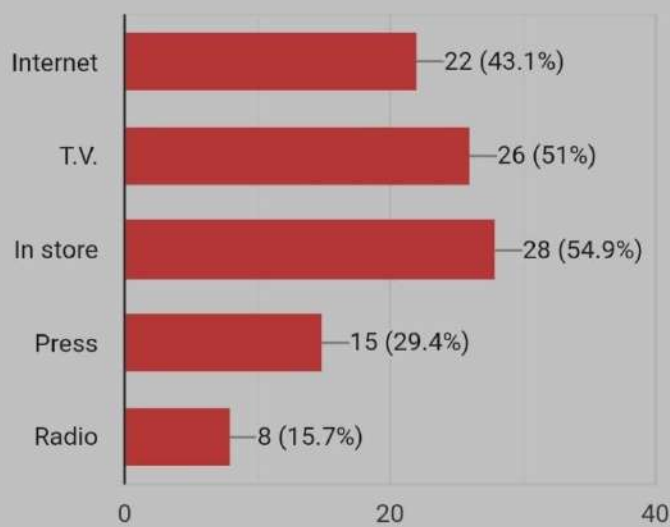


Online Advertising.

Questions **Responses** 51

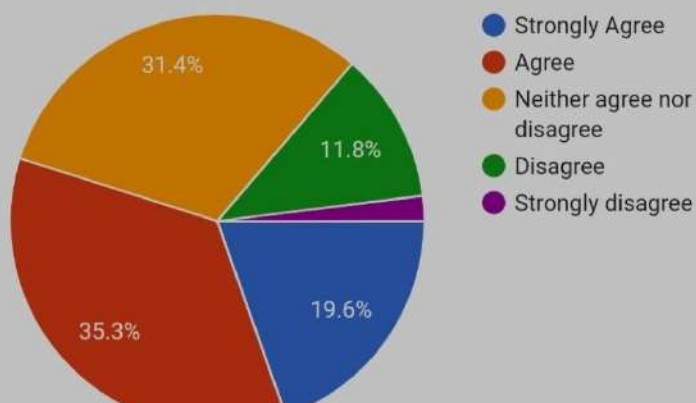
7. Which media advertising do you think is most reliable?

51 responses



8. Do you think online campaigns generate more sales ?

51 responses



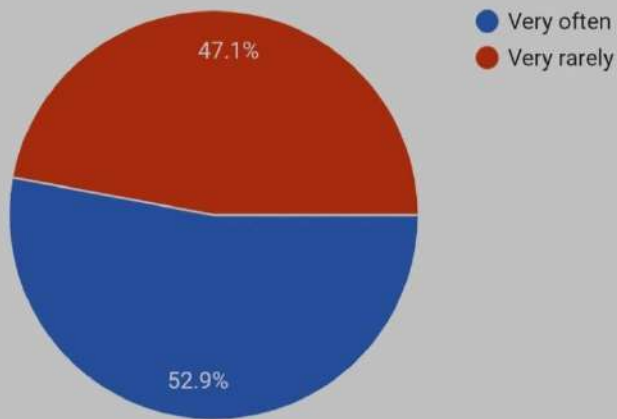


Online Advertising.

Questions **Responses** 51

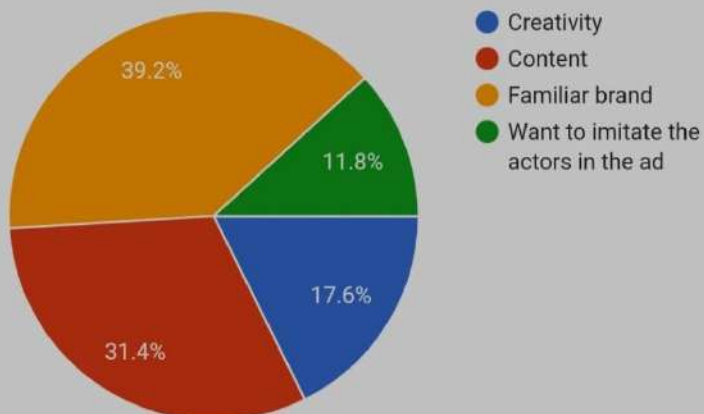
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51 responses



10. What triggers your purchasing intent when you come across an online ad?

51 responses



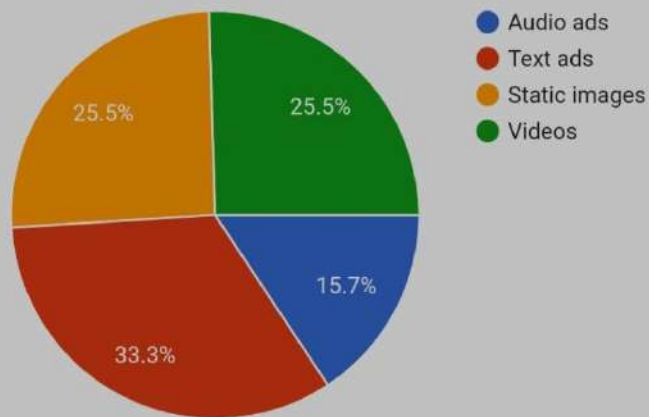


Online Advertising.

Questions **Responses** 51

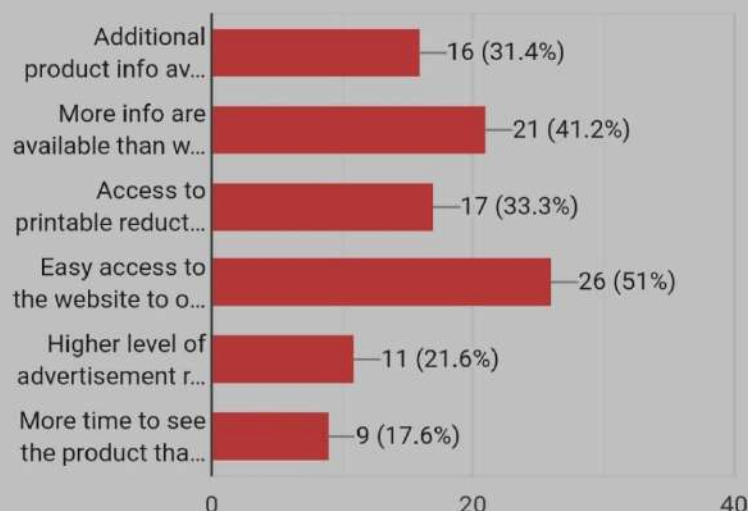
11. Which type of online advertising do you react most often ?

51 responses



12. What do you think are the benefits of online advertising?

51 responses



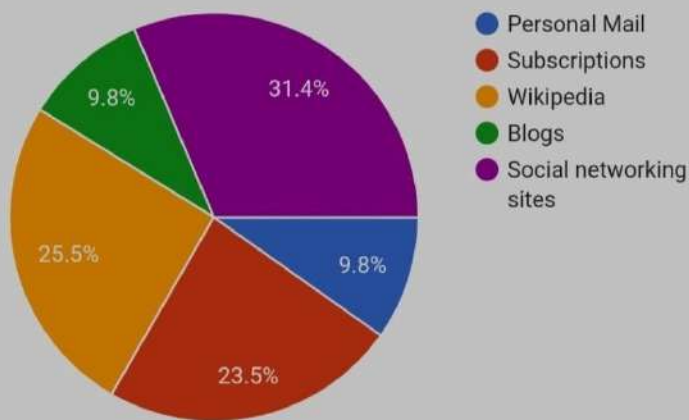


Online Advertising.

Questions **Responses** 51

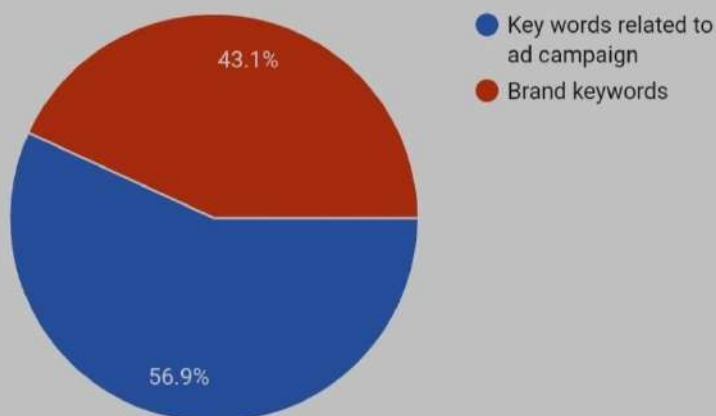
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51 responses



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51 responses



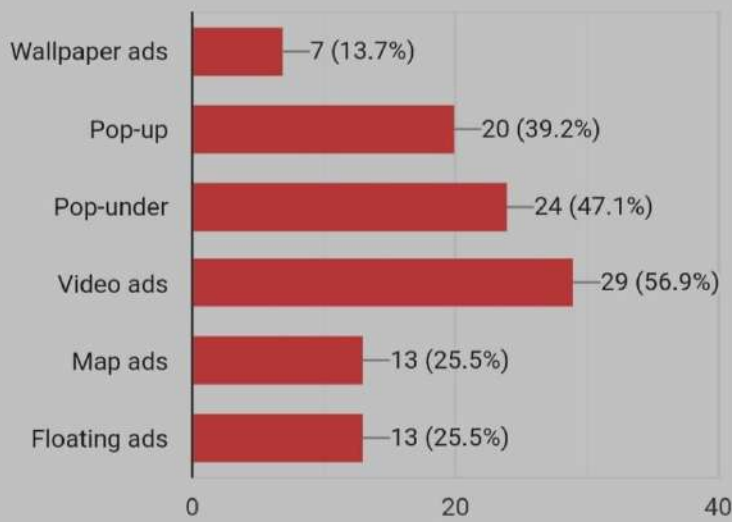


Online Advertising.

Questions **Responses** 51

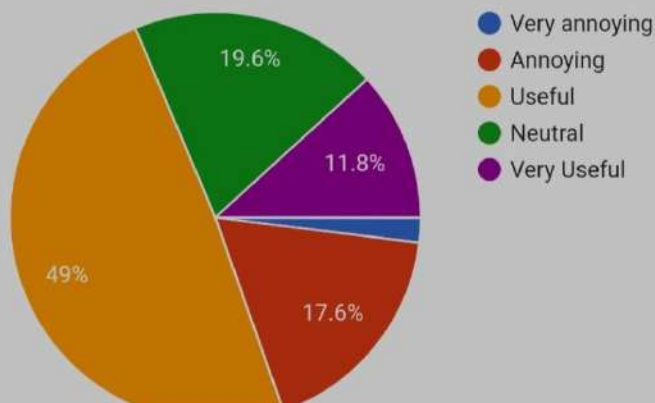
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51 responses



16. How do you feel about online advertising on social media ?

51 responses



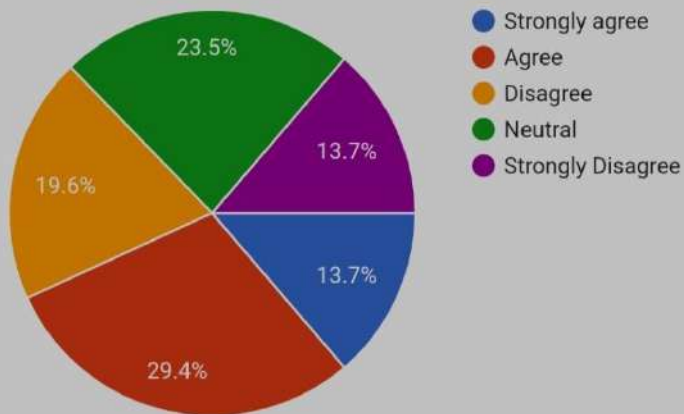


Online Advertising.

Questions **Responses** 51

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51 responses



18. From your point of view ,what can online advertisement be improved to help you in reaching decision to purchase?

51 responses

