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# **SAIBALAJI INTERNATIONAL JOURNAL OF MANAGEMENT SCIENCES**

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“तदेव लग्नं सुदिनं तदेव  
ताराबलं चन्द्रबलं तदेव ।  
विद्याबलं दैवबलं तदेव  
लक्ष्मीपते तेंऽघ्नियुगं स्मरामि ॥”

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“That alone is the best time that only is the best day,  
that time only has the strength bestowed by stars,  
moon, knowledge and Gods, when we think of the  
feet of Lord Vishnu who is the spouse of Goddess  
LakShmi.II”

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**THE ROLE OF CORPORATE SOCIAL RESPONSIBILITY IN CORPORATE  
GOVERNANCE – WITH SPECIAL REFERENCE TO EPIDEMIC DISEASES  
(COVID -19)**

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**Abstract:** “Corporate Social Responsibility” or CSR is a self-regulating model that aims to make a company socially accountable to itself, its stakeholders, and the public at large. United Nations aims to achieve international cooperation in solving international problems of an economic, social, cultural, humanitarian character. The policy was adopted in regards to combat HIV/AIDS, Malaria and other disease. The World Health Organisation, UNO’s largest agencies which focuses on international health issues and disease eradication. CSR becomes mandatory in **India with an amendment** to the **Companies Act, 2013** which came into force in April 2014. Today, the entire world is facing and overcoming a crisis of a magnitude which no one had anticipated. The much-dreaded Coronavirus Covid - 19, a pandemic declared by the World Health Organization, has shaken the entire world and the economy at large. Corporate Governance and CSR focus on the ethical practices in the business and the responsiveness of an organization to its stakeholders and the environment in which it operates. The outcomes of this study is that companies show respect to their employees and focus on stewardship relations between corporations and customers and communities during this pandemic. It will have a significant theoretical application and practical implication on business duty to society and future research on CSR as a strong arm to deal with a critical disaster like the COVID-19 pandemic.

**Keywords:** Corporate Governance, Corporate Social Responsibility, United Nations Organisation, World Health Organisation, Epidemic Diseases Covid-19

**Introduction :**

The [covid-19](#) - the infectious disease triggered by coronavirus has been considered as global pandemic by the World Health Organisation (WHO). “This is not just a public health crisis; it is a crisis that will touch every sector. So, every sector and every individual must be

involved in the fights ,” quoted by Dr. Tedros Adhanom Ghebreyesus, Director General of World Health Organisation (WHO) (Ducharme,2020) This contagious disease tremendously disrupted the socio-economic circumstances of the whole world.

Today, the entire world is facing and overcoming a crisis of a much-dreaded novel corona virus which has led many corporate sector minds to be socially responsible to meet the need of the hour. Corporate Social Responsibility (CSR) is the notion that corporations have an obligation to the constituent groups in society other than stockholders and beyond those prescribed by law and union contracts (T.M. Jones, 1980). Many CSR scholars have addressed particular group stakeholders’ perceptions of CSR in specific contexts; however none of the research has revealed to extend the scope of CSR in the Era of Epidemic Diseases towards health policies as well as change in coverage of policies in protection of citizens during post and past epidemic situations. The focus of this study is on the pre-decided planned framework of CSR to activities related to fight against the Epidemic Diseases , sound Corporate Governance Practice and corporate investment in CSR which can help to shape the performance.

With growing awareness about corporate social responsibility (CSR) among stakeholders, achieving social goals is as important as delivering shareholder value and profitability. The governance framework is there to encourage the efficient use of resources and equally to require accountability for the stewardship of those resources. The aim is to align as nearly as possible the interests of individuals, corporations & society.<sup>1</sup>Originality This study is the first to provide a systematic literature review on the role of Corporate Social Responsibility of CG during this pandemic situation and need to extend the scope of CSR towards change in health policies , budgetary provisions, provide educational opportunities. Practical implications Practitioners and policymakers could benefit from this study, as this present key challenges to CG for the present and the future. Most companies strive to have a high level of Corporate Governance. For many shareholders, it is not enough for a company to merely be profitable; it also needs to demonstrate good corporate citizenship through environmental awareness, ethical behavior and sound corporate governance practices. Good

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<sup>1</sup>Sir Adrian Cadbury, Corporate Governance: A Framework for implementation

corporate governance creates a transparent set of rules and controls in which shareholders, directors and officers have aligned incentives.

For the first time, in 2020, we see the focus on the “E” and the “S” of Environment, Social, and Governance (ESG) as the leading trend globally, including the United States, where it traditionally has not received as much attention by Boards. The COVID 19 pandemic and social justice movements have had far-reaching impacts on business and society around the world and in many ways, 2020 and 2021 have prompted the world to reach a turning point. Corporate Governance has been stated as the system through which the companies are controlled and directed. It is the structure of rules, practices, processes or laws used to direct and manage a *company*. Corporate Governance has a broad scope which includes both social and institutional aspects and encourages a trustworthy, moral as well as ethical environment. Corporate Governance influences how the objectives of a business are set and achieved, how risks are monitored and assessed, and how internal performance is optimized.

### **Corporate Social Responsibility during Covid- 19 Pandemic**

CSR is a self-regulating business model that helps a company to be socially accountable — to itself, its stakeholders and the public at large. By practicing corporate social responsibility, also called corporate citizenship, companies can be conscious of the kind of impact they are having on all aspects of society, including economic, social and environmental. Here the importance of Corporate Social Responsibility (CSR), which plays a crucial role in the age of pandemic covid-19 where people are trying their level best to get through this tremendous challenging time.

As per Section 135 of Companies (CSR) Rules 2014 and Schedule VII of Companies Act 2013, every company having net worth of Rs 500 crores or more, or turnover of Rs 1,000 crore or more, or net profit of Rs 5 crore or more during the immediate preceding financial year, must have a CSR committee and spend at least 2% of the average net profits earned during three immediate preceding financial years to CSR activities.

The Government of India is also inspiring the companies to provide social support in this age of covid-19. As per report of the Ministry of Corporate Affairs dated March 23, 2020, all expenditures incurred on activities related to covid-19, will be added as the permissible avenues for CSR expenditure.

In the present era of covid-19, it has been observed that some companies are performing CSR activities by promoting social awareness for social distancing. The Government of India and State Governments announced lockdowns throughout the country in March 2020 in order to promote social distancing. The most significant contribution has been made by Mc Donald's, Coca-Cola, Volkswagen etc.. The MC Donald's company sent the message to the society by bifurcating the logo 'm' divided into two parts. The two parts of 'm' represent the meaning of social distance. It is also true that the automobile company Volkswagen plays an important role to make awareness about the necessities of the social distancing to prevent the expansion of pandemic virus in the human body. The company also shares their message as "Staying apart is the best way to stay united". This step was welcomed by Corporate India. The announcement to allow funds spent on COVID-19 relief work as CSR spend created a win-win situation for companies having an existing CSR obligation, who wanted to contribute to relief work and meet statutory requirements of The Companies Act at the same time. The response to the Government's call to support COVID-19 efforts has been overwhelming. Crores have been donated to various Government funds. Apart from contribution to the PM CARES Fund and State Disaster Management Authority, expenditure incurred on preventive health care and sanitation, ex-gratia to temporary/casual workers over and above daily wages, providing quarantine facilities to those affected, amongst others, shall be considered as CSR spend.

### **Literature Review**

Sometimes CSR is described as corporate "triple bottom line". The balance between financial, social and environmental aspects of a corporation. Hossain, M. Enam, F. and Hasan, M. (2017) focuses on what Strong CSR, says: "Do well for people and the planet (as long as you can do so without sacrificing profit). Companies that practice strong CSR



actively seek out opportunities to benefit others as they do business. E.g. they may work to develop green products and practices, provide educational opportunities and health plans for their employees and support initiatives to bring transparency and fairness to government regulation of business. But as the Covid 19 outbreak rages on around the world with entire economies shutdown, it would be pertinent to explore the role of business leaders and the practice of Corporate Social Responsibility.

Indeed this is the basic human duty that all and especially those in a position to help the poor ought to do. Moreover, business leaders, by virtue of their wealth, can donate money through their Philanthropic Foundations or in their individual capacities as the world cries out for help from fellow humans. Therefore it is high time we embraced cooperation instead of confrontation and coordination instead of rampant competition. Hopefully the Covid 19 Crisis would mark a Tipping Point in our evolutionary history and lead to a better world. After all, if future generations have to flourish and prosper, this is the least citizens can do.

Corporate Governance “ If a country does not have a reputation for strong corporate governance practice, capital will flow elsewhere. This study reviews the literature on corporate governance (CG); environmental, social, and governance (ESG) issues; and corporate social responsibility (CSR) during the COVID-19 pandemic and addresses three research questions: What are the characteristics of the literature on CG and COVID-19?, What is the role of CSR in CG in the era of epidemic diseases ? and, What are key areas of future research on CG and COVID-19?

After studying research papers published in 2020 found four criteria to identify characteristics of the literature on CG and COVID-19 and three criteria to identify key themes in the literature addressing CG and the pandemic and analyzed answers to the above research questions and proposals from studies reviewed to guide future research.

## **Objectives**

The objective of the research paper is to create awareness about the strengthening laws to control epidemic diseases. Every country is bound to equip with all situations like pandemic diseases resulted as a biochemical war in the world. So the existing policy of corporate

governance should extend their scope in inclusion of all sudden epidemic diseases in the form of corporate social responsibility . As the existing structure at international level seems to lacking of the provisions in regards to protection of respective citizens of their states.

The first urgency is now the health and safety of human beings and to support the vulnerable people to be survived in society in every way possible. Thus, teams across the companies should inspire ways to help each other actively and their families, customers, and communities during this pandemic period. In this regard, CSR is treated as an excellent tool for accomplishing sustainable development by offering a win-win strategy ([Mahmud et al., 2020](#)). It also permits companies to enhance their financial performance and, at the same time, deliver abundant social benefits that can fuel the people to survive during the COVID-19 pandemic period and overcome the crises ([Bapuji et al., 2020](#); [Guan et al., 2020](#); [Guerriero et al., 2020](#); [Kucharska & Kowalczyk, 2019](#)). However, to the best of our knowledge, there is still a lack of acceptable empirical evidence on how companies are now responding and how they should respond to the COVID-19 pandemic disaster.

### **Methodology :**

Systematic literature review methodology used which ensured selection of the highest quality studies. The author included all studies published in journals and also used Google Scholar. This study which involves qualitative analysis of CSR practices followed by companies operating in India as well as at international level.

### **Scope for Future Work.**

**A good Corporate Social Responsibility strategy should focus on issues and actions that are relevant** (environmental protection, sustainability of work, waste reduction), especially in times of crisis when your employees and the larger community are most in need. It is therefore fundamental, even in crisis situations, to identify what the company's "priorities" are and to act accordingly so that any interventions made are both consistent and effective.

**Consistency** is another important aspect that should not be underestimated when planning Corporate Social Responsibility interventions. Whatever action you decide to take, **it is important that it is closely linked to your company's core business.** If each company is expected to do its part, the best place to start is with the areas and activities you know best. Only if you are certain that you have acted in a truly relevant way then you can emphasize what you have done, remembering that in these situations, actions are more important than words.

If a company has a website, it is mandatorily required to disclose the composition of the CSR committee, its CSR policy, and the projects approved by the board. There should be transparency in Corporate Governance. **CSR committee** must formulate an annual action plan for CSR spends, which lists the CSR projects, implementation and monitoring schedules, and details of impact assessment (if applicable). However, if a company's CSR spend is less than INR 50 lakh it is not required to create a CSR committee. The Board of Directors will perform the functions of the committee in such a case. A company's CSR policy must include further details of its CSR philosophy, its guiding principles for selecting projects, implementation and monitoring of activities, as well as the formulation of the annual action plan

### **Analysis**

The crisis highlights the need for urgent action to cushion the pandemics health and economic consequences, protect vulnerable populations and set the stage for a lasting recovery. For emerging , market and developing countries, many of which face daunting vulnerabilities, it is critical to strengthen public health systems, address the challenges posed by informality and implement reforms that will support strong and sustainable growth once the health crisis abates. It is indeed a Need for utilization of CSR in maintaining good Corporate Governance in the era of Epidemic Diseases as well as need to focus on International Conventions in regards to protection to life losers during Epidemic Diseases. There should be Comparative analysis of efforts of the states in protection of life of humans.

Need for change in health – budgetary provisions. More Initiatives should be taken by the States in protection of life of citizens during Epidemic Diseases. Need for change in coverage of policies in protection of citizens during post and past epidemic situations.

#### **Conclusion:**

**A good Corporate Social Responsibility strategy should focus on issues and actions that are relevant** (environmental protection, sustainability of work, waste reduction), especially in times of crisis when your employees and the larger community are most in need like worst situation of epidemic diseases. It is therefore fundamental, even in crisis situations, to identify what the company's "priorities" are and to act accordingly so that any interventions made are both consistent and effective. **CSR should be concrete and consistent as Consistency** is an important aspect that should not be underestimated when planning Corporate Social Responsibility interventions. Whatever action you decide to take, **it is important that it is closely linked to your company's core business.** If each company is expected to do its part, the best place to start is with the areas and activities you know best. Only if you are certain that you have acted in a truly relevant way then you can emphasize what you have done, remembering that in these situations, actions are more important than words. The focus in future should be on continuous CSR improvement and most especially the impact CSR operations have on social and environmental conditions. The future CSR company will require every policy, practice, operation, activity, member of staff, every decision to be measured against CSR criteria. **Implementing a CSR model not only help the environment but also has a positive impact on a business reputation. Good Corporate Governance helps companies build trust with investors and the community.**

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**THE IMPACT OF VALUE-DRIVEN MARKETING TECHNIQUES ON B2B  
INDUSTRY: THE IMPORTANCE OF VALUE-DRIVEN MARKETING IN LEAD  
GENERATION AND CUSTOMER ACQUISITION IN B2B MARKETS**

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**ABSTRACT:**

The World of Business has been surrounded by a whirlwind of activities, From industrial revolution Marketing 1.0 the product-centric era where Marketing as a concept was new to the world, it was confined to selling and pushing the product to the consumers, to the age of Information technology Marketing 2.0 the customer-centric era where consumers became the priority rather than the product, and marketers realized that profitable opportunities are disguised as customers unfulfilled needs and wants. In a decade, we witness the Markets undergoing several shifts in the quest to find an elixir that could turn prospects into customers and the kind of customers who keep coming back for the product or services overlooking all other competitors, and with relevant data and thorough analysis, we would like to prove with this research paper that we are living in a human-centric era the age of Marketing 3.0 a marketing technique that creates value for the customer that is beyond materialistic needs, A value that is centered towards customers belief system and their emotional sentiments. In this study, we aim to establish the impact of Value-driven marketing strategies on B2B Markets.

**KEYWORDS:**

Value-Driven, Marketing, Collaborative value creation, Perceived Value, Real Value, B2B Market, Brand Loyalty.

**INTRODUCTION:**

After more than a decade of exploring marketing concepts such as “mass personalization” and “one client market”, technological development has finally caught up with the

marketing literature. The organizational spectrum is broader than ever, therefore the companies are struggling to determine the appropriate role of marketing within the organization. In this respect, consumer engagement has proven to be an asset. In today's world, the most valuable segment in the business cycle is the consumer. They are the ones according to whom the product is design. There were the days when the product was given priority but as time passed, the companies realized that a customer would buy the product only if it is creating value in their life. Now to understand Value in the context of Marketing we need to revisit Theodore Levitt's seminal article entitled "Marketing Myopia" which says Selling is preoccupied with the seller's need to convert his product into cash: marketing with the idea of satisfying the needs of the customer using the product and the whole cluster of things associated with creating, delivering, and finally consuming it". In this statement without stating the word Value Levitt has described the word in its entirety, here we observe how he implies that the marketer seeks to satisfy needs by more than just the product, they want to offer a holistic experience that comprises of services surrounding the product. However, marketing managers often find value creation in the b2b markets a complex process, as Value in B2B is a mixture of both strategy and engineering furthermore in B2B markets the relationship between the seller and the buyer highly impacts the future of an organization a manager considers all these aspects before designing a value proposition to their clients. As B2B markets are highly competitive with technology playing a crucial role in its fluidity, we observe that marketers are collecting data and providing services beyond the product value preposition itself, a service that builds upon quantified evidence of an offering's superior value is known as Value-Driven Marketing, this Marketing strategy is in a nascent but due to the economic conditions and world-wide financial crises, marketers are exploring the ideas in Value-Driven Marketing space intrepidly.

Internationally B2B decision-makers are becoming more discerning about innovation and partnership in any business transaction with an organization. A recent study by Bain and Company shows how the elements of Values in B2B framework have increased ten-fold with the advent of digital technologies and their influence on purchase decisions.

## **REVIEW OF LITERATURE:**

### **2.1 Value Driven-Marketing, perceived value in B2b, lead Generation, Value-driven matrix.**

Value-Driven Marketing focuses on the triple bottom line: Profits, people, and the planet. It utilizes new technology with a key marketing concept being Value (Philip Kotler, 2010, Mays Business School). In the B2B context, customer value is subjective, it is conceptualized by cognitive construct, pre-/post-purchase perspective, strategic orientation, present, and potential customers and suppliers' and competitors' offerings (Eggert & Wolfgang (2002). Value-based marketing has been one of the dominant views in the B2B marketing discipline for almost two decades (Anderson & Narus 1998; Eggert et al., 2018)

Its core idea is that suppliers should focus on supporting their customers' business to realize quantifiable cost reductions or increased revenue generation effects to be able to sell higher-value, higher-priced offerings (Anderson, Narus, & Van Rossum, 2006). The support leads to building a Relationship consisting of integrity and trust between the supplier and the customer. Morgan and Hunt (1994) placed trust and commitment at the center of their relationship marketing theory and these two variables have subsequently been considered in many studies (Gilliland and Bello, 2002) as key constructs for true marketing relationships. The B2B sales and marketing process can be viewed as networks of relationships of both internal and external contacts (Gummesson, 2004). An ecosystem setting indicates that value creation and sales are the responsibility of all participants (Akaka and Vargo, 2014; Marcos Cuevas, 2018). Customers' complex needs introduce actors who may not have previously attended the traditional sales meetings in the B2B sales and value creation processes (Hartmann et al., 2018). To manage these more complex customer experiences, consisting of multiple interactions (Lemon and Verhoef, 2016), companies need to use all the internal (Hughes et al., 2012; Thaichon et al., 2018) and possibly external (Prahalad and Ramaswamy, 2004; Trainor, 2012) resources and capabilities they have access to. This places more emphasis on organizing not only the collaboration between sales and marketing (Moshe et al., 2017) but also within the organization, and between customers and other stakeholders (Arli et al., 2018; Marcos Cuevas, 2018; Paesbrugghe et al., 2017).

This study aims to understand the agential power of Value in generating leads and acquiring customers build on the Value-Driven Matrix by Philip Kotler, Hermanwan Kartajaya, and Iwan Setiawan Marketing 3.0





### **Fig.1) Value-Based Matrix**

#### **RESEARCH GAP:**

To the best of our knowledge no research paper has evidence of implementation of value-driven strategies being the force in acquiring customers and generating prospects, Combining the Value-Driven Matrix, and community involvement model (Including all the stakeholders of B2B eco-system) we designed a conceptual framework to understand the agential powers within Value-Driven Marketing Strategies.

#### **HYPOTHESIS:**

H<sub>0</sub>1- Value-Based Marketing has a moderate Impact on B2B Market.

H<sub>a</sub>1- Value-Based Marketing has a substantial Impact on B2B Market.

#### **METHODOLOGY:**

The purpose of a systematic literature review is to identify the existing body of literature within a specific area and to analyze and interpret the collected information. The phenomenon of interest in this research Value Driven Marketing. To find the relevant articles, the keywords for the literature search were based on the various literature streams that have evolved around this topic. We did a thorough examination of various case studies involving Marketing 3.0 in the B2B sector.

Beside Value-driven marketing the terms Value-Based marketing, Value-Based exchange, co-creation, collaboration, co-involvement, commoditization, Lead generation, Customer acquisition, Value offering for prospects, The 3I's in Marketing Identity, integrity, image, internal and external marketing, sustainability model, Customer Relationship Management, Value offering and transitioning from traditional marketing to acknowledging the importance of community and the human spirit in Marketing. Understanding Collaboration and looking beyond the 4ps were some of the words used as keywords. The search has been limited to journal articles, blogs, and material considered validated knowledge. The abstracts and findings of 28 articles have been verified by examining and drawing parallels with the book Marketing 3.0 by *Philip Kotler, Hermanwan Kartajaya, and Iwan Setiawan*, the articles that were related explicitly or implicitly to Value-Driven Marketing or Lead generation in B2B Markets as well as Value Driven Matrix selected from the book Marketing 3.0. S, this study is based on 28 articles and 14 blogs with a specific focus on implementing Value-driven marketing Tactics in B2B mainly to generate leads and

acquisition of customers. An axial coding content analysis technique was employed. Using this technique, notes and headings are written in the text based on their association with the research focus. While inductively reviewing the studies, we also acknowledged that each study could contribute to several different headings. Thereafter, all headings were collected on a coding sheet and categories were generated. Through this, we were able to find similarities and build direct and indirect relationships within the data set concurrently leading us to our result.

## **RESULT AND FINDING:**

The purpose of this study is to understand the level of impact Value-Based marketing can have on acquiring new customers and generate leads of prospective customers in B2B market. We were inspired by the Value-Driven Matrix in Marketing 3.0, and we aimed to instill this matrix in B2B Buyer Centric model to create a community-centric model which places the 3I's Integrity, image, and identity of a brand in customer's mind and clearly define the position, differentiation, and brand image to the prospective clients. From thorough examination of various articles revolving around this subject both implicit and explicitly we observe that the world of Business is transitioning to a more service-oriented view for functioning, moving from a traditional model to a modern and more inclusive Value-based model, which has a holistic approach towards marketing. Here the focus is more on Brand Values, ethics, and how the brand resonates with the customers it is beyond corporate social responsibilities, it is focusing more on Transparency and inclusivity creating a cultural brand that communicates with its Community and Target market.



(Fig. 2) Conceptual model of Value-based Marketing in B2B Market

The above model is inspired by (fig. 1) which shows, every sector of a Business has its expectations, motivation, and appeal towards the enterprises, a brand ought to be seen as realizing aspirations and practicing compassion in some form. It must not only promise Profitability and Return ability to current and future shareholders, but also Sustainability. It must also become a brand that is better, different, and that makes a difference to current and future employees (Marketing 3.0, 2007)

### Lead Generation:

With the emergence of various digital platforms assisting Businesses to acquire quality leads through Organic and inorganic techniques such as SEO, Email Marketing, PPC, social media, Lead Nurturing, etc. various enterprises fail to achieve the goals of acquiring customers due to their proposition not aligning with their Brand Values. Modern Customers have eclectic expectations where values play a very important role in their purchase decision. A marketer needs to tailor their value proposition that corresponds to the DNA of the enterprises. Communication is driven by content such as posts, blogs, emails, etc., the messages must be focused on the pain points of the customers, but it should communicate companies' values while solving the problem of how the enterprise also stays true to its commitment. For example, B2B food Manufacturing company that's vision is zero waste and eco-friendly packaging called Edible Pro have worked on edible cutlery which not only is a cause-based business model but also a great example of how companies are coming up

with products and strategies that resonate with their values and ethics and resounds with on the communitarian grounds as well.

We can observe similar characters in Marketing Campaigns of LinkedIn which exhibits its culture of Transformation, Integrity, collaboration, and result. Weaving the Values whether, it being Sustainable energy, organic authenticity, transparency, or working for the betterment of the needful in the marketing content so the prospective customers could observe the extra mile and effort the company takes while functioning.

### **CONCLUSION:**

For marketing strategy, the important thing here is not whether Value-Driven marketing is possible in each situation or not, rather it is a question of whether the company finds it profitable and suitable to base its strategy on a Value-Based or not. In Contrast, there is always Value behind the Vision and mission of an organization, to implement these values an organization first should become aware of how to inculcate these values in their marketing strategy. Today the B2B market is looking beyond the Prices, it is looking for the best value proposition which provides quality as well as sustainability. However, it is not always the best choice to develop a marketing strategy based on Values. As Value is subjective, it could be different for different customers and they might not align with it, Transparency can be justified but some customers might look at a product as a commodity but not as a Brand identity so while designing a marketing strategy one should consider such customers as well. Besides the Identity, ethics, and Value of the company the nature of the product, the market situation, and the competitive situation also has a major impact on the final decision of the customer we do however believe that Value-Driven Marketing Can have a moderate impact on customer choices and lead generation. This strategy could help in building a long-term relationship with the customer consist of Trust, profitability, and Satisfaction.

### **LIMITATIONS:**

Value-Driven Marketing is publicizing the product or service based on the value product or service is going to create in the consumer's life. For example, raw materials for a painting can cost around £60, but if the painter was, say, Leonardo da Vinci, his name, prestige, history, and the fact that his death makes his paintings limited, makes that painting's value way higher. It is a customer-centric marketing strategy where companies base their prices on how much their target market believes a product is worth. Instead of looking within the company or laterally this strategy looks outward, towards your target market's needs, wants, and willingness to pay. Like everything, this strategy has got limitations too. Limitations in reaching the people require ample research, time, and resources, etc. The following are the limitations the value-driven marketing has got-

### **1. Difficult to justify the added value for commodities**

Value-based pricing for businesses selling commodities will find it harder to justify the added value of their products. The abundance of options and competition in the market makes it tougher unless there's something special about your product.

### **2. Perceived value is not always stable**

Perceived value is subjective, and it changes due to cultural, social, economic, and technological factors that are outside your control. Moreover, customers that grew accustomed to your products can grow desensitized to its perceived value and might start to see less value in it. Also, competitors might come up with a better offer that comes with a higher perceived value. With value-based marketing, means you are forced to lower your prices in these situations, which can severely affect revenues and profit.

### **3. Requires ample research, time, and resources**

To execute value-based pricing correctly, you need extensive market research. This is time-consuming and requires a lot of resources. This is usually not as feasible for starting businesses.

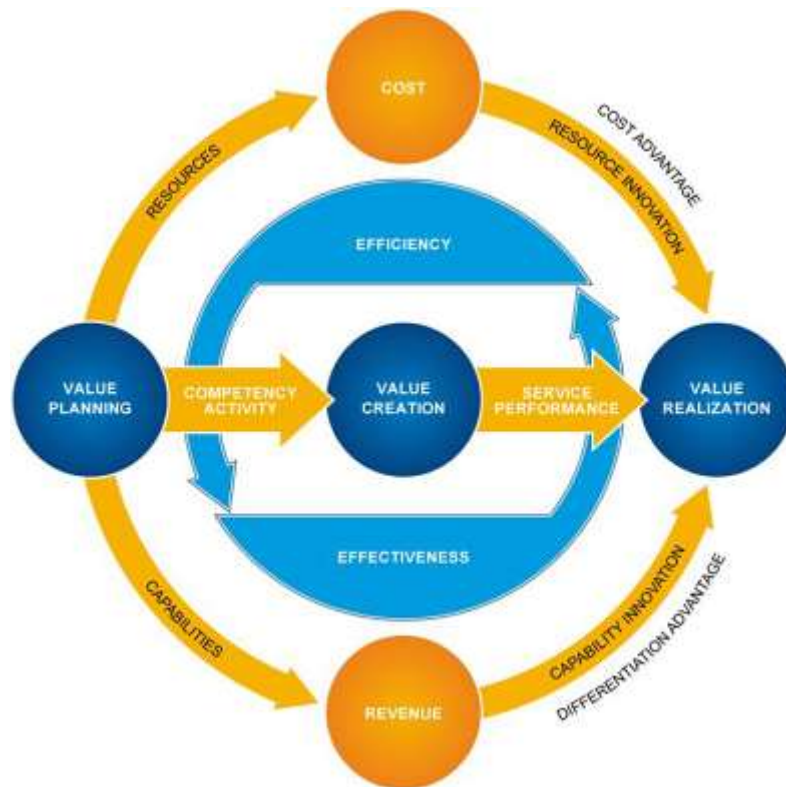
### **4. Production costs**

Specialized products and continuous efforts to develop product lines and services mean higher production costs. You will need excellent raw materials and highly skilled labourers to maintain and improve product quality.

Optimizing its advantages and minimizing the disadvantages lies in your business model and marketing strategies. Value-based pricing is not for everyone, but when properly executed, can drive profit, build value to your brand, and establish customer loyalty, which leads to success.

### **FUTURE SCOPE:**

Value-driven marketing, unlike traditional product marketing, has one destination: to create deep, meaningful VALUE in your clients' businesses or lives. In the future, artificial intelligence (AI) is likely to substantially change both marketing strategy and customer behaviors. Building from not only extant research but, also extensive interactions with practice. The diagram shows the creation of value among the customers and maintaining it by taking feedback.



*McKinsey Quarterly* archive analysis six major changes that promised to transform future value-driven marketing efforts and AI being one of them. These forces have largely proved to be as influential as predicted and continue to shape today's challenges. Change is the dominant fact of life in every business today. And the ability to master and exploit change has become one of the most sought-after management skills. This is particularly true in marketing, where the very tempo of change is constantly quickening.

1The dominance of the customer.	This is still in process of evolution. The need to understand and anticipate future customers is bound to become even more essential than in the past because the end-users of almost a company's products are shifting in makeup, location, and number at an ever-increasing rate.
2. The spread of marketing research.	If the quality of the marketing output is materially affected by the calibre of the informational input, then marketing research is bound to increase in use and contribution as the interest in more scientific marketing grows.

3.Expanded use of test marketing.	The more controlled experimentation to narrow the odds of an error in making marketing changes.
4. Metamorphosis of field selling.	A 1964 survey by the Sales Executives Club of New York placed average training costs at \$8,731 per person, excluding pay. Keeping a typical salesperson on the road may easily average \$15,000 to \$17,000 of direct costs per year, including compensation. To achieve a satisfactory return on this investment, the salesperson must sell profitably—not just bring in volume. The job is becoming less and less the presentation of the company’s product line, more and more the marketing of integrated systems.
5. Global market planning.	The product or service should be designed and made by keeping into consideration it is to be sold worldwide. This increases the target customers and sales as well.

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## **INSURGENCE CONSUMER INCLINATION AND CLIMBING SALES OFM-COMMERCE THROUGH DIGITAL PAYMENT SYSTEM**

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### **ABSTRACT:**

Electronic payment system is revolutionary stage of Indian economic industry. Electronic payment system is also known as digital payment has come up with both infrastructure ecommerce and Mobile commerce. The digital transaction was massively spread was USD 5.44 trillion in 2020. In India, Ecommerce industry has created valuable customer satisfaction in various consumer-based sectors. Now with the help of advanced technology companies coming up with mobile applications-based industry. Mobile applications-based technological business is termed as Mobile commerce. Mobile commerce was first time announced by Kevin Duffey in 1997 at the Global Mobile Commerce Forum. The increase of the ability and strength of wireless offers provides right opportunities for rising up offerings to customers. Businesses are starting to realize that m-commerce is the important thing to enhance their brand, boost sales, and hold up with competitors. In the present-day business organizations, mobile commerce or M- Commerce has been entered in finance, services, retails, telecommunication and IT/ITES. In these sectors, India needs to take its place within the forefront of supplying innovative services and applications to its citizens. This study examines the relationship between consumer responses towards modern technology through mobile commerce. This paper presents a review of digital payment through mobile commerce business models and we try to provide an overview of the paradigm shift of accepting change in mode of payment transactions. Secondary data have been collected and analyzed by the researchers. This paper attempts to understand the shifting from e-commerce to m-commerce and to assess the rising trend of digital payment transaction mode.

**Key Words:** Digital Payment, Mobile Commerce, Rising Trend, Sales

### **1. INTRODUCTION**

In today's world, the internet has become an indispensable component of our lives. The internet is a cutting-edge technology that allows you to communicate with people from all around the world. The internet helps the consumer market as well. With technological advancements, e-commerce has begun its journey to develop a digital platform. (2015) (Mishra). E-marketers play a critical role in raising customer awareness and delivering items and services to their homes. E-commerce has had an impact on India's consumer goods markets. The advent of technology has made it possible to penetrate the digital payment platform using user-friendly solutions. Contactless payment system which is always environment friendly. (Dr Mishra, Dr Tripti Sahu, Dr Nitin Ranjan, 2021). With enhanced technology, the paradigm is transitioning from electronic commerce (E-commerce) to mobile commerce (M-Commerce). The government has implemented a number of digital initiatives in order to improve the digital payment system. Electronic Retail Payment Instruments are The retail electronic payment systems in the country are National Electronic Funds Transfer System (NEFT), Digital Wallets, Electronic Clearing Service (ECS), Card Based Payment System. For Large Value Payment Systems are Real Time Gross Settlement System (RTGS) and High Value Clearing Systems.

## 2. FACTORS INFLUENCING THE ADOPTION OF M-COMMERCE

The following factors are drawn from the literature on technology adoption models. The next section looked into the elements that influence M-commerce adoption.

- **Perceived usefulness:** According to Davis (1989), the perceived utility of a system in adopting new technology to improve work, especially in current information technology.
- **Perceived ease of use:** According to Dholakia and Dholakia (2004), the degree to which an individual makes an effort to use is indicated. Various studies have been done on the effectiveness of any technology in terms of user effectiveness. Researchers have proposed that technology be user-friendly in order to improve proper working conditions.

- **Perceived trust:** Perceived trust, according to Cho et al. (2007), plays a significant effect in consumer behaviour for any product. Trust has been proven to be an important aspect in the success of mobile commerce by researchers. In mobile commerce, there are a variety of technological considerations to consider. As a result, perceived trust contributes to the creation of a favourable business climate for mobile commerce.
- **Perceived cost:** Anil et al. (2003) discovered that cost is a major issue in deciding whether or not to use mobile transactions. Consumer behaviour is influenced by the perceived cost of delivering items via mobile commerce, according to Sadi and Noordin (2011).

### 3. RESEARCH PROBLEM

The use of the technology is the essential factor for buying any products or services for consumers now a days. The revolution of technology affecting consumer buying behavior in the Indian consumer market. As per statistical analysis online business has huge potential in India. Switching over to E-commerce business to M-Commerce (Mobile Commerce) again enable us to provide multiple opportunities for both buyer and seller. The research has found gap between resolution of technology in Indian consumer market and awareness about various digital mode payment system. The researcher has found building trust towards our products and cost factor also major issues for mobile applications-based companies.

### 4. OBJECTIVE OF STUDY:

- The comparative analysis and buying trends of e-commerce and m-commerce.
- To study effect of digital mode of payment on the sales.

### 5. METHODOLOGY :

Based on published literature, this article was developed using the library research approach. In accordance with the issue of the usage of ecommerce and mobile commerce at Covid-19, the literature used consists of journals, books, and data gathered from the internet. Data from a variety of books, journals, and the internet is then studied and examined in order to reach the results presented in this article.

## 6.COMPARATIVE FEATURES OF E-COMMERCE AND M-COMMERCE:

The following table no.1 shows various distinguish features of e-commerce and m-commerce.

**Table No. 1: Distinguish features of e-commerce and m-commerce**

FEATURES	ELECTRONIC COMMERCE	MOBILE COMMERCE
<b>Devices</b>	PC, laptops	Smartphones
<b>Operating System</b>	Windows, Unix, Linux	Symbian (EPOC), PalmOS, Pocket PC, proprietary platforms
<b>Bearer Networks</b>	TCP/IP & Fixed Wire line Internet	GSM, GSM/GPRS, TDMA CDMA, CDPD, paging networks
<b>Portability</b>	Less portable	More portable
<b>Convenience transactions</b>	Less Comfortable	More Comfortable
<b>Location tracking</b>	limited due to the non-portability of devices	track and identify user locations with the help of GPS technology, Wi-Fi etc.
<b>Mobility</b>	Not mobile, fixed location	Mobile
<b>Device identity</b>	May not be identified	Can always be identified

*Source: Accumulated data*

## 7.STATISTICAL FIGURES: CONSUMER TREND SHIFTING FROM ELECTRONIC COMMERCE TO MOBILE COMMERCE

Consumer preferences are transitioning from electronic to mobile commerce, as evidenced by statistics from world-renowned statistical research firms.

1. According to Statista's research database, India has 1.1 billion cellphone users while China has 1.5 billion. Globally, the mobile phone is becoming increasingly important. According to the study, in 2019, 67 percent of the world's population owns a smartphone.
2. According to OuterBox's database, 79% of smartphone users used their phones to shop online in the last six months.
3. According to Statista's research database, mobile commerce sales forecasts indicate that by 2021, smartphones would cover 59 percent of US retail electronic commerce.
4. Transactions by smartphone have expanded dramatically, according to Statista's research database. Mobile commerce is still growing at a rate of 29%, compared to 22% for electronic commerce.
5. According to Invesp's current study database, between 8% and 10% of people continue to shop online using their smartphones. Shopping on a desktop has been observed to be decreasing year after year, from 78 percent to 63 percent.
6. According to Allied Market Study's current research database, global mobile payment is rapidly rising in numerous areas. By 2023, the mobile payment market is expected to be worth \$4,574 billion.
7. Retail business is rising with digital wallet, according to Zion Market Research's latest research database. Users of smart phones are increasingly requiring digital wallets. According to study, this industry would be worth \$3142.2 billion globally by 2022.
8. According to Stastica's research database, using cellphones to make purchases at point of sale (POS) is known as proximity mobile payment transaction, and it is one of the fastest growing m-commerce trends, with 721 million users worldwide.

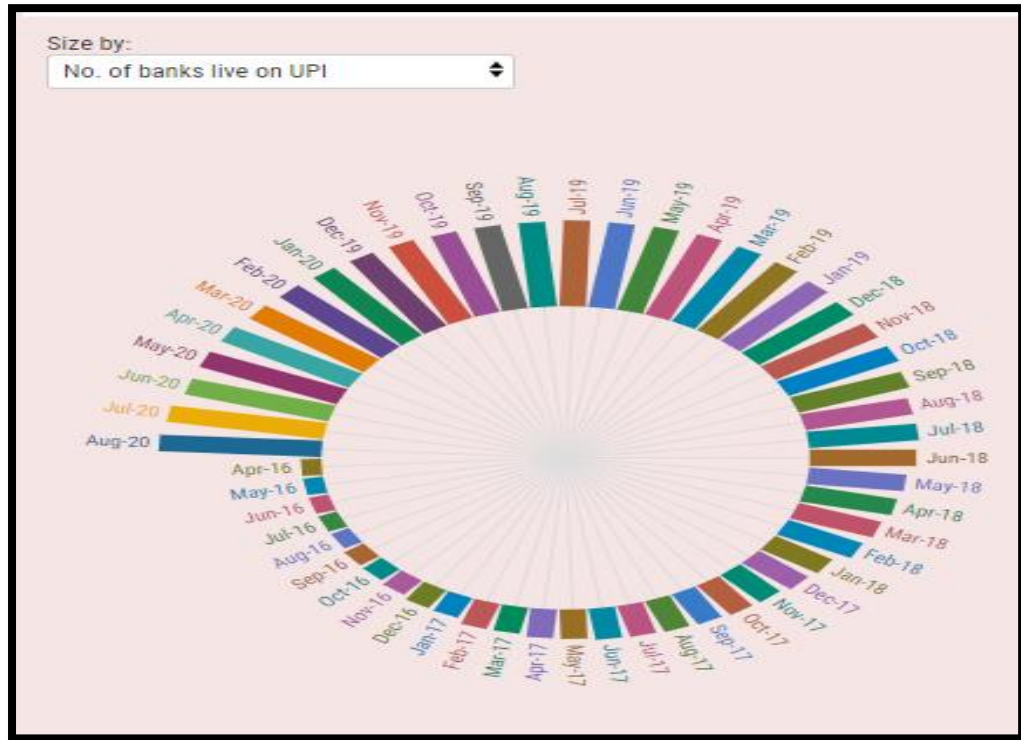
## **8.DIGITAL WALLETS IN INDIA & UPI PAYMENT APP**

As buying patterns continue to change as a result of Covid 19, mobile and digital wallets in India have also changed. Mobile wallets and digital payment apps have surpassed credit card usage and are gradually replacing traditional payment methods,

thanks to UPI, which makes payments frictionless.(Mishra, 2015)Google Pay (formerly known as Tez), PhonePe (formerly part of Flipkart), Dhani App (part of the Indiabulls group), BHIM Axis Pay (a UPI banking app), PayTM (one of the largest mobile commerce platforms), MobiKwik, Yono by SBI, ICICI Pockets, HDFC PayZapp, Amazon Pay, and others are among the digital wallets available in the Indian market.

### **8.1 COVID-19 EFFECT ON UPI TRANSACTIONS THROUGH MOBILE**

National Payments Corporation of India (NPCI) introduced UPI on August 26, 2016. Between 2016 and 2020, the total amount traded on the UPI platform was Rs. 43.45 lakh crore. Between March and August 2020, 14.26 lakh crore was exchanged. This amounts to over a third of the entire amount transacted through mobile on this platform during the last four years (32.82%).UPI transactions have increased dramatically.Following the epidemic, the volume of transactions on the UPI network also surged. Between August 2016 and August 2020, about 793.40 crore transactions (31.08 percent) took occurred on the UPI platform.Total digital payments via digital wallet climbed from 2183.8 Rs. thousand Crore in May 2020 to 2539.5 Rs. thousand Crore in May 2021, according to information from the National Payments Corporation of India (NPCI).

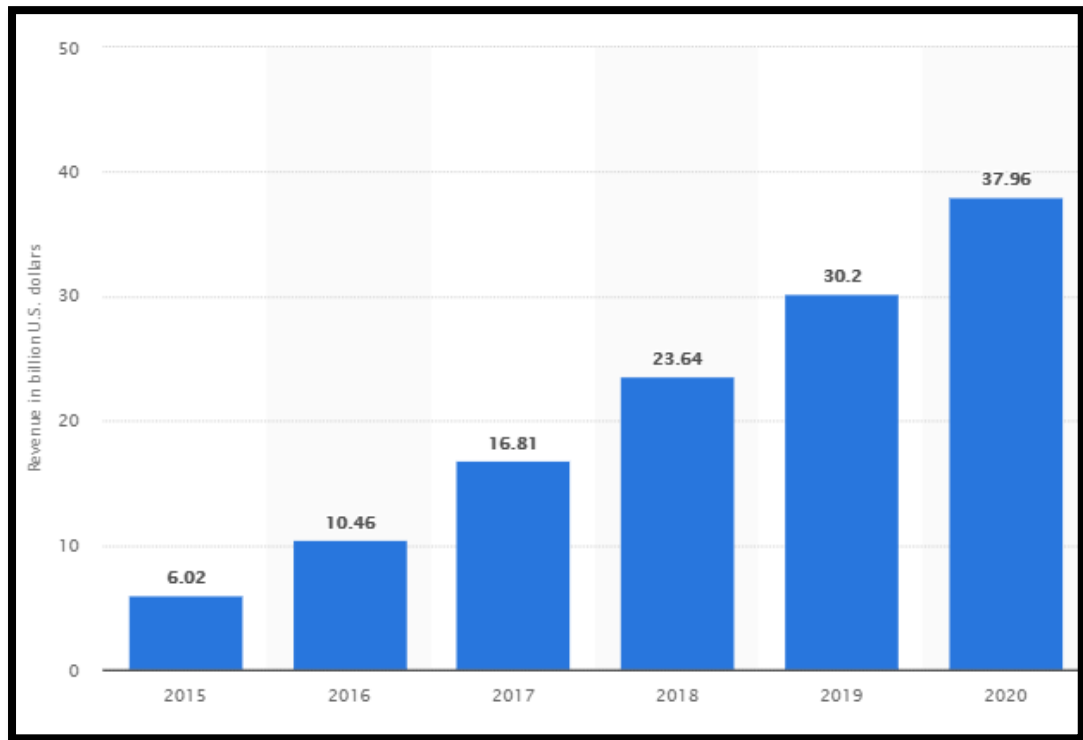


Source : NPCI – BusinessLine

This surge appears to be due to small-ticket amounts and a desire for contactless payments. In fact, within the last six months, the average number of daily mobile transactions has increased. In August 2020, there were roughly 5.22 crore daily mobile transactions, compared to 3.33 crore in April 2020. During the months of March to August 2019, however, average daily transactions were inside the 3 crore level.

## 9. VALUE OF RETAIL M-COMMERCE SALES

M-commerce retail sales in India from 2015 to 2020. By 2020, India's mobile retail e-commerce sales are expected to reach approximately 38 billion dollars. This was a big increase from 2015, but given the country's high smartphone and mobile internet adoption rates, it's not surprising.



Source: Statista 2021

#### 10. FINDINGS OF THE STUDY:

- It has been found that consumer buying trend shifting from e-commerce to m-commerce
- Mobile phone is becoming essential part of individual's life. Globally 67% of population are having own mobile phone. Thus, mobile market has huge potential to enhance more productive and profitable business environment.
- Mobile users are 79% of smartphone user used for online shopping through smartphone.
- Indian retail industry is witness of transaction through mobile sales. It is again forecasting to grow \$37.96 billion by 2020.
- In India, as per various researcher mobile leads large potential 90% mobile phone penetration by 2022, 60% of population will have internet connectivity, 18 GB data consumption per internet user by 2025.



- Government of India has proactively initiated various programs like Digital India, JanDhanYojana, Implementation of GST, Other initiatives Start up India, Skill India, Innovation fund etc. Government of India focused on cashless economy which is very initiative to expand digital based commerce market business in India.

#### **11. SUGGESSTIONS & IMPLICATION OF STUDY:**

- The digital payment mode is drastically increasing with huge expectation from the government and marketer as well. Thus, corporate and government agencies should jointly create efficient ecosystem to extend the caseless economy to the next level.
- Consumer satisfaction play important role to growth of any business model. Thus marketer should communicate and connect with prospective and existing customers accordingly.
- Government should provide effective educational or training program for awareness of effective use and implementation of digital program
- Government should also provide advanced technologies-based infrastructure for all kind of citizens

#### **12. CONCLUSION:**

Digital payment mode transactions have had a favorable impact on both customers and marketers in today's consumer industry. Marketers must comprehend their customers' needs and give 360-degree solutions based on their preferences. They must analyze cross-channel or cross-device consumer journeys in order to do geographical and demographic segmentation. The researcher found that a number of business opportunities and grand challenges of bringing forth viable, cashless technology and robust wireless technologies ahead for fully realizing the enormous strength of digital payment mode transaction. It has been found that consumer buying trend shifting from e-commerce to m-commerce and positively increasing sales towards digital mode of payment. The step taken by government also commendable to boost cashless economy and effective mechanism of digital payment system in India

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## **GREEN MARKETING: A STUDY OF CONSUMERS' BUYING BEHAVIOR IN RELATION TO GREEN PRODUCTS**

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### **ABSTRACT -**

Environmental issue is a sizzling topic nowadays as almost every country's government and society has started to be more aware about these issues. This leads to a trend of green marketing used by the firm as one of the strategies in order to gain profit and protect the environment. This paper will be discussing the green marketing and its sustainability as well as the tools and marketing mix of green marketing. Other than that, the green consumer and branding will be discussed in further in this paper as this will attract more consumers. Lastly, firm will be benefited once green marketing strategy is applied.

Abstract: Green marketing is a phenomenon which has developed particular important in the modern market. This concept has enabled for the re-marketing and packaging of existing products which already adhere to such guidelines. Additionally, the development of green marketing has opened the door of opportunity for companies to co-brand their products into separate line, lauding the green-friendliness of some while ignoring that of others. Such marketing techniques will be explained as a direct result of movement in the minds of the consumer market. As a result of this businesses have increased their rate of targeting consumers who are concerned about the environment. These same consumers through their concern are interested in integrating environmental issues into their purchasing decisions through their incorporation into the process and content of the marketing strategy for whatever product may be required. This paper discusses how businesses have increased their rate of targeting green consumers, those who are concerned about the environment and allow it to affect their purchasing decisions. The paper identifies the three particular segments of green consumers and explores the challenges and opportunities businesses have with green marketing. The paper also examines the present trends of green marketing in India and describes the reason why companies are adopting it and future of green marketing

and concludes that green marketing is something that will continuously grow in both practice and demand.

**Keywords : Marketing, Green Marketing, Sustainability, Green Marketing Benefits, Green Marketing Tools, Organization Benefits, Green Consumer .**

## **INTRODUCTION**

2010s as ending birth years. Therefore, educating this cohort of Chinese consumers about the green purchase is important for green business targeting the younger adult consumer segment in green marketing. Within green marketing, consumer education with sustainable consumption has been ever more urgent in recent years as environmental deterioration continues to pose severe threats to the world population (Esteves et al., 2017; Liu et al., 2019; Razzaq et al., 2018). To communicate with consumers directly about environmental concerns (Fiksel, 2009; Taufique et al., 2014), products with eco-labels (referred to further in this article as eco-labels or eco-labeling) have rapidly become a practical tool to promote green economy (Ackermann, 1976; Finisterra do Paço & Raposo, 2010; Haga, 2018; Kanchanapibul et al., 2014; Pirog, 2003), shape consumer behavior (Grankvist et al., 2004; Minkov et al., 2018; Sammer & Wüstenhagen, 2006; Shen, 2008; Thøgersen, 2000), and improve environmental ethics (Dietz et al., 2002), especially within the young generation (Hill & Lee, 2012; Kanchanapibul et al., 2014; Lee, 2008; Teisl et al., 2002). According to Global Ecolabelling Network (2019), a specific eco-label can identify products or services that are confirmed environmentally friendly by an impartial third party. Thus, eco-labels work as an information tool to assure consumers of the authentic environmental claims attached to the product (Atkinson & Rosenthal, 2014). Although the evaluation and estimation regarding the effectiveness and practice of eco-labeling have been conducted worldwide (Gutiérrez et al., 2012; Sörqvist et al., 2013; Streletskaia et al., 2019; Waechter et al., 2015), the mediating factors of eco-labels–related consumption remain ambiguous in current research (Esteves et al., 2017; Loureiro et al., 2002). For example, prior studies have identified and discussed the mediating environmental awareness within the process of eco-label–informed consumer behavior, which is mainly measured by environmental concern (Bamberg, 2003) and environmental attitude (Milfont & Duckitt, 2010). However, they

might relatively focus on one single perspective rather than a holistic view of environmental awareness (Berger & Corbin, 1992; Schuhwerk & Lefkoff-Hagius, 1995; Tang et al., 2004). Moreover, limited research has addressed how eco-labeling could influence green consumption by other influential factors relevant to green consumption, such as perceived consumer effectiveness (PCE) and product attributes evaluation (Minkov et al., 2018). It appears that the lack of knowledge makes it misleading to conclusively design further managerial policies and strategic practice (Qin & Song, 2020; Song et al., 2019). Taking the prominence of eco-labels–related green consumption (Hume, 2009; Kanchanapibul et al., 2014; Yadav & Pathak, 2016) and placing it in the context of the rapidly developing Chinese consumer market provides significant theoretical and practical advancements. However, to-date studies on eco-labeling and Chinese Generation Z are lacking. Besides, more recent literature reveals that young people would also show a higher tendency to doubt eco-information (Albayrak et al., 2013; Bailey, 2007; Goh & Balaji, 2016; Hume, 2009; Mohr et al., 1998; Sullivan & Heitmeyer, 2008). The current research fills this research gap by empirically examining the in-depth effects and the underlying mechanism of eco-label–informed green purchase (referred to further in this article as a green purchase) from the perspective of Chinese Gen Z. The significant contribution of this article contains the following: (a) Our study provides preliminary evidence of Chinese Gen Z to enrich the theoretical relationship between eco-label marketing and generation theory, (b) make a clear distinction of different constructs of environmental awareness and the interaction among these constructs in eco-labeling, and (c) extend the existing literature by discussing the relationship between eco-labels and PCE, which is largely neglected by previous studies. In the following section, we first discussed the theoretical background and relevant hypotheses. Next, we conducted a survey study to address the research question and further empirically validated the theoretical framework. Last, we summarized the results, compared the conclusions with previous studies, and discussed the limitation and future directions.

Some people consume not only what they need, but also buy products that are considered superfluous. For some scholars, acquiring something necessary for their subsistence alone is a kind of utopian consumption for present-day society, largely because of the constant influence of the media and the great publicity for the realization of desires unrelated to basic

human needs. This is the basis of the explanation for what is called consumerism. In impulse buying, the individual acts without minimal cognitive efforts, surrendering to the buying impulse without assessing their risks and disregarding the possible consequences in the future, such as disappointment, regret or financial problems arising from the acquisition. In other cases, the individual realizes the purchase as a way to reduce their emotional conflicts, managing their mood and seeking the generation of positive emotions, such as joy and pleasure (Hausman, 2000). Individuals consume products and services without reflecting on what they are doing because, from their point of view, they are actually doing natural and to some extent automatic things, such as driving, eating or playing. They rarely understand their behavior as a "consumer" (Warde, 2005). There are other cases in which behavior can be considered as "compulsive" that results from compelled and impelled impulses, being inappropriate or harmful to the individual (WoodruffeButton, Eccles & Elliott, 2002). According to Baghi, Rubaltelli and Tedeschi (2009), several companies try to persuade the consumer about supposed charms and benefits of their products and services, making use of artificial devices questionable ones, some of which are known as belonging to the "black side of marketing," called by Mick (1996) the "dark side of consumer behavior." Consumers are the great incentive for companies to offer products and services. And, in particular, products and services that are environmentally responsible, the basis for the formulation of environmental marketing strategies. As Ottman (2012) pointed out, in the past environmental marketing practitioners believed that people cared about environmental issues because they thought the planet was being harmed; now, however, these professionals realize that consumers fear that the planet is losing its ability to maintain human life, which makes them worry about their health and that of their children.

This emerging concern with the environment causes consumers and organizations that represent them to begin to act in favor of the cause, which often means boycotting a particular product, brand or company. This provokes an increase in "green consumerism", defined by Zülske (1997) as a consumer movement aimed at questioning production, mass communication, marketing techniques, the dangers arising from some products placed on the market, the quality of certain goods and information provided by undertakings, among other aspects of consumer relations. In addition to questioning, Ottman (1994) points out,

consumers go on to buy only products they consider "green", leaving "non-green" products on the shelves.

### **LITERATURE REVIEW:**

This emerging concern with the environment causes consumers and organizations that represent them to begin to act in favor of the cause, which often means boycotting a particular product, brand or company. This provokes an increase in "green consumerism", defined by Zülske (1997) as a consumer movement aimed at questioning production, mass communication, marketing techniques, the dangers arising from some products placed on the market, the quality of certain goods and information provided by undertakings, among other aspects of consumer relations. In addition to questioning, Ottman (1994) points out, consumers go on to buy only products they consider "green", leaving "non-green" products on the shelves.

There is greater consumer confidence in the self-styled "green" companies, and, rather than being organic, the organization must behave responsibly, environmentally and socially. The relationship between the consumer and the company must be based on trust, so the consumer must demand products and services that internalize environmental issues (Alves et al., 2011). For this reason, the creation of a strong institutional image associated to environmental sustainability becomes important for companies. Hamza and Dalmarco (2013) highlighted the integration of corporate social responsibility and sustainability practices into the competitive strategies of organizations in the retail sector. In turn, Dalmarco, Hamza and Aoqui (2015) reported the main aspects of the implementation of sustainable strategies in a large Brazilian company in the cosmetics sector.

According to Verplanken and Holland (2002), even in relatively richer countries, values are "a necessary but not sufficient condition" for activating sustainability behavior. This behavior is also influenced by problem awareness and individual behaviors (Nordlund & Garvill, 2003) and requires political and cultural changes (Hupples & Ishikawa, 2009). For Hofstede (1984), cultural values change over time and change to individualism as wealth increases. Other contributing factors are changes in the socioeconomic environment,



institutions and experiences experienced from different generations, including educational experiences.

On this aspect, it can be said that societies with capitalist and competitive systems, such as those of Western countries such as the United States, Europe and countries of South America, such as Brazil, generally promote "personal self" and individual success ; on the other hand, societies with a collective social orientation such as that of Asian and African countries and in some places in South America promote the idea of "belonging to a group". Thus, the notion of values can be used as a lever to introduce "education for sustainability" into corporate education programs. (Seeley, 1992; Triandis & Suh, 2002; Sidiropoulos, 2014). The values that people and groups possess are established based on the cultural aspect. In this regard, Solomon (2016) emphasized that culture can be understood as a set of meanings, rituals, norms and traditions that are shared among the members of an organization or society.

The cultural aspect varies from region to region within the same country and often brings important differences in different countries. Brands from different countries also carry these meanings. Recchia, Hamza and Luppe (2015) have identified how the country of origin of brands can influence the perception of value and the purchase intention of consumers of premium products in Brazil

Christopher Gan and et. al., (2008) \*1 people more concerned in environmental because their desire to save environmental. They believed that if they keep consuming green goods, they engage to environmental protection. The most of New Zealand consumers about (72%) see the significant of green products, they educated and understanding about the relationship of them to the environment. This study tries to explore the purchasing behavior of New Zealand people towards green products and the factors that influenced who wished to take of green products.

Vickie Chihshuan Chiu (2009)\*2 nowadays green products industries in Taiwan have expanded with the supporting of the innovation patterns and value chain system in Taiwan. Majority (59%) of green industries are information technology products and household

appliances products. Moreover, they have created value for the product in term of research and design as well as marketing to meet the needs of Taiwanese's smart life and sustain the environment. This study committed to realize the connection of green products industries and product value creation. They also scrutinize the correlation amongst the impact of green products on buying behavior of the consumer.

Purba Rao and Mari Kondo (2010)\*6 supply chain management is very important, that is, it embraces the heart of the business process. It starts from ingredients and raw materials separation to the accomplishment of the process or to the green products' exist customer. Moreover, to focus on creating an environmentally friendly purchasing environment. By nature, the industry believes that the performance will be statement of buying green. However, to make a significant link between buying green with business performance and 92 organizations in the Philippines were selected for the study. This article presents theoretical concepts, detailed research methods, application of flow models and analyzes the results.

Tan Booi Chen and Lau Teck Chai (2010)\*7 fast growing green business and lifestyle of consumer and consumer behavior are the main cause of the environmental damage and the condition is getting worse and become a permanent concern in the developed nation, there will always be a shift in the green environment. This article is a natural exploration and has two purposes. The significant objective is to contrast of the sample's gender with the green products and environment's attitudes by using student t-test to be the statistic tool and the answer projected that the sex of the consumers did not differ with the green goods and environment's attitudes. Factors that rotate matrix determine the basic dimensions of environmental attitudes are three-dimensional; these are governmental roles, environmental protection and private norms. The research result of chi-square analysis pointed out those consumers' attitudes toward government roles and their personal norms toward the environment were significantly to their attitudes on influence factors.

## **RESEARCH METHODOLOGY**

The article was developed through a descriptive research. In order to accurately and reliably measure the data, a quantitative approach was used, with the use of the survey as a research method. The survey was chosen because it is a collection of primary information from the application of a structured research instrument, which encompassed several variables capable of testing the research hypothesis.

As a data collection instrument, a structured questionnaire was adopted, adapted from Afonso (2010), using a five-point Likert scale, requiring respondents to indicate a degree of agreement or disagreement regarding their ecological behavior and their psychographic characteristics. The questionnaire originates from the Ecologically Conscious Consumer Behavior (ECCB) scale, developed by Roberts (1996) with 30 scale variables plus 4 sociodemographic questions, and replicated by Straughan and Roberts (1999), which in addition to those already mentioned included plus 22 variables with psychographic issues related to altruism, perceived efficacy, environmental concern and liberalism. Its main objective was to verify the relationship between the demographic and psychographic variables with the behavior of the green consumer, as well as to relate these characteristics to the intention of buying the sustainable consumer.

Thus, it is understood that the ECCB scale, adapted to this study, is adequate to the objectives, considering its ability to test the hypotheses listed by Akehurst, Afonso and Gonçalves (2012) on consumer buying behavior ecologically conscious. Thus, the instrument has conditions to verify the adequacy of the hypotheses in the diverse socio-cultural reality of the Brazil-Uruguay border.

The questionnaire was divided into four sections, the first one dealing with ecologically conscious consumer behavior with twenty-one questions; the second approaching the psychographic characteristics with issues related to altruism, perceived efficacy, environmental concern and liberalism, totaling twenty-two questions, similar to the study by Straughan and Roberts (1999); the third one referred to the intention to buy green products with three questions, according to Afonso's study (2010) and the last one dealt with the sociodemographic characteristics counting on six questions: age, gender, marital status, children, schooling and gross family income.

## ANALYSIS

### SIMPLE PERCENTAGE ANALYSIS AND DESCRIPTIVE ANALYSIS ON PERSONAL INFORMATION OF THE RESPONDENTS

**TABLE NO.1**  
**DEMOGRAPHIC INFORMATION OF THE RESPONDENTS**

Particulars	No. of Respondents	Percentage (%)
<b>Gender</b>		
Male	314	52.3
Female	286	47.7
<b>Total</b>	<b>600</b>	<b>100</b>
<b>Age in Years</b>		
22 – 30	380	63.3
31 – 40	132	22.0
41 – 50	88	14.7
51 and above	0	0.0
<b>Total</b>	<b>600</b>	<b>100</b>
<b>Marital Status</b>		
Married	246	41.0
Unmarried	354	59.0
<b>Total</b>	<b>600</b>	<b>100</b>
<b>Level of Education</b>		
Undergraduate	404	67.3
Postgraduate	186	31.0
Others	10	1.7
<b>Total</b>	<b>600</b>	<b>100</b>
<b>Annual Income of Family (Rs.)</b>		
Below 100000	55	9.2
100000 – 200000	158	26.3
200001 – 500000	349	58.2
500001 & above	38	6.3
<b>Total</b>	<b>600</b>	<b>100</b>
<b>Number of Member in Family</b>		
Two	3	0.5
Three	107	17.8

Four	213	35.5
Five	244	40.7
Six & Above	33	5.5
<b>Total</b>	<b>600</b>	<b>100</b>

IMPLE PERCENTAGE ANALYSISAND DESCRIPTIVE ANALYSIS ONOPINION OF THE RESPONDENTS ON GREEN PRODUCTS

**TABLE NO.2**  
**ENVIRONMENTAL FRIENDLY IS IMPORTANT**

<b>Opinion</b>	<b>No. of respondents</b>	<b>Total of percentage</b>
Yes	587	97.8
No	13	2.2
<b>Total</b>	<b>600</b>	<b>100</b>

Source: Primary data

The table above indicates the opinion of white collar on environmental friendly is important, 97.8% of them said “yes” that to be the environmentally friendly is important, but 2.2% of them said “no” about it.

<b>Opinion</b>	<b>No. of respondents</b>	<b>Total of percentage</b>
Slightly	197	32.8
Strongly	383	63.8
Not much	20	3.3
<b>Total</b>	<b>600</b>	<b>100</b>

Source: Primary data

The data in table no.3 can be interpreted as 32.8% of white collar slightly cared about using green products, 63.8% of them strongly cared about using green products and 3.3% of them not much cared about using green products.

<b>Opinion</b>	<b>No. of respondents</b>	<b>Total of percentage</b>
Yes	373	62.2
No	45	7.5
Not always	182	30.3
<b>Total</b>	<b>600</b>	<b>100</b>

Source: Primary data

The information of the respondents from the table no.4 describing that 62.2% of their opinions said “yes” they preferred green products rather than conventional products, 7.5% of them said “no” about it and finally, 30.3% of the them said “not always” about it.

<b>Opinion</b>	<b>No. of respondents</b>	<b>Total of percentage</b>
Yes	189	31.5
No	411	68.5
<b>Total</b>	<b>600</b>	<b>100</b>

Source: Primary data

As seen in table no.5, 31.5% of the respondents said “yes” that there was enough information about green products features while buying the product and another 68.5% of them said “no” that it wasn’t enough information about the features of green products while buying the product.

<b>Opinion</b>	<b>No. of respondents</b>	<b>Total of percentage</b>
Yes	545	90.8
No	12	2.0
Not always	43	7.2
<b>Total</b>	<b>600</b>	<b>100</b>

Source: Primary data

Based on the analysis in Table no.6, 90.8% of sample responded that “yes” on green products can save the environment and harmless to human health, but 2% of the respondents responded that “no” about it. The remaining 7% of them said “not always” that green products can save the environment and harmless to human health.

<b>Opinion</b>	<b>No. of respondents</b>	<b>Total of percentage</b>
Yes	375	62.5
No	30	5.0
Not always	195	32.5
<b>Total</b>	<b>600</b>	<b>100</b>

Source: Primary data

It is noted from the table no.7 that 62.5% of the respondents said “yes” that they first considered green products when purchasing a product, 5% of them said “no” that they first considered green products when purchasing a product and 32.5% of them said “not always” that they first considered green products when purchasing a product.

**TABLE NO.9**  
**FREQUENCY OF BUYING GREEN PRODUCTS**

<b>Opinion</b>	<b>No. of respondents</b>	<b>Total of percentage</b>
Yes	332	55.4
No	59	9.8
Not always	209	34.8
<b>Total</b>	<b>600</b>	<b>100</b>

Source: Primary data

As shown the above table no.8 reveals that 55.4% of the respondents said “yes” that they considered about eco-labeling when they are purchasing green products, 9.8% of them said “no” that they considered about eco-labeling when they are purchasing green products and the rest 34.8% of them said “not always” about it.

<b>Frequency</b>	<b>No. of respondents</b>	<b>Total of percentage</b>
Several times a week	9	1.5
Once a week	53	8.8
Once a month	326	54.3
Few times a year	212	35.4
<b>Total</b>	<b>600</b>	<b>100</b>

Source: Primary data

The consequence frequency of purchasing green products as table no.9 that 1.5% of the respondents bought green products several times a week, 8.8% of them bought it once a week, 54.3% of them bought it once a month and the rest 35.4% of them bought it few times a year.



**TABLE NO.11****AMOUNT SPENT ON GREEN PRODUCTS IN SINGLE PURCHASING**

<b>Period</b>	<b>No. of respondents</b>	<b>Total of percentage</b>
< 1 year	49	8.2
1 - 2 years	156	26.0
3 - 4 years	308	51.3
5 years and above	87	14.5
<b>Total</b>	<b>600</b>	<b>100</b>

Source: Primary data

It is observed from the data as table no.10 about the period of using green product found that 8.2% of the sample used green products < 1 year, 26% of them used it about 1 – 2 years, 51.3% of them used green products approximately 3 – 4 years and remaining 14.5% of them used green products for 5 years and above.

<b>Amount (Rs.)</b>	<b>No. of respondents</b>	<b>Total of percentage</b>
Below 1000	129	21.5
Between 1000 to 2000	248	41.3
Between 2001 to 5000	196	32.7
More than 5000	27	4.5
<b>Total</b>	<b>600</b>	<b>100</b>

Source: Primary data

From the table no.11 can be described as 21.5% of the respondents had spent below 1000 rupees on green products in single purchasing, 41.3% of them had spent between 1000 – 2000 rupees on green products in single purchasing, 32.7% of them had spent between 2001 – 5000 rupees on green products in single purchasing and finally, 4.5% of them had spent more than 5000 rupees on green products in single purchasing.

**TABLE NO.13****TRUST THE QUALITY OF GREEN PRODUCTS**

<b>Opinion</b>	<b>No. of respondents</b>	<b>Total of percentage</b>
Yes	286	47.7
No	83	13.8
Not always	231	38.5
<b>Total</b>	<b>600</b>	<b>100</b>

Source: Primary data

Based on the study results in the table no.12 was found that 47.7% of the respondents said “yes” that the information published about green products are informative, 13.8% of them said “no” that the information published about green products are informative and the remaining 38.5% of them said “not always” that the information published about green products are informative.

<b>Opinion</b>	<b>No. of respondents</b>	<b>Total of percentage</b>
Yes	337	56.2
No	122	20.3
Not always	141	23.5
<b>Total</b>	<b>600</b>	<b>100</b>

Source: Primary data

The information of the table no.13 describing that 56.2% of the sample said “yes” that they trusted green products quality, 20.3% of them said “no” about it and the last 23.5% of them said “not always” that they have not always trusted the green products quality.

**TABLE NO.15****THE PRICE OF GREEN PRODUCTS IS SUPPOSED TO BE HIGHER**

<b>Opinion</b>	<b>No. of respondents</b>	<b>Total of percentage</b>
Yes	231	38.5
No	90	15
Not always	279	46.5
<b>Total</b>	<b>600</b>	<b>100</b>

Source: Primary data

As shown the information in table no.14 reveals that 38.5% of the respondents said “yes” that the product and packaging will only be considered if those products can be recycled before making the purchase, 15% of them said “no” about it and finally, 46.5% of them said “not always” that the product and packaging will only be considered if those products can be recycled before making the purchase.

<b>Opinion</b>	<b>No. of respondents</b>	<b>Total of percentage</b>
Strongly agree	20	3.3
Agree	166	27.7
Neutral	282	47.0
Disagree	132	22.0
Strongly Disagree	0	0.0
<b>Total</b>	<b>600</b>	<b>100</b>

Source: Primary data

As seen information in the table no.15 that 3.3% of the respondents strongly agreed with the price of green products should be higher, 27.7% of them agreed with it, 47% of them were neutral on it and the last 22% of them disagreed with it.

**TABLE NO.17****PERCENTAGE OF MARKET PRICE THAT RESPONDENTS AGREE TO PAY MORE**

<b>Opinion</b>	<b>No. of respondents</b>	<b>Total of percentage</b>
Strongly agree	59	9.8
Agree	221	36.8
Neutral	196	32.7
Disagree	124	20.7
Strongly Disagree	0	0.0
<b>Total</b>	<b>600</b>	<b>100</b>

Source: Primary data

The data as seen in the table no.16 can be narrated as 9.8% of the respondents strongly agreed to pay more if the green products price varies with the features, 36.8% of them agreed with it, and 32.7% of them were neutral on it, and the last 20.7% of them disagreed with it.

<b>Market Price</b>	<b>No. of respondents</b>	<b>Total of percentage</b>
<5%	159	26.5
5 - 10%	372	62.0
11 - 20%	65	10.8
21 - 30 %	4	0.7
<b>Total</b>	<b>600</b>	<b>100</b>

Source: Primary data

The information as the table no.17 is observed that 26.5% of the respondents agreed to pay more for the market price of green products than the market price of conventional products, if the market price of green products if the market price is less than 5%, 62% of them agreed to pay more for green products if the market price of green products is about 5 – 10%, 10.8% of them agreed to pay more for green products if the market price of green products is approximately 11 – 20% and finally, 0.7% of the them agreed to pay more for green products if the market price of green product is about 21 – 30%.

**TABLE NO.22****CELEBRITIES INFLUENCE THE RESPONDENTS ON GREENPRODUCTS**

<b>Reason</b>	<b>No. of respondents</b>	<b>Total of percentage</b>
Enhance a quality of life	123	20.5
Environmental protection responsibility	336	56.0
Potential increase in product value	89	14.8
Getting high level of satisfaction	52	8.7
<b>Total</b>	<b>600</b>	<b>100</b>

Source: Primary data

As seen from the table no.18 that 20.5% of the respondents were willing to pay more for green products for the reason of enhancing a quality of life, 56% of them were willing to pay more for the reason of environmental protection responsibility, 14.8% of them were willing to pay more for the reason of potential increase in product value, and the last 8.7% of them were willing to pay more for the reason of getting a high level of satisfaction.

<b>Opinion</b>	<b>No. of respondents</b>	<b>Total of percentage</b>
Always	12	2.0
Sometimes	326	54.3
Not always	262	43.7
<b>Total</b>	<b>600</b>	<b>100</b>

Source: Primary data

As data shown in the table can be accounted for 2% of the respondents were always influenced by celebrities on purchasing of green products, 54.3% of them were sometimes influenced by celebrities on purchasing of green products and the rest 43.7% of them were not always influenced by celebrities on green products purchasing.

TABLE NO.24

## KINDS OF GREEN PRODUCTS THAT THE RESPONDENTS BUY MOSTOFTEN

Serial No.	Kind of green products	No. of respondent
1	Clothes & Fabric	94
2	Household Appliance	402
<b>3</b>	<b>Health care</b>	<b>600</b>
4	Cosmetics	186
5	Organic food/drink	515
6	Homewares	70
7	Others	0

Point	No. of respondent	Rank	Percent
<b>3</b>	<b>600</b>	<b>1</b>	<b>100.00%</b>
5	515	2	83.30%
2	402	3	66.60%
4	186	4	50.00%
1	94	5	30.30%
6	70	6	16.00%
7	0	7	0.00%

Source: Primary data

As data shown in the table can be accounted for is sorted and ranked, the resultants of the green product that the respondents had bought most often. Out of 600 respondents all 600 were selected the 3<sup>rd</sup> kind of green products. Therefore, it can be accounted for health care was the first kind of green products that they had bought most often from other kind of green products, followed by organic food/drink, household appliance, cosmetics, clothes & fabric and homewares respectively.

<b>Serial No.</b>	<b>Influence factor</b>	<b>No. of respondents</b>
1	Acceptable Price	91
2	Design/Packaging	49
3	Sales Promotion	41
4	Advertising	66
5	Popularity	29
6	Brand Name	20
<b>7</b>	<b>Quality of the product</b>	<b>304</b>
<b>Total</b>		<b>600</b>

<b>Point</b>	<b>No. of respondents</b>	<b>Rank</b>	<b>Percent</b>
<b>7</b>	<b>304</b>	<b>1</b>	<b>100.00%</b>
1	91	2	83.30%
4	66	3	66.60%
2	49	4	50.00%
3	41	5	33.30%
5	29	6	16.60%
6	20	7	0.00%

Source: Primary data

As data shown in the table can be accounted for is sorted and ranked, the results of influence factor that influenced respondents the most when they buy green products. It can be concluded that out of 600 respondents 304 were selected the 7<sup>th</sup> influence factor on buying green products. Therefore, it can be accounted for the quality of the product was the first highly influenced factor among the other factors when they buy green products, followed by acceptable price, advertising, design/packaging, sales promotion, popularity and brand names respectively.

## FINDINGS

- The result revealed that the majority (9.8%) of them said “yes” on environmental friendly is important.
- It can be narrated that the most (63.8%) of them strongly cared about using green products. □ Mostly (62.2%) of the respondents’ respondents said “yes” that they preferred green products rather than conventional products.
- It can be seen that the majority (68.5%) of them said “no” that it wasn’t enough information about the features of green products while buying a product.
- It is observed that the most (90.8%) of the sample said “yes” on green products can save the environment and harmless to human health.
- It can be accounted for the majority (62.5%) of them said “yes” that they first considered green products when purchasing a product.
- Mostly (55.4%) of the respondents said “yes” that they considered about eco-labeling when they are purchasing green products.
- It is noted that the majority (54.3%) of them bought green products once a month.
- It can be narrated that the majority (47.7%) of the respondents said “yes” that the information published about green products are informative.
- Mostly (56.2%) of the sample said “yes” that they trusted green products quality.
- It can be accounted for the majority (46.5%) of them said “not always” that the product and packaging will only be considered if those products can be recycled before making the purchase.
- Mostly (47%) of them were neutral on the price of green products should be higher.
- It can be accounted for the majority (54.3%) of the respondents was sometimes influenced by celebrities on purchasing of green products.



## 5.2 SUGGESTIONS:

- ☐ The quality is important factor because consumers believe that green products quality is better than the generic products. Consequently, producers and marketers should have a firm commitment to retain the quality of the products.
- ☐ Producers and marketers should study consumer lifestyles and understand consumer demand for green products, the producers and marketers should do consumer surveys on green products by making consumer opinion questionnaire to help producers and marketers understand them and you can able to provide more variety of green for the purpose of better serve consumers' need for green products.
- ☐ The price of a product is another important factor for producers and marketers as it is a variable to evaluate the value consumers see in green products/services and hearty to pay for them. So producers and marketers of green products must ponder and find a reasonable pricing strategy for the product.
- ☐ Green producers and green marketers should conduct serious campaigns to inspire and change the behavior of their education age and working age go into green consumers and bring about changes in consumer behavior and also will encourage sustainable development at the community level and move towards higher levels.
- ☐ Give consumers choices for the purpose of gain value and benefit from the product. ☐ Producers and marketers need to build market credibility.
- ☐ Join with Environmental Clubs come together to develop and guarantee the quality of environmentally friendly products.
- ☐ Promote good understanding of the society that how does business watch over the environment, this will give consumers a better attitude towards companies and green products.
- ☐ Do not bore until you make a "clean world."

## CONCLUSIONS

The present study contributed to the knowledge about the behavior of the green consumer. From the empirical data, the statistical estimates made it possible to prove the general hypothesis of the study. The results obtained, in general, indicate that the majority of the respondents present a high ecologically conscious behavior. Although studies in the international literature found that the sociodemographic variables are not relevant to explain the behavior of the ecologically conscious consumer, when analyzing the individual variables in the BrazilUruguay border region, it was observed that the fact that the consumer has children has a positive influence significant in their buying behavior. Likewise, in relation to the psychographic characteristics, the present study, when evaluating them individually, found that not all exert an influence on consumer behavior. However, they still have an important influence on consumer behavior.

It is worth noting that estimates have determined that the higher the ecological awareness of the consumer, the greater their purchase of sustainable products will be, thus the results show that this behavior reflects a search for products that respect the environment.

By means of the results pointed out by this study, it is verified that the combination between the mentioned scales proved to be adequate and effective in achieving the defined objectives. The results found in the research contribute to increase the knowledge of this subject, opening space for a new way of visualizing marketing, both in academia and in the business sector, providing relevant data in the area of study of ecologically conscious consumer behavior in Brazil –

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## ARTIFICIAL INTELLIGENCE (AI) AND ITS ROLE IN INFLUENCING THE CUSTOMER EXPERIENCE

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### Abstract

Artificial Intelligence (AI) created buzz in the market. As we know that we are living in the digital era or e-era where we are surrounded by 'Technology'. The updated and upgraded technology is almost changing each and every aspect of business. It provides easiness and convenience to business in their operations which ultimately impact consumer experience in positive manner.

Customers are considered as a very important element for the business. Many organization face problems in customer retention and customer acquisition. To take control over this situation organization can improve customer experience with the help of many sophisticated and advance technology like Neuromarketing, Marketing Automation, Image processing, Image recognition and voice recognition with the use of AI technology.

Artificial Intelligence is already at high pace and created a hype in the market. It is now considered as an integral part of the competing world. Artificial Intelligence tools and techniques acts as a bridge which can be used to reduce the gap between organization and customers which helps in enhancing customer experience.

Companies are spending a lot of time and efforts to understand the consumer psychology, providing better solutions to their problems, engaging them through the shopping journey and after that also, offering valuable inputs for establishing deeper relationships in short providing all which is required to them finding way to delight them to retain them. Marketing automation is the right option to plan all these activities systematically, implementing them perfectly for improving customer experience.

Artificial Intelligence and its application are not limited to larger organization, now small and medium sized organizations are also making aggressive use of AI with dream of achieving big goals in market. AI is helping organizations to take edge over the competitor or competitive advantage with better customer experience.

Marketing is itself a very dynamic concept and with the use of Artificial Intelligence it is more dynamic now. AI is considered as a driving force and playing dominant role in marketing. So, Artificial Intelligence is considered as an important tool which help to take edge over the competitor with better customer experience.



**Keywords:** *AI, Competitive edge, customer experience, Neuromarketing, Marketing Automation, Image Processing, Image Recognition, Voice Recognition*

## 1. Introduction

Presently many companies are using various sophisticated marketing tactics in order to targeting the customers, providing them necessary information and influence their experience in significant manner. These sophisticated techniques consist of chatbots, automated email, various analytical tools, which indeed help the customer in shopping journey and enhance their shopping experience

All the above tactics that we are talking about are considered under the ‘Artificial Intelligence’ which is also called as ‘Black Box Secret’. Now this Artificial Intelligence playing vital role in the field of marketing.

### a. Definition

Let us Understand Artificial Intelligence with the help of various definition mentioned below

Oxford Definition of Artificial Intelligence

“The theory and development of computer systems able to perform tasks normally requiring human intelligence, such as visual perception, speech recognition, decision-making, and translation between languages”

“Artificial Intelligence is the collection of the advanced technologies that allow machines to sense, comprehend, act and learn”

“Artificial Intelligence refers to simulation of human intelligence in machines that are programmed to think like humans and mimic their actions. The term may also be applied to any machine that exhibits traits associated with a human mind such as learning and problem solving.”

So, Artificial Intelligence is nothing but when machines act like human mind

### b. Types of Artificial Intelligence

Types of Artificial Intelligence		Characteristics
<b>Strong Artificial Intelligence</b>		It Mimic human level intelligence
<b>Weak Artificial Intelligence</b>		It is Artificial Narrow intelligence which works on specific criteria
<b>Superintelligent Artificial Intelligence</b>		It Exceeds the human level intelligence and also having capability of creative and specific

thinking
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Today in marketing the weak Artificial Intelligence have great presence and marketers adopted and implemented in the marketing domain (For Example Amazon, Google DeepMind, Googles AlphaGo etc. Visual recognition, Voice recognition, Image recognition language processing, robotics is coming in the category of Strong Artificial Intelligence.

Today Marketing is mostly dominated with the Strong and Weak Artificial Intelligence and trying to revamp its basic right from sales function, Distribution, operations etc. Artificial Intelligence is one of the tactics which is aggressively used by the marketer in terms of matching the product information with the customers online behaviour i.e. searching online which ensures selection of the marketer's product and services.

“LUCKY” one of Artificial Intelligence tool adopted by American Marketing Association in data collection process, analysis and drawing conclusions. Various companies are experimenting this Artificial Intelligence in different and innovative way and this is possible because of the advancement in the Artificial Intelligence field like cloud-based data sets and new and improved algorithms. For example: Nutella one of the famous brands in the FMCG used algorithm which were powered by Artificial Intelligence and designed seven million labels which resulted in the remarkable sales for ‘Nutella Unica’ Jars in Italy.

Humans life is getting impacted because of Artificial Intelligence in some of the other way and impacted almost every aspect of human life. This Artificial Intelligence is transforming customers' needs and wants into customized experiences (technologies like interactive websites, AI driven Mobile application, Chatbot's, driverless cars and so many...)

With the use of Artificial Intelligence marketers can connect with the buyer more conveniently and grab better opportunity in the market accurately. The next industrial revolution will be with aggressive use of Artificial Intelligence, as per the law of ‘Survival of the fittest’ the one who will be well versed with Artificial Intelligence and Machine Learning will only able to survive in the market and can take edge over the competitor.

Marketer needs to think creatively while using the Artificial Intelligence and targeting the customer segments. One of the surveys by Gartner shown the results that the firms and the business who adopted this Artificial Intelligence in early phases like redesigning their websites with visual and voice search will only be able to increase their digital commerce revenue and take the competitive advantage. Customers' demands for personalization has been increased they want companies to have face to face/ one on one communication and the way to achieve for this is ‘Artificial Intelligence’.

### **c. Artificial Intelligence in Marketing- A new ‘HERO’**

The Impact of Artificial Intelligence on society and the business is positive, it is providing the ability to the business firms to reach customers conveniently, understands their needs, requirements, likes, dislikes collect data, analyze it and use that analysis to satisfy them and more than that enhance the customer experience significantly. Artificial Intelligence pose a strong impact on marketing and communications better than the Social Media.

Technology in the marketing field has become driving force and becomes an integral part and providing positive implications in terms of customer engagement and customer experience. Artificial Intelligence will help organization to come up with more rational strategic plan.

Artificial Intelligence influences marketing strategy, sales processes, business models, services and mostly consumer behaviour. In order to engage customer marketer should understand how to use the Artificial Intelligence in marketing.

Artificial Intelligence is playing a dominant role in the marketing field. Artificial Intelligence help the organization in data analysis, make organization more creative and also assist the management in better decision making.

In the resent years Artificial Intelligence became more demanding and its application in marketing domain is more aggressive. Year 2017 industry witness more of native advertising, influencer marketing, live streaming, content marketing, but the year 2018 mostly aimed at consolidation and integration of all the strategies with the use of Artificial Intelligence. in the year 2019-20 use of Artificial Intelligence is observed in online retailing with emergence of hybrid model in retail. The digital payment system became more popular. Artificial intelligence played a key role in the field of customer analytics (for example: Amazon's 'Anticipatory Shipping'- in which Amazon with the help of Artificial Intelligence can anticipate the customer order and deliver the product to the nearest delivery center.

d. Artificial Intelligence and its application in Marketing

Company	AI Application
Google	Self- Driving Car
Uber	Robotics research lab for independent Taxi fleet
GRID	Automated Website redesigning

Artificial Intelligence making its mark in the field of marketing by taking control over the advertising, strategic analysis with the help of more sophisticated techniques such as Machine Learning, Big Data and Analytics. NLP (*Natural Language Processing*), deep learning also proving its metal with better result.

The development of 5 G network will provide the different paradigm in the telecom field and will support very challenging networking profiles. The telecom companies are also using the artificial intelligence and machine learning for improving the customer experience with the 5 G technology. To achieve this organization comes with the customer experience management (CEM). CEM mainly aims to improve the customer experience. To understand and quantifying the customer experience (CX), it is very important to understand the human behaviour and network behaviour and can use it to enhance the customer experience.

#### **e. Customer experience Management**

“The Customer experience is the next competitive battleground”

..... Jerry Gregoire

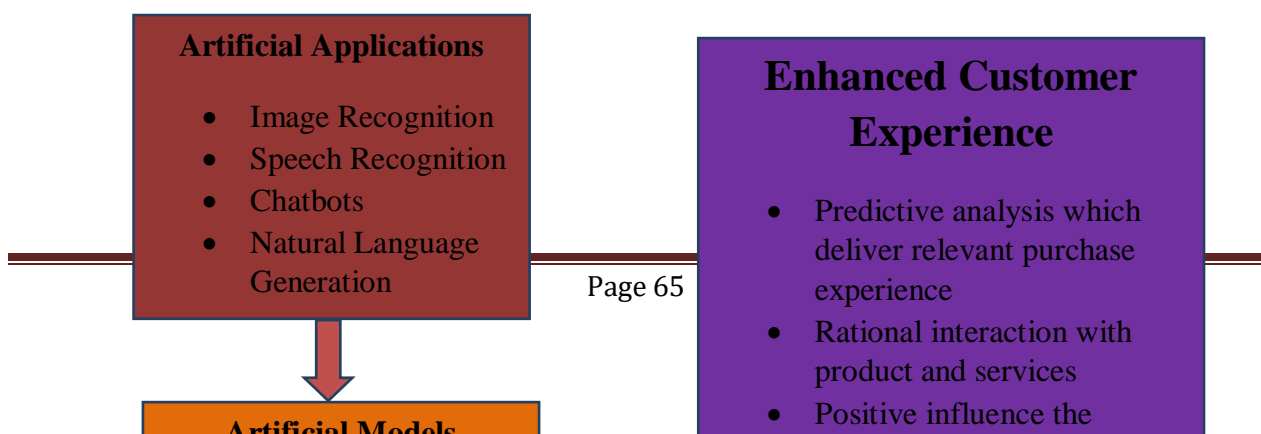
The retention of the customer is very important task for every organization in today's world. Retaining customer is more profitable than hunting for new. To retain the existing customer organizations needs to enhance customer experience by using more sophisticated techniques and methods. Artificial intelligence and Machine Learning are the perfect solution for this. Customers are now more informed and knowledgeable with increasing internet power. This power provides them power of search, comparison and sharing the experience with external world (with Feedback and review). If the customers are not getting the product or service as per their expectation then they express their behaviour to the external world negatively with the help of social media and which impact the brand value of the organization in the long run. Considering this potential threat now organizations are using the technology (Such as AI and ML) for better understanding of consumer buying behaviour, so that they can manage customer experience in positive manner.

### **2. Objectives of the study**

- A. To study the concept of Artificial Intelligence and Customer Experience
- B. To understand role of Artificial Intelligence to enhance the Customer Experience

### **3. Role of Artificial Intelligence in enhancing the Customer Experience**

The conceptual framework will help us to understand role of Artificial Intelligence in enhancing the Customer Experience in better way.



*Figure 1: Role of Artificial Intelligence in enhancing customer experience*

## **Conclusion**

This paper outlines a framework to understand how AI will impact the future of marketing, specifically to outline how AI may influence marketing strategies and customer behaviors. We build on prior work, as well as build from extensive interactions with practitioners. First, we develop a multidimensional framework for the evolution of AI, noting the importance of dimensions pertaining to intelligence levels, task types, and whether the AI is embedded in a physical robot. In so doing, we provide the first attempt to integrate all three dimensions in a single framework. We also make two (cautionary) points. First, the short to medium term impacts of AI may be more limited than the popular press would suggest. Second, we suggest that AI will be more effective if it is deployed in ways that augment (rather than replace) human managers. To examine the full scope of the impact of AI, we propose a research agenda covering three broad areas: (1) how firms' marketing strategies will change, (2) how customers' behaviors will change, its impact on customer experience and (3) issues related to data privacy, bias, and ethics. This research agenda warrants consideration by academia, firms, and policy experts, with the recognition that although AI already has had some impact on marketing, and more specifically on the customer experience it will exert substantially more impact in the future, and so there is much still to learn. We hope that this research agenda motivates and guides continued research into AI.

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## INDUSTRY 4.0 IN INDIA: CHALLENGES AND OPPORTUNITIES

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### **Abstract:**

Digitization is unavoidable and all countries have started investing colossal amount during the covid 19 pandemic. The whole system is experiencing phenomenal changes with Elevated automation level of mechanization; technological frameworks are empowering faster advancements in data information.

With the Covid-19 pandemic causing worldwide business system changes, digitization is at a striking pace and provides opportunity to identify and execute innovative digital systems to drive change. Nations who are constantly monitoring and concentrating on these digitization aspects are more ahead. However, many barriers exist while investigating how India can use digitization to change models and obtain its advantages and the challenges identified with digitization components needs further consideration of how efficiently it can be used.

As digitization outcomes empowers the creation, collection , usage of huge information and incorporate both social and ethical perspectives, .All stakeholders need to understand the various issues along with proper Supervision for data security and information protection ( Royakkers, L., Timmer, J., Kool, L. et al. (2018). The term Industry 4.0 is for the future competitiveness and this industrial revolution is driven by the advanced digital networking systems for value creation at all levels . (H. Kagermann, W. Wahlster, and J. Helbig, 2013).

Industry 4.0 advantages are it assists current challenges by getting progressively adaptable and responds easily to changes with quicker processes, because of its heterogeneous role in an unstable, complex environment these advanced digital ecosystems confine and empower firms with competitive activities. Industry 4.0 is also geared towards sustainability. [Müller, J.M., Kiel, D. and Voigt, K.-I. (2018). With Digitalization and Industry 4.0, organizations can make huge progress due to enhanced resource use, decreased costs, improved worker efficiency, optimized supply chains, (Berman, S.J. (2012),Kagermann et al., 2013; Loebbecke and Picot, 2015).

Investment in digital ecosystems isn't a choice but a need (Selander et al. 2013, ). Developed economies have higher economic advancement benefits because of digitization, as compared to emerging economies. The reason for the varying impacts of digitization in various countries is because of varying economic structures.

The purpose behind this investigation is to understand the changing Indian ecosystem for digitization. For a nation like India utilizing the digital advancement by setting up a strong advanced digital and geo-spatial information framework is of great importance. Various Indian cities are yet to put digitization Process significantly. This study offers an understanding of how



effectively India can reach higher levels of digitization through improved utilization of its digital resources. The study relies upon accessible available literature, different facts and figures, on this subject.

**Keywords:** changing ecosystem, digitalization, Industry 4.0, impact, challenges, opportunities, India.

### **Need of study**

Digitization is significant in this century especially after the covid 19 pandemic, but it is likewise essential to formulate strategies to evaluate the expenses and advantages. Digitalization implies the utilization of digital innovations, technologies and data so as to increase revenue, improve, transformation processes and create an environment, where Industry 4.0 is at the core for sustainability. The proliferation of advancements in digital technology makes choosing the correct strategy for digitizing assets in all sectors which is a complex procedure particularly for a developing country like India.

### **OBJECTIVES**

1. To understand the various digitization indexes to study Digitalization in India
2. To understand India's Digitalization ranking
3. To understand about Industry 4.0 impact, challenges and opportunities in India

### **RESEARCH METHODOLOGY**

The research design for this was an exploratory study; in this study the main consideration was to understand digitization in India, as it is an important aspect for the economy and growth. Secondary data was used for the study and accumulated from various digitization indexes sources. Indian Industry 4.0 was initiated in 2014 to change India into a worldwide design and manufacturing center and transform the country into a digitally empowered society and knowledge economy. An investigation was carried out to examine how digitalization influences value creation, value capture as well as how India can cope with the challenges presented by increased digitalization during covid 19 pandemic.

### **PRACTICAL IMPLICATIONS**

The study will help organizations. By taking cues from this study, organizations can innovate new models.

### **DISCUSSION**



As seen in this paper, and in the analyzed publications, Industry 4.0 is very likely to shape the future in various industries. Companies need to adopt Industry 4.0 technologies in order to keep their competitive advantage in an industry, and even adopt technologies in order to gain competitive advantage. However, firms shouldn't blindly change their current processes to fit Industry 4.0, in some cases

Whilst digitalization is considered to be important, for business model innovation the Indian organization capacities and employee competences were identified as future challenges that will be faced. Industry 4.0 to boost the nation's GDP it needs to rise above big organizations and become available to all. Indian government is a main stakeholder and require assistance related to assets, foundation, specialized skill and exposure. India is in a unique situation to grab the capability of Industry 4.0, if the whole system is united with these various components.

## CONCLUSION

Indian government has encouraged Digital India progress, by improving infrastructure. However, much needs to be done for India to realize its full potential. Indian government need to assess how and where digitalization may disrupt and is likely to generate significant economic value, if government and the private sector work together to create new digital ecosystems. These Changes will also disrupt India's labor force and Indian companies need to invest in building digital capabilities, with the skills needed to start and accelerate as new jobs could be created from the direct and indirect impact of digitization. Advancing India's digitization and finding a way through isn't simple but required for future development and success. If India can quicken its digitization advancement, the rewards will be huge for the economy and this opportunity is a test for all big and small organizations. In spite of the size and complexity of the challenges, India is moving towards its focused objective with stability and speed but there is still a long way to go from vision to action. The Covid-19 pandemic is triggering digitization and the crisis is an opportunity to drive innovation in all sectors further.

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## E-COMMERCE IN INDIAN SCENARIO

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**Abstract** - E-Commerce stands for Electronic Commerce. Dealing goods and services through internet or through electronic media is said to be as e-commerce. It involves carrying business with the help of internet and by using technology like Electronic Data Interchange. It relates to a vendor selling or providing services directly from its portal to the customers. They use digital shopping cart system and allow payment by customers through credit cards, debit card or electronic fund transfer payments. The e-commerce industry in India has transformed the way business done. The Government of India launched various initiative to boost digitisation in the field of the business. According to reports, Indian ecommerce market is expected to grow to US \$ 200 billion by 2026 from US \$ 38.5 billion as of 2017. This paper is based on secondary data and tries to find various avenues and the challenges in E-commerce industry. The author tries to find the impact on micro, small & Medium enterprises in India. This article tries to find growth in E-commerce sector and its impact in Indian economy. Despite depressed consumer spending economic slowdown and uncertainty created due to COVID -19, E-commerce paved way to balance their regular purchase.

Key words: E-Commerce, Digitisation, initiative of Government, Indian economy,

## Introduction

E-commerce is the [process of selling goods and services over the internet](#). Customers come to the website or online marketplace and purchase products using electronic payments. Upon receiving the money, the merchant ships the goods or provides the service. Electronic commerce has been around since the early 1990s when Amazon just sold books, but today, it's a multibillion-dollar industry – and it has gotten even bigger during the pandemic. According to Digital Commerce 360's analysis of U.S. Department of Commerce data, [e-commerce spending hit \\$347.26 billion](#) in the first half of 2020, up 30% year over year. For comparison, e-commerce sales only increased 12.7% during the first six months of 2019. According to research from consulting firm McKinsey & Company, [several online shopping categories are projected to grow more than 35%](#), including over-the-counter medicine, groceries, household supplies and personal-care products.

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 personal care, beauty and wellness (PCB&W) segment being the largest beneficiary. 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.

[The Indian e-commerce industry is expected to cross the \\$200 bn mark by 2026. India's retail market is estimated to reach \\$1.75 by 2026, from \\$0.79 in 2018, growing at a CAGR of 9-11%, driven by socio-demographic and economic factors such as urbanisation, income growth and rise in nuclear families. On the other hand, the Indian e-commerce industry is expected to cross \\$200 bn mark by 2026, growing at a CAGR of 30%, and have a market penetration of 12% compared to 2% currently.](#)

## **Literature Review**

Today internet and internet- based services have become an inseparable part of our day- to- day routine and completely rely on the internet for services even for the things holding minor importance. From purchasing online to banking services, e-commerce is emerging in almost all the arenas possible for business. This gives a wide scope for e-commerce-based companies to expand and render services to the masses. The internet economy is flourishing with e-commerce sales and is expanding rapidly at a rate of 20 and 25% growth each year. This in turn is indicative of a meaningful modification in the spending habits of a customer (Shahriari et al 2015). E-commerce can show an unbeatable growth in the coming years in the following sectors of e-business namely marketing (Stanley 2017), credit card processing, payment gateway, accounting services, consulting and so on (Smith and Katherine 2011). Ecommerce holds many benefits for the banking sector, retailers, organizations, customers, and society to name a few (DiaconandDonici 2006).

With the advent of World Wide Web (WWW) in the 1990s the face of e-commerce radically changed. Since then, Web has become identical with Internet. The Internet is extensively used for two kinds of ecommerce, business-to-business (B2B) transactions and business-toconsumer (B2C) transactions. It is inevitable for a business to flourish if it does not comply with the rules and regulations of e-commerce. It also includes marketing their products and services at the international level. Yet, there are pitfalls to ecommerce (Rodríguez et al 2008).

## **Objectives of the paper**

- To understand the growth of e-commerce
- To know drivers and challenges in e-commerce
- To study the impact of e-commerce in MSME

## **Methodology**

The present study is based on theoretical approach to the topic selected. The information which was already published were used in this article. The sources of information include articles published, report by renowned agencies and websites.

### **Scope for further study**

This is an era, where all people invariably the age are using various tools for online purchasing. Almost everyone is dealing with some tools to satisfy their needs. E-Commerce and E-Business have become a necessary component in almost all business. Since digital business is more comfortable, consumers are attracted and increasing day by day. Due to this pandemic situation, consumers are forced to go for online buying. Since the study on the area of e-commerce is essential at this period of time. This can be a periodical study in future and also geographically specific studies on this area will help to understand the impact better.

### **Growth of E-commerce Industry in India**

Over the last two decades, rising internet and mobile phone penetration has changed the way we communicate and do business. E-commerce is relatively a novel concept. It is, at present, heavily leaning on the internet and mobile phone revolution to fundamentally alter the way businesses reach their customers. While in countries such as the US and China, e-commerce has taken significant strides to achieve sales of over 150 billion USD in revenue, the industry in India is, still at its infancy. However, over the past few years, the sector has grown by almost 35% CAGR from 3.8 billion USD in 2009 to an estimated 12.6 billion USD in 2013.

Industry studies by IAMA<sup>2</sup> I indicate that online travel dominates the e-commerce industry with an estimated 70% of the market share. However, e-retail in both its forms; online retail and market place, has become the fastest-growing segment, increasing its share from 10% in 2009 to an estimated 18% in 2013. Calculations based on industry benchmarks estimate that the number of parcel check-outs in e-commerce portals exceeded 100 million in 2013. However, this share represents a miniscule proportion (less than 1%) of India's total retail market, but is poised for continued growth in the coming years. If this robust growth continues over the next few years, the size of the e-retail industry is poised to be 10 to 20 billion USD by 2017-2020. This growth is expected to be led by increased consumer-led purchases in durables and electronics, apparels and accessories, besides traditional products such as books and audio-visuals.

### **Major concerns relating to E-Commerce**

If India has to maintain its status of a global e-commerce mainstay, a few concerns are needed to be tackled.

- There is an inherent gap in the numbers and to bridge it, the corporate sector must join hands with GoI to make sure that transitions occur effortlessly and with as little disruption as possible.
- An all-encompassing e-commerce structure should be built up, one that incorporates best governance practices while obliging the extraordinary needs of this huge new customer base.
- E-commerce in India has endeavoured to streamline payments and logistics, yet returns and exchanges despite everything pose an issue. Since most e-commerce companies are liberal with customers showing dissatisfaction for products paid for online, swindling returns and exchanges are on the rise online.
- Shift to a digital economy is a must. While GoI has ventured out the execution of the Unified Payments Interface (UPI) framework, further endeavours are required by means of the development of formal banking and simple credit offices for the populace.
- There ought to be an advancement of powerful information protection frameworks along the lines of EU's General Data Protection Regulation (GDPR), making everything fair among offline and online players in terms of indirect taxation and facilitating limitations on cross-border e-commerce transactions.
- Internet is as yet unregulated in India with only a few cyber laws set up to check money frauds, which leaves Ecommerce companies unsure and watchful to completely immerse themselves in the Indian market. Banks must join hands with the governmental cyber cell to welcome financial safety on the internet so the Indian online customer can enter their payment information without stress and not need to experience dreary security checks.
- Another major step is to cater to the needs of the future consumers who are to emerge from India's tier-2 and tier-3 cities.
- The key difficulties to defeat here are a differing exhibit of languages, a newness to computerized frameworks, and inclinations for a diverse cluster of items across micro-markets. Every one of these variables requests the usage of a fitting omnichannel system

combined with a strong offline-to-online model, assisted sales and product curation, for a smooth integration of the new entrants into the wider e-commerce ecosystem.

### **Impact of E-commerce in MSME**

The E-commerce market is growing every year, with new products and services being added every time, which has expanded the market to urban and rural areas. With the use of e-commerce, the turnover of businesses has increased tremendously as compared to previous years. It has also reduced the gap between the buyer and seller. Before E-commerce, MSMEs were dependent only on the domestic market and on traditional methods. With E-commerce today, small entrepreneurs are aware of the new trend prevailing in the market and are updated with the latest technology. E-commerce is believed to increase the sales of MSMEs which contributed to the overall development of the economy.

With the increase in internet usage, digital payment, and exciting deals, more and more people are shifting towards e-commerce sites. It creates a considerable marketplace for small businesses. In recent times, many e-commerce companies tied-up with different State Governments to promote the MSME sector. These initiatives help in recovering the losses incurred by the small and medium enterprises due to the COVID-19 pandemic. The Micro, Small & Medium Enterprises (MSMEs) sector has emerged as the fastest-growing Indian economy sector with a vast contribution to its overall GDP. This sector stimulates growth and contributes to the country's socio-economic development by promoting entrepreneurship & providing employment opportunities to millions at low cost.

E-commerce has been helping businesses and companies across the globe since its inception. They help MSMEs in restructuring businesses, reducing costs, and opening up possibilities to earn a higher profit margin with optimum utilization of resources. With the advancement of technology and an increase in internet users, MSMEs get access to a vast market to showcase their products and services. The Government has also launched different schemes to provide easy and affordable MSME loan. With these schemes, it is easier for businesses to apply for loans at a nominal rate with minimum requirements. These schemes foster the growth of the MSME sector and provide them with opportunities to expand their businesses.



## **KEY INITIATIVES BY THE E-COMMERCE COMPANIES TO BOOST THE SALES OF MSMEs.**

### **SAMARTH, BY FLIPKART**

The homegrown platform, Flipkart, came up with a program called Samarth in July 2019 to promote Indian artisans, weavers, and the state's handloom industries. Through this initiative, MSMEs can easily access the online business market. The initiative provides support to MSMEs in terms of handling business, storage, and account management. With Samarth, Flipkart is empowering millions of small entrepreneurs, which leads to the development of rural India.

### **'MSME ACCELERATE' BY AMAZON**

Amazon started this initiative in June 2020 to help MSMEs recover from the after-effects of the pandemic. Through this program, businesses will get deals and bulk discounts to carry on with their businesses smoothly.

### **PAYTM PROVIDING COLLATERAL-FREE LOANS.**

Digital financial service company Paytm started an initiative to offer collateral-free MSME loans up to 5 lakhs at a low-interest rate to small and medium enterprises. Under this initiative, Paytm has digitized the entire loan process starting from application to disbursement, with no additional documents in partnership with banks and NBFCs.

### **GROFERS 9 DAY SALE**

Online grocery seller Grofers announced a 9-day sales scheme in August 2020, through which it aims to sell items worth nine crores produced by its partner, which includes items of 5.5 crores produced locally. The initiative was taken to bring small manufacturers and sellers back on track to continue working smoothly. The program was Grofers' Grand Orange Bag Days (GOBD) 4.0 sale that partnered with 800 MSMEs. Through this initiative, Grofers provided working capital support worth 50 crores to small enterprise owners in a single month.

## ATMANIRBHAR SECTION BY SHOPCLUES

Under the initiative, ‘Vocal for local’ online marketplace Shopclues started the *Atmanirbhar* section on its platform that consists of locally made products in the category of fashion, footwear, jewellery, groceries, and others. Shopclues work with thousands of local merchants under this section and promote local goods at the online market.

Also Read: [Best Ways To Manage Legal Terms For E-Commerce Sellers](#)

## OTHER INITIATIVES

Apart from Shopclues, hundreds of other e-commerce sites and businesses like Agri-bazaar, TradeIndia, Crofarm work towards promoting local products and provide support to lakhs of small and medium enterprises. With the help of these e-commerce sites, MSMEs get a place in the online digital world, which leads to a higher customer base.

## Trend and Growth drivers of E-Commerce

3X increase in average household income to reach \$18,448 in 2020, from \$6,393 in 2010. Online shoppers are expected to increase to 300Mn – 350Mn by 2025 from current number of 100Mn, with digital spending Projected to increase more than tenfold to \$550 bn & account for 35% of all retail sales by 2025. Rural per capita consumption will grow 4.3 times by 2030, compared to 3.5 times in urban area. India will add nearly 90 million new households headed by millennials, who were born into liberalized India. The average age of the country by 2025 will be 29 with the world’s largest skilled manpower pool of 600 million+ by 2025.

Evolution of logistics landscape in the country will be a very important factor in determining the course for the e-retailing industry. Logistics evolution will be necessary to realise the potential robust growth. Despite a huge potential, longterm profitability of the e-retailing industry in the country is still under question. In the wake of wafer-thin margins and sub-optimal infrastructure resulting in higher delivery cost, the long-term profitability still seems a distant possibility. FDI in the inventory-led retail will also be an important factor in shaping up the future of the industry. In the current scenario, global e-retailing giants like Rakuten and Alibaba are eyeing an entry into Indian e-retail market. Amazon has recently announced a 2 billion USD investment

operating on marketplace model. FDI allowance could be a vital factor in attracting significant investments resulting in better infrastructure and robust supply chains. Evolution of taxation policies in the country will in a large way effect the way industries practice warehousing. With uniformity in taxation laws across the country, e-retailers are expected to move closer to consumption centres with an aim to address the duplicities in the logistics chain by removing the overlaps in form of delivery and sortation centres which are traditionally closer to the consumption centres. It will also result in uninterrupted access to the e-retailing market. In a recent case, a south Indian state had sent a tax notice to e-retailers resulting in all e-retailers withdrawing services in the particular state because of differing tax policies.

## **Conclusion**

The recent crisis has hit all the sectors of the Indian economy, especially the MSME sector. All these schemes and initiatives not only help MSMEs in terms of growth but also creates a marketplace for them to showcase their products and services. Overall, E-commerce helps change the relationship between business & consumers and acts as a middleman by guiding both. This article helps to understand the growth, impact and future. In this paper, the author tries to understand the growth and impact of E-Commerce in India. By referring to various report published by different agencies, it is clear that e-commerce trade is the need of the hour and are growing very fast. In India, demand for technology and engineering talent among start-ups has increased by more than 50% in recent times resulting in brain gain. This study also discusses various initiatives by different companies.

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## IMPORTANCE OF CUSTOMER RELATIONSHIP MANAGEMENT IN ONLINE SHOPPING

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### Abstract:

Nowadays many people started online shopping to safeguard from COVID 19 infection. Customer participation is the essential of each business success, because with client, no business can endure or adjust with change that has been brought by new innovation. Customer relationship management shortly known as CRM, its frameworks permit organizations to examine their past, current, and future clients on an assortment of levels. CRM is fundamental for any business, including online business, since it permits them to develop and succeed. This paper aims to examine the importance of CRM in online shopping.

Keywords: Customer Relationship Management, CRM, importance, online shopping.

### Introduction

CRM is an innovation for dealing with all your organization's connection and cooperation with clients and likely clients. The objective of CRM is to improve business connections. A CRM framework assists organizations with remaining associated with clients, smooth out measures, and improve productivity. Online shopping CRM fundamentally centres around the sales and client experiences that are led on the web. It can dissect client data and deals examples and record and store information through e-CRM software. Through this software all business can easily maintain their current customers as well as new customers relationships.

### Importance of CRM in online shopping

CRM has affected online business locales by turning into a fundamental piece of a business' prosperity. One examination found that intuitively gathering and consolidating client information assists with building an organization's e-CRM capacity, which eventually prompts their corporate achievement. It is protected to say that going ahead, CRM stages made explicitly for web-based business (just as executing a versatile online business arrangement) might just be

a need for online businesses. CRM additionally guarantee that the correct item is going to the right customer at the right time for retaining good image of the firm.

CRM assists online retailers to collect information about their customers across multiple channels. CRM e-commerce integration offers retailers a brought together area for their client information. This upgrades all promoting exercises, from planning to targeting and execution. When clients get exceptionally customized email showcasing, the sort of advertising that's only possible with CRM, it will straightforwardly increase the online shop's income.

CRM in online shopping increase employee productivity on the grounds that by getting to client subtleties, including requests, instalments, and even items saw, the outreach group can upsell or strategically pitch undeniably more viably. This even applies to B2B eCommerce destinations, whose outreach groups are enabled to arrange instalments terms dependent on a customers' previous instalments history.

A CRM system will provide the data about the sales of the product and this allows the businessmen to use real sales data to forecast for manufacturing, purchase of raw material and sales promotion purposes.

After-sale service should be a piece of each online business, whatever they sell. It improves customer unwavering quality, improves deals, and builds customer lifetime value.

## **Conclusion**

CRM is a drive embraced by the administration to foster a connection between the clients and furthermore to increment the business or service. CRM is fundamental for any business, including online business, since it permits them to develop and succeed. CRM assists online retailers to collect information about their customers across multiple channels. This system increases the sales and income of online business as well as traditional business.

## **PERCEPTION OF THE CUSTOMERS REGARDING GREEN PRODUCTS**

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### **Abstract**

Green marketing is the process of developing products and services and promoting them to satisfy the consumers, who prefer products of good quality, performance and convenience at affordable cost, which at the same time do not have any detrimental impact on the environment. The rise of green marketing is rapid and the awareness of Indian customers is also increasing with respect to various initiative and availability of products. Thus, the current study explains the impact on consumer perceptions regarding green products and took place in Kanniyakumari District of Tamil Nadu. The paper aims at finding the significance of green products, environmental concern of customers of green products and their level of satisfaction towards green products. Friendly to the environment, quality of life and self-satisfaction are considered as importance of green products by the consumers. It is suggested that the price of green products can be reduced and promotional activities may be improved. The marketers and government cannot be individually held responsible but environmental protection agencies, media, can create awareness about green products as a mean to save the environment. The favourable attitude of the customers towards the green products will certainly protect the environment for future generation.

### **Introduction**

A great concern for the environment is seen among the humanity at present. So, it is not a surprise that environmentalism is dominating today's world. There has been a rise in consumer concern regarding the protection of the environment and the demand for the green products. Hence, most firms have begun to use green marketing and green product development strategies. Green marketing is the process of developing products and services and promoting them to satisfy the consumers, who prefer products of good quality, performance and convenience at affordable cost, which at the same time do not have any detrimental impact on the environment. The rise of green marketing is rapid and the awareness of Indian customers is also increasing with respect to various initiative and availability of products. Thus, the current study explains the impact on consumer perceptions regarding green products.

## Review of Literature

**Drozdenko et al. (2011)** in their study of consumer perceptions, have examined three areas related to the pricing of green products, the premium consumers are willing to pay for a green product, the relationship between diverse categories of green products, and how tax credits affect the amount consumers are willing to pay for a major green purchase for the home. Consumers are willing to pay a premium for green products, although this premium varies by product category and potential savings resulting from the purchase.

Ishaswini and Datta(2011) in their research article have attempted to determine the consumers' pro-environmental concerns, knowledge of environmental issues, awareness of eco-friendly products and have also investigated if pro-environmental concerns among consumers in India are predictive of their green buying behaviour. The findings revealed that though there was a high degree of awareness and knowledge about the eco friendly products, most of the respondents did not consider the effect on environment while making purchases of day-to-day products. But most of them were ready to pay an extra price for such products and a premium of 5 to 10% was found to be quite acceptable.

Sivakkolundu(2012) examined the issues in understanding the relationship between the marketing discipline, the public policy process and the natural environment. It seems that the firms may be less inclined to green their systems processes or products if the benefits are non-excludable, it is useful to draw upon the political economy literature on collective action dilemmas the divergence between individual and collectively rational behaviour leading to suboptimal outcomes both for the individual actors and the collectivity how they arise and how they could be overcome.

**Sonal Pareek Koushik (2014)** has brought out some interesting outcomes in terms of understanding the perception of the customers as well as in understanding the perception of the other key players in the green products market of their customers. The consumers didn't attach



more importance to cost of the green products as a barrier the other stakeholders felt the cost being the key barrier.

**Vedha Balaji et al., (2017)** observed that an understanding of consumer perception leads to the creation of clear and focused marketing strategies relevant to the chosen target group of consumers. This study will help the marketers focus on appropriate pricing and adopt the right promotional mix, and in particular, to increase the visibility of organic products and make a positive impact on consumer perception.

### **Statement of the Problem**

Environmental problems appear to concern globally for the past two decades. There are massive changes in the business world concerning the task towards the environment and the society. Now the customers support business that operate in an environment friendly way. Green marketing should be considered as a significant approach to modern marketing and must be practiced, as it has an environmental and social constituent to it. As consumers become more aware of the ecological issues, there is an increase in the demand for environmental products. This increased awareness of sensitivity towards environmental issues places certain demand on business function to become greener. Thus, in the present study, an attempt to explore the consumers' perception regarding the environment and green products in Kanniyakumari District.

### **Objectives of the Study**

The present study has been carried on with the following objectives

1. To study the profile of the consumers of green products.
2. To analyse the Pro-Environmental concern and perception of consumers regarding green products.
3. To evaluate the efforts taken by the consumers to safeguard the environment .

### **Scope of the Study**

The scope of the present study is limited to analysis of perception of customers regarding green products in Kanniyakumari District. The study includes the significance of the green

products, pro-environmental concern, the efforts taken to safeguard the environment by the customers of green products and the level of satisfaction regarding the green products by them in the study area. The study strives to provide the marketers of green products an impetus to a better understanding of attitude of green consumer, in order to target the right people and frame the marketing strategies accordingly.

### **Source of Data**

The study is based on both primary data and secondary data. Primary data have been collected from 130 customers with the help of a well-designed questionnaire by following Judgment sampling method. Secondary data sources include information from journals and websites.

### **Tools for Analysis**

Descriptive statistics like percentage analysis was used to describe the demographic variables of the sample respondents. In the present study, 't' test has been applied to analyse the pro-environmental concern and green buying behaviour and the efforts taken to safeguard the environment by consumers in the study area. Factor analysis is used to find out the level of satisfaction regarding green products by the customers.

### **Limitations of the study**

1. Prejudice for the respondents might have caused errors.
2. This study is limited to Kanniyakumari district in Tamil Nadu.

### **Profile of the Respondents**

The parameters such as gender, age, education, marital status, type of family, occupation and monthly income of the family are considered in the present study to understand the profile of the respondents and are exhibited in Table 1.

**Table 1**

### Profile of the Respondents

Profile Variables	Particulars	No. of Respondents	Percentage
Gender	Male	36	27.69
	Female	94	72.31
	<b>Total</b>	<b>130</b>	<b>100</b>
Age(in years)	Up to 25	30	23.08
	26 to 45	85	65.38
	Above 45	15	11.54
	<b>Total</b>	<b>130</b>	<b>100</b>
Educational Status	School Level	4	3.08
	College Level	107	82.31
	Professional	19	14.61
	<b>Total</b>	<b>130</b>	<b>100</b>
Marital Status	Married	79	60.77
	Unmarried	51	39.23
	<b>Total</b>	<b>130</b>	<b>100</b>
Type of Family	Nuclear	95	73.07
	Joint	35	26.93
	<b>Total</b>	<b>130</b>	<b>100</b>
Occupation	Employed	12	9.23
	Business/profession	105	80.77
	Others	13	10
	<b>Total</b>	<b>130</b>	<b>100</b>
Monthly Income	Below 25000	73	56.15
	25001 to 50000	35	26.92
	Above 50000	22	16.93
	<b>Total</b>	<b>130</b>	<b>100</b>

Source: Primary Data

Table 1 reveals that 72.31 per cent respondents are females. 65.38 of the respondents belonged to the age group of 26 to 45 years. 82.31 per cent of the respondents have undergone college education. 60.77 per cent of the respondents were married. The type of the family of the respondents revealed that 73.07 per cent of the respondents living in a nuclear family. 80.77 per cent of the respondents' occupation is business and 56.15 per cent of the respondents had a monthly income of below 25000. Thus, it is inferred that educated respondents with reasonably good income purchase green products.

### **Importance of Green Products**

The importance of green products considered in the study includes friendly to environment, reduce pollution, healthier life style, quality of life, reduce waste, reduce global warming, preserve natural resources and self-satisfaction. These elements are considered by the buyer in making a purchase decision of green products. The variables are ranked with **Friedman Rank Test** and presented in the table 2.

**TABLE 2**

**IMPORTANCE OF GREEN PRODUCTS**

<b>Sl.No</b>	<b>Importance</b>	<b>Score</b>	<b>Rank</b>
1	Friendly to environment	5.45	I
2	Reduce pollution	3.64	VII
3	Healthier life style	4.53	V
4	Quality of life	5.21	II
5	Reduce waste	3.36	VIII
6	Reduce global warming	3.95	VI
7	Preserve natural resources	4.74	IV
8	Self-satisfaction	5.11	III

Source: Primary Data

Table clearly reveals that the customers are giving more importance to green products because these products are friendly to the environment with a highest mean score of 5.45. Consumers gave second rank to quality of life with a mean score of 5.21 and they believe that

while using green products the quality of life will also be increased. The third rank was given to self-satisfaction with the mean score of 5.11. Fourth rank given to preserve natural resources with a mean score of 4.74 that the consumers give importance to caring the natural resources. By using green products, it ensures a healthier life and has been given to Fifth rank with a mean score of 4.53. Consumers gave sixth rank to global warming with a mean score of 3.95 and seventh rank to reduce pollution with a mean score of 3.64. Reduce waste with the mean score of 3.36 was ranked eighth. Thus, friendly to the environment, quality of life and self-satisfaction are considered as importance of green products by the consumers.

### **Pro-Environmental concern and green buying behaviour**

It is very important to determine the consumers' pro-environmental concerns, knowledge of environmental issues and awareness of eco-friendly products. The consumers who are highly involved and concerned with the environmental issues prefer to buy eco-friendly and are willing to pay a higher price for such products. In the present study twelve variables have been identified and given as statements to find out the consumers' pro-environmental concern and green buying behaviour. The customers were asked to rate the twelve variables at five point scale with options highly important, important, moderate, not important and not at all important. The marks assigned on these options were 5,4,3,2 and 1 respectively. The mean score of each variable in pro environmental concern has been computed to find out the nature of involvement in enterprising among the customers. The 't' statistics have been computed to find out the significant difference between the male and female customers, regarding their opinion about the pro-environmental concerns. The results are shown in Table 3.

**TABLE 3**

#### **PRO-ENVIRONMENTAL CONCERN AND GREEN BUYING BEHAVIOUR**

Sl.No	Particulars	Mean Score		t-Statistics
		Male	Female	
1	I would describe myself as environmentally responsible	4.56	4.30	3.682
2	I will follow the laws in India that	4.24	4.09	1.746

	regulate or minimize pollution			
3	I care about buying environmentally friendly products	4.31	4.21	1.257
4	When I purchase products, I try to make efforts to buy products that are low in pollutions	4.14	4.03	1.059
5	If I understand the potential damage to the environment that some products can cause, I do not purchase those products.	4.14	4.10	.383
6	I have purchased light bulbs that were more expensive but saved energy.	4.21	4.18	.300
7	I make every effort to reduce the use of plastic bags.	4.05	4.04	.108
8	I have convinced the members of family or friends not to buy some products which are harmful to the environment.	4.06	3.94	1.047
9	I am concerned about the current environmental state the world is in	3.75	3.94	-1.763
10	It is of no use worrying about environmental issues: I can't do anything about them.	2.14	2.99	-5.275
11	I will not buy a product if the company which sells it is environmentally irresponsible.	3.24	3.81	-4.342
12	I am ready to pay more for certified eco-friendly products.	4.36	4.00	3.291

The higher rate of concerns among the male customers are identified in case of the statements such as 'I would describe myself as environmentally responsible', 'I am ready to pay more for certified eco-friendly products' and 'I care about buying environmentally friendly products' since the respective mean score is 4.56, 4.36 and 4.31 respectively. The lesser concerns among them is noticed for 'It is of no use worrying about environmental issues: I can't do anything about them' and 'I will not buy a product if the company which sells it is environmentally irresponsible' since the respective mean scores are 2.14 and 3.24 respectively. Among the female customers, the pro-environmental concern in higher rates is for 'I would describe myself as environmentally responsible' and for 'I care about buying environmentally friendly products' since the mean score are 4.30 and 4.21 respectively whereas the lesser concerns are for 'It is of no use worrying about environmental issues: I can't do anything about them' and 'I will not buy a product if the company which sells it is environmentally irresponsible' since the respective mean scores are 2.99 and 3.81. Regarding the pro environmental concern and green buying behaviour, the significant difference among the male and female customers is identified in 'I would describe myself as environmentally responsible', 'It is of no use worrying about environmental issues: I can't do anything about them', 'I will not buy a product if the company which sells it is environmentally irresponsible', and 'I am ready to pay more for certified green products' since the respective 't' statistics are significant at 5 per cent level.

## **EFFORTS TAKEN TO SAFEGUARD THE ENVIRONMENT**

People are concerned about the environment and they realize the importance of the environmental balance. Issues like pollution, depletion of resources and the rise of consumerism have led to serious issues. It is up to each of the customers' to do their part to protect the environment. In the present study, ten variables which safeguard the environment are identified and given in the form of statements. They are purchasing products, such as detergents that have a reduced environmental impact, avoiding plastic products and aerosols, purchasing recycled paper products, buying organic product, buying locally produced foods, looking for products using less packaging, using one's own bag, rather than plastic carrier provided by a shop, use public transport, buy products in packages that can be refilled and read labels to see if contents are environmentally safe. The customers were asked to rate the ten variables at five points scale with options, to a larger extent, to some extent, neutral, lesser effort and no effort. The marks

assigned on these options were 5,4,3,2 and 1 respectively. The mean score of each variable to safeguard the environment has been computed to find out the opinion of the customers. The 't' statistics have been computed to find out the significant difference between the male and female consumers, regarding efforts taken to safeguard the environment by them. The results are shown in Table 5

**TABLE 4**  
**EFFORTS TAKEN TO SAFEGUARD THE ENVIRONMENT**

Sl.No	Particulars	Mean Score		t-Statistics
		Male	Female	
1	purchasing products, such as detergents that have a reduced environmental impact	3.93	3.89	.377
2	Avoiding plastic products and aerosols	4.35	4.07	2.910
3	Purchasing recycled paper products	3.96	3.93	.302
4	Buying organic produce	4.39	4.06	3.109
5	Buying locally produced foods	4.34	3.68	5.575
6	Looking for products using less packaging	3.96	3.58	2.937
7	Using one's own bag, rather than plastic carrier provided by a shop	3.91	3.86	.422
8	Use public transport	3.81	4.11	-2.522
9	Buy products in packages that can be refilled	3.85	3.79	.542
10	Read labels to see if contents are environmentally safe	4.07	4.07	.034

Source: From primary data



The higher effort taken to safeguard the environment among male customers is identified in 'buying organic produce', 'avoiding plastic products and aerosols' and 'buying locally produced foods' since the respective mean score are 4.39, 4.35 and 4.34 respectively. The lesser effort among them is noticed in 'use public transport' and 'buy products in packages that can be refilled' since the respective mean scores are 3.85 and 3.81 respectively. Among the female customers the higher efforts have taken to safeguard the environment are 'use public transport', 'avoiding plastic products and aerosols' and 'read labels to see if contents are environmentally safe' since the respective mean scores are 4.11, 4.07 and 4.07 respectively. The lesser efforts among female customers are 'looking for products using less packaging' and 'buying locally produced foods'. Regarding the efforts taken to safeguard the environment, the significant difference among the male and female customers is identified in 'avoiding plastic products and aerosols', 'buying organic produce', 'buying locally produced foods', 'looking for products using less packaging' and 'use public transport' since the respective 't' statistics are significant at 5 per cent level.

### **Level of Satisfaction regarding Green Products**

Satisfaction towards green products as a comparison between expectation and what is truly obtained by customers. Customers' purchasing behaviour depends on the customers' level of satisfaction towards the product. Purchasing behaviour and customer satisfaction is mostly influenced by the attributes of the green products. Twelve variables are taken into consideration for the study.

Bartlett's Test of sphericity value 884.015 and the significance level ( $p < .01$ ) indicates that the correlation matrix is not an identity matrix and there exists correlation between the variables. Higher value of Kaiser-Meyer-Olkin (KMO) test of sampling adequacy at 0.724 indicates that factor analysis, for the selected variables was found to be appropriate to the data.

Factor analysis was applied to find out the dominant factors regarding the level of satisfaction towards green products by the customers. The inter-correlations between the twelve variables were analyzed using Principal Component Analysis (PCA) and the Varimax Rotation of factor analysis. The results of Rotated Component Matrix of twelve variables along with the communalities are exhibited in Table 5. The values of the variables included in the factors are given in bold.

**Table 5**  
**Rotated Component Matrix**

Variable	Component				Communality
	1	2	3	4	
Packing	<b>.815</b>	-.173	.041	.029	.697
Quality	<b>.799</b>	-.040	-.119	.130	.639
Usage	<b>.779</b>	.102	.051	-.058	.623
Comfortable	-.036	<b>.828</b>	-.031	.110	.701
Features	-.061	<b>.763</b>	.107	-.056	.600
Eco-Friendly	.284	<b>.579</b>	.333	.273	.410
Performance	.038	<b>.570</b>	.290	.186	.446
Cost	-.039	.011	<b>.815</b>	.170	.694
Guarantee	.052	.294	<b>.605</b>	-.429	.671
Availability	.449	.326	<b>.540</b>	.395	.466
Brand	.029	.078	.065	<b>.812</b>	.670
After sales service	.058	.226	.473	<b>.582</b>	.510

Source: Primary data

Table exhibits the rotated factor loading for twelve variables and their respective communalities. It is observed that all the twelve variables have been extracted and were considered to be the level of satisfaction towards the purchase of green products. The twelve variables were reduced into four factors.

### **Eigen value of Level of Satisfaction**

Factor analysis of twelve variables relating to green products identified four factors in the level of satisfaction towards the purchase of green products by the customers along with the Eigen value, Percentage of Variance and Cumulative Percentage of Variance are presented in Table 6

**Table 6**  
**Influential Factors to Purchase Green Products**

<b>Sl. No.</b>	<b>Influential Factors</b>	<b>Eigen Value</b>	<b>Percentage of Variance</b>	<b>Cumulative Percentage of Variance</b>
1	Quality	2.813	25.440	25.440
2	Product	2.179	21.115	46.555
3	Price	1.096	14.136	60.691
4	Sales Promotion	1.038	8.650	69.341

Source: Compiled Data

It has been observed from Table 5.34 that the four factors such as Quality, product, price and sales promotion factor were extracted. These factors accounted for about 69.341 per cent of variance in the data.

Thus it is inferred from the factor analysis that quality, product, price and sales promotion are the major factors that decides the level of satisfaction towards the green products.

### **Findings**

1. Educated respondents with reasonably good income are aware of environmental issues.
2. Friendly to the environment, quality of life and self-satisfaction are considered as importance of green products by the consumers.
3. Regarding the pro-environmental concern and green buying behaviour, the significant difference among the male and female customers is identified in 'I would describe myself

as environmentally responsible', 'It is of no use worrying about environmental issues: I can't do anything about them', 'I will not buy a product if the company which sells it is environmentally irresponsible', and 'I am ready to pay more for certified green products' since the respective 't' statistics are significant at 5 per cent level.

4. Regarding the efforts taken to safeguard the environment, the significant difference among the male and female customers is identified in 'avoiding plastic products and aerosols', 'buying organic produce', 'buying locally produced foods', 'looking for products using less packaging and 'use public transport' since the respective 't' statistics are significant at 5 per cent level.
5. It is inferred from the factor analysis that quality, product, price and sales promotion are the major factors that decides the level of satisfaction towards the green products.

### **Suggestions**

- The lesser environmental concerns among male and female customers are 'It is of no use worrying about environmental issues: I can't do anything about them' and 'I will not buy a product if the company which sells it is environmentally irresponsible'. So it is essential to educate the people about the environmental issues and people should promote one who sells environmentally responsible product.
- In importance of green products the respondents were given least ranks to reduce waste, reduce pollution and global warming. So it is very essential to create awareness among the respondents regarding the significance of the green products in waste reduction, pollution and global warming.
- Only youngsters' shows give much preference to green products. Others should also be motivated.
- Male respondents in the study area should take higher effort on using public transport and buying products in packages that can be refilled. Female respondents should give higher effort on products using less packaging and buying locally produced foods.
- The level of satisfaction regarding the price and sales promotion are low for green products. Hence it is suggested that the price of green products can be reduced and promotional activities may be improved.

## Conclusion

Green marketing should not be considered as just one more approach to marketing, instead should be pursued with greater vigour as it has societal and environmental dimensions. Usage of green products will help them to change their life style into a green one. But the awareness level on the usage of green products among the people is limited. There is a need to educate the people on identifying the green attributes of products they use. Therefore the marketers and government cannot be individually held responsible but environmental protection agencies, media, can create awareness about green products as a mean to save the environment. The favourable attitude of the customers towards the green products will certainly protect the environment for future generation.

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## REPERCUSSION OF SECOND WAVE OF COVID-19 ON CUSTOMER BUYING BEHAVIOUR: CAN OLD PRACTICES COME BACK OR PERMANENTLY PASS AWAY?

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**Abstract:** The second wave of Covid-19 pandemic and the one more lockdown and social distancing rules have affected both consumer and shopping practices. Consumers are improvising and developing new behaviors. Consumers, for example, can't go to the shop therefore the shop goes to the home of consumer. Whereas customers revert back to old habits, new rules and processes in the manner in which customers purchase and acquire items and services are likely to change them. New habits will also develop from technological progress, demographic changes and inventive methods in which consumers may deal with blurring the borders of work, leisure, and education.

**Keywords:** *Second wave, Covid-19, Pandemic, Consumer buying behaviour, latest rules.*

### 1. INTRODUCTION:

The Second wave of Covid-19 pandemic has changed people's lives all across the world, from how they work to how they socialize to how they buy. The objectives of this paper is to see how the second wave of the Covid-19 pandemic affects consumer purchasing decisions. Will consumers' spending patterns be permanently altered as a result of the global crises' lockdown and social distance, or will they revert to their old patterns after the crisis has passed? What changes in consumer behaviour and perception have we seen emerge in the last 1 year, and what do consumers expect as we get closer to a post-pandemic lifestyle?

All consumption is time and location constrained. Consumers acquire routines regarding what they eat, when they eat it, and where they eat it over time (Sheth, 2020). This isn't restricted to ingestion, of course. Shopping, information seeking, and post-consumer trash disposal are all examples of this. Furthermore, consumer purchasing behaviour is extremely predictable, and we have a number of solid prediction models and consumer insights based on prior repeat purchasing activity at the individual level.

Consumption is not just habitual, but also contextual. Consumer habits are governed or disrupted by context, and there are four basic contexts that control or disrupt consumer habits. The first is a shift in social environment brought on by life events such as marriage, having children, and relocating to a new city. Workplace, community, neighbours, and friends are all part of the social environment. Technology is the second context. And when new technologies arise, they disrupt existing patterns. Smart phones, the internet, and ecommerce have been the most significant technological developments in recent years. The way we purchase and consume products and services has changed tremendously as a result of Internet search and online ordering.

Rules and regulations, particularly those relating to public and communal areas, as well as the avoidance of harmful items, constitute a third context that influences consuming behaviours. Consumption of tobacco, alcohol, and guns, for example, is controlled by locality. Of course, public policy may stimulate the use of societally beneficial products and services such as solar energy, electric automobiles, mandated auto and house insurance, and childhood immunizations.

Ad hoc natural calamities such as earthquakes, storms, and worldwide pandemics, such as the Second Wave of Covid-19 pandemic that we are currently witnessing, constitute the fourth and least predicted context. Regional conflicts, civil wars, and really global battles, such as World War II, the Cold War, the Great Depression of the late 1920s, and the Great Recession of 2008–2009, are examples. All of them had a considerable impact on consumption, manufacturing, and the supply chain. The purpose of this article is to look at both the short-term and long-term effects of the Second Wave of Covid-19 on consumption and consumer purchasing behaviour.

## **2. IMMEDIATE INFLUENCE ON CONSUMER PURCHASING PATTERNS**

As previously stated, all consuming and consumer purchasing decisions are based on time and place. Since World War II, an increasing number of women have worked, resulting in a loss in free time. More than 75% of all women with children at home work full-time now, according to estimates. As a result, there is a time crunch and a shift in family and personal spending. Between the hours of 8 a.m. and 5 p.m., no one is at home for service experts to instal and maintain equipment, as well as repair malfunctioning heating and cooling systems. The provider must schedule appointments with the family to ensure that someone will be home to open the door.

There is also a time scarcity since the homemaker's discretionary time has become nondiscretionary owing to her job. Due to the lack of time, people are purchasing things online and having them delivered to their homes. Vacations are also no longer two or three weeks long, but rather minivacations planned around key holidays such as Easter, Christmas, Thanksgiving, Memorial Day, and Labor Day extended weekends.

Consumers' options for shopping are limited due to lockdown and social alienation. As a result, there is a scarcity of available locations. We are seeing a mobility shift as well as a mobility deficit. Working, learning, and buying have all altered and become more localised at home. At the same time, consumers have more time freedom since they are not bound by pre-determined timetables for going to work, school, shopping, or consuming.

The lack of space at home is causing new disputes and issues regarding who does what and where in the house. We are all dealing with our privacy and convenience in consuming as homo sapiens. We are typically more territorial and each one wants her or his space.

The second wave of the Covid-19 epidemic had eight direct consequences on consumption and consumer buying behaviour, as shown in Figure 1.

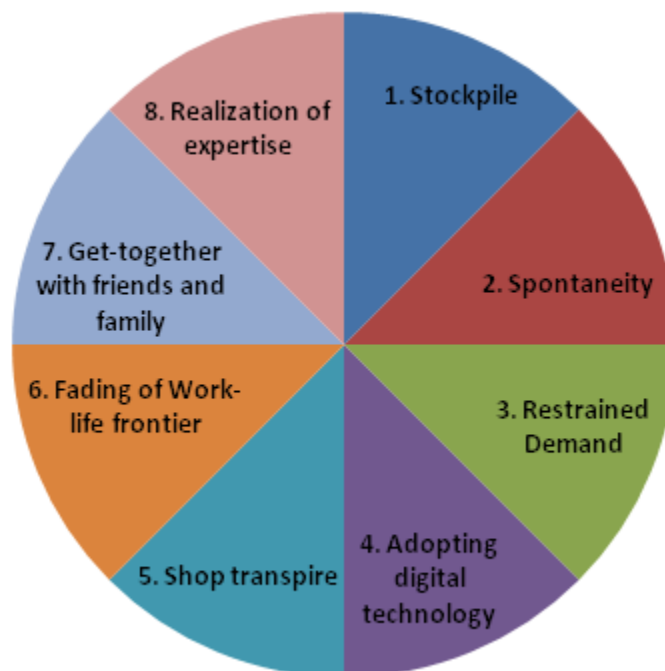




Figure 1: Immediate Impact of Second wave of Covid-19 on Consumption Behavior.

- 1) **Stockpile.** Consumers are accumulating necessary supplies for everyday usage, causing shortages and stockouts. Toilet paper, bread, water, meat, disinfectants, and cleaning supplies are all included. Stockpiling is a frequent reaction to dealing with the uncertainty of future supplies of fundamental necessities. When a country experiences hyperinflation, as is the case in Venezuela, hoarding is a frequent habit. In addition to hoarding, the grey market has emerged, in which unlicensed intermediaries hoard the commodity and raise the price. This has occurred in the case of PPE (personal protective equipment) for healthcare professionals, such as N95 masks. Finally, the temporary increase in demand caused by hoarding increases the sale of counterfeit goods. We haven't done nearly enough empirical study on the economic and psychological aspects of hoarding in consumer purchasing behaviour.
- 2) **Spontaneity.** When faced with limits, consumers learn to improvise. Existing habits are discarded in the process, and new ways of consuming are created. Consumers' creativity and resilience were unleashed by the coronavirus for traditional activities like weddings and funeral services. Traditional location-centric events are being replaced by sidewalk weddings and Zoom funeral services. This was also the case during church services, particularly on Easter Sunday. Another area of future research is using spontaneity to manage product or service shortages. It encourages creative thinking and frequently leads to alternatives to location-based consumption, such as telehealth and online education. There is no systematic empirical or scientific research on improvisation, yet again.
- 3) **Restrained Demand.** The usual tendency during times of crisis and uncertainty is to postpone the acquisition and use of discretionary goods and services. This is frequently connected with big-ticket items like cars, houses, and appliances. Concerts, sports, pubs, and restaurants are examples of discretionary services. As a result, demand will shift from now to the future. When access to the market for services such as parks and leisure, movies, and entertainment is limited for a short period of time, pent up demand is a common result. While economists have researched the influence of pent-up demand on GDP growth, there has been relatively little study on the nature and breadth of pent-up demand in consumer buying behaviour.

- 4) **Adopting digital technology.** Consumers have embraced a variety of new technology and apps out of necessity. Webx, Google meet, video services are an obvious example. Most internet-connected homes have learnt to engage in Zoom meetings only to stay in touch with family and friends. It has, of course, been expanded to home-based classes for schools and colleges, as well as telehealth for virtual consultations with doctors and other health care professionals. Facebook, Twitter, WhatsApp, YouTube, Instagram, LinkedIn, and other social media platforms are popular among consumers. The internet is a rich media with a worldwide reach. China and India are no longer the two most populous countries in the planet. It'll be fascinating to see if technological adoption can help people break old behaviours. While we've studied the diffusion of innovation for telephones, televisions, and the internet, we haven't seen widespread adoption of social media in a short period of time.
- 5) **Shop transpire.** Consumers in countries such as India, South Korea, China, Italy, and others are unable to go to the grocery store or shopping malls due to total lockdown. Rather, the store comes to you. Work and education have a role as well. Work, education, health, and purchasing and consuming all flow in the other direction as a result of this. Everything, including streaming services like Disney, Netflix, and Amazon Prime, is now available for delivery to your house, breaking the weird habit of physically visiting to brick and mortar stores. It also improves the ease and personalisation of customer purchasing decisions. We need to investigate how "IN-home everything" affects customer impulsive purchases and planned vs. unexpected consumption.
- 6) **Fading of Work-life frontier.** Consumers are captives in their own homes, with little space and too many separate activities like working, studying, shopping, and socialising. This is similar to having too many wants and needs with insufficient finances. As a result, the lines between work and home, as well as between duties and discussions, are blurring. To make your house more efficient and successful, you'll need a timetable and compartmentalization.
- 7) **Get-together with friends and family.** One of the most significant effects of the coronavirus is the urge to contact distant friends and family, partly to check in on them and partly to share stories and experiences. Reunions from high school or college, as well as family weddings, are similar to this. What used to be ad hoc get-togethers to stay in contact has evolved into regular and organised gatherings to share knowledge and experiences. The global reach of social get-togethers via social media platforms like Zoom and WhatsApp is astounding.

Consumption habits must be studied from a social and cultural perspective, similar to classic studies such as Reisman et al., 1950, Linder, 1970, and Putnam, 2000.

- 8) **Realization of expertise.** Consumers have experimented with recipes, practised their skills, and performed imaginative and innovative methods to play music, exchange learning, and buy online more imaginatively with more flexible time at home. Consumers are becoming producers with economic potential as a result of some of them going viral. There are a lot of videos on YouTube and its competitors that have the potential to be innovative and commercially successful.

### **3. CAN OLD PRACTICES COME BACK OR PERMANENTLY PASS AWAY?**

Most of the behaviours are likely to revert to normal. However, it is unavoidable that certain customs would die since the customer has found a substitute that is more easy, economical and accessible in the current situation. For example, streaming services like Netflix and Disney, they will probably change customers from attending to cinemas. This is comparable to services for ride sharing like Uber, which is easier to use than a cab. Because to coronavirus, it is simpler for customers to work, learn at home and purchase at home. Briefly, what was a peripheral option to current habits is now the core, and the present habit is the periphery.

There is a universal consumer purchasing legislation. If a habit or need is abandoned, it always returns as a pleasure or as a pastime. Examples include hunting, fishing, gardening, bread and cooking are examples. It would be fascinating to watch what old habits are given up as hobbies by embracing the new techniques. In other words, is shopping more an outdoor or leisure activity?

Habits modified. Habits modified. In most situations, current food buying and delivery routines are altered by new norms and laws, such as masking and maintaining the social distance. In Asia, customers wear masks before shopping or using public transport. This is clear. In particular in the personal services industries, modified behaviours are more probable, including beauty salons, physical treatments and exercise facilities. It will also become a reality for museums, parks, recreation centres, concerts and social events, to mention but a few.

**New habits.** There are three variables that might lead to new behaviours. First, Public policy As we do after 9/11 safety inspections at airports, there will be extra checking and boarding processes, including tempering, virus testing and aeroplane boarding. All major airlines are currently introducing new processes for passenger boarding and disembarking and dining services. As previously indicated, government policy for discouraging or encouraging consumption is highly significant in shaping future consumption.

As indicated previously, technology is the second main motivator of consumer purchase. Since the Industrial Revolution, consumer buying has evolved dramatically by inventing cars, appliances and aircraft. The telephone, television, internet and the social media and user content were then produced. Digital technology calls for necessities. More crucially, the influence between old requirements (food, housing and clothes) on the family budget has also been as substantial (phone, internet, and apps).

The third setting that creates new behaviours is shifting population (Sheth and Sisodia, 1999). This will be illustrated by a few examples. As sophisticated economies mature, there are additional requirements to preserve health (wellness) and preserve money (retirement). Aging populations are also concerned about personal safety and the protection of their property. Finally, in comparison to the younger population, their interest in recreation (both active and passive) changes. Every family member walks to his own private room or room right after a supper and receives text messages, YouTube or TV. Shared consumption gives place to the ease of individual consumption for each family member.

There is also an increasing tendency to live alone by choice. More over one third of the households in the United States now are single adults. This is due to a delay in the first marriage between the ages of eighteen and nine. To conclude, changing demography, public policy and technology provide key contexts for the development of new habits and the abandonment of old ones.

#### **4. MANAGERIAL IMPLICATIONS**

There are three managing implications of the influence on consumer purchasing behaviour of the second wave of Covid-19. For one thing, businesses must likewise learn to improvise and

become resident during the pandemic crisis, as consumers have learnt to improvise. Unfortunately, corporations are governed by formal processes and generally cannot rapidly modify them.

Fortunately, since bigger companies have moved to cloud computing, improvisation was easier. Supermarkets and bigger stores like Walmart and Target did this. The latter, however, converged their stores of brick and mortar with their internet purchasing and could even deliver on an omnichannel basis. In brief, firms may learn to make their infrastructure, systems and processes more robust and manage global catastrophes such as the Covid-19 Second Wave.

The second aspect of the management is balancing demand and supply. There have been chronic shortages in every distributor, from supermarkets to hyper-shops to medicine stores owing to the stockpiling and 'run at the bank' mindset of customers in a crisis. Supply chain, logistics and storage are key services that must be integrated with variable demand changes.

A third consequence for management is that customers will revert back to their old routines if the technology they are learning to utilise, such as Zoom video and online ordering, affects their life significantly. Strategic investments will be customers' experience in the virtual world and post-purchase services.

## **5. RESEARCH IMPLICATIONS**

As the lock-down and social dissociation have affected a wide range of consumer buying behaviour Such fields of empirical study involving certain theoretical proposals on hosting, blurring work-life limits and social media use in crises provide strong potential to deepen consumer purchasing discipline.

Consumer resilience and improvisation are a key social issue for academic research. It is a new study field and the second wave of the Covid-19 problem has opened up a fantastic opportunity for study. Compared with the actual world, the virtual world becomes more appealing for consumers, as evidenced in video games and virtual sports. Is artificial going to be real? For instance, is a chatbot connection more comfortable and fun than a true buddy or boyfriend? Parmy Olson explains in a recent piece in the Wall Street Journal, numerous tales of how people engage with chatbots.

## **6. CONCLUSION**

The lock-down and social distance of the second wave of Covid-19 virus has caused major consumer purchase behaviour disturbance. Time and place are tied to all consumption. With freedom of time, but rigidity of position, customers have learnt to adapt creatively and innovatively. The limits of working life are increasingly flouted as individuals work from home, study at home and rest at home. Since the consumer can't go to the shop, the shop must reach the customer.

As customers adjust to house imprisonment for an extended length of time, new technologies are probably adopted that assist work, education and consumption. It is conceivable that digital technology will change established practises. In addition, governmental policies will force new consumer habits, particularly on public areas such as airports, concerts and public parks.

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## PAYMENTS BANK: THE QUESTION OF VIABILITY

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### Abstract

In today's Indian economy, there has been an increase in cashless transactions and the credit goes to the banking sector. Payments Bank was a new initiative by the Reserve Bank of India aimed at promoting financial inclusion and digital banking in the Indian economy. They had to bring banking facilities to such people and areas where it was not available. With the help of these banks, more money will come in the banking system and competition among banks will increase. The main objective of this paper is to find out the future viability of Payments Bank. Secondary data is used in this study. This study shows that many payments bank has left the plan for establishing payments bank and still six payments bank are working in India. The payments bank has failed to earn profit due to excess of operating expenses and to provide limited services.

**Keyword:** Payments Bank, Banking Sector, Financial Inclusion, Digital Banking, Viability.

### INTRODUCTION

Payments bank is the differentiated bank which was formed by the Reserve Bank of India in 2014 on the recommendation of Nachiket Mor committee. These banks can accept a restricted deposit of ₹2 lakh per customer which was increased from ₹1 lakh on the announcement by the governor of RBI on 7 April 2021. Payments bank can provide limited services like accepting deposit, offering debit cards, mobile banking, remittance services and internet banking etc. These banks are restricted to issue loans and credit cards. Payments bank provides facility of saving account and current account.

The Reserve Bank of India grants in-principle license to eleven entities to setup Payments bank on 27<sup>th</sup> November 2014. The name of the entities which got license from RBI is as follows:

- Aditya Birla Nuvo Ltd.
- Airtel M-Commerce Services Ltd.
- Cholamandalam Distribution Services Ltd.
- India Post Payments Bank

- FINO PaytechLtd. (FINO Payments Bank)
- National Securities DepositoryLtd. (NSDL Payments Bank)
- Reliance Industries Ltd. (Jio Payments Bank )
- Sun Pharmaceutical industries (Shri Dilip ShantilalShanghvi)
- PayTM Payments BankLtd (Shri Vijay Shekhar Sharma, CEO of Paytm)
- Tech MahindraLtd.
- Vodafone mobile-pesaPayments Bank

But in present, only six payments bank are active. The list of these six banks is as follows:

- India Post PaymentsBank, Department of Posts
- Jio PaymentsBank, Reliance Industries Limited
- Airtel PaymentsBank
- Paytm PaymentsBank, (Shri Vijay Shekhar Sharma,CEO of Paytm)
- FINO PaymentsBank, FINO PayTech Limited
- NSDL PaymentsBank,(National Securities DepositoryLtd.)

### **Guidelines for Payments Bank**

1. Payments bank requires minimum capital of Rs.100 crore, in the first 5 years.
2. Under Banking Regulation Act, 1949, the voting rights will be regulated. The voting rights of any shareholder is limited at 10%, which can be increased by RBI to 26% and the Central Bank of India will approve of any acquisition require which is more than 5% & acc. to the guidelines of RBI, the majority of the Bank's board of directors should consist independent directors.
3. The Payments Bank acceptsa restricted deposit which is limited up to ₹1 lakh per customer but now it is increased to ₹2 lakh per customer.
4. Payments Bank is not allowed to provide loan to any person.
5. It is compulsory to use the term “Payments bank” in its name to distinguish it from the other type of banks.



6. Under Section 22 of the Banking Regulation Act, 1949, the banks will be licensed as Payments Bank and will be registered as Public Limited Company under the Companies Act, 2013.

## LITERATURE REVIEW

The relevant literature relating to the topic is reviewed as under:

- **Sikdar & Kumar (2017)** investigated that how newly licensed payment banks can favourably achieve inclusion goals of the Indian banking regulator by engaging with marginalized and migrant groups within the population pie, as envisaged by the banking regulator. In addition, the article attempted to critically assess the competitive implications such a new financial institution will have on the existing full-service banks. Secondary data is used in the study. According to the study, a phenomenal boom being observed in the e-commerce space can be leveraged by banks to reach out to new customers, including those in smaller cities and villages. In addition to exploring regular advertising strategies on these websites, joint product offerings can be considered as an innovative opportunity. Tie-up with e-commerce websites and aggregators is another strategy for customer acquisition and sustained engagement. Wallet providers are likely to enter agreements with banks for operational convenience and viability.
- **D'SOUZA (2018)** talked about the Payments Bank's framework and the expected benefits of the payments bank in its paper. Payments banks are promoting financial inclusion and developing financial technology culture within India. The aim of this study is to find out the emergence of payments banks and how payments banks are differ from traditional banks. This paper is of descriptive and conceptual nature and is based on secondary data. Guidelines of Payments Banks are described inside the paper. The difference between payments banks and traditional banks has defined for which various parameters like making deposits, deposit limits, withdrawal facility, loans, credit and debit cards have been used. This study revealed that the Government's Digital India project is still in nascent stage. 70% of people have deposits less than one lakh in these banks. This study shows that Payments Bank has boosted financial

inclusion and IPPB has a network of 2.5 times larger than normal bank network, due to which it has one branch in every district. This study concludes that the payments banks are moving the country towards cashless economy and digital economy. Innovation and business improvisation are key elements to the success of Payments Bank. IPPB is taking advantage of its wide network to reach rural and unbanked people. It is too early to compare the competency of the Payments Bank with well-established banks.

- **Naik, Firdous, Harika (2018)** presented the study about the framework of the payment banks, and the expected benefits from the payment banks. It also attempted to identify major bottlenecks in the development of such banks. This paper is a conceptual paper. Here data is collected from national and international journals, published government reports, Newspaper, websites. They concluded that Payment banks have been introduced with the primary objective of increasing the impact of financial inclusion drive. The payment banks play a significance role in implementing governments direct benefit, transfer schemes, where subsidies on health care, education and gas are paid directly to beneficiaries account. However, the competition between traditional and payment banks will lead to widening and improvement in quality of banking services are reduced costs and which may finally leads results in financial inclusion.
- **Anithrajathi & Shiva (2018)** did its study on the service quality and customer satisfaction of Bharti Airtel. This study will help to improve the SERVQUAL model. Bharti Airtel provides its services in 20 countries across Asia and Africa and has its headquarters in New Delhi, India. It was the first Indian telecom company to get Cisco Gold Certification. The objective of this study was to check the demographic profile of the customers and measure the service quality. In the study, the author tried to determine the customer's preference towards Bharti Airtel mobile services. This study is based on Tiruchirappalli Region. The study found that cost, availability and customer perception are the most motivating customers. Service quality depends on a number of attributes which are tangibility, reliability, response, assurance and empathy. This study concludes that today's customers are much smoother, more challenging, more price conscious, less forward-looking and innovative, which are difficult to judge. People with low income and students still rely on Airtel because this provide services

on low cost. Hence, Airtel has to expand their network coverage area for maintain their future.

- **Kotecha (2018)** studied mobile wallets in India. Mobile wallets are also known as digital wallets, e-wallets, online wallets, mobile money, mobile money transfer and mobile payments in India. There are four types of mobile wallets such as open wallet, semi-open wallet, closed wallet and semi-closed wallet. The objective of this study was to understand the concept of mobile wallets, to find out its advantage and disadvantage and to determine the growth of mobile wallets in India. This study is of descriptive and conceptual nature. There are a lot of advantages of mobile wallets like nominal cost, competitive benefit, time-saver, convenience, safety, flexibility, rewards and confidence etc. Along with the merits of mobile wallets, it also has its drawbacks. Mobile wallets have drawbacks such as awareness, limit of amount deposit, availability and dependency on the device. There has been a rapid growth in the growth of mobile wallets from 2012 to 2016. Transactions of mobile wallets in India are Rs. 205.8 billion in 2015-16. This study conveys that people are adopting mobile wallets because it is easy to use and convenient. Mobile wallets are the most commonly used route for online payments. There is a possibility of more growth in the adoption of mobile wallets in the coming years.
- **Singh (2019)** stated that as of December 2018, 88% of the total deposits of India's payments banks were held together by PayTM Payment Bank and Airtel Payment Bank. According to the RBI, from March 2018 to December 2018, PayTM Payments Bank deposits grew by 240% and reached to Rs. 371.4 crores from Rs. 107.3 crores which is 48% of the total deposits of Payments Banks. Whereas Airtel Payments Bank deposits grew by 10% to Rs. 320 crores which is 41% of the total deposits of Payments Banks of India. As of December 2018, the payment banks in total have a deposit of Rs. 780 crore, combining both savings and current accounts, which has increased by 78% compared to March 2018. India Post Payment Bank has a deposit of Rs. 33.6 crore. There has been negative growth in deposits of Fino Payment Bank and has come down from Rs. 39.23 crores to Rs. 29.41 crores. Jio Payment Bank has a deposit of Rs. 17.82 crore. Many payment banks have grown significantly by using the network and creating market awareness. Many payment banks have also had to face RBI's penalties

and banned Fino, Airtel and PayTM payment banks from adding more customers. Payment Bank was created to accelerate financial inclusion but even today it has not been able to increase its business scale and profitability and lends on transaction fees for the revenue. This alone can't make them profitable and expansion in transactions volume is necessary for growth.

- **Kumar and Kumar (2019)** tried to study the world's largest payment bank, which is India Post Payment Bank. In this paper, we have sought to find out the fundamentals and challenges of Payments Bank. According to the study, IPPB has 650 branches / controlling offices, 3250 access points and more than 10000 GDS / Postmen in India for doorstep / counter services. IPPB provides many services such as deposits, money transfers, utility bill payments, direct benefit transfers and enterprise and merchant payments. Secondary data is used for this study. In this study, it has been seen whether IPPB will be successful or not. For value proposition, IPPB has three factors namely Accessibility, Approachability and Digital Ecosystem. IPPB offers three types of accounts - Regular Account - Safal, Basic Savings Bank Deposit Account (BSBDA) - Sugam and BSBDA Small - Saral. There are many challenges ahead for Payments Bank such as Capture Market Area, Connectivity, Advance Technology and Awareness about IPPB. This study concludes that at present a lot of people do not know about IPPB. Its biggest weak point is that it cannot do lending activities. The Reserve Bank of India has provided a channel through which full banking services can be reached to all people. IPPB will prove to be a game changer in the coming times and will bring a payment revolution in the banking sector.

## **OBJECTIVE OF THE STUDY**

- To examine the future viability of Payments bank.

## **RESEARCH METHODOLOGY**

This research paper is conceptual and descriptive in nature. The data is collected from secondary sources i.e. journal articles, website, reports and magazines.

## **RESULT & DISCUSSION**

Viability means that an organisation is successful. It defines the ability of a business to generate revenue continuously and long term survival of the organisation. If a business generating more revenue in comparison of its expenditures, then it is called as a viable business. If a business is not viable, then it is difficult for that business to survive and needs to decrease its expenditure.

### **Timeline of Payments Bank Operations in India**

A timeline of significant events with the licenses is as follows:

**2015:** RBI grants inprincipal approval to 11 entities.

**2016:** Cholamandalam, Tech Mahindra and Shri Dilip Shanghvi surrender licenses. Airtel PB begins operations.

**2017:** Paytm PB, IPPB and Fino PB begin operations.

**2018:** Jio PB and NSDL PB start pilot operations.

**2019:** Aditya Birla Idea and Vodafone M-Pesa surrender their licenses.

### **Future Viability of Payments Bank**

The main aim of payments bank was to stimulate the financial inclusion in the country and providing bank facilities to the rural and unbanked people. But the future of payments bank is uncertain because of its restricted activities. Payments bank is unable to earn revenue from its resources and cost of operation is also high. Reserve Bank of India provided license to 11 entities for establishes Payments bank but there are only 6 Payments bank which are working currently in the country. 5 entities surrender its license because they see it as an unprofitable business.

### **The reasons for unviability of Payments bank are as follows:**

1. Payments bank can't provide lending facility, it can accept deposit only.
2. Payments bank has been facing a high competition from other banks.
3. It has to invest 75% of its total deposit in government securities.
4. Lack of awareness and illiteracy is also a crucial factor in falling of payments bank.
5. It has no permission to open the account of Non Resident of India.

6. Operating cost i.e. day to day operation cost of Payments bank is too high.
7. It has to maintain the Statuary Liquid Ratio (SLR) and Cash Reserve Ratio (CRR) with Reserve Bank of India.
8. Payments bank got a limited area for working because approximately 220 million bank accounts have open under the Pradhan Mantri Jhan Dhan Yojana (PMJDY).
9. Transaction charges and Remittance charges are the only source of revenue for Payments bank.
10. Like credit services, it cannot provide insurance and investment facilities which means that it doesn't confirm complete financial inclusion.
11. The gestation period of Payments bank is long which means that it takes more than 4-5 years to formulate a suitable service delivery system.

### **SCOPE FOR FUTURE WORK**

This study only examines the future feasibility of Payments bank. The future studies can be conducted on financial performance of Payments bank. A fewer studies has found on awareness and perception of customers towards Payments bank, so future researches can also be performed in that area.

### **CONCLUSION**

The study concludes that future of Payments bank is uncertain because of its limited activities. There are only six active payments bank and five entities surrenders its license to setup payments bank. The major source of income for banks are loans but payments bank is restricted to provide loan facility to customers. The financial performance of payments bank is also not good. Operational cost is very high and profit margin is also in negative digits. Return on asset and return on equity both ratios are declining. Payments bank is unable to generate profits from its available assets and equity. Reserve Bank of India need to take actions for improving its performance like conversion in small finance banks, permission to issue loans, increase deposit limit and freedom of investment in any security etc.

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