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# **How Raising Interest Rates could help fight Inflation, but could potentially lead to a Global Recession**

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## **Abstract**

The World economy today looks a lot different from what it was a year ago. Anxieties about increasing inflation, market downturns and even a possible recession are weighing down on the minds of many. As Central Banks across many economies are simultaneously increasing interest rates in response to rising inflation, the World may be moving towards a Global Recession in 2023, according to a World Bank Study. In these uncertain times, it can be difficult to understand and comprehend the cause and effect of rising inflation and thus interest rates, from a short and a long-term perspective, more so as to why this might lead to a global recession since theoretically inflation is supposed to be transitory.

This article will try breaking it all down by first looking at how Inflation could be curbed through increasing interest rates and how by doing so, it could result in a potential global recession. This article draws reference mainly from the ongoing economic turmoil as seen in the US Market and also from the experiences on the interest rate effect on inflationary conditions in few other developed and emerging markets.

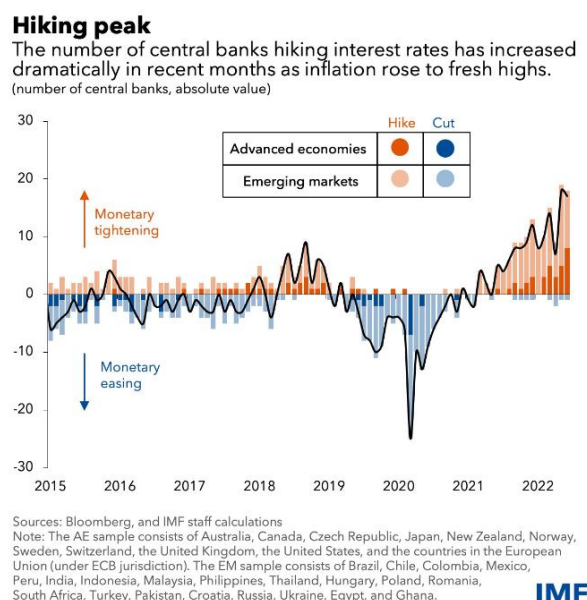
The article draws upon the conclusion that Global economies with the objective of creating a sustained economic growth, would look at stabilising prices and controlling inflation with the tightening of monetary policies being one of the possible solutions to achieving pre pandemic levels of inflation and economic growth.

**Keywords:** Inflation, Recession, Interest Rate, Current Global Financial Scenario

## **Introduction**

The Federal Reserve in the last month have increased interest rates three times in a row, with the latest being a week old of a 75 basis points, to help fight inflation and bring price growth under control. The Fed hopes that raising interest rates could help slow down the current inflationary economy and bring back prices to a more sustainable level. Similarly, India's

Central Bank, The Reserve Bank of India, raised its interest rate by 50 basis points in its third such hike since May this year to bring down its current inflation rate. The IMF has documented rise in interest rates in response to inflationary conditions across a number of economies (Fig 1.1)



**FIGURE 1.1** Hiking Interest Rates across Developed and Emerging Economies

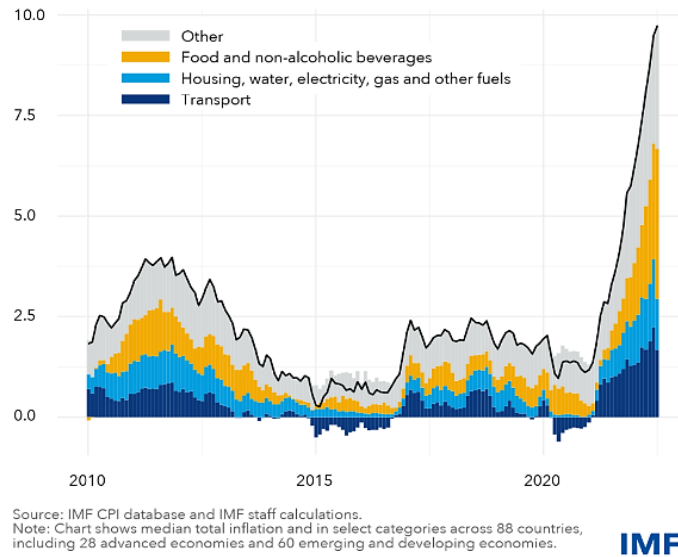
With inflation rates at high levels across many countries, policymakers have gradually moved towards a tighter monetary policy. Central banks in many emerging economies started hiking interest rates since last year, followed by Central Banks in advanced economies also doing the same since the final months of 2021.

The pace of Monetary tightening, as seen above, is accelerating in several advanced and emerging economies, in terms of both frequency and magnitude of rate hikes. But the main question is, how exactly does raising interest rates do that?

Before we understand the relation between Interest rates and Inflation, let's first understand what are the drivers of Inflation Globally.

## Drivers of Inflation

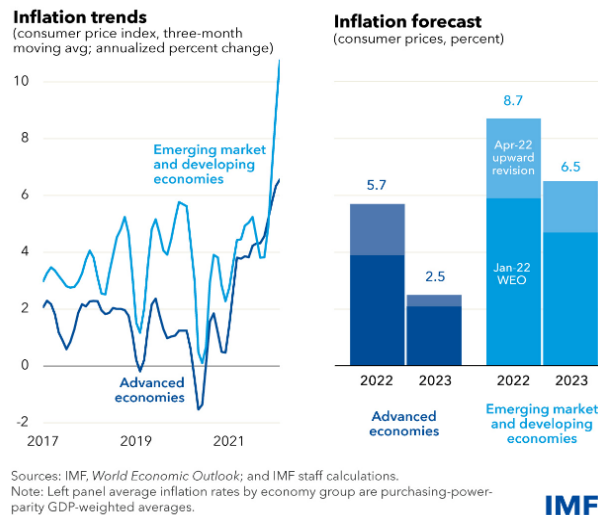
Early 2020 marked moderate global inflation and a downward trend continued through the pandemic years. Surging prices since late 2020 pushed inflation to higher levels, increasing the average global cost of living levels, with Food and Energy being the main drivers of inflation (Figure 2.1).



**Figure 2.1 Drivers of Inflation**

Food inflation alone eroded the living standards across the globe at the same rate as inflation of all consumption put together in 5 years pre pandemic. Similarly, energy costs, the impact of which can be seen directly as well as indirectly, through higher transportation costs, are also on a rise, again impacting the overall cost of living.

Apart from these two main drivers, there has been a steady increase in the prices of other items as well. For instance, Service inflation has been on a rise in the US and the Euro area. The relative impact of the increase in the rise in prices across these parameters is the increase in inflation rates across other countries.



**Figure 2.2 Inflation to be elevated for longer**

While from the IMF Outlook (Figure 2.2), even though the inflation rates will ultimately ease, it could turn out being higher for few reasons such as supply-demand imbalances and commodity-price gains. The Ukraine war and resultant supply disruptions increasing costs of intermediate inputs along with surging commodity prices could also be a factor driving up

inflation rates. Meanwhile an increased cost of living due to consumer price inflation, leading to the working class seeking higher wages, to preserve their purchasing power, could drive nominal wage growth rates. All of this would further intensify inflation pressures. Hence, Policymakers across economies have moved towards a tighter monetary policy as a corrective action, and one of the actions being increasing interest rates across assets and liabilities.

## **Interest Rates and Inflation: The Relation**

The Benchmark Interest rates that are set by the Federal Reserve in the US, The RBI in India and other Central Banks across other World Economies, affect the borrowing costs for Businesses, Governments and Consumers. They are primary Monetary Policy tools for ensuring modest inflation, maximum employment and creating a pace of sustainable economic activity within the economy.

Interest rate is the price one pays to borrow money in the form of loans, such as Home Loan, Education Loan, Personal Loan and the like, from a Bank or any other Financial Institution. Banks also borrow money, from other banks and also from the Central Bank. One of the primary roles of any Central bank is providing and ensuring a safe and reliable financial system for the country by maintaining deposit accounts for banks. And just as with any other loan, the banks are charged an interest rate for borrowing money. In the US, it is known as the Federal Funds Rate, that the Federal Reserve helps set with its interest rate announcements. This interest cost is passed on by the Banks to their customers, when the customers want to access loans. We could infer how an increase in the interest rates brings down price and inflation in the market through the example of Prime Rate.

The interest rate that banks charge to their most creditworthy borrowers is called a Prime Rate. From the US perspective, the Prime Rate is equivalent to the Federal Funds Rate plus 3%, that covers the cost of processing a bank loan. An increase in the Prime Rate drives up the cost of Borrowing for all loan products as well as revolving debt such as Credit Cards. Which means that it gets more expensive to borrow money and hence consumers will spend less. When the spending reduces, demand will drop and by the Law of Demand, the price of goods will also fall, thus contracting Inflation.

However, there is a risk here which is the combination of Higher Borrowing Cost, coupled with slower growth and high inflation could invite recession. Hence, Central Banks need to choose their moves carefully. But with the Global Supply Chain being severely constrained over the last two years post the pandemic and the Ukraine War that has negatively affected Global Food, Crude oil and Natural Gas supply, depending solely on Monetary Policy Tools may only be so much.

## **Inflation, Interest Rates and a Possible Recession**

Though increasing interest rates are proven to reduce consumption of goods and services and thus their prices, in the long run, businesses may respond to this by reducing production percolating to reduced input and labour. This would lower hiring, induce layoffs thus pushing the unemployment rate up, a sign of Recession.

World Bank Group President David Malpass mentioned, in a World Bank Press release, that growth globally is slowing sharply with a possibility of further slowing as more countries are fall into recession. He expressed concern on the long-lasting devastating consequences for emerging and developing economies with these trends persisting. He suggested that if there is a shift of focus from reducing consumption to increasing production, it could help achieve low inflation rates, currency stability and overall faster growth. Hence, Policymakers need to make policies with the objective to generate additional investment as well as improve productivity and capital allocation. This could help in achieving overall growth and significantly lead to poverty reduction.

The current trajectory of interest-rate increases across economies along with other policy actions may not be sufficient enough to bring Global inflation back down to levels seen before the pandemic, due to factors such as Supply Chain instability, Labour Market pressures, Financial Market Stress and Geopolitical issues. Unless the Supply chain and Labour market pressures subside, the interest rate increases could leave the Global Core Inflation Rate (Excluding Energy) at around 5% in 2023, which is nearly double of the 5-year average pre-pandemic, according to a World Bank Study. The study goes on to pointing that the Global Economy is in its steepest slowdown, with the World's largest economies, the US, China and the European economies showing sharp slowdowns. Even a moderate hit in the global economy could bring in recession.

Ayhan Kose, World Bank's Acting Vice President for Equitable Growth, Finance, and Institutions was in the opinion that the recent tightening of monetary and fiscal policies would prove helpful in reducing inflation, but as they are extremely synchronous across countries, they could be mutually compounding in tightening financial conditions thus steepening the global growth slowdown.

Having said that, there could be ways in which Central Banks and policymakers across could help postpone or avoid the expected possible Recession. While, Advanced economies need to take care about the cross-border spill over effects of their Monetary Tightening, emerging economies would need to strengthen their regulations and build foreign exchange reserves. Policy measures to increase Labour force participation and reduce price pressures could also ease out the possibility of recession. Global stabilization of trade networks and supply of commodities could go a long way in ensuring easing out global supply bottlenecks and create a more sustainable and inclusive growth.

## Conclusion

With the objective of creating a sustained economic growth, economies would look at stabilising prices and controlling inflation. With the risks to the upside inflation outlook, Central Banks would have to continue normalising the inflationary pressures through interest rate increases time and again. With challenges of inflation, supply chain disruptions and geopolitical impacts, monetary tightening becomes imperative. What is left to be seen is how long it takes to get back to pre-pandemic inflation and economic growth levels, and if the World economy gets into a recession or not.

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## **Impact of Offers and Rewards on Preference of Online Banking**

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## **Abstract**

In the technological contemporary world, online wallet applications are giving numerous offers as well as cash back and rewards to their users. It is crucial to find relation between consumer's preference towards offers and rewards as this can be helpful for the banking applications for future decision making on improvisational changes on the offers, they are providing. The purpose of this research is to show the impact of offers and rewards on consumer's preference for usage of online banking. Offers and rewards is a strategic way to persuade people for using online banking. Our study is to find out whether offers and rewards influence the users to increase their frequency of usage of online transactions or not. Also, we aim to check the satisfaction level of the users from offers provided by different banking applications. We have conducted a descriptive study to find the relation between frequencies of online banking usage with age, income, knowledge of customers. The research also tries to find the impact of these demographic variables on the preference of online banking. The study includes both quantitative and qualitative approach. The data was collected from 300 respondents. Application of chi square revealed that there is significant association between usage of online banking and the offers and rewards on online banking. The study also concluded that while there is significant association between different age group and the impact of offers and rewards on online banking usage, there is no significant association between frequencies of using online banking and user's monthly income.

**Keywords:** Consumer Preference, Digital Payment, Offers and Rewards, Online payment, Preference of Online Banking.

## **Introduction**

To maintain growth, payment card networks continue to add new merchants to their networks. However, because the majority of Americans already have both credit and debit cards, acquiring new cardholders are becoming increasingly difficult. In the United States, card issuers have been promoting enticing rewards programmes in order to increase their market share and card usage among existing customers. The welfare effects of rewards programmes, as well as their implications for these public policies, are heavily influenced by both the societal costs of different payment methods and how rewards programmes influence customers' payment method preferences. The purpose of this study is to determine the impact of various

demographic characteristics on customer preferences for everyday internet banking. The use of internet banking as an effective and practical tool for providing client value is rapidly increasing in the banking industry. Traditional banks provide this option in order to provide internet users with faster and more reliable services.

Awareness of Banking among Customer can directly impact the usage of online banking, mostly the people became more aware about online banking after the covid and digitalization took place in India. More the awareness more users would be there. To increase awareness about online banking the banks are arranging campaigns and taking many steps. The majorities of respondents are more aware of digital payments and satisfied with online payments, according to the findings. The acceptance of digital payment was further aided by the development of Smartphone users and internet access in such areas. Income of E-banking users also an indicator for the frequency of usage of online banking or frequency of transaction made by a person. Almost two third of total samples believe that there is relation between income of user and their frequency of usage of online transactions.

Technologies on E-Banking Services are emerging day by day. Internet banking first appeared in India in the mid-1990s, when newly established private sector banks devised a new business model built on a solid information technology (IT) foundation. Only when social influence is mandated does it have a significant impact on technology adoption, and its impact diminishes as users gain direct experience with the target system. Offers and rewards in E-Banking Services can lower total costs to the economy by incentivizing consumers to switch from a more expensive payment method. As a result of rewards, consumers may receive distorted pricing signals, and some consumers may choose socially inefficient payment options. Merchants who barely increase the number or value of transactions may be ineligible for rewards. In terms of consumer behavior and bank efficiency, customer satisfaction with internet banking services was extremely important. It's critical to figure out what drives customer happiness because this will help you better understand your customers and make changes to improve your service delivery. Customer satisfaction is improved by using current information and technologies for customer communication.

## **Literature Review**

### **Introduction to Online Banking:**

Many businesses' operations have changed as a result of the Internet, which has evolved into a powerful channel for business marketing and communication, according to American Banker. In recent years, the banking industry has followed this trend, which is frequently referred to as "e-banking," which refers to all financial transactions currently completed using Internet apps. The advancement of communication and computer technology, as well as the availability of the Internet, has made it possible to conduct most banking transactions from a remote location, even without stepping into a physical financial structure, resulting in the emergence of e-banking. (Rajput, 2015) E-banking has been viewed as an advanced upgrade from previous electronic delivery systems, allowing the banking industry to open many new business

opportunities. (Dr. Narcisa Roxana Moşteanu, 2020). Online banking, in addition to prior electronic banking delivery technologies such as automated teller machines (ATMs) and telephone transaction processing centers, gives banks a new and more efficient electronic delivery tool. Costanzo (D, 2016).

#### Offers and Rewards of Online Banking:

Payment card networks continue to add new merchants to their networks in order to maintain growth. However, because most consumers in the United States already have both credit and debit cards, acquiring new cardholders is getting increasingly challenging. Card issuers in the United States have been promoting enticing rewards programmes to enhance their market share and card usage among existing consumers. (Sudharsan, 2019). The welfare effects of rewards programmes, as well as their implications for these public policies, are highly dependent on both the societal costs of various payment methods and how rewards programmes influence customers' payment method preferences. (Ching, 2010)

#### Customer Preference on Online Banking:

The purpose of this article is to determine the impact of various demographic characteristics on customer preferences for internet banking in everyday life (Chaudhary, 2022). In the banking business, the use of internet banking as an effective and practical tool for providing client value is rapidly increasing. Traditional banks offer this option to provide internet consumers with speedier and more reliable services (Bebli, 2012)

Online banking can be used to persuade more people to conduct financial activities at linked institutions, given the rapid progress of computer technology as a commercial tool (VikasChauhan, 2019).The study determined which commercial bank provides superior service to consumers in terms of e-banking services, as well as the satisfaction level of customers with banks and internet banking websites (Elavarasi, 2014)

#### Evaluating Awareness of Banking among Customer:

The goal of this study is to figure out what factors influence internet banking uptake. In the tested mediated model, perceived ease of usefulness (PEU), awareness, and opportuneness were found to have no significant link with consumers' willingness to utilize internet banking. The respondents were not split into genuine users of online banking; therefore they may not have accounts with the respective banks, resulting in them not having much experience with internet banking (Dali, 2019).

The majority of customers prefer to embrace mobile banking services in the coming years; therefore, 93.33 percent of customers are content with mobile banking, and 78.89 percent of customers are satisfied with online banking. The respondents' preference fore-banking services is influenced by criteria such as ease of access, secrecy, service quality, and time savings. As a result, the vast majority of respondents is aware of and pleased with the service offered by bankers. The simplicity of internet banking is assisting consumers in taking charge of their finances and influencing cash withdrawal and day-to-day money management behaviors. Time saving is a significant aspect that influences customers' decision to utilize internet banking (D,

2016). The majorities of respondents are more aware of digital payments and satisfied with online payments, according to the findings. The acceptance of digital payment was further aided by the development of Smartphone users and internet access in such areas. (Deepa, 2021)

## **Problem Statement**

Our research problem is to study the impact of offers and reward on preference of online Banking. As online banking has impacted a lot in the Indian market through various and reward, they provide to attract the customer during this covered online banking has boomed in a great extent as it was the fastest and safest form to transfer money. It will be really interesting to see the result of how much effect it has created on people. How people rely on online banking because it is the most convenient way of transferring money and it has been used all over the world, even in remote areas where people are literate enough to use it. We must examine the preferences of online banking users and the various reasons why they have chosen online banking, as well as the various benefits they are receiving and whether they are useful or not.

## **Research Methodology**

The objectives of this study are:

- To find the impact of income of user on preference of online banking.
- To study the influence of knowledge on preference of online banking,
- To determine the impact of offers and rewards towards preference of online banking

Our research is descriptive because our research problem is based on facts and figures, and we have to conduct a survey to find out all W's questions. It is a useful tool for analyzing non-quantifiable themes and issues, as well as the ability to witness phenomena in a perfectly natural and undisturbed setting. In our hypothesis, the independent variables are age, gender, income, occupation, technology, knowledge and specially offers and rewards and dependent variables is preference of online banking. Chi square test is used to understand whether the preference of online banking users varies with offers & rewards, income, gender, and knowledge. 300 responses were collected through convenience Sampling for the research spanning over Ahmedabad city and lastly Chi square and Correlation tool has been used to find the impact on preference of online banking. Our research fills the existing literature gap by providing the detailed study about the research done on online banking but no research has been conducted on consumer's preference for online banking due to offers and rewards. The study on rewards and consumer preferences is done for e-cards not online banking. The relatable research on this topic has mostly been done by foreign researchers. This study has 5 hypotheses based on the same:

| Sr No | Hypothesis Framework  | Test Applied |
|-------|---|--------------|
| 1     | H <sub>01</sub> : Frequency of usage of online banking and income of user is independent of each other.           | Chi Square   |
| 2     | H <sub>02</sub> : Frequency of usage of online banking and knowledge of user is independent of each other.        | Chi Square   |
| 3     | H <sub>03</sub> : Frequency of usage of online banking and offers and rewards is independent of each other.       | Chi Square   |
| 4     | H <sub>04</sub> : Frequency of usage of offers and rewards and age is independent of each other.                  | Chi Square   |
| 5     | H <sub>05</sub> : Preference of online banking due to offers and rewards and gender is independent of each other. | Chi Square   |

Table 1 Hypothesis and test applied

The data has been collected from 300 respondents out of which 101 are females & 199 are males. Majority of respondents are from the age group of 18-25. The questions were used to know and understand the factors for usage of online banking, how frequently people use the online payment, what are the major reasons for using online payment and much more.

### Analysis of Data

The survey taken on respondent revealed the following findings related to their preference regarding online payment. The results are as follows:

Fig 2 Frequency of using online banking of applications

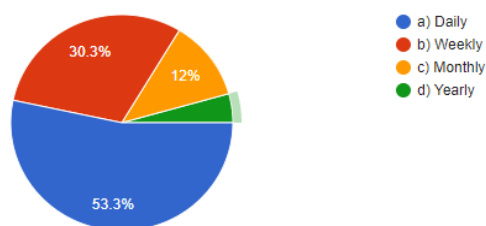
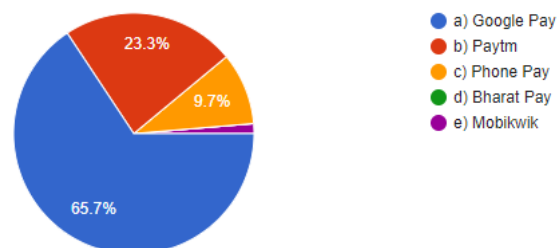


Fig 2 Preference



When asked how often they use online banking for payments, 53.3 percent of respondents (160) chose Daily. Weekly payment method was chosen by 30.3 percent of respondents, or 91 persons as shown by fig:1. The monthly option was chosen by 12 percent of responses, or around 36 persons. 4.4 percent of respondents, or 14 people, chose yearly as an option. To

determine the impact of how much online banking is used based on its purpose. Money transfer is preferred by the majority of people (46 percent, or 138 respondents). The remaining 29%, or 89 people, use it for recharge and bill payment, while 13.3%, or 40 people, uses it for cinema tickets, shopping, and reservations. To determine the influence of how much different applications are used based on their offers and rewards. Fig: 2 shows that Google Pay is preferred by the majority of people (65.7 percent, or 197 respondents). The remaining 23.3 percent, or 69.9 persons, utilize Paytm, and 9.7%, or 29.1, use phone pay. This question received varied results; some respondents used other applications for the indicated purpose, while others did not.

Fig 3 Opinion about impact of offers and rewards  
offers and Rewards

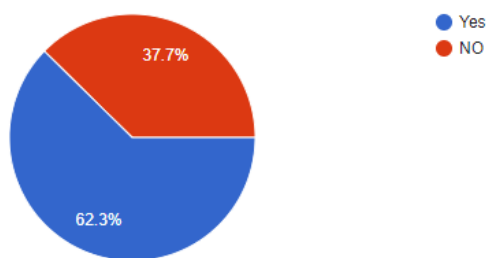
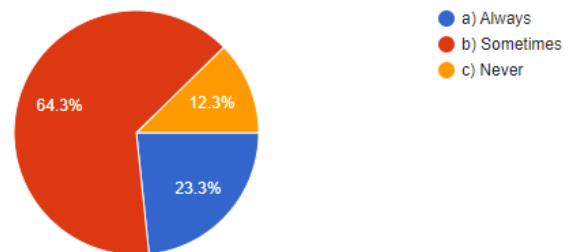
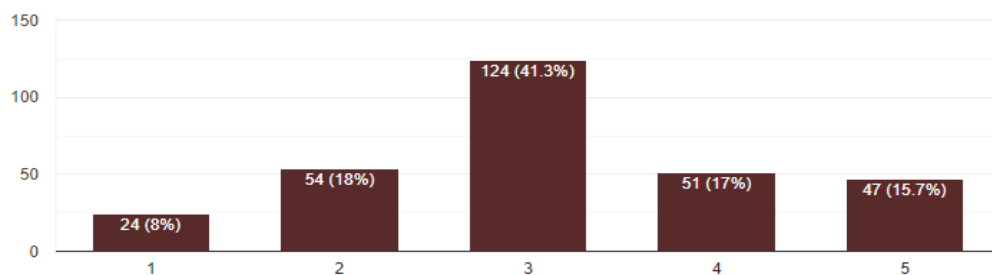


Fig 4 Redemption of offers and Rewards



It is commonly observed that people are drawn to something that benefits them. The majority of responders when asked about offers and rewards, said yes to as an impact. 62.3 percent (186.9) of respondents responded that offers and prizes have a favorable impact on them, while 37.7% (113.1%) disagreed as shown in fig:3. To determine why people prefer internet banking to other payment methods, majority of people responded its usage gives additional benefits (41.3 percent of responses). It is seen from fig:4 that when offers and rewards are offered people either redeem them or ignore them or it depends on the benefit that they will redeem it or not. Respondents who always redeem their offers and rewards are 23.3% i.e.69 respondents, people who sometimes redeem were 64.3% i.e.192 and respondents who never redeem where 12.3% i.e.37.

Fig. 5 Satisfaction from type of offers and rewards offered



When the respondents were asked about how much satisfied they are with offers and rewards provided by online banking application 124 were very neutral while answering and 24 respondents were highly dissatisfied. 47 were highly satisfied, and 51 are satisfied. Here number of respondents satisfied with the statement is more than number of respondents dissatisfied.

| Sr No | Hypothesis Framework  | Significance P-Value | Hypothesis Accepted  |
|-------|---|----------------------|----------------------|
| 1     | H <sub>01</sub> : Frequency of usage of online banking and income of user is independent of each other.           | 0.900                | Null Hypothesis      |
| 2     | H <sub>02</sub> : Frequency of usage of online banking and knowledge of user is independent of each other.        | 0.907                | Null Hypothesis      |
| 3     | H <sub>03</sub> : Frequency of usage of online banking and offers and rewards is independent of each other.       | 0.018                | Alternate Hypothesis |
| 4     | H <sub>04</sub> : Frequency of usage of offers and rewards and age is independent of each other.                  | 0.005                | Alternate Hypothesis |
| 5     | H <sub>05</sub> : Preference of online banking due to offers and rewards and gender is independent of each other. | 0.012                | Null Hypothesis      |

Table 2: Result of hypothesis testing

We can conclude from table: 2 that frequency of usage of online banking is independent of income as p-value of its test is 0.9 which is more than 0.05, which concludes that null hypothesis is accepted. There is no significant relation between frequency of usage of online banking & knowledge of user as p-value of its hypothesis testing is 0.907 which is more than 0.05 which concludes that null hypothesis is accepted. Though there is a significant dependence of frequency of using online banking based on offers and rewards as hypothesis testing results shows 0.018 as its p-value, which is less than 0.05, which means that alternative hypothesis is accepted. Customers use online banking as they are aware of the benefits and free recharge or purchase coupons. With respect to the two demographic variables age and gender, though age impacts the preference but not gender as per the hypothesis testing. The younger age group uses online banking and reaps the known benefits and offers but the older generation doesn't believe in it.

## Conclusion

Our research study aims at studying impacts of offers and rewards, age, gender, income as well as knowledge of users on preference of usage of online banking. Our research fills the existing literature gap by providing the detailed study about the research done on online banking but no



research has been conducted on consumer's preference for online banking due to offers and rewards. The graphical interpretation of the questionnaire provides us with some strong findings. When we asked directly people about their preferences of application for online transactions, they stated that they prefer more 3rd party application and not the bank's own application. When asked how often they use internet banking for payments, (160) chose daily. Weekly payment method was chosen by 91 persons. To determine the impact of how much online banking is used based on its purpose. Money transfer is preferred by the majority of people. To determine why people, prefer internet banking to other payment methods. It was chosen by the majority of people because it provides offers and rewards. It is commonly observed that people are drawn to something that benefits them. The majority of responders said yes to the question. It is seen that when offers and rewards are offered people redeem them.

Our study concluded that there is significant association between frequency of using online banking and the impact of offers and rewards on online banking usage.

Therefore, it's recommended that online payment portals should use this type of offers & rewards to attract customers. There is no significant relationship between frequencies of using online banking and user's monthly income, knowledge and gender. Though significant association was found between different age group and the impact of offers and rewards on online banking usage. Therefore, it's recommended that the most affected age group should be targeted with reference to this type of offers & rewards. Online Banking services especially the third-party application but still there is need of investment in understanding the online banking especially the offers and rewards respondents get from using internet banking and attempt to suit their diverse needs related to internet banking services as much as feasible.

## Recommendations

According to the study, when offers and rewards are offered people redeem them. Therefore, it's recommended that online payment portals should use different types of offers & rewards to attract customers. Also, it is found that there is no significant relationship between frequencies of using online banking and user's monthly income, knowledge and gender but significant association was found between different age group and the impact of offers and rewards on online banking usage. Therefore, it's recommended that the most affected age group should be targeted with reference to offers & rewards.

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## **A study of marketing tactics for the uptake of 2-wheeler electric vehicles among Indian consumers**

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### **Abstract**

India strives to lead the world in the transition to clean energy in the field of road transportation. NEMMP 2020, the National Electric Mobility Mission Plan, was introduced in 2013. The goal of the project is to minimize urban pollution, achieve the GHG emission targets set forth in the UN climate change treaty, and make the country energy independent. In India today, there have been numerous successful electric vehicle start-ups thanks to the make in India push. Additionally, there are numerous international investors that have made investments in this specific area in India. Additionally, the Indian government is offering a sizable number of incentives for the purchase of electric vehicles as well as the creation of an electric car manufacturing facility. Recently, the government unveiled a special e-portal for electric vehicles in an effort to raise awareness. However, India is not seeing the necessary increase in the sales of electric vehicles. The key objective here is to build marketing strategies, therefore let's look at the main variables that influence the acceptance or sales of electric vehicles in the Indian market. In this study, Ampere by Greaves, Ather energy, and TVS motors, three well-known manufacturers of electric scooters, were examined for their marketing approaches and public relations efforts. The researcher has also concluded with proposed logical marketing plan to enhance the adoption of EVs in India based on observational evaluation and analysis. Finally, the key obstacles that prevent any buyer from buying an EV are listed below, and marketing tactics are recommended in response.

**Keywords:** Electric 2-Wheelers, Marketing Strategies, EV Marketing Strategies in India

## Introduction

A thorough examination of present and anticipated future mobility consumption is necessary in order to assess electric mobility as a feasible alternative. Approximately 31% of India's population lived in cities, per the 2011 Census. In 2030 and 2050, respectively, this figure is predicted to rise to 40% and 50%. These days, everyone is paying attention to electric automobiles. It is a sustainable alternative to cars with internal combustion engines (ICEs). ICE cars produce a significant amount of harmful emissions. On the other hand, electric vehicles are viewed as the better, more environmentally friendly, economically viable, and sustainable form of the automobile [15]. The several forms of electric vehicles include HEVs (Hybrid Electric Vehicles), which can run on both fuel and electricity, PHEVs (Plug-in Hybrid Electric Vehicles), and others. Battery-powered vehicles: There are only a motor and battery in these vehicles. Although electric vehicles have several benefits, such as zero emissions, minimal noise pollution, enhanced technology, and technological advantages, their sales have not increased as much as was anticipated [13]. This study will examine some of the major problems or barriers to the adoption of electric vehicles and will be targeted in terms of marketing accordingly. Also, marketing techniques will be offered based on those core issues [3].

The primary drivers behind the adoption of the new, upgraded version of cars are rising fuel demand and rising pollution: - Globalization will have an impact on oil consumption in 2050, and it may rise swiftly along with the number of cars on the road, which will rise to 1.5 billion in 2050 from 750 million in 2010 [8]. The use of gasoline-powered automobiles has had a significant detrimental effect on the environment, and continuing to do so could make matters even worse. The usage of traditional motor vehicles is still a substantial source of noxious pollutant emissions in India, particularly carbon dioxide. Even though the usage of coal-fired power plants to generate energy will have little effect on GHG emissions, using electric cars will result in significant reductions in transport pollutant emissions [11]. The transition from traditional gas-powered cars to contemporary electric vehicles will benefit consumers as a result of technological developments during the next 10 years. Activities promoting environmental education should inspire more people to purchase electric vehicles. Everyone can help make the planet cleaner by reducing pollution. Increased adoption of electric vehicles could result from environmental education. Researchers have also found that consumer awareness of electric vehicles either directly or indirectly motivates consumers to purchase more electric vehicles and lower their carbon footprints. Thanks to the manufacture in India program, there are currently several profitable electric car start-ups working in India [7]. A significant number of foreign investors have also entered There are numerous investments in this particular industry in the Indian market. The Indian government is also providing considerable incentives for the purchase of electric cars as well as the establishment of an electric car manufacturing facility [14]. In an effort to increase awareness, the government recently established a unique e-portal for electric vehicles. Even Nevertheless, India's electric vehicle sales have not yet reached the required level [12].

## **Objectives of the Research**

- To study and understand the scenario of the electric two-wheeler market.
- To critically evaluate Specifications and performance of 3 well-known 2-wheeler Electric Vehicle Manufacturers

## **Research Methodology**

This research is conducted during October and November 2022. The Researchers has used Case study-based research method. As case study can be used to describe the characteristics of a particular subject (such as a person, group, event or organization). Instead of gathering a large amount of data to identify trends over time or space, case studies gather particular data to identify the characteristics of a tightly defined subject.

This study is focused on examining what the present electric two-wheeler companies have suggested in terms of marketing tactics and how they are operating. This may be done perfectly by observing and describing it. It was observed and reported how the 4Ps of marketing have been applied.

The researchers have visited and observed the real time scenario of 3 companies offices and interviewed and interacted with the real time customer for their responses and opinions. The companies chosen were GREAVES, TVS and ATHER.

Additionally, the companies' most recent marketing campaigns was examined. For the three-separate two-wheeler (electric scooter) companies, a comparative case study analysis is conducted, reviewed, and new marketing tactics is offered based on the findings.

## **Results and Discussion**

The researcher has visited the different stores of the 2-wheeler Automobile Sellers and interacted with the sales person, dealers and customers who actually came to store with interest of purchase of 2-wheeler EV. Also, the Existing customer who came to service their vehicle was also interacted and interviewed for their opinion. Further the behavior of customer and sales man interaction was observed at the store.

Base on the observation and interaction following case studies were formed.

**CASE-1: AMPERE EV BY GREAVES**

*Fig 1: Ampere Magnus EX and Showroom Outlook at Ahmedabad*

**Marketing mix analysis: -**

**Place:** Ampere by greaves harsh, Ahmedabad. It's surrounded by residents and small merchants. The store is small. The atmosphere and layout weren't great. The researcher ranks it third for ambience. It's in a middle- to middle-upper-income area.

**Product** -In this showroom mainly two models were available which were Magnus EX and REO. Talking about the main features of the scooter

Table 1 Mechanical competencies of Magnus: -

| Specification                              | Value                      | Analytical comment   |
|--|----------------------------|--|
| <b>Weight</b>                              | only 89 kg                 | Light weight   |
| <b>Load carrying capacity</b>              | 150 kg                     | Mostly suitable for one person as driven the scooter with pavilion, the scooter was not giving the required performance. |
| <b>Km range covered in one full charge</b> | 110 km                     | good   |
| <b>Charging time</b>                       | 6 hours                    | moderate   |
| <b>Top speed</b>                           | 50 to 55 kmph              | preferred for urban traffic areas only   |
| <b>Pick up</b>                             | 0 to 40 kmph in 10 seconds | Mainly it can only be done with 1 person who is a rider.   |
| <b>Motor type</b>                          | hub motor                  | Inbuilt in the rear wheel which gives lesser torque.   |
| <b>Cost per km</b>                         | 15 paisa                   | Claimed by company   |
| <b>Storage space for helmet</b>            | available                  | Under the seat like any other scooty one helmet space is given.  |
| <b>Seat size</b>                           | For 2 passengers           | Ample space is available   |
| <b>Reverse or parking gear</b>             | Not available              |  |

Table 2 Technological competencies of Magnus: -

| Specification   | Analytical comment   |
|---|--|
| <b>Display</b>  | Simple digital display which shows only speed and battery level. Tablet or touch screen type no any features are available or no any app has been developed which can be connected to the scooter. |
| <b>USB port</b>   | With mobile keeping facility   |
| <b>Battery</b>  | Removable battery is there   |
| <b>3 years warranty is provided and 1<sup>st</sup> year full warranty and after those 3 years 3<sup>rd</sup> party insurance is provided.</b> |  |

Price: This scooter is priced cheap. The government subsidizes Magnus EX with 20,000 rupees. The final payment is 75,000 rupees. REO, a lower-featured variation, costs \$66,000 without a subsidy. Subsidy procedure: After consumer ownership. As the car owner owns the RC book, he or she can register his or her contact and other details on [digitalgujarat.gov.in](http://digitalgujarat.gov.in). RC book, bank account data, passbook photo, or cancelled check photo are essential papers. State websites vary.

Promotion: - The company has its own wonderful website and many press releases and automotive related websites supply and promote the vehicle, but it's not clear if the corporation has provided them funding or if they're doing it for own profits in this oncoming era of EVs. In this Diwali season of 2022, the company supplied several sales promotion plans to enhance the sales of their scooters, including short-term discount offers and social media and print ads.

Selling effectiveness: According to the observation, the store owner had acquired the dealership from the business, and as a salesperson, he approached me on behalf of the business. He spoke primarily in the local dialect (Gujarati). He only answered the questions directly. Although the strategy and messages were effective, they fell short of Ather Energy's straightforward and commonplace methods. You will learn more if you inquire about it. Communication lacked professionalism.

**CASE-2: TVS MOTORS***Fig 2 . TVS i-Qube***Marketing mix: -**

**Place:** - TVS Stallionz, Shahibaug, Ahmedabad. Premium customers frequent its location. The area boasts a high-income, high-lifestyle populace. The TVS showroom is typical. The researcher placed it second for ambience. They have one TVS i-Qube and other standard emission automobiles.

**Product:** - In this showroom only one TVS i-Qube was available but there are two variants are available S, ST and STD. Talking about the main features of the scooter

Table 3 Mechanical competencies of TVS i-Qube:

| Specification                              | Value  | Analytical comment  |
|--|--|---|
| <b>Weight</b>                              | 118 kg   | Little bit higher than both of the other scooters   |
| <b>Load carrying capacity</b>              | 180 kg   | It is suitable for 2 persons. as driven the scooter with pavilion, the scooter was giving the good performance. |
| <b>Km range covered in one full charge</b> | 100 km   | good  |
| <b>Charging time</b>                       | 4.5 hours  | better  |
| <b>Top speed</b>                           | 50 to 80 kmph according to the mode  | Can be used in city areas and on the highways also.   |
| <b>Pick up</b>                             | 0 to 40 kmph in only 4.2 seconds   | Claimed by the company.   |
| <b>Motor type</b>                          | hub motor which gives 140 Nm of torque and 6 bhp of horse power which is great | The motor is inbuilt in the rear wheel.   |
| <b>Cost per km</b>                         | 25 paisa   | Claimed by the company  |



|                                 |   |  |
|---------------------------------|---|--|
| <b>Storage space for helmet</b> | As seen in the photographs 2 helmets can be easily placed | Ample storage space is available.                            |
| <b>Seat size</b>                | For 2 passengers  | Good amount of space is available                            |
| <b>Reverse or parking gear</b>  | 3 km/h reverse speed is provided                          | Also, in the reverse gear indicating sound is also provided. |

Table 4 Technological competencies of TVS i-Qube

| <b>Specification</b>  | <b>Analytical comment</b>  |
|---|--|
| <b>Display</b>  | As briefed in the analysis of advertisements of i-Qube, one tablet kind of big, multi-functioning screen has been provided for the user which is also compatible with phone's app. It is aggressively competing with Ather's display screen which has the same kind of features. |
| <b>USB port</b>   | It is given inside of the storage compartment under the seat. The company says that you can put your mobile phone inside the storage space which is good for safety purposes.  |
| <b>Battery</b>  | Non-removable inbuilt battery.   |
| <b>Mode</b>   | Two modes available Eco mode and power mode  |
| <b>3 years warranty is provided or first 50,000 km warranty is provided which ever gets over first the warranty will be finished.</b> |  |

**Price:** The scooter's pricing ranges from 1,41,000 to 1,48,000 based on minor feature differences. Again, the government provides a \$20,000 subsidy for all scooters.

**Promotion:** TVS promotes their i-Qube scooter on YouTube and its website. Various auto-related websites advertise i-Qube, but it's unclear if the corporation has supplied them funding or if they're doing it for their own profit in the impending EV era. The company offered Diwali discounts. Shri Nitin Gadkari sir launched the TVS i-Qube in Bengaluru on January 25, 2020.

**Selling effectiveness:** - The sales staff lacked the necessary product knowledge because they were ignorant of it. They just informed the salesperson that the product was only offered in 4 locations throughout Ahmedabad, and that the company only provided adequate information about the other TVS products. Consequently, compared to the other two organizations, the effectiveness was lower.

### **CASE-3: ATHER ENERGY**



*Fig.3 Ather Model and showroom at Ahmedabad*

#### **Marketing mix: -**

Place: - Ather Space, Ahmedabad (Kataria Green). It's located in Ahmedabad's Panjra Pole Cross Road. The area is popular with educated, salaried people. The store's interior is quite techy and manufacturing-related, with charts displaying data and figures. As a mechanical engineer, I also trusted the company because of the open chassis of the Ather scooter and since the motor and battery were separated separately on two tables with their specs listed. It's a better strategy to win a customer's trust. It implies that the company is honest and straightforward.



The showroom feels like a café with electric cars. According to the researcher, Ather Electric's has the nicest ambience. Product: -There were mainly 2 models available Ather 450x and 450+

Table 5 Mechanical competencies of Ather 450: -

| Specification | Value  | Analytical comment                      |
|---------------|--------|---|
| Weight        | 110 kg | Lighter than tvs and higher than ampere |

|  |  |   |
|--|--|---|
| <b>Load carrying capacity</b>              | 200 kg   | It is suitable for 2 persons. as driven the scooter with pavilion, the scooter was giving the greatest performance.                 |
| <b>Km range covered in one full charge</b> | 65 km to 116 km  | Varies with mode  |
| <b>Charging time</b>                       | 1 hours  | The best in the market. 10 minutes charge will run 15km   |
| <b>Top speed</b>                           | 50 to 90 kmph according to the mode                                    | Can be used in city areas and on the highways also. Best top speed is 90 kmph   |
| <b>Pick up</b>                             | 0 to 40 kmph in only 3.3 seconds                                       | Claimed by the company  |
| <b>Motor type</b>                          | Permanent magnet synchronous motors (PMS motor) is provided with 6 kWp | Here, no hub motor is there, the motor is separately provided and through the belt drive motion gets transmitted to the rear wheel. |
| <b>Cost per km</b>                         | 1/6 of petrol vehicle's  | Claimed by the company  |
| <b>Storage space for helmet</b>            | 1 helmet can be stored   | Little lesser than i-Qube   |
| <b>Seat size</b>                           | For 2 passengers   | Good space but little bit uncomfortable for the pavilion because of the slick design.   |
| <b>Reverse or parking gear</b>             | 5 km/h reverse speed is provided                                       | Also, in the reverse gear indicating sound is provided.   |

Table 6 Technological competencies of Ather 450: -

| <b>Specification</b> | <b>Analytical comment</b>  |
|----------------------|--|
| <b>Display</b>       | As briefed in the analysis of advertisements of Ather, one tablet kind of big screen multi-functioning screen has been provided with E-sim which is also compatible with your phone app. Same kind of i-Qube's some of the features like notification of movement of the vehicle, nearest charging station map in the scooter's screen, google maps are little bit differing |

**USB port** Not available.

**Battery** Non-removable inbuilt battery is there under the foot space area.

**Mode** 4 modes available- Eco, Ride, Sports and Warp mode

**Apart from these 3 years warranty is provided**

**Price:** The scooter's pricing ranges from 1,54,000 to 1,77,400 based on minor feature differences. Again, the government provides a \$20,000 subsidy for all scooters.

**Promotion:** The scooter is promoted on YouTube and the company's website. Various auto-related websites provide information and promote Ather, but it's not clear if the company has provided them funds or if they're just doing it for their own profits in the upcoming era of EVs. In Diwali, the company gave some discounts.

**Selling effectiveness:** The salesperson had excellent interpersonal skills. He had an MBA in marketing as his most recent degree. To assure the ideal sales pitch based on the showroom layout, the corporation itself professionally educated their workforce. The salesperson gave very detailed explanations of every specification. As the EV's spare components were prominently displayed on the open table, the mechanical insights were also presented. They have positioned the Ather scooter's open chassis, which increases client trust. As a mechanical engineer, I also felt more confident in the firm because the motor and battery were set up separately on two tables and the specs for each were listed, along with the motor's capacity, torque, and horse power. Therefore, it is a more effective technique to win the customer's trust. It implies that the business is openly marketing the product to clients and has nothing to hide by highlighting its fundamental capabilities.

## Suggestions and Conclusion

As this industry is at the introduction to growth stage according to the product life cycle, awareness of the product category is needed. Any marketing strategy in the modern day should consider product category, features, and new technology. First, widespread awareness will boost electric vehicle acceptance [9].

AIDA model can be used for marketing ads and strategies. First attract the customer. As we've seen, Ather has made a number of ads, utilised mass media like social media, TV, Newspapers, website, etc. Also, all the 4P's of marketing have been implemented efficiently. They've raised product awareness [1]. After seeing Ather's efforts, customers became interested in the product and began collecting data themselves. They cross-check the company's product data with customer feedback videos, which are reality check videos posted on Youtube. Then, they visit

the showroom and take a test ride after connecting with salespeople. The service or value given to the consumer as he/she enters the store and the showroom's environment and décor all speak to him/her about the brand. This is important. After testing the product and company, they buy it. So, according to Segmentation, Targeting, and Positioning (STP), you must choose which segment, whom to target, and in which visual orbit (hierarchy in customer's mind) to position your product. Youth ampere scooters are in the lower orbit, while TVS i-Qube and Ather are in the upper and premium orbits. Everything about the brand communicates, from the images in hoardings, banners, and ads to the people and their lifestyles, product design, price range, sales staff, and showroom location. These are the elements a corporation must consider when designing a marketing plan [10].

### **The main issues or opposing forces for customers**

1. Lack of infrastructure: You may charge the vehicle at home. No charge required. In 1 hour, our scooter can travel 100 kilo meters, which is more than enough. If allowed, we can show the government's EV budget. Nitin Gadkari sir's 2030 EV vision for India, etc.
2. Primary/secondary vehicle: Most customers buy EVs as secondary vehicles. With the correct advertising, EVs may become primary vehicles. By exhibiting USPs, a brand can target urban millennials, educated people, and salaried corporate professionals.
3. Starting price/investment: Customers believe EVs' initial pricing are higher than fuel vehicles. Advertisements can raise awareness regarding prices and subsidies. These companies' running costs can be compared. Initial cost is expensive, but running costs are 1/6th (for example).
4. Km covered in one charge: This is the customer's strongest case. If he/she wants a longer root, that's fine. We can only say, "Sir, you can recharge the battery at your next charging station," but this weakness has no good solution, therefore it shouldn't be openly discussed. If the range is increased, it can be easily marketed.

Marketing techniques shape a customer's opinion of the worth of a product. Electric car marketing tactics nowadays are mostly concerned with introducing people to them. The time has come to persuade more Indians to utilize electric vehicles. You may survive in this industry if you have a flawless design for Indian roadways as well as the top mechanical and technological skills. We require innovative products [4]. First, the company must learn what its customers want. What factors influence consumer purchasing of electric vehicles. Market your product if you can. Customers should be told that the company has the best product. It is determined by the budget and service area of the organization. Production, sales, and distribution should all be planned. Geographic region research is also required so that certain aspects may be identified and customers can be targeted and pitched. Also required are: Marketing Communication that is integrated. Plan and carry it out. Everything communicates in integrated marketing communication, from billboards to newspapers to television commercials to social media ads. The lifestyle depicted in the advertisements represents your brand's place in the customer's cognitive hierarchy. As a result, the brand must decide which client target population to offer based on their product [2].

## Research Conclusion

According to our analysis of the currently available advertising, the essential components of appealing advertisements, such as those for Ather, are originality, humor, resonance, and unique selling propositions. A sensible commercial like TVS i-Qube consists of basic features and an emotional connection to the audience. Generic advertising like ampere plus two USPs typically includes facts and data in addition to features and USPs.

There are several reasons why the adoption of electric two-wheelers in India has been slower than in some other countries. One reason is cost: many electric two-wheelers are still more expensive than their petrol-powered counterparts, which makes them less appealing to price-sensitive consumers. Additionally, the infrastructure for charging electric vehicles is not as developed in India as it is in some other countries, which can be a deterrent for potential buyers. Finally, there are also concerns about the reliability and range of electric two-wheelers, as well as the availability of service and support in case of problems.

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## **Study of Sales Promotion Strategies Used in International Markets, with an Emphasis on the Marble Industry**

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### **Abstract**

The Export Council's updated policies have allowed a number of sectors to meticulously flourish. Inland container depots (ICDs) are currently well-developed in Rajasthan, including facilities in Jaipur, Bhiwadi, Jodhpur, Bhilwara, Kota, Ajmer, and Hindaun City. The State Government will continue to investigate potential locations for new ICDs as needed. The government has also passed legislation to promote global competitiveness. The State Government provides a one-time reimbursement of 50% of the costs incurred to acquire cutting-edge technology from prestigious national institutes like the Indian Institute of Science (IIS), Indian Institute of Technology (IIT), National Institute of Technology (NIT), National Institute of Design (NID), The Council of Scientific and Industrial Research (CSIR), or comparable organizations under RIPS-2019. This is done to promote the use of cutting-edge technologies in MSME and to update the technology that is already in use. 9.2 For obtaining Silver, Gold, Diamond, or Platinum ratings under Zero Effect Zero fault, the State Government provides a one-time reimbursement of 50% of the investment made on plant and machinery and testing equipment under RIPS-2019. To improve the effectiveness of production, this is done. However, the marble export industry in India is likely to be influenced by a variety of factors, including the demand for marble in international markets, the competitiveness of the Indian marble industry compared to other countries, and the overall economic climate. In general, the export of marble and other natural stones from India has been growing in recent years, with India exporting marble to over 100 countries around the world.

Both the host nation and the guest nation are coping with issues while they trade beneficial managerial policies; as a result, it is challenging for them to engage in universal exchange. Global ethics: Ethics is the term for moral precepts, standards, and laws that directly supervise how individuals and organizations behave. Every universal company actor is required to abide by a number of international laws that are developed in various regions of the world.

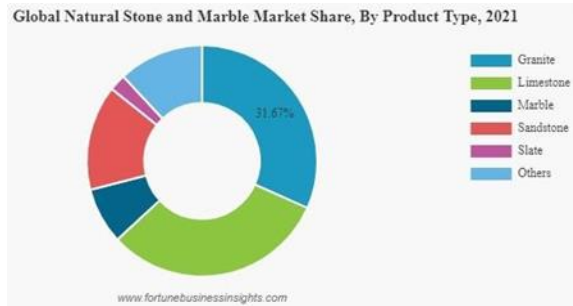


Defilement is another issue related to business morals. There are many different types of marble around the world, and there is a sizable market for this commodity. As a result, the market has grown over the years and continues to expand at a pace of 5% to this day. The researchers intended to study and understand numerous sales promotion tactics that exporters can utilize on the global market. The report concluded that there are numerous public programs and private trade shows where an exporter can display his goods, and many other building and construction firms frequently participate to bring in business for the exhibitors. These international trade shows are the main source of the business that the marble companies have acquired.

**Keywords:** Sales Promotion Strategies, Marble Industry, International Trade

## **Introduction**

Marble has been used as a priceless aesthetic stone since the beginning of human existence. One may argue that the marble processing and quarrying industries are among of the oldest in the world. Marble is a unique commodity that is traded internationally today [2]. Natural characteristics of marble, such as type, quality, and color, as well as technological processing, affect both its price and value (giving it a special shape, polish, size and thickness). As a result, it can be argued that the production of marble is very differentiated and that the level of technical utilization has a significant impact. Marble is mostly used in civil construction for stair treads, floor tiles, and wall cladding. Natural stone and marble had a market value of 48.80 billion USD in 2021. From 2022 to 2029, the market is projected to grow at a CAGR of 4.0%, from USD 51.76 billion to USD 68.06 billion. The COVID-19 pandemic has been frightening and unexpected, and demand has been lower than anticipated in all regions compared to pre-pandemic levels [12]. Using our analysis, we discovered that between 2019 and 2020, the global market had a 32.2% decline. Natural stones have been used for many years in the construction and building sectors, as well as for other monumental and beautifying uses [1]. Historically, the industrialized countries of Europe and North America dominated the market, but today Asia Pacific is in charge. Natural building materials are becoming more and more popular as the construction sector moves toward sustainability. For genuine stone and marble with a long-lasting beauty, customers are willing to pay more. High-end clients are also making more demands for pricey natural stones like White Statuario marble [3]. These products are most typically utilized in luxurious buildings, home renovation projects, and ornamental goals. On the Greek island of Mykonos, for instance, vacation homes are being adorned with whitewashed stones to give them an opulent aspect. The vibrant colors and vein patterns of the market are a big draw. It is projected that the high demand for these stones will remain for the foreseeable future [10].



A corporation will employ a temporary campaign or offer as part of a sales promotion to increase interest in or demand for its product or service. Although there are several reasons why a business would choose to use a sales promotion, the major one is to boost sales [9]. Increased sales might be necessary to satisfy a quota as a deadline approaches or to publicize a new product. Granite accounted for a considerable portion of the natural stone and marble market share globally in 2021. Granite is a popular stone for usage in construction, including kitchen countertops, exterior wall cladding, and bathroom tiles, due to its outstanding durability [16]. Granite is a commonly available, cost-effective building material that looks good and fulfills practical requirements like heat resistance, scratch resistance, and stain resistance [14]. The market category is therefore expected to rule in the future. The market's growth is being fueled by the widespread use of limestone in foundation stone, drain fields, railroad ballast, road bases, and other construction applications. Fluted finishes, various colors, and biophilic design are among the newest trends in the luxury marble sector. Exterior use is one of the slate's most quickly growing applications because slate tiles can survive repeated freezing and thawing [20]. The other product kinds include important natural stones like soapstone, travertine, and onyx. Due to its favorable physical characteristics and appealing natural surroundings, each of these stones has a role in the construction industry and is becoming more and more popular [4].

## Review of Literature

According every organization has both internal and external surroundings. Their concerns have an impact on organizational decisions. External forces have an impact on the organization. There are social, political, economic, and technological considerations. These challenges are mostly beyond the control of businesses. The firm, on the other hand, has complete control over its internal environment. It is subject to modify based on organizational requirements. [28] studies how global marketing environments influence entrepreneurial performance. Secondary sources were used in the descriptive and historical research. According to study, PESTEL and other human qualities influence economic negotiations. Political frameworks and business transaction laws have an impact on global entrepreneurship as well. Through the government structure, the author assists global businesspeople in prospering. International marketing begins with the decision to trade globally, followed by the consideration and implementation of other elements. International businesses should employ worldwide marketing, finance, promotion,

planning, and strategy approaches. Companies expand globally for a variety of reasons. There are various, and each company has its own globalization timeline and strategy. In their research article, Upadhyay and Rawal (2017) gave a comprehensive picture of international marketing by utilizing numerous linked objectives and purposes. According to the report, international marketing offers both advantages and disadvantages. Businesses are increasingly accepting that in order to grow and profit, they must leave their current environments. Rana, A., Kalla, P., & Csetenyi, L. J. (2015) analyzed the major influences on global pricing, channel structures, and advertising standardization and localization. The marketing mix is dominated by price. Foreign pricing is critical in every market. This study examined the cost, price elasticity of demand, competition, product features, and currency fluctuations that influence global pricing decisions. Worldwide channel architecture and strategies are heavily influenced by the global distribution system, product attributes, and rivalry. The "localization vs. standardization" debate in global advertising has raged on indefinitely since the early 1960s. The study looked at the three schools of thought that arose from the dialogue, including the compromise school, as well as their foundations and benefits. According to Mali, Nagar, Prajwal, Chauhan, and (2016), India's stone and marble industry is one of the world's oldest, extending back many centuries. These rare stones affected the architecture of the country. There are numerous Indian-carved temples, forts, walls, and pillars. Rajasthan stone is used in hotels, public areas, statues, and government structures such as the parliament building and the Gateway of India. India exports to the United States, Germany, France, China, Saudi Arabia, Russia, and other European countries. Kozak, Yuriy, and Smyczek, Slawomir (2015) discovered in their edited book "International Marketing" that domestic enterprises are entering the global network. Global Marble Market Study with a Focus on Rajasthan, IOSR Journals, DOI: 10.9790/487X-2206012736. New global businesses and industries are transforming transitive economies. These countries have recently began collaborating to arrange the global economy, and their success is dependent on how well they can advance economically and socially as natural subsystems of the global economy. The global financial system efficacy of an event is determined by outside financial activity on its corporate structures. For outside firms to prosper, global advertising groupings and tactics are required. Agarwal and Kore, S. D., & Vyas, A. K. (2016) conducted research. Marble is just stunning. White marble is also used in the construction of the Taj Mahal. Because of its beauty and luster, marble is used in homes and offices. The significance of marble is reflected in the majesty of any edifice. "All India Granites & Stone Association President" Because only Rajasthan receives marble import licenses, the Indian market is unbalanced. The AIGSA filed a writ petition with the Supreme Court to remove the licensing quota system and enable unrestricted imports. Explained. Chinese officials granted them permission to import and resell stone. Imports of granite are prohibited in India. China exports more natural stone than it produces. Foreign market research environments and strategies were briefly reviewed by Robert B. Young and Rajshekhar G. Javalgi (2007). They reflect a variety of aspects that the proprietors of global market research studies wish to evaluate. To do cross-national research, cultural, sample, data collection, legal, market research infrastructure, and measurement difficulties must be solved. The source data as well as the questionnaire design are carefully reviewed. Jaideep. "International marketing is a global process of planning and carrying out the manufacturing, pricing, promotion, and

distribution of ideas, products, and services in order to encourage trade that fits individual and corporate objectives." Many countries' physical distances have been defined by communication and transportation technologies. Global market economic potential is enticing governments all around the world. Customers want more than just locally produced goods. Today's shoppers can purchase goods from other countries. McDonald's fast food, Toyota and Ford automobiles, Arrow shirts, Levy's Jeans, Oxford boots, and a plethora of other foreign-owned goods and services may be found everywhere. Importing and exporting are now simpler. Most countries encourage international trade. Global, multinational, and international marketing are all interchangeable terms. Agnihotri and Santhanam (2002) advocate for the development of a worldwide marketing strategy and the discussion of global competitiveness. Companies that compete on a global scale will understand how to manage their resources internationally, balancing centralization and decentralization in order to profit from economies of scale, differentiation, and adaptation. When developing an international marketing plan, entrepreneurs should consider a number of aspects. Legal, environmental, sociological, demographic, physical, and technological considerations are among them.

## **Significance of the Study**

The characteristics of business are always shifting, and the market's fierce competition forces participants to be accessible on all fronts in order to survive, which makes the new sales approaches more appealing to producers and manufacturers [5]. The business's ability to grow has no boundaries when it comes to the market it can reach; it can do so through digital, physical, or other forms of distribution [18]. Since every industry's growth rate has been carefully expanded, any firm that wants to remain for a longer period of time must prioritize international sales promotion. The study might help start-ups or established companies enter the global marketplace prepared with knowledge of sales marketing techniques.

## **Objective of the Study**

1. To study the international market for Indian marble Industry
2. To research the numerous paperwork needed for exporting marble as well as the difficulties exporters experience.
3. To determine various marketing and sales strategies for marble export globally.

## **Research Methodology**

The study studies examine a challenge that all sectors encounter when trying to sell their products internationally. Since the researcher has no control over the factors in this study, it is solely reliant on facts and data from other surveys that have been completed. As a result, the study's objective is the study's existing description, and this is a research into W's. Due to the

fact that this study is fact-based and not based on the analysis of recent surveys, the researcher chose to employ secondary sources of data. This will provide us with a number of additional answers to our present study questions. The report comprises assembling data that will contribute to the expansion of exports in a specific industry.

Data collection tools - Secondary data was used as a source of data collection. The research was carried out by using literature as a theory and government websites to collect specific data about Indian natural stone exports. Literature was gathered from various sources. Traditional books were discovered in libraries, and data bases were discovered on web pages. Newspapers and magazines provided more detailed information about the stone branch and the businesses that operate there. Websites, search engines, books, and journals were used to collect data for the study.

### **Data analysis and Discussions**

The Indian producers of various stones can engage in a range of operations on the international marble market, including exporting marble, limestone, and quartzite sandstone, or essentially conventional stone prices.

The researchers have used following sources to know more about the industry

1. Industry reports: There are many organizations that publish reports on the Indian marble industry, including the Indian Marble Association and the Indian Stone Export Promotion Council. These reports can provide valuable insights into the size and scope of the industry, as well as trends and challenges.
2. Government websites: The Indian government's Ministry of Mines and the Indian Bureau of Mines both have websites that provide information on the country's marble industry, including production and export data.
3. Trade publications: Trade publications, such as Stone World or Stone & Tile India, often feature articles and news on the Indian marble industry. These publications can be a good source of current information and trends.
4. Market research firms: Market research firms, such as Technavio or Mordor Intelligence, often publish reports on the Indian marble industry. These reports can provide detailed analysis and forecasts of the market.
5. Online databases: There are many online databases, such as IBISWorld or MarketLine, that offer information on the Indian marble industry. These databases can provide data on industry size, market trends, and competitive landscape.

### **Analysis of Marble in the World**

CMC's Stone in the World (2018) Marble has several different qualities and a wide range of colors [13]. In general, there are five main types of marble, and these are usually used in construction projects. These five groups:

1. Carrara Marble: This white marble with black veining is frequently utilized in residential buildings. Carrara comes in a number of various types. It is also offered with a blue or blue-dark backdrop and a variety of veining on different kinds of marble pieces. This is made up of both soft, cushioned veining and small, thin veining.
2. Marble Statuary Sculpture - A marble's consistent base and expressive veining set it apart from other varieties of marble.
3. Calacatta Marble - Calcutta marble is undoubtedly the priciest marble in the world because of its rarity. One of the most striking contrasts between opacity and thick veining that stands out.
4. Emperador Marble: This Spanish-produced marble is making a name for itself in the marble industry. This marble is widely used inside homes since it comes in so many distinct colors. It comes in various tones.
5. Crema Marfil Marble - This marble was first produced in Spain. Due of its straightforward appearance, it is used worldwide by temporary workers and interior designers. Due to its availability in light beige and hidden yellow colouring, this marble is the best for domestic floors.

#### **Analysis of Marble in India**

1. White Marble – The variety consist from Morwad, usually compromising of the white sangemarmar and it can be used in all different forms from table tops to the new and fine flooring.
2. Yellow Marble - The varieties of yellow marble include Jaisalmer, Ita gold, and antique rainforest marble. In India, you may get marbles like Goldie, yellow, and jungle gold.
3. Brown Marble - The most popular and well-known varieties of brown hue marble include brown marble, Ambaji brown marble, torrento marble, dream brown marble, and Agariya earthy colour lehariya marble.
4. Pink Marble. Well-known pink marble varieties include the pink marble from Udaipur, the pink marble from Banswara, the pink marble from Exemplar, the pink marble from Maharani, and the pink marble from Katni.
5. Beige Marble- Two types of beige marble are perlato beige marble and katni beige marble. Most often, beige marble is used for the floor coverings of rooms, bathrooms, and divider tiles. Beige marble costs roughly \$60 per square foot at launch
6. Green marble - Udaipur green marble, creepy crawly green marble, rainforest green marble, emerald dull green marble, and Kesariaji green marble are all included in the green marble.
7. Black marble - The dark carrarra marble, Indian black marquina marble, nadi dark marble, and Indian dark marble are the most popular varieties of black marble.

8. Markrana Marble- The marble from Makrana is well-known around the world. It comes from the modest Rajasthani hamlet makrana, where it was first discovered. Both the Taj Mahal and the famous Dilwara sanctuary are constructed out of Makrana marble.

#### **Analysis of documentation Required for Trading**

1. India Trades marble in roughly 17 countries, with the USA, UK, China, Australia, and Argentina being the top exporters, followed by Greece, Italy, Spain, Turkey, Pakistan, and the rest of the European Union. Germany, Bangladesh, Belgium, Bhutan, Canada, Hong Kong.
2. Business Invoice – This is the crucial and thorough record in the shipping exchange when our product is prepared to send. From beginning to end, every facet of the dialogue is covered in a single paragraph.
3. Bill of Lading - The exporter receives a bill of landing from the delivery service as proof that the goods has been received and is being delivered to the customer.
4. The manufacturer's certificate attests to the validity of this archive. It confirms that the product has been manufactured, that the last set of specifications has been satisfied, and that it is prepared for shipping.
5. Origin Certificate - This is guaranteed by a produce-established administrative unit or corporate office. It is used to pinpoint the location of the manufacturer's nation, from which the products were shipped.
6. A consular bill validates the transportation of the items and is a record that a consular representative of the country you are delivering things to can obtain. Although it isn't required everywhere, several developing countries use it to help with customs and other fees.
7. Dock Receipts: The exporter receives a dock receipt from the boat captain. It is proof that the merchandise was delivered to the international transporter effectively and superbly.
8. Certificate of Inspection—Modern machinery, perishable commodities, and meat products are frequently examined in these examinations. It honestly confirms that the shipment contained the right number of items and that the goods were received in excellent condition.
9. A certificate of insurance or insurance certificate This confirms that the exporter has made investments in a load protection strategy from a security perspective.
10. Pressing List - A pressing list, like a delivery list, contains details on the items being transported, including their height and weight as well as information on how they were packed and numbered.
11. Electronic export information - There is a major government online structure for any fare greater than \$2,500 or for those who require a fare license.

### **Analysis of Issues for the Exporter**

1. Tax Barrier - Tariff barriers enhance import fees and procedures. As they exchange goods, the host nation and the visitor nation are both coping with issues. A lot of times, special duty arrangements are made that stop national advertising campaigns.
2. Managerial Policies - As a result of these policies, both host nations and guest nations find it challenging to engage in universal interchange. In a number of countries, exporters and shippers must undergo protracted conventions.
3. Generous Diversities - Global consumers have a wide range of demands, preferences, inclinations, propensities, languages, aspirations, purchasing abilities, usage habits, and other traits.
4. Political Instability - Political issues in global advertising need to be examined.
5. Each nation has its own judicial system, which is creeping on another nation and affecting our distant market.
6. Spot Constraints - Distance is a major factor in international exchange. Even so, dealing with and bringing in temporary products via the maritime route is a difficult operation for both the collector and the sender.
7. Exchange Rate - A number of nations have their own currencies that can be converted into those of other nations. Exchange rates change daily as a result of currency trades.
8. Global Ethics: Moral standards, norms, and laws that directly regulate how individuals and organizations behave are referred to as ethical. They significantly influence formal laws and rules. Every universal company actor is required to abide by a number of international laws that are developed in various regions of the world. However, the globalization movement has brought to light several universally applicable core morals. Defilement is another issue related to business morals.

### **Analysis on Sales Promotion Tools**

The government has also contributed 56,027cr in support. through several export promotion programs. There will be more than 45,000 exporters who receive the incentive [11] [15] [17]. There are numerous official websites that might aid in business growth, for instance.

1. CAPEXIL
2. It gives exporters boots, as Promotes the growth of either the new or the existing business and Assists in supplying the GI tag.
3. Governmental trade expositions
4. India Stonemart 2022, the largest international exhibition in the stone industry, will offer a comprehensive picture of the natural dimensional stone, ancillary product, and service industries. The event will bring together a range of players in the stone sector under one roof, including domestic and foreign producers, exporters, importers, clients, buyers, experts, technology providers, architects, builders, developers, corporate organizations, etc. The ideal platform will be provided by India Stonemart 2022 to exhibitors so they may promote their



products, services, and brand image to clients from across the world, establish business contacts with them, and network with them to increase their business chances [19].

**Fig: The above statistics shows the total no. of visitors, exhibitors who took part in Stone**



**mart.**

5. FIGSIC hub - The Federation of Indian Granite and Stone Business (FIGSI) has been working to promote and advance the science of the industry since 1983. The group works to enhance mining regulation, policies, procedures, and practices by acting as a liaison between the government, the corporate community, and all other interested parties.
6. The federation's major objective is to promote the Natural Stone Industries, which include the Machinery, Tools, Abrasives, and Consumables Industries and are classified as Ornamental or Decorative Building Stones (including Granites, Marbles, Sandstones, Slates, and Quartzite). On all topics related to the stone industry, we hold lectures and workshops.
7. Granite Development Council (GDC): This important organization, made up of the Karnataka and Tamil Nadu State Governments, was created to look into the many sides of the stone industry. There were delegates from important industries from Kerala, Orissa, Rajasthan, Gujarat, Andhra Pradesh, GSI, IBM, FIMI, FIGSI, and a few other states. The GDC took into account the work of the FIGSI while developing the Granite Conservation and Development Rules (GCDR- 1999). The GCDR of 1999 has benefited the mining industry by allowing for long-term leases, and numerous State Governments have started to put it into practice.
8. The Group of Marble Development, which was founded by the Ministry of Mines of the Indian government, wrote rules that were similar to those for the granite business for the mining of marble. On this committee, there are representatives from Rajasthan, Gujarat, GSI, IBM, FIMI, and FIGSI. The 2002 Marble Conservation and Development Plan was developed in that year.
9. The Federation of Indian Mineral Industries, which founded the Sustainable Mining Initiative (SMI), has FIGSI on its Executive Committee (FIMI).
10. FIGSI has discussed a variety of subjects and difficulties the industry has with them with the respective state governments and the federal government. FIGSI has been accredited to ISO 9001:2008. The ISIO 9001:2008 accreditation attests to FIGSI's compliance with the requirements of this international standard in its management systems and practices for providing services to its members and the industry. Additionally, it shows how open and standardized the organization is in its activities. Both the Marble Institute of America in the US and the Geology Society of India in Bangalore are members of FIGSI. In order to maintain its accreditation, FIGSI is devoted to improving its practices.

### **Top Exhibition for Marble in the World**

1. Cachoeiro Stone Fair - Products: Industrial fairs, marble, stone, tiles and ceramics, covers, construction, machine-tools, and decoration. Regularity: Once a year Location: Brazil's Cachoeiro de Itapemirim, in Central and South America.

2. Marmomac Natural Stone Fair (Verona, Italy, annual)

Marmomac, the biggest exhibition of its type, exhibits the entire natural stone supply chain, from raw materials to semi-finished and finished items, from processing equipment and technologies to the applications of stone in architecture and design. Marmomac is the ideal venue for demonstrating quality and completeness as well as the most advanced knowledge in natural stone processing activities. MGT Stone participates at Marmomac every year to network with esteemed clientele and reestablish commercial ties.

3. The Stone Fair in Xiamen (Xiami, China, Annual )

In Xiamen, there is a global exposition of stone and stone processing. Numerous international exhibitors are showcasing the newest products, developments, and design solutions. It provides the ideal environment for establishing or expanding contacts. This show will be useful to stone importers and decision-makers in the construction business. The MGT Stone Company participates in the Xiamen Stone Fair every year.

4. The yearly Vitoria Stone Fair in Espirito Santo, Brazil

In Xiamen, there is a global exposition of stone and stone processing. Numerous international exhibitors are showcasing the newest products, developments, and design solutions. It provides the ideal environment for establishing or expanding contacts. This show will be useful to stone importers and decision-makers in the construction business. The MGT Stone Company participates in the Xiamen Stone Fair every year.

5. Istanbul Mermer, No. 5 (Istanbul, Turkey, Annual)

With its modernized concept, Natural Stone Market, which distinguishes itself as the export exhibition for the natural stone industry in Turkey, gathers the global participants in the industry in Istanbul. This large company opens trading doors in a prime location. Natural Stone, which offers an excellent platform for showcasing hundreds of varied types of natural stones acquired from various mines in Turkey, also offers the chance to see the range of Turkish natural stones that are used to embellish one of the most significant monuments in the world.

6. Stona (Bangalore, India, Biennial)

The International Granites & Stone Fair, also known as STONA, was founded in 1987 and has since grown to be one of the industry's most popular trade shows. The first exhibition of its sort in Asia, STONA is a pioneer in this industry. It is the perfect venue for presenting the best in the business and for forming personal relationships with people who work in the natural stone trade and industry. Indian natural stone, products, and the creativity to create and supply anything to anyone are all beautifully displayed in STONA. showcasing the most recent

knowledge, technology, and topics of interest. Everything from a slab to tiles, artifacts, landscaping, paving, and dimension blocks, etc.

## Conclusion

Marble is a unique commodity because each slab differs slightly and each quarry produces goods with distinctive qualities. Marble need to be straightforward to offer as separating your company from the competition is essential for effective marketing [6]. However, moving marble across vast distances can be expensive and challenging due to its weight. Nevertheless, Italy does export marble to every continent, so you ought to be allowed to do the same. You should be able to identify consumer categories that stand to benefit the most from your unique advantages by using your connections in the building sector [8]. The entire sales a business may thrive in the international market with all the help supplied by promotional strategies, whether it comes from the government or the private sector. As a result, we can predict that the marble industry will expand over the next few years. To get beyond these obstacles, exporters should modify and adapt their products. If exporters wish to have the option to overcome these obstacles, they need personalize and alter their products and pricing to suit the nearby markets. Further investigation is required to ascertain how companies may locate reputable operators in India and what marketing techniques can be employed to advertise diverse marble items across the globe. There are several reasons why India might want to export marble stone:

Marble is a valuable and high-demand natural resource. Exporting it can generate significant income for the country and its marble-producing regions. Exporting marble can create jobs and stimulate economic development in the regions where it is produced. India has a large domestic market for marble, but exporting it allows the country to reach a global market and potentially earn higher profits.

Exporting marble allows India to diversify its economy and reduce its reliance on a single industry or resource. Marble is a durable and attractive material that is used in a variety of applications, including construction, interior design, and sculpture. By exporting marble, India can meet the demand for this material in other countries and contribute to the development of these industries. Finally, there are a variety of sales promotion strategies that companies in the marble industry can use in international markets. Some of these strategies include:

- Discounts: Offer discounts on products or services to encourage customers to make a purchase.
- Coupons: Offer coupons or rebates to customers as an incentive to make a purchase.
- Samples: Provide samples of products to potential customers to help them make a purchasing decision.
- Sweepstakes and contests: Offer customers the chance to win prizes through sweepstakes or contests as an incentive to make a purchase.
- Trade shows: Participate in trade shows in international markets to showcase products and generate interest from potential customers.

- Promotional events: Host promotional events, such as product demonstrations or product launches, to generate interest in products.
- Co-marketing: Partner with other companies to promote products and reach a wider audience.
- Social media marketing: Use social media platforms to reach customers in international markets and promote products.
- Email marketing: Use email marketing campaigns to reach customers in international markets and promote products.
- Influencer marketing: Partner with influencers in international markets to promote products and reach a wider audience.

## **Research Implication**

There are several policy implications that could affect the export of marble from India:

- Trade policies: India's export of marble could be affected by the trade policies of the countries to which it is exporting. For example, if a country imposes tariffs or other trade barriers on marble imports, it could make it more difficult or expensive for Indian exporters to sell their products in that market.
- Environmental regulations: Marble extraction and processing can have environmental impacts, such as air and water pollution. As a result, India may have to comply with certain environmental regulations in order to export marble. These regulations could vary by country, so Indian exporters may have to meet different requirements depending on where they are selling their products.
- Transport and logistics: The transport and logistics of exporting marble can be complex, as the material is heavy and fragile. Indian exporters may need to invest in specialized equipment or facilities in order to handle and ship marble effectively.
- Competition: India is not the only country that produces and exports marble, so Indian exporters may face competition from other countries. This could affect the prices and demand for Indian marble in the global market.
- Exchange rates: The value of India's currency, the rupee, can also impact the export of marble. If the rupee is strong relative to other currencies, it may make Indian marble more expensive in foreign markets, which could reduce demand. Conversely, if the rupee is weak, it could make Indian marble more competitively priced and increase demand.

## **Limitations of the Study**

Data availability: Access to reliable and current data on the Indian marble industry may be limited, which could impact the accuracy of the study. The study relies on a sample of

companies or individuals rather than a comprehensive dataset, it could be subject to sampling bias, which could affect the generalizability of the findings. The study relies on self-reported data, such as surveys or interviews, there is the potential for response bias, where individuals may not accurately report their thoughts, feelings, or behaviors. The study focuses on a specific aspect of the Indian marble industry, it may not provide a complete picture of the industry as a whole. The study may make certain assumptions or use certain methodologies that could limit its accuracy or relevance.

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## **A Study on IT Services and Its Impact on Developing Marketing Strategies for MSME's**

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### **Abstract**

The expansion of MSMEs in India contributes significantly to the economy of the nation, but due to a lack of IT services and technological advancements, these businesses are lagging behind in terms of growth and are unable to implement effective marketing strategies, which is why they go unnoticed in advertising. MSMEs could use some marketing techniques to get out of this scenario, and they can use IT services to enhance their manufacturing processes. There are many MSMEs who are experiencing a lot of problems with client loss in today's environment where large corporations are expanding and trying to make monopolistic movements for their products and abusing aggregators, and they are heading towards becoming niche markets and untapped markets. Business process reengineering, technical tools, cloud computing, digital marketing, and social media marketing are just a few of the applications that help MSMEs achieve their maximum productivity. These applications also have a positive effect on their market position and aid in market share acquisition. Additionally, the government has launched a number of programs that facilitate the registration of MSMEs and offer incentives. The purpose of this research is to develop a possible model for the expansion of MSMEs with the assistance of the 7Ps of service marketing. In order to arrive at a conclusion, this conceptual research was supported by the observation of current trends in the market, conversation with senior business professionals, research papers, and review of research articles.

**Keywords:** Marketing strategies, Information Technology, MSME, Government of India



## Introduction

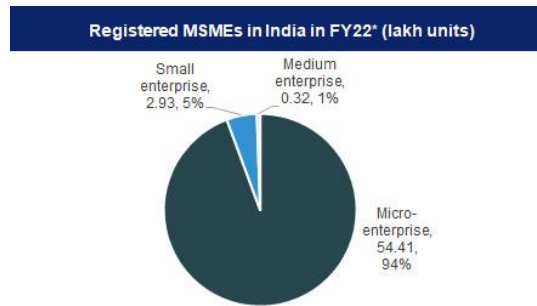
The MSMEs Ministry of India's government. It is India's main executive body in charge of laws, rules, and regulations pertaining to micro, small, and medium-sized businesses. Following China, India has the most MSMEs. The company produces over 6,000 items, ranging from everyday necessities to cutting-edge technology [9]. The MSME sector is positioned for enormous growth and improved integration with global value chains in light of India's vision for a self-reliant economy, or Atmanirbhar Bharat. MSMEs gain from information technology (IT). Every element of life is impacted, and it transforms international business procedures [1]. The majority of industries are being impacted by these technologies, which are also fundamentally altering firms and businesses. I think of technology, as Prime Minister Narendra Modi remarked, as a tool that connects opportunity and hope. The right company technology can increase revenue [21].

The profitability of a business is increased through information technology. It encourages SMEs' competitiveness and compels them to consider innovative technologies and R&D. IT enables SMEs to communicate information via phone, email, and social media in order to address client wants and issues. IT platforms are available for use by businesses in training, marketing, selling, and trading. IT can benefit MSMEs in a number of ways [5]. It can increase MSMEs' output, reduce costs, and broaden their market reach. The MSME sector supports MSMEs both individually and collectively, increasing employment, revenue, and the competitiveness of the country's businesses, as it makes a significant economic contribution to the country [14]. Most business owners today discuss incorporating cutting-edge technology like AI, ML, information systems, internet-based enterprises, etc. to increase efficiency, attract more customers, and outperform competitors. To assist Indian MSMEs in modernizing their outdated and antiquated operations, more has to be done. From tiny villages to bustling metropolis, owners of MSME businesses are utilizing technology to improve their products and services, expand their businesses, and promote the faster growth of the industry [8].

More than 60 SMEs are anticipated to enter the market in 2021–2022, according to the BSE SME (small and medium enterprises) platform. Through IPOs, 16 SMEs raised Rs. 100 crores (\$13.74 million) in 2020. In order to encourage listing among small businesses and start-ups, the Bombay Stock Exchange (BSE) teamed forces with the electrical and computer technology export promotion council in June 2021 [13].

MSMEs are encouraged to market their products online, especially on the Government e-Marketplace, which is run and managed by the government and hosts supplies from Ministries and PSUs.

Fig. Registered MSMEs



Source- MSME Industry in India – Market Share, eports, Growth & Scope | IBEF

Domestic business needs a considerable fiscal stimulus from the financial institutions in the shape of advantageous working capital loans in order to maintain sufficient flexibility in business operations. Indian Micro, Small and Medium-Sized Enterprises (MSMEs) are rapidly shifting away from cash transactions, with 72% of payments being made digitally compared to 28% of cash transactions [6]. The industry has potential to keep expanding as a result of rising internet usage. In India, the most recent fiscal year saw a roughly 13% increase in the gross value contributed from micro, small, and medium-sized firms. MSMEs increased the nation's gross value added by more than 57 trillion Indian rupees in the same year [11].

## Review of Literature

The types of technology are extremely varied; one of these forms is digital technology (IT), which benefits MSMEs. IT has a significant impact on every part of life and is changing how businesses are conducted around the world [28]. The use of these innovations is transforming the rules of industry, having a major impact on most industry and causing fundamental changes in firms and businesses. According to Prime Minister Modi, "I regard technology as a method to inspire and as a tool that overcomes the divide between hope and opportunity," the effective use of technology in the workplace can help firms achieve sky-high levels of success. In order to increase an organization's profitability, information technology is crucial [22]. Additionally, it encourages competition among Small and Medium-Sized Enterprises (SMEs), forcing them to consider both the availability of cutting-edge technology and ongoing research and development. By enabling information to be conveyed through a variety of mediums, such as emails, telephones, and social media channels, IT is a tool that enables SMEs to respond to clients' complaints and requirements effectively. Businesses can utilize a variety of platforms for IT services for a variety of purposes, including learning, marketing and promotion selling their goods and services, and trading. Information technology may help Micro, Small, and Medium-Sized Enterprises (MSMEs) in a number of ways. It can increase MSMEs' productivity, cut expenses, and broaden their market reach both nationally and internationally. As the MSME sector contributes significantly to the nation's economy, it benefits individual MSMEs individually and collectively, producing favourable outcomes that increase

employment, revenue, and the competitiveness of the nation's enterprises as a whole[26] It wouldn't be inaccurate to claim that the majority of MSMEs are hesitant to accept the newest technology because they lack the information and understanding necessary to choose the best technological solution for their businesses, which has an impact on their total profitability[27]. One such situation is brought on by a shortage of competent labour to operate sophisticated machinery and equipment, a lack of faith in technology, and expensive equipment capital expenditures. All of these problems can be solved by educating MSME entrepreneurs and businesses about the advantages of adopting new technology through trade associations and industry trade bodies, and by assisting them in understanding the factors that influence the transition from traditional businesses to a digitally active space. In the current business ecosystem, most international business owners discuss implementing cutting-edge technologies like artificial intelligence (AI), machine learning (ML), data-enabled systems, internet-based firms, etc. to increase efficiency, win over more customers, and outperform rivals [25]. However, there is still a need for more to be done to help Indian MSMEs upgrade and modernize their outdated and conventional business models. Many MSME entrepreneurs, whether in tiny villages or large cities, are utilizing technology to reinvent their goods and services, thereby bolstering their businesses and promoting the slow-growing MSME sector. MSMEs may have been late adopters of technology, but now they are actively utilizing it to modernize established businesses and even launch technology-based ventures like e-commerce and other online services [24]. In addition to ICT resources like the phone, internet, and video conferencing, the system is equipped with AI, data analytics, and machine learning to bring and address all complaints and ideas in one place and support MSMEs. Additionally, it is fully connected in real time with the MSME Ministry's other web-based tools as well as the GOI's primary grievances site, CPGRAMS [26].

## **Significance of the Study**

In India, SSIs employ almost 80 million people, occupy 36 million units, account for 45% of industrial output, 40% of exports, and generate more than 6000 different products ranging from low-tech to high-tech. Because of this, small scale industries (SSI) have a special place in the industrial structure of a developing country like India. Because it is a catalyst for the socioeconomic growth of the country, the SSI sector is without a doubt crucial in meeting the national goal of bridging the rural-urban gap, reducing poverty, and creating employment for the whole community of the country [18]. The SSI sector includes about 80% of all industrial facilities in the country. Due to the enormous potential of small-scale businesses, for both ideological and financial reasons, the government has given this sector a considerable role in the framework of Indian economic planning [7].

## **Objective of the Study**

- To study various IT-enabled services by Government of India that enhances small and medium-sized businesses operating efficiently

- To study the IT-enabled marketing tactics and strategies to enhance MSMEs' performance.

## **Research Methodology**

The study is carried out during October & November 2022. The Research has focused to cover latest trend in MSME promotion and strategies used. The research is strengthened by the use of secondary data. Well-known scholars often turn to literature reviews in order to acquire a comprehensive understanding of the subject at hand. In addition, a variety of public records, such as the Ministry of Micro, Small, and Medium Enterprises Annual Report for 2019-20 and 2020–21, as well as the websites of the Ministry of Micro, Small, and Medium Enterprises, the Government of India, and other organizations, are investigated.

## **Development of Suggestive model for being more effective for MSME's**

The 7 P's are a framework for thinking about marketing strategies. They are:

Product: What are you selling, and what value does it offer to customers?

Price: How much will you charge for your product or service?

Place: Where will you sell your product or service?

Promotion: How will you let people know about your product or service?

People: Who will you be targeting with your marketing efforts?

Process: How will you deliver your product or service to customers?

Physical evidence: What tangible elements (e.g., packaging, store design) will support the customer's decision-making process?

You can use this framework to develop a comprehensive marketing plan for promoting your MSME (micro, small, and medium-sized enterprises). For example, you might focus on promoting your product through social media and targeted advertising to reach your target audience, while also offering competitive pricing and high-quality customer service to support the sales process.

## **Result and Discussion**

MSMEs number 63 million in India. According to the National Sample Study (NSS), which was done between 2016 and 2018, the MSME sector created 12.15 crore jobs nationwide, or around 24% of all occupations in India. The two states that contribute the most to the MSME sector are Uttar Pradesh and West Bengal (14.37% each), followed by Tamil Nadu and Maharashtra (8.69% each).

| Activity       | Estimated Number of Enterprises (in lakh) |               |               | Share (%)  |
|----------------|---|---------------|---------------|------------|
|                | Rural                                     | Urban         | Total         |            |
| Manufacturing  | 114.14                                    | 82.50         | 196.65        | 31         |
| Electricity*   | 0.03                                      | 0.01          | 0.03          | 0          |
| Trade          | 108.71                                    | 121.64        | 230.35        | 36         |
| Other Services | 102.00                                    | 104.85        | 206.85        | 33         |
| <b>All</b>     | <b>324.88</b>                             | <b>309.00</b> | <b>633.88</b> | <b>100</b> |

\*Non-captive electricity generation and transmission  
Source: MSME Annual Report 2020-21

India's FDI regulations have been liberalized, allowing 100% FDI through the automatic route in the majority of sectors, including MSMEs. The "Single Brand Product Retail Trading" FDI policy has significantly improved the MSME environment in India. The strategy requires purchasing 31.2% of items from India, particularly from MSMEs in rural and cottage industries, as well as from artists and craftspeople. The government provides timely business lending programmes and assistance packages to the sector in recognition of the major contribution MSMEs have made to India's economic development.

For instance, an economic relief package worth Rs. 20.2 crore (US\$ 2.68 million) was announced for MSMEs in July 2020. A credit guarantee program known as the "Distressed Assets Fund - Subordinate Debt for Stressed MSMEs" was announced in June 2020 to provide stressed MSMEs with credit facilities through lending institutions. This program, which was formerly valid until March 2021, has now been extended through March 2022-23. Since 2014, the Indian government has allowed a number of additional loans (special to MSMEs), including Micro Units Development and Refinance Agency (MUDRA) Loans and National Small Industries Corporation (NSIC) Subsidies. Since a long time ago, nationalized banks like Kotak Mahindra, ICICI, and SBI have also provided specialized loans for the growth of MSMEs.

### **Tech-based Platforms' Role in the MSME Growth Pathway**

Government involvement in the MSME sector is mostly restricted to addressing MSMEs' finance concerns. And for precisely this reason, modern start-ups have entered the scene. Platforms based on emerging technology are increasingly assisting MSMEs in upgrading and integrating their operational capabilities. The majority of tech-based platforms specialize in different fields, enabling them to support numerous aspects of MSME operations like managing supply chain and logistics, dividing work among related departments, and keeping track of product quality.

MSMEs are now receiving assistance from a number of start-ups and technology companies that are specializing in offering new-age technological solutions, such as data insights, artificial intelligence, augmented reality (AR), machine learning, and the Internet of Things (IoT). More than 50.1% of MSMEs in India are located in rural areas, thus it is crucial that tech solutions satisfy their needs despite obstacles like poor internet access and a lack of sufficient funding, innovation, and technology. The following is a list of some well-known technological enablers boosting MSMEs in financial and operational services.

### **Financial Solutions based on Technology**

LendenClub – It is a peer-to-peer platform that links lenders and approved borrowers. It was founded in 2016. Through its platform Instamoney, it enables MSMEs with little access to bank financing to obtain small-ticket loans. The business has served 2.6 million clients thus far and paid out more than Rs. 11 billion (US\$ 133.9 thousand).

Brego - Is a Mumbai-based company founded in 2019, uses a mobile-based SaaS application to assist MSMEs in gaining real-time insights from their financial data. The app gives stakeholders visibility into their financial operations by enabling quick access (through mobile phones and even web browsers) to important financial criteria like sales, receivables, profit & loss, and cash flow. Additionally, the app enables business owners to send real-time reports to team members, clients, and suppliers via email or WhatsApp.

Launched in May 2016, PayNearBy offers a range of digital financial and non-financial services to nearby merchants. The company already provides services to more than 15 lakh shops, and it soon hopes to increase this number to 5 million businesses in Tier I and II cities as well as rural regions. Retailers may take advantage of a number of services, including cash deposit and withdrawal, money transfers, savings, insurance, travel, digital payments, and government perks.

With their fintech solutions, numerous more businesses, including MSwipe, RazorpayX, RXIL, Algo360, Cashinvoice, and Happy Loans, are enabling the MSME sector.

### **Operational Solutions with Technology**

Meesho helps small businesses and individuals to sell things online through social media platforms including WhatsApp, Facebook, and Instagram. Meesho was founded in 2016 and has its headquarters in Bengaluru. To offer financing options for MSMEs, Meesho also joined together with fintech start-up Klub in August 2020. It's interesting to note that Meesho had a 755% increase in users last year during its single flagship Christmas sale event, with 61% of demand coming from tier 4+ markets, including distant areas of the nation.

Alignbooks is a cloud-based accounting tool created in July 2016 with the aim of assisting MSMEs in automating their invoicing process. The company has served over 31,500 MSMEs in India thus far and handled over 16 lakh customer bills. A standalone version of Alignbooks' software has also been made available to serve the needs of rural residents with spotty internet access.

Tradeindia is the largest online B2B platform in India and was founded in 1996 with the goal of assisting SMEs in going digital. The company is the first in the nation to offer e-commerce and solutions for booking domains, SSL, Adword, SMO, and FB Promotion to SMEs. It also offers payment protection plans (TI Pay), Collateral Free Loans (TI Lending), and Logistics (TI Logistics).

With their technological offerings, tech behemoths like Amazon and Flipkart are also enabling MSMEs. Flipkart, for instance, has started a number of programs to assist MSMEs, including

the Samarth Programme, which onboards Indian artisans, weavers, and handicraft producers onto e-commerce, and a partnership with the Federation of Indian Chambers of Commerce & Industry (FICCI), through which it has started a number of workshops for MSMEs. Similar to this, Amazon introduced "Digital Kendras" in July 2021 to support MSME business owners and inform them of the advantages of digitizing their businesses. Amazon had digitalized 2.5 million SMEs in India as of April 2021. Dell is a tech company that frequently tackles the problems faced by MSMEs and supports the industry with its technological advisors. Since 2019, the company has held an annual "MSMEs Day" on its platform. Walmart and Google, two other behemoths, have endorsed the campaign to support MSME businesses.

## Major Findings

### A. Classification of MSME's in India

| MSME – Merged Criteria: Investment and Annual Turnover |  |  |  |
|--|--|--|--|
| Sector/Enterprise Type                                 | Micro-Enterprise   | Small Enterprise   | Medium Enterprise  |
| Manufacturing & Services Sector, Both                  | Investment less than Rs. 1 crore<br>Turnover less than Rs. 5 crore | Investment less than Rs. 10 crore<br>Turnover up to Rs. 50 crore | Investment is less than Rs. 50 crore<br>Turnover up to Rs. 250 crore |

Source - [What is MSME/SME Full Form, Meaning, Role and Importance in India \(paisabazaar.com\)](https://paisabazaar.com/what-is-msme-sme-full-form-meaning-role-and-importance-in-india/)

### B. MSME Loan Programs Launched by the Indian Government

The Indian government's MSME programs, which are offered via financial institutions, are listed below [19].

- CGTMSE, or Credit Guarantee Fund Trust for Micro and Small Enterprises.
- The CLCSS, or Credit Linked Capital Subsidy Scheme.
- Credit Guarantee Scheme.
- The MUDRA Yojana of PMMY.
- Financial assistance from the National Small Business Corporation (NSIC).
- PMEGP is the abbreviation for the Prime Minister Employment Generation Programme.
- PMRY, the Prime Minister's Rozgar Yojana.
- Within 59 seconds, PSB Loans.
- Stand-up India.
- Start-up in India.

### C. Role of IT SERVICES INTO MSMEs MANUFACTURING

Modern manufacturing is becoming more mechanized and technologically dependent. It depends on the use of innovative processes and technologies that drastically transform the landscape of production in ways that were unimaginable just a few decades ago. Data-driven

intelligence and other elements, such as predictive analytics, have begun to play a significant role in influencing manufacturing choices. The manufacturing industry is adopting more technology on a global scale to streamline operations and shorten the time it takes to market the finished product. The products have recently begun to use related services and have improved their context awareness. Value chains that have undergone digital transformation are being used more frequently. This necessitates higher degrees of inventiveness since manufacturing must be altered utilizing a combination of automation and data [3] [4].

India ranks second only to China in terms of the number of micro, small, and medium-sized firms (MSME), which employ more than 40% of the workforce and contribute around 30% of the GDP. This group consists of more than 63 million businesses, 99.5% of which are small and medium-sized enterprises. It is obvious that for the Indian economy to prosper, the growth of these sectors—particularly manufacturing, which represents about 32% of all enterprises—will be required. The government is putting in place incentives to help manufacturing companies because it recognizes the need for them to grow [7].

The urgent credit line program, even during the COVID crisis, is a prime illustration of how the government is moving quickly where appropriate to promote industry. The most recent budget, which has increased trust in Indian business, makes the government's position clear. Its effects would surely benefit the MSME sector as well. One needs to understand the underlying issues in order to genuinely make changes and improvements. Government intervention in the MSME sector mostly consists of alleviating the financial worries of MSMEs. Modern start-ups have emerged precisely for this reason. Platforms built on cutting-edge technology are helping MSMEs improve and integrate their operational skills more often. Numerous parts of MSME operations may be supported by the majority of digital platforms because they specialize in various industries. These aspects include managing supply chains and logistics, allocating work among related departments, and monitoring product quality [16].

Several start-ups and technology firms that specialize in providing cutting-edge technological solutions, such as data analytics, artificial intelligence, augmented reality (AR), machine learning, and the Internet of Things, are increasingly providing support to MSMEs (IoT).

Given that more than 50% of MSMEs in India are found in rural areas, it is essential that digital solutions meet their needs despite challenges including limited internet connection and a lack of adequate finance, innovation, and technology. Here is a summary of some well-known technical advancements that have helped MSMEs grow in the financial and operational services sectors.

#### D. Benefits Of It Services Into MSME's Manufacturing Industry

- To improve their capacity to respond to user needs and help manufacturers better manage the complexity of their products for standards or bespoke work.
- Support a solid basis to streamline manufacturing duties in sales, operations, marketing, and customer support.



- Promote real-time manufacturing activities for mobile requirements such field sales, buying, and logistics.
- Increased productivity Make informed decisions when producing. Build intelligent ecosystems. Think about the product's caliber.
- Increase Efficiency: Modernize existing production methods, make supply networks more intelligent, and strive for ongoing corporate innovation.
- Transform your company: Apply contemporary technology. Provide performance-based services. enhance sales.
- Reservation policies for the manufacturing and industrial sectors - The industries (Development and Regulation) Act of 1951 stipulates that items from the SSI (Small Scale Industry) sector are legally reserved in government procurement.
- Licenses and permissions are easy to obtain - Companies are given preference and the application process has been streamlined for them when they apply to the relevant authorities for licenses, permits, and registrations in any field for their operations.
- To provide financial support through reimbursement to State/Central Government organizations, industries/enterprises Associations, registered societies/trusts, and organizations linked with MSME for the commission of MSME business delegations abroad under the International Cooperation Scheme
- All new industrial units with MSME Registration and expansions would be exempt from paying Stamp Duty and Registration charges when purchasing property in government-designated industrial districts for MSMEs.

E. It Opportunities and Challenges in The MSMEs Manufacturing Sector

- About 60% of manufacturers mentioned workplace quality as their top concern and biggest difficulty. Because of the lack of skilled people, businesses find it difficult to adapt to new and cutting-edge technology that requires skills and training.
- Digitalization: Technologies like IoT, AR, VR, and ML are no longer merely fads. Companies are still not adopting cutting-edge digital technologies, nevertheless. Simply put, this diminishes their output and the profit.
- Cybersecurity: Research shows that 44% of businesses do not use any fundamental security measures while dealing with customers to transact business. Untrained staff members who work in close proximity to both internal and external vulnerabilities are also affected by their failure to secure their procedures.
- Production Quality - Manufacturing Industry Solutions works hard to improve production quality in order to offer sustainability and business optimization. Businesses today use technology to assist them in achieving targets like almost zero waste and zero emissions. Unquestionably, the sector's recent developments are an indication of quality, visibility, and improved solutions.
- Analytics - Manufacturing IT Services provides innovative methods to accurately predict the company's future position. Different industries are using IT solutions to solve their business problems, lower risks, and thrive to gain a competitive advantage.

**F. Suggestive Model to Implementation for MSME's based on 7 P's****7 P's OF MARKETING FOR msme's**

| <b>Marketing Strategies</b> | <b>IT Services</b>                | <b>Benefits to msme's</b>   |
|-----------------------------|-----------------------------------|---|
| <b>Product</b>              | 1. Business process reengineering | Productivity will increase  |
|                             | 2. Technical Tools                | Efficient work  |
|                             | 3. Cloud computing                | Easy access, low latency, ease of working   |
| <b>Price</b>                | 1. Subscription fee               | Discount for long term customer   |
|                             | 2. Discounting pricing structure  | More quantity in services   |
| <b>Promotion</b>            | 1. Digital Marketing              | Advertising through google ads  |
|                             | 2. Social media marketing         | Advertising through the most liked social media apps like Instagram, Facebook, etc.                                   |
|                             | 3. Personal selling               | Through brochures and giving them product knowledge so to consult.  |
| <b>People</b>               | 1. Contracts                      | In contract, implementation will be faster than in other  |
|                             | 2. Supplier                       | Service integration and good networking will help enhance the process and ensure growth                               |
| <b>Physical Evidence</b>    | 1. Documentation                  | Ensure proper security to the contract, initial and very important process.   |
| <b>Place</b>                | Digital Platforms                 | Advertising on Facebook<br>Add your profiles on directories such as Google My Business<br>Invest in content marketing |

|                |                               |  |
|----------------|-------------------------------|--|
|                |                               | <p>Build an email marketing funnel</p> <p>Speak at, sponsor, and host events/webinars</p> <p>Offer a free consultation</p> <p>PR works wonders - advertise in a highly rated print media</p> <p>Write a column/article – continuously</p> <p>Join and make your presence felt in local business groups</p> |
| <b>Process</b> | 1. Process-Driven Application | It gives enterprise solutions involving humans, systems, or both.  |
|                | 2. Business Process           | Ensure smooth functioning, ultimate growth   |

## Conclusion

Traditional marketing strategies used advertising in print, television, and radio. As email and the internet became more widely used, marketing utilized them. The majority of marketing plans incorporate both conventional (billboard, radio, television, and print commercials) and modern (internet techniques) methods (email blasts, banner ads, social media, Google ads, etc.). Digital technology has a favorable effect on marketing. Develop a thorough digital marketing strategy that goes beyond social media and digital ads to enhance the consumer experience and exposure of your business [15]. The development of technology didn't begin with digital communication. When more sectors adopt new technologies, anticipate the following:

**Continued Connectivity:** Digital marketing is popular since it immediately engages people. Customer support concerns can be addressed more quickly through social media discussions, customers can learn about sales and promotions more quickly through social media feeds, and ads can target users based on incredibly specific needs and interests, accelerating the finding of solutions. AI-based technology will support firms in their consumer communications. Customer chat apps have improved thanks to AI scripting. These applications can get knowledge from consumer data and help consumers find quick solutions to issues. Increased connectedness can be seen in the Internet of Things, which enables smartphone apps to control equipment, and voice assistants like Alexa and Siri. AI in marketing helps businesses recognize

and anticipate the requirements, demands, and interests of their customers. Data can be used by marketers to provide content that is specifically targeted to their target audiences [20].

**Personalization:** Personalization is another way that new technologies will enhance consumer connections. Augmented reality apps show customers how a product would seem on them or in their environment to personalize the shopping experience. Because it enhances consumers' understanding of and interaction with a product, augmented reality is a great marketing tool. Customers can "try before they buy" rather than reading a catalog or advertisement.

Digital content can be customized with video. The targeting of video ads in commercials and online is made possible by the internet and analytics. To reach the most lucrative clientele, businesses may provide more targeted video content. The importance of digital technology will increase as marketing strategies and tactics are developed for all types of firms. This makes it possible for businesses to connect with more customers through customized communications that are more meaningful and pertinent to their needs [2].

Many MSMEs experiment with blogging, email, and social networking based on their needs and capabilities. Digital marketing demands ongoing inventiveness and consistency because no one can foresee which strategies will be successful. Nobody can assure the success of a single MSMEs programme [10].

Many SMEs are unable of writing blogs. Their blog writing skills are not warranted. Just write a short essay describing your services and how they will help clients. Continue to add new pictures and edit the text in the post. You may do this to show off your knowledge, build your brand, enhance your reputation, and attract new customers. This raises the visibility and search engine positioning of your business. MSMEs are essential to the Indian economy, but their development is hampered by a lack of IT services and technical improvements. IT services can help us create a production method and a marketing plan. According to the 7 P's of the marketing mix, MSMEs should employ digital marketing strategies that give customers more information about their goods and services and aid in the expansion of their customer base.

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# **AIDAS Model Based Analysis of Customer Buying Behavior for Ed-Tech in India**

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## **Abstract**

Our lives now include a significant amount of technology, which is quickly changing the various businesses in our area. The ways that education is delivered in our nation has largely remained the same, despite the fact that many fundamental tasks in our lives have now been significantly simplified. The innovative technology-based solutions provided by the Indian education technology sector have the potential to completely alter the way our students learn. A study of the various factors that persuade a potential customer to buy these offerings is therefore required in this situation. Being a new industry, it is crucial that the participants look to enhance the quality of their advertisements to raise consumer awareness as well as the overall learning experience of their users, which is a more important factor in influencing the purchasing decision. The government has introduced numerous programs and is providing substantial support to the education sector. The majority of people prefer using the internet because it has many advantages and is simple to access from anywhere. The goal of the study is to understand consumer purchasing patterns for online education using the AIDAS model. Additionally, it focuses on the variables that affect how people make purchases related to online education. A questionnaire is used to collect the data. Utilizing a quantitative strategy. The research concluded that both online and offline education have their own set of advantages and disadvantages, and the choice between the two may depend on an individual's learning style, goals, and other personal factors. The key factors that contributes towards success of ed-tech industry in India as Strong focus on quality, Innovative and user-friendly technology, Effective marketing and sales strategies, Collaborating with educational institutions, educators, and other industry partners.

**Keywords:** Buying Behavior, Online Education, Factors influencing, EdTech

## Introduction

Education technology is abbreviated as EdTech or Edu-Tech. The term describes technologically advanced online platforms that use the internet to offer working adults, college students, and school-age children an alternative educational infrastructure [5]. Globally, EdTech is regarded as one of the industries with the fastest rate of growth. It has the enormous potential to attract millions of subscribers and generate significant revenue in the future. It is impossible to determine the exact current valuation of the industry as a whole due to the abundance of start-ups in the market and the associated challenges in valuing them, but some of the most recent estimates indicate that the industry could potentially reach a valuation of \$341 billion by 2025. India's EdTech industry is still relatively young, but that hasn't stopped it from overtaking the United States, which is far ahead with 43% of all start-ups worldwide, to become the second largest in terms of start-ups globally, with 327[3].

Consumer buying behavior refers to the action's consumers take both online and offline before making a purchase of a good or service. This process might involve using search engines to conduct research, participating in online discussions, and a variety of other activities. Organizations benefit from understanding this process because it helps them to better align their marketing initiatives with those that have historically been effective in convincing customers to make purchases [14].

Understanding how people use and purchase products is one of the biggest challenges for marketers. The study of consumer behavior is crucial to comprehending how decisions are made regarding purchases as well as how products or services are used or experienced. Decisions made by consumers are proactive. When making a purchase, they frequently base their choice on their financial constraints or budget [3]. Depending on their financial situation and a variety of other factors, they might change their preferences.

Cultural, social, personal, and psychological factors are just a few of the factors that have an impact on how consumers behave when making purchases. They might not persuade someone to buy if they were considered separately. A brand's likelihood that a consumer will identify with it and use it as a source of purchase increases with the number of its constituent parts.

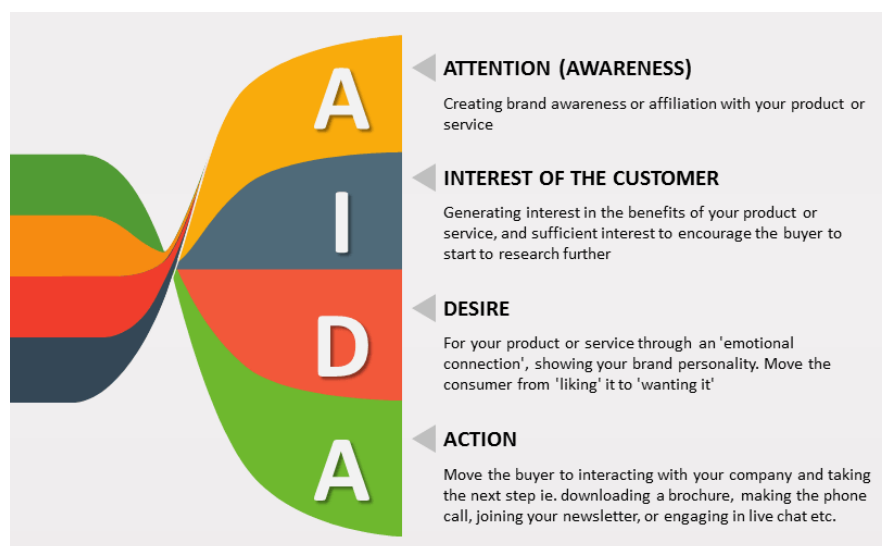
**Fig 1: Consumer buying process**



Source: Williams, R. J. (2006). *The Complete Buying Process for Agents*. United States: Trafford Publishing.



According to the hierarchy of effects model, which is also known as a hierarchical model, customers go through various steps or processes before making a purchase. These models presume that before making a behavioral choice, consumers go through cognitive and emotional stages. In order to determine which advertising messages will be most effective at different turning points, AIDAS assists advertisers in understanding how target audiences change over time. Each level offers fewer opportunities [1]. It's also referred to as a "buy funnel." Many potential customers become aware of a product or brand, but only a small percentage actually make a purchase.



*Source: Davis, K. (2011). Slow Down, Sell Faster! Understand Your Customer's Buying Process and Maximize Your Sales. United States: AMACOM.*

All online learning techniques are included in online education. Teachers can connect with students who can't attend a traditional classroom through online learning, and students can learn at their own pace. Most fields are expanding their use of online and distance learning degrees. Institutions and facilities for online education are expanding. Candidates for online degrees must pick a reputable, accredited institution. Online education won't go away. Due to its flexibility, online learning is preferred by many students. In the information- and knowledge-rich society of today, online education makes learner-centered and self-directed learning more accessible to people. Online learning options will increase with the help of software, technology, and Internet access. More students are turning to the internet for a personalized education as student enrollment rises faster than new classrooms can be built. As they spread, online degree programs will become more common.

### **Overview of the EdTech Industry in India**

The ecosystem of online education must include EdTech platforms. These platforms were initially B2C-based, enabling content providers to interact with potential students (consumers). Nowadays, the majority of platforms produce content by paying lecturers to cover a range of topics and courses. A smaller number of platforms also link potential students and teachers using the C2C model. Based on the kinds of operations carried out, these models change from

one company to the next [2]. A B2B model is more common in platforms that cater to higher education needs, where institutions offer degree/diploma courses to students via third-party content providers, as opposed to a B2C model, which is more common in platforms that offer test preparation and primary/secondary supplemental education. In order to boost the overall popularity of the platforms by providing more useful courses, some content providers also work with businesses to offer users industry-specific training.

## Literature Review

Digital education has improved in recent years. From online classes and assignments to video-conferencing problem-solving, technology's role has grown. Since the pandemic took hold, the EdTech industry has done well. When colleges and schools were forced to close, the sector facilitated learning and education [9]. Edtech companies have also highlighted the flaws in the traditional education system and come up with solutions like personalized learning and 24\*7 lectures/classes. Since the sector is booming, thousands of marketing and communications decision-makers must ensure the message reaches target consumers. Digital education shouldn't be marketed as a substitute for traditional education. Marketing campaigns should aim for a 'consumer connect' so EdTech companies can reach their target audience. EdTech companies must show end users how their products improve education quality. EdTech's purpose, vision, and mission should be communicated to consumers. Teaching is a noble profession, and EdTech companies should make it clear that they're continuing its legacy. Digital platform, same goal.

AIDA describes the four steps a consumer takes before buying. Attention, Interest, Desire, Action (AIDA). During these four stages, your content should attract attention to your brand, generate interest in your product or service, and spark a desire to try or buy it. The AIDA model helps brands craft and distribute marketing messages at each stage of the buyer's journey. The AIDA model is a hierarchy of effects model, so consumers must complete each stage to complete the desired action. Like a marketing funnel, each stage has fewer customers [10].

- Awareness: How do we get buyers' attention? How do we promote? Our brand campaigns? What tools do we use? Messages?
- How can we get their attention? Our content strategy Our reputation backed by social proof? Where do we share this info? i.e. website, videos, ratings
- What makes our product/service desirable? How do we connect emotionally personally? Chat? Instant Twitter response? Advice?
- Action: Where do we place call-to-actions? Can consumers easily connect, and where can they find it? Consider your marketing channel/platform and how to engage, e.g. emails, website, landing pages, inbound phone calls, etc.
- Retention/satisfaction What's your loyalty pitch? How do we encourage this online and off?

Observing the benefits of the AIDA model of business product marketing has inspired writers and marketing strategy enthusiasts in the digital era to research and develop the process of promoting business products in an easily understood way [4]. To address challenges and harness opportunities offered by digital technologies during this crisis, participants wanted to recognize and protect digital rights, especially privacy and inclusion [7]. This means Indonesians are digital natives [12]. Small business implementers can learn the potential of their products and market content, including MSME products. Also, the AIDA model's benefits [8]. This is very inspiring and influences consumers after seeing the online display by this business driver, making the AIDA-based marketing model a model that moves attention so it can finally invite buyers or consumers to buy products displayed in online-based marketing content [13]

## **Problem Identification**

The online education market in India has been booming since the corona pandemic. Indians are looking more and more to Edu-tech companies to assist them in making the switch from the analog to the digital world. Technology advancements have made it possible for people to study at any international institution. As long as the Indian institution owns the content, even the government is allowing partnerships between edtech and higher education, including with foreign edtech companies, industry-developed curricula, and foreign universities offering online courses. Therefore, it is crucial to comprehend customer purchasing behavior in the Indian Edu-tech market.

## **Objectives and Methodology**

- To study and understand the idea, scope, and development of the Indian education technology sector.
- To study the significance of various factors that affect consumer purchasing decisions based on AIDAS model

## **Research Methodology**

Non-probability convenience sampling is used in this study, and Researchers adopted a descriptive research strategy because it aims to be methodical and accurate. Since descriptive research allows for fact analysis and helps to establish a firm understanding of the study, it was used in this study to understand customer purchasing patterns for online education. The AIDA concept was developed by American businessman Elias St. Elmo Lewis in 1898. The AIDAS model is used in this study's quantitative methodology to investigate various factors that contribute to online learning.

Here, information is being gathered and examined. Two different categories of data sources are as follows: First and second. Here, survey forms, one-on-one interactions, and focus groups are used to gather data. Articles, research papers, or some existing data are used to analyze secondary data. The aforementioned study is conducted on a primary and secondary level, with the primary level data being gathered through surveys to understand the purchasing patterns for online education. All of the data is being gathered through primary research using a 384-person sample size for a structured questionnaire. Data was gathered from people of various ages to understand how customers behaved when making purchases for online education from urban area of Ahmedabad. The target age group, gender, and occupation are the foundation of the study. The data collected during the period October 2022 to November 2022. The variables for AIDAS are compiled from various research papers. When examining such variations in category variables, particularly those that are nominal in nature, chi-square is useful. The degrees of freedom, sample size, and chi-square values are all influenced by how much the actual and observed values diverge from one another.

Table 1: Hypothesis Framed

|                   | Research Intention                                    | Dependent Variable | Independent Variable  | Statistical Test |
|-------------------|---|--------------------|---|------------------|
| Hypothesis 1 to 5 | Measuring Impact of Buying Behaviour of Respondent on | Male<br>Female     | Attention Factor<br>Interest Factor<br>Desire Factor<br>Action Factor<br>Satisfaction | Chi Square       |

## Data Analysis and Results

Table 2: Hypothesis Testing Results Use Chi-Square to test the hypothesis (Gender\*AIDAS)

| Factors  | Chi-Square Value | Sig.  | Null Hypothesis |
|--|------------------|-------|-----------------|
| Impact of gender on buying behavior with respect to interest factor  | 52.254           | 0.004 | Rejected        |
| Impact of gender on buying behavior with respect to attention factor | 61.153           | 0.000 | Rejected        |
| Impact of gender on buying behavior with respect to desire factor    | 41.149           | 0.084 | Accepted        |

|   |        |       |          |
|---|--------|-------|----------|
| Impact of gender on buying behavior with respect to action factor       | 42.814 | 0.020 | Rejected |
| Impact of gender on buying behavior with respect to satisfaction factor | 36.658 | 0.190 | Accepted |

### Interpretation

Based on the chi-square test mentioned above, the null hypothesis is disproved and the alternative hypothesis is approved. It significantly benefits from attention. Advertising has no gender-specific effects, and male and female students both have greater influence over popular course content, technology adoption, and adoption ease. The null hypothesis is rejected in the aforementioned chi-square test because  $p=0.000$ , or  $p0.05$ , was obtained. Conclusion: Interest plays a significant role. Men and women both have greater influence over professional development and ease of learning. Based on the chi-square test mentioned above, the null hypothesis is accepted and the alternative hypothesis is disproved. It is not significantly impacted by desire. New learning, usability, content recognition, and time management are influencing factors. The null hypothesis is rejected and the alternate is accepted in the aforementioned chi-square test because  $p=0.020$ . In this case, benefits and cost have a greater impact on gender than action factor. Based on the chi-square test mentioned above, the null hypothesis is accepted and the alternative hypothesis is disproved. This suggests that while student-instructor interaction is preferred, online education has little of an impact on students' satisfaction.

### Results & Discussion

The research is about consumer buying behavior toward online education. For more information, researchers should study the metaverse in education, as it provides virtual reality and benefits consumers.

- Rural areas lack internet access, electricity, and the money to buy necessary gadgets.
- Screen time hinders online learning.
- Many don't like online education because it strains the eyes and makes people lazy.
- Data shows that men prefer online education, so women should too. Females in rural areas without study opportunities should be encouraged to study online.
- The age group 21-30 prefers online education; they may be students or working, so course content and design should be easily accessible to them.
- People still prefer online and offline education; only 11.2% prefer online education exclusively. Institutions that want customers to prefer online education should update their courses and offer incentives to attract customers.

- The course duration should not be much longer because most students prefer online education and this suggests they may be doing side courses. Also, while collecting data, it was found that most people prefer 1-4 hours for online education, so if the course is much longer, they won't buy it.
- Online education institutions should focus more on advertising so people are influenced by their course design and buy. Focus on FAB. Model-based
- Feature, Advantage, Benefits
- So, the advertisement should explain all the features, benefits, and advantages so that customers are influenced to use online education.
- Career growth interest's online education.
- Price, duration, and course benefits influence customers to buy online education.
- Many people aren't satisfied with student-instructor interaction, so online education should focus more on this factor.
- Many customers have rated online education's service 4 but 22.5% have rated 5, so they should focus on customer satisfaction.
- People in rural areas don't know how to use electronic devices and take online courses, so rural schools should teach them and hold seminars.
- Working professionals and entrepreneurs can learn current trends online.
- Augmented and virtual reality support the metaverse. With headphones or glasses, users can interact with the virtual world. Immersive learning helps online learners apply theory, retain information, and engage. Students can experience games and simulations with VR and AR. 3D drawings can help them understand equipment operation or mathematical concepts.
- Gamified learning has long-known benefits. It improves problem-solving skills, provides immediate feedback, and makes learning easy. Users aren't just playing a game; they're inside it thanks to the metaverse. By combining VR/AR technology with the metaverse, instructors can create game-based exercises students can perform in lifelike worlds.
- Online learning hinders communication and interaction. Separated teachers and students may feel lonely and isolated. The metaverse lets teachers design internal meeting spaces to combat negative emotions and encourage interaction. Students can create study spaces for interaction, cooperation, and group work. These tools improve student-teacher interaction and learning.

## **Conclusion**

Both online and offline education are still preferred by people, according to primary research. People don't want to devote a lot of time to online education, the research indicates. Instead, they place a premium on learning convenience, popular content, and ease of adoption and

completion. Since advertisements have no impact on people, they should be given more attention in order to promote online education. People should focus on that if they are unhappy with online education. Technology has an impact on consumer behavior when buying online education. If people are aware of it, they will prefer online education[11]. The ed-tech industry has grown significantly over time, and this development will continue in the upcoming ten years as new technology becomes more widely accepted and education becomes more widely available. India offers enormous opportunity for Ed-Tech players because it is a large country with a sizable young population in rural and semi-urban areas. Only a small portion of the potential market has been successfully penetrated thus far. Online learning techniques are not as popular as conventional ones. The growth of paid platforms is constrained by the accessibility of free educational materials on open-source websites. Few people are familiar with Indian players, with the exception of a few well-known ones [10]. Lack of brand awareness affects consumer consumption patterns. Despite the fact that this industry is growing, Indian players will quickly lose relevance due to the existence of significant foreign players if they do not seize this opportunity. The way forward is better advertising on a larger scale, consumer-focused marketing tactics, and product improvement. In order to stay competitive in this market, brands must continually enhance their value proposition and customer experience.

The AIDA model could be used to help identify key considerations and guide the development of policies that support the growth and effectiveness of online education. Attention: One key aspect of the AIDA model is attracting the attention of the target audience. In the case of online education in India, this might involve creating awareness and understanding among policymakers, educators, and students about the benefits and potential of online education. This could be done through targeted marketing campaigns, research reports, and other forms of communication.

Interest: Once attention has been garnered; the next step is to generate interest in the topic at hand. For online education in India, this might involve highlighting success stories and case studies of effective online education programs, as well as discussing the potential for online education to expand access and improve learning outcomes.

Desire: The third step in the AIDA model is generating desire for the product or service being offered. For online education in India, this might involve highlighting the convenience and flexibility of online learning, as well as the potential for students to tailor their learning to their individual needs and goals.

Action: Finally, the AIDA model focuses on inspiring action, or getting the target audience to take a specific desired action. In the context of policy making for online education in India, this might involve encouraging policymakers to invest in the development and expansion of online education programs, or encouraging educators to consider incorporating online learning into their classrooms.

Overall, using the AIDA model as a framework for policy making for online education in India could help to effectively communicate the value and potential of online education and inspire action to support its growth and development.

#### Implication

1. Access: One of the main challenges with ed tech in India is ensuring that it is accessible to all students, regardless of their location or socio-economic background. This requires the development of policies that address issues such as infrastructure, connectivity, and affordability.
2. Quality: Another key issue is ensuring that ed tech solutions meet high standards of quality, so that they can effectively support student learning. This requires the development of policies that address issues such as curriculum alignment, teacher training, and ongoing support and evaluation.
3. Data privacy: As ed tech relies on the collection and use of student data, there is a need for policies that protect student privacy and ensure that data is collected, stored, and used in a responsible and ethical manner.
4. Regulation: Finally, there is a need for policies that provide clear guidance on the use of ed tech in schools, including standards for procurement, implementation, and evaluation. This can help to ensure that ed tech is used in a way that is consistent with the goals of the education system.

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## **A Comparative Case Study: HDFC Bank and State Bank of India**

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### **Abstract**

The Indian banking sector is a critical component of the Indian financial system. It has a significant impact on the nation's economic development and growth. The current study aims to assess the financial status, performance, and efficiency of the main public and private sector banks (HDFC). The study's goal is to identify the financial status and performance of the selected banks and determine whether there is a substantial difference in their performance. The CAMEL model was used to evaluate the financial strength of the chosen banks. To get the study's result, the fundamental analysis was used to key characteristics such as capital adequacy, asset quality, management efficiency, earnings ability, and liquidity. The study concluded that SBI has more non-performing assets than HDFC, which suggests that SBI has been careless in its lending to both businesses and individuals, according to the bank's analysis of non-performing assets. also Compared to SBI, the HDFC Bank is less affected, and banks also have more varied revenue sources, therefore the bank's profitability may suffer as a result. Additionally, it argues that public sector banks have much more non-performing assets than private sector banks (NPAs) because of the high degree of NPA in government banks, a profit is produced by deducting the provisioning from the net loss. Furthermore, this study includes common size analysis of both the banks and the results were, HDFC the bank's cash and balances with the RBI are down 3%. The other assets and liabilities of the bank are equal. By seeing the same difference in change in current assets and current liabilities, we can conclude that the bank is maintaining working capital whereas in case of SBI from 2018 through 2022, banks' cash balances, balances with the RBI, balances with other banks, and money calls all

increase by 1% to 2%. Bank borrowing is down 3% between 2018 and 2022, indicating that the corporation is paying off its debts.

**Keywords:** Capital Adequacy, Asset Quality, Management, Earnings, Liquidity, NPA.

## **Introduction of the Study**

An important factor in a nation's economic development is the banking industry. The banking industry supports the production, distribution, exchange, and consumption processes in the economy through its intermediary activities. It promotes the movement of money throughout the economy and supports economic expansion. Thus, the speed of economic growth is determined by the financial system's effectiveness. Like any other business, a bank's effectiveness is assessed based on its profitability and the caliber of its assets

### Functions of Banks:

The functions of the banks are classified into two parts:

- **Primary Functions**

Primary Functions are of two types one type is Accepting Deposits i.e., in form of current account deposits, savings deposits, recurring deposits, and fixed deposits and another type is Granting Loans and Advances.

- **Secondary Functions**

Secondary Functions are of two types one is Agency Functions in which banks are played the role of an agent of their customer for various types of services. The second type is Utility functions in which banks provide merchant and investment banking facilities.

Public sector banks are those in which the government has a significant stake. Private sector banks are those in which the majority shareholding is by private shareholders, with no government shareholding.

In the context of Public and Private sector banks, this study evaluated the performance of the public and private sector banks in India, for the years 2018 through 2022. When comparing two industries, important banking metrics including NPA, advances, net profit, capital adequacy ratio, NPA ratio, operating costs, etc. are taken into account.

## **Objectives of the Study**

- To perform the comparative analysis of SBI and HDFC on the basis of Non-Performing Assets and their impact on profitability.
- To perform the comparative analysis of SBI and HDFC banks using the CAMEL approach.
- To examine the Impact of Net NPA on Net profit and Net Advances.

- To perform the comparative analysis of SBI and HDFC banks using the Common Size Statement Analysis.

## Scope of the Study

It is crucial to monitor the operation of the banking system given the numerous changes that the Indian banking sector is undergoing. Studies on bank efficiency are crucial for policymakers, business titans, and many others who depend on the banking system. The performance of banks has drawn significant interest from a range of parties, including regulators, consumers, investors, and the general public. The banking sector supports the modern business by serving as a link and a specialised source of financial intermediation. Banks transform their numerous inputs into a variety of financial products. This research paper will study the comparative analysis of both HDFC and SBI banks by using NPA level, CAMEL approach and Common size statement analysis methods.

## Review of Literature

(Ajay Jain, 2016) With the rising cost of bad loan provisions and the declining profitability of commercial sector banks, particularly public sector banks, India's banking industry is in trouble. "Bankers are the lifeblood of any company. The nation's economy is also heavily reliant on the operation of banking institutions. According to statistics provided by the RBI, yearly growth of bank credit in India has decreased from 30% during the 2004–2007 boom years to 9.7% in 2014–15 and then 9.4% in the first half of 2015–16

(Mohanty, 2014) The scenario is shown by the quickening globalization process that is currently taking shape and uniting the world's nations by bridging geographical divides in the areas of trade and commerce as well as employment prospects for individuals. These all point to the recently developed potential for Indian banking. The research attempted to examine the state of Indian banks at the moment.

(Dr. Ujjwal M. Mishra, 2017) All of the rules and guidelines provided by the RBI must be rigorously adhered to by the Bank of Maharashtra. For the bank to avoid NPAs, a better credit appraisal system is required. However, once NPAs do exist, the issue can only be resolved if there is an enabling legal framework, as recovering NPAs frequently necessitates going to court and receiving court orders to recoup stock loans.

(Ashish Kumar, 2020) The Indian banking industry has long been troubled by non-performing assets (NPAs). Loans or advances that are in default are referred to as NPAs because it is presumed that banks won't be able to recoup anything from these accounts

(Prasanth Selvam, 2020) Growing non-performing assets can be an ongoing challenge for the Indian banking industry. There have been instances over the past 20 years where the cash-saving division has been severely hampered by report problems. In this work, we examine the interactions between two financial crisis episodes: the first is a banking emergency that

occurred before Covid, and the second is a banking disaster that is about to occur as a result of a widespread Corona infection.

(Tiwari, 2020) The study shows that there is a negative relationship between liquidity and profitability. As a result, banks should take appropriate steps to gradually reduce their liquidity in order to boost their profitability. Private sector banks are successfully operating at 50-100%, and public sector banks should aim to replicate it. Other key criteria must be considered by public sector banks in addition to these three.

(SHROTRIYA, 2019) Financial analysis is a vital task performed by several stakeholders in each firm. The goal of financial analysis varies depending on the stakeholder. Creditors do financial analysis in order to assess the company's ability to pay. These are interested in the company's liquidity position. Management is curious about the effectiveness with which the funds are being used.

(Karam Pal NARWAL, 2015) In terms of productivity and profitability, the performance of public and private sector banks is being evaluated over two time periods (2003-04 to 2008-09 and 2009-10 to 2013-2014). The Malmquist index, which is based on the linear programming model Data Envelopment Analysis (DEA), is used to quantify overall factor productivity of groups and sub-groups of banks.

(Ch. Balaji, 2016) The banking industry has benefited from financial sector reforms. Service levels have been updated in tandem with the expansion of bank activities. Although profitability increased in both sectors, the rate of expansion in the private sector was faster. Public sector banks lag behind in several financial metrics and have numerous hurdles.

## **Research Gap**

There are various study papers on this topic; however, it was discovered that no research has been conducted where the basis of selecting banks is based on Total Assets, specifically Total Assets of more than \$10 trillion with a reference period of 2018 to 2022. In addition, since the Pandemic, this particular topic has not received much attention. As is well known, the covid epidemic has had a particularly negative impact on the banking industry. This research paper will examine the post-pandemic state of banks' non-performing assets in association with rigid historical data.

## **Period of study**

Data for the last five years from 2018 to 2022 has been used for this study.

## **Problem Identification**

The efficiency and performance of the banking sector are linked to the economic growth of the country. Because the banking system settles the majority of economic transactions in the economy. In India, most banks are classified as either public or private, with each having different laws, regulations, and performance impacts.

The volume of non-performing assets in our nation has been rising with each passing year. This is highly undesirable for the Indian economy because the inability to earn money from these substandard assets hampers overall growth.

## **Type of Research Method**

The research method used for conducting the study is the Descriptive Research Method. When performing a study, descriptive research uses facts to describe the population, circumstances, and events. What is happening is more the emphasis of this research than why it is happening. In other words, research will provide an answer in terms of facts and results but not the reasons why. According to the above description following are the reason for taking this method for the study.

- This study is focused on the performance analysis between the Public Sector and Private Sector Banks concerning banks having more than 10 trillion Total Assets. As this analysis is conducted on historical data and facts, which not provides reasons for the differences.
- This method will only provide the answer to the impact of different variables on a bank's performance and focus on a comparative analysis of public and private sector banks.

## **Source of Data**

The data will be gathered from secondary sources because the analysis of the study needed a solid foundation. Using primary sources won't be effective for this research because prior data from the banking industry is needed to understand non-performing assets and their relation with the profitability of the banks. Data used for conducting the study is collected from Secondary Sources like authentic websites, annual reports, research papers, and articles. The data of Banking are collected from the annual reports and authenticate websites. The literature review is also done from various research papers for creating the base and establishing the understanding of the study.

## **Research Question**

Research Question1: Is there any performance gap between SBI and HDFC Bank on the basis Non-performing Asset.

Research Question2: Is there any performance gap between SBI and HDFC Bank on the basis CAMEL approach.

Research Question3: Whether NPA of banks affects the Profitability and Advances given or not.

To perform the statistical analysis of correlation and regression software IBM SPSS is used. Correlation is used to study the relationship between the independent (Net NPA Amount) and the dependent variable (Net Profit and Net Advances). Regression is used to measure the impact of the independent variable i.e., Net NPA Amount on dependent variables like Net Profit and Net Advances. Since this study also wants to investigate the relationship between two variables—NPA and bank profitability FUNDAMENTAL ANALYSIS (Common size balance sheet analysis) is used for the valuable outcomes.

## **Data Analysis and Interpretation**

### **Analysis and Interpretation of NPA in Banks**

Causes of Non-Performing Assets:

#### **1. Funds Diversion**

Banks only approve credit facilities for certain uses. Banks typically provide these facilities after evaluating the borrower's needs, as well as the project's economic viability, technical feasibility, borrower contributions, and other factors. Certain assumptions are made when conducting assessments. However, in fact, funds are diverted from their intended use for other purposes when they become available to the borrower after payment or when the sale proceeds are spent for personal expenses rather than being recycled in business. Such a diversion could also be for modernization, growth, assisting with project associate concerns, etc.

#### **2. Business Failures:**

Credit facilities are approved based on a number of business assumptions, including the level of sales, growth in sales over the course of the following years, the length of credit available for purchases and that offered to buyers on sale (position of creditors and debtors), the availability of raw materials, labor, and other resources, and the marketing of the product, among other factors. When these presumptions or predictions are disturbed for whatever reason, the business's forecasted cash flows are impacted. The default is inevitable when cash generation does not meet expectations.

Internal Factors: Delay in project implementation, Failure of the product because of the poor marketing strategy, Incompetent management, and Disputes among promoters.

External Factors: General recession, Shortage of raw material, Changes in government policies, Exchange rate fluctuation, Environment policies, Natural Calamities, and NPA itself.

#### **3. Banks being accountable for NPA**

On rare occasions, the bank itself may be to blame for accounts becoming NPA.

- Banks occasionally become so mired in their systems and procedures, documentation, and other legal formalities that there is a delay at the final stage of approval or disbursement, which may have an effect on the business and result in the loss of business opportunity.
- The factors discussed above, including schedule and cost overruns, A cautious approach could lead to an inadequate level of punishment. In this situation, the borrower may turn to outside financing, which typically entails a high-interest rate. Naturally, this borrowing takes precedence over the bank's required payback, and the bank refund is somewhat delayed.

#### HDFC BANK (Private Sector Bank)

The information for HDFC Bank from the years 2018 to 2022 is shown in Table 1. This table shows the net profit both with and without provisions for non-performing assets (NPA), as well as the provisions made by banks for NPA (Rs. in Cr.). The percentage difference between net profit with and without NPA provisions is also analysed in this table.

**Table 1: HDFC Bank (In Crores)**

| HDFC BANK – Standalone                          |          |          |           |           |           |
|---|----------|----------|-----------|-----------|-----------|
|   | 2018     | 2019     | 2020      | 2021      | 2022      |
| Net Profit for the year<br>– Provisions for NPA | 17486.7  | 21078.17 | 26257.32  | 31116.53  | 36961.36  |
| Net NPA   | 2,601.02 | 3,214.52 | 3,542.36  | 4,554.82  | 4,407.68  |
| Provisions for NPA                              | 5,927.49 | 7,550.08 | 12,142.39 | 15,702.85 | 15,061.83 |
| Net Profit for the year<br>+ Provision for NPA  | 23414.19 | 28628.25 | 38399.71  | 46819.38  | 52023.19  |
| Percentage Change in<br>Net Profit              | -        | 20.54    | 24.57     | 18.51     | 18.78     |
| Percentage Change in<br>NPA Provisions          | -        | 27.37    | 60.82     | 29.32     | -4.08     |

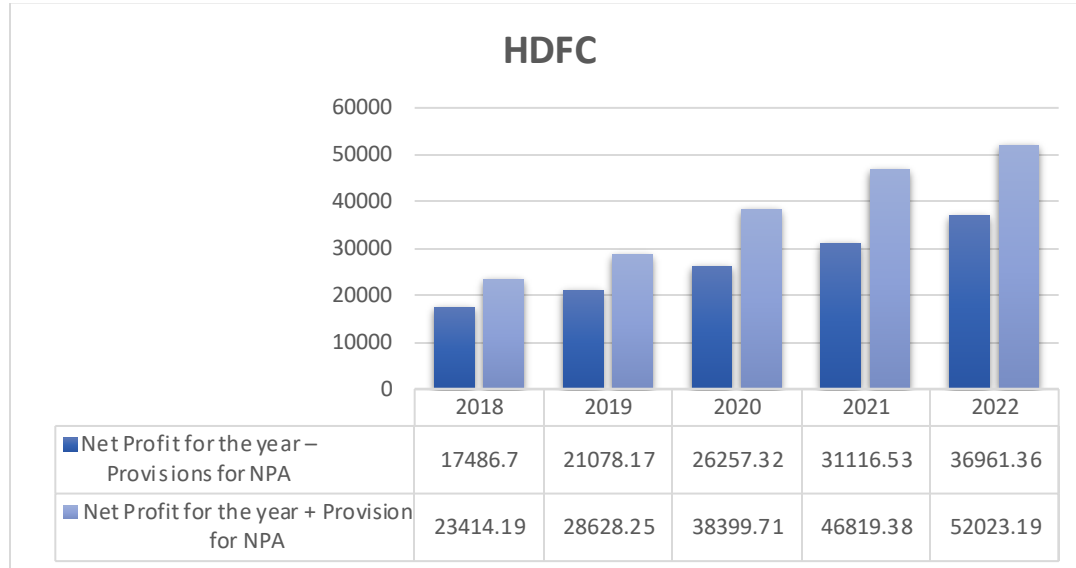
*Annual report of HDFC from 2018 to 2022*

The table reveals a significant rise if the NPA provisions are added to the bank profit. As we know that there is an inverse link between provisions for NPA and profit for the year, meaning that when the provisions for NPA increase, they have a negative influence on the profit for the year. But in the case of HDFC Table 1 shows that while the NPA amount is rising, the Net Profit is also rising. This is due to the private sector banks' 80883 Cr. in NPA write-offs from



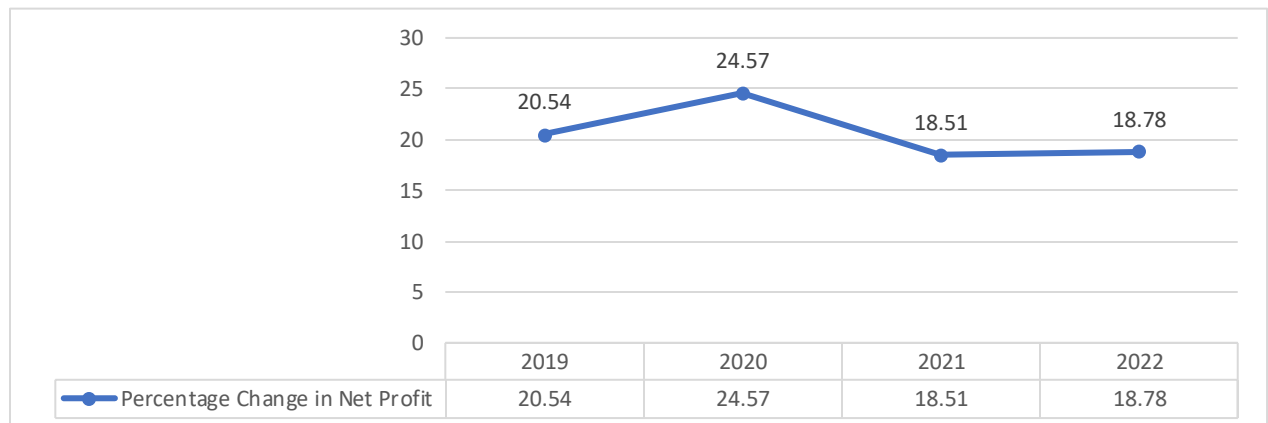
April 2020 to June 2021. The write-offs made during a pandemic also contributed to the rise or stability in provisions. In addition, data shown in Figure 1 compares net profit for the year with and without NPA; this demonstrates a significant difference and will increase profitability.

**Figure 1: Graph of Net Profit and NPA Provision for HDFC Bank**



*Developed by Author*

**Figure 2: Percentage increase in Net Profit considering NPA as a non-factor for HDFC Bank.**



*Developed by Author*

If we add the amount of the provisions for NPA to the bank's net profit on an annual basis, the trend line in Figure 1 depicts the percentage rise in the overall net profit (2019-2022). The years being considered are displayed on this trend line. We can see that the profit would have increased by 20.54 percent in 2019, 24.57 percent in 2020, 18.51 percent in 2021, and 18.78 percent in 2022 (Figure 2). This enormous rise in net earnings for the banks would have been used for their expansion and to provide further fuel for the economy.

**SBI BANK: (Public Sector Bank)**

Table 2 shows data for the State Bank of India for the years 2012 through 2019. It shows net profit both with and without provisions for non-performing assets (NPAs) as well as bank-provided NPA provisions (in crores). It also analyses the percentage change in net profit with and without NPA provisions, which demonstrates a significant increase in net profit if we include NPA provisions in the bank profit.

If we look at the statistics from 2018, we can see that the bank initially experienced large losses; however, when we lower the provisions for NPA and add that back to the net profit for the year, the losses of the bank are converted into profits. This demonstrates unequivocally the impact that NPAs are having on bank profitability and financial stability through comestibles for NPA. According to the table, we can observe that net NPAs have been declining over time as a result of the significant write-offs made by public sector banks. Public Sector Bank wiped off 156681 Cr of NPAs over the course of the pandemic's 15-month duration, which accounts for SBI's decrease in net NPA and has a beneficial impact on profitability.

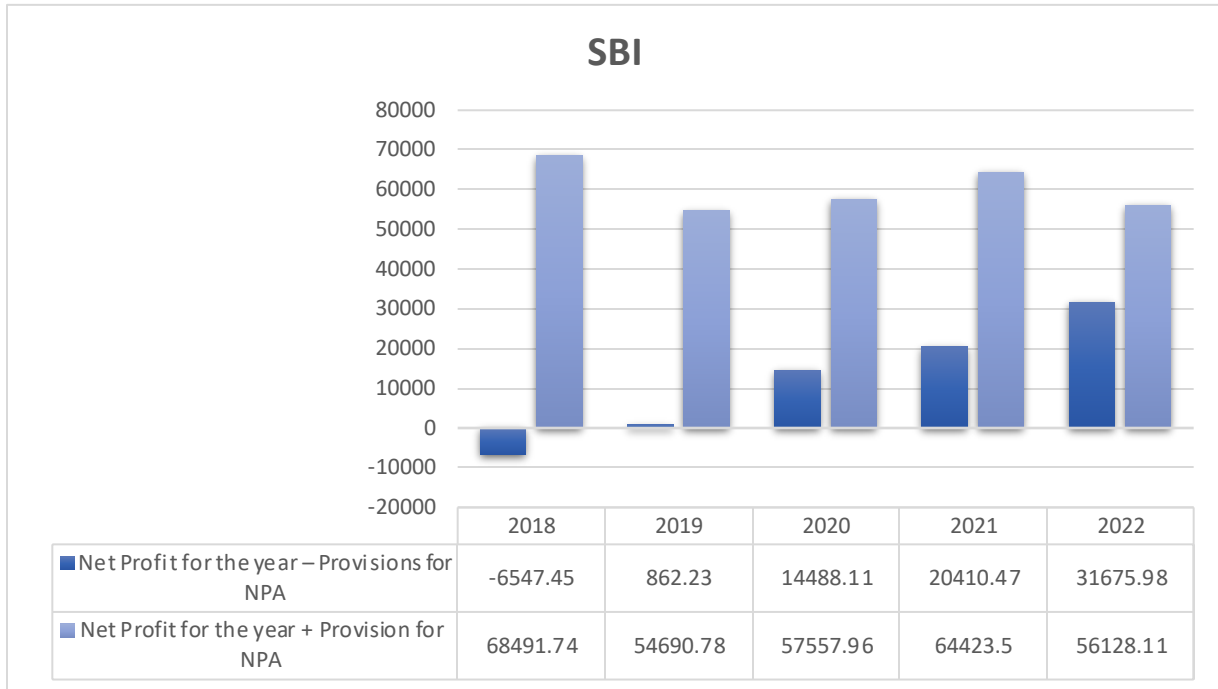
**Table 2: SBI Bank (In Crores)**

| SBI BANK – Standalone                        |            |            |           |           |           |
|--|------------|------------|-----------|-----------|-----------|
|  | 2018       | 2019       | 2020      | 2021      | 2022      |
| Net Profit for the year – Provisions for NPA | -6547.45   | 862.23     | 14488.11  | 20410.47  | 31675.98  |
| Net NPA                                      | 110,854.70 | 658,947.40 | 51,871.30 | 36,809.72 | 27,965.71 |
| Provisions for NPA                           | 75,039.19  | 53,828.55  | 43,069.85 | 44,013.03 | 24,452.13 |
| Net Profit for the year + Provision for NPA  | 68491.74   | 54690.78   | 57557.96  | 64423.5   | 56128.11  |
| Percentage Change in Net Profit              | -          | -133.16    | 1580.27   | 40.88     | 55.19     |
| Percentage Change in NPA Provisions          | -          | -28.27     | -19.99    | 2.19      | -44.44    |

*Annual report of SBI from 2018 to 2022*

The data from Table 2 is represented in Figure 3, which compares the net profit for the year with and without NPA. Particularly in the year 2018 when losses were turned into profits, we can clearly see how provisions have an impact on net profit.

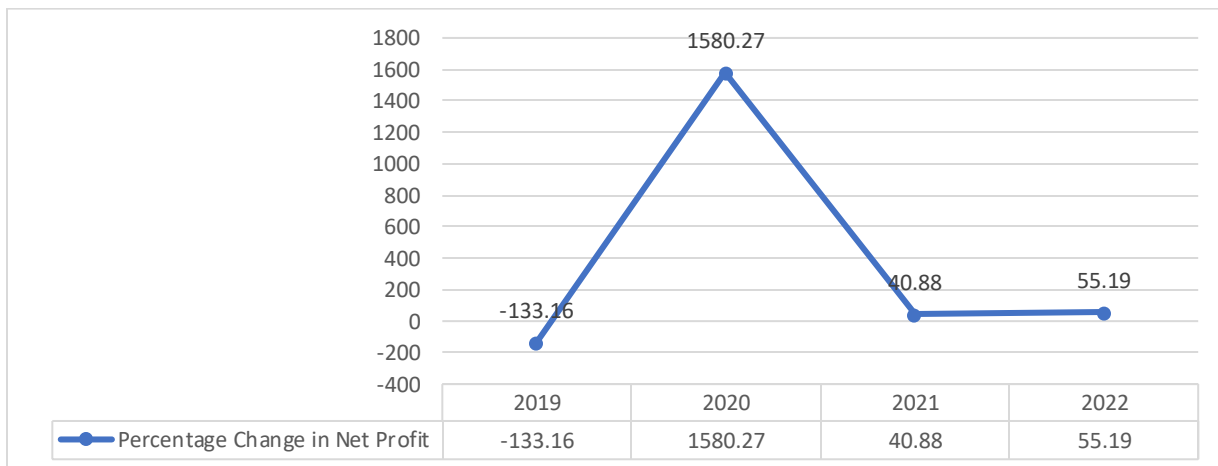
**Figure 2: Graph of Net Profit and NPA Provision for SBI Bank**



*Developed by Author*

The data from Table 2 is represented in Figure 3, which compares the net profit for the year with and without NPA. Particularly in the year 2018 when losses were turned into profits, we can clearly see how provisions have an impact on net profit.

**Figure 2: Percentage increase in Net Profit considering NPA as a non-factor for HDFC Bank.**



*Developed by Author*

The years being considered are displayed on this trend line. As we can see, the profit for the year 2019 is -133.16%, 1580.27% for 2020, 40.88% for 2021, and 55.19% for 2022. The banks' net income would have increased by this enormous amount, which would have been put to good use in the expansion of the institutions and helped ensure their financial stability.

### Comparison between HDFC and SBI according to NPA:

| Particulars           | HDFC      | SBI       |
|-----------------------|-----------|-----------|
| Non-Performing Assets | 3664.08   | 177289.77 |
| Net Provision         | 11276.93  | 48080.55  |
| Net Profit            | 26580.016 | 12177.87  |

#### *Annual report of HDFC and SBI*

A comparison of the NPA provisions made by SBI, the leading public bank, and HDFC Bank, the leading private bank, reveals that SBI's are much larger (Table 2) than HDFC Bank (Table 1), indicating that SBI's NPA would also be greater. Provisions are directly impacted by the quality and quantity of NPAs that the bank is dealing with. As a result of their high quantity and barrier to generating more profits, provisions for NPA have a greater influence on SBI's net profit. In comparison to SBI, the HDFC Bank is less affected, and banks also have more varied revenue sources.

This study demonstrates unequivocally that, when compared to private sector banks, public sector banks have significantly higher non-performing assets (NPAs). Government banks have such a high level of NPA that subtracting its provisioning from the net loss results in a profit.

### Impact of COVID 19 pandemic on NPAs and Profitability of banks:

The relationship between NPAs and profitability should ideally be inverse, yet the banks were able to continue to make money thanks to the write-off of the NPAs. As we all know, writing off non-performing assets (NPAs) entails the act of removing the loan from the balance sheet's category of "asset" so that the profit is unaffected. The data gathered shows that after 2020 there is an increase in profit even if there is a surge in non-performing assets (NPAs), which is due to write-offs by SBI and HDFC (Public and Private Sector) banks from April 2020 to June 2021 while the pandemic was ongoing.

### Impact of Non-performing Asset

#### HDFC Bank

#### Net NPA Amount on Net Profit

| Year       | NPA Amount | Net Profit | R     | R square | Significant Value |
|------------|------------|------------|-------|----------|-------------------|
| 31-03-2022 | 4408       | 36961      | 0.939 | 0.881    | 0.018             |
| 31-03-2021 | 4555       | 31117      |       |          |                   |
| 31-03-2020 | 3542       | 26257      |       |          |                   |
| 31-03-2019 | 3215       | 21078      |       |          |                   |

|                   |      |       |  |  |  |
|-------------------|------|-------|--|--|--|
| <b>31-03-2018</b> | 2601 | 17487 |  |  |  |
|-------------------|------|-------|--|--|--|

*Developed by Author*

The above table represents the relation of independent variables and dependent variables of HDFC bank which signifies the relationship between the net profit and net NPA account. The value of r shows the relation and others shows the significant value which shows the impact of one on another variable. The value of r is 0.93 which shows that there is very strong positive correlation between the variables of HDFC. The other is  $R^2$  which shows the value greater than 0.5 that is 0.8 which shows effectiveness of the regression model and other is the significant value which determines the value of p, here the value is 0.018 that is  $p < 0.05$  which states that there is significant relationship between the variables of HDFC bank.

#### Net NPA Amount on Net Advances

| <b>Year</b>       | <b>NPA Amount</b> | <b>Net Advances</b> | <b>R</b> | <b>R square</b> | <b>Significant Value</b> |
|-------------------|-------------------|---------------------|----------|-----------------|--------------------------|
| <b>31-03-2022</b> | 4408              | 1368821             | 0.93     | 0.86            | 0.023                    |
| <b>31-03-2021</b> | 4555              | 1132837             |          |                 |                          |
| <b>31-03-2020</b> | 3542              | 993703              |          |                 |                          |
| <b>31-03-2019</b> | 3215              | 819401              |          |                 |                          |
| <b>31-03-2018</b> | 2601              | 658333              |          |                 |                          |

*Developed by Author*

The above table represents the relation of independent variables and dependent variables of HDFC bank which signifies the relationship between the net advances and net NPA amount. The value of r shows the relation and others shows the significant value which shows the impact on banks. The value of r is 0.93 which shows that there is strong positive correlation between the variables of HDFC. The other is  $R^2$  which shows the value more than 0.5 that is 0.86 which shows the effectiveness of the study and otherwise is the significant value which determines the value of p, here the value is 0.02 that is  $p < 0.05$  which states that there is significant relationship between the variables of HDFC bank.

#### **State Bank of India**

##### Net NPA Amount on Net Profit

| <b>Year</b>       | <b>NPA Amount</b> | <b>Net Profit</b> | <b>R</b> | <b>R square</b> | <b>Significant Value</b> |
|-------------------|-------------------|-------------------|----------|-----------------|--------------------------|
| <b>31-03-2022</b> | 27966             | 31676             | -0.932   | 0.869           | 0.021                    |

|                   |        |       |  |  |  |
|-------------------|--------|-------|--|--|--|
| <b>31-03-2021</b> | 36810  | 20410 |  |  |  |
| <b>31-03-2020</b> | 51871  | 14488 |  |  |  |
| <b>31-03-2019</b> | 65895  | 862   |  |  |  |
| <b>31-03-2018</b> | 110855 | -6547 |  |  |  |

*Developed by Author*

The above table represents the relation of independent variables and dependent variables of SBI bank which signifies the relationship between the net profit and net NPA amount. The value of r shows the relation and others shows the significant value which shows the impact on banks. The value of r is -0.93 which shows that there is storage negative correlation between the variables of SBI. The other is  $R^2$  which shows the value more than 0.5 that is 0.86 which shows the effectiveness of regression model and otherwise is the significant value which determines the value of p, here the value is 0.02 that is  $p < 0.05$  which states that there is significant relationship between the variables of SBI bank.

#### Net NPA Amount on Net Advances

| Year       | NPA Amount | Net Advances | R     | R Square | Significant Value |
|------------|------------|--------------|-------|----------|-------------------|
| 31-03-2022 | 27966      | 2733967      | -0.95 | 0.89     | 0.015             |
| 31-03-2021 | 36810      | 2449498      |       |          |                   |
| 31-03-2020 | 51871      | 2325290      |       |          |                   |
| 31-03-2019 | 65895      | 2185877      |       |          |                   |
| 31-03-2018 | 110855     | 1934880      |       |          |                   |

*Developed by Author*

The above table represents the relation of independent variables and dependent variables of SBI bank which signifies the relationship between the net advances and net NPA amount. The value of r shows the relation and others shows the significant value which shows the impact on banks. The value of r is -0.95 which shows that there is strong negative correlation between the variables of SBI. The other is  $R^2$  which shows the value more than 0.5 that is 0.89 which shows the effectiveness of the study and otherwise is the significant value which determines the value of p, here the value is 0.015 that is  $p < 0.05$  which states that there is significant relationship between the variables of SBI bank.

### Comparative Analysis Using CAMELS Model

CAMEL is an acronym for the five components of bank safety and soundness:

| Sr. No. | CAMEL Parameters          | Ratios Used             |
|---------|---------------------------|-------------------------|
| 1       | C – Capital Adequacy      | Capital Adequacy Ratio  |
| 2       | A – Asset Quality         | Net NPA to Net Advances |
| 3       | M – Management Efficiency | Net Profit Margin Ratio |
| 4       | E – Earning Quality       | Return on Asset Ratio   |
| 5       | L – Liquidity Position    | Credit Deposit Ratio    |

#### Data analysis and interpretation according to the CAMEL approach:

- **Comparative analysis of Capital Adequacy Ratio: (%)**

| Banks | 2018  | 2019  | 2020  | 2021  | 2022  | Average |
|-------|-------|-------|-------|-------|-------|---------|
| SBI   | 12.60 | 12.72 | 13.06 | 13.74 | 13.83 | 13.19   |
| HDFC  | 14.82 | 17.11 | 18.52 | 18.79 | 18.90 | 17.63   |

*Developed by Author*

- Table 4 shows that both of the banks under examination have Capital Adequacy Ratios (CRAR) that are extremely good and significantly higher than the benchmark set by the RBI for Indian banks. SBI and HDFC had the highest CRARs in 2022, at 13.83% and 18.90%, respectively. SBI's and HDFC's respective lowest CRARs for the year 2018 were 12.60% and 14.82%, respectively. The table clearly shows that, over the study period, the mean CRAR of HDFC Bank (17.63%) is greater than that of SBI (13.19%), indicating that HDFC Bank's CRAR is% higher than SBI's.

- **Comparative analysis of Net NPA to Net Advances: (%)**

| Banks | 2018 | 2019 | 2020 | 2021 | 2022 | Average |
|-------|------|------|------|------|------|---------|
| SBI   | 5.73 | 3.01 | 2.23 | 1.50 | 1.02 | 2.698   |
| HDFC  | 0.40 | 0.39 | 0.36 | 0.40 | 0.32 | 0.356   |

*Developed by Author*

Net NPA to Net Advances is an important parameter for determining the capital adequacy and asset quality of the firm. It is a ratio of net Non-performing Assets (NPA) to the Net Advances of an enterprise. The lower the Net NPA level to Net Advances better is the coverage of risks from the perspective of banks. The highest Net NPA to Net Advances of both SBI and HDFC were 5.73% and 0.40% respectively in the year 2018, whereas the lowest Net NPA to Net

Advances of SBI and HDFC was registered in the year 2022 and were 1.02% and 0.32% respectively. From the table, it is clear that the mean Net NPA to Net Advances of HDFC Bank (0.356%) is lower than that of SBI (2.698%) for the study period, which implies that HDFC Bank has a lower level of Net NPA to Net Advances than that of SBI.

- **Comparative analysis of Return on Net worth/Equity: (%)**

| Banks | 2018  | 2019  | 2020  | 2021  | 2022  | Average |
|-------|-------|-------|-------|-------|-------|---------|
| SBI   | -3.78 | 0.48  | 7.74  | 9.94  | 13.92 | 5.66    |
| HDFC  | 18.22 | 16.30 | 16.76 | 16.60 | 16.90 | 16.96   |

*Developed by Author*

The Return on Net Worth (%) of both the banks under examination fluctuates over the course of the study, as seen in Table 3. Return on Net Worth, which is the ratio of net profit to the net worth of an enterprise, is a crucial factor in assessing an organization's profitability and managerial effectiveness. The performance of the business is improved by a higher return on net worth. The table shows that the highest Return on Net Worth for SBI, which was 13.92%, occurred in the year 2022, while the best Return on Net Worth for HDFC Bank, which was 18.22%, occurred in the year 2018. SBI's lowest return on net worth in 2018 was -3.78%, whereas HDFC Bank's lowest return on net worth in 2019 was 16.30%. The research period's mean Return on Net Worth for HDFC Bank (16.96%) is higher than SBI's (5.66%), suggesting that HDFC Bank outperformed SBI in terms of Return on Net Worth by 11.3%, demonstrating superior performance on the side of HDFC Bank in comparison to its rival.

- **Comparative analysis of Net Profit Margin Ratio: (%)**

| Banks | 2018  | 2019  | 2020  | 2021  | 2022  | Average |
|-------|-------|-------|-------|-------|-------|---------|
| SBI   | -2.96 | 0.35  | 5.63  | 7.69  | 11.49 | 4.44    |
| HDFC  | 21.79 | 21.29 | 22.86 | 25.74 | 28.93 | 24.12   |

*Developed by Author*

The ratio of net income to revenues received is known as the net profit margin. Investors can determine whether a company's management is making enough money from sales and whether operational expenditures and overhead expenses are in check using the net profit margin. The lowest net profit margin ratio of SBI and HDFC is -2.96 in 2018 and 21.29 in 2019 respectively and the highest net profit margin ratio of SBI and HDFC is 11.49 in 2022 and 28.93 in 2022. As we can see in the table the average net profit margin in SBI is 4.44 and in HDFC is 24.12 which is higher than the SBIs this shows that HDFC is making enough money from sales and operational expenditures.

- **Comparative analysis of Return on Average Assets: (%)**

| Banks | 2018 | 2019 | 2020 | 2021 | 2022 | Average |
|-------|------|------|------|------|------|---------|
|-------|------|------|------|------|------|---------|



|      |       |      |      |      |      |       |
|------|-------|------|------|------|------|-------|
| SBI  | -0.19 | 0.02 | 0.38 | 0.48 | 0.67 | 0.272 |
| HDFC | 1.93  | 1.90 | 2.01 | 1.97 | 2.03 | 1.97  |

*Developed by Author*

An institution's asset quality and management effectiveness are measured by return on assets, and the greater the ratio, the better the organization is deemed to be performing. This table makes it quite evident that the Return on Assets for both of the institutions under consideration is extremely low. The highest Return on Assets (%) for SBI and HDFC were both recorded in 2022 at 0.67% and 2.03%, respectively, while the lowest Return on Assets (%) for SBI and HDFC were recorded in 2018 at -0.19% and 1.90%, respectively. Additionally, it is clear that HDFC Bank outperforms SBI in terms of return on assets because its mean Return on Assets (%) for the research period is larger (1.97%) than SBI's (0.272%). Comparative analysis of

- **Credit Deposit Ratio: (%)**

| Banks | 2018  | 2019  | 2020  | 2021  | 2022  | Average |
|-------|-------|-------|-------|-------|-------|---------|
| SBI   | 72.47 | 73.94 | 74.04 | 69.75 | 67.86 | 71.61   |
| HDFC  | 89.80 | 91.72 | 92.47 | 89.88 | 90.13 | 90.8    |

*Developed by Author*

The credit deposit ratio represents the percentage of loan assets a bank generates from deposits received. The performance of the bank is better the greater the credit deposit ratio. The table makes it evident that the credit deposit ratio of HDFC Bank is trending upward, whereas the credit deposit ratio of SBI has remained mostly unchanged during the course of the study. SBI had the highest Credit Deposit Ratio in 2019 (73.94%), and HDFC had the highest in 2020 (92.47%). The lowest Credit Deposit Ratio for SBI was 67.86% in the year 2022, and the lowest for HDFC was 89.80% in the year 2018. According to the table, HDFC Bank developed more loan assets from its deposits than SBI over the study period, with a mean Credit Deposit Ratio of 90.8% compared to SBI's 71.61%.

## Common Size Statement Analysis

### HDFC Bank

#### **Balance Sheet of HDFC Bank**

|                                | Absolute Amount (in Cr.) |                  |                  |                  |                  |                  |
|--------------------------------|--------------------------|------------------|------------------|------------------|------------------|------------------|
| Particulars                    | As<br>31/03/2022         | at<br>31/03/2021 | As<br>31/03/2020 | at<br>31/03/2019 | As<br>31/03/2018 | at<br>31/03/2017 |
| <b>CAPITAL AND LIABILITIES</b> |                          |                  |                  |                  |                  |                  |

|   |                  |                    |                    |                    |                    |
|---|------------------|--------------------|--------------------|--------------------|--------------------|
| <b>Capital</b>  | 554.55           | 5,513              | 5,483              | 5,447              | 5,190              |
| <b>Reserves and surplus</b>                                   | 2,46,771.62      | 20,92,589          | 17,58,104          | 15,31,280          | 10,90,801          |
| <b>Minority interest</b>                                      | 720.41           | 6,328              | 5,766              | 5,018              | 3,563              |
| <b>Deposits</b>   | 15,58,003.03     | 1,33,37,209        | 1,14,62,071        | 92,25,027          | 78,83,751          |
| <b>Borrowings</b>   | 2,26,966.50      | 17,76,967          | 18,68,343          | 15,77,328          | 15,64,421          |
| <b>Other liabilities and provisions</b>                       | 89,918.19        | 7,76,461           | 7,08,536           | 5,83,958           | 4,84,135           |
| <b>Total</b>  | <b>21,22,934</b> | <b>1,79,95,066</b> | <b>1,58,08,304</b> | <b>1,29,28,057</b> | <b>1,10,31,862</b> |
| <b>ASSETS</b>   |                  |                    |                    |                    |                    |
| <b>Cash and balances with Reserve Bank of India</b>           | 1,30,030.71      | 9,73,704           | 7,22,110           | 4,68,046           | 10,46,882          |
| <b>Balances with banks and money at call and short notice</b> | 25,355.02        | 2,39,022           | 1,57,291           | 3,50,131           | 1,83,733           |
| <b>Investments</b>  | 4,49,263.86      | 43,88,231          | 38,93,050          | 28,94,459          | 23,84,609          |
| <b>Advances</b>   | 14,20,942.28     | 1,18,52,835        | 1,04,36,709        | 86,92,227          | 70,00,338          |
| <b>Fixed assets</b>   | 6,283.28         | 50,996             | 46,269             | 42,198             | 38,106             |
| <b>Other assets</b>   | 91059.15         | 4,90,279           | 5,52,876           | 4,80,997           | 3,78,193           |
| <b>Total</b>  | <b>21,22,934</b> | <b>1,79,95,066</b> | <b>1,58,08,304</b> | <b>1,29,28,057</b> | <b>1,10,31,862</b> |

*From Annual Report*

#### **Income Statement of HDFC Bank**

|                    | <b>Absolute Amount (in Cr.)</b> |                               |                               |                               |                               |
|--------------------|---------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| <b>Particulars</b> | <b>Year Ending 31/03/2022</b>   | <b>Year Ending 31/03/2021</b> | <b>Year Ending 31/03/2020</b> | <b>Year Ending 31/03/2019</b> | <b>Year Ending 31/03/2018</b> |
| <b>I. INCOME</b>   |                                 |                               |                               |                               |                               |

|                                     |          |          |          |          |          |
|-------------------------------------|----------|----------|----------|----------|----------|
| <b>Interest earned</b>              | 1,35,936 | 1,28,552 | 1,22,189 | 1,05,161 | 85,288   |
| <b>Other Income</b>                 | 31,759   | 27,333   | 24,879   | 18,947   | 16,057   |
| <b>TOTAL</b>                        | 1,67,695 | 1,55,885 | 1,47,068 | 1,24,108 | 1,01,344 |
| <b>II.<br/>EXPENDITURE</b>          |          |          |          |          |          |
| <b>Interest expended</b>            | 58,584   | 59,248   | 62,137   | 53,713   | 42,381   |
| <b>Operating expenses</b>           | 40,312   | 35,001   | 33,036   | 27,695   | 23,927   |
| <b>Provisions and contingencies</b> | 30,648   | 29,780   | 24,599   | 20,255   | 16,475   |
| <b>TOTAL</b>                        | 1,29,545 | 1,24,029 | 1,19,772 | 1,01,662 | 82,784   |
| <b>III. PROFIT</b>                  |          |          |          |          |          |
| <b>Net Profit for the year</b>      | 38,151   | 31,857   | 27,296   | 22,446   | 18,561   |

*From Annual Report*

### **Common Size Balance Sheet**

|   | <b>Percentage of Balance Sheet Total (in %)</b> |                             |                             |                             |                             |
|---|---|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| <b>Particulars</b>                      | <b>As at<br/>31/03/2022</b>                     | <b>As at<br/>31/03/2021</b> | <b>As at<br/>31/03/2020</b> | <b>As at<br/>31/03/2019</b> | <b>As at<br/>31/03/2018</b> |
| <b>CAPITAL AND LIABILITIES</b>          |   |                             |                             |                             |                             |
| <b>Capital</b>                          | 0.03%   | 0.03%                       | 0.03%                       | 0.04%                       | 0.05%                       |
| <b>Reserves &amp; Surplus</b>           | 12%   | 12%                         | 11%                         | 12%                         | 10%                         |
| <b>Minority Interest</b>                | 0%  | 0%                          | 0%                          | 0%                          | 0%                          |
| <b>Deposits</b>                         | 73%   | 74%                         | 73%                         | 71%                         | 71%                         |
| <b>Borrowings</b>                       | 11%   | 10%                         | 12%                         | 12%                         | 14%                         |
| <b>Other Liabilities and Provisions</b> | 4%  | 4%                          | 4%                          | 5%                          | 4%                          |
| <b>TOTAL</b>                            | <b>100%</b>                                     | <b>100%</b>                 | <b>100%</b>                 | <b>100%</b>                 | <b>100%</b>                 |
| <b>ASSETS</b>                           |   |                             |                             |                             |                             |

|   |             |             |             |             |             |
|---|-------------|-------------|-------------|-------------|-------------|
| <b>Cash and Balances with Reserve Bank of India</b>             | 6%          | 5%          | 5%          | 4%          | 9%          |
| <b>Balances with Banks and Money at Call &amp; Short Notice</b> | 1%          | 1%          | 1%          | 3%          | 2%          |
| <b>Investments</b>  | 21%         | 24%         | 25%         | 22%         | 22%         |
| <b>Advances</b>   | 67%         | 66%         | 66%         | 67%         | 63%         |
| <b>Fixed Assets</b>   | 0.30%       | 0.28%       | 0.29%       | 0.33%       | 0.35%       |
| <b>Other Assets</b>   | 4%          | 3%          | 3%          | 4%          | 3%          |
| <b>TOTAL</b>  | <b>100%</b> | <b>100%</b> | <b>100%</b> | <b>100%</b> | <b>100%</b> |

*Developed by Author*

### **Common Size Income Statement**

|                                     | <b>Percentage of Total Income (in %)</b> |                               |                               |                               |                               |
|-------------------------------------|--|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| <b>Particulars</b>                  | <b>Year Ending 31/03/2022</b>            | <b>Year Ending 31/03/2021</b> | <b>Year Ending 31/03/2020</b> | <b>Year Ending 31/03/2019</b> | <b>Year Ending 31/03/2018</b> |
| <b>I. INCOME</b>                    |  |                               |                               |                               |                               |
| <b>Interest earned</b>              | 81%                                      | 82%                           | 83%                           | 85%                           | 84%                           |
| <b>Other Income</b>                 | 19%                                      | 18%                           | 17%                           | 15%                           | 16%                           |
| <b>TOTAL</b>                        | 100%                                     | 100%                          | 100%                          | 100%                          | 100%                          |
| <b>II. EXPENDITURE</b>              |  |                               |                               |                               |                               |
| <b>Interest expended</b>            | 35%                                      | 38%                           | 42%                           | 43%                           | 42%                           |
| <b>Operating expenses</b>           | 24%                                      | 22%                           | 22%                           | 22%                           | 24%                           |
| <b>Provisions and contingencies</b> | 18%                                      | 19%                           | 17%                           | 16%                           | 16%                           |
| <b>TOTAL</b>                        | 77%                                      | 80%                           | 81%                           | 82%                           | 82%                           |
| <b>III. PROFIT</b>                  |  |                               |                               |                               |                               |

|                                |     |     |     |     |     |
|--------------------------------|-----|-----|-----|-----|-----|
| <b>Net Profit for the year</b> | 23% | 20% | 19% | 18% | 18% |
|--------------------------------|-----|-----|-----|-----|-----|

*Developed by Author*

### **Interpretation of Common Size Balance Sheet**

While looking at the data, Bank's year on year Deposits are increasing by approx. 3% from 2018 to 2022 and on the other hand the advances given by the bank is also increased by approx. 4% from 2018 to 2022. Bank's Cash and Balances with RBI is decreased by 3%. Bank's other assets are in aligning to the bank's other liability. Bank is maintaining Working Capital we can say that by looking same difference in change in current asset and current liability.

### **Interpretation of Common Size Income Statement**

By looking at the data we can say that bank's net profit for the year is increased by 5% from 2018 to 2022 though interest income is decreased by 3% from 2018 to 2022. The Profit is generated with the help of other income as it was increased by 3% from 2018 to 2022. Bank's interest expense is also decreased by 7% from 2018 to 2022.

## **State Bank of India**

### **Balance Sheet of State Bank of India**

|   | <b>Absolute Amount (in Cr.)</b> |                         |                         |                         |                         |
|---|---------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| <b>Particulars</b>                      | <b>As at 31/03/2022</b>         | <b>As at 31/03/2021</b> | <b>As at 31/03/2020</b> | <b>As at 31/03/2019</b> | <b>As at 31/03/2018</b> |
| <b>CAPITAL AND LIABILITIES</b>          |                                 |                         |                         |                         |                         |
| <b>Capital</b>                          | 892                             | 892                     | 892                     | 892                     | 892                     |
| <b>Reserves &amp; Surplus</b>           | 3,04,696                        | 2,74,669                | 2,50,168                | 2,33,603                | 2,29,429                |
| <b>Minority Interest</b>                | 11,207                          | 9,626                   | 7,944                   | 6,037                   | 4,615                   |
| <b>Deposits</b>                         | 40,87,411                       | 37,15,331               | 32,74,161               | 29,40,541               | 27,22,178               |
| <b>Borrowings</b>                       | 4,49,160                        | 4,33,796                | 3,32,901                | 4,13,748                | 3,69,079                |
| <b>Other Liabilities and Provisions</b> | 5,07,518                        | 4,11,304                | 3,31,427                | 2,93,643                | 2,90,250                |
| <b>TOTAL</b>                            | 53,60,884                       | 48,45,619               | 41,97,492               | 38,88,464               | 36,16,445               |
| <b>ASSETS</b>                           |                                 |                         |                         |                         |                         |

|   |           |           |           |           |           |
|---|-----------|-----------|-----------|-----------|-----------|
| <b>Cash and Balances with Reserve Bank of India</b>             | 2,58,086  | 2,13,499  | 1,66,968  | 1,77,363  | 1,50,769  |
| <b>Balances with Banks and Money at Call &amp; Short Notice</b> | 1,40,819  | 1,34,208  | 87,347    | 48,150    | 44,520    |
| <b>Investments</b>  | 17,76,490 | 15,95,100 | 12,28,284 | 11,19,270 | 11,83,794 |
| <b>Advances</b>   | 27,94,076 | 25,00,599 | 23,74,311 | 22,26,854 | 19,60,119 |
| <b>Fixed Assets</b>   | 39,510    | 40,167    | 40,078    | 40,703    | 41,226    |
| <b>Other Assets</b>   | 3,51,902  | 3,62,045  | 3,00,503  | 2,76,125  | 2,36,017  |
| <b>TOTAL</b>  | 53,60,884 | 48,45,619 | 41,97,492 | 38,88,464 | 36,16,445 |

*From Annual Report*

### **Income Statement of HDFC Bank**

|                                     | <b>Absolute Amount (in Cr.)</b> |                               |                               |                               |                               |
|-------------------------------------|---------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| <b>Particulars</b>                  | <b>Year Ending 31/03/2022</b>   | <b>Year Ending 31/03/2021</b> | <b>Year Ending 31/03/2020</b> | <b>Year Ending 31/03/2019</b> | <b>Year Ending 31/03/2018</b> |
| <b>I. INCOME</b>                    |                                 |                               |                               |                               |                               |
| <b>Interest earned</b>              | 2,89,973                        | 2,78,115                      | 2,69,852                      | 2,53,322                      | 2,28,970                      |
| <b>Other Income</b>                 | 1,17,000                        | 1,07,222                      | 98,159                        | 77,365                        | 77,557                        |
| <b>TOTAL</b>                        | 4,06,973                        | 3,85,338                      | 3,68,011                      | 3,30,687                      | 3,06,528                      |
| <b>II. EXPENDITURE</b>              |                                 |                               |                               |                               |                               |
| <b>Interest expended</b>            | 1,56,194                        | 1,56,010                      | 1,61,124                      | 1,55,867                      | 1,46,603                      |
| <b>Operating expenses</b>           | 1,74,363                        | 1,50,430                      | 1,31,782                      | 1,14,800                      | 96,155                        |
| <b>Provisions and contingencies</b> | 40,059                          | 54,618                        | 56,928                        | 56,951                        | 67,958                        |
| <b>TOTAL</b>                        | 3,70,617                        | 3,61,058                      | 3,49,834                      | 3,27,618                      | 3,10,715                      |
| <b>III. PROFIT</b>                  |                                 |                               |                               |                               |                               |
| <b>Net Profit for the year</b>      | 36,356                          | 24,280                        | 18,177                        | 3,069                         | -4,187                        |

*From Annual Report*

**Common Size Balance Sheet**

|  | Percentage of Balance Sheet Total (in %) |                     |                     |                     |                     |
|--|--|---------------------|---------------------|---------------------|---------------------|
| Particulars  | As at<br>31/03/2022                      | As at<br>31/03/2021 | As at<br>31/03/2020 | As at<br>31/03/2019 | As at<br>31/03/2018 |
| <b>CAPITAL AND LIABILITIES</b>                       |  |                     |                     |                     |                     |
| Capital  | 0.02%                                    | 0.02%               | 0.02%               | 0.02%               | 0.02%               |
| Reserves & Surplus                                   | 6%                                       | 6%                  | 6%                  | 6%                  | 6%                  |
| Minority Interest                                    | 0.21%                                    | 0.20%               | 0.19%               | 0.16%               | 0.13%               |
| Deposits   | 76%                                      | 77%                 | 78%                 | 76%                 | 75%                 |
| Borrowings   | 8%                                       | 9%                  | 8%                  | 11%                 | 10%                 |
| Other Liabilities and Provisions                     | 9%                                       | 8%                  | 8%                  | 8%                  | 8%                  |
| <b>TOTAL</b>   | <b>100%</b>                              | <b>100%</b>         | <b>100%</b>         | <b>100%</b>         | <b>100%</b>         |
| <b>ASSETS</b>  |  |                     |                     |                     |                     |
| Cash and Balances with Reserve Bank of India         | 5%                                       | 4%                  | 4%                  | 5%                  | 4%                  |
| Balances with Banks and Money at Call & Short Notice | 3%                                       | 3%                  | 2%                  | 1%                  | 1%                  |
| Investments  | 33%                                      | 33%                 | 29%                 | 29%                 | 33%                 |
| Advances   | 52%                                      | 52%                 | 57%                 | 57%                 | 54%                 |
| Fixed Assets   | 1%                                       | 1%                  | 1%                  | 1%                  | 1%                  |
| Other Assets   | 7%                                       | 7%                  | 7%                  | 7%                  | 7%                  |
| <b>TOTAL</b>   | <b>100%</b>                              | <b>100%</b>         | <b>100%</b>         | <b>100%</b>         | <b>100%</b>         |

*Developed by Author***Common Size Income Statement**

|  | Percentage of Total Income |  |  |  |  |
|--|----------------------------|--|--|--|--|
|  |                            |  |  |  |  |

| Particulars                         | Year<br>Ending<br>31/03/2022 | Year<br>Ending<br>31/03/2021 | Year<br>Ending<br>31/03/2020 | Year<br>Ending<br>31/03/2019 | Year<br>Ending<br>31/03/2018 |
|-------------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
| <b>I. INCOME</b>                    |                              |                              |                              |                              |                              |
| <b>Interest earned</b>              | 71%                          | 72%                          | 73%                          | 77%                          | 75%                          |
| <b>Other Income</b>                 | 29%                          | 28%                          | 27%                          | 23%                          | 25%                          |
| <b>TOTAL</b>                        | <b>100%</b>                  | <b>100%</b>                  | <b>100%</b>                  | <b>100%</b>                  | <b>100%</b>                  |
| <b>II.<br/>EXPENDITURE</b>          |                              |                              |                              |                              |                              |
| <b>Interest expended</b>            | 38%                          | 40%                          | 44%                          | 47%                          | 48%                          |
| <b>Operating expenses</b>           | 43%                          | 39%                          | 36%                          | 35%                          | 31%                          |
| <b>Provisions and contingencies</b> | 10%                          | 14%                          | 15%                          | 17%                          | 22%                          |
| <b>TOTAL</b>                        | 91%                          | 94%                          | 95%                          | 99%                          | 101%                         |
| <b>III. PROFIT</b>                  |                              |                              |                              |                              |                              |
| <b>Net Profit for the year</b>      | 9%                           | 6%                           | 5%                           | 1%                           | -1%                          |

### **Interpretation of Common Size Balance Sheet**

While looking at the data, Bank's year on year Deposits are increasing by approx. 2-3% from 2018 to 2022 and on the other hand the advances given by the bank is also decreased by approx. 2% from 2018 to 2022. Bank's Cash and Balances with RBI and balance with banks and money call is increased by 1-2% from 2018 to 2022. Bank's borrowing is decreased by 3% from 2018 to 2022 which means company is paying of their liabilities.

### **Interpretation of Common Size Income Statement**

By looking at the data we can say that bank's net profit for the year is increased by 10% from 2018 to 2022 though interest income is decreased by 4% from 2018 to 2022. The Profit is generated with the help of other income as it was increased by 4% from 2018 to 2022. Bank's interest expense is also decreased by 7% from 2018 to 2022. Operating expenses of the Bank is increased drastically by 12% from 2018 to 2022.



## **Findings**

### **Findings on the basis of the Non-performing Asset**

- Based on the bank's examination of non-performing assets, it may be concluded that SBI has more non-performing assets than HDFC, indicating that SBI has been reckless in its lending to both enterprises and individuals. The profitability of the bank may suffer as a result.
- In comparison to SBI, the HDFC Bank is less affected, and banks also have more varied revenue sources. Government banks have such a high level of NPA that subtracting its provisioning from the net loss results in a profit.
- We can infer that the quantity of non-performing assets has a negative impact on bank profitability because provisioning is based on the quality of NPA. When the provisioning is taken out and the profits are added back in, it is seen that the net profit of both SBI and HDFC Bank climbed dramatically.

### **Impact of NPA on Net Profit and Net Advances**

- The statistical analysis showed a strong correlation between the banks' net profit, net advances and their net NPA ratio. There is a very high negative association between the two parameters.
- Thus, it can be argued that the public sector banks' growing NPA issue is contributing to a fall in profitability to the point where they are no longer able to turn a profit for a significant amount of time.
- The investigation was further backed by the graphical examination of the banks. Accordingly, an increase in Net NPA would result in a decrease in Net Profits, whilst a decrease in Net NPA would result in an increase in Net Profits. In public sector banks, net NPAs are essentially rising solely.
- In Case of the HDFC Bank the correlation is positive because of the merger and the bank is diversion of the landing to the collateral loans. In other banks ICICI, SBI and BOB there is negative relationship as mention in the literature review.

### **Findings on the basis of the CAMEL Approach**

- The table unmistakably demonstrates that, during the study period, HDFC Bank's mean CRAR (17.63%) was higher than SBI's (13.19%), demonstrating that HDFC Bank's CRAR is higher than SBI's.
- Since HDFC Bank's mean Return on Assets (%) for the research period is higher (1.97%) than SBI's (0.272%), it is evident from the comparative analysis that HDFC Bank outperforms SBI in terms of return on assets.

- The investigation was further backed by the graphical examination of the banks. Accordingly looking to the above analysis, it can be stated that in public sector banks, net NPAs are essentially rising solely.
- In Case of the HDFC Bank the correlation is positive because of the merger and the bank is diversion of the landing to the collateral loans. In other bank like SBI there is negative relationship as mention in the literature review.

## Conclusion

- As we can see from the analysis, NPAs has decreased over time while its profitability has increased. This is due to the impact that COVID 19 has had on the banking industry.
- The profitability of the bank and NPAs are also increasing and are proportionally related, as can be seen from the HFCD statistics. It could be as a result of the clearing balance sheet prior to HDFC LTD and HDFC Bank's merger. That might be the cause of the bank's rising profitability as well as rising non-performing assets. According to the study, HDFC is in a much better position than SBI because SBI has a higher percentage of non-performing assets (NPA), which leads to the conclusion that public sector banks have a higher percentage of NPA than private sector banks. In order to avoid this situation, banks must think carefully before making loans or have an efficient preventive mechanism to recover bad debts.
- Based on the results of the Common Size Statement study, HDFC Cash and balances held by the bank with the RBI are down 3%. The bank's other assets and liabilities are equivalent. We can infer that the bank is maintaining working capital because current assets and liabilities changed at the same differential. Banks' cash balances, balances with the RBI, balances with other banks, and money calls all rose by 1% to 2% between 2018 and 2022. The decrease in bank borrowing between 2018 and 2022 of 3% suggests that the company is paying down its debts.

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## **An Impact Analysis of Demographic Variables on Buying Behaviour of Customer towards Nutraceuticals**

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**Ahmedabad**

### **Abstract**

With the world reeling under the endless waves of the COVID pandemic, health and wellness issues have come to the forefront of every individual's lifestyle. People across the globe are expressing an acute need of maintaining a healthy lifestyle in order to face any disease outbreaks which are predicted in the future too. There has been a massive shift towards the consumption of food products that support health by boosting one's immunity. Parallely, to meet up with any nutritional inadequacies, the consumption of nutraceuticals is getting increasingly popular among people in a bid to take better control of their health.

This paper attempts to examine the impact of demographic variables on consumer buying behavior toward nutraceutical products.

**Keywords:** *Pandemic, Health and Wellness, Immunity, Nutraceuticals, Consumer Buying Behavior*

### **Introduction**

The pandemic came as a wake-up call for many as far as health is concerned. And as awareness grows and healthy habits become deeply ingrained, consumers are beginning to take control of their health. The majority of people are leading healthier lifestyles, exercising more, and eating healthier thanks to rising fitness and health awareness levels and media coverage. Health foods, which are those that are thought to be good for well-being in ways beyond a typical healthy diet required for human nutrition, are becoming more and more popular nowadays.

Stephen Defelice, the founder, and head of the American organization that promotes medical

health and the foundation for innovation in medicine, invented the phrase nutraceutical in 1989 by combining the words nutrition and pharmaceutical. A nutraceutical, in his words, is any substance that is a food or a component of food and offers medical or health advantages, including the prevention and treatment of disease. These goods could be anything from isolated minerals, dietary supplements, and particular diets to designer meals made through genetic engineering and herbal remedies.

The rise in chronic and non-communicable diseases, rising healthcare costs, and growing demand for convenience are the trends driving the nutraceutical industry. In India, the nutraceutical market is anticipated to increase to \$18 billion in 2025 due to increased demand from the upper and middle classes for dietary supplements. The market's expansion will be driven by dietary supplements, which account for over 65% of the Indian nutraceutical market and are expanding at a rate of 17% creating lucrative opportunities for marketers. A clear and consistent regulatory framework and an awareness of the nutraceutical market's primary drivers would open up more possibilities for the development, diversification, and segmentation of nutraceutical applications. (Chopra & Lordan, 2022).

## **Literature Review**

One of the most significant sectors of the national economies in the European Union is the food industry, which is crucial to the processing of agricultural raw materials and the production of food. Innovations are acknowledged in this sector as a crucial tool for food industry businesses looking to differentiate themselves from rivals and meet consumer expectations (Brigliardi et al, 2013). Markets in this category are highly competitive, and businesses must carefully plan their new product processes if they want to thrive. Lack of knowledge and comprehension of consumer attitudes and behavior in this competitive environment could result in weak market acceptance (Verbeke, 2005).

There are an increasing number of businesses making and selling healthcare items. Paid commercials, pamphlets, other promotional materials, direct mail, electronic media advertisements, information over the Internet, and professional events are some of the common ways that healthcare items are advertised.

There are several ways to get dietary supplements; common locations include pharmacies, drugstores, grocery stores, shops, the internet, and multilevel marketing companies. A network of pharmacies that operate under stringent standards and have a highly skilled expert team can cover the entire nation. When making a purchase, a pharmacist can provide a high degree of information and assist in selecting a suitable and secure product.

Another significant area of sales is the drugstore, where salespeople typically have a commerce degree. The absence of professionals providing product information in supermarkets can be problematic. A patient is limited to using her own knowledge.

In literature, studies on functional foods have seen the greatest adoption of consumer behaviour research methods (Gilbert, 1997; Menrad, 2003; Verbeke, 2005). Gilbert (1997) looked at the

views of particular demographic groups in her study toward food that serves a purpose. She identified the primary consumers of functional foods as the "Food as Medicine" market sector. Menrad (2003) investigated how consumers' understanding of ingredients affects their acceptance of functional foods and how much they are ready to pay for them.

The typical American functional food consumer, according to Childs (2002), is "elite, educated, and well-informed." As opposed to this, portrays the typical functional food consumer as "benefit believers who endured illness among family and whose eventual criticism towards functional food knowledge melts away with age." (Verbeke, 2005).

On the basis of the hierarchy of nutritional knowledge, looked at consumer behaviour with regard to functional foods. "No knowledge" is the first level, followed by "food specific attribute knowledge" and "consumption" at the second and third levels, respectively. (Wansink et al. 2005)

On the basis of Khan's food-choice model, Black and Campbell (2006) assessed the components of functional food consumer behaviour (1981). On the basis of Grunert's food-related lifestyle model, highlighted the association between lifestyle, health behaviour, and the consumption of functional foods. Different lifestyle groups, including the sensible, uninvolved, conservative, reckless, and adventurous consumer segments, were defined by the writers. The main target market for the functional food industry is comprised of these rational customers. (Szakaly et al., 2012).

It can be concluded from the extensive literature review that many studies pertaining to consumer behaviour towards nutraceuticals have been undertaken in the past in many parts of the world like Malaysia, Europe, and other countries. However, not much studies have been undertaken to examine the impact of demographics on consumer behaviour towards nutraceuticals in Gujarat. Thus, this research attempts to address the same.

### **Objectives of the study**

- To examine the impact of demographic variables on the customer's buying behaviour towards nutraceuticals.
- To explore the reasons for increased consumption of nutraceuticals among the customers.
- To offer suitable suggestions to nutraceutical brands.

### **Research methodology**

The present study is descriptive in nature. This study was conducted during the months of September and November, 2022 in Ahmedabad. 167 respondents were contacted for the same who have been selected on the basis of non-probability convenience sampling. 53% of the respondents are male and 47% are female. Data for the study has been collected via structured questionnaire which was distributed online via google forms. The study employs inferential statistical tools like Chi-Square for the purpose of data analysis.

Hypotheses to be tested:

H01: There is no significant association between age of respondents and consumption of nutraceuticals.

H02: There is no significant association between education level of respondents and consumption of nutraceuticals.

H03: There is no significant association between occupation of respondents and consumption of nutraceuticals.

H04: There is no significant association between income of respondents and consumption of nutraceuticals.

H05: There is no significant association between income of respondents and nutraceutical brand preference.

### **Data analysis**

#### **Respondent's profile**

Table 1 presents the data explaining the profile of the respondents. Age group of the respondents is one of the most important demographic factors considered in this research. As many as 71% of the respondents fall in the age bracket of 18-25, 21% of the respondents belong to age group of 26-35; 5% of the respondents are of 36-45 age whereas 2% of the respondents belong to age group of 46-55 and 2% of the respondents are above the age of 55. From the results collected, 53% are males, 47% are females. In total males wherein the majority who responded to the survey. When it comes to education; 33% of the respondents' highest level of education is higher secondary, whereas; 55% of them are graduates and 40% of the respondents are post graduates while 2% has done other qualification. As per the data results, students constitute the highest percentage with 47% followed by respondents falling in the category of service i.e. 39% whereas; 9% of the respondents are self-employed followed by others i.e. 5%. 4% of the respondents' monthly income is up to 10,000, 32% of the respondents' monthly income falls in the bracket of 20,000 to 50,000 whereas; 15% of the respondents earn above 50,000 monthly followed by 49% of non-earning respondents.

| <b>Variables</b> | <b>Results (in %)</b> |
|------------------|-----------------------|
| <b>Age group</b> |                       |
| 18-25            | 71%                   |
| 26-35            | 21%                   |
| 36-45            | 5%                    |
| 46-55            | 2%                    |
| Above 55         | 2%                    |

|                       |     |
|-----------------------|-----|
| <b>Gender</b>         |     |
| Male                  | 53% |
| Female                | 47% |
| <b>Education</b>      |     |
| Higher secondary      | 3%  |
| Graduate              | 55% |
| Post Graduate         | 40% |
| Others                | 2%  |
| <b>Occupation</b>     |     |
| Service               | 39% |
| Self Employed         | 9%  |
| Student               | 47% |
| Others                | 5%  |
| <b>Monthly income</b> |     |
| Upto 10,000           | 4%  |
| 20,000-50,000         | 32% |
| Above 50,000          | 15% |
| NIL                   | 49% |

*Table 1: Profile of Respondents*

#### **Association between age of respondents and consumption of nutraceuticals.**

Chi square was conducted to test the null hypothesis that there is no significant association between age of respondents and consumption of nutraceuticals. The Chi Square was found to be statistically significant ( $X^2=45.18$ ,  $p<0.001$ ) as per Table 2. Thus, the null hypothesis stands rejected and the alternate hypothesis is accepted. There is significant association between age of respondents and consumption of nutraceuticals.

A close analysis of crosstabs revealed that highest respondents consuming nutraceuticals belonged to the age group of 18-25 (60%) years followed by 26-35(33%) years. It was seen that the respondents of higher age group did not prefer to consume nutraceuticals.



| Case Processing Summary |       |         |         |         |       |         |
|-------------------------|-------|---------|---------|---------|-------|---------|
|                         | Cases |         |         |         |       |         |
|                         | Valid |         | Missing |         | Total |         |
|                         | N     | Percent | N       | Percent | N     | Percent |
| Age * Consumption       | 169   | 100.0%  | 0       | 0.0%    | 169   | 100.0%  |

| Chi-Square Tests   |                     |    |                       |
|--------------------|---------------------|----|-----------------------|
|                    | Value               | df | Asymp. Sig. (2-sided) |
| Pearson Chi-Square | 45.184 <sup>a</sup> | 10 | .000                  |
| Likelihood Ratio   | 11.421              | 10 | .326                  |
| N of Valid Cases   | 169                 |    |                       |

a. 13 cells (72.2%) have expected count less than 5. The minimum expected count is .02.

Table 2 Association between age of respondents and consumption of nutraceuticals

### Association between education level of respondents and consumption of nutraceuticals

Chi square was conducted to test the null hypothesis that there is no significant association between education of respondents and consumption of nutraceuticals. The Chi Square was found to be statistically significant ( $X^2 = 180.195$ ,  $p < 0.001$ ) as per Table 3. Thus, the null hypothesis stands rejected and the alternate hypothesis is accepted. There is significant association between education of respondents and consumption of nutraceuticals.

A close analysis of crosstabs revealed that highest respondents consuming nutraceuticals are graduates (71%) followed by post graduates (25%) years. It was seen that the respondents with higher secondary education did not prefer to consume nutraceuticals.

### ➔ Crosstabs

[DataSet0]

| Case Processing Summary       |       |         |         |         |       |         |
|-------------------------------|-------|---------|---------|---------|-------|---------|
|                               | Cases |         |         |         |       |         |
|                               | Valid |         | Missing |         | Total |         |
|                               | N     | Percent | N       | Percent | N     | Percent |
| Education_Level * Consumption | 168   | 100.0%  | 0       | 0.0%    | 168   | 100.0%  |

| Chi-Square Tests   |                      |    |                       |
|--------------------|----------------------|----|-----------------------|
|                    | Value                | df | Asymp. Sig. (2-sided) |
| Pearson Chi-Square | 180.195 <sup>a</sup> | 8  | .000                  |
| Likelihood Ratio   | 25.998               | 8  | .001                  |
| N of Valid Cases   | 168                  |    |                       |

a. 11 cells (73.3%) have expected count less than 5. The minimum expected count is .01.

Table 3 Association between education level of respondents and consumption of nutraceuticals

### Association between occupation of respondents and consumption of nutraceuticals.

Chi square was conducted to test the null hypothesis that there is no significant association between occupation of respondents and consumption of nutraceuticals was found to be statistically significant ( $X^2=192.999$ ,  $p<0.001$ ) as per Table 4. Thus, the null hypothesis stands rejected and the alternate hypothesis is accepted. There is significant association between occupation of respondents and consumption of nutraceuticals.

A close analysis of crosstabs revealed that highest respondents consuming nutraceuticals are respondents who fall in the category of service (62%) followed by students (20%).

#### → Crosstabs

| Case Processing Summary  |       |         |         |         |       |         |
|--------------------------|-------|---------|---------|---------|-------|---------|
|                          | Cases |         |         |         |       |         |
|                          | Valid |         | Missing |         | Total |         |
|                          | N     | Percent | N       | Percent | N     | Percent |
| Occupation * Consumption | 168   | 100.0%  | 0       | 0.0%    | 168   | 100.0%  |

| Chi-Square Tests   |                      |    |                       |
|--------------------|----------------------|----|-----------------------|
|                    | Value                | df | Asymp. Sig. (2-sided) |
| Pearson Chi-Square | 192.999 <sup>a</sup> | 8  | .000                  |
| Likelihood Ratio   | 38.282               | 8  | .000                  |
| N of Valid Cases   | 168                  |    |                       |

a. 9 cells (60.0%) have expected count less than 5. The minimum expected count is .01.

Table 4 Association between occupation of respondents and consumption of nutraceuticals

### Association between income of respondents and consumption of nutraceuticals.

Chi square was conducted to test the null hypothesis that there is no significant association between income of respondents and consumption of nutraceuticals was found to be statistically significant ( $X^2=179.869$ ,  $p<0.001$ ) as per Table 5. Thus, the null hypothesis stands rejected and the alternate hypothesis is accepted. There is significant association between income of respondents and consumption of nutraceuticals.

A close analysis of crosstabs revealed that highest respondents' consuming nutraceuticals monthly income falls in the bracket of 20,000 to 50,000(44%) followed by respondents whose monthly income is above 50,000 (33%). It was seen that the respondents with monthly income up to 10,000 did not prefer to consume nutraceuticals.

## → Crosstabs

Case Processing Summary

|                      | Cases |         |         |         |       |         |
|----------------------|-------|---------|---------|---------|-------|---------|
|                      | Valid |         | Missing |         | Total |         |
|                      | N     | Percent | N       | Percent | N     | Percent |
| Income * Consumption | 169   | 100.0%  | 0       | 0.0%    | 169   | 100.0%  |

Chi-Square Tests

|                    | Value                | df | Asymp. Sig. (2-sided) |
|--------------------|----------------------|----|-----------------------|
| Pearson Chi-Square | 179.869 <sup>a</sup> | 10 | .000                  |
| Likelihood Ratio   | 33.939               | 10 | .000                  |
| N of Valid Cases   | 169                  |    |                       |

a. 13 cells (72.2%) have expected count less than 5. The minimum expected count is .02.

Table 5 Association between income of respondents and consumption of nutraceuticals

### Association between income of respondents and nutraceutical brand preference

Chi square was conducted to test the null hypothesis that there is no significant association between income of respondents and nutraceutical brand preference. The Chi Square was found to be statistically significant ( $X^2=50.79$ ,  $p<0.05$ ) as per Table 6. Thus, the null hypothesis stands rejected and the alternate hypothesis is accepted. There is significant association between income of respondents and nutraceutical brand preference.

A close analysis of crosstabs revealed that respondents with higher monthly income prefer nutraceutical by Nutrilite (38%) followed by Wow (24%).

## → Crosstabs

Case Processing Summary

|                 | Cases |         |         |         |       |         |
|-----------------|-------|---------|---------|---------|-------|---------|
|                 | Valid |         | Missing |         | Total |         |
|                 | N     | Percent | N       | Percent | N     | Percent |
| Brands * Income | 168   | 100.0%  | 0       | 0.0%    | 168   | 100.0%  |

Chi-Square Tests

|                    | Value               | df | Asymp. Sig. (2-sided) |
|--------------------|---------------------|----|-----------------------|
| Pearson Chi-Square | 50.790 <sup>a</sup> | 28 | .005                  |
| Likelihood Ratio   | 53.718              | 28 | .002                  |
| N of Valid Cases   | 168                 |    |                       |

a. 34 cells (85.0%) have expected count less than 5. The minimum expected count is .01.

Table 6 Association between income of respondents and nutraceutical brand preference

## Findings

The result of data analysis are summarised in Table 7. It can be concluded that age, occupation, education of consumer has an influence on consumption of nutraceuticals. Also, customer's income affects their selection of nutraceutical brand. It should also be noted that age of a consumer has no impact on the frequency of consumption of nutraceuticals.

| Hypothesis   | Supported/ Not Supported       |
|--|--------------------------------|
| H01: There is no significant association between age of respondents and consumption of nutraceuticals.             | Alternate Hypothesis Supported |
| H02: There is no significant association between education level of respondents and consumption of nutraceuticals. | Alternate Hypothesis Supported |
| H03: There is no significant association between occupation of respondents and consumption of nutraceuticals.      | Alternate Hypothesis Supported |
| H04: There is no significant association between income of respondents and consumption of nutraceuticals.          | Alternate Hypothesis Supported |
| H05: There is no significant association between income of respondents and nutraceutical brand preference.         | Alternate Hypothesis Supported |

*Table 7 Summary of Hypothesis Testing*

## Implications of the study

The study has many significant implications for the marketers of nutraceutical brands. The results of the hypothesis testing revealed that the respondents within the age group of 18-35 years consumed nutraceuticals more as compared to their older counterparts. It has an implication for the nutraceutical brands to undertake the required actions to tap the customers of higher age groups as well.

It was seen during the analysis that education level of the respondents directly impacted the consumption of nutraceuticals. Analysis further revealed that consumption of nutraceuticals was found to be maximum among the customers who had received the education upto post-graduation level. The nutraceutical brands are therefore suggested to spread awareness among the customers with the lower education levels also regarding their utility so as to cover this untapped segment.

Respondents occupation type significantly influences the consumption of nutraceuticals. Respondents employed in service sector were seen to be consuming nutraceuticals the most among all. The nutraceutical brands must establish its need in the minds of customers belonging to varied profession by the way of implementing suitable marketing strategies.

The results of the study hint that income of the respondents significantly impacts the consumption of nutraceuticals as well as the brand preference of the customers. The respondents with higher income are seen to be consuming nutraceuticals more. Thus, it is suggested that nutraceutical brands must take relevant steps to improve their affordability quotient so as to attract the customers in the lower income segment as well which forms bottom of the pyramid in the market.

## Conclusion

With the lifestyle disorders on rise along with intermittent COVID waves, health and wellness will continue to remain the top most priority of the people in the times to come. Also, thus the trend for consumption of nutraceuticals to prevent/ fight deadly diseases is going to be accentuated. This will present immense opportunities to the marketers of nutraceuticals brands and to the customers of various age groups. Brands that would be able to serve the customers in accordance with their demographic needs and preferences like age, income, education would succeed in tapping the target market effectively thereby strengthening their brand equity.

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# **A Study to Analyse the Impact of Digital Marketing on Impulsive Buyers**

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## **Abstract**

In the modern era, consumers have become more sophisticated, and their purchasing intentions are drastically changing from traditional to internet purchasing habits. This study looks at how online consumers' impulsive buying patterns are affected by digital marketing tools and trends. One of the main ways a retailer may influence their customers and increase their purchasing motivation is through their online presence. The purpose of the study is to discuss how social media marketing variables, such as visual merchandising, content, collaboration, and reviews and feedback, affect consumers' impulse buying intention.

The paper is based on a quantitative and qualitative study of 206 respondents conducted using a structured questionnaire and a descriptive research approach. The Chi Square test is used to analyse data to see if there is a significant relationship between two variables and to determine whether the variables are dependent or independent of one another. The study also discovered that personalization plays an important role in influencing consumer behaviour.

Content that is tailored to a consumer's specific needs and interests is more likely to intrigue their interest. This has resulted in the rise of targeted advertising as well as the use of data driven marketing strategies and trends to pique customer impulsivity and compel them to buy a product.

The study concludes that digital marketing trends have a significant impact on consumer behaviour. Marketers should concentrate on creating customized content and leveraging social media and online reviews to boost customer trust and credibility. The study highlights the importance of staying up to date on digital marketing trends in order to promote impulsive purchases on customer attitudes for products through social media marketing, digital marketing trends, and other medium channels, which boosts sales and revenue.

**Keywords:** Digital Marketing trends, Ecommerce marketing, Social Media Marketing, Impulsive Buying, Impulsive shopping, Consumer Behaviour, Online Marketing.

## Introduction

All the information a buyer discovers while researching a product has a significant impact on their decision according to which product to buy. As a result, having a great internet persona is vital for brands and businesses as this is how people evaluate them.

This influences consumer behaviour since brand image today consists of relationships that people make after interacting with your company, such as beliefs, products, and ideas. Branding, often known as digital word-of-mouth, is a reliable method of getting suggestions. Nowadays, customers look for social reviews or the approval of their celebrities. In addition to comments, feedback, and consumer promotions.

Digital media marketing enables businesses to advertise their goods when and where individuals are most inclined to make hasty or impulsive purchases. Employers offers, coupons, and promotions to persuade consumers to purchase their goods.

Customers can personalize their purchasing experiences thanks to digital marketing. Customers have been seen to choose rapid satisfaction over learning about new products. When it comes to researching potential purchases, consumers increasingly have gotten incredibly good. They are becoming more intelligent and aware as technology provides them with the capacity to approach online decision-making critically.

The impulse purchase phenomenon has been successfully increased by digital marketing. In essence, a consumer purchasing choice is one that is made just before making the final acquisition. In other words, purchase intention refers to a decision made on the spur of the moment rather than in advance, when typically, buyers pre-plan their transactions and pre select the goods they desire to buy.

Digital marketers make use of this widespread phenomenon to influence consumer behaviour in a favourable way. Brands showcase enticing offers, discounts, and bargains through internet advertising, which shoppers are eager to explore their options.

This paper entitles to understand the buying preferences and pattern of impulsive buying of a customer on online platforms affected by digital marketing tools and social media.

## Literature Review

**Research Gap:** Numerous studies on the proclivity for impulsive purchasing and lifestyle changes have been conducted, and several have recently been published. This study focuses on how digital marketing has influenced customer purchasing patterns, as well as indulging them in impulsive buying through various search algorithms. In this paper, we will attempt to connect the digital marketing trends that frequently influence purchasing decisions and convert prospect customers into influenced and impulsive customers.



### **Research Questions:**

RQ1: How often do you buy the products that are on sale regardless of their need? RQ2: What factors trigger the most while shopping on online and offline platforms? RQ3: What is the influence of social media sites on consumer buying behaviour?

It is important to explore the connections between Digital marketing to determine whether these promotional strategies help to encourage customers to make impulsive buying. Goel (2016) says that this study focuses on an advertiser's standpoint, and highlights a few aspects that have an impact on digital marketing. The target audience, mediums, tech, information, social networking sites, skill, and funding are some of these variables. For instance, choosing the consumer base is the most important component from the advertiser's perspective. Additionally, the material should align with the desired market's preferences.

Piron (1991) studied that defines impulse buying as "a transaction that is spontaneous, the outcome of an encounter with a stimulus, and selected on the spot" based on the many classifications it has received. According to the concept, a stimulus might be a tangible thing or the intrinsic characteristics of the goods and the brand experience play a vital role. This study emphasizes that because the internet is becoming a more effective selling channel, there is a need to research impulsive buying online. In accordance with the 2015 Google Consumer Barometer and Eurostat (2017).

Verhagen and van Dolen (2011) claims that one could claim that buyer behaviour while making purchases online is generally sensible because they prefer to research products and compare prices before deciding. Thoughtful decisions aren't always taken, and spontaneous shopping has a place in this media as well.

The literature analysis highlights a debate about whether impulse shopping occurs more frequently online or offline by analysing regardless of whether consumers believe that making e-commerce encourages impulsive buying more or less than they do offline, this research adds to the ongoing discussion in this area. People were predisposed to making impulsive purchases.

Because of hearing both favourable and pessimistic opinions from peers and observing what their neighbours and friends were purchasing Customers' emotional states are considered while presenting the appeal in a situation where the inciting information wants to be reflected upon and is greatly influenced by the seeming inspiration of those around them.

(Kim & Su.,2020) claim that consumers adjust to peers' expectations about their purchasing choices and learn about a company's compatibility by observing other people's purchasing patterns.

A study conducted by Xu and Huang (2014) the price reductions are typically a price-based sales promotion stimulus where consumers are provided with the exact same product at a lower price After seeing the merchandise in a store, whether online or off, consumers frequently make purchases on the internet because they want to save money and get the best deal possible Bandyopadhyay et al (2021) mentions that Impulsive buying motivations are defined as pleasant, innate, and stimulation-driven buying impulses. Certain commercial promotions have

been found to intrinsically encourage customers to shop and produce happy emotions in consumers (expresses), as both worth purchasing and best idea drive impulsive purchasing behaviour by triggering spontaneous cravings.

While talking about mobile shopping and its sides, Csikszentmihalyi (1977) states that by increasing, individual pursuit, which can be produced in most activities provided a person chooses a task that corresponds with his or her knowledge and ability and if the task gives feedback, self-efficacy has a favourable effect on performance.

One study found that impulsive purchasers are more likely than other customers to express regret at levels that are more than twice as high Daugherty, Eastin, & Gangadharbatla, (2005) mentions that "[Users'] optimism in their ability to comprehend manage and assess content online" is the definition of online self-efficacy. This concept can be used to define "mobile commerce self-efficacy" belief in their capacity to search, assess, and buy stuff on m - shopping channels.

Online Buying & decision-making process discovered by Rawlings (1995) mentions that this study gives us highlights discovered that impulsive buying occurs in roughly 40% of every single digital consuming period and further indicated that e-commerce professionals need to understand customer buying behaviour in online interactions immediately discovered that younger people exhibit more rational impulsive purchase behaviour than older people.

(Wood 1998) has revealed that age does not directly correlate with the impulsive purchasing tendency among the US adult population.

According to Richards and Jones (2008), businesses can improve their efficiency by deploying CRM if they have a strong, continuous connection with their customers and a high degree of confidence. To recognize the impact of many elements on consumer purchase intention, brand preference has been thoroughly investigated in an earlier study. Few researches, however, has looked at how CRM and digital marketing affect consumers' intentions to buy. In order to close this information gap, the goal of this study is to explore the moderating impact of CRM on online marketing and buying behaviour.

According to estimates, items purchased by Millennials represent approximately half including all expenditures (Marketing Breakthroughs Inc., 2008). This generation grew up socializing and shopping online, and as their disposable money increases, so will their use of e-commerce. Shopping online has been attributed to youngsters as its main force.

According to several academics, this population is highly likely to be commercial savvy (Gerzema and D'Antonio, 2011). Industry influencers are knowledgeable shoppers who function as distributors of information about the product. Like industry observers, millennials are willing to share their experiences and viewpoints to other customers.

Consumer reviews are believed twice more frequently than manufacturer specifications, according to one study (Bazaar Voice, 2011)

Consumer behaviour has not converged as a result of globalization (De Mooij 2011).

Individuals continue to feel intellectually involved with retailers in order to make purchases (Lynch and Beck 2001). Otherwise, they will look elsewhere.

Ways of operating that outline national social practices and aid in explaining and predicting behaviour can be used to comprehend how society affects how people engage and use technology (Hofstede 2001).

This study's goal was to evaluate social networking sites to other online and offline knowledge sources to determine how culture affected the component of social media in consumer purchase decisions.

## **Objectives of Research**

This study revolves around the readiness of customer to purchase a product influenced by different social media/ e-commerce platforms hence, affected by digital marketing trends.

- To determine what triggers impulsive buying among customers.
- To ascertain the innovative and modern market trends to digitally gain customer attention.
- To study the insightful advice and research on how to increase digital presence in the B2B and B2C segments in order to meet consumer and market expectations.

## **Research Methodology**

The research paper uses a quantitative & qualitative approach of data collection using descriptive research method. For taking the opinions of the respondents, a well-structured questionnaire is prepared, containing single choice question regarding the factors motivating them to purchase online, frequency of online purchases, Credibility check on different platforms while making purchase decisions along with Likert scale is been used.

The ideal sample size of 206 is selected and it is gathered from Ahmedabad residents. The data collection is primary following convenience sampling method and collected in the time span of 20 days. It contains questions on the following categories: • Demographic details: This contains information regarding respondents age group & gender.

- Variable details: It consists of understanding the major motivating factor to purchase online, timeline frequency and how much they spend online, Likert scale helps us to get a brief on part of how promotion campaigns and marketing trends affect the product sale on e-commerce platforms.

This study focuses on majorly two factors Impact of Digital Marketing trends & Impulsive consumer buying behaviour as major factors for the questionnaire.

## **Hypothesis Testing**

- H01: The influence of Digital Marketing on social media is independent of Consumer

Impulsive buying behaviour

- H02: The influence of visual appeal and client reviews is independent of Consumer purchase behaviour.
- H03: Impact of Digital campaigns during season sales Independent of Consumer Impulsive buying

We've used the Chi-Square test as our statistical tool.

## Results & Discussion

The data was collected from 206 respondents focusing on different parameters & approaches with majority from 18-25 (90 respondents) age group. this data is collected from majorly job seekers, employed people and most of the respondents have post-graduation as their education level. The results are as follows:

- Out of the total respondents, 37.9% buy twice a month on online platforms, 23% buy three times a month, 32% buy once a month, and the remaining 7% buy more than three times a month. As a result of the time and cost savings, online purchasing has been steadily increasing.
- Nearly 40% of total respondents have the ability to spend 5000-10000 on various online platforms on a monthly basis.
- According to the data, the majority of respondents believe that visual merchandising appeal influences their purchasing behaviour, and a sizable 42% believe that lucrative offers and discounts entice them to make impulse purchases in fear of losing the discounts.
- The majority of respondents rely on customer support and feedback before making an online purchase because it varies how quickly their queries are prioritized. • According to the data gathered from the questionnaire, 70% of customers make purchases online for the ease of returns and exchanges, 24% for customer support, and the remaining 22% and 20% for the convenience of being available 24 hours a day, seven days a week. • Most respondents (52% of total) spend approximately 0-2 hours daily on various social media platforms.
- According to data, today's customers want ease at every step of the purchasing process, and as a result, nearly 38% of total respondents' main motivation factor to purchase online is leisure, while the remaining mention that they do so during offers, seasonal sales, and based on their need for the product.

### 1) Gender \* Purchase from pop up ads cross-tabulation

H01: There is no significant relationship between Gender & Purchases from pop-up ads on social media.

Ha1: There is a significant relationship between Gender & Purchases from pop-up ads on social media.

|           |        |    |    |     |       |
|-----------|--------|----|----|-----|-------|
| Pop-up ad |        |    |    |     | Total |
| May       |        |    | No | Yes |       |
| Gender    | Female | 50 | 23 | 63  | 136   |
|           | Male   | 26 | 26 | 18  | 70    |
| Total     |        | 76 | 49 | 81  | 206   |

### Chi square test

| Value              |                     | df | Asymptotic Significance (2-sided) |
|--------------------|---------------------|----|-----------------------------------|
| Pearson Chi-Square | 12.946 <sup>a</sup> | 2  | .002                              |
| Likelihood Ratio   | 12.848              | 2  | .002                              |
| N of Valid Cases   | 206                 |    |                                   |

a. 0 cells (0.0%) have expected that the count less than 5. The minimum expected count is 16.65 as stated.

The result above it can be seen that sig, value is (.002) is < 0.05, so alternate hypothesis is accepted. Hence it can be said that there is a significant relationship between Gender & Purchases from pop-up ads on social media.

### 2) Age \* Avg online time spending Crosstabulation

H02: There is no significant relationship between Age & avg. online time spent on e commerce/ social media.

Ha2: There is a significant relationship between Age & avg. online time spent on e commerce/ social media.

|                          |       |
|--------------------------|-------|
| Avg online time spending | Total |
|--------------------------|-------|

| 0-2 hrs |       |     | 2-4 hrs | More th |     |
|---------|-------|-----|---------|---------|-----|
| Age     | 18-29 | 57  | 26      | 7       | 90  |
|         | 30-45 | 23  | 33      | 2       | 58  |
|         | 46-70 | 8   | 5       | 5       | 18  |
|         | Above | 5   | 3       | 3       | 11  |
|         | Below | 16  | 8       | 5       | 29  |
| Total   |       | 109 | 75      | 22      | 206 |

### Chi square test

| Value              |         | df | Asymptotic<br>Significance (2-sided) |
|--------------------|---------|----|--------------------------------------|
| Pearson Chi-Square | 25.969a | 8  | .001                                 |
| Likelihood Ratio   | 23.827  | 8  | .002                                 |
| N of Valid Cases   | 206     |    |                                      |

a. 4 cells (26.7%) have expected count less than 5. The minimum expected count is 1.17 as stated.

The result above shows that the sig. value is (.001) is  $< 0.05$ , so alternate hypothesis is accepted. Hence it can be said that there is a significant relationship between Age & avg. online time spent on e-commerce/ social media.

Majorly this gives us a brief understanding on how people are active on online platform Online markets are fostering trust and providing their customers with practical opportunities. Shopaholics are more intelligent; they research and contrast things before committing to a purchase. Online retailers can intentionally control these aspects to lower consumers' search effort, which will increase the effectiveness of consumers' purchasing decisions, by understanding the motivations behind search behaviour.

**3) Monthly expenditure (Online) \* Purchase frequency Crosstabulation** H03: There is no significant relationship between Monthly expenditure made on different platforms & purchase

frequency during a month.

Ha3: There is a significant relationship between Monthly expenditure made on different platforms & purchase frequency during a month.

| Purchase frequency           |            |    |      |        |       | Total |
|------------------------------|------------|----|------|--------|-------|-------|
| More than 3 times            |            |    | Once | Thrice | Twice |       |
| Monthly expenditure (Online) | 10000-1500 | 2  | 9    | 19     | 9     | 39    |
|                              | 5000-10000 | 5  | 19   | 19     | 39    | 82    |
|                              | Above 1500 | 5  | 5    | 4      | 7     | 21    |
|                              | Below 5000 | 3  | 32   | 6      | 23    | 64    |
| Total                        |            | 15 | 65   | 48     | 78    | 206   |

### Chi square test

| Value              |         | df | Asymptotic Significance (2-sided) |
|--------------------|---------|----|-----------------------------------|
| Pearson Chi-Square | 39.659a | 9  | .000                              |
| Likelihood Ratio   | 35.270  | 9  | .000                              |
| N of Valid Cases   | 206     |    |                                   |

a. 4 cells (25.0%) have an expected count less than 5. The minimum expected count is 1.53.as justified

The results above, the value is (.000) < 0.05, so an alternate hypothesis is accepted. Hence it can be said that there is a significant relationship between Monthly expenditure made on different platforms & purchase frequency during a month.

With the advent of AI, it is now simpler to assist online retailers may adapt promotions to target customers based on classification, encouraging them to spend more money.

Therefore, it is evident from the survey that people spend between 5,000 to 10,000 every month on with thrice frequency of monthly purchases on various internet platforms.

#### 4) Gender \* Online purchase motivation Crosstabulation

H04: There is no significance between Gender & motivation factors to purchase products online.

Ha4: There is a significance between Gender & motivation factors to purchase products online.

| Online purchase motivation |        |    |            |            | Total |
|----------------------------|--------|----|------------|------------|-------|
| At leisure                 |        |    | Based on N | During off |       |
| Gender                     | Female | 55 | 27         | 54         | 136   |
|                            | Male   | 25 | 18         | 27         | 70    |
| Total                      |        | 80 | 45         | 81         | 206   |

#### Chi square test

| Value              |        | df | Asymptotic<br>Significance (2- sided) |
|--------------------|--------|----|---------------------------------------|
| Pearson Chi-Square | 1.008a | 2  | .604                                  |
| Likelihood Ratio   | .993   | 2  | .609                                  |
| N of Valid Cases   | 206    |    |                                       |

a. 0 cells (0.0%) have an expected the count of less than 5. The minimum expected count is 15.29 as justified. From, the above table sig. value is (0.604) which is  $> 0.05$  so, the null hypothesis is accepted. Hence, it can be said that there is no significance between Gender & motivation factors to purchase products online.

The power of social media and e-commerce has made people get things very handy and easy at any point in time on the same context we asked our respondents what motivates them to purchase products online with different variable options. Psychological experiments have shown that hedonic shopping has a strong social component and is made more enjoyable by the company of friends.



Hence, it can be observed that is no significant relationship between gender and motivation factor to purchase the products online.

## Conclusion

The study aimed to investigate the impact of digital marketing on impulsive buying behaviour through a comprehensive review of the literature and empirical analysis, interesting findings from research on digital marketing trends significantly influence consumers' impulsive shopping behaviour. Today's Gen Z and Millennial generations buy hedonistically and have substantially increased consumer upfront online shopping.

According to important understandings, it provides us with a brief overview of effective marketing campaigns and their importance in remaining active across various platforms to make your target audience feel the presence, which boosts the probability that they will feel ready and credible to make a purchase on the other side of a screen. However, the study has some limitations because it was conducted in a particular region, the findings cannot be generalized, as well as sample size was relatively small.

The paper's findings provide insight as to how to market or sell a good/ service to a customer across digital platforms. The policy implications of this study suggest that companies should be aware of the potential impact of digital marketing on consumer behaviour, particularly impulsive buying. It is imperative to influence or persuade people via marketing strategies, a variety of offers. As a result, to keep up with customers, one must stay ahead of the competition and develop customer-centric strategies, collaborations, and campaigns that make consumers pleased in-person when shopping for their preferred goods.

In terms of future research, this study lays the groundwork for future research into the impact of digital marketing on impulsive purchasing behaviour in various regions and cultures. Future research could also look into the moderating effects of individual differences and contextual variables on the relationship between digital marketing and impulsive purchasing behaviour.

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