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### **Guest Editorial**

It is with great pleasure and pride to announce the launch of the eighth issue of International Journal of Academic Research and Development (IJAR&D). In past years, journal has gained recognition being an outlet for research on Management and its array of domain themes like Social Sciences, Econometrics, Business Statistics, Marketing, Human Resource Development, Strategic Management, Finance, International Business, Business and Commerce, Public Policy, Sustainable Development Studies, Banking, Business Ethics, Urban Studies, Equality, Diversity and Inclusion, Tourism & Hospitality management etc. The aim of the journal is to meet the demand for critical publications from management and its allied disciplines. It is biannual in print version journal which fosters to create a space of dialogue that meet research criteria of significance and academic excellence from interdisciplinary perspective. All research articles are passed through stringent double-blind peer review process after the submission. Following the peer-reviewed acceptance, the wellarticulated and substantive accepted articles are published. The Journal contribute to provide dynamic forum to academicians, professionals and researchers for disseminating of new knowledge base in the broad arena of management. The scope of journal borders around development and their application, empirical, conceptual, methodological and policy-oriented research in all areas of Management. The current issue of journal has ten manuscript comprising of articles on diversified topics such as Leadership and Innovation: Gap between execution and aspiration, Study on travel related decisions of foreign and domestic tourists, Impact of social media on tourist behaviour, Economic reforms in small scale industrial sector, Role of social media as travel influencer, Protection of children from sexual offences and its management, Motivating factors in purchase-A case study of Shimla, Green and sustainable hotel operations in India, Prospects of rural tourism in Manipur and Journey of regional rural banks in financial inclusion. I am very thankful to all the authors for their significant contributions and hope to continue for association in future. I extend my sincere gratitude to all the editorial board members and reviewers for their expertise and guidance in shaping the content and direction of the journal, who have strived and joined hands with us to make this endeavour a success. I also invite critical suggestions to further enhance quality of our journal.

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# INTERNATIONAL JOURNAL OF ACADEMIC RESEARCH & DEVELOPMENT (IJAR&D)

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### Leadership and Innovation: A Gap in Aspirations and Execution

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### Abstract

In the contemporary business world where change is an absolute certainty, developing and sustaining an innovative culture is a great challenge for business leaders. The issue is not limited towards sustaining innovation, even sustainability may lead to inertia, avoidance of risk, fear of unknown and challenge for creating something new constantly. In other words, the barriers are not necessarily about generating ideas or understanding trends in the marketplace, or the ability to convert good ideas into new products and services. The leaders' must engage, empower and encourage their people to embrace creative thinking and pursue new ideas.

The present study is an attempt to identify the perception of the employees towards leadership and Innovation and how leadership impacts innovation in an organization. An empirical study was conducted through self-administered questionnaire on employees of IT companies. Parametric methods are used to discover the gaps in leadership practice. The study will help in minimizing the gaps to create a better workplace.

Key words: Leadership, Innovation, Employee Perception, IT Company

### 1. Introduction

A leader can face the challenges of the organization by applying his innovative thinking for creating an innovative response, but at the same time making others throughout the organization apply their innovative thinking to resolve the problems and develop new product and services and create an innovative culture, needs extra effort. In other words, it is pertinent for the leaders to act in a manner that supports and develop innovation in the organization. There should be no scope for gap in thinking and executing the innovative ideas. A leader has to

understand that to make organization more productive and innovative proper direction, alignment and commitment is needed towards the creation of innovation. It has been observed in the research conducted by Mc Kinsey that though leaders understand that innovation is an important driver for growth but very few of them lead and manage it. Further it suggests that one third of the leaders manage it on ad hoc basis and others finds it in team agenda. Most of the leaders do not actively support the innovative culture.

### 2. Literature Review

### Leadership and Innovation

It has been consistently postulated by empirical studies that one of the most important factor for organizational success and excellence is leadership (LeBrasseur, Whissell, & Ojha, 2002; Samad, 2012; Seltzer, 1990). It plays varied roles in facilitating innovations in the organizations especially in influencing creativity and innovation. Effective leadership leads to successful innovations and goals becomes realistic and achievable (Hunter & Cushenbery, 2011).

There is little consensus on defining leadership (Bass, 1990; Yukl 2002). Hambrick (1989) and Wright, Kroll, and Parnell (1998) defines leadership as a management activity where leaders in pursuit of vision secures the cooperation of others. In the opinion of House, Hanges, Javidan, Dorfman and Gupta, (2004) it is the ability to influence, motivate and encourage others to contribute towards the achievement of goals for the success and effectiveness of the organization.

In other words, leaders influence others to execute group or organizational goals (House et al., 2004)

Research suggests that innovation is crucial for success of any organization. Damanpour ,1991 opined that to enhance the performance of the organization it is intended to adapt innovation. Further he suggests that innovation can be in the form of new product development, production process, services, plan, program and administrative system. Hoffman Hegarty has defined the dimensions of the innovative process and has described the relationships between innovation and leadership. According to Damanpour (1987) innovation is subject to individual, organization and environmental influences.

According to Amabile, (1983, 1998; Amabile et al., 1996) successful implementation of creative ideas can be defined as Innovation. Cummings and O'Connell, (1978) is of the opinion that Innovation is influenced by leadership due to organizational characteristics such as structure, strategy, culture, rewards (Woodman, Sawyer, and Griffin, 1993) or the direct impact of their behavior on the creativity and motivation of the employees (Tierney, Farmer, and Graen, 1999). Leaders can establish a supportive work

environment (Amabile et al., 2004; Amabile et al., 1996), facilitate creative work processes by creating an organizational work climate (Scott and Bruce, 1994) and can develop and maintain a rewarding system for creative performance (Jung, Chow, and Wu, 2003).

Transformational leadership and transactional leadership theory are the most prominent theory of leadership. Transformational leaders transform the self-concepts and personal values of the followers and motivate them for higher levels of needs and aspirations (Jung, 2001), that raises the performance expectations of the followers (Bass ,1995). There are four components of this leadership namely; charismatic role modeling, intellectual stimulation, individualized consideration and inspirational motivation. Through charisma leaders instills admiration, respect and loyalty from the followers and make them work for collective mission. Through Intellectual stimulation the leader broadens the interest of the followers and stimulate them to think in a new way (Bass, 1985). In Individualized consideration leaders develops one to one relationships with the followers and tries to understand the individual needs, skills and aspirations and meet the emotional needs of each employee (Bass, 1990). Through inspirational motivation leaders articulates employees visualize the future and give direction to followers to achieve the goal and instill the belief of selfefficacy. Transactional leadership promotes compliance of his followers through rewards and punishments and focus on the role of supervision and concerned with the processes rather than forward-thinking ideas.Organizational encouragement is an important enabler for innovation; challenging work environment is important but not a substitute for creativity and innovation (Richard Dodge, J Dwyer et al, 2017)

From the above literature it can be observed that Innovation is influenced by Transformational leadership and Transformational leaders are engaged with theirfollowers and focus on higher order intrinsic needs, and raise the organizational performance consciousness.

### 3. Research Gap

It can be seen many organizations are not innovative as the leaders do not walk the talk; they still practice the tenets that made organizations successful in the industrial economy. A one size fits all approach does not work across the entire organization and areas as diverse as R&D, Sales or Operations. One reason could be multiple locations across different cities and nations and the other is rigid hierarchical system symptomatic of legacy leadership behavior. Innovation projects are complex and need leadership support to crystallize ideation and pilot innovations effectively.

The present study focuses on identifying the gaps between intent and practice vis-à-vis leadership in IT organizations.

### 4. Research Methodology

The study is exploratory and analytical in nature. The main purpose is to obtain an insight into how innovation agenda is implemented in IT organizations where things change at the speed of thought. The main objectives are:

- To identify the gaps between intent and practice with respect to innovation
- To find out the degree of association between domain areas and sources of innovation

A self-administered structured questionnaire as administered to junior/middle-level executives in Noida region to assess their opinions about the innovation practice in their respective IT organizations. The instrument was scaled on a 5-point Likert scale for 28 statements. The sampling method used is purposive sampling, the calculated Cronbach alpha is 0.809 (Table 1) which shows that there is internal consistency

in the data set. An EFA was carried out using Principal Component Analysis to identify the factor structure and VARIMAX rotation was used to identify the items in the respective factors. In EFA an accepted value of factor loadings of greater than 0.30 is considered to be valid for a sample size of more than 50 respondents. But, loadings of 0.40 are generally used as the cut-off value while any factor loading above 0.50 is considered as very good (Hair et al. 1998).

The calculated KMO at 0.756 shows that the data is amenable for EFA(Table 2). A total of seven factors were extracted; the total variation captured is 64.356% (Refer Table 3). The Factor Matrix with factor loadings is displayed in the table4. It can be observed that the internal consistency (reliability score) of Factor 6 is very low and Factor 7 has only one item; therefore, it can be excluded from future analysis.

Table 1. Reliability Statistics

Cronbach's Alpha	N of Items
809	28

### **Factor Analysis**

Table 2. KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure						
of Sampling Ade	.756					
Bartlett's Test						
of Sphericity	of Sphericity Chi-Square					
	df	378				
	Sig.	.000				

Table 3: Total Variance Explained
Total Variance Explained

Com-	Initial Eigenvalues			Extraction Sums of			Rotation Sums of		
ponent	ıt			Squared Loadings			Squared Loadings		
	Total	% of	Cumulative	Total	% of	Cumul-	Total	% <b>of</b>	Cumu-
		Vari-	%		Vari-	ative %		Vari-	lative
		ance			ance			ance	%
1	5.953	21.260	21.260	5.953	21.260	21.260	3.238	11.564	11.564
2	2.997	10.703	31.964	2.997	10.703	31.964	3.190	11.394	22.958
3	2.565	9.160	41.124	2.565	9.160	41.124	2.857	10.204	33.162
4	1.940	6.928	48.052	1.940	6.928	48.052	2.673	9.548	42.710

	1		i	,	ı	1			
5	1.809	6.459	54.511	1.809	6.459	54.511	2.614	9.337	52.046
6	1.465	5.232	59.743	1.465	5.232	59.743	1.809	6.461	58.507
7	1.292	4.613	64.356	1.292	4.613	64.356	1.638	5.849	64.356
8	.973	3.473	67.829						
9	.878	3.135	70.964						
10	.794	2.837	73.801						
11	.759	2.710	76.511						
12	.693	2.476	78.988						
13	.647	2.309	81.297						
14	.611	2.183	83.480						
15	.536	1.916	85.395						
16	.497	1.773	87.169						
17	.465	1.660	88.828						
18	.442	1.578	90.407						
19	.416	1.486	91.892						
20	.372	1.328	93.220						
21	.325	1.162	94.382						
22	.279	.995	95.377						
23	.272	.971	96.348						
24	.252	.898	97.246						
25	.224	.799	98.046						
26	.201	.719	98.765						
27	.183	.652	99.417						
28	.163	.583	100.000						

**Table 4: Factor Matrix** 

Top Management encourages experimentation in new areas.	.561	FACTOR1
Management is very enthusiastic about	.726	Intellectual
The organization believes in pursuing tried and tested ideas	.600	stimulation
Innovation adds value to the work done by the employee	.690	$\alpha = 0.766$
Organization provides necessary training to employees to		
upgrade their skill sets.	.589	
Employees are criticized for failure	.563	
The organization devotes more time/resources for innovation		FACTOR 2
than other activities	.783	Innovative
Top Management encourages	.675	Culture
Data/Information dissemination in the organization is free flowing	.547	$\alpha = 0.755$
Information flow/inter change is not hampered	.628	
Organization has flexible work environment	.634	

Ideas from non-conventional sources are dismissed completely	.770	FACTOR 3
New product ideas get diluted when	.496	Transactional
The worth and contribution of employees involved in innovation		Leadership
is belittled	698	$\alpha = 0.690$
There is lack of information on customers/ external data		
in the organization	.747	
Most of the organization's time goes in resolving conflicts	.503	
In my organization product suggesting new ideas for		FACTOR 4
innovation is encouraged.	.743	Transformational
The organization encourages brainstorming for product ideas	.619	leadership
The organization makes consistent efforts for innovation	.580	$\alpha = 0.795$
Innovation is necessary to stay ahead of competition	.620	
Employees are strictly supervised and control.	572	FACTOR 5
Extra incentive / benefits are given to employees engaged		Rewards & Benefits
in innovation	.740	$\alpha = 0.707$
Most employees look forward to being part of an innovation agenda	.841	
Workforce actively participates in different activities organized		
by the organization	.595	
Employees involved in innovation projects are recognized	.620	FACTOR 6
The organization is result oriented rather than technique oriented	.674	Employee
		motivation
		$\alpha = 0.273$
Availability of funds/budget is not a major constraint for		FACTOR 7
innovations	694	Leader support

### **Factor Discussion**

### Factor 1. Intellectual stimulation

Intellectual stimulation with reliability score 0.766 indicates that the leaders of the organization encourages experimentation in new areas and are very enthusiastic about the innovation in product and processes, they understand Innovation adds value to the work done by the employees and they should be provided with necessary training to update their skill sets, but at the same time in practice they believe in pursuing the tried and tested ideas and employees are criticized for their failure which acts as an impediment in implementing new ideas.

### Factor 2. Innovative Culture

Factor 2 (0.755) depicts that employees of IT

company perceives that the organizationshould devote more time/resources for innovation than other activities. Leaders should encourage free flowing dissemination of data should encourage flexible work environment.

### Factor 3. Transactional Leadership

Factor 3 indicates (0.690) that in practice most of the leaders follow transactional leadership style. In this ideas from non-conventional sources are dismissed completely, New product ideas get diluted and the worth and contribution of employees involved in innovation is belittled. There is lack of information on customers/external data in the organization. Employees are strictly supervised and control and most of the organization's time goes in resolving conflicts

It can be seen from the factor 4 (0.795) that IT companies encourages brainstorming for product ideas and employees are encouraged for suggesting new product ideas. The organization makes consistent efforts for innovation and understands that Innovation is necessary to stay ahead of competition

### Factor 5. Rewards& Benefits

From Factor 5(0.707) it can be observed that for encouraging employees for adapting and accepting new ways extra incentive / benefits are given to the employees engaged in innovation due to which most of the employees look forward to being part of an innovation agenda and actively participates in different activities organized by the organization

### Factor 6. Employee motivation

This factor indicates that employees involved in innovation projects are recognized and the organization is result oriented rather than technique oriented

### Factor 7. Leader support

The above factor indicates that availability of funds/budget is not a major constraint for innovations.

The method of Bayesian statistics is used as the posterior analysis uncovers hunches or suspicions that cannot be systematically included in the classical approach. This is useful as there is no prior information available. As seen in the table it provides 95% credible interval and not a point estimate at 95% confidence interval. Credible intervals capture our current uncertainty in the location of the parameter values and thus can be interpreted as probabilistic statement about the parameter.

The significance of the extracted factors is tested using Bayesian extension commands, as there is no prior information available about the data. It can be observed that the calculated significance at .000 shows that the area of innovation (Dependent Variable) is impacted by the factors pertaining to leadership practice. The source of innovation has a considerable impact on the innovation agenda as the calculated p value at 0.000 is significant. Instead of a confidence interval, the tables5& 6. show 95% credible interval that implies that the difference in means for Factor 1 Intellectual stimulation is between -0.160 and 0117 and so on. The posterior distribution shows that the variance for different sources of innovation viz. customers/clients, competition and internal (inside the organization) is not very dispersed around the mean.

Table 5:	ANOVA <sup>a,b</sup>
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Source	Sum of Squares	df	Mean Square	F	Sig.
Regression	26.354	10	2.635	3.877	.000
Residual	94.479	139	.680		
Total	120.833	149			

- a. Dependent Variable: Area of innovation
- b. Model: (Intercept), Source of Innovation, REGR factor score 1, REGR factor score, REGR factor score 3, REGR factor score 4, REGR factor score 5, REGR factor score 6, REGR factor score 7

Table 6. Bayesian Estimates of Coefficients<sup>a,b,c</sup>

Parameter		Posterior	95% Credible Interval		
	Mode	Mean	Variance	Lower Bound	Upper Bound
(Intercept)	2.287	2.287	.273	1.262	3.312
Source of Innovation = Within the organisation	.695	.695	.365	491	1.880
Source of Innovation =	.743	.743	.281	298	1.784

Customers/Clents					
Source of Innovation = Competition	.929	.929	.305	156	2.013
REGR factor score 1	022	022	.005	160	.117
REGR factor score 2	.194	.194	.005	.054	.333
REGR factor score 3	.142	.142	.005	.005	.278
REGR factor score 4	.128	.128	.005	008	.264
REGR factor score 5	188	188	.005	323	052
REGR factor score 6	216	216	.005	352	081
REGR factor score 7	.053	.053	.005	083	.189

- a. Dependent Variable: Area of innovation
- b. Model: (Intercept), Source of Innovation, REGR factor score 1, REGR factor score 2, REGR factor score 3, REGR factor score 4, REGR factor score 5, REGR factor score 6, REGR factor score 7
- c. Assume standard reference priors.

Table 7:Bayesian Estimates of Error Variance<sup>a</sup>

Parameter	Posterior			95% Credible Interval		
	Mode	Mean	Variance	Lower Bound	Upper Bound	
Error variance	.670	.690	.007	.544	.873	

a. Assume standard reference priors.

Table 8:Bayesian Regression

F	df1	df2	Sig.	
4.946	7	139	.000	

- a. Design: REGR factor score 7 + REGR factor score 6 + REGR factor score 5 + REGR factor score 4 + REGR factor score 3 + REGR factor score 2 + REGR factor score 1
  - ${\rm H_{ol}}$ : There is no relationship between functional areas of innovation and the source of ideation The calculated significance at .000 shows that the null hypothesis is rejected. This implies that employees think that a certain domain area (for innovation) is related with the source of innovation, often external to the organization. It is important to ensure that implementation of innovation agenda is shaped by the leadership and not the source from where the idea emerged. Ideation is abstract and piloting the ideation is a complex and risk-prone.

Source of Innovation Within the Customers/ Compe-**Total** organi-Clents tition sation Area of innovation Sales & Count 1 Vendors 3 10 Marketing Prodn & 2 22 27 Operns. Count 3 IT 2 Count 56 4 62 Count 2 Res. & Dev. 37 11 50 Others Count 1 0 0 1 9 Total Count 121 17 150

Table 9:Area of innovation \* Source of Innovation Category Tabulation

### Test of Independence<sup>a</sup>

	Value	df	Asym- ptotic Sig. (2- sided)
Bayes Factor	353.789 <sup>b</sup>		
Pearson Chi-			
Square	38.417°	12	.000

### Conclusion and future implication

It can be concluded that the empirical investigation provided an insight about how leadership practice can impede innovation agenda in an IT organization. The management and leadership can bring about a change in the IT organizations by bringing more accountability and ownership to put ideas into action. Still this area of research is relatively new and it needs to be explored and investigated in future. The empirical analysis indentified some factors which lead to the gaps in leadership. Posterior analysis revealed that the source of innovation/ideation can have far reaching impact on how employees in an IT organization view the leadership practice.

The sample size is limited and data have been collected from Noida region; therefore it cannot be generalized to a larger population. However it provides direction for future research pertaining to how these gaps in leadership can be reduced for overall growth.

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# An Exploratory Study of Travel Related Decisions of Foreign and Domestic Tourists Visiting Himachal Pradesh

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### (Abstract)

Tourism is one of the new and growing sectors of Service Industry in which there are so many factors which are associated with it for its further growth. Among those factors one of the major factors without which the existence of tourism cannot be thought of, is 'Tourist' or consumer. The ups and downs in the industry depend mainly on consumer, who is also known as "the king" in any business. So, study of consumer behavior in tourism projects the growth, trend and future of tourism industry. A process of buying starts in the minds of the consumer, which leads to the finding of alternatives between products that can be acquired with their relative advantages and disadvantages. This leads to internal and external research. Then follows a process of decision-making for purchase and using the goods, and then the post-purchase behavior which is also very important, because it gives a clue to the marketers whether his product has been a success or not. In the study of tourist behavior, decision making is one of the important elements in it. And to understand tourist decision-making process, the context must be considered. The context refers to the external variables affecting what and how the tourist thinks, feels, learns, and behaves. A basic distinction between, environmental or situational influences and, social and cultural influences is made before discussing the dimensions a group adds to the decision-making process. In the present research paper decision making of both domestic and foreign tourists who visited Himachal Pradesh as tourist destination are taken into consideration and found some inferences.

Key Words: Tourist Behavior, Decision Making,

### Introduction

Tourism is a phenomenon in which people use to travel from one place to another. Before going to trip some decisions related to travel has to be taken by the tourist internally, like choice of the destination or choice of services used at the destination. The major reasons for deciding to take a trip and choosing a destination are social influences of family, relatives and friends. Family is a major reference group since it is the source of most of our norms. Also, the family as a decision-making-unit (DMU) where the important decisions of life, including consumption choices, are discussed. As far as vacation is concerned, parties of friends or special interest groups also represent relevant DMUs. The level of communication, mode of decision making and

result of confrontation are important determinants of group decision processes. The purchase of vacation as a product includes evaluation and decision making about the sub components of the whole vacation, like mode of travel, accommodation etc.

Promotion by the marketers also influences the decision of the tourists. When efforts are directed toward joint-decision-making families, promotion should appeal both spouses and be aimed at spouses of about same age. Joint-decision-making families participate in many leisure activities. Consequently, advertisements should incorporate families engaging in such activities as visiting friends and relatives, camping, hiking and visiting national parks and monuments.

Vacation taking is a complex decision making

process. Travelling for tourism includes a number of decision components, the finalizing of which ultimately leads to actual implementation of the main decision to undertake travel for tourism. The 'where', 'when', 'why', 'how' to go and 'who' to go with, are the broader elements of the final decision that encompass the following sub decisions:

- Choice of destination
- Choice of transport
- Choice of accommodation
- Duration of vacation
- Budget of vacation
- Activities to be undertaken while on vacation

Hyde (2003), classifies the vacation decision as 'Pretrip' and 'On vacation' decisions. He suggests that Pre-trip decision making is deliberate, purposeful, and reasoned. Pretrip decisions are carefully taken after due consideration of all factors. On-vacation (during trip) decision making, on the other hand, can be light hearted, free spirited, hedonistic and subject to spontaneity. In the present paper the data of 200 foreign and 200 domestic tourists are taken into consideration who visited Himachal Pradesh and the questionnaire are filled during the period of one year (peak and lean season).

### 1.1 Nature of Pre-Travel Information Search

Once a tourist recognizes a need, relevant information from long – term memory is used to determine if satisfactory alternatives exist. This is called internal information search, which is nothing more than retrieving decision – relevant information stored in an individual's long – term memory. The internal information may have been actively acquired at one time from past information searches or passively through low – involvement learning, where tourists are repeatedly exposed to marketing stimuli. In addition, prior experience with the destination or service provides a consumer with a wealth of information that is not available to first time visitors.

When internal search prove inadequate to make a purchase decision, then the search process focuses on acquiring information from external sources. This is called external information search. Sources of external information available to consumers have generally been organized into four basic categories. They commonly appear in the literature as 1) personal (advice from friends and relatives), 2) marketer – dominated (brochures, advertisements in print and electronic media), 3) neutral (travel clubs, travel guides, travel agents) and 4) experiential sources (inspections, pre-purchase visits, or store contacts) (Beatty and Smith, 1987; Assails, 1987; Hawkins, Best and Coney, 1995). Many consider the Internet as a fifth uniquely interactive source of external information, while others would assign homepages to marketer – dominated or neutral sources depending upon their purpose or content.

### Influence of Family and Friends

Tourists today are autonomous – both by choice and necessity. They have become more insular with a closely knit sphere of influence, and this is affecting how they arrive at and make purchase decisions, including the selection of lodging accommodations. Family and friends are essentially tied with traditional media as the places they go for ideas and inspiration when making travel plans. Family and friends also reign as the trusted source for insights and advice, followed by professional guidebooks.Not surprisingly, the Internet dominates as consumers move closer to making a purchase decision. Hence, different information sources exert varying degrees of influence along the journey from inspiration to reservation, and marketing efforts should be aligned accordingly.

### Influence of Social Media

In this day and age, social media is very much a part of consumers' lives, as they are using social media platforms for sharing content, interacting with other consumers, and praising or complaining about brands and experiences. As a result of all of the content that is being shared, social media analytics are only just beginning to understand the importance that social media influence can have.

According to new research (http://www.prweekus.com/consumers-turn-to-social-for-travel-decisions-text-100/article/270332/), social media also is very influential to consumer travel decisions as well, which serves as a lesson to marketers and travel communications

professionals that social media can be a very beneficial outlet to promote travel packages, locations, and especially promotions. Overall the survey found that consumers are making travel decisions by simultaneously assessing information from an unprecedented variety of channels both digital and non-digital. Because of this, travel operators and communications professionals alike must increasingly integrate their efforts across platforms, focusing more on actual purchasing behaviors and motivations than sales and promotions have done in the past.

### 1.2 Travel Decision to Visit HP

In present research, sample size of 200 domestic and 200 foreign tourists are taken and the influence of Family, Friend, and Travel Agents (Professional) are studied for the decision to visit Himachal Pradesh. Self-decision or other is taken as "any other" among above variables. Table 1.1 shows the responses of total no. of tourists as well as domestic and foreign tourists separately, in which they respond by whom they got influenced to visit Himachal Pradesh. Out of total 400 tourists, 44 (11%) are influenced by their families, which further divides into domestic and foreign tourist. Among domestic 41 (20.5%) and among foreign tourists only 3 (15%) are influenced by family to visit Himachal Pradesh. 39 (19.5%) domestic, 33 (16.5%) foreign and total 72 (18%) tourists are influenced by friends for visit to Himachal Pradesh. 24 (12%) domestic, 61 (30.5%) foreign and total 85 (21.3%) of tourists are influenced by Travel agent or any other industry professionals whereas 96 (48%) domestic, 103 (51.3%) foreign and total 199 (49.8%) tourists are self-motivated to visit Himachal Pradesh.

Table 1.1 No. of Foreign and Domestic tourists for different factors those influenced the decision of tourists to visit Himachal Pradesh

Influenced By	Domestic	Foreign	Total
Family	41	(20.5%)	3
	(1.5%)	44	(11%)
Friends	39	(19.5%)	33
	(16.5%)	72	(18%)
Travel			
Agent (Prof.)	24	(12.0%)	61
	(30.5%)	85	(21.3%)

Self / Any Other	96	(48.0%)	103
	(51.5%)	199	(49.8)
Total	200	(100%)	200
	(100%)	400	(100%)

The above table infers that among family and friends, ratio of domestic and foreign tourist is nearly same in case of friends, but in case of family, difference is quite large. Foreigners are less influenced by their families to visit Himachal Pradesh. One of the reasons may be lack of knowledge about Himachal in their family. More no. of foreign tourists are influenced by Travel agents or industry professional than domestic tourists, whereas ratio of self-influenced tourists are nearly same in both the cases.

Table 1.2 analyzes responses given by the tourists pertaining advance planning of the visit done by the tourist. The intervals which are taken into consideration for the present study is less than 1 month, between 1 - 3 months, between 3 - 6 months and more than 6 months. Out of total 400 tourists, 201 (50.3%) plan their trip within less than 1 month, the share of domestic tourists in it is 176 (88%) and of foreign tourist is 25 (12.5%). 23 (5.8%) domestic and 61 (30.5%) foreign and total 84 (21%) tourists take advance time between 1 – 3 months to plan their trip. No domestic tourist take advance time between 3 - 6 months to plan their holiday, whereas 89 (44.5%) foreign tourist take advance time between 3 - 6 months for planning their trip. Lastly only 1 domestic and 25 (12.5%) foreign tourists plan their trip more than 6 months in advance to visit Himachal Pradesh.

Table 1.2: No. of Foreign and Domestic tourists took different span of time planning their visit in advance

Advance Planning	Domestic	Foreign	Total
Less than	176	(88%)	25
1 month	(12.5%)	201	(50.3%)
Between	23	(5.8%)	61
1-3 months	(30.5%)	84	(21.0%)
Between 3-6	0	(0.0%)	89
months	(44.5%)	89	(22.3%)

More than	1	(0.3%)	25
6 months	(12.5%)	26	(6.5%)
Total	200	(100%)	200
	(100%)	400	(100%)

The above table infers that domestic tourists take lesser time to plan their trip whereas foreign tourists plan their trip more advance than domestic tourists. Table 1.3 deals with Mann Whitney U test for influence for the decision to visit Himachal Pradesh between foreign and domestic tourists, whose value of p came out significant at 99% level of significance, which states that there is a significant difference between foreign and domestic tourist over the responses given for the influence for the decision to visit Himachal Pradesh. Hence the null hypothesis is rejected.

Table 1.3: Difference between Domestic and Foreign tourists over advance time taken for planning trip and over influence of various factors for decision of the trip

	Tourist	N	Mean	Sum of	Mann-	p-value
			Rank	Ranks	Whitney U	
Advance Time	Domestic	200	282.18	56436.00	3664.0	.000**
	Foreign	200	118.82	23764.00		
Influences for	Domestic	200	183.87	36774.00	16674.0	.002**
Decision to	Foreign	200	217.13	43426.00		
visit HP						
	Total	400				

Same test is applied for advance time taken to plan the trip both by domestic and foreign tourist, where the value of p came out significant at 99% level of significance. Hence, it states that there is a significant difference between advance time taken for planning the trip both by domestic as well as foreign tourist. Hence the null hypothesis is rejected.

# 1.2.1 Association of Influence for Travel between Gender, Age and Marital status of Domestic tourists

Table 1.4 shows that there is an association between the gender and the factors which influence the domestic tourists to visit Himachal Pradesh, as the value of p in the chi –square test

is significant on 99% level of significance, which rejects the null hypothesis. Also it states that out of 200 domestic respondents, among 131 male domestic tourists, only 14 (10.7%) are influenced by family, 27 (20.6%) by friends, 21 (16%) by Travel Agents and 69 (52.7%) are self-influenced or influenced by some other mode of information to visit Himachal Pradesh. Whereas among 69 female domestic respondents, 27 (39.1%) are influenced by family, 12 (17.4%) by friends, 3 (4.3%) by Travel agents and 27 (39.1%) are selfinfluenced to travel to Himachal Pradesh. This infers that male domestic tourists are mostly selfinfluenced, whereas female domestic tourists are mainly influenced by the family to visit tourist places.

Table 1.4:Association between Influence of various factors for travel decision to visit HP with gender, age and marital status ofDomestic tourists.

			Influence for Travel Decision to visit HP							
		Family	Friends	Travel Agents	Self / Other	Total	Pearson Chi-Square	p- value		
Gender	Male	14	27	21	69	131	24.943	.000**		
		10.7%	20.6%	16.0%	52.7%	100.0%				
	Female	27	12	3	27	69				

		39.1%	17.4%	4.3%	39.1%	100.0%		
Age Group								
(in years)	<20	0	0	0	1	1	9.480	.394 <sub>ns</sub>
		.0%	.0%	.0%	100.0%	100.0%		
	21 - 35	32	37	18	73	160		
		20.0%	23.1%	11.3%	45.6%	100.0%		
	36 - 50	9	2	5	20	36		
		25.0%	5.6%	13.9%	55.6%	100.0%		
	>50	0	0	1	2	3		
		.0%	.0%	33.3%	66.7%	100.0%		
Marital								
Status	Married	7	26	5	33	71	24.932	.000**
		9.9%	36.6%	7.0%	46.5%	100.0%		
	Unmarried	34	13	19	63	129		
		26.4%	10.1%	14.7%	48.8%	100.0%		

In case of age group of the respondents, the value of p in chi-square test for the table 7.4 does not come out significant and accepts null hypothesis, which states that there is no significant association between the age group of the respondents and the factors which influence the domestic tourists to visit Himachal Pradesh. Maximum respondents (160) are from age group between 21 - 35 years. Among these 32 (20%) areinfluenced by family, 37 (23%) from friends, 18 (11.3%) from travel agents and 73 (45.6%) are self-influenced. In the age group of 36 – 50 years. Out of total 36 tourists who respond in this category, 9 (25%) respond for family, 2 influenced by friends, 5 by travel agents and 20 (55.6%) are self-influenced. Only 1 teenager and 2 above 50 years also respond for self-influenced with 1 above 50 years of age influenced by travel agent. The chi-square test between marital status and factors which influence the decision of visit of Himachal Pradesh shows the association or states that both are inter-dependent as value of p comes out significant on 99% level of significance, which rejects the null hypothesis. Among 129 unmarried and 71 married domestic tourists, the number of self-influenced tourist is more than other factors. Among unmarried tourists, 34 (26.4%) tourists are influenced by family, 13 (10.1%) by friends, 19 (14.7%) from travel agents and 63 (48.8%) are self - influenced. Among married domestic

tourists, 7 (9.9%) are influenced by family, 26 (36.6%) by friends, 5 by travel agent and 33 (46.6%) are self – influenced to travel to Himachal Pradesh. From the above table it is clear that domestic tourists are least influenced by travel agents and mostly self – influenced to take domestic trip.

# 1.2.2 Association of Influence for Travel between Gender, Age and Marital status of foreign tourists

Table 1.5 shows that the association between the gender and the factors which influence the foreign tourists to visit Himachal Pradesh is not significant, as the value of chi - square comes out insignificant, which accepts the null hypothesis. Also it states that out of 200 foreign respondents, among 109 male foreign tourists, only 1 (0.9%) is influenced by family, 18 (16.5%) by friends, 35 (32.1%) by Travel Agents and 55 (50.5%) are self-influenced or influenced by some other mode of information to visit Himachal Pradesh. Whereas among 91 female foreign respondents, 2 (2.2%) are influenced by family, 15 (16.5%) by friends, 26 (28.6%) by Travel agents and 48 (52.7%) are self-influenced to travel to Himachal Pradesh. Table 7.5 infers that the ratio of male and female respondents in foreign category for all the factors comes out almost same. Most of the foreign male and female respondents are self - influenced and then influenced by travel agents.

In case of age group of the respondents, the value of p in chi-square test for the table 1.5came out significant which rejects null hypothesis, which states that there is an association between the age group of the respondents and the factors which influence the foreign tourists to visit Himachal Pradesh. Maximum respondents (90) are from age group between 21 – 35 years. Among these only 1 is influenced by family, 16 (17.8%) are influenced by friends, 30 (33.3%) from travel agents and 43 (47.8%) are self-influenced. In the

age group of 36 – 50 years, out of total 76 tourists who respond in this category, 1responds for family, 14 (18.4%) are influenced by friends, 27 (35.5%) by travel agents and 34 (44.7%) are self-influenced. Only 1 teenager from family and 1 from travel agent is influenced for travel to Himachal Pradesh. Among the age group of above 50 years out of total 32 respondents, 3 (9.4%) are influenced by friends and family respectively, whereas 26 (81.3%) are self-influenced to visit Himachal Pradesh. No one in this category get motivated from family.

1.5: Association between Influence of various factors for travel decision to visit HP with gender, age and marital status of Foreign tourists.

					Influence for	Travel Decis	sion to visit H	P
		Family	Friends	Travel Agents	Self / Other	Total	Pearson Chi-Square	p- value
Gender	Male	1	18	35	55	109	.796	.850 <sub>ns</sub>
		.9%	16.5%	32.1%	50.5%	100.0%		
	Female	2	15	26	48	91		
		2.2%	16.5%	28.6%	52.7%	100.0%		
Age								
Group								
(in years)	<20	1	0	1	0	2	46.769	.000**
		50.0%	.0%	50.0%	.0%	100.0%		
	21 - 35	1	16	30	43	90		
		1.1%	17.8%	33.3%	47.8%	100.0%		
	36 - 50	1	14	27	34	76		
		1.3%	18.4%	35.5%	44.7%	100.0%		
	>50	0	3	3	26	32		
		.0%	9.4%	9.4%	81.3%	100.0%		
Marital								
Status	Married	2	14	25	41	82	.905	.824 <sub>ns</sub>
		2.4%	17.1%	30.5%	50.0%	100.0%		
	Unmarried	1	19	36	62	118		
		.8%	16.1%	30.5%	52.5%	100.0%		

The chi-square test between marital status and factors which influence the decision of visit of Himachal Pradesh shows that there is no association between marital status and factors which influence the decision of visit as value of p comes out is not significant, hence, accepting

null hypothesis. Among 118 unmarried and 82 married foreign tourists, the number of self-influenced tourist is more than other factors. Among unmarried tourists, only 1 touristis influenced by family, 19 (16.1%) by friends, 36 (30.5%) from travel agents and 62 (52.5%) are self

- influenced. Among married foreign tourists, 2 (2.4%) are influenced by family, 14(17.1%) by friends, 25 (30.5%) by travel agents and 41 (50%) are self - influenced to travel to Himachal Pradesh. From the above table it is clear that foreign tourists are least influenced by family and are mostly self - influenced as well as influenced by travel agents to visit Himachal Pradesh.

### 1.3 Post and Pre Decision of Arrangements

The decision of arrangements on accommodation, transportation, sightseeing and attraction and participation in other activities by the tourists has been studied under the present research. Both domestic and foreign tourists are asked whether the arrangements of the above services are predecided or they decide after reaching Himachal Pradesh. Table 1.6 shows the frequency and percentage of both foreign and domestic tourist for their pre-decision and post decision for all the upper-mentioned arrangements. And table 1.7 shows the difference between foreign and domestic tourist over each type of arrangement. From table 1.6 it is clear that as far accommodation is concerned out of 200 foreign and domestic tourists each, 104 (52%) domestic and 199 (99.5%) foreign tourist decide where to stay in Himachal Pradesh before their visit, whereas 96 (48%) domestic and only 1 foreign tourist decides about

accommodation after reaching Himachal Pradesh. Table 1.7 shows the Mann Whitney U test between foreign and domestic tourists over pre-decision or post-decision for the arrangements of accommodation in Himachal Pradesh. The value of p comes out significant at 99% level of significance, which rejects null hypothesis and shows that there is a difference between foreign and domestic tourists over decision on arrangements of accommodation in Himachal Pradesh.

As far as arrangement of transportation is concerned, out of 200 foreign and domestic tourists each. 186 (96.8%) domestic and 179 (84.5%) foreign tourists pre-decided for the arrangement of transportation. Whereas 14 (7%) domestic and 21 (10.5%) foreign tourists decide about the arrangements of transportation, after reaching Himachal Pradesh. Table 1.7 shows that there is no significant difference between domestic and foreign tourist over the pre-decision or postdecision for arrangement of transportation. The value of p of Mann Whitney U test comes out insignificant, hence accepting null hypothesis, which states that there is no significant difference between foreign and domestic tourist over predecision or post-decision for the arrangement of transportation.

1.6: Pre decision and post decision of tourists regarding the arrangement of the services at the destination

		Domestic			Foreign			Total		
	Pre- decision	Post- decision	Total	Pre- decision		Total	Pre- decision	Post- decision	Total	
Accommodation	104	96	200	199	1	200	303	97	400	
	52%	48%	100%	99.5%	0.5%	100%	75.8%	24.2%	100%	
Transport	186	14	200	179	21	200	365	35	400	
	93%	7%	100%	84.5%	10.5%	100%	91.2%	8.8%	100%	
Sightseeing attractions	56	144	200	129	71	200	185	215	400	
	28%	72%	100%	64.5%	35.5%	100%	46.2%	53.8%	100%	
Participation in										
other Activities	60	140	200	131	69	200	191	209	400	
	30%	70%	100%	65.5%	34.5%	100%	47.8%	52.2%	100%	

For arrangements of sight - seeing and attractions, out of 200 foreign and domestic tourists each, 56 (28%) domestic and 129 (64.5%) foreign tourists pre-decided the arrangements for sight-seeing and attraction. Whereas 144 (72%) domestic and 71 (35.5%) foreign tourists decide after reaching Himachal Pradesh about arrangements of sightseeing and attractions. Table 7.7 shows that there is a significant difference between domestic and foreign tourist over pre-decision and post-decision for the arrangements of sight-seeing and attraction as the value of p in Mann Whitney U test comes out significant at 99% level of significance and rejects the null hypothesis, which states that there is no significant difference between both type of tourists over decision about sight-seeing.

Lastly for the participation in activities, out of 200 foreign and domestic tourists each, 60 (30%) domestic and 131 (65.5%) foreign tourists predecided for arrangements of activities they want to participate in Himachal Pradesh, whereas 140 (70%) domestic and 69 (34.5%) foreign tourists decided about arrangement of activities they want to participate in Himachal Pradesh. Table 7.7 shows there is a significant difference between domestic as well as foreign tourist over predecision or post-decision for the arrangements of activities they want to participate in Himachal Pradesh, as the value of p for Mann Whitney U test comes out significant at 99% level of significance and rejects null hypothesis.

Table 1.7: Difference between Foreign and Domestic Tourists on pre and post decision regarding the arrangement of the services at the destination

	Tourist	N	Mean	Sum of	Mann-	p-value
			Rank	Ranks	Whitney U	
Accommodation	Domestic	200	248.00	49600.00	10500.0	.000**
Arrangements	Foreign	200	153.00	30600.00		
Transport	Domestic	200	197.00	39400.00	19300.0	.216ns
Arrangements	Foreign	200	204.00	40800.00		
Attraction	Domestic	200	237.00	47400.00	12700.0	.000**
Arrangements	Foreign	200	164.00	32800.00		
Activity	Domestic	200	236.00	47200.00	12900.0	.000**
Arrangements	Foreign	200	165.00	33000.00		
	Total	400				
1	1	1		I	1	

The above two tables infer that in arrangement of all type of services viz. accommodation, transportation, sight-seeing and attraction, and activity participation, most of the foreign tourists decide before reaching Himachal Pradesh about their arrangements. Whereas among domestic tourists, except transportation most of them decide about the arrangement of accommodation, sight-seeing & attraction and activities after reaching Himachal Pradesh.

# Association between duration of Stay and Pre and Post Decision of arrangements

Table 7.8shows the association of pre and post decision of arrangement of services at the destination and duration of stay of the tourist at

destination. The value of chi-square for all four services and duration of the stay comes significant and its value for p comes significant at 99% level of significance for decisions of arrangement for accommodation, sight-seeing & attraction and participation in activities, and for transportation the value is significant at 95% level of significance, so the null hypothesis is rejected which states that there is no significant association between the above variables.

Table also shows, most of the tourists out of total 400 foreign and domestic tourists, stay for the duration between 1 – 2 weeks, then less than 1 week and least for more than 2 weeks. In case of accommodation among those who had predecided for the arrangement of accommodation

40 (13.2%) stay for less than 1 week, 206 (68%) stay between 1 – 2 weeks, and 57 (18.8%) stay for more than 2 weeks. Whereas among those tourists who decide for the arrangements for the

accommodation after reaching Himachal Pradesh, 47 (48.5%) stay for less than 1 week, 46 (47.4%) stay between 1-2 weeks, 4 (4.1%) stayed for more than 2 weeks.

Table 1.8: Association between duration of Stay tourists and their Pre and Post Decisionfor arrangements of services

		Less than a week	1-2 weeks	More than 2	Total	Pearson Chi-	p- value
				weeks		Square	
Accomodation	Pre - decision	40	206	57	303	57.310	.000**
		13.2%	68.0%	18.8%	100.0%		
	Post - decision	47	46	4	97		
		48.5%	47.4%	4.1%	100.0%		
Trans-portaion	Pre - decision	83	231	51	365	6.397	.041*
		22.7%	63.3%	14.0%	100.0%		
	Post - decision	4	21	10	35		
		11.4%	60.0%	28.6%	100.0%		
Attract-ions	Pre - decision	19	137	29	185	27.571	.000**
		10.3%	74.1%	15.7%	100.0%		
	Post - decision	68	115	32	215		
		31.6%	53.5%	14.9%	100.0%		
Activities	Pre - decision	19	141	31	191	30.437	.000**
		9.9%	73.8%	16.2%	100.0%		
	Post - decision	68	111	30	209		
		32.5%	53.1%	14.4%	100.0%		

In case of transportation, among those who are pre-decided for the arrangement of transportation, 83 (22.7%) stay for less than 1 week, 231 (63.3%) stay between 1 – 2 weeks, and 51 (14%) stay for more than 2 weeks. Whereas among those tourists who decide for the arrangements for the transportation after reaching Himachal Pradesh, 4 (11.4%) stay for less than 1 week, 21 (60%) stay between 1 – 2 weeks, 10 (28.6%) stay for more than 2 weeks.

In case of sight-seeing and attraction, among those who are pre-decided for the arrangements for sight-seeing and attractions 19 (10.3%) stay for less than 1 week, 137 (74.11%) stay between 1 – 2 weeks, and 29 (15.7%) stay for more than 2 weeks. Whereas among those tourists who decide for the arrangements for sight-seeing and attraction after reaching Himachal Pradesh, 68

(31.6%) stay for less than 1 week, 115 (53.5%) stay between 1 – 2 weeks, 32 (14.9%) stay for more than 2 weeks. In case of other activities, among those who are pre-decided for the arrangement of other activities 19 (9.9%) stay for less than 1 week, 141 (73.8%) stay between 1 – 2 weeks, and 31 (16.2%) stay for more than 2 weeks. Whereas among those tourists who decide for the arrangements for the other activities after reaching Himachal Pradesh, 68 (32.5%) stay for less than 1 week, 111 (53.1%) stay between 1 – 2 weeks, 30 (14.4%) stay for more than 2 weeks.

The above table infers that tourists who stay for more than 1 week, most of them are pre-decided for the arrangement of accommodation and transportation. While for attractions and other activities the ratio pre-decided and post-decided decisions are almost same. In case of tourists who stay for the duration of less than 1 week, for accommodation and transportation the ratio of pre-decided tourist is more where as in case of attractions and activities ratio of post decided tourist is higher than former.

### 1.4 Arrangement of the Services

At any destination main services required by the tourists are accommodation, transportation, attraction, sight-seeing and other services. For all these services, arrangements are being done by the tourist of by the suggestion of some other source/agency. Table 7.9 shows the arrangement of the above mentioned services at Himachal Pradesh and source / agency who suggested for that particular service to the tourist. Also table 7.9 suggests that there is a significant difference between the domestic and foreign tourists over the suggestions taken for arrangements of each service at Himachal Pradesh. The value of p for the chi-square test in all the cases comes out Significant at 99% level of significance. Hence, the null hypothesis is rejected, which states that there is no significant difference between domestic and foreign tourist over the suggestions taken from various sources for the arrangement of various services at Himachal Pradesh.

For accommodation, in case of domestic tourist, out of total 200 respondents 80 (40%) have arranged accommodation by themselves, 41 (20.5%) arranged with friend's suggestion, 70

(35%) with consultation of Travel agent and 9 (4.5%) with the suggestion of any other person or source. Whereas in case of foreign tourist, 13 (6.5%) have arranged accommodation by themselves, 23 (11.5%) arranged with friend's suggestion and 162 (81%) arranged with the consultation of travel agent and only 2 (1%) arranged with the suggestion of some other source. For transportation, in case of domestic tourist, out of total 200 respondents 101 (50.5%) have arranged transportation by themselves, 32 (16%) arranged with friend's suggestion, 59 (29.5%) with consultation of Travel agent and 8 (4%) with the suggestion of any other person or source. Whereas in case of foreign tourist, 16 (8%) have arranged transportation by themselves, 25 (12.5%) arranged with friend's suggestion and 157 (78.5%) arranged with the consultation of travel agent and only 2 (1%) arranged with the suggestion of some other source. For attractions, in case of domestic tourist, out of total 200 respondents 143 (71.5%) have arranged for attractions by themselves, 35 (17.5%) arranged with friend's suggestion, 15 (7.5%) with consultation of Travel agent and 7 (3.5%) with the suggestion of any other person or source. Whereas in case of foreign tourist, 51 (25.5%) arranged for attractions by themselves, 54 (27%) arranged with friend's suggestion and 93 (46.5%) arranged with the consultation of travel agent and only 2(1%) arranged with the suggestion of some other source.

Table 1.9: Suggestions taken by tourists from different sources for the arrangement of the services at the destination

		Self-	Friend's	Travel	Any	Total	Pearson	p-
		Arranged	sugges-	consul	other's		Chi-	value
			tion	tant's	sugges-		Sqsuare	
				sugges-	tion			
				tion				
Arrangement of								
Accommodation	Domestic	80	41	70	9	200	94.269	.000**
		40.0%	20.5%	35.0%	4.5%	100.0%		
	Foreign	13	23	162	2	200		
		6.5%	11.5%	81.0%	1.0%	100.0%		
Arrangement of								
Transportation	Domestic	101	32	59	8	200	110.72	.000**
								1

		50.5%	16.0%	29.5%	4.0%	100.0%		
	Foreign	16	25	157	2	200		
		8.0%	12.5%	78.5%	1.0%	100.0%		
Arrangement of								
Attractions	Domestic	143	35	15	7	200	106.82	.000**
		71.5%	17.5%	7.5%	3.5%	100.0%		
	Foreign	51	54	93	2	200		
		25.5%	27.0%	46.5%	1.0%	100.0%		
Arrangement of								
Sight Seeing	Domestic	150	30	10	10	200	85.299	.000**
		75.0%	15.0%	5.0%	5.0%	100.0%		
	Foreign	75	46	77	2	200		
		37.5%	23.0%	38.5%	1.0%	100.0%		
Arrangement of								
Other Services	Domestic	159	20	11	10	200	71.075	.000**
		79.5%	10.0%	5.5%	5.0%	100.0%		
	Foreign	91	39	68	2	200		
		45.5%	19.5%	34.0%	1.0%	100.0%		

For transportation, in case of domestic tourist, out of total 200 respondents 150 (75%) arranged for sight-seeing by themselves, 30 (15%) arranged with friend's suggestion, 10 (5%) with consultation of Travel agent and 10 (5%) with the suggestion of any other person or source. Whereas in case of foreign tourist, 75 (37.5%) arranged for sightseeing by themselves, 46 (23%) arranged with friend's suggestion and 77 (38.5%) arranged with the consultation of travel agent and only 2 (1%) arranged with the suggestion of some other source. For other services, in case of domestic tourist, out of total 200 respondents 159 (79.5%) arranged for other services by themselves, 20 (10%) arranged with friend's suggestion, 11 (5.5%) with consultation of Travel agent and 10 (5%) with the suggestion of any other person or source. Whereas in case of foreign tourist, 91 (45.5%) have arranged for other services by themselves, 39 (19.5%) arranged with friend's suggestion and 68 (34%) arranged with the consultation of travel agent and only 2 (1%) arranged with the suggestion of some other source.

The above table also infers that in case of domestic tourists, for the arrangement of accommodation and transportation, they take the suggestion of travel consultant as well as friends with some significant figures along with maximum responses of self-arrangement. Whereas responses for arrangement for attraction, sight-seeing and other services the suggestions of friends, travel agents and any other source is very less and most of the domestic tourist arrange for these services by their own. In case of foreign tourists, for arrangement of accommodation and transportation maximum no. of foreign tourists have consulted from travel agents. Whereas for sight-seeing, attraction as well as for other services beside travel agents the suggestions from the friend, foreign tourist also respond considerably for self-arrangements.

1.4.1 Association between service arrangements and age, gender and marital status of the tourists Responses of the tourists for the different service arrangements may vary according to their age group, gender as well as marital status. The association between them can be verified with the help of Chi-square test.

# 1.4.2Association in accommodation arrangements

Table 7.10 shows the association between the responses of tourists for arrangement for the accommodation and their gender, age-group and marital status. The chi-square test between arrangement for accommodation and gender of the tourist comes out significant as the p value comes out significant at 99% level of significance. Hence, rejecting null hypothesis, which means there is an association between the gender of tourists and responses for arrangement for

accommodation. Among males, 67 (27.9%) have arranged accommodation by themselves, 30 (12.5%) arranged with the suggestion of friends, 143 (59.6%) with the consultation of travel agents and nobody sought suggestion from any other source. Whereas in case of female respondents 26 (16.3%) have preferred self-arranged accommodation, 34 (21.3%) arranged with the friend's suggestion, 89 (55.6%) arranged with the suggestion of travel agent and 11 (6.9%) arranged with the suggestion of some other source.

Table 1.10: Association between accommodation arrangements and age, gender and marital status of tourists

			A	Arrangeme	ents for A	ccommo	dation	
		Self-	Friend's	Travel	Any	Total	Pearson	p-
		Arran-	sugges-	consul	other's		Chi-	value
		ged	tion	tant's	sugges-		Sqsuare	
				sugges-	tion			
				tion				
Gender	Male	67	30	143	0	240	26.973	.000**
		27.9%	12.5%	59.6%	.0%	100.0%		
	Female	26	34	89	11	160		
		16.3%	21.3%	55.6%	6.9%	100.0%		
Age Group								
(in years)	<20	1	0	1	1	3	23.085	.006**
		33.3%	.0%	33.3%	33.3%	100.0%		
	21 - 35	66	47	130	7	250		
		26.4%	18.8%	52.0%	2.8%	100.0%		
	36 - 50	21	13	75	3	112		
		18.8%	11.6%	67.0%	2.7%	100.0%		
	>50	5	4	26	0	35		
		14.3%	11.4%	74.3%	.0%	100.0%		
Marital Status	Married	34	30	84	5	153	2.780	.427
		22.2%	19.6%	54.9%	3.3%	100.0%		
	Unmarried	59	34	148	6	247		
		23.9%	13.8%	59.9%	2.4%	100.0%		

The chi – square test between age-group and responses of tourists for the arrangement of accommodation comes out significant. The p value for the same is significant at 99% level of significance, which rejects the null hypothesis and

shows that there is a significant association between age-group of the tourist and responses for the arrangement of accommodation. Among the teenagers, out of 3 respondents in this category 1 has arranged accommodation by himself, 1

arranged by the consultation of travel agent and 1 by suggestion of some other source. From the age group between 21 – 35, out of 250 respondents 66 (26.4%) have arranged by themselves, 47 (18.8%), arranged with suggestion of friends, 130 (52%) arranged with the consultation of travel agent and 7 (2.8%) with suggestion from some other source. From the age-group between 36 -50 years out of 112, 21 (18.8%) have arranged by themselves, 13 (11.6%) arranged by suggestions of friends, 75 (67%) arranged with the consultation of travel agents and only 3 (2.7%) arranged by the suggestion from some other source. While from the age-group of above 50 years of age, out of 35 respondents, 5 (14.3%) have arranged accommodation by themselves, 4 (11.4%) arranged by suggestion of friends, 26 (74.3%) arranged with the consultation of travel agents and nobody took any suggestion from any other source.

The chi-square test between the marital status and responses of the tourist for the arrangement of accommodation comes out insignificant. Hence, null hypothesis is accepted, which states that there is no association between responses for the arrangement for accommodation and marital status of respondents. Among 153 married respondents 34 (22.2%) have arranged the accommodation by themselves, 30 (19.6%) arranged by friend's suggestion. 84 (54.9%) arranged with the suggestion of travel agent and only 5 arranged with the suggestion from some

other source. Among 247 unmarried respondents, 59 (23.9%) respond for arranged accommodation by themselves, 34 (13.8%) have arranged with suggestion of friends, 148 (59.9%) arranged after consulting travel agent and 6 (2.4%) arranged with suggestion of some other agency.

### 1.4.3Association in transportation arrangements

Table 7.11 shows the association between the responses of tourist for the arrangement for transportation and their gender, age-group and marital status. The chi-square test between arrangement for transportation and gender of the tourist comes out significant as the p value comes out significant at 99% level of significance. Hence, rejecting null hypothesis, which means there is an association between the gender of tourists and responses for arrangement for transportation. Among males, 80 (33.3%) have arranged transportation by themselves, 26 (10.8%) arranged with the suggestion of friends, 143 (55.8%) with the consultation of travel agents and nobody sought suggestion from any other source. Whereas in case of female respondents 37 (23.1%) have preferred self-arranged transportation, 31 (19.4%) arranged with the friend's suggestion, 82 (51.3%) arranged with the suggestion of travel agent and 10 (6.3%) arranged with the suggestion of some other source. The chi - square test between agegroup and responses of tourists for the arrangement of transportation comes out significant.

Table 1.11: Association between transportation arrangements and age, gender and marital status of tourists

			A	Arrangeme	ents for A	commod	lation	
		Self-	Friend's	Travel	Any	Total	Pearson	p-
		Arran-	sugges-	consul	other's		Chi-	value
		ged	tion	tant's	sugges-		Sqsuare	
				sugges-	tion			
				tion				
Gender	Male	80	26	134	0	240	23.709	.000**
		33.3%	10.8%	55.8%	.0%	100.0%		
	Female	37	31	82	10	160		
		23.1%	19.4%	51.3%	6.3%	100.0%		
Age Group								
(in years)	<20	0	1	1	1	3	31.491	000**

		.0%	33.3%	33.3%	33.3%	100.0%		
	21 - 35	90	36	118	6	250		
		36.0%	14.4%	47.2%	2.4%	100.0%		
	36 - 50	23	15	71	3	112		
		20.5%	13.4%	63.4%	2.7%	100.0%		
	>50	4	5	26	0	35		
		11.4%	14.3%	74.3%	.0%	100.0%		
Marital Status	Married	47	22	79	5	153	1.027	.795
		30.7%	14.4%	51.6%	3.3%	100.0%		
	Unmarried	70	35	137	5	247		
		28.3%	14.2%	55.5%	2.0%	100.0%		

The p value for the same is significant at 99% level of significance, which rejects the null hypothesis and shows that there is a significant association between age-group of the tourist and responses for the arrangement of transportation. Among the teenagers, out of 3 respondents in this category 1 has arranged transportation by suggestion of friends, 1 arranged by the consultation of travel agent and the other by suggestion of some other source. From the age group between 21 – 35, out of 250 respondents 90 (36%) have arranged by themselves, 36 (14.4%), arranged with suggestion of friends, 118 (47.2%) arranged with the consultation of travel agent and 6 (2.4%) with suggestion from some other source. From the age-group between 36 – 50 years out of 112, 23 (20.5%) have arranged by themselves, 15 (13.4%) arranged by suggestions of friends, 71 (63.4%) arranged with the consultation of travel agents and Only 3 (2.7%) arranged by the suggestion from some other source. While from the age-group of above 50 years, out of 35 respondents, 4 (11.4%) have arranged transportation by themselves, 5 (14.3%) arranged by suggestion of friends, 26 (74.3%) arranged with the consultation of travel agents and nobody took any suggestion from any other source. The chi-square test between the marital status and responses of the tourist for the arrangement of transportation comes out insignificant. Hence, null hypothesis is accepted, which states that there is no association between responses for the arrangement for transportation and marital status of respondents. Among 153 married respondents 47 (30.7%) have arranged

the transportation by themselves, 22 (14.4%) arranged by friend's suggestion. 79 (51.6%) arranged with the suggestion of travel agent and only 5 arranged with the suggestion from some other source. Among 247 unmarried respondents, 70 (28.3%) respond for arranged transportation by themselves, 35 (14.2%) have arranged with suggestion of friends, 137 (55.5%) arranged after consulting travel agent and 5 (2%) arranged with suggestion of some other agency.

# 1.4.4 Association invisit for attraction arrangements

Table 1.12 shows the association between the responses of tourist for the arrangement for attraction and their gender, age-group and marital status. The chi-square test between arrangement for attraction and gender of the tourist comes out significant as the p value comes out significant at 99% level of significance. Hence, rejecting null hypothesis, which means there is an association between the gender of tourists and responses for arrangement for attraction. Among males, 132 (55%) arranged attraction by themselves, 44 (18.3%) arranged with the suggestion of friends, 64 (26.7%) with the consultation of travel agents and nobody sought suggestion from any other source. Whereas in case of female respondents 62 (38.8%) have preferred self-arranged attraction, 45 (28.1%) arranged with the friend's suggestion, 44 (27.5%) arranged with the suggestion of travel agent and 9 (5.6%) arranged with the suggestion of some other source. The chi - square test between age-group and responses of tourists for the arrangement of attraction comes out significant.

The p value for the same is significant at 99% level of significance, which rejects the null hypothesis and shows that there is a significant

association between age-group of the tourist and responses for the arrangement of attraction.

Table 1.12: Association between arrangements for attractions and age, gender and marital status of tourists

			A	Arrangeme	ents for A	ttraction		
		Self-	Friend's	Travel	Any	Total	Pearson	p-
		Arran-	sugges-	consul	other's		Chi-	value
		ged	tion	tant's	sugges-		Sqsuare	
				sugges-	tion			
				tion				
Gender	Male	132	44	64	0	240	22.888	000**
		55.0%	18.3%	26.7%	.0%	100.0%		
	Female	62	45	44	9	160		
		38.8%	28.1%	27.5%	5.6%	100.0%		
Age Group								
(in years)	<20	1	0	1	1	3	29.458	.001
		33.3%	.0%	33.3%	33.3%	100.0%		
	21 - 35	129	49	67	5	250		
		51.6%	19.6%	26.8%	2.0%	100.0%		
	36 - 50	40	35	34	3	112		
		35.7%	31.3%	30.4%	2.7%	100.0%		
	>50	24	5	6	0	35		
		68.6%	14.3%	17.1%	.0%	100.0%		
Marital Status	Married	69	31	48	5	153	3.927	.269
		45.1%	20.3%	31.4%	3.3%	100.0%		
	Unmarried	125	58	60	4	247		
		50.6%	23.5%	24.3%	1.6%	100.0%		

Among the teenagers, out of 3 respondents in this category 1 has arranged for attractions by himself, 1 arranged by the consultation of travel agent and other by suggestion of some other source. From the age group between 21 – 35, out of 250 respondents 129 (51.6%) have arranged by themselves, 49 (19.6%), arranged with suggestion of friends, 67 (26.8%) arranged with the consultation of travel agent and 5 with suggestion from some other source. From the age-group between 36 – 50 years out of 112, 40 (35.7%) have arranged by themselves, 35 (31.3%) arranged by suggestions of friends, 34 (30.4%) arranged with the consultation of travel agents and Only

3 (2.7%) arranged by the suggestion from some other source. While from the age-group of above 50 years, out of 35 respondents, 24 (68.6%) have arranged attraction by themselves, 5 (14.3%) arranged by suggestion of friends, 6 (17.1%) arranged with the consultation of travel agents and nobody take any suggestion from any other source.

The chi-square test between the marital status and responses of the tourist for the arrangement of attraction comes out insignificant. Hence, null hypothesis is accepted, which states that there is no association between responses for the arrangement for attraction and marital status of

respondents. Among 153 married respondents 69 (45.1%) have arranged the attraction by themselves, 31 (20.3%) arranged by friend's suggestion. 40 (31.4%) arranged with the suggestion of travel agent and only 5 arranged with the suggestion from some other source. Among 247 unmarried respondents, 125 (50.6%) respond for arranged transportation by themselves, 58 (23.5%) have arranged with suggestion of friends, 60 (24.3%) arranged after consulting travel agent and 4 (1.4%) arranged with suggestion of some other agency.

### 1.4.5Association in activities arrangement

Table 1.13 shows the association between the responses of tourist for the arrangement for activities and their gender, age-group and marital

status. The chi-square test between arrangement for activities and gender of the tourist comes out significant as the p value comes out significant at 99% level of significance. Hence, rejecting null hypothesis, which means there is an association between the gender of tourists and responses for arrangement for activities. Among males, 148 (61.7%) have arranged activities by themselves, 43 (17.9%) arranged with the suggestion of friends, 49 (20.4%) with the consultation of travel agents and nobody sought suggestion from any other source. Whereas in case of female respondents 77 (48.1%) have preferred self-arranged activities, 33 (20.6%) arranged with the friend's suggestion, 38 (23.8%) arranged with the suggestion of travel agent and 12 (7.5%) arranged with the suggestion of some other source.

Table 1.13: Association between arrangements for activities and age, gender and marital status of tourists

			A	Arrangeme	ents for A	ctivities		
		Self-	Friend's	Travel	Any	Total	Pearson	p-
		Arran-	sugges-	consul	other's		Chi-	value
		ged	tion	tant's	sugges-		Sqsuare	
				sugges-	tion			
				tion				
Gender	Male	148	43	49	0	240	21.991	000**
		61.7%	17.9%	20.4%	.0%	100.0%		
	Female	77	33	38	12	160		
		48.1%	20.6%	23.8%	7.5%	100.0%		
Age Group								
(in years)	<20	1	1	0	1	3	19.984	.018
		33.3%	33.3%	.0%	33.3%	100.0%		
	21 - 35	144	44	54	8	250		
		57.6%	17.6%	21.6%	3.2%	100.0%		
	36 - 50	54	28	27	3	112		
		48.2%	25.0%	24.1%	2.7%	100.0%		
	>50	26	3	6	0	35		
		74.3%	8.6%	17.1%	.0%	100.0%		
Marital Status	Married	79	30	39	5	153	2.640	.451
		51.6%	19.6%	25.5%	3.3%	100.0%		
	Unmarried	146	46	48	7	247		
		59.1%	18.6%	19.4%	2.8%	100.0%		

The chi - square test between age-group and responses of tourists for the arrangement of activities comes out significant. The p value for the same is significant at 95% level of significance, which rejects the null hypothesis and shows that there is a significant association between agegroup of the tourist and responses for the arrangement of activities. Among the teenagers, out of 3 respondents in this category 1 has arranged for activities by him, 1 arranged by the consultation of friend and other by suggestion of some other source. From the age group between 21 - 35, out of 250 respondents,144 (57.6%) arranged by themselves, 44 (17.6%), arranged with suggestion of friends, 54 (21.6%) arranged with the consultation of travel agent and 8 (3.2) with suggestion from some other source. From the agegroup between 36 – 50 years out of 112, 54 (48.2%) have arranged by themselves, 28 (25%) arranged by suggestions of friends, 27 (24.1%) arranged with the consultation of travel agents and Only 3 (2.7%) arranged by the suggestion from some other source. While from the age-group of above 50 years, out of 35 respondents, 26 (74.3%) arranged activities by themselves, 3 (8.6%) arranged by suggestion of friends, 6 (17.1%) arranged with the consultation of travel agents and nobody take any suggestion from any other source.

The chi-square test between the marital status and responses of the tourist for the arrangement of activities comes out insignificant. Hence, null hypothesis is accepted, which states that there is no association between responses for the arrangement for activities and marital status of

respondents. Among 153 married respondents 79 (51.6%) have arranged the activities by themselves, 30 (19.6%) arranged by friend's suggestion. 39 (25.5%) arranged with the suggestion of travel agent and only 5 arranged with the suggestion from some other source. Among 247 unmarried respondents, 147 (59.1%) respond for arranged transportation by themselves, 46 (18.6%) have arranged with suggestion of friends, 48 (19.4%) arranged after consulting travel agent and 7 (2.8%) arranged with suggestion of some other agency.

### 1.4.6 Association in arrangement for other services

Table 1.14 shows the association between the responses of tourist for the arrangement for other services and their gender, age-group and marital status. The chi-square test between arrangement for other services and gender of the tourist comes out significant as the p value comes out significant at 99% level of significance. Hence, rejecting null hypothesis, which means there is an association between the gender of tourists and responses for arrangement for other services. Among males, 164 (68.3%) have arranged other services by themselves, 31 (12.9%) arranged with the suggestion of friends, 45 (18.8%) with the consultation of travel agents and nobody sought suggestion from any other source. Whereas in case of female respondents 86 (53.8%) have preferred self-arranged other services, 28 (17.5%) arranged with the friend's suggestion, 34 (21.3%) arranged with the suggestion of travel agent and 12 (7.5%) arranged with the suggestion of some other source.

Table 1.14: Association between arrangements for other services and age, gender and marital status of tourists

			F	Arrangeme	nts for ot	her servi	ces	
		Self-	Friend's	Travel	Any	Total	Pearson	p-
		Arran-	sugges-	consul	other's		Chi-	value
		ged	tion	tant's	sugges-		Sqsuare	
				sugges-	tion			
				tion				
Gender	Male	164	31	45	0	240	22.938	000**
		68.3%	12.9%	18.8%	.0%	100.0%		
	Female	86	28	34	12	160		
		53.8%	17.5%	21.3%	7.5%	100.0%		

Age Group								
(in years)	<20	1	1	0	1	3	19.117	.024
		33.3%	33.3%	.0%	33.3%	100.0%		
	21 - 35	159	31	52	8	250		
		63.6%	12.4%	20.8%	3.2%	100.0%		
	36 - 50	63	23	23	3	112		
		56.3%	20.5%	20.5%	2.7%	100.0%		
	>50	27	4	4	0	35		
		77.1%	11.4%	11.4%	.0%	100.0%		
Marital Status	Married	88	23	37	5	153	3.523	.318
		57.5%	15.0%	24.2%	3.3%	100.0%		
	Unmarried	162	36	42	7	247		
		65.6%	14.6%	17.0%	2.8%	100.0%		

The chi - square test between age-group and responses of tourists for the arrangement of other services comes out significant. The p value for the same is significant at 95% level of significance, which rejects the null hypothesis and shows that there is a significant association between agegroup of the tourist and responses for the arrangement of other services. Among the teenagers, out of 3 respondents in this category 1 has arranged other services by him,1 arranged by the consultation of friend and other by suggestion of some other source. From the age group between 21-35, out of 250 respondents, 159 (63.6%) have arranged by themselves, 31 (12.4%) arranged with suggestion of friends, 52 (20.8%) arranged with the consultation of travel agent and 8 (3.2) with suggestion from some other source. From the age-group between 36 – 50 years out of 112, 63 (56.3%) have arranged by themselves, 23 (20.5%) arranged by suggestions of friends, 23 (20.5%) arranged with the consultation of travel agents and Only 3 (2.7%) have arranged by the suggestion from some other source. While from the age-group of above 50 years, out of 35 respondents, 27 (77.1%) have arranged other services by themselves, 4 (11.4%) arranged by suggestion of friends, 4 (11.4%) arranged with the consultation of travel agents and nobody take any suggestion from any other source.

The chi-square test between the marital status and responses of the tourist for the arrangement of other services comes out insignificant. Hence, null hypothesis is accepted, which states that there is no association between responses for the arrangement for other services and marital status of respondents. Among 153 married respondents 88 (57.5%) have arranged the other services by themselves, 23 (15%) arranged by friend's suggestion, 37 (24.2%) arranged with the suggestion of travel agent and only 5 arranged with the suggestion from some other source. Among 247 unmarried respondents, 162 (65.6%) respond for arranged transportation by themselves, 36 (14.6%) arranged with suggestion of friends, 42 (17%) arranged after consulting travel agent and 7 (2.8%) arranged with suggestion of some other agency.

All the tables of service arrangement discussed above infers that in all the categories of gender, age-group and marital status, maximum no. of tourists have consulted travel agents in case of arrangement of accommodation and transportation. Whereas in case of arrangement for attractions, activities and all other services most of the tourists in all the categories respond for the self-arrangement. Therefore, it is evident that out of all necessary services required by the tourist, accommodation and transportation are the services for which tourist take the suggestion from travel consultant or some professional.

#### Conclusion

This paper dealt with pattern of decisions taken before and during the travel by the tourists, related to main services in and outside the destination. The first decision related to travel for any tourist is decision of choice of destination. This decision may be taken by tourist himself or there may be the influence of family, friend, travel agent or any other professional who has knowledge about the destination. In present research, Himachal Pradesh as a destination, maximum no. of tourists decided by their own as far the choice of Himachal Pradesh as destination is concerned. Besides, this no. is followed by the no. of tourists influenced by travel agents in case of foreign tourists and influence of family and friends got same place in case of domestic tourists. Also, it is found maximum domestic tourists plan their trip in less than a month in advance, whereas maximum no. of foreign tourists plan their trip in between 3 – 6 months in advance.

The next important decisions are related to use of services at the destination. Main services are accommodation, transportation, attractions and activities in which tourists are intended to take part during their trip. For the arrangements of these services tourists either decide before reaching or after reaching the destination. It is found in present research in both cases of domestic and foreign tourists, mostly arrangement for accommodation and transportation are predecided by the tourists, whereas for sight - seeing and participation in other activities, most of the domestic tourists decide after reaching the destination and most of the foreign tourists decide before reaching the place. The arrangement of all the services is also influenced by the suggestion

of the friends, family, travel agent or some other source or by tourist him/herself. Here also in case of foreign tourists, for all the necessary tourist services in Himachal Pradesh, foreign tourists consult travel agents. Whereas most of the domestic tourists arrange most of the tourist services by their own. Gender, age – group and marital status of the tourists also influence the decisions of tourists

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### Impact of Social Media on Tourist Decision Making Process

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### Abstract

**Aim-**With social media profusely consuming the clock hours of an average individual, it evidently plays a role in impacting the person's choice either directly or indirectly. Thus, the study aims at assessing how the individual's social media presence are likely to impact its travel related choices in its decision making process. Determine the extent of usage, its reliability as a source of information, its impact on various travel decision, likelihood to share tourist's experience, its role in enhancing the decision making process along with various factors governing such behavior and interrelationship. Complete analysis is followed by suggestion that the study brings in for the marketer.

**Methodology-**Exploratory and descriptive analysis has been employed. For such purpose both primary and secondary data has been collected via structured questionnaire and journals, articles, reports respectively. Descriptive analysis was performed by running SPSS tool. Statistical analyses such as ANOVA, Chi-square and correlation tests are performed.

**Findings-** Major finding of the study reinforce the fact of increasing influence of social media in tourist purchase decision. Content communities like review forums, blogs etc. are on an additive edge in terms of the content relied by tourist for decision making over social media and exert major influence in determining leisure and outdoor activities to explore. Additionally social media being a reliable source does not govern its extent of usage in terms of social media activities including liking page, commenting, posting reviews etc. Unwillingness and inactive usage of social account were found to be major factor contributing to such attitude. The study also underlines that negative EWOM spreads expeditiously as the respondents showed higher tendency to share experience when feel dissatisfied. Overall respondents place significant reliability over social media channels thereby impacting one's choice and adding value to the decision making process. Study also showed significant role of gender, age and education in impacting tourist choice.

**Future Implication-**Study has huge implication for the tourism industry operators. As the role of social media is increasing with the passage of time it has huge bearing on the tourist purchase decision thereby impacting the strategies of tourism operators. Tendency of shift in the existing behavior and attitude in fast changing social world poses a word of caution to the marketers to keep abreast with the changing attitude and behavior of the tourist and social media impact on it.

**Suggestions-** Analysis of the results brought in significant insight for the marketers to stress on. Marketers though placing greater reliance over content on content communities highlighting the activities to explore, accommodation can get deeper outlook on how the customers perceive tier offering and their experience of the product offered. Tying up with such information vendors like Makemytripetc. can add to their competitive advantage. Formulating the strategies depending on the profile of respondents in terms of age, gender and education can further help in building its edge as these variables were found to be significant in terms of impacting tourist choice, tendency to share experience and reliability. Own social media groups by companies can further deepen insight into the tourist attitude and behavior.

Keywords: Social Media, Content Communities, Pre Trip, During Trip and Post Trip

### 1. Introduction to the study

Social media is the virtual form of transacting/ interacting with the masses. With the advent of internet and various social media platforms, the mode and medium of interaction has changed. Being popular among the youngsters the same is being steadily adopted by the elders as well. As the social media base is widening and deepening along with the greater need to transact, the information shared on these channels is also intensifying. It has lead to more closely knitted web of people sharing information on real time and referring the same for decision making thus, impacting the attitude and behavior of the people using social media. Therefore, customer's social media activity forms an important constituent impacting any industry's demand and image.

Tourism being one of the industries heavily relying on the experience that it offers to its customer as primary product social media has a great bearing for the industry. Since, nowadays traveler's decision from where to travel, which flight to book, where to eat, which hotel to stay, each and every bit relies on the information gathered from various sources available online, one of the major source being social media channels. Ease convenience and access to the technology has made the modern consumer a digital consumer.Online reviews. recommendation, photos, videos, ratings, travel blogs have become the primary sources in forming customer's purchase intension. Various application and websites have also emerged catering to the distinct need of travelers for travel related information. TripAdvisor, Makemytrip, Yatra, wikitravel etc. have come up recognizing the gap that exists in terms of the access to competitive information. Tourism industry is

experiencing an overhaul in terms of the factors influencing the customer intension to buy tourism product, moving away from the traditional means of communication to two way virtual exchange of information. Recognizing its potential and great bearing on reputation, Airline Company Lufthansa has created a social media app to facilitate two way communication enabling the company to share important updates with customers and allowing users to share their experience. Past studies have highlighted increasing role of social media in forming the customer's attitude. Current study aims at assessing usage of social media among the population for travel related decision, its impact on customer decision making process, constraints related to social media usage followed by recommendation to the marketers based on the analysis performed.

### 2. Review of Literature

(John Fotis, Dimitrios Buhalis and Niccos Rossides) 2011, through its empirical study examines the usage levels, scope of use, level of influence and trust exert by tourist in their trip on social media channels and finds strong correlation between perceived level of influence from social media and changes made in holiday plans prior to final decision. (Dr. Irma Shyle and Dr. VjolkaHysi) 2015, highlights role of social media and its changing form covering not only users but also professional who can connect over such medium. It has emerged as an effective marketing tool by companies involve in tourism, having impact on tourism market. Ease of use, flexibility and interactivity offered act as prime booster for tourist to refer such portals. (Nindyta Aisyah Dwityas and Rizki Briandana), 2017 discover Indonesian

traveler decision making process through the use of social media by collecting primary data from community members and concludes significant role of social media in each stage of decision making. (Eleftherios Varkaris et al), 2017 investigates how social media impacts choice of hotel by tourists through primary data collection. structured in depth interviews and application of qualitative analysis reveals social media eminent role in transforming consumer search behavior then and now with implication on its decision making.(Nikita Singhal and Dr. Varsha Khattri), 2018 explores social media intervention in tourist decision making. By conducting primary data analysis the study unfolds the role of online reviews in forming customer's attitude, trustworthiness bestowed by users and its implication in consumer tendency to change their plans.

### 3. Research Objectives

New technologies and services and the resultant shift in the consumer behavior has dwelled the need to determine what role does new technology play in influencing the customer's purchase decision. This study aims to achieve the following objectives

- 1. To determine the extent of usage of social media channels for travel decision making
- 2. To understand the reliability, influence of social media in customer travelling process-information search, taking decision and sharing experience
- 3. To identify the constraints with respect to social media usage.
- 4. To identify role of social media in enhancing the customer decision making process
- 5. To suggest strategies that can be accompanied to better accommodate the customer attitude based on the analysis.

### 4. Research Methodology

Both primary and secondary data has been used for the purpose of study. To identify the major social media platforms, secondary data was collected and analyzed via exploratory analysis. Primary data was collected through structured questionnaire among the targeted segment to attain the aforesaid objectives. Analysis of primary data was performed using SPSS and applying statistical tests like ANOVA, Chi-square and Correlation. To deepen understanding of social media role in tourist decision making various articles, journals, magazines and reports were referred

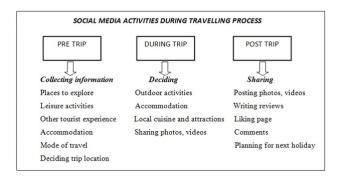
#### 5. Social Media

Social media itself is understood as a medium that enable users to create and share content through online communication channel. But, there has been discontentment over what exactly social media comprise of. Kaplan and Haenlein (2010) have identified six types of social media: social media networking websites (Facebook), blogs, content communities (YouTube, Slideshare, Pinterest, Quora, TripAdvisor), collaborative projects (wikitravel), virtual social world and virtual game world. Evidently, social media does not only comprise of social networking websites, content sharing communities, projects but also review rating websites and microblogs (twitter). Though social media is expanding forms but profusely plays role in encouraging people to express, post, comment, like and share their experiences thereby adding value in the decision making process.

# 5.1 Role of social media in tourist decision making process

A tourist purchase basket does not only consist of the place one decides to visit, but the overall experience consisting of hospitality, accommodation, food, infrastructure and everything that the place has to offer. Due to multitudinous decision, associated risk, cost and experiential factor correlated with travel related decision makes such decision much more vulnerable and complex.Tourist purchase decision generally initiates with extensive information search wherein tourist heavily relies on other tourist experiences as a source of informationdue to its experiential nature. It helps in reducing the cost of uncertainty and increasing one's utility. Social media serves this purpose as it is the best channel that accommodates creation and exchange of user generated content. In addition low cost and unbiased nature of information shared on social media, makes it much

more credible over paid advertisement and promotion on these channels. In making final decision reviews of bloggers, comments, traveler's experiences, YouTubevideos, photos etc. plays a dominant role. Tourist purchase does not end with buying of product but also includes the post purchase behavior. Social media has become one of the major platforms reflecting the post purchase behavior through the tourist social media activities. In today's world it has become a trend to post check-ins, photos, videos; stories to keep update others of one's visit. Nowadays tourist also post reviews, give rating and share their experience on other social networks. Thus, social media finds a significant space in each block of travelers buying process. Tourist social media activities can be bifurcated into three distinct groups i.e. pre trip, during trip and post trip actions.



Source: Author's Calculation

### 6. Assessing social media usage and impact on tourist behavior

In order to assess the impact of social media on tourist choices, a structured questionnaire was circulated among the targeted group. Responses were gathered from 350 respondents if whom 312 responses were undertaken for the analysis. These 312 respondents referred social media for travel related decision making. Convenience sampling was undertaken to collect the sample. Basic analysis and hypothesis testing was done to attain the aforesaid objectives.

### 6.1 Basic Demographics

Out of 350 respondents 89.14% respondents have referred social media channels for the purpose

of travel related decision. The sample undertaken for the purpose of analysis accounted for 51.3% male respondents and 48.7% female respondents. Majority of respondents belong to the younger age group of 19- 25 (50.96%) followed by 28.2% respondents from 26- 40 age group

Table 1\*
Gender \* Age Crosstabulation

Count				Age		
		0-18	19-25	26-40	above	Total
					40	
Gender	Male	4	75	60	21	160
	Female	20	84	28	20	152
	Total	24	159	88	41	312

On education front majority of respondents possess post graduation degree (57.69%) followed by graduation (34.61%).

Table 2\*
Gender \* education Crosstabulation

		Education							
Count		Metric	Gradua-	Post	Total				
			tion	grad-					
				uation					
Gender	Male	4	68	88	160				
	Female	20	40	92	152				
	Total	24	108	180	312				

### 6.2 Hypothesis Formulation

- Ho1: There is no significant relation between gender and frequency of travelling.
- Ho2: There is no significant relation between age and frequency of travelling.
- Ho3: There is no significant relation between education and frequency of travelling.
- Ho4: There is no significant difference in reliability of social media on the basis of gender of respondents
- Ho5: There is no significant difference in reliability of social media on the basis of age of respondents
- Ho6: There is no significant difference in reliability of social media on the basis of education of respondents

- Ho7: There is no significant difference in impact of social media on the basis of gender of respondents
- Ho8: There is no significant difference in impact of social media on the basis of age of respondents
- Ho9: There is no significant difference in impact of social media on the basis of education of respondents
- H10: There is no significant correlation between reliability of social media and social media impact on tourist decision making
- H11: There is no significant association between gender and social media activities
- H12: There is no significant association between age and social media activities
- H13: There is no significant association between education and social media activities
- H14: There is no significant association between gender and tourists sharing experience
- H15: There is no significant association between age and tourists sharing experience
- H16: There is no significant association between education and tourists sharing experience
- H17: There is no significant association between satisfaction score and reliability

#### 6.3 Hypothesis Testing

Ho1: There is no significant relation between gender and frequency of travelling.

Table 3\*
Gender \* On an average how frequently do you travel within or outside city in an year?
Crosstabulation

			erage how fre- you travel within				
		-	city in an year?				
Count		less	less Fre-				
		fre-	quently				
		quently					
Gender	Male	80	80	160			
	Female	64	88	152			
	Total	144	168	312			

Table 4\* Chi-Square Tests

em square rests									
	Value	Df	Asy- mp. Sig. (2-si- ded)	Exact Sig. (2-sid- ed)	Exact Sig. (1- sided)				
Pearson									
Chi-Square	1.955ª	1	.162						
Continuity									
Correction <sup>b</sup>	1.650	1	.199						
Likelihood									
Ratio	1.957	1	.162						
Fisher's				4.74	200				
Exact Test				.174	.099				
Linear-by-									
Linear									
Association	1.949	1	.163						
N of Valid									
Cases	312								

- a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 70.15.
- b. Computed only for a 2x2 table

#### Interpretation

The test was performed at 5% level of significance. From table it can be seen that the Pearson Chi square significance value is 0.162 (>0.05) with degree of freedom 1. Therefore, null hypothesis is not rejected and hence, it is found that there is no significant association between gender and frequency of travelling.

Ho2: There is no significant relation between age and frequency of travelling.

TABLE 5\*
Age \* On an average how frequently do you travel within or outside city in an year?Crosstabulation

	Or			
Count		less fre- quently	frequently	Total
Age	0-18	12	12	24
	19-25	72	87	159
	26-40	36	52	88
	above 40	24	17	41
	Total	144	168	312

Table 6\* Chi-Square Tests

	Value	Df	Asymp. Sig. (2-sided)
Pearson			
Chi-Square	3.695ª	3	.296
Likelihood			
Ratio	3.696	3	.296
Linear-by-			
Linear			
Association	.411	1	.521
N of Valid Cases	312		

a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 11.08.

#### Interpretation

The test was performed at 5% level of significance. From table it can be seen that the Pearson Chi square significance value is 0.296 (>0.05) with degree of freedom 3. Therefore, null hypothesis is not rejected and hence, it is found that there is no significant association between age and frequency of travelling.

Ho3: There is no significant relation between education and frequency of travelling.

Table 7\*
Education \* On an average how frequently do you travel within or outside city in an year?

Crosstabulation

Count		less fre- quently	frequently	Total
Education	Metric Grad-	12	12	24

uation	64	44	108
Post			
grad-			
uation	68	112	180
Total	144	168	312

Table 8\* Chi-Square Tests

	Value	Df	Asymp. Sig. (2-sided)
Pearson			
Chi-Square	12.688ª	2	.002
Likelihood			
Ratio	12.743	2	.002
Linear-by-			
Linear			
Association	8.149	1	.004
N of Valid Cases	312		

a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 11.08.

#### Interpretation

The test was performed at 5% level of significance. From table it can be seen that the Pearson Chi square significance value is 0.002 (<0.05) with degree of freedom 2. Therefore, null hypothesis is rejected and hence, it is found that there is significant association between education and frequency of travelling.

Ho4: There is no significant difference in reliability of social media on the basis of gender of respondents

Table 9\* ANOVA

		Sum of Squares	df	Mean Square	F	Sig.
Which information source you	Between Groups	4.372	1	4.372	2.246	.135
find reliable? Score them from 1	Within Groups	603.474	310	1.947		

( not reliable ) to 5 ( fully reliable) [Facebook/ Instagram posts]	Total	607.846	311			
Which information source you find reliable? Score them from 1 ( not reliable ) to 5 ( fully reliable) [Youtube reviews]	Between Groups Within Groups Total	.026 557.768 557.795	1 310 311	.026 1.799	.015	.904
Which information source you find reliable? Score them from 1 (not reliable) to 5 (fully reliable) [Review forums/travelblogs]	Between Groups Within Groups Total	3.586 528.363 531.949	1 310 311	3.586 1.704	2.104	.148
Which information source you find reliable? Score them from 1 ( not reliable ) to 5 ( fully reliable) [Wikitravel/Wikipedia]	Between Groups Within Groups Total	21.163 537.453 558.615	1 310 311	21.163 1.734	12.207	.001
Which information source you find reliable? Score them from 1 ( not reliable ) to 5 ( fully reliable) [Whatsapp status]	Between Groups Within Groups Total	7.773 616.842 624.615	1 310 311	7.773 1.990	3.907	.049
Which information source you find reliable? Score them from 1 ( not reliable ) to 5 ( fully reliable) [Tripadvisor]	Between Groups Within Groups Total	10.656 526.216 536.872	1 310 311	10.656 1.697	6.278	.013

From the above results it is seen that since the significance value is greater than 0.05 therefore, there is no sufficient evidence to reject the null

hypothesis thus, there is no significant difference in the reasons for adoption on the basis of gender.

Ho5: There is no significant difference in reliability of social media on the basis of age of respondents

Table 10\* ANOVA

		Sum of Squares	df	Mean Square	F	Sig.
Which information source you find	Between Groups	2.901	3	.967	.492	.688
reliable? Score them from 1	Within Groups	604.945	308	1.964		
( not reliable ) to 5 ( fully						

reliable) [Facebook/ Instagram						
posts]	Total	607.846	311			
Which information source you	Between Groups	23.476	3	7.825	4.511	.004
find reliable? Score them from 1	Within Groups	534.319	308	1.735		
( not reliable ) to 5 ( fully reliable)						
[Youtube reviews]	Total	557.795	311			
Which information source you find	Between Groups	14.806	3	4.935	2.939	.033
reliable? Score them from 1	Within Groups	517.143	308	1.679	2.555	.033
( not reliable ) to 5 ( fully reliable)	Within Groups	517.145	300	1.07		
[Review forums/ travelblogs]	Total	531.949	311			
[Keview forums/ travelologs]	10141	551.747	311			
Which information source you find	Between Groups	7.200	3	2.400	1.340	.261
reliable? Score them from 1	Within Groups	551.416	308	1.790		
( not reliable ) to 5 ( fully reliable)						
[Wikitravel/Wikipedia]	Total	558.615	311			
Which information source you find	Between Groups	19.045	3	6.348	3.229	.023
reliable? Score them from 1	Within Groups	605.570	308	1.966		
( not reliable ) to 5 ( fully reliable)	Total	624.615	311			
[Whatsapp status]						
Which information source you find	Between Groups	20.575	3	6.858	4.091	.007
reliable? Score them from 1	Within Groups	516.297	308	1.676	1.071	.007
( not reliable ) to 5 ( fully reliable)	<b>r</b>					
[Tripadvisor]	Total	536.872	311			

Since the significance value is less than 0.05 for most of the social media channel thus there is significant evidence to reject the null hypothesis. Hence, it can be concluded that reliability for

different social media channel varies among different age group.

Ho6: There is no significant difference in reliability of social media on the basis of education of respondents

Table 11\* ANOVA

		Sum of Squares	df	Mean Square	F	Sig.
Which information source you find	Between Groups	5.417	2	2.708	1.389	.251
reliable? Score them from 1	Within Groups	602.430	309	1.950		
( not reliable ) to 5 ( fully reliable) [Facebook/ Instagram posts]	Total	607.846	311			

					l	
Which information source you	Between Groups	1.587	2	.794	.441	.644
find reliable? Score them from 1	Within Groups	556.207	309	1.800		
( not reliable ) to 5 ( fully reliable)						
[Youtube reviews]	Total	557.795	311			
Which information source you find	Between Groups	17.341	2	8.671	5.206	.006
reliable? Score them from 1	Within Groups	514.607	309	1.665		
( not reliable ) to 5 ( fully reliable)	Total	531.949	311			
[Review forums/ travelblogs]						
Which information source you	Between Groups	8.675	2	4.337	2.437	.089
find reliable? Score them from 1	Within Groups	549.941	309	1.780		
( not reliable ) to 5 ( fully reliable)						
[Wikitravel/Wikipedia]	Total	558.615	311			
	D	00.054		40.60	10.001	222
Which information source you find	Between Groups	39.371	2	19.685	10.394	.000
reliable? Score them from 1	Within Groups	585.244	309	1.894		
( not reliable ) to 5 ( fully reliable)	T 1	(04.645	244			
[Whatsapp status]	Total	624.615	311			
Which information source you find	Between Groups	17.761	2	8.880	5.286	.006
	-	519.111	309	8.880 1.680	3.286	.006
reliable? Score them from 1	Within Groups Total	536.872	309	1.000		
( not reliable ) to 5 ( fully reliable) [TripAdvisor]	10141	330.672	311			
[TTIPAGVISOT]						

There is no sufficient basis to reject the null hypothesis since the significance value for most of the social media channel is more than 0.05. Thus, no significant difference in the reliability

scores among respondents was observed based on their education profile.

Ho7: There is no significant difference in impact of social media on the basis of gender of respondents

Table 12\* ANOVA

		Sum of	df	Mean	F	Sig.
		Squares		Square		
How likely the information on	Between Groups	7.709	1	7.709	4.657	.032
social media is going to impact	Within Groups	513.163	310	1.655		
your travel decision for the						
following? (1: no influence - 5:						
strongly influence)	Total	520.872	311			
[Accommodation]						

How likely the information on social	Between Groups	37.623	1	37.623	22.783	.000
media is going to impact your travel	Within Groups	511.916	310	1.651		
decision for the following?						
(1: no influence - 5: strongly						
influence) [Choosing excursion and	Total	549.538	311			
leisure activities]						
			_		• • • • • •	222
How likely the information on	Between Groups	33.067	1	33.067	20.609	.000
social media is going to impact your	Within Groups	497.395	310	1.604		
travel decision for the following?						
(1: no influence - 5: strongly						
influence) [Food and beverages]	Total	530.462	311			
How likely the information on	Between Groups	70.154	1	70.154	54.671	.000
social media is going to impact	Within Groups	397.795	310	1.283		
your travel decision for the						
following? (1: no influence - 5:						
strongly influence)						
[Mode of transportation]	Total	467.949	311			

The significance level is less than 0.05 thus there is significant reason to reject the null hypothesis. Significant difference is observed the level of influence exerted by different social media

channels on the basis of gender of respondents

Ho8: There is no significant difference in impact of social media on the basis of age of respondents

Table 13\* ANOVA

		Sum of Squares	df	Mean Square	F	Sig.
How likely the information on	Between Groups	31.944	3	10.648	6.708	.000
social media is going to impact	Within Groups	488.928	308	1.587		
your travel decision for the						
following? (1: no influence - 5:						
strongly influence) [Accomodation]	Total	520.872	311			
How likely the information on social	Between Groups	78.577	3	26.192	17.129	.000
media is going to impact your travel	Within Groups	470.962	308	1.529		
decision for the following? (1: no	Total	549.538	311			
influence - 5: strongly influence)						
[Choosing excursion and leisure						
activities]						

How likely the information on	Between Groups	33.693	3	11.231	6.963	.000
social media is going to impact	Within Groups	496.769	308	1.613		
your travel decision for the						
following? (1: no influence - 5:						
strongly influence)						
[Food and beverages]	Total	530.462	311			
How likely the information on social	Between Groups	37.366	3	12.455	8.910	.000
media is going to impact your travel	Within Groups	430.582	308	1.398		
decision for the following?						
(1: no influence - 5: strongly						
influence) [Mode of transportation]	Total	467.949	311			

There is significant reason to reject the null hypothesis as the significance value is less than 0.05. Thus, it can be concluded that there is significant difference among the respondents of various age group in terms of the level of impact

that social media exert on their decision making.

Ho9: There is no significant difference in impact of social media on the basis of education of respondents

Table 14\* ANOVA

		Sum of Squares	df	Mean Square	F	Sig.
How likely the information on	Between Groups	29.375	2	14.688	9.234	.000
social media is going to impact	Within Groups	491.496	309	1.591		
your travel decision for the						
following? (1: no influence - 5:						
strongly influence)						
[Accomodation]	Total	520.872	311			
How likely the information on social	Between Groups	88.664	2	44.332	29.723	.000
media is going to impact your	Within Groups	460.874	309	1.492		
travel decision for the following?						
(1: no influence - 5: strongly						
influence) [Choosing excursion						
and leisure activities]	Total	549.538	311			
How likely the information on social	Between Groups	41.810	2	20.905	13.219	.000
media is going to impact your	Within Groups	488.652	309	1.581		
travel decision for the following?						
(1: no influence - 5: strongly						
influence) [Food and beverages]	Total	530.462	311			

How likely the information on	Between Groups	36.171	2	18.085	12.943	.000
social media is going to impact	Within Groups	431.778	309	1.397		
your travel decision for the						
following? (1: no influence - 5:						
strongly influence)						
[Mode of transportation]	Total	467.949	311			

Significance level is found to be less than 0.05 thus there is significant evidence to reject the null hypothesis. Thus significant difference is observed in level of impact among the respondents on the

#### basis of education of respondents

H10: There is no significant correlation between reliability of social media and social media impact on tourist decision making

Table 15\* Correlations

	Which	Which	Which	Which	Which	Which
	information	information	information	information	information	information
	source	source you	source	source you	source you	source you
	you find	find reliable?	you find	find reliable?	find	find
	reliable? Score	Score them	reliable?	Score them	reliable?	reliable?
	them from 1	from 1 ( not	Score them	from 1 ( not	Score them	Score them
	( not reliable)	reliable ) to 5	from 1	reliable ) to 5	from 1 ( not	from 1
	to 5 ( fully	( fully	( not	( fully reliable)	reliable ) to	( not
	reliable)	reliable)	reliable )	[Wikitravel/	5 (fully	reliable )
	[Facebook/	[Youtube	to 5	Wikipedia]	reliable)	to 5
	Instagram	reviews]	(fully		[Whatsapp	( fully
	posts]		reliable)		status]	reliable)
			[Review			[Trip
			forums/			advisor]
			travelblogs]			
How likely the	.315	.445	.271	.274	.143	.192
information on	.000	.000	.000	.000	.011	.001
social media						
is going to						
impact your						
travel decision						
for the						
following?						
(1: no influence- 5:	312	312	312	312	312	312
strongly influence)						
[Accommodation]						

How likely the	444	.390	.447	.220	.113	.246
information on	.000	.000	.000	.000	.046	.000
social media is						
going to impact						
your travel						
decision for						
the following?						
(1: no	312	312	312	312	312	312
influence - 5:						
strongly						
influence)						
[Choosing						
excursion and						
leisure activities]						
How likely the	.407	.343	.447	.218	.088	.262
information on	.000	.000	.000	.000	.120	.000
social media is						
going to impact						
your travel						
decision for the						
following?						
(1: no	312	312	312	312	312	312
influence - 5:						
strongly						
influence)						
[Food and						
beverages]						
How likely the	.338	.234	.246	.381	.053	.237
information on	.000	.000	.000	.000	.351	.000
social media is						
going to impact						
your travel						
decision for						
the following?						
(1: no influence - 5:	312	312	312	312	312	312
strongly influence)						
[Mode of						
transportation]						

Correlation is observed between the reliability and influence of social media on customer decision making. Significant correlation is observed among them as the significance value is less than 0.05. Among different social media options relatively whatsaap is found to have less significant correlation with the influence of it on customer decision making for various purpose.

H11: There is no significant association between gender and social media activities

Table 16\*
Gender \* Measure of social media activity
Crosstabulation

		Measure media a		
Count		Non active users	Total	
Gender	Male	60	100	160
	Female	68	84	152
	Total	128	184	312

Table 17\* Chi-Square Tests

	Value	Df	Asy-	Exact	Exact
			mp.	Sig.	Sig.
			Sig.	(2-sid-	(1-sid-
			(2-sid-	ed)	ed)
			ed)		
Pearson					
Chi-Square	1.687ª	1	.194		
Continuity					
Correction <sup>b</sup>	1.401	1	.236		
Likelihood					
Ratio	1.688	1	.194		
Fisher's					
Exact Test				.207	.118
Linear-by-					
Linear					
Association	1.682	1	.195		
N of Valid					
Cases	312				

- a. 0 cells (0.0%) have expected count less than 5. The minimum expected count is 62.36.
- b. Computed only for a 2x2 table

#### Interpretation

There is no significant evidence to reject the null hypothesis as the significance value is greater than 0.05 (i.e. 0.194) with degree of freedom 1. Thus, there is no significant association between gender and social media activities.

H12: There is no significant association between age and social media activities

Table 18\*
Age \* Measure of social media activity
Crosstabulation

		Measure media a		
Count		Non active active users		Total
Age	0-18	8	16	24
	19-25	67	92	159
	26-40	32	56	88
	above 40	21	20	41
	Total	128	184	312

Table 19\* Chi-Square Tests

	. •		_
	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	3.220a	3	.359
Likelihood Ratio	3.213	3	.360
Linear-by-Linear			
Association	.739	1	.390
N of Valid Cases	312		

a. 0 cells (0.0%) have expected count less than 5. The minimum expected count is 9.85.

#### Interpretation

There is no significant evidence to reject the null hypothesis as the significance value is greater than 0.05 (i.e. 0.359) with degree of freedom 3. Thus, there is no significant association between gender and social media activities.

H13: There is no significant association between education and social media activities

Table 20\*
education \* Measure of social media activity
Crosstabulation

		Measure o		
Count		passive active users users		Total
Edu-	Metric	8	16	24
cation	Graduation Post	44	64	108
	graduation	76	104	180
	Total	128	184	312

Table 21\* Chi-Square Tests

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	.697ª	2	.706
Likelihood Ratio	.711	2	.701
Linear-by-			
Linear Association	.523	1	.469
N of Valid Cases	312		

a. 0 cells (0.0%) have expected count less than 5. The minimum expected count is 9.85.

#### Interpretation

There is no significant evidence to reject the null hypothesis as the significance value is greater than 0.05 (i.e. 0.706) with degree of freedom 2. Thus, there is no significant association between gender and social media activities.

H14: There is no significant association between gender and tourists sharing experience.

Table 22\* Gender \* share experience Crosstabulation

		Share expe media ac		
Count		do not share share		Total
Gender	Male	44	116	160
	Female	76	76	152
	Total	120	192	312

Table 23\* Chi-Square Tests

	Value	Df	Asymp.	Exact	Exact
			Sig.	Sig.	Sig.
			(2-sid-	(2-sid	(1-sid-
			ed)	ed)	ed)
Pearson					
Chi-Square	16.673ª	1	.000		
Continuity					
Correction <sup>b</sup>	15.735	1	.000		
Likelihood					
Ratio	16.827	1	.000		
Fisher's					
Exact Test				.000	.000
Linear-by-					
Linear					
Association	16.619	1	.000		
N of					
Valid Cases	312				

- a. 0 cells (0.0%) have expected count less than 5. The minimum expected count is 58.46.
  - b. Computed only for a 2x2 table

#### Interpretation

There is significant evidence to reject the null hypothesis as the significance value is less than 0.05 (0.00) thus indicating significant association between gender and sharing of experience on social media

H15: There is no significant association between age and tourists sharing experience

TABLE 24\* Age \* share experience Crosstabulation

		Share expe media ac		
Count		do not share share		Total
Age	0-18	20	4	24
	19-25	64	95	159
	26-40	20	68	88
	above 40	16	25	41
	Total	120	192	312

Table 25\* Chi-Square Tests

	Value	Df	Asymp. Sig. (2-sided)
Pearson			
Chi-Square	29.842ª	3	.000
Likelihood Ratio	30.618	3	.000
Linear-by-Linear			
Association	11.831	1	.001
N of Valid Cases	312		

a. 0 cells (0.0%) have expected count less than 5. The minimum expected count is 9.23.

#### Interpretation

There is significant association between age and tourist sharing experience as the significance value is found to be less than 0.05 (i.e. 0.000). thus, age is also a determining factor guiding tourist sharing activities

H16: There is no significant association between education and tourists sharing experience

Table 26\*
Education \* Share Experience Crosstabulation

		Share expe media act		
Count		do not share share		Total
Edu-				
cation	Metric	20	4	24
	Graduation	36	72	108
	Post			
	graduation	64	116	180
	Total	120	192	312

Table 27\* Chi-Square Tests

C-1-2	94	•••	
	Value	Df	Asymp. Sig. (2-sided)
Pearson			
Chi-Square	22.259a	2	.000
Likelihood Ratio	22.349	2	.000
Linear-by-			
Linear Association	8.557	1	.003
N of Valid Cases	312		

a. 0 cells (0.0%) have expected count less than 5. The minimum expected count is 9.23.

#### Interpretation

As the significance value is less than 0.05 therefore there is significant evidence to reject the null hypothesis thus concluding that there is significant association between education and tourist sharing one's experience.

H17: There is no significant association between satisfaction score and reliability

TABLE 28\*

		Does usage of
		social media
		has enhanced
		your decision
		making
		choice ?
		312
Reliability of	Pearson	
social media	Correlation	.360**
	Sig. (2-tailed)	.000
	N	312

#### Interpretation

There is a significant correlation between reliability and customer satisfaction with the social media as the significance value is found to be less than 0.05 (i.e. 0.000) thereby rejecting the null hypothesis

#### 7. Summary of the Findings-

The following table shows the result of hypothesis testing for the entire hypothesis.

Hypothesis	Accept/ Reject
Ho1: There is no significant relation between gender and frequency of travelling.	Accept
Ho2: There is no significant relation between age and frequency of travelling.	Accept
Ho3: There is no significant relation between education	Reject

and frequency of travelling.	
Ho4: There is no significant difference in reliability of social	Accept
media on the basis of gender of respondents	
Ho5: There is no significant difference in reliability of social media on the basis of age of respondents	Reject
Ho6: There is no significant difference in reliability of social media on the basis of education of respondents	Accept
Ho7: There is no significant difference in impact of social media on the basis of gender of respondents	Reject
Ho8: There is no significant difference in impact of social media on the basis of age of respondents	Reject
Ho9: There is no significant difference in impact of social media on the basis of education of respondents	Reject
H10: There is no significant correlation between reliability of social media and social media impact on tourist decision making	Reject
H11: There is no significant association between gender and social media activities	Accept
H12: There is no significant association between age and social media activities	Accept

H13: There is no significant	Accept
association between education	
and social media activities	
H14: There is no significant	Reject
association between gender and	
tourists sharing experience	
H15: There is no significant	Reject
association between age and	
tourists sharing experience	
H16: There is no significant	Reject
association between education	
and tourists sharing experience	
H17: There is no significant	Reject
correlation between satisfaction	
score and reliability	

Hypothesis testing throws significant insight into the tourist attitude and its interrelationship with other variable. Education is found to have significant association with the frequency of travelling thus indicating that educated people are likely to travel more and explore different tourist spot. But, since the population was dominated by young generation pursuing graduation and post graduation the test results holds less significance. Significant difference in the reliability and social media impact on purchase decision was observed based on the age of the respondents. Additionally difference in gender and education were found to be significant factor contributing to the difference in how the social media impacts tourist decision making. Among age, gender and education no factor was found to be a significant factor governing the extent of usage of social media for the purpose of checkin location, sharing photos etc. while, age, gender and education showed significant association with likelihood to share experience. Correlation testing among variables indicated significant correlation exist between reliability of social media and its impact on decision making and thus enhancing the tourist decision making.

#### 7.1 Other Findings

Based on the responses collected through questionnaire following results were found:

- 89.14% of respondents referred social media channel for travel related decision making.
- Majority of respondents on an average travel more than thrice in an year accounting for 42.3% of respondents followed by 25.6% of respondents travelling once in an year
- Review forums/ travel blogs, Wikipedia, TripAdvisor followed by YouTube were found to be the most reliable among social media channels while WhatsApp and Facebook were found to be relatively less reliable. As opposed to reliability, respondents showed preference to post review on Facebook followed by WhatsApp and review forums
- Information on social media impacts significantly tourist in determining excursion and leisure activities followed by accommodation, food and beverages and lastly mode of transportation
- During vacation social media is primarily used for check in location. Post vacation it is being used for sharing photos videos and sharing stories. While respondents showed reluctance in writing reviews, commenting on related stories, hitting like button of webpage of places tourist visits and tweeting about their experience.
- People showed preference to post review on the leisure activities of the tourist place followed by shopping experience. Historical place and local cuisine were least preferred. While 16.7% of respondents were not interested to post review on any.
- Respondents are much likely to share their experience in case when they feel highly dissatisfied, dissatisfied and delighted.
   While are not likely to share experience if had satisfactory or not bad experience.
- Majority of respondents use social media for information search but restrict to share their experience through social media and indicate unwillingness as major reason not to share experience on review forums, commenting followed by inactive usage of social accounts
- Majority of respondents agreed that the social media usage has lead to improved decision making.

#### 8. Conclusion and Suggestions

Social media has become the new lens modifying the panorama of tourist in determining its purchase decision, thereby transforming the landscape for tourism industry by offering significant insight into the tourist behavior. Above analysis braces the fact of tourist resting significant reliance and increasing influence of social media channels in their travel decision making. Among the imminent social media platforms respondents showed higher reliance on content communities than social networks. This includes review forums, travel blogs, wikitravel, TripAdvisor while YouTube, WhatsApp and Facebook find last stop in the reliability ladder. On the reliability continuum age was found to be a significant factor contributing to the difference in the quantum of reliability bestowed by different age groups. Content on reliable sources significantly impacts tourist decision in determining the excursion and leisure activities followed by decision related to accommodation, food and beverages. Impact of social media for different decision varies significantly for respondents belonging to different age, their education level and gender. Social media activities evidently form an important constituent in post purchase behavior of tourist. Though the sampled respondents referred social media channels for information search but were found dormant when measured in terms of sharing their experience. Respondent's social media activities primarily comprised of check-in location (during trip) and sharing photos, videos (post trip)while were reluctant to post review or rating. Unwillingness and inactive usage were found two significant reasons governing such behavior of respondents. No factor was found significant, determining the extent of social media activities of respondents. On the satisfaction bar, respondents are much likely to post review on leisure activities followed by shopping experience, historical place and local cuisine when either tourist is highly dissatisfied, dissatisfied or delighted by the experience and prefers not to share if were satisfied or neutral with the experience. Tendency to share experience by tourist showed significant association with the age, gender and education of respondents. Overall the analysis validated the usage and influence exerted by social media in today's digital world on tourist purchase decision. As the tourist attaches increased utility with the extent of reliability confer by respondents thus impacting their decision making.

#### 8.1 Suggestions

Based on the findings of the study, following inferences can be made for the marketers that can be accommodated to redefine its offering to its customer in context of social media behavior of tourist:

- Education showed significant association with the frequency of travelling thus, education profile of tourist forms an important demographic of the tourist profile. Marketing communication must be formulated considering the education level as an significant factor.
- Large base of content communities as a social media platform effectively engages tourist as a reliable source of information thus act as a significant area seeking continuous monitoring. Analysis of such content can proffer insight into its offering and leakages to fill in the gaps.
- Since, significant difference in reliability was observed among different age groups, thus the marketing offering should be based upon which age group does tourist belong. Younger generation tend to put more faith on content over content communities thus insight drawn from such sources should be attuned in its offering for different age groups.
- Social media content primarily influence the choice of leisure and outdoor activities followed by accommodation thus content related to reviews, blogs over fun activities, accommodation are of prime importance for marketers. Associating with various venders of such information like Makemytrip, Yatra etc. can add to their competitive advantage.
- Again age, gender and education as a factor influence the decision of tourist differently, thus marketing strategy for different profile of tourist must be customized. Thus, younger generation, higher qualified, male are likely to be more influenced by content on social media thereby spurting an area for marketers to focus on.
- As the activities on social networks are found to be less reliable and generally

- undertaken when it comes to sharing experience via check-ins, photos and video and also such activities are not governed by the age, gender and education thus, carries less significance for the marketers but cannot be ignored completely.
- Results explicitly indicated tourist tendency to share experience when they had either extreme experience highly dissatisfied or delighted with more weightage to dissatisfactory experience, thus signaling negative electronic word of mouth forms prominent part of tourist post trip activities. Thus incorporating tourist changing need and reducing the dissonance of tourist post purchase act as a determinant in success of the operators
- Age, gender and education were found to be the variables moderating the tourist behavior post trip i.e. sharing of one's experiencethus, impacting other tourist behavior. Marketers need to formulate marketing strategies taking extra care of the segment which have a higher tendency to express through their social media activities. Sample indicated male, higher qualified and young generation likely to have greater tendency to share.
- Companies own social group allowing tourist to share their experience immediately can provide company with important data related to customer experience and attitude

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# Economic Reforms and Productivity Growth in Indian Small Scale Industrial Sector: An Empirical Analysis

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#### Abstract

In the era of globalisation the growth of the Indian small scale industrial sector can brisk up with the investment driven growth and by enhancing the total factor productivity. The major thrust of the paper is to analyse the overall performance of Indian small scale industrial sector by analysing the partial and total factor productivity. The study is confined to the period 1980-81 to 2013-14 which is further divided in two phases i.e. pre reform period (1980-81 to 1990-91) and post reform period (1991-92 to 2013-14). The calculation of factor productivity requires data for which two inputs (number of labour units used by the SSIs and Capital invested by the SSIs) and one output (Gross Value Added). For the purpose of the study data has been curled from Annual Survey of Industries (ASI), statistics prepared by Small Industrial Development Organisation (SIDO) and Data compiled by Planning Commission. To preform the analysis the Malmquist Productivity Index (MPI) has been used. The result revealed that 6.04 percent overall compound annual growth rate and -5.72 percent of labor productivity. The multiple linear regression analysis have been used to analyse the determinants of productivity growth in Indian small scale industrial sector. Our policy suggestion is to harness the total factor productivity growth for which capital input be used judiciously as it is the major contributor to the output growth od Indian small scale industrial sector.

**Keywords:** Small Scale Industrial Sector, Globalisation, Total Factor Productivity, Economic Reforms.

#### Introduction

Indian economy witnessed high levels of economic growth with the gradual liberalisation which was initiated in the 1980s and intensified in the year 1991-92. Since the time of market reforms, the growth of the country has inclined wherein the annual rate of growth increased from 3.5 per cent in 1980s to 7 per cent by 2005. This tremendous increase in the growth of the national economy has been associated with the trade reforms as well as the policies and rules of the financial sector which aids industrial sector. The gradual development and the transition of the nation to adopt new market policies led the country to gain momentum to further research

on the growth trends of the economy which was triggered by market reforms and policies (Panagariya, 2008). However, the liberal policies and globalisation of the nation's economy has intrigued certain aspects of development in the Indian small scale industries from the year 1991 wherein the sustainability of small scale industrial sector improvements in the country is questioned. Economic underdevelopment in Indian small scale industrial sector is still a problem and an issue to be addressed (Saikia, 2011). In the globalised regime, the Indian small scale industry has to face the international competition from the MNCs, which forced the entire sector to introduce the new products through the innovative process

so as to enhance the output on sustainable basis. Apart from the production with innovative techniques, the improvement in the efficiency and productivity of the Indian small scale industrial sector is equally important. In this context, the Indian small scale industrial sector has to gear up to the challenges to compete with the multinational companies. Since independence the Indian small scale industrial sector has gone through several phases in its growth process.

However, in the era of globalization the growth of the Indian small scale industry can brisk up with both the investment driven growth and by enhancing the total factor productivity. The key objective of this chapter is to analyze the overall performance of Indian small scale industrial sector by analyzing total factor productivity growth with the help of Malmquist Productivity Index (MPI). "It is significant to note that TFP growth captures the technological improvements as well as the impact of better utilization of capacities, learningby-doing and improved skills of labour. More specifically, TFP growth is a composite measure of technological progress and changes in the efficiency with which known technology is applied to production processes" (Ahluwalia, 1991).

Keeping in view the importance of the total factor productivity, the present chapter has exhaustively corroborate the theoretical and empirical findings of the total factor productivity growth in Indian small scale industrial sector during pre and postreforms period. To fulfil the above mentioned objective the paper has been divided into four broad sections. Section I includes the method to measure the total factor productivity growth, the sources of data and construction of relevant input and output variables where as the Section II discusses the empirical results pertaining to partial factor productivity and total factor productivity growth of Indian small scale industrial sector. Section III discusses the regression results for the determinants of variation in partial factor productivity and total factor productivity growth in the Indian small scale industrial sector. The last section concludes the discussion along with some policy implications.

#### **SECTION-I**

#### Database and Measurment of Variables

In this section an attempt has been made to outline the database, concept and methodology to analyse the total factor productivity growth of Indian small scale industrial sector. For the analysis purpose the data has been culled out from various annual reports of Ministry of Micro, Small and Medium Enterprises, Government of India, Handbook of Industrial Policy and Statistics, Development Commissioner of Small Scale Industries and Handbook of Statistics on Indian Economy. The present study is confined to the period from 1980-81 to 2013-14, which is further divided into two sub-periods namely, pre reform period (1980-81 to 1990-91) and post reform period (1991-92 to 2013-14). For the analysis purpose we considered two inputs (gross fixed capital at constant prices and number of employees) and one output (gross value added at constant prices). The detailed definitions of the inputs and output has been given as follows:

#### Labour Input

The present study has used to number of employees consisting of both production and non production workers as a measure of labour input. As per the definition of ASI "The production workers related to all persons employed directly or through agency whether for wages or not and engaged in any manufacturing process or in cleaning any part of the machinery or premises used for manufacturing purposes are lying under the production workers" (ASI).

#### Capital Input

In the present study, "we use the gross fixed capital stock as a measure of capital input. This procedure involves the following steps:

**Step 1:** The gross real investment (It) has been obtained by using relationship:

$$It = (Bt - Bt - 1 + Dt) / Pt$$
 (1)

Where

Bt = Book value of fixed capital in the year t;

Dt = Value of depreciation of fixed assets in the year t; and

Pt = Price index of machinery and machine tools in the year t.

**Step 2:** The logarithm of gross real investment was first regressed against a timetrend to obtain its average growth rate ù and a trend value of

investment at the beginning of the same i.e. I0.

**Step 3:** Making the conventional assumption that the capital stock grows at asteady state at time t0 the value of capital stock for initial year (K0) has been thenestimated as:

$$\mathbf{K}_0 \frac{\mathbf{I}_0}{\mathbf{\omega} + \mathbf{\delta}} \tag{2}$$

Where

 $K_n$  = Gross value of initial capital stock;

 $\omega$  = Estimated growth rate of investment; and

 $\delta$  = Annual rate of discarding of capital.

In the present analysis, we have taken annual rate of discarding of capital equal to 5 percent.

**Step 4:** After obtaining the estimate of fixed capital for the benchmark year, the following equation has been used for the measurement of gross fixed capital series at 2004-05 prices:

$$Kt = Kt-1 + It - \delta Kt-1$$
 (3)

where

K<sub>t</sub> = Gross fixed capital at 2004-05 prices by the end of year t;

It = Gross real investment in fixed capital during the year t; and

 $\delta$  = Annual rate of discarding of capital.

"All the above variables has been deflated at 2004-05 prices using appropriate price deflators.

#### Gross Value Added

Gross value added is classified as the complete proceeds of the industry deducted by procurements of materials and amenities utilised in the manufacturing process (Castillo, 2015). The statistics of Gross Value Added are attained at by subtracting the price of total input from the value of total output.

$$GVA = TO - TI$$
 (4)

where;

GVA means gross value added,

TO and TI means total output and total input.

### Total Factor Productivity (TFP) Growth: Concept and Measurment

"It is well acknowledged that economic growth

depends both on the use of factors of production such as labour and capital, the efficiency in resource use and technical progress. This efficiency in resource use is often referred to as productivity. Some researchers note that growth in productivity is the only plausible route to increase the standard of living (see for example, Balakrishnan and Pushpangadan, 1998) and is therefore a measure of welfare" (Krugman, 1990). "According to production theory, three factors account for the output growth viz. quantity of inputs, technological progress and technical efficiency with which resources are utilized, the combined effect of technological progress and change in technical efficiency constitute productivity growth" (Antle and Capalbo, 1988).

"Technical change can be defined as the knowledge regarding the industrial acts existing at a point of time. The existing technology sets the condition for the optimum use resources and it sets the limit to how much can be produced with a given amount of inputs given the level of technology. It is the shift in the production function and it can visualized as an inward shift of the isoquants in case of two inputs" (Desai, 1993). Productivity can be measured by using partial productivity indices or by the multifactor indices which are discussed below. The partial productivity can be measured by calculating labour and capital productivity as given below in Equation 5 and 6.

Labour Productivity = 
$$Q/L$$
 (5)

Capital Productivity = 
$$Q/K$$
 (6)

Where, Q is total amount of labour and capital respectively.

The multifactor and TFP measures consider the joint use of inputs in the production. They are given as under in Equation 7 and 8.

$$TFP_{index} = \frac{Q_i}{aL + bK}$$
 (7)

$$MFP_{index} = \frac{Q_2}{aL + bK + cM}$$
 (8)

#### The Frontier Approach To Measure TFP

"The crucial distinction between these approaches lies in the very definition of the word 'Frontier'. A frontier refers to a set of best obtainable position.

Thus a production frontier traces the set of maximum outputs obtainable from a given set of inputs and technology, and cost frontier traces the minimum achievable cost given input prices and output. The production frontier is an unobservable function that is said to represent the 'best practice' function as it is a function bounding or enveloping the sample data. This is different from the average function, which is often estimated by the Ordinary Least Square (OLS) regression as a line of best fit through the sample data. The frontier and non-frontier categorization is of methodological importance since the frontier approach identifies the role of technical efficiency in overall state performance, while the non-frontier approach assumes that the firms are technically efficient" (Arora, 2010)

In the present study the frontier Malmquist Index has been used to estimate the output index, input index and total factor productivity index. Among the many different methods used to measure TFP, based on distance function the following methods are used- Hicks Moorsteen productivity index (Diewert, 1992), Malmquist productivity index (Caves *et al.*, 1982a), and Luenberger productivity indicator (Chambers, 1996). These indexes require problem solving techniques such as Data Envelopment Analysis (DEA) or methods such as regression to measure the distance of unknown frontier.

The Malmquist Productivity Index (MPI) calculates the changes in productivity with respect to variations in time and could further be fragmented into efficiency and technology changes with a non-parametric approach such as DEA. Decomposition of productivity into efficiency catch-up and technical change requires the data and the variants of technology existing in the same study period. In terms of the distance function, MPI is expressed at both time 't' and 't+1' in Equation 9 and 10 respectively.

$$MPI_{I}^{t} = \frac{E_{I}^{t}(x^{t+1}, y^{t+1})}{E_{I}^{t}(x^{t}, y^{t})}$$
(9)

$$MPI_{I}^{t-1} = \frac{E_{I}^{t+1}(x^{t+1}, y^{t+1})}{E_{I}^{t+1}(x^{t}, y^{t})}$$
(10)

where the notation I denotes the MPI model orientation. Equation 11 gives the geometric mean

of the two MPI which is as follows:

$$\mathit{MPI}_{l}^{G} = (\mathit{MPI}_{l}^{t} \mathit{MPI}_{l}^{t+1})^{1/2} = [\underbrace{\binom{E_{l}^{t}(x^{t+1}, y^{t+1})}{E_{l}^{t}(x^{t}, y^{t})}} \cdot \underbrace{\binom{E_{l}^{t+1}(x^{t+1}, y^{t+1})}{E_{l}^{t+1}(x^{t}, y^{t})}}] l^{1/2} \ \, \textbf{(11)}$$

However, the above equation denotes the input oriented geometric mean of the MPI which could be fragmented into input oriented efficiency change (EFFCH) and input oriented technical change (TECHCH) which is defined in Equation 12.

 $MPI_{I}^{G} = (EFFCH_{1}).(TECHCH_{I}^{G}) =$ 

$$\left(\frac{E_l^{t+1}(x^{t+1}, y^{t+1})}{E_l^{t}(x^t, y^t)}\right) \cdot \left[\left(\frac{E_l^{t}(x^t, y^t)}{E_l^{t+1}(x^t, y^t)}\right) \cdot \left(\frac{E_l^{t}(x^{t+1}, y^{t+1})}{E_l^{t+1}(x^{t+1}, y^{t+1})}\right)\right]^{1/2}$$
(12)

From the above equation, two terms efficiency change and the technology change are acquired respectively. However, MPI is defined using distance function (DEA) which is the MPI components derived from distance function estimation defined on frontier technology. Fare et al. (1994) derived the equation for MPI and is the most widely accepted method to calculate production technology (Coelli et al., 2005a; Thanassoulis, 2001). By using both VRS and CRS DEA frontiers, the distance functions are estimated in Equation 12. Furthermore, technical efficiency is fragmented into pure technical efficiency and scale efficiency. In this context, pure technical efficiencychange is denoted in Equation 13 as:

PECH = 
$$\frac{E_{VRS}^{t+1}(x^{t+1}, y^{t+1})}{E_{CRS}^{t+1}(x^{t}, y^{t})}$$
 (13)

Furthermore, scale efficiency change is denoted as:

SECH =

$$\frac{ E_{\textit{VRS}}^{t+1}(x^{t+1}, y^{t+1}) / E_{\textit{CRS}}^{t+1}(x^{t+1}, y^{t+1}) }{ [ \frac{E_{\textit{VRS}}^{t+1}(x^{t}, y^{t})}{E_{\textit{CRS}}^{t+1}(x^{t}, y^{t})} \cdot \frac{E_{\textit{VRS}}^{t}(x^{t+1}, y^{t+1}) / E_{\textit{CRS}}^{t}(x^{t+1}, y^{t+1}) }{E_{\textit{VRS}}^{t}(x^{t}, y^{t}) / E_{\textit{CRS}}^{t}(x^{t}, y^{t})} ]^{1/2} \ \ \textbf{(14)}$$

#### **Durbin Watson Test**

"Durbin-Watson test is most celebrated statistic test for detecting the presence of serial autocorrelation (a relationship between values separated from each other by a given time lag) in the residuals (prediction error) from the regression analysis" (Gujrati, 2007).

$$\mathbf{d} = \frac{\sum_{t=2}^{n} (\mathbf{e}_{t} - \mathbf{e}_{t-1})^{2}}{\sum_{t=1}^{n} \mathbf{e}_{t}^{2}}$$
(15)

where 'n' stands for the number of observations, et the observed error term (i.e., residuals) or  $(Y_{t \to t})$  = Yt – a – bX<sub>t</sub>. It can be shown that the value of d will be between zero and four; zero corresponding to perfect positive correlation and four to perfect negative correlation. As a rough rule of thumb, if Durbin–Watson is less than 1.0, there may be cause for alarm. Small values of d indicate successive error terms are, on average, close in value to one another, or positively correlated. If d > 2, successive error terms are, on average, much different in value from one another, i.e., negatively correlated. In regressions, this can imply an underestimation of the level of statistical significance" (Gujrati, 2007).

#### **SECTION-II**

The present study endeavor to analyze the partial productivity and total factor productivity growth in Indian small scale industrial sector and it also examine the factors explaining the productivity growth.

In this section empirical results pertaining to partial productivities .i.e. (labour productivity and capital productivity) and total factor productivity growth in Indian small scale industrial sector have been presented. "It has been well acknowledged in the literature that the labour productivity defines a ratio of output (i.e., gross value added in the present study) to the total number of labour employed in the industry" (Kumar, 2001).

The labour productivity for Indian small scale industrial sector is defined as a ratio of output (Gross Value Added) to labour input (employment). Symbolically, it can be expressed as in Equation 16.

$$LP = Q/L \tag{16}$$

The capital productivity for Indian small scale industrial sector is defined as a ratio of output (Gross Value Added) to capital input (fixed capital). Symbolically, it can be expressed as in Equation 17.

$$CP = Q/C \tag{17}$$

Table 1 presents the annual growth rate of labour productivity and capital productivity of Indian small scale industrial sector during 1980-81 to 2013-14. The compound annual growth rate has been given for the entire period (1980-81 to 2013-14), pre-reforms period (1980-81 to 1990-91) andpost-reforms period (1991-92 to 2013-14).It has been observed that the labour productivity of Indian small scale industrial sector has grown at compound annual growth rate of 0.51 percent during the entire study period. However, this figure has been observed to be 9.37 percent for the pre-reform period which is decelerated to 2.46 percent during the post-reform period. The empirical result shows that the labour productivity growth has observed higher growth rates during the pre-reforms period in relation to the post-reforms period. Firstly, it is revealed that during the pre-reforms period, Indian SSIs witnessed steep growth in labour productivity which is clearly depicted in Figure 1. Indian small scale industrial sector had witnessed increased labour productivity during the pre-reforms period; however, with the economic reform policies established in the year 1990-91, the sector suffered from a drastic downfall. For years even after the economic liberalisation, the small scale industrial sector in India was suffering from negative valued labour productivity which revived to growth position during the year 1995-96. In a previous study by Garg (1996), an analysis was made to identify whether growth of SSIs in India is set in an inclining pace. While the previous paper was published in 1996, it covered the growth rates of large and small SSIs wherein the period of study considered was till 1994-95. These findings further discern the fact that capital accumulation had been evident during the time when liberal policies were established and labour productivity was however not of a great concern.

On the other hand, the partial factor productivity measure of capital productivity of Indian small scale industrial sector has been given as the ratio of Gross Value Added (GVA) to the gross fixed capital at constant prices. Table 1 illustrate the trends of the capital productivity measure for the Indian small scale industrial sector. During the entire study period the compound annual growth rate of capital productivity in Indian small scale industrial sector is recorded to the tune of -8.25

percent. The comparison of capital productivity between pre-reforms and post-reforms reveals that the liberalization, privatization and globalization (LPG) process has failed to bring any significant dent in the performance of capital productivity growth of Indian small scale industrial sector, because the trend of compound annual growth rate of capital productivity exist in the post-reforms period to the tune of 1.06 percent and 2.07 percent in the pre reform. One major drawback of measuring partial productivities is that with changing production levels, the measure of productivity in terms of labour and capital are either overestimated or underestimated but not accurate. In simple terms, the calculation of partial productivities often leads to biased estimation or results (Majumder, 2004). Furthermore, the measurement of partial productivities does not provide the platform for decomposing efficiency effects. These limitations lead to the computation of TFP which could overcome such defects.

### Total Factor Productivity Growth Analysis Using Malmquist Productivity Index

Total Factor Productivity (TFP) measures the output that could not be explained by the inputs used in the production. Most often, TFP is also calculated as the production function shift. It is deemed that TFP is considered to be synonymous to technological change and hence, shift in production function is taken as technological change. However, with inefficient production, change in TFP is associated with technical efficiency change. This became the premise of the present research wherein Malmquist Productivity Index is used to estimate total factor productivity growth. The calculation of TFP takes the form

$$TFPG = (MALINDEX - 1) \times 100$$

where MALINDEX is calculated using the equation. The calculation of TFP growth is listed in Table 2.

In addition to this, Table 3 show the results for sources of output growth viz. percentage contribution of labour input, capital input and contribution of total factor productivity in Indian small scale industrial sector. The analysis reveals that the contribution of TFP growth turned out to be the predominant source of the output growth in Indian small scale industrial sector during the

entire study period as well as in the post-reforms period. On the other hand, the contribution of labour input growth towards output growth has shown the fluctuating trend, though it is contributing positively to the output growth from 1980-81 onwards. Moreover, the contribution of capital input growth to output growth of Indian small scale industrial sector was either negligible or negative during the entire study period. Therefore, the introduction of economic reforms has no significant and positive impact on the capital input growth in Indian small scale industrial sector. In this context, there is need to accelerate the capital input growth in Indian small scale industrial sector because the capital stock of a industry increases through the process of net investment where as the capital investment is essentially required to update the capacity of the sector on sustainable basis. Thus, the empirical analysis reveals that the output growth of Indian small scale industrial sector is predominantly technology-driven and not the input-driven in the post-reforms period. The picture of the contribution of all three i.e. input growth, output growth and total factor productivity growth is given in the Figure 2 in the form of a graph during the entire study period, pre reform period and post reform period.

#### **SECTION - III**

## Determinants of Labour Productivity, Capital Productivity and Total Factor Productivity Growth of Indian Small Scale Industrial Sector

The partial productivities (labour and capital) and TFP growth in Indian small scale industrial sector a-priori assumed to be affected by various factors, viz. growth of output (OUTGROW), growth of capital intensity (KLGROW), profitability (RETURNS) and proportion of non production employees to total employees (SKILL). "The variable 'OUTGROW' represents the growth of output, the rate of growth of output is hypothesized to influence the growth of technical progress. The usual presumption in the literature is that such variable is necessary to control the effect of scale economies on total factor productivity growth" (Denison, 1979 and Kaldor, 1970). "The explanatory variable 'KLGROW' represents average annual growth rate of capital intensity, which reflects growth in the capital accumulation per employee. It is a measure of

the relative degree of mechanisation in the production process. A high capital-labour ratio signifies a greater degree of mechanisation and is expected to facilitate higher productivity growth. "The variable RETURN (profitability) is defined as the ratio of contribution of Capital (GVA-emoluments) to gross fixed capital. The variable 'RETURN' is used as a proxy for the level of profitability in the industry. "The variable SKILL represents the availability of human skills and highlights the availability of the trained manpower including supervisory, administrative and managerial staff, where it has been measured as the ratio of skilled persons (i.e., all employees minus production workers) to all employees" (Ghosh and Neogi,1993 and Kumar and Arora, 2007). The following are the regression equations for partial productivity and total productivity growth:

TFPG =  $\beta 0 + \beta 1$ OUTGROW +  $\beta 2$ KLGROW +  $\beta 3$ RETURNS +  $\beta 4$ SKILL +  $\mu i$  (5.19)

LPG =  $\beta 0$  +  $\beta 1$ OUTGROW +  $\beta 2$ KLGROW +  $\beta 3$ RETURNS +  $\beta 4$ SKILL +  $\mu i$  (5.20)

CPG =  $\beta$ 0 +  $\beta$ 1OUTGROW +  $\beta$ 2KLGROW +  $\beta$ 4RETURNS +  $\beta$ 4SKILL +  $\mu$ i (5.21)

where

TFPG stands for total factor productivity growth

LPG stands for labour productivity growth

CPG stands for capital productivity growth

OUTGROW stands for growth of output

KLGROW stands for growth of capital investment

RETURNS stands for level of profitability

SKILL stands for the availability of skilled manpower

Table 4 represent the result of the estimates of factors affecting TFP growth in Indian small scale industrial sector, it has been observed that barring the explanatory variable 'OUTGROW' is significantly affecting the total factor productivity growth at 1 percent level of significance however the other variables SKILL, RETURNS AND

KLGROW are negatively affecting the total factor productivity growth of Indian small scale industrial sector. thus it could be inferred from the results that the growth of output are positively affecting TFP while the others have negative impact on TFP growth. Moreover the general proposition of rapid output growthis likely to be more pronounced TFP growth is valid in case of Indian small scale industrial sector. On the other hand, Durbin-Watson statistics value of 2.46 shows that there is no problem of serial autocorrelation and the value of variance inflation factor shows that there is absence of multicollinearity among the selected variables.

Table 5 presents the result for the estimates of the determinants of the labour productivity growth in Indian small scale industrial sector, the result shows that only 'OUTGROW' is positively and significantly affecting the labour productivity in Indian small scale industrial sector. The coefficient of SKILL, KLGROW and RETURNare insignificantly determining the variations in labour productivity growth at 1 percent level of significance. However, the variable'OUTGROW'satisfy a-priori expectations about the directions of their impact on labour productivity growth in Indian small scale industrial sector and they are equally important for policy formulation. Durbin-Watson statistics value of 1.50 indicate that there is no problem of presence of serial auto-correlation and the value of Variance Inflation Factor implies that there is no problem of multicollinearity.

Table 6 shows the estimated regression results for the factors explaining the variations of capital productivity growth in Indian small scale industrial sector. All the selected variables except 'SKILL'and RETURN has a significant effect on the capital productivity growth, the results indicates that 'KLGROW' and 'OUTGROW' are significantly effects the capital productivity growth at 1 percent level of significance. Therefore, the results revealed that the growth of output and the growth of capital investment leads to higher capital productivity of the Indian small scale industrial sector. The values of Durbin-Watson statistics and Variance Inflation Factor implies that there is no problem of presence of serial auto-correlation and multicollinearity in selected variables.

#### **SECTION IV**

#### Conclusion

It can be concluded from the empirical results of the partial factor productivities growth that economic reforms of 1991 has no significant impact on the labour productivity growth and has negative impact on the capital productivity growth in Indian small scale industrial sector.

The result for the decomposition of output growth of Indian small scale industrial sector reveals that the inspiration component (TFP growth) is significantly contributing to the output growth, as the growth of TFP in Indian small scale industrial sector has found to be growing at a positive during the entire study period. Therefore, the economic reforms of 1991 seems to foster the output growth of Indian small scale industrial sector because the economic reforms has brought about various changes in Indian industry by opening up the markets to the multinational companies, lifting various trade and tariff barrier and the integration of small scale industrial sector to world's modern technology. Moreover, the compound annual growth rate of the total factor productivity during the entire study period worked out to be -1.53 percent, whereas the comparative analysis of total factor productivity growth of Indian small scale industrial sector during the pre-reforms and post-reforms period revealed that the compound annual growth rate has decreased from -7.02 percent during the prereforms period to 1.69 percent during the postreforms period. Therefore, the total factor productivity growth of Indian small scale industrial sector has positively contributing to output growth of same during the post-reforms period.

Hence, in order to accelerate the output and productivity growth of Indian small scale industrial sector in the current economic scenario, a significant amount of investment in human resource development and technology upgradation of research and development capabilities in Indian small scale industry is essentially required in post-reforms period. Moreover, the government must initiate the measures to promote public investment in research and development activities for the sustainability of Indian small scale industrial sector. Therefore, the Indian small scale industrial

sector should become globally competitive through world class capabilities both in terms of quality and cost efficiency so as to enhance its output and productivity on sustainable basis in the post-reforms period.

Table 1 : Labour and Capital Productivity Growth of Indian Small Scale Industrial Sector (% Age)

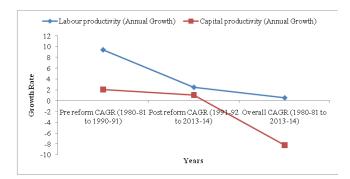
Years   Labour   Capital					
	product	product-			
	ivity	ivity			
	(Annual	(Annual			
	Growth)	Growth)			
1980-81	-	-			
1981-82	11.98	10.20			
1982-83	1.72	-1.05			
1983-84	13.92	12.18			
1984-85	15.09	8.04			
1985-86	14.88	7.14			
1986-87	12.66	4.83			
1987-88	15.24	4.92			
1988-89	15.52	0.69			
1989-90	18.31	5.15			
1990-91	-50.23	-50.84			
1991-92	-13.02	-10.39			
1992-93	23.67	16.75			
1993-94	-35.14	-36.09			
1994-95	-90.84	-91.16			
1995-96	-13.20	-14.15			
1996-97	61.75	62.86			
1997-98	38.67	42.11			
1998-99	35.35	36.54			
1999-00	20.23	21.16			
2000-01	17.37	16.27			
2001-02	7.91	6.42			
2002-03	14.80	13.39			
2003-04	22.97	21.49			
2004-05	24.72	23.03			
2005-06	-10.37	17.22			
2006-07	-66.65	-74.68			

2007-08	6.01	0.63
2008-09	5.81	0.86
2009-10	5.81	-7.89
2010-11	5.87	10.99
2011-12	11.60	23.26
2012-13	0.08	-0.58
2013-14	0.11	-0.78
Pre reform CAGR		
(1980-81 to 1990-91)	9.37	2.07
Post reform CAGR		
(1991-92 to 2013-14)	2.46	1.06
Overall CAGR		
(1980-81 to 2013-14)	0.51	-8.25

**Note:** CAGR stand for Compound Annual Growth Rate in Percent

**Source:** Author's calculation

Figure 1: Compound Annual Growth Rate of Labour Productivity, and Capital Productivity of Indian Small Scale Industrial Sector



Source: Author's calculation

Table 2: Trend in Indices (Malmquist Index) of Output, INput and TFP in Indian Small Scale Industrial Sector

Year	Input	Output	TFPI	
	Index	Index		
1980-81	26.74	270.68	-243.94	

1981-82         29.95         298.27         -268.32           1982-83         30.46         295.14         -264.67           1983-84         34.70         331.08         -296.38           1984-85         39.94         357.71         -317.77           1985-86         45.88         383.23         -337.35           1986-87         51.69         401.71         -350.02           1987-88         59.57         421.53         -361.96           1988-89         68.81         424.43         -355.61           1989-90         81.42         446.28         -364.86           1990-91         40.52         219.38         -178.86           1991-92         -12.98         -14.00         1.02           1992-93         -16.05         -16.37         0.32           1993-94         -10.41         -10.45         0.04           1994-95         -0.95         -0.94         -0.01           1995-96         12.28         12.43         -0.15           1996-97         19.86         20.30         -0.44           1997-98         27.55         28.83         -1.28           1998-99         37.29         39.38 <t< th=""><th></th><th></th><th>i</th><th></th></t<>			i	
1983-84       34.70       331.08       -296.38         1984-85       39.94       357.71       -317.77         1985-86       45.88       383.23       -337.35         1986-87       51.69       401.71       -350.02         1987-88       59.57       421.53       -361.96         1988-89       68.81       424.43       -355.61         1989-90       81.42       446.28       -364.86         1990-91       40.52       219.38       -178.86         1991-92       -12.98       -14.00       1.02         1992-93       -16.05       -16.37       0.32         1993-94       -10.41       -10.45       0.04         1994-95       -0.95       -0.94       -0.01         1995-96       12.28       12.43       -0.15         1996-97       19.86       20.30       -0.44         1997-98       27.55       28.83       -1.28         1998-99       37.29       39.38       -2.09         1999-00       44.83       47.68       -2.84         2000-01       52.62       55.47       -2.84         2001-02       56.79       58.98       -2.19	1981-82	29.95	298.27	-268.32
1984-85       39.94       357.71       -317.77         1985-86       45.88       383.23       -337.35         1987-88       59.57       421.53       -361.96         1988-89       68.81       424.43       -355.61         1989-90       81.42       446.28       -364.86         1990-91       40.52       219.38       -178.86         1991-92       -12.98       -14.00       1.02         1992-93       -16.05       -16.37       0.32         1993-94       -10.41       -10.45       0.04         1994-95       -0.95       -0.94       -0.01         1995-96       12.28       12.43       -0.15         1996-97       19.86       20.30       -0.44         1997-98       27.55       28.83       -1.28         1998-99       37.29       39.38       -2.09         1999-00       44.83       47.68       -2.84         2000-01       52.62       55.47       -2.84         2001-02       56.79       58.98       -2.19         2002-03       65.20       66.88       -1.68         2003-04       80.18       81.25       -1.07 <td< td=""><td>1982-83</td><td>30.46</td><td>295.14</td><td>-264.67</td></td<>	1982-83	30.46	295.14	-264.67
1985-86       45.88       383.23       -337.35         1986-87       51.69       401.71       -350.02         1987-88       59.57       421.53       -361.96         1988-89       68.81       424.43       -355.61         1989-90       81.42       446.28       -364.86         1990-91       40.52       219.38       -178.86         1991-92       -12.98       -14.00       1.02         1992-93       -16.05       -16.37       0.32         1993-94       -10.41       -10.45       0.04         1994-95       -0.95       -0.94       -0.01         1995-96       12.28       12.43       -0.15         1996-97       19.86       20.30       -0.44         1997-98       27.55       28.83       -1.28         1998-99       37.29       39.38       -2.09         1999-00       44.83       47.68       -2.84         2001-02       56.79       58.98       -2.19         2002-03       65.20       66.88       -1.68         2003-04       80.18       81.25       -1.07         2004-05       100.00       100.00       100.00	1983-84	34.70	331.08	-296.38
1986-87         51.69         401.71         -350.02           1987-88         59.57         421.53         -361.96           1988-89         68.81         424.43         -355.61           1989-90         81.42         446.28         -364.86           1990-91         40.52         219.38         -178.86           1991-92         -12.98         -14.00         1.02           1992-93         -16.05         -16.37         0.32           1993-94         -10.41         -10.45         0.04           1994-95         -0.95         -0.94         -0.01           1995-96         12.28         12.43         -0.15           1996-97         19.86         20.30         -0.44           1997-98         27.55         28.83         -1.28           1998-99         37.29         39.38         -2.09           1999-00         44.83         47.68         -2.84           2000-01         52.62         55.47         -2.84           2001-02         56.79         58.98         -2.19           2002-03         65.20         66.88         -1.68           2003-04         80.18         81.25         -1.07	1984-85	39.94	357.71	-317.77
1987-88       59.57       421.53       -361.96         1988-89       68.81       424.43       -355.61         1989-90       81.42       446.28       -364.86         1990-91       40.52       219.38       -178.86         1991-92       -12.98       -14.00       1.02         1992-93       -16.05       -16.37       0.32         1993-94       -10.41       -10.45       0.04         1994-95       -0.95       -0.94       -0.01         1995-96       12.28       12.43       -0.15         1996-97       19.86       20.30       -0.44         1997-98       27.55       28.83       -1.28         1998-99       37.29       39.38       -2.09         1999-00       44.83       47.68       -2.84         2000-01       52.62       55.47       -2.84         2001-02       56.79       58.98       -2.19         2002-03       65.20       66.88       -1.68         2003-04       80.18       81.25       -1.07         2004-05       100.00       100.00       100.00         2005-06       89.63       117.18       -27.55	1985-86	45.88	383.23	-337.35
1988-89       68.81       424.43       -355.61         1989-90       81.42       446.28       -364.86         1990-91       40.52       219.38       -178.86         1991-92       -12.98       -14.00       1.02         1992-93       -16.05       -16.37       0.32         1993-94       -10.41       -10.45       0.04         1994-95       -0.95       -0.94       -0.01         1995-96       12.28       12.43       -0.15         1996-97       19.86       20.30       -0.44         1997-98       27.55       28.83       -1.28         1998-99       37.29       39.38       -2.09         1999-00       44.83       47.68       -2.84         2000-01       52.62       55.47       -2.84         2001-02       56.79       58.98       -2.19         2002-03       65.20       66.88       -1.68         2003-04       80.18       81.25       -1.07         2004-05       100.00       100.00       100.00         2005-06       89.63       117.18       -27.55         2006-07       29.89       29.65       2.04         2008	1986-87	51.69	401.71	-350.02
1989-90       81.42       446.28       -364.86         1990-91       40.52       219.38       -178.86         1991-92       -12.98       -14.00       1.02         1992-93       -16.05       -16.37       0.32         1993-94       -10.41       -10.45       0.04         1994-95       -0.95       -0.94       -0.01         1995-96       12.28       12.43       -0.15         1996-97       19.86       20.30       -0.44         1997-98       27.55       28.83       -1.28         1998-99       37.29       39.38       -2.09         1999-00       44.83       47.68       -2.84         2000-01       52.62       55.47       -2.84         2001-02       56.79       58.98       -2.19         2002-03       65.20       66.88       -1.68         2003-04       80.18       81.25       -1.07         2004-05       100.00       100.00       100.00         2005-06       89.63       117.18       -27.55         2006-07       29.89       29.65       2.04         2008-09       33.53       29.65       3.88         2010-11<	1987-88	59.57	421.53	-361.96
1990-91       40.52       219.38       -178.86         1991-92       -12.98       -14.00       1.02         1992-93       -16.05       -16.37       0.32         1993-94       -10.41       -10.45       0.04         1994-95       -0.95       -0.94       -0.01         1995-96       12.28       12.43       -0.15         1996-97       19.86       20.30       -0.44         1997-98       27.55       28.83       -1.28         1998-99       37.29       39.38       -2.09         1999-00       44.83       47.68       -2.84         2000-01       52.62       55.47       -2.84         2001-02       56.79       58.98       -2.19         2002-03       65.20       66.88       -1.68         2003-04       80.18       81.25       -1.07         2004-05       100.00       100.00       100.00         2005-06       89.63       117.18       -27.55         2006-07       29.89       29.65       0.24         2007-08       31.69       29.65       3.88         2009-10       35.48       29.65       5.83         2010-11	1988-89	68.81	424.43	-355.61
1991-92         -12.98         -14.00         1.02           1992-93         -16.05         -16.37         0.32           1993-94         -10.41         -10.45         0.04           1994-95         -0.95         -0.94         -0.01           1995-96         12.28         12.43         -0.15           1996-97         19.86         20.30         -0.44           1997-98         27.55         28.83         -1.28           1998-99         37.29         39.38         -2.09           1999-00         44.83         47.68         -2.84           2000-01         52.62         55.47         -2.84           2001-02         56.79         58.98         -2.19           2002-03         65.20         66.88         -1.68           2003-04         80.18         81.25         -1.07           2004-05         100.00         100.00         100.00           2005-06         89.63         117.18         -27.55           2006-07         29.89         29.65         0.24           2007-08         31.69         29.65         2.04           2008-09         33.53         29.65         5.83      <	1989-90	81.42	446.28	-364.86
1992-93       -16.05       -16.37       0.32         1993-94       -10.41       -10.45       0.04         1994-95       -0.95       -0.94       -0.01         1995-96       12.28       12.43       -0.15         1996-97       19.86       20.30       -0.44         1997-98       27.55       28.83       -1.28         1998-99       37.29       39.38       -2.09         1999-00       44.83       47.68       -2.84         2000-01       52.62       55.47       -2.84         2001-02       56.79       58.98       -2.19         2002-03       65.20       66.88       -1.68         2003-04       80.18       81.25       -1.07         2004-05       100.00       100.00       100.00         2005-06       89.63       117.18       -27.55         2006-07       29.89       29.65       0.24         2007-08       31.69       29.65       2.04         2008-09       33.53       29.65       3.88         2010-11       37.56       29.65       7.91         2011-12       41.92       36.61       5.31         2012-13	1990-91	40.52	219.38	-178.86
1993-94         -10.41         -10.45         0.04           1994-95         -0.95         -0.94         -0.01           1995-96         12.28         12.43         -0.15           1996-97         19.86         20.30         -0.44           1997-98         27.55         28.83         -1.28           1998-99         37.29         39.38         -2.09           1999-00         44.83         47.68         -2.84           2000-01         52.62         55.47         -2.84           2001-02         56.79         58.98         -2.19           2002-03         65.20         66.88         -1.68           2003-04         80.18         81.25         -1.07           2004-05         100.00         100.00         100.00           2005-06         89.63         117.18         -27.55           2006-07         29.89         29.65         0.24           2007-08         31.69         29.65         2.04           2008-09         33.53         29.65         5.83           2010-11         37.56         29.65         7.91           2011-12         41.92         36.61         5.31	1991-92	-12.98	-14.00	1.02
1994-95         -0.95         -0.94         -0.01           1995-96         12.28         12.43         -0.15           1996-97         19.86         20.30         -0.44           1997-98         27.55         28.83         -1.28           1998-99         37.29         39.38         -2.09           1999-00         44.83         47.68         -2.84           2000-01         52.62         55.47         -2.84           2001-02         56.79         58.98         -2.19           2002-03         65.20         66.88         -1.68           2003-04         80.18         81.25         -1.07           2004-05         100.00         100.00         100.00           2005-06         89.63         117.18         -27.55           2006-07         29.89         29.65         0.24           2007-08         31.69         29.65         2.04           2008-09         33.53         29.65         5.83           2010-11         37.56         29.65         7.91           2011-12         41.92         36.61         5.31           2012-13         41.96         36.34         5.62	1992-93	-16.05	-16.37	0.32
1995-96       12.28       12.43       -0.15         1996-97       19.86       20.30       -0.44         1997-98       27.55       28.83       -1.28         1998-99       37.29       39.38       -2.09         1999-00       44.83       47.68       -2.84         2000-01       52.62       55.47       -2.84         2001-02       56.79       58.98       -2.19         2002-03       65.20       66.88       -1.68         2003-04       80.18       81.25       -1.07         2004-05       100.00       100.00       100.00         2005-06       89.63       117.18       -27.55         2006-07       29.89       29.65       0.24         2007-08       31.69       29.65       2.04         2008-09       33.53       29.65       3.88         2010-11       37.56       29.65       7.91         2011-12       41.92       36.61       5.31         2012-13       41.96       36.34       5.62	1993-94	-10.41	-10.45	0.04
1996-97       19.86       20.30       -0.44         1997-98       27.55       28.83       -1.28         1998-99       37.29       39.38       -2.09         1999-00       44.83       47.68       -2.84         2000-01       52.62       55.47       -2.84         2001-02       56.79       58.98       -2.19         2002-03       65.20       66.88       -1.68         2003-04       80.18       81.25       -1.07         2004-05       100.00       100.00       100.00         2005-06       89.63       117.18       -27.55         2006-07       29.89       29.65       0.24         2007-08       31.69       29.65       2.04         2008-09       33.53       29.65       3.88         2009-10       35.48       29.65       5.83         2010-11       37.56       29.65       7.91         2011-12       41.92       36.61       5.31         2012-13       41.96       36.34       5.62	1994-95	-0.95	-0.94	-0.01
1997-98       27.55       28.83       -1.28         1998-99       37.29       39.38       -2.09         1999-00       44.83       47.68       -2.84         2000-01       52.62       55.47       -2.84         2001-02       56.79       58.98       -2.19         2002-03       65.20       66.88       -1.68         2003-04       80.18       81.25       -1.07         2004-05       100.00       100.00       100.00         2005-06       89.63       117.18       -27.55         2006-07       29.89       29.65       0.24         2007-08       31.69       29.65       2.04         2008-09       33.53       29.65       3.88         2009-10       35.48       29.65       5.83         2010-11       37.56       29.65       7.91         2011-12       41.92       36.61       5.31         2012-13       41.96       36.34       5.62	1995-96	12.28	12.43	-0.15
1998-99       37.29       39.38       -2.09         1999-00       44.83       47.68       -2.84         2000-01       52.62       55.47       -2.84         2001-02       56.79       58.98       -2.19         2002-03       65.20       66.88       -1.68         2003-04       80.18       81.25       -1.07         2004-05       100.00       100.00       100.00         2005-06       89.63       117.18       -27.55         2006-07       29.89       29.65       0.24         2007-08       31.69       29.65       2.04         2008-09       33.53       29.65       3.88         2009-10       35.48       29.65       5.83         2010-11       37.56       29.65       7.91         2011-12       41.92       36.61       5.31         2012-13       41.96       36.34       5.62	1996-97	19.86	20.30	-0.44
1999-00       44.83       47.68       -2.84         2000-01       52.62       55.47       -2.84         2001-02       56.79       58.98       -2.19         2002-03       65.20       66.88       -1.68         2003-04       80.18       81.25       -1.07         2004-05       100.00       100.00       100.00         2005-06       89.63       117.18       -27.55         2006-07       29.89       29.65       0.24         2007-08       31.69       29.65       2.04         2008-09       33.53       29.65       3.88         2009-10       35.48       29.65       5.83         2010-11       37.56       29.65       7.91         2011-12       41.92       36.61       5.31         2012-13       41.96       36.34       5.62	1997-98	27.55	28.83	-1.28
2000-01         52.62         55.47         -2.84           2001-02         56.79         58.98         -2.19           2002-03         65.20         66.88         -1.68           2003-04         80.18         81.25         -1.07           2004-05         100.00         100.00         100.00           2005-06         89.63         117.18         -27.55           2006-07         29.89         29.65         0.24           2007-08         31.69         29.65         2.04           2008-09         33.53         29.65         3.88           2009-10         35.48         29.65         5.83           2010-11         37.56         29.65         7.91           2011-12         41.92         36.61         5.31           2012-13         41.96         36.34         5.62	1998-99	37.29	39.38	-2.09
2001-02         56.79         58.98         -2.19           2002-03         65.20         66.88         -1.68           2003-04         80.18         81.25         -1.07           2004-05         100.00         100.00         100.00           2005-06         89.63         117.18         -27.55           2006-07         29.89         29.65         0.24           2007-08         31.69         29.65         2.04           2008-09         33.53         29.65         3.88           2009-10         35.48         29.65         5.83           2010-11         37.56         29.65         7.91           2011-12         41.92         36.61         5.31           2012-13         41.96         36.34         5.62	1999-00	44.83	47.68	-2.84
2002-03       65.20       66.88       -1.68         2003-04       80.18       81.25       -1.07         2004-05       100.00       100.00       100.00         2005-06       89.63       117.18       -27.55         2006-07       29.89       29.65       0.24         2007-08       31.69       29.65       2.04         2008-09       33.53       29.65       3.88         2009-10       35.48       29.65       5.83         2010-11       37.56       29.65       7.91         2011-12       41.92       36.61       5.31         2012-13       41.96       36.34       5.62	2000-01	52.62	55.47	-2.84
2003-04       80.18       81.25       -1.07         2004-05       100.00       100.00       100.00         2005-06       89.63       117.18       -27.55         2006-07       29.89       29.65       0.24         2007-08       31.69       29.65       2.04         2008-09       33.53       29.65       3.88         2009-10       35.48       29.65       5.83         2010-11       37.56       29.65       7.91         2011-12       41.92       36.61       5.31         2012-13       41.96       36.34       5.62	2001-02	56.79	58.98	-2.19
2004-05       100.00       100.00       100.00         2005-06       89.63       117.18       -27.55         2006-07       29.89       29.65       0.24         2007-08       31.69       29.65       2.04         2008-09       33.53       29.65       3.88         2009-10       35.48       29.65       5.83         2010-11       37.56       29.65       7.91         2011-12       41.92       36.61       5.31         2012-13       41.96       36.34       5.62	2002-03	65.20	66.88	-1.68
2005-06       89.63       117.18       -27.55         2006-07       29.89       29.65       0.24         2007-08       31.69       29.65       2.04         2008-09       33.53       29.65       3.88         2009-10       35.48       29.65       5.83         2010-11       37.56       29.65       7.91         2011-12       41.92       36.61       5.31         2012-13       41.96       36.34       5.62	2003-04	80.18	81.25	-1.07
2006-07       29.89       29.65       0.24         2007-08       31.69       29.65       2.04         2008-09       33.53       29.65       3.88         2009-10       35.48       29.65       5.83         2010-11       37.56       29.65       7.91         2011-12       41.92       36.61       5.31         2012-13       41.96       36.34       5.62	2004-05	100.00	100.00	100.00
2007-08       31.69       29.65       2.04         2008-09       33.53       29.65       3.88         2009-10       35.48       29.65       5.83         2010-11       37.56       29.65       7.91         2011-12       41.92       36.61       5.31         2012-13       41.96       36.34       5.62	2005-06	89.63	117.18	-27.55
2008-09       33.53       29.65       3.88         2009-10       35.48       29.65       5.83         2010-11       37.56       29.65       7.91         2011-12       41.92       36.61       5.31         2012-13       41.96       36.34       5.62	2006-07	29.89	29.65	0.24
2009-10       35.48       29.65       5.83         2010-11       37.56       29.65       7.91         2011-12       41.92       36.61       5.31         2012-13       41.96       36.34       5.62	2007-08	31.69	29.65	2.04
2010-11       37.56       29.65       7.91         2011-12       41.92       36.61       5.31         2012-13       41.96       36.34       5.62	2008-09	33.53	29.65	3.88
2011-12     41.92     36.61     5.31       2012-13     41.96     36.34     5.62	2009-10	35.48	29.65	5.83
2012-13 41.96 36.34 5.62	2010-11	37.56	29.65	7.91
	2011-12	41.92	36.61	5.31
2013-14   42.01   36.12   5.89	2012-13	41.96	36.34	5.62
	2013-14	42.01	36.12	5.89

**Source:** Author's calculation

Table 3 : Decomposition of Output Growth of Indian Small Scale Industrial Sector Into Input Growth and Total Factor Productivity Growth

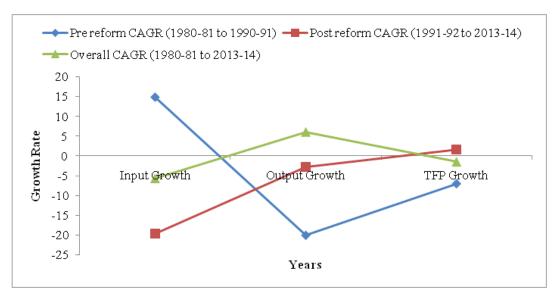
Growth and Total Factor Productivity Growth						
Years	Input	Output	TFP	Contribution	Contribution	TFPC
	Growth	Growth	Growth	of	of	
				Labour	Capital	
1980-81				1.98	5.77	-3.78
1981-82	11.98	10.20	1.78	2.22	6.35	-4.14
1982-83	1.72	-1.05	2.77	2.26	6.29	-4.03
1983-84	13.92	12.18	1.74	2.57	7.05	-4.48
1984-85	15.09	8.04	7.05	2.96	7.62	-4.66
1985-86	14.88	7.14	7.74	3.40	8.17	-4.77
1986-87	12.66	4.83	7.83	3.83	8.56	<b>-4</b> .73
1987-88	15.24	4.92	10.32	4.41	8.98	-4.57
1988-89	15.52	0.69	14.83	5.10	9.04	-3.94
1989-90	18.31	5.15	13.16	6.03	9.51	-3.48
1990-91	-50.23	-50.84	0.61	3.00	4.67	-1.67
1991-92	3.59	419.899	-25.63	-0.96	-0.30	-0.66
1992-93	23.68	16.75	6.93	-1.19	-0.35	-0.84
1993-94	-35.14	-36.09	0.94	-0.77	-0.22	-0.55
1994-95	-90.85	-91.16	0.31	-0.07	-0.02	-0.05
1995-96	-139.20	-146.15	56.96	0.91	0.27	0.64
1996-97	61.76	62.86	-1.10	1.47	0.43	1.04
1997-98	38.68	42.11	-3.43	2.04	0.61	1.43
1998-99	35.36	36.54	-1.19	2.76	0.84	1.92
1999-00	20.23	21.16	-0.92	3.32	1.02	2.31
2000-01	17.38	16.27	1.11	3.90	1.18	2.72
2001-02	7.91	6.42	1.49	4.21	1.26	2.95
2002-03	14.81	13.39	1.42	4.83	1.43	3.41
2003-04	22.98	21.49	1.49	5.94	1.73	4.21
2004-05	24.72	23.03	1.69	7.41	2.13	5.28
2005-06	-10.37	17.22	-27.60	6.64	2.50	4.14
2006-07	-66.65	-74.68	8.03	2.21	0.63	1.58
2007-08	6.01	0.00	6.01	2.35	0.63	1.72
2008-09	5.81	0.00	5.81	2.48	0.63	1.85
2009-10	5.81	0.00	5.81	2.63	0.63	2.00
2010-11	5.88	0.00	5.88	2.78	0.63	2.15
2011-12	11.61	23.26	-11.65	3.11	0.78	2.33
2012-13	0.09	-0.58	0.67	3.11	0.77	2.33
2013-14	0.11	-0.78	0.90	3.11	0.77	2.34

Pre-reform CAGR					
(1980-81 to 1990-91)	14.83	-20.04	-7.02		
Post-reform CAGR					
(1991-92 to 2013-14)	-19.58	-2.78	1.69		
Overall CAGR					
(1980-81 to 2013-14)	-5.72	6.04	<b>-</b> 1.53		

Note: CAGR stand for Compound Annual Growth Rate in Percent

**Source:** Author's calculation

Figure 2: Trends in Compound Annual Growth Rate of Output, Input and Total Factor Productivity in Indian Small Scale Insustrial Sector



Source: Author's calculation

Table 4 : Regression Results For Determinations of TFP Growth in Indian Small Scale Industrial Sector

	Beta	Standard	R	t	p	Durbin-	Variance
		Error	Square	value	value	Watson-	Inflation
						statistics	Factor
(Constant)	48.416	43.503	0.358	1.113	0.276	2.468	
OUTGROW	-0.023	0.006		-3.501	0.002**		1.068
SKILL	9.639	7.516		1.282	0.211		9.660
KLGROW	-24.333	14.354		<i>-</i> 1.695	0.102		3.290
Return	0.184	0.629		0.292	0.773		5.031

Dependent Variable: TFPG, \*\*p<0.01

**Source:** Author's calculation

	Scale illustrial Sector						
	Beta	Standard	R	t	p	Durbin-	Variance
		Error	Square	value	value	Watson-	Inflation
						statistics	Factor
(Constant)	-47.038	52.655		0893	0.380	1.505	
OUTGROW	0.961	0.008	1.001	123.364	0.000**		1.068
SKILL	-4.844	9.097	-0.013	-0.532	0.599		9.660
Return	-0.504	0.761	-0.012	-0.662	0.514		5.031
KLGROW	15 <i>7</i> 52	17 374	0.026	0.907	0.373		3 290

Table 5 : Regression Results For Determinants of Labour Productivity Growth in Indian Small Scale Industrial Sector

Dependent Variable: Growth of labour productivity, \*\*p<0.01

Source: Author's calculation

Table 6: Regression Results for Determinants of Capital Productivity Growth in Indian Small Scale Industrial Sector

	Beta	Standard	R	t	p	Durbin-	Variance
		Error	Square	value	value	Watson-	Inflation
						statistics	Factor
(Constant)	5.852	0.817		7.158	0.000	0.701	
OUTGROW	0.000	0.000	0.229	3.277	0.003**		1.089
SKILL	-0.136	0.165	-0.203	-0.823	0.419		3.533
Return	0.020	0.012	0.256	1.725	0.099		4.917
KLGROW	-1.026	0.312	-0.921	-3.288	0.003**		7.453

Dependent Variable: Cappro.Log, \*\*p<0.01

**Source:** Author's calculation

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### Protection of Children from Sexual Offences and its Management: An Appraisal

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#### Abstract

Children are most valuable asset for mankind but the bitter reality is that children are most exploited and thus the trends of crime against them are increasingly continuously. A total of 58224 number of cases in the year 2013, 89423 in the year 2014 and 94172 number of cases against children in the year 2015 has been registered in India which marks an increase of 5.3% as compared to 2014 (NCRB). The mentioned statistics are enough to point out increasing trends of crime against children on whose shoulders the foundations of the country depends. Major crime trends against children include trafficking, Kidnapping, rape and feticide and forced prostitution. The Government introduced POCSO Act in the year 2012 with an objective to introduce child friendly approach in dealing with crimes against children. The paper analyses the Prevention of children from sexual offences and enlist interventions needed to curb the incidences of crime.

Key Words: POCSO, Intervention, Traumatized

#### Introduction

According to data furnished by NCRB (2015), there are approximately 8800 cases of rape that were being registered in India under Protection of children against sexual offences act. The continuous and disturbing incidences of crime against children which includes rape, forced prostitution, trafficking of children had lead to strong protest among communities. The children on whose shoulders the future of country depends are suffering various atrocities in silence and darkness. There are lot many laws for the protection of children and the latest among them is POCSO act which is being came into force with respect from May, 2012. But the problem of sufferings of children is continued to show increasing trends due to lack of awareness of various laws and poor implementation of the provisions of act at ground level. In most cases the children doesn't report the cases to their

parents due to their innocence and unable to distinguish between right and wrong touch. In some cases the parents doesn't report or approach police due to honor of family and as a result the children are forced to live in traumatized environment. These instances have an adverse impact on the minds of children. These instances broke the cognitive structure of children. Thus broke them physically and more psychologically in forms which leads to depression and fear. Hence it is the need of the hour that the appropriate government must take stiff action in terms of imposing penalties and punishments and also must device proper mechanism and channel through which the provisions of the act must be properly implemented.

#### **POCSO: Disturbing Statistics**

As per figures described by NCRB, the cases which have been registered under Protection of children

from sexual offences (POCSO) Act between period 2014,2015,2016 includes 34,449, 34,505, 36,022 number of cases.

According to Save the children foundation in cases of child abuse the boys were also abuse to a large extent as girls. Also various reports published under various capacities pointed to the established relationship between victims and accused. According to a study undertaken by Ministry of women and child development in the year 2007 dealing with children, nearly 488 cases were there where the abusers were immediate neighbour or share immediate relationship which includes Father, Grandfather, brothers or even sons. Child labour and trafficking is a complex problem which is giving serious headaches to the appropriate authorities and thus requires strong approach to deal with. The children working in extreme conditions as labours are being subjugated to various forms of physical, mental and emotional tortures. They are kept in dark environments and also due to less age, the abusers take advantage and abuse them.

According to an article Published in India Today on issue on human trafficking it was reported that there are about 3 million sex workers in India, out of which from this number nearly 40% of trafficked population constitutes of minors. One of the shocking realities which can be accessed through this is the fact that nearly 83% of the children who are being trafficked for illegal practices of sexual exploitation came from marginalized sections of the society.

Pagare, Meena, Jilohi and singh, (2005) carried out an study in order to analyse and assess the trends and methods of Sexual abuse among males. The total sample taken for establishing the study was comprised of 189 male children and the universe selected for study was that of observation home in Delhi. The findings of the study concluded that out of the total sample about 38.1% children aged between 6 to 18 years had gone through silence screams of sexual exploitation. As far as pattern of sexual exploitation is talked about 44.4% of minor males had to bear Forcible form of sex which had led to behavioral and physical complexities related to getting positive to sexual transmitted diseases which was found in 25% of males. Majority of the children are being trafficked or run away and it was mostly the strangers who abused the innocent minors.

According to The Indian express, among crime categories the kidnap and child rape constitutes top graphs in matters dealing with child crime rate in India. The crime under the ambit of POCSO act constitutes 33% o the cases of the total crime. The interrogations revealed that within states the maximum number of cases is recorded in the State of Uttar Pradesh, while Maharashtra recorded the second highest proportion of cases under POSCO act followed to Madhya Pradesh

#### Uniqueness of POCSO Act

The Uniqueness of POCSO act lies in fact that this act has clearly differentiated between children abuse from adult abuse. Before the introduction of this act all crime dealing with sexual abuse were being covered in the IPC which covered rape and outraging the modesty of woman and also there was no clear definition of types of assault. Also the POCSO act had successfully laid the types of abuse and assigned proper definition which includes Penetrative sexual assault, Aggravated Penetrative sexual assault which distinguished from penetrative sexual assault in relation to in later if the crime is committed by the person in position of trust. Another critical highlight of the POCSO act is the incorporation of child friendly provisions listed in the act. This act had given an opportunity to all members who are associated with the dealings of the affairs related to matters involving child abuse to adopt more scientific and comprehensive approach in investigating and solving the cases. The POCSO act 2012 defines a child as below 18 years and thus provides protection in matters concerned with sexual in nature. Child is given police protection during the course of investigation procedures. Considering the innocence and less age of the child this act provides for recording of the statement at a place which is convenient for the child preferably the home of the child and the recording of the statement will be carried out by women police officer and evidence should be collected at the earliest with the time frame of 30 days. The act incorporated child friendly procedures and hence it is stated that a child cannot be detained at the police station during night. Also in case if the child who has been abused is disabled then the assistance of special educator and interpreter will be taken. This Act accounts for medical examination of the child by female doctor in case of female and also presence of the parents must be required. For the implementation of the provisions scheduled in Prevention of children from sexual offences the Power are vested with National Commission for the protection of child rights (NCPCR) and State Commission for Protection of Child Rights (SCPCR).

The POCSO Act identifies six types of offences:

- 1. Penetrative Sexual Assault
- 2. Aggravated Penetrative Sexual Assault.
- Sexual Assault.
- 4. Aggravated Sexual Assault.
- 5. Sexual Harassment.
- 6. Using Child for Pornographic Purposes.

#### Provision of Punishment

Types of Assault	Section Covered	Punishment Imposed
Penetrative Sexual Assault	Section-3, section-4	Minimum 7 years, Maximum Life Imprisonment
Aggravated Penetrative Sexual Assault	Section-5, section-6	Minimum 10 years, Maximum Life Imprisonment
Sexual Assault	Section-7, Section-8	Minimum 3years, Maximum 5years
Aggravated Sexual Assault	Section-9, Section-10	Minimum 5years, Maximum 7years
Use Of Child For Pornographic Purposes	Section-14(ii)	Minimum 5years, Maximum 7years

#### Crime Against Children in India

S.NO	Year	NO OF CASES
1.	2006	18,967
2.	2007	20.410
3.	2008	22,500
4.	2009	24,201
5.	2010	26,694
6.	2011	33,098
7.	2012	38,172
8.	2013	58,224
9.	2014	89,423
10.	2015	94,172
11.	2016	1,06,958

**Source:** CRY: Child Rights and You, Crime against children, 2016

The above figures points towards rise in sharp number of instances of crime against children. It can be well established that crime against children has rose to nearly 500% in past decade.

#### Role of government

The Prime responsibility for protecting the dignity of children rests with the appropriate government. The government of India had introduced various schemes and acts for safeguarding the interest of the children but still mere introduction of such measures are meaningless until there are proper machinery and manpower resources for the execution of the provisions underlined in such programs. Also one of the major point due to which the rise in number of cases against children are continuously increasing is the problem of poverty and low socio economic profile of the family. Hence it becomes binding upon the government to introduce the concept of Parental Education. The Parents of the child must be sensitized regarding various policies and schemes which may become a great source in giving proper nourishment and safety of the child. If a family is unable to take the burden of the child then in such case the scope of community work which is one of the methods in social work can be very fruitful. The village pradhan with cooperation of other representatives can make a way out to make arrangements for such families. The Justice Verma Committee report also expressed the need to audit the performance of all institutions of governance. In Its report justice Verma quoted that every single case of missing children must be registered as FIR. In Its report Justice Verma clearly stated that POCSO is a healthy and comprehensive law and hence it is the responsibility of the concerned government to educate all officials who have associations in matters involving children. The trials must be completed and steered up. So, accused must be trialed according to provisions involving POCSO and thus most stringent punishment should be incorporated which will thus solve the very purpose of introducing the act. The Key initiatives taken by the government for safeguarding the interest of the children are as follows:

- 1. Juvenile Justice (care and protection) Act (2000)
- 2. Prohibition of child Marriage Act (2006)
- 3. National Commission of Protection of Child Rights (2005)
- 4. The Child Labour (Prohibition and Regulation) Act (1986)
- 5. Integrated Child Protection Scheme (2009)
- 6. Right to Education Bill (2009)
- 7. Prevention of Children from Sexual Offences Act (2012)
- 8. The Criminal Law Amendment (CLA), Act (2013)
- 9. The Criminal Law (Amendment) Ordinance (2018): Ministry of law and justice has recently passed an ordinance which seeks for death penalty for rapists of girls below the age of 12 years and also incorporated stringent penal provisions in dealing cases of sexual abuse and rape. The above ordinance amends Indian Penal code (IPC), Code of criminal Procedure, Indian Evidence Act, Protection of children from sexual offences Act
  - Some of the Key Points of the ordinance includes:
  - The minimum sentence of punishment is cases of rape are to make ten years.
  - In condition of rape involving woman aged below 16 years the provision of

- punishment made twenty years.
- It laid the provision of awarding the rigorous imprisonment of a time period of twenty years and also marks for death penalty in rape cases, where the sufferer or woman is below 12 years of age.
- There are provisions of time bound trial and it penned the conditions of completion of rape cases within two months.
- There will be no provision of anticipatory bail granted to the accused who is involved in sexual exploitation of women below 16 years.

#### Addressing the Problem

The incidences of various forms of crimes which include sexual harassment, Societal neglect, trafficking, mars the child physically and psychologically and thus forced them to lead the life with fear and trauma. There is a great need of implementing interventions to bring them back to the normal life. It is the responsibility of the parents to make them teach appropriate behavior regarding "GOOD TOUCH and BAD TOUCH". One of the effective approaches in preventing such crimes is the technique of counseling and thus there is an urgent need of appointing counselors and social workers at schools level so that the needs of the students must be fulfilled effectively by designing effective school based intervention programs. A planned intervention between counselor and child will help the caregiver in analyzing various difficulties of the child and thus improve their maladaptive behaviors. The Child who suffered sexual abuse is apprehended in describing the incidence to the police staff and hence at that crucial time the social worker can assist the police staff in recording proper statement. The Social workers can also assist the police and child welfare committees in drafting reports and in providing counseling and also make proper arrangements for the rehabilitation of the child. As the social workers are equipped with various fruitful skills and techniques in dealing with various problems of children so they can assist the policy makers in drafting various beneficial legislations and policies. Government must appoint social workers in police stations so that they can assist the victims especially in matters involving with women and children. They can also sensitize the teachers, doctors, and lawyers regarding how to deal with children more patiently and assist them. Hence the role of social workers becomes very significant in combating the problems of child sexual abuse.

## Major Initiatives Taken by Government for empowerment of women and children

- Beti Bachao Beti Padhao: The Government has launched its flagship programme with a vision to tackle the Problem of Declining child Sex ratio in the country in the year 2015. Ministry of women and child development in collaboration with Ministry of health and family welfare along with Ministry of human resource development working well monitored implementating programmes that focuses on prevention of gender based selection tests, Monitoring education of the girl child.
- One Stop Centres: The Ministry of women and child development has initiated a scheme known as "One Stop Centres" in order to assist women who are Victims of any form of Violence. It Offers variety of services that covers Psychological, Medical and legal aid to affected women. The cost under this scheme will be utilized from "Nirbhaya Fund".
- Reservation to women in Police Force: To address the issues revolving gender Sensitivity, the Government has taken has initiative to cap up the reservation of women force to 33%.
- Gender Champions: To make realisation among children at school level on theme of gender equality. The Scheme will address among boys and girls the awareness on legal rights and promote life skill education. It is aspected that in every school Gender Champion clubs will be initiated.
- Operation Muskan: The crux objective of this programme is to rescue the missing children who are forced into the trade of Sexual activities, child labour by traffickers. Under this operation special and trained women teams will be formed who in turn

will be responsible to screen out such children from Shelter homes and similar institutions and also will build measures for their rehabilitation

#### Management of Child Sexual Abuse

In present scenario India is witnessing an upward surge in figure relating to criminal cases of child Sexual abuse. Sexual crimes occuring to women and chidren deeply alters the psychology of victims and thus can be configured as violence of human rights. Due to such traumatic experience Most of the victims and children tends to acquire various forms of psychological disorders of the forms like stress disorder, Bipolar disorder and fall into deep wells of depression. The innocent children who undergoes such form of brutal torture needs suitable intervention for building support. It is essential to devise suitable rehabilitation program or such victims by appropriate service providers. The critical objectives which are to settled in due course of healing includes the subjects as that of Providing emotional support, Well managed time bound health care facility, counseling by experts to modify the negative behaviour.

Therapeutic Intervention: There should be provision of Counseling system equipped with the presence of specialized resource persons from multidimensional settings that includes psychologists, Social workers which can assist and develop suitable intervention plan to assess the children behavior which in condition of such crimes a child hesitates to speak out. It is of prime importance that the appropriate government across all states and centre should pass guidelines on opening up of counseling cum heath centers which can cater to the needs of children during any such crisis stage. Also In every school the necessary specialized staff should be recruited.

Specialized Medical Care: There should be provision of timely and efficient medical treatment to victims of child sexual abuse. As in some cases it is seen that children feel hesitant in speaking their miseries to Police and similar rank agencies, hence it is crucial to recruit the female social workers. They are experts who can provide much needed emotional support to the victims in cases pertaining to sexual abuse and modify their negative behavior. This is also will be helpful in making a well meaningful document and report

which can serve as crucial part of the investigation process. Through well medications the risk of development of sexual transmitted diseases can be prevented.

Community Participation: If we say that the responsibility of preventing such crimes rest only upon the police and government then it is highly objectionable. The present scenario demands the active participation of all people of the community. Starting from the parents, it is require that parents respond to the needs of their children with sincere approach and look for any unusual behavior. Also the school especially in rural settings should arrange for workshops where students must be made sensitized towards the body physiology so that they can understand and differentiate between healthy relationships than those from criminal intended sexual violence.

Fast Track Special Courts: 'It is of Great favour to establish Fast Track Special Courts which will work towards in disposal of rape cases against children in time bound manner.

POCSO e- Box: The national commission for protection of child rights is a statutotory body which looks overall monitoring and implementations of the provisions of the Protection of children from Sexual offences(POCSO) Act,2012. The POCSO e-box is an significant initiative taken by NCPCR that enables children to report the cases of sexual assault directly with the commission. The user has to carry out following order in sequential manner to report the cases through web medium:

- Open the Home page of the NCPCR website.
- After entering into web page the user has to Press the Button namely "POCSO e-box"
- It will then entail the user to navigate a page which will display a window having short animation Movie Highlighting "When you get an unsafe touch, you may feel bad, confused and helpless. You need not feel bad because it's not your fault"
- It will enable user to explore different picture options
- User has to select one of different picture which is being displayed
- The user has to fill the form and have to submit at last in order to register the complaint.

Although it is very safe and secure means that can help the complainant to register the complaint in condition of emergencies but the requisite knowledge of such tools is very limited among people especially in rural population. So community development workshops and orientation programme must be initiated in form of training capsules models.

Collaborations with Media: Media of any form whether it's of print or television or Folk can play a progressive role in Sensitizing communities towards Gender issues. They must give space and report such cases of abuse in front page as prime headline. Also the news agencies must invite specialized resource persons, Police personnel, law experts, Social workers, Psychologists on television debates on themes specifying Child Sexual abuse, value based education.

Inclusion of Standardised Machinery: It will be of great advantage to provide the concerned agencies working in handling and assessing cases of child abuse with Specialised Forensic kit that can assit the experts in collection of evidences which at times are not visible from straight eyes. By bringing in Modern technology and necessary training of its usage the perpetrators can be dealt with severity and Victims may be provided justice.

Cognitive Behavioral Therapy: Cognitive Behavioral Therapy is useful trauma focused short treatment course. This technique plays a pivotal role in eliminating symptoms of anxiety and depression in conditions of Sexual abuse and similar horrific episodes in context of children. It also outlines trauma-specific interventions that aims at improving child-parental education and removing scars of violence from child psychobehavior.

#### Conclusion

Protection of children from sexual offences is very healthy law which has been enacted to safeguard the interest of child with basic principle of best interest of the child. But still there are various areas that need to be addressed in terms of implementations of the provisions of the act. Accountability should be periodically assessed so as to ensure law serves the purpose. More numbers of centres for child and law and centre of excellence should be established which through its meaningful research can bring about the issues of the children and thus can bring desired social

change. The high statistics of crimes against children gives us a reminder that there exist a lack of resources and well devised preventive mechanism that is a must to address the grievances of children. Although there are numerous welfare models and legislations that has been laid out by the policy makers with great provisions of child safety mechanism, but to the real part there implementation on practical level still is matter of discussion as results signifies that the objectives of initiating such legislations have partially achieved. The competent authorities must build in more infrastructure and investment to open up institutionalised homes and shelter homes and specialised staff must be recruited who can give them expert care.

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# Green and Sustainable Hotel Operations in India

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Abstract

The purpose of this study is to identify the importance of imposing sustainable green practices in the current hotel industry and the concept of the same from the point of view of the purchasers further because the trade specialists. Many hotels have benefited from green practices inclusive of stronger status of the firm and more worth customers. For the business status, it reduces business's cost for posting commercials and the clear hotel's orientation shows hotels' effective image which may increase employees' recognition toward the business. Sustainability in business is that the growth in spirited processes that change individuals to know the potential to guard the Earth's existent support systems. Well, seeking to the future today's green concerns will definitely become facet of more integrate business environment, perhaps the concerns discussed in this study, may

exchange a few words which hotels might think about in close to future to widen awareness and improve business model.

**Keyword-**Environment protection, Green Hotel Concept, Sustainability

# Introduction

The rising development and rivalry in the friendliness business have expanded the worldwide mindfulness which thus demonstrates imperative for holding the visitors. The significance of actualizing feasible green practices in the present lodging industry and the impression of the equivalent from the perspective of the visitors and the business specialists. Numerous inns have profited from green administration, for example, improved notoriety of the firm and progressively worth clients. For the business standing, it diminishes business' expense for posting commercials and the reasonable lodging's introduction demonstrates inns' certain picture which may build workers' acknowledgment toward the business. Supportability in business is the development of enthusiastic procedures which empower individuals to comprehend the possibility to ensure the Earth's existent emotionally supportive networks. On this issue, it is compulsory to lessen the effect of travelers on nature and pursue the idea of manageability in the cordiality business. Industry specialists trust that any business can make benefits by fulfilling its clients.

The exact proof from inn industry demonstrates that just fulfillment does not guarantee that the client will remain with you or will benefit your administrations once more. It is really visitor delightedness and remedial the travel industry movement which makes, the client devotion that altogether impacts the achievement of any business instead of consumer loyalty. The lodging business has been seeking after and embracing gigantic green practices since the year 1990s because of fluctuating monetary dimensions and a solid spotlight on client administration and fulfillment. Past the previously mentioned focal points, numerous inns have begun utilizing social activities and corporate social duty. The primary evergreen inn was propelled by the intercontinental hospitality bunch in the year 2008. This was the world's initial 100 percent biologically well-disposed lodging. Their green highlights to give some examples included: giving endlessly durable sustenance to philanthropies,

utilization of sunlight based boards on housetops, a water collecting framework to supply water to toilets, twist capacity to create power for the lodging, reused glass windows, furniture and apparatuses made completely from reused materials, family unit waste to give warmth and water just to give some examples. As indicated by David Jerome of IHG, IHG was additionally the main inn network to present a lot of 'green' rules for lodgings in 1991. Alongside this, the mind offspring of IHG which is the sun oriented fueled 'development inn'- sketched out the most recent innovation in vitality and water protection reusing.

The picture in the hospitality industry is not the same as voyager's market and is a critical factor among client dedication (Heung et al., 1996). Guaranteeing the good open picture is imperative not exclusively to fulfill client however to continue their faithfulness too.

Inn's picture is a critical factor that emphatically or contrarily impacts advertising exercises. Client's view of merchandise and enterprises are significantly impacted by the picture of the association. Mazanec (1995) observed picture to be emphatically connected with consumer loyalty and client inclination (a component of client faithfulness) in lavish inns. For as long as decades, natural concerns have gotten much consideration wherein it recreates the rising open concern and the attention to individuals on ecological issues.

Government establishments and a few weight bunches all around the globe have been crusading vivaciously for the earth; also, the media writing about natural issues has expanded significantly. These crusades have pushed towards plans created inside political basic leadership, for example, a few laws and controls to ensure nature. For example, through the Earth Summit in Rio de Janeiro in 1992 and the subsequent summits in Berlin in 1995 and in New York in 1997, targets for global joint effort and activity has been recognized (Keating, 1993), in this way adding to the dimension of mindfulness raised towards ecological issues. Because of this expanded dimension of ecological mindfulness, a positive change inside the conduct of purchasers towards natural items is predominant these days.

In spite of different examines here the connection between picture, steadfastness, fulfillment and client support isn't clear. Hardly any investigations have cited picture as a precursor of clients experience to consumer loyalty, which is having a huge positive effect on client dependability (Andreassen and Lindestad, 1998; Clemes et al., 2009; Milfelner and Korda, 2011). While, Helgesen and Nesset, (2007); Kandampully and Hu, (2007) have proclaimed fulfillment to be a predecessor of picture and fulfillment together with the picture as the factor impacting client faithfulness. Moreover, an examination by Brunner et al., (2008) advocates the equivalent, including that dedication shifts with the sort of clients, rehash clients are steadfast; because of their past experience of administration while faithfulness of new clients is spurred by their fulfillment level.

An investigation by Clemes et al. (2009) noticed that conduct aims in inns are enormously impacted by the fulfillment and faithfulness of the clients. These progressions add to the beginning of a green transformation that expects to defeat further damage to nature. Notwithstanding such advances towards ecological concerns and the ascent of green showcasing, the development of green promoting has been confused and misconstrued in its history.

# Objective

 To study the green sustainable practices in the hospitality Industry

#### Literature Review

Gladwin (1992), emphasized "If objectives of maintainability are to be accomplished, firms must be changed, overhauled and rebuilt to limit the negative natural effects".

Gore, (1992). Businesses face strain to wind up "earth right" with the debate those natural arrangements will support the business' financial performance. Gore additionally recommended that a superior harmony among monetary and biological factors should be found.

Brown, (1993) In connection to these developments in innovation and globalization, issues made by modern exercises have made environmental issues; a genuine case of this is Global warming. Different standards are, air contamination

and regular asset shortage.

Krause (1993), demonstrates that culture, religions and way of life can be a substantially more critical determinant of natural cognizance particularly picking merchandise that will offer effect to ecological issues.

Roberts(1996), shows that shopper frames of mind are altogether indicators of environmental cognizant purchaser conduct. His discoveries uncovered that naturally cognizant individuals are probably going to take part in eco-accommodating buyer conduct and people who trust that their particular environmental exercises can cause constructive change are bound to show green shopper conduct.

Follows and Jobber (2000), their writing survey on earth dependable buy conduct noticed that green attitudinal measure is operationalized by consolidating articulations concerning a few natural issues.

Kitchen and Reiling(2000), they agreed that there is a positive connection between natural mentality and green ecological conduct.

Miles and Covin(2000), pg.299.Miles and Covin had a similar feeling with Gore and proceeded with the discourse underscoring necessities which are consenting to at the same time enhance natural and money related execution in order to influence distinctive organizations to chase for inventive methods to make utilization of green promoting and the executives as the an essential device to enhance their organization's notoriety, increment upper hand and in the long run lift money related execution.

Kasim, (2004a), a 2004 investigation of guests to Penang, Malaysia, found that in spite of the fact that respondents were ecologically cognizant they were not really worried about the natural practices of an inn while picking where to remain.

Kasim (2004b), According to Kasim most travelers really favored some non-green credits contrasted with natural neighborly options. Bohdanowicz(2005), specifically, businesses, for example, the cordiality and occasions ventures are starting to partake in this "greening" incline. The friendliness business depends vigorously on the accessibility of common assets to stay effective and speaking to customers. Be that as it may, a considerable lot of the merchandise and ventures they give are "asset concentrated, bringing about a noteworthy biological impression," and a profoundly obvious waste age is created

Rios (2006), an examination by Rios demonstrates that media is a factor that assumes the essential job in creating ecological mindfulness, media can assume a critical job in building an immediate connection between natural awareness, and purchasing conduct on a green item.

Silk, A (2006), The major job of advertising in the venture was drawn from the way that showcasing is a technique through which a firm creates an incentive for its chose buyers. In addition, esteem is made by meeting client prerequisites, in this manner, a firm should characterize itself not by the item it offers in the market, however by the client advantage it offers.

Mustafa (2007), found that natural mentality towards green commercialization can impact the nationality of green obtaining.

Gunther (2007) denoted that a dangerous atmospheric deviation was the "distinct advantage" and that organizations most likely will never again endeavor to work in a vacuum in connection to ecological issues.

Manaktola & Jauhari, 2007 )A green inn picture can result in positive conduct expectations by inn visitors, including the aim to return to.

Chitty et al., (2007), Customer fulfillment is likewise said to mirror a correlation between the forfeit experienced (cost) and the apparent prizes (advantage) amid the buy and utilization process.

Chan and Bhaum (2007) found that ecolodge sightseers in Malaysia are increasingly propelled to visit a goal in light of real goal due to genuine goal traits and exercises, for example, regular landscape, natural life and eco exercises than they are inspired by real ecolodge itself.

Ottman, J., (2007), an organization's rehearsing the green promoting procedure might be in a more grounded spot, wherein these organizations will subsequently expand their upper hand in maintainability and all the more imperatively, an increment in benefit. Diverse partners should likewise be included to make green crusades fruitful.

Prakash(2007), found that shopper inclinations to purchase products from less dirtying firms is outstanding, particularly in created nations and is frequently uncovered through expanded readiness to pay for merchandise saw as green, that is those delivered with the assistance of ecologically well-disposed advancements or with the utilization of less contaminating data sources.

Sharma, et.al.(2008), likewise portrayed showcasing as an order in business which is responsible for creating projects to get and keep hold of their clients. In addition, one of its real capacities is to comprehend clients and their utilization designs. It is frequently said that the present customer scenery is formed by two amazing powers, - innovation and globalization.

Deloitte Consumer Survey, (2008), their research has discovered that lodging visitors expect certain natural characteristics as a feature of the administration offering, characterized as essential properties.

Furlow&Knotts, (2009), thinks about found that inn visitors are suspicious of "ecomarks" or items and administrations that are advanced as naturally neighborly.

Nik Abdul Rashid (2009), characterized green buy intention as the likelihood and eagerness of a person to offer inclination to green items over traditional items in their buy thought.

Han, Hsu, and Lee (2009), characterized green conduct intention as the probability of the lodging purchasers of visiting a green

inn, participate in positive informal conduct and ability to pay more for the green inn.

Lee, Hsu, Han, and Kim, (2010), green lodging picture can result in positive social goals by inn visitors, including the goal to return to.

Dickson (2010), Similarly, "with the fundamental idea of supportability being the capacity to address the issues of today while securing and improving open doors for the future, the occasion business needs to concentrate further at accomplishing progressively maintainable practices".

Windsor, S. (2010), "Everything is green. Vitality is green, family unit cleaners are green, thus numerous others are green". Be that as it may, these days we don't generally comprehend what is green and what isn't. We are encompassed with green; green is included in publicizing and utilized as a showcasing instrument by both open and private business segments, green is everywhere throughout the news communicates. Individuals talk about getting to be green, green occupations, carbon checking, and the well-known diminish, reuse and reuse program. Organizations have "greener items" and even legislators have their green stages as well.

Every one of the exercises of man influences the earth; this clarifies why green issues are presently being consolidated by various scholarly teaches in their writing. In advertising, this is particularly valid. With the creating worry of the overall population for nature, all organizations began to consolidate exercises that essentially center around meeting the new worries of the general public. Business foundations' effortlessly adjusted new ideas like waste minimization concerns and ecological administration frameworks in the entirety of their authoritative exercises.

Kim and Han (2010) found that members were glad to experience minor burdens so as to help green activities.

Robinot and Giannelloni (2010)in their European examination presumed that it is

fundamental for inns to appropriately give these essential ascribes so as to maintain a strategic distance from client disappointment in addition to qualities were characterized as surprising however emphatically seen elements that can affect fulfillment.

Clemes, Gan, &Ren (2010), Customers goal to return to the specific lodging brand are ordinarily connected with loyalty. The idea of steadfastness is every now and again talked about in the showcasing writing and exceedingly looked for after by inn firms. Lodging administrators need to comprehend what makes clients be faithful

Clemes et al., 2010; Lee and Back, (2010), Consequences of client faithfulness are that clients participate in the positive verbal exchange and will collaborate with the board.

Ricaurte (2010), Communicating the practices and execution to shoppers, and building up mindfulness and instruction to a more extensive partner group of onlookers, are the key ideas to expanding the institutionalization of natural supportability in the enterprises.

Lee and Back, (2010); Gracia, Bakker, and Grau, (2011), Loyalty might be characterized as the probability of the visitors to come back to a lodging &persons that readiness to carry on as an accomplice to the association.

Hu, Hyang, and Chen (2010), Willingnessto-pay is additionally connected with steadfastness. Research has appeared steadfast clients are commonly less value touchy and will keep on disparaging a favored hoteleven if it raises its prices

Avid (2011), led an examination on purchaser eagerness to pay for apparatuses delivered by green power accomplices and found that customer socioeconomics and frames of mind impact ability to purchase green items.

Millar and Baloglu (2011) found when inns build up standard thoughts of what a green inn offers, lodging clients are less wary (trust being a predecessor of faithfulness) and progressively keen to maintainable practices such inns offer. Eilam & Trop (2012), found that ecological frame of mind is another individual attributes that will impact intentions to visit the green inn and it is seen as a precondition to accomplish natural conduct.

Hartmann and Apaolaza-ibanaz (2012), examined three particular mental advantage classifications that are conceivably improving purchaser frames of mind towards environmentally friendly power vitality marks and expanding buy intentions: warm gleam, self-expressive advantages, and nature encounters.

Ricaurte (2012), in both the friendliness and occasion ventures' endeavors to accomplish all the more earth maintainable practices, there has been an absence of "consistency in the definition and estimation of [environmental] maintainability".

Thulasamani (2012), the cost is the sum that buyer need to pay or surrender so as to acquire an item and most buyers will pay additional for extra esteem on the grounds that the esteem might be because of enhanced execution, work, structure, visual intrigue or taste.

Chan (2013), considers reasoned that the readiness to pay for the green item will influence the shopper to buy choice.

Ling(2013), found that ecological mentality has a noteworthy positive connection between natural demeanor and aim to pick green lodging by explorers who visit Malaysia.

With the absence of institutionalization of natural supportability, rehearses and an absence of research led to comprehend the inspirations, mentalities, and consciousness of these practices, there is a noteworthy role in the achievement of "greening" the businesses. In this manner, the reason for this investigation is to survey the ecological supportability/eco-accommodating practices in the lodgings so as to know the view of visitors towards re-visitation through these practices.

#### Research Methodology

Data has been collected from published/

unpublished literature, latest references available from the journals, newspapers, research publication and magazines, past records and training reports of the hotel, and other relevant sources like internet.

#### Conclusion

This examination considers decided the ecologically benevolent practices received in starevaluated lodgings. Inns assume a noteworthy job in pleasing the voyaging open. Concerning the accessibility of green administration approach, the examination uncovered that while the inns that partook in the investigation, for the most part, have no green administration arrangements; they have executed some green activities. Green administration activities actualized in inns run from vitality sparing, utilization of sun oriented vitality, keeping up a paperless domain through a no-print strategy, sparing water by utilizing towels more than once before washing, reuse of cleanser jugs and waste administration. The behind explanations executing administration activities incorporate sparing assets and lessening costs and also securing the earth with the goal that it winds up manageable. The examination has likewise uncovered that green administration has been received by a few inns for showcasing reasons so as to hold clients and to pick up an upper hand. It is suggested, because of this examination, that lodgings create green administration arrangements to control the execution of earth benevolent practices.

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# Motivating Factor in Purchase - A Study of Shimla District Shopkeepers

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# (Abstract)

Advertising is a significant tool of sales promotion. Advertising has the power to influence the motivation level of the consumers and motivation is a major concept in marketing. The paper entitled, "Motivating Factor in Purchase – A Study of Shimla District Shopkeepers", is an attempt to know the views of the shopkeepers of Shimla district towards the motivating factor, behind their purchase. A shopkeeper is someone who owns or manages a shop or small store. Shopkeepers are the intermediators between manufacturers and customers. Their observations are very important for the manufactures. To achieve the objectives of the study, the data is collected through primary probe and it is tabulated with the help of SPSS 20, software used for the analysis. The results are achieved through the application of simple percentage method.

Keywords: Advertising, Motivation and Durable and Non-durable goods.

#### Introduction

An ambitious entrepreneur always wants his company to be financially successful, but also wants it to reflect some of his personal values. These values become the foundation for his new company, and anyone who works for in the company thereafter knows exactly what the company was all about. There is a feeling that the Indian business has entered from the seller's market to the buyer's market in case of most of the products. But for the long term success of the business both aspects that are buyer and seller are important. Normally goods and services pass through several hands before they come to the hands of the consumer for use. But in some cases producers sell goods and services directly to the consumers without involving any middlemen in between them, which can be called as direct channel and this is also known as the modern method of selling. But there is one other channel of distribution which is known as indirect channel or traditional method of selling. The shopkeepers

come under the scope of traditional channel of selling. Thus shopkeeper's view is of the significant importance to the marketers.

**Need of the Study -** The study explains the knowledge of shopkeeper's view on motivating factors and thus, it finally, guide marketers in policy formulation for shopkeepers.

**Statement of the Problem -** Every kind of research study indicates with defining the research problem. Formulation of the problem is the first and vital step in research. Without a problem there is blind groping in the dark. The present paper titled as, "Motivating Factor in Purchase - A Study of Shimla District Shopkeepers".

**Objectives of the Study -** The objective of the paper is to study the motivating factor behind shopkeepers purchase and to identify the level of advertising required in case of mentioned durable and non-durable goods.

**Scope of the Study -** The study is based on the shopkeeper of Shimla district only.

Sampling - The study is based on 4 durable (toothpaste, tea, soap and face cream) and four non-durable goods (fan, watch, mobile and television). o achieve the objectives of the study primary data has been used. Questionnaire method has been used in the paper. The samples of 100 shopkeepers from the shimla district have been selected. Convenient and quota sampling is used in the study. Quota sampling method is based on previous studies and convenience method is adopted because of economy and time. While selecting the sample, an utmost care has been taken so that the respondents of different age groups, educational background, occupation, sex, income and family size etc. are included and

other regional variation will also duly represented.

# Demographic Profile of Shopkeepers

Table 1.1 explains the demographic profile of the shopkeepers. It reveals that out of 100 respondents 63 are male and 37 are female. Age-wise classification shows that 21% are below the age of 30 years, 31% are between the age group of 31 to 50 and 48% are in the age group of 51 years and above. Similarly, on the education side 22% are 10<sup>th</sup> pass, 40% are 12<sup>th</sup> and 38% belong to graduation and above category. It is concluded from the table that majority of the respondents are male, 12<sup>th</sup> pass and belong to the age group of 51 years and above age category.

Table 1.1
Demographic Profile of Shopkeepers

Gender	Particulars	Frequency	Percentage
	Male	63	63.0
	Female	37	37.0
	Total	100	100.0
Age	Particulars	Frequency	Percentage
	below 30 years	21	21.0
	31 to 50 years	31	31.0
	51 years and above	48	48.0
	Total	100	100.0
Education	Particulars	Frequency	Percentage
	10 <sup>th</sup>	22	22.0
	12 <sup>th</sup>	40	40.0
	graduation and above	38	38.0
	Total	100	100.0

#### **Motivating Factor**

It has been observed from the table that 11% respondents are influenced by price, followed by quality by 19%. The shares of advertising seekers are 20%. Similarly, 13% shopkeepers purchase

with the influence of promotional schemes, followed 37% by consumer demand. It can be concluded from the table that the majority of the respondents are influenced by consumer demand.

Table 1.2 Motivating Factor

Sr.	Particulars	Fre-	Per-
No		quency	cent
1.	Price	11	11.0
2.	Quality	19	19.0
3.	Advertising	20	20.0
4.	Promotional schemes	13	13.0
5.	Consumer demand	37	37.0
	Total	100	100.0

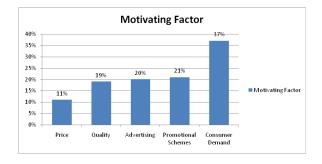


Figure 1 Motivating Factor

# Level of Advertising

Table 1.3 and figure 1 shows the opinions of the respondents regarding the level of advertising required in case of following durable and nondurable products. In case of toothpaste, 32% respondents are of views that toothpaste requires high advertising, followed 56% of low advertising and only 12% said that there is no advertising required in case of toothpaste. Similarly, in case of tea 21% supports that tea needs high advertising, followed 56% supports of low advertising and 23% said that no advertising is required in case of tea. The figures are totally different in case of soap, majority says that soap requires high advertising. The statement is supported by 62% respondents. On the other hand, in case of face cream also majority (44%) are of the view that it desires high advertising. High advertising is again supported in case of fan also. It gets the favour of 38%. The results are totally different in case of watch majority i.e. 47% are of the view that it doesn't require advertising. Mobile is the most important source of communication. Majority speaks that it requires high advertising. Similarly, in case of television majority says that it requires no advertising. It is concluded from the table that respondent's supports that high advertising is required in case of soap, face cream, fan and mobile.

Table 1.3
Level of Advertising Required

Sr. No	Products	Level of Advertising	Frequency	Percentage
1.	Toothpaste	High	32	32%
	-	Low	56	56%
		No	12	12%
	Total		100	100%
2.	Tea	High	21	21%
		Low	56	56%
		No	23	23%
	Total		100	100%
3.	Soap	High	62	62%
		Low	15	15%
		No	23	23%
	Total		100	100%

4.	Facecream	High	44	44%
		Low	38	38%
		No	18	18%
	Total		100	100%
5.	Fan	High	38	38%
		Low	29	29%
		No	23	23%
	Total		100	100%
6.	Watch	High	20	20%
		Low	33	33%
		No	47	47%
	Total		100	100%
7.	Mobile	High	59	59%
		Low	28	28%
		No	13	13%
	Total		100	100%
8.	Television	High	13	13%
		Low	29	29%
		No	58	58%
	Total		100	100%

### Summary

The brief results of the study are as follows

- **1.** Study reveals that out of 100 respondents 63 are male and 37 are female.
- **2.** Outcome illustrates that 48% are in the age group of 51 years and above.
- **3.** Experiment concludes that respondents i.e. 40% are 12<sup>th</sup> pass.
- **4.** It can be concluded from the study that the majority of the shopkeepers are influenced by consumer demand by 37% in their purchasing.
- 5. It is concluded from the table that respondents support that high advertising is required in case of soap, face cream, fan and mobile.62%, 44% 38% and 59%

#### Conclusion

The study, "Motivating Factor in Purchase- A Study of Shimla District Shopkeepers", was an attempt to scrutinize the views of shopkeepers

towards the advertising. The chapter thus, summarises the views of the shopkeeper related to different aspect of advertising. It shows that the demand of consumer is the main motivating factor for them rather than advertising. It is also summarised that in case of toothpaste, tea, soap, face cream, fan, watch, mobile and television, high level of advertising is required in case of soap, face cream and mobile respectively.

**Suggestion -** Study discloses the fact that shopkeepers purchase because of following priorities: firstly consumer demand secondly advertising then quality, then promotional schemes and then price. It is a good sign for the marketers that they have to focus on consumer demand rather than promotional schemes shopkeepers

**Limitations** - The present research has been conducted under certain limitations generally found in the study of a topic of this nature, which is relatively volatile. The main limitations faced while undertaking the analysis were:

- 1. Due to resource and time constraints as well as easy accessibility and convenience of the researcher, the study is confined to the Shimla districts of Himachal Pradesh only.
- 2. A sample of 100 shopkeepers may not be an adequate representative of the entire state of Himachal Pradesh.
- 3. The chances of responses of the respondents based on their memory being correct and complete are very less.
- 4. The respondents especially illiterates were reluctant and hesitant in disclosing their actual information.

5. Primary sources were the main sources of the data and a small part of the secondary was used.

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# Social Media as a Travel Influencer: A Review of Recent Studies

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# Abstract

The utilization of Social Media and other web 2.0 applications has shaped the travel trends in recent times. Social Media, as one of most ground-breaking web based systems administration instruments, has been incorporated into a piece of social and economic life in reality. Travellers have become techsavvy and they are changing the way travel is consumed. From getting motivated by an Instagram post to Facebook suggestions for a famous travel destination to sharing live videos and pictures while on a tour, social media has impacted tourists at each step of travel decision making. This study reviews the latest trends and analyzesthe social media-related research articles which act as a travel influencer. This paper additionally adds to the scholarly community and industry by distinguishing some examination voids in surviving exploration and giving a motivation to future research.

Keywords: Social Media, Web 2.0, Travel Trends, Tech-savvy, Destination, Travel Decision

#### Introduction

With the emergence of innovation and Social Media, the voyager's adventure has progressed toward becoming an altogether different approach than it used to be. The voyaging no longerdepends on manuals incorporated by 'specialists' with outdated data or even paper maps to explore their most recent tourist destination. Rather, explorers presently have the benefit of prompt access to data over the web as Buzzfeed guides, TripAdvisor surveys, and other social networking websites like Instagramphotographs portraying their most recent get-away. This constant access to pertinent tips and, frequently, publicly supported data, has eventually changed the manner an individualorganizes a trip from motivation to booking.

Also, buyers never again settle on a goal, look into what to do or where to remain, and after that buy the required tickets. Rather, their way to travel, both buy and experience, has turned out to be nonlinear. They swing to their companions, colleagues, and influencers inside the extending web based life world to discover travel and excursion motivation, and even arrangements to help their newfound goal.

Since the landing of Web 2.0, web, particularly

Social Media, networking has turned into the piece of life. Web 2.0 isn't just affecting the web client who depend increasingly more on locales with client association and networks but also in showcasing and advancement of driving organizations that are coordinating internet based life promoting into their incorporated advertising correspondence program to connect with existing and imminent customers.

#### Travel Decision Making

The figure below (Matheison and Wall, 1982) depicts the steps in travel decision of a traveller which can be associated with the activities of Information use in Social Media (McCann,2008). The model describes the use of social media in travel decision making. Each phase mentioned below is said to be influenced by Social media in one or the other form.



Figure: Model of Travel buying behaviour (Adapted from Matheison and Wall 1982)

The above model can be summarized in three phases as describes below:

- 1. Pre-tour phase: It refers to the phase which is an individual faces or go through before actually making a final decision or travelling. This phase includes three steps namely, (i) Identification of a travel need or travel desire which may be the result of influence of Social media or others. (ii) Second step will be the collection of information related to travel through various online sources and evaluation each alternative based on the features and characteristics of destination as well as the experience and belief of other tourism as highlighted on Social media.(iii) Third step include making the choice between alternatives based on which the traveller will make the final decision to book a travel service.
- 2. During-tour phase:In this phase wherein the traveller is undergoing tourism and experiencing tourism services while at the destination. The tourist in this case may update his live activities or pictures which may impact other travellers or influence people. This may also include searching of other information which helps tourist to gather more information about the destination and activities which he may undergo.
- 3. Post-tour phase: This is the most crucial phase of tourism which may impact the potential travellers as well as the destination's image. Once the traveller is back from vacations, he may post his reviews on Social media and other social networking websites which is actually the evaluation of the overall experience and other travellers can conclude the satisfaction level which will predict his next travel decision.

The above model depicts the overall behaviour of tourist before, during and after the tour influenced by Social media which helps us in knowing the future travel needs of a traveller as well as its impact on other potential traveller.

#### Literature Review

To consider Social Media as a showcasing specialized tool, it must see each part of them.

Kaplan and Haenlein (2010) characterize Social media as a gathering on the Internet dependent on the applications that have fabricated ideological and innovative establishments of Web and permit the creation and trade of substance made by client (Sinclair and Vogus 2011). In any case, there are some essential qualities vital for a site to be known as the site into an interpersonal organization. Pages ought to contain client profiles, content, a way that enables clients to have contact with one another to convey, to present remarks on destinations on one another and to participate in virtual gatherings dependent on normal interests (Gross and Acquisti, 2005; Ellison, Steinfield and Lampe, 2007; Lenhart and Madden, 2007).

Travellers have communicated through photographs and video recordings about forever and a day and simply web based life on the Internet gives a medium to proceed with this exchange. Safko and Brake (2009) even contend that it is conceivable about anyone to have taken an interest in social media without letting it be known perusing: a blog, the messages of another individual from a network or viewing a video on Youtube.

Travel basic leadership is fairly a many-sided issue, which, likened to the general purchasing conduct process, includes various consecutive stages starting from need recognizable proof to post buy conduct (Horner and Swarbrooke, 2007; Schiffman and Kanuk, 2009).

A customer in any industry is encompassed by an assortment of inner and outer elements while taking a choice to purchase an item. The travel industry, being a segment comprising chiefly of administration based items (Cooper, et., al, 1993), basic leadership in it is frequently commented as a high contribution work out (Nankervis, 2001).

Travel and the travel industry, one of the biggest and most unique worldwide ventures today, has produced around 9 percent of aggregate GDP and has made in excess of 200 million occupations over the world, speaking to 8 percent of worldwide business (WTTC, 2005). The ongoing reports demonstrate that the quantity of universal traveler entries has crossed one billion in the year 2012, which is an achievement ever of. The traveler, the fundamental performing artist in the travel industry framework, is a definitive shopper in the entire business of the travel industry, and

he/she purchases an extensive variety of items and administrations from different business divisions having a place with the business amalgam. This activity is normally viewed as a mind boggling process as the basic leadership so as to buy a travel industry item includes assortment of exercises, and manages impalpable items.

Basic leadership is about how buyers settle on their choice so as to buy an item (Solomon 1996; Andreason, 1965; Foxall and Goldsmith, 1994). While settling on the choice, the shopper makes decisions about picking the correct alternative (Peter and Olson, 1999). There are distinctive measurements with respect to the procedure of basic leadership, of which one regularly examined is the passionate inclusion of shopper, which is characterized as "the psychological, enthusiastic and physical exercises that individuals participate in while choosing, buying, utilizing and discarding items and administrations so as to fulfill needs and wants" (Wilkie, 1994).

As indicated by Leon schiffman and Leslie Kanuk, it is "the way toward settling on buy choices dependent on psychological and enthusiastic impacts, for example, motivation, family, companions, publicists, good examples, temperaments, and circumstances that impact buy" (Schiffman and Kanuk, 2009). From another perspective, the purchaser is considered as the issue solver occupied with objective coordinated exercises of looking for data lastly touching base at cautiously thought to be judgmental assessments (Hadjiphaniss and Christou, 2006).

The model proposed by Howard and Sheith (1969) see shopper conduct as the result of the goal (judicious) and also abstract (passionate) components. Similar calls attention to the job of shopper fulfillment that the customer looks for in connection to the buy of merchandise and ventures, notwithstanding the need to unmistakably comprehend the inspirational powers which manage the basic leadership parts of buyers.

There are various creators who have called attention to that basic leadership is a procedure, which includes a progression of stages, for example, require acknowledgment, look for data on different items as indicated by the need, arrangement of elective decisions, assessment of options, demonstration of procurement and

utilization and post buy conduct (Foxall and Goldsmith, 1994; Kotler, et.al., 2003; Horner and Swarbrooke, 2007).

A few creators have proposed various stages in this procedure in various ways. While Leon Schiffman and Leslie Kanuk recognize customer basic leadership into three particular interlocking stages, for example, the info organize, the procedure arrange and the yield arrange, Christopher Lovelock and Jochen Wirtz partition the buyer basic leadership into three unmistakable stages as pre-buy organize, benefit experience stage and post experience arrange. (Lovelock and Wirtz, 2007). Despite the fact that diverse creators have distinguished stages in various ways, every single such idea, in one way or other, center around similar exercises. In every one of the procedures proposed by different specialists, data seek is a pivotal angle which expresses that data is extremely significant in basic leadership (Lawson, 1997; Andreason, 1965; Schiffman and Kanuk, 2009).

The requirement for data is increasingly applicable with regards to the travel industry and considerably the basic leadership is additionally of expanded multifaceted nature. The administration attributes are the prime reason which settles on basic leadership exceptionally strenuous and worrying for sightseers. As per Swarbrooke and Horner, 2007, basic leadership in the travel industry is a high contribution practice and the purposes behind the equivalent incorporate high customer responsibility, abnormal amounts of frailty connected to elusiveness, solid impact of other individuals in basic leadership, long haul choice, abnormal state of data inquiry and abnormal state of enthusiastic importance. As proposed by Yale (1995), there are numerous different components that settle on the movement basic leadership increasingly troublesome.

Notwithstanding the determinants in the purchasing conduct of regular items, traveler goal determination incorporates various different elements (Yale, 1995; Middleton and Clark, 2001; Mathieson and Wall, 1982). In the feeling of Horner and Swarbrooke (2007), a vacationer needs to assess different perspectives while taking a choice - which goal (nation, district, resort) to pick, which method of movement (like planned air, sanction air, ship, rail, mentor, vehicle, transport)

to utilize, which kind of convenience (Eg. adjusted or non-overhauled) to decide for remain, term of the occasion, at which time should the occasion be taken, regardless of whether to go on a bundle visit or attempt autonomous travel, and if picking a bundle visit, which administrator to contact – these are some pertinent elements to consider.

It is usually comprehended that wherever the requirement for data is critical, the job and impact of Information and Communication Technology is of extraordinary criticalness, and correspondingly new media. Because of the intricacy of basic leadership and the inherent attributes of the travel industry items, data require in each phase for a potential vacationer is surprisingly high (Cooper et al, 2003; Middleton 1994; Horner and Swarbrooke, 2007). In such manner, new media is something that has developed as the most significant intuitive instrument because of the headways in Information and correspondence advances.

Subsequently, thinking about the above elements, it very well may be presumed that a visitor for the most part goes through a progression of stages and exercises while taking a choice with respect to participating in a visit. In every one of those stages he/she requires an extensive variety of data and the most recent intelligent new media has a task to carry out in every one of them. The investigation is consequently sought after with the supposition that the stages engaged with the basic leadership are inspiration/require distinguishing proof, data seek, arrangement of elective decisions, assessment of choices, choice, utilization and post buy conduct.

#### Research Methodology

The present paper has been composed with the broad research on contemporaneous information, sites and meeting procedures on the travel industry related perspectives. Broad web review has been directed to look for, analyse and decipher data. Moreover, wherever conceivable, the perspectives of experts have been utilized to inspire explicit data for subjective investigation. The examination likewise consolidates the bits of knowledge picked up from a few meetings in the region of online the travel industry in India and abroad.

#### Conclusion

In reality, Tourism industry can't keep its eyes close on the possibilities of New Media, particularly from the perspective of advertising and advancement. The developing patterns incorporate the expanded use of hand-held gadgets for data inquiry and kind of things, and the escalated utilization of online life in different perspectives. This examination was attempted with the target of distinguishing the job and importance of new media in movement basic leadership and the investigation built up the accompanying: New media presently has played a critical job in a significant number of our everyday exercises. Taking a choice to go by a vacationer is an action of outrageous trouble because of the intrinsic qualities of the travel industry items and administrations. Basic leadership is typically done through a procedure including diverse stages. The impact of new media is inescapable in need recognizable proof for movement, in data seek, in distinguishing the choices for movement, in picking the correct travel alternative, while voyaging, and in addition after the movement in giving input and sharing the encounters. Alongside aiding in distinguishing the requirement for movement, new media frames the correct choice for accepting a visit and additionally to make the utilization simple and charming.

The key innovations of Social Media that support the Tourism industry unrest proceed with their consent. Online networking of travellers is set up wherever there is a web association and it must be considered for all publicists, advertisers and substance makers as a centre piece of their correspondences. Social networking has affected each part of the tourism Industry and changed the way travel is incorporated.

Social Media in Tourism Industry empowers a substantially more positive association with purchasers where genuine advantages are made as well as the consumers as it helps them in making a right decision. However every coin has two sides. If social media is creating a positive impact on consumers or marketers like Brand awareness, reputation building, decision making, evaluation of alternatives, etc; similarly it also has negative impacts which may include ineffective use of social media which may include posting fake reviews and stories, indulging in living a screen life and forgetting the real

experience of travel. This may also include creating curated stories or feed which may not be true in real sense hence making a wrong decision of choose an alternative based on that feed.

Social Media helps the consumers in making a travel decision in one or the other ways and act as an advertising and promotion channels. Clients can make positive or negative views for the organization, its items and administrations, contingent upon how the organization is introduced to them. So the picture or the apparent nature of purchasers, influences sentiment or message that they will transmit to others for decision making in Social Media. Social Media is a new trend in Tourism Industry which is quickly developing and subsequently it must be overseen well in an effective way.

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# Prospect of Rural Tourism in Manipur: To Preserve and Conserve the Ecology for Sustainable Development

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# Abstract

Rural tourism is a mixture of many tourism like farm or agricultural tourism, cultural tourism and adventure tourism. However a typical type of rural tourism is that showcasing the rural life style including art, culture and heritage at rural locations, which will benefit the local community economically and socially as well as enabling interaction between the tourists and locals for a far more enriching tourism experience. (Sampson, 2016). Sustainable living is fundamentally the application of sustainability to lifestyle choice and decision. Sustainability itself is expressed as meeting the present ecological, societal and economical needs without compromise for future generations. The present study defines the factors of technologies in infrastructure and agriculture as the most common examples of the practice of sustainable development in rural tourism. The paper attempts to highlight the present scenario of rural tourism in Manipur while identifying the various problems and issues and strategies to be adopted. With tourism industry fast developing even in India, it is pertinent to note how far tourism is being benefiting the masses particularly the rural community. The various Integrated Rural Development programme (IRDP) for sustainable development seems to be half cooked without uniformity particularly to the rural farmers. This needs some serious study. Manipur is one of the most backward States in the entire North East Region having as many as 36 ethnic groups whose livelihood mainly depends on agricultural activities. Therefore agricultural tourism in its explicit terms of infrastructure in Ukhrul would enable the rural farmers to sustain their economic lifestyle without dismantling the natural resources and habitats.

Keywords: Rural Tourism, Sustainability, Infrastructure, Issues. Manipur.

# Introduction

Due to globalisation and climate change many local economies are to be adjusted in order to enhance their socio-economic viability there in where it lays. As a matter of matter fact these forces are delivering both the nature and the rural landscape of its valuable uses (Butler, etal, 1998) and has to approach with new ideas of leisure and recreation for tourism development in rural areas specifically of course, till now there is no concrete definitions as to what rural tourism actually means since the criteria used to define rural tourism differs from country to countries. However, generally rural tourism refers to the rural settings, its lifestyle, rural culture, and peaceful natural environments and surroundings based on traditional lifestyle associated with hunting, adventure, historical cultural tourism etc in a typical rural settings as villages, agricultural activities etc. (agri-tourism) as many as 'Land of villages' majority of the population comprising 85% of the population still depends on agriculture as their main source of livelihood(Wikipedia). Therefore, development of tourism in rural areas would not be simply meeting the tourists demand with local products but a matter of grave concern of evaluating local suitability and acceptability. Today many farmers are looking beyond traditional farming to generate income through various forms of direct / indirect farm marketing. Various integrated rural development programme (IRDP) for sustainable development still seems a distant dream without systematic

process particularly to the rural farmers which needs serious consideration.

Rural Tourism can be a viable economic component in rural community development as it creates an alternatives source of income from the non-agricultural sector for rural dwellers and can contribute to the revival of local folks art and handicrafts. Rural tourism must considered like a complexes plurality of multi-faced activities in rural areas and improving the quality of life for local inhabitants.(Sampson, 2016). The North Eastern Region (NER) having as many as 200 ethnic groups, (yumnam, 2012) Manipur is one of the most backward states in the entire North Eastern states having 36 ethnic groups living collectively depending on agriculture/cultivation for their sustenance. Agri-tourism in its explicit terms of infrastructure would enable the rural farmers to sustain their economic lifestyle without dismantling the natural resources and habits.

# **Objectives:**

- 1. To highlights the prospects of rural tourism in Manipur.
- 2. To examine issues and challenges of rural tourism
- 3. To suggest measures for sustainable development.

#### Methodology

The research methodology involved both primary(field research) and secondary data(desk research) for in depth understanding of the concept of rural tourism in Manipur. Due to a limited time constraint the paper has been concentrated to a particular project of Loktak Lake and few rural tourism prospects of Ukhrul district in Manipur.

#### **Definitions of Rural Tourism**

The word rural tourism has been subject to many debates in the academic platform without having definite meaning as different forms of rural tourism have developed in different regions and thus is hard to defined the basic characteristics of rural tourism that are common to all the countries(Wikipedia). However, it can be generally defined as a wider area dominated by natural/farmed/forested environments where specific, natural economic and social-cultural

features such as traditions, local cooperation, trust and reciprocity are harmoniously embedded that can create a unique tourist product in a predominantly small scale, nature friendly, ethnocultured, in order words 'sustainable'. Which is commonly a consumer activity guided by demand driven by the visitors and their needs and motivation of attracting people to the villages with the pure image of rurality. The rurality of simple village lifestyle and perfect integration of man in his natural environment.

Thus importance of rural tourism depends as part of tourism market depends on one's country's recreation/tourism resources, infrastructure, image, market access and other tourism products available within the local community itself. Therefore, in rural tourism, the multiplier effect is often an important factor that can impact the rural areas where entire rural lifestyle is mainly concerned about for its unique attraction. Rural tourism can includes:-

# Agri-Tourism

For enhancing farmers to diversify their activities while enhancing the value of their products farming helps reconcile farming interests and environmental protection through integrated land management where farmers play a key role, looking for genuine rural atmosphere where they can share a quality time learning traditional skills ,crafts with their host. The tourist can expect a homely accommodations in the villages away from the bustling busy schedule of modern/urban lives. He can enjoy the homemade foods and drinks which may be quite healthier than the processed foods and drinks and can sometimes even label specific market of local produce to the tourists.

#### **Eco-Tourism**

Tourists visits rural areas for the purpose of bird and animal watching and learning about flora and fauna. Many rural tourist destinations are fragile in ecological, social and cultural sense where its development requires very specific approach that could help remain sustainable in the long run (Wikipedia)

# Rural Tourism Prospects in Manipur

Rural tourism in Manipur is not yet enlarge to a great extend but it has the potential to promote

to a large areas in terms of Agri-tourism particularly as majority of the people still depends on Agriculture despite the fact that the world tourism has now been focusing on digital tourism. Therefore in Manipur Agriculture is not just a mere business but is still the true culture of Manipur. It has all the natural characteristic feature of rural tourism with 22,327 km with a total population of 28.56 lakhs with rural population of 1,736,236 as against 834,154 of the urban population as per Manipur 2011 census is one of the eight states of North east India.

Manipur is surrounded by 9 districts out of which 5 districts are concentrated in the hills mostly tribals and Christians and the remaining 4 district belongs in the valley mostly Meiteis. However, Manipur is a land of diversity having co-existence since time immemorial that attracts further niche rural tourism experience. Often known as 'Switzerland of the East' anywhere you visit is a tourist attraction. The rural locations are of unique settings with scenic views of natural surroundings.

Manipur is a land of ethnic diversity surrounded on all sides by hills and mountains, its capital city located at Imphal. The natural beauty of Loktak Lake in Moirang and the serene natural beauty of Shirui hills with its picturesque view of unique state flower Shirui-lily as been taken for the present study as particular rural tourism prospects in Manipur along with its rich cultural festivals of the state such as the Sangai Festival, Shirui-lily festival, Lui-Ngai-Ni, Kut festival, Ningol chakkouba etc besides several other numerous cultural festivals of the state.

#### The Loktak Lake

This Lake is situated at Moirang in Bishnupur district some 48 km from Imphal city is mostly inhabited by the Thanga villagers, is the largest fresh water lake in India famous for its floating biomass or floating Phumdis which is the only floating lake in the world famous for its distinct picturesque view and habitats of the Phum dwellers as their source of livelihood specially in the ancient times this lake plays a very important role in the economy of Manipur specially the Meiteis who are the majority inhabiting the state. It also serves as hydro power generation, irrigation and drinking water supply. The rural fisherman living in the surrounding

areas and on the Phumdis are also known as' Phumsangs' (Manipur tourism, 2016) around 55 rural and urban hamlets having a total population of 10,000 (Wikipedia). Lokak Lake thus plays an important role in the economy of Manipur. Sendra tourist home attached with a cafeteria is a sought after tourist spot. A day spent at Loktak Lake is a lifetime memory. Few home-stay accommodations have been constructed for the convenience of the tourists/visitors under the Classic Group of Hotel Management Ltd.



Floating restaurant on the phumdis



Boating in the Loktak lake

#### Shirui Hills in Ukhrul District

Ukhrul is the highest hill station in Manipur and is located at 83 km to the East of Imphal city the capital of the state and is inhabited by the Tangkhul Naga tribe, a colourful warrior tribe as it is known. The Tangkhuls are known for their simplicity, hard working and hospitality. It is also one of the oldest major tribe of Manipur. Shirui hills is an interesting places of tourist destination.

Agriculture is the main occupation here as their sole livelihood mainly Jhum cultivation and terrace cultivation besides other subsidiary occupation such as fishing, hunting, poultry, piggery, horticulture, pisciculture, carpentry, handloom etc. Ukhrul hill dwellers are famous for their indigenous home brewed rice beer and plum wine traditional processed by conventional style. This is a must to be experience by tourists. Food cuisines are quite traditional in style and fascinating with distinct flavour and mouth simmering. Women are quite hospitable in nature that adds to their tourist attraction in general.



Shirui Hills



Adventure tourism at shirui hills

However this district is particularly famous for its destined natural God given unique flower called Shirui-lily recognised as state flower in 1989 by the state government of Manipur. Ukhrul known for its peculiar type of land lily called 'Shirui lily' grows on the Shirui hills of Shirui village at a height of 8,500 ft, (Tayengjam, 2015:22) from the sea levels. This only unique flower in the world was discovered by Frank Kingdom Ward from U.K. way back in 1946. During its

full bloom season starting from May-June the hills is flocked with visitors both domestic and international. Interestingly the oldest insurgent outfit of NSCN Gen. Secy Th. Muivah belongs to this district who is currently into deep dialogue with the Govt. of India since 1997. One can hold a night at Ukhrul headquarter and proceed to the Shirui hills the next day which is only 12 km drive or can travel directly from Imphal to the destination a distance of 95 km. Every year in the month of May the Shirui-lily festival is observe with all fun fairs and rituals, a remix of both traditional and modern. It is the biggest event of tourist attraction.





Shirui-lily in its full bloom

Shirui-lily/Lilium Mackliniae pale pink in colour is found in upper reaches of Shirui hills range in Ukhrul district of Manipur, India at an elevation of 1,730 - 2,950 metres above sea level (Wikipedia) was declared as state flower in 1989. It is today considered as endangered species. The flower was named after Jean Mackliniae, the wife of Dr. Frank Kingdom Ward who spotted the flower in 1946 while collecting botanical specimen for the New

York Botanical Society and won the prestigious Merit prize at the Royal horticultural society show in London in 1948. The scenic view of the hill range covered with lilies makes it a wonderful picture perfect location. This is a must visit tourist destination in Ukhrul district. Manipur tourism acknowledge the importance of shirui lily as the state flower and even declared state festivals in 2017 by the Chief Minister Shri N. Biren Singh and thus forming the event as a part of the Manipur tourism to develop and implement sustainable and responsible tourism in the state.

# Folk Culture as rural tourism products:

It refers to lifestyle of a culture historically handed down through oral tradition, demonstrate old ways, over novelty and relates to a sense of community(Sampson,2016). Some of the examples of folk culture includes as:

- Sangai festival.
- Lui-Ngai-Ni festival.
- Kut festival
- Christmas.
- Shirui-lily Festival

### Sangai Festival

This is the most popular cultural festival of state Manipur. It is the grandest festival of the state to promote Manipur as a world class tourism destination. Every year it is celebrated from 21st to 30th November. This Sangai festival is named after the state animal 'Sangai', the brow antlered deer found only in Manipur, with the name of tourism festival since 2010 this has been renamed as Sangai festival to stage the uniqueness of the shy, gentle brow-antlered deer popularly known as sangai deer, the state animal of Manipur. The festival showcases tourism potentials of Manipur in field of arts, culture, handloom, handicraft, indigenous sports, cuisine, music and adventure sports of the state. The main focus area of this festival is to reflect Manipur's proud cultural heritage and love for art which is inherent amongst various tribe inhabiting the state. Various traditional folk dances of the various ethnic groups and various indigenous sports are showcased at the festival participated by not only the people of Manipur but in the recent years, many states of India and even foreign countries like Myanmar and Thailand too participated in

the events/ festivals exchanging platforms of culture, arts and handicraft.





Inuagural function of sangai festival 2017

During the Sangai festival, Manipur film festivals is also organised jointly by MSFDS and film forum Manipur as part of Manipur Sangai festival. Movies and short films by local directors are screened, this has helped to improves, promote Manipur film industry both at the national as well as international level. Local handloom of various designs are on showcased that can be bought by visitors. Various cultural dance of the various ethnic groups are performed by various tribes inhabiting the state, even natives sports like yubilakpa (played with greased coconut), Thangta, wrestling are also showcased. Various indigenous cuisines are showcase that can be enjoyed with a minimum prices, it starts in 21st. Nov. and last till 31st of November. Sangai festival is all about unity in diversity and a true religion of Manipur's saga. Besides there are numerous festival events like the ningol chakouba, mera houchongba in which, the married women are invited by the brothers and gave a grand feast and gifts. Mera houchongba is the time to showcase the bond between the hill brothers and valley brothers, exchanging with gifts and rekindles theirs past friendship and ties in solidarity and events. So many fairs and festivals are celebrated every year.

# Lui-Ngai-Ni festival

This is the only Naga festival observed as an official events of the state. This festival primarily belongs to Tangkhul Naga tribe who by nature are sincere, hard working, fun-loving and hospitable. The state Govt. now declared 'Luingaini' as one of the state festival and declare official holiday on 15<sup>th</sup> Feb. of every calendar year. This festival is celebrated to mark the seed sowing time of the farmers. On this day they would specially ask the blessing of God for a bountiful harvest, makes merry-making by showcasing the rich culture of the people in the form of folk dance, folk song and varieties of indigenous sports like cock-fighting, wrestling, bamboo pole climbing etc and served an indigenous home brewed rice beer, having its own sweet delicacy. No other food are served except a big portion of mithun meat were usually served in the midst of all its fun fair. All the people are adorned and clad in rich beautiful traditional attires rich in colours and hues.

Lui-Ngai-Ni is the seed sowing festival celebrated by the Naga tribes of Manipur India. The festival herald the seed sowing and wakes the start of year of Nagas and declare state holiday in 1988. During this festivals various cultural exchange programme and activities were showcased that mark the beginning of the yearly activities of the biggest festivals of the Nagas. There are about forty odd tribes that constitutes the Naga society, out of which 20 are found in the state. Among many social groups and communities that constitutes the great diversity of India. Nagas are one of them. In fact the phenomenal diversity within the Naga community itself adds colours to the collective diversity in India, like many North East India, Nagas have rich culture.

In the older days, rich man among the Nagas is one who has plenty of grains to last him and his family for a year and be able to spare some for others too whenever needs arise. It is in this context that the festival of seed sowing assured the greatest importance over all other festivals celebrated by the Nagas. During this event/ festivals, the Gods of crops is invoked to shower his blessings on the sowed of their cultivation so that it bears a bumper harvest for the general well being of the people is ensured.

Therefore, the blessings of the Almighty is beseech with expressions through dances, songs and rituals. It is this cultural continuity that we use some of the most delightful dances, songs and other customary rituals every year in Lui-Ngai-Ni. It is a modern form however of the aged old festival of springs, coined as late as 1987 (Manipur Tourism, 2017). And the ministry of tourism govt. of India has also listed the festival of Lui-Ngai-Ni as one of the tourist festival of India. To rekindle their past glorious traditions and values for their posterity, perhaps the re-enactment and promotion of their dances, songs, values and rituals through celebration of Lui-Ngai-Ni in todays context could be in order. The rich Naga culture thus form a part of the great culture heritage of the country.





Cultural dance troupe by Tangkhul & Kabui Naga

Christmas:

Christmas in Manipur is not only celebrated

within Christian communities but every one in Manipur indulge in the jingle bell season with all fun fair and is one of the best Manipur festivals. People organise get together, decorate houses, put up Christmas trees, bake cakes, cooked delicacies of Christmas and exchange gifts among friends and the santa clause gave away gifts to the children. There is midnight masses in the churches on the 24th and 25th of December.

# Kut festivals

Celebrated by the kuki –chin- mizo and evolved as a celebration of peace, harmony, communal ties and friendship. It is meant actually to celebrate the generous food stock of the year by offering thanks to God for the bountiful produce by singing, dancing and merry-making. A beauty pageant is organised to add more colors to the days event on 1<sup>st</sup> Nov.(Source:http://travel triangle.com>blg>Manipur.) retrieved 20<sup>th</sup> Oct. 2018.

# Shirui-lily Festivals:

From the year 2012 due to some young enthusiastic villagers and well wishers from Ukhrul most significantly under the recognition and support of Shri D.S. Poonia, IAS, Chief secretary Manipur, shri Ram Muivah, IAS, Principal secretary Works and Transport GoM, and Dr. Rajesh Kumar, IAS, Principal secretary Principal secretary Tourism Govt. of Manipur, Shirui village observed the first District Level Celebration of the much neglected state flower under the theme-'Finding Shirui-lily' and there after it was renamed as 'Shirui-lily Festival' and since then this festival has been celebrating every year. Fortunately it was a laudable moment when the present chief minister of the Manipur state Shri N.Biren Singh paid his first visit to Ukhrul in 2017 during the festivals and declared Shiruilily festival as state level festivals from district level.(Shimray, 2017). For all these tireless endeavours from our respected bureaucrats and politicians we could revived the endangered species of Shirui hills the abode of 'Shirui-lily'...



Opening ceremony of Shirui lily festival 2017

# How to Preserve/Conserve the Ecology for Sustainable Development

# Issues & Challenges

We are living in a society where everyday we use and experience new ideas, new thoughts, both constructive and destructive in the midst of the booming industrial sector and more practically in a land lock hills of Manipur. We are beginning to see new initiatives being undertaken by the various state holders for ushering in many developmental works for the rural farmers. Rural tourism explicitly in terms of Agri-tourism and its infrastructure has an important role to play to sustainable development in the rural areas.

The recent initiatives of the India govt. programme of 'go to village' projects is being successfully undertaken in the state, under the initiative of CM Shri N.Biren Singh and his team, best efforts are being undertaken for building better relationship and understanding by looking into the grievances of the people in the rural areas. However, much has been done yet still more needs to be done for its sustainability in the region.

# Lesson Learnt:

It was a moments pleasure for all the denizens of the people of Ukhrul district in 2017 when the Hon'ble chief minister declared Shirui festival as a state festival so that all the people can visit the state's unique flower Shiru- lily on top of the peak of Shirui village. All kinds of cultural

traditions in terms of dance troupe, folk songs and other entertainments were showcased that mesmerised the whole crowd clad in their own traditional attires with vibrant colours of different community. For the first time, under the initiatives of the local MLA Shri K. Alfred a group band Steelheart from Norway United States and Queensryche from Belluve, Washington, United states was invited to performed for the first time in Ukhrul district., a live performance concert' that enthralled the crowd with enthusiasm and enjoyment with no power eruption, was live telecast from satellite throughout the festivals which was celebrated for four consecutive days. What was perceive as impossible in the past could now be materialise through rural tourism. As the world has now become a big global village only through tourism.

All these are the efforts of Rural Tourism Board in Manipur. But unfortunately due to poor connectivity of road, transport, many visitors opines having their sole worn out, the next day. One interesting event was the visitor from Thailand who happens to see all the paper, plastic and waste being thrown around by the visitors carelessly on the tourist site/ spots, picked up one by one that leaves the onlookers/ other visitors to bow their heads to think twice. The volunteers of the festivals had a rough and hard times cleaning all the debris after the festivals. We need to imbibe the culture of maintaining the ecology and environment from degradation and pollution for its sustainability. The culture of rural tourism should be made to understand to the rural farmers in terms of better relativity and not just taking advantage of the festival with exorbitant high prices of all the indigenous local products. Even home-stay accommodation was not sufficient enough to accommodate all the tourists/visitors and at the same time prices were too costly so that many of the visitors had to leave for Imphal even at past midnight. Everything has to be within the affordable reach of the guest and the host altogether for its sustainable development.

Rural tourism brings closer ties between the urban and rural community. When tourists visit any rural village in Manipur, more particularly in Ukhrul, the villages/ locals are much happier to entertain the guest without any commercial motives. Women are known for their hospitality

and simplicity this adds as a feather cap to their local tourism products. There is no shadow of doubts that tourism is an important sector in the world that can bring towards positives change in the society. International tourists worldwide have grown from 25 million in 1950 to nearly 1.3 billion today(Barauh,2018), with an estimated revenues earned by the destination around the world having grown from 2 billion US dollars in 1950 to 1260 billion in 2015.(Baruah,2018). Despite challenges of global economic crisis, natural disaster, speeding over the whole region, the tourism sector has flourish uninterrupted.

# Observance of world Tourism Day

The world tourism day 27th Sept. World wide was observed to address global challenges outlined in the 2030 agenda for sustainable development. As the UN secretary general on his message has rightly said that the wide reach of tourism into many sectors, from infrastructure and energy to transport and sanitation impact on job creation, make it vital contributor to the 2030 agenda for sustainable Development, bringing people together. The challenge is therefore to continue harnessing this power for good while safe guarding against the risk. In this new digital transformation living an increasingly connected and interdependent world in matters relating to transforming our behaviour, encouraging innovation, the world today needs new tools, new capacities and ways of new thinking.

The UN across the nations are designing innovative projects, initiations and partnership. This will help provides opportunities improves inclusiveness, local community improvement and efficient resource management within the wider sustainable development agenda. While digital transforming is all about providing benefits to all, tourism contributes to this global commitment. There can be new initiatives and new start ups that would enhance rural tourism sectors govt. and all state holders must work well to improve tourism in the region and particularly in Ukhrul district for sustaining the quality of rural life.

#### The Loktake livelihood Mission:

This mission has been launched under the initiative of the hon'ble chief minister Shri N. Biren Singh for protecting the largest fresh water lake of NE India and provide employment

opportunities to fish farmers and youth of the state for ensuring self sufficiency in procuring fish within the state instead of buying from outside. While emphasising the use of organic and vermi compost during farming in order to benefits the fish farmers in two ways i.e. cost effective and healthy living. The minister stressed on result oriented by working at grass root level and encouraged the village SHGs for the preparation of organic fertilizers and vermicompost. In fact this is one kind of project for mitigating illness prevalent in the state.

However, In the past years in the name of rural tourism some ministers took up the Loktak project by displacing the phumdis dwellers whose livelihood depends on fishing at the Lake without giving proper alternative arrangements for their livelihood leading to mass protest by the farmers in the name of rural tourism development by few vested bureaucrats and politicians for their own personal gains. It is hopeful that such kind of chaos and discontentment would not be the problem in this present launching of Loktak livelihood Mission for the general welfare. Proper policy plan should be adhered so that the traditional livelihood practices of Phumdis dwellers are not disturbed.

# Indo-German Financial Corporation Project (IGFCP/KFY

Another interesting project being launch recently in Manipur was the Indo-German Financial Corporation Project on community-Based Sustainable Forest Management for Water Resources Conservation in Manipur under the Community Forestry and Water Conservation Society (CF &WCS) Forest Department, Government of Manipur. It is hopeful that this will regenerate 21,800 hectares of degraded forest.(sangai,2018)..When fully implemented this can generate huge volume of livelihood activities and even improve wildlife habitat and generate employment opportunities to the local Community based community. forest management projects have been started at local levels by providing alternative livelihood to those farmers affected whose income were dependent on jhum cultivation..So far the govt. had declare 92 sq.km hectares as Community Reserves in two district of Manipur i.e. Senapati and Tamenglong. Mention may be made here that due to the construction of Mapithel Multi-purpose Dam **Project** in Ukhrul District, whose livelihood mainly depends on agriculture, around eight villages on the catchment areas of the Dam have been displaced besides large areas of terrace field and forests have been totally submerge under water which might be approximately 200 ft deep as told by the local villager. While much has been compensated still the local villagers are demanding for their fair share. If proper policy plan are taken up with better understanding on the basis of win-win between the Govt. and the local people this particular place can become a Rural Tourism Hub in the near future. Soil and moisture conservation measures, rejuvenating wildlife habitats and bio-diversity and creating livelihood activities should be properly implemented in the midst of adverse affect of climate change worldwide. No human can survive without agriculture as this is the nature oriented phenomenon. In the words of St. Thomas Aquinas, the rich diversity of earthly creature gives humanity a glimpse of the beauty and glory of God. But if human greed is leading to overpollution that is depleting natural resources and climate to change leading natural resources and environmental degradation, the deleterious impact on an individual group or population is a cause for concern but even more requires corrective measures to rescue God's creation from destruction.(Bunii,2018). Reducing and redressing the adverse affect of climate change needs to be tackled even at the grass root levels for a far more enriching Rural Tourism experience for no man is an island. With better road connectivity in the hills particularly, setting up of rural tourism research centre to further mobilise could prove effective. Since majority of the people in the hills are Christian church leaders can play a key role in harnessing rural tourism prospects in the right perspective with transparency. Workshop, seminars and thread bare discussions can be held frequently at the local level.

#### Conclusion

Manipur is a land of festivals and merriment and mirth all year round.. A land of vibrant festivals hardly a month passes by without celebration of festivals in this hilly town showing the rich culture and togetherness of the people of Manipur. If you are someone who wish to replace the rich culture heritage of this hill district, the experience of the rural lifestyle, you must visit Manipur during on these festivals. Affordable and modern accommodation are easily available in Imphal and the hill district with the best fit of your wallet, places and location that you to visits. We therefore need not only tools but new capacities an thinking, improve inclusiveness, local communities empowerment and efficient resource management providing benefits to all within the wider sustainable development agenda. Government and all other stake holders must work well to improve tourism in the region by taking up new initiatives and new start ups policy for enhancing rural tourism prospects for sustainable development.

The paper conclude with the statement of a climate activist and atmospheric scientist Kathrine Hayhoe as—" If I say that I respect God, that I love God, and that God has given us this incredible life-giving planet, then if I strip every resource at the expense of my poor sisters and brothers—one in six of whom dies because of pollution related issues, who are suffering and dying today- then I am not somebody who takes the Bible seriously. She further says-"What kind of love is it when someone gives you such an amazing gift and you leave it in a smoking ruin".

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# Journey of Regional Rural Banks in Financial Inclusion

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# Abstract

This paper has been written to check the sustainability of RRBs through its profits. This study emphasized the role of financial inclusion for the growth and development of country through RRBs. For this, role of financial inclusion has been seen for the economic development and subsequently role of RRBs has been studied under the financial inclusion. Government has introduced Prime Minister Jan Dhan Yojana through which financial inclusion got a boom with the help of RRBs. However, after a good achievement in number of results, RRBs are not getting good number of deposits. Further suggestion has been discussed on the sustainability and profitability of RRBs.

Keywords: Growth, Profitability, Stability, Financial Inclusion, Government, Development

#### Introduction

"Financial Inclusion" (FI) has been in centre for financial and economic policy of India for a decade or so. Decoding FI, there are different meanings of Financial Inclusion for example banking unbanked region, providing affordable financial products and services in a responsible and sustainable manner. In another word equal access of financial services for everyone. The objective of Financial Inclusion is to eliminate the discrimination in the access of financial product and services. The region, religion, literacy, caste and economic status should not be the constraints to access financial services. United nation defines Financial Inclusion goals as 1). Access to full range of financial service including savings or deposit services, payment and transfer services, credit and insurance at a reasonable cost. 2). Sound and safe institution 3). Financial and Institutional sustainability to ensure continuity and certainty of Investment 4). Competition to ensure choices and affordability for clients. According to Reserve Bank of India Financial Inclusion may be defined as the process of ensuring access to financial services and timely and adequate credit wherever needed for vulnerable groups such as weaker

section at affordable cost (The Committee on Financial Inclusion, Chairmen: Dr. C. Rangarajan). Defining broadly Financial Inclusion is universal access to wide range of financial services which not only include banking product but also other services such as Insurance and equity services. It persuades the public or citizen of the country to get facilitated with banking and financial services and on the other side it also robust the governance of banks and financial institutions to accommodate the need of everyone at a reasonable costs.

# Financial Inclusion and Development

Financial Inclusion and Development are used simultaneously. Financial Inclusion has been defined broadly above. Decoding Development, it is a physical, social and mental well being of a citizen in specific and on the country level development comprises of GDP growth, increase in employment, poverty eradication, sound medical and educational facilities, infrastructure and so forth. Individual development symbolizes development of a country. Financial need, security, insurance, access to the benefits provided by government, subsidies, credit, input tax credit,

seamless transaction helps a person to achieve the development of self and eventually of the country. Development is unattainable without adjoining the vulnerable with the financial mainstream of a nation. It connects citizens with the state.

For example a scholarship needs to be awarded by central government, if the beneficiary has a bank account the amount of scholarship after the verification of claims can seamlessly be transferred to the beneficiary account. Imagine a situation, if the beneficiary does not have account, there would be lots of beaurocratic hurdle, middlemen and chances of leakages in between.

It reduces the chance of leakage, corruption and time involved in the whole process. Scholarship is one example there are numerous example where one need financial product access on the affordable rate. Some of the research on microfinance revealed that Financial Inclusion can produce informal intermediation, an unintended form of entrepreneurship. Research and study of Asian Development Bank reveals that there is positive correlation between access to finance with economic growth and employment. It contributes in increasing the economic opportunities and improving the lives of vulnerable section of the society. It curbs income inequality and reduces poverty. The buzz of Financial Inclusion sparked in India a decade back or from 2010 in specific. During this period, there were lots of scams and policy paralysis. Policy makers, banking and financial institutions felt that there is a dire need of Financial Inclusion if the country needs to uplift the vulnerable and diagnose the socio-economic problem. However, in India the concept of Financial Inclusion occurs with a cooperative movement in 1904 and its pace get accelerated after independence especially on the occasion of nationalization of commercial banks in 1969. In 2005 the concept of Financial Inclusion was first featured in India launched by K C Chakraborthy, the chairman of Indian Bank. Mangalam a census town in Coimbatore, Tamil Nadu became the first village in India where all households were provided banking facilities. RBI permitted commercial banks to make use of the services of non-governmental organizations (NGOs/SHGs), micro-finance institutions, and other civil society organizations as intermediaries for providing financial and banking services in January 2006.

During 2008-2010, banks and financial institution started working on Financial Inclusion by opening account of the customer at zero balance which is also called BSBD (Basic saving Bank Deposit) later it augmented with several innovation and recently with Prime Minister Jan Dhan Yojana (PMJDY). Globally India has performed very well in FI. The Findex report by World Bank which states about the Financial Inclusion performance of the country revealed that during (2014-2017) total of 514 million accounts were opened in which India constitute 55 percent of accounts approximately 28.17 crore.

# Regional Rural Bank (RRB) and Financial Inclusion

For the real development of India, Mahatma Gandhi has initiated the concept of inclusion by saying that "the future of India lies in its villages". Only 30% of urban area cannot take any nation to the heights alone. It is very much required to concentrate on the rural area as well and in India, rural areas are seen to be very poor.

Financial Inclusion is the key for the problem of development in rural areas and it may improve the conditions of poor farmers, small enterprises and other vulnerable groups. Financial Inclusion is basically a banking service which is easily accessible at affordable cost for each and every section of economy. Non accessible groups such as poor farmers in some backward rural area can use the financial services for its own betterment is the main motive behind the idea of Financial Inclusion, since development of every individual may develop the nation faster. Financial Inclusion is an instrument for the inclusive growth of a nation.

In India, several measures has been taken for the growth of Financial Inclusion in rural India, like opening of no-frills accounts, relaxation on Know-Your-Customer (KYC) norms, agent banking model – use of Business Correspondents (BCs), development of Electronic Bank Transfer (EBT), avail of general credit cards, opening of branches in remote areas etc.

The step of Regional Rural Banks (RRBs) has been taken by government of India mainly for the improvement in the financial condition of rural sector. The RRBs were established in India under the RRB Act, 1976 "with a view to develop the rural economy by providing, for the purpose of development of agriculture, trade, commerce, industry and other productive activities in the rural areas, credit and other facilities particularly to small and marginal farmers, agricultural laborers, artisans and small entrepreneurs and for matters connected there with and incidental thereto". From a modest beginning of 6 RRBs with 17 branches covering 12 districts in December 1975, their number grew into 196 RRBs with 14,446 branches working in 518 districts across the country.

Regional Rural Banks play a vital role in rural development of India and to spread financial Inclusion over there. RRBs are setup to take banking facilities to the door steps of rural households who are in need of easy and cheap credit. These are institutions which strive to turn dream into reality. C K Prahlad focused on "Bottom of the pyramid" approach and when real India lies in villages the focus of the RRB's is to

strengthen the backbone of Indian Economy. The objective of economic planning can never be achieved unless we uplift the rural economy and rural people of India. This study of CK Prahlad concludes that Regional Rural Banks have significantly made financial inclusion a reality.

In India Financial Inclusion starts from villages and goes upward then. It is very important to develop the villages and rural population through financial inclusion. Government has been working on this issue so long for the rural population. It can be seen that number of banking outlets in villages increases from 67,694 in 2010 to 5,86,307 in 2016 and this is the result of appointment of Business correspondent (BC) outlets as well as by the spread of bank branches. Not only rural India but BCs has covered the Urban India as their spread has raised to 1,02,552 in 2016 from only 447 in 2010. After the banking outlets, it can be seen that Basic Savings Bank Deposit Accounts (BSBDAs) have also gone up from 73 million in 2010 to 533 million in 2017.

			O	-	,		
Bank Type	Rural	Urban	No of	No of	Balance	No of	Aadhaar
			Accounts	Rupay	in	Accounts	Seeding
				Debit	Accounts	with	
				Card	(in Lacs)	Zero	
						Balance	
Regional							
Rural Banks	31248470	5153529	36401999	26389394	535818.3	9451369	10496171

Table 1: Situation of Regional Rural Banks upto January 2016

#### Literature Review

The present study aims to examine the impact of financial inclusion on growth of the economy over a period of seven years. Secondary data is used which has been analyzed by multiple regression model as a main statistical tool. Results of the study found positive and significant impact of number of bank branch and Credit deposit ratio on GDP of the country, whereas an insignificant impact has been observed in case of ATMs growth on Indian GDP. In spite of this there should be a need for proper financial inclusion regulation in the country to access financial services and customer awareness E-banking training and financial literacy programmes should be organized. Thus, financial inclusion is a big road

which India needs to travel to make it completely successful.

Financial inclusion takes away many other variables with it and has an eminent role in various sector for their growth and development. For an economy of country, it is the source to touch sky by standing on earth as Prof Badar Alamlqbal and Prof Shaista Sami in their paper "Role of banks in Financial Inclusion in India"1 have examined the impact of financial inclusion on growth of the economy over a period of seven years. They have found that there is a positive and significant impact of number of bank branch and Credit deposit ratio on GDP of the country, whereas an insignificant impact has been observed in case of ATMs growth on Indian GDP. In spite of this there should be a need for proper

financial inclusion regulation in the country to access financial services and customer awareness E-banking training and financial literacy programmes should be organized. Thus, financial inclusion is a big road which India needs to travel to make it completely successful.

In his paper Financial Inclusion and Regulation in India during 2013 author Dr. Das Kanthi Tushar he stated that Building inclusive financial sectors improves people's lives, in particular those of the poor. A small loan, a saving account or an insurance policy can make a great difference to a low income family. They enable people to invest in better nutrition, housing, health and education for their children. They ease the strain of coping with difficult times caused by crop failures, illness or death. They help people plan for the future.

Empirical evidence indicates that countries with large proportion of population excluded from the formal financial system also show higher poverty ratios and higher inequality. If we are talking of financial stability, economic stability and inclusive growth with stability, it is not possible without achieving Financial Inclusion. Thus financial inclusion is no longer a policy choice but is a policy compulsion today and banking is a key driver for inclusive growth. However, we must bear in mind that apart from the supply side factors, demand side factors, such as lower income and / or asset holdings also have a significant bearing on inclusive growth. Owing to difficulties in accessing formal sources of credit, poor individuals and small and macro enterprises usually rely on their personal savings or internal sources to invest in health, education, housing, and entrepreneurial activities to make use of growth opportunities. Inclusive financial sectors can break the vicious circle of poverty if implemented properly. This can empower the poor and can ensure that poor people have access to a wider range of financial services. For this unremitting effort from all the stakeholders are required. With more opportunities to build the poor will lead the way out of poverty with dignity.

The paper titled "The progress of Financial Inclusion in India: Insight from Multiple waves of survey data by Manuela Kristin Gunther overseas Development Institute surveyed data for 135,147 individuals and 16,000 households, the paper tries to understand the progress of financial inclusion for individuals and households

between 2013 and 2015. The samples cover the time periods before and after the launch of the government-sponsored PMJDY scheme. Access to bank accounts has expanded significantly over the sample period. About 66 percent of India's adult population, and more than 90 percent of households have a registered bank account in 2015. While some geographic and socio-economic asymmetries persist, after the introduction of the PMJDY scheme, growth in account ownership has been greatest in low income states, and individual hurdles along the lines of gender, income and the rural-urban divide appear smoothened. Account ownership is largely driven by savings. Government interventions such as Benefit Transfers and Aadhaar cards also significantly increase the likelihood of account ownership. As caveat findings, I observe that the fine parameters of PMJDY are less known and that PMJDY and Benefit Transfers might have also increased duplicate accounts.

In the study researcher Mini Mehta, Deepak Sahni, and Suman Vij through their paper "Financial Inclusion through Regional Rural Banks- Dream or Reality" found and concluded that the Financial Inclusion through Regional Rural Banks have become a reality and it supposedly it should not be treated as dream. These banks have contributed towards inclusive growth of India and its economy. Despite the Bank of Rural peripheral RRBs have also benefitted the urban and semi rural area. Apart from stating positive outcomes of RRB's Banks have many challenges in the path of Financial Inclusion such as backward and informal sector should be included up to a great extent, to literate rural people financially, services should be enhanced and RRB's should take initiative to focus on urban area to prove their existence. People in rural areas feel that financial services are costly and access is difficult, these thoughts need to be addressed. RRB's should boost the IT infrastructure by recruiting IT professionals and undertake immediate assessment of training officers and staff.

A policy report by SIDBI titled "Regional Rural Banks and Financial Inclusion: Policy Imperatives". Author Ajay Tankha found and concluded that Rural outreach and Financial Inclusion has been very impressive if it is compared with other financial corporations. However, RRB's were not able to utilized its full

potential specially in disbursement of credit. The author suggested amendments in RRB Act restructure ownership. He suggested for further amalgamation of Banks so that the state level can also contribute to keep it away from their original mandate. Many of the policies and norms are expected from every side. RRBs needs to move forward with innovation and to forge partnerships with MFIs and other agents. The bank should strengthen their old linkages with Self Help Group. These approach would help the RRB's to perform and serve better.

In his paper The Role of Regional Rural Banks in Financial Inclusion: An empirical study in India researcher Dr. Mahammad Paheem Beg wrote that Financial Inclusion in India is converged with aggressive micro credit policies and were introduced without appropriate consumer education and appropriate regulations oversight. The greatest challenge with the people working in the area is to separate micro-credit as the aspect of Financial Inclusion. In the paper author also emphasized on whether the financial inclusion which are earmarked in policies are reaching to the common beneficiaries or not. There should be a budget tracking to monitor the fund disbursement and its flow.

In the paper titled "NABARD: A Financial Inclusion through Regional Rural Banks (RRB's) authored by Gaurav Lodha and I.V. Trivedi summed up by stating that these banks have played a very significant role in ensuring sustainable development through financial inclusion which was also the objective of the paper. However the future challenges in the path of Financial Inclusion should be taken into consideration. The researcher conducted their study on the basis of secondary data from NABARD, RBI and other institutions. Researcher in their study were successfully able to negate the Null Hypothesis that there is no spread of Financial Inclusion in India through RRBs.

#### Research Objectives

After Literature review, it was found that augmentation in research related to PMJDY with Financial Inclusion and its impact on Banks and Customer is required. Less attention has been given for the same in the past study. Therefore, Objectives of the research is:

- 1. To study the role of RRBs in Financial Inclusion.
- 2. To Study the Role of RRBs in Prime Minister Jan Dhan Yojana
- 3. To study the impact of Financial Inclusion through RRBs on Customer
- 4. To study the Impact of Financial Inclusion through RRBs on the Profitability and sustainability of RRBs
- 5. To suggest the concern authority how to implement Financial Inclusion for the mutual benefit of Banks and customers.

# Research Methodologies

There are many studies which have been analyzed on the performance of RRBs through its deposits, profits, credits, bank outlets, no of account etc. How influential the growth of RRBs is to the growth of economy by running regression between various variable of their growth. In our study we have used a quantitative methodology by taking data of variables like deposits, credits, no. of account, insurance and profit. Basically this study has been performed to check the stability of RRBs through their profit rates. Trend of growth rate has been measured and comparison has been build up on basis of different time period. For this time series data has been taken for the growth rate of deposits made to RRBs from 1990 to 2018. Moreover this whole study revolves round the PMIDY because this is the one government policy which has change the structure of financial inclusion and much of its part is rolled out by RRBs.

Role of RRB in Financial Inclusion with reference to Prime Minister Jan Dhan Yojana (PMJDY)

Role of RRBs is very important in the Financial Inclusion at ground level. With their not so complex policies, it becomes easily accessible to the rural population than scheduled commercial banks (SCBs). General manager, agri business unit, State Bank of India, K J Taori has also said that "RRBs can play a greater role than SCBs in achieving the goals of financial inclusion". To accelerate the rate of financial inclusion government has launched Pradhan Manatri Jan Dhan Yojana (PMJDY) on 28th August 2014. RRBs has opened 3.02 crore accounts under PMJDY as on 15.07.2015, or nearly 18% of total accounts.

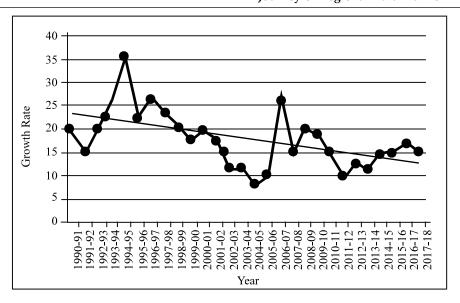
Of these 2.57 crore accounts were in rural areas representing over 25% of the total 10.21 crores accounts opened in rural areas. RRBs accounted for nearly Rs. 3,500 crore out of Rs.20, 288 crores of deposits, representing over 17% of the balances in these accounts. Out of these newly opened accounts the proportion of zero balance accounts is 50%. RRBs have also opened 440,000 accounts in urban areas. The number of RuPay debit cards issued by RRBs was 2.19 crores, out of a total number of 15.05 crore such cards issued by all types of banks. Since the Jan Dhan accounts were introduced specifically for unbanked persons, the growth in these accounts is a key parameter for assessing PMJDY's contribution to enhanced financial inclusion.

RRBs has a significant role for the PMJDY as it can be seen that 5.14 crore accounts has been opened under PMJDY upto 2017 and have collected almost the deposit of Rs 8935 billion from 2014 to 2017. However it's a huge amount for RRBs but 50% of the total accounts have been maintained with zero balance. Additionally, 279 mn BSBD accounts have been opened with an approximate balance of Rs. 628 billion upto September 2017. Moreover, credit has also shown its boom as 47.31 million small farm sector credit accounts and 11.3 million small non-farm sector credit accounts has given outstanding amount of Rs. 5130.7 billion and Rs. 1493.3 billion respectively in 2016 from the amount of 24.3 million and 1.4 mn respectively in 2010.

Financial inclusion and its impact on profitability and sustainability of Bank Profitability means the ability to generate profit, whereas sustainability means how to make it more viable and strong for future. These words are used simultaneously because profit determines sustainability and sustainability determines profit. Sustainability and profit of banks and financial institutions comes from their main operations that are accepting deposits, granting loan, providing agency and utility services etc. The safety and security of customers' accounts and their funds also depend upon the profitability and sustainability of banks. For example, if a bank is suffering from loss due to high operating charges, to revamp with loss it will charge higher interest to offset their losses. According to an article in Journal of Economic Behaviour and organisation there is a positive association between financial

inclusion and bank stability in the case with those banks which have higher retail deposit funding shares and lower marginal costs of providing banking services also those who operate in countries with stronger institutional quality. The banks need to be stable. As explained in introduction financial inclusion Financial Inclusion is the need of Indian economy, therefore Government of India has also done miscellaneous credible work in this area by Digital India, PMJDY and several other schemes. But the profitability and sustainability of banks also have prime importance in financial inclusion in the long run. RRB has played very important role in First step of financial inclusion that is opening of accounts. RRB has opened 5.14 crores in PMJDY. Apart from PMJDY, there must have been other source of account opening. If the account openings have surged, the total operating costs to maintain those accounts would also be higher that must be offset by linear profit growth or less than linear but there must be reasonable profit growth. According to the actual data after PMJDY the Net Profit of the RRB skewed for two times and increased for two times. The Net Profit grew only by 6 percent and if we compare it with number of Accounts opened it is very less. The reason for the same must be that there is huge Account Opening, but the proportion of Inactive Account is also high.

Good number of accounts, increasing credits and insurance may seem that financial inclusion is boon for customers but what if question is to be raised for the RRBs which are a small part of banking system and hardly looked up for any up gradations? Where growth rate of deposits used to be in between range of 10-30% during 1990-2010, now falls to the range of 10-15% for 2010-2018. Similarly, the trend of credits is showing a downfall in its growth rate as well as profits have huge fluctuations too. As mentioned above that accounts are increasing with very high rate, so a high rate of deposits and credits would also be expected. Direct Benefit Transfer has initiated in January 2013 through which government of India transfers subsidies directly to the people in their bank accounts and hence becomes one of reasons of deposits with RRBs. Demonetization and digitalization are other reasons which might have some influence on the deposits. Succeeding these policies of government, unexpectedly deposit rates are decreasing as it can be analyzed through following diagram.



F igure 1: Growth rate of deposits to RRB (1990-2018)

(Source: Reserve Bank of India)

A clear trend line can be seen in the diagram which showing the downward fall in deposit rates. Continuation of this trend can put sustainability of RRBs in danger. Apart from low rate of deposits and credits there are several other challenges which RRBs are facing like very less number of transactions, low rate of insurance, poor infrastructure, inactive BC outlets, connectivity issues, technology up gradations etc. Satisfaction level has decreased and level of stress of employee has increased. Several researches have shown that the rapid reform in financial and banking sector has decreased satisfaction level of employees. Thus, it is very necessary to restore profitability and Stability in RRB if FI to be successful in long run.

## Conclusion and Recommendation

Financial Inclusion directed the inclusive growth which itself starts from rural level where Regional Rural banks leads the role with various challenges. Number of financial outlets in rural areas has been developed so far since 2005 to stimulate the financial inclusion. In addition, Pradhan Mantri Jan Dhan Yojana pours its efforts to step up the financial inclusion with a sudden increase in number of accounts throughout its period. It has been beneficial in many ways, mainly to get the Direct Benefit Transfer, insurance, credits, Kisan

Credit Card, Rupay debit card etc. and that all facilities connect millions of families from rural India. But on the other hand, it is becoming harder for RRBs to sustain that level for so long because operating cost of accounts as well as opportunity cost of employees is increasing and profit is not running parallel. Retail deposits which could enhance the sustainability of Banks have also not accelerated in the way it should have been. The pressure over the governance has also grown to accommodate surging number of accounts. Decreasing deposit rate, less amount of net profit, inactive accounts are questioning the sustainability of RRBs as well as financial inclusion.

RRBs need to be more flexible in its approach. Challenges should always be converted into opportunities. In the past various attempts have been made to boost the governance and profitability of Banks. In 2014, RRB amendment came into existence which allows the banks to raise capital from another source of accounts other than central, state and sponsored Banks. Now the RRBs can procure funds from IPO, bond market e.t.c. Apart from this, Government of India and its committees are continuously recommending and working on consolidation of RRBs and reducing the total count of RRB to 35-36. It is believed that it would be very beneficial

for the banks to boost up its corporate governance, enhances efficiency and productivity. Also, reduction in overall expenses, optimal use of technology and expansion in capital base would be there. However, the consolidation is not always a solution. For example, SBI and its associates after their merger have not contributed much to the profit and growth. Furthermore banks should optimize their inactive accounts, they should persuade the inactive account holders to use the accounts for deposit, saving and transaction process. RRB needs to increase its goodwill so that it can attract large base of customers. Banks also need to have strong debt recovery system to reduce the chances of NPA and the regular and expected annual cash inflow should come to the organization to avoid liquidity problem. From the government side, the rural people should have formal and regular source of income so that they can use the financial services in a very disciplined and regular manner which will be mutually benefiting for banks and customer. From the customer side, there is a need to adopt an ethical business practice with the banks such as maintaining a nominal amount in accounts, depositing surplus money in account, returning the interest on debt timely and so forth. Small steps from each stakeholder will surely make the FI viable in India.

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# A New Way of Doing Business: One Person Company

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# Abstract

In todays contemporary world ,"one man business "has been replaced by "One person company" that brings the benefit of joint stock company enjoyed by private companies . A one-man business is referred to as a sole proprietorship , because under this a single person (known as sole trader) uses his own funds, skills and intelligence and is solely responsible for all the profits and risks associated with business. The sole proprietor can use his personal funds or can borrow funds on its behalf to run the business. He has full control on the business and take all the necessary decisions (managerial, financial, technical and others) himself and is personally liable for all the debts. Self employment is one of the objective of OPC (One Person Company) and OPC is an important element of Companies Act, 2013. OPC enjoys special privileges which other company does not enjoy related with board meeting and general meeting. Like in partnership the biggest limitation is unlimited liability which is removed by the Limited Liability Partnership form. Similarly, the biggest limitation of sole trader of unlimited liability is removed by the One Person Company. This paper conceptual in nature based on the secondary sources of data and explained and make you realise the concept and the importance of one person Company, its benefits and disadvantages and different rules related to its (one person company) members, formation and conversion.

# **Keywords:** One Person Company (OPC), Sole Proprietorship, Skills and Intelligence, Limited Liability Partnership.

### Intrpoduction

The modernise world is dominated by the new term called OPC (One Person Company) which is an important part of companies Act 2013 . It promote self employment on a larger scale thanks to India's legal system . "One person company "comes with the new way of doing business which gives lot of advantages to private companies in the form of providing security of limited liability ,which sole

proprietorship or partnerships lacked. One Person Firm (OPC) is the appropriate choice to incorporate a company if there is only one sponsor. The company's name will carry a suffix "OPC".

One member (who subscribes to the Memorandum/has their name in the Register of Members/holds shares of the company with their name in the depository records) and one nominee (who becomes a member of the company) are mandated by OPC.

# Meaning of "One Person Company"

'One Person Company refers to firm which has only one member/ Owner', this is according to Section 2(62) of Companies Act 2013,

A one person company is a company involve one person as its member , which we called shareholder as well as subscriber to its memorandum of association . So in short we can say that shareholder is a member of OPC , which make OPC more effective .

The requirement of one person companies –

- a) Minimum paid up capital is ₹1 lakh and its turnover cannot go beyond ₹ 2 crore in the preceding three years
- b) With companies amendment act 2015 there is no minimum requirement of paid up capital of the company.

That means now company can be formed with even Rs1000 as paid up capital. If the above occurs, a single-person firm must transfer to a public company.

#### Characteristics of OPC

#### Characteristic of OPC are as Follow:

- Privately operated firms: An individual can establish
  a firm for any legal purpose (Section 3(1)(c) of the
  "Companies Act 2013"). It goes on to say that OPCs
  are private companies that can be transformed into
  public companies either proactively or compelled
  after meeting certain standards.
- Sole member: OPCs demands only one member for doing business. Any person, business, or organization that acquires at least one share of a firm's stock is referred to as a shareholder (equity). Owners of the company are shareholders that take advantage in the form of higher stock valuation. At the same time shareholder can lose money if company is not working properly.
- Nominee: One aspect that distinguishes OPCs from other kinds of firms is that the lone owner of a one-person business must name a nominee when incorporating the business. A individual, association, entity, or company that exists legally and can be recognized individually. Another individual (the nominator) designates or chooses an entity to act on their behalf in a low capabilities.

• *No perpetual succession*: Because an OPC has only one member, his death will force the nominee to choose whether or not to become its single member which is not possible in perpetual succession.

Perpetual Succession

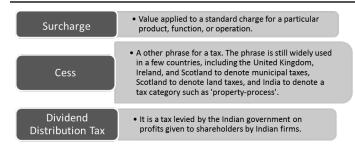
- The presence of an incorporated firm that is unchanged by the death of any of its holders or the transmit of its shares to a new company.
- *Minimum one director*: Under OPCs they require minimum 1 director and they can exceed till 15 as maximum.
- *Paid-up share capital*: For OPC the 1 lakh is needed as minimum paid up capital..

Paid up Share Capital

- The amount represents the capital on stock held by the shareholders.
- Special privileges: OPCs take lots of advantages and exemption under companies act, for examples
   -Exemptions related to holding board meetings and general meetings.
- Separate legal entity: In the viewpoint of the law, OPC is an independent corporate entity from its founder. This indicates that both entities are subjected to distinct taxation.
- Limited Liability: The OPC offers its members a limited liability benefit, which indicates that if the firm loses money, the owner of the OPC's liability is limited.
- Furnish Annual Reports: Same as private companies OPC also require to file and inspect its book of account with the registrar of the companies every year. Company secretary signed the annual return of the company and if there is no secretary then the authority of signature is in the hand of director of the company.

**Books of Accounts** 

- Journals, ledgers, and other categorised records that make up a company's accounting records.
- *Tax Perspective*: When it comes to tax structure ,its not really beneficial for OPC as it taxed as private firms and pay taxes without exemption. OPC would typically be taxable at 30% (plus surcharge and cess). Separately, on distribution of profits by OPC to its sole member, OPC would be subject to dividend distribution tax at 20.56%.



 Registration: We must register with the Company registrar in ready to initiate an OPC, which is not needed in "one man business".

# Advantages of One Person Company

# Easy to make:

A one-person company is incredibly easy to establish up because only minimum of legal requirements are required.

# Limited Liability :

The founder of a One Person Company is responsible for any loss up to the amount of the company's capital.

# • Separate Legal Entity:

"Founder" and "organization" are two different unit of OPC . The survival of the one-person corporation is undisturbed by the death or bankruptcy of its members.

#### Quick Decisions:

Under such kind of company the decision is fast because of the complete regulation of founder.

# • Minimum legal formalities:

A one-person corporation is exempt from numerous legal obligations.

#### Complete Control:

Member of one person company is responsible for the company operation because of the monopoly control over business.

#### Direct Motivation:

The gains of a one-person company are not shared with others, resulting in great drive and devotion.

# • Flexibility in Operations:

OPC help all infant entrepreneurs and professionals by providing flexibility for setting up of organization.

### • Obtaining loans is simple:

Enterprises with OPCs have indefinite life and limited liability. They also give the company a distinct identity and provide transparency, which is advantageous for fund raising and commercial development.

# Disadvantages of One Person Company

- *Difficulty in winding up of a business*: When it comes to closing up company then it will take a month to get a letter from registrar legally.
- *No Democracy*: A business should function as a democratic institution, with choices made by discussion and vote. This does not happen in an OPC, though, because there is no democracy.
- *Limited Life*: OPC have single member so its life is highly unpredictable and uncertain. Because it completely depends on that one member.
- Tax : Tax rate is high under one person company as compare to sole proprietor.

# **Essentials for Creating OPC**

 Any individual can form OPC just by: a) fulfilling the condition mentioned in companies Act 2013 and b) by giving his name to the memorandum of association.

The memorandum must include the identity of a nominee who will become the company's sole owner if the founding member expires or becomes incompetent of engaging into contractual arrangements.

 This memorandum, as well as the nominee's agreement to his nomination, shall be presented with an application for registration with the Registrar of Companies. By providing the necessary applications, such a nominee can remove his name at any moment. His nomination can also be cancelled by the member anytime.

### Rules Regarding Membership in OPC

- Only legal persons (not associations of persons, bodies of individuals, companies, or other entities) who are Indian nationals and citizens (who resided in India for 182 days in the previous calendar year) are allowed to establish a one-person corporation in India.
- Member of OPC also require same condition .
- A natural person can join the firm as a member.
- Minors are not allowed to be members or nominees of OPCs under the legislation.
- Furthermore, at any given moment, a natural person cannot participate in more than one OPC

# **Process of Converting OPCS Into Different Companies**

The condition require to form one-person corporations clearly prohibit OPCs from converting to Section 8 of the Companies Act. (like for companies that have charitable objectives). The rules underlying the development of one-person businesses expressly prohibit OPCs from transferring to Section 8 of the Companies Act. A One Person Company (OPC) can be officially changed into either a Pvt . ltd. or a Limited Company, either freely/forcefully. These transformations are made in compliance with "Section 18 of the Indian Companies Act of 2013" and the" Companies (Incorporation) Rules of 2014", particularly Rule 7(4) of the Companies (Incorporation) Rules, 2014.

# **OPC's Voluntary Transformation into A Private Limited Company**

OPC cannot be changed into any of the limited company within two years of its incorporation , Nobody is doing any kind of intervention (counted from the date of its incorporation). The following provisions and steps must be fulfilled in order to convert an OPC into a private limited company on a voluntary basis :

At the time of conversion, the existing OPC's total paidup capital must be less than or equal to INR-50 Lakh, and its average annual turnover must be less than or equal to INR-2 Crores for the three immediately preceding and consecutive financial years. Members and creditors of the OPC must sign a "No Objection" letter.

To convert OPC into private limited company in order to do so, they needed to adopt a special resolution in the meeting held. Within thirty days of the occurrence of such a resolution, a copy of it must be transmitted to the concerned ROC via Form No. "MGT-14".

Submitting Form INC-6, the Conversion Application, together with the following documents and the charges set forth in the Firms Rules of 2014:

- a. Members and creditors should give separate confirmation in favour of conversion and
- b. Member list and creditor list.
- c. Creditor should give a copy of "No objection " letter.

#### **Compulsory Conversion**

An OPC is required to convert to a private or public limited company if its total Paid-Up Capital equals or exceeds Fifty Laces or its Average Annual Turnover equals or exceeds Rs. Two Cores during the relevant period

(immediately preceding three consecutive financial years), according to the Companies (Incorporation) Rules 2014. (INR-2 Cores). In Form INC-5, the current OPC must notify the associated ROC of the given incident. [Intimation of Exceeding Threshold] within sixty days of the occurrence of any of these two severe requirements.

# **Benefits of One Person Companies**

- No general annual meeting.
- Cash flow statements is not included in financial statement.
- Directors can also sign annual return .
- They are exempt from provisions relating to independent directors..
- They are exempt from a number of meeting and quorum restrictions.

# Differentiate Between "One Person Company" and "Sole Proprietorship"

	Basis of Difference	One man business	One Person Company	
1	Registration	In this form of organization registration is not compulsory.	In this form of organization registration is compulsory.	
2	Owner Liability	Unlimited Liability	Limited Liability	
3	Legal Formalities	No legal formalities involved.	Many legal formalities required similar to a company but less than company formalities.	
4	Setting Up	It is easy to set up as minimum paperwork is required.	It is difficult to set up as it involves lot of paperwork.	
5	Separate Legal Entity	In this form of organization owner and business does not have separate legal entity. Both are same.	In this form of organization owner and business have separate legal entity.	

6	Tax	As an individual	As a private limited company.
7	Compliance	File annual returns	File annual returns, Get books audited, Complete Registrar of Companies and Company compliances.

#### Conclusion

One person Company gives the benefit to the sole trader that, the owner and the company both have separate legal entity; both are different person in the eyes of law. Moreover, it is easy to form and it provides a sole trader the benefit of converting itself into private companies voluntarily in future. Along with this having one person company form of organization is beneficial for us because in this form of organization we face less difficulty as compared to other form of organization. It was a great step taken by The Companies Act, 2013 in the business era.

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