

MICRO CREDIT MARKETING STRATEGIES IN THE POST WAR MARKETING CONTEXT.

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Abstract

Absence of research on micro credit marketing strategies which significantly contributing factor to strategic marketing, and micro credit marketing in the financial and nonprofit organizations domain, and the extant research on marketing strategies lacks in theory based frameworks that explicate what marketing strategies are appropriate for micro credit marketing in the post war marketing context. Present study explored marketing strategies for micro credit in the unique context. Using grounded theory approach, data were collected from 08 focus group discussions, and in depth interviews with different micro credit marketing organizations. This study compared the profit oriented micro credit organizations and nonprofit organizations. NVivo (version 09) software was used to manage the focus group data. Transcripts were reviewed as the data collection to identify emerging ideas and specific themes, which guided subsequent data collection efforts. To code the data, open coding and axial coding schemes were used. market orientation, ethical marketing, post war development as differentiation, Customer service in good relation, Participation in group-lending have been identified as the marketing strategies which have been adopted by the profit and nonprofit orientated organizations in the post conflict marketing context.

Keywords: *Micro credit marketing, Marketing strategies, Postwar context, Grounded theory*

1. INTRODUCTION

Microfinance is the solution that ensures the provision of loans and other basic financial services to those entrepreneurs who have limited access to the banking sector. These financial services provided by microfinance institutions allow small business owners to take advantage of their entrepreneurship skills by developing small businesses capable of generating

additional income. Sri Lankan microcredit organizations become gradually aware of the importance of marketing in their current activities, those who have penetrate into post war marketing environment.

Understanding the market for microcredit services, and using effective marketing tools and strategies to attract new clients is critical if programs are serious

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about increasing their scale and being seen as critical players on the microenterprise/ small business development scene.

Microcredit as a business starting as a social inspiration and ending as a sustainable model for microcredit (Ray M. Valadez, Bruce Buskirk, 2012). Microcredit has attained rapid growth in Sri Lanka. It has emerged as a potent instrument of poverty alleviation. Both private and public sector organisations are involved in microfinance.

The development of the competitive environment often takes place in parallel with the market development. On emerging markets, competition is very low, often nonexistent. It increases on developing markets and is very strong on mature markets. Once competition becomes more intense, microcredit organizations feel the threatened that they might lose the market share they have, and they start to invest resources in marketing activities to help them maintain their market position. In urban areas, the main competitors are other microfinance institutions, banks, with the consumer loans. The rural market is relatively divided geographically between microcredit organizations. Banks have just started to open small local offices, to shine in micro credit activities (Ray M. Valadez, Bruce Buskirk, 2012.)

Microcredit has generated considerable hope and expectations among the academics, policy makers of the government, NGO leaders and other development practitioners in post war marketing environment of Sri Lanka.

It has created positive impacts on two vital areas of national development, viz., alleviation of poverty and women's empowerment. Microcredit programmes in post war context are targeted to the poor who has returned to their normal life after 30 years of civil war.

Being a rural based micro finance providers with extension into the small business sector, micro credit organizations have been instrumental in empowering rising entrepreneurs from the grass root level. Through group and individual lending schemes, they have targeted women, small entrepreneurs and farmers, and become a pillar of financial strength in their journey towards becoming a viable business enterprise in the Sri Lankan Post war context (LOLC, 2014).

Developing markets can be found in rural areas and small towns that have economic potential for development. These markets are characterized by an increasing demand for microcredit, which is and will be met by existing or future Microcredit programs. This demand comes from existing customers and potential customers who have heard of the available microcredit products and see their effect on customers who have accessed them (Ray Valadez, Bruce Buskirk, 2012).

The creation of Microcredit markets in poor countries is a crucial factor for their development. If well put into practice, people would be able to improve their quality of life. With the suitable support they will become educated and that will allow

them to enlarge their business, to think by themselves and to appreciate that they have rights. The creation of credit markets in poor countries is a crucial factor for their development. If well implemented, people would be able to sell their products, pay a fair interest rate, and use the extra money to improve their quality of life (Sofia Santos, 2009).

In many cases, there is only one microcredit supplier operating in the area. The challenge in this situation is to develop appropriate internal systems to manage growth. Attracting customers is relatively easy and the lack of competitive environment offers these customers few options, so the microcredit organization has a high retention rate (Florenta, Lucian Blaga, Hermann Oberth, 2012).

Need of the study

The need of microcredit arises because, the post war context requires sources of finance for poverty alleviation, procurement of agricultural and farms input and post war business development.

Micro credit is a programme to support the poor rural people to pay its debt and maintain social and economic status in the villages.

As we know that Sri Lanka is agriculture based economy so microcredit may be a tools to empower the farmers and rural peoples to make business and agriculture profitable in the post war marketing context.

Due to the competition exists among the micro credit organisations in the

post war marketing context. It is an essential to explore the marketing strategies, which have been used to compete in the micro credit marketing.

Micro credit marketing is the emerging phenomena, and especially in the post war context marketing strategy making is needed for post war development. So the present study is to find out the strategies of micro credit marketing in the post war context. This research paper is highlighting a picture of marketing strategies for micro credit customers as a profitable segment for microfinance institutions.

Research Lacuna

Micro credit is a source for small business as a means for alleviating poverty has garnered significant attention among businesses, policy makers, and scholars in recent years. Yet, little attention has been given to the approach by which the poor actually seek out small scale loan to satisfy their basic business financial needs (Sofia Santos, 2009).

However, there is a dearth of empirical knowledge to understand the effectiveness of marketing capabilities or guide their development and use in micro ventures. Bruton, Ahlstrom, and Obloj (2008) suggested that much more insight is needed into the types of influence and personal selling strategies that are effective in emerging economies.

In the earlier epoch, micro credit has been offered only by service oriented organization, and the non-government organization, but in the contemporary competitive environment profit oriented

organization also have started to offer micro credit for profit as a cross selling strategy for profit earning. Non -Profit oriented organisations gain income from the profit of micro credit marketing by starting sub branches to market micro credit (Florenta, Lucian Blaga, Hermann Oberth, 2012).

Need for micro credit is immense because many nonprofit/non-government organizations provide training for starting self-employment, and livelihood income generating activities. The people who have been trained need micro credit for starting new business, it created a big segment of micro credit (Sofia Santos, 2009).

For communities affected by the disaster it is a priority to protect, recovered develop the resources that they need for medium and long term food security, and future livelihood. In situation of conflict, war, disaster communities have lost their assets through fight and conflict, their livelihood activities and access to markets are often seriously restricted. Micro credit helps them to recover their livelihood and small business sector as well as the farming (Littlefield et al., 2003).

The organizations who have the capability of offering micro credit are targeting the segment, who needs the micro credits in the post war context. Those organizations are penetrating into the post war market to market their micro credit services. Marketing capabilities are central to business innovation and performance but are underdeveloped in the micro credit marketing Literatures.

Marketing strategies of the

livelihood income generation activities were studied (Velnampy, Kajendra, Shivany, 2013). There are many links between livelihood and micro credit marketing. This study contributes for building from theory in strategic marketing, and theories the marketing strategies for micro credit activities in the post war context. To that end, this study offers several contributions. This study explores the role of marketing capabilities in driving performance in Micro credit marketing. Specifically, explore the marketing strategies in the post war context, which have been underexplored. This study also brings together theory from strategic marketing and micro credit marketing that has seen minimal integration to date (Webb, 2011).

2. LITERATURE REVIEW

Microfinance has been established as a tool to reduce poverty all around the world. Many informational sources consider microfinance as a mean for small business support. Typical microfinance borrowers are low-income individuals that do not have access to formal institutions. (CGAP, 2013) Microfinance borrowers are typically self-employed, often household-based entrepreneurs. In rural areas, they are usually farmers, and others who are engaged in small income-generating activities such as food processing and petty trade. In urban areas, microfinance activities are more diverse and include shopkeepers, service providers, artisans, street vendors (ibid).

Microfinance has demonstrated its potential to assist the poor to make significant strides towards Reducing their vulnerability, improving their livelihoods,

paying for basic health care and financing their children's education (Littlefield et al., 2003).

Micro credit makes low interest loans to the poorest of the poor, people with no collateral or credit history” (Dalglish,2010) in a country ravished with war and famine, need for the micro credit has been doubled, and credit for self-employment and other financial and business services (Daley-Harris, 2009). Microfinance institutions and their backers, which include banks, charities, nongovernmental organizations (NGOs) and international development institutions such as the World Bank (Hodge, 2010) are targeting areas that will benefit from their input. Small to medium size credit operators in countryside and towns that had lost traditional financial structures took to microcredit to fill the gap. Microcredit subsequently proliferated in countries with a paucity of bank infrastructures, such as most of Africa, Asia, Latin America, and Eastern Europe. In some of these countries, less than 20 percent of the population has a bank account. (Ayayi & Sene, 2010).

Microfinance, or 'micro-credit', is an efficient and successful way to extend small-dollar loans to impoverished people in hopes of encouraging community growth and development. In the past few decades microfinance has become increasingly popular in third-world regions. Its influence has grown and has had major societal and economic influences around the world, alleviating poverty in countries such as Bangladesh, India, and Sri Lanka.

Marketing capabilities constitute specific sets of knowledge for marketing products and services as well as the cognitions and frames that individuals possesses for relating to the market. Such capabilities might be particularly helpful in asset-deprived contexts, given their applicability for a wide range of business activity domains, such as interpersonal selling, customer service, branding, promotion, pricing, distribution, segmentation, and product positioning (Bloom, 2009).

Alongside other key capabilities, strategists explore the role of marketing capabilities for driving superior performance (Hult and Ketchen Jr, 2001, Morgan, et al., 2009).

3. METHOD OF DATA COLLECTION

Sample and data collection

Data were obtained from 08 informants using focus group discussion and in-depth interviews with profit oriented micro credit organizations and nonprofit micro credit organizations. Unswerving with other marketing studies of a similar nature (Flint et al. 2002; Kohli and Jaworski 1990; Tuli et al. 2007), this study used theoretical sampling technique to select informants based their ability to provide an understanding of the phenomenon. Theoretical sampling is a non-random sampling scheme. Its purpose is to obtain a deeper understanding of the issues, and develop explanations and theory rather than provide generalizations (Corbin and Strauss 2008). However, by selecting a various set of theoretically pertinent informants, the researcher can see the circumstances under

which the developing groups grip factual (Creswell, 2007).

Primary sources

Primary data have been collected through focus group discussions, as qualitative method. Questions were kept open ended where opinion was sought and the respondents have something to tell from his experience. This was done to give scope to the respondents to express themselves freely.

Researchers followed the procedures specified by Krueger and Casey (2009). During the focus group, one of the co-authors played the role of a facilitator, facilitating the discussion and allowing informants to guide the discussion flow and content. Interventions were made only to clarify certain aspects of the discussion.

Interviews as well as the focus group discussion were digitally recorded, translated and transcribed. Focus groups data totaled approximately 37 pages. Toward the end of 08 focus group discussions and 04 interviews, researchers encountered the same themes over and over, and no new insights were emerging from the data; a case of theoretical saturation (Strauss and Corbin 1998).

4. DATA ANALYSIS

Method of Data Analysis

QSR International's NVivo (version 09) software was used to manage the focus group, and interview data. Transcripts were reviewed as the data collection to identify emerging ideas and specific themes, which guided subsequent data collection efforts. To

code the data, open coding and axial coding schemes were used (Strauss and Corbin, 1998). In open coding, researchers identified important concepts using in-vivo codes (concepts based on the actual language used by the informants). Next the in-vivo codes were grouped into higher level concepts called first-order categories, based on some underlying similarities between them. Next, the researchers used axial coding, wherein searched for relationships between and among the first-order categories, and assembled them into second-order themes. These second-order themes were used to understand the emergent framework (Corley and Gioia, 2004). The strategies were identified in this study are Ethical marketing, small business promotion and business advice, post-war development, flexible repayment system, group formulation for credit guarantee, miniature credit amount, and self & business insurance for the customers.

In Table 1, in-vivo codes and representative informant quotes for specific in-vivo codes were presented. In table 2, first-order categories, the second-order themes, and the marketing strategies that emerged from data were presented.

Reliability and validity of analysis

Based on Lincoln and Guba (1985), and Silverman and Marvasti (2008) to maintain data trustworthiness and indemnify analytical thoroughness NVivo (version 09) software as the data management program was used exactly maintain the informant contact records, focus group transcripts, field notes, and other related documents, as they were

collected.

Proportional reduction in loss method was used to assess the reliability of coding scheme. The proportional reduction in loss for the current study was 0.81, which is well above the 0.70 cut-off level recommended for exploratory research (Rust and Cooil, 1994).

The outside researcher experienced in qualitative methodology were asked to conduct an audit of our empirical processes to insure the dependability of the data. This outside researcher went through our field notes, coding schemes, random samples of focus group transcripts and documentation to assess whether the conclusions reached were plausible. These peer debriefing processes (Corley and Gioia 2004) provided with an opportunity to solicit critical questions about data collection and analysis procedures. These discussions also allowed to have our ideas scrutinized through other researchers' perspectives.

To protect validity, present study followed five unified procedures recommended for qualitative research (Silverman and Marvasti, 2008): (a) respondent validation, (b) refutability, (c) constant comparison, (d) comprehensive data treatment, and (e) deviant-case analysis. Respondent validation, also known as member checks (Creswell 2007), needs that researchers go back to the respondents to validate the findings that emerge from the data. To do so, researchers shared the findings with the study participants and asked them to offer their views on our

interpretations of the data and the credibility of the findings. Refutability means that researchers seek to disprove the assumed relationship between phenomena. By having a diverse sample of both field officers and micro credit managers from different micro credit strategies within different organizations, then trying to see if findings emerging in one context could be refuted in another. Most of the emergent findings were consistent across the profit and nonprofit micro credit organizations. Constant comparison implies that a qualitative researcher should try and find additional cases to validate emergent findings. This requires that the data collection and analysis begin with a relatively small data set which is subsequently expanded based on the emergent categories. Data collection was stopped when no further new findings emerged after reaching theoretical saturation (Strauss and Corbin 1998). Comprehensive data treatment means that the researchers examine the data thoroughly and comprehensively prior to drawing conclusions. Since all the interviews and focus group discussion were translated, and transcribed. The NVivo (version 09) software was used to manage the data, and inspect all data thoroughly.

5. DISCUSSION AND CONCLUSION

In discussing the findings, ideas that are insightful, were frequently mentioned by informants were taken for the findings and discussion of the study. Utmost poor people, in the post war context require finance for business development. Micro credit marketing strategy determines how those attracts customers and deals with its

competitors, suppliers and other institutions for survival and growth.

The strategies people chose as being most viable will depend on their own skill, culture capabilities, resource and social mechanism, as well as host community habits, custom, religious. Present study identified eight strategies which are adopted by the micro credit organizations in the post war marketing context, such strategies are Ethical marketing, small business promotion and business advice, post-war development, flexible repayment system, group formulation for credit guarantee, miniature credit amount, and self & business insurance for the customers.

Market orientation strategy

Micro credit organizations are responding by seeking to better understand their clients' demands and preferences and thus taking a market-led approach to their business (Anyango, Sebtsad and Cohen, 2002). The development of a more client-responsive, market-led approach to Microfinance is an important crunch in an industry before largely dominated by the misconception that simple replication of successful models could achieve massive and sustainable scale worldwide. Ironically it is the success of the "first wave" finance for the poor schemes...that is the greatest obstacle to future experimentation (Rogaly, 1996).

There are many benefits in doing this for both the organizations and their clients. For the micro credit organizations a market-led approach enhances customer

loyalty and reduces drop-outs and thus increases profitability (Churchill and Halpern, 2001) Market orientation holds that success will come to those organizations that best determine the perceptions, needs, and wants of target markets and satisfies them through the design, communication, pricing, and delivery of appropriate and competitively viable offerings (Gary Woller, 2002).

In the post war marketing environment, micro credit organization also follows the market let policies. Customers in the micro credit environment are more experienced and educated during the war. They have returned to their normal life and search for new benefits from the existing products (Shivany, 2010). Organisations which penetrate into the post war marketing environment need appropriate strategies to attract the customers in the post war marking environment to survive in long run (Shivany, 2011).

We always think of market and its changes....post war marking environment is unique....we are in a position to serve Sri Lankan developing economy by offering micro credit to the rural areas.....we periodically assess the needs of the segments and change the micro credit features... Periodically, their suggestions are welcomed and service modification are made, at the time of loan approval we provide business development advises and self-insurance as well as business insurances.....”

Customer service in good relation

Customer service is a key determinant of client satisfaction and loyalty. It is one of the aspects of micro credit operations that is relatively easy and low-cost to improve upon. And yet few micro credit organizations have focused on understanding and improving customer service in a systematic manner. Research undertaken by South African micro credit organisations highlights the extensive influence of the word of mouth effect on generating sales (Graham Wright, David Cracknell, Leonard Mutesasira and Rob Hudson, 2003). Velnampy, Kajendra, Shivany, (2013) identified that customer service and customer relationship are important aspects in the marketing strategies for Livelihood income generating activities, which needs micro credits in the post war marketing environment.

In East Africa the top management of micro credit organisations reviewed all appreciate the reliance of word of mouth promotion on sales and as such most endeavor to achieve differentiation through customer service performance. Yet few of these players had any formal customer service strategy or staff training policy at time of review (Hudson and Mutesasira, 2002).

Marketing attempts to understand the needs of the client and to adapt operations in order to meet those needs and achieve greater sustainability. It addresses the issues of new product development, pricing, the location of operations and the promotion of the institution and its products. Marketing is a comprehensive field aimed at strengthening the institution by maintaining

focus on the client. In doing so, it creates exchanges that satisfy individual and organizational goals (Kotler, 1999).

Service business increasingly recognize the important of stable customer relationship and focus on enhancing the overall customer experience (Humburg, et al, 2009). One of the service recovery strategies is customer orientation, to address customer marketer interaction from customer perspectives. This strategy focus on proactive approaches to break down the services occurred in delivery. The customer orientation of customer contacts is very important in service business (Martin Bush, 2006).

Micro credit marketing organizations focus on customer expectation. Periodically service feedbacks are collected and fine-tuned based on the suggestions made by the customers, about the loan amount, repayment, service staff, and their future expectations.

“We always concerns with the benefits of the customer and search for a feedbacks.....we never treat them as creditors of our organisations....our field staff has good relations with themthey all know about the family of our customers and their difficulties...we have flexible repayment system and ...cost effective interest rate.....we have good positioning in rural areas.

Post war Development as differentiation

The development and differentiation of products is a process of continually and systematically assessing

Needs of the market and its different segments to support product development and innovation that caters for those needs in the most feasible and profitable manner. In particular micro credit organisations are looking for Opportunities that are not oversupplied from a competitive perspective. Kotler (1999) identifies nine ways to build demand, depending on the nature of the market and the product being sold by the organization.

Present study identified that the micro credit organisations in the post war marketing environment follows the development and differentiation strategy. Post war areas need development, small business and self-employment are the crucial sources for the redevelopment of the affected areas. Women headed families and individuals who loosed the assets during war have to redevelop their business capabilities, for that they need credits. Micro credit organizations in the post war environment more concerns on the redevelopment, when they select the clients for giving micro credit their preference is redeveloping society.

We serve people by differentiating some aspects in micro credit. Interest rate...modicum amount of micro credit.....staff training as well as our first differentiation base is post war development , therefore we are supported by government policies as well as foreign funds.

Ethical marketing

The micro credit organization expressed they consider Ethical marketing. In the micro credit marketing they always think of ethical issues in repayment system.

Customers of the organizations are effected by the war, therefore the micro credit providers are supposed to have a good manner, not to hurt the people in the war effected areas. The organizations and the staff of them, which had unethical behavior in repaying micro credit loosed their market share, and profit.

Whysall (2000) looks at ethical issues such low prices to customers, selling products made in sweatshops, offensive advertising, development of out-of-town outlets, and copy-cat branding. All of these require balancing interests of some of the stakeholders (Mitroff, 1983). However, in managers would suffer from time constraints and bonded rationality to study what is happening in the mind of each and every individual. Therefore, some kind of superficiality and aggregation is necessary for management decision making.

From the discussions researchers could understand that the organization which have the orientation toward small business promotion and giving business advices to the livelihood business activities in the post war marketing environment have succeeded and those who haven't considered this business promotion and business advises were failed

Micro credit organizations expressed that thy have been adopting Flexible repayment system for managing repayment schedule. This strategy allow them to survive in the market and gain sustainable advantages.

Livelihood income generation

activities in the post war marketing context were started by the community based organizations. Therefore they are more concern on the profit making through serving community. Therefore the micro credit organizations also show that they are concern on community through serving the customers who needs micro credit to serve the community.

We are concern on our customers.... and adopt ethical marketing practices...our customers were affected by the war and the displacement...now they have returned to the normal live to live.....they all dislike unethical behavior in business....therefore we are very keen in ethical aspects when doing micro credit marketing...

Participation in group-lending

Non- government organizations, and other micro credit organizations formulate group in the villages through that they secure their credit and Group formulation for credit guarantee. The discovery of the joint liability method was very important since it can also reduce expected audit costs and improve efficiency (Ghatak et al, 1998). Stiglitz (1990) developed a model in which the lender offers a contract to a group of two neighbors and each should monitor the kind of project that the other is implementing. Basley and Coate (1995) argue that the key feature of group lending is joint liability. They model the borrowers' behavior by specifying a repayment game in order to analyze the borrowers' willingness to pay after some set of project returns has been realized

Participation in group-lending reduces health inequities through promoting

social inclusion. The group-lending model of microcredit is a development intervention in which small-scale credit for income-generation activities is provided to groups of individuals who do not have material collateral (Anna schurmma, Heidi Bart Johnston, 2009).

Group liability in microcredit purports to improve repayment rates through peer screening, Monitoring, and enforcement Group liability is often cited as a key innovation responsible for the expansion of access to credit for the poor in developing countries (Morduch 1999; Armendariz de Aghion and Morduch 2005; Daley-Harris 2009). The group meetings have also been shown to be beneficial in theory (Rai and Sjostrom, 2010) and in practice (Feigenberg et al., 2010). Ghatak and Guinnane (1999) summarize the literature on joint liability by identifying four channels through which this contract feature can help institutions improve repayment

Formulating groups in the villages help us to manage micro credit recovery. Through forming small groupsresponsibility is delegated to the group members. Leader handles all repayments on behalf of us... there is a motivation as a discount to the leader who had did his/her job best.

Limitations of the study

Due to paucity of time and other resources as an academic researcher, the study was limited to 08 micro credit organizations in one districts. The investigation was based on the information

collected from 08 micro credit organizations including non-government organizations, commercial banks, Government owned financial organizations, non-bank financial organization in Jaffna district Hence, the findings has been made based on the sample study.

Micro credit marketing is an emerging phenomenon therefore more unpublished data are available than the published data. There were some communication barriers and some ideas may be expressed without understanding. Some had taken a great deal of time to give details. Some will express details vaguely. Some of them avoided to answer the questions.

Conclusion

Post war marketing environment is exclusive in nature. Customers in this environment are unique on their characteristics and behavior. Micro credit marketing is an emerging phenomenon in developing country as a strategic tool for reducing poverty. In the post war context poor people who had loosed their assets and livelihood need credit to redevelop their small business. In the contemporary business environment not only the nonprofit organizations but also the profit oriented organizations have developed micro credit marketing as a survival product for profit earning.

In any business, if there are more competition, each and every body need strategy. Marketing is satisfying customer needs by differentiating, what they market. In that line micro credit marketing needs strategy for differentiating their financial

services to the customers. Post war context is unique some micro credit organizations are penetrating into that context, some of them are targeting this market via market development strategy in to the new market searching for new segments.

The microfinance industry is at a crucial stage of its evolution: it is coming of age. For a long time, microfinance has been moving beyond “credit for enterprise” to encompass “financial services to reduce vulnerability and to improve livelihoods”. With the international community's focus on the Millennium Development Goals this shift in the scope of microfinance is both timely and essential.

The transition to a market-led approach to microcredit often starts with relatively modest product Development, but those micro credit organizations seriously committed to this soon find that a market orientation requires long-term and fundamental changes in approach, mind-set and systems of almost every part of their business

Community based, government and non-government organization in the post war environment offer micro credit to the people to start small business for their livelihood development. In the post war marketing environment profit oriented organizations, those who offer the micro credit have to compete with the micro credit organizations which have come to penetrate the market. Marketing strategies are adopted to overcome the problems in the market places to earn profit and survival. Therefore it is essential for micro credit organizations,

to adopt marketing strategies for doing their business better. Present study found that the micro credit organizations which succeeded in market have adopted market orientation, ethical marketing, post war development as differentiation, Customer service in good relation, Participation in group-lending.

Present study focused on to getting insights of the related staff of the micro credit organizations and code their statements then identified the strategies which they have adopted.

This study compared the micro credit organizations which do well and which failed to attain their objectives. The micro credit organizations which have been adopting marketing strategies since their commencement, do well and retaining more customers. . Market orientation, ethical marketing, post war development as differentiation, Customer service in good relation, Participation in group-lending the marketing strategies which have been adopted by the micro credit organisations.

This study compared the profit oriented micro credit organizations and nonprofit organizations. This study identifies that nonprofit oriented organizations are more flexible towards interest rate and repayment stem than the profit oriented micro credit organizations. Profit oriented micro credit organizations manage their micro credit marketing via adopting marketing strategies. Nonprofit micro credit organizations implementing their micro credit for livelihood by managing group formulation and post war development.

Micro credit organizations continually struggle to communicate effectively with their clients and markets (Cracknell et al., 2002) thus losing opportunities to retain and serve existing clients as well as attract new ones. Selling products and, in increasingly competitive environments, branding is also essential both for the sustainability as well as empowering poor people to access the financial services of their choice.

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Table 01: in vivo codes: representative quotes

In vivo codes	Representative quotes
Market orientation	Responding by seeking to better understand our clients’ demands and preferences and thus taking a market -led approach to our business.....it determines the perceptions, needs, and wants of target markets and satisfies them through the design, communication, pricing, and delivery of appropriate and competitively viable offerings
Ethical marketing,	We ever think of the micro credit interest rate, because our customers are returned to their habitual life after war and search for affordable price, We always think of the mind of the customers where we serve. All are very poor and had bad experience from war...therefore we always deal with friendly manner... We share everything with the customers they talk long minutes after the credit offered...legal aspects are shared among the group members ...if the legal thing is unethical we redesign our credit package.
Post-war development, as differentiation	We entered to offer credit for benefiting customers who have come to restart their life/work therefore..... first preference we considered redeveloping the affected areas, the theme of war affected communities and their life returningby differentiating , staff training, interest rate....development of post war economy is our first preference
Customer service in good relation,	We talk with our customers for a minutes and get their feedbacks on the service delivery, and to know whether they have satisfied or not.if they are not satisfied we ask the reason of that.....some time they really tell the reason and sometime not, but we contact them in other meeting and verify the reasons of dissatisfaction based on the reasons they tell us we actually change our service and the items what we are delivering.....
Participation in group-lending	Weformulate group in the villages through that they secure their credit and Group formulation for credit guarantee. The discovery of the joint liability method is very important since it can also reduce expected audit costs and improve efficiency. In our micro credit marketing..... sharing responsibility is an advantages in credit recovery

Source: Author constructed

Table 2: Examples of in-vivo codes, first-order categories and second-order themes

In vivo codes	First order categories	Second order theme	Strategies
Soliciting customer feedback Hiring staff with customer centered attitude Decision making closer to the customer	Customer centered attitude	Market led approach	market orientation,
Affordable interest rate Flexible repayment Light procedures Gender balance Avoiding abuse	Avoiding customer stress	Good manner and legal	ethical marketing,
Women participation Self-employed business Livelihood development Rebuilding society Redevelopment in rural	Social expansion Credit	Post war recovery	post-war development, as differentiation
Customer feedbacks Staff interaction Customer satisfaction maximization	Service satisfaction	Customer relation	Customer service in good relation,
Participation in group lending Delegation to group leader Health inequities through promoting social inclusion	Group delegation	Joint liability	Participation in group-lending

Source: Author constructed

MARKETING CHALLENGES FACED BY WOMEN ENTREPRENEURS WITH SPECIAL REFERENCE TO SMALL AND MEDIUM SCALE ENTREPRENEURS

G.P.K.Nishadi

Abstract

Women Entrepreneur is a person who accepts challenging role to meet her personal needs and become economically independent. However, researchers have found that women are generally weak at marketing their products and finding customers. So, the main problem of this study is to analyze the Marketing Challenges faced by Small and Medium scale Women Entrepreneurs when selling their products in the competitive market place. The research was carried out in Matara district and Primary data were collected from a sample of 100 Women Entrepreneurs by using a positively ranked five point likert scale. Sample was selected on the basis of criteria that they are maintaining their own business and are engaging in marketing activities. Basically, the marketing challenges were measured based on six variables as Challenges related to the Product, Pricing, Placing, Promotion, Networking and Competition. After feeding data into SPSS package, findings were analyzed quantitatively. Based on the analysis results of Entrepreneurs, it was found that Small and Medium scale Women Entrepreneurs are facing six basic Marketing Challenges when selling their products in the competitive market place. This idea is proved by the statistical mean values closer to 2 for all the 17 items represented by the six basic variables. Further, the Cronbach's Alpha values highlighted that the scale is reliable and the six variables are properly measured by the 17 dimensions.

Keywords: *Small and Medium scale businesses, Women Entrepreneurs, Marketing Challenges*

1. INTRODUCTION

1.1 Background to the study and Problem Identification

Women Entrepreneur is a person who accepts challenging role to meet her personal needs and become economically independent. A strong desire to do something positive is an inbuilt quality of entrepreneurial women, who is capable of contributing values in both family and social life (Anitha D.P & Sritharan R, 2013).

Women are generally weak at marketing their products and finding customers (Loyola J. 2005). Researchers claim that family issues such as giving proper time and fulfilling family culpabilities are the chief issues confronted by them (Rao and SuriGanesh, 2011). Another inquiry supported the findings that women are mainly impelled to be the home makers (Roomi and Parrot, 2008). Whereas Hafizullah et al (2012) highlighted that male

dominance in culture creates problems for female entrepreneurs in terms of limiting their mobility, business participation and market interactions.

Additionally, In many countries, women face unequal inheritance practices and laws, discriminatory laws on ownership of property or access to bank loans, or discriminatory practices by banks (Commonwealth Secretariat, 2002). Charumathi (1998) identifies that in India, married women have to make a fine balance between home and business. Thus, despite modernization, tradition and family slow down women. Moreover, in a study on women entrepreneurs in Bangladesh, Anwar (1992) found that due to the prevailing social norms, women entrepreneurs were prevented from managing their businesses independently. These norms had restricted women entrepreneurs' mobility, and thereby affected interaction with others. According to Gillani (2004), women entrepreneurs tend to operate only among clients that they know. Products are sold to relatives and friends and suppliers tend to be people already known to them. Thus, a more extensive network is lacking and expansion into a larger scale is not considered with enthusiasm. Furthermore, Pooja N. et al, (2007) found that during the process of marketing of products women entrepreneurs faced certain problems with poor location of shop, lack of transport facility and tough competition from larger and established units. So, through this study, the attention has been paid to analyze the Marketing Challenges faced by Sri Lankan Women Entrepreneurs when selling their products in the competitive market place.

Research Problem

What are the Marketing Challenges faced by Women Entrepreneurs when selling their products in the competitive market place?

1.2 Objectives of the study

The objectives of the study can be identified in two ways as follows.

Basic objective the basic objective of this study is to analyze the Marketing Challenges faced by Women

Entrepreneurs.

Supplementary objectives

In addition to the basic objective, the study was aimed to achieve following goals.

1. Analyze the current marketing practices applied by women entrepreneurs
2. Identify the other challenges that are influenced to change women behavior except marketing challenges

2.1 Women Entrepreneur

Women Entrepreneur is a person who accepts challenging role to meet her personal needs and become economically independent. A strong desire to do something positive is an inbuilt quality of entrepreneurial women, who is capable of contributing values in both family and social life (Anitha D.P & Sritharan R, 2013).

2.2 Marketing Mix and other related issues that are influenced to market the product.

2.2.1 Product

A product is anything that can be offered to a market to satisfy a want or need. Products that are marketed include physical

goods, services, experiences, events, persons, places, properties, organizations, information, and ideas. (Kotler & Keller, 2006).

2.2.2 Pricing

Price is the one element of the marketing mix that produces revenue; the other elements produce costs. Prices are perhaps the easiest element of the marketing program to adjust; product features, channels, and even promotion take more time. Price also communicates to the market the company's intended value positioning of its product or brand. A well-designed and marketed product can command a price premium and reap big profits. (Kotler & Keller, 2006).

2.2.3 Placing

Marketing channels are sets of interdependent organizations involved in the process of making a product or service available for use or consumption. They are the set of pathways a product or service follows after production, culminating in purchase and use by the final end user (Kotler & Keller, 2006).

Some intermediaries such as wholesalers and retailers buy, take title to, and resell the merchandise; they are called *merchants*. Others brokers, manufacturers' representatives, sales agents search for customers and may negotiate on the producer's behalf but do not take title to the goods; they are called *agents*. Still other transportation companies, independent warehouses, banks, advertising agencies assist in the distribution process but neither take title to goods nor negotiate purchases or sales; they are called

facilitators (Kotler & Keller, 2006).

2.2.4 Promotion

Marketing communications are the means by which firms attempt to inform, persuade, and remind consumers directly or indirectly about the products and brands that they sell. In a sense, marketing communications represent the "voice" of the brand and are a means by which it can establish a dialogue and build relationships with consumers (Kotler & Keller, 2006).

Marketing communications perform many functions for consumers. Consumers can be told or shown how and why a product is used, by what kind of person, and where and when; consumers can learn about who makes the product and what the company and brand stand for; and consumers can be given an incentive or reward for trial or usage. (Kotler & Keller, 2006).

2.2.5 Networking and social Challenges

Network Marketing also called Multilevel marketing, describes systems in which companies contract with individuals to sell a set of products door to door or office to office. It is called multilevel because a contractor can also invite others to work and earn money on their performance." (Kotler & Paul, 2005).

2.2.6 Competition

Industry concept of competition

An **industry** is a group of firms that offer a product or class of products that are close substitutes for one another. Industries are classified according to number of sellers; degree of product differentiation; presence or absence of entry, mobility, and exit barriers; cost structure; degree of vertical

integration; and degree of globalization (Kotler & Keller, 2006).

Market concept of competition

Using the market approach, competitors are companies that satisfy the same customer need. For example, a customer who buys a word-processing package really wants "writing ability" a need that can also be satisfied by pencils, pens, or typewriters (Kotler & Keller, 2006).

3.1 Basic Methodology

Although, the study measures a qualitative phenomena, quantitative techniques have been applied for the purpose of facilitating the analysis. After feeding data into SPSS package, data were analyzed quantitatively.

3.2 Study Approach

Before entering into this study, information was gathered from extensive searching of internet sites, published articles, and informal talking with some women entrepreneurs. Specially, information from secondary data sources is facilitated by search engines such as Google scholar, Ebsco host and J-stor articles.

3.3 Pilot study

Based on the information collected from the secondary data sources, a pilot study was carried out to assess the practicability of the research. For this purpose, 10 women entrepreneurs were interviewed at randomly to collect data.

3.4 Research Instruments

A Survey Based Questionnaire was used to collect primary data.

3.4.1 Survey Based Questionnaire

A Survey based questionnaire was developed to collect primary data from a

sample of 100 women entrepreneurs. Basically, questions were designed with special consideration given to several demographic variables such as age, gender, area of living, level of income and religion. Additionally, to measure marketing challenges, a five point positively ranked lickert scale was used by giving the value 1 = Strongly agree to value 5 = Strongly disagree.

3.5 Sample

A sample of 100 small and medium scale women entrepreneurs was selected randomly from Matara district, on the basis of criterion that they are doing thier own business and engaging in marketing activities. Further, the sample consists of entrepreneurs from different educational backgrounds, income levels and specially from different religious backgrounds.

3.6 Data Analysis

Basically, frequency statistics were calculated to analyze the demographic variables. Further, the answers for the scale based questions were measured by using descriptive statistics. Here, the marketing challenges of women entrepreneurs were determined by using mean values. Additionally, through Cronbach's Alpha, the reliability of the scale was measured.

4.1 Analysis of Marketing Challenges

4.1.1 Product related challenges

Product related challenge is considered as the first and foremost variable which was developed to measure marketing challenges. Here, the respondents were asked three questions related to this variable and the findings can be explained as follows.

Table 4.1 Product related challenges

Variable	Items	Mean
Product related challenges	Lower volume of production is a big marketing problem that you are facing	2.50
	Your product has a lower demand because of the perishability problem	2.55
	Your product has a lower bargaining power at the market	2.56

Source: Survey data, 2013

As far as the data on table 4.1 is concerned, it was the view of most of the women entrepreneurs that they are earning lower income due to lower volume of production and the perishability of the product. Further, they revealed that it is difficult for them to bargain the product at the market place compared with alternative products offered by large scale entrepreneurs. The statistical mean closer to 2 for all the three items proved these ideas.

4.1.2 Pricing Challenges

The problem of designing a price is the next variable identified to measure the marketing challenges of women entrepreneurs. The two questions relating to

Table 4.2 Pricing Challenges

Variable	Items	Mean
Pricing Challenges	Poor ability to fix the price is a big problem that you are facing when selling products.	2.09
	You have to sell products at relatively higher rates because of the higher per unit cost	2.27

this variable and the findings are explained in table 4.2.

Source: Survey data, 2013

According to the data on table 4.2, a significant portion of entrepreneurs disclosed that poor ability to fix the price is a big challenge they have faced when selling the product at the competitive market place. Additionally, their net income is lower because the products are sold at relatively higher rate due to higher per unit cost.

4.3 Placing Challenges

The next most important challenge that was faced by the entrepreneurs is the placing problem. Here, the study identified several issues of placing as follows.

Table 4.3 Placing Challenges

Variable	Items	Mean
Placing Challenges	Your distribution cost is higher because of middlemen exploitation	2.14
	Transportation is a major problem you are facing when distributing the product	2.21
	You have a problem of access to market when selling your products	2.36

Source: Survey data, 2013

As mentioned in the table above, distribution has become a big challenge due to three reasons. According to their views, the ultimate product price is higher due to middlemen involvement and higher transportation cost. So, Like in the earlier two situations, the statistical mean values closer to 2 for all the three items proved this idea furthermore.

4.4 Promotional Challenges

The fourth variable, which was identified to measure the marketing challenges is the promotional problem. Here, the study focuses three issues of communication as mentioned in the table below.

Table 4.4 Promotional Challenges

Variable	Items	Mean
Promotional Challenges	You have problems of Promoting your product because of low income earned from the business	2.18
	Your product is not communicated to the market due to lack of role models	2.42
	Your product is not communicated to the customers as you are not having enough marketing knowledge	2.67

Source: Survey data, 2013

The data on table 4.4 disclosed respondents views relating to the above three items. Based on the statistical data, it seems that women entrepreneurs are in a problem of promoting their products in the competitive market place. The three possible causes which hinder the product promotion are the low income generated from the business, lack of role models and poor marketing knowledge respectively.

4.5 Networking Challenges

The fifth obvious challenge which was faced by the women entrepreneurs is the problem of networking. To identify the issues of networking, respondents were asked another three questions as follows.

Table 4.5 Networking Challenges

Variable	Items	Mean
Networking Challenges	Lack of relevant networks is a major problem you are facing when marketing your product	2.60
	Lack of market information makes a lower demand for your product	2.49
	It is difficult for you to market your product, since you are a woman (Gender discrimination)	2.31

Source: Survey data, 2013

As far as the data on table 4.5 is concerned, poor networking is a big problem faced by most of the women entrepreneurs. According to their views, products are sold to the customers who are already known to them and they have no good understanding about what is happening in the market place. Further, some of these women have been harassed by variety of organizations.

4.6 Competition Challenges

The last but not least challenge which was faced by the entrepreneur is the problem of competition. The three dimensions related to this variable and the results can be explained as follows.

Table 4.6 Competition Challenges

Variable	Items	Mean
Competition Challenges	You are facing a competition from other small and medium scale entrepreneurs that produce the same product.	1.97
	You are facing a competition from large scale entrepreneurs who are engaging in the same business.	2.07
	You are facing a competition from other producers who are producing substitute products.	2.60

Source: Survey data, 2013

According to the data on table 4.6, competition is another major challenge which influences entrepreneurs' marketing decisions. Here, the challenges of competition was identified in three different ways as threats coming from those who are in the same scale, large scale and those who are producing the substitute products. Even in this case, the statistical mean values closer to 2 for all the three items proved the above idea furthermore.

4.2 Reliability Statistics

The data on table 4.7 revealed that the scale is reliable and the six Marketing Challenges are properly measured by the 17 statements. This idea is proved by the Alpha values > 6 for all the statements.

Table 4.7 Reliability Statistics

Cronbach's Alpha	No. of Items
.606	17

Source: Survey data, 2013

Women Entrepreneur is a person who accepts challenging role to meet her personal needs and become economically independent. However, researchers have found that women are generally weak at marketing their products and finding customers. So, this study focuses to identify the potential Marketing Challenges faced by Women Entrepreneurs when selling their products in the competitive market place. Basically, the marketing challenges were measured by using six variables as challenges of Product, Pricing, Placing, Promoting, Networking and Competition. Additionally, sub items were identified to measure each variable as three dimensions for the Product related challenges, two items for the Pricing challenges, three items for the Placing, again three for the Promotion, three for the Networking and another three items for the Competition respectively. Based on the analysis results of 100 Women Entrepreneurs, it was found that Small and Medium scale Women Entrepreneurs are facing six basic Marketing Challenges when selling their products in the competitive market place. This conclusion was formed based on the statistical mean values closer to

2 for all the 17 items represented by the six basic variables.

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GOING LOCAL: EXPLORING CONSUMER BEHAVIOUR AND MOTIVATIONS FOR PALMYRAH BASED PRODUCTS

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Abstract

In recent years, in Sri Lanka, government pays its focus on promoting palmyrah industry through developing appropriate marketing strategies. Before 1978, this agro-based palmyrah industry was excluded from the Sri Lankan national economic development plans and programmes compared to Coconut and Kithul based industries. Inherent limitations of the palmyrah industry influence the under-development of the sector in relation to socio-economic and cultural nature of the industry. With the establishment of Palmyrah Development Board (1978), improved programmes and actions pertaining to the production and marketing of the palmyrah industry were developed and contributed to develop as a sub-sector of the Sri Lankan agro-based industries. Due to various uncontrollable situations and factors in relation to marketing, the development of palmyrah industry failed to reach to an optimum level. In light of this trend, study on consumer behaviour and motivation pertaining to palmyrah based products (PBP) is becoming crucial. The study explored issues affect consumer motivation and decision. The stimulus-response model of buyer behaviour was adopted in explaining the consumer behaviour of PBP. The research subjects were people who know and are familiar with PBP in traditional marketplaces of North and East provinces, Sri Lanka. Observation, Interviews and Questionnaire were used to collect the qualitative data. Findings of the study showed environmental stimuli were stronger than marketing stimuli. Buyers' characteristics strongly influence the decision process, meanwhile problem recognition, information search and alternative evaluation were found to contribute minimal.

Keywords: : *Consumer behaviour, Buyer, Palmyrah products, Motivation*

1. INTRODUCTION

This study will explore more about several factors that influence the consumer behaviour and motivation in buying Palmyrah Based Products (PBP) in traditional markets. In particular, this study will explore the suitable conceptual model for buying behaviour of consumers in

palmyrah based industry, which play a significant role in production and marketing of these products.

The objectives of this research are to develop an appropriate model to identify the consumer behaviour and enable the producers to specifically reach the goals. It is

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expected that this study will contribute to the development of a conceptual model on how consumers' behaviour is affected by factors of environment as well as market.

1.1 The Palmyrah and Its Industry

Palms of the genus *Borassus* come second only to the Coconut in the palm population of the world. The palmyrah tree has a very ancient ancestry in paleontological terms. The dispersal of the palmyrah over Africa and Asia is quite extensive and they are able to grow in Sri Lanka, India, Indonesia, Cambodia, and Thailand (in both dry and wet region). Palmyrah ranks as a lesser known palm when compared to the economically cherished Coconut, Date and Oil palms. The reason may be that, taken individually, each Palmyrah product has a superior competitor: sugar from cane and beet; alcohol and vinegar from numerous sources; fibre from the Coconut, jute and sisal; timber from the dicotyledonous stalwarts of the tropical forest. The simple rationale of avoiding a single-crop economies; the natural habitat of the Palmyrah turns out to be in the reputedly poorest and infertile regions, hardy, singularly free of pests and diseases, and requiring limited means of cultivation (Kovoor, 1983).

"Green" products can be defined as those that do not harm the environment and contain no potential harmful elements. Globally the eco-literacy is lacking that is, the information available for consumers about "green" products. (Gunawardena, 2012). Palmyrah products are considered as Green products, hence the producers are also known as "Ecopreneurs".

In North and Eastern provinces, approximately one third of the population in these districts, where more than 90% of the palms are located, depends directly on the palmyrah tree for their livelihood. Every part of the palmyrah palm has an economic value and can be used for human consumption. (Rupasena.L.P, 1995).

In Sri Lanka, the infrastructure of the industry is not very complicated, but consists of three types of producers such as individual producers, Palm Development Co-operative Societies and Palmyrah Development Board. Similarly in India, Palmyrah Workers Development Society (PWDS) is organized in 1977, operates primarily for the socio-economic development of marginalised people. Information pertaining to Palmyrah based industry in African countries is not available in literature.

Palmyrah related activities were not scientifically regularized and supported by the government to promote as a sub sector of the national industrial sector in the North and East provinces of Sri Lanka, till 1978. Palmyrah Development Board was established in 1978, with the main aim of empowering the livelihood of palmyrah dependent communities. After the establishment of PDB in the Northern region; formal, methodical and scientific approaches were followed to promote the palmyrah industry as an organized Agro-based industry. The sales outlets of PDB known as 'Katpaham'(palmyrah palm is known as *Katpahatharu* in tamil), are established all over the country to enhance the sales PBP.

Marketing appears to be the bottleneck of the industry. The situation prevailed in North and East provinces of Sri Lanka has also curtailed the marketing activities of PBP. (Devarajah, 1988)

The organization of the palmyrah product marketing system refers to the characteristics of the system participants, flow of commodity movements and their behaviour, and the nature of the competition. The marketing system organization for PBP varies by location and type of products. In locations where more production takes place, marketing system is organized better than other areas. In the districts of North and East, marketing is relatively better than other areas because production is widely concentrated on such areas. with regard to the type of production, marketing system differs due to nature of the commodity and the type of users.

Marketing activities associated with palmyrah industry are not intricate, because the industry still remains at the subsistence level. Producer himself undertakes most of the marketing functions. The industry runs with traditional technology which extensively uses family labour. (Rupasena & Chandrasiri, 1993)

Exchange of products which mainly consists of buying and selling are performed on informal basis especially at producer level. In most cases, principal buyers at farm level are consumers within the area. Therefore, pricing is not done either systematically or scientifically. The other reason is that the cost of inputs is minimal.

Cash cost is minimal for the products like handicraft. (Rupasena & Chandrasiri, 1993).

This reflects that the consumers of PBP are not adapted to regular marketing structure such as buying and selling practices unlike other products. This is being an bizarre situation until recently, since most of the production is carried out at home for own consumption. Hence an ordinary tradition of buyer-seller relationship was seen in the palmyrah industry to have a consumer history in marketing of these products.

This study will be a beginning to the concern placed towards consumers of PBP, since there are no literature available in this specific area.

1.2 Consumer Behaviour and Motivation

Philip Kotler defines Marketing as a social and managerial process by which individuals and groups obtain what they need and want through creating, offering, and exchanging products of value with others. A market consists of all the potential customers sharing a particular need or want who might be willing and able to engage in exchange to satisfy that need or want. In this era, the seller market has disappeared and buyers market has come up. This leads to a paradigm shift of the manufacturer's attention from product to consumer and specially focused on the consumer behaviour. The heterogeneity among people makes understanding consumer behaviour a challenging task to marketers.

The task of marketing is to identify consumers' needs and wants, then to develop products and services that will satisfy them.

Only by gaining a deep and comprehensive understanding of buyer behaviour can marketing's goals be realised. Such an understanding of buyer behaviour works to the mutual advantage of the consumer and marketer, allowing the marketer to become better equipped to satisfy the consumer's needs efficiently. The term 'consumer' is typically taken to mean the final user, who is not necessarily the customer. (Wilson & Gilligan, 2005).

Consumers are viewed as rational decision makers who are only concerned with self interest. Contemporary research on consumer behaviour considers a wide range of factors influencing the consumer, and acknowledges a broad range of consumption activities beyond purchasing. (Bray, 2008, p. 1). More recently, the interdisciplinary importance of consumer behaviour has increased such that sociology, anthropology, economics and mathematics also contribute to the science relating to this subject.

Motivation refers to the psychological force that enables action. The type of goal under consideration can influence the pattern of motivation: whether motivation increases or decreases. (Touré-Tillery & Fishbach, 2011). Motivation, rather than being stable and individual, is a dynamic process because it can be activated from various different sources, because it can be activated without intervening conscious choice, and because the same stimulus can activate different motivations depending on the person or the situation. Operating motivations, consciously or non-consciously, influence consumers' thoughts, feelings, and behaviour. (Espinoza, 2009).

1.3 Concepts and Models

Consumer behaviour and consumer decision making have become prominent research topics in various fields of consumer science in recent years. A number of different approaches have been adopted in the study of decision making, drawing on differing traditions of psychology. Throughout the 1960s attempts were made to integrate a variety of theories, findings and concepts from the behavioural sciences into a general framework which could be used to explain and predict consumer behaviour. (Wilson & Gilligan, 2005).

The stimulus-response model of buyer behaviour was used to explain the behaviour of the consumer of PBP. These models explain the economic, social, political and technological factors influence the buyer characteristics dominated by cultural, social, personal and psychological characteristics of the buyer. The buyer characteristics influenced the buyer's decision pertaining to product, brand, dealer, quantity and the purchase time.

Marketing stimuli consist of the four Ps: product, price, place, and promotion. Other stimuli include major forces and events in the buyer's environment: economic, technological, political, and cultural. All these inputs enter the buyer's black box, where they are turned into a set of observable buyer responses: product choice, brand choice, dealer choice, purchase timing, and purchase amount. The marketer wants to understand how the stimuli are changed into responses inside the consumer's black box, which has two parts. First, the buyer's characteristics influence

how he or she perceives and reacts to the stimuli. Second, the buyer's decision process itself affects the buyer's behaviour.

The nature of buyer-seller relationships is therefore of potentially considerable significance and needs to be taken into account when examining any market sector. (Wilson & Gilligan, 2005).

2. METHODOLOGY

Qualitative method was adapted to study the consumer behaviour and motivation for PBP. It is one of the important methods for study of social problems. In this research, study on consumer behaviour is more on social science rather being on logistic marketing activity. It is seen through regional, cultural and personal views and perception instead of a normal profit making process. Hence, the research tools were chosen on the basis of this, which perfectly matches with the objective of the study.

In order to study the behaviour of the consumers in North and East provinces of Sri Lanka, primary data was collected from the sample population by using three research tools such as observation, interview and questionnaire.

2.1 Interview Method

Interview has been defined differently by different social scientists. In the words of Fred. N. Kerlinger, "The interview is perhaps the most ubiquitous method of obtaining information from people. It has been and is still used in all kinds of practical situations; only recently, however, has the interview been used

systematically for scientific purposes. P.V. Young, "Interviewing is not a simple way to conversation between an interrogator and informant. Gestures, glances, facial expressions, pauses often reveal subtle feelings". Goode and Hatt defined as 'Interview is fundamentally a process of social interaction'. (RAJ, 1992).

Since there are no secondary data available on consumer nature, interviews were conducted among the sales employees of 'Katpaham' sales outlets in Jaffna and Colombo. Sales personnel can provide information about the demography of customers instead of any marketer, because practically the market interface is shared only by both in reality. In addition to this, data were collected through interview from the employees of sales unit of Palm Development Co-operative Society, Pandatharippu. Consumers who regularly purchase from the outlets of 'Katpaham' centres in Jaffna and Colombo were also interviewed.

2.2 Observational Method

The observation method was used to identify the nature of the consumers and the factors influence their attitudes, habits and behaviour of purchasing the Palmyrah Based Products (PBP). In order to collect the information those were not available other way, were collected through observation. By using a checklist, this tool has been employed. The observation method was used to identify the consumer's age group and their retention. The purpose of this technique was to ensure the continuity of purchase in the long run.

The traditional consumers habits of purchasing PBP are predominated by the seasonal consumption pattern depend on the availability of the PBP. Observation and interview techniques helped to identify the invisible and inaccessible nature of purchase. In relation to PBP, it was not induced by the consumer or the demand force of the market. Really it was supply based consumption and demand is created seasonally. Therefore there was no regular demand created by the consumer as the supply was not available throughout the year.

2.3 Questionnaire Method

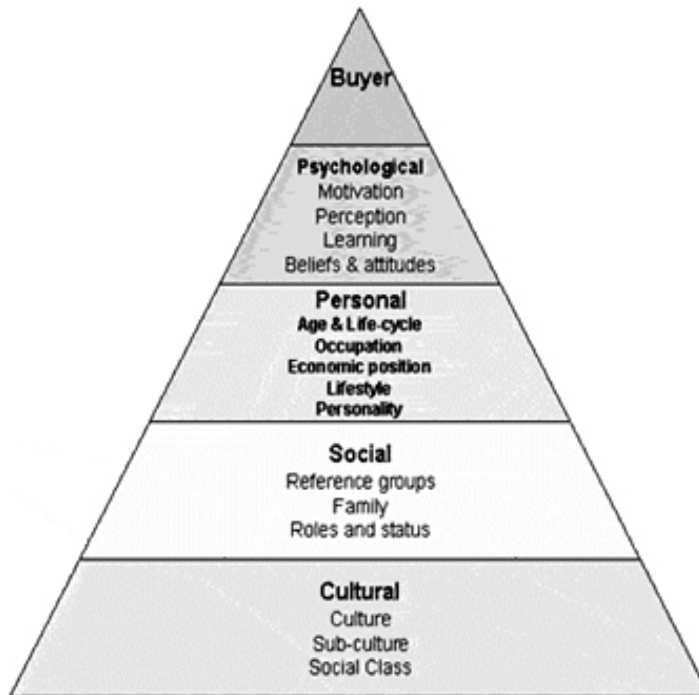
Questionnaires were used to collect

the nature and the behaviour of the consumers. Qualitative information was used to trace the expected satisfactory level and the purchasing habit of the consumer. The open-ended questions were used for this purpose. A convenience sample of 77 customers was selected for this study and questionnaire was developed.

3. RESULTS

Common themes that emerge from observation, interviews and questionnaire were compiled into four broader categories in terms of cultural, social, personal and psychological aspects of the Stimulus-response Model.

Figure 3.1 Buyer's Black box



Source: http://www.tutor2u.net/business/marketing/buying_stimulus_model.asp

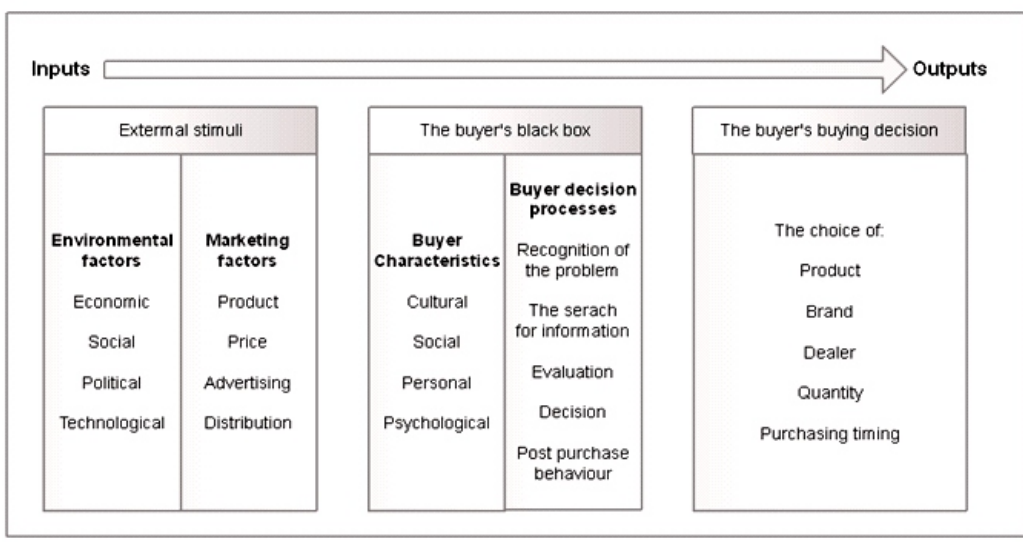
3.1 Culture and Sub-culture

Since palmyrah industry has a socio-cultural dominance, the cultural aspects are important in the marketing of the product.

Cultural influences are powerful, if a sector does not understand the culture in which a particular market operates, it cannot hope to develop products and market them successfully and profitably in that market.

Changes in culture tend to be slow and are not fully assimilated until a generation or more has passed. PBP are produced by targeting the Tamil community of North, East and Western provinces of Sri Lanka. Since palmyrah trees are abundantly found in these provinces, consumers have a high level of awareness about the products. Tamil community is dispersed in many Western countries, have different geographical areas.

Figure 3.2 The Stimulus-response model of buyer behaviour



Source: (Wilson & Gilligan, 2005, p. 157)

The major Sinhalese community in Sri Lanka does not consume PBP reasonably like other tree crops like *Kithul* and Coconut. Only a small group of people from Central and Southern provinces who live with Tamils or in the geographical areas where Sri Lankan Tamil population dominates. In recent years, after 2009 Sinhalese who oftenly visit to the Northern province as a local tourism destination, started buying PBP. This is the new trend develops slowly.

Culturally, communities other than Tamils of Northern East provinces do not create sustainable market for PBP, due to limitations and weaknesses of its marketing practices.

Another major cultural change is transition in the role of women in society. Though increased independence and economic power have changed the lives of women and their own perception of their

socio-economic role, in this industry production of handicraft is depending on women group, with no men in the family .This aspect can be used to as a tactic to attract the consumers in export market, similarly like what happens in Cadbury Dairy Milk Chocolate in first world countries.

When we consider the export market in Western societies today, when considering culture, the subcultures also must be considered. Immigrant communities have become large enough in many countries to form a significant proportion of the population of that country, and marketers must consider them because of their interactive influence on society and because, in some cases, they constitute individual market segments for certain product areas. Subcultures can also exist within the same racial groups sharing common nationality. Their bases may be geographical, religious or linguistic differences and marketers must recognise these differences and should regard them as providing opportunities rather than posing problems. For example, immigrants from Sri Lanka and India may differ in their geographical attribute , but may comes under same religious, cultural values which allow them to be in a same target consumer group. Hence export market of palmyrah products will be sharing by consumers with different nationalities, but still with same cultural trends.

3.2 Social Class

Social aspects are highly influential in the behaviour of consumers who buy PBP. The chief determinants of social class are

income, occupation, habitats and consumption culture. These elements of social class are very strongly affecting the marketing of palmyrah products. traditionally rural based, low income, working class people create demand for PBP. The urban population did not prioritize the PBP when compared to rural population. Likewise urban labour force does not create popular demand for these products compared to Tea, Beer and Arrack. The lifestyle of the urban labour force is becoming more strong in creating demand for products like Toddy, Jaggery, Tuber based products and Handicraft items. The urban labour community or the community with higher income do not have consumer behaviour that supports the demand for PBP. Generally they are not habitually addicted to these products compared to Coconut arrack.

3.3 Personal and Psychological Aspects

Behaviour of consumers is generally influenced by the buyer's set of personal characteristics including age, life cycle stage, occupation, economic circumstances, life style and personality. And psychological influence upon consumer behaviour consists of four principle psychological factors. Since all these aspects about buyers are inter-related, which share enormous amount of information in the common face, consumers of Palmyrah based products cannot be characterised specifically in each sub-categories.

Consumer behaviour is not very favourable to the expansion of markets of PBP. But certain types of products of

palmyrah such as Jaggery, Odiyal, Odiyal flour and Handicrafts are demanded by all types of consumers, but even though there is a continuous greater demand in the market, there are constraints in the production side to supply to fulfill the quantity required. It is found that there is no habitual buying behaviour among the youngsters.

For a longer period, families of rural area in the Northern East produced many palmyrah based products at their houses for their own consumption. The concept of self-sufficiency was practiced. There was no selling-buying tradition in palmyrah sector. In other words there is no group of people called "consumers" for Palmyrah based products in last era.

4. DISCUSSION AND CONCLUSION

It is observed that the consumers of PBP give less priority to make decisions in relation to purchase than the environmental stimuli such as economic, social and technological factors.

Nearly three decades ago, the old generation who are in rural area, traditionally consumed PBP only in the season when producers supply to the rural unorganised markets or available at the cottages where they live. Since most of the

Producers of palmyrah based products are individuals, from lower income group and had very low level of technological inputs to the industry, which allow them to sustain it in cottage level. This palmyrah dependent community occupied the lower strata of the society. Due to that, the producers were not able to access to the

high income group of consumers as well as the export markets.

Moreover, the products have never been estimated for the quantity sold and the price they offered and the nature of the behaviour of the consumers. They do not differentiate the revenue on the basis of the different types and range of prices of PBP. In addition, producers have never had a practice of calculating the cost per unit on the basis of the labour they put and other inputs. Even traditionally the family level mixed labour inputs were not economically valued in view of commercialised marketing. This pattern of informal labour, production, and pricing has not directed them to fix the prices and the profit margins on the cost based pricing. They fix the prices on the basis of the tacit estimation. Sometimes producers were even prepared to sell their products for the prices below the cost of production when they need to earn income. Especially, the trade of palmyrah toddy was solely done by the women in middle-age or older age, they involved in marketing without adequately knowledge about real marketing aspects. And lack of practice in recording any kind of statistics and details of accounts also led to insufficient data to the beginners of the industry in a scientific and pragmatic manner. Weaknesses of the producers and suppliers leads to unorganised and un-economical, marketing practices for a longer period, because organised entrepreneurs or corporate sectors were not entered into the production and marketing of PBP. Palmyrah sector was maintained at a sociologically deprived status for a long period. Due to these non-scientific approaches, techniques

and practice applied to Palmyrah production and marketing, traditionally modern business norms, standards and practices were not introduced in this sector, until PDB introduce such quality norms, standards and practices. This was a great challenge to the producers when they began an organization like either PDCS or PDB.

Urban based organized sales centres, supermarkets and hotels were not supplied PBP in view of the modern marketing. It curtails the possibilities of adapting the latest marketing practices that provide safety and profitable markets for PBP. Consumption of Palmyrah product is mainly determined by traditional get together and festivals that celebrated occasionally and the seasons when PBP are available. Store management, processing techniques were not scientifically adopted by the unorganized Palmyrah producers, due to the negligence of the state and organized commercial sectors.

Younger generation who lives in urban, semi-urban areas do not aware the usage of PBP until recent times. Even youngsters who live in rural area do not give priority in their consumption pattern compared to the industrial products such as beverages and ice cream. Advertising agencies and medias never advertise the products of palmyrah to promote the 'super image' for the product among the youngsters who could provide sustainable market in the future.

Traditional Palmyrah producers were not educated to promote the super

image for their product among new generations through advertisements, sales promotion campaigns, and techniques. Financial supports, encouragements and incentives were not provided to the Palmyrah producers and marketing sources. No government or corporate sector involvement were encouraged due to the inferior social status of the product which established traditionally.

Changing lifestyle and consumption patterns of the new younger generation do not match with the unchanged product nature, packing and pricing. Modern, organised, formal producers and marketers were not attracted by palmyrah sector for longer period of time.

Traditional crude technology did not help to promote the quality, pricing and branding of PBP. Because of this, marketing of PBP have not reached the optimum growth to a profitable market and failed to attract young, higher income, fashioned customers. Hence, if all these attributes of the sector are improved, definitely marketing stimuli will overcome the environmental stimuli, directs the real output in a profitable way. Thus, this study will be totally a new initiation to the industry of palmyrah in Sri Lanka, which is exclusively consumer oriented.

ACKNOWLEDGEMENT

The authors would firstly like to thank the staff of Palmyrah Research Institute for their co-operation and support. The authors would also like to thank Mr. Mahen Muttiah for his invaluable advice on

the methodology utilized. The authors receive financial support from Palmyrah Development Board, Sri Lanka.

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DETERMINANTS OF VIEWERS' CHOICE ON PRIVATE NEWS CHANNELS

L.P. Himali¹ and Rasika Kuruwitage²

Abstract

Viewers' choice for the news channels is a physiological phenomenon, varies for each viewer. The future of any economic entity is determined by the customers' choice. Private news channels use various strategies to attract viewers to face the high competition of the news channels industry in Sri Lanka. The main objective of the study is to identify viewer characteristics and factors affected to the viewers' choice on private news channels. Primary data was mainly used by the study through a questionnaire. 25 academic staff members and 25 nonacademic staff members, 25 students in Sabaragamuwa University of Sri Lanka and 25 villages in Pabahinna Grama Niladhari division were selected by the study by using a convenience sampling method. Chi square test statistic was used to identify the determinants. Study found that viewers' political party, residential sector, age of the viewer, choice of family members, time that the news telecasted, coverage and reliability of the broadcasted news are the very important factors that the viewers' consider before choosing a news channel. The most significant fact revealed by the study is that gender, level of education and working status of the person are not the basic reasons for selection of a news channel. Most of viewers are rural resident and 100% of urban resident watching private news channels. Females are watch news than males. Approximately more than 70% of the subjects watch Hiru TV news and therefore according to this study famous private news channel is Hiru TV.

Keywords: *Determinants, News channel, Viewer choice*

1. INTRODUCTION

News is the statement which report the incident as it is. There are several ways to catch the news in today world. Those methods are newspapers, radios, televisions and internet. Among these methods most popular method is television. Because newspaper they report yesterday news today and also watching news from internet is not popular method in Sri Lanka. In television

news they will give new update as soon as possible with visually.

Television news is very image-based, showing video of many of the events that are reported. Television channels may provide news bulletins as part of a regularly scheduled news program. Less often, television shows may be interrupted or replaced by breaking news ("news flashes")

to provide news updates on events of great importance. Maseviya (1854) introduce the formula for the news. That formula was $A+B+C=C$. A means accuracy, B means balance, C mean clarity equal Credibility. It means credibility of news depend on accuracy + balance + clarity.

In Sri Lanka there are mainly two state television news channels and twenty two privet news channels. News telecast on different time slot and same time slot in channel due to viewer's convenience.

This research was conducted to identifying distinguishing factors between private & state news channels which make those more interesting. It is obvious that there is a high competition between these two. It is not only between these two but with each other also. The main reason for this could be because they have their own vision "to become the leading news channel in the country". Therefore to achieve this target they try to improve the productivity & quality as well as state owned channels as the channels of the nation would not willing to hand over their status to private channels.

In order to differentiate themselves from others they use various tactics new patterns & recruit young talented personnel whose talents are beyond news reading. As well as some times it became a trend that they tried to imitate certain channels & audience always prefer to see more creativity even in imitating also so they switch to a different channel which they feel good.

These days there is a trend of popularity news channel becoming privet

than state news channels. However, there is no proper correct answer for this since it totally depends on viewer's individual opinions. And there is no proper research was conducted to identify whether state news channel or privet news channel are most popular and what is the most popular news channel among them all. Therefore, it is important to conduct a study in order to make people aware & more informed.

2. RESEARCH OBJECTIVES

Main objective is identifying the determinants of viewer's choice on news channels. Sub objective is identifying the most popular news channel in Sri Lanka.

3. SIGNIFICANCE OF THE STUDY

For the very existence of a news channel, it is necessary to understand about the viewers' choice. When consider about the viewers' choice it may be vary from one person to another due to various factors. Thus, this study provides high level of knowledge in understanding about the viewers' preference and how it differs under the range of factors. By knowing this, the channel institutions can launch their operations according to the viewers' preparation.

In Sri Lanka there is very few studies conducted regarding this and when considering world also this is the same. Therefore, this research can be taken as a reference by the researchers who want to do a research on this field.

4. METHODOLOGY

The methodology includes sample selection, data collection and data analysis methods used throughout the study. Primary

data was mainly used by the study through a questionnaire. 25 academic staff members, 25 nonacademic staff members, 25 students of Sabaragamuwa University and 25 villagers in Pambahinna area were selected for this study using a convenience sampling method. Chi square method was used as an analyzing tool.

5. RESULTS

5.1 Descriptive Analysis

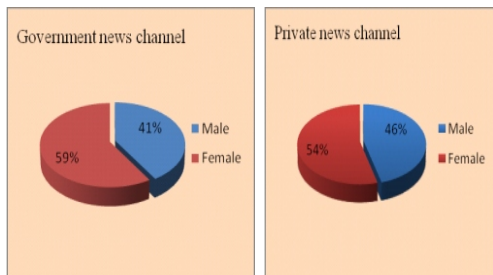


Figure 5.1.1: News Channels Vs Gender

Source: Sample survey, 2013

According to the figure 5.1.1, large numbers of female are watching state news channels and that is more than 50% of the sample.

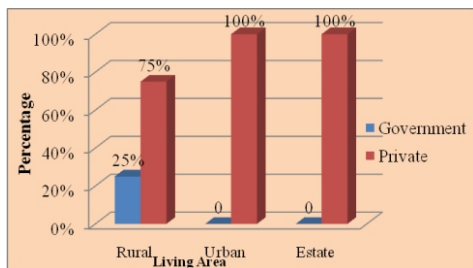


Figure 5.1.2: Viewer's Choice on News Channel Vs Living Area

Source: Sample survey, 2013

Figure 5.1.2 explains that both urban and estate sector people are totally watching private news channels. Compare to the other areas 25% of viewers who are living in rural

areas are watching government news channels.

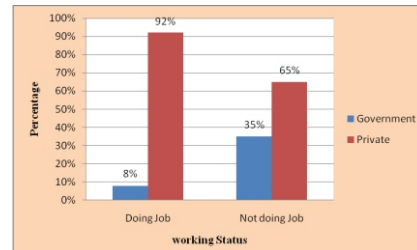


Figure 5.1.3: Viewer's Choice on News Channel Vs Working States

Source: Sample survey, 2013

Figure 5.1.3 shows that, more than 50% of the people who are belonging to both having and not having a job watched private news channels compare to the government news channel.

5.2 Advanced Analysis

This study has done to identifying the determinants of viewers' choice on private news channels. Chi Square Test is used to check the association under 0.05 significance levels.

In this study dependent variable is channel type (government/private) and working status, educational level, viewers' political party, residential sector, gender, age of the viewer, choice of family members, time that the news telecasted, coverage and reliability of the broadcasted news are the independent variables.

5.2.1 Hypothesis

H_{0a} : There is no association between viewer's choice on private news channel and age.

H_{0b} : There is no association between viewer's choice on private news channel and residential sector.

H_{0c} : There is no association between viewer's choice on private news channel and working status.

H_{0d} : There is no association between viewer's choice on private news channel and educational level.

H_{0e} : There is no association between viewer's choice on private news channel and viewers' political party.

H_{0f} : There is no association between viewer's choice on private news channel and gender.

H_{0g} : There is no association between viewer's choice on private news channel and choice of family members.

H_{0h} : There is no association between viewer's choice on private news channel and time that the news telecasted.

H_{0i} : There is no association between viewer's choice on private news channel and coverage.

H_{0j} : There is no association between viewer's choice on private news channel and reliability of the broadcasted news.

5.2.2 Summary of Chi-Square Test

Table 5.2.2.1: Socio Demographic Factor

Independent Variable	Chi Value	P Value	Decision
Age	6.629	0.010	Reject H_0
Gender	0.121	0.728	Do not reject H_0
Residential sector	9.202	0.010	Reject H_0
Viewers' political party	6.694	0.010	Reject H_0
Educational level	1.941	0.164	Do not reject H_0
Choice of family members	11.174	0.025	Reject H_0

Source: Sample Survey (2013)

According to the table 5.2.2.1, the variables, age, residential sector, political party and choice of family members are highly associated with the viewers' choice on private news channels.

Table 5.2.2.2: Economic Factors

Independent Variable	Chi Value	P Value	Decision
Working status	0.132	0.731	Do not reject H_0

Source: Sample Survey (2013)

According to the result of chi-square test, viewer's choice on private news channel is not depending on working status.

Table 5.2.2.3: Factors Related with News Channels

Independent Variable	Chi Value	P Value	Decision
Coverage	14.774	0.000	Reject H_0
Reliability of the news	3.464	0.010	Reject H_0
Time that the news telecasted	19.381	0.000	Reject H_0

Source: Sample Survey (2013)

According to the table 5.2.2.3, all above mentioned factors are highly associated with the viewers' choice on private news channels.

6. CONCLUSION

The primary purpose of this study is to identify the determinants of viewers' choice on private news channels. In

particular, the study examines the private news channel that people mostly watched. One interesting and disturbing finding is the viewers' political party, residential sector, age of the viewer, choice of family members, time that the news telecasted, coverage and reliability of the broadcasted news are the very important factors that the viewers' consider before choosing a news channel. The most significant fact revealed by the study is that gender, level of education and working status of the person are not the basic reasons for selection of a news channel. There is a high influence on residential sector with news channels. Urban and estate viewers are 100% watching private news channels and no one watch government news channels. Females are watch news than males. Approximately more than 70% of the subjects watch Hiru TV news and therefore according to this study famous private news channel is Hiru TV.

7. RECOMMENDATION

Main finding of this research indicates that people's preference towards private news channel is high. Therefore it is recommended to increase the competition among the channels so that viewers have number of choices and would help them to get the best possible out of them.

One of the main reasons why people prefer private channels is reliability. Today many Sri Lankan government channels are more biased towards the government and sometimes this shows lack of reliability in news. Therefore government channels should also try to be independent and should present truthful news. The presentation skill of private news channel presenter is very

high and attractive. They tell a story rather than just reading the news. Therefore it is recommended for the government channels to be very innovative.

For most of urban and rural areas private channel network is more available and for rural areas government channel network is more available this is due to wide coverage of government networks. Therefore private channels are also recommended to increase their network coverage in order to increase competition. Parliament act should broad in that government news channels should present both in a balance way. This would attract more people toward government news. Murder, suicide, robbery, sexual harassment are sometime reported in private news channel in a way that it sometime motivate people to do those crimes this should be presented them in a proper manner that people prevent themselves doing crimes.

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THE IMPACT OF CUSTOMER RELATIONSHIP MANAGEMENT PRACTICE ON CUSTOMER LOYALTY (SPECIFIC REFERENCE TO LOCAL COMMERCIAL BANKING SECTOR IN JAFFNA DISTRICT)

Natkunarajah Umakanth

Abstract

Managing effective Relationship Marketing Practices are increasingly important in the banking industry. Since the length in years of customer relationships are one of the most important factors that contribute to the profitability. As a result Customer Satisfaction may be one important driver of Customer Retention

The goal of this research project is identify and assess impact relationship marketing practice on loyalty in local commercial banking sector in Jaffna.

The research was mainly based on data, collected from customers in Jaffna commercial banks. Quantitative methodology has been applied and questionnaire was used to collect data, descriptive statistics as well as inferential statistical analysis using SPSS. 17.0 household customers have been selected from 34 licensed commercial banks that comprised of public and private bank. Multiple regression has been used for the analysis .The results of the statistical analysis showed that is a strong positive impact of relationship marketing practices on customer on Loyalty. Therefore these findings will help the banks to establish a customer oriented strategy to retain their customers in future.

Keywords: *Relationship marketing, Customer Loyalty, Banking Sector, Sri Lanka*

1. INTRODUCTION

Globalization and technology improvements have forced companies into tough competition. In this new era organizations are focusing on managing customer relationships, particularly customer satisfaction, in order to efficiently maximize revenues (Constantinos, 2003). Today marketing is not just developing, delivering and selling, it is moving towards

developing and maintaining mutually long term relationships with customers (Buttle, 1996). This new business philosophy is called relationship marketing (RM), which has attracted considerable interest both from marketing academics and practitioners (Grönroos, 1994). In practice, however, the 'customer markets', with the latest relational concept customer relationship management, CRM, remain the primary focus and, as

such, Peck (1999,) place them firmly at the centre of the six-market model of relationship marketing.

Customer oriented Relationship marketing programmes that enhance the flow of information between the bank and customers increase customers' positive feelings towards their bank, thereby also increasing satisfaction and relationship strength (Barnes and Howlett, 1998; Ennew and Binks, 1996). Although past studies provide knowledge regarding the nature and importance of banking relationships from a customer (O'Loughlin et al., 2004), business (Madill et al., 2002), and dyadic (Paulin et al., 1998; Akerlund, 2004) viewpoint, some questions remain unanswered. For example, information on extent to which specific relationship marketing programmes have succeeded in strengthening relationships in different segments. Relationship marketing can, but need not be, directed towards all customers of the bank. Most retail banks are characterised by having both profitable and unprofitable customers, where the former subsidises the latter (Carson et al., 2004; Zeithaml et al., 2001). Retaining the profitable customers has become increasingly difficult in a competitive environment where other financial institutions specialize in offering attractive services and prices to this lucrative segment. Since investments across all customer segments will not yield similar returns (Zeithaml et al., 2001), relationship marketing is often directed only at the most profitable segments defined by, for example, income and wealth (Abratt and Russell, 1999). There is, however, a lack of research on how relationship marketing activities

affect relationship outcomes in the target segment.

It is important, therefore, to empirically examine the actual impact of the underpinnings of relationship marketing on customer loyalty. Conversely, in common with most service industries, customer loyalty is an important aspect of stability and growth within the banking sector because maintaining an existing customer provides several economical benefits. Indeed, customer loyalty has become a key goal of most business (Berry & Parasuraman, 1991). Such understanding will assist in better management of firm-customer relationship and in achieving higher level of loyalty among customers.

However, Palmer (1997, p. 321) has cautioned that: "... relationship marketing means different things in different cultures and marketers should be as wary of prescribing universal solutions for exchange bases as they are of developing universal product and promotion for all markets". Accordingly this research study investigates the impact of four underpinnings of relationship marketing trust, commitment, communication, and conflict handling on customer loyalty of banking industry in Jaffna aspect.

In today's competitive environment, customer retention and profitability have become paramount for the success of banking industry. Many banks have now come to realize the benefits of creating lifelong associations with fewer, but more profitable consumers. Relationship marketing activities can have a major impact

on an organization, by improving customer satisfaction and longevity, reducing marketing expenses, in addition to providing a competitive edge.

2. LITERATURE REVIEW AND PREVIOUS STUDIES

Interest in the economics of long lasting customer relationship has growing since the last decade. Relationship marketing establishing, maintaining and enhancing relationship with customer and other partners at a profit, so that the objectives of the parties involved are met (Grontoos, 1994). This is achieved by a mutual symbiosis and fulfillment of promises (Ndubisi, 2003). The phenomenon described by this concept is strongly supported by on going trends in modern business (Webster, 1992). Nelson and Ndubisi(2007) argued that the goals of relationship marketing are to create and maintain lasting relationship between the firm and its customers that are rewarding for both sides, while Blobqvist el al (1993) offered key characteristics of relationship marketing ; every unit, activities of the firm are predominantly directed towards existing customers, it is based on interactions and dialogues and the firm is trying to achieve profitability through the decrease of customer turnover and the strengthening of customer relationships. Gummesson(1991) concluded that relationship marketing is a strategy where the management of interactions, relationships and networks are fundamental issues.

Marketing studies have theorized a number of key underpinnings of relationship marketing namely, trust (Morgan and

Hunt,1994: Ndubisi et al.2004), equity (Ndubisi 2004), benevolence, empathy, (Ndubisi,2004) commitment (Morgan and Hunt, 1994), conflict handling (Ndubisi, 2004), communication or sharing of secrets (Crosby 1990, Morgan and Hunt 1994) and competence (Ndubisi,2004). Kavali (1999) concluded that relationship marketing is about healthy relationship characterized by trust, equity and commitment.

In this part we can have a look on customer loyalty. Kotler(2003) define customer loyalty as the purchase from the company by its customers expressed as a percentage of their total purchases from all suppliers of the same product. Asker (1991) discussed the role of loyalty in the brand equity process and specifically noted that brand loyalty leads to certain advantages, such as reduced marketing cost and more new customers.

Therefore, loyalty is a concept that goes beyond simple purchase repetition behavior since it is a variable which basically consists of one definition related to behavior and another related to attitude, where commitment is the essential feature. (Josefa and Quintana,2002). According to most of researchers, the combination of components enables us to distinguish two types of customer loyalty concepts:

- 1) loyalty based on inertia, where a brand is bought out of habit merely because this takes less effort and the consumer will not hesitate to switch to another brand if there is some convenient reason to do so and
- 2) True brand loyalty , which is a form of repeat purchasing behavior reflect a

conscious decision to continue buying the same brand, and it must be accompanied by an underlying positive attitude and a high degree of commitment toward the brand.

3. CONCEPTUAL FRAME WORK

The research approach is deductive when a theory and the hypothesis (or hypotheses) are developed and a research strategy is designed to test the hypothesis, or it is inductive when the data is collected and the theory is developed as a result of the data analysis. The deductive approach

owes more to positivism and inductive approach more to phenomenology, although it is believed that such labelling is potentially misleading and of no practical value (Saunders,2000). Accordingly this research is positivist deductive because the hypotheses are developed and a research strategy is designed to test the hypothesis.

Based on the previous research findings, the researcher develops a conceptual model, which adapted from theoretical model explaining further as below.

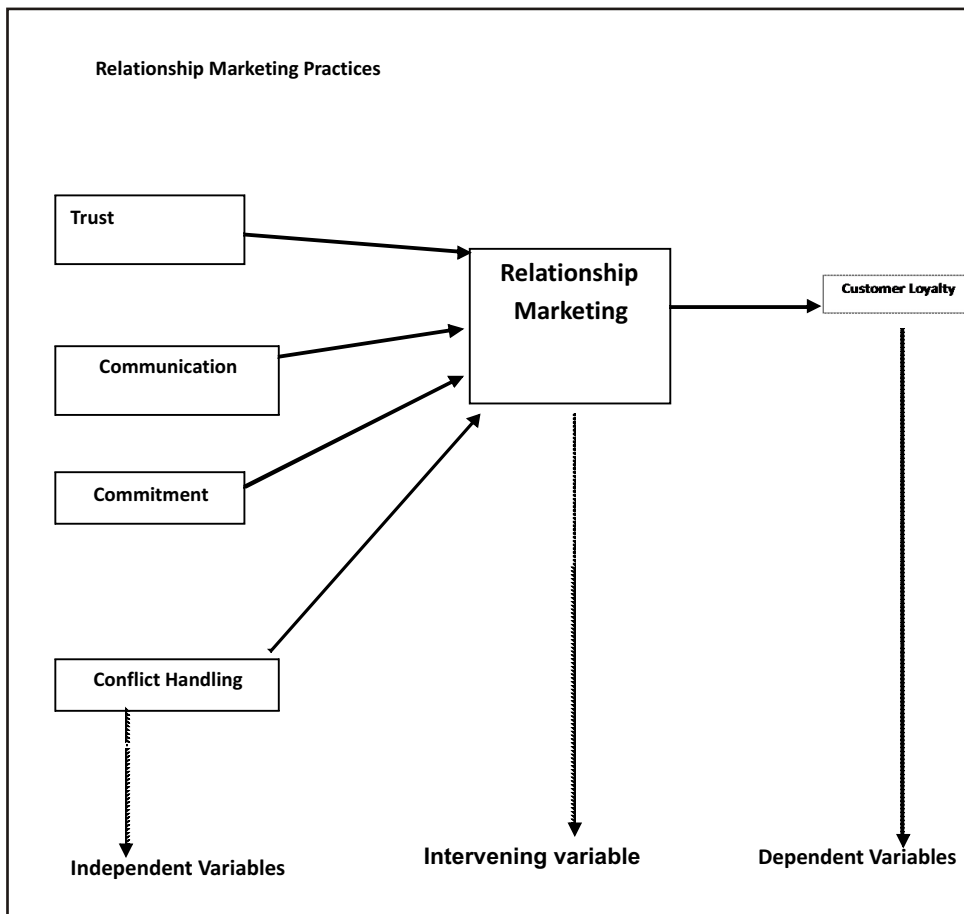


Figure 1: Conceptualization

Variables and indicators adopted for the questionnaire development are as follows,

Identification of variables

- **Dependent variable**

Dependent variable is the variable of primary interest to the researcher (Sekeran, 2007). In this study, customer loyalty is the dependent variable.

- **Independent variables**

According to Sekaran(2007) an independent variable is one that influences the dependent variable in either a positive or negative way. In this research Relationship marketing practices are the independent variables.

4. OBJECTIVES

The main objective of the research is a District to examine the impact of relationship marketing practices on customer loyalty in banking industry in Jaffna. Due to the prevailing situation in the country, most of the private & foreign banks opened their branches in Jaffna, and still continuously opening branches in many parts of the peninsula. This trend becoming a threatening factor for the existing banks who running their banking business in the Jaffna peninsula without much competition for the last three decades. Hence this study is important and suitable for this time for the banking industry in Jaffna. Furthermore, this research is aimed at achieving following specific objectives

1. To investigate the degree of relationship marketing practices applied in Local commercial banking sector

2. To identify which element/s of relationship marketing practices are mostly practices in local commercial banks

5. HYPOTHESES

Hypotheses of this study are as follows,

H1: Relationship marketing practices using in the bank are positively influence on customer loyalty in commercial banks

H2: Satisfaction of customer about the services provided by the bank is positively affect on customer loyalty in commercial banks

6. METHODOLOGY

The population of the study consisted of the local commercial bank branches that have been in operation over the last two years in the Jaffna District. The branches of the foreign commercial banks are not included for the study, since the empirical domain of the study is limited to the local commercial banking sector. The study covers both private sector as well as state owned local commercial banks located in the Jaffna District in Sri Lanka. The list of registered local commercial banks in Sri Lanka whilst a comprehensive list of the number and location of branches belonging to each of the local commercial banks operating in the Jaffna District, 170 household customers quato sampling method used and have been selected from 34 licensed commercial banks that comprised of public and private bank, was available on the web sites of the commercial banks. Based on this information a comprehensive sampling framework is developed as shown in the table 1.

Table 1- Sampling Framework (Population and Sample)

	Name of the Bank (LCB)	Ownership	Branches	Sample size of Branches	Sample elements
01	Bank of Ceylon	State	12	05	25
02	People Bank of Sri Lanka	State	13	06	30
03	Commercial Bank of Ceylon	Private	09	04	20
04	Hatton National Bank	Private	10	04	20
05	Sampath Bank	Private	08	04	20
06	Seylan Bank	Private	05	04	20
07	DFCC Vardana Bank	Private	01	01	05
08	NDB Bank	Private	02	02	10
09	Pan Asia Bank	Private	01	01	05
10	Nation Trust Bank	Private	03	03	15
			64	34	170

Source: Website of the local commercial banks 2013.04.10.

Data collection procedure

The study employed both primary and secondary data sources. The secondary data mainly consist of banks annual reports and the web sites. Further, international journals and proceedings of the conferences were helpful in formulating the research problem, reviewing extant literature and developing the structured questionnaire.

Primary data collected using structured questionnaire. Questionnaires were personally distributed by the researcher to the bank customers to complete. Each completed questionnaire was checked immediately after the completion by each of the respondents. The

completed questionnaires were checked once more prior to computer entry to find out if there were any problems such as non responded and missed questions.

Validity and Reliability

Reliability

Polit and Hungler(1993) refer to reliability as the degree of consistency with which an instrument measures the attribute is designed to measure. The questionnaire which was answered by the customers of commercial banks in Jaffna revealed consistency in responses. Reliability can also be ensured by minimizing sources of measurement error like data collectors bias. Data collector bias was minimized by the

researcher's being the only one to administer the questionnaires, and standardizing condition such as exhibiting similar personal attributes to all respondents, e.g., friendliness and support. The physical and psychological environment where data collected was made comfortable by ensuring privacy, confidentiality and general physical comfort.

Validity

The validity of an instrument is the degree to which an instrument measures what is intended to measure (Polit & Hunder, 1993). Content validity refers to the extent to which an instrument represents

the factors under study. To achieve content validity, questionnaires included a variety of questions to measure each variable.

Data Analysis

The Pearson simple correlation coefficients were calculated and are reported in the correlation matrix as shown in Table 2 below. According to Malhotra (2005) it is importance to have evidence of association among the constructs and variables of the study before formally assisting the relationships using the regression analysis. Therefore, a correlation analysis was performed for fulfill the purpose of identify the strength of association among the constructs and variables of the study.

Table 2 Correlation

		Loyalty	Trust	Commitment	Communication	Conflict
Loyalty	Pearson Correlation	1				
	Sig. (2-tailed)					
	N	127				
Trust	Pearson Correlation	.826**	1			
	Sig. (2-tailed)	.000				
	N	127	127			
Commitment	Pearson Correlation	.812**	.486**	1		
	Sig. (2-tailed)	.000	.000			
	N	127	127	127		

Communication	Pearson Correlation	.727**	.534**	.372**	1	
	Sig. (2-tailed)	.000	.000	.000		
	N	127	127	127	100	
Conflict	Pearson Correlation	.825**	.642**	.630**	.452**	1
	Sig. (2-tailed)	.000	.000	.000	.000	
	N	127	127	127	127	127

** . Correlation is significant at the 0.01 level (2-tailed).

* . Correlation is significant at the 0.05 level (2-tailed).

In the table 2, all factors were correlated with customer loyalty and amongst themselves. The factors with the highest correlation with overall customer loyalty were Trust (0.826), Commitment (0.812), Communication (0.727) and conflict handling (0.825). The correlations between customer loyalty and all the factors of interest in this study were all positive indicating that there was a positive association and relationship between customer loyalty and all its determinants identified in this research.

Multiple regression analysis models

To assess the impact of the four dimensions identified in this study on overall customer loyalty, a multiple linear regression analysis was performed using the factors score values of the dimensions as independent variables and overall customer loyalty as dependent variable. The empirical results of this multivariate analysis are shown in Table 3 below.

Table 3 Predictor of Loyalty Model Summary

Details	Trust	Commitment	Communication	Conflict Handling
Loyalty	16.405 (.000)	16.797 (.000)	19.325 (.000)	

Constant	3.112 (P=.823)	2.191 (P=.537)	1.233 (P=323)	1.185 (P=.231)
R	0.826	0.950	0.988	1.000
R ²	0.683	0.903	0.976	1.000
Adjusted R ²	0.680	0.902	0.975	1.000
Standard Error	0.50	0.32	0.16	0.00
F Value	269.113(.000)	578.234(.000)	1667.823(.000)	

Note: Figure in the Parentheses indicate P- value

The specification of the four variables such as Trust, Commitment, Communication and conflict handling in the above model revealed the ability to predict loyalty ($R^2 = 0.683; 0.903; 0.976$ and 1.000 respectively). In this model R^2 value of above four ratios denote that 68.3%; 90.3%; 97.6% and 100% to the observed variability in loyalty. The remaining 30.7%; 9.7% and 2.4% are not explained. An examination of the model summary in conjunction with ANOVA (Fvalue) indicates that the model explains the most possible combination of predictor variables that could contribute to the relationship with the dependent variables. For model 1- F value is 269.113 and respective P value is 0.826, $p < 0.01$ which is statistically significant (0.000) level. Again considering model 2- F value is 578.234 and respective P value is 0.537, $p < 0.01$ which is statistically significant (0.000) level. On the other hand,

model 3, F-value is 1667.823 and respective P value is 0.323, $p < 0.01$ which statistically significant (0.000) level. Model 4, respective P value is 0.231, $p < 0.01$ which statistically significant (0.000) level.

7. CONCLUSION AND PRACTICAL IMPLICATIONS

The core purpose of the study was investigated how relationship marketing practices implement in commercial banks in Jaffna affected their loyalty. The ultimate objective of the research is to examine the impact of Relationship Marketing Practices (RMP) on Loyalty in Jaffna licensed commercial banks. This is supported with Chantal Rootman (2006) who concluded that there is a positive relationship between customer Relationship and Loyalty. The regression result shows that there is a strong positive impact of RMP on Loyalty. It means that RMP has strong positive effects on the Loyalty in Jaffna licensed commercial

banks. Hypothesis (H1) has been accepted.

The existing literature on the relationship marketing and customer loyalty has identified a positive relationship between relationship marketing and customer loyalty. But there is no clear evidence about relationship between Relationship marketing and customer loyalty on the service industry in developing countries. This study tried to integrate the relationship between relationship marketing and customer loyalty in Commercial Banking industry in Jaffna. Thus, it filled the theoretical gap with empirical findings by providing the answer relationship marketing positively affect on customer loyalty in service firms in developing countries. Furthermore bonding also had the higher regression coefficient value. It shows, bonding with customers has the strong positive influences on Loyalty.

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THE IMPACT OF PROMOTIONAL MIX ELEMENTS ON BRAND EQUITY: BANKING SECTOR. (BANKS IN JAFFNA PENINSULA)

K. Dilogini Kurunathan¹ and H.H.Grace²

Abstract

Brand equity is an intangible asset built up by company overtime by building awareness, having a well-known name or a clear identity, consistent communications, marketing to the consumer, acting socially responsible, and spending on advertising and promoting the brand. Brand equity is one of the most important elements in business world today. It describes the value of having a well-known brand name, based on the idea that the owner of a well-known brand name can generate more money from products with that brand name than from products with a less well-known name. Among numerous research subjects about brand equity, the most popular one is the relationship between the brand equity and the promotional mix. Promotional mix is a term used to describe the set of tools that a business can use to communicate effectively the benefits of its products or services to its customers. The purpose of this study is to investigate the effects of promotional mix on equity of brands performing in the banking sectors. Data was collected through a five points Likert type summated rating scales of questionnaire. A sample of one hundred and fifty customers were surveyed from banking sectors Such as Bank of Ceylon, Commercial Bank and HSBC which are public, private and international banks respectively. Systematic random sampling has been exercised. Correlation and regression analyzed has been employed.

Keywords: *Promotional mix, Brand equity, Brand imag.*

1. INTRODUCTION

Today's business atmosphere is a dynamic and competitive one where the business enterprises have to adopt so many different types of strategic tools to survive in the changing market. The business environment has major impact in building the brand and brand equity. Many

researchers have done research studies on brand and brand equity. They are interested in the studies of brand equity because it creates the value not only to the customers and the enterprise but also to the shareholders, managers and personnel. Because brand equity is a value creating factor which leads to the success of the

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company (Schultz 1998). Brand equity is the worth possession to the company because of its stability and durability (Zeinolabedin et al, 2012).

Brands are specially vital in the service sector, since service consumers meet with more complicated issues than in other sectors (Bharadwaj et al, 1993). But they concern on brand valuation of market share rather than brand equity (Ambler 2003). Banking sector is an important industry in Sri Lanka. Mostly the banks are fighting with each other to get the higher market share with the globalization effect.

But in Jaffna Peninsula, there are lack of researches on the topic of brand and brand equity. It is a crucial part to do a research as it is a motivational factor especially in service sectors such as banks. Those factors are financially based motivation and strategy based motivation. Financially based motivation helps to evaluate the market share which enables the company in decision making regarding the share price and dividend. Strategy based motivation helps to enhance the marketing productivity through strong brand. Opening of new branches, new banks, high competition among them, different means of service providing and the switching behavior of customers are some aspects of strategy based motivation in banking sector. For our research purpose we selected three banks in Jaffna. They are Bank of Ceylon, Commercial bank, and HSBC which are public, private and foreign banks respectively.

2. RESEARCH PROBLEM

During the post war situation in Sri Lanka, especially in the Northern part there have been many developments taken place. Significantly the banking sector has major changes in Jaffna Peninsula. Opening of new branches, introduction of new commercial banks to Jaffna district made high competitiveness among numerous banks. To sustain in the market, the banks need to adopt some kinds of strategies (S.Sivesan&S.Achchuthan 2012). Brand is one of the important element which differentiate one from another. Though the banks have their own brand, they do not know how to enhance the brand equity or how to add value to the brand equity in a proper way which means through promotional mix elements.

A study on the impact of promotional mix elements on brand equity on banking sector in Jaffna will be a productive empirical task. Moreover, there are not much empirical studies on the impacts of promotional mix on brand equity to banking sector in Jaffna district. Therefore, it is essential to have an empirical research on the actual impact of promotional mix on brand equity. So the end findings will support the banks to set-up a well-designed investment on promotional mix to improve the value of brand equity.

RQ:- What extent the promotional mix impact on brand equity in banks in Jaffna district, Sri Lanka.

Objectives

The main objectives of the study is to find out the impact of promotional mix on brand equity in banks in Jaffna district, Sri

Lanka and secondary objectives are:

To identify the promotional mix in commercial banks in Jaffna district

To find out the relationship between promotional mix and brand equity

To suggest the banks to have effective promotional mix

To suggest the bank to keep brand equity through effective promotional mix

3. REVIEW OF LITERATURE

Promotional mix is the blend of advertising, sales promotion, public relations, personal selling and direct selling that a company uses to communicate brand benefit or value and develop relationships (Kotler & Armstrong 2008). Promotional mix is the important tool between the service providers and the customers in building up a relationship among them. It is the stimulative factor to the service consumers. Generally managers focus on promotional mix as a traditional way. But it won't be suitable for the present dynamic business environment. So they should adopt the right promotional mix at the right time which should be suitable to the business and it must promote the outcome of the business (S. Sivesan 2013). During the research studies in 1974, it has been stated that heavy advertising improves perceived quality (Nelson 1974). Sales promotion is for a short term period. This seems to be a curb in the promotional mix for a company. Even though Zeinolabedin Rahmani (2012) suggested that sales promotion is a strong way to enhance brand equity. The managers should apply this for the long term goals also.

A blend of brand consciousness, brand union, perceived quality, other propriety brand assets called as brand equity (Aaker 1991).

Keller (1993) stated that brand equity includes the brand knowledge with the above mentioned aspects. High level of brand equity increases consumer satisfaction, repurchasing intent and degree of loyalty. Though there are so many elements in brand equity, first of all the brand managers should take steps to make brand awareness and brand image (Edo Rajh 2005). There are notable inter correlations among the dimensions of brand equity (Yoo Donthu & Lee 2000). Brand awareness and brand image are different dimensions of brand equity. Higher brand awareness and its optimistic brand image improves the brand equity (Keller 1993:1998). There is a strong relationship between the peoples/consumers perceived quality and educational qualification (Dr. Haresh and B. Vaishani 2012). Weak/ low brand equity cause slump in sales flow and strong brand equity raises the company's revenue (Hong-Bumm, Woo & Jeong 2003).

Promotional mix and brand equity has a close relationship in all business sectors. Companies should concern on selecting the specific marketing mix elements, in order to prevent the erosion of existing brand equity (Dr. Sc. Edo Rajh 2009). Promotional mix gives the added value to the brand equity. The brand equity value depends on consumer behavior. When brand equity value increases the consumer behavior shows a positive sign on the other hand if the brand equity value declines the

consumer behavior shows a negative sign. All the businesses must have competitive advantage in order to survive in the market for a long period. Brand equity gives competitive advantage to the companies in a greater value.

In order to make brand awareness most of the companies do advertising as it's a best tool in promotional mix which creates awareness among public (Krishnan & Chakravarti 1993). Most of the researchers have found out that promotional mix has a positive impact on brand equity. But Edo Rajh (2005) stated some aspects of marketing mix can negatively affect the creation of brand equity. So he suggested to select the appropriate marketing mix to avoid the deterioration of brand equity. Long term well-configured strategic financial decision in promotional mix will increase the value of brand equity. Making brand awareness is easy compared to brand image. Therefore managers should invest well in promotional mix (Zeinolabedin et al, 2012).

The Dimensions of The Promotional Mix. Advertising -

Advertising is a paid of non-personal communication of ideas, goods and services by an identify sponsor. (Philip Kotler)

Sales promotion

The media and non-media marketing pressure applied for a predetermined, limited period of time at the level of consumer, retailer or whole seller in

order to stimulate trial, increase consumer demand or improve product availability. (American Marketing Association)

Public relation -

Public relation is a management function which tabulates public attitudes, defines the policies, procedures and interest of an organization followed by executing a program of action to earn public understanding and acceptance. (Edward Bernays)

Personal selling -

Personal selling is the oral presentation in a conversation with one or more prospective purchasers for the purpose of marketing sales. (Philip Kotler)

Direct selling -

Selling goods or services person to person outside a fixed retail location. Direct selling includes door to door solicitation, home parties and contacting potential customers via the telephone.

4. METHODOLOGY

Research Model and Hypotheses

The aims of this study is using SERVQUAL model, we examined significant differences in the five promotional mix dimensions (Advertising, Sales promotion, Public relations, Personal selling and Direct selling) and we examined the impact of the five promotional mix dimensions on brand equity of banking sectors (see Fig. 1).

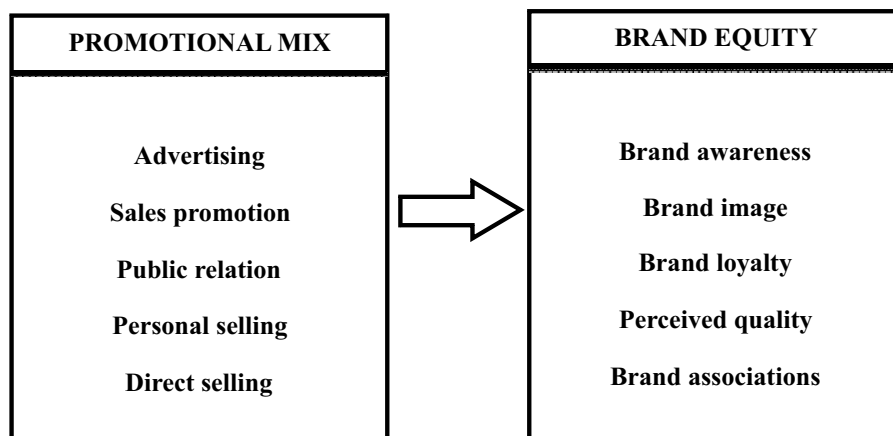


Fig. 1: Research Framework

The Five Hypotheses are as follows:

- H1: Advertising have a significant impact on brand equity.
- H2: Sales promotion have a significant impact on brand equity.
- H3: Public relations have a significant impact on brand equity.
- H4: Personal selling have a significant impact on brand equity.
- H5: Direct selling have a significant impact on brand equity.

of the instrument used. *Afsar (2009)* has suggested 0.60 as the acceptable level for reliability measure. Alpha values ranged from 0.701 to 0.901, thus indicating an acceptable level of reliability.

Nunnally (1978) gave the alpha standard for reliability. He ended up with the following:-

1. Early stage of research alpha= 0.5 to 0.6
2. Basic research alpha= 0.7 to 0.8
3. Applied settings alpha= 0.8 to 0.9

5. DATA ANALYSIS AND RESULTS

Data Collection

The primary and secondary data were collected for the survey. Primary data were collected through questionnaires and secondary data were collected from books, journals and internet.

Our research study, we received the results for the elements we propose in promotional mix. Advertising, sales promotion, public relations, personal selling, direct selling are the elements we took into consideration. For all these 5 elements we received the results between 0.7 to 0.8.

Reliability

Cronbach's alpha reliability analysis was conducted on the independent variables in order to determine the reliability

Our results for the overall brand equity is .901 which is justifiable. (See table 1)

Item-Total Statistics

Table 01

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
Advertising	122.98	636.437	.614	.458	.724
Sales promotion	121.77	606.785	.741	.691	.701
Public relation	122.42	603.312	.727	.690	.701
Personal selling	120.46	618.206	.776	.633	.705
Direct selling	121.92	621.156	.708	.630	.710
Brand equity	58.46	255.021	.646	.480	.901

Correlation Analysis

The research is undertaken to find out the relationship between promotional mix and brand equity. Correlation analysis was carried out to find out the nature of

relationship between the variable based on the value of correlation.

Correlations Between promotional mix elements and Brand equity are presented below:

Table 02

Correlations matrixes						
	Brand equity	Advertising	Sales promotion	Public relation	Personal selling	Direct selling
Brand equity Pearson Correlation	1					
Advertising Pearson Correlation	.483**	1				
Sales promotion Pearson Correlation	.559**	.524**	1			

Public relation Pearson Correlation	.528**	.590**	.785**	1		
Personal selling Pearson Correlation	.663**	.492**	.699**	.667**	1	
Direct selling Pearson Correlation	.511**	.628**	.700**	.708**	.655**	1

** . Correlation is significant at the 0.01 level (2-tailed).N is 136.

Table - 02 indicates that promotional mix and brand equity are significantly correlated at 0.01 significance level. The correlation between the promotional mix and brand equity has strong positive relationship. The results of all promotional mix elements correlation range is between +0.40 to +0.69.

Regression Analysis

Regression analysis was carried out to the test the impact of *promotional mix and brand equity* in banks (*Especially BOC,*

Commercial Bank, and HSBC). Here Promotional mix is the independent variable and brand equity is dependent variable.

In our research, we could able to notice that the banks brand equity is influenced by promotional mix by 46.0%. The remaining 54% is decided by the other factors/points.

Thus the regression result are presented below:

Table 03

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.693 ^a	.480	.460	10.663

- Predictors: (Constant), DI, AD, PE, SP, PU
- Dependent variable: brand equity

Table 04Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	35.598	3.779		9.420	.000
	Advertising	.720	.331	.184	2.178	.031
	Sales promotion	.480	.420	.129	1.141	.256
	Public relation	.010	.406	.003	.024	.981
	Personal selling	2.056	.395	.494	5.198	.000
	Direct selling	-.077	.409	-.020	-.188	.851

a. Dependent Variable: Brand equity

According to the table 04, advertising and personal selling hypotheses are accepted where we can see the results between 0.00 to 0.05. On the other hand sales promotion, public relations & direct selling hypotheses are rejected where the results are more than 0.05.

6. CONCLUSION AND SUGGESTION

In our research study, based on regression results, Hypotheses 1 and 4 were supported. But Hypotheses 2, 3 and 5 were rejected. The finding of our empirical study has authenticated a significant positive relationship between the two elements of promotional mix and brand equity. They are advertising and personal selling. The other three components like sales promotions, public relations & direct selling did not show significant impacts.

The research result states that the potential researchers should consider the other service sectors in Jaffna Peninsula while evaluating the impact of promotional mix elements on brand equity.

The outcome of this study shows some limitations. One is, the five elements in promotional mix have been taken into consideration. Therefore in the future, the researchers should be vigilant in taking into account of the other promotional mix elements as well.

The other limitation is that the sample is geographically limited. The research has been done only in Jaffna district. It can be done in other parts of the country or for the whole country.

And the questionnaires were given to 150 respondents in 3 banks only. It is also can be widen to a large number of respondents in several other banks as well.

According to this research outcome, it shows that the promotional mix has 46% positive impact on brand equity. The banks in Jaffna district have good knowledge in advertising and personal selling where they fail to improve sales promotions, public relations and direct selling. These three factors should be developed in the banks. By allocating funds to those elements, giving knowledge to the employees about the promotional mix the banks can improve the promotional mix aspects which gives major impacts on brand equity.

Advertisement helps to build up positive brand image and awareness. Jaffna people spend time with television, radios, newspapers and other social networks. So the banks can easily capture the customer base through advertising. Personal selling has the direct relationship with the customers. Tele banking is an example for personal selling. It helps to have a good relationship for a longer period with the customers. These two are good ways for improving the brand equity.

All in all, the banks must have strategies and business decisions in choosing good promotional mix which leads to the enhancement of brand equity of the institution.

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ROLE OF FACTUAL EVIDENCE AND EXPERIENCE ON INTUITION AND STRATEGIC MARKETING DECISION MAKING

Anita Basalingappa

Abstract

Corporate world largely relies on empirical evidence for decision making. Decision making is a cognitive process resulting in the choice of a particular course of action from among options available. Strategic marketing decision making has never been easy. Strategic marketing decisions are best taken in a scenario where all or most relevant data is available which is ideal. Most of the times there is lack of information for empirical or factual decision making. It is best then to rely on intuition based decision making. Intuition has also been a key ingredient of decision making for managers in times when most relevant data is available. This research presents strategic marketing decision making based on intuition with some factual evidence versus intuition based on prior knowledge of the market.

Keywords: *Cognitive, Decision Making, Marketing Strategic,*

1. INTRODUCTION

In the Morden business world most of the Most studies (Betts, 2009; Dane et. al., 2007; Miller et. al., 2005; Dane et. al., 2004; Sagler-Smith et. al., 2004; Bonabeau, 2003; Loewenstein, 2001; Behling et. al., 1991; Simon, 1987; Agor, 1984; Roberts, 1857) have shown the increasing reliance of intuition in decision making. Simultaneously organisations are demanding rationale behind decisions as performance based decision making is on the rise in strategic marketing decision making companies. Business management schools focus more on courses that train participants in rational decision making rather than intuitive decision making. Though studies prove

intuitive decision making as more creative and rewarding, there is a premium to rational decision making and experience. However each of them is intertwined. It is not that organisations have a choice between intuitive and factual evidence based decision making. Most of the times organisations cannot afford to take decisions based on rational decision making as relevant data is not always available in totality and or on time. Organisations make decisions by one of the two ways: 1) Intuition based factual evidence 2) Intuition based on prior experience in other markets. Students who study in business schools are exposed to strengths and weaknesses of intuitive and factual evidence and prior experience based

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decision making. This research attempts to understand from a business school student's point of view, the role of factual evidence and experience on intuition and strategic marketing decision making.

2. RESEARCH METHODS

The proposed relationship between strategic marketing decision making, intuition, factual evidence and experience was tested based on 398 respondents. The sample was drawn from student population

participating in marketing simulation exercise in management institutes across three years. The marketing simulation course is based on MARKSTRAT. The questionnaire was administered after the students went through four days of marketing simulation on campus. 47% of the respondents had upto 3 years of work experience. And 9% of the respondents had more than 3 years of work experience. The gender and education of the sample are as in 'Table 1: Sample size and characteristics'.

Table 1: Sample size and characteristics

	Total #	Gender		Education			
		Female	Male	Arts	Commerce	Science	Masters
No experience	174	81	93	30	67	62	15
Upto 3 years	188	70	118	14	30	121	14
More than 3 years	36	10	26	1	15	13	7
Total	398	161	237	54	112	196	36

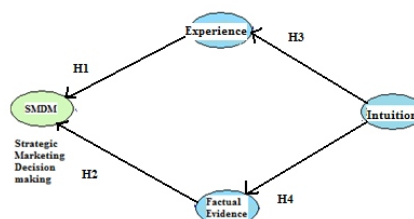
The scale was developed based on unstructured interviews with managers and literature review. The multiple item scales (See Appendix for Operationalisation of variables) were assessed by calculating the Cronbach Alpha coefficient. These multiple item measures were also factor analyzed to understand the items loading on each factor. LISREL 8.54 version software was used for testing relationships in the proposed model.

The proposed structural model for this research has three exogenous (independent) constructs and one endogenous (dependent) construct. The exogenous constructs are Strategic marketing decision making, factual evidence and experience. Intuition is the endogenous construct.

Results

The proposed model is as in 'Figure 1: Proposed path model'.

Figure 1: Proposed path model



The model converged with the following fit measures:

RMSEA: 0.064

df: 31

Chi square: 80.93

P value: 0000

GFI: 0.96
CFI: 0.88

Another indication that the model fits well is that the expected cross validation index (ECVI) for the model (0.32) is almost nearing (if not lesser than) than ECVI for the saturated model (0.28). The confidence interval for ECVI is from 0.27 to 0.40.

Hence it can be concluded that the model fits well and represents a reasonably close approximation.

The results indicate that intuition influences strategic marketing decision making through factual evidence. (Table 2: Results of the tested hypotheses, Table 3: Structural equations and Figure 2: Structural model and Figure 3: Full path model).

Table 2: Results of the tested hypotheses

	Link	Expected Sign	Standardised Estimate	T-value	Result
H1	Experience- Strategic marketing decision making	+	0.61	0.36	Partial support:
H2	Factual evidence- Strategic marketing decision making	+	0.89	3.97	Full support: sign as well as estimate
H3	Intuition- Experience	+	0.76	0.36	Partial support
H4	Intuition- Factual evidence	-	-0.30	-2.68	Full support: sign as well as estimate

Table 3: Structural equations

SMDM = 0.89*Factual Evidence + 0.61*Experience, Errorvar.= 0.086, R ² = 0.91	
(0.22)	(1.68)
(0.26)	
3.97	0.36
0.33	
Factual Evidence = - 0.30*Intuition, Errorvar.= 0.91 ,R ² = 0.090	
(0.11)	(0.29)
-2.68	3.11
Experience = 0.76*Intuition, Errorvar.= 0.43 , R ² = 0.57	
(2.08)	(2.36)
0.36	0.18

In parentheses are the standard error values and below the parentheses are the t-values

Figure 2: Structural model

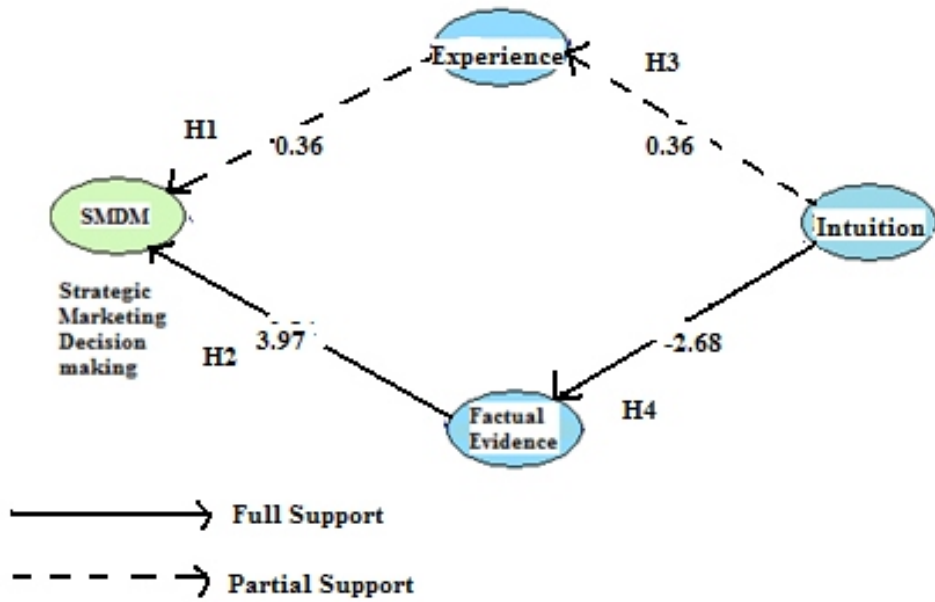
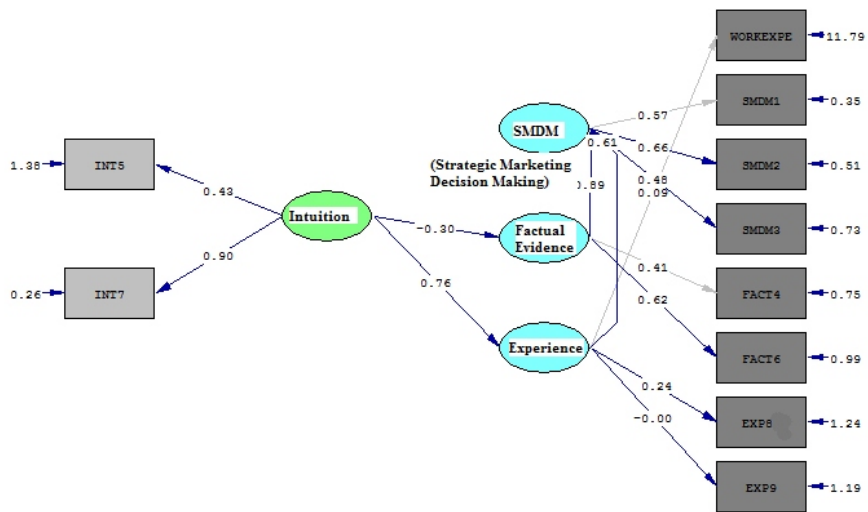


Figure 3: Full path model



Chi-Square=80.93, df=31, P-value=0.00000, RMSEA=0.064

(Refer to item code description in Appendix B: Operationalisation of variables)

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References will be made available on request.

APPENDIX A:

Operationalisation of variables

Construct	Number of items in each construct	Measures	Item code in path analysis	Cronbach's Alpha	Scale
Intuition	2	1. Use of intuition based data in decision making process Ability to use judgement for decision making rather than developing templates for decision making	Intuition Q5_1 Q7_1	0.826	5 point scale 5: Very high, 1: Very low
Factual evidence	2	1. Use of factual data in strategic decision making process Ability to develop templates for decision making rather than solely judgement	Factual Evidence Q4_1 Q6_1	0.788	5 point scale 5: Very high, 1: Very low
Strategic marketing decision making	3	3. Ability to understand and analyse data taking into consideration all the available data Ability to analyse the data in the given time period Ability to use the analysis rightly in strategic decision making process	SMDM Q1_1 Q2_1 Q3_1	0.851	5 point scale 5: Very high, 1: Very low
Experience	2	1. Do you consider yourself a high risk taker? Did your experience in Sonite markets help take decisions in Vodite markets?	Experience Q8_1 Q9_1	0.701	5 point scale 5: Definitely yes, 1: Definitely no

ENTERTAINMENT AREA AND ITS RELEVANCE IN INDUCING PESTER POWER A STUDY WITH REFERENCE TO CHICKING OUTLET

Hari Sundar.G.Ram¹ and D.Sudharani Ravindran²

Abstract

Kids mean business to marketers. Children have a big say in family decision to purchase many products. Marketers are trying to encash on the children's ability to nag their parents to induce purchase. A lot of marketing and advertising activity is aimed at children. Kids are increasingly influenced by commercialisations that often go against what parents are trying to do. The average family size in India is on a decline coming in now at almost 4. Rapid economic growth has resulted in greater incomes for the booming middle class. The eating out fast food culture which was predominantly a western lifestyle is fast catching up in India especially in the state of Kerala. A growing NRI population, high brand awareness among adults and children has led to a mushrooming of several Domestic, National and International eateries. Eating out being basically a family impulse decision, kids have major say in it. Fast food outlets are targeting kids by kids meal promos, toy promos, gifts, events and entertainment areas to draw their attention. Pester power is all the more relevant now. The study investigates the use of entertainment area at Chicking outlets to induce pester power.

Keywords: *Pester power, Entertainment area, Fast food outlets, Sales promotion, Kids*

1. INTRODUCTION

Pester power is a Child's ability to affect their parents marketing decision, often through the use of nagging or pestering. (Wikipedia). Sheth G. et.al.(2008) defined pester power as "the nagging ability of children to purchase the product they desire due to some reason". Pester Power is a term used to define a child's influence over the parent in the buying process (Turner et al, 2006).

With the advent of nuclear families and family planning efforts of the

government the power of pester is all the more relevant today. A child is pampered usually by father, mother, grandparents (4), uncles, aunts etc. With both parents working the lack of quality time to spend with children is usually replaced by showering gifts and also giving in to their demands. Internet and television have loaded the children with information from marketers on what they want. This coupled with the habit of taking out children for family shopping directly puts the kids at the mercy of the marketers advertising strategies. Information gained from advertisements has

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made kids more knowledgeable than parents on product features and hence, their pester or nagging cannot be simply put away. With high levels of disposable income parents give into the demands of their children, since the process of fending of demand is time consuming. Also the guilt factor of not able to spend quality time with kids adds fuel to the power of pester.

ChicKing offers the complete dine-in experience offering crumb fried chicken, the showrooms usually spread over 800 to 2000sq ft has a considerable area marked as Play area with toys for kids' entertainment. They claim to offer a complete experience full of fun, food and relaxation.

2. OBJECTIVES OF THE STUDY

- ◆ The current research is focussed on studying whether the presence of entertainment area helps in inducing pester power to draw kids and their family to fast food outlets (Pester power on adult decision making)
- ◆ It focuses on whether pester power increases repeat customer walk-ins
- ◆ The study would enable marketers to decide on whether to provide price discounts, freebies or kids entertainment in planning marketing activities.
- ◆ It would help fast food outlets in identifying their retail target audience.
- ◆ The researcher also tries to examine the sensitive issue of rising consumerism in children

3. LITERATURE REVIEW

Numerous studies have been done across the world to demonstrate how pester power is a major decision maker.

In their study Mark.D.Jekanowski ,James.K. Binkly and James Eales., (2001) states the demand for fast foods depends heavily on the demand for convenience. An increase in the number of fast food outlets in a market directly increases quantity consumed by decreasing the cost of obtaining a fast food meal. Thus it is observed that a number of look-alike fast food outlets with similar names have mushroomed.

Blattberg and Neslin (1990) defines sales promotions as an “action-oriented marketing event whose purpose is to have a direct impact on the behaviour of the firm's customers”. From the definition, it would be reasonable to conclude that fast food companies employ strategies other than food marketing to create consumer reaction to purchase their brand. Furthermore, the central role of marketing is to create value for its chosen customer (Silk, 2009). In the case of entertainment or play area for kids, ChicKing offers the customer added value by providing children with fun and an enjoyable experience.

Robert Mayer (1994) has stated that children not only attempt to influence their parents to make purchases of products of special interest to them, but also products of remote interest. Thus it may some time be that though the kid's do not want the fried chicken they may sometime lead the parents to the store for the entertainment area alone.

Fischer et.,al. (1991) had found that children as young as three recognised brand logos. According to Horgan Sheena (2005)

- Children at 18 months can recognise corporate labels
- Children as young as two years make consumer choices
- By two to three years can draw brands
- By four years have developed consumer preferences and use information from advertisements to develop these
- five years actually purchased brands

From Fischer et.al. (1991) and Horgan Sheena (2005) it is evident that kids preference or pester for fast food outlets is not any look-alike one but particular and specific choice.

Claire Lambert and Richard Mizerski(2011) found that toy premiums tended to reinforce loyalty to restaurants.

Swathi Soni & Markarand Upadahaya(2007) have found that top five products for which kids have pestered their parents include Fast food restaurants, Own clothing, Chips , Chocolates and Games & toys. ChicKing Outlets having four of the five top pestered products gives it a visible advantage to attract kids.

Margaret, Anne Lawlor and Andrea Prothera(2010) suggested that children understand the various responses that parents make to purchase requests , for example, agreement, refusal, procrastination and negotiation and their parents nature of such responses. They thus suggest that pester power has a healthy effect on child parent relation.

Dammler (2005) has found that a brand with which a child gets influenced

with improves his position in the peer group and the child's esteem substantially.

Kaur et.al, (2006) found that for some of the products the kids are active initiators, information seekers and buyers, whereas for some other products, they are influencers who lure their parents into becoming buyers. In the case of eating out at fast food outlets the kids serve the dual roles.

Deval Godhani, Divyesh Khant and Ashwin Jadeja(2012) state that parents found the practices adopted by marketers as unethical.

Kadambini Katke(2007) sates television pumps in lot of junk food and snack advertisements. Indian child on an average get exposed to not less than 20 attractive messages of these product. More time spent with television viewing more exposure to these messages (repeat advertisements message result into placing the brand on top of the mind) will result into buying the brand illustrated in the advertisements.

Her study also reveals that most of the time children determine the family budget. There is greater influence on food items and toys.

4.0 RESEARCH METHODOLOGY

Descriptive research was carried out to find out the pestering effects of children to induce purchase. The research survey was conducted at 3 major outlets of ChicKing located at Ernakulam district. A sample size of 45 respondents who were accompanied with children in the age group

of 3 to 6 years was surveyed. Children in this age group were selected because the entertainment area at ChicKing consisted of toys for children in this age profile. The respondents were personally interviewed with a structured questionnaire. Since a personal interview technique was used only in-store traffic was sampled. Due to the constraints of time convenience sampling technique was used 15 people accompanied by children in the age bracket of approx 3 to 7, at each outlet that consented to the survey were interviewed. Respondents were interviewed over the weekend at evenings to get a proper representative sample.

5. ANALYSIS OF THE DATA

Various hypotheses were assumed to carry out analysis of the data. The set of hypothesis was then checked using statistical tests.

1. H0: The presence of a play area will have no influence on the child accompanying the meal buyer
Ha: The presence of a play area will be positively associated with the child accompanying the meal buyer

		Accompany	Implications
Play-area	Pearson Correlation	.831**	H0 Rejected
	Sig. (2-tailed)	.000	
	N	45	

** . Correlation is significant at the 0.01 level (2-tailed)

This means that there is a strong relationship between the two variables. This means that changes in one variable is strongly correlated with changes in the

second variable. Pearson's r is 0.831. This number is very close to 1. For this reason, we can conclude that there is a strong relationship between play-area and the child accompanying the meal buyer

2. H0: The presence of children accompanying adults will make no difference in their purchase
Ha: Respondents with children accompanying them will report higher purchase

		Spend more	Implications
Play-area	Pearson Correlation	.885**	H0 Rejected
	Sig. (2-tailed)	.000	
	N	45	

** . Correlation is significant at the 0.01 level (2-tailed).

Pearson's r is 0.885. This number is very close to 1. For this reason, we can conclude that there is a strong relationship between the child's time spent at play-area and the adult waiting for the child making higher spends.

3. H0: Presence of play area does not make children frequent the same outlet
Ha: Presence of play area makes children insist on the same outlet

		Insist	Implications
Play-area	Pearson Correlation	.815**	H0 Rejected
	Sig. (2-tailed)	.000	
	N	45	

** . Correlation is significant at the 0.01 level (2-tailed).

Pearson's r is 0.815. This number is very close to 1. For this reason, we can conclude that there is a significant relationship between Play area and kids insisting on the same fastfood outlet. Thus the child is brand conscious.

4. H0: There is no significant relationship between entertainment area and pester power at fastfood outlets

Ha: There is a significant relationship between entertainment area and pester power at fastfood outlets

	Insist	Implications
Pearson Correlation	.776**	H0 Rejected
Sig. (2-tailed)	.000	
N	45	

** . Correlation is significant at the 0.01 level (2-tailed).

Pearson's r is 0.776. This number is very close to 1. For this reason, we can conclude that there is a significant relationship between entertainment area for kids and pester power at fast food outlets.

Healthy vs Junk food

	Spend more	Implications
Pearson Correlation	-.634**	H0 Rejected
Sig. (2-tailed)	.000	
N	45	

** . Correlation is significant at the 0.01 level (2-tailed).

This is a negative correlation. This means that as one variable increases in value, the second variable decreases in value .We could conclude that since people tend to perceive crumbed chicken as unhealthy they tend to spend less. But the power of pester still makes purchase inevitable.

	Mean
convenience	4.96
me	1.84
say	5.56
playarea	5.69
Spend more	5.40
insist	5.29
healthy	1.87
reward	5.18
unacompanied	2.78
tantrum	4.78
Valid N (listwise)	45

From the mean study it is evident that playarea has the highest mean followed byinsisting of kids which has the highest influence on pester power and purchase pattern of adults with kids.

6. CONCLUSIONS

From the analysis of data the following results and suggestions can be summed up

Convenience of location of and the mushrooming of outlets has created a fast food culture in the state which has made kids susceptible Children have a considerable say in making eating out decisions for the family and also are very brand loyal. Kids recognise brands and insist on ChicKing outlets. They

also are seen rushing to the play area as soon as they enter the store. Hence marketers of fast food should increase the overall ambience to make the outlets catchy to the child.

Kids do not give much importance to the food that is served and are keener on the entertainment provided. They are solely attracted by the play area and consider the eating out only as an excuse to draw the parent to the outlet. Marketers can design outlets based on cartoon characters and should organise theme parties for kids on weekends and holidays to draw them. Price discounts do not make any change in purchase of fast-food for parents with kids.

The parent usually tends to order or eat more to give the child ample time to play. Also the guilt of the kid spending more time at the play area makes the parent increase the bill size. Thus the advertising and marketing of fast food outlets can be kid oriented. All promo activities should be designed to want the kid to stay for longer at the outlets which in turn increases bill size.

Though the parents are aware that the food at ChicKing is unhealthy they are drawn to the outlet because of pester. They also tend to reward the kid for doing well by promising visits to the outlet. However health conscious parents tend to spend less. Marketers

should introduce healthy alternative snacks to tap on the increasing health aware consumer.

Pester power is a very important tool and plays a considerable roll in creating purchase.

It is also observed from the analysis of the questionnaire and personal interview that there is a growing trend in child consumerism. Advertisements targeting kids, single kid double income families, lack of quality time of parents, sentimental spends etc are raising child consumerism which seems to be a dangerous trend in child upbringing.

Parents offer a visit to fastfood outlets as a reward for doing good. This concept can be capitalised by marketers in offer to arranging birthday parties and other incentive linked programs.

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STUDY ON CONSUMER SATISFACTION TOWARDS BRANDED CONSUMER NON DURABLES

A study with reference to rural consumers in Kerala

Hari Sundar.G.Ram¹, Bibin Markose²

Abstract

Considering the changing rural consuming system the rural consumers are becoming more concerned about the branded items not only in the case of consumer durables but on non durables also. Hence the study is undertaken with the objective of analyzing the consumer satisfaction towards the non-durables. The study was confined to three districts of Kerala representing north, south and central zones covering a sample of 300 rural consumers and analyzed with the help of indices. The study highlights the fact that distribution net work of the producers are seemed to be effective, it is seen that for 'availability' factor consumers recorded highest level of satisfaction for all selected products. It is also noted that for price the level of satisfaction is the lowest, which implies that if the products are offered into low price, there is a scope for expanding market share of the products.

Keywords: *Rural consumer, Non-durables, Consumer satisfaction, Reference group*

1. INTRODUCTION

It is well established that consumers in rural areas are different from consumers in urban areas. The rural market itself is diverse with vastly different behaviour across different geographical locations or across buyer groups. Their purchases reflect their level of income, preferences towards different cultural and social practices, and their standard of living. The place of purchase of a product and product usage vary according to consumers, products and situations and add to the complexity in the

behaviour of rural consumers. The sophistications in approach to the rural markets are clearly a necessity and starts with recognition of the non-existence of the average rural consumers.

2. PURPOSE OF RESEARCH

The behaviour of consumers differs from product to product. The decision making process; based on the nature of the products vary from complex decision making process to habitual buying

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behaviour. Usually complex and extensive decision making involved in purchasing, high value, long durable products whereas routine and habitual decision making involved in low value, essential and daily used products like non durables or consumables. However due to the changes in the rural market scenario and the efforts of the marketers to convert low involvement products to higher involvement products by increased product features, arrival of large number of brands with differential prices discounts incentives offers etc. rural consumers are more conscious towards product choice and go for branded items even for consumer nondurables. Thus, even for consumer non-durables consumers' involvement become very high. This calls for need for understanding the rural consumers satisfaction level with respect to branded consumer non durables .

3. OBJECTIVE:

To assess the level of satisfaction of rural consumer's towards branded non durables

4. METHODOLOGY

The study was confined to three districts of Kerala representing north, south and central zones. The districts selected were Thiruvanthapuram, Thrissur and Wayanad. Through multi stage sampling procedure one panchayath from each district and three wards of each panchayath were selected. Thus the present study was confined to Athiyannoor Panchayath of

Trivandrum District, Mattathur Panchayat of Thrissur District and Pulpally Panchayath of Wayanad District.

From each of the above Panchayath three wards were selected randomly and 100 consumers were selected from the selected wards using random sampling. Thus a total of 300 household consumers constituted the sample of the study. A structured schedule was used to conduct the survey during the period 2011-12

4.1 Statistical Tools used for the study

For analysing the satisfaction out of the selected products by the respondents, satisfaction indices were calculated andkruskal value test was used for testing the significance of the result. :

4.1.1 Kruskal Wallis test

The Kruskal Wallis one way analysis of variance by ranks is an extremely useful test for deciding whether the independent samples are from different populations. It will explain whether the differences among the samples signify genuine population differences or whether they represent merely random samples from the same population.

The Kruskal Wallis test was applied here by using the formula:

$$H = \frac{12}{N(N+1)} \sum_{n=1}^k n_j \frac{R_j^2}{n_j} - 3(N+1)$$

Where,

K = number of samples

n_j = number of ? in jth sample

N = ? n_j, the number of cases in all samples combined

R_j= Sum of ranks in jth samples

$\sum_{n=1}^k$ directs one to sum over the K samples.

4.2 Product selection

For the purpose of the study ten products two each from five categories of consumer non durables viz. food items (rava, wheat flour) Toiletries (Bath soap and toothpaste). Beverages (tea, coffee) processed fruits and vegetables (jam and

pickles) and edible oil (Coconut oil and Palm oil) were selected.

5. ANALYSIS AND DISCUSSIONS

5.1 Users of Selected Consumer Non-Durables

The survey of 300 consumers revealed that 77 per cent of the total respondents were the users of rava and 83 percent of respondents were using wheat flour. the usage of toothpaste, bath soap and coconut oil were used by almost all selected consumers. However jam is used by only 52 percent of the respondents and 73 percent of the respondents were using palm oil

5.2 Satisfaction towards Rava (ND₁)

Table 1- Satisfaction Index (Rava)

ND ₁	Total N=		Kruskal Wall's Test	
	Score	SI	λ^2	Assy.sy
Quality (V ₁)	439	64	8.41	0.015
Price (V ₂)	292	19	0.926	0.629
Availability (V ₃)	583	85	51.42	0.000
Packing (V ₄)	468	66	28.515	0.000
Taste (V ₅)	442	65	69.152	0.000
Total	2211	685		

It is clear from the table that, the satisfaction index lies in the most favourable zone with respect to availability of the product in the 3 zones and for other variables satisfaction index fall under moderately satisfied zone. It can be further inferred from the table that for the variable price the level of satisfaction is the lowest.

The Kruskal-Wall's Test in the case of rava revealed that λ^2 varies from 8.412 to 69.152. The agreement among the respondents with respect to level of satisfaction was found to be significant for the characters like availability, packing and taste. There was difference of opinion regarding the trials like quality and price.

5.3. Satisfaction towards Wheat flour:

Table 2 Satisfaction Index (wheatflour)

ND ₂	Total N=		Kruskal Wall's Test		
	Score	Score	SI	λ^2	Assy.sy
Quality (V ₁)	181	247	66	12.693	0.602
Price (V ₂)	99	131	35	10.114	0.006
Availability (V ₃)	254	269	72	1.932	3.81
Packing (V ₄)	172	248	66	12.569	0.002
Taste (V ₅)	263	239	64	5.242	0.73
Total	-	1134	-		

Table 2 revealed was very low in the While looking into the total consumers it is evident that for 'price' the level of satisfaction is the lowest and highest is recorded with respect to availability. For other variables consumers are moderately satisfied.

Kruskal Wall's test with respect to the above observations revealed that more association in the opinion of the respondents can be noticed with respect to quality, price and packing. But for availability and taste the significance is only 38 per cent and 7 per cent probability level respectively.

5.4. Satisfaction towards Bath soap

Table 3 Satisfaction Index (bath soap)

ND ₃	Total N=		Kruskal Wall's Test	
	Score	SI	λ^2	Assy.sy
Quality (V ₁)	1055	72	12.549	0.002
Price (V ₂)	764	52	6.130	0.047
Availability (V ₃)	1445		14.798	0.001
Packing (V ₄)	1211		17.881	0.000
Taste (V ₅)	1684		14.868	0.001
Total	5859			

The analysis revealed that for all selected variables consumers were mostly satisfied except in the case of price. From the table, it is further noted that value, t^2 Value ranges from 6.130 to 17.881 from variable one to five compared to table values

almost all values are found to be significant and hence we may infer that the level of satisfaction among the respondents with respect to the variables are inter related and significant in the regions.

5.5. Satisfaction towards Toothpaste Tooth Paste

Table 4 Satisfaction Index (tooth paste)

ND ₄	Total N=		Kruskal Wall's Test	
	Score	SI	λ^2	Assy.sy
Quality (V ₁)	1023	70	3.183	2.04
Price (V ₂)	282	53	3.525	0.172
Availability (V ₃)	1383	94	1.287	0.525
Packing (V ₄)	925	63	70.676	0.000
Taste (V ₅)	1041	71	78.568	0.000
Total	5154	1031		

An analysis of the consumers as a whole reveals that the variables like availability, taste and quality high level of satisfaction can be noticed and for other variables the level of satisfaction is only average.

The association of respondents

with respect to the level of satisfaction was also tested and Kruskal Wall's Test revealed that the t^2 value varies from 1.287 to 78.568. With respect to packing and flavour the value found to be significant and for other variable the agreement among the respondents is very poor.

5.6. Satisfaction towards Tea

Table 5 Satisfaction Index (tea)

ND ₅	Total N=		Kruskal Wall's Test	
	Score	SI	λ^2	Assy.sy
Quality (V ₁)	726	61	10.064	0.007
Price (V ₂)	589	49	10.837	0.004
Availability (V ₃)	1068	89	53.203	0.00
Packing (V ₄)	754	63	96.946	0.000
Taste (V5)	850	72	14.172	0.000
Total	3946	67		

It was evident from the table that except in the case of availability all other variables fall under moderately favourable zone. The Kruskal Wall's Test with respect

to tea proved significant for all ...values of the five variables. Thus our claim that variables are important is reassured

5.7. Satisfaction towards Coffee:

Table 6 Satisfaction Index (Variable wise)

ND ₆	Total N=		Kruskal Wall's Test	
	Score	SI	λ^2	Assy.sy
Quality (V ₁)	545	68	68.729	0.000
Price (V ₂)	417	52	38.405	0.000
Availability (V ₃)	737	92	62.326	0.000
Packing (V ₄)	566	70	10.025	0.007
Taste (V5)	591	73	6.780	0.034
Total	2850	70		

The result revealed that for 'availability' the consumers was mostly satisfied and for all other variables, their level of satisfaction was only moderate. .

The Kruskal Wall's Test with

respect to coffee proved significant for all λ^2 values of the five variables. Thus our claim that variable are important is re-assured and there is agreement among the respondents regarding the level of satisfaction.

5.8 Satisfaction towards Jam

Table 7 Satisfaction Index (jam)

ND ₇	Total N=		Kruskal Wall's Test	
	Score	SI	λ^2	Assy.sy
Quality (V ₁)	554	71	30.347	0.000
Price (V ₂)	532	68	135.568	0.000
Availability (V ₃)	712	91	44.622	0.000
Packing (V ₄)	553	70	10.311	0.006
Taste (V ₅)	648	81	25.819	0.000
Total	70	350		

As revealed in table 7 the level of satisfaction towards availability, taste and flavour fall under mostly favourable zone and other variables under moderately satisfied zone. The test of above observations revealed that the λ^2 values

varies from 10.31 to 135.568 from variable one to five. When compared to table values all are highly significant. Thus we can infer that there is agreement among the respondents with respect to level of satisfaction.

5.9. Satisfaction towards Pickle

Table 8 Satisfaction Index (pickle)

ND ₈	Total N=		Kruskal Wall's Test	
	Score	SI	λ^2	Assy.sy
Quality (V ₁)	222	63	9.584	0.008
Price (V ₂)	185	53	39.731	0.000
Availability (V ₃)	300	86	69.000	0.000
Packing (V ₄)	225	64	18.687	0.000
Taste (V ₅)	225	64	30.326	0.00
Total				

An overall analysis showed that except for 'availability' factor for the rest of the variables only fell under moderately favourable zone and for 'availability', they

are highly satisfied. The significance of the above observation was tested and the result revealed that λ^2 value with this respect varies from 9.584 to 69.000.

5.10. Satisfaction towards Coconut oil

Table 9 Satisfaction Index (coconut oil)

ND ₉	Total N=		Kruskal Wall's Test	
	Score	SI	λ^2	Assy.sy
Quality (V ₁)	420	69	13.941	0.001
Price (V ₂)	249	40	23.476	0.000
Availability (V ₃)	502	82	66.943	0.000
Packing (V ₄)	406	66	9.036	0.011
Taste (V ₅)	542	89	22.858	0.000
Total				

It is evident from the table that 'price' come under the least satisfied zone and for the rest of the variables high level satisfaction is recorded in all the three zones.

The Kruskal-Wallis Test with respect to above observation shows that but

for packing for all other four variables agreement among the respondents in the opinion was found. There was poor agreement regarding packing and it was found significant at 11 per cent probability level.

5.11 Satisfaction towards Palm oil

Table 11 Satisfaction Index (palm oil)

ND ₁₀	Total N=		Kruskal Wall's Test	
	Score	SI	λ^2	Assy.sy
Quality (V ₁)	258	67	74.000	0.000
Price (V ₂)	215	56	3.187	0.262
Availability (V ₃)	342	89	2.840	0.242
Packing (V ₄)	247	64	12.566	0.002
Taste (V ₅)	262	68	6.399	0.41
Total				

The consumer index of palm oil revealed that highest satisfaction index 89 was recorded for availability and lowest for price. For the rest the satisfaction index was on an average 75. The Kruskal Wall's Test revealed that the values varies from 2.84 to 74.00 . High level of significance can be noted with respect to the traits like quality, packing and taste. For other characters like price, availability. The significance was only at 20.2 and 24.2 per cent respectively.

6. FINDINGS OF THE STUDY

- In the case of Rava, satisfaction Index lies in most favourable zone with

respect to availability of the product and for other variables it come under moderately favourable zone .

- Satisfaction Index for wheat flour revealed that satisfaction towards availability was very high and it was low for price
- The analysis with respect to bath soap revealed that consumers were highly satisfied except in the case of price.
- For tooth paste the level of satisfaction with respect to availability was very high and very low with respect to price irrespective of regions.
- Satisfaction Index of tea shows that but

for availability all other variables fall under moderately satisfied zone and high level of satisfaction can be noticed for availability factor.

- In the case of High level of satisfaction was recorded for availability factor and for all other traits the satisfaction was only moderate.
- In the case of Jam g the consumers as a whole moderate level of satisfaction can be noticed except in the case of price.
- Satisfaction index of pickle showed that, satisfaction towards price is very low .
- The analysis with respect to the satisfaction towards coconut oil revealed that price come under the least satisfied zone and for other variables, high level of satisfaction was recorded irrespective of regions.
- The level of satisfaction towards palm oil showed that highest satisfaction was recorded in the case of availability factor .

7. CONCLUSIONS AND SUGGESTIONS

The variable-wise level of satisfaction Index as explained above highlights the fact that distribution net work of the producers are seemed to be effective, it is seen that for 'availability' factor consumers recorded highest level of satisfaction for all selected products. It is also noted that for price the level of satisfaction is the lowest, which implies that if the products are offered into low price, there is a scope for expanding market share of the products. A further study was required

to identify the taste difference among the consumers of different regions by the marketers of the product. As a whole it can be inferred that the marketing strategies adopted by the manufacturers/producers should suit to the different regions of Kerala especially with respect to taste and price of the product. Adoption of the same kind of marketing strategies should not be enough for penetrating the rural market. Suitable modification should be adopted considering the socio-economic conditions of rural consumers

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PESTER POWER AS A STRATEGIC TOOL FOR ADVERTISERS A STUDY WITH REFERENCE TO THIRUVANANTHAPURAM, KERALA

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Abstract

This research paper in albeit provides an empirical study on the various drivers of pester Power and tries to identify the most influential source creating pester power. The study also attempts to study the impact of pester power on final Purchase derision. The key literature on pester power is reviewed. Primary data was collected from a sample of 84 children aged 3-7 and 8-12 using questionnaire survey. Various statistical methods such as Pearson correlation, Linear Regression and Chi tests were employed using SPSS version 16.0 to analyze the data. Children regard TV commercials as an important information source for new product. However, they also place greater level of trust in interpersonal information sources, especially in their parents who are perceived as the most credible information source with respect to their learning about new food products. Also it has been verified that the extent to which no of children is directly effecting the degree to which children are able to influence their parent's decision. The study has made a contribution to the extant literature on children as consumer. The findings would be valuable in assisting companies, especially those in the food and FMCG industry, to have a better understanding of children's buying behavior.

Keywords: *Pester power, Consumer, Attitude, Advertisement, Behaviour*

1. INTRODUCTION

If advertisement to consider the most influential, evergreen fashionable tool of promotion, than using children in advertisement is the most popular trend. Marketing guys are obsessed with featuring children in advertisement sand catering to their 'needs'. "Pester power" refers to children's ability to nag their parents into purchasing items they may not otherwise buy. Marketing to children is all about

creating pester power, because advertisers know what a powerful force it can be.

Marketing guys are obsessed with feat tiring children in advertisements and catering to (heir 'needs'. From "My Daddy strongest" to "Mummy ka magic chalega kya", to "Daagachcheu hai" they are all over flooded with exposing children be it cough drops or pain killers, vacuum cleaners or water purifiers, tooth pastes or floor

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cleansers, automotives or even home appliances. They are no longer being treated as passive viewers, but are targeted as 'influencers' in household buying. And it is not just because this burgeoning brood is demanding more clothes, more shoes, more toys and more games. Rather, these kids, who could be three-year-old tykes, are huge influencers in their parents' big-ticket purchases - from luxury cars to laptops. Experts peg the market for products and services in which kids play the role of an influence at an astounding \$100 billion (Rs 450,000 crore).

1.1 Drivers of Pester Power: The Major Factors Responsible for Pester Power

Indian society has undergone a sweeping change in terms of the structure and environment of its vital institution- The Family.

More working women and consequently more dual income families.

Grand parents' increasing role in bringing up children because of working mothers. Grand parents' are the fastest growing income sources for the children.

Rise in the number of single parent households- Research supports that children in single parent households make their first purchases almost a year earlier than their two-parent household counterparts.

Delayed Parenthood- This results in parents with more disposable incomes at the time their children are born.

Greater Exposure to Kids - There is an ever-increasing exposure to kids both in terms of technology and mass media.

The pang and guilt of not being able to spend much quality time with children is compensated by smothering them with material goods.

Hurried Child Syndrome and Hyper parenting- Parents today overscheduled their children's life with a heavy dose of academics and extracurricular activities, forcing the little adults to excel both at school and extra academics.

The 'Askable Parent- The great authoritarian divide between parents and children is inexistent. 'Parenting' is out and being pals/friends to the children is the in thing. Communication between parents and children has opened up considerably and the stereotypical roles have become rarer. This endearment encouraged the wanton kids to ask for material pleasures which they know would never be denied by their parent turned pal.

Growth of Retail Sector There appears to be a high positive correlation between the growth of the retail sector and the development of the kids market. There are opportunities galore. Every department has a space assigned exclusively for kids merchandise ranging from Krishna apparels to Power Ranger bikes. A perfect example is the growth of indoor amusement centres in malls targeted to children.

Kids Channels-The dedicated channels to kids programming target kids in two ways-'eye-balls' on channels that is, viewing and brand promotions. Cartoon Network and Disney lead the pack.

The paper touches upon this sensitive issue and tries to identify the most influential drivers of Pester Power. The secondary issues which were highlighted through the research papers were identifying the conditions/ factors in which a marketer are best able to create Pester Power through advertisement. The study also attempts to identify condition for parents response towards child tantrums. This includes factors like Watching hours; Age Group and number of children in a family etc.

2. REVIEW OF LITERATURE

Today's children are unique in many ways from previous generations, but perhaps the most influencing on our young children today is Television advertisements, "In 1997, the nation's estimated 34 million children age 12 and under will have spent or influenced spending of a record \$500 billion" (Horovitz 1997). There is obviously a great deal of interest in this subject, many books have been written, and many studies and reports done on the effects of TV advertising on children.

Children don't just have their parents buy their toys, but they make purchases of their own. Children's spending has roughly doubled every ten years for the past three decades, and has tripled in the 1990's. Kids ages 4 to 12 spent \$2.2 billion in 1968 and \$4.2 billion in 1984. By 1994, the figure climbed to \$17.1 billion and by

2002, their spending exceeded \$40 billion. Kids direct buying power is expected to exceed \$1.8 billion by 2006 (Laws, 2003). No matter how you look at it, advertisers choose children because they are the most easily influenced and will spend their money if they find something interesting.

A growing awareness was developed during the 1990s that children had enormous market potential, not as one market but as three a current market spending their own money in order to satisfy their own needs and wants, an influential market attracting a substantial amount of parental expenditure, and a future market that eventually will constitute all the customers for a firm's services (McNeal and Yeh, 1997).

Compared to children with siblings, the only child generation tends to present certain characters in that they appear to be less cooperative with their classmates, less task-oriented, and possess fewer leadership qualities (Hall, 1987).

John (1999) proposes a model of consumer socialisation in which children learning to be consumers are theorized to undergo a developmental process in three stages: from the perceptual stage through to the analytical stage, followed by the reflective stage as they mature into adult consumers.

Ward et al. (1977) utilised the learning theory to explain consumer socialisation and postulated "a basic component of children's learning about the marketplace is knowledge of sources of

information about products." Socialisation agents are the influential sources that convey norms, attitudes, motivations, and behaviours to the learner (McLeod and O'Keefe, 1972). Much evidence shows that parents, peers, mass media, stores, schools, brands, and products themselves and their packages are all sources of information, namely socialisation agents (Ward, 1974; Moschis and Churchill, 1978; Moschis and Moore, 1979; Moschis, 1987; Dotson and Hyatt, 2005). Mascarenhas and Higby (1993) classified sources of influence upon teen's shopping into person and situation factors, such as opinions and attitudes towards product, brand and store, market advice and purchase values and norms available from parents, peers and the media.

2.1 Parents as the Primary Socialisation Agent

The influence of family on consumer socialisation appears to produce effects more through the subtle social interactions between parents and their children than purposive education effects carried out by parents (Ward, 1974). During the processes of direct communication between parents and children, parents influence their children's interactions with other consumer influence sources, and play a role to modify the effects of other socialisation agents upon their children, such as mass media and peers groups (Moschis, 1985, 1987). In terms of the relative importance of different information sources, television, parents, store visits and friends were ranked as the most important sources of information by Chinese children (McNeal and Ji, 1999).

2.2 Mass Media as Socialisation Agent

While parents are considered the primary socialisation agents of children, "no other agent of consumer socialisation has received more attention (in the literature) than the mass media" (Moschis, 1987, p.121); Nowadays children are in the environment of the omnipresence of television in which programmes and commercials are used with persuasive intentions. Considerable evidence has shown that the more children interact with the mass media, the more consumer behaviour learned by children and the more consumer socialisation occurs (Moschis and Churchill, 1978; Moschis and Moore, 1982; O'Guinn and Shrum, 1997).

2.3 Retailer as Socialisation Agent

Retailers can be logically expected to be significant consumer socialisation agents, also, because of the regular and frequent store visits by children and the interactions between the two parties (McNeal and Ji, 1999, p.347). Research shows that the average ten-year-old child goes shopping 250 times per year, or approximately five times per week (Dotson and Hyatt, 1994). The more often parents take their children shopping, the more conscious the children become of the information about products such as price and brands (Shim et al., 1995). Shopping was listed by children as their second favourite after-school activity after watching T V (Schnlman and Clancy, 1992).

3 RESEARCH METHODOLOGY

3.1 Objective of the Study:

The major objectives of the study are to ascertain the prime reason that creates pester power.

1. To identify the most influential tool creating Pester Power.
2. To identify which part of commercial is most retained by the kids most.
3. To identify how parents respond to their child tantrums.
4. To identify whether child respond differently for different category of product.
5. To identify whether degree of pester power is different for different age group kids.

3.2 Research Design

Research design is descriptive in nature. Based on the objective of the research the study was carried out involving both primary and secondary data. The primary data was collected through questionnaire for the survey from Thiruvananthapuram district, the capital of Kerala as this is the district which has a cosmopolitan population owing to the number of various Government and Central Government offices which has people from across the country working. The children of 3 primary schools were asked to take the questionnaire home for completion and return it to their teachers within three days, the questionnaire was divided into two part: Part A to be filled by the kids and Part B by the parents. Empirical data were collected from the children of two age group viz: 3-7 and 8-12. Children of these ages were expected to be mature enough and have been found in previous studies to be:

Active, independent shoppers (McNeal, 1992); Highly cognitive of their consumption choices (Belkelal.,1982);and Knowledgeable about products and brands (Ward et al, 1977).

A list containing eight items was presented 4 from the eatable category and other four were grocery items and the children were asked to report what was most likely source for them to learn about a new type of each. The list was compiled after a two-week observation on which products were most frequently advertised. In the first part, children's media exposure and shopping habits were examined, questions related to the impact of socialisation agents such as peers, attributes of products, and brands and children's information sources of new products were investigated. The total of 100 questionnaire were distributed and 84 were returned back giving a return rate of 84%.

Data Analysis and Interpretation TV Viewing Watching Hours

Refer-Table I, 38 percent of the children were heavy viewers (more than 3 hours per day in weekdays), 30 percent were moderate viewers (less than 3 hours per day in weekdays), and 32 percent light viewers (Less than one hours).

Demand from the Parents

Figure I summarizes the children demand patterns towards the two categories of products. Pester Power seems to be more for eatable product category as compared to FMCG products. Surprisingly the pattern of kids' remembering the commercial are almost the same as that of demand pattern. On asking the question that which part of the commercial they remember the most the following result was obtained *Table II*. The above figure shows that brand celebrity and slogan are the parts of commercial which are best retained by the kids.

The research also tries to identify the most informative/influential source creating Pester Power. It can be concluded through the research that children finds television as the most informative source followed by the friends/peers pressure. *Table III*

Inferential Analysis

The role of TV and the child watching behavior on children response
Ha1: No. of watching hour effect the children response to product they saw on TV.

Pearson Correlation (r) was conducted to test if there were relationships between hours that children spent watching TV and the attitudes toward products advertised on TV. Surprisingly no significant relationship were found between the hours children spent watching TV and the desire to buy the products advertised on TV ($r=0.079, p=0.475$). *Table IV*

Attention Behaviour towards TV Commercial Ha2: children attitude towards TV commercial effect their degree of pester power.

With regard to the degree of attention paid to TV commercials, the result suggested that the degree of pester power towards product was significantly correlated to the attention paid to TV commercials. A linear regression was undertaken. The criterion variable included the items for kids response towards the product, while the independent variables consisted the degree of attention paid to TV commercials respectively. The regression provided a statistically significant r^2 of 0.074 ($F=6.525; P=0.012$), further the value of t-statics

corresponding to the coefficient of number of children is 2.554 and is significant which shows that the correlation is positive , moderate and significant.

The above two results indicated that children's attitude towards products advertised on TV may not be significantly related to the number of hours that they watched TV and the degree of attention that they paid to advertising has a strong impact on the degree of pester power shown by the children. *Table. V*

Age Group as an Important Factor Influencing Child Behavior

Ha3: Child behavior differs age wise

A strong positive correlation between age group and degree of pester power created is identified. Since p value is .029, which is less than the sig level (.05) the null hypothesis is rejected stating that the age group of kids definitely pose an impact on the parents reaction towards child tantrums. The coefficient of correlation is .239. The value of t-statics corresponding to the coefficient of number of children is -2.225 and is significant which shows that the correlation is negative , moderate and significant. The value otr2 is .057 and F value is 4.950 which is significant as indicated by p value(.029). *Table VI*

Ha4: Kids response towards a product they saw on television differs Gender Wise

No significant differences were found between genders: girls were equally likely to state their demand as indicated by the chi square value (3.747 with $p=.290$). *Table VII*

Age Group and number of Children in the family as factors influencing parents response towards their kids Pester Power
Ha3: no of children in a family influence the parents response to the child tantrums

The research also focus on identifying a relationship between number of children in a family and the parents reaction towards the child tantrums Since p value is .0000 which is less than the sig level (.05)the null hypothesis is rejected stating that the number of kids definitely pose an impact on the parents reaction towards child tantrums. The coefficient of correlation is .510. the value of t-statics corresponding to the coefficient: of number of children is - 5.370and is significant which shows that the correlation is negative , moderate and significant. The value of r2 is .260 and F value is 28,837 which is significant as indicated by p value(.000). *Table VIII*

Ha5: age of children affect the parent's response towards the child's tantrums

The research also tries to identify weather the age group of children has an impact on the Parents response. A negative, moderate and significant correlation is identified The value of r2 is .120 and F value is 11.178 which is significant as indicated by p value.(001). *Table IX*

4. FINDINGS

Advertising influences the minds of children, which creates a need to own that particular product being advertised. Glossy images on the magazines or billboards or flashy advertisements on television only create the urge for impulsive buying.

Parents who cannot deal with the rising demands or temper tantrums only tend to give in to the demands of their children. Children then get used to a certain kind of lifestyle, which is shown on the television or through various media. This only creates a very wrong impression on their young minds making them lose the ability to live a life without relying on materialistic joys. In short this study illustrates the integration of three levels of influence on Pester Power behaviour: Interpersonal, Environmental, and the products. The interpersonal influences considered are those from parents and peers. The environmental influences refer to the exposure to television and shopping visits. The attributes of products include brand name, taste, price and package. The study has produced the following major findings:

Advertisement, especially TV commercials, plays an increasingly important role in children's learning about new products and exerts growing influence on their preferences for certain items. The power of advertising thus, cannot be ignored.

No. of watching hour do not effects the children response to product they saw on T.V.

Children attitude towards TV, commercial effect their degree of pester power.

Children's altitude towards the television commercials also differs age wise.

Gender differences have no effect upon children's consumer socialization.

No. of children in a family negatively influence the parents response to the child tantrums

Age of children has an impact on the parent's response towards the child's tantrums

5. MANAGERIAL IMPLICATIONS

The research has a number of implications for marketers targeting children, age group can be a major variable used to reach children using media strategies. It might be more effective to target kids in the age group of 3-7 using commercial advertisement strategies. On the other hand gender might not be an effective segmentation to target using commercial sources. In other words, marketers could target age-based segments more effectively in order to reach Children's market.

Marketers today are increasingly targeting children directly with child-orientated messages, logos, and characters that play emphasis on a "cool" and "fun" image (Wechsler, 1997). However, this communication strategy is not effective for all children. The findings of this study suggest that Chinese children, during the reflective stage, are likely to pay more attention to the "true value" of products, such as price, taste and nutrition. They are more inclined to heed their parents' advice about products; as a result, are less influenced by factors perceived as irrational. Therefore, marketers should instead develop communication strategies that try to engage both children and their parents. Next number of children and watching hour's habits are

also important factors to keep in mind while framing marketing strategies.

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Table 1 : Respondent Profile

Gender distribution of the Children		%
Male		56
Female		28
Age group distribution of the children		
3-7		54
8-12		30
No. of Children in a Family		
1		28
2		29
3		19
4		7

Table 2 : Result of Commercial part they Remember

Brand celebrity	Product	Brand name	Slogan	Company's name
45	23	25	50	10

Table 3 : Research that Children find television as the most informative source

Television commercial	Friends	Retail Stores	Parents/Guardians	(blank)
49	22	16	7	

Table 4 : Effect of Number of watching of commercial on Children's Response to Product seen on TV.

Hours	what_you_do_for_product				Total
	Wish to have the product	Request to purchase the product	Force or compel to buy the product	Definitely ensure to have product	
>3 hrs	11	3	5	12	31
<3>1	14	3	3	7	27
h <1	16	2	1	7	27
Total	41	8	9	26	84

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.079(a)	.006	-.006	1.10264

a. Predictors : (Constant), Hours

Anova (b)

Model	Sum of Squares	df	Mean Square	F	Sig.
1. Regression	.625	1	.625	.514	.475(a)
Residual	99.696	82	1.216		
Total	100.321	83			

a. Predictors : (Constant), Hours

b. Dependent Variable: What_you_do for product

Coefficients (a)

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta	B	Std. Error
1. (Constant)	3.347	.264		12.696	.000
hours_	.105	.147	-.079	-.717	.475

a. Dependent Variable: What_you_do for product

Table 5 : Children's attitude towards TV Commercial & its effect on the degree of pester power

	what_you_do_for_product				Total
Response	Wish to have the product	Request to purchase the product	Force or compel to buy the product	Definitely ensure	1.00
Switch to other channel most of the time	2	2	1	2	7
Watch TV. commercial most of the time	7	4	4	18	33
Switch to other channel every time	0	0	3	1	4
Watch T.V. commercial every time.	3	2	9	26	40
Total	12	8	17	47	84

Test of Between-Subjects Effects

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.271(a)	.074	.062	1.06454

a. Predictors : (Constant), Response

Anova (b)

Model	Sum of Squares	df	Mean Square	F	Sig.
1. Regression	7.395	1	7.395	6.525	.012(a)
Residual	92.927	82	1.133		
Total	100.321	83			

a. Predictors : (Constant), Response

b. Dependent Variable: What_you_do for product

Coefficients (a)

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta	B	Std. Error
1. (Constant)	2.387	.331		7.214	.000
hours_	.271	.106	.271	2.554	.012

a. Dependent Variable: What_you_do for product

Table 6 : Child Behavior Differs age wise

age group	Response				Total
	I wish to have that product	I request my parents to purchase that product	I force or compel my parents to purchase that product	I definitely ensure that I have that product	
3-7	3	19	1	31	54
8-12	4	14	3	9	30
Total	7	33	4	40	84

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.239(a)	.057	.045	1.07465

a Predictors : (Constant), age_group

Anova (b)

Model	Sum of Squares	Df	Mean Square	F	Sig.
1					
Regression	5.717	1	5.717	4.950	.029(a)
Residual	94.700	82	1.155		
Total	100.417	83			

a Predictors : (Constant), age_group

b Dependent Variable: response

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta	B	Std. Error
1 (Constant)	3.656	.352		10.379	.000
age_group	-.544	.245	-.239	-2.225	.029

a Dependent Variable: response

Table 7: Kids response towards a product they saw on television differs Gender Wise

Gender	Response				Total
	I wish to have that product	I request my parents to purchase that product	I force or compel my parents to purchase that product	I definitely ensure that I have that product	
Male	4	23	1	28	56
Female	3	10	3	12	28
Total	7	33	4	40	84

Chi-Square Tests

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	3.747(a)	3	.290
Likelihood Ratio	3.521	3	.318
Linear-by-Linear Association	.123	1	.726
N of Valid Cases	84		

a 4 cells (50.0%) have expected count less than 5. The minimum expected count is 1.33.

Table 8 : No. of Children in a Family influence the Parents response to the Child Tantrums

	for parents			Total
No. of_child	I consider only a few demand which I feel are good	I consider buying the product the next time I shop	I simply buy the product for my child	2.00
1.00	2	3	23	28
2.00	2	6	21	29
3.00	11	1	8	20
4.00	5	1	1	7
Total	20	11	53	84

Symmetric Measures Correlations Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.510(a)	.260	.251	.73597

a Predictors : (Constant), no#of_child

Anova (b)

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	15.620	1	15.620	28.837	.000(a)
Residual	44.416	82	.542		
Total	60.036	83			

a Predictors : (Constant), no#of_child

b Dependent Variable : for_parents

Coefficients (a)

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta	B	Std. Error
1 (Constant)	4.335	.193	-.510	22.473	.000
no#of_child	-.455	.085		-5.370	.000

a Dependent Variable : for_parents

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Table IX : Age of Children Affect the Parent's Response Towards the Child's Tantrums

age_group	for parents			Total
	I consider only a few demand which I feel are good	I consider buying the product the next time I shop	I simply buy the product for my child	2.00
3-7	8	5	41	54
8-12	12	6	12	30
Total	20	11	53	84

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.346(a)	.120	.109	.80269

a Predictors : (Constant), age_group

Anova (b)

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	7.202	1	7.202	11.178	.001(a)
Residual	52.833	82	.644		
Total	60.036	83			

a Predictors : (Constant), age_group b Dependent Variable : for_parents

Coefficients (a)

w	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta	B	Std. Error
1 (Constant)	4.222	.263	-.346	16.050	.000
age_group	-.611	.183		-3.343	.001

CONSUMERS' PERCEIVED SECURITY RISKS IN ONLINE SHOPPING: A SURVEY STUDY IN SRI LANKA

A. Ilmudeen

Abstract

Consumers' perceived security risks in online shopping is an important aspects which influence consumer's buying behavior in online. This paper focuses ten dimensions of consumer perceived risk such as performance risk, physical risk, financial risk, sauce risk, security risk, delivery risk, time risk, social risk, psychological risk and privacy risk in Sri Lankan context. Research question and hypotheses were determined after the wide spectrum of literature review. Structured questionnaire method used to collect the data and there were 128 respondent participated in this research study. The results also proved that privacy and security concerns are the main barriers to shopping on the Internet. The analysis include descriptive analysis, the Pearson correlation analysis and t-test. From this research study it can be concluded that, the column " importance" the hypotheses such as financial risk, delivery risk, time risk, social risk, psychological risk and privacy risk has negative effect on attitudes towards online shopping. On the other hand the column "the chance the risk occur" the hypotheses such as performance risk, physical risk, financial risk, sauce risk, security risk, delivery risk, time risk, social risk, psychological risk and psychological risk has negative effective on attitudes towards online shopping.

Keywords: *Security, Risk, Online shopping, Risk dimension*

1. INTRODUCTION

E-commerce is defined a subset of ebusiness in purchasing, selling, and exchanging of goods and services over computer networks through which transactions or terms of sale are performed electronically. Basically on-line shopping has certain characteristics than traditional shopping such as the massive use of technology to complete the transaction, the

distant and impersonal nature of the market stores, the insecurity of using open network infrastructures for transactions, involvement of third parties in the transaction process, online payment system, and hacker's threaten for the buyers privacy and monetary information. In general the temporal separation between consumers and marketers increases fears of web retailer which creates identity uncertainty, and there

is a concern about the third parties or hackers involvement that may threaten consumer's privacy and monetary information. Consumers in online may fear providing credit card details to any commercial Web provider thus consumers simply do not trust most Web providers enough to engage in exchange relationships connecting money. In each day millions of consumers surf thousands of e-commerce sites with the purpose of buying products and services. With the immense rate of technological advancement and globalization, internet utilization to obtain instant information has increased tremendously around the world. (N. U. De Silva and R. Syed). Previous researchers identified various factors which pressure the buyer's online decision making. Such research confirmed that "Customer Trust" plays a key role towards buyer's decision making process. Web shopping involves a number of concerns of consumers, including trade fraud, product quality, monetary losses, privacy, information quality and so on (YE Naiyi (2004). Srinivasan (2004) mentioned that acquiring customer trust depends on many things such as appeal of the Web site, product or service offerings, branding, quality of service and trusted seals. A recent research finding declared that "Any purchase decision is at the conjunction of three factors the value or need for the product or service, the quality of the user experience, and the potential purchaser's trust" (Winch & Joyce, 2006). In this survey study ten perceived risk dimensions which have important impact on consumer online shopping were verified and proposed.

Highly protected technological infrastructure is a necessary base and by itself not sufficient for creating the level of trust needed for natural electronic transactions over the Internet.

Perceived Risk

In a typical purchasing situation, a buyer perceives a certain level of risk which influences the choice of a particular brand and how to purchase this particular product. Perceived risk is a key concept in consumer behavior that involves consumers experience pre-purchase insecurity as to the type and degree of expected loss resulting from the purchase and use of a product. Kaplan L B et al (1974) categorized the perceived risk into six category such as performance risk - refers the chance that a product bought results in failure to function as it expected, Social risk - the chance that a product bought not satisfied/ disapproval by the family members or friends, Psychological risk the chance that a product results in contradiction with self-image, Physical risk refers to the chance that a product purchased results in personal hurt, Time risk refers the chance that a purchase results in loss of time to buy the product and Overall perceived risk - refers an aggregated impact of these various factors. From the extensive literature survey the following dimension of consumer perceived risks were identified and with their meaning. By focusing each risk dimension the questionnaire developed to gather online buyers opinion about the importance of each risk and the chance that risk will occur.

Table 1 : Consumer Perceived Risk Dimension

Perceived risk dimension	Definition
Performance risk	The product doesn't perform as expected (e.g. quality, size, or defects).
Physical risk	The products have a negative effect on the body (quality, material).
Financial risk	Potential loss of the current cost as well as additional charges in future (e.g. possibility product may need to be repaired, be changed, or difficulty to get money back).
Sauce risk	False or fake online information causes that the product purchased online doesn't meet the expectations.
Security risk	Loss of money if the credit card information is hacked.
Delivery risk	Not receiving the product on time, long delivery time, or product being damaged during the delivery.
Time risk	Waste time researching information and purchasing when finally making a bad purchasing decision.
Social risk	The resistant/pressure from the friends or the family
Psychological risk	Loss of self -esteem, or disappointment from the frustration of not achieving a buying goal.
Privacy risk	Personal information will be collected without user's consent when giving one's credit card number online or use of cookies and web bugs.

Conceptual Model

The below conceptual model was used in this research to examine the effect of the risk dimensions such as performance risk, physical risk, financial risk, sauce risk,

security risk, delivery risk, time risk, social risk, psychological risk and privacy risk in the perceived risks in online shopping in Sri Lankan context.

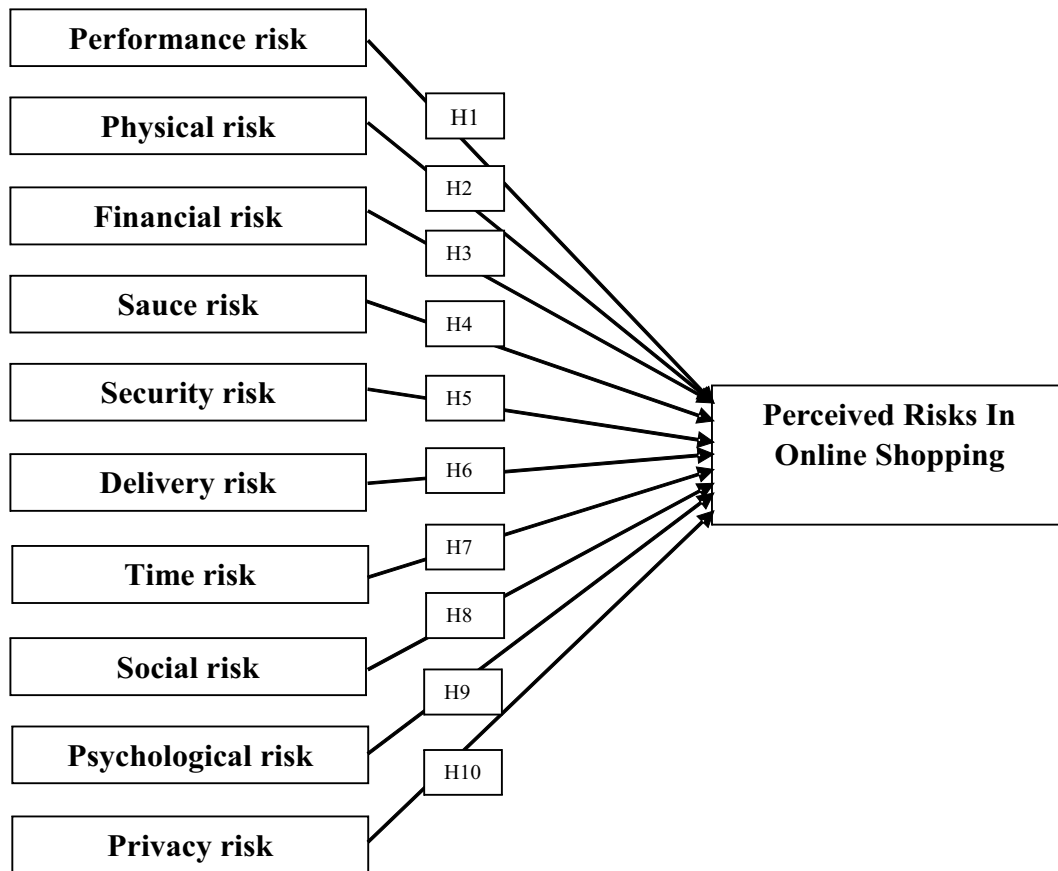


Figure 1: Conceptual Model

- H1: The perceived performance risk has a negative influence on consumers' perceived risks in online shopping.
- H2: The perceived physical risk has a negative influence on consumers' perceived risks in online shopping.
- H3: The perceived financial risk has a negative influence on consumers' perceived risks in online shopping.
- H4: The perceived sauce risk has a negative influence on consumers' perceived risks in online shopping.
- H5: The perceived security risk has a negative influence on consumers' perceived risks in online shopping.

- H6: The perceived delivery risk has a negative influence on consumers' perceived risks in online shopping.
- H7: The perceived time risk has a negative influence on consumers' perceived risks in online shopping.
- H8: The perceived social risk has a negative influence on consumers' perceived risks in online shopping.
- H9: The perceived psychological risk has a negative influence on consumers' perceived risks in online shopping.
- H10: The perceived privacy risk has a negative influence on consumers' perceived risks in online shopping.

2. OBJECTIVE OF THE RESEARCH

This research has the following objectives such as identify which perceived risk dimension influences the online buyers purchasing decision and identify how the online buyers perceive the risk in terms of its importance and the chance that risk occur.

3. LITERATURE REVIEW

Electronic commerce is defined as “any form of business transaction in which the parties interact electronically rather than by physical exchanges or direct physical contact” Euro Info Correspondence Centre (2002). Keen et al (2000) stated that a working definition of “trust” as when a customer purchases a product or service from a particular “merchant”, the client has a “confidence”, the seller will supply goods with adequate quality and fitness for purpose. Basically in online shopping activities, risk and security have forever been an area of concern among online consumers. The extensive literature review shows that factors which influence consumers' buying decisions can be classified in to several aspects such as the individual level, personality attributes often play an important role in the process of purchase decision making.

Srinivasan (2004) declared that “Two factors which significantly contribute to the success of e-business thus the trust people place in the online businesses and how secure they feel in transacting business on the Internet”. Godwin J. Udo (2001) mentioned that privacy and security concerns are the number one reason Web users are not purchasing over the Web. Yi Yi Thaw et al (2009) mentioned that

consumers' lack of acceptance in electronic commerce adoption today is not merely due to the concern on security and privacy of their personal data, but also lack of trust and reliability of Web vendors. Ramin Azadavar et al (2011) mentioned that, e-commerce and online shopping will rely on buyers' how people interact with computers. Suresh and Shashikala (2011) mentioned that, Internet being relatively new channel of purchase, consumers perceives risk and electronic commerce is perceived to be more risky than traditional commerce. Yi Yi Thaw et al (2009) indicated that although e-commerce is spreading worldwide, customers are still reluctant to deal with it because of the security and privacy issues. Further Suresh and Shashikala (2011) mentioned that the major concerns of online shopping are 'security of online payments' and 'privacy of personal information'.

4. RESEARCH DESIGN & METHODOLOGY

Methodology

Structured questionnaire was used to collect the data. The questionnaire was developed in a electronic format and usual printed format. The questionnaire's same content included in both electronic format and printed format questionnaire. The electronic format of the questionnaire included check boxes to be checked by the respondents by consider their answering easiness and user friendliness. The questionnaire was developed by the researcher and its content were checked by a senior academic. Questionnaire included many questions in the aspect of consumer perceived risk in various dimensions. The questionnaire includes two sections to

gather the details from the respondents such as the respondent's demographic profile age, gender, and education background, experience of online shopping. The second section gather the details of the different perceived risk dimensions in terms of their importance and the risk occurrence. These dimensions were measured under two columns such as "importance of the risk" and "chance that the risk occur" Questionnaire included 6 point likert scale. The column "importance of the risk" measured from 1- not important at all and 6 - very important. The column "chance that the risk occur" measured from 1 - completely impossible and 6 - very possible. This research includes analyses such as descriptive analysis, correlation analysis and t-test.

Data Collection

The electronic and usual printed format of the questionnaire issued to professionals, MBA students, academics and friends who purchase in online. From the issued questionnaire, 95 printed format questionnaires and 33 electronic format questionnaires were received from the respondents.

Data Presentation and Analysis

The collected questionnaire were entered into the SPSS 16.0 version for the data analysis. Tabular format of results were generated to show the results. Descriptive statistics, correlation analysis, t-test, average score with standard deviation and its respective charts were generated to present the findings.

5. RESULTS AND DISCUSSION OF FINDINGS

The below table shows the demographic profile of the respondents with their frequency and the percentage.

Table 2 : Demographic statistics of the respondents

Gender	89	
Male	39	69.5%
Female		30.5%
Age Category		
15-17	1	.8%
18-20	11	8.6%
21-23	26	20.3%
24-26	25	19.5%
27-29	20	15.6%
30-32	8	6.2%
33-35	13	10.2%
36-38	9	7.0%
39-41	6	4.7%
>42	9	7.0%
Education		
A/L	30	23.4%
Technical College	2	1.6%
High School Diploma	17	13.3%
Under-graduate	31	24.2%
Post graduate degree	42	32.8%
Doctoral Degree	6	4.7%
How frequently purchase online		
more frequently	14	10.9%
once a month		
more than once a month	16	12.5%
at least once in 6 month		
at least once a year	17	13.3%
	18	14.1%
	63	49.3%

Correlation analysis for the risk dimensions

The below table shows the developed research hypotheses and the relationship between their perceived risk dimensions (independent variables) with the perceived risks in online shopping (dependent variable). The perceived risk dimension's two aspects correlation were

measured such as the perceived risk dimensions importance and the perceived risk dimensions of chance the risk occur separately calculated. The hypotheses and the results are as follows.

Table 3 : Pearson Correlation for the Perceived Dimension

Perceived risk dimension	Pearson Correlation for importance of the risk	Pearson Correlation for chance the risk occur
H1- Performance risk	0.126	-0.025
H2 - Physical risk	0.062	-0.006
H3 - Financial risk	-0.079	-0.105
H4 - Sauce risk	0.081	-0.120
H5 - Security risk	0.149	-0.042
H6 - Delivery risk	-0.096	-0.089
H7 - Time risk	-0.075	-0.017
H8 - Social risk	-0.067	0.002
H9 - Psychological risk	-0.006	-0.003
H10 - Privacy risk	-0.040	-0.188

The hypotheses were tested with at 0.05 significant level. The results shows that the column, "importance" the hypotheses such as H3, H6, H7, H8, H9 and H10 are significantly supported; thus financial risk, delivery risk, time risk, social risk, psychological risk and privacy risk has negative effect on attitudes towards online shopping. On the other hand the column "the chance the risk occur" the hypotheses from H1 - H10 are significantly supported; thus performance risk, physical risk, financial risk, sauce risk, security risk, delivery risk, time risk, social risk, psychological risk and

privacy risk has negative effect on attitudes towards online shopping.

Table 4 : One-Sample Test

	One-Sample Test					
	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
Performance risk	65.139	127	.000	5.234	5.08	5.39
physical risk	65.549	127	.000	5.195	5.04	5.35
financial risk	68.531	127	.000	5.141	4.99	5.29
sauce risk	62.416	127	.000	5.211	5.05	5.38
security risk	80.557	127	.000	5.508	5.37	5.64
delivery risk	54.965	127	.000	5.109	4.93	5.29
time risk	52.153	127	.000	4.820	4.64	5.00
social risk	35.945	127	.000	4.109	3.88	4.34
psychological risk	41.054	127	.000	4.508	4.29	4.73
privacy risk	61.552	127	.000	5.266	5.10	5.43

One sample t-test was conducted to know the significance of these factors and results are shown as above. From this research study it can be concluded that, p value (0.000) is less than the significant level of 0.001 for all the risk dimension factors. Therefore it can be concluded that all the factors significantly affect consumer's perceived risks towards online shopping at 99.99% confident level.

Risk Dimensions Mean Score and Standard Deviations

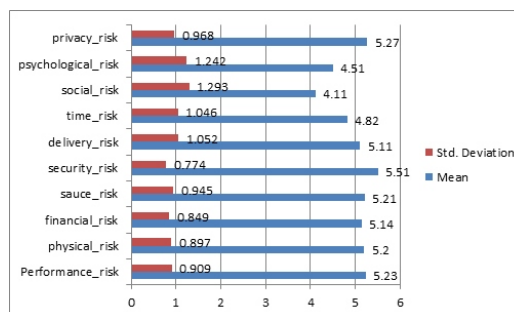


Figure 1: Perceived Risk Dimensions Importance

The above chart shows the average

score for all perceived risk dimensions for the column "importance" from the respondent answer. Mean scores for all dimension lies between 4.11 - 5.51. Among the above 10 risk dimension except 3 risk dimension (such as scores 4.51, 4.11 and 4.82) all other dimension reached score 5. In the questionnaire 5 ranked to "important" and 4 ranked to "a little important". The standard deviation for this dimensions score lies between 0.774 -1.293. Therefore it can be concluded that, the column "importance" majority of the perceived risk dimensions were in a kind of "important" status among respondents. Further the standard deviation's most of the values nearing to score 1 standard deviation and since these values are 1 and closer to 1, data were somewhat away to their mean score.

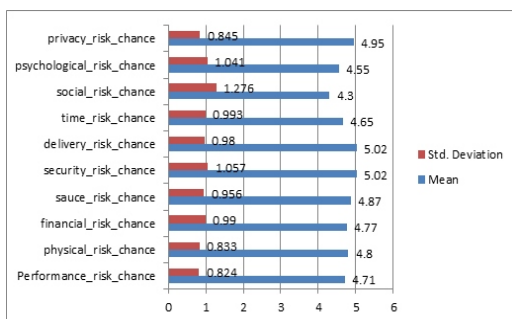


Figure 2 : Perceived Risk Dimensions of Chance the Risk Occur

The above chart shows the average score for all perceived risk dimensions for the column "chance the risk occur" from the respondent answer. Mean scores for all dimension lies between 4.3 - 5.02. Among the above 10 risk dimension except 1 risk dimension (score 4.3) all other dimension are nearing to reach score 5. In the questionnaire 5 ranked to "possible" and 4

ranked to "a little possible". The standard deviation for this dimensions score lies between 0.824 -1.276. Therefore it can be concluded that, the perceived risk dimensions column "chance that risk will occur" were in a kind of possible status among respondent. Further the standard deviation's most of the values nearing to score 1 standard deviation and since these values are closer to 1, data were somewhat away to their mean score.

6. LIMITATIONS & FUTURE RESEARCH AVENUES

This research just addresses about the perceived risk in online shopping using the risk dimension. Other than this perceived risk dimension other aspect of purchasing can be considered to determine the consumer's security risk in online shopping. The selected respondents (sample size) only 128 by using convenient sampling method. Therefore a self-selection bias might have influences the findings of this research and it may also limit the generalizability of the findings. There are more rooms to improve the generalizability of the research findings since it covered small limited sample size. This research study did not cover factors like, cultural biases, social, income and buying behaviour with the formed research hypotheses.

7. CONCLUSIONS

The rapid development of IT and the extensive accessibility of the Internet have facilitated for the popularity of online shopping. Understanding people's perceptions of attitudes towards online risks is vital for ecommerce. This research is focusing consumer perceived security risk in

online shopping over the Internet specifically targeting on the perceived risk dimensions. In general a consumer perceives a certain degree of risk in terms of brand of a particular product when buying online. From this research study it can be concluded that, the column "importance" the hypotheses such as financial risk, delivery risk, time risk, social risk, psychological risk and privacy risk has negative effect on attitudes towards online shopping. On the other hand the column "the chance the risk occur" the hypotheses such as performance risk, physical risk, financial risk, sauce risk, security risk, delivery risk, time risk, social risk, psychological risk and psychological risk has negative effective on attitudes towards online shopping.

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IMPACT OF CELEBRITY ENDORSEMENT : A STUDY ON CONSUMER GOODS SALE

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Abstract

In the present era, selling is a complicated task due to stiff competition and many alternative products. Products have become more consumers oriented. Consumers have become more sophisticated. For instance, they possess the best product at a fair price. The products are a better quality than the substitute produce for sale. But Sales aren't automatic. The prior idea of the production is for the sales. How will the buyers get the product, when they have not heard of our products? Therefore, people must have knowledge of the existence of the product and its availability. This is possible only through a good propaganda. It arises a need for proper flow of information along with products from producer to consumer. It can be done through the activity of promotion. Promotion is the process of Marketing Communication aimed to inform, persuade and influence people. It become very essential, rather a duty, of the manufacturers to make the consumers know from where, how, when and at what price the product would be available. More and more promotional activities are required to induce the consumers to purchase more and more products and thus demand for the product is created. The basic purpose of promotion is to let potential customers to know about the product through various forms, roles, models, persons. Thus, the research paper throws light up on current trends in celebrity endorsement and its impact through various models have considered. For the purpose 100 samples on simple random techniques in Tiruchirappalli (Trichy) town and through application of Chi-square test and other methods, it is found that it has major impact in promotion process.

Keywords: *Celebrity, Endorsement, Consumer Goods, Advertisement, Product, Marketing.*

1. INTRODUCTION

Advertising has the prominent place among the techniques of mass education and persuasion on the public. It is not a modern origin. It has been used from immemorial period. In earlier period, Advertisement was displayed in the form of sign boards, writing on historical buildings or inscriptions on stones, stone-pillars, stone walls etc., The

development of printing has greatly boosted the ideas of advertising through newspapers, magazines, and hand-books. In earlier periods, it was used only in a limited manner. But now-a-days it has been greatly utilized.

The nineteenth century gave rise to the specific industry of advertising. With the passage of time and the untiring efforts of the

people involved, advertising became an autonomous field. There is much more coming in this field in the present century with the advent of internet and globalization. Consumers worldwide are going for online advertising and gradually it may supersede TV and Cinema. It has been found to be an excellent method of being linked with whatever information is needed. Most of the advertisement has won laurels on account of the fantastic celebrity usage that do impact upon the audience in the most positive way. There is a purpose behind why celebrities are taken in advertisement. A celebrity can be any person from Films, Modeling, Sports, and Politics etc. that tend to catch the attention of the public just by being in the advertisement. Actually, there is a psychological element acting here in which the audience is influenced to purchase the product advertised. In India today, the use of celebrity advertising for companies has become a trend and a perceived winning formula of Corporate image-building and Product cum services marketing.

Turn the brands into celebrities

Associating a brand with a top-notch celebrity can do more than perk up brand recall. It can create linkages with the Star's appeal, thereby adding refreshing and new dimensions to the brand image. Celebrities have proved to be the ideal way to ensure brand prominence. Synergizing personality with product and message can create an instant breakthrough. Result? 'Brand buzz'. Celebrity endorsement is a serious business, and if used effectively could have a lasting impression on the brand, its activities and its image. Right from "Kapil Dev's "Palmolive Ka Jawaab Nahin"

to the most recent Sensational association of Hrithik Roshan with Sony Ericsson", celebrities have done wonders for brand recall.

Research conducted by Katherine Eckel, Professor of Economics at U.S Virginia tech, has revealed that celebrities are 'Higher Status Agents' can get people to make a better choice but can't influence 'people to make a foolish choice'. In India today, the use of celebrity advertising for companies has become a trend and a perceived winning formula of corporate image building and product marketing. This phenomenon is reflected in the recent market research finding that 8 out of 10 TV Commercials scoring the highest recall were those with celebrity appearances.

A familiar face tends itself to a higher degree of recall of an advertisement. Most of us always remember Nakshtra advertising only due to the sensuous Aishwarya Rai. In fact, a piece of research states that the target audience with age group of 15-30 gets influenced first by Cricketers, then Bollywood Stars and only then by Music, Festivals and Food. Through endorsement, celebrities have an immense potential to earn fame and fortune within a quick span of time. We love everything about celebrities-their fame, their fortune, their looks, their achievements, their Charisma, their larges than Life presence, and everything.... Endorsements bring enhanced recognition to a Star, and may even prolong the life cycle of a Star in his/her maturity phase (like Big B with his Kaun Benega Cororepati) After all, Choice of celebrity is a good indicator of who's in who's not.

Recent Trends and Selection

There are 3cs that enjoy mass adulation in this country Cricket, Cinema and Curry. Advertiser and Marketers feel, only Actors and Cricketers can deliver Return on Investment, Considering the mass popularity that they all enjoy. Cricketers are marketed very well. They are groomed to be brands themselves. It is assumed that they lead glamorous lifestyles. There is a three-stage process of meaning transfer which involves the formation of the celebrity image, transfer of meaning from celebrity to brand and finally from brand to consumer. That is what leads to effective celebrity advertising. The Selection of a celebrity for a brand is done primarily on the basis of a marketing brier prepared either by the corporate or the Advertising Agency. Once

the relationship between the brief, the brand and the celebrity is established, the association is accomplished.

It is also important for one to be completely clear about why a brand should use a celebrity. Is it to boost sales or to boost image? Or is it just to keep the brand alive? If the objective is increase of sales the celebrity should be used for short-term promotion and brand activities. (A Classic example is the Rani Mukhejee Campaign for Bata which is believed to have helped boost sales for the ladies footwear brand, Sundrop, by a whopping 500%). In the event of an image-building exercise, the celebrity can be used for a longer period of time, So that the brand can derive the benefit of the celebrity's image on its own.

TOP CELEBRITY ENDORSERS

Sl.No.	The Big Endorsers	The Brands
1.	Sachin Tendulkar	Pepsi, Adidas, TVs, Airtel, Boost, Britannia, MRF, ESPN.
2.	Shah Rukh Khan	Pepsi, Santro, Videocon, LML, Airtel, Sun Feast, Compaq, Pulsepolio.
3.	Amitabh Bachchen	Cadbury's, Hajmola, Dabur, Parks, Nerolac, Emami, Reid & Taylor, Pepsi, Rin Advanced, Nowratna Oil, Pulse Polio, PETA.
4.	Aishwarya Rai	Nakshatra (DTc), Coke, L'oreal, Lux, Eye Donation, Longines Watches.
5.	Preity Zinta	Frito Lays, Maggi, TVS PEP, Cadbury's Perk, Head & Shoulders, Godrej.
6.	Aamir Khan	Titan, Coke, Toyota Innova
7.	Sourav Ganguly	Tata Indicom, Emami-Sona Changi Chywanprash, Hero Honda, Britannia, LG, Pogo Chips.
8.	Virendra Schwag	Coke, Boost, Mayur Suitings, Dabur, Team Samsung, Band-Aid, Britannia Adidas.
9.	Rahul Dravid	Samsung, Hutch, Castrol, Pepsi, Britannia, Reebok, Bank of Baroda, Max New York Life, Anchor, Kissan, Tuberculosis Association of India.
10.	Sania Mirza	Tata Tea, Hindustan Petroleum, Santro Getz, Malabar Gold, Lotlo Sport Italia, Sach (NGO), Tata Indicom.

Source: Primary data.

Related Review of Previous Studies

Relevant reviews are collected to observe the research gap and it is identified as that the present study concentrates on impact, advertisement role and its differences. They are, William L. James, and Arthur J. Kover (2002) conducted a study on “observations: Do overall attitude towards advertising affect involvement with specific advertisement?”. The study aimed to measure the overall attitude towards advertising and to examine to which of those attitudes affect the involvement with specific advertisement. The respondents were supplied with 15 print advertisements. Among those advertisements 3 were test advertisements and 12 were non-test advertisements. The study employed the Bauer and Greyser attitude scale. The statistical analysis towards program interruptions were more involved in advertisements. Further the study found that those with more negative attitude towards advertising were more involved in the advertising than those with more positive attitude. It was also found that people who believed that advertising was a good way to learn about products are more involved in advertisements than people who were more negative towards advertising.

Verma D.P.S. and Senhkalra (2004) conducted a study on television advertising and viewers attitudes. The study attempted to assess the reactions of television viewers regarding the commercial advertisements shown in various television programmes. The respondents were 32 males and 33 females. The statistical analysis of the data

revealed that majority of the respondents watched television programmes frequently. Many of the viewers were of the opinion that television was an appropriate medium of advertising the products. Some respondents opined that television was not an appropriate media for family planning devices and sanitary items, because it caused embarrassment while they watch television programmes with family members. Majority of television viewers were interested in commercial advertisements. Television advertisement in the form of film was most popular among viewers. Viewers gave three major reasons for monotony, while viewing television advertisements: (a) Large number of advertisements being shown (b) repetitive advertisements and (c) exaggerated claims made in the advertisements. Adequate information about the products was not included in all television advertisements. Respondents were after induced to purchase the products advertised on the television. Viewers were satisfied with the products purchased by them on the basis of television advertisements. But the study also reported that some of the viewers had mentioned that they were misled by television advertisements. When they made complaints to the manufacturers, fifty percentages of the consumers' grievances were redressed.

Ida E. Berger, and Andrew A. Withell (2005) conducted a study on the effect of advertising on attitude, accessibility, attitude confidence and attitude behavior relationship. They examined the possibility that advertising repetition affects the strength of memory, information processing and whether such an

effect can influence the strength of the attitude behaviour relationship. The author worked on the following three hypotheses.

- a. In a single advertising exposure condition, strength of memory would be lower than the direct experience condition and the repeated exposure condition.
- b. The information processing in the single exposure condition will be lower than direct experience and repeated exposure condition.
- c. Attitudes formed on the basis of direct experiences would be more predicative of subsequent behaviour than attitudes on a single advertising exposure.

The author selected the advertisements of granola bar, a white chocolate bar, a wafer bar, a toffee bar and a mint product. All the products are of same structure. The following four conditions were employed in the study (a) direct experience condition (b) single advertising exposure condition (c) three exposure condition and (d) four exposure condition.

From the analysis the data stated that there was no significant difference in the memory strength of the single advertising exposure condition, and in the direct experience condition. The attitudes based on the direct experiences were held with more confidence than those based on the single exposure advertisement. It was also found that it was possible to increase the information processing though repeated advertising exposure. The correlations provided a strong base for third hypothesis that repeated exposure to advertisements increased attitude behaviour consistency.

In the opinion of Bhatt and Jaiswala (2006) “An effective advertisement is the one that leaves a long-lasting impression on the consumer's mind and motivates him to purchase the product”. Meryl Paula Gardner (2007) is of the opinion that when a product attribute (like utility, durability, and packaging) is prominent in an advertisement, it is more likely to be recalled by individuals and that attribute is more likely to affect the attitude of the individuals.

Youjaeyi (2010) attempted to study the effects of print advertisements, which contained ambiguous information about the product. The study originated from the hypothesis that an advertisement, which contains specific product attributes can have either a positive or negative effect on the evaluation of the advertised brand, by altering the way ambiguous information of the product in an advertisement is interpreted. Two experiments were conducted in the study by using print advertisement for a new personal computer. The sample for the first experiment consisted of 40 students and for the second experiment were 120 students. The test advertisement contained a headline in the bold face and three paragraphs of messages emphasizing the features of computers. The subjects were supplied with three booklets. In the first booklet the subjects were asked to provide the general background information. The second booklet contained the test advertisements and in the third booklet the subjects were asked to generate the salient attribute of a personal computer that would come to mind. The result of the study found that evaluations of the target

brand were affected by the advertisements context priming different product attributes.

Objectives of the Study

1. To analyze the impact of Celebrity Endorsement Advertisement towards consumer goods at Tiruchirappalli (Trichy) town.
2. To determine, what the viewers feel about the advertisement and which channel have they seen.
3. To bring out the differences of celebrity advertisement with Ordinary advertisement.
4. To evaluate whether the dislike of the celebrity results in dislike of the product.

Hypothesis of the Study

- There is an association between type of advertisement and respondent opinion.
- There is an association between prefer to watch celebrity advertisement and age.
- Age and induced to buy the product by celebrity advertisement and independent.
- Occupation and induced to buy the product by celebrity advertisement are independent.
- Income and induced to buy the product by celebrity advertisement are independent.
- Marital status and induced to buy the product by celebrity advertisement are independent.
- Respondent differ in their opinion regarding notice of celebrity advertisement and induced to buy the product.

Scope of the Study

This research is aimed to know “The impact of Celebrity Advertisement” particularly in consumer goods at Trichy town. The information provided by this research can be used as vital sources for further area of choose of celebrity and type of advertisement. There have been many numbers of studies to evaluate the effectiveness of the advertisement. But this study would facilitate in understanding the consumer attitudes towards the celebrity advertisement and their choice of celebrities and channel which has more viewer ship. This study also offers an extended scope to know whether the celebrities take part of right decision while the consumers purchase the product. To know the opinion about the celebrity advertisement vs. ordinary advertisement this helps to the marketers to use of celebrity endorsers in their product.

Methodology of Research Study

A good research work requires a clean scientific methodology became only through the application of correct methodology in selection of sampling techniques, appropriate tools of data collection a well-defined conclusion can be drawn on the phenomenon under consideration. Descriptive and analytical research design has been used for the study, which is concerned with describing the characteristics and process of what has happened (or) it describes the state of affairs as it exist at present. The objective of a descriptive study is to learn the who, what, where and how of a topic. The total data required for this study has been studies under two categories. The sequence of questions was decided and it was arranged in a logical order. The rough questionnaire was

prepared and thereafter-necessary alterations were made to revise it to check its reliability. After the revision, the final draft of the question was made for the purpose of field survey.

For this study simple random method is used. It is chosen primarily on the basis of the convenience to the investigator. The probability of the investigator's coming across of local people of respective areas is much more than persons from Trichy town. A Sample of 100 was taken for the study in Trichy town. After finishing the research design, the survey has been taken in the targeted areas. For this study, the area of survey was Trichy Town. The respondents were met in Colleges, Offices and Residential Areas of Mainguard gate, Andal Street, Anna Statute, Palakkarai, Woraiyur and Thillainagar from December 16th to 28th, 2013.

(a) Primary data

This is the data collected from the respondents those who are in Trichy town, through the questionnaire feedback and interview with the respondents.

(b) Secondary data

The information relation to general details required has been gathered from

various journals, magazines, and internet. The internet, which is the richest source of information, has also contributed largely to the secondary data collected.

Research Instrument

The questionnaire was found to be the most suitable type of research instrument to consider of a set of questions presented to respondent for their answers. A Sequential procedure was followed in designing the questionnaire, which would serve the purpose of the study. The content of the individual questions were prepared based on the objectives. The type of question included were, yes or no patterns, multiple choice, Ranking, Rating Scales etc., in order to measure the suitability and accuracy of the survey.

Limitations of the Study

1. Survey is conducted only in Trichy town and projecting the result of the study to other areas may not give significant results.
2. Due to time constraints, the sample size is limited to 100 only.
3. The usual hindrance in collection of data like non-response, errors and inconsistent response are being faced.

Results and Managerial Measures

Table 1
Average opinion of Consumers regarding the ranking of various channels

Channels	Points	Rank
Sun	6.24	1 st
Vijay	6.17	2 nd
Jaya	4.13	3 rd
Raj	3.76	4 th
DD	2.51	5 th
Local Channel	3.14	6 th
Others	2.11	7 th

Source: Computed from the Primary data.

The application of Weighted Mean for each channel has helped to come to a conclusion of the average opinion of Consumers regarding the ranking of various channels. Sun TV is being ranked as First among all the Channels.

The Vijay TV is rated second, the Jaya TV is Third, Raj and Local Channel rated Fourth & Fifth, DD is ranked Sixth, Next comes the Other Channels given the rank Seventh.

Table 2

Weighted Mean for each various factors influence regarding celebrities

Various Factors	Points	Rank
Appearance of the celebrity	3.92	1 st
Occupation	3.74	2 nd
Status	3.65	3 rd
Life Style	3.42	4 th
Achievements	3.30	5 th

Source: Computed from the Primary data.

The application of Weighted Mean for each various factors influence regarding celebrities has helped to come to a Conclusion of the first rank goes to

appearance of the celebrity; the occupation got second place and status ranked third by respondent; life style got fault place and achievements ranked fifth.

Table 3

Attitude towards celebrity advertisement

Rating	Points
Strongly Agree	2
Agree	1
Neutral	0
Disagree	-1
Strongly Disagree	-2

Source: Computed from the Primary data.

Preference to Watch Celebrity Advertisement

Rating	2	1	0	-1	-2
Frequency	23	57	12	6	2

$$= (2*23) + (1*57) + (0*12) + (-1*6) + (-2*2)/100$$

Weighted Average = 0.93

Like the Product which is Celebrity Endorsed

Rating	2	1	0	-1	-2
Frequency	15	51	23	9	02

$$= (2*15) + (1*51) + (0*23) + (-1*9) + (-2*2)/100$$

$$\text{Weighted Average} = 0.688$$

Celebrity Highlights Positive aspects of the Product

Rating	2	1	0	-1	-2
Frequency	26	37	20	13	04

$$= (2*26) + (1*37) + (0*20) + (-1*13) + (-2*07)/100$$

$$\text{Weighted Average} = 0.68$$

Recommend the Endorsed brand to others

Rating	2	1	0	-1	-2
Frequency	25	43	23	04	05

$$= (2*25) + (1*43) + (0*23) + (-1*04) + (-2*05)/100$$

$$\text{Weighted Average} = 0.65$$

Dislike of Celebrity leads to dislike of the Product

Rating	2	1	0	-1	-2
Frequency	15	22	25	17	21

$$= (2*15) + (1*22) + (0*25) + (-1*17) + (-2*21)/100$$

$$\text{Weighted Average} = -0.07$$

Sl.No.	Attitude	Weighted Average	Rank
1.	Preference to Watch Celebrity Advertisement	0.93	1
2.	Like the Product which is Celebrity Endorsed	0.68	2
3.	Celebrity highlights Positive aspects of the Product	0.68	2
4.	Recommend the Endorsed brand to Others	0.65	4
5.	Dislike of Celebrity leads to Dislike of Product	-0.07	5

Source: Computed from the Primary data

It can be observed from the above that, the respondent rank the statement “ Preference to Watch Celebrity Advertisement “ in the I Place; Second Place, shared by two statement of celebrity endorsed products one liked by customer

and they are highlights the positive aspects of the product. The third place goes to the statement of 'Recommend the endorsed brand to others'. The place of fifth says dislike of celebrity leads to Dislike of product.

Table 4
Chi-square test for “Type of advertisement” and “Respondent opinion”

Sl.No.	Opinion	Ordinary Advertisement		Celebrity Advertisement	
		Yes	No	Yes	No
1.	Higher Coverage	50	03	47	-
2.	Attention	25	10	62	03
3.	Remembrance	30	05	62	03
4.	Induce to Buy	35	08	51	06
5.	Help to Repurchase	45	02	46	07

Source: Computed from the Primary data.

Calculated Chi-square Value	Degrees of freedom(df)	Level of significance
32.45	12	0.01

H₀: There is no significant difference between type of advertisement and respondent opinion.

Ha: There is a significant difference between type of advertisement and respondent opinion.

calculated chi-square value (32.45), which is significant at 0.01 and the table value of χ^2 (0.01) & (12df) is 26.217. So it is concluded that the calculated value of $\chi^2 >$ the table value, and H_0 is rejected. Therefore there is significant difference between type of advertisement and respondent opinion.

The result showed that the

Table 5
Chi-square test for “Prefer to watch celebrity” advertisement and “Age”

Age	Strongly Agree	Agree	Never	Disagree	Strongly Disagree	Total
Below 20	8	9	10	3	0	30
20 – 30 Years	6	30	1	3	0	40
30 – 40 Years	5	6	1	0	0	12
40 – 50 Years	4	7	0	0	2	13
Above 50	0	5	0	0	0	5
Total	23	57	12	6	2	100

Source: Computed from the Primary data.

Calculated Chi-square Value	Degrees of freedom(df)	Level of significance
45.27	16	0.01

H₀: There is no association between prefer to watch celebrity advertisement and age group.

H_a: There is association between prefer to watch celebrity advertisement and age group

The result showed that the calculated chi-square value (45.27), which is significant at 0.01 and the table value of χ^2 (0.01) and (12 df) is 37.566. So it is concluded that the calculated values of $\chi^2 >$ the table value, and H_0 is rejected. Therefore there is significant difference between prefer to watch celebrity advertisement and age group.

Table 6
Chi-square test for “Age” and “Celebrity advertisement”

Age	Celebrity advertisement induced to buy		Total
	Yes	No	
Below 20	20	10	30
20–30	35	5	40
30-40	8	4	12
40-50	5	8	13
Above 50	3	2	5

Source: Computed from the Primary data.

Calculated Chi-square Value	Degrees of freedom (df)	Level of significance
12.65	4	0.01

H₀: Age and celebrity Advertisement induced to buy are independent

H_a: Age and celebrity Advertisement induced to buy are dependent

The result reveals that the calculated chi-square value (12.65), which is significant at 0.01 and the table value of χ^2 (0.01) and (4 df). So it is concluded that the calculated values of $\chi^2 >$ the table value, and H_0 is rejected. Therefore there is significant difference between celebrity advertisement induced to buy and age group.

Table 7
Chi-square test for “Occupation” and “Celebrity advertisement”

Sl.No	Age	Celebrity advertisement induced to buy		Total
		Yes	No	
1	Govt. Employee	25	11	36
2	Self Employee	18	6	24
3	Professional	10	10	20
4	Others	15	5	20

Source: Computed from the Primary data.

Calculated Chi-square Value	Degrees of freedom (df)	Level of significance
4.003	3	NS

H₀: Occupational level and celebrity Advertisement induced to buy are independent
Ha: Occupational level and celebrity Advertisement induced to buy are dependent
 The result reveals that the calculated chi-square value (4.003), which is not significant and the table value of x^2 (>0.01) and (3 df). So it is concluded that the calculated values of $x^2 <$ the table value, and H_0 is accepted. Therefore, there is no significant difference between celebrity advertisement induced to buy and occupation group.

Table 8
Chi-square test for “Income” and “Celebrity advertisement”

Sl.No	Income	Celebrity advertisement induced to buy		Total
		Yes	No	
1	Up to Rs.5000	30	4	34
2	Rs.5000-Rs.10,000	42	4	46
3	Rs.10,001 – Rs.15,000	11	1	12
4	Rs.15,001-20,000	4	2	6
5	Above Rs.20,000	2	NIL	2

Source: Computed from the Primary data.

Calculated Chi-square Value	Degrees of freedom (df)	Level of significance
3.661	4	NS

H₀: Income level and celebrity Advertisement induced to buy are independent

H_a: Income level and celebrity Advertisement induced to buy are dependent

chi-square value (3.661), which is not significant and the table value of x^2 (>0.01) and (4 df). So it is concluded that the calculated values of $x^2 <$ the table value, and H_0 is accepted. Hence, there is no significant difference between celebrity advertisement induced to buy and income group.

The result reveals that the calculated

Table 9
Chi-square test for “Marital status” and “Induced to buy”

Sl.No	Marital status	Induced to buy		Total
		Yes	No	
1	Married	50	10	60
2	Unmarried	35	5	40

Source: Computed from the Primary data.

Calculated Chi-square Value	Degrees of freedom (df)	Level of significance
0.033	1	NS

H₀: Marital status and induced to buy through celebrity advertisement are independent

H_a: Marital status and induced to buy celebrity Advertisement are dependent

chi-square value (0.033), which is not significant and the table value of x^2 (>0.01) and (1 df). So it is concluded that the calculated values of $x^2 <$ the table value, and H_0 is accepted. It is inferred that no significant difference between celebrity advertisements induced to buy and marital status.

The result reveals that the calculated

Table 10
Chi-square test to “Notice of celebrity advertisement”

Sl.No	Celebrity advertisement	Induced to buy	
		Yes	No
1	Noticed	60	4
2	Not Noticed	16	20

Source: Computed from the Primary data.

Calculated Chi-square Value	Degrees of freedom (df)	Level of significance
30.71	1	0.01

H₀: There is no significant association between induced to buy and notice of celebrity advertisement

The result reveals that the calculated chi-square value (30.71), which is significant at 0.01 and the table value of χ^2 (0.01) and (1 df). So it is concluded that the calculated values of $\chi^2 >$ the table value, and H_0 is rejected. Thus, there is significant difference between induced to buy and notice of celebrity advertisement.

Managerial Measures

From this research study, it is found that most of the respondents give positive opinion regarding celebrity advertisement.

1. Sun TV is a preferable channel to watch by the respondent so it is best to give advertisement particularly for consumer goods and it has to regularize and streamline the celebrity process in mixture of scientific and traditional methodology so that it enriches the development and growth of objective.
2. Advertisement is the best source to come to know about the product and also found that the celebrities help to intend them to buy the product. So the manufactures should concentrate celebrity advertisement for their consumer goods which help them to sale their product successfully. Certainly, it is necessary for the

companies to make it in clear form so that it reaches all.

3. "Appearance" of the celebrity attracts more among the other features of the celebrity. So it is better to use the "People recognized personalities" in the advertisement helps to induce the customers to buy the products.
4. There is no doubt that the celebrity advertisement is much better than ordinary advertisement and hence the manufactures should concentrate more on celebrity advertisement rather than ordinary advertisement.
5. From the study, the dislike of celebrity is not leads to dislike of product. That is, if they are not interested in celebrity endorser which is not affects the buying habits of the respondent.
6. Advertising agencies should use creative theme which stimulate them to see the advertisement. And changing them within the time span may help to standstill the brand in the mind of the consumers.

CONCLUSION

The prime focus of this study was to investigate the study on impact of celebrity endorsement towards on consumer goods at Trichy town. The study was conducted among randomly selected 100 respondents. And to find out the effectiveness of the celebrity advertisement with demographic factors in the various aspects were analyses. Certain conclusions were drawn from the

results of the findings. Further areas have been suggested for future research in connection with this study. To test the hypothesis certain statistical tools such as Percentage analysis, weighted average, Chi-square test, were used. It is find out that celebrity has major significant role on consumer goods sale process.

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A STUDY ON FACTORS AFFECTING ON CONSUMERS' FAST FOODS BUYING BEHAVIOUR : REFERENCE TO PIZZA HUT IN THE ANURADAPURA CITY AREA, SRI LANKA

YMWGPK Udurawana

Abstract

This explorative study conducted to identify factors affecting on consumers fast foods buying behavior with special reference to Pizza Hut outlet in Anuradhapura city area. The study population represented by each and every customer located in Anuradhapura city area and representative sample was selected including school children to foreigners and entrepreneurs those who have consumed pizza. 114 members out of 120 responded to the researcher, where they were contributed to examine nine variables was Location, Atmosphere, Sales Persons Behavior, Awareness, Price, Quality, Image, Promotion, Fast Service with demographic variables and the required data was collected through structured questionnaires. Data was analyzed through descriptive techniques where percentages, mean, standard deviation, t test and cross tabulation were facilitated. At the end researcher identified that all factors were significant towards consumer buying behavior but related to the selected region customers was not satisfactory awareness about various brands of pizza, culture of pizza; location was confused on parking and low freedom even with atmosphere. And they enjoyed their image though consuming pizza appreciating sales person behavior but pricing, nutrition and promotion were somewhat deviated on consumer expectation related to the analysis. Finally researcher suggested to change location of pizza outlets and commented to increase awareness of consumers related pizza culture.

Keywords: *Pizza Hut, Fast Foods, Consumer Behavior*

1. INTRODUCTION

In the modern days, where the life is at fast pace with the time very valuable to every person, "Fast Foods" play an important role in everyone's day-to-day life. The very term 'Fast food' means simple, fast and convenient food, which is easy and fast to prepare besides being hygienic, free from microbial contamination and also convenient to eat. Unlike olden days where

man used to have his food lavishly and slowly, the present trend changed the habits to foods, which are simple and easy to digest. Hence, the existence of these foods fulfilled all the needs of modern human being. Preparing food with instant mixes has become a way life and no doubt they are going to be an integral part of food habit in future.

In relation to the Anuradhapura district majority of food consumption is still at home than outplace. Nevertheless, out-of-home food consumption is increasing due to several consideration such as increase in urbanization, breaking up of the traditional joint family system, desire for quality, time which translates into an increased need for convenience, increasing number of working women, changing lifestyles and increasing level of affluence in the middle income group had brought about changes in food habits.

In relation to the Anuradhapura city area, there are various fast food providing organizations among them Alankulama Family Supper, Chinthana Bakers, Chamee Restaurants, Carlton Restaurants, Seedevevi Restaurants and Pizza Hut are the extremely famous to customers. And Pizza Hut was the nearly located in Anuradhapura providing fast foods on deferent experience than other foods providers. Therefore researcher is considering to study of factors affecting to fast foods buying behavior related to the pizza hut in Anuradhapura city area.

2. STATEMENT OF THE PROBLEM

Related to the identification of research problem, researcher contributed relevant literature on fast food and empirical evidence in Anuradhapura Pizza outlet. In relation to the researcher experience with fast food at Pizza's initiated period in Anuradhapura, who was unable to reserve even a table in Pizza Hut for his friends as the place was overcrowded by customers even week days. But today the place rarely crowded by customers even weekends or some holidays.

However the demand for fast foods is unpredictability fluctuating on some occasions where a few organizations acquire their business objective while other organizations are run away from business environment on poor performance. This dynamic nature implies to researchers to find factors which are affecting on consumer buying behavior.

And when considering the literature Nadia & Shohana (2011) (01) identified that Many researchers relating to fast foods such as Wilcock, Pun, Khanona, & Aung, (2004, 63), Yarrow, Remig, and Higgins (2009) have argued that food safety beliefs, attitudes, knowledge, and practices can be altered through educational intervention, McCarthy, Brennan, Kelly, Ritson, de Boer, & Thompson, (2007); Röhr, Lüddecke, Drusch, Müller, & Alvensleben, (2005) stated food safety knowledge of the customers, Mattsson and Helmersson (2007) conducted study on attitudes towards fast food restaurant of young, Kruger, Blanck and Gillespie (2008) stated the dietary practice and physical activity of adults who had desire to loss and maintain weight, Olumakaiye M. Funke and O.A Ajayi described youngsters' snaking practice, United Soybean board reported (2008) health and nutrition issues of food.

Though much more research emerged on fast foods none of publications, researchers have explored the overall behavior of customers on fast food in Anuradhapura city with special reference to Pizza Hut outlet. Therefore in this study, researcher tend to explore consumer overall behavior when they having fast food in Anuradhapura city.

3. OBJECTIVES OF THE STUDY

The generic purpose of this study is to understand how consumers make their behaviors towards fast food products and to investigate what factors influence on their fast food buying decision.

Being facilitated to upon purpose researcher has contributed specific objectives as denoted bellow.

- To study the extent of consumer awareness towards Pizza' fast Food Products,
- To identify the factors influencing on consumer buying behavior of Pizza fast Food Products in Anuradhapura area,

4. RESEARCH HYPOTHESIS

On the basis of the objectives and after reviewing the extensive literature the following research hypotheses were framed by researcher.

H1: There is a high level of consumer awareness about Pizza fast foods in Anuradhapura area

H2: Location, Atmosphere, Sales Persons Behavior, Awareness, Price, Quality, Image, Promotion, and Fast Service are significantly influenced on consumer fast foods buying behavior.

5. LIMITATION OF THE STUDY

This study was based on primary data collected from sample consumers by survey method facilitating Anuradhapura city area. Therefore the study area was too limited. As many of the consumers furnished the required information from their memory and experience, the collected data would be subjected to recall bias. And not only that researcher particularly considered only pizza outlets than other places. If it was

moved for other places the findings may be changed than explored.

6. LITERATURE REVIEW

The term "pizza" first appeared "in a Latin text from the southern Italian town of Gaeta in 997 AD, which claims that a tenant of certain property is to give the bishop of Gaeta 'duodecimpizze' ['twelve pizzas'] every Christmas Day, and another twelve every Easter Sunday". (Martin Maiden (2012)(02)

But Pizza Hut was familiar to the world around 1958, where Frank and Dan Carney had an idea for a great local pizza restaurant in Wichita Kansas. The small 25 seat restaurant used to sell pizza where used building looked like a hut... so 'Pizza Hut' was born! (Usha v. 2007) (03)

Pizza Hut in Sri Lanka is one of the first variety chain stores in the country. Currently Pizza hut offers an online ordering system which delivers to the following outlets: Colombo, Negombo, Kandy, Kiribathgoda, Kotahena, Colpetty, Union Place, Rajagiriya, Havelock Rd., Malabe, Dehiwala, Nugegoda, Thalawathugoda, Moratuwa, Maharagama Wattala and Anuradhapura. (<http://en.wikipilipinas.org>) (04)

Brown et al. (2000), (05) considered about consumer awareness with fast foods consumption, and young consumers have considered about effective nutritional education before being with food habits. And though they considered balanced nutritionally foods many young consumers may fuel the consumption of poorly nutritionally balanced meals.

Binkley (2006), (06) the theoretical model is based on household production theory. This theory names the household as “both a consumer and producer of final goods,” (Binkley). He formulates the general model

$Y_i = f(P, I, T, H, D)$, where Y_i measure is the household's food choice, P is a set of relevant prices, I represents household income, T involves measure of time cost, H measures nutrition concerns and knowledge, and D represents demographic and other factors.

According to the Aaker (2000), (07) brand awareness as a remarkably durable and sustainable asset to enhance consumer awareness related fast foods. It provided a sense of familiarity a sense of presence or commitment and substance and it was very important to recall at the time of purchasing process. Apart from the conventional mass media, there were other effective means to create awareness viz., event promotions, publicity, sampling and other attention-getting approaches.

Study of Sundar (1997) (08) revealed that, grocery department of Saravana Bava Cooperative Supermarket, Cuddalore was enjoying favorable images of consumers in the attributes, such as, equality of price, behaviour of sales persons, moving space, location, correctness of weight, packaging of goods, number of sales persons and convenient shopping hours. At the same time, the image is weak in the attributes, such as, quality of goods, availability of range of products, variety of goods,

acceptance of returns, credit facility, door delivery and in sales promotional measures.

Yarrow, Remig, and Higgins (2009) (09) and other previous researchers have argued that food safety beliefs, attitudes, knowledge, and practices can be changed through educational intervention. They and other researchers have therefore attempted to determine how to segment consumers so that effective communication can take place regarding these issues.

Yee and Young (2001), (10) concluded that customer attention goes to aware about nutrition and used to identify nutrition on labeling or packaging details. And food companies should be encouraged to make small changes to the fat of food products on customer request.

Nandagopal and Chinnaiyan (2003) (11) concluded that the level of awareness among the rural consumers is satisfactory level and the major source of brand awareness was word of mouth followed by advertisements, family members, relatives and friends.

Ramasamy et al. (2005) (12) discussed the buying behavior and it was vastly influenced by awareness and attitude towards the product where commercial advertisements over television was said to be the most important source of information, followed by displays in retail outlets. Consumers do build opinion about a brand on the basis of which various product features play an important role in decision making process. Not only that he explored

that large number of respondents laid emphasis on quality and felt that price is an important factor while the others attached importance to image of manufacturer.

Not only that even Usha V (2007) has mentioned several reasons for popularity of Instant Food Products related to India where, Emergence of Industrial society, Reduced domestic servants, Womenfolk taking to job, Emergence of nuclear families, Prices of raw materials, New products, Drudgery of work, Convenience, Increasing income, Standard of living, Media, Globalization are the factors importantly have considered to be spread of fast foods among the customers.

And when considering the factors affecting to consumer buying behavior Gluckman (1986) (13) studied the factors influencing consumption and preference for wine. The explicit factors identified were, the familiarity with brand name, the price of wine, quality or the mouth feel of the liquid, taste with regards to its sweetness or dryness and the suitability for all tastes

Sabeson (1992) (14) in his study stated that, high quality, price and taste of the product were the major criteria based on which the consumers selected a brand of processed fruits and vegetable products.

Kumar et al. (1987) (15) examined the factors influencing the buying decision making of 200 respondents for various food products. Country of origin and brand of the products were cross-tabulated against age, gender and income. Results revealed that the considered factors were independent of age,

education and income. The brand image seemed to be more important than the origin of the product, since the consumers were attracted by the brands.

7. METHODOLOGY

According to the objectives of research it is embraced the characteristics of explorative research. And In this study researcher expected to quantify the preferences for fast foods products on demographic, situational, lifestyle, and cognitive factors. Then research has been aligned for qualitative research. Related to the study researcher considered all consumers around the Anuradhapura city area as his population including high, middle and low level income categories with children to elders.

Farhana and Islam 2011(01), mentioned about Prof. Nunnally as he suggested in his book Psychometric properties the ideal sample size for any exploratory research is 40-60 members for sample. Based on the Nunnally criteria researcher selected 120 respondents who have the tendency of consume fast food regularly or occasionally. And researcher facilitated stratified sample to select 120 consumers who are using fast foods from where sample was enriched including school children, university students, executives Foreigners, entrepreneurs, and non-executives surrounded Anuradhapura city area. The study may enriches being with dependent and independent variables where suitable statistical tools are to be facilitated to identify and define the relationship among variables.

The scaled questionnaires had to be facilitated to collect data as primary, where the Questionnaires were sent to selected customers with ideal involvement of researcher. Considered variables as Location, Atmosphere, Sales Persons Behavior, Awareness, Price, Quality, Image, Promotion, and Fast Service were measured through five scale questionnaires as strongly agree, agree, somewhat agree, disagree, strongly disagree.

8. RESULT AND DISCUSSION

In relation to the study the response rate was 95% (114 respondents from 120) on motivated supervision of researcher. According to the figure number 1, 67 heads in sample represented male and balance was represented by female. It is 59% and 41% respectively. It says that fast food related dominance may retain on male than female according to the sample.

Figure 1: Sex * Income level Cross tabulation

		Income level				Total
Sex		500-20000	20000-50000	50000+		
Male	Count	13	45	9	67	
	%	19.4%	67.2%	13.4%	100.0%	
Female	Count	0	0	47	47	
	% Sex	.0%	.0%	100.0%	100.0%	
Total	Count	13	45	56	114	
	% Sex	11.4%	39.5%	49.1%	100.0%	

Source: Research Data

And related to the pizza consumption, pizza was familiar (100%) to everyone in the sample as they had consumed pizza at least in one time in their life.

Figure 2: Income, Age, Sample composition

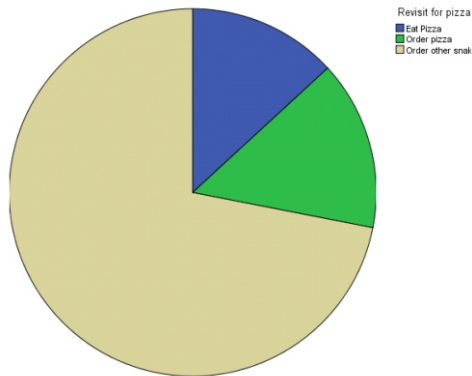
Variable	Sample Composition (%)					Total
	Sch. Chn	Uni stude	Fore	Exec	Entrepr	
Income level	13	0	0	0	0	13
500-20000 (%)	11.4	.0%	.0%	.0%	.0%	11.4
20000-50000 (%)	7	25	13	0	0	45
50000+ (%)	6.1	21.9	11.4	.0%	.0%	39.5
%	.0%	.0	.9%	27.2	21.1	49.1
Age 10-20	13	0	0	0	0	13
%	11.4	.0%	.0%	.0%	.0%	11.4
Age 20-30	7	25	4	0	0	36
%	6.1	21.9	3.5	.0%	.0%	31.6
Age 30-40	0	0	10	31	8	49
%	.0	.0%	8.8	27.2	7.0	43.0
Age 40-50	0	0	0	0	14	14
%	.0	.0%	.0%	.0%	12.3	12.3
Age 50+					2	2
%					1.8	1.8

Source: Research Data

Related to income distribution among the sample 13 respondents were at below income level that was 500-20000 monthly income while 45 represented middle income level that was 20000-50000 monthly income; 56 consumers represented higher income level that was more than 50000 monthly incomes. As a percentage it was 11.5%, 39.5% and 49% respectively. That implies that pizza is highly attracted by

middle income category to higher income category. And among them revisited to take pizza is represented by 23 customers including a foreigner out of 56 from higher income group that were 41.07%. And few customers agreed to revisit from middle income that was 9 (all are foreigners) out of 45 (20%) customers (figure 3).

Figure 3: Revisit for pizza hut
71.93%
14.91%
13.16%



Source: Research data

According to the research objectives, one objective was related to consumer awareness about Pizza product. At the data presentation high consumer awareness can be seen on “Pizza as a foods” as it presenting higher mean value and t value that is 4.73 and 104.107 respectively. But when considering the awareness of various products under pizza brand it is not in the satisfactory level with pizza promotion as it shows moderate level of mean value and low t value as 3.02 and 27.424 respectively. And not only that the

awareness about ingredient in a pizza and awareness of pizza requesting and eating culture are showing dissatisfactory result as it shows very low mean value according to the below table 1.

The research model articulated by researcher explained about nine variables where its significance was explored through several dimensions. Location is a major component when considering the buying behavior.

According to the study location of pizza outlets was not attracted well. Parking facility and enough freedom of the location was very poor level as its mean vale ware 2.25 and 2.85 respectively. But location was somewhat satisfactory to the customers as it can be reached in a short time. It is proved through high mean value was 4.13.

Store atmosphere is also capable to attract consumers as enough. Related to study sample not agreed in satisfactory level to interior attraction and store layout in Pizza hut as where very few mean value is shown as 2.48 and 2.73 respectively.

As a important factor to consumer attraction price was not strongly help to convey the value of pizza as it bring 2.89 mean value locating around moderately satisfied. But credibility of pricing at the store and price communication also located around moderate level of satisfaction than helping to satisfy customer. And when considering the consumer feeling on healthy ingredient and nutrition of pizza products, was not in satisfactory level in Anuradhapura area (3.11 & 3.32 mean

value). But almost consumers retain around somewhat satisfactory level on fast service of pizza related customer requisitions.

Figure 3: Mean, Standard Deviation and T value for variables

Variable	Man	SD	t	Sig. (2-tailed)
Brand Awareness	3.02	1.175	27.424	.000
Pizza Awareness	4.73	.485	104.107	.000
Aware of Ingredient	2.85	1.075	28.328	.000
Aware of Culture	2.89	1.119	27.535	.000
Parking facility	2.25	.958	25.136	.000
Fast Reaching	4.13	.793	55.641	.000
Enough Freedom	2.85	1.024	29.729	.000
Interior Attraction	2.48	1.041	25.461	.000
Familiar Layout	2.73	1.075	27.097	.000
Fast Service	3.90	.872	47.792	.000
Helpfulness	3.60	.828	46.387	.000
Cleanness	3.32	1.156	30.708	.000
Responsive	3.42	1.112	32.841	.000
Value of Price	2.89	1.034	29.901	.000
Credibility of Price	3.19	1.088	31.335	.000
Price Comm	3.17	1.128	29.968	.000
Healthy Ingredient	3.32	1.016	34.847	.000
High Nutrition	3.11	1.042	31.813	.000
Good Image to you	3.82	.812	50.295	.000
Can understand	3.72	1.093	36.329	.000
Can Arouse	3.03	1.140	28.338	.000
Can Memorable	3.02	1.056	30.515	.000
Satisfy Stay Time	4.00	.872	48.956	.000
No Queue	3.91	.898	46.517	.000
Delivery speed	3.90	.752	55.407	.000

Source: Research data

Finally when considering the significant contribution of identified variable on pizza fast foods, researcher identified that each and every variables are significantly influencing on consumer buying behavior related to pizza fast foods in Anuradhapura area. Among those variables consumer awareness about “pizza hut” was

highest significance and consumer awareness about pizza products was very poor. And parking facility and interior attraction are slightly significant though those are very important to consumer attraction.

And sales person behavior is measure through four dimensions where all dimensions ware in moderate to satisfactory level as shown by bellow table. Among them fast service was the considerable dimensions has contributed to arouse the behavior of sample.

9. CONCLUSION AND RECOMMENDATIONS

According to the findings of the study it is revealed that consumer awareness about pizza products, pizza culture and pizza ingredient are very poor. Therefore enough attention is required to arouse the customer knowledge about pizza and promotion campaign should be adopted on demand of the regional culture in Anuradhapura area. And not only that when identify the nature of revisit a very few consumers tend to re visit to purchase pizza while rest was going to pizza hut for other snacks than pizza brands. Therefore until the promoting pizza in affordable way to all consumers pizza outlet may works as a general snack bar harming the pizza reputation.

And location of pizza hut is attracted only for past reaching to customers and location not helps to parking and to give freedom to customers. Therefore the location should be changed by the pizza administration on customer convenience. Not only that the atmosphere of pizza hut

also was not attracted enough to customer than they paid on image. Therefore research comments to change the store layout to keep elegant layout.

But related to the pizza sales person's behavior, it can be maintain further or up graded as that was on expectable condition. And another important thing is customers attitudes related to nutrition and ingredient in a pizza is somewhat poor. This attitude should be eliminated to revisit to pizza outlet and to repurchase its fast foods.

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AN EMPIRICAL EVALUATION ON QUALITY OF INSURANCE SERVICES IN RURAL AREAS OF TIRUVALLUR DISTRICT

D.Rajasekar

Abstract

Service sector has become an important growing industry in many economies in the world. After 1991, service industries play a major role in Indian Economy. Most of the services sector are growing very fast compared to the manufacturing sector .Majority of the Manufacturing units are depending on services. Mobile phone, computers, automobile, durable and non-durable products manufacturing units are depending services like telecommunication, internet, advertising and retailing etc.All service providers need some regulation. Measuring service quality plays a vital role in regulating the service providers. Perception and expectation are important factors to measure quality of services. These two factors are closely related to the behaviour of the customer. Customer behaviour will determine the quality of services but their need, wants and requirements will determine the design, functions of the product and services .Predetermining the customer behaviour and their requirements of both are very difficult to measure.

Keywords: Service sector, computers, automobile,

1. INTRODUCTION

Service sector has become an important growing industry in many economies in the world. After 1991, service industries play a major role in Indian Economy. Most of the services sector are growing very fast compared to the manufacturing sector .Majority of the Manufacturing units are depending on services. Mobile phone, computers, automobile, durable and non-durable products manufacturing units are depending services like telecommunication, internet, advertising and retailing etc.All service providers need some regulation. Measuring service quality plays a vital role in regulating

the service providers. Perception and expectation are important factors to measure quality of services. These two factors are closely related to the behaviour of the customer. Customer behaviour will determine the quality of services but their need, wants and requirements will determine the design, functions of the product and services .Predetermining the customer behaviour and their requirements of both are very difficult to measure.

2. NEED OF THE STUDY

The corporate world is targeting the rural consumers to promote their product and services .The rural market share for the

Fast Moving Consumer Goods (FMCG) is greater than ever. Simultaneously equal importance has been given for various services industry. On the rise of consumer market in India predicts that in twenty years the rural Indian market will be larger than the total consumer market in the countries.

Rural and Urban customers are differing on the following factors. They are Personality, Education, Behaviour, Perception, Buying Pattern, Life Style, Belief, Attitude, Occupation and Income.

3. PROFILE OF TIRUVALLUR DISTRICT

Tiruvallur a town near to Chennai city, giving it a special industrial and commercial importance. Existence of many academic institutions, production units, business establishments, religious monuments and temples further enhances the strategic importance of Tiruvallur district for the state of Tamil Nadu. This website is an attempt to open a new channel of communication between the people and the government bodies. We have tried to make it a window to the district administration.

Tiruvallur is a town located on the Chennai-Tirupathi highway, approximately forty-four kilometers from Chennai. The railway station falls mid-way between the Chennai-Arakkonam railway lines. A small town, and now the district headquarter of the recently made Tiruvallur district is developing very fast. It is one of thirty-two districts in Tamil Nadu. Previously, Tiruvallur was a town in the district named Chengalpattu. Tiruvallur is the name of both the town as well as the district.

4. SCOPE OF THE STUDY

It is well known that the rural people will have more politeness, respect, consideration

and friendliness on others. The behaviour and lifestyle of the rural peoples must vary with the urban peoples. The perception and expectation of the rural people or rural consumers must differ from the urban consumer and also meaning the expected and suitable service dimension to the rural consumers. At the same time a new model of service quality developed by the researcher will help to measure the expectations of rural enmass and fulfill their demands.

This study will help the management to analyse the weakness in specific areas of managing services in rural areas .The management has to take essential step in locating key areas for development and should implement appropriate strategies for developing the same. This research work will help the management in creating a quality services for rural customer and in turn enhance the image of insurance in rural market.

5. STATEMENT OF THE PROBLEM

After globalization many private insurance companies have learnt that India is a potential area to market their insurance products. Hence many number of private insurance companies made a tie up with famous companies in India and launch their products in Indian Soil, But these companies have concentrated their business only in the urban areas and very recently they have identified that 95% of the rural population have not availed insurance policies. Hence they show special attention to market their insurance policies in the rural parts of the country. But it is difficult to convince the rural consumers. Hence the insurance companies have concentrated on a high level of quality based services to the potential prospects.

Creating an awareness of various types of insurance policies in the rural area covering various income groups is a difficult task for the insurance companies. The occupation and income level varies in the rural area and it is very difficult to predict the behaviour and buying pattern of rural people. The present study made an attempt to identifying the marketing strategies practiced by the insurance companies in the rural areas through providing high level of service quality.

6. RESEARCH QUESTIONS

- How far the rural respondents are aware of various types of insurance policies?
- What types of marketing strategies are practiced by the insurance companies to enhance the business volume?
- What are the problems faced by the insured and insurer on quality of insurance services?

7. OBJECTIVES OF STUDY

- To study the marketing of insurance services in the rural area
- To measure the awareness level and the expectation of rural consumers on various insurance schemes.
- To identify the factors that influenced to purchase insurance policies in the rural areas
- To find out the common problem faced by the insurer and insured on quality of services.
- To suggest better ways and means to improve the insurance schemes in the study area.

8. REVIEW OF LITERATURE

- Josep et al (2003) in their study “Insurance Customers Assessment of

Service quality: A Critical Evaluation “used the performance importance paradigm to measure the customers assessment of the quality of services delivered by insurance agent. They identified five factors of quality in insurance i.e. , claims, personal relationships, products/services, life insurance and agent/benefit. They found evidence that agents need to take measures to improve their customer perceived service quality as only claims and personal relations. On the other hand the amount of resources that they use to promote new products falls. It indicated that insurance agents may have to reconsider their promotional advertising strategies.

- Mangala Bakshi and Kumar C.S (2008) in their study “ Assessment of Customers Perceived Service Quality in Financial Services” assessed service offerings of operating offices of life insurance companies, banking institutes and mutual funds through customers perception as against any standards of the industry. Their study found the significant difference between means of Public Sector Life Insurance Company and Private Companies.

9. METHODOLOGY

The total sample size is 200 and the geographical distribution of respondents in the study area within the district. The sample was drawn from stratified sampling method. The total samples of respondents were chosen from six blocks of Tiruvallur District.

Villivakkam Block	Minjur Block
Gummidipoondi Block	Tiruttani Block
Tiruvallur Block	Poonamallee Block

For the present study the major five private insurance companies were selected. They are ICICI prudential Life Insurance Company Ltd, Bajaj Allianz Life Insurance company Ltd., Birla Sun Life Insurance Company Ltd., HDFC Standard Life Insurance Company Ltd., SBI Life Insurance Company Ltd.,
Data Collection: Primary and Secondary Data

Primary Data: is collected from the respondents through well framed questionnaire. The open and closed ended questionnaire are used to collect the primary data.

Secondary Data is collected from the journals, newspapers, periodicals and text books.

Tools of collection data

By virtue of a mass of data obtained from research survey, as well as data from secondary sources collected and presented in the present report, descriptive and analytical research were considered most appropriate for the study. The research problems and the questionnaire were well framed accordingly. The suggestions offered in the end of the chapter of the present research report emerged from the inferences drawn from the study of the sample respondent's information who utilized insurance services from private companies in rural areas of Thiruvallur District. The researcher used closed ended and open ended questions in the questionnaire to collect primary data.

- Percentage Method
- Chi Square Method

Framework of analysis

The core of the study `measure the quality of private insurance services in rural market, the study centers around the dependent variable viz., the level of satisfaction and quality perceived by the customers and their relationship with related independent variable.

10. LIMITATIONS OF THE STUDY

- The studies confined to Thiruvallur District due to time and cost constraint
- Due to LPG policy more number of private insurance company launch their insurance business in Indian soil and present study is restricted with only five private insurance companies.

Analysis and interpretations

Percentage Analysis

Gender of the Respondents: 61.7 % of the respondents were males and 38.3% of the respondents were females. Age group of the Respondents: 48.7% of the respondents were under the age group of 21 to 30 years and 23.8% of the respondents were under the age group of 41 and above and 21.7% of the respondents were under the age group of 31 to 40 years and 5.8% of the respondents were under the age group of below 20 years. Designation of the respondents inferred that 34.1% of the respondents were self employed and 30.2% of the respondents were employed and 22.7% of the respondents were agriculturalist and 13.0%

of the respondents were professionals and others. Hence majority 34.2% of the respondents were self employed. Qualification of the respondents: 47.5% of the respondents having of school level education and 38.2% of them were graduates, 11.8% of them were illiterates and 2.5% of them were having other category such as diploma and professional degree holders. Family size of the respondents: 55.8% of the respondents were have 4-6 members in their family and 39.6% of the respondents having 1-3 members in their family, 2.8% of the respondents having 7-9 members in their family and 1.8% of the

respondents having 10 members and more in their family.

Chi-square analysis

The premium payment is considered as the dependent variable. The independent variables selected for the study includes Gender, Age, and Educational Qualification, Designation and Family size of the respondents. The data were analyzed by using simple statistical tools like Percentage Method and Chi-square test. The detail of the study are presented in the results and discussion

Table: 1

Gender and Payment of Premium Amount towards Insurance policies

Sl.No	Gender	Frequency	%	Min	Max	Mean	SD
1.	Male	123	61.5	33	5117	908.54	1108.49
2.	Female	77	38.5	40	5000	796.17	1023.34
	Total	200	100				

In order to study the relationship between gender and payment of premium amount towards insurance policies of the respondents, a Chi-square test has been applied and the result of the test is given below

Ho: There is no significant relationship

between gender and payment of premium amount towards insurance policies.

H1: There is significant relationship between gender and payment of premium amount towards insurance policies.

Factor	Calculated χ^2	Table Value	D.F	Remarks
Gender	0.43	1.99	2	Not significant at 5% level

From the above table the calculated value of chi-square (0.43) is less than the table value (1.99), Hence the null hypothesis is accepted.

Hence there is no significant relationship between gender and payment of premium amount towards insurance policies.

Table : 2

Age Group and Payment of Premium Amount towards Insurance Policies

Sl.No	Age Group	Frequency	%	Min	Max	Mean	SD
1	Below 20 years	11.6	5.8	41.6	5000	969.14	1259.21
2.	. . .	97.3	48.65	33.3	5117	831.38	1028.25
3.	31-40	43.3	21.65	45	5000	985.30	1243.33
4.	41 and above	47.8	23.9	33.3	5000	800.77	959.60
	Total	200	100				

In order to study the relationship between Age group and payment of premium amount towards insurance policies of the respondents, a Chi-square test has been applied and the result of the test is given below

Ho: There is no significant relationship between Age and payment of premium amount towards insurance policies.

H1: There is significant relationship between Age and payment of premium amount towards insurance policies.

Factor	Calculated χ^2	Table Value	D.F	Remarks
Age Group	4.59	4.2	6	significant at 5% level

From the above table the calculated value of chi-square (4.59) is more than the table value (4.2), Hence the null hypothesis is rejected. Hence there is close significant relationship

between Age group and payment of premium amount towards insurance policies.

Table: 3

Designation and Payment of Premium Amount Towards Insurance Policies

Sl.No	Designation	Frequency	%	Min	Max	Mean	SD
1.	Agriculturist	45.33	22.67	41.66	5000	692.39	881.15
2.	Employed	60.3	30.16	33.33	5117	982.39	1209.19
3.	Self Employed	68.33	34.16	33.33	5000	870.70	1088.41
4.	Professional and Others	26	13	33.33	4166.66	882.21	1011.43
	Total	200	100				

In order to study the relationship between Designation and payment of premium amount towards insurance policies of the respondents, a Chi-square test has been applied and the result of the test is given below

Ho: There is no significant relationship

between Designation and payment of premium amount towards insurance policies.

H1: There is significant relationship between Designation and payment of premium amount towards insurance policies.

Factor	Calculated χ^2	Table Value	D.F	Remarks
Designation	2.09	4.2	6	Not significant at 5% level

From the above table the calculated value of chi-square (2.09) is less than the table value (4.2), hence the null hypothesis is accepted.

Hence there is close significant relationship between Designation group and payment of premium amount towards insurance policies.

Table: 4

Qualification and Payment of Premium Amount Towards Insurance Policies

Sl.No	Qualification	Frequency	%	Min	Max	Mean	SD
1.	Illiterate	23.66	11.83	46.66	5000	896.22	1047.87
2.	Schooling	95	47.50	33.33	5000	830.09	1066.72
3.	Graduation	76.33	38.16	33.33	5117	880.11	1085.32
4.	Others	5	2.5	46.66	4000	1016.66	1016.66
	Total	200	100				

In order to study the relationship between Qualification and payment of premium amount towards insurance policies of the respondents, a Chi-square test has been applied and the result of the test is given below

Ho: There is no significant relationship

between Qualification and payment of premium amount towards insurance policies.

H1: There is significant relationship between Qualification and payment of premium amount towards insurance policies.

Factor	Calculated χ^2	Table Value	D.F	Remarks
Qualification	2.87	4.2	6	Not significant at 5% level

From the above table the calculated value of chi-square (2.87) is more than the table value (4.2), hence the null hypothesis is accepted.

Hence there is no close significant relationship between Qualification and payment of premium amount towards insurance policies.

Table: 5
Family size and Payment of Premium Amount Towards insurance Policies

Sl.No	Family Size	Frequency	%	Min	Max	Mean	SD
1.	1-3 members	79	39.50	40	5117	939.99	1145.49
2.	4-6 members	111.66	55.83	33.33	5000	812.98	1019.16
3.	7-9 members	5.66	2.83	46.66	5000	926.47	1323.11
4.	10 and others	3.62	1.84	83.33	3000	764.12	894.32
	Total	200	100				

In order to study the relationship between respondents family size and payment of premium amount towards insurance policies of the respondents, a Chi-square test has been applied and the result of the test is given below

Ho:- There is no significant relationship

between respondents family size and payment of premium amount towards insurance policies.

H1:- There is significant relationship between respondent's family size and payment of premium amount towards insurance policies.

Factor	Calculated x2	Table Value	D.F	Remarks
Family Size	4.74	4.2	6	significant at 5% level

From the above table the calculated value of chi-square (4.74) is more than the table value (4.2), hence the null hypothesis is rejected.

Hence there is close significant relationship between respondent's family size and payment of premium amount towards insurance policies.

11. FINDINGS

- It is identified that 61.7 % of the respondents were males and 38.3% of the respondents were females.
- From the analysis it is noticed that 48.7% of the respondents were under the age group of 21 to 30 years and 23.8% of the respondents were under the age group of 41 and above and

21.7% of the respondents were under the age group of 31 to 40 years and 5.8% of the respondents were under the age group of below 20 years.

- It is pinpointed that 34.1% of the respondents were self employed and 30.2% of the respondents were employed and 22.7% of the respondents were agriculturalist and 13.0% of the respondents were professionals and others. Hence majority 34.2% of the respondents were self employed.
- It is identified that 47.5% of the respondents having of school level education and 38.2% of them were graduates, 11.8% of them were illiterates and 2.5% of them were having other category such as diploma and professional degree holders.
- It is found that 55.8% of the respondents were have 4-6 members in their family and 39.6% of the respondents having 1-3 members in their family, 2.8% of the respondents having 7-9 members in their family and 1.8% of the respondents having 10 members and more in their family.

12. SUGGESTIONS

- From the analysis, it is found that male respondents have purchased maximum insurance policies then the female respondents. Hence it is suggested that the insurance companies should concentrate for the welfare of females and more policies which covers high level of risk for female should be introduced like Jeevan Sneha introduced by LIC of India.
- The insurance company should

organize a special campaign programme exclusively for parents and create awareness and necessity of taking insurance policy for their children.

- The insured should concentrate to create awareness of insurance among the respondents having large family and the marketing force should be given proper direction to cover the insurance policy to all the members in the family, family package benefit should be covered to attract the insured.

13. CONCLUSION

Taking insurance policies among the consumer creates a debatable issue. The Indian consumers think that purchasing an insurance policy is a waste, because of its returns after a long period. Convincing the mindset of the prospective buyers to purchase the insurance policies is a hectic task for the sales force organization in insurance companies. After globalization more number of global insurance players started their insurance business in Indian soil with different strategies but all these strategies finds difficult to achieve the fixed target. The awareness level of the customer and their buying behaviour in purchasing insurance policy were studied and quantitative tools were employed for ascertaining the results.

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FACTORS INFLUENCING FOR CHOOSING PROFESSIONAL COURSES: A CASE STUDY OF UNDERGRADUATE STUDENTS OF FACULTY OF MANAGEMENT STUDIES AND COMMERCE, UNIVERSITY OF JAFFNA SRI LANKA

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Abstract

Nowadays, following a professional course has been a famous trend among the undergraduates. Professional courses can be followed by anyone with minimum qualification. The purpose of this study is to find out the reasons as to why the undergraduates, who are already qualified for a University degree, choose professional courses. The study reveals an empirical examination of factors influencing for choosing professional courses among undergraduate students, faculty of management studies and commerce, University of Jaffna, Sri Lanka. Researchers divided professional courses under the four disciplines such as Accounting, Marketing, Human Resource Management and Financial Management. The study was conducted using survey design with the sample of one hundred, including 01st and 02nd Year undergraduate students. Primary and secondary data were used to conduct the study. Sophisticated statistical model as “exploratory factor analysis” (EFA) has been used. The factors investigated included such as high level job opportunities, enhancing field related skills, inspired by the role model, associate with current market & geographical area, fulfil the expectations of organization, high level job remuneration, desire to achieve a mastery in a particular field, influence of friends, improve the knowledge, parents' compulsion, get job abroad, prestige in society, self employment, personal interest and financial background. The finding of this study revealed that high level job opportunity plays a major role in choosing professional courses among the undergraduate students.

Keywords: *Professional courses, Undergraduates.*

1. INTRODUCTION

Professional courses are the education or curriculum designed, keeping in mind the need of a particular industry, courses like this are very focused and future oriented.

Professional courses have gained importance in the recent years, with the graph going high for job opportunities in the respective sectors. A professional course helps students to get trained and aware of the

latest trends in the market and the respective work environments. These courses can be in the form of degree or diploma certificates depending upon their curriculum and the time period.

These professional courses are available in every field, few of the subjects or courses available are: Medicine or pharmaceuticals, Architecture, Mass communication, Photographer, Travel and tourism, Management course and Journalism.

Professional education is always a good thing and sometimes it is mandatory to become licensed in that particular field. At the very least, professional education is necessary to maintain a license in good standing. Licensing certain professions provides the credibility necessary to prove expertise and experience within a certain field.

Particularly the management courses focus on interpersonal skills, techniques for managing time, stress, people and work loads, strategies for effective team-work, communication, and solving problems. This practical and highly popular programs rapidly develops the key skills and knowledge that enable the new and developing office professional to maximize their contribution to the manager, team and organization.

University of Jaffna is the leading institution in the Northern Province. It has been fulfilling the academic needs of the region. There are eight faculties in the university (including Vavuniya campus),

among those faculty of Management studies & commerce secures the second position in recruiting a large number of students. Every year it produces a considerable number of students with managerial skills to face the challenges which prevail in the society. There are five departments in the faculty namely : Accounting, Financial Management, Marketing, Human Resource Management and Commerce.

After the three decades of civil war there is a dramatic increase in the number of undergraduates those who are following a professional course. Even though those students are reading a degree programme in the faculty simultaneously. But professional courses can be followed with the minimum qualification. The minimum qualification required for most of the courses is three passes in General Certificate Advanced Level (G.C.E A/L). Therefore it is obvious that there should be some factors those influence the students to follow a professional course , those who are already eligible to follow a degree programme in a university. That decision to choose a professional course is influenced by multiple factor including job opportunities, skills & knowledge enhancement, associate with current market & geographical area, expectation of the organization, specialization in third year, influence of family & friends, personal interest and financial background.

Some students are following professional courses for their parent's wishes & advice. Some others follow to achieve a mastery in a particular field. While others following to enhance field related

skills and to improve their knowledge. Undergraduates perception to fulfill the expectation of organization also a reason to choose a professional courses. Role models also influence this students.

Some students prefer to follow professional courses because there is a good demand in foreign countries like Middle East , UK , Australia for whom those fully completed or partially completed a professional courses. Some of the students follow the courses because they believe that they can easily get jobs with an attractive remuneration, without more examinations or interviews. There is a good prestige in the society for whom those whofollow a professional courses, that's why some of the students are following.

Statement of the Problem

The purpose of this study was to examine the factors influencing for choosing professional courses among the first and second year undergraduate students Faculty of Management Studies & Commerce, University of Jaffna, Sri Lanka. Professional courses under management discipline can be divided into four categories, which are Accounting, Marketing, Human Recourse Management and Financial Management. Researchers provided with a list of pre-determined factors so that they could indicate how much each of the factors influenced their professional course choices.

Objectives

Main objective of this study is to find out the factors which are influence in the choice for professional courses of first and second year undergraduate students Faculty

of Management Studies & Commerce, University of Jaffna, Sri Lanka. Following are the sub objective of this study:

- To identify the factors those influence the choice of professional courses.
- To recognize the factors those influence the choice of professional courses.

2. REVIEW OF LITERATURE

According to *Tennakoon.H.D, Vidanapathirana.A.K, Sutharsanthe.S* (2005) level of preference scores computed for each career preference, General Medicine, Obstetrics and Gynecology, General Practice/Family Medicine, General Surgery and Neurology were areas/disciplines with the highest levels of preference among students. Community Medicine, Biochemistry, Geriatrics, Medical Administration and Microbiology had the lowest preference scores. Among factors which influenced the career preferences, personal factors scored the highest percentage score (35.03%), followed by factors within the hospital and clinical appointment (36.33%), occupational factors (29.5%), factors within the medical school (20.84%) and factors associated with family and relatives(7.6%).

Ejisu-Ashanti (2012) found that out of eleven factors deem to influence the choice of accounting as a major subject long term earning potential and good initial salary was found to influence students most in choosing accounting as a major subject with 39% response rate. The rating of 39% of the earning potentials shows that future economic emancipation is taken into account in making current decision on

subject major. This was followed by availability of jobs (13%). This means that, majority of business students in various academic institutions major in accounting because it has a variety of job opportunities. These two factors are therefore consistent with the findings of many other studies such as Tan and Laswad (2006). Influence of referent(11%) was the third major factor. This may be due to the fact that, most parents and guardians do impose on their wards which area of academic pursuit they should undertake. This finding is contrary to Ahmed et al., (1997) study which suggests that referents had no influence. Also senior high school accounting was another factor enumerated in the research with preference rate of 8%. This low response may be due to the fact that career guidance at the senior high level is not adequate for them to make a firm decision.

Andriani Kusumawati (2010) said that at least three factors that affected their decision to choose a university rather than relying on only one factor. The result indicated that total expenses (cost) (40), reputation (36), proximity (33), job prospect (20), parents (18) are the five most importance choice criteria for Indonesian students. The next five factors that respondents mentioned most frequently to be, in order of decreasing frequency, are academic quality (17), friends (15), psychological (pre-selected motive) (13), facilities (11) and campus environment (11).

Since no one had engaged in reviewing on the subject of factors influencing on the choice of professional courses, the factors which are mentioned in

this study, have been identified through a discussion with the lecturers of Faculty of Management studies and commerce, University of Jaffna and with a sample of ten randomly chosen students who are following professional courses.

3. RESEARCH METHODOLOGY

Data sources

Given the nature of the present study it was required to collect data from the primary and secondary sources. Primary data were collected through questionnaire. Secondary data were collected from research studies, journals, books and news papers. The collected data should be processed and analysed in order to make the study useful to the practitioners, researchers, students and academicians.

Measures

The questionnaire was administrated to first and second year students of faculty of Management studies and commerce, University of Jaffna. Questionnaire is prepared with five point Likert- scaling system. In away, qualitative data, converted into quantitative data and then details analysis was made with appropriate statistical tools in order to prove the objective. Questionnaire is designed to gather the data. Questionnaire consists of twenty five statements to measure the factors influencing for choosing professional courses. Data was analyzed using Microsoft Excel and SPSS software programs.

Sampling

Using the random sampling technique, a total of hundred and ten

respondents were selected as sample of the study. Out of them hundred and two respondents completed the questionnaire and the rest did not return it for unknown reasons.

Participants and Procedures

Request were made to first and second year faculty of management studies & commerce university of Jaffna to fill up the questionnaire. In order to collect necessary data, after obtaining permission from the dean of the Faculty of Management studies and commerce questioners were issued among the first and second year students belonging to different ethnicity who come from different part of the country. The students also were asked weather they were wiling to fill up the questioners. All together hundred and seven students in both years were surveyed in this study. Researchers have excluded seven of the participant's questionnaire which were not completed. The time frame for completion of the survey is 2nd of January 2014.

Data Analysis and Presentation

In the present section, researchers, therefore, used Cronbach's Alpha scale as a measure of reliability. Its value is estimated to be 0.711 for total professional courses variables. If we compare our reliability value with the standard value alpha of 0.6 advocated by Cronbach (1951), a more accurate recommendation Nunnally & Bernstein (1994) or with the standard value of 0.6 as recommended by Bagozzi & Yi's (1988) researchers find that the scales used by them are highly reliable for factor analysis.

Further, researchers tested whether the data so collected is appropriate for factor analysis or not. The appropriateness of factor analysis is dependent upon the sample size. In this connection, MacCallum, Windaman, Zhang & Hong (1999) have shown that the minimum sample size depends upon other aspects of the design of the study. According to them, as communalities become lower the importance of sample size increases. In this regard communalities of professional courses been shown in table-1.

Table-1: Communalities of the Professional Course's Variables

Professional courses Variables		Initial	Extraction
1	Q1	1.000	0.744
2	Q2	1.000	0.612
3	Q3	1.000	0.614
4	Q4	1.000	0.061
5	Q5	1.000	0.667
6	Q6	1.000	0.645
7	Q7	1.000	0.741

8	Q8	1.000	0.530
9	Q9	1.000	0.473
10	Q10	1.000	0.697
11	Q11	1.000	0.602
12	Q12	1.000	0.713
13	Q13	1.000	0.770
14	Q14	1.000	0.807
15	Q15	1.000	0.583
16	Q16	1.000	0.733
17	Q17	1.000	0.723
18	Q18	1.000	0.639
19	Q19	1.000	0.630
20	Q20	1.000	0.610
21	Q21	1.000	0.672
22	Q22	1.000	0.654
23	Q23	1.000	0.738
24	Q24	1.000	0.686
25	Q25	1.000	0.732

From table-1, it is clear that a sample size of hundred as used in the present study is good for a suitable factor solution because all communalities are 0.4 and above. Kaiser Meyer- Olkin (KMO) measure of sampling adequacy is still another useful method to show the appropriateness of data for factor analysis. The KMO statistics varies between 0 and 1. Kasier (1974) recommends that values greater than 0.5 are acceptable. Between 0.5 and 0.7 are mediocre, between 0.7 and 0.8 are good, between 0.8 and 0.9 are superb (Field, 2000).

In this study, the value of KMO for

overall matrix is 0.517 (For details please see table-2), there by indicating that the sample taken to process the factor analysis is statistically significant. Bartlett's test of sphericity (Barlett, 1950) is the final statistical test applied in the study for verifying its appropriateness. This test should be significant i.e., having a significance value less than 0.05. In the present study, test value of chi-square 539.206 (P=0.000) is highly significance (as also given in table-2) indicating that the data is appropriate for the factor analysis. This means that the correlation matrix is not an identity matrix.

Table 2: KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.	.517
Bartlett's Test Sphericity Approx. Chi-Square	539.206
Df	300
Significant	.000

After examining the reliability of the scale and testing appropriateness of data as above, researchers next carried out factor analysis to identify the key factors of professional courses. For this, researchers employed principal component analysis (PCA)

[Generally, researchers' recommend as varimax, details please see Taher, Rahman, & Ferdousy, (1993) and Ather, & Nimalathan (2009)]

When the original professional course variables are analysed by the PCA in this regard has been revealed table-3.

followed by the varimax rotation

Table-3: Total Variance Explained

Component	Initial Eigen values		
	Total	Percent of Variance	Cumulative Percent
1	3.513	14.051	14.051
2	1.981	7.925	21.976
3	1.909	7.634	29.610
4	1.813	7.253	36.863
5	1.540	6.160	43.023
6	1.339	5.358	48.381
7	1.317	5.268	53.649
8	1.121	4.485	58.135
9	1.086	4.343	62.478
10	1.038	4.150	66.628

11	0.956	3.822	70.450
12	0.858	3.431	73.881
13	0.847	3.387	77.268
14	0.764	3.055	80.323
15	0.713	2.852	83.175
16	0.689	2.756	85.931
17	0.611	2.445	88.376
18	0.539	2.156	90.532
19	0.482	1.929	92.461
20	0.440	1.759	94.220
21	0.380	1.518	95.738
22	0.346	1.384	97.122
23	0.286	1.144	98.266
24	0.231	0.924	99.190
25	0.203	0.810	100.000

From the table-3, it can be seen that ten components extracted from the analysis with an eigen value of greater than one i.e., 'rule of thumb' (Tabachnick & Fidell, 1996) which explained 66.628 percent of the total variance. Further, it is worth mentioning out here that factor loading greater than 0.30 are

considered significant, 0.40 are considered more important and 0.50 or greater are considered very significant (Hair, Anderson, Tatham & Black, 2003).

The rotated (varimax) component loadings for the two components are presented in table-4.

Table-4: Total Variance Explained

Component	Percentage of Variance Explained	Cumulative Percentage of Variance Explained
1	9.425	9.425
2	8.227	17.652
3	6.514	24.167
4	6.469	30.635

5	6.438	37.073
6	6.413	43.486
7	6.392	49.877
8	5.716	55.594
9	5.575	61.168
10	5.460	66.628

For parsimony, only those factors with loadings above 0.50 were considered significant (Pal, 1986; Pal & Bagi, 1987; Pal, 1997; and Hair, et.al., 2003). In this regard rotated component analysis has been shown in table-5.

Table -5: Rotated Component Matrix for professional courses

	Component									
	1	2	3	4	5	6	7	8	9	10
Q13	.739									
Q12	.726									
Q11	.679									
Q5	.604									
Q8		.667								
Q3		.644								
Q15		.632								
Q16			.748							
Q6			.659							
Q17			.550							
Q24				.787						
Q25				.739						
Q22					.790					
Q20					.560					
Q10						.769				
Q4						-.639				
Q1							.643			
Q9							.616			
Q7							-.590			
Q21								.771		
Q18										
Q23									.825	
Q2										-.669
Q14										.572
Q19										.546

Each of Ten professional courses group listed in table-6 is labelled according to the name of the value that loaded most highly for those variables. The higher a factor loading, the more would its test reflect or measure as professional group (Pallant, 2005; Hema, et.al., 2000).

The variables getting highest loading becomes the title of each group of professional courses e.g. parent's expectation- Title of professional courses group I and the like.

Professional courses Group - I: Parent's expectation These group are represented by four variables with factor loadings ranging from 0.739 to 0.604 They are parent's expectation, friends influence, family structure & Parents wishes.

Professional courses Group -II: English soundness Three variables ranging from 0.667 to 0.632 belong to English soundness, enhancing field related skills & to improve the knowledge.

Professional courses Group -III: Friends following the course This group Friends following the course, prefer to get a job in private sector & desire to achieve mastery in a particular field with loadings 0.748 and 0.550 respectively.

Professional courses Group -IV: Self employment-This group encompasses self

employment & grade of work with loadings 0.787 and 0.739 respectively.

Professional courses Group -V: Family financial background Two variables ranging from 0.790 to 0.560 belong to family financial background & want to become a professional.

Professional courses Group VI: Personal interest This group contains personal interest and fulfill the expectation of the organization with loadings 0.643 and 0.616 respectively.

Professional courses Group - VII: Get job easily without more examination & interviews- Only a variable consists in this group with loadings 0.590.

Professional courses Group - VIII: Good demand in foreign This group consists only one variable i.e., good demand in foreign with loadings 0.771.

Professional courses Group - IX: Prestige in the society Only prestige in the society variable consists in this group with loadings 0.825.

Professional courses Group- X: High level of job opportunity- Three variables ranging from 0.669 to 0.546 belong to high level job opportunity, inspired by role models & my district.

Table -6: Ranking of Variables according to their importance

Key Customer Satisfaction Factors	No. of Variables	Factor Score	Rank
	4	3.4579	7
Professional course group-2: English soundness	3	3.5347	5
Professional course group-3: Friends following the course	3	3.42090	8
Professional course group-4: Self employment	2	3.7178	3
Professional course group-5: Job opportunities in bank	2	3.8069	2
Professional course group -6: Family financial background	2	3.3812	9
Professional course group -7: Personal interest	3	3.6601	4
Professional course group -8: Get job easily without more examination	1	3.2871	10
Professional course group -9: Prestige in society	1	3.4653	6
Professional course group -10: High level job opportunities	3	3.8680	1

4. LIMITATION OF THE RESEARCH

This research has been done with the help of the primary data which was collected from the first & second year undergraduate students of faculty of management studies and commerce, university of Jaffna, Sri Lanka. There are very few of questions were not answered by the correspondence and also the questionnaire is in English language but the students are as Tamil and Sinhala, so the language might be a problem for the students when they were answering.

5. CONCLUSION

Choice of professional courses are influenced by numerous factors including high level job opportunities, enhancing field related skills, inspired by the role model, associate with current market & geographical area, fulfil the expectations of

organization, high level job remuneration, desire to achieve a mastery in a particular field, influence of friends & improve the knowledge. High level job and Journalism, as well as other university to evaluate what are the factors are more influencing in the choice of professional course and evaluate how factors are related with students.

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FACTORS INFLUENCING FOR CHOOSING OF GENERAL CERTIFICATE ADVANCED LEVEL [G.C.E (A/L)] STREAM: A CASE STUDY OF GENERAL ORDINARY LEVEL [G.C.E (O/L), (2012)] STUDENTS IN JAFFNA TOWN, SRI LANKA.

M.Vinthuja, S.Thanusha, C.Vijayananda,
K.Niruthika, J.Vivitha, and Y.Thanarupan

Abstract

Choice of stream is vital for every student future successful career path. Now-a-days students are facing problem when they have to choice the stream. In this view several factors are behind for the selection of A/L stream. According to the Sri Lankan education system has five streams such as Science, Mathematics, Commerce, Arts and Technology. Out of them, students are compulsory undertaking one. The objective of this study is to determine the factors which influence on choice of A/L stream among O/L students of leading schools in Jaffna town Sri Lanka. The factors are investigated like personal interest, skills & knowledge enhancement, work related concern, parental relations, friends involvement and financial support. The study was conducted by using survey design with a convenience sampling of leading schools of Jaffna town. The data for this study has been collected by using direct personal interview. The findings of this study revealed that Personal factors are most influencing when choosing of A/L stream among O/L students of leading schools in Jaffna town Sri Lanka. As well as following other factors influencing like family and friends, financial background, school restrictions and job opportunities.

Keywords: *Advance Level (A/L), Ordinary Level (O/L), Stream Choice.*

1. INTRODUCTION

Everybody has to make choices at different stages in their life. Some of the most critical relate to their education, now a day's schools are significant powerful force for education of children. Even though they make available a diversity of purposes, a major responsibility of schools is to get ready students for their future education or profession. This preparation takes place, for the most part, in the form of students taking

stream and learning the content offered in this stream. Hence, students can only make the most out of schooling through taking the streams which will be useful for their future education or career. Course-taking in secondary schools has been a central issue in educational research for a long time because of its relationship to both educational equity and academic excellence. Courses are important for almost all of the students regardless of their plans for future.

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In this respect, student's stream-taking is an important movement in the context of schooling. The Sri Lankan Advanced Level (A-level) is a general certificate examination of the ministry of educations. The students should study for two years before taking the examination. The examination diversifies over five major stream of study, such as physical science stream (combined mathematics, physics and chemistry), biological science stream ((botany and zoology), physics and chemistry), commerce stream (economics, accounting, business studies), arts stream (Tamil, Hindu culture, logic & etc) & technical stream (electronics, civil and mechanical engineering, agriculture as well as food sciences and information technology). In each stream, students should face three subjects. Additionally there would be a general English test and a common general test.

Admission at undergraduate level to these government universities is based solely on the results of the G.C.E (A/L) examination and the Z-score, which considers the difficulty level of the subject. Due to restricted facilities admissions have become extremely competitive. In this regard many factors influencing choice of stream. Because it is important their future education. In this purpose selected convenience five leading schools in Jaffna town Sri Lanka. Such as Jaffna Vembadi Girls High School, Jaffna Hindu Ladies College, Jaffna Chundukuli Girls College, Jaffna Central College & Jaffna Hindu College. Twenty students were selected from each school based on convenience sampling to formed some useful guideline of

school students when they choosing the stream, also it's helpful for teacher's parents & school management police makers.

2. OBJECTIVE

The primary objective of this study is to examine the factors which are influencing in choice of A/L stream among O/L students of leading schools in Jaffna town, Sri Lanka. Following are the sub objective of this study:

- ❖ To identify the factors those influencing the choice of A/L stream among O/L students of Jaffna town leading schools.
- ❖ To recognize personal factors are more influencing in choice of A/L stream among O/L students of leading schools in Jaffna town.

3. LITERATURE REVIEW

These parts discuss the literature related to the course (stream) choice among the students. In Sri Lanka, researcher could not find out any literature reviews directly related to stream choice in advanced level. Even though researcher reviews some literature (course, subject choice) related it from previous researches. This chapter also summarizes the literature review and identifies the knowledge gap.

The review of the literature that follows has been organized into two main sections. The first provide an overview of the personal factors in relation to the subject choice. Ending section interpreted other factors influence when choosing the subject/stream.

3.1 Personal factors

According to Owoyele and Toyobo (2008) professional guidance and counseling services are needed to guide

students on how to choose subjects based on their academic ability, interest and relevance of such subjects to their future career aspirations. Schools must Endeavour to organize academic and career counseling services before such students are asked to select subjects. Subject choices are considered to be significant in determining career paths.

Smyth and Hannan (2006) stated that schools vary in the way in which scientific subjects are made available within the school; they may allow certain ability groups to take particular subjects or they may set prerequisite for taking certain subjects (e.g., a student may need to achieve a certain grade in order to be allowed to take subject).

Hoofman (2002) as cited by Semela (2010) say that the choice of physics as a major field of study or taking higher physics courses is shaped by students' interest, motivation and prior achievement.

Nicholls and Miller (1984) Found that student judgment about the difficulty level of school tasks clearly affect their achievement related cognitions. Tasks perceived by the students as difficulty (into his/her skill level) engender lower expectations for success, perceptions of control and perception of self efficacy than easy tasks.

Okakes, Selvin, Karoly and Guiton (1992) found that cited by Smyth and Hannan (2006) schools are found to make assumptions about the abilities and needs of their student intake, assumptions which

guide their decisions about which courses to offer.

Several of the previously referenced studies indicated that “interest in the subject” was the top or one of the top influencing factors in the selection of a business major (Malgwi ,2005;Kim ,2002; Demarie,2003).

3.2 Other factors

Peel (1998) in Oriahi, Uhumuavbi and Aguele (2010) stated that students often receive conflicting advice from parents, teachers, friends and career advisors, and upon entering senior secondary school there can be a mismatch between expectations and actual experiences. The difficulty students may have in obtaining informed advice can influence their choice of science subjects.

Millican, Richards and Mann (2005) say that one of the major difficulties inspiring students about careers in engineering is that their main source of information, their teachers are usually not much better informed than the students themselves.

Roger and Duffield (2000) found that schools can influence course up-take indirectly through subject packaging for optional subjects and more subtle encouragement of the take-up particular types of subjects.

The literature review has shown that there are several factors which influence the choice of stream among Jaffna district leading school students. The factors reviewed are related personal factors and other factors

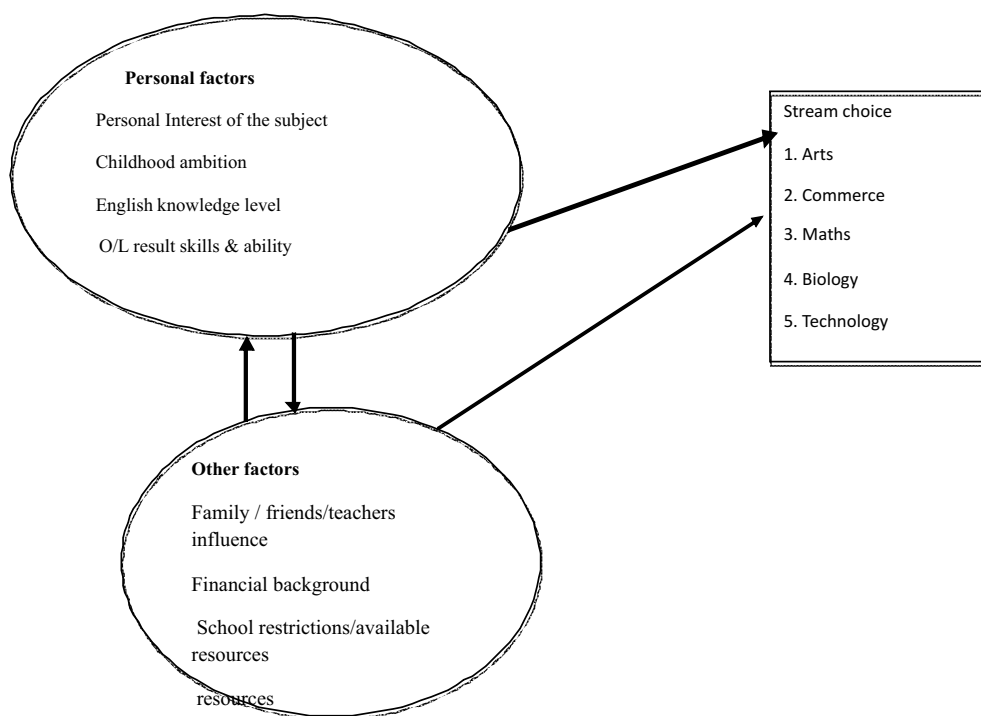
Different studies reviewed has shown that student ability, interest, achievement, parents & friends pressure and school restrictions influence the choice of Advance Level Stream.

In present study found that personal factors most influence choosing the Advance Level Stream among Jaffna district leading school among ordinary level students.

3.3 Summary

Under the literature review the subject selection is influencing by many factors. Personal factors take a major place in subject or course selection. The present study examines the student level variables that influence high school student's stream choice. These relationships are studied through placing the selected variables. The outcome is the number of stream choice affected by personal factors (personal interest, ambition, skill, ability & etc).

4. CONCEPTUALIZATION



5. RESEARCH METHODOLOGY

This chapter discusses the study design used, location of the study, population and sampling strategies, data collection instruments, data collection and analysis procedures. The population for this

study is comprised of five leading schools students in Jaffna district, Sri Lanka. The sample size consists of 100 advance level students (2015 batch) collected from the questionnaires. In order to investigate factors influencing to their decision in

selecting leading schools, this research employed a Likert scale consisting of 5 levels, ranging from level 0 for not influential to level 5 for strong influential. A likert scale is a psychometric scale commonly involved in research that employs questionnaire.

5.1 Research Design

The study used descriptive survey design. According to Mouton (1996) a survey is used to collect data for describing a population too large to observe directly. A survey obtains information from a sample of people by means of self report, that is, the people respond to a series of questions posed by the investigator (Polit and Hungler (1993). In this study the information was collected through self administered questionnaires distributed to the subjects by the researcher. The design helped to describe the factors that influence the choice of streams in leading schools in Jaffna district. According to Ogula (1999), descriptive research design attempts to accurately describe a given situation. This design was used to collect information, record the information collected, analyze and report conditions that existed.

5.2 Data Collection and Participants

The present study used primary data for the analysis. Primary data is data that have been newly obtain from related field. In this purpose used of direct personal interview and questionnaire instrument. Also data was obtained from advance level (2015) batch students in Jaffna five leading schools. Further also used secondary data

from Sri Lankan education websites.

5.3 Sampling design

The researcher sampled five schools by means of convenience sampling. Hundred students were selected from five leading school in Jaffna town with convenience sampling in each stream. In each school students who have already made their subject choice. Convenience sampling is a type of non probability sampling, in which people are sampled simply because they are “convenient” sources of data for researchers.

Totally hundred students were conducted also following schools were selected for data collection purpose, in these schools two schools were boys school another girls schools. Following schools were selected

1. Jaffna Vembadi Girls High School
2. Jaffna Hindu Ladies School
3. Jaffna Chundugulli Girls College
4. Jaffna Central College
5. Jaffna Hindu College

5.4 Data Analysis Procedures

After administration of the instruments to the respondents the data collected was examined for completeness and appropriately coded. The data was then entered in the computer for analysis by the use of Statistical Package for Social Sciences (SPSS). The findings were reported in summary form using

Descriptive statistics such as percentages, means, histogram and frequencies were used to present data.

Reliability

Scale: ALL VARIABLES

Table 1:
Reliability Statistics

Cronbach's Alpha	N of Items
.603	2

Over all result statistically show that the items used in the study are valid and measure what it is supposed to measure. The instrument is reliable (with cronbach's alpha .603) that meets the acceptable value of 0.60 (sekaran, 2005; hair ET al.2006; Kaiser, 1974).

6. DATA ANALYSIS PRESENTATION, AND DISCUSSION

Based on the findings, description and interpretation were made on the factors which influence the choice of advance level stream of Jaffna leading school advanced level students'. The influencing factors dividing into two groups

1. Personal factors
2. Other factors

Personal factors variable include personal interest of the subject, help future career path, like sums or empirical subject, like theory subject, childhood ambition, According O/L results and skills and ability, easy to understand, help to enter university, can obtain best result, improve life style and status, Convenience for extracurricular activities, improve skills and knowledge, English knowledge level.

Researcher consider other factors are parents have worked or are working in the same stream, Parents wish and advice to undertake the stream, Family financial background, sister, brother, relations and friends influences, More interesting and quality teachers in the stream, More books are available with related stream in school library, school restrictions related it, Very good reputation in society, Competitions between students, Related jobs are earning more, Very few syllabus.

Gender of the respondents indicated that, 58 out of 100 respondents were female while the rest of the respondents were male. This result is not surprising it depicts the national population trend of more females than male and also explains the female dominance in the advance level students.

Descriptive Statistics

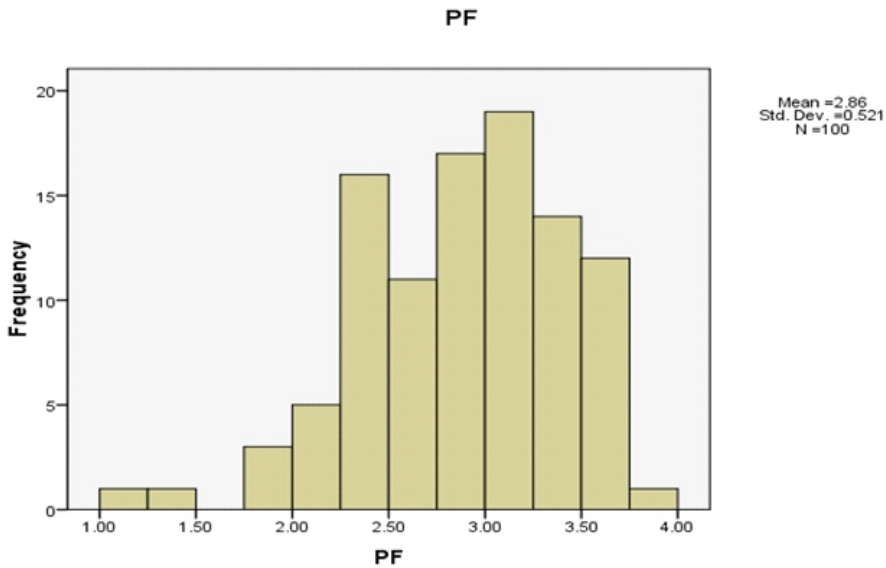
	N	Range	Minimum	Maximum	Mean	Std. Deviation
Personal factors	100	2.79	1.00	3.79	2.8571	.52144
Other factors	100	3.31	.44	3.75	2.2906	.66651
Valid N (list wise)	100					

Table: 2 Mean Value of Influencing Factors Statistics

It can be clearly seen that personal factors are more influencing when choosing the advance level stream among leading Jaffna school ordinary level students. It's

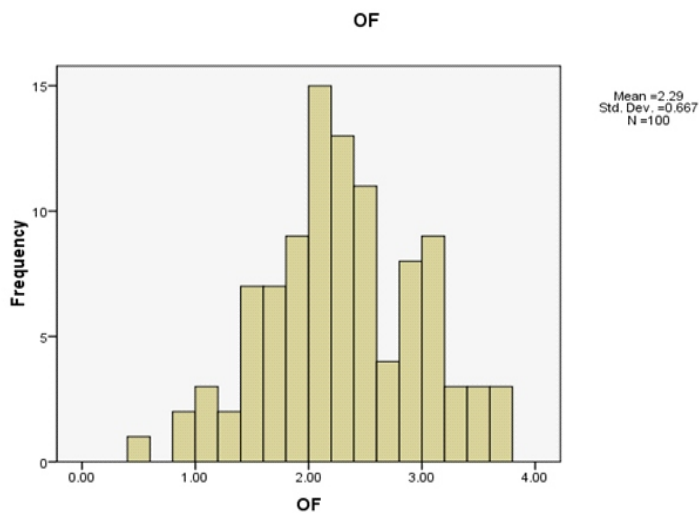
representing the mean value 2.8571 in addition personal factors standard deviation less than other factors

Figure I: Histogram for Influencing Personal factors PF (Personal Factors), OF (Other Factors)



Personal factors having mean 2.86 it with standard deviation 0.521. represent its most influence the decisions

Figure II: Histogram for Influencing Other Factors



This graph represent other factors having mean value 2.29 .it's represent these variables considerable influencing decision making .but it's less important than the personal factors variables.7. Limitation of the Study

Jaffna district is a large area. There are many schools. But researcher has selected five leading schools, Due to the time frame given by the university it was not possible for the researcher to cover the whole of the district. In addition the researcher was not in a financial position to cover the whole district schools. Also sample students were few to represent the population of Jaffna district leading schools; furthermore questionnaire is not in the mother language therefore students may be difficult to understand the other language (English) to fill up the questionnaire. In over all view, the result will represent the narrow area in Jaffna district schools.

8. CONCLUSION AND RECOMMENDATION

Advance level students stream choices are influenced by numerous factors including personal factors and other factors. Personal factors were more influential factors in student's stream choice at advance level. In other factors family related variable more influential than other variables. As students interact with their peers their advice is less important as compared to family members, teachers. However teachers are more influential compared to others. Persons that offer stream choice advice to students should ensure that they are well informed so as to provide accurate

information that will lead students to correct stream choice.

It's clear from the study that, personal factors are vital that most influence the choice of stream among advance level students in Jaffna leading schools. Other factors also considerably influence. So that now day parents must be know the student personal factors are most important other than their influence. Also this is help school management policy makers, students.so students must consider first their ability and skill when they choosing the stream it's definitely let to the favorable result in advance level. So students can obtain good job in Sri Lanka also foreign countries. Researcher trying the best for society student future studies improvement .Researcher expects it's useful for future advance level stream choice. T

The Counseling and Career Education Service in the Public Schools need improvements need to give more personal attention to students and advice them which course to choose.

9. OPPORTUNITIES FOR FUTURE

Researchre research in this area. Also this research has concluded with the help of the mean, histogram and reliability study. Researcher expectation is to other researchers do these with help of the statistical tools for more clear explanations. The preceding literature review suggest the need for additional research, the result of which will allow us to better understand the decision criteria and process used by advanced

level students choose stream and as such help advance level teachers improve the advising process and allow more informed decision by students.

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FACTORS INFLUENCE ON HOUSING FINANCE CUSTOMERS

V.Thamodaran

Abstract

Housing Finance is linked with the provision of infrastructure and utilities because it has a clear relationship with the volume of new stock which will be built. As mentioned earlier, housing finance plays an intermediary role between production consumption economy and housing system. Through change in policies in the capital market can be expanded so that a part of the resources flow into housing. Thus, housing finance is an important link in the potential for transforming the creation of housing and social urban investment into strips of property and benefit for the people including low income groups. How the flow of resource helps the wider range of income groups will depend upon the terms and conditions built into the design of housing credit. Generally, housing requires longer term finance than the one in industry

Keywords: Finance, Infrastructure, Utilities

1. INTRODUCTION:

Housing Finance plays a vital role as an engine of equitable economic growth through the reduction of poverty and prevents slum proliferation in economy. The demand for housing has increased rapidly day by day. Therefore, to meet with the growing housing demand is the aim of the government. To achieve this aim it is required to provide the finance for housing to the people. The liberalization of the financial sector of the economy has also become possible by the housing finance.

Housing Finance is linked with the

provision of infrastructure and utilities because it has a clear relationship with the volume of new stock which will be built. As mentioned earlier, housing finance plays an intermediary role between production consumption economy and housing system. Through change in policies in the capital market can be expanded so that a part of the resources flow into housing. Thus, housing finance is an important link in the potential for transforming the creation of housing and social urban investment into strips of property and benefit for the people including low income groups. How the flow of resource helps the wider range of income

groups will depend upon the terms and conditions built into the design of housing credit. Generally, housing requires longer term finance than the one in industry.

2 REVIEW OF LITERATURE:

Devlin (2002) has expressed that investigates the relative importance of choice criteria according to consumers and also analyzes difference in the importance of choice criteria with respect to a number of demographic and relative factors. The study shows that choosing a home loan institution on the basis of professional advice is the most frequently cited choice criteria, closely followed by interest rates. Difference in the importance of choice criteria with respect to gender, class, household income, educational attainment, ethnicity and financial maturity are apparent.

Rashmi Chaudhary and Yasmin Janjhua (2011) have been pointed out that *the satisfaction level and problems faced by customers while availing loans and found that the customers of the bank were highly satisfied with the home loan services in relation to its services, transparency, time taken for loan approval, employee co-operation and query handling, prima facie of some problems like procedural delays, lack of knowledge and red-tapisim. The results further revealed that the main reason for people to prefer this bank is the trust of the customers in the bank, lower interest rates and easy repayable installments.*

Vanaja and Sindhuja (2012) have examined that the factors influencing customers in choosing a housing finance agency, reasons for pre closure of home

loans and customer's opinion about the electronic clearing services of HDFC limited. The customers agree that the people's service, products and processes are effective. The company can improve the service of updating repayments and conveying information about RBI guidelines and interest rate changes by enabling automatic generated SMS or e-mails to be sent or through tele calling the customers within a time limit of one or two weeks. The major factors that influence customers in choosing housing finance company are competitive interest rate, flexible repayment system, progressive funding and prepayment penalty.

3. OBJECTIVES OF THE STUDY:

1. To analysis the housing finance related factors such Documentation Process, Interest Rate, Duration of loan, Repayment and Customer Services that influencing the housing finance customers.
2. To offer suggestions of factors those influence the housing finance.

4. RESEARCH METHODOLOGY

The type of research design used here is the descriptive research. Descriptive research is carried out to describe the characteristics of customer segment. The sampling technique used in this research is convenience sampling. Convenience sampling is a non probability sampling technique where subjects are selected because of their convenient accessibility and proximity to the researcher. The sample size is 100 and the study depends on primary data. A structured questionnaire is used to for collection of data.

5. ANALYSIS AND DISCUSSION:

After the collection of data coding was done for the purpose of appropriate statistical analysis. Analysis was done with

an attempt to organize and summarize data, in order to enhance the efforts of outcome in such a manner that enables to relate the critical points with the study objectives.

TABLE 1: HOUSING FINANCEFACTORS ON AGE GROUPS

Housing Finance Factors	Age	N	Mean	Std. Deviation	'F' Value	Sig. Value
Documentation Process	Below 25	10	18.40	5.835	.765	.551
	26-35	21	17.90	5.847		
	36-45	43	17.91	5.286		
	46-55	16	17.75	5.170		
	Above 56	10	21.00	4.082		
	Total	100	18.24	5.320		
Interest Rate	Below 25	10	11.40	2.547	1.309	.272
	26-35	21	9.38	2.729		
	36-45	43	9.79	3.392		
	46-55	16	10.13	2.363		
	Above 56	10	11.30	2.669		
	Total	100	10.07	2.989		
Duration of Loan	Below 25	10	12.90	3.247	1.068	.377
	26-35	21	13.81	2.250		
	36-45	43	12.93	2.694		
	46-55	16	11.88	3.384		
	Above 56	10	13.60	4.351		
	Total	100	13.01	2.983		
Repayment	Below 25	10	18.80	5.391	1.265	.289
	26-35	21	19.38	4.883		
	36-45	43	17.00	3.735		
	46-55	16	18.13	3.538		
	Above 56	10	18.50	4.927		
	Total	100	18.01	4.291		
Customer Services	Below 25	10	25.80	6.512	1.810	.133
	26-35	21	21.00	5.413		
	36-45	43	21.23	5.610		
	46-55	16	20.50	5.254		
	Above 56	10	23.10	5.971		
	Total	100	21.71	5.734		

Source: Computed from primary data. ** Significant at 5 % level.

H₀: Housing Finance Factors Such as Documentation Process, Interest Rate, Duration of Loan, Repayment and Customer Services do not vary with different age group of Housing Finance customers.

From the above result about that the Documentation process obtained F value indicates 0.765 and the P value (0.551) is not significant of 5% level. Hence the null hypothesis is accepted. From the table the interest rate obtained F value indicates 1.309 and the P value (0.272) is not significant of 5% level. Hence the null hypothesis is

accepted. From the above result about that the Duration of loan obtained F value indicates 1.068 and the P value (0.377) is not significant of 5% level. Hence the null hypothesis is accepted. From the above result about that the Repayment obtained F value indicates 1.265 and the P value (0.289) is not significant of 5% level. Hence the null hypothesis is accepted. From the above result about that the customer service obtained F value indicates 1.810 and the P value (0.133) is not significant of 5% level. Hence the null hypothesis is accepted.

TABLE 2: HOUSING FINANCEFACTORS ON EDUCATIONAL QUALIFICATION

Housing Finance Factors	Educational Qualification	N	Mean	Std. Deviation		Sig. Value
Documentation Process	Illiterate	11	17.55	4.251	.265	.900
	School level	21	18.29	3.757		
	UG	30	18.43	5.532		
	PG	24	18.88	6.299		
	Professional	14	17.21	6.253		
	Total	100	18.24	5.320		
Interest Rate	Illiterate	11	9.09	1.921	.911	.461
	School level	21	10.86	3.637		
	UG	30	9.67	2.905		
	PG	24	10.46	2.126		
	Professional	14	9.86	3.939		
	Total	100	10.07	2.989		
Duration of Loan	Illiterate	11	12.45	3.643	.652	.627
	School level	21	12.33	3.352		
	UG	30	13.27	2.273		
	PG	24	13.08	2.918		
	Professional	14	13.79	3.446		
	Total	100	13.01	2.983		

Repayment	Illiterate	11	17.45	2.841	.535	.711
	School level	21	17.43	4.956		
	UG	30	17.70	4.187		
	PG	24	18.42	4.471		
	Professional	14	19.29	4.322		
	Total	100	18.01	4.291		
Customer Services	Illiterate	11	18.64	3.982	1.462	.220
	School level	21	22.29	8.174		
	UG	30	21.13	4.890		
	PG	24	22.08	5.158		
	Professional	14	23.86	4.521		
	Total	100	21.71	5.734		

Source: Computed from primary data. ** Significant at 5 % level.

H₀: Housing Finance Factors Such as Documentation Process, Interest Rate, Duration of Loan, Repayment and Customer Services do not vary with different levels of educational qualification among the Housing Finance customers.

From the above result about that the Documentation process obtained F value indicates 0.265 and the P value (0.900) is not significant of 5% level. Hence the null hypothesis is accepted. From the table the interest rate obtained F value indicates 0.911 and the P value (0.461) is not significant of

5% level. Hence the null hypothesis is accepted. From the above result about that the Duration of loan obtained F value indicates 0.652 and the P value (0.627) is not significant of 5% level. Hence the null hypothesis is accepted. From the above result about that the Repayment obtained F value indicates 0.535 and the P value (0.711) is not significant of 5% level. Hence the null hypothesis is accepted. From the above result about that the customer service obtained F value indicates 1.462 and the P value (0.220) is not significant of 5% level. Hence the null hypothesis is accepted.

TABLE 3: HOUSING FINANCEFACTORS ON OCCUPATIONAL LEVEL

Housing Finance Factors	Occupation	N	Mean	Std. Deviation	'F' Value	Sig. Value
Documentation Process	Self employed	27	19.59	4.701	2.753	.032**
	Govt. employed	21	15.86	3.511		
	Private employed	24	17.21	6.297		
	Professional	18	18.67	5.099		
	Others	10	21.30	6.111		
	Total	100	18.24	5.320		

Interest Rate	Self employed	27	11.00	3.742	1.906	.116
	Govt. employed	21	9.76	2.385		
	Private employed	24	9.13	2.708		
	Professional	18	9.61	2.355		
	Others	10	11.30	2.946		
	Total	100	10.07	2.989		
Duration of Loan	Self employed	27	13.33	3.340	2.198	.075
	Govt. employed	21	12.33	1.983		
	Private employed	24	12.33	1.857		
	Professional	18	14.61	3.913		
	Others	10	12.30	3.302		
	Total	100	13.01	2.983		
Repayment	Self employed	27	17.33	4.048	1.439	.227
	Govt. employed	21	16.95	2.539		
	Private employed	24	18.17	4.905		
	Professional	18	19.94	4.929		
	Others	10	18.20	4.686		
	Total	100	18.01	4.291		
Customer Services	Self employed	27	22.67	7.120	.804	.526
	Govt. employed	21	20.48	4.833		
	Private employed	24	21.04	4.894		
	Professional	18	23.06	5.975		
	Others	10	20.90	4.771		
	Total	100	21.71	5.734		

Source: Computed from primary data. ** Significant at 5 % level.

H₀: Housing Finance Factors Such as Documentation Process, Interest Rate, Duration of Loan, Repayment and Customer Services do not vary with different levels of occupational among the Housing Finance customers.

From the above result about that the Documentation process obtained F value indicates 2.753 and the P value (0.032**) is significant of 5% level. Hence the null hypothesis is rejected. From the table the interest rate obtained F value indicates 1.906 and the P value (0.116) is not significant of 5% level. Hence the null hypothesis is

accepted. From the above result about that the Duration of loan obtained F value indicates 2.198 and the P value (0.075) is not significant of 5% level. Hence the null hypothesis is accepted. From the above result about that the Repayment obtained F value indicates 1.439 and the P value (0.227) is not significant of 5% level. Hence the null hypothesis is accepted. From the above result about that the customer service obtained F value indicates 0.804 and the P value (0.526) is not significant of 5% level. Hence the null hypothesis is accepted.

TABLE 4: HOUSING FINANCEFACTORS ON FAMILY MONTHLY INCOME

Housing Finance Factors	Family Monthly Income	N	Mean	Std. Deviation		Sig. Value
Documentation Process	Below 30000	12	19.42	4.100	3.342	.013**
	30001-60000	30	16.67	4.213		
	60001-90000	34	18.00	5.565		
	90001-120000	10	16.70	4.809		
	Above 120000	14	22.29	6.366		
	Total	100	18.24	5.320		
Interest Rate	Below 30000	12	9.83	4.324	.462	.763
	30001-60000	30	10.33	3.122		
	60001-90000	34	9.62	2.785		
	90001-120000	10	10.10	2.283		
	Above 120000	14	10.79	2.424		
	Total	100	10.07	2.989		
Duration of Loan	Below 30000	12	14.17	3.486	.983	.420
	30001-60000	30	12.90	3.144		
	60001-90000	34	12.56	2.946		
	90001-120000	10	14.00	3.197		
	Above 120000	14	12.64	1.906		
	Total	100	13.01	2.983		
Repayment	Below 30000	12	17.33	5.105	.402	.807
	30001-60000	30	17.60	4.248		
	60001-90000	34	17.97	4.181		
	90001-120000	10	18.90	4.841		
	Above 120000	14	18.93	3.872		
	Total	100	18.01	4.291		
Customer Services	Below 30000	12	20.83	7.987	.143	.966
	30001-60000	30	21.43	6.431		
	60001-90000	34	21.91	4.238		
	90001-120000	10	22.40	6.398		
	Above 120000	14	22.07	5.356		
	Total	100	21.71	5.734		

Source: Computed from primary data. ** Significant at 5 % level.

H₀: Housing Finance Factors Such as Documentation Process, Interest Rate, Duration of Loan, Repayment and Customer Services do not vary with different levels of family monthly income among the Housing Finance customers.

From the above result about that the Documentation process obtained F value indicates 3.342 and the P value (0.013**) is significant of 5% level. Hence the null hypothesis is rejected. From the table the interest rate obtained F value indicates 0.462 and the P value (0.763) is not significant of 5% level. Hence the null hypothesis is accepted. From the above result about that the Duration of loan obtained F value indicates 0.983 and the P value (0.420) is not significant of 5% level. Hence the null hypothesis is accepted. From the above result about that the Repayment obtained F value indicates 0.402 and the P value (0.807) is not significant of 5% level. Hence the null hypothesis is accepted. From the above result about that the customer service obtained F value indicates 0.143 and the P value (0.966) is not significant of 5% level. Hence the null hypothesis is accepted.

6. FINDINGS:

There is no significant relationship was observed in the housing finance factors on different age groups of housing finance customers. There is no significant relationship was detected in the housing finance factors on educational qualification of housing finance customers. There is no significant relationship was discerned in the housing finance factors on occupational level of housing finance customers. There is no significant relationship was noticed in the

housing finance factors on family monthly income of housing finance customers.

7. CONCLUSION:

From the overall analysis it can be said the factors such as Documentation Process, Interest Rate, Duration of Loan, Repayment and Customer Services are not influence the housing finance customers on their age groups and educational qualification. Occupational level and Family monthly income are influence in the Documentation Process. Due to high interest rate and long sanction time for loan approval these are the main factors influence the housing finance customers.

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SERVICE QUALITY AND CUSTOMER SATISFACTION: A STUDY OF LISTED BANKS AT COLOMBO STOCK EXCHANGE (CSE) IN SRI LANKA

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Abstract

Banking and finance industry has been rapidly growing over the past decade resulting in an intense competition which has allowed the customers to use multiple banks and switching from one bank to another seeking better opportunity. Most of the banking product developments are easy to be duplicated and when banks provide nearly identical services the main differentiator is the level of service quality and how the customers perceive it. This study attempts to analyze the relationship between the service quality and the level of customer satisfaction and to analyze the influence of each separate service quality parameter on the customer satisfaction. Research was conducted by using a sample of 250 randomly selected customers of CSE listed banking firms located in a slightly remote area. This study measures the service quality in terms of tangibility, reliability, responsiveness, assurance and empathy. Findings revealed that the service quality has a significant influence on the customer satisfaction. Assurance was identified to have the strongest influence on customer satisfaction.

Keywords: *Service Quality, Customer Satisfaction, Banking Industry*

1. INTRODUCTION

Banking and finance industry has been rapidly growing over the past decade resulting in an intense competition. By the end of 2011 there had been 33 banks operating in Sri Lanka consisting of 12 domestic licensed commercial banks including 2 state owned banks, 12 foreign banks and 9 licensed specialized banks (Central Bank of Sri Lanka Annual Report 2012). Customers in the present banking environment are knowledgeable and highly

demanding, due to rapidly developing information technology and advanced communication channels. The present competitive business environment facilitates customers to switch from bank to bank easily seeking better options for higher levels of satisfaction. Most of the banking product developments are easy to be duplicated and when banks provide nearly identical services the main differentiator is the level of service quality and how the customers perceive it. This study attempts to

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investigate the service quality and customer satisfaction in relation to listed banks at Colombo stock exchange (CSE) in Sri Lanka.

2. LITERATURE REVIEW

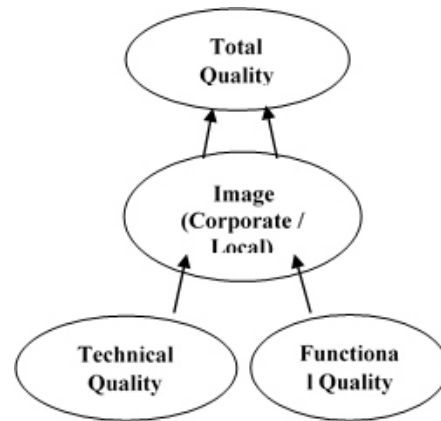
As per the Central Bank Publications, Economic and Social Statistics of Sri Lanka 2011 and the Annual Report for the Year 2010 the network of financial institution has been distributed in the following manner.

As mentioned on Lanka Business Online (LBO), the current banking industry is densely concentrated in the Western Province with nearly 40 percent of the branches of Licensed Commercial Banks and 31 percent of the branches of Registered Financial Companies being present in this area. With respect to banks, the banking density (the number of bank branches per 100,000 persons) is 11.9 in the Western Province against a range of 5.3 to 8.4 in the other provinces.

Although the island's banking sector was largely unaffected by the global credit crisis as it was not exposed to the risky practices that led to it, it does face structural challenges. The industry is over concentrated, over-banked and saddled with high costs, especially for distribution, and prevents the optimization of economies of scale. This in turn makes it difficult to attract new investments into the sector (Abeywickrama, 2010).

Gronroos (2000) presents the Perceived *Service* Quality Model for managers to understand quality through consumer behavior and the effects from comparing expectations about a positive experience of it and later evaluating it. This Model is illustrated in Figure 2.1 below.

FIGURE 2.1: PERCEIVED SERVICE QUALITY MODEL



Source: Customer Loyalty and Satisfaction

According to above model, experience is made up of the accumulated prior experiences of the client, and this can be split into two different dimensions:

- (i) Technical (outcome) dimension and
- (ii) Functional (process-related) dimension.

In other words, technical dimension is the objective dimension or “what” customers actually receive in the interaction with the service provider and

the product/service they are left with, once the interaction is completed. Functional dimension is “how” is the manner in which the product/service is delivered to the customer. Functional quality of the process is subjective since it is based on encounters with the service provider.

The third step in the above model is the Image (Corporate and/or Local). This is how customers will see the organization and its methods of operation and is a major element of quality perception. Further, if the company has a good image, minor mistakes will not change customers' perception of the company, but if the company has a bad image, mistakes will yield that customers perceive quality as bad.

The firm can either choose to focus on a technical dimension or functional dimension strategy. The former is useful when the company needs to find a technical solution to problems that competitors are not able to match. He suggests a company must not focus merely on one strategy and forget the other. Company should strike a balance between the two dimensions, since one cannot exclude the other, in order to increase perceived service quality. However, it is most common to have slightly more focus on functional quality according to Gronroos, 2000.

According to Kotler (2006), customer satisfaction is the extent to which a product's perceived performance matches a buyer's expectations. He further argues that customer satisfaction depends on the product's perceived performance relative to a buyer's expectations. If the product's performance falls short of expectations, the customer is dissatisfied. If performance matches expectations, the customer is satisfied and if performance exceeds expectations, the customer is highly satisfied or delighted. Highly satisfied customers make repeat purchases and tell others about their positive experience with the product or services.

Oliver (1997) defines customer satisfaction as the customers' evaluation of a product/service in terms of whether that product/service has met their needs and expectations. If it fails to do so, dissatisfaction with the product/service occurs. Further, 'satisfaction' is a feeling, which is a short term attitude that can readily change in given circumstances.

It is different from observable behaviors, such as product choice, complaining, and repurchase and it resides in the user's mind. Satisfaction commonly has thresholds at a lower level (under fulfillment) and at an upper level (over-fulfillment). A consumer's satisfaction may drop if he “gets too

much of a good thing”. Many people focus upon the lower threshold and neglect the potential for an upper threshold. Outcomes of satisfaction feelings may involve intent to repurchase, word-of-mouth and complaints.

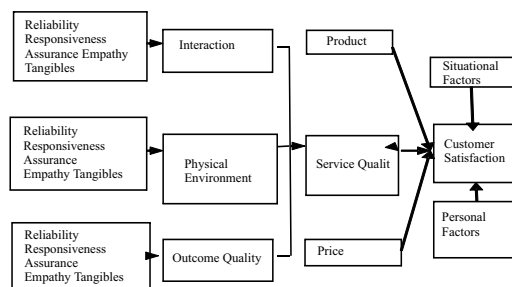
As per Oliver (1997) these outcomes are also moderated by other variables such as extreme dissatisfaction, where it will not necessarily generate complaint behavior, especially if the consumer believes complaining will be of no use. According to Gronroos (2000), it is important not to exceed the satisfaction level too much, since if it exceeds the customers' expectations, it will be even higher the next time. This will result in an up going spiral, where the risk of service failure increases. Therefore, it is important that the customer satisfaction level is increased by small steps, to avoid the risk of unsatisfied customers in the future.

Later Kotler (2006) supported this view by stating that, 'smart' companies aim to delight customers by promising only what they can deliver, then deliver more than they promise. However, although customer-centric firms attempt to deliver high customer satisfaction than their competitors, they do not try to maximize customer satisfaction. Further, when it comes to service quality, efficiency and

Reliability are the important drivers of loyalty. Reliability is strongly correlated to satisfaction; therefore it is crucial for banks to increase customer loyalty.

Zeithaml and Bitner (2003) stated that, satisfaction is generally viewed as a broader concept, whereas service quality assessment focuses specifically on dimensions of service. Based on the above view, perceived service quality is a component of customer satisfaction.

FIGURE 2.2: PERCEPTIONS OF QUALITY AND SATISFACTION



Source: De Silva V., Unleash Potential through Effective Service Quality Determinants, 21st Anniversary Convention Association of Bankers, (2009),

As in Figure 2.2 above, service quality is a focused evaluation that reflects the customer's perception of elements of service such as interaction quality, physical environment quality and outcome quality. Further, customer satisfaction is influenced by perception of service quality, product quality and price and also by situational factors and

personal factors such as emotional responses, their attributions, and their perceptions of equity.

As specified in the above literature Exploratory research of Parasuraman et. al. (1985) revealed that the criteria used by consumers in assessing service quality fit 10 potentially overlapping dimensions. These dimensions were Tangibles, Reliability, Responsiveness, communication, credibility, security competence, courtesy, understanding/ knowing the customer and access which have been further explained below.

1. Competence is the possession of the required skills and knowledge to perform the service.
2. Courtesy is the consideration for the customer's property and a clean and neat appearance of contact personnel, manifesting as politeness, respect, and friendliness.
3. Credibility is the factors such as trustworthiness, belief and honesty. It involves having the customer's best interests at prime position. It may be influenced by company name, company reputation and the personal characteristics of the contact personnel.
4. Security is the customer feeling free from danger, risk or doubt including physical safety, financial security and confidentiality.
5. Access is approachability and ease of contact.
6. Communication means both informing customers in a language they are able to understand and also listening to customers.
7. Knowing the customer means making an effort to understand the customer's individual needs, providing individualized attention, recognizing the customer when they arrive and so on.
8. Tangibles are the physical evidence of the service, for instance, the appearance of the physical facilities, tools and equipment used to provide the service; the appearance of personnel and communication materials and the presence of other customers in the service facility.
9. Reliability is the ability to perform the promised service in a dependable and accurate manner.
10. Responsiveness is to the readiness and willingness of employees to help customers in providing prompt timely services, for example, mailing a transaction slip immediately or setting up appointments quickly.

As indicated it is important to note that the following model is applicable to measure the service quality and then customer satisfaction is created. Ten dimensions discussed above and their descriptions served as the basic structure of the service quality domain from which items were derived for the SERVQUAL scale. SERVQUAL scale

consists of five dimensions (three original and two combined dimensions) as discussed below.

1. Tangibles : Physical facilities, equipments and appearance of personal
2. Reliability : Ability to perform the promised service dependably and accurately
3. Responsiveness: Willingness to help customers and provide prompt service
4. Assurance : Knowledge and courtesy of employees and their ability to inspire trust and confidence
5. Empathy :Caring, individualized attention the firm provides to its customers

Based on the above literature, the research gap is identified.

3. PROBLEM STATEMENT

Relationship between service quality and customer satisfaction has been a topic which has attracted the interest of substantial amount of researchers worldwide plenty of research articles have been published from each continent. As believed by Parasuraman at the time of developing service quality model in 1985, most of the researches that had been conducted to analyze the service quality and its antecedents SERVQUAL model had been utilized as the main guiding instrument.

One such Research has been conducted by Ravichandran K., Tamilmani B., and Arunkumar S., of India to identify the key dimensions of perceived service quality as well as to investigate prevailing service quality level in the private retail banking consumers in India and to find out a regressive equation on the five dimensions of the service quality with that of the overall service quality.

The means of the quality disconfirmation scores were all greater than zero. The extent of the quality disconfirmation in five dimensions is based on the order from the lowest mean to the highest mean are Tangibles (.684), Empathy (.619), Responsiveness (.378), Reliability (.243), and Assurance (.336). Since all quality disconfirmation scores were positive, the subjects' perceptions (actual) were greater than expectations and the subjects were satisfied with banks service quality in varying degrees. The findings also showed that only Responsiveness was found to be significant in predicting overall satisfaction with the banking service ($b = 0.143, p = .0003$), although the r^2 is .102.

A similar research has been conducted by Munusay J., Chelliah S., and Mun, H. W., of Malaysia to seek and measure the level of customer satisfaction and services rendered in the banking industry in Malaysia.

The results of the same have revealed that the combination of Assurance, Reliability, Tangibles, Empathy and Responsiveness together contributed to 62.1% effect on Customer Satisfaction. The r^2 for the overall study on the five dimensions, namely Assurance, Reliability, Tangibles, Empathy and Responsiveness, has proved that there is a strong effect of these five independent variables on Customer Satisfaction.

It was concluded that the Assurance, Reliability, Empathy and Responsiveness have no significant effect on Customer Satisfaction and only Tangibles have significant effect on Customer Satisfaction (P-value < 0.01). The literature survey revealed that many previous studies have been conducted in Sri Lanka to explore the importance of service quality on customer satisfaction in retail banking (Wijetunga, 2003, Mallawarachchi, 2004, Wanninayaka and Dissanayake, 2007 and De Silva V., 2010). The most recent study of De Silva V., was aimed to find out the degrees of impact of human related factors and non-human related factors of perceived service quality on customer satisfaction. The above research has concluded that the human related factors of perceived service quality (i.e. Reliability,

Responsiveness, Assurance and Empathy) have a greater impact on customer satisfaction than that of non human related factors of perceived service quality (i.e. Tangibles). Reliability and Responsiveness was resulted to have the greatest impact on Customer Satisfaction in retail banking. Therefore, the following research problem is formulated in order to achieve the research objective of the study “To investigate *the relationship between service quality parameters and customer satisfaction in Sri Lankan listed banks at Colombo Stock Exchange.*”

Research Problem “*To what extent the service quality affects consumer satisfaction in Sri Lankan listed banks at Colombo Stock Exchange.*”

4. CONCEPTUAL FRAMEWORK AND HYPOTHESIS TESTING

In this research, the selected population is the listed banking sector companies of Colombo Stock Exchange in Sri Lanka. The primary data has been collected through a questionnaire for this study. There are twelve listed banks are in the CSE Reports in Sri Lanka which have been selected for the purpose of collecting data for conducting this research. A sample of 250 banking customers was taken to collect the data. In order to understand the relationships that exist between the service quality and customer satisfaction, the following conceptual framework is shown as follows

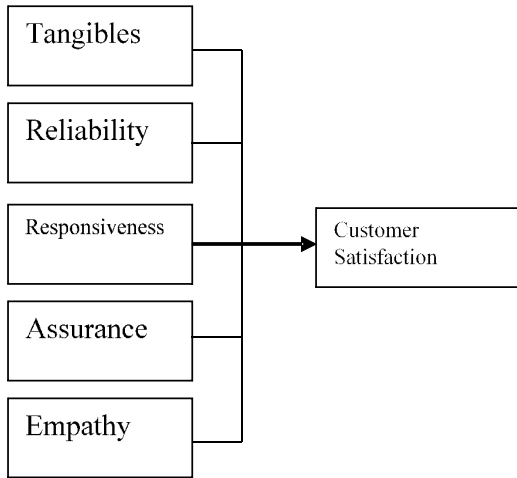


FIGURE 4.1.: CONCEPTUAL FRAMEWORK

Service based Quality Measurement Model developed by Parasuraman et al., (1988) and other related studies.

Source: Developed by the Researchers on

To test for the relationship between service quality parameters and customer satisfaction following hypothesis have been formulated.

H1: Improving Tangibles enhances the customer satisfaction.

H2: Improving Reliability enhances the customer satisfaction.

H3: Improving Responsiveness enhances the customer satisfaction.

H4: Improving Assurance enhances the customer satisfaction

H5: Improving Empathy enhances the customer satisfaction.

5. METHODOLOGY

5.1 Operationalization of Independent variables

Table 5.1: Operationalization of Independent Variable

After a thorough review of literature, especially the empirical researches and studies that have been carried out by Parasuraman, Zeithaml and Berry in 1988 and other related researches above formulated conceptual frame work was operationalized in the following manner.

Variable	Indicators	Measure
Tangibles	Physical Facilities Available (Seating Arrangements, Air Conditions, User Friendliness of Service Points)	Question No. 5
	Appearance of Staff (Well Groomed, Pleasant)	Question No. 6
Reliability	Visual Appeal of Service Set – Up (Interior Decorations, Attractiveness of Printed Materials)	Question No. 7
	Transaction Processing and Recording System is Consistent and Accurate	Question No. 9
Responsiveness	Staff performs their tasks accurately	Question No. 10
	Staff Responds to Client's Needs Timely	Question No. 12
Assurance	Staff is Willing to Help Clients all the Time	Question No. 13
	Management and Staff Instill Confidence	Question No. 15
Empathy	Operational Systems are Trustworthy	Question No. 16
	Staff Offers a Caring Service	Question No. 18
	Staff Offers Customers a Personal Attention	Question No. 19

Source: Developed by Researchers

5.2 Operationalization of dependent variable

Review of literature revealed that customer satisfaction could be measured by frequency the customers do repeated purchases, and reduction of number of complains and several other factors for which the data has to be collected over a long period of time, through direct observations and secondary records. Since it has been decided to gather data by mean of a questionnaire, it was necessary to operationalize the dependent variable too, in a manner that could be verbally expressed. For instance, literature revealed that satisfied customers tend to be loyal to the bank and retain with the bank in long term without switching for multiple banking. Further it was revealed that satisfied customers tend to recommend the bank to other colleague too. Thus above two indicators, retention and recommendation was taken as the indicators of dependent variable and customers expression about his overall satisfaction too has been included as another indicator of dependent variable to avoid any possible exclusion of other important indicators.

TABLE 5.2: OPERATIONALIZATION OF DEPENDENT VARIABLE

Variable	Indicators	Measurement
Satisfaction	Retain with the bank in long term	Question No. 21
	Recommend to others	Question No. 22
	Overall satisfaction	Question No. 8, 11, 14, 17, 20

1.2 Format of the questionnaire

The questionnaire has consists two parts as A and B. The Part- A of the questionnaire was designed to gather information about the nature of relationship existing between the bank and the respondent and the demographic features of the respondent. Part B of the questionnaire was designed to collect data necessary to measure the indicators of independent and dependent variable.

5.3.1 Measurement of independent variables

The answers listed against each questions ranged from 1 to 5 in a “Likert scale” where;

- 1 = Strongly Disagree,
- 2 = Disagree,
- 3 = Neither Agree / Disagree,
- 4 = Agree,
- 5 = Strongly Agree.

5.3.2 Measurement of dependent variables

The answers listed against each questions ranged from 1 to 5 in a “Likert scale” where;

- 1 = Strongly Disagree,
- 2 = Disagree,
- 3 = Neither Agree / Disagree,
- 4 = Agree,
- 5 = Strongly Agree.

5.4 Scales

The answers for the questions in the questionnaire were quantified in following scales. Responses given for the perceived level of identified indicators of service quality were quantified by assigning scores as below,

Strongly Disagree	= 1 Point
Disagree	= 2 Points
Neither Agree/ Disagree	= 3 Points
Agree	= 4 Points
Strongly Agree	= 5 Points

Scale Applied For Dependent Variable

Responses given for the level of overall satisfaction and its indicators were quantified by assigning scores as below,

Strongly Disagree	= 1 Point
Disagree	= 2 Points
Neither Agree/ Disagree	= 3 Points
Agree	= 4 Points
Strongly Agree	= 5 Points

5.5 Population and sample

5.5.1 Population

All the customers of Kuliyaipitiya Branch of an Identified Private Commercial Bank

5.5.2 Sample & Sampling Method

Out of customers who visit the selected private bank between 10 am 2 pm in 5 working days, 45 respondents were randomly selected to represent the client base of 4,500.

5.6 Method of data collection, presentation & analysis

5.6.1 Data collection

Data was collected using a questionnaire, of which the format has been discussed in section 3.5 above.

5.6.2 Data presentation tools

Data collected from the above survey have been presented in tables and charts mainly and demographic analysis of the respondents has been presented as pie charts.

5.6.3 Data analysis methods and tools

Following statistical tools and methods have been utilized to analyze the data collected by the survey. The analysis was done using SPSS software.

- (a) Percentage analysis has been used to analyze the demographic features of the respondents and their length of relationship with the bank.
- (b) Descriptive Analysis methods such as mean and standard deviation were utilized to analyze the level of existing service quality of the bank.
- (c) Correlation analysis was used identify the relationship between the above five parameters and customer satisfaction.
- (d) Regression Analysis was used to analyze the degree of influence of each parameter on the customer satisfaction.

6. DATA ANALYSIS AND PRESENTATION

The multiple regression analysis is applied to identify the impact of SERVICE QUALITY and CUSTOMER SATISFACTION of the listed banking companies at the Colombo Stock Exchange in Sri Lanka. The regression coefficients are expressed according to the designed regression model as in table 1 below.

Table 6.1: Regression coefficients

MODEL SUMMARY						
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate		
1	.554(a)	.306	.217	.19912		
ANOVA (b)						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	.683	5	.137	3.446	.011
	Residual	1.546	39	.040		
	Total	2.229	44			
COEFFICIENTS (A)						
Model		Unstandardized Coefficients		Standardized Coefficient	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.666	.518		5.142	.000
	Tangibles	.004	.090	.006	.046	.964
	Reliability	.010	.084	.017	.118	.906
	Responsiveness	.028	.062	.085	.440	.662
	Assurance	.192	.091	.392	2.114	.041
	Empathy	.093	.070	.197	1.322	.194

Source: Researchers' collected data

$$\text{Overall Satisfaction} = 2.666 + 0.004Tg + 0.10Rb + 0.028Rs + 0.192As + 0.093Em$$

Where; Tg = Tangibles
 Rs = Responsiveness
 As = Assurance
 Em = Empathy
 Rb =

Reliability R^2 is the proportion of variance in the dependent variable which can be explained by the independent variables.

In the present study, R^2 is 0.301. Thus, 30% of the variation in customer satisfaction can be explained by service quality.

According to the table 2, the regression coefficient of assurance is statistically significant. Due to the multiple regression model, the highest magnitude represents the Assurance. It indicates that a positive relationship between customer satisfaction and service quality. In this case the regression coefficient is 0.192 at 0.05 significant level. The hypotheses testing were done in accordance with the results from the data analysis as follows.

Table 6.2: Results of hypothesis testing

Improving Tangibles enhances the customer satisfaction	Rejected
Improving Reliability enhances the customer satisfaction	Rejected
Improving Responsiveness enhances the customer satisfaction	Rejected
Improving Assurance enhances the customer satisfaction	Accepted
Improving Empathy enhances the customer satisfaction	Rejected

Source: Researcher's collected data

7. CONCLUSION

The research was conducted by selecting a sample 250 customers from selected Sri Lankan listed banks. Thus results of the present study may not provide an appropriate insight of the behavior of customers of entire banking industry in Sri Lanka. Objective of the study was to find out the relationship between the service quality and customer satisfaction and though the empirical finding of the present research

it was established that, improving service quality results in an enhanced customer satisfaction. Results of the study also confirmed the presence of other factors which has a considerable influence on customer satisfaction, other than the service quality. Results of the research reflected that the Assurance has the strongest influence on customer satisfaction while Empathy and Responsiveness too possesses a considerable influence. Being in par with the results of previous studies conducted on the same topic, quality of Tangibles has shown to possess the weakest influence of customer satisfaction out of five parameters considered in the study. When perusing the results of the analysis of data on level of existing service quality in the subjected bank, it can be concluded that all the five service quality parameters are in an acceptable level, while Assurance as perceived by the customers has scored the highest. Responsiveness and Empathy has scored the lowest.

8. RESEARCH SUGGESTION

Previous studies on the same topic too have established that service quality has a significant influence on customer satisfaction. Further, in the same way as in present study, previous studies too have concluded that the influence of quality of Tangibles on customer satisfaction is not significant.

Thus it is recommended for the banks to improve their service quality in order to enhance the customer satisfaction, which eventually results in long term loyalty, avoid from switching for multiple banks and also attracting of new customers through the recommendation of existing customers.

One of the most critical and slightly contradictory finding of the present study was the identification of “Assurance” as the most significant service quality parameter affecting the customer satisfaction. Most of the previous studies have identified either Empathy or Responsiveness as the most significant parameter, yet the results of the present study forecasts of a change of customer perceptions and behaviors, by identifying Assurance as the most significant factor. Anyway, a change of customer perceptions and behavior is possible as a result of a learning process, especially, due to the vibrant programs carried out by regulators at present in order to educate the general public to get rid of fraudulent players in the industry and also several critical incidents took place in the recent past which made the public to seek for Assurance prior to any of their investing decisions.

Anyway since the population of the present study was limited to the customers of a selected private bank,

branch of which is located in a slightly remote locality (Kuliyapitiya) this result alone itself is not sufficient to conclude of overall industry behavior. Yet, this slightly contradictory finding brings up the need for research and study further on the same topic since the outcome of such studies will be vital for the management of banks to change their strategies.

Further, when considering of the problem of the selected bank, the present study suggests that this may be due to the comparatively lower level of Empathy and Responsiveness. It has been identified that apart from the Assurance, Empathy and Responsiveness exerts the next strongest influence on the customer satisfaction yet, data revealed that, customers have perceived those parameters exist in a lower level than the other parameters.

Thus it is recommended for the subjected bank to implement strategies to improve the epithetical behaviors of front line staff, such as being caring and provide personal attention to customers and encourage staff to respond to clients' needs timely.

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