Amity
BUSINESS REVIEW

Volume 9, No.1, January - June 2008

PERFORMANCE APPRAISAL PRACTICES IN SELECT MANUFACTURING AND MINING INDUSTRIES OF SOUTHERN RAJASTHAN

Dr. Shishupal Singh Bhadu* & Dr. M. L. Dhodi**

Performance Appraisal is one of the most important functional responsibilities of a HR manager as it determines the organizational culture, climate and motivation level of the entire workforce. In recent times Human Resources have come to be recognized as both the strategic weapon as well as the differentiator therefore, the business organizations are presently attaching great importance to the adoption of sound performance appraisal system. In this an attempt has been made in this paper to find out Performance Appraisal practices followed by select industrial units of southern Rajasthan (India). Further, the effect of various organizational characteristics of planning and implementation of performance appraisal system in respondent organizations has been studied. In an empirical study of 110 managers and 198 other employees of manufacturing and mining organizations, it was concluded that healthy performance appraisal practices have a significant effect of the organizational culture, climate and motivation level. The paper ends by offering useful suggestions to the various stakeholders involved in the Performance Appraisal Process.

Man is the most important input in any output. In a globalized and open economy money and material are easily available so they do lend any competitive advantage to any organization. Those who successfully manage Human Resources (Man) at the workplace will definitely lead a particular sector. In the Human Resource Management area Performance Appraisal is an important aspect. People differ in their abilities and aptitudes. These differences are natural to a great extent and cannot be eliminated even by giving the same basic education and training to all. There will be some differences in the job performance. Therefore, it is necessary for management to know these differences so that employees having better abilities may be rewarded and the wrong placements of employees may be rectified through transfers. The individual employee would also like to know the level of his performance in comparison to his fellow employees, so that he may improve upon it. Thus, there is a great need to have a suitable performance appraisal system to measure the relative merit of each employee.

In this paper , an attempt has been made to find out Performance Appraisal practices followed by few select industrial units of southern Rajasthan. Further, to find out the relationship between different dependent and independent variables i.e. size of the organization, type of industries, age of professionals and types of different cadre. At last, the researcher tries to give conclusions and suggestions on the basis of empirical study and analysis. So, on those bases industrial units can improve Performance Appraisal System for better utilization of Human Resources at workplace. An attempt has been made in this paper to –

- Review the available literature with a view to unearthing performance appraisal related practices.
- Prepare the sound methodological bases for carrying out empirical study.
- Empirical analyses of the causal relationships among variables.

In HRM one of the most important activities is performance appraisal. Every employee irrespective of his position expects that his work

* *Associate Professor, Department of Business Administration. University College of Commerce & Management Mohanlal Sukhadia University. Udaipur.*

** *Faculty Member, Vibhaya Bhawan Rural Institute Udaipur.*

appraisal, calculation of appraisal score and calculation for promotion or reward system should be very clearly intimated to the employees. It is not enough for employees to get feedback of their performances rather performance review sessions with superiors need to be taken up more often than not.

5. A sound HRD system helps practicing proper human resource practices, otherwise performance appraisals system, the compensation system and many other practices would not be possible. The managers should frame a clear guideline, criteria of promotion and access to development. The management should reward and benefit to those who are loyal to the organization.

6. Training need assessment procedure should be given more emphasis. Inclusion of leadership skills, emotional stability, team building spirit, motivations level, etc. in the EPAS will give broads aspect of assessment. Behavioral pattern, personality traits, etc. can also be separately described to give an added emphasis on personal development. The potential appraisal can also be introduced. This would benefit the organization in allocation and proper utilization of human resource in future.

7. Feedback and counseling must be established as a formal system to encourage open communication and effective problem solving. The performance appraisal system should facilitate the identification of new competencies of people (individuals, dyads, and teams) on a continuous basis, bring out hidden potential and new talents of people, develop new competences and should have in-built motivational quality. Greater openness in performance review should be practiced i.e. more sharing of performance related information between managers and other employees.

8. Potential Appraisal - Potential appraisal should not be neglected and must be established as an effective system, which will help in development of employees in the organization. Performance and potential appraisal shouldn't be combined; the performance review should concentrate on current performance. If the organizations have opportunities for promotions they should have to develop completely separate procedures for assessing potentials.

9. Employees should be involved in the planning process; this will make them a part of team, develop motivation and improve communication. The accountability should be cascaded to each employee using their performance plans to document goals and objectives. Everyone in the organization must be held responsible for his or her part of the work. The organization should also make concrete efforts to ensure constant communication with employees about organizational performance.

10. Every care must be taken for correct evaluation and due importance should be given to work and quality, the evaluation should be positive instead of negative i.e. there should be a positive evaluation system, grading information should be given to the employee.

11. The performance appraisal reports should not be kept secret for the employee.

13. 360-degree assessment program will be effective only when top management backs it with assurance to managers that the exercise will be used exclusively for individual developments and benefits only.

In conclusion it can be said that performance appraisal is one of the most important function of Human Resource Management. The adoptions of healthy performance appraisal practices have a significant effect on the overall organizational climate. Both the modern performance appraisal techniques such as 360-degree feedback and self-appraisal as well as traditional performance appraisal practices are very much relevant. As per the present study, which draws responses from the large number of managers and other employees of selected organization we should learn useful lessons for improving the efficacy of performance appraisal system.

REFERENCES

Barnardian, S (1998), The Manual of Human Resource Management, New Delhi.

Bhadu, S.P.S. (1997) Management of Human Resources in Large Scale Industries of Rajasthan, Unpublished Ph.D. thesis J.N.V. University, Jodhpur.

Dhabhai, D.S.(1999), Personal Management of Khetri Copper Complex, unpublished M.

Phil. research paper, Mohanlal Sukhadia University, Udaipur.

Hunt, (2001). How to Conduct Staff Appraisal, Jaico Publishing House, Mumbai.

Jagdish, (1998), Indian Journal of Training and Development, New Delhi, JanuaryMarch.

Jangid, Vi~ash Kumar and Dr. Chatterjee, Abha (2002) "Designing a Performance Appraisal System for Shop Floor Employees", Indian Journal of Training and Development, Vol. XXXII No.1, Jan-March, pp.79-87.

Leap and Kino (1989), Personal/Human Resource Management, Maxwell Macmillan International Edition, Singapore.

Mafeed(1998), Indian Journal of Training and Development, New Delhi, April-June. Mehta; Anil, (2004) "Performance Appraisal 360-de'gree Technique", HRM Review, March, pp--48-51.

Nosubuga Asumant (1998), Performance Potential of Individuals in Organization and Environmental impedim~nts, unpublished Dissertation, Mohan Lal Sukhadia University, Udaipur.

Pareek, Udai, Rao T.V. (1997), Designing and Managing Human Resource System, Oxford and I.B.M. Publishing Company, New Delhi.

Phillipo, Edwin B (J 984), Personnel Management, Maxwell Macmillan International Edition, Singapore.

Singh, Ashok ('2000), Human Resource Management in Hotel Industry in Rajasthan, unpublished Ph.D: thesis, Mohanlal Sukhadia University, Udaipur.

Singh, Sanghamitra (2006), "Performance Management System: A New Perspective", MBA Review, June, pp, 43--44.

Venkateshwarloo (2000), Indian Journal of Training and Development, New Delhi, April-June.

APPENDIX 1

The following industries are randomly selected from the Southern Rajasthan (Both Public and Private Limited Organizations have been chosen):

1. The Hindustan Zinc Limited Udaipur. (HZL).
2. The Rajasthan State Mines and Minerals, Limited, Udaipur (RSMML).
3. The J.K. Cement Works, Nimbahera (Chittorgar).
4. The J.K. Tyre, Kankroli (Rajsamand).
5. The Rajasthan Spinning and Weaving Mills, Limited, Banswara.
6. The Rajasthan Spinning and Weaving Mills, Limited, Rishabhdeo.
7. The Birla Cement Works, Chittorgarh.

ORGANISATIONAL EMPLOYEE DEVELOPMENT INITIATIVES AND THEIR IMPACT ON RETENTION INTENSIONS: THE CASE OF INDIAN IT INDUSTRY

B. K. Punia* & Priyanka Sharma**

The changing paradigms of the 21st century require the organisations to develop their employees and keep them abreast with the latest technological and environmental transformations. This situation requires particular attention in the IT industry due to high rate of employee attrition and thus encouraging the organisations to strengthen their developmental initiatives for employee retention. The present study explores the employees' perspective on the organisational developmental agenda vis-a-vis its influence on their retention intentions. The study brings out that to keep the employees intact for longer periods, the organisations need to think and act in terms of effective succession planning, challenging work assignments supplemented with opportunities for skill enhancement of the employees.

INTRODUCTION

The current century is a boon for challenge seeking employees. The changing paradigms of globalisation and technological advancements have considerably changed the way people lead their lives and organisations do business. To keep the employees abreast of the latest environment the organizations need to equip them technically and other wise. Continuous changes call for continuous learning but there is no single method which can promote learning in all people and in all domains. Additionally, adult learning solutions for developing employee competencies are different from those used for school going kids. Employee development that way has become a buzz word of the industrial society and particularly more significant for ever dynamic IT sector. This phenomenon comes into play when there is a performance problem due to the lack of knowledge, skill or negative attitude or employee turnover is more than the desired. Increased rate of attrition brings in many problems having impacts on individual and organisational health.

Human resource is the principal component of an organization representing the totality of the inherent abilities, acquired knowledge and skills as exemplified in the talent and aptitudes of its employees. These are 'human factors' which refer to a whole consisting of interrelated, interdependent and interacting physiological, psychological, sociological and ethical components. The management must therefore take extreme care and be aware not only of the organizational but also employee and self needs. Thus, the human resource management becomes extremely important for any organization. Human Resource Development is a systematic process of improving the knowledge, skills, aptitudes and values of employees so that they can perform the present and future jobs more effectively. According to Milkovich and Boudreau (1997) Human resource management is "a series of integrated decisions that form the employment relationship; their quality contributes to the ability of the organisations and the employees to achieve their objective."

Due to the changing and diversifying business environment, the challenge of attracting, retaining and motivating people has never been greater. Since the beginning of the new millennium, every CEO has lamented the dearth of talent and its shortening lifespan in organizations. The recent times have evinced very high degree of diversity and uncertainty in the business environment of the firms. The globalization of business is forcing the manager to grapple with complex issues as they seek to gain or sustain a competitive advantage further making the corporate relations demanding and testing.

**Professor, Haryana School of Business, Guru Jambheshwar of Science & Technology, Hisar-125001.*

***Research Scholar, Haryana School of Business, Guru Jambheshwar Of Science & Technology, Hisar-125001.*

to do that it would pay to know that what actually motivates them to stay with the organisation for longer periods. In summation, the above discussion brings out the influence of Development practices on employee retention and it can be said that regardless of the demographic variables the respondents attach highest significance to the 'succession planning' and 'effective and motivational leadership' was given the lowest weight. The results also bring out the significant variations in corporate perception in case of gender, marital status academic qualification and the position of the respondents, however no significant variations have emerged in rest of the background variables. Also, the Development practices exhibit a significant positive relationship with the gender, marital status and academic qualification of the respondents.

REFERENCES

Acton, Thomas & Golden, Willie (2003). "Training The Knowledge Worker: A Descriptive Study of Training Practices In Irish Software Companies", Journal of European Industrial Training, 27(2/3/4), pp. 137-146.

Baptist Health Care (2004). "Where Staff Retention Drives Patient Satisfaction" [Web document] URL www.Cpp.COIll

Beauregard, Monica & Fitzgerald, Maureen (2000).Hiring, Managing and Keeping the Best: The Complete Canadian Guidefor Employers. Toronto: McGraw-Hili Ryerson.

Biotechnology Human Resources Council (BHRC) (2002).An Assessment of Worker Retention & Job Satisfaction in the Canadian Biotechnology Industry. Ottawa: BHRC.

Butteriss, Margaret (1999).Help Wanted: The Complete Guide to Human Resources for Canadian Entrepreneurs. Etobicoke: John Wiley and Sons Canada.

Carr, Tracey (2002). "The Key to Promoting and Retaining Female Executives", Industrial and Commercial Training, 34(1), pp.17-20.

Cordray, Kevin (2005). "High Retention Rates Bring Customer Benefits At S[TEL Direct. Why Call-Centre Company Bucks The Trend". Human Resource Management International Digest, 13 (4), pp. 23-25.

Deloitte (2004). "It's 2008: Do You Know Where Your Talent Is? Why Acquisition and Retention Strategies Don't Work" [Web document] URL www.deloitte.com/dtt/cdaldoc/content/LJSTalentMgmtPOV2.11.05.pdf

Dennis, Reardon (2002). "Cross Training Makes a Strapping Staff", Central Penn Business Journal, [Web document] URL http://www.super-solutions.com/

Dumbreck, Tony (2006). "Training the Key to Staff Retention in UK Food Manufacturing" [Web document] URL www.just-food.com

Fitz-enz, J. (1997). "It Is Costly to Lose Good Employee", Workforce, 76(8), pp.50-51.

Hay, Michael (2002). "Strategies for Survival in the War of Talent". Career Development International, 7(I) pp.52-55.

Herbertson, lain (2006). "Retaining That Employee", Net edition, Indian Express Group [Web document] URL http://expressgroup.co.in/

Herman, Roger E., Olivo, Thomas G. and .Gioia, Joyce L (2003).Impending Crisis. Winchester, VA: Oakhill Press.

Human Capital Institute & Aberdeen Group. (2005). "Retaining Talent: Retention and Succession in the Corporate Workforce" [Web document] URL http://www.aberdeen.com/

Johnson Mike, (1998). "Global Executive Talent Famine Forces Companies to Rethink their Strategies for Attracting and Retaining Talent", Economic Intelligence Unit in Cooperation with Hewitt Associate, June 10.

Kaiser, Kate and Hawk Stephan (200 I). "An Empirical Study on the Recruitment and Retention of IT Personnel", Paper presented at the Decision Sciences Institute 32nd Annual Meeting.

Kazarian Kristen (2004). "Study: Training Leads To Promotion, Employee Retention. Microsoft Certified Professional Magazine Online" [Web document] URL http://m c p 111 a g 9.Q.lllln~ws/p.rjn.L_!~p1J~9i!9J: i aL~LQ=663

Lochhead, Clarence and Stephens, Alex (2004). Employee Relation, Labour Turnover and Knowledge Transfer: Case Studies from the Canadian Plastic Sector. Canadian Labour and Business Centre report.

Lockwood, Diane and Ansari, A. (1999).Recruiting And Retaining Scarce Information Technology Talent: A Focus Group Study. Industrial Management and Data Systems, 99(6), pp.251-256.

Meyer, John, Topolnytsky, Laryssa, Krajewski, Henryk and Gellatly Ian. (2003).Best Practices: Employee Retention, Toronto: Tomson -Carswell.

Milkovich George T. and Boudreau Johri W. (1997).Human Resource Management, Chicago: Irwin.

Narayan, Vikramaditya (2006). "Technology as an Enabler of Employee Retention, Job Skills Training and Leadership Development" [Web document] URL www.ascendus.com

Pare, Guy, Tremblay Michel and Lalonde Patrick (2000). The Measurement and Antecedents of Turnover Intentions among IT Professionals. Montreal: Ecole des hautes etudes commerciales. [Web document] URL www.cirano.qc.ca/pdf/publication/2003s33.pdf

Pollitt, David (2005). "UCI Cinema Managers Are Stars of the Show", Human Resource Management International Digest, 13(2), pp.II-13.

Smith, Gregory P. (2001). Here Today, Here Tomorrow, Chicago: Dearborn Trade Publishing.

Stovel, Meaghan and Bontis, Nick (2002). "Voluntary Management: Knowledge Management- Friend or Foe", Journal of Intellectual Capital, 3 (3), pp.303-322.

Villegas, Rik and Villegas Janel (2006). "Training Is Not Enough" [Web document] URL www.saipantribune.com

AN EMPIRICAL TESTING OF SEMI-STRONG FORM EFFICIENCY OF INDIAN STOCK MARKET

Dr. Iqbal* & Dr. T. Mallikarjunappa**

This paper examines semi-strong form of efficient market hypothesis by taking December 2005 quarter earnings announcement as an event. The study is based on 146 companies having minimum 20 percent foreign holdings. We have used event study methodology, t test, Runs test and sign test to test the semi-strong form of efficient market hypothesis. We have used both raw returns and log returns. The behaviour of AARs and CAARs are examined for 30 days before and 31 days after the announcement of quarterly earnings. The results of the study revealed that Indian stock market is semi- strong form inefficient.

Key Words: Indian stock market, semi-strong form efficiency, quarterly earnings announcements, average abnormal returns, and cumulative average abnormal returns.

INTRODUCTION

An informational efficient market is one in which stock prices fully reflect available information. Market efficiency is examined in three forms: weak form, semi- strong form and strong form and each one deals with a different source of information. 1. Weak form - in a weak form efficient market, the prices of securities fully reflect all historical information and no excess returns can be earned by utilising historical share prices. 2. Semi-strong form - in a semi-strong form efficient market, securities prices adjust instantaneously to available new information, so that no excess returns can be earned by trading on that information. 3. Strong form - in a strong form efficient market, securities prices fully reflect all information, including inside or private information, and therefore, no one can earn excess returns.

REVIEW OF LITERATURE

There are many studies, which support the view that stock market is semi-strong form of efficient. Jordan (1973) examined the adjustment of stock prices to quarterly earning information. He used a sample of 45 firms chosen randomly during the period April 1, 1963 to December 31, 1968. He concluded, "in total our results seem to be consistent with the "loose" form of efficient market hypothesis. This is because of the difficulty in predicting the signs of the mean residuals. Or alternatively, while we could observe significant changes in the absolute means, it was considerably more difficult to predict the direction of these changes as seen in the mean residuals"(p.619). Patell and Wolfson (1984) investigated the intra-day speed of adjustment of stock prices to earnings and dividend announcement. They selected a sample of 571 earnings and 96 dividend announcements during 1976 to 1977. The overall results of the study suggest that the stock market responds very quickly to publicly available information. Woodruff and Senchack (1988) too investigated intra-day price adjustment of stock prices to unexpected earnings in NYSE. The results of the empirical study revealed that the reaction started approximately 15 minutes after the earnings announcement. The adjustment of stock prices to favourable or unfavourable earnings was very quick and rapid. Therefore, the results of the above studies were consistent with the semi-strong form of market efficiency.

However, there are many empirical studies that questioned the semi-strong form of efficient market hypothesis. In efficient market hypothesis literature

**Associate Professor, Department of Business Administration. P.A. College of Engineering Nadupadav, Kairangala, Mangalore-574 153. Karnataka, India.*

*** Professor, Department of Business Administration. Mangalore University Mangalagangothri - 574199. Mangalore, DK, Karnataka, India.*

The sign test statistics are not significant at 5% level and falls within the acceptance region. This confirms that there IS no significant difference between the number of positive and negative AARs.

Table 3 presents the summary of t-test statistics that falls in the rejection region. In the case of AARs under both the models out of 61 t-values only 7 t-values (11.48%) falls in the rejection region and remaining 54 t-values (88.52%) are within the acceptance region. From this we infer that AARs are approximate zero for almost 89% of the days and therefore no trader could earn profit if he trades on daily basis.

Runs statistics are significant and therefore we conclude that after the event day AARs do not occur randomly. Therefore, we reject the hypothesis that AARs occur

randomly. The sign test statistics are not significant and we accept the hypothesis that there is no significant difference between the number of positive and negative AARs. The t-test statistics on AARs are statistically not significant and therefore, we accept the null hypothesis that AARs tends to be zero. However, CAAR gives better indication of the presence of excess abnormal returns. Of the 61 t-values under both market model with raw returns and market model with log returns 58 (95.08%) and 59 (96.72%) respectively are statistically significant. This shows the presence of excess CAARs and therefore, we reject the null hypothesis that CAARs tend to be zero. This indicates delayed stock price response that contradicts semi-strong form of efficient market hypothesis.

Table 3 : t-Test Statistics on AARs and CAARs for the Quarter

	Market Model with Raw Returns				Market Model Log Returns			
	AAR	%	CAAR	%	AAR	%	CAAR	%
Bef-RT	2	50.00	15	57.69	2	50.00	13	52.00
Bef-LT	2	50.00	11	42.31	2	50.00	12	48.00
Aft-RT	0	0.00	0	0.00	0	0.00	0	0.00
Aft-LT	3	100.00	31	100.00	3	100.00	31	100.00
Tot-RT	2	28.57	15	26.32	2	28.57	13	23.21
Tot-LT	5	71.43	42	73.68	5	71.43	43	76.79

Notes :

1. *Bef-RT, Bef-LT, Aft-RT, Aft-LT indicates the number of t-values that form in the right (RT) and left tail (LT) of the rejection region when t-values, which are statistically significant at 5% significance level, are counted separately for the periods before and after the event day.*
2. *Tor-RT, Tot-LT indicates the number of t-values that fall in the right (RT) and left tail (LT) of the rejection region for the event window.*

The t-values on CAARs show that under market model with raw returns out of 61 t-values, 57 (93.44%) and under market model with log returns 56 (91.80%) t-values fall in the rejection religion. Therefore, we cannot accept that CAARs are close to zero. This shows the presence of CAARs after the quarterly earnings announcement. Thus we conclude that there is no empirical evidence to support that Indian stock market is semi- strong from efficient.

CONCLUSIONS

The results of the study show that for the event window Runs test and sign test statistics on AARs are not significantly different from the expected number of runs and therefore it is inferred that AARs occur randomly for the overall period. Therefore, we accept the hypothesis that AARs occur randomly for the event window. However, after the event day

REFERENCES

1. Ball, R and Brown, P (1968), "An empirical evaluation of accounting income numbers", Journal of Accounting Research, Vol. 6, pp.159-178.
2. Bartov, E (1992), "Patterns in unexpected earnings as an explanation for post announcement drift", Accounting Review, Vol. 67, pp. 610-622.
3. Beaver, W (1968), "The information content of annual earnings announcement", Empirical Research in Accounting: selected studies, supplement to journal of accounting Research, pp. 67-92.

4. Bernard V and J.K. Thomas (1989), "Post earnings announcement drift: Delayed price response or risk premium?", Journal of Accounting Research, Suppl., Vol. 27, pp. 1-36.

5. Bernard V and J.K. Thomas (1990), "Evidence that stock prices do not fully reflect the implications of current earnings for future earnings", Journal of Accounting and Economics, Vol. 13, pp. 305-340.

6. Brown, P and Kennelly J.W (1972), "The information contents of quarterly earnings: An extension and some further evidence", Journal of Business, Vol. 45, pp. 403-415.

7. Chaturvedi Om H (2000), "Empirical anomalies based on unexpected earnings: The Indian experience", ICFAI Journal of Applied Finance, Vol. 6, No.1, pp. 52-64.

8. Chaturvedi Om Hari (2000), "Anomalies based on PIE ratios: Empirical evidence from the Indian stock market", ICF AI Journal of Applied Finance, Vol. 6,No.3,pp.I-13.

9. Dixit, R.K (1986), "Behaviour of share prices and investment in India", New Delhi; Deep and Deep, p. 328.

10. Fama, E., L.Fisher, M.Jensen, and R. Roll (1969), "The adjustment of stock prices to new information", International Economic Review, Vol. 20,No.2, pp.I-21.

11. Faster, G., C. Olsen, and T. Shevlin (1984), "Earnings releases, anomalies, and the behaviour of security returns", Accounting Review, Vol. 59, pp.574- 603.

12. Freeman R., and S. Tse (1989), "The multiperiod information content of accounting earnings: Confirmations and contractions of previous earnings reports", Journal of Accounting Research, Vol. 27, Suppl., pp. 49-79.

13. Iqbal and T.Mallikarjunappa (2003). "Stock Price Reactions to Earnings Announcement", Journal ofIAMD and IUCBER, 26(1).53 - 60.

14. Iqbal and T. Mallikarjunappa (2007a). "Market Reactions to Earnings Information: An Empirical Study", AIMS International Journal of Management, 1(2). 153-167.

15. Iqbal and T. Mallikarjunappa (2007b). "Stock Price Adjustments to Quarterly Earnings Announcements: A Test of Semi-strong Form of Market Efficiency", Gyan Management, 1(2),25-42.

16. Jensen MC (1978), "Some anomalies evidence regarding market efficiency", Journal of Financial Economics, Vol. 6, pp. 95-107.

17. Jordan, J.R '(1973), "An empirical investigation of the adjustment of stock prices to new quarterly earnings information", Journal of Financial and Quantitative Analysis, Vol. 8, No.4, pp. 609-620.

18. Joy, O.M., R.. Litzenberger, and R. MacEnally (1977), "The adjustment of stock prices to announcements of unanticipated changes in quarterly earnings", Journal of Accounting Research, Vol. 15, pp. 207-225.

19. Narayana, Rao (1994), "The adjustment of stock prices to corporate financial policy announcements", Finance India, Vol. 8, No.4, pp. 941-953.

20. Obaidullah, M (1990), "Stock price adjustment to half yearly earnings announcements .. A test of market efficiently", Charted Accountant, Vol. 38, pp. 922-924.

21. Obaidullah M (1992), "How do stock prices react to bonus issues?", Vikalpa, Vol. 17, No.2, pp.17-22.

22. Obaidullah, M (1991), "The Price/Earnings ratio anomaly in Indian stock markets", Decision, Vol. 18, No.3, pp.183-190.

23. Srinivasan, R (1997), "Security prices behaviour associated with right issue related events", ICFAI Journal of Applied Finance, Vol. 3, No.1, pp.50-62.

24. Watts Rose, L (1978), " Systematic abnormal returns after quarterly earnings announcement", Journal of Financial Economics, Voil. 6, pp. 95-101.

A Study of Promotional Mix Strategic Practices of Selected Pharmaceutical Companies In Western India

Sanjay Jain* & Karunesh Saxena**

The present study focuses on identification of promotional strategies of prescription drugs followed by pharmaceutical companies. An attempt has been made to find out how promotional strategies vary according to different organizational characteristics, such as; drug classes, annual sales revenue and promotional expenditure. The findings of the research suggest that majority of pharmaceutical companies rely on traditional promotional tools and they are way behind adopting innovative tools of promotion.

INTRODUCTION

Marketing communications has seen dramatic changes over the years. The challenges presently faced by pharmaceutical industry in designing, implementing, and evaluating promotional programs are markedly different from those faced by them 20 or 30 years ago. The most important of these changes is the increase in the number and diversity of promotional tools available to industry to reach customers. As a result of these and other changes, a modern promotional mix strategy employs host of different promotional tools.

Along with this, the pharmaceutical industry is also going through transition phase. Specifically in India, the environmental changes like; introduction of product patent regime, increasing competition from MNCs, growth in Indian economy and in per capita income, growing awareness and demand for healthcare products, growth of health insurance are some of the developments which shall have far reaching impact on pharmaceutical industry and thus on marketing and promotion of drugs. Under this backdrop, the current research paper is an attempt to explore the promotional strategies of prescription drugs being followed by pharmaceutical companies. Senior managers from marketing and sales department of pharmaceutical companies were interviewed and data have been collected on 14 promotional tools and 9 innovative tools. The main objectives of the research are:

- To explore the importance attached to different promotional tools by pharmaceutical companies,
- To know applicability of different innovative tools, and
- To identify the influence of various organizational characteristics on promotional and innovative tools.

REVIEW OF LITERATURE

Pharmaceutical companies adopt a variety of means of promotion to attract the physicians; which include personal selling, journal advertising, direct-mail, organizing conferences, samples, gifts, sponsorship to physician, newspaper advertising, free standing supplements, teleconferences, and internet promotion. Buckley (2004) categorizes these drug promotional tools into pull and push strategies. DTCA, internet promotion and creation of patient support groups are termed as pull strategies while personal selling, gifts, free samples, sponsorship of conferences and educational events as push strategies.

In pharmaceutical industry, personal selling is the most common and widely used promotional tool. In USA the drug industry employed 87,892 medical representatives in 2001, which amounts to one medical representative for every nine physicians (Chin, 2002) whereas there are 1.5 lakh medical representatives in India and 5 lakh physicians, resulting into one medical representative for every

** Associate Prof. in the area of Marketing at Pacific Institute of Management, Udaipur.*
*** Director and Chairman, Faculty of Management studies, MLS University, Udaipur*

tools which are more effective and generating positive return on investment shall be increased and the tools which are not producing the desired results should be stopped or diverted.

CONCLUSION

The pharmaceutical companies attach different level of importance to different promotional tools. The applicability of various innovative tools also vary and there is gap between applicability and actual implementation of these tools as large number of pharmaceutical companies mentioned that they do not use innovative tools in their promotional mix strategy. The influence of drug classes, among organizational characteristics, on promotional and innovative tools has been found to be maximum because highest numbers of hypotheses are rejected with this characteristic. It is suggested that pharmaceutical companies should embrace the innovative tools in formulating promotional mix strategy adopt itself with the changing environment and set the path for promising future.

REFERENCES

- Alexander, C T (2003), "Policies To Regulate Gifts To Physicians From Industry", Journal of the American Medical Association, 290 (1)
- Baker, C E (1992), "Desk-Top Media Provide Cost-Efficient Targeted Promotion", Medical Marketing & Media, 27 (4), 68-74.
- Banks, JW, Mainour, AG (1992), "Attitudes of Medical School Faculty towards Gifts from the Pharmaceutical Industry", Academy of Medicine 67: 610-612.
- Bates, A, Bailey, E and Rajyaguru, I. (2002), "Navigating The E-Detailing Maze", International Journal of Medical Marketing, 2 (3),
- Bauer R A and Wortzel L H (1966), "Doctor's Choice: The Physician and His Sources of Information about Drugs", Journal of Marketing Research, Vol. 3, 40-47.
- Buckley, J (2004), "The Need to Develop Responsible Marketing Practice in the Pharmaceutical Sector", Problems and Perspectives in Management, April, 92-103
- Chin, T (2002), "Drug Firms Score By Paying Physicians For Time", American Medical News, May 6.
- Chren, MM, Landefeld CS, Murray TH (1989), "Doctors, drug companies and gifts", Journal of the Australian Medical Association 262: 3448-3451.
- Conlan, M F (1991), "Drug Firms Spend Us$165 Million A Year to Influence Prescribers", Drug Topics, 135 (1), 44-8.
- Davidson, T and Sivadas, E (2004), "Details Drive Success", Marketing of Health Services, Spring, pp 20-25
- Evans, K R and Beltramini, R F (1985), "Physician Acquisition of Prescription Drug Information", Journal of Health Care Marketing, 6(4), 15-25
- Jayakrishna, S. (2006), "New Age Pharma Marketing", Marketing Mastermind, July, 37-43
- Krishnan, G S (2005), "From Volume to Value", Business World, 24 (47), 44-46.
- Liu, SS (1995), "A Comparison of Pharmaceutical Promotional Tactics between Hong Kong and China", Journal of Business & Industrial Marketing, 10 (1), 34-43.
- McInney WP, Schiedermeyer DL, Lurie N et al (1990), "Attitudes of internal medicine faculty and residents towards professional interaction with pharmaceutical sales representatives", Journal of the Australian Medical Association 264: 1693-1697.
- Pitt, L and Nel, D (1988), "Pharmaceutical Promotion Tools-Their Relative Importance", European Journal of Marketing, 22 (5), 7-14.
- Smarta, R B (1994), "Strategic Pharmaceutical Marketing", 1st Edition, Wheeler Publishing, New Delhi
- Thomson, A.N., Craig, B.J., Barnham, P.M. (1994) "Attitudes of general practitioners in New Zealand to pharmaceutical representatives" British Journal of General Practice 44, 220-223.
- Wazana, A (2000), "Physicians and the Pharmaceutical Industry. Is A Gift Ever Just A Gift?", Journal of the Australian Medical Association, vol. 283, 373-380.

PERCEIVED RISK IN ONLINE SHOPPING : AN INDIAN PERSPECTIVE

Shahaida P * & Dr. R. Nargundkar**

In the Western markets, particularly U. S, U.K and France online shopping is posing a threat to traditional retail stores. India has been a very active player in the digital revolution, but online retailing is still an emerging market. Though online retailing reduces time costs and travel costs, it is a lonely process. Online shopping has immediacy problems and it is difficult to convince customers to buy look, feel, fit products, which have a sensory experience. There are concerns about product quality, exchange policies and mode of payment (credit card) security. Though, less than four percent of the population use internet in India, there is a steady growth in online shopping especially in the metros. One of the major factors that affect consumers' propensity to shop online is the risk associated with online shopping. There are different risks associated with online shopping, such as safety of sharing credit card information, on time delivery of the product or service, quality of the product, uncertainty regarding returning merchandise etc. This study explores the risks associated with online shopping in the nascent Indian online shopping industry using a scale developed by Hassan et al (2006) to measure perceived risk in online shopping.

INTRODUCTION

Online shopping is the process consumers go through to purchase products or services over the Internet. An online shop, e-shop, e-store, Internet shop, web shop, online store, or virtual store evokes the physical analogy of buying products or services at a bricks-and-mortar retailer or in a shopping mall. The online retail sector consists of the total revenues generated through the sale of retail goods via online channels, valued at retail selling price (Datamonitor, 2006). Online shopping is a part of e-commerce which includes Business to Business marketing and Business to customer marketing. Today almost any product or service can be ordered online, ranging from pure goods, like jewelry, watches, CD ROMs, electronic gadgets to services like air tickets, movie tickets, restaurant bookings, etc. Consumers can search for jobs or life partners also.

THE ONLINE SHOPPING PROCESS:

Consumers find a product of interest by visiting the website of the retailer directly, or do a search across many different vendors using a shopping search engine. Once a particular product has been found on the web site of the seller, most online retailers use shopping cart software to allow the consumer to accumulate multiple items and to adjust quantities, like filling a physical shopping cart or basket in a conventional store. A "checkout" process follows (continuing the physical-store analogy) in which payment and delivery information is collected, if necessary. Some stores allow consumers to sign up for a permanent online account so that some or all of this information only needs to be entered once. The consumer often receives an e-mail confirmation once the transaction is complete. Some stores may rely on consumers to phone or e-mail their orders (though credit card numbers are not accepted by e-mail, for security reasons).

THE GLOBAL SCENARIO

The Ernst & Young "Global Online Retailing" report, 1999 revealed that 39 million people shopped online in 1999, from 17 million in 1998. Europe, 8.3 million people shopped online in 1999, from 5.2 million in 1998. According to a study by JupiterResearch, online retail sales are expected to grow from $81 bn in 2005 to $144 bn in 2010 (Mishra, 2007)

According to the AC Neilson, "Global Consumers attitude towards online shopping" 2005 report, One tenth of the world's population (625 million) shopped online in 2005.

The study polled over 21,100 respondents in 38 markets from Europe, Asia Pacific, North America, Latin America and South Africa. Europe and North America had the highest incidence of online shoppers, with Germany, Austria and the UK being

** Asst Professor, Department of MBA, PESIT 100 Feet Ring Road, Banashankari III stage, Bangalore - 560085.*
*** Director, Department of MBA, PESIT 100 Feet Ring Road, Banashankari III stage, Bangalore - 560085.*

risk and the relative importance of different components. Once the dimensions of perceived risk towards online shopping are identified, online retailers have to find suitable ways of reducing the perceived risk to stimulate market growth. The phenomenal growth of online shopping in the western countries and the current trend of online shopping in India indicate that online shopping will definitely constitute a major shopping method in the future for the Indian customer.

REFERENCES

A. F. Salam, H. R. Rao, and C. C. Pegels, (2003) "Consumer-Perceived Risk in E-Commerce Transactions" Communications of The Acm December, Vol. 46, No. 12.

Bauer, R. A, (1960) 'Consumer behavior as risk taking', in Cox, D. F. (ed.) (1967) Risk Taking and Information Handling in Consumer Behavior, Harvard University Press, Boston, MA, pp. 2333.

Bhatnagar, A. and S. Ghose (2004), "Segmenting Consumers Based on the Benefits and Risks of Internet Shopping," Journal of Business Research, 57(12), pp. 1352-1360.

Cox, D. F, (1967), "Risk handling in consumer behavior an intensive study of two cases", in: D. F. Cox (Ed.) Risk Taking and Information Handling in Consumer Behaviour, pp. 3481 (Boston, MA: Harvard University Press).

Cunningham, Scott M, (1967), "The Major Dimensions of Perceived Risk," In Donald F. Cox (eds.), Risk Taking and Information Handling in Consumer Behavior, Boston, MA: Harvard University Press, pp. 82-108.

Data monitor, (2006)"Online retail in the United States", www.datamonitor.com accessed on 20-12-2007.

Doney, P. M. & Cannon, J. P, (1997), "An examination of the nature of trust in buyerseller relationships", Journal of Marketing, 61, April, pp.3551.

Forsythe, S. M. and B. Shi (2003), "Consumer Patronage and Risk Perceptions in Internet Shopping," Journal of Business Research, 56(11), pp. 867-875.

Hofstede, Geert H, (1984), "Culture's Consequences: International Differences in Work-Related Values", Newbury Park, CA: Sage Publications.

Hassan Ahmad M., Michelle B. Kunz, Allison W. Pearson, and Fatma A. Mohamed (2006), "Conceptualization and Measurement of Perceived Risk In Online Shopping" Marketing Management Journal, spring, Vol 16, Issue 1, pp 138 147.

Jacoby, Jacob and Kaplan, Leon B, (1972), "The Components of Perceived Risk," in Proceedings, Third Annual Conference of Association for Consumer Research, In M. Venkatesan (eds.), College Park, MD: Association for Consumer Research, pp. 382-393.

Jarvenpaa, Sirkka L. and Noam Tractinsky (1999), "Consumer Trust in an Internet Store: A Cross-Cultural Validation," Journal of Computer-Mediated Communication, (5), No. 2, [URL: http://www.ascusc.org/jcmc/vol5/issue2/jarvenpaa.html].

Ko Hanjun, Jaemin Jung, JooYoung Kimand Sung Wook Shim (2004), "Cross-Cultural Differences in Perceived Risk of Online Shopping" in Journal of Interactive Advertising, Spring Vol. 4, Issue 2.

Kogan, N. and Wallach, M. A,(1964) Risk-taking: A Study in Cognition and Personality, Holt, Rhinehart & Winston, New York, NY.

Mishra Sita (2007) "Consumers' Attitude towards Online Shopping for Clothing" Marketing Management, February ICFAI University Press, accessed online on 20 December 2007.

Miyazaki Anthony D, and Ana Fernandez (2001), "Consumer Perceptions of privacy and Security Risks for Online Shopping" The Journal of consumer Affairs, Vol 35 No 1 pp. 27-44

Roselius, Ted (1971), "Consumer Rankings of Risk Reduction Methods," Journal of Marketing (35), pp. 56-61.

Teichgraeber, Tara (2001), "Consumer Spending More Online," The Business Journal-Serving Phoenix and the Valley of the Sun (21), February, pp.22.

PEERLESS: AT THE INFLEXION POINT FROM RNBC TO FPD (A CASE STUDY)

Prof. Santanu Ray* & Prof. Joy Chakraborty**

"Our aim is to emerge as the country's largest financial super market in the private sector, for doorstep retail distribution of not only our own products but all kinds of financial products under one umbrella."

- S.K.Roy, Managing Director, Peerless General Finance & Investment Company Limited.

Peerless General Finance & Investment Company Limited (PGFI) has been a pioneer in the field of short-term savings and investment in India. But lately, the company shifted to an all new business model following the directions of RBI. It now remains to be seen how far the company's new business initiative provides a better replacement to its conventional modus operandi, in terms of its future growth outlook and revenue-generation. This paper unveils the company's new business strategy as well as the reasons behind in such a transformation initiative.

Keywords: Peerless, savings, investment, strategy, business model, revenue

On 14th September 2007, while addressing the shareholders at the 74th Annual General Meeting of the Kolkata-based Peerless General Finance & Investment Company Limited (PGFI), the Chairman Mr. D. Basu focused on the need to explore new avenues of investment to boost income thereby migrating completely from the company's traditional Residuary Non-Banking Company (RNBC)[1] form of business operation. The Chairman even hinted upon the identification of appropriate alternative businesses that could act as a suitable replacement to RNBC **Table 1**. The recent changes in the regulatory structure of RNBCs, as directed by the Reserve Bank of India (RBI), was the primary reason for the company's management to go forth with such a decision so as to keep itself viable within the regulatory norms which was indeed a major challenge. Poised at this inflexion point, the company's management planned to diversify into Financial Product Distribution (FPD)[2] business, through its country-wide agency network and infrastructural delivery facilities, as a suitable replacement to RNBC. Through its FPD business, the company decided to hawk various financial

Table-1
A List of NBFCs & their Regulatory Authorities

Type of NBFC	Name of the Regulatory Authority
Equipment Leasing Companies [EL]	Reserve Bank of India
Hire Purchase Finance Companies [HP]	Reserve Bank of India
Loan Companies	Reserve Bank of India
Residuary Non-Banking Companies	Reserve Bank of India
Miscellaneous Non-Banking Companies (Chit Fund)	Reserve Bank of India* and Registars of Chits of the concerned States
Mutual Benefit Finance Companies (Nidhis and Potential Nidhis)	Department of Company Affairs of GoI
Micro Financial companies	Department of Company Affairs of GoI
Housing Finance Companies	National Housing Bank
Insurance Companies	Insurance Regulatory and Development Authority
Stock Broking Companies	Securities and Exchange Board of India
Merchant Banking Companies	Securities and Exchange Board of India

** Deposit taking activity only*
Source: - http://rbidocs.rbi.org.in/rdocs/PublicationReport/Pdfs/53674.pdf

Director, NSHM Knowledge Campus, Kolkata 60(124), B.L.Saha Road, Kolkata-700053.
Lecturer, NSHM Knowledge Campus, Kolkata 60(124), B.L.Saha Road, Kolkata-700053.

lies in its ability to bring about a cultural transformation. It would be interesting to find whether a 75-year old company would be able to defreeze more and refreeze at the desired level of competitiveness and flexibility. Past is no more an indication of the future and will the young Jayanta Roy and his team provides new approaches and new leadership, become the catalysts and harbingers of change now remains the moot point.

END NOTES

[1]A Residuary Non-Banking Company (RNBC), a special sub-section of Non-Banking Finance Company that has its principal business of accepting public deposits, under any scheme or arrangement or in any other manner and not being an investment, asset financing or a loan company. The RNBCs are required to maintain investments as per directions of RBI, in addition to liquid assets.

[2]FPD entails a distribution company having a tie-up with a financial product company (i.e. principal) to distribute its products within a specified geography against payment of commission and other fees.

[3]Peerless Developers Ltd. (PDL) was a wholly-owned subsidiary of PGFI that focuses on urban & semi-urban infrastructural development besides Financial Product Distribution (FPD) of life & general insurance products.

[4]The word Peerless indicated "The Peerless General Finance & Investment Company Limited" along with its Subsidiaries & Associates. Peerless has subsidiaries ranging from hotels (Peerless Hotels Ltd.), healthcare (Peerless Hospitex Hospital & Research Center Ltd.), securities (Peerless Securities Ltd.), Travel (Peerless Travel Pvt. Ltd.) to property development (Bengal Peerless Housing Development Co. Ltd.).

[5]The company's "relationship marketing" concept hinted upon building relationships with customers at the first instance and thereafter turning the person into a prospective customer. From a single person, the company would get further prospective customers by way of references & personal contacts. This would help the company to have a larger database of customers at its disposal.

[6]The company's concept of "doorstep services" hinted upon the company's strategy of service marketing. Through offering customer-facilitation services at their doorstep, the company was unique in its approach of marketing its product to the customers.

[7]RNBCs can accept deposits for a period between 12 months to 84 months from the date of receipt of such deposit.

[8] A minimum guaranteed return of 5% (compounded annually) on the amount deposited in lump sum or at monthly or longer intervals; and 3.5% (compounded annually) on the amount deposited under daily deposit scheme.

[9]Systematic risks or market risks or non-diversifiable risks are the risks that cannot be diversified away and which is specific to individual stocks. It refers to the movements of the whole economy. Even if we have a perfectly diversified portfolio there is some risk that we cannot avoid and this is the systematic risk.

[10]The other two RNBCs operating in the country were Sahara India Financial Corporation and Disari India Savings and Credit Corporation.

[11]The capital market regulator's norms stipulate a three-tier structure for establishing a mutual fund. It starts off with the identification of a sponsoring company for the mutual fund, followed by a trust and then an asset management company (AMC). The sponsor is entitled to contribute the initial capital required to start off a mutual fund business.

[12]In 1996-97, saddled with huge liabilities of Rs 2,218.86 crores, the company incurred a loss of Rs 30.82 crores in the second successive year since 1995-96.

AGENDA FOR DISCUSSION

1. What is the role played by PGFI in the RNBC sector in India?
2. What went wrong for PGFI to shift to an all new business model from its conventional modus operandi?
3. How can PGFI strategize for future expansion and leverage on the growth potential into this FPD segment of operation?

REFERENCES:-

1. "Chairman's Speech at the 74th Annual General Meeting", The Peerless General Finance & Investment Company Limited, September 14, 2007, http://www.peerless.co.in/About_Us/chairman.pdf
2. "All you wanted to know about NBFCs", Reserve Bank of India, July 20, 2007, http://www.rediff.com/money/2007/jul/20nbfc.html
3. "Report of the Working Group on Development Financial Institutions", Department of Banking Supervision Financial Institutions Division, Reserve Bank of India, May 2004, http://rbidocs.rbi.org.in/rdocs/PublicationReport/Pdfs/53674.pdf
4. "Heritage", The Peerless General Finance & Investment Company Limited (PGFI), http://www.peerless.co.in/About_Us/Heritage.html
5. "Message of the Managing Director", Company Profile, http://www.peerless.co.in/About_Us/Profile.html#skroy
6. "Growth and Progress", The Peerless General Finance & Investment Company Limited (PGFI), www.peerless.co.in
7. http://www.peerless.co.in/Financial_Product_Distribution/Financial_Product_Distribution.html
8. http://en.wikipedia.org/wiki/Systematic_risk
9. http://rbidocs.rbi.org.in/rdocs/PublicationReport/Pdfs/53674.pdf
10. www.peerless.co.in

A Case Study of Big Bazaar: Marketing Strategies and Future Plans

Dr. Sanjeev Mittal* & Ms. Akanksha Gupta**

Big Bazaar With the mantra of "Nobody sells cheaper and better", has literally revolutionized the turf of the retail market sector in India. A brainchild of Pantaloon India Limited, Big Bazaar has scores of outlets in more than ninety cities across the country. The first outlet was opened way back in 2000 and there has been no looking back since then.

Big Bazaar is primarily known for its smart deals. Buy one and get one free is passé. It now has tempting offers like an entire set of wedding furniture in dirt-cheap rate or a household's month-long ration in a price that you can hardly think of. It surely is an astute housewife's dream comes true! Festive occasions are naturally big days, when it announces jumbo discounts and becomes a hub of frenetic shopping spree: everyone eager to take back home their rich spoils.

Almost all Big Bazaar outlets have the feel of a well-stocked warehouse. Brightly-lit floors sparkle with everythingfrom fresh fruits and vegetables, grocery items, home appliances, furniture and furnishings to electronic goods, clothes and accessories. And if you thought that every visit to the Big Bazaar only made you lighter, in your wallet of course, think again. It now has a unique scheme where you can sell all your unwanted clothes, old newspapers and other junk and, what else but, shop more!

This case deals with the growth of the Big Bazaar with especial reference to its marketing strategies and management strategies which has made it the household name now and its future plans with respect to the new openings, its tie-ups and expansion.

KEYWORDS
Pantaloons, Big Bazaar, Future Group, Hypermarket, Retail Outlet, Grocery Store.

INTRODUCTION

About Kishore Biyani

Kishore Biyani born on 9th Aug, 1961was the second son of Lakshmi Narayan biyani and Shrimati Godavari Biyani. The family business was of shops selling dhotis and sarees in vidhavadhi in Central Mumbai. He was brought in a joint family having 5 uncles, aunts and grand parents. Schooling was done in Mumbai. The family originally hailed from Rajasthan belonging to Marwari Maheshwari bania (Trading Community) who have migrated to Mumbai in early 1950's. From Sarees the family had diversified to fabrics but was conservative in doing business.

Kishore Biyani after graduating from college decided to become an entrepreneur but not the type of an entrepreneur his family was. He considered himself to be a creator and destroyer and therefore always was prepared to take new challenges and risk. He started his destiny by selling men's trousers in 1985 from a small shop located at CP Tank near Bombay central railway terminus his first retail experience. With the assistance of his friends and others a small factory was commissioned named Dhruv Synthetics in mid 1986 to manufacture fancy yarn as well as to give the fabric an effect of fancy yarn. It was not very successful and therefore after its closure he took up the distributorship of denims made by Arvind Mills and there he earned money to take a larger leap.

MENZ WEAR PRIVATE LIMITED

On 12th Oct 1987 Menz Wear Pvt. Ltd. was incorporated by Mr. Kishore Biyani when he was only 26 and a half years old. Under this organization garments were manufactured under couple of brands. From manufacturing he went into the franchising and direct marketing. During this time

* *Professor, University School of Management Studies, Guru Gobind Singh Indraprastha University, Delhi.*
** *Research Associate, University School of Management Studies, Guru Gobind Singh Indraprastha University, Delhi.*

all other consumer durables like- furniture, carpets etc. Big Bazaar has restricted themselves in share of foods to 30%. This is because in India, cost of modern retailing is very high, and food doesn't offer adequate margins.

4. **Usage of more private label brands at Big Bazaar-**They are keeping their own private brands in each category like- apparel (John Miller) food (Tasty Treat) which contributes around 12-14 per cent of their sales.
5. **Getting Expertise through Joint Venture's-** Big Bazaar has tied up with many companies for getting benefit from their expertise like- US-based stationery products retailer, Staples, French women's wear retailer, Etam, UK-based Lee Cooper, Middle East-based Axiom Communications and India-based Blue Foods, Liberty Shoes, Talwalkars' and Asian Electronics to name few.
6. **Keeping Pace with Technology -** Big Bazaar is also using the technology to serve their customer better and to make their operation function more stable and strengthen through the use of RFID, POS Machines etc.

BIG LEAP AHEAD FOR BIG BAZAAR

1. **Plans to open more retail outlets of Big Bazaar-** Big Bazaar has presently 92 outlets across the country and have plans to add over 45 stores by the end of June 2009.
2. **Future Group to hive off Big Bazaar to make it a separate group company-** Mr. Kishore Biyani-led Future Group is considering hiving-off its hypermarket format Big Bazaar into a separate company. This is because the group expects to increase its revenues to $7-8 billion by 2011, of which Big Bazaar is expected to contribute a large chunk of around $4 billion. It has emerged as the largest retail format of Future Group's retail division.
3. **Share equity through Joint Ventures with foreign partner-** Plans is to split Big Bazaar into two separate entities. While one would be a business-to-consumer (B2C) front-end entity, the other would cater to back-end operations, which would enter into a JV with a leading international cash and carry retailer. The likely partners includes Carrefour (France), Metro (Germany), Cotsco (US) and Groupo Casino (France).
4. **New Models for Big Bazaar-** It is also learnt that Mr. Biyani is working on three distinct models for the Big Bazaar format, to be operative by 2011. While the standard Big Bazaar stores will measure between 40,000 sq ft and 75,000 sq ft; those larger than these will be branded Big Bazaar Supercentres; and smaller ones will be called Big Bazaar Express. The company plans to collectively operate over 350 Big Bazaar outlets.

QUESTIONS

1. Discuss the marketing strategy followed by big bazaar as a part of their retailing.
2. Is the study of consumer behaviour important at the time of starting retail business? Discuss how the behaviour of the consumer can be studied to make it a traffic puller store and the factors that make it a true traffic puller.
3. Do you think that Big Bazaar is able to deliver the value to the customers in terms of quality while maintaining the price balance of the merchandise at the same time? Give reasons in support of your answer.

REFERENCES

"Big bazaars, small customers", (February 20, 2008), Business Standard

"Big Bazaar unveils 'My World' magazine for customers", (14th Sep, 2006), The Hindu,

"Big Bazaar in on expansion spree", (June 30), Financial Express.

Debdatta Das "Future Group to launch Big Bazaar Clubs", (Friday, Dec 01, 2006), The Hindu.

India: Big Bazaar 50th store celebration (March 30, 2007), Economic Times

Kishore Biyani & Dipayan Baisya (2008) "It Happened in India" (Rupa & Co.)

K Kala Vijayraghavan, (30 Jun, 2008), "Kishore Biyani may share equity with foreign partner" Economic Times.

"Big Bazaar to stock Ruf & Tuf jeans", (Friday Mar 26, 2004), Business Standard.

"Big Bazaar card holders to be migrated to Future Card", (Tuesday, 08 July, 2008), live mint

Big Bazaar Wholesale Club, www.pantaloon.com

http://www.indiacatalog.com/cityguide/hyderabad/profiles/big_bazaar.html

http://www.dnaindia.com/report.asp?newsid=1136203, Thursday, November 29, 2007,

http://www.expressindia.com/latest-news/Big-Bazaar-signs-Dhoni-as-brand ambassador/295693/

"India: Big Bazaar & Pantaloon on forefront to support social causes" June 6, 2006, http://www.fibre2fashion.com/news/daily textile-industries news/newsdetails.aspx?news_id=18087

"Big Bazaar Unveils 'Power of One' Campaign along with Save the Children India", www.pantaloon.com/power_of_one.asp

www.sankalpindia.net/drupal

www.moneycontrol.com/india/news/big-bazaar-offers-free-shoppingto-rs