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Employee Branding: A Fad or Nexus of Human Resource & Marketing

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Abstract

The meaning of employee branding to the company is actually the image of an organization for the people working in the organization. It is this reputation that the companies make of themselves inside their premises that are also carried outside to the customers, the clients and also the others who are affected by the proceedings of the company. Hence, one can say that within the company, employee branding is done to attract the employees, and also for their subsequent retention in times to come so as to improve the company's image as far as customer satisfaction is concerned. The management has to understand a very simple fact that it can't lay a narrow focus on the employee branding because it is very critical for overall business strategy of the company. One must keep another fact clear that if employee branding is only considered to be a part of the recruitment process and not emphasized as talent management and then given the back seat, there will be too many cases of absenteeism resulting in subsequent resignations at frequent intervals along with the high employee turnover.

The key strategic objective of the business; is to expand the brand, and amass profits by huge sales by popularizing through advertisements, etc. another aspect is employee branding, when traditional HR and Marketing roles mix together into a broader aspects. Companies must meet continuing business challenges and change efforts in the knowledge capital, hence need for qualified and quality people is increasing day by day. It is well known that the organization's left and right hands are Marketing and HR, just like any human being. If the organization looses any one hand or one hand works slowly, effects the whole organization. They are the two functional areas that provide mega impetus to change efforts in an organization. Aligning these two functions can create competitive advantage and success for the firm.

Key Words: Talent Management, Corporate Identity, Organizational Identity, Employee Engagement, Empowerment, Education and Equity.

INTRODUCTION

There is growing recognition of the role employee's play in the development and success of a company's brand. Employee branding is basically employee branding means what an employee projects about himself and the organization culture. A strong sense of affiliation is seen of the employee towards his / her organization. He / She should be able to serve as a brand ambassador for his / her organization. In simple terms, employee's attitude and engagement towards the employer brand image promoted through the culture of the organization. The employee branding consists of the four important things i.e. by selective hiring / selective recruitment, providing targeted training / certifications for employees, effectively communicating the organization goals & what is expected, role clarity and the compensation system should incorporate messages that consistently and frequently reflect the brand and organizational image.

It is generally observed that the organizations in order to launch a brand pumps lot of money for mass publicity, and other marketing strategies, but they usually forget and most often overlooked, are their employees. But it should be made clear that now day's the most important means of molding your brand is through your employees, because only the employees are often the most visible and impactful aspects of your organization. One can say that employee branding constitutes the soul of HR Marketing. Employee branding is method / way for organization's persona & image to get improved in the eyes of consumers and prospective consumers too. Employee branding is all about creating a persona, image in the minds of employees so that they feel empowered and deliver results in alignment with brands promise to delight customers. Image is created through internal communications, training, recognition & rewards, recruit programs, leadership and sustainable practices. Employee branding is not the job of single individual or department, but it is team work of all the departments and employees right from top to bottom.

The first step for a successful employee branding, is a well defined mission and vision of the organization. Employees are supposed to know the vision and mission and should see that the objectives, aims, vision and mission of the organization is met. It should not only be written on paper, they should be able to recognize that all the employees and the system are aligned with them and that their work reflects the company's believes. The said objectives, aims, vision and mission, should be placed in common areas, so that it can be readable and seen to all general public / employees. In an informal mode by culture / coworker influence, employees that have been long with the company can show new workers how things are done in the corporation, they know how the organization works and what is expected from them, they have the tools needed to teach new incomers. Satisfied, loyal employees are more likely to remain with the firm and to share good views about the company with each other and prospective employees. Positive word of mouth amongst employees assists in building camaraderie within and across teams, engendering greater loyalty to the firm and to team members, thus improving staff retention. Furthermore, existing employees have a large "signalling" impact on prospective employees. Positive word-of-mouth helps contextualize the employment experience for prospective employees, attracting those with values that will fit with the brand and allow them to flourish.

Employer branding is central to the concept in HR Marketing. It defines the personality of a company as a preferred employer. The employer brand is the most powerful tool for attracting; engaging and retaining the right talent / culture fit that will help leaders grow their organization. Like any brand, employer brand is about perception. In principle, brands can be seen as a set of symbols which represent a variety of ideas and attributes, the net result of which is the public image, character or personality of an organization. As such, branding activities involve constructing particular attributes (e.g. the values on an organization) that are considered to

represent the image that a company wishes to communicate to potential employees, current staff and the public. Employee and employer branding are distinct activities due to the difference in what has been branded. Employee branding is targeted to the existing workforce, but employer branding by highlighting that the organization is an employer of choice reinforces the employee branding message to the existing workforce. Nonetheless, it is important to note that the two activities have a different emphasis.

The employee branding process enables the organization to consistently deliver its desired brand image to customers, thereby solidifying a clear position in the minds of customers and employees alike. When done well, it provides a competitive advantage that is achieved through employees, who have internalized the desired brand image and are motivated to project that image to customers and other organizational constituents. An organization's mission and values provide a foundation by which the desired brand image is defined. An organizational position is created in the minds of customers, fellow employees, and other stakeholders when this alignment is consistently attained. Such positioning is difficult to achieve, and few organizations are successful in doing so. When it is accomplished, however, it becomes a source of sustainable competitive advantage for the organization. Managers also have the ability to demonstrate what the expected behavior and culture is, through their actions and interaction. The next step is to assure that employees know what the brand is, and that members of the staff are committed to it, that they identify with it and are able to live it enabling them to reflect the desired brand image through their work or interaction with the end user. The employee has to be willing and capable to project the brand to the outside in order for clients to know that they will be receiving the type of service or product that the organization promises. A company's brand is a lot like an individual's personality. It's how the outside world views your business and the image that comes into their minds when they think about your organization. A brand can take years to develop or change. It can take just a moment to destroy!

4E'S OF EMPLOYEE BRANDING ARE:

Employee Engagement: Employee engagement is about creating an environment where employees enjoy what they do, believe in what they do and feel valued for doing it. It is the key organizational differentiator & competitive edge in marketplace. Focus of employee engagement is to identify and provide employees with resources they need to become engaged. Research has found that best employers are differentiated by the high levels of engagement which results in better productivity, improved financial performance, larger pool of talented people and low attrition rate. Low employee engagement has serious implications for the business as it doesn't only hamper performance but lowers the customer service satisfaction as well. In order to boost energy and level of engagement, talent management people must assess the level of employee engagement by using feedback, reliable measures and tested tools.

Employee Empowerment: It is the most important contributor to business success and researchers have found that level of employee empowerment is positively correlated with performance, effectiveness, and innovation and employee commitment. Today organizations need to empower employees so that they can make quick decisions and respond quickly to changes in external environments and ultra competitive markets. Empowerment is an effective management tool that spawns shared thinking of vision and goals. It is suggested that empowerment is the transfer of power from the administrators to the employees. Empowerment is not about being free to act but being responsible and accountable. Empowerment is an enabling process which boosts decision making to achieve organizational goals and objectives. When power & responsibility is delegated from executive authority to operational management it improves productivity, job satisfaction and

augments customer satisfaction. There is misconception amongst managers and employees that empowerment is all about having absolute power. An employee is either empowered or not empowered. Employees in the organization have different magnitude of power based on the nature of tasks and experience.

Employee Education: Today companies have to constantly evolve and educate their workforce in order to keep pace with ultra competitive, always changing markets. Educated and well trained employees are productive and successful. It is stated that there is very strong link between employee education, training and business strategy. The author argued that the businesses having human resources orientation strategy is more likely to educate and train their employees than those with no Human resource strategy. Such business nurture and educate employees as assets to be developed rather than cost and expenses to be minimized. Researchers have found that technology and innovation are two most important determinants for employee education and training.

Employee Equity: Employee brand relationship is crucially important for building a dynamic organization. Like brand equity and customer equity, employee brand is the sum of lifetime values of all employees. A company should invest in employee benefit programs and must develop employees as real assets that are basis for all success a business can derive. Human capitalists agree that following are the key drivers that can be used to gauge an employee's performance, optimum intensity and current and prospective worth to the business.

The employee branding is synonym phrase of Talent Management hence the employee branding through talent management for customer satisfaction can be easily attained by completely focusing on talent management. It is basically constituent of five elements such as attracting, selecting, engaging, developing and retaining employees and it is generally concerned with identifying the talent gaps, succession planning, retaining talented employees by variety of initiatives as well as implementing different strategies. Employee's knowledge and skill are very important weapons which gives competitive advantage to the company in cut throat competition. Aligning marketing and human resource functions is not an easy task as they are not integrated and in some cases both the departments do not talk, employee branding offers remedy to this problem by mixing best of marketing and HR practices. The impact of employee branding on brand identification, brand commitment and brand performance gets improved and thus the organization's brand create a niche in the market.

Culture is about an unconscious common employee behavior that over time has been learned, adapted, and embedded. It is behavior, norms, values, philosophy, rules, artifacts, and climate, as essential components of culture. There are three levels of culture; the first level, are the artifacts and creation, the second level consists of the values and the third are the basic assumptions. All these levels are embedded in worker's minds. Each company's artifacts, values, and basic assumptions are different. Each level goes deeper into staffs' minds. The first level is things that can be seen, logo, color, building, furniture, etc. The second refers to the environment; people have to be inside that atmosphere to perceive it, behaviors, speaking forms, etc. The last level, discusses the unseen and hard to perceive elements; behaviors, patterns, and relationships that have been learned with time and everyday interaction inside that environment.

Identity consists of two different types of identity, there is corporate identity and organizational identity, both definitions relate to each other but they aim at different elements in a company. Corporate identity relates to the consultancy practice, i.e. how an organization expresses and differentiates itself in relation to its stakeholders. Corporate identity looks for the economic gain

and provides clients products or services, which are backed up by a strong corporate image or corporate brand. Corporate identity can be studied through its company name, logo, color, house style, trademarks, buildings, corporate architecture, design, decoration, product design, packaging, and other elements that compose the visual part of an organization's identity.

In an organizational identity, this concept refers to how organizational members perceive and understand who we are and / or what we stand for as an organization. Organizational identity refers to the people working every day in a corporation and identifying with the values, culture, artifacts, codes, rules, procedures, all the internal aspects of the organization. It is what it means for the individual to be part of an organization. Corporate identity is created by managers, by the company's leaders. Their actions are directed and impact the end consumers through all sorts of advertisement. Organizational identity is inside the company, it is shaped by the members of the corporation. These actions target the employees through communication inside the corporation, small talk, meetings, Emails, and all the tools used by the employees to communication between them.

Employee branding is the emotional connection that people make with their company, it's the motivation to deliver to customers what the business promises. It's a useful tool to reflect to the outside what the organization stands for. Employees play a crucial part / role in the development and success of a company's brand. In this context "brand" is defined as a recognizable and trustworthy badge of origin and also a promise of performance. As such, employees are becoming a recognized determinant of successful brand management. Recruiting and retaining employees who can consistently represent the brand in interactions with clients is now accepted as a significant source of competitive advantage.

1. Organization's brand must promise to their employees. The organization, inspite of hiding anything, should reveal and explain what their company is about. What the employees will get in return for being part of the company. It has to provide a motivation to keep the workers in tone with the organization. They employees should be aware of the company present position and where it wants to be in future.
2. Educate employees. Simply informing your employees what the brand is will never be enough, of course. Take the time to train employees around the brand. They should know how the organization wants its customers to be treated: It should not only be on paper only, it should be done and implemented properly. Managers should act the way they want employees to act, pass down the behavior code.
3. The brand must connect, outside and inside. Do remind the employees that they represent a company / organization, as some employees may subconsciously be aware that they do represent the company, and rest forget; the brand must be able to connect the outside market, the end consumer with the organization. Employee branding frames the experience the organization creates for the workers so that in return they can deliver the brand promise to the customer. The workforce should be aware of the company's mission, vision, and values in order to deliver the brand to the customer.
4. The brand must focus on employee choice too. The company has to be aware that employees also have choices like consumers and that there are also different options for the personnel where they can work. Employees choose to be part of an organization, to interpret the brand and to stay loyal to it or look for something else. Brands not only attract customers, they can also appeal to qualified personnel to want to work in the company.

5. The brand must define the business as a place to work. Workers have to be aware what their tasks are, what is expected from them, what are the opportunities they have in the workplace, the rewards for good performances, what they can aspire in their professional life with the company. It is a useful tool to express to the customer what the organization offers, what it believes in and what it stands for. If the employees know, believe, and relate to it, they will be able to transmit it to the customer.
6. The brand must define the emotional connection. The brand should describe the emotional connection between the organization and the employee; the brand is supposed to inspire a link among these two. Workers ought to feel comfortable and proud of belonging to the organization, to come to work every morning and do a good job. A brand is not only attractive for consumers; it is also appealing for future employees. If a company treats its employees with respect, offers growing opportunities, good reputation, there will be satisfied and proud employees. They will not only appeal to consumers, people will also want to be part of it by working in the organization.

It has been noted that the workforce, lack knowledge of the company's mission, vision, values, growth opportunities, and long term commitment that the organization needs from them. There is a gap between committed employees and the organization. Its mission, vision and values can address in a better form, workers' needs, what the organization has to offer them, but it should for its employees. Corporate identity should be communicated to the workforce, to give them guidance of what their work should reflect every day. A strong organizational identity can be constructed, giving employees a sense of belonging. When uniting a strong corporate and organizational identity, the possibilities of employees transmitting them to end consumers are higher.

Employees are the true endorsers and ambassadors of the company brand. As such, employees are becoming a recognised determinant of successful brand management. Recruiting and retaining employees who can consistently represent the brand in interactions with clients is now accepted as a significant source of competitive advantage. In order for a business to be successful, the brand should connect with the employees and then they are responsible for creating a bond with its customers. Workers should know, understand, and believe in what the company stands for. Being part, contributing and engaging in a company are daily commitments that employees make. The people that work in a company are a reflection of the brand, they represent the company. Their behavior and satisfaction of their work should be able to attract other people to be part of the organization. The brand should not only draw customers but also talented people to work in it. Employee branding is an important element inside a corporation and should be analyzed and taken into consideration, it can bring competitive advantages and profits. It provides a strategic competitive advantage; it supplies the company with the ability to have a positioning tool in the market place. Employee branding allows the corporation to constantly give the customer the brand, what it stands for and what is behind that brand. Employees internalize the brand.

CONCLUSION

Successful execution of employment branding fills the gap between marketing and human resource department as it carries halo effect on experience and loyalty indices of both employees and customers. This research paper is an overview of the past, present and future of the employee branding through talent management for customer satisfaction, it takes a wide view of talent management, as the biggest challenges before the HR professionals in today's world. The

organizations should work seriously to retain the talent and maintain a motivated and contented workforce for satisfied customers. Due to cut throat competition in the era of globalization wherein there is emphasis on customer care and paradigm shifts in information technology as well as information technology enabled services necessitated the organizations to focus on management of skilled employees, talented workers and knowledge workers retention and motivation of the best talents through employee branding.

When employees have faith in the organization, consumers will be more likely to believe in the product / service they are purchasing from the corporation. Personnel need to believe in their work, trust the organization and have a purpose to be part of the business. The top management has a very important role in the employee branding for the organization. Their communication is essential and their trust to the talents is also very important. The organizations do not hire new employees, but the recognized talents are always welcome. The organizations, which empower their talents, have a better chance to have satisfied customers. The talents know about their qualities and when they feel a possibility to develop their skills and competencies, they will look for the opportunity to show their potential in other organization. This is a task for human resources to support the role of the employee branding through talent management for satisfied customers. It provides a commencing point for human resource managers to appreciate a synergy between human resource and brand management. In order to attain a successful corporate brand to be established human resource dimensions must be enhanced by employee engagement, empowerment, education and equity.

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An Analysis of Milk Consumption Behaviour in Rural Areas of Surat District of Gujarat: Implications for Rural Marketing^{*}

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Abstract

In recent years, rural markets have acquired significance, as the overall growth of the economy has resulted into substantial increase in the purchasing power of the rural communities due to increase in productivity and better price commanded by the agricultural products. However more marketers are meeting the consequent challenges of availability, affordability, acceptability and awareness in rural market. In this context the present study was carried out to study milk consumption behaviour in rural areas and its implications for milk marketing in rural areas.

For the purpose of study a market survey was carried out using structured questionnaires. The sample of the present study consisted of 375 households from rural areas of 5 Talukas of Surat. The study found that refrigerator is a very common asset in villages of Surat District which can affect the purchase quantity of milk and other fresh foods in rural areas. Majority 88.53% of the respondents use loose milk for consumption. Milk consumption was found to be more for infants and growing up children in the rural families. Majority of the families were consuming around one litre milk per day. The major benefits perceived by rural consumers from milk consumption were health (53.8 %), refreshment (24.5%), for children (21.3 %) and guests (6.6 %) respectively. The monthly expenditure made by majority of the households on Food items was in the range of Rs.5000-7000 which indicates quality consumption. Senior women in family mainly influences purchase decision for milk and other food products. All these findings indicate good potential for packaged milk in rural areas of Surat which can be tapped by adopting proper marketing strategies related to product, distribution, pricing, packaging and promotion.

^{*} The paper is a part of Project report submitted by the first author under the guidance of second author for the partial fulfillment of MBA (ABM) Course.

INTRODUCTION

The dairy sector in India has shown remarkable development in the past decade and India has now become one of the largest producers of milk and value-added milk products in the world. The dairy sector has developed through co-operatives in many parts of the State. With rapid increase in domestic demand for milk and milk-based products, the dairy industry in India is likely to reach about Rs 5 lakh crores by 2015. Milk production is likely to reach about 190 million tonne in 2015 from current level of about 123 million tonne. India is world's largest milk producer and accounts for nearly 20% of total milk production of the world but almost all of it gets consumed domestically. Growing at about 10% annually, the Indian dairy industry is predominantly controlled by the unorganised sector which accounts for nearly 85%. About 8 crore rural families across India are engaged in dairy production and the rural market consumes over half of the total milk produce. Owing to conventional dietary habits of Indian households, about 60% of milk produced is consumed in the liquid form and the remaining is consumed in the form of butter, clarified butter (desi ghee), cheese, curd, paneer, ice cream, dairy whiteners and traditional sweets. Andhra Pradesh, Bihar, Haryana, Gujarat, Madhya Pradesh, Maharashtra, Punjab, Rajasthan and Uttar Pradesh are leading milk producing States in India. (ASSOCHAM 2011)

India contributes to world milk production rise from 12-15 % and it will increase up to 30-35% (year 2020). This growth is going to come from the greater emphasis on the processed foods sector and also by increase in the conversion of milk into milk products. Despite its being the largest milk producer in the world, India's per capita availability of milk is one of the lowest in the world, although it is high by developing country standards. The per capita availability of milk, which declined during the 1950s and 1960s (from 124 grams per day in 1950-51 to 121 grams in 1973-74) expanded substantially during the 1980s and 1990s and reached about 226 grams per day in 2001-02. The per capita consumption of milk and milk products in India is among the highest in Asia, but it is still growing. It is still below the world average of 285 grams per day, and also the minimum nutritional requirement of 280 grams per day as recommended by the Indian Council of Medical Research (ICMR) (Sharma *et al.*, 2003).

Producing milk in rural areas through smallholder producer cooperatives and moving industrially-processed milk from these smallholder sources to urban demand centers became the cornerstone of government dairy development policy. This policy initiative gave a boost to dairy development and initiated the process of establishing the much-needed linkages between rural producers and urban consumers. Several factors have contributed to increased milk production. First, milk and dairy products have cultural significance in the Indian diet. A large portion of the population is lacto-vegetarian, so milk and dairy products are an important source of protein in the diet. The demand for milk and dairy products is income-responsive, and growth in per capita income is expected to increase demand for milk and milk products.

INTRODUCTION OF RURAL MARKET

"The future lies with those companies who see the poor as their customers." C. K. Prahalad (2000)

In recent years, rural markets have acquired significance, as the overall growth of the economy has resulted into substantial increase in the purchasing power of the rural communities. Account of green revolution, the rural areas is consuming a large quantity of industrial and urban

manufactured products. In this context, a special marketing strategy, namely, rural marketing has emerged.

According to a recent survey conducted by the National Council for Applied Economic Research(NCAER), the purchasing power of the rural people has increased due to increase in productivity and better price commanded by the agricultural products. By and large this rise in purchasing power remains unexploited and with the growing reach of the television, it is now quite easy for the marketers to capture these markets .Rural marketing has become the latest mantra of most corporate. Companies like Hindustan Lever, Colgate Palmolive, Britannia and even Multinational Companies (MNCs) like Pepsi, Coca Cola, L.G., Philips, are all eyeing rural markets to capture the large Indian market.

CHARACTERISTICS OF RURAL MARKET

1 The rural markets are of diverse nature. There are people from diverse cultural, linguistic and religious background. No two markets are alike and it is dispersed across India.

2 Shift towards rural markets are mainly because of saturation and competitiveness of urban market. Marketers do not want to neglect this huge untapped market.

3 The incomes of rural customers are also increasing. As seen earlier disposable income of rural consumers have increased and they spend on FMCG and consumer durables.

4 Rising literacy has generated a demand of life style products. Lot of youth move out of the village and visit surrounding cities. They come back and influence decision making.

5 Cable television has also contributed to an increase in life style. The reach has increased and marketers are in a position to promote their products much more easily.

CHALLENGES OF RURAL MARKETING

The rural market may be attracting marketers but it is not without its problems: Low per capita disposable incomes that is half the urban disposable income; large number of daily wage earners, acute dependence on the vagaries of the monsoon; seasonal consumption linked to harvests and festivals and special occasions; poor roads; power problems; and inaccessibility to conventional advertising media.

MILK CONSUMPTION PATTERN IN RURAL AREAS:

Rising incomes in rural India are fuelling greater spends on protein products such as milk, eggs and meat in the hinterland. Overall spending by Indians on protein foods doubled to Rs 2 trillion in 2009-10 from 2004-05. Two-thirds of this spending came from rural households. But while more rural Indians are getting protein in their diets, the concern is that supply shortages are driving up prices and impacting overall food inflation, according to CRISIL Research. CRISIL estimates that in 2009-10, around 11-16 per cent of the demand for direct consumption of milk was unmet due to the shortfall in supply. If high protein inflation persists, it could eventually adversely impact protein-food affordability, particularly in rural areas. Given the high nutritional value of proteins, this could be detrimental to the welfare of the rural population. It is, therefore, imperative that relevant measures be taken to increase production of protein-food to address the unmet demand .

Out of every rupee spent by the average rural household, 53 paise was spent on food, compared to 40 paise in urban areas. Of every rupee spent by the average rural Indian on food, 17 paise was spent on cereals and cereal substitutes, 8 paise on milk and milk products, 6 paise on vegetables, 5 paise on sugar, salt and spices, and 4 paise on beverages, refreshments, processed food and purchased meals (Times of India, 2008)

Driven by rising incomes and population growth, nearly 17 million more rural households bought milk and milk products in 2009-10 as compared to 2004-05, taking the proportion of rural households purchasing milk and milk products to 80 per cent in 2009-10, almost 5 percentage points higher than 2004-05. However, rural per capita consumption of milk, eggs and proteins continues to remain lower than its urban counterpart, reflecting a potential for significant further growth in rural demand for proteins. Rural per capita (annual) consumption of milk in 2009-10 was 49.4 litres versus 64.3 litres in urban areas. Even if the share of rural households purchasing milk remains at the 2009-10 level, another 17 million more rural households would purchase milk and milk products by 2014-15. The study cautions that protein food inflation is likely to remain high unless the supply of milk, meat and eggs for direct consumption is increased to meet the growing demand. The decision to allow FDI in the retail sector would help develop a more effective cold storage chain, thus reducing wastage and increasing supply of highly perishable protein-foods. (CRISIL, 2012).

The percentage of households reporting milk consumption has grown in both rural and urban areas between 1993-94 and 2004-05 by 5 percentage points – 66% to 71% in rural areas and 80% to 85% in urban areas. Over the same period the expenditure on beverages has nearly doubled from 2.4 % to 4.5 % in rural areas. Dietary diversification increases with increasing family income. Consumption of milk and animal products increases with increase in income. (NSSO, 2005)

Only 15 percent of the milk marketed is packed, of which 94 percent is in pouches. It is evident that not only is the informal sector very large, it is the only channel available to about 80 percent of the towns in India (Indian Dairyman, 2002).

Michel Morisset and Pramod Kumar studied the trends and pattern of consumption foods in India and reported that a decrease in food expenditure in real terms is experienced in both the urban and rural households. However, it is accompanied with shift in consumption pattern. The food expenditure (in real terms) is observed to have fallen by 4.2 per cent during the period 1999-2000 to 2004-05. Fresh fruits, Milk and sugar recorded an increase in consumption mainly by low expenditure group of households. The analysis of the rural sector reveals almost similar pattern.. Firstly, the income growth of rural households was marginally superior (37.5 per cent) to that of the urban households (35.1 per cent). Secondly, a marginal increase in food expenditure (in real terms) was observed over the 32 years period. The State with lowest consumption index is Uttar Pradesh (80.1) and the highest is for Gujarat (159.5) far more than that for Urban India.

The present study was carried out with the following objectives:

1. To study the socio-economic profile of rural households in the rural areas of Surat district.
2. To study the factors influencing consumption and purchase of milk in rural areas.
3. To develop insight for framing rural marketing strategy.

The study aims to identify how the rural people spend the money and what they consume, factors affecting their purchase and buying decisions related to food and milk to help in designing better marketing strategies for tapping rural market effectively.

RESEARCH METHODOLOGY

For the purpose of study a systematic and organized procedure was followed. The data collection was done using survey method through structured questionnaires along with personal observation and informal discussions with rural consumers. Secondary data was collected from the books, periodical journals, magazines, newspapers, internet and other publications.

The sample of the present study consisted of 375 households from rural areas of 5 talukas of Surat. In each taluka, 5 villages were selected. Total 375 rural households were selected using purposive sampling (at least 15 house from each village). The household has been treated as the sampling unit and the information was gathered from the family member responsible for food related purchase decisions of the household.

RESULTS AND DISCUSSION:

Table 1: Socio economic profile of Rural Consumers

Particulars	No. of respondents	Percentage %
Family Type		
Joint	125	33.33
Nuclear	250	66.66
Age and Gender		
Male (Adult)	791	36
Female(Adult)	757	34.5
Child	645	29.5
Education Level		
Illiterate	40	10.66
Primary	135	36
Secondary	96	25.6
Graduate	70	18.666
Post graduate	34	9.06

Occupation		
Farmer/Agriculture	140	37.33
Service	45	12
Service +Agri	50	13.33
Self Employed	90	24.0
Labour	3	0.8
House wife	47	12.53
Annual income in Lakh		
0 - 1	140	37.33
1 - 2	121	32.26
2 - 3	50	13.33
2 - 4	40	10.66
4 - 5	24	6.4
Type of House		
Kuccha	74	19.73
Pucca	301	80.26
Assets		
Car	91	24.2
Music System	177	47.1
Bicycle	191	50.9
Television	294	78.3
Tractor	159	42.3
Bike	166	44.2
Refrigerator	253	67.4
Washing Machine	233	2.1

Type of family is also an important factor affecting the consumption quantity of food items and milk. According to the survey, 33% of the rural households were Joint family type and 67% of the rural household belong to nuclear families. From the above table we can conclude that in rural areas too, majority of the families are nuclear.

Consumption quantity and frequency of consumption both generally depend upon composition of rural population. The consumption characteristics differ with the age and gender. 36% of the rural population under the sample were Adult Male, 34.5% were Adult Female and rest 29.5% were Children.

Education provides awareness about health, nutrition and consumption of Dairy Products. As per the data majority 36% of the respondents were having primary level education followed by secondary level (25.6%). Graduate and Post Graduates are 19 and 9 % respectively. Only 10.66% rural consumers are illiterate. It shows that most of the rural population has the literacy level to understand the importance of nutrition and healthy food.

Occupation also influences a person's consumption pattern, lifestyle, income level and income streams. 37.3% of the respondents belong to farming community. Only 0.8 % of the respondents are labourers. From the above table we can conclude that, the majority of the respondents are either fully or partially engaged in Agriculture.

Income decides the purchasing power and disposable income of the customer. Income influences the quality, quantity, frequency, brand and product preference of consumer. As per the data collected, 37 % respondents have an annual income between 0 - 1 Lakh, 32% respondents earn between 1-2 Lakh, 13 % respondents earn between 2-3 Lakh, 10% respondents earn between 2-4 Lakh, 6 % respondents earn between 4-5 Lakhs annually. From the above table we can conclude that majority of the respondents have good income and purchasing power for food products.

The type of house is also an indicator of financial condition and lifestyle of the respondent. As per the data 80 % of the respondents have pucca house and 19 % respondents have kuccha house. From the above table we can conclude that majority of the respondents have pucca house from which it can be concluded that they have good financial condition and access to basic amenities.

Assets show the economic condition and the purchasing power of person. As per the data 24.2% of the respondents have Car, 47.1% of the respondents have Music System, 50.9% of the respondents have Bicycle, 78.3% of the respondents have Television, 42.3% of the respondents have Tractor, 44.2 % of the respondents have Bike, 67.4% of the respondents have Refrigerator, and 2.1% of the respondents have Washing Machine. From the above table we can conclude that Television and Refrigerators are very common assets in villages of Surat District. Use of refrigerator also affects the purchase quantity of milk and other fresh foods.

Majority (88.53%) of the respondents use loose milk for consumption. Only 8.8% respondents use packaged milk. 2.66% respondents do not consume milk. Still the loose milk is consumed more as most of the rural consumers have their own animals as well as they buy from local doodhwalas /vendors.

Milk consumption in rural households

Table 2.1 Type of milk consumed by rural consumers

Type of milk	No of respondent	Percentage %
Loose milk	332	88.53
Packaged	33	8.8
None	10	2.66
Total	375	100

Table 2.2 Milk consumption by different age groups per day

Age group	Quantity consumed in litres	% Share
0-5 year	121	23.61
5-10 year	54	10.54
10-15 year	61.2	11.94
15-30 year	96.5	18.83
30-45 year	38.36	7.48
>45 year	76.51	14.93
Guest	65	12.68
Total	512.57	100.00

This data is useful for tapping the market effectively with respect to the ultimate consumer. As per the above data we can say that milk consumption is maximum in the up to 5 year age group i.e. babies and infants. Also in 15-30 age group consumption is good i.e. the youngsters. There is less consumption in 30-45 age group.

Consumption Quantity: Consumption quantity varies with size of the family, income and other factors such as living standard and eating habits. Some of households consume less quantity while others consume more quantity depending upon eating habits and size of family.

78.9% of the households were found to be consuming around one litre of milk per day. 15.7% of the household were consuming two to four litre per day. 5.3% of the household were consuming more than four litres per day. From the above table we can conclude that majority of the respondents were consuming one litre per day.

Table 2.3 Milk consumed per day

Consumption	No. of household	Percentage (%)
1 Litre	286	76.26
2-4 Litre	59	15.7
More than 4 Litres	20	5.3
No consumption	10	2.66
Total	375	100

Table 2.4 Objective Of Milk Consumption

Objective	No. of Respondents	Percentage (%)
Health	178	53.8
Refreshment	92	24.5
Children	80	21.3
Guest	25	6.6
Other	0	0
TOTAL	375	100

From the above table we can conclude that 53.8 % people consume milk for health purpose followed by 24.5% for Refreshment , 21.3 %for children , 6.6 %for guests respectively.

Jain and Sharma (1995) in their study in northern and southern India found taste, flavour and freshness considered to be the most important factors, influencing purchasing of milk and milk products in both the regions.

Perception of quality of packaged milk

Quality perceived by users helps an organisation to determine its image as well as design and implement strategies to achieve excellence in quality .Information related to quality perception among rural households was collected.

As shown in table 2.5, 37.8 % of the rural household perceived Packaged milk good in Quality, 42. % rated it Average while 19.71% considered packaged milk poor in quality. From the above table we can conclude that Majority of households expressed that the packaged milk is of medium

quality however still a large portion of rural population perceive it to be lower in quality. Quality of milk is primarily judged on the basis of level of fat content in the milk.

Table 2.5 Opinion of the respondents regarding quality of packaged milk

Opinions	No. of Respondents	Percentage (%)
Good	142	37.8
Average	159	42.4
Poor	74	19.71
Total	375	100

Opinion of the Respondents Regarding Price of packaged milk

A products performance in market very much depends on the price perception among consumers. Price perceived by consumer defines value perceived by consumer from product.

Table 2.6 Opinion of the Respondents Regarding Price of packaged milk

Opinions	No. of Respondents	Percentage (%)
Low	144	38.4
Reasonable	125	33.33
Some what high	85	22.66
High	21	5.6
Total	375	100

As shown in table 2.6, 38.4% of the respondents perceived the price of packaged milk as low, 33.33% rated it to be reasonable, 22.66 % said considered it somewhat high while 5.6 % perceived it be High. Majority of the respondents expressed that packaged Milk is reasonably priced.

Place of Purchase

Place of purchase is also important to know where users choose to purchase the product. This helps marketers to design various promotion and distribution programmes.

As per the table above, only 15.58% of the respondents said that they are purchasing packaged Milk from Provision store, 24.67 % of the respondents purchased loose milk from nearby Dairy,

37.66 purchased from Milk vendors. While 22.07% rural consumers had their own animals which were the major source of milk for them.

Table 2.7 Preferred Place of Purchase for Milk

Place of Purchase	No. of Respondents	Percentage (%)
Retail store	60	15.58
Dairies	95	24.67
Milk vendors	145	37.66
Own Animals	85	22.07

Jain & Sharma (1995) in their study in northern regions of India found that in rural areas, a significant number of consumers (nearly 70 percent) did not purchase milk products from formal sector and prepared at home. Remaining 30 percent households bought milk products from informal sector.

Total Monthly Expenditure on Food item.

Monthly expenditure on food Items show the economic condition and consumption pattern of family.

Table 2.8 Total Monthly Expenditure on Food item

Expenditure on Food	No. of Respondents	Percentage (%)
Less than 3000 Rs	6	1.5
3000-5000	49	13
5000-7000	105	27.9
7000-9000	139	37
9000-11000	56	14.9
11000-13000	15	3.9
13000-15000	5	1.3
Total	375	100

As shown in table 2.8, 37 % of the respondents were found to be spending monthly between Rs.7000-9000. 27.9 % spent between 5000-7000, 13 % of the respondents spent Rs.3000-5000 Monthly., Near about 15% spent between 9000-11000, 3.9% of the respondents spent Rs. 11000-13000. 1.3 % of the respondents spend between Rs.13000-15000 monthly .

Only 1.5 % of the respondents spent money less then Rs. 3000 monthly . From the above table we can conclude that majority of the respondents spend Rs 7000-9000 Monthly on Food Items which is fairly handsome amount and indicator of quality consumption. Most of the rural consumers also told increasing food prices a reason for this spending.

Major Influencers of Food Purchase Decision

Table 2.9 Major Influencers of Food Purchase Decision

Member of family	No of respondent	percentage
Senior woman	241	64.26
Senior Man	79	21.0
Children	55	14.66
Total	375	100

From above table we found that Senior women in family mainly influence purchase decision for food product as well as milk in the house as she looks after the needs of the family.

Preference for Beverages

Tea and Coffee are the main hot beverages popular in the rural areas. Milk in rural areas is mainly used for preparation of tea /coffee for refreshment as well as offering to guests for hospitality.

Table 2.10 Preference for beverages in rural areas

Preference	No Of Respondent	Percentage %
Tea	365	97.33
Coffee	222	59.2
Total	375	100

Table 2.11 Reasons for not preferring packaged milk and milk products

Reasons	No Of Respondent	Percentage %
Not healthy	42	10.76
Costlier	58	14.87
Unavailability in local shops	68	17.43
Preference for raw milk	222	56.92
Total	390	100%

Majority of the households prefer tea while 59.19 households also use milk for coffee.

Reasons for not preferring Packaged milk and milk products

Majority 56.39% consumers stated the preference for raw /loose milk as the main reason for not preferring packaged milk. 17.43 % consumers considered unavailability and uncertain supply in local shops as one of the reasons for not preferring packaged milk. 14.87% consumers considered it costly and 10.76 did not like processed milk as it is not contain cream as compared to raw milk.

IMPLICATIONS FOR RURAL MARKETING OF PACKAGED MILK:

More marketers are meeting the consequent challenges of availability, affordability, acceptability and awareness in rural market.

4A's Approach to rural marketing

Availability

The first challenge in rural marketing is to ensure availability of the product or service. Given the poor infrastructure, it is a greater challenge to regularly reach products to the far-flung villages. Milk being a convenience product, Marketers should plan accordingly and strive to reach these markets on a regular basis.

Access to quality packaged milk and milk products is essential. It is essential to improve distribution of packaged milk in rural areas. Retailers should be provided with low cost chilling boxes/chillers etc to help stock milk products.

Coca-Cola provided low-cost ice boxes in the rural areas due to the lack of electricity and refrigerators. It also provided a tin box for new outlets and thermocol box for seasonal outlets.

A lot of spurious brands having same packing like quality brands or look-alikes are available, providing a low cost option to the rural customer. Many a times the rural customer may not be aware of the difference due to illiteracy. Regular Availability can solve this problem.

Acceptability

The next challenge is to gain acceptability for the packaged milk. Rural perception of packaged milk is that it does not have fat content and therefore not healthy. Packaged milk if promoted on health and quality (freshness, thickness) platform can help improve acceptability of product. Different variants with different fat contents should be made available in small pack sizes in rural areas.

Awareness

A large part of rural India is inaccessible to conventional advertising media. Building awareness is another challenge in rural marketing. The study shows a large no. of rural households having TV. This media can now be utilised for promotion of milk and milk products.

Promotion of packaged milk also requires unconventional promotional approaches. Effective opinion leaders and decision makers such as women in family, anganwadi workers etc should be

educated about qualities of packaged milk. This will help in word of mouth publicity and awareness.

Affordability

The another major challenge is to ensure affordability of the product. With low disposable incomes, products need to be affordable to the rural consumer, most of who are on daily wages. A solution to this has been introduction of unit packs/small packages by some companies. This ensures greater affordability. A large section of rural population still perceives packaged milk to be costlier. Small size packs of milk in small quantities should be made available on the concept of sachetization. Generally small packs of low fat content are available in rural areas. Small packs of full fat and others variants should also be made available to fulfil the needs of various segments in rural markets.

CONCLUSION

The study has shown clearly that most rural households consume milk and a range of different milk products, and that consumption is closely related to income and availability. Raw milk was more popular than pasteurized, packaged and powdered milk mainly because of its lower price and ready availability and perception of being more healthy. The expenditure made by majority rural consumers is quite high on food items and shows quality consumption. There is potential to increase consumption frequency and quantity by improving the availability of processed milk products, particularly in rural areas. Women members of the family have significant influence over purchase of food and milk. Effective communication with women and other effective opinion leaders can make difference.

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Celebrity Endorsement of Brands: Selecting the Right Endorser

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Abstract

Brand endorsement by celebrity has remained a preferred option by the marketers over the years. Various characteristics of a celebrity endorsers such as attractiveness, credibility, popularity, and thus their ability to influence the people in general have greatly benefited the firms in promoting their brands / products successfully. While proper selection of celebrity can do wonders for the firm, poor selection may lead to disaster. The major issue that the firms face is selection of the right celebrity. The management of a firm is always on a lookout for a framework that can help them make an appropriate choice of celebrity endorser. Thus the research question is: How to select the right celebrity endorser? The present paper is an attempt to seek answer to this question through literature review. The paper provides a detailed discussion on 7 different models available on celebrity endorsement, which could help the firm's management make an appropriate choice of the right celebrity to endorse their brands.

Keywords:

Celebrity Endorsement, Endorser, Source Credibility Model, Source Attractiveness Model, Match-up Hypothesis, Meaning Transfer Model, TEARS Model, NO TEARS Model, FREDD Principle

INTRODUCTION

Brand endorsement in general has been an effective tool for brand promotion. Though several firms use brand endorsement by common-man or common-woman, brand endorsement by celebrity has remained a preferred option by the marketers over the years. Various characteristics of a celebrity endorsers such as attractiveness, credibility, popularity, and thus their ability to influence the people in general have greatly benefited the firms in promoting their brands / products successfully. Research studies conducted in this area have explored various dimensions of celebrity endorsement. These dimensions are: attractiveness of the endorser, credibility of the endorser, perceived expertise of the endorser, perceived compatibility of endorsers' characteristics with that of the product (match up) and several miscellaneous considerations. Marketers do face a dilemma while choosing an endorser for a given product / brand. It has been observed that marketers prefer celebrities from the film, sports or arts for brand endorsement largely due to their popularity and their ability to influence the masses. However, a question still remains as to who would be the right celebrity for the endorsement of given product / brand.

Various researchers have proposed several models. One of the earliest models was the *Source Credibility Model* by Hovland et al. (1953). This model has become very popular among the marketers. The basic premise on which this model rests says that endorsers due to their high perceived credibility are able to influence the choice of the target audience. Since the endorsers are perceived to be credible source of information about the product / brand, consumers tend to believe the claim put forward by the endorsers. Subsequently, 3 more models were proposed. They are: *the Match-up Hypothesis* by Forkan (1980), *the Source Attractiveness Model* by McGuire (1985) and *the Meaning Transfer Model* by McCracken (1989).

It is very difficult to comment on the effectiveness of the various models. However, Shimp (2000) put forward five factors in order of decreasing importance namely, (1) the celebrity credibility, (2) celebrity and audience match-up, (3) celebrity and brand match up, (4) celebrity attractiveness, and (5) miscellaneous considerations, which were considered by advertising executives while making their celebrity-selection decisions.

THE SOURCE CREDIBILITY MODEL

"The effectiveness of a communication is commonly assumed to depend to a considerable extent upon who delivers it". (Hovland et al, 1953). Information from a credible source such as a celebrity has the power to influence the opinions, belief, attitude and behaviour through a process called internalisation based on the assumption that the information from the source is accurate (Belch & Belch, 2001).

The source credibility model is based on the belief that consumers are more likely to accept a message if they find it credible. One of the major reasons for selecting a celebrity endorser is their credibility (Shimp, 2000). Credibility can be explained as the extent to which the receiver (consumer) sees the source (endorser) as having relevant knowledge, skill, or experience and trust the source to give unbiased, objective information (Belch & Belch, 2001; Byrne et al., 2003). Belch & Belch (2001); Consumers' credibility in a message depends on two qualities of the source: expertise and trustworthiness (Tellis, 1998).

Hovland, Janis, and Kelley (1953) defined expertise as "the extent to which a communicator is perceived to be a source of valid assertions," and trustworthiness as "the degree of confidence in the communicator's intent to communicate the assertions he considers most valid."

The advertisers by selecting endorsers, who are widely regarded as honest, believable and dependable, can capitalise on the value of trustworthiness (Erdogan, 1999). Ohanian (1990) states that the message will be more effective and the receiver more integrated, when the celebrity is perceived to be more trustworthy.

This probably explains why a celebrity like Michael Jordan is a successful endorser. He simply appears to be an individual who can be trusted. (Shimp, 2000) According to the source credibility model, if an information source such as an endorser is perceived as credible, audience attitudes are changed through a psychological process called internalization. Internalization occurs when the receiver accepts the opinion of the credible source as his or her own because he or she finds the information from this source to accurate. When the receiver internalizes an opinion or attitude it tends to be maintained even if the source of the message is forgotten or if the source changes position. (Erdogan, 1999; Belch & Belch, 2001).

THE SOURCE ATTRACTIVENESS MODEL

In an exhaustive review, Joseph (1982) concluded that attractiveness (versus unattractiveness) communicators were consistently liked more and had a positive impact on products with which they are associated. Joseph's findings were consistent with others that reported that increasing the communicator's attractiveness enhanced positive attitude change (Simon, Berkowitz and Moyer, 1970; Kahle and Homer, 1985) and consumers have a tendency to form positive stereotypes about attractive individuals and also that as compared to their unattractive counterparts, physically attractive communicators celebrities are more successful at changing beliefs (Baker and Churchill, 1977) and generating purchase intentions (Friedman et al. 1976; Kahle and Homer, 1985).

A study conducted by Kahle and Homer (1985) divulged that consumers were more geared up to buy an Edge razor after seeing an attractive celebrity in a magazine advertisement than an unattractive celebrity.

Attractiveness includes any number of attributes such as intellectual skill, personality properties, lifestyle or athletic prowess that consumers might perceive in a celebrity endorser, and thus does not simple refer to physical attractiveness (Erdogan, 1999); but Source Attractiveness is mostly associated with physical attributes, such as familiarity, similarity and likeability, all of which are important in the individual's initial judgment of another person (Ohanian, 1990).

Similarity refers to the resemblance between the receiver and the source of the message-*familiarity* refers to the acquaintance of the source through exposure whereas *likeability* is the fondness for the source which may be as a result of behaviour, physical appearance or other personal trait and also these celebrities need to be at least well known and admired in the public eye (Belch & Belch, 2001).

While talking about similarity, it is mentioned that consumers are more likely to be influenced by a message coming from someone they feel a sense of similarity with (Belch & Belch, 2001).

Talking in depth about the model Kelman (1961) added that “Source Attractiveness leads to persuasion through a process of identification”. This occurs when because of the desire to identify with such endorsers; receivers accept the attractive source’s information (Ambrose, 1992; Friedman & Friedman, 1979).

The above literature suggests that physically attractive endorsers generally enhance evaluation and facilitate attitude change in celebrity advertising.

Identification

Talking in depth about the model Kelman (1961) added “*Source Attractiveness leads to persuasion through a process of identification*”. Identification is the process, which has been used to explain how attractiveness influenced consumers. This occurs when because of the desire to identify with such endorsers; receivers accept the attractive source’s information (Ambrose, 1992; Friedman & Friedman, 1979).

Research findings and literature suggests that a spokesperson with whom the audience identifies insures the greatest likelihood of achieving lasting attitude or behavior change (Basil, 1996). **Kenneth Burke (1950)** proposed that the basis of communication effectiveness was an audience member’s identification with a fictional character. Burke’s Dramatism theory suggests that identification depends on “connections” between the character and audience member. Herbert Kelman (1961), in his theory of opinion change, proposed that there were three processes of social influence – compliance, identification, and internalization. Kelman (1961) proposed that identification occurs when an individual adopts an attitude or behavior from another individual while the attitude or behavior was associated with a satisfying self-defining relationship with that person. According to Kelman, identification is based on either classical identification or reciprocal role relationship, and identification leads to people’s attempts of being like others. Social Learning theory (1977), proposed by Albert Bandura, is well known in psychology and mass communication. This theory predicts how likely a person is to enact a modeled behavior. Later in 1986, this theory was widened into Social-cognitive theory (Bandura, 1986). According to Bandura’s theory, a person’s identification with a model determines the likelihood of enacting a behavior. The more similar people perceive themselves as a model, the more likely they are to enact the behavior of that model. In the case of celebrity, this theory suggests that a person who identifies with a celebrity is more likely to behave as that celebrity does.

In the study that introduces identification as a mediator of celebrity effects, Basil (1996) applied the identification effect to the area of HIV prevention campaigns. The author hypothesized that the effects of identification with a celebrity would mediate the adoption of attitudinal and behavior positions advocated that celebrity. The study tested identification through the young adults’ identification with Magic Johnson, their AIDS-related concern, perceived risk, and behavior. Results showed that identification with Magic Johnson was significantly related to personal concern and intention to change high-risk sexual behavior but was not a significant predictor of perceived risk or intention to get a blood test.

In the discussion part of Basil’s study (1996), the author indicated that although this study showed the effect of identification, it had not compared identification with the other possible explanations of celebrity effects. Further, what remains is to compare viewers’ ratings of several celebrities on their attitude and behavior change (Basil, 1996).

MATCH-UP HYPOTHESIS

Till and Busler, (1998) explained that even though Micheal Jordon is a an attractive endorser, his effectiveness as a celebrity endorser is likely to be greater when endorsing products related to his athletic deftness such as Gatorade or Nike, rather than products that are unrelated to his athletic performance such as WorldCom Communications.

Research findings reveal that the physical attractiveness of the source does not always enhance attitude and purchase intention (Baker and Churchill, 1977; Caballero and Pride, 1984; Cooper, Darley and Henderson, 1974; Holahan and Stephan, 1981; Maddox and Rogers, 1980; Norman, 1976); there is a necessity for the existence of a meaningful relationship between the celebrity, the audience and the product (Kamins 1990). Spokesperson-brand congruence match-up entails that the highly relevant characteristics of the spokesperson are consistent with the highly relevant attributes of the brand (Misra and Beatty, 1990). According to Evans (1988) in the absence of a distinct and specific relationship between the product and the celebrities, "celebrities suck the life blood of the product dry", thus emphasize the danger of the vampire effect. 'vampire effect' occurs "when the celebrity endorser occurs in the presence of multiple other stimuli which all competes to form a link with the celebrity endorser" (Till, 1996).

According to Katyal (2007), there are certain parameters that postulate compatibility between brand image and the celebrity, which are as follows:

- Celebrity popularity.
- Celebrity physical attractiveness.
- Celebrity credibility.
- Celebrity prior endorsements.
- Whether celebrity is a brand user.
- Celebrity profession
- Celebrity's fit with the brand image.
- Celebrity—Target audience match
- Celebrity associated values.
- Costs of acquiring the celebrity.
- Celebrity—Product match.
- Celebrity controversy risk.

According to Kahle and Homer (1985), the Match-up Hypothesis of endorser selection fits well with Social Adaptation theory which implies that the adaptive significance of the information will determine the impact.

Kamins and Gupta (1994) showed that for the celebrity versus non-celebrity spokesperson comparison, a high degree of congruence between product and celebrity image led to enhanced spokesperson believability and attractiveness as well as a significantly more favorable attitude

and purchase intention toward the product, and further suggested the need for a careful consideration of the celebrity and product match-up (Kamins and Gupta, 1994).

THE MEANING TRANSFER MODEL

Celebrities are known to be full of different meanings in terms of age, gender, personality and lifestyle. Celebrity endorsers bring their own symbolic meaning to the process of endorsement. Specially the cultural meaning residing in a celebrity goes beyond the person itself and is passed on to the products (McCracken, 1989; Brierley, 1995).

According to McCracken (1989), the previous models discussed above are not capable of capture the success factors of the endorsement process, hence he proposed the meaning transfer model as a rich and all-inclusive portrayal of the same, the central premise of which is that celebrities encodes unique sets of meanings which might be transferable to the endorsed product, provided the celebrity is used well. Celebrity Endorsement is a special example of the universal process of meaning transfer, which witnesses a conventional movement of cultural meaning in consumer societies.

The model exemplifies a three-stage process of meaning transfer which involves the creation of the celebrity image followed by the transfer of meaning from the celebrity to the brand which again in turn is followed by the transfer of brand image to the customers (Schlecht, 2003). In the first stage the meanings associated with the famous person moves from the endorser to the product or the brand, and this meaning is drawn by the celebrity from its public persona. In the second stage, the creation of product personality takes place as the meaning is transferred from the endorser to the consumer. This is based on the symbolic properties conveyed by the endorser. Finally in the last stage which is known as the consumption process, the brand meaning is attained by the consumer. The consumers who identify themselves with these symbolic properties the meanings are transferred to them thereby rendering the process of transfer of the meaning from the celebrity to the consumer complete. The third stage of the model overtly proves the importance of the consumer's role in the process of endorsing brands with famous people. (McCracken, 1989).

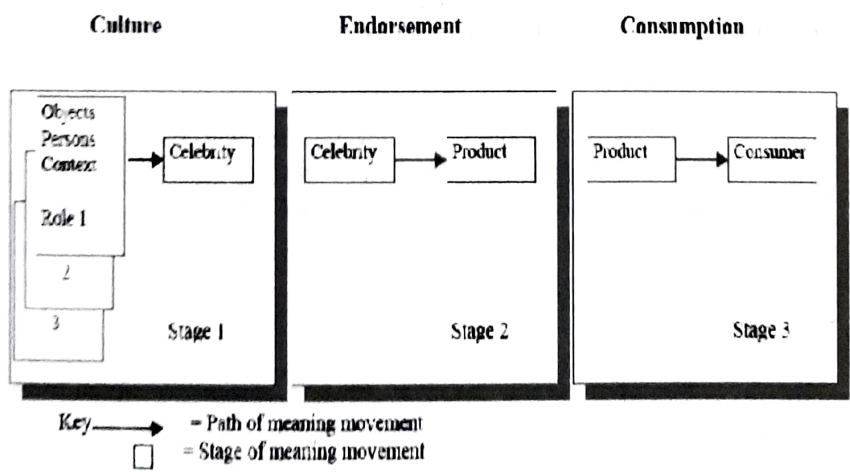


Figure 2.2: The Meaning Transfer Model
Source: McCracken (1989), pp 43.

Even though this approach is useful in certain rationales, but at the same time it prevents one from seeing the celebrities who are in fact highly individualized and complex bundles of cultural meanings (McCracken, 1989). McCracken's model may first seem a merely theoretical concept, but in truth its replicability to real life was demonstrated by two studies. The meaning transfer model was found applicable in a study conducted by Mitchell and Boustani (1992), which tested the model on breakfast cereals. Also Langmeyer & Langmeyer (1993) rendered it legitimate through its study carried out on jeans and VCRs which included celebrities like Madonna.

TEARS MODEL

Shimp (2003) also claims that there are two general attributes, credibility and attractiveness that play an important role when selecting an endorser. He has created a model called the TEARS model.

- a. **Trustworthiness**, the T component in the TEARS model, refers to believability, honesty, integrity of a source; someone who can be trusted. Endorser need to establish that they are not attempting to manipulate the audience and that they are objective in their presentations. By doing this, they establish themselves as trustworthy and therefore, credible. A celebrity gains the audience's trust through the life he or she lives professionally (on the sport field) and personally which is available for everyone to read about in mass media. Advertisers can benefit from the value of trustworthiness by selecting endorsers who are regarded as being honest, believable, and dependable person.
- b. **Expertise**, The second feature of endorser credibility is **Expertise**, the E term of the TEARS model. Expertise refers to the knowledge, experience, or skills that an endorser possesses as they relate to the communications topic. Hence, athletes are perceived as experts when it comes to endorsement of sports-related products. It is important that an endorser is being perceived as an expert because then he or she is more persuasive in changing audience opinions than an endorser who is not perceived as possessing the same characteristic.
- c. **Attractiveness**, The second general attribute is attractiveness, which consists of three related ideas: physical attractiveness, respect and similarity. Physical attractiveness, the A component in the TEARS model refers to how the endorsers' looks, behavior or other personal traits.
- d. **Respect**, the R in the TEARS model stands for the quality of being admired due to one's personal qualities and accomplishments. Hence, athletes are respected for their athletic prowess and accomplishments in their sport. A respected celebrity is also generally liked and this respect/likeability factor may serve to enhance brand equity because of the positive effect the consumers may get towards the brand by the association with the endorser.
- e. **Similarity**, the last component of attractiveness and also the S term in the TEARS model refers to how the endorser matches with the audience in terms of age, gender, ethnicity, social class etc.

Similarity is an important attribute because it is easier for a consumer to relate to an endorser who shares the same characteristics as themselves. In general a celebrity

endorser is perceived as more trustworthy the more he or she matches the audience in terms of distinct characteristics. If the audience perceives the celebrity as trustworthy this promotes more favorable attitudes toward the advertised brand.

THE NO TEARS MODEL

Shimp (2003) further brings up some of the major considerations when selecting and using celebrity endorsers, which he refers to as the No Tears approach,

- a. **Celebrity credibility:** The primary reason for selecting a celebrity to endorse a brand is his or hers trustworthiness and expertise (jointly referred to as credibility). A celebrity's credibility is one of the main reasons for selecting a celebrity endorser. Endorsers who are trustworthy and perceived as knowledgeable are best able to convince others to undertake a course of action.
- b. **Celebrity/Audience match up:** It is important that the endorser align well with the brand(s) target market. When selecting a celebrity to endorse product advertisers should consider if the target market would positively relate to this endorser. Special attention should be paid to employ celebrities who have a direct connection with their endorsed product and who are perceived to be experts by the target audience. There has to be congruency between the audience and the endorser. If there is no congruency, then the audience remembers the celebrity and not the product.
- c. **Celebrity/Brand match up:** Advertising executives are looking for a celebrity who has the image, values, and decorum which can be compatible with the image wanted for the advertised brand. (Shimp, 2003). Messages transmitted by celebrity image and the product message should be congruent for effective communication (Byrne et al, 2003). The fit factor is important for the effectiveness of endorsement (Hsu & McDonald, 2002). Till & Busler (1998) argues that the selection of the endorser should be a very careful process. Advertisers have to realize that the consumers want to see some kind of logical link between the product and the star endorsing that product. (Till & Busler, 1998)
- d. **Celebrity attractiveness;** When selecting a celebrity endorser it is important to evaluate his or her attractiveness. Attractiveness includes different aspects such as friendliness, likability, physique, and occupation as some of the more important dimensions of the attractiveness concept. (Shimp, 2003)
- e. **Cost considerations:** Celebrity endorsement is expensive for a company. It is therefore important to consider how much it will cost to hire a celebrity's service. (Shimp, 2003) It is essential to understand whether the economic returns justify the costs associated with using a celebrity as an endorser. Overall, the use of celebrity endorsers in advertising constitutes a significant investment in intangible assets by the sponsoring firm – an investment that hopefully will be compensated by greater future sales revenues and profits. (Agrawal & Kamakura, 1995)
- f. **Working ease or difficulty:** A company agency should do check the celebrity's' tack records as an endorser in order to see how easy he or she is to work with (Till, 1998). Some celebrities are relatively easy to work while others can be stubborn, arrogant, temperamental or otherwise unmanageable. It would definitely be less complicated to

select a celebrity that is “hassle free” than dealing with someone who is otherwise difficult to work with. (Shimp, 2003)

- g. **Saturation factors:** When selecting a celebrity endorser it is of great concern to look at how many other brands the celebrity is endorsing. If a celebrity is endorsing many different brands he or she could easily be overexposed. Overexposing could reduce the celebrities’ perceived credibility and likeability. (Shimp, 2003)
- h. **Trouble factors:** Companies that use celebrities as endorsers should consider the likelihood that the celebrity will get into trouble after an endorsement is established. Many entertainers and athletes have been involved in different scandals that could embarrass the companies whose products they are endorsing. To avoid these problems, companies often research a celebrity’s personal life and background. Many companies provide a morals clause in the endorsement contracts allowing the company to terminate the contract if scandals were to arise. (Shimp, 2003)

THE FREDD PRINCIPLE

FREDD is a short form created by Young & Rubicam that stands for familiarity, relevance, esteem, and differentiation. The FRED principle is a result from Y & R study on why brands succeed and fail. The principles from Y & R study have been applied by Miciak & Shankling (1994) when studying celebrity endorsers. However, they have added another attribute to the list and FRED becomes FREDD where the last D stands for Department.

- a. **Familiarity:** The most important thing to keep in mind when selecting a celebrity to endorse a product/brand is that the celebrity is easy to recognize, likable, and friendly. This does not mean that the celebrity has to be recognized by everyone; rather, the endorser must be recognized by the intended target audience.
- b. **Relevance:** The advertisers have to evaluate whether there is a fit between the celebrity and the product. The celebrity has to have the image, reputation, and appearance that fit with the product he or she is endorsing. There also has to be a pertinent fit between the celebrity and target audience. Some consumers want to be like the celebrity while others already feel like they are like the
- c. **Celebrity Esteem:** This selection principle include that the celebrity must have personal credibility and be held in high regard by the target audience. For athlete endorsers it is winning that contributes to esteem.
- d. **Differentiation:** A major reason for using celebrity endorsers is to cut through the massive advertising clutter. When comparing to the average person, of course, the celebrity is different. However, it is important to consider how the celebrity will come across when compared with other high- profile people. It is in this regard that an endorser needs to be distinctive.
- e. **Department:** Although a company has found a celebrity that can measure up well on familiarity, relevance, esteem, and differentiation, he or she can still fail on the department. Embarrassing behavior that offends customers is a very big risk for the company. The corporate and/or product image can become associated with a celebrity

endorser's disputatious public actions, which can damage the companies/products reputation.

CONCLUSION

In today's time when there are many brand options are available for a given product category, it becomes very difficult for the consumers to decide on what to buy. moreover, the firms that have diverse resources and capable of spending huge money for brand promotion, there is a lot of media clutter. In such situation of intense competition, acquiring an appropriate position on the perceptual map of the consumer is extremely tough job. Celebrity endorsements can give an extra edge to the companies for retaining viewers' attention, if selected appropriately. Various models available on celebrity endorsement can definitely help marketers make an appropriate choice of the celebrity endorser. A detailed discussion about various models presented in the previous sections shows that these models are capable of guiding the marketers in selecting an appropriate celebrity endorser for product / brand promotion. However, these models are largely descriptive and suggestive and not prescriptive. Therefore, marketers must consider and evaluate the given situation in a holistic manner and consider more than one model while making a choice of the celebrity endorser. Attractiveness of the celebrity endorser alone cannot help. Nor does credibility of the celebrity endorser suffice in isolation. Moreover, the marketers need to consider the compatibility / suitability of an endorser with the given product / brand.

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Radio As Advertising Medium: A Relook

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Abstract

Radio is viewed as the companion of common man worldwide. Radio as a medium for advertising has come a long way since the days it was looked upon as a medium to advertise to a rural population. There has been a turn in the fortune for radio with the advent of FM radio. Radio is fast becoming a medium for advertising. Today to achieve "multiplier effect" it is combined with other media to target the mobile hooked youth and older and mature consumers who listen to radio while commuting and is seen to be a cost effective medium by advertisers.

Key words: Radio as advertising medium, radio trends, radio effectiveness

INTRODUCTION

Every day and for most of our lives we see and hear many advertisements. Even if we don't read a newspaper or watch television, and walk around the streets, we will find it impossible to avoid some form of communication, even if it is only a trade display at a local store, uninvited handbills pushed through the letter box or cards displayed in the window of the corner newsagent. We usually take advertisements for granted because they are so pervasive, but many people, including the advertisers themselves, claim that, 'they are one of the most ubiquitous form in which we encounter commercial photography', according to a critic of advertising, Judith Williamson (1978). Advertising is just one of the communication tools. The other being sales promotion, direct selling, personal selling, public relations and publicity. Communication's role is to inform, persuade, remind and build relationships.

Advertising, in its simplest sense means 'drawing attention to something', or notifying or informing somebody of something. One can advertise by word of mouth, quite informally and locally, and without incurring great expense. But if one has to inform large number of people about something, one might need to advertise in the more familiar sense of the word, public announcement. In order to survive, powerful commercial interests must keep in almost constant touch with the mass public and continually try to persuade them; to these ends advertisers use the

media of mass communication: commercial television and radio, the national and local press and magazines.

All these forms of advertising, like, Point of purchase display, Kiosks, hoardings, leaflets etc. is addressed towards the external customer. An external customer is someone who uses company's products or services but is not part of the organization. External customers are essential to the success of any business, as they provide the revenue stream through their purchases that the enterprise needs to survive. Satisfied external customers often make repeat purchases as well as refer business to other people they know. A customer who suffers through a negative experience with a business, such as being treated rudely by an employee, can also hinder a business by dissuading others from patronizing it.

Advertising in its commercial terms mainly deals with the external customer and can be looked upon as a promotion of a company's products and services carried out primarily to

- 1) Create awareness i.e. generate cognitive response
- 2) Create affective response
- 3) Generate purchase/repurchase of the products and services. It is also done to build a brand identity and communicate changes in old products or introduce new product/services to the customers. Advertising has become an essential element of the corporate world and hence companies allot a considerable amount of resources towards their advertising budget.

When it comes to allocation of budget towards advertising there is one common debate which comes into play and that is, "Is advertising an expense or an investment?" In addition to various objectives of advertising, one important financial objective is to get maximum returns for the rupee spent. Any advertising without measurable positive results could be viewed as an expense and not an investment. If one can visualize a greater return on money by the realistic percentage aimed for or better, then it should in fact be an investment and worth pursuing. In accounting terms and giving entries in books of accounts, the rupee spent on advertisement is always reflected as an expense. For any marketing person the answer to the question, "Is advertising an expense or an investment?" depends on the result that one plans to achieve, as long as the returns are more than expectations it is an investment.

ADVERTISING AND MEDIA VEHICLES

As there are different objectives for advertising there also exists different media to advertise in. These can be classified mainly as

Print Advertising:

Advertising in this medium is most common and extensively used. Print media is a rather commonly used term referring to the medium that disseminates printed matter. Newspaper and magazines are the names that come to mind when we think of this medium. There are other forms of print media available in form of fliers, ads in telephone directories, mail brochures etc. Each of these media has their own advantages and disadvantages, like news papers have high coverage and low cost, where as the ads here have a short life and selective reader exposure.

In case of magazines the advertisement life is more and has a higher potential of segmentation. Here the lead time for placement of advertisement is more.

Broadcast advertising:

This includes various broadcasting media like television, radio and internet. The most common is television. The cost involved is very high and it depends upon the programme and the time slot one advertises in. With the advent of FM radio the radio is fast becoming a medium for advertising. The popularity of the internet as a new media channel has exploded in recent years, attributed mostly to faster, more reliable and more affordable broadband connections.

Outdoor advertising:

As the name suggests this is an open air advertising. It comprises of hoardings, kiosks, and billboards. Today the same has been extended to advertising on buses, trains, traffic signals packaging materials etc. This medium enjoys the advantage of being location specific.

The following table gives an idea of the growth achieved by various media in 2007 over 2006. Also a projection has been given for the estimated growth by 2012.

Table-1: ADVERTISING STATISTICS OF VARIOUS MEDIA				
	Size in 2007 (Rs. Bn)	Growth 2007 over 2006 %	size in 2012 projected (Rs. Bn)	CAGR 2008-12 (%)
Overall	513	17	1.157	18
Television	226	18	600	22
Filmed entertainment	96	14	176	13
Print media	149	16	281	14
Radio	62	24	18	24
Music	7.3	1	8	2
Animation, Gaming and VFX	13	24	40	25
OOH advertising	12.5	26	24	14
ONLINE ADVERTISING	2.7	69	11	32

Source: Annual edition of FICCI report 2007

The figure shows a decent growth for conventional media options like TV, print, radio OOH advertising. However, new media options, like online advertising and animation also have a great future and are destined to give tough competition to conventional media.

RADIO AS A MEDIUM FOR ADVERTISING:

When we talk of radio as an advertising medium the first point that comes to mind to any advertiser is the reach factor. It allows reaching an enormous number of consumers with the commercials. Reach and Frequency combined makes Radio a POWERFUL advertising medium. This medium reaches customers "EVERYWHERE", cars, offices, homes and on the move with mobile handsets having in built FM. This is one medium whose cost effectiveness is believed to be the best. One can reach the customer/audience several times a week for what it costs to run one print ad or to produce a local TV spot ("repetition sells").

In India an important feature of radio as mass medium is that it caters to a large rural population which has no access to TV due to lack of electricity, and no access to print media due to poor literacy. In such places, All India Radio's programmes continue to be the only source of information and entertainment.

The first radio broadcast in the world was aired in the early 1900's (www.earlyradiohistory.us/sec006.htm). It was on 2nd Nov. 1920, KDKA aired the first commercial broadcast, and then more and more stations began operating on continuous basis, station owners started facing the issue of financially maintaining their stations. It is stated that in May 1920 an amateur radio broadcaster leased out his "station" in exchange for \$35 per week for twice-weekly broadcast (http://en.wikipedia.org/wiki/radio_advertisement). It was in February 1922, AT&T decided to mention the name of business who would underwrite or finance a broadcast. WEAF of New York is credited with airing the first paid radio commercial on August 22, 1922 for the Queensboro Corporation, advertising an apartment complex (www.olderadio.com).

Radio sector in India was opened for private operators after the Supreme Court judgment in 1995 and the first private FM station Radio City began functioning in JULY 2001 in Bangalore (Singh and Bhatnagar, 2007). The introduction of FM channels gave the desired thrust to the radio broadcasting industry, leading to the spawning of many FM channels all over the country.

The Union Cabinet approved, in July 2005, the second phase of FM of broadcasting in private sector, in which the emphasis is more on growth services than generating revenue for the government. The government has also allowed foreign radio stations to venture into private FM stations within the present ceiling of 20% of foreign capital. The new policy also envisages starting 336 FM stations in 90 cities, which includes the 10 'A' class cities. This situation has thrown open the resurgence of radio as an effective and penetrative advertising medium. The radio covers almost 91% of the country and 99% of the population (www.indiabiznews.com).

RADIO ADVERTISING – THE GLOBAL SCENERIO

Currently as far as advertising is concerned, only one and a half percentage of the total advertising spending can be attributed to radio. In other countries around the world, the average ranges from 5-15%. In Sri Lanka, for example, 21% of the total expenditure is spent on radio (FM radio: the

new advertising media opportunity, V Ravikumar and Annamalai, 2003). The statistics related to other countries like Canada, United Kingdom and China is presented in the sections below.

Radio Advertising in Canada – Revenue Statistics.

The Canadian Radio-Television and Telecommunications commission (CRTC) in its yearly performance report for 2006 states that the total revenue of AM and FM radio stations in Canada increased by 5.7% from around \$1.3 billion in 2005 to \$1.4 billion in 2006. Local advertising revenue increased from \$990.9 million in 2005 to nearly \$1.04 billion dollars in 2006 (net increase by 4.6%). National advertising revenue rose much faster by 9% in a single year, from \$322.6 million to \$351.5 million. FM radio stations enjoyed a dominating share of the total advertising revenue. The revenue of FM stations reached \$1.1 billion in 2006 compared to \$1.03 billion in 2005, a robust growth of 6%. The rate of revenue growth was steadily maintained over the five year period from 2002 to 2006.

Radio Advertising in United Kingdom – Scenario

The BBC commenced radio broadcasting in 1955, with three national stations, i.e. light programme, third programme and Home service (renamed as Radio 2, Radio 3, and Radio 4 respectively in 1967) FM broadcasting began replacing AM, when commercial broadcasting allowed in 1973. The number of FM stations increased rapidly between 1980 and 1995 (www.wikipedia.org/wiki/FM_broadcasting). an analysis of United Kingdom's radio industry shows that the total revenue of BBC and commercial broadcasters together decreased by 1% to 1215 million pounds in 2006. However there has been a 5% growth for two successive years between 2002 and 2004. This amounted to a cumulative growth of 11%, resulting in all time high revenue of 1253 million pounds in the year 2004. On the whole the revenue increased by 7% between 2002 and 2006 (Market & Business development (MBD)) 2007.

Radio Advertising in China – Industry Scenario

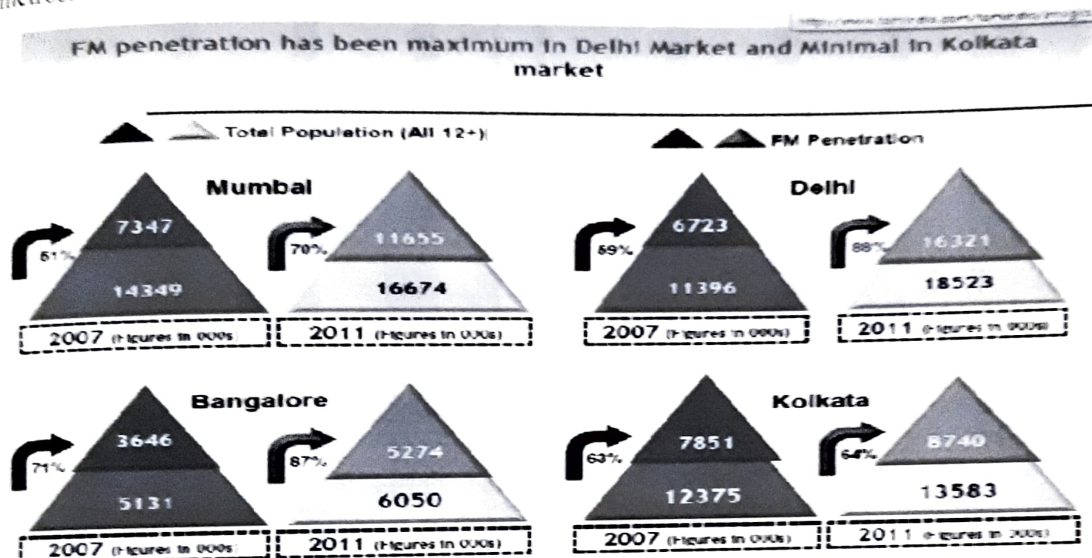
China is one of the largest markets for radio broadcasting. According to a report published by the New Business Daily, China's radio broadcast industry has found its path to growth with the new spring of growth in advertising revenue. The MCI, a market research arm of Mind share China reported that China's radio audience comprised a wide variety of listeners from young to old. China has nearly 1500 radio stations (2005), accounting for nearly 2% of the nation's commercial market. The report also highlighted that advertisers were yet to recognize the immense potential of Chinese radio market. It also highlights that youngsters formed the largest segment of radio listeners. In 2004, China was the leading exporter of radio sets in the world, with total sales topping to US \$ 340 million. This was estimated to go up further by 25% the next year with the help of new products, technology design and global market expansion (Global sources, China sourcing reports, July 2004 edition).

Radio Advertising – The Indian Scenario

All the above figures show that despite deep penetration of Television, Internet and other sources of information, Radio, maintains its unique position as the companion of common man worldwide. One can enjoy it even if one cannot read; one is on the move, while shaving, in the rest room, lying quietly in the bed with closed eyes- practically anytime anywhere. It is affordable, within reach and very participatory. The low production cost, the simple

hardware expertise required and the proximity of radio stations make it a very people friendly medium. In a multi-lingual, multi cultural and geographically varied country like India, Radio has a very special place and All India Radio alone since 1936 and with fellow private broadcasters since 2001 is catering to the diverse needs of the Indian population (Singh and Bhatnagar, 2007).

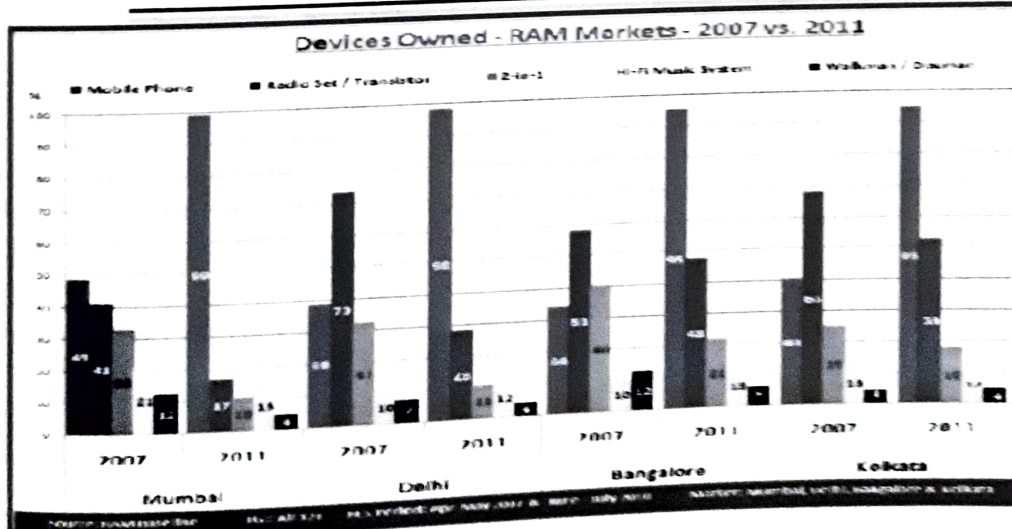
With the introduction of FM on mobile phones there is a great surge seen in penetration of FM radio. A radio establishment survey undertaken by TAM India in 2011 clearly highlights this impact. The following image shows the impact of how the FM radio has penetrated into Indian metros.



Source: <http://www.tamindia.com> tamindia images.

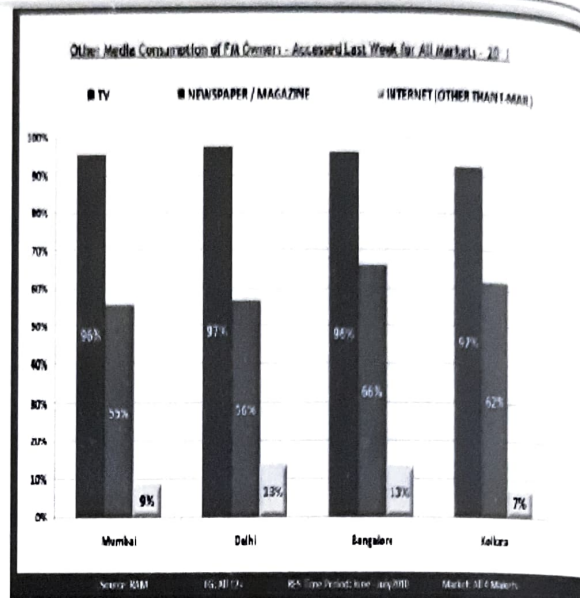
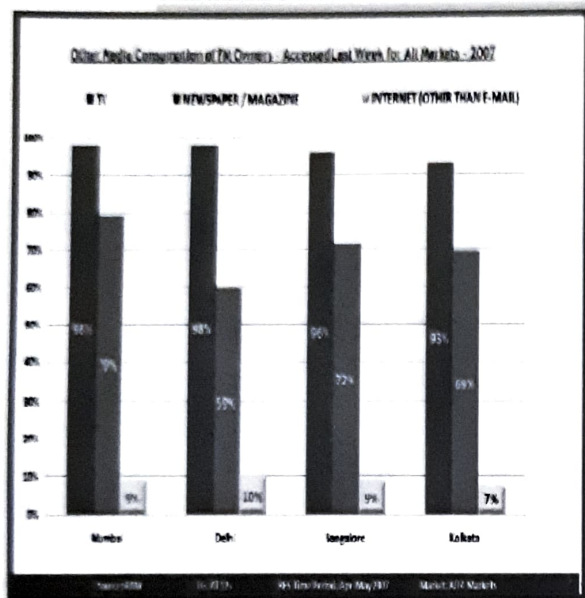
Following image indicates that with the advent of FM on mobile phones the penetration of FM radio has increased.

Mobile Phones ownership among the FM owners has significantly increased whereas other radio devices like radio sets, 2 in 1, etc have witnessed a fall.



Source: (<http://www.tamindia.com>)

FM Owners duplication with TV has been maximum and access to Newspaper / Magazine in last one week has seen a fall across all RAM markets



Source: (radio establishment survey 2011, <http://www.tamindia.com>)

Radio industry grew at 15% to reach Rs. 11.5 billion compared to 10 billion in 2010.

Ad rates in metro increased by 7-10 percent while for smaller cities it increased by 15-18 percent. Though the Indian Readership Survey (IRS) states that the listenership for radio declined in 2010-11, the industry believes that with 40% of mobile phones in the country having in built FM radio and car sales going up, 30% of radio listenership happening out of home, the drop in listenership is unlikely. Radio's share in the advertising pie has grown from 3.8 in 2010 to 4 percent in 2011 (<http://www.mediavataar.com>)

RADIO, NEWSPAPERS, TELEVISION AND INTERNET: A COMPARISON

Radio and Newspaper

Radio and national press offer a very powerful combination – despite this, they are still an unusual and innovative media pairing. While they do have some strengths in common – both are very high reach media, with pronounced habitual patterns of consumption and great planning flexibility – it is the differences which make them complementary.

How Radio and Newspapers compare

Radio

Radio offers:

- - real-time communication
- - high frequency of impacts
- - reaches out-of-market consumers

Newspaper

Newspapers offer:

- - room for detail
- - “keepability”
- - well-segmented editorial

Radio seen as:

- - personal
- - human
- - "at my level"

Radio is a "push" medium:

- - all ads reach all listeners regardless of relevance

environments

Newspapers characterised by:

- - public
- - stature
- - authority

Newspapers are a "pull" medium:

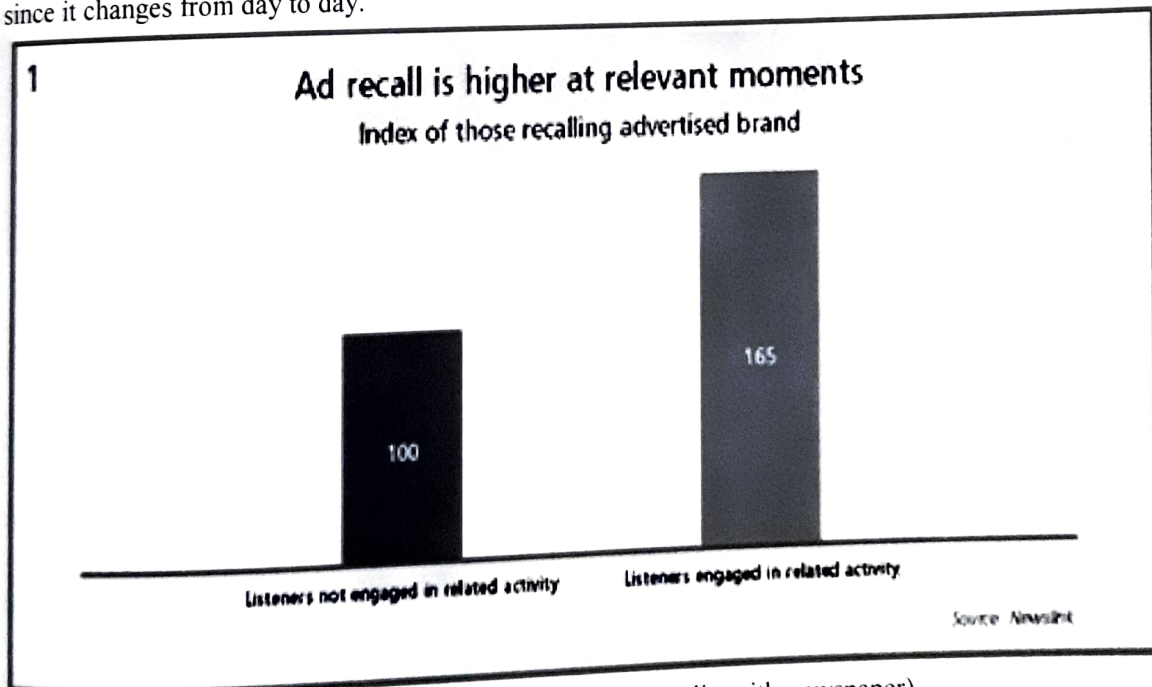
- - readers select according to interest or relevance

Radio is a "real-time" medium. People listen to the radio in real time, in other words, the time when they consume it is the time when it is broadcast.

For the advertiser, this means that radio messages can be broadcast at the times of day when they are most likely to have an effect on the consumer:

- messages about road safety heard while driving
- messages about food ideas heard during meal-planning times
- messages about entertainment venues heard during "launch pad" phase (early evenings Friday, Saturday, Sunday).

By contrast, while it is possible to make general observations about the time at which newspapers are read, readers' habits vary widely, and time of reading is a tricky phenomenon to measure, since it changes from day to day.



Source:(<http://www.Rab.co.uk/archive-pages/using-radio-with-newspaper>)

Radio and Television

Functional Media Characteristics

Radio is...

Low ad avoidance, Frequency of impact, Reaches people when engaged in relevant activities, Morning orientation.

Television is...

Product demonstration, segmented programme environments, Evening orientation.

Emotional connection characteristics

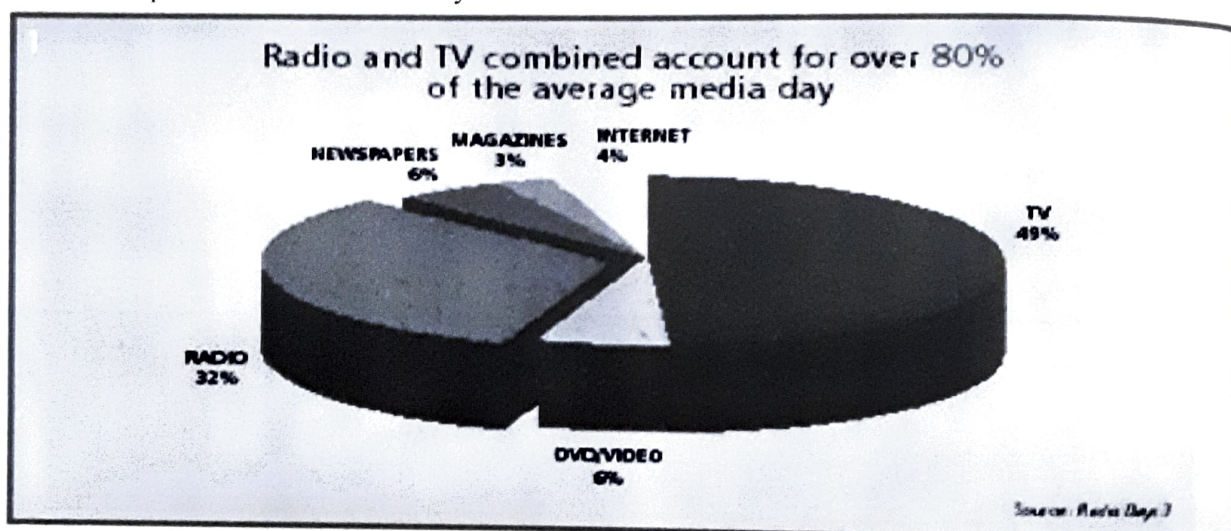
Radio is...

Personal, Friendly, Trusted. Radio seen as a 'speak with' medium.

Television is...

Public, Glamorous, Exciting.

To a large degree radio and television have similar strengths. As real-time media both enable advertisers to reach out to and engage new customers. Both also allow advertisers to decide when consumers will be exposed to their advertising messages. They are both consumed for several hours on a regular daily basis, and combined they account for over 80% of the time that consumers spend with media each day.

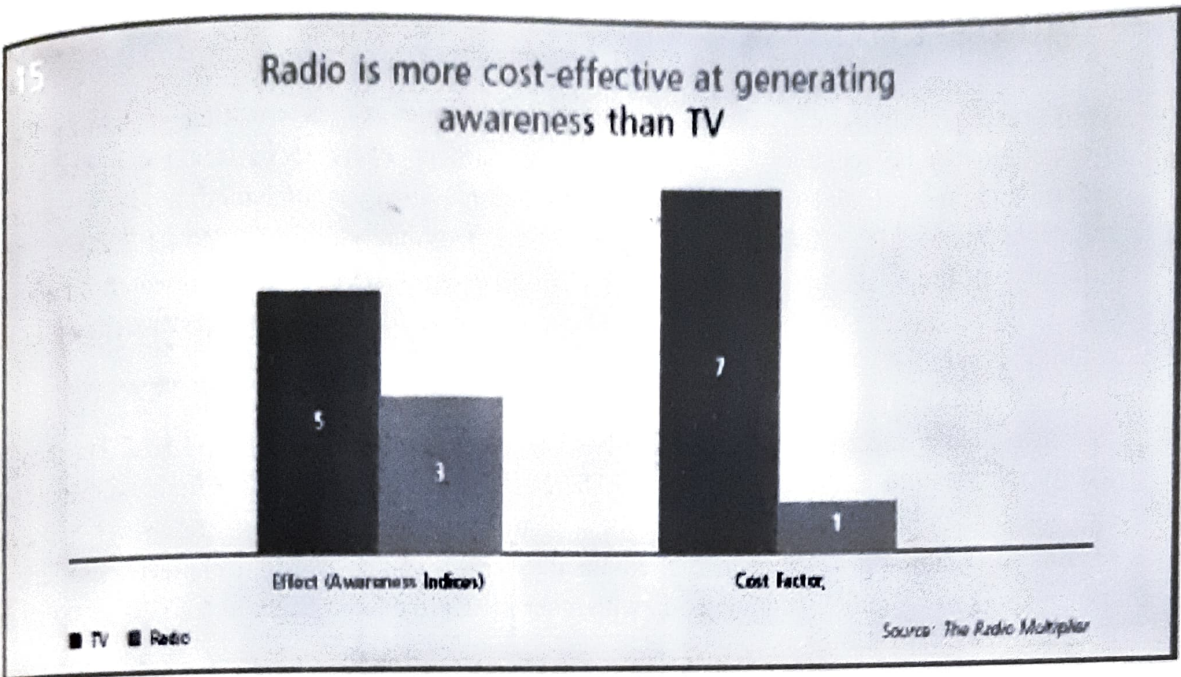


Source:(<http://www.Rab.co.uk/showcontent.aspx?id=1237>)

Apart from dominating a high share of the media day, both media offer high levels of reach against most audiences.

The Radio Multiplier Study was devised, in 1999 to find out how effective radio advertising can be relative to TV, and to learn more about what kind of radio advertising is more effective: effectiveness was tagged in terms of measuring increases in advertising awareness. Millward Brown tracked awareness for 17 brands advertised in two comparable regions, one town had radio advertising while the other did not. TV advertising was the same across both towns. The relative effectiveness of the two media was evaluated on the basis of an Awareness Index.

Radio was found to be, on average, three-fifths as efficient as TV at driving advertising awareness amongst radio listeners. However, in terms of price, TV was around seven times the cost of radio.



Source:(<http://www.Rab.co.uk/showcontent.aspx?id=1237>)

So, by achieving three fifths of the awareness at one seventh of the cost, the radio campaigns were significantly more cost-efficient than the TV campaign. Price variance between radio and TV will vary depending on area, audience and time of year.

Cost effectiveness advantage means that radio has a multiplier effect when added to a TV schedule. If 10% of a given TV budget is redeployed onto radio, the efficiency of the campaign in building awareness increases on average by 15%.

Radio and Internet

An experiment conducted by Harris Interactive, for the Radio Ad Lab-Canada in 2004, provides an overview of how Radio and the Internet could work well together as ad vehicles. Radio and the Internet build complementary kinds of bridges to the consumer’s mind because Radio ads are more effective at making emotional connections with consumers, thanks to the much more emotional link that listeners have with the medium itself.

The Internet, meanwhile, connects at a more factual level, providing information that “helps you understand what is going on in the world around you” (<http://www.RadioAdLab.org>). Research in the UK (from the UK’s RAB and IAB) indicated that 57 percent of those who listen to Radio while online say they have “checked out things on the Internet after just hearing about them on the Radio.” And 67 percent said that “hearing things on the Radio will remind me to look up some thing when I’m using the Internet.” This shows that Radio ad can drive traffic to websites.

Radio and the internet have unique reach pattern and that can make them work powerfully in combination. When these two media are put together, it was found that the daily reach of Radio and the Internet is similar to that of television. The next chart uses Knowledge Networks data to provide estimates of combined-media total reach, control–ling for duplication, and it shows that on a daily basis, Radio and the Internet together reach about 83 percent of the 18-54 year age group population.

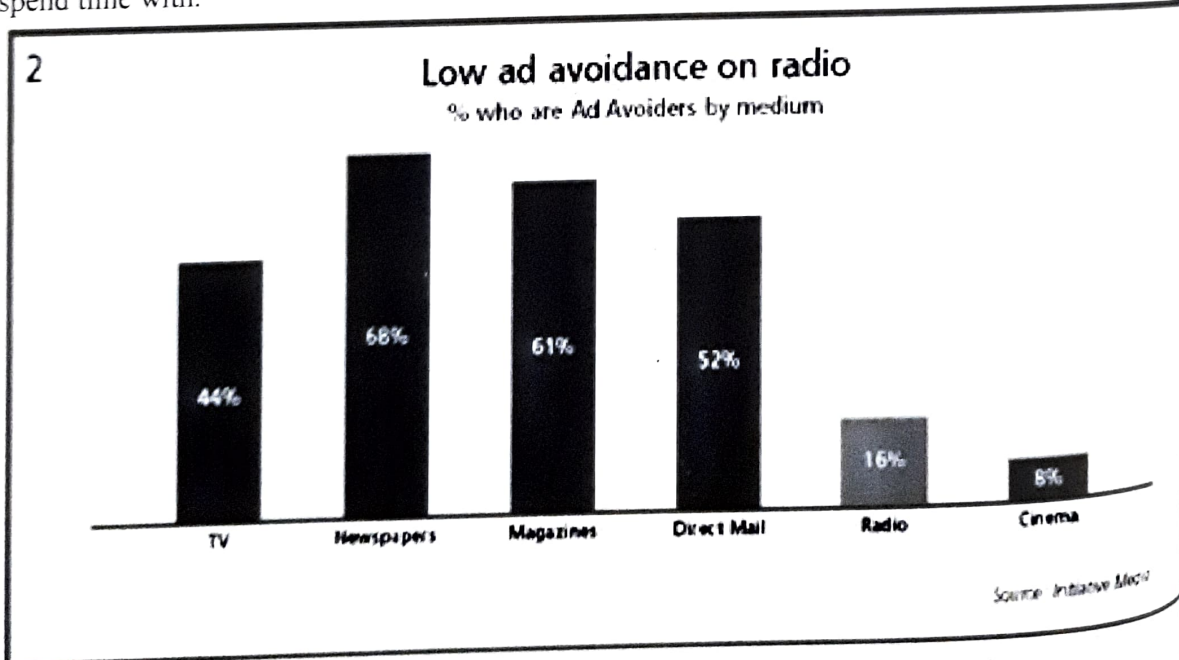
RADIO EFFECTIVENESS

Today, media planners are quite at loss as there is inadequate information on this medium. Information can be gathered by exploring other markets where radio is a more established medium and then extrapolate the same to Indian markets. The question haunting most advertisers and media planners is regarding the audience measurement that will be adopted for Radio. As it is early days in India, station owners and advertising agencies are conducting research on ad hoc basis. The trend is expected to continue for some more time till significant advertising monies are committed on radio.

Extensive media effective study for radio has been carried out in U.K. and U.S.A., but there is paucity of literature in the Indian context. There is no doubt that single-medium campaigns are very unusual these days. Everyone knows – planners and clients alike – that there are great benefits to combining different media, commonly known as the “multiplier effect”. But little is known about using radio in combination with other media like news paper and TV.

Radio has low ad avoidance

Some media suffer more from advertising avoidance behaviour as the graph below shows. However, radio is a low avoidance medium. This appears to be because people listen to radio as a parallel activity while they are doing something else (e.g. driving, cooking, and working). Radio listening is not their primary occupation and so they are disinclined to change channels when the ads come on. This is very different from behaviour with TV. It is also very different from paper-based media, where readers can be as selective as they wish in terms of the ads they choose to spend time with.



Source: (<http://www.Rab.co.uk/archive-pages/using-radio-with-newspaper>)

Radio is “the frequency medium”

Because of the way radio campaigns are generally planned and implemented, radios ads tend to reach consumers 2-3 times more often than ads in press or TV, on average. It is important to note that this is “real time frequency” too – each time the campaign is heard again (either the same or a different execution) it elapses for the full 30 seconds, rather than being bypassed or foreshortened because the listeners feel they have heard it before.

4

Radio ads are on more frequently

MON	TUE	WED	THU	FRI	SAT	SUN
31					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30

Press TV Radio

Source: RAB

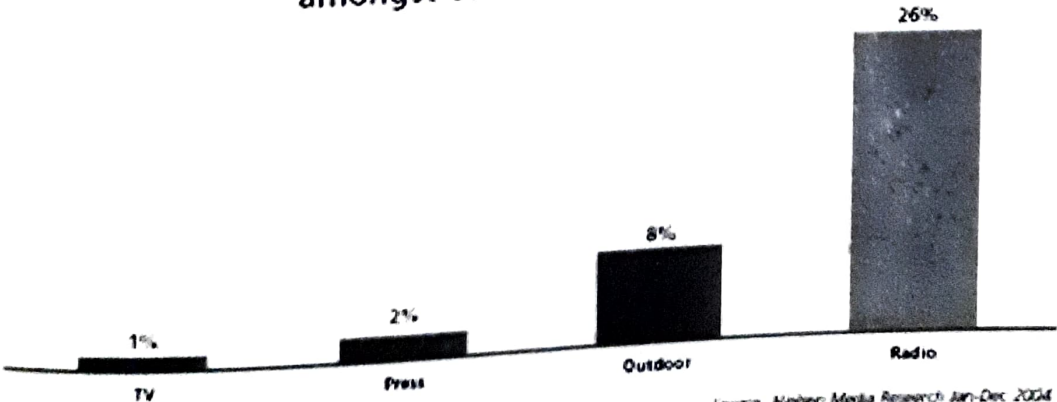
Source: (<http://www.Rab.co.uk/archive-pages/using-radio-with-newspaper>)

Does radio offer greater “share of voice and share of mind”?

Commercial Radio is a relatively young medium, first established only in 1973. This means that for many product sectors it is still relatively under-exploited, leaving opportunities for ambitious brands to dominate the medium. For example, with an advertising budget of £1m a cosmetics brand can secure a 26% share of voice in radio – far higher than in press or outdoor (<http://www.Rab.co.uk/archive-pages/using-radio-with-newspaper>).

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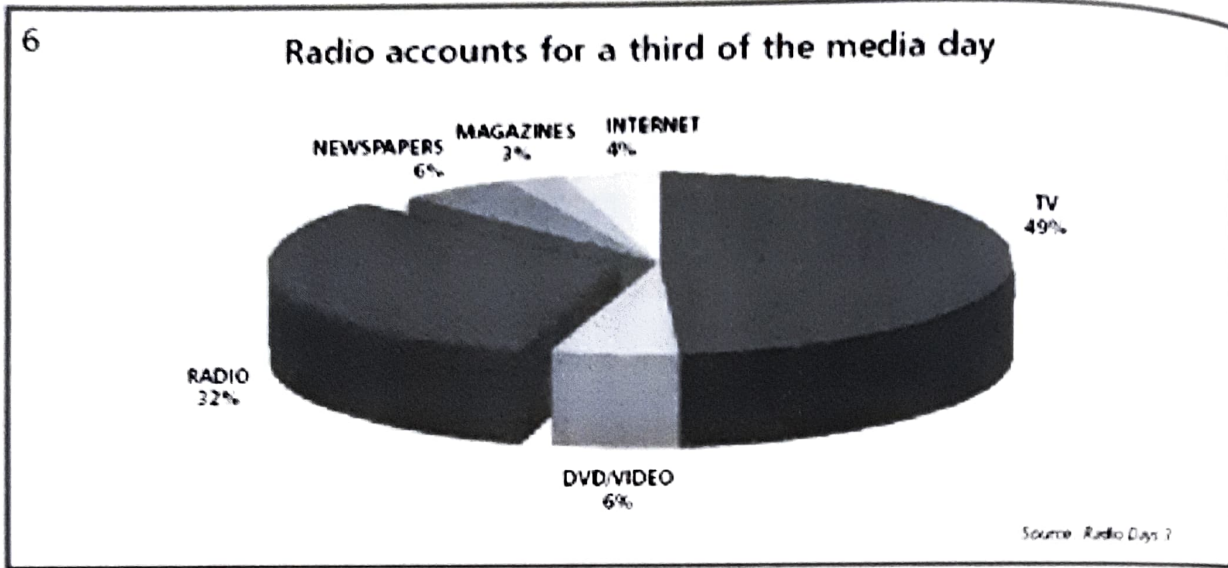
Share of voice that £1m buys by medium amongst cosmetics advertisers



Source: Nielsen Media Research Jan-Dec 2004

Source: (<http://www.Rab.co.uk/archive-pages/using-radio-with-newspaper>)

But the increased share of voice on radio is particularly powerful because of the way people listen. On average listeners spend about a third of their “media day” with radio, so any brand which dominates the medium is likely to dominate that one-third of the media day. So brands which use radio to secure a strong share of voice also have the opportunity to translate this into a dominant “share of mind”.

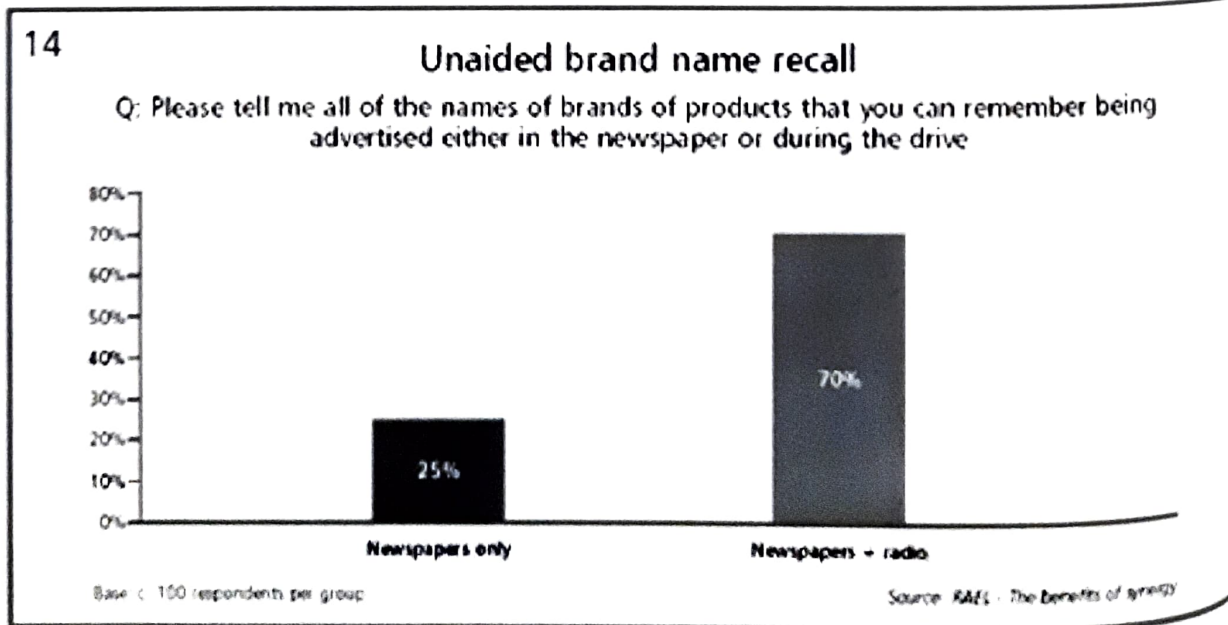


Source: (<http://www.Rab.co.uk/archive-pages/using-radio-with-newspaper>)

A study conducted by the US Radio Advertising Effectiveness Lab (RAEL) in 2004, shows how advertising effects can be increased by substituting radio into newspaper campaigns (i.e. greater effects for approximately the same cost) (<http://www.Rab.co.uk/archive-pages/using-radio-with-newspaper>).

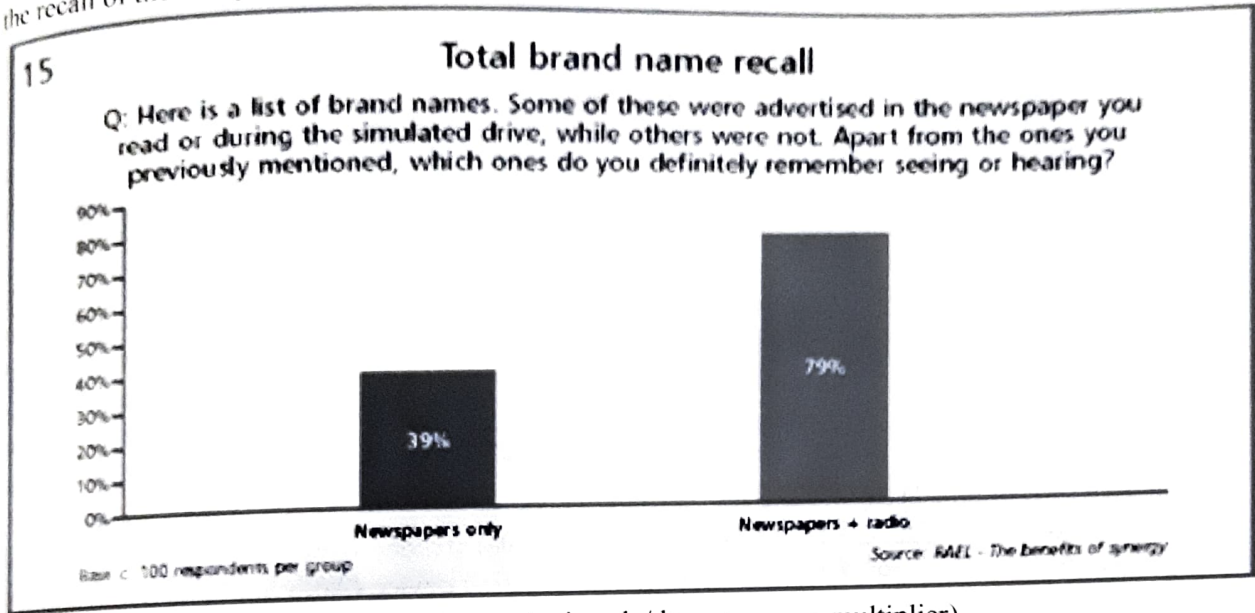
Brand name recall

On an unaided basis, the group exposed to radio generated almost three times the unaided brand recall compared to the group exposed to newspapers only.



Source: (www.rab.co.uk/why-use-radio/strategic-role/the-awareness-multiplier)

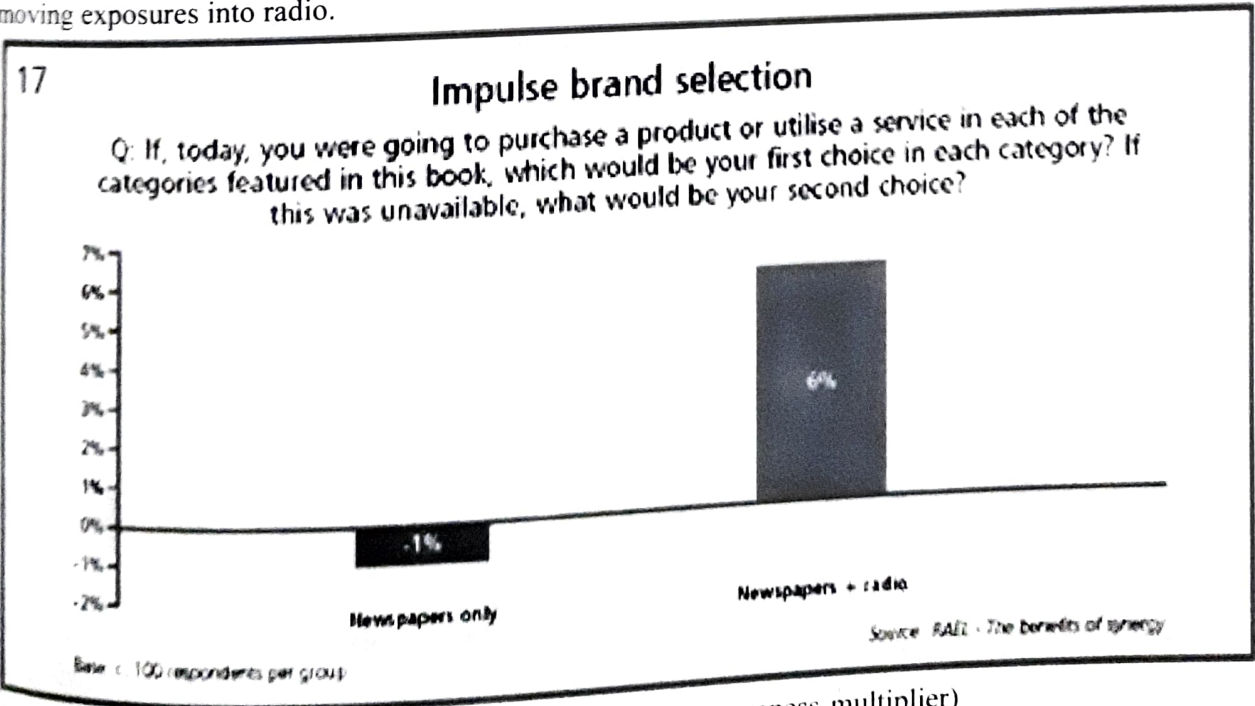
Even with prompting, the group exposed to radio in addition to newspapers showed over double the recall of those exposed to newspapers alone.



Source: (www.rab.co.uk/why-use-radio/strategic-role/the-awareness-multiplier)

Impulse Brand Selection

Both before and after the ad exposures, the respondents were presented with a booklet that included the question “If, today, you were going to purchase a product or utilise a service in each of the categories featured in this book, which would be your first choice in each category?” This enabled measurement of any brand preference shifts that could be directly attributable to the forced ad exposures. The results showed pronounced shifts in brand preference as a result of moving exposures into radio.



Source: (www.rab.co.uk/why-use-radio/strategic-role/the-awareness-multiplier)

The RAEL research indicates that when newspaper budgets are partially re-deployed into radio, there are significant gains for advertisers in terms of impact.

Radio and Direct Response Commercials

Direct Response Radio (DRR) as defined by Peter C. Verhoef, 1998, Janny C. Hoekstra, 1998, Marcel van Aals, 1998, is "an interactive form of radio advertising, which is primarily aimed at generating a (on the individual level) measurable response at a measurable cost. Those who are confronted with the commercial radio message are sought to show a direct behavioral effect". This definition is based on general descriptions of direct response television commercials (e.g. Danaher and Green, 1997; Katzenstein and Sachs, 1992; VoÈgele, 1992). Like a direct response television (DRTV) commercial (Santangelo, 1982; Danaher and Green, 1997), a DRR commercial always makes a definite offer, contains every piece of information necessary to make a decision and includes a response device. Direct response advertising is becoming an increasingly important method of advertising. For instance, more than 20 percent of television advertisements broadcast in the USA and UK include a direct response message (Danaher and Green, 1997), whereas in The Netherlands about 20 percent of advertisements in print and broadcast media include a telephone number as a response device (Adfo Specialist Group, 1998). The rise in direct response advertising is coming from both direct and non-direct marketing firms. Among non-direct marketing firms there is a growing desire to "get to know" individual customers, thereby responding to an increasing heterogeneity in customer wishes and to the growing difficulty in reaching target groups through mass media (e.g. Peppers and Rogers, 1993). Among direct marketing firms there is a growing awareness of the consumers' desire to actively search for the information they want instead of being approached by unsolicited mailings or telephone calls (e.g. McKenna, 1995). This is reflected in the growing number of consumers that register with the Dutch Mail and/or Telephone Preference Services. Although for a long time radio was not a very popular direct response medium, more recently there is a growing awareness of the powerful role radio can play in direct marketing. As stated earlier, radio can be used very selectively in reaching target groups. Many profiles can be isolated by choice of radio station, program and time. A high reach can be built in a short period of time. Moreover, the growing use of cellular telephones facilitates responding.

RADIO TRENDS

The Madison India Radio Research reveals that consolidation and specialization are two distinct trends in the evolution of the radio business. Their in-depth survey focuses on International trends in the radio business, radio measurement and the best practices that have evolved in using the medium (<http://www.exchange4media.com/e4m/radio/RadioTrendsInIndia.asp>).

It is ironical that while India has the second highest penetration of cable and satellite homes in the world, radio has suffered from shunted growth. This can be attributed to misdirected policies by government, which did not give enough prominence to radio as a rich medium for entertainment and also for community development. Recently though, government has liberalized radio broadcast and this has resulted in most media houses diversifying to offer radio services.

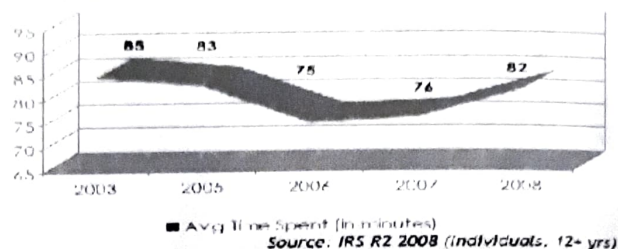
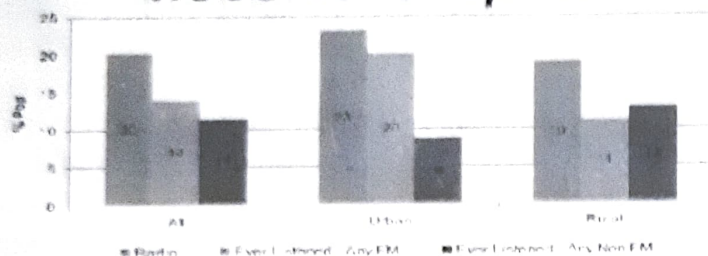
Madison research says, in Mumbai, for instance, eight private FM radio stations have been launched. Mumbai listeners can tune in to any of the ten FM stations (eight from private broadcasters and two from AIR). Government had indicated that its long-term plan is to have 150 FM stations across 40 cities. Which currently have reached close to 300 stations in 65 cities. Is this a case of one too many? Can Indian market sustain so many radio stations? Going by the international benchmark, even 300 stations across India is a sustainable proposition. There are more than 6000 radio stations in US and even a developing country like Nigeria has 18 FM stations. In most markets, radio manages to garner around 4-5% of the mass media spend. In some countries like Sri Lanka, radio accounts for 20% of ad spend. In 2001, American radio commanded US\$3.2 Billion out of US\$60 Billion spent on mass media. In India, currently radio is able to garner less than 1% of the total ad pie of Rs.8, 600 crore in the early years. Madison media had estimated that by 2004, advertisers will spend around Rs. 500 crore on radio. This will constitute around 4 % of the enlarged ad pie (<http://www.exchange4media.com/e4m/radio/RadioTrendsInIndia.asp>).

International experiences show two distinct trends in evolution of radio business. Typically, there is a surge of activity when the media is liberalized but over a horizon of five to six years, consolidation is inevitable and stations group are formed that controls most of the revenues. For instance, in UK four media groups control nearly 60% of ad revenue. A similar consolidation exercise is expected in India. Radio stations that are part of established media houses would do well. Publications having strong city edition will do have an advantage as they already have infrastructure to marshal local advertisers and also keep a tab on the pulse of the city citizens (<http://www.exchange4media.com/e4m/radio/RadioTrendsInIndia.asp>).

Internationally, radio stations have grown by attracting niche audiences (like a Hispanic channel in US or a Malayalam channel in gulf) and local advertisers. As of today, if one goes by Mumbai experience, the concept of niche programming has not yet caught the imagination of the broadcaster and audiences find it almost impossible to distinguish one from another. Madison Media expects that the evolutionary pressures will prevail in India and radio stations will increasingly find their own niche. For instance, it is expected that in future, there could be an emergence of stations that address only specialist audience groups - like a special radio station dedicated to south Indians residing in Mumbai or a station that caters exclusively to college going population. Such specialist channels will be ideal medium for advertisers, as they will have access to well defined captive audience (<http://www.exchange4media.com/e4m/radio/RadioTrendsInIndia.asp>).

The following figure shows how radio has performed in terms of listenership and time spent over the period 2003-2008 in India:

Performance of Radio: *listenership & time spent*



Source: (<http://www.slideshare.net/slashvelandy/the-mudra-media-factbook-29-01-2009>)

Statistics below show that radio is being preferred as a medium of advertising. Players from all the major product category have invested a few crores on radio advertising in the year 2008 in India.

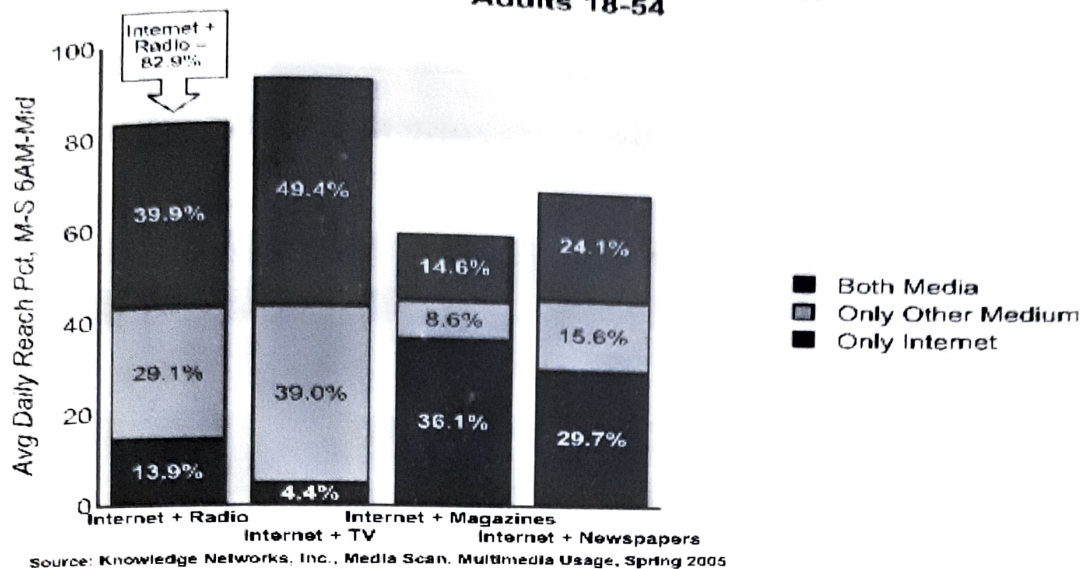
leading investors on radio: by *advertiser & product category*

Advertisers	Spends Rs. Cr.	Product Category	Spends Rs Cr.
Star Network	14	Tv Channel Promotions	58
Reliance Communications	12	Cellular Phone Service	45
Tata Teleservices	12	Independent Retailers	39
Hindustan Lever	11	Properties/real Estates	32
Pantaloon Retail	9	Social Advertisements	27
Zee Network	9	Publications/books	20
Sony Network	8	Cars/jeeps	16
Maruti Udyog	7	Insurance-life	14
Ndtv Network	6	Jewellery	13
Bharti Airtel	6	Internet service-general	13

source: fam index & mudra radar estimates

Source: (<http://www.slideshare.net/slashvelandy/the-mudra-media-factbook-29-01-2009>)

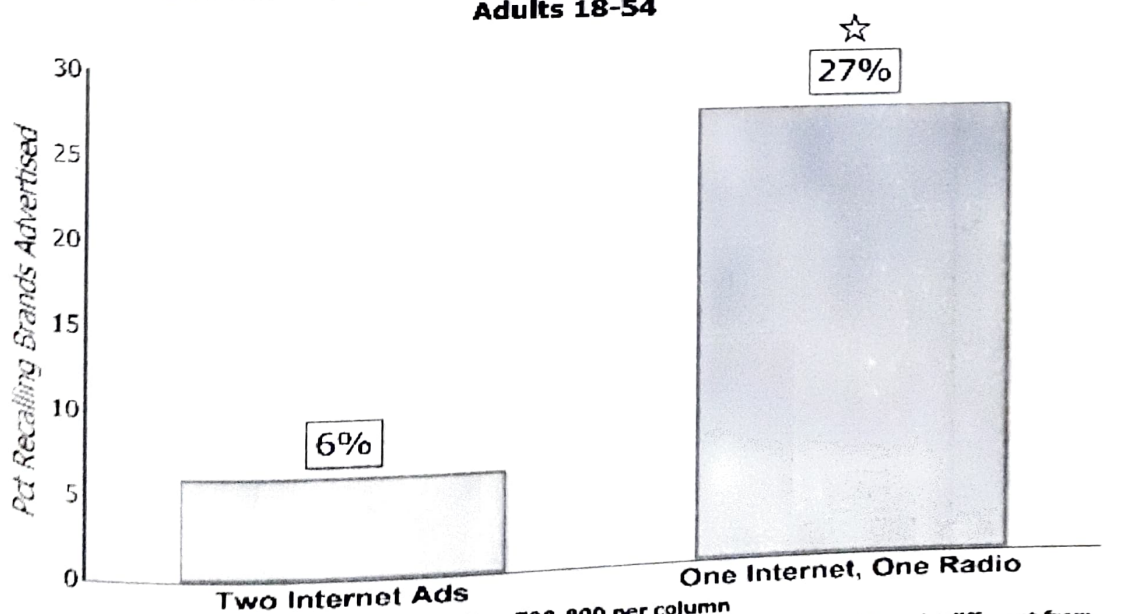
Combined-Media Daily Reach Adults 18-54



Source: (<http://www.Radb.com/public/rael/radiointernet.cfm>)

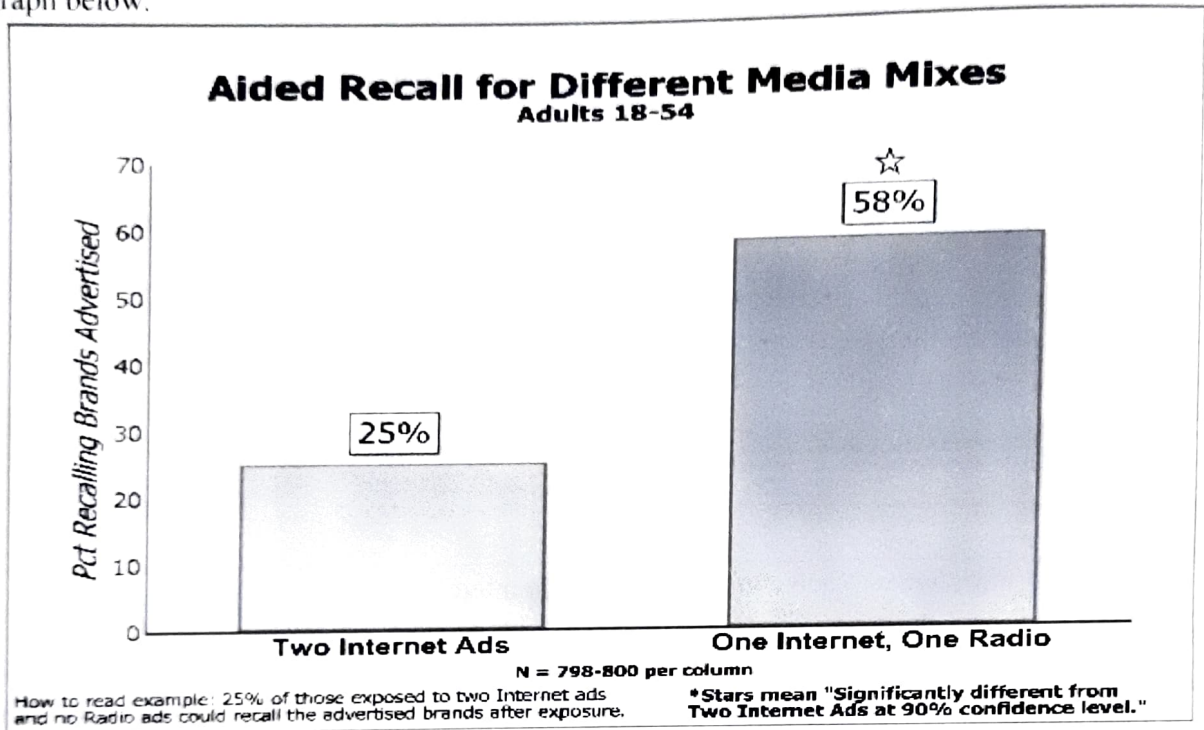
A test conducted in late 2006 compared the effects of two exposures to website ads to a mixed exposure of one website ad and one Radio ad. (<http://www.Radb.com/public/rael/radiointernet.cfm>) the result of the same showed that the unaided recall for radio and internet exposures was much higher than two exposures on internet as is seen from the following graph.

Unaided Recall for Different Media Mixes Adults 18-54



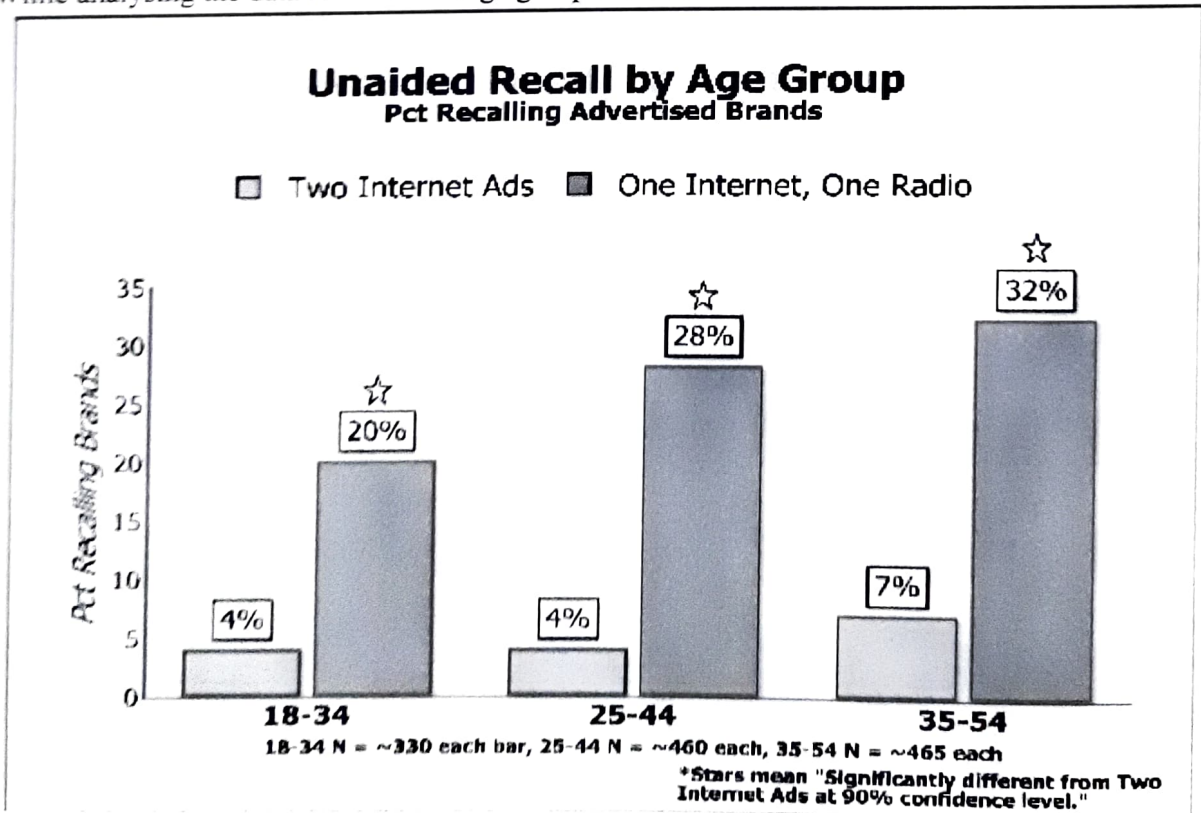
Source: (<http://www.Radb.com/public/rael/radiointernet.cfm>)

Similar results were observed in case of aided recall (in which those not recalling advertised brands without prompting were then shown a list of brands). The mix of one Radio and one Internet exposure had more than twice the aided recall of two Internet ads as is seen from the graph below.



Source: (<http://www.Radb.com/public/rael/radiointernet.cfm>)

While analysing the data for different age groups a similar trend was observed as is seen below.



Source: (<http://www.Radb.com/public/rael/radiointernet.cfm>)

To sum up, each medium has its own advantages and disadvantages; the choice of the media depends upon the advertising objective and on the budget available. Ideally, advertising should not cost you money. Unless the ad campaign is generating more than it is costing, there is something wrong. Expecting great results overnight are out of question. By careful evaluation of the marketplace with regard to the product or service, one can target the audience with cost effective advertising. There is no denying the fact that a single medium campaign today may seem ineffective and that combining different media, commonly known as the "multiplier effect" is the trend today. Looking to this scenario, today the FM radio appears to be a promising medium for advertising.

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E-Banking Services and Consumer Behaviour: A Review

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Abstract

With the rapid spread of the internet, the domestic banking sector needs to be prepared for greater competition and challenges arising from globalisation and liberalization and changes in consumers' banking behavior and preferences. All major banks in India are offering e-banking services. The adoption of ICT in Indian banks has improved customer services, facilitated records, provides for Home and Office Banking services, ensures convenience, prompt and fair attention, and enhances services. Technology has made tremendous impact on banking processes. 'Anywhere banking' and 'Anytime banking' have become a reality. The customer is the cue and the centre of all the banking solutions. According to Google India Country Head, India has about 100 million Internet users, and the number will increase to 300 million by 2014. McKinsey research states that by 2015, the Indian Internet user base would touch 450 million from the 2010 estimates of about 81 million. A literature review has been done to understand the technology enabled banking behaviour of consumers. More than 250 research papers have been reviewed under different heads like perception (41), risks(35), characteristics of e-consumers (49), modern e-banking services and consumer behaviour(29) . A review of a select few has been presented.

Key words: consumer, behaviour, technology, banking

The Indian banking system, with one of the largest banking networks in the world, has witnessed a series of reforms over the past few years like the deregulation of interest rates, dilution of the government stake in public sector banks (PSBs), and the increased participation of private sector banks. The growth of the retail financial services sector has been a key development on the market front. Indian banks (both public and private) have not only been keen to tap the domestic market but also to compete in the global market place. New foreign banks have been equally keen to gain a foothold in the Indian market. The electronic revolution in Indian banking sector is now more noticeable as banks are trying to keep abreast with Information and communication technology (ICT).

With the rapid spread of the internet, the domestic banking sector needs to be prepared for greater competition and challenges arising from liberalization and changes in consumers' banking

behavior and preferences. Indeed, the emergence of technology enabled banking services has prompted many banks to rethink their strategic plans especially their IT strategies, in order to stay competitive. This is because computers and internet are seen to be transforming the fundamental aspects of banking services; the environment in which banking services are delivered, the elements of banking business; the product and services delivered by banks to retail consumers, and the systems and technologies used by banks.

Electronic banking (e-banking) is an additional delivery channel for banking services. There are various definitions. This could be because electronic banking refers to several types of services through which a bank's customers can request information and carry out most retail banking transactions via computer, television or mobile phone. Electronic banking can also be defined as a variety of the following platforms: internet banking (or online banking, telephone banking, TV-based banking, mobile phone banking, and PC banking (or offline banking). E-banking can be defined as the deployment of banking services and products over electronic and communication networks directly to customers (Singh and Malhotra, 2004). These electronic and communication networks include Automated Teller Machines (ATMs), direct dial-up connections, private and public networks, the Internet, televisions, mobile devices and telephones. Among these technologies, the increasing penetration of personal computers, relatively easier access to the Internet and particularly the wider diffusion of mobile phones has drawn the attention of most banks to e-banking. However, the continuing convergence of information, communications and media technologies are opening up other electronic channels (such as "ipod-banking") for delivering banking services (Boateng R. and Molla A. , Developing E-banking Capabilities in a Ghanaian Bank: Preliminary Lessons, Journal of Internet Banking and Commerce, August 2006, vol. 11, No.2).

All major banks in India are offering e-banking services. E-banking creates unprecedented opportunities for the banks in the ways they organize financial product development, delivery, and marketing via the Internet. E-banking has given an opportunity for banks to find solutions to management problems like saving time, money and energy, reducing/minimizing paper works, abolition of waiting in queues, lack of communication, and lack of efficiency.

The adoption of ICT in banks has improved customer services, facilitated accurate records, provides for Home and Office Banking services, ensures convenient business hour, prompt and fair attention, and enhances faster services. The adoption of ICT improves the banks' image and leads to a wider, faster and more efficient market. It has also made work easier and more interesting, improves the competitive edge of banks, improves relationship with customers and assists in solving basic operational and planning problems.

Technology enhances choices, creates new markets, improves productivity and has a multiplier effect. In the field of banking, technology is the magic bullet which has the potential to extend in a cost effective manner the penetrative reach of banking services and products to a large section of the excluded society by bringing them into the formal financial system. It promises universal access thereby pushing the frontiers of banking outward. It changes the game. (Dr K. C. Chakrabarty, Deputy Governor, R B I The Banking Technology Conclave 2010).

E- BANKING AND MODERN BANKING SERVICES

Saraswat, V. and Jadhav, P. (2013), in their article concluded that, Today's banking is virtual Banking. Virtual banking denotes the provision of banking and other related services through the extensive use of IT, without direct resource of the bank by customers. The salient features of virtual banking are the overwhelming reliance on IT and the absence of physical bank branches to deliver banking services to customers. The principal types of virtual banking services include Automated Teller Machines (ATMs), shared ATM networks, Electronic Funds Transfer at point of sale (EFTPoS), smart cards, and stored value cards, phone banking, home banking, internet and intranet banking. Thus, the practice of banking has undergone a significant transformation due to the adoption of E-banking.

Karmakar et. al. (2012), analyzed two alternative service delivery processes, conventional and electronic, and examined how they affect customer costs, process economics, market segmentation and competition. They developed process cost models and market models to obtain insights about market capture and profitability in monopolistic and duopolistic settings. Both customer and provider processes are analyzed to derive results about consumer preferences for alternative service delivery mechanisms.

In research papers "Impact of E-Banking on Traditional Banking Services" and E-banking and E-commerce in India and USA, Vyas, S. (2012) said that; Internet banking (IB) is changing the banking industry, having the major effects on banking relationships. Banking is now no longer confined to the branches where one has to approach the branch in person, to withdraw cash or deposit a cheque or request a statement of accounts. In Internet banking, any inquiry or transaction is processed online without any reference to the branch (anywhere banking) at any time. Providing Internet banking is increasingly becoming a "need to have" than a "nice to have" service. Thus, the net banking now is more of a norm rather than an exception in many developed countries due to the fact that it is the cheapest way of providing banking services. He introduced e-banking, giving the meaning, functions, types, advantages and limitations of e-banking. It showed the impact of e-banking on traditional services and results documented like E-banking is a borderless entity permitting anytime, anywhere and anyhow banking. This facilitates consumers with all the functions and many advantages as compared to traditional banking services. During the step of the process, controls that could mitigate or eliminate the identified risks, as appropriate to the organization's operations, are provided.

Akinyosoye, O. et. al. (2011), examined, if customers' choice of banks is influenced by the quality of e-banking services provided. Stratified sampling was used; while the survey instrument was a developed Questionnaire comprising open ended and Likert type of questions. In his research paper, he recommended that various measures should be put in place to ensure more security such as installation of encrypted software, verification system of customer's identification cards, frequent change of password, examining test questions and using mixed password such as the use of alphanumeric amongst others. The paper concluded that e-banking has become an important phenomenon in the banking industry and it will continue as more progress and innovations are made in information technology.

Rizvi, et. al. (2011), said that today at the beginning of the third millennium with the huge information technology revolution in all business sectors and the banking sector is one of it, many of the banks in world adopted e-banking and convert the ordinary banking services into e-banking services and this growing in e-banking services mostly came from e-commerce, it is growing which value is estimated in hundreds billions of dollars and all these huge business needs a strong infrastructure of e-banking to manage all the money transactions and support e-commerce.

Kadwadkar, D. et. al. (2011), in her article said that Indian banks today are as technology-savvy as their counterparts in developed countries. They studied the extent of usage of various banking products and services by customers. Field surveys with structured questionnaires were used to collect primary data from bank staff and customers on random sample basis in Mumbai and Thane. While ATM has become popular for cash withdrawals, other services like mobile banking and internet banking are sub-optimally used. Customers are still not using the full range of services available in ATMs. Banks must aggressively promote e-banking services so as to reduce foot falls in branches. Apprehensions of customers to cyber frauds should be addressed by educating them not only in the use of these services but also on the steps taken to secure the transactions.

Mann, B. and Sahni, S.K. (2011), in his research explored the inter-relationship between the two dimensions of website-to-website interactivity and customer outcomes. The study investigated how web site interactivity leads to positive customer outcomes in the context of Internet Banking web sites. Navigation structure and information content constitute the antecedents of web site interactivity whereas the dimension of customer outcomes has been studied through customer service quality; customer satisfaction; perceived security risk and trust of the web site. Also provided insights to the global marketers by providing accurate and timely information along with security measures; thus it can enhance customer service quality, customer satisfaction and trust. The study revealed the importance and contribution of each construct in the formation of trust towards Internet Banking web site.

Petronella, V.M. (2010), suggested that E-banking is the first of those banking services that really economize time, because it allows to the user to accomplish from behind the computer many operations in the bank account, represents the computational solution that allows to the holder to have access at distance at the capitals from his account, purposing to obtain information about his account situation and the situation of the effected operations, of the payment and of the capitals transfers over a beneficiary, by a computational application, of a authentication method and of a communicational average, the e-banking is absolutely necessary in the integration conditions.

Jeevitha, E. (2009), in her article concluded that technology has been one of the most important factors for the development of mankind. Information and communication technology is the major advent in the field of technology which is used for access, process, storage and dissemination of information electronically. Banking industry is fast growing with the use of technology in the form of ATMs, on-line banking, Telephone banking, Mobile banking etc., plastic card is one of the banking products that cater to the needs of retail segment has seen its number grow in geometric progression in recent years. This growth has been strongly supported by the

development of in the field of technology, without which this could not have been possible of course it will change our lifestyle in coming years.

Osho, G.S. (2008), in his research article explained the use of technology in the banking industry in USA and how it has help banks evolved into a profitable markets and explored several aspects of technology used in the banking industry that have helped banks secure a great market share and simplify customer's everyday life. The results indicated that more and more consumers are now turning to technologies and time saving options for their banking decisions. Furthermore, the results indicated that competition among banks in this attractive industry is a factor of the one offering the most convenient and appealing technological advances.

Azad, C. P. et. al. (2008), in their article found that Banks were among the first large organisation to invest heavily in Information Technology and today banking is almost totally dependent on Information Technology (IT). The banking sector, which is one of the largest users of Information Technology (IT), has reaped immense benefits out of the developments in the technology. In most instances, the Information Technology (IT) is cited centrally. Branches are equipped with terminals giving them an online accounting facility and enabling to access the central system for information on such things as current balances, deposits, overdrafts, and interest, charges, share and trustee records. Not only the world over but also in India. Information Technology (IT) is highly used by banking industry.

Wang, Z. (2006), in his study explored Web sites of key Chinese banks on building blocks of e-Banking customer interface, consisting of context, content, communication, connection, community, customization and commerce, and evaluates the readiness of China for 21st century competitive e-Banking. The study contributed insight that can benefit business directors in banks in China in attempting to improve their e-Banking strategy in the growing global market.

Jen-Her Wu et. al. (2006), had utilized an innovation model to analyze the impact of e-banking on the incumbent banks. The results indicated that the nature of e-banking innovation is disruptive, leading to drastic changes in both technological knowledge and business model. They identified eight core capabilities choosing new IT, matching economic opportunities with technology, executing business innovation for growth, and accessing customer value for net-enabled business innovation that creates customer value, that are necessary for the banks to cope with the change, each appearing to address either technical or business aspects of e-banking transformation.

Wonglimpiyarat, J. (2005), in a case study explored the ways the banks may improve their technological capabilities (their technological learning process to improve the technological capabilities) and the use of technology strategy in the banking sector. The results show that technological innovation in the banking sector of Thailand is not revolutionary but evolutionary.

Seidman, E. and Tescher, J. (2004), in their paper argues that five factors have contributed to narrowing the gap between supply and demand: technological advances that lower costs and expand consumer access; the federal government's desire to pay benefits electronically; expansion of the alternative financial services sector; the emergence of the asset-building

movement; and major demographic shifts. The most significant opportunities for near-term success are in: the workplace as an access point and distribution channel; remittances; stored value cards; bank/non-bank partnerships; and self service delivery. Cultural, information, and regulatory barriers remain.

Gupta, M.P. and Sareen, R. (2001), from Haryana India, in their research paper had considered the various issues and concerns of consumers regarding e-payments through computer networks. They evaluated internet boom and e-money products, which could offer merchants and financial service providers and government entities the opportunity for greater cost efficiencies and consumers the opportunity for greater convenience and security. Consumer acceptance requires that consumers have confidence in the new products, understand the benefits and risks of the products and believe that their concern about the products have been considered and addressed.

Saha, K. (1986), in her scholarly article, discussed how mechanization affects workers and draws implications of computerization for organizational development, taking the case of the introduction of electronic accounting machines in banks. Computerization of the workplace is beginning to gather momentum in India. The capabilities of computers—what computers can do for us—are discussed at length, but the effects of computers—what they do to us—are not aired so widely. If full benefits of computerization are to be realized, the way computers affect employees' needs to be understood and tackled.

TECHNOLOGY ENABLED BANKING SERVICES AND CONSUMER BEHAVIOUR

Yousafzai, S., et. al. (2010), had used structural equation modelling to ascertain the extent to which three popular models of users' behaviour—theory of reasoned action (TRA), theory of planned behaviour (TPB), and technology acceptance model (TAM)—are predictive of consumers' behaviour in the context of Internet banking. Unlike other tests of these models, this paper employed independent measures of actual behaviour, as well as behavioral intention. The results indicated that TAM is superior to the other models and highlights the importance of trust in understanding Internet banking behavior.

Aderonke, A. A. et. al. (2010), in his paper focused on determining the level of users' acceptance of the electronic banking services and investigating the factors that determine users' behavioral intentions to use electronic banking systems in Nigeria. The result of his research showed that ATM still remains the most widely used form e-Banking service. Banks' customers who are active users of e-Banking system use it because it is convenient, easy to use, time saving and appropriate for their transaction needs. Also the network security and the security of the system in terms of privacy are the major concerns of the users and constitute hindrance to intending users.

Chinedu, I. (2010), had studied the internet banking landscape in Nigeria with particular reference to the Automated Teller Machine (ATM). The study took into consideration three variables of the *innovation-decision process theory* - a component of Rogers' Diffusion of Innovation theory (DOI) as its model for testing and obtaining result for the study. The study

focused on customers' perceptions on the rate of acceptability of the ATM which in turn is a measure of -the rate of the diffusion of the ATM- in comparison to the human teller.

Harris L. and Dumas, A. (2009), in their article explored the extent to which peer-to-peer users employ techniques of neutralization to justify prior-to behaviour or rationalize their activities post behaviour. A review of **online customer misbehaviour** is provided, data analysis revealed that peer-to-peer file-sharers employ (often multiple) techniques of neutralization in order to pre-justify or post-event rationalize their activities, including: denial of victim; denial of injury; denial of responsibility; claim of normality; claim of relative acceptability; justification by comparison; and appeal to higher loyalties.

Herington, C. and Weaven, S. (2009), explored the measurement of e-service quality for e-retail banking, the importance of e-service quality dimensions to e-retail bank customers, and the relationship between e-service quality and customer satisfaction. A four-factor solution (E-ServQual) represented by "personal needs", "site organisation", "user-friendliness" and "efficiency" is found, with all factors rated as important. E-ServQual is found to be a predictor of overall customer satisfaction with banking performance, but "efficiency" is not found to be predictive. Overall satisfaction is lower than overall e-service quality.

Mohapatra, P. et. al. (2009), in their article examined whether service quality of Indian commercial bank increases customer satisfaction that fosters customer loyalty. Data were collected from 350 valued customers of scheduled commercial bank branches in **Orissa (India)**. A questionnaire elicited information on socio-demographic variables along with human, technical, and tangible aspects of service quality, customer satisfaction, and loyalty. Results suggested that better human, technical and tangible aspects of service quality of the bank branches increase customer satisfaction. Human aspects of service quality were found to influence customer satisfaction more than the technical and tangible aspects. Customer satisfaction furthers customer loyalty. Increase in service quality of the banks can satisfy and retain customers. In the Indian banking sector, human aspects are more important than technical and tangible aspects of service quality that influence customer satisfaction and promote and enhance customer loyalty.

Kamakodi, N. and Khan, B. (2008), obtained survey result from 292 respondents about their views on electronic banking channels. The results indicated that the majority of the customers are very comfortable and willing to use e-banking channels. At the same time they found, over 80% respondents felt that '**human contact is necessary**'. It throws up a challenge to banks. Technology alone cannot give a sustainable competitive advantage for the banks. When all banks introduce IT in their technology, IT will lose its position as a differentiator. Beyond a point, IT along with 'personal touch' will be necessary for the banks to retain the existing clients and attract new clients. Banks have to incorporate this in their IT and operational strategy.

Laukkanen, T. (2006), proposed a study and found to increase the understanding of the diverse retail channel preferences of online bank customers by examining their channel attribute preferences in electronic bill paying. Two different groups of online customers were examined: those who pay their bills over the internet and those who, in addition, have experience of using a mobile phone for this service. The empirical findings indicated that internet users and mobile

users differ in their channel attribute preferences. The results suggest coherent customer preference segments in both groups. In addition, the study identified a group of potential mobile banking users among those who had never used a mobile phone for banking actions.

Iqbal, Z., Verma, R. and Baran, R. (2003), in their article explored the research question by highlighting similarities and differences in consumer preferences between different segments for a transaction-based e-service. The study employed a web-based discrete choice experiment, in which 1,430 consumers were offered e-service options, differing from each other in terms of non-web-based and online-only features, price per transaction, and marketing promotions. And results demonstrated that overall, consumer preferences for features of transaction-based e-services differ between offline and online consumers. Furthermore, with increase in consumer usage frequency, interesting trends regarding the relative importance for features are observed. Similarities also exist in consumer preferences between various usage-frequency-based consumer segments.

Dabholkar, P. and Bagozzi, R. (2002), investigated the moderating effects of consumer traits and situational factors on the relationships within a core attitudinal model for technology-based self-service. An experimental design is used with perceived waiting time and social anxiety (through perceived crowding) as the situational treatments. Relevant consumer traits for technology-based self-service are examined and include inherent novelty seeking, self-efficacy with respect to technology, self consciousness, and the need for interaction with an employee. Implications for service practitioners are discussed.

Burke, Raymond R. (2002), in his research work investigated 128 different aspects of the online and offline shopping experience, from common elements to recent innovations. The results indicated that consumers are generally satisfied with the convenience, quality, selection, and value provided by retailers today. They are less satisfied with the level of service provided, the availability of product information, and the speed of the shopping process. The findings suggested that new technologies can enhance the shopping experience, but applications must be tailored to the unique requirements of consumer segments and product categories.

Iyengar, J. and Belvalkar, M. (2000), researched "Case Study of Online Banking in India: User Behaviors and Design Guidelines"; had documented banks' view on online banking essentially as a technology solution, it is a relatively new area for Indian consumers and not yet self-supporting. Being a **savings based culture** still, Indian consumers are cautious about their financial assets. Design lessons suggested viewing online banking not just as a **convenience** alone anymore but beyond it, to provide service, simplicity and security(3S). This will create satisfied online banking customers and therefore profitability for the bank. Also concluded as 21st century banking users entrust the care of one of their most important assets to cyber space, a seamless, stress free and successful experience (4S) is essential.

SOME CHARACTERISTICS OF E-BANKING USERS

Internet Banking Users are Young, Highly Educated and Wealthy

Internet users are dominated by the educated younger generation. Howcroft, *et al.* (2002) demonstrated that younger consumers value the convenience or time-saving potential of online

services more than older consumers, and they care less about the importance of face-to-face contact--however, their study did not conclude that educational levels would affect online banking usage.

Xina Yuan, et. al. (2010), also found in his research that Chinese netizens are relatively young and relatively highly educated. Almost 70% of netizens are highly educated or younger. The principal purpose for which this segment of the population uses the Internet is entertainment, such as music downloads or online games. According to the report of iResearch, as compared to the total population of netizens, Internet banking users are young people with relatively high educational attainment and income.

Kusumasondjaja, S. (2009), in his study explored the relationships between consumer characteristics, dissatisfaction, and switching intentions when service failure occurs in technology-based self-service. Based on the expectancy disconfirmation theory and the attribution theory, three personal characteristics; namely self-efficacy, locus of control, and technology readiness; are predicted to have moderating effect on dissatisfaction – switching intention relationships.

Karjaluoto, et. al. (2002), found that Internet banking users in the Finnish market are generally highly educated, relatively young, and wealthy, with good computer knowledge. These results appear to show that demographic factors significantly affect online banking behavior (Laforet & Li, 2005).

The Utilitarian (Extrinsic) and Hedonic (Intrinsic) Aspects of User Experience

Hassenzahl, (2003), distinguishes between the utilitarian (extrinsic) and hedonic (intrinsic) aspects of user experience in human-computer interaction. Utilitarian experience is goal oriented and emphasizes the functional performance of technology for goal/task fulfilment.

The utilitarian values derived from an economic concept in the information processing paradigm are the result of useful, economically efficient and productive experiences (Carpenter, Moore & Fairhurst, 2005). In contrast, hedonic experience is not motivated by just what a technology can do, but rather the experiential and emotional value the technology may bring about, such as fun, entertainment, and enjoyment (Hassenzahl, 2003; Carpenter et al., 2005). The importance of hedonic outcome oriented and utilitarian outcome oriented websites as determinants of Internet technology adoption is borne by the increasing desire of users to achieve work and play duality in the use of computer technologies. However, because of the nature of Internet banking which involves monetary transactions that demand full concentration by the customer, they may not want the hedonic features of the site in order to avoid distraction and possible mistake in their transactions.

New Technology Adopter Characteristics

According to Rogers (2003), the adopter of a new technology is typically younger, has a good income and appropriate level of education and more reactive to new innovation than the non-adopter. Rogers (2003) also indicates that innovative individuals have positive attitudes, ability to communicate with others and a high level of social participation. This trend has been confirmed

by many researchers such as Madden and Savage (2000), Dobbins (2002), Mason and Hacker (2003), Chinn and Fairlie (2004), Choudrie and Dwivedi (2005) and Marchionni & Ritchie (2007) who concluded that adopters are younger, wealthy, usually have a good level of education, and possess more social mobility than those who adopt innovations later.

In fact, there is an agreement that demographic or socio-economic variables such as **age**, **sex** So. Wong and Sculli (2005), Venkatesh et al. (2003), Choudrie and Lee, (2004), **education**, see Choudrie and Dwivedi (2005), Choudrie and Papazafeiropoulou (2006), **income**, see Mason and Hacker (2003), Chinn and Fairlie (2004), Choudrie and Dwivedi (2005) and even **occupation**, see Gilligan and Wilson (2003), significantly helped to explain differences between the adopters and non-adopters (Dwivedi and Lal, 2007).

Madden and Savage (2000) found that the individuals who tended to use the Internet early in Australia were young males, with high level of income and education. Choudrie and Dwivedi (2005) also confirmed that the economic status for individuals influences their ability to own and then use a technology. Moreover, Rogers (2003) showed that demographic attributes play an important role in predicting adoption and that economic status (income) is highly correlated to initial adoption. Rogers, in his diffusion of innovation (DOI) theory proposes that new technologies are initially adopted by those who have more resources.

CUSTOMERS' PERCEPTION ABOUT E-BANKING

Rani. M. (2012), in her research paper brought out the measurement of customer perception towards E-Banking which is becoming very popular and convenient method of dealing with banks now-a-days. She wrote that E-Banking denotes the provision of banking and related service through Extensive use of information technology without direct recourse to the bank by the customer. In her paper consumer perception toward the usefulness and willingness to use e-banking are identified and measured. Customer satisfaction level towards the E- Banking has been identified in Ferozepur district (India).

Mohammed Hossain and Shirley Leo (2009), in their research indicated that customers' perception is highest in the tangibles area and lowest in the competence area. In order to achieving higher levels of quality service in retail banking, banks should deliver higher levels of service quality and in the present context customers' perceptions are highest in the level of infrastructure facilities of the bank, followed by timing of the bank, and return on deposit. Owing to the increasing competition in retail banking, customer service is an important part and bank managers should be rethinking how to improve customer satisfaction with respect to service quality.

Hasan, K. (2009), explored the future challenges and prospect in Bangladesh, concluded that E-banking is the waves of the future. It provides enormous benefits to consumers in terms of cash and cost of transactions, either through internet, telephone or other electronic delivery channels. For many consumers, electronic banking means 24-hours access to cash through an Automated Teller Machine (ATM) or Direct Deposit of pay checks into checking or savings accounts. E-banking involves many different types of transactions. E-banking is a form of banking where

funds are transferred through an exchange of electronic signals between financial institution, rather than exchange of cash, cheque or other negotiable instruments. With the expansion of global Information and Communication Technology (ICT) infrastructure and the internet, e-banking is set to play a pivotal role in the national economy, proper software, infrastructure, cyber law and skilled manpower are important for the implementation of e-banking in the country.

Haque, A. et. al. (2009), in research work; investigated the factors determining the Malaysian banking consumers' perception on e-banking transactions. A research framework was developed to testify the statistical relationships among consumer perceptions on e-banking transaction. Factor analysis was performed to extract and decide on the number of factors underlying asset of measured variables of interest. Structural equation model (SEM) was tested to anticipate the effects of the explanatory variables. They have found that only protected transaction, have significant impact on consumers' perception about e-banking security, followed by service quality and regulatory frame work issues.

Rugimbana, R. and Iversen, P. (2008), suggested that when they were attempting to gauge the performance of ATMs, the association between consumer usage patterns and perceptions of ATM attributes are seen as providing a basis for effective marketing strategies. Their findings included following, the most important motivation for ATM non-usage was preference for human tellers (50 per cent) followed by preference for personal service (25 per cent) implying a preference for traditional ways of banking. Also, specific situational factors may have an important bearing on the extent of non-usage, particularly in the case of those who have never heard of ATMs, those who do not really understand them sufficiently well to use them, and those who have wanted to use them but for lack of availability or other factors have not.

Maenpaa, K. and Kale S.H. (2008), examined the role of expertise – measured in terms of use frequency and length of use – in moderating consumer perceptions of dimensions of internet bank services. The results reveal that consumers' perceptions differed in four of seven dimensions of internet bank services when examined along the criterion of expertise. The most interesting result is that security is not a concern for any of the user groups. Also, an interesting finding is that the dimensions of status, personal finances and investment proved to be U-shaped.

Singhal, D. and Padhmanabhan, V. (2008), research paper explores the major factors responsible for internet banking based on respondents' perception on various internet applications. They also tried to examine whether there is any relation with the demographic variable (e.g. gender) and respondents' perception about internet banking; and, whether the user and non-user perception differs.

Srivatsa, H.S. and Srinivasan, R. (2007), in their research paper titled; his study uses psychographics to study the banking channel adaptation and the trends in the retail banking scenario in Karnataka, India. It has been found that people clearly want convenience and security in their choice of banking channels.

Snellman, K. and Vihtkari, T. (2003), in their study in Finland, compared complaining behaviour in traditional and technology-based service encounters. Their results showed that, contradictory to common predictions, there are no significant differences in the complaining rates

between the two types of service encounters. They attributed these findings to the high reliance of traditional complaining methods in both types of service encounters. However, findings, which complaint about technology-based service encounters have significantly higher response rates than complaints about traditional service encounters. Also, when focusing on technology-based service encounters, found that customers who actually consider themselves guilty for the outcome were the most frequent complainers, while the ones attributing the outcome to technology failures or service process failures complain less often.

In the research paper, written by Joseph M. And Stone G. (2003), investigated roles played by technology in the US banking sector and how technology, in general, impacts the delivery of banking services. The authors developed a grid that might prove useful to bank managers when making decisions concerning the priority of implementation of service oriented technology.

RISKS ASSOCIATED WITH E-BANKING

Zhao, et. al. (2008) studied the perceived risks of Internet banking service adoption among Chinese customers. They found four factors of perceived risk of **Chinese** customers: **first**, the risk of losing personal control of bank accounts, money, or individual information; **second**, the risk of losing face, which entails several unfavourable psychosocial outcomes, such as the usage decision being deemed socially unacceptable; **third**, the risk of system failure, in that people worry about the vulnerability of Internet banking systems to attack and technical problems; **fourth**, the risk of displaying problems to others, such as frustration or appearing foolish to another.

Laforet and Li (2005) indicated that the market for e-Banking in China nationally is relatively small, though larger in urban centres of the country, where 33% of consumers are e-Banking customers, and technology is concentrated in the centres. Their findings indicated that the potential of a middle class urban market ought not to be underestimated by bankers. Their studies introduced a lack of influence from the bankers, which is contributing limited information on e-Banking in general and low e-Banking of consumers as bona fide customers. Low confidence in personal financial management on the Web and perceived risk of fraud on the World Wide Web are concurrently contributing to low e-Banking.

Perceived E-Banking Risks

According to **Forsythe and Shi (2003)** the perceived online banking risk for the internet user is expectation of loss in a given electronic transaction. The different types of perceived e-banking risk have a significant influence on the choice of the shopping channel, as they become a barrier to performing internet banking transactions (Gerrard and Cunningham, 2003; Hewer and Howcroft, 1999; Polatoglu and Etkin, 2001; Suganthi et al., 2001).

As **Howcroft et. al. (2007)** pointed out, in order to relate the concept of risk to online banking it is necessary to examine the fundamental characteristics of banking services. It is difficult to reconcile the general academic literature on risk with the purchase of financial services due to the unique characteristics of purchasing financial versus non-financial products (Beckett et al., 2000;

Moskowitz and Krieger, 2001). With this in mind, this paper reviewed the dimensions of perceived risk applied to internet banking services and then analyzed the influence of perceived risk on internet banking services acceptance.

Security risk: Consumers associate security risk with loss of money (in cash or through the credit card). Previous research in countries with different levels of E-commerce adoption shows that perceived security risk is an important predictor of internet banking adoption. Sathye (1999) investigates internet banking adoption by Australian consumers and identifies security concerns and lack of awareness as the main obstacles to adoption. Gerrard and Cunningham (2003) found security concerns over internet banking high in both adopters and non-adopters in Singapore. Research by Lee et al. (2005) on USA consumers showed greater concern among prospective adopters than current adopters over transaction security and monetary benefits when choosing an internet based banking service. Cheng et al. (2006) found perceived web security to be a significant determinant of customer's acceptance of online banking. Customers tend to increase purchases only if they perceive that credit card number and other sensitive information is safe.

Privacy risk: Another important barrier to electronic transactions is consumer disappointment and frustration at violations of consumer privacy (i.e. privacy risk). Gerrard and Cunningham (2003) found that consumers worry that the bank may share customer profiles with other companies in the banking group and, thus, use the information to try and sell additional products. E-banking users want to control all aspects of their personal data collection (Pikkarainen et al., 2004).

User perceptions of the credibility of security and privacy may affect internet banking use intention (Mukherjee and Nath, 2003; Pikkarainen et al., 2004). Aladwani's study (2001) found that potential online banking customers ranked internet security and customers' privacy as the most important future challenges facing banks. Therefore, perceived fears of divulging personal information and feelings of insecurity have a negative influence on internet banking services use (Howcroft et al., 2002).

Performance risk: Performance risk is concerned with how well the product will perform relative to expectations. Consumers' evaluation of performance risk is based on their knowledge and cognitive abilities in a certain product domain (Littler and Melanthiou, 2006). Asymmetry in online banking information and the lack of personal contact prevent the consumer from correctly evaluating the characteristics of the product, decreasing confidence (Ba, 2001). One of the problems with financial services is that customers are unable to try out them before adoption. Some banks have responded to this need by developing websites which allow potential users to try out internet banking services (Gerrard and Cunningham, 2003). The opportunity to conduct a trial may confirm how easy it is to use internet banking and provides the necessary confidence to consumers with high perceived performance risk.

Time loss risk: Internet provides a lot of information on the products and services offered, and a variety of financial websites where the web-user can carry out transactions. Despite the fact that internet lowers the cost of acquiring information, consumers also incur time costs from using online banking: the time of learning how to buy on a certain banking website, the time to wait for it to respond and the additional cognitive effort expended in this expanded search process (Littler

and Melanthiou, 2006). Moreover, in the case of internet banking the time risk may be related to the time involved in dealing with erroneous transactions. Furthermore, website download speed is another factor influencing online banking adoption (Jayawardhena and Foley, 2000). The use of extensive high resolution graphics and an inefficient host server can also increase the perceived waste of time risk for current and future users of internet banking. Moreover, speed is also dependent on the user's computing hardware and method of connection.

Social risk: Social risk is concerned with the possibility of attracting unfavourable attention and response from purchasing a particular product. The social status of the consumer who uses online banking services may be affected because of the positive or negative perceptions of internet banking services by family, acquaintances or peers (Littler and Melanthiou, 2006). Consumers' attitudes to the different methods of purchasing depend on their characteristics, those who most value social relationships being the most reluctant to develop a positive attitude to internet banking. The lack of human interaction can be a barrier to the use of technology based services. In the Malaysian context, research by Suganthi et al. (2001) shows that personal relationships between customers and bankers transcend many boundaries, especially so in the rural areas.

Below find a snapshot of the major contributions in the area of E-banking services and consumer behaviour.

Table 1. E- Banking Services and Consumer Behaviour: A Snapshot of Major Contributions

Title of Research Paper	Author/s (year)	Theme	Major Results
An exploratory study on the use of banking technology in the UK A ranking of importance of selected technology on consumer perception of service delivery performance	Mathew Joseph Yasmin Sekhon George Stone Julie Tinson (2005)	Technology	The current exploratory study is an attempt to discover the underlying areas of dissatisfaction associated with the banking experience in the UK, particularly as it relates to the implementation of new service delivery technology in the banking industry. It also allows service providers to consider the changing needs and wants of customers' in the financial sector.
Can retail bank-client relationships be developed online?	Myria Ioannou Judy Zolkiewski (2009)	Virtual banking	The most significant impact of e-banking is that it increases customer Convenience. In particular, the interviewees who use e-banking are clustered around the younger age groups and all are well educated. In other words, e-banking needs to be backed up by the efforts of front-line employees.
Customers' adoption of banking channels in Hong Kong	Wendy W.N. Wan Chung-Leung Luk and Cheris W.C. Chow (2005)	Alternative channels	Overall, ATM was the most frequently adopted channel, followed by internet banking and branch banking, and telephone banking was the least frequently adopted channel.
Customer preferred channel	Tommi	e-channels	The empirical findings indicate

attributes in multi-channel electronic banking	Laukkanen (2007)		that internet users and mobile users differ in their channel attribute preferences. The results contribute information for banks' marketing actions and provide indications to device producers of the need for a more diversified supply of devices for diverse consumer groups.
Retail Banking and Customer Behaviour: A Study of Self Concept, Satisfaction and Technology Usage	Ahmad Jamal (2004)	Users and Non-users of Self-service Technologies	The findings of this study also indicate that, in the case of non-users of self-service technologies, there is a strong but negative relationship between an individual's level of age and education and satisfaction towards the service provider. This means that more educated and older individuals are likely to have lower satisfaction levels than less educated and young individuals.
Technology Readiness And Segmentation Profile Of Mature Consumers	Janelle Rose Gerard Fogarty (2010)	e-channels for consumers	Evidence from this study suggests that the mature consumer market is heterogeneous and should no longer be viewed as one market.
Internet Banking In India – Consumer Concerns And Bank Strategies	P.K. Gupta (2008)	The Consumer Behaviour	Gender wise usage of the Internet banking reflects a polarization towards males . These results are obvious because the conventional, brick and mortar banking is also dominated by the male users. This implies a good scope for the Indian banks to capitalize the opportunity and focus on females.
The Determinants of Customer Interactions with Internet-enabled e-Banking Services	Ziqi Liao and Wing-Keung Wong (2007)	Determinants	The results suggest that perceived usefulness, ease of use, security, convenience and responsiveness to service requests significantly explain the variation in customer interactions. Exploratory factor analysis and reliability test indicate that these constructs are relevant and reliable.
Users' adoption of e-banking services: the Malaysian perspective	Wai-Ching Poon (2008)	to explore the determinants of users' adoption	Results revealed that privacy, security and convenience factors play an important role in determining the users' acceptance of e-banking services with respect to different segmentation of age group, education level and income level.
Web banking layout effects on consumer behavioural intentions	Adam Vrechopoulos and Evagelos Atherinos (2009)	to investigate web banking store layout effects on user-consumer	Web layout affects online consumer behaviour : the TAM relationships in all treatments and indicates that layout has an effect on user acceptance of web

Effects of self-service technology on customer value (CV) and customer readiness (CR) -The case of Internet banking	Shu-Hsun Ho and Ying-Yin Ko (2008)	behaviour SST characteristics	banking in terms of TAM constructs. SST characteristics (i.e. ease of use, usefulness, costs saved, and self-control) demonstrated positive effects on CV and CR. CR is positively related to CV. Furthermore, customers are willing to use Internet banking when CV and CR are high.
The Effect of Technology Selection on Consumer Adoption of In-home Computerised Banking	Philip A. Dover (2007)	The application of technology as a competitive tool.	Key elements here are careful monitoring of technological developments, and understanding the dynamics of innovation diffusion with its strategic implications for market segmentation selection.
The behavioral consequences of PC banking	Niels Peter Mols (1998)	Consumer behaviour	For consumers from Denmark shows that users of PC banking are more satisfied, are less price sensitive, have higher intentions to repurchase and provide more positive word-of-mouth than non-users. For the banks these results indicate that, in the future, PC banking systems will become a stable source of revenue from a mass of loyal customers.
Changes in the banking sector ; the case of Internet banking in the UK	Chanaka Jayawardhena and Paul Foley (2000)	The Internet is gaining popularity as a delivery channel in the banking sector.	Internet banking renders location and time irrelevant, and empowers customers with greater control of their accounts. Banks achieve cost and efficiency gains in a large number of operational areas.
Determinants of Internet banking adoption by banks in India	Pooja Malhotra and Balwinder Singh (2007)	Adoption	The results show that the larger banks, banks with younger age, private ownership, higher expenses for fixed assets, higher deposits and lower branch intensity evidence a higher probability of adoption of this new technology.
Understanding Consumer Choices and Preferences in Transaction-Based e-Services	Zafar Iqbal, Rohit Verma and Roger Baran (2003)	What combination of features should they offer to satisfy consumers while realistically considering operational and financial constraints?	The results demonstrate that overall, consumer preferences for features of transaction-based e-services differ between offline and online consumers. Furthermore, with increase in consumer usage frequency, interesting trends regarding the relative importance for features are observed. Similarities also exist in consumer preferences between various usage-frequency-based consumer segments.
Studies on e-transaction using the technology of	Abdulwahab, I. (2010)	The level of adoption of the	The study revealed that the level of adoption of this technology is

automatic Teller machine by bank customers in north west geographical Zone of Nigeria		technology in banking	high among the middle aged respondents compared to the aged. By enhancing the deployment of proprietary hardware, software and communication protocol platform of adequate quality greater number of people might use ATMs because of the convenience and accessibility offered by the usage of this new technology.
Factors influencing the use of internet banking in Mauritius	Dineshwar Ramdhony & Ashvin Ramjee (2010)	Adoption	A survey of 100 respondents holding a bank account was carried out using stratified random sampling. A factorial analysis was performed which identified the motivators for internet banking adoption to be the ease of use, availability of infrastructure, awareness of the service, security and perceived usefulness. On the side of non-users, the study reveals that lack of security, lack of assistance, the low level of awareness, and no perceived ease of use to be the main inhibitors that refrain customers from adopting the service.

SUMMING UP:

Increasing competition and growing customer aspirations has led to heightened awareness amongst banks of the potential and importance of banking technology. Information and technology; both together will enable banks to meet the expectations of demanding and tech-savvy customers. Competition results in lowering of transactions cost, enables penetration into new markets and expansion of geographical reach. It also compels banks to offer a broad range of deposit, credit and investment products through diverse distribution channels.

The empirical findings in past research indicated that internet users and mobile users differ in their channel attribute preferences. Gen-next customers, in an age of instant gratification, demand instant, anytime and anywhere banking facilities. The arrival of foreign and private banks with superior state-of-the-art technology based services has intensified competition and led the Indian Banking Industry to meet the challenge of adoption of new technology, new paradigms, and new ways of doing business. The speed of transaction and communication is also dependent on the user's knowledge and user's computing hardware and method of connection.

The problem with financial services is that consumers are unable to try out them before adoption. User perceptions of the credibility of security and privacy may affect E-banking use intention. Security is found here to be of concern to almost all, in terms of unauthorized use and abuse of accounts, theft and misuse of ATM Machine and/ or cards, and keeping customers' personal

details private. Implications for service practitioners are discussed. Heightened requirements of **Regulatory burdens** around privacy, security, partnership risk and operational risk will require banks to take a more proactive, enterprise wide approach to managing compliance issues. **Technology improves** inexorably to enable breakaway value – Advanced technologies will allow banks to infuse their legacy operating models and infrastructures with unprecedented functionality. 2015 will present tremendous opportunities for retail banks, particularly with respect to harnessing product, service and process innovation to serve customers better, to differentiate them in an increasingly crowded marketplace, and to de-commoditize current products and services. Moreover, advances in technology will enable unprecedented levels of global connectivity, IT functionality and the ability to realize the enormous potential of data.

Internet users are dominated by the educated younger generation. Internet banking users are young people with relatively high educational attainment and income, wealthy, with good computer knowledge. They possess more social mobility than those who adopt innovations later. These show that demographic factors significantly affect technology enabled banking services and consumer behavior.

Marketing techniques differ from banks to banks. Marketing personnel are used by some bankers as one of the delivery channels to reach customer with bank products. The marketing methods of banking industry have changed with change in technology. The electronic and mechanized delivery channels are fast replacing the human elements in marketing. But human touch is essential and inevitable because being a **savings based culture** still, Indian consumers are cautious about their financial assets. Using Core Banking Solution (CBS), customers can access their accounts from any branch, anywhere, irrespective of where they have physically opened their accounts with human touch. The personal relationships between customers and bankers transcend many boundaries, especially so in the rural areas for India.

CBS with technology enables banks to extend the full benefits of ATM cards and machines, Tele-banking, mobile banking (m-banking), internet banking (i-banking), card banking (multiple delivery channels) to all customers allowing banks to offer a multitude of customer-centric services on a 24X7 basis from a single location, supporting retail, corporate banking activities, as well as all possible delivery channels existing and proposed. Thus, the centralisation makes a "one-stop" shop for financial services a possibility, in India.

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BOOK REVIEW

The Toyota Way: 14 Management Principles from the World's Greatest Manufacturer (Paperback), by Jeffrey Liker, 1st Edition (2004), Tata McGraw-Hill, ISBN-13: 9780070587472, 352 pages

The book "The Toyota Way: 14 Management Principles from the World's Greatest Manufacturer" describes the nuances of different facets of management that has contributed to the success of Toyota. The story of Toyota's worldwide success has been described in 22 chapters and is an outcome of the 20 years of studying and analyzing the Toyota.

The book reveals that the Toyota used lean production as its secret weapon and as a revolutionary method to business processes which was invented in the 1950's and had spent many years to perfect its systems. It is full of real life examples and it includes the 14 fundamental principles at work in the Toyota culture, and describes how these principles create a culture of continuous learning and improvement. The author has narrated a real life story of Kiichiro Toyoda - the founder of Toyota. While taking a round of the shop floor, he saw a machine operator complaining about the grinding machine. Mr. Kiichiro Toyoda looked at the operator, and then rolled up his sleeves, and put his hands into the oil chassis. When he took his hands out, his hands were full of sediments, which he threw on the floor. Then he said to that operator: "*if you do not get your hands dirty, how you can work well?*"

The book brings out some of the very important dimensions. Firstly, it introduces Toyota Production System, Kanban and lots of other systems that they use. One can use these systems for other similar operations in either manufacturing goods or producing services. Second important dimension this book brings out is related to continuous improvement (Kaizen) and respect for people. Another very important dimension the book talks about is the importance of organizational culture, continuous learning and true understanding of the genesis of Toyota Production System.

Though many books are available that can provide theories for the methods of the Toyota's Production System, this book is special as it is unique in term of treatment received from the author. The author has attempted to offer a better understanding of the concepts of lean manufacturing for the benefit of the industries / firms that may be interested in implementing it.

This book is also a good start for someone who wants to manage the business in a lean way and for someone who wants to use this as a case study for teaching the concepts of lean management.

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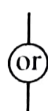
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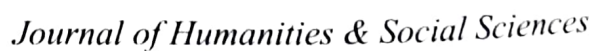
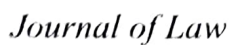
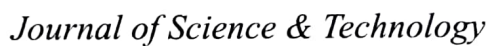
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