

jims

Management Magazine
Volume VII, April 2011



Eldorado

exploring new horizons...

VISION

To be an Institute of Academic Excellence with total commitment to quality education and research in management and information technology with a holistic concern for better life, environment and society

MISSION

To serve the society and improve the quality of life by imparting high quality education in management and information technology, providing training and development services, fostering research, giving consultancy services to industry and disseminating knowledge through the publication of books, journals and magazines



Management Magazine

Volume VII, April 2011



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Where the mind is without fear and the head is held high

Where knowledge is free

Where the world has not been broken up into fragments

By narrow domestic walls

Where words come out from the depth of truth

Where tireless striving stretches its arms towards perfection

Where the clear stream of reason has not lost its way

Into the dreary desert sand of dead habit

Where the mind is led forward by thee

Into ever-widening thought and action

Into that heaven of freedom, my Father, let my country awake.

- Rabindranath Tagore

Editorial

Beyond Boundaries

Outside India lies a set of people, a set of words and conversations, a set of meals and drinks, a set of jobs and tasks, a set of festivals and vacations, a set of religions and beliefs. Are these different from those in India? Yes, differences abound... But, similarities are abundant too. Glance around, isn't everyone the same good God's creation, isn't everyone trying to connect by languages, isn't everyone celebrating through festivals, isn't everyone preserving history via traditions, isn't everyone seeking inner peace through religion? Yet, we hail differences and seek pride in individuality and nationalism.

Is it difficult to rise above the man-made boundaries? Is embracing a universal spirit too far-fetched for our thinking? Perhaps, Gurudev Rabindranath Tagore was way too modern for his times. He proposed multi-culturalism, diversity and tolerance. Celebrating the 150th birth anniversary of Gurudev, we must appreciate that his philosophy of faith and spirituality over religion and sensitivity to holistic character of human life is as relevant today as ever before. Universal brotherhood and broadmindedness are the paths that will lead to an evolved mankind.

Knowledge sharing aids this evolution. Our management magazine 'Eldorado' is an attempt in this direction. The present volume is split into seven sections - containing opinions, field work or factual compilations. The opening section 'Freestyle' is writers' canvas with patterns of concern and colours of experience. The second section 'Factual' contains articles, sharing some business world related concepts. The next section draws from the exploration carried out by students using primary data. 'Cases' is a listing of some global corporations and their strategies - successful or otherwise. 'Business Plans' contain the proposals of entrepreneurial ventures - some of our students would like to take up, in near future. 'Outlines' give basic information on some prominent sectors of Indian economy. The last section 'Snippets' has a few articles that would provide food for thought.

I extend my sincere thanks to Dr. J. K. Goyal (Director, JIMS) for his faith and constant motivation and to the Student Support team for their efforts. I also express gratitude to my graphic designer, Ms. Renu Verma for her invaluable contribution.

I invite all to journey through the assortment of articles, cases, views, compilations and outlines in this edition of Eldorado.

Ms. Deepti Kakar
Editor

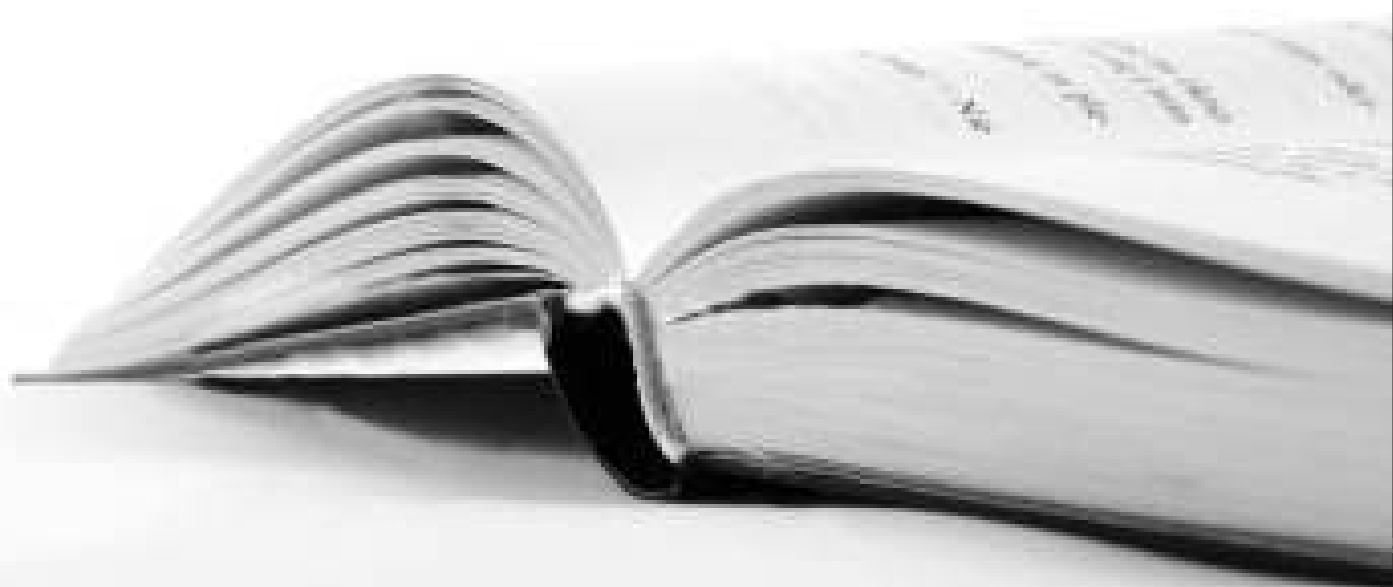
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Freestyle

Reading is believing



Anmol Sandhu
PGDM (2010-2012)

It was a belief that shoes were the least noticeable of a person's attire, particularly in women. Fashion consisted of dressing oneself up in top designer wear but with little attention to what you drape up your feet in. All these changed when Jimmy Choo entered the scene. Shoes designed by Jimmy Choo became a fashion statement. All of a sudden, the fashionable lot found that a perfectly well crafted shoe could transform your personality. No doubt, shoes then also were expensive and stylish. What he did was to bring art and class to the shoes. He single handedly changed the perception of people towards shoes - from an afterthought to a fashionable accessory! Jimmy Choo is credited with bringing the gaze to the feet; and keeping it over there.

Jimmy Choo is a Malaysian fashion designer who is based in London. He was born into a family of shoemakers and it is reported that at the age of 11 he made his first shoe. In the year 1983, Jimmy Choo graduated from the Cordwainers Technical College in London. In an interview, Mr. Choo said that to fund his college education he had to work part-time at restaurants and also as a cleaner at a shoe factory.

In 1986, Jimmy Choo opened a workshop in London Borough of Hackney by renting an old hospital building and it was there that his craftsmanship and designs came to notice. In the year 1988, the Vogue magazine featured his designs in an eight-page spread, which brought him worldwide recognition. Later, from the 1990s onwards he was patronized by a host of celebrities that enhanced his brand value further.

Jimmy Choo was launched in 1996 when Tamara Mellon, Accessories Editor at British Vogue realized the potential demand for stylish but wearable shoes and approached Mr. Jimmy Choo, the couture shoe maker based in the East End of London, recognized for his excellent craftsmanship. Tamara partnered with Mr. Jimmy Choo to start the ready-to-wear shoe company and opened the first stand alone boutique on Motcomb Street, London along with a strong wholesale business.

He along with the British Vogue accessories editor, Tamara Mellon, co-founded the Jimmy Choo

Limited that very soon established itself as the last word in the high-end designer shoes. Choo sold his 50% stake in the company for 10 million pounds in the year 2001 and has since been working on the Jimmy Choo Couture line and Jimmy Choo Ready-To-Wear. He has also diversified into designing handbags. He is also involved in the setting up of a shoemaking institute in Malaysia. Tamara Mellon, Founder and President, and Joshua Schulman, Chief Executive Officer, are in charge of the company's development which today enjoys the stature of one of the most treasured and prominent luxury brands in the world. They have triumphed in turning the global love affair with pricey designer shoes into a \$300 million luxury juggernaut.

Today, Jimmy Choo encompasses a complete luxury lifestyle accessory brand with women's shoes, handbags, small leather goods, sunglasses and eyewear. Its products are available in the growing network of freestanding stores as well as in the most prestigious department and specialty stores worldwide. From its original base in the United Kingdom and United States, the Jimmy Choo store network now encompasses over 90 locations in 31 countries.

Some famous celebrities who patronized Jimmy Choo shoes are Madonna, who wore it at her wedding, Princess Diana, for whom he designed so many shoes that he lost the count and the Prince of Wales. His passion for his work can be gauged from an incident, where it is said that he once worked non-stop for three days and nights, sewing beads on shoes in preparation for a show.

Jimmy Choo is the recipient of numerous awards, the most famous being the Malaysian state award conferred by the Sultan of Pahang state with the title of 'Dato'. He was also conferred the Order of the British Empire (OBE) by Queen Elizabeth II, for his services to the fashion industry. He also holds the title Professor, awarded to him by the University of the Arts, London. The brand too, is the recipient of the 2008 'Designer Brand of the Year' award from the British Fashion Council, the 2008 ACE award for 'Brand of the Year' from the Accessory Council and the 2008 'Brand of the Year' from the 22nd Annual Footwear News Awards in New York and the 2009 Nordstrom 'Partners in Excellence' award.

Abhinav Khagta
PGDM (2010-2012)

I was in the eighth grade when my cousin first introduced me to Metallica. "I Disappear" was the OST for Mission Impossible 2. Extremely killer, fret burning riffs, some melodic baselines and relentless pounding on the skins (drums). They completely blew my mind!! And they showed me what metaphysical wonders music can reveal!

I could start to quote information from Wikipedia here...how Rock Music is a genre of Pop Music, how it was influenced by Rock and Roll, R&B, Jazz and Country Music.. How it has evolved into Metal as a sub-genre which in turn is sub divided into thrash, death, heavy etc etc...but I think I'll save all the grandpa stories for sometime later. My point here is simply to apprise my readers about the phenomenon that is "Rock" and how it is commonly misinterpreted as "nothing-but-sorry-freaks-in-long-hair-jumping-around-the-stage like it was Christmas morning and they-got-their-favorite-choo choo-train for gift". My friends, Rock Music is much, much more than what meets the eye...and in most cases everything that does not meet your eye.

Let us start with some facts. Rock Music has been associated with political activism as well as changes in social attitudes to race, sex and drug use, and is often seen as an expression of youth revolt against adult consumerism and conformity. Punk Rock, a sub genre of Rock Music represents Rebellion. Sepultura, a thrash metal band from Brazil sings about the civil unrest and chaos that ensues everywhere due to corrupt or authoritarian politicians all over the Globe. One of their songs, "Refuse/Resist", mentions "tanks on the streets, confronting police, bleeding the plebs." The song's chorus ('Refuse! Resist!') was similar to a protest march slogan. Another song, "Territory" dealt with the conflict between the Palestinian and Israeli people. "Slave New World" was a protest against censorship. "Kaiowas" was made in honor of a Brazilian Indian tribe that committed collective suicide in protest against the government that wanted to drive them off the land of their ancestors. "Nomad", talked about people expelled from their homelands.

Rock Music celebrates every human emotion.

Unlike popular music or cheesy Bollywood Songs which are generally themed on unrequited love, betrayal, romantic affairs and other such super exciting (hah!) adventures of the average human life, Rock speaks volumes to an individual in ways beyond one can even imagine. If Anger and Hatred are emotions we identify with, why not sing about them and see how many people all over the world relate to them? Please listen to "Saint Anger" by Metallica. Dedicated to all the inmates at the San Quentin Penitentiary; brash, impulsive men who committed a felony in a moment of weakness or under certain unfavorable circumstances and have been jailed for life - quietly serving their time, paying their debt to society. Imagine the anger and hatred they feel every day. How unfair life has been!! If it's a huge loss you have suffered, why not vent your feelings through a song and the beauty of music. Please listen to "One" by Metallica. The song's lyrics tell the tale of a soldier whose body is severely damaged by a mortar shell. His arms, legs, eyes, mouth, nose and ears are gone and he is unable to see, speak, smell, or hear. His mind functions perfectly, however, leaving him trapped inside his own body. "Youth of the Nation" by P.O.D is inspired by the March 5, 2001 shootings at Santana High School in Santee, California. 15-year-old Charles Williams walked into school with his father's gun and fired 30 shots, killing 2 students and wounding 13 others. Like they say, lessons written in ink are never heeded; lessons written in blood are never forgotten.

The more you learn about this amazing genre of music, the closer you get to it, until one day when you can find a song for every special moment of your life. That's when you know that it has become a part of your very existence. At times when you are feeling nihilistic, you will feel as if Randy Blythe is telling you ".... for a wounded man shall say to his assailant, 'If I live I will kill you, if I die you are forgiven' such is the rule of honor". This song is based on the Mafia code of Omerta, which is "Code of Silence," meaning that if one is falsely accused of a crime or caught, they will not tell who actually did it: "A slip of the tongue, a slit of the throat" - if you squeal, you will die. At times when you are heartbroken because your flame has left you for someone else, "Sometimes Goodbye is a Second Chance" will give you new hope! In those tipsy

moments after a few shots of vodka when you feel all philosophical and wish to unravel all the wonders of human nature, why not listen to (who else but) Pink Floyd and join them as they reflect the various stages of human life, beginning and ending with a heartbeat, exploring the nature of the human experience. Hear them stress the mundane and futile elements of life that accompany the ever-present threat of madness, and the importance of living one's own life. Some philosophy!! Or if nothing else works out and you decide to become a hermit, boycott society, without money or a home, to experience life in the wilderness, what better music to relate to than Eddie Vedder's song for you "Society, you're a crazy breed, I hope you're not lonely without me."

Now that I've cleared up the major prevailing issue related to Rock music that it doesn't make any sense (as if!!), I would like to share my thoughts regarding the other common balderdash we usually affront. "It's Noise!!" they say. At this point of time, I would like to explain to my readers the anatomy of a typical Rock Band. The main sound revolves around the Electric Guitar which maybe played clean or using distortions produced from a processor. The sound of the electric guitar is generally supported by the electric bass guitar and percussions produced from a drum kit that combines drums and cymbals. These instruments maybe complemented with a keyboard such as a synthesizer. What people generally call noise is the more extreme and brutal form of Rock Music termed as Metal (Metalcore, Nu Metal, Death Metal, Heavy Metal etc.) Despite being extremely creative and melodic it does not appeal to most people owing to the Electric Guitar's heavier, distorted riffs, tremolo picking, blast beat double base drumming and deep growling or screaming vocals with people violently shaking their heads to each beat, a form of dance we call 'head banging.' But here's the point I'm making...Rock Music is not only that. Yes it is all that, but much, much more too. A Rock song may only have a single acoustic guitar. Or a less complex structure without any multiple tempo changes. It may even sing about a broken heart or a broken dream without any so called blasphemy or profanity. That coupled with amazing vocals that you identify yourself with. Also, I believe it is wrong to stereotype an amazing genre of music as "noise" by people who don't have even the slightest of idea about what it really is. Besides all that, the sheer ingenuity the musicians possess is commendable. The best Guitarists in world play

Rock Music. Many Thanks to Jimi Hendrix, Jimmy Page, Joe Satriani, Eddie Van Halen, Steve Vai, Yngwie Malmsteen, Devin Townsend, Justin King, Zack Wylde & John Petrucci for showing us what we can do with a Guitar if we have a dream and the passion. Thank You, Flea, for being the source of inspiration that you have always been. And Thank You, Joey Jordison, Gene Hoglan, Dave Lombardo and Chris Adler for showing us that an AK-47 is not the only man-made object that gives us 190 beats per minute.

It's 19th December 2010. It's 8 O'clock. I'm at Hamsadhwani Open Air Theatre (Pragati Maidan) New Delhi. The Swedish Extreme Metal Band 'Meshuggah' is about to take the stage for the next couple of hours. It's the biggest thing that has happened to Delhi since the Parliament Attacks in 2001. I see Jens Kidman lurking in the shadows, just around the corner, waiting to explode. And as the first riff of that heavenly Guitar smites upon my ears, I along with 1000 other crazy, Metal heads raise their hands in the air in a "devil's horns" gesture. Just before they unleashed that brutal carnage upon us, I was reminded of Sam Dunn's words.

"Ever since I was 12 years old I had to defend my love for heavy metal against those who say it is a less valid form of music. My answer now is that you either feel it or you don't. If Metal doesn't give that overwhelming surge of power that makes the hair stand up at the back of your neck, you might never get it, and you know what? That's okay, because judging by the 40,000 metal heads around me we're doing just fine without you."

Heena Adhikari
PGDM (2010-2012)

Whether you believe or not, God is one of the most powerful words that have influenced all of us. Today, when science and technology has brought a sea change in our society, religion continues to hold its importance as strong as before. In India where more than 300 million gods and goddesses are worshipped, everything cannot be explained rationally; especially when it comes to religion. A country where malnutrition among children below five is even worse than in Sub Saharan African regions, people don't even think once before pouring litres of milk on stones. I believe that had this kind of wastage avoided and had resources been directed properly, earth would have been a better place to live.

Preachers of religion tell us that God's presence is not restricted by time or place. He is eternal and omnipresent. However, when it comes to practice, all religions endorse pilgrimages at particular times and places. Thus Muslims have Haj - when they assemble in millions to pray at Mecca and Hindus gather at Triveni Sangam confluence of Ganga or the Yamuna and the imaginary Saraswati at Allahabad in the Kumbh Mela.

Do such gatherings have any impact on a person's character? Or do you believe that one 'Holy dip' can clear all your sins. How can the process of people bathing together be considered holy or pure? It's obvious that this process will be unhygienic and will also add to the impurities of the already polluted rivers. To add to the misery these gatherings witness stampede every year which claims one of the most important resources i.e. human resource. Every pilgrimage requires special air, train and bus services. This implies a cost turnover that runs into crores of rupees. Where is the count and concern of lives and cash lost? Presumably this is done for enlightenment!

I am not against any religion. But I abhor those religious practices which are meaningless and results in wastage of money and degradation of environment and misery to mother Earth. Here are some beautiful views which will help us in understanding the true meaning of religion.

Islam's view

"The Earth is green and beautiful, and Allah has appointed you his stewards over it. The whole earth has been created - a place of worship - pure and clean. Whoever plants a tree and diligently looks after it until it matures and bears fruit is rewarded. If a Muslim plants a tree or sows a field and humans and beasts and birds eat from it, all of it is counted as charity on his part."

Views of Hinduism

"The Vedas - traditionally believed to have been written around 3000 B.C. and considered sacred amongst Hindus contain one thousand and twenty-eight hymns dedicated to thirty-three different Gods out of which most often addressed Gods are the Gods of nature, namely Surya (the Sun God), Indra (the Rain God and King of Heavens), Agni (the Fire God).

"Do not cut trees because they remove pollution." (Rig Veda 6:48:17)

"Do not disturb the sky and do not pollute the atmosphere." (Yajur Veda 5:43)

"We invoke all supporting Earth on which trees, lords of forests, stand ever firm." (Atharva Veda 12:1:27)

Religions teach us to worship nature and not exploit them. Its time when we should understand that burning incense sticks and honouring milk to Gods will not wash our sins and bathe away our problems. Rivers and water bodies and the aquatic organisms have been suffering due to immersion of large quantities of diyas, earthen pots, plastic/ inorganic idols, flowers, hair, eatables, etc. If we continue to exploit our nature like this, one day, we may not have vegetables /fruits to eat or clean water or milk to drink and no miracle would save us because they just don't happen. "Even the frog does not drink up the pond in which he lives." Religion teaches us that God is Nature and Nature is God. Real prayer is devotion to nature for the good of mankind. Worship Nature to worship God.

Saurabh Chaudhary
PGDM (2010-2012)

We have listened about the Kohinoor Diamond in stories, but now we can see the shine of this priceless diamond. Now we do not have this diamond, but still it is attracting the world towards India in different ways. And crying that, I belong to this amazing country that is India!

We know India is the fastest growing economy in the world. It is attracting major players of the world; ArcelorMittal is ready to setup a steel plant in Jharkhand of Rs. 50,000 crore, Pasco steel is keen to set up a plants of Rs.55,000 crore in Orissa, Wall mart wants invest in retail sector with Bharti, Volkswagen in Automobiles and PepsiCo in soft drinks are already here. They all want to make the most in India. But particularly if we talk about German Automobile giant, Volkswagen which came recently in India after having dominance all over the world in automobile sector. Volkswagen, already top dog in Europe, China and South America, is ready for its big India push. Now, it can affect the market share of Maruti Suzuki; here's why Indian carmakers ought to be worried.

Volkswagen made its biggest splash in India during 2010. Some with a sense of history have enjoyed the drive 28 years later; for in 1982, when Indira Gandhi's government was on the lookout for a Joint Venture partner for its small car project, Volkswagen was one of the first few among global auto companies to be wooed. Its Wolfsburg, Germany head quarter was not keen and SUZUKI Motor Corporation, a little known Japanese car maker then, was intrigued enough to sign up with New Delhi. Today that venture, Maruti Suzuki makes one in two cars sold in India and is controlled by Suzuki.

It is not exactly Džja vu for Volkswagen chairman Martin Winterkorn, who was less than a year old in the group when the Indians went hunting for an auto partner. But through December 9 deal with Suzuki to buy a 19.9 percent stake in the Hamamatsu Japan car maker; it has brought the Volkswagen back in reckoning in India, the world's hottest growth market for automobiles. With the inauguration of its 1,10,000 units plant (the biggest German investment in India to date) at Chakor, an industrial town some 50 km north of Pune,

Volkswagen has in it to dramatically alter the Indian car landscape. Volkswagen Group, which owns 9 brands, has taken baby steps in India starting 2001 and now its Rs.4000 crore investment plan is taking a big leap. The three steps before Volkswagen entered in the Indian auto market completely were:

1. With an assembly plant in Aurangabad, Skoda Auto set foot in India in 2001. A mid market brand in Europe, it has an upper crust image here.
2. In 2007, Volkswagen set up its own sales network and began making Audi 4 and Audi 6 at Aurangabad. Competing with BMW and Mercedes, it sells 150 crores in a month.
3. When Volkswagen got Jetta to India in 2008, it had 14 dealers. By the end of 2010 it moved 60 outlets (150 for the group) to sell its outstanding models Beetle, Passat, Polo and Toureg.

Volkswagen's buyout trail reveals much more than an alliance in its deals.

1. Audi: Acquired in 1964, present in India since 2007. AUDI, along with BMW and Mercedes, comprises the troika of German luxury carmakers.
2. Seat: Controlling stake bought by Audi in 1986, 100 percent in 1990. Volkswagen has not been able to expand seat, Spain's largest carmaker, outside Europe.
3. Automobili Lamborghini: Acquired by Audi in June 1998. Sold in India through an exclusive importer since 2004. Audi's ownership has transformed Lamborghini; the Gallardo is one of the most successful sports cars ever made.
4. Bentley Motors: Snapped up just a month after Lamborghini. Also in India since 2004, is the leading Rs. 1 crore plus brand here.
5. Skoda Auto: Czech Car maker bought out in 1999. VOLKSWAGEN transformed a car perceived as cheap and unreliable into a mid market, respected brand.
6. BUGATTI: Acquired rights in 1998. Revived

company in 2000. The started maker of BUGATTI died after WWII. VOLKSWAGEN restarted the brand and produced the BUGATTI Veyron; the world's most expensive at \$1.5 m.

7. SCANIA: Majority stake bought by Volkswagen CV in 2008. Took it into large truck space. Not in India yet.
8. Other Share holding: the Volkswagen group has notable stakes in other companies.

Porsche: 49.9 percent bought in Porsche AG in December 2009. This came as a result of Porsche's aborted bid to buy Volkswagen earlier in the year.
Manse: 29.9 percent of truck maker Manse which Volkswagen wanted to merge with its CV unit and Scania.

Suzuki Motor: A 19.9 percent acquired by January 2011 (subject to regulatory approvals). This would make Volkswagen group the single-largest share holder in Suzuki, which controls 54 percent in Maruti Suzuki. Benefits for either side are not clear yet but going by Volkswagen history and absence of a clear heir in the Suzuki family make it possible that the latest deal may be the stepping stone to a big presence for the German auto group in India.

Its buy out trial shows how Volkswagen got the specialization from low price to luxury cars in all over the world. But in India we have a different market from the rest of the world. So, Volkswagen has to make special marketing technique and products to give the competition to well establish Maruti Suzuki, Hyundai and Tata motors. Now, Volkswagen is in India we will see a great competition in low price and luxury cars in India.

Source: www.cartradeindia.com/upcoming-cars

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The Volkswagen Tiguan is synonymous with power packed performance. Indeed, in its compact format it is a true performer with some of the best features rolled into one.

The Volkswagen Up! 2WD was first introduced to the world in year 2007 at the Frankfurt auto expo. The car is expected to be launched in the Indian market by the first half of 2011.

The Volkswagen Golf is all set to hit the Indian roads as a hatchback model with compact and sleek looks. Volkswagen has not announced the final launch date, but it is expected around mid-2011.

Heena Adhikari
PGDM (2010-2012)

It really becomes hard to define “education”. When every morning you see people madly rushing to get inside a metro even before letting the insiders step out, you doubt the definition of education! After all here are the educated people of Delhi-behaving in an indeed shameful manner - when you need someone to tell you to stand in a queue! People visiting metro station everyday, know what I m talking about. We find men spitting on the wall - right where its written “yaha thukana mana hai”. Finding men attending the call of nature on roadside is an everyday show.

What is education? Doesn't it include how an individual should behave in a society? Is it only limited to knowledge of facts and figures? Will it be wrong to say that education teaches us how to make a living and not how to live? The government of India claims that the “standard of living” of people has improved but surely they have forgotten the “way of living”.

Education itself has become a word of marketing. Coaching institutes will charge you lakhs to help your child enter an engineering or medical college. Today we find a large number of hoardings and advertisements of educational institutions, marketing them to attract students. This is completely reverse of ancient education system where student were needed to approach their “Guru”. In modern times education is provided through ROI i.e. promise of a job. This implies that

a person will be judged by the value of figure he earns rather than the values ingrained. But if this is what education means then why students scream in joy when the bell rings and the school ends. When will we understand that “learning” can not take place until a mind is motivated? Forcing a student to sit and study for 8 hours will not help him learn or gain any knowledge. I fail to understand how one can become independent when the mind is captivated. Just once set them free and see how far they can fly.

Great poet Kabir placed Guru above God. There is no doubt that even today teachers enjoy the highest social status in our society but today teachers also follow an agenda based instruction pattern. Showing power point presentations in stipulated period of time and completion of unit is primary concern rather than making students understand things from the right perspective. What do we need actually? A generation of 'marks' or a generation of 'ideas'? What does the student gain by investing 8 hours if he is same as earlier? Our education system should motivate them to learn and teach them that the purpose of life is a life of purpose. Your six digit salary will value nothing if your values are lost. Students spend more time with their teachers than their parents and only teachers have the power to recreate the lost meaning of education in their life. Education must not only be given but also taken. Remember, it is more important to be a good human being than a good manager.

Pick Battles big enough to matter, small enough to win **Jonathon Kozol**

The desire to know is far more important than achievement and/or performance measures. **Caine & Caine**

Learning is not so much an additive process, with new learning simply piling up on top of existing knowledge, as it is an active, dynamic process in which the connections are constantly changing and the structure reformatted. **K. Patricia Cross**

It is what we think we know already that often prevents us from learning. **Claude Bernard**

Every act of conscious learning requires the willingness to suffer an injury to one's self-esteem. That is why young children, before they are aware of their own self-importance learn so easily; and why older persons, especially if vain or important, cannot learn at all. **Thomas Szasz**

Varun Kesarwani
PGDM (2010-2012)

It has been a great experience for me, getting back to college after almost three years, after graduating with a BBA-Degree from JIMS Kalkaji in the year 2007 and having worked with Genpact, an MNC in Gurgaon for nearly three years, I feel lucky and great to be at JIMS again, this time for an MBA.

With the burden of a course like MBA, I had feelings that it was going to be a very difficult and professional atmosphere at College and the next two years are going to be very hectic and occupied only with studies. Now that's an expectation that every student carries, and I was no exception, and it was more because I knew that we were going to have 6 trimesters in the two year program, unlike 4 that most of the other MBA institutes have, but here as I entered JIMS, we got to know there were many extra-curricular activities that we were soon going to be a part of and that brought a sigh of relief to me.

I was thrilled to know JIMS is of the idea of "Work Hard and Party Harder" and not of the idea of "All Work and No Play" The Fresher's Party was a great way to begin with the fun and frolic and make new friends. That was a night that I will remember and cherish for a long time in future.

A student of section C, I was in the middle of a talented and intelligent group of students with a

diversified line of impressive courses like Polymer Sciences, BBA, BCA, Maths Honours, Economics Honours, Physics Honours, Hotel Management and Engineers all from good and well know colleges/institutes all across the country. I felt special, intelligent and most importantly very happy to be with them. Apart from the freshers, I made friends with some experienced folks who had worked with some corporate houses, hotels and financial institutions.

It's almost 3 trimesters now in the PGDM course and all in all, it has been quite a good experience. I have realized that an institute is made up of a good combination of its teachers and students together not either of them alone. The faculty at JIMS has been very professional, helpful, friendly and co-operative and there has never been an instance where the students have found themselves stuck in a problem or a situation that they have no solution to.

With the aim of entering the corporate world and living up to the immense and cut throat competition I rate Placements as my major concern and with the quality education, learning and exposure that we are being provided and showered with, somewhere down the line we all feel, we'll do well.

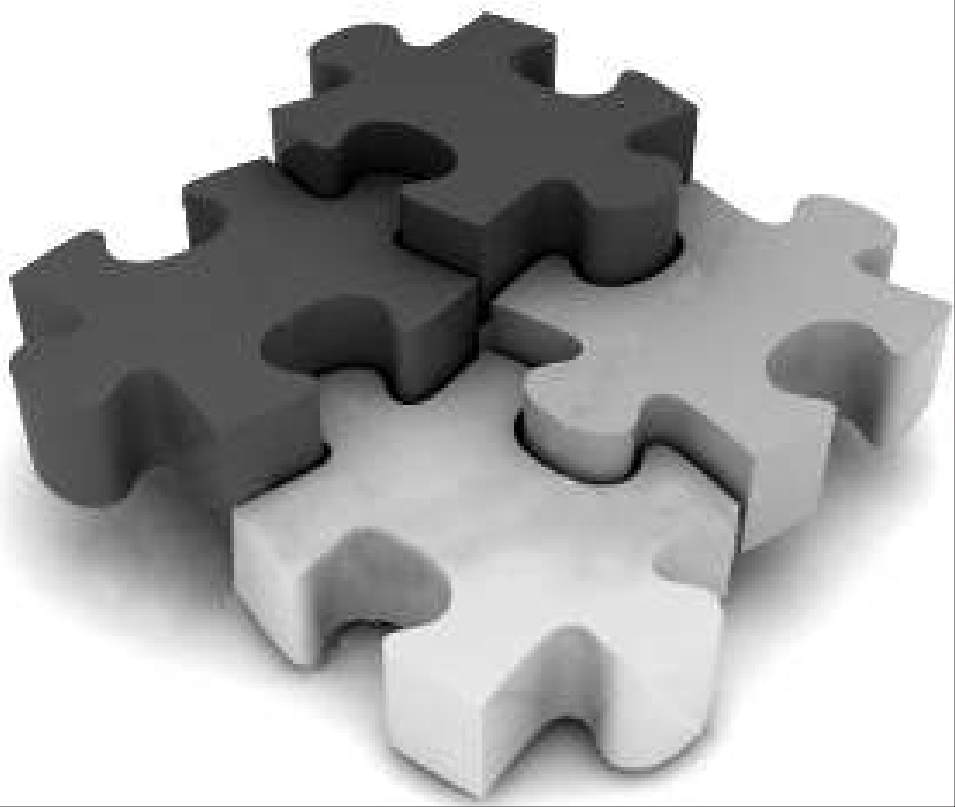
"My alma mater was books, a good library - I could spend the rest of my life reading, just satisfying my curiosity." - **Malcolm X**

"Coaching at my alma mater has been a dream come true." - **Mark Pavlik**

"Education is the passport to the future, for tomorrow belongs to those who prepare for it today." - **Malcolm X**

Factual

Some business world realities



Kuldeep Rana
PGDM (2009-2011)

In economics, a financial market is a mechanism that allows people to easily buy and sell financial securities such as stock and bonds commodities such as precious metals or agricultural goods and prices, in finance, financial markets facilitate breeding of capital through capital markets, transforming and minimizing of risk in the derivatives markets and international trade and are used to match those who want capital to those who have it. Typically a borrower issues a receipt to the lender promising to pay back the capital. These receipts are securities which may be freely bought or sold. The fund lenders are compensated for the risk undertaken in the form of interest or dividends, both financial markets and financial transactions made have evolved significantly over several hundred years and are undergoing constant innovation to improve liquidity.

The financial markets can be divided into different sub types:

- ♦ Capital markets which comprise of stock market and bond markets.
- ♦ Commodity markets which facilitate the trading of commodity.
- ♦ Money markets which provide short term debt financing and investment.
- ♦ Derivatives markets which provide instrument for the mgt. of financial risk.
- ♦ Future markets which provide standardized forward contracts for trading products at some future date.
- ♦ Insurance markets which facilitate the redistribution of various risk.
- ♦ Foreign exchange markets which facilitate the trading of foreign exchange.

Money Market

Money Market is defined as markets that help in raising short term credit for investment. Money market comprises of national money market and the market that helps in increasing short term credit for investment or deficit spenders. National money market comprises of virtually the whole economy or whatever amount of money is available for transactions in the form of money. The short term credit market is further divided into organized and unorganized markets. Organized markets are dominated by banks, financial institutions, financial intermediaries and govt. sectors and business houses. the 'hundis' market and short term credit financing made available by the

moneylenders and some indigenous bankers are well developed in this market.

Capital Market is the market that facilitates companies and enterprises in raising income by mobilizing the savings of individual corporate house funds and other lenders. A definition of capital market in economics is market that helps the companies in raising long term investment credit. Capital market comprises of stock market and bond-market, which can further be sub-divided into two groups of markets. Firstly, the market that deals only with govt. securities that are also known as gilt edged market. Secondly the markets that helps in entrepreneurs of the economy in raising borrowing for long term investment. Stock markets provide financing through the issuance of shares or common stock, and enable the subsequent trading that constitutes primary and secondary markets. Bond markets provide financing through the issuance of bonds and enable the subsequent trading.

Components of Money Markets

Call money markets: this is the market for very short-term funds, which is also known as money at call, and short notice, this market can be sub-divide into the call market on over- night market and short notice market. The rate at which funds are borrowed and lent is called the call money rate. The participants in call money market on borrowing side are dominated mostly by banks. Apart from the banks some financial institution like LIC and UTI are also allowed to place on call its short terms funds. Earlier a part from financial, non-financial institution, some large net-worth individuals as well as quasi govt. bodies also allowed to place such money generally termed as house money on call money market is centered on Mumbai, Kolkata, and Chennai.

Call money markets are highly volatile and susceptible to market pressures there are generally short term credits that range from one day to fifteen days for the advancement of loans to deficit spenders. There even one night call money advances made available to bank with help of this market.

Treasury bill market: these are short term liability of the govt. of India. The terms for the bills vary from 91 days to one year. The treasury bills allotted can be

categorized in adhoc, and regular or ordinary bills. Ad hoc bills implicate, for particular end or case at hand that is, these are issued for providing investment outlets to state govt. and other org. they are thus useful in managing short-term liquidity.

At present the govt. of India issues three types of treasury bills through auctions namely, 91-days, 182-days, and 364-day. In 1997, the 14-day intermediate treasury bills were introduced by the govt. of India. There are no treasury bills issued by state govt. treasury bills are available for mini. Amount of Rs.25,000 and in multiples of Rs.25,000. The Treasury bill market in India is underdeveloped as compared to other developed nations like USA and UK. Unlike the developed market, the buyer's side is dominated by RBI in the bill market. Apart from the central banks the other state banks, commercial scheduled banks, state govt. and semi-govt. bodies are some other holders of the bills in smaller numbers.

Commercial bill markets: commercial bills are like Treasury bill which are issued by the firms for short term financing requirements of the companies. These are issued by the drawer by which act as kind of advance or post-dated cheques in lieu of the goods and services to be sold in future. These bills are then used for taking loan or cash payment in advance to fund the need of the drawee from the banks on the acceptance these bills act as marketable instrument these generally for three months time duration credit lending the rate of interest charged on the bills is known as discount rate on bills. they have a fixed term to maturity known as usance the commercial bills are of various types indigenous bills issued are known as hundis these bills are mostly utilized by the companies that are in foreign trade to finance the export and import orders. Some these like export credit bills, letter of credit bank guarantees, purchase orders etc. are used for obtaining short-term credit finance requirement either by discounting of usance bills or by purchasing of demand or sight bills. This is especially true for rural sector which is still dominated by them. The hundi market is quite developed among the small market the creditors involved in lending finance extend credit against collaterals. They also extend finance against mortgage.

Money market instruments:

- ♦ Bankers acceptance: a draft issued by a bank that will be accepted for the payment effectively the same as a cashier's check.
- ♦ Certificate of deposit: a time deposit at a bank with a specific maturity date; large

denomination certificate of deposits can be sold before maturity.

- ♦ Repurchase agreement short-term loans normally for less than two weeks and frequently for one-day arranged by selling securities.
- ♦ Commercial paper: unsecured promissory notes with fixed maturity of one to 270 days; usually sold at a discount from face value.
- ♦ Treasury bills; short-term debt obligation of national govt. that issued to mature in three to twelve months.
- ♦ Money market; pooled short maturity high quality investments which buy money markets securities on behalf of retail or institutional investors.
- ♦ Foreign exchange swaps: exchanging a set of currencies in spot date and reversal of the exchange of currencies at predetermined time in the future.

Capital Market

Capital market is the market for long term fund. It refers to all the facilities and institutional arrangement for borrowing and lending term funds. It does not deal in capital goods but is concerned with rising of money capital for purpose of investment. An ideal capital market attempts to provide adequate capital at reasonable rate of return for any business or industrial proposition which offers a prospective yield high enough to make borrowing worthwhile. The Indian capital market has two groups; organized capital market and unorganized capital market. Unorganized capital market comprises of long term borrowing and lending of funds from money lenders and others.

Securities Market

Organized capital market is broadly divided into the stock exchange operation and long-term lending funds from the financial intermediaries, bank and non-bank financial intermediaries. Stock markets deal with the govt. bonds and corporate bonds gilt-edged market is synonym of the government securities market that are further sub-divided in Treasury bill market and government bond market the other market is industrial securities market. The securities market can further be divided in to primary securities and the secondary securities.

Non-banking finance companies (NBFC) and developmental financial institutions

Merchant Banking: In India manage and underwrite new issue; they undertake syndication of credit; they advise corporate clients on fund raising and other financial aspects. Unlike MB abroad, in India these do not undertake banking business. The

regulation and rules governing merchant banks are issued by SEBI and RBI. It is subject to stipulated capital adequacy norms and has to abide by the code of conduct regarding issue of share and disclosure. mutual fund; it is professionally managed type of collective investment that pools money from many investors and puts it in stock, bonds, short term money market instrument and other securities the MF has a fund manager, who trades the pooled money on regular basis and after realizing capital gains or losses are passed out in the form of dividend to the individual investors. Several public sectors banks and financial institutions have set up mutual funds on tax-exempt basis. SEBI has the authority to lay guideline and supervise and regulate the working of mutual fund. SEBI introduced a uniformed set of regulation known as SEBI (MF) regulation in 1993. Venture capital funds: it is a type of private equity capital provided to immature, high potential growth companies in the interest of generating a return through an eventual realizations event such as IPO or sale of company. Venture capital investment is made as cash in exchange for shares in the invested company.

Financial Intermediaries: these finance companies with very little capital of their own raise, deposit from public by offering attractive rate of interest and other incentive. They advance loan to wholesale and retail traders, SSI and self employed person. They provide loan to parties, which are generally unsecured and attract high rate of interest. Usually from 24 to 36%. Besides giving loan it run chit funds, purchase and discount hundis and has taken up merchant banking, mutual funds, hire portion towards customers, attractive rate of return on deposits and flexibility and timeline in meeting the credit needs of specified sectors are some of the factors enhancing the attractiveness of this sector.

Infrastructure Leasing And Financial Services Ltd. (IL & FS): IL&FS, set up in 1988, focuses on leasing of equipment and infrastructure development. The company has been provided a mandate for structuring the finance of major projects in the power of transport sectors. since 1994-1995 IL&FS made significant progress in commercialization of infrastructure projects in roadways, power generations, water supply etc. in the field of investment banking it undertakes merchant banking activity and has played a major role in structuring the sale of marketable securities to project finance requirement of corporate clients.

Stock Market: A stock market is a private and public market for the trading of company stock at an agreed price. These are securities listed on a stock exchange as well as those only traded privately.

Stock market or exchange is corporation which provide facilities for the issue and redemption of securities as well as other financial instruments and capital events, including the payment of income and dividend. To be able to trade a security on a certain exchange is possible by members only. The initial offering stock and bonds to investors is by definition done in primary market and subsequent trading is done in the secondary market. Supply and demand in stock market is driven by various factors as all free markets affect the price of stocks.

Bombay Stock Exchange: it is the oldest exchange in Asia with a rich heritage, now spanning three centuries in its 133 years of existence. What is now popularly known as BSE was established as “the native share & stock brokers” association in 1875. BSE is the first stock exchange in the country which obtained permanent recognition in 1956 from the govt. of India under the securities contracts act 1956. BSE is now a corporatized and demutualised entity incorporated under the provisions of the companies act, 1956.

NSE: the national stock exchange (NSE) is India's leading stock exchange covering various cities and town across the country. NSE was set up by leading institution to provide a modern, fully automated screen based trading system with national reach. NSE has been promoted by leading financial institution to provide a modern, fully automated screen based trading system with national reach. NSE has been promoted by leading financial institutions, banks, insurance companies and other financial intermediaries like IDBI, IFCL, LIC, SBI, ICICI, SHCIL etc. on its recognition as a stock exchange under the securities contract act (1956) in April 1993. NSE commenced operation in the wholesale debt market segment in June 1994. NSE started trading in the equities segment on November 3, 1994 and within a short span of 1 year it became the largest exchange in India in terms of volume transacted, NSE commenced in June 2000 with launch of index futures. The futures contracts are based on the popular bench mark S&P CNX, NIFTY 50 index. The exchange introduced trading in index options on individuals securities from July 2, 2001 futures on individual securities were introduced on November 9, 2001. Futures and option on individual securities are available on 267 securities stipulated by SEBI.

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The consumer movement in India is of recent growth. A bill to protect the interests of the consumers was passed by the Parliament in 1986. The Act known as the Consumers Protection Act gives the aggrieved consumer an opportunity to redress his grievance. It provides for the consumers protection council at the Central and State level to establish the rights of the consumers.

There is also a provision in the District Forums at the District Level, the State commissions at the state level and the National Commission in New Delhi. According to a booklet published by the ministry of Food and Civil Supplies "if the cost of the goods or services and compensation asked for is less than one lakh of rupees, the complaint can be filed in the District Forum which has been notified by the State Government for the District where the cause of action has arisen or where the opposite party resides".

If the amount is more than a lakh of rupees but less than ten lakh rupees, the complaint can be filed before the State Commission. If it exceeds ten lakh the complaint can be filed before the National Commission. The procedure for filing the complaint is simple and speedy. It does not require the payment of any fee. It can be presented in person by complaint or by his authorized agent or it can be sent by post.

In December 1986 some consumer protection Acts namely the essential commodities Act (1954) the Drug and Cosmetics Act (1940) the Monopolies and restrictive Trade Practices Act (1969) and the Agriculture produce (Grading and Marketing) Act (1985) were amended to enable the consumers and registered consumer organizations to find complaints. This has strengthened the rights of the consumers.

On the 21st June 1993, the government of India

issued an ordinance to amend the Consumer Protection Act and it gives more rights to the consumers and the Forums. The majority of the consumers in our country are in a pathetic plight. They are often forced to buy adulterated provisions. Also, they are often not properly weighed or measured. According to the Maitra Committee, inaccurate weights and measures bring about a loss of Rs. 170 Crores per year to the consumers in cities. The farmers incur a loss of Rs. 150 Crores by such a fault. By under weighing alone the consumers lose Rs. 3000 Crores annually. At times bills are not issued to the consumers. Very often the prices marked on the products and those mentioned in the bills do not agree. Old stocks are sold at new prices, glittering advertisements hoodwink the consumer.

The consumers themselves should take the initiatives to form vigilance committees in every village. They should remain watchful to find out the black-marketing, hoarding, profiteering and such other mal practices committed by the dealers. The members of the committee should report all the cases to the officers concerned for suitable action against them.

The people living in urban areas are now aware of their rights as consumers. The number of cases filed in the Forums is increasing. The people living in the rural areas have to be enlightened on the rights of the consumers. Now there are more than a 500 voluntary consumer organizations doing consumer protection work in the country. We hope, with the help of these organizations the consumers living in the rural areas will file complaints to redress their grievances.

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'Jago Grahak Jago' - The multimedia publicity campaign of the Ministry of Consumer Affairs, Food and Public Distribution has a wide scope of issues under its administrative jurisdiction such as Weights & Measure, Consumer Protection Act etc. Also adequate publicity is given to areas of consumer interest such as banking, insurance, credit cards, medicines, travel services, education, food safety, food standards, food adulteration, misleading advertisements, mediation etc.

Nitasha Kapoor
PGDM (2010-2012)

On hearing 'Corporate Social Responsibility' or CSR what comes to the mind of most of the people is that it's a new concept, big companies are taking measures towards it, and colleges are conducting discussions and seminars on it. But CSR is not new to India; companies like TATA, Birla etc. have been imbibing the case for social good in their operations for decades long before CSR became a popular cause. In spite of having such life size successful examples, CSR in India is still in its nascent stage.

Till few years back CSR was one of the least understood initiatives ever taken in the Indian development sector. A lack of understanding, inadequately trained personnel, non availability of authentic data and specific information on the kinds of CSR activities, coverage, policy etc. further adds to the reach and effectiveness of CSR programmes.

But now the scenario is changing, CSR is coming out of the purview of doing social good and is fast becoming a business necessity. The corporate houses are realizing that what is good for their worker's community, worker's health and environment is also good for its own business. Nearly all leading companies in India are involved in CSR programmes in areas like education, health, livelihood creation, skill development and empowerment of weaker sections of society. Notable efforts have come from TATA group, Infosys, Indian Oil Corporation, ITC, Bharti Enterprises etc.

Indications of CSR in India

- ♦ The 2010 list of Forbes Asia's '48 Heroes of Philanthropy' contains four Indians.
- ♦ The 2009 list also featured four Indians.
- ♦ India has been named among the top ten Asian countries paying increasing importance towards corporate social responsibility (CSR) disclosure norms.
- ♦ India was ranked fourth in the list, according to social enterprise CSR Asia's Asian Sustainability Ranking (ASR), released in October 2009.
- ♦ According to a study undertaken by an industry body in June 2009, which studied the CSR activities of 300 corporate houses, corporate

India has spread its CSR activities across 20 states and Union territories, with Maharashtra gaining the most from them. About 36 per cent of the CSR activities are concentrated in the state, followed by about 12 per cent in Gujarat, 10 per cent in Delhi and 9 per cent in Tamil Nadu.

- ♦ The companies have on an aggregate, identified 26 different themes for their CSR initiatives. Of these 26 schemes, community welfare tops the list, followed by education, the environment, health, as well as rural development.
- ♦ The central government is working on a framework for quantifying the CSR initiatives of companies to promote them further. According to Minister for Corporate Affairs, one of the ways to attract companies towards CSR work is to develop a system of CSR credits, similar to the system of carbon credits which are given to companies for green initiatives.
- ♦ Moreover, in 2009, the government made it mandatory for all public sector oil companies to spend 2 per cent of their net profits on corporate social responsibility.
- ♦ Besides the private sector, the government is also ensuring that the public sector companies participate actively in CSR initiatives. The Department of Public Enterprises (DPE) has prepared guidelines for central public sector enterprises to take up important corporate social responsibility projects to be funded by 2-5 per cent of the company's net profits.

We can discuss an example of ITC and its initiatives in this regard. ITC has contributed a lot towards corporate social responsibility.

1. E-chaupal

- a. ITC launched e-chaupal in June 2000. 'e-Choupal', has already become the largest initiative among all ICT based interventions in rural India.
- b. ITC's Agri-Business Division, one of the India's largest exporters of agricultural commodities, has conceived e-chaupal as a more efficient supply chain aimed at delivering value to its customers around the world on a sustainable basis.

- C. Real-time information and customized knowledge provided by 'e-Choupal' enhance the ability of farmers to take decisions and align their farm output with market demand and secure quality and productivity.
- d. While the farmers benefit through enhanced farm productivity and higher farm gate prices, ITC benefits from the lower net cost of procurement (despite offering better prices to the farmer).
- e. e-Choupal' services today reach out to over 4 million farmers who are growing a wide range of crops - soybean, coffee, wheat, rice, pulses, shrimp - in over 40,000 villages across ten states.

2. MISSION "SUNHERA KAL"

The Company deepened its roots in the social sector by concentrating on three main areas of interventions under Mission Sunehra Kal:

- a. **Natural Resource Management:-** It includes wasteland, watershed and agriculture development.
- b. **Sustainable Livelihoods:-** It comprises of women's economic empowerment and genetic improvement in livestock.
- c. **Community Development:-** It focuses on primary education and health & sanitation.

3. WASTELAND DEVELOPMENT

- a. The Company's pioneering initiative of wasteland development through the Social Forestry Program has so far promoted plantations over 11,969 hectares in 406 villages, covering 13,492 poor households.
- b. The collaboration between ITC and the Government of Andhra Pradesh for wasteland development under 'Indira Kranti Patham'

4. THE SOIL & MOISTURE CONSERVATION PROGRAM

- a. It was designed to assist farmers in identified moisture-stressed districts.
- b. It witnessed a rise in its coverage from 648 water-bodies to 2,178 water-harvesting structures. These structures provide critical irrigation security to about 18,483 hectares of agricultural land.

- c. The Company entered into a partnership with NABARD in Andhra Pradesh, Bihar and Madhya Pradesh to work on soil and moisture conservation on 17,500 hectares under a five-year program.

5. LIVELIHOOD CREATION

- a. These interventions have till date created direct employment of 5.36 lakh person-days. Presently 214 active Water User Groups (WUGs) with more than 10,476 members actively manage water distribution and collection of charge.
- b. The initiative for the economic empowerment of woman has 13,981 women have been organized under 972 self-help groups (SHG) with total savings of Rs 97.7 lakh.
- c. More than 9,900 women were gainfully employed either in micro-enterprises or through self-employment with the support of income generation loans.

Few years back we thought of ITC as a tobacco producing company but due to its consistent efforts towards society and nature, it has renovated its image as one of the top most companies of India practicing CSR. It has won many awards like United Nations Industrial Development Organization Award 2008, Stockholm Challenge 2006 and many others. Today we view ITC as one of the most successful socially responsible corporate house.

CONCLUSION

As the name corporate social responsibility suggests it is not an obligation imposed upon us but our own responsibility or duty which should come from within. In my opinion it's high time that every corporate wakes up to the need of the hour of its duty towards two most important stakeholders of the company- Society & Nature.

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Swati Bahri
PGDM (2010-2012)

Mergers: The combining of two or more companies, generally by offering the stockholders of one company securities in the acquiring company in exchange for the surrender of their stock. Merger is a fiscal instrument that is used by a business entity for improving the long-standing productivity by escalating their operations. Mergers generally take place when the merging entities mutually agree. Sometimes, companies endorse monopolistic attitude by trimming down the prices, taxes, etc. which can work against the public interests thus government interferences is needed.

Acquisition: Acquisition refers to purchasing of one business entity by another. Acquisitions can be either mutual or hostile subjugation. Acquisition is the buyout of a smaller business identity by a bigger one, but sometimes even a smaller business identity can take over the administration control of a bigger and well established firm, usually referred to as a reverse takeover. A reverse merger occurs when a private company that has strong prospects and is eager to raise financing buys a publicly-listed shell company, usually one with no business and limited assets. The private company reverse merges into the public company, and together they become an entirely new public corporation with tradable shares.

Distinction between mergers and acquisitions

Though both the words are spoken synonymously, yet there is difference between both.

- ♦ A merger happens when two firms, often of about the same size, agree to go forward as a single new company rather than remain separately owned and operated. This kind of action is more precisely referred to as a "merger of equals." Both companies' stocks are surrendered and new company stock is issued in its place.
- ♦ In case of acquisition, one company takes over another and establishes itself as the new owner of the business. The buyer company "swallows" the business of the target company, which ceases to exist.

However, a purchase deal will also be called a merger when both CEOs agree that joining together is in the best interest of both of their companies. But when the deal is unfriendly - that is, when the target

company does not want to be purchased, it is always regarded as an acquisition.

Benefits of mergers

The generated value comes from the ability and capacity to combine efficiently both the firms. The created value results therefore from the average unit cost cutting.

The Financial Synergy

One of the inherent strategies consists in diversifying the systematic risk of a company's investment portfolio by investing in unrelated business. The internal market of financial market enable then to use the phenomenon of "cross-subsidization", it means the excess of cash of one entity can be used to finance the development of another entity in trouble.

The Managerial Synergy

Accepting the fact that the acquiring company has a more effective and performing managerial system otherwise it would not launch an acquisition process - managerial synergies are realized when the bidders manager's possess superior planning and monitoring abilities that benefit the targets performance

The Operational Synergy

Operational synergies have to be seen has a mean to reduce the average unit cost of the products. Operational synergies may therefore come from combining operations of hitherto separate units or from knowledge transfer. Nevertheless, both strategic synergies aim at reducing the cost of the involved units.

Mergers and Acquisitions in India

Till recent past, the incidence of Indian entrepreneurs acquiring foreign enterprises was not so common. The situation has undergone a significant change in the last couple of years. Acquisition of foreign companies by the Indian businesses has been the latest trend in the Indian corporate sector.

There are different factors that played their parts in facilitating the mergers and acquisitions in India.

Favorable government policies, buoyancy in economy, additional liquidity in the corporate sector, and dynamic attitudes of the Indian entrepreneurs are the key factors behind the changing trends of mergers and acquisitions in India.

The Indian IT and ITES sectors and other Indian sectors have already proved their potential in the global market which is further facilitated the merger and acquisition activities in India.

Under the Monopolies and Restrictive Practices Act, takeover meant acquisition of not less than 25 percent of the voting power in a company. While in the Companies Act (Section 372), a company's investment in the shares of another company in excess of 10 percent of the subscribed capital can result in takeovers. An acquisition or takeover does not necessarily entail full legal control. A company can also have effective control over another company by holding a minority ownership. Mergers and acquisitions are regulated under various laws in India. The objective of the laws is to make these deals transparent and protect the interest of all shareholders. They are regulated through the provisions of The Companies Act (1956) and The Competition Act (2002). The other regulations are provided in the:- The Foreign Exchange Management Act, 1999 and the Income Tax Act, 1961. Besides, the Securities and Exchange Board of India has issued guidelines to regulate mergers and acquisitions. The SEBI (Substantial Acquisition of Shares and Take-overs) Regulations, 1997 and its subsequent amendments aim at making the take-over process transparent, and also protect the interests of minority shareholders

Recently the Indian companies have undertaken some important acquisitions. Some of those are as follows:

- ♦ Hindalco, world's largest Aluminum manufacturing firm, acquired Canada based Novelis. The deal involved transaction of \$5,982 million.
- ♦ Tata Steel acquired Corus Group plc. The acquisition deal amounted to \$12,000 million.
- ♦ Reddy's Labs acquired Betapharm, a German drug maker company, through a deal worth of \$597 million.
- ♦ Ranbaxy Labs acquired Terapia, SA. The deal amounted to \$324 million.
- ♦ The acquisition of Daewoo Electronics

Corp.(South Korea) by Videocon involved transaction of \$729 million.

- ♦ VSNL acquired Teleglobe through a deal of \$239 million.

Transnational mergers and acquisitions

Cross country mergers and acquisitions are often those, which involve related companies, i.e. sharing key fields, such as production or marketing, similar or complementary objectives. The new performing profitability, generated by new competencies or additional activities, can constitute a significant source of creation of value in mergers and acquisitions. Thus, the goal of mergers is to obtain means for creating more wealth. The stress is generally placed on the shareholders' value creation; however gains must also be directed towards the customers and the employees.

Globalization is a key feature of the new competitive landscape within which the mergers and acquisitions frenzy is taking place. It is associated with a growing convergence in economic systems, culture and management practices. The process of mergers and acquisitions supports the conquest of new markets. It is clear today to say that mergers and transnational acquisitions are an unavoidable phenomenon in the international business world.

Conclusion

Mergers and acquisitions are strategic decisions taken for maximization of a company's growth by enhancing its production and marketing operations. They are being used in a wide array of fields such as information technology, telecommunications, and business process outsourcing as well as in traditional businesses in order to gain strength, expand the customer base, cut competition or enter into a new market or product segment.

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“A business that makes nothing but money, is a poor kind of business”- Henry Ford (1863-1947)

Ethics in Business can be described as the moral principles applied in the functioning of an organization. They are the desired norms of behaviour exclusively dealing with commercial transactions. Ethics in corporate governance means the parameters which a company sets for itself for its functioning. Transparency and disclosures related to accounts as well as other important issues have to be communicated to the stakeholders in a truthful and prompt manner. These build up confidence and trust in the society. All this constitutes firm's ethical behaviour.

Why business ethics

One of the conditions that brought business ethics to the forefront is the demise of small scale, high trust, face-to-face enterprises and emergence of huge multinational corporate structures capable of drastically affecting everyday lives of the masses.

Today there is an increasing realisation, by the business leaders, of the need to be more responsible not only towards their stockholders but also towards their stakeholders i.e.: consumers, employees, suppliers, the government and the society. Profits in business, once considered as the end in itself, are now viewed as a means to serve the larger interests of the society. This implies that business decisions should be based on higher standards of both economic and ethical performance. Business ethics provide guidelines for acceptable behaviour by organizations in both their strategy formulation as well as day-to-day operations. An ethical approach is becoming necessary both for corporate success and a positive corporate image.

Companies and businesspeople who wish to thrive long-term must adopt sound ethical decision-making practices. Companies and people who behave in a socially responsible manner are much more likely to enjoy ultimate success than those whose actions are motivated solely by profits. It is globally believed that the only way to achieve long term success is to incorporate economic, social and environmental codes of conduct into business

strategy. Furthermore, global expansion has brought about greater involvement with different cultures and socioeconomic systems. With this development, ethical considerations become more important. Thus, the importance of building a strong ethical culture is integral to the reputation, growth and finances of any organization. It builds a brand that attracts the best talent and creates trust among the stakeholders.

By making business ethics its unique selling proposition, a company can accelerate its profit making process. Business ethics includes certain principles such as transparency, accountability, honesty and trust. If the stakeholders believe that the entity they are dealing with is transparent, accountable for its actions and honest in its dealings, it will build up trust. This is more relevant in case of multinationals. When companies move to other nations in search of higher revenues and non-saturated markets, ethics can build and sustain their reputation.

The present corporate scenario

The present corporate scenario is rather depressing with ethical values fast declining in an extremely competitive business environment. With the onset of Liberalization, Privatization and Globalization policies, firms are trying to maximize their gains by minimising values and societal well being. Recent scandals that have kept the world eager with the harsh and totally unethical methods, has led to hostile public reactions. The need of the hour is to inculcate and develop the value system in the corporate world and rely on the strength of ethics.

For this, the business schools of India need to be complemented, for reviving the inculcation of the age-old moral and ethical values inherent in Indian culture, along with training and modern scientific knowledge and skills. The present scenario in the light of the economic scandals rocking the business environment calls for fresh beginning. Educating existing and prospective managers on values is the need of the hour.

GE

As part of the 2007 World's Most Ethical

Companies analysis, dozens of companies were interviewed about their ethical activities. Following are some examples and reports from selected companies that are found particularly worth highlighting.

An interview with Brackett Denniston, General Counsel for General Electric, about creating an ethical culture at workplace was conducted. Denniston believes “a good company thinks about its human side and how people are impacted by business practices”. To answer the needs of employees and communities, GE is active in organizations like NAFTA and the National Electrical Manufacturers Association, and is a founder of Transparency International, a global society that fights the impact of corruption on people worldwide. “You have to act like a leader, be a leader, and be aware of the impact of your actions and how they affect hundreds of thousands of people,” says Denniston.

GE dates back to 1892 and carefully considers the social impact of its products and operations on the communities in which it operates. From jet engines to household appliances and financial services to plastics, General Electric is dedicated to converting ideas into leading products to help solve the world's challenges.

Kelloggs

On interviewing Neil Nyberg, VP of Ethics & Compliance and Gary Pilnick, General Counsel for Kellogg's, they declared, as Kellogg's has been in business for 100 years, Kellogg's has taken pride in its ethics and compliance program known as “K

Values.” According to Pilnick, “It starts with the values, which guide behaviour and ethical choices.”

Founder W.K. Kellogg wanted to do good things for people, starting with nutrition and the environment, and began promoting environmentally-friendly processes by producing the first boxes of cereal in recycled packaging in 1906. Today, Kellogg's uses 100% recycled packaging. In addition, Kellogg's created a Social Responsibility Committee in 1979 that now deals with environmental concerns, health & safety, addiction and abuse, and other issues that impact employees and communities.

Kellogg's recently received an award from the National Association for the Advancement of Coloured People for diversity in compliance and ethics. Kellogg's is also the 2007 national sponsor for Race for the Cure, and has a comprehensive program for United Way's Days of Caring, in which the entire company donates time. A business, which wants to survive for long term and also generate good revenue, has to achieve market credibility by making brand loyalty as its main goal which can only be achieved by following ethical standards. It is also vital for developing long term relationships with employees, investors, clients and stakeholders. If ethical standards are allowed to grow, it inspires stakeholders and also marks a firm as performing its functions as a socially responsible entity.

Ethics are important not only in business, but also in all aspects of life as it is an essential part of the foundation on which model of a civilized society is build. A business or society that lacks ethical principles is bound to fail sooner or later.

Source: www.wikipedia.org

Ethics, also known as moral philosophy, is a branch of philosophy that addresses questions about morality that is, concepts such as good and evil, right and wrong, virtue and vice, justice, etc.

Major branches of ethics include:

Meta-ethics, about the theoretical meaning and reference of moral propositions and how their truth-values (if any) may be determined;

Normative ethics, about the practical means of determining a moral course of action;

Applied ethics, about how moral outcomes can be achieved in specific situations;

Moral psychology, about how moral capacity or moral agency develops and what its nature is;

Descriptive ethics, about what moral values people actually abide by.

Primary Research

Results from the horse's mouth



Objective

The objective of this project is to determine the attitude and satisfaction level of employees working in BPOs in India. This survey report provides comprehensive information about factors important to employees when assessing overall employee job satisfaction in BPOs. The report examines more than 10 aspects of employee job satisfaction, including career development, career objective, compensation and benefits, and work environment from the perspective of both employees and HR professionals.

This job satisfaction report helps to identify and understand factors important to overall job satisfaction in BPOs. This knowledge will help HR professionals better understand and appreciate employee preferences when developing programs and policies that can influence employee satisfaction.

BPO Industry in India

The research report focuses on the three main aspects i.e. employee satisfaction, employee attrition and retention. It covers the spectrum of the BPO Industry in India. In today's context BPOs are facing pressures to be Cost efficient and Process efficient. So many have started using emerging communication technologies to be cost effective and Process efficient. (Example mobile messaging) The analysis is based on the above three parameters which is as follows

1) Employee Satisfaction: The industry is looking at creating "minimum standards" for the best practices on a range of parameters that includes working conditions (ambiance, facilities, quality of professionals, services etc.)

The other attribute of employee satisfaction is the salary. There is often a disconnect between salary and satisfaction with salary. The larger companies have shown not just higher growth rates but also managed to keep their employees happier (like IBM Daksh, Genpact, Exl, WIPRO)

In any Industry there is a link b/w Employee satisfaction and Customer satisfaction. The prevalent thinking in BPO Industry is if you improve employee satisfaction you improve customer satisfaction. The other attributes include feeling appreciated for the work employees do, not

working in a stressful environment (i.e. call/transaction handling time pressure), being valued and respected within the organization, career opportunities for advancement within the organization, the company effectively utilizes employee's knowledge and skills, freedom to leave desk and having two way open and honest communication.

2) Reasons of Attrition and health hazards: The biggest bane of BPO employees is ever increasing stress, which is the root for numerous other physiological and psychological ailments. Reasons are aplenty, right from working hours to insufficient holidays. The top 5 reasons thrown up by the survey for high stress remain more or less the same as that of last year, namely; travel time, work timing, insufficient holidays, work load and long working hours.

Working even on sat and Sundays, not getting leaves even on public holidays, work pressure like high volumes force employees to stretch their shifts for job security. Some companies have started withdrawing pick and drop facilities also and some are using this as an effective tool for employee retention. Also 24/7 working pattern is the reason as working continuously in night shifts has been the reason for a toll on the health of BPO employees. Sleepless nights have increased the number of young patients suffering from sleep disorders, groggy eyes, digestion problems, eye sight problems as they sit in front of computer screens for long hours, back pains, high levels of stress results in inability to balance work and personal life, no social life, no proper intake of balanced diet, taking meals at odd hours in fact employees skip their meals in b/w their shifts, dependency on junk food has increased problems like BP and heart diseases. The other worrying ailments that have increased over the years are psychological ones like depression and anxiety.

Other important reasons are decrease in absolute employee strength, average salary hike, and average tenure of senior professionals. Salary and perks have been the major reason for the attrition. The second most common reason cited by exiting employees is growth opportunity. Also, the average age of employees is 24-27 years. So, fresh out of colleges graduates hop from one job to another, till they can hop no more. With each jump the package going up by as much as 20%. But the companies have woken

up to this tactic and are reluctant to hire job-hopping monkeys. The companies are trying to identify high risk individuals at the interview stage and then not hire them. It is also a strategy for cutting huge training costs.

3) Employee retention: How to handle attrition? The Indian BPO industry has set an exceptionally high standard with regard to workplace and employee practices. Some of the common and best HR practices for employee satisfaction are- Innovative incentive Plans, handsome increments, flexi-shift timings, free food, home pick and drop, medi-claim facility, free medical checkups & other perks, sat sun off, weekend parties, quick promotions ,career development programmes, fairness and equity, work environment, ambiance, beverages and snacks free, vacation exp reimbursed, week off in a year, rewards and recognitions, foreign trips, special training programmes like communication skills trainings and work shops are organized, celebrations, recreation room for reducing stress, gym inside the company premises, competitions and sports events, job rotation, giving 2 leaves in a month, top performers given added perks and responsibilities, fun activities and games on Fridays, cultural activities, skip level meetings, one-o-ones, separate grievances department etc. To retain talent, companies have to offer challenging roles, and train and motivate more employees to take up new initiatives, projects that create value for them from a career's perspective allow them to handle more frontline jobs, and provides team leading opportunities early on. "It gets top performers excited and others motivated to work towards it". Best practices followed by the outsourcing companies may not seem necessary from a broader human resource viewpoint but are important in building ties with employees and also, for the future growth of the industry.

Methodology

1. For this project we have adopted Descriptive Research method because of following reasons:-
 - ♦ To describe the characteristics of relevant group of employees.
 - ♦ To estimate the percentage of employees exhibiting a certain behavior.
 - ♦ To determine the perception of young professionals about BPOs.
 - ♦ To determine the attitude of the employees towards their job and career.
2. We have collected the random sample from Metlife and ExL of about 35 employees. 5 response sheets had to be rejected due to

incomplete and insufficient data problems.

3. We have chosen survey method in which questionnaires needs to be completed through personal interviews.
4. At the time of completing questions interviewer took care of following things:-
 - ♦ Respondent should be working in a BPO.
 - ♦ Respondent should have clear understanding about questions that are asked.
 - ♦ Interviewer should be prompt to clear doubts of respondent and further prompt questions, if required.
 - ♦ Interviewer should take care that respondent is vigilant and take interest while completing questionnaire.

Age-wise distribution of data



Most of the employees working in BPOs are very young belonging to the age group of 22-25 years.

Income-wise distribution of data



Most of the young professionals in BPOs are in between the Salary Band of 14001-18000

DATA ANALYSIS

Reliability Analysis

Scale: All variables

Case Processing Summary

		N	%
Cases	Valid	30	100.0
Excluded(a)		0	.0
Total		30	100.0

Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	N of Items
.701	10

Interpretation

Cronbach's Alpha test is conducted in order to check the reliability of the data we have collected.

If the value comes out to be greater than 0.7 then it shows that the data is highly reliable if the value comes out to be less than 0.7 but greater than 0.5 it shows that the data is less reliable than earlier but we can still rely on that data but if the value comes out to be less than 0.5, It shows that the data is incorrect and hence the data is not reliable.

In our research the value is coming out to be 0.701 which shows that the data is highly reliable.

Descriptive

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Profile	30	1.00	5.00	2.8333	1.39168
Salary And Perks	30	1.00	5.00	2.8000	1.06350
Appraisal Criteria	30	1.00	5.00	2.9667	1.15917
Shift Timings	30	1.00	5.00	3.1333	.97320
Skills	30	1.00	5.00	3.1667	1.11675
Transport Facility	30	1.00	5.00	2.8000	1.12648
Free Meals	30	1.00	5.00	2.6333	1.06620
Ambiance And Facilities	30	1.00	5.00	2.8000	1.03057
Expectation	30	1.00	4.00	2.6000	.89443
Career Development Path	30	1.00	5.00	2.6000	1.10172
Valid N (listwise)	30				

In the above table the highest mean is coming out for Skills employed in the job i.e. most of the respondents had an opinion that tends to be inclined towards being disagreed from Neutral.

The lowest mean is coming out for Expectation fulfilled being a BPO employee and BPO joined for Career Development i.e. most of the respondents agree that their expectation has been fulfilled being a BPO employee and they have joined BPO for growth opportunities/career development path.

Satisfaction with the profile

The mean is coming out to be 2.8333 i.e. most of the employees tend to be neutral as far as profile is concerned.

Satisfaction with Salary and Perks

The mean is coming out to be 2.8000 i.e. most of the

employees tend to be neutral as far as satisfaction with Salary and Perks offered in BPOs are concerned.

Satisfaction with Appraisal Criteria

The mean is coming out to be 2.9667 i.e. most of the employees tend to be neutral as far as satisfaction with Appraisal Process in BPOs like Metlife and ExL is concerned.

Satisfaction with Shift Timings

The mean is coming out to be 3.1333 i.e. most of the employees tend to be disagreed as far as satisfaction with shift timings in BPOs are concerned.

Satisfaction with Transport Facility

The mean is coming out to be 2.8000 i.e. most of the employees tend to be neutral as far as satisfaction

with cab facility offered in BPOs is concerned.

Satisfaction with Free Meals

The mean is coming out to be 2.6333 i.e. most of the employees tend to be neutral as far as satisfaction with Free Meals offered in BPOs are concerned.

Satisfaction with Ambiance and Facilities

The mean is coming out to be 2.8000 i.e. most of the employees tend to be neutral as far as Ambiance and Facilities of Metlife and ExL are concerned.

Overall the satisfaction level is Neutral.

Recommendation

The overall satisfaction level of the employees tends to be somewhat in between being Agreed and being

Neutral. Employees are very much satisfied with the working conditions, career development path, profile, compensation and benefits in BPOs.

Mostly the employees have a positive attitude towards being a BPO employee and young employees take their work seriously in BPOs as most of them have opted to build their careers in BPOs.

Bibliography

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Different Types of Services Offered by the BPO sector include:

- ♦ Customer Support Services
- ♦ Technical Support Services
- ♦ Telemarketing Services
- ♦ Employee IT Help-desk Services
- ♦ Insurance Processing
- ♦ New Business / Promotion
- ♦ Policy Maintenance / Management
- ♦ Data Entry Services / Data Processing Services
- ♦ Data Conversion Services
- ♦ Scanning, OCR with Editing & Indexing Services
- ♦ Book Keeping and Accounting Services
- ♦ Form Processing Services
- ♦ Internet / Online / Web Research

Objectives

- ♦ To find out the feasibility of the Furniture Mall in Delhi.
- ♦ To determine the place for Furniture Mall in Delhi.
- ♦ To determine the preference of respondents for various furniture brands.
- ♦ To find out the need for the availability of various furnishings in the furniture mall.
- ♦ To determine the need for the presence of other factors like Cinema Hall, Eating Outlets, Video Games etc.

History

The Furniture Mall concept was mooted by the Singapore Furniture Association to find a long term solution for members to succeed in an increasingly costly and competitive environment due to the influx of big furniture stores into the local market. Encouraged by the then National Productive Board (now SPRING Singapore), the Association sent a study mission to the United States in 1993 to learn about new retailing concepts. In the following year, the Singapore Furniture Association decided to form The Furniture Mall at The Plaza, Beach Road, to provide various advantages to members, who would not be able to enjoy otherwise when they operate independently. The benefits include:

- ♦ Retail Synergy - Group Branding, creating a reputation of reliability and quality for tenants in the mall, as well as ability to compete for attention of consumers.
- ♦ Convenience for consumers by providing product variety and complementation including interior design services.
- ♦ Lower rental through economy of scale in block leasing of retail space.
- ♦ Cost effective co-op advertising & promotion and operations.

FIRAC

FIRAC is the abbreviation of Furniture & Interior Renovations Advisory Committee.

FIRAC was set up in August 1997 to provide its members with an alternative means of resolving disputes with consumers and enhance the public's knowledge in furniture and renovation. FIRAC

aims to serve both retailers and consumers:

- ♦ FIRAC provides free mediation service, in which, FIRAC acts as a mediator to assist parties (retailers and consumers) to resolve their differences in an amicable manner.
- ♦ FIRAC aims to protect consumers' interests in ensuring that they receive value-for-money products and good quality service.
- ♦ FIRAC acts as a quality trademark for Retailers to operate their business and served to provide good quality assurance to the consumers.

Research Methodology

Sampling design

Target population:

The target population in this research refers to the **professionals** who go to malls regularly, have knowledge of various brands and have a good standard of living.

Sampling method:

For this research I had used the **non-probability** sampling method in which the elements of the population do not have equal probability of being selected.

Sample Size:

In this research I had selected **45 respondents** as the sample size due to limited time and had asked them that whether they visit malls or not. If yes only then other questions have been asked from them. The respondents can be of any gender, any age and any income level.

Sampling plan:

The researcher has collected the data from different areas like North Delhi, South Delhi, East Delhi, West Delhi and Central Delhi and from places like Metro Walk, NSP, M2K etc.

Sources of data:

- ♦ The data is basically primary in nature.
- ♦ It was obtained from the customers by filling questionnaires.

Data Collection Method:

Our communication approach was basically structured questioning, that is personal interview with the aid of printed questionnaires.

Data Interpretation and Analysis

Gender

	Frequency	Percent	Valid Percent	Cumulative Percent
Male	25	55.6	55.6	55.6
Female	20	44.4	44.4	100.0
Total	45	100.0	100.0	

Age

	Frequency	Percent	Valid Percent	Cumulative Percent
20-25	12	26.7	26.7	26.7
26-30	12	26.7	26.7	53.3
31-35	15	33.3	33.3	86.7
36-40	5	11.1	11.1	97.8
above 40	1	2.2	2.2	100.0
Total	45	100.0	100.0	

Interpretation:

Maximum number of respondents is of age group 31-35 years.

Annual income

	Frequency	Percent	Valid Percent	Cumulative Percent
below 2 Lacs	5	11.1	11.1	11.1
2-4 Lacs	15	33.3	33.3	44.4
4-6 Lacs	22	48.9	48.9	93.3
6-8 Lacs	1	2.2	2.2	95.6
above 8 Lacs	2	4.4	4.4	100.0
Total	45	100.0	100.0	

Interpretation:

Maximum number of respondents is with annual income of 4-6 Lacs.

Reliability

Scale: All Variables

Case Processing Summary

		N	%
Cases	Valid	45	100.0
	Excluded(a)	0	.0
	Total	45	100.0

Reliability Statistics:

Cronbach's Alpha	N of Items
.802	12

Interpretation:

Cronbach's Alpha test is conducted in order to check the reliability of the data we have collected. If the value comes out to be greater than 0.7 then it shows that the data is highly reliable and if the value comes out to be less than 0.7, it shows that either the respondents have wrongly answered the questions or there is some manipulation in the responses. And hence the data is not reliable. In our research the value is coming out to be 0.802 which shows that the data is highly reliable.

Factor analysis

KMO and Bartlett's Test:

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.	.668
Bartlett's Test of Sphericity	Approx. Chi-Square
	Df
	Sig.
	174.271
	66
	.000

Communalities:

	Initial	Extraction
Gender	1.000	.454
Visit	1.000	.535
Age	1.000	.592
Annual income	1.000	.512
Furniture mall	1.000	.625
Place	1.000	.749
Branded products	1.000	.514
Eating outlets	1.000	.761
Cinema hall	1.000	.494
Play area for kids	1.000	.530
Video games	1.000	.563
Kiosks	1.000	.694

Extraction Method: Principal Component Analysis.

Total Variance Explained:

Component	Initial Eigen values			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	3.962	33.020	33.020	3.962	33.020	33.020
2	1.573	13.112	46.132	1.573	13.112	46.132
3	1.487	12.392	58.524	1.487	12.392	58.524
4	.995	8.290	66.814			
5	.920	7.665	74.478			
6	.705	5.875	80.354			
7	.651	5.427	85.781			
8	.587	4.896	90.677			
9	.389	3.238	93.914			
10	.324	2.702	96.616			
11	.229	1.910	98.526			
12	.177	1.474	100.000			

Extraction Method: Principal Component Analysis.

Component Matrix (a):

	Component		
	1	2	3
Gender	.029	.286	-.610
Visit	.159	.273	.659
Age	.625	.023	-.447
Annual income	.613	.369	.000
Furniture mall	.706	.349	.066
Place	.622	.482	.359
Branded products	.683	.213	.054
Eating outlets	.695	-.526	.028
Cinema hall	.377	-.574	.148
Play area for kids	.546	-.348	.333
Video games	.636	-.387	-.090
Kiosks	.699	.051	-.450

Extraction Method: Principal Component Analysis:3 components extracted.

Rotated Component Matrix (a)

	Component		
	1	2	3
Gender	.067	-.286	.607
Visit	.434	-.029	-.588
Age	.385	.306	.591
Annual income	.690	.088	.168
Furniture mall	.762	.169	.126
Place	.846	.052	-.174
Branded products	.657	.259	.127
Eating outlets	.198	.840	.130
Cinema hall	-.044	.698	-.068
Play area for kids	.264	.649	-.196
Video games	.215	.679	.234

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization: Rotation converged in 5 iterations.

Component Transformation Matrix:

Component	1	2	3
1	.749	.612	.252
2	.625	-.780	.035
3	.218	.132	-.967

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.

Interpretation:

KMO & Bartlett's Test is conducted to find if the data is ready for factor analysis or not. Basically the test confirms if the existing variables form an Identity matrix or not. If Identity matrix is formed it means that the data cannot be reduced & that the tools have to be straight away applied to the existing data. And if Identity matrix is not formed the data can be reduced i.e. it is ready for factor analysis.

Further if the value of KMO comes out to be less than 0.5, it is not considered good. If it comes out to be

between 0.5 & 0.75, it is considerable and if it exceeds 0.75, it is very good.

In our research KMO is coming out to be 0.668 which shows that the data is considerable.

Also out of all the twelve values only three exceed 1 therefore the data is capable of being reduced from 12 to 3 questions.

Descriptive Study of Data

Descriptive analysis has been done to study that according to the respondents what are the factors which will increase the feasibility of the Furniture Mall in Delhi.

Descriptive Statistics:

	N	Minimum	Maximum	Mean	Std. Deviation
Gender	45	1.00	2.00	1.4444	.50252
Visit	45	1.00	2.00	1.0222	.14907
Age	45	1.00	5.00	2.3556	1.06931
Annual income	45	1.00	5.00	2.5556	.89330
Furniture mall	45	1.00	5.00	2.2444	.74332
Place	45	1.00	5.00	2.4222	1.13796
Branded products	45	1.00	4.00	2.3111	.79264
Eating outlets	45	1.00	5.00	2.0667	.98627
Cinema hall	45	1.00	5.00	2.7556	.80214
Play area for kids	45	1.00	4.00	2.3333	.90453
Video games	45	1.00	5.00	2.7333	.96295
Kiosks	45	1.00	5.00	2.4222	.83907
Valid N (list wise)	45				

35

Interpretation:

The above table shows that respondents are on the lower level of agreement for the presence of Cinema Hall and availability of Video Games in the Furniture Mall but they are on the higher level of agreement for the presence of Eating Outlets in the Furniture Mall.

		Gender	Visit	Age	Annual income	Furniture mall	Place	Branded products	Eating outlets	Cinema hall	Play area for kids	Video games	Kiosks
Gender	Pearson Correlation	1	-.135	.164	-.006	.007	.062	.044	-.199	-.006	-.183	.063	.192
	Sig. (2-tailed)		.377	.280	.971	.965	.687	.772	.191	.967	.228	.683	.207
	N	45	45	45	45	45	45	45	45	45	45	45	45
Visit	Pearson Correlation	-.135	1	-.051	.076	.155	.345 (*)	.133	-.010	.046	.112	.042	-.077
	Sig. (2-tailed)	.377		.741	.620	.309	.020	.386	.946	.762	.462	.783	.616
	N	45	45	45	45	45	45	45	45	45	45	45	45

Age	Pearson Correlation Sig. (2-tailed)	.164 .280	-.051 .741	1 45	.478 (**) .001	.260 .085	.210 .166	.349 (*) .019	.473 (**) .001	.157 .304	.110 .473	.293 .051	.538 (**) .000
	N	45	45	45	45	45	45	45	45	45	45	45	45
Annual income	Pearson Correlation Sig. (2-tailed)	-.006 .971	.076 .620	.478 (**) .001	1 .001	.475 (**) .000	.524 (**) .000	.296 (*) .048	.267 .077	.130 .393	.188 .217	.097 .527	.347 (*) .020
	N	45	45	45	45	45	45	45	45	45	45	45	45
Furniture mall	Pearson Correlation Sig. (2-tailed)	.007 .965	.155 .309	.260 .085	.475 (**) .001	1 .000	.547 (**) .000	.485 (**) .001	.287 .056	.102 .503	.214 .158	.347 (*) .019	.523 (**) .000
	N	45	45	45	45	45	45	45	45	45	45	45	45
Place	Pearson Correlation Sig. (2-tailed)	.062 .687	.345 (*) .020	.210 .166	.524 (**) .000	.547 (**) .000	1 .000	.506 (**) .000	.197 .194	.091 .553	.302 (*) .044	.209 .169	.190 .212
	N	45	45	45	45	45	45	45	45	45	45	45	45
Branded Products	Pearson Correlation Sig. (2-tailed)	.044 .772	.133 .386	.349 (*) .019	.296 (*) .048	.485 (**) .001	.506 (**) .000	1 .000	.322 (*) .031	.122 .423	.296 (*) .048	.349 (*) .019	.413 (**) .005
	N	45	45	45	45	45	45	45	45	45	45	45	45
Eating Outlets	Pearson Correlation Sig. (2-tailed)	-.199 .191	-.010 .946	.473 (**) .001	.267 .077	.287 .056	.197 .194	.322 (*) .031	1 .001	.481 (**) .000	.510 (**) .000	.474 (**) .001	.432 (**) .003
	N	45	45	45	45	45	45	45	45	45	45	45	45
Cinema hall	Pearson Correlation Sig. (2-tailed)	-.006 .967	.046 .762	.157 .304	.130 .393	.102 .503	.091 .553	.122 .423	.481 (**) .001	1 .112	.240 .005	.414 (**) .005	-.012 .938
	N	45	45	45	45	45	45	45	45	45	45	45	45
Play area for kids	Pearson Correlation Sig. (2-tailed)	-.183 .228	.112 .462	.110 .473	.188 .217	.214 .158	.302 (*) .044	.296 (*) .048	.510 (**) .000	.240 .112	1 .112	.365 (*) .014	.289 .054
	N	45	45	45	45	45	45	45	45	45	45	45	45
Video games	Pearson Correlation Sig. (2-tailed)	.063 .683	.042 .783	.293 .051	.097 .527	.347 (*) .019	.209 .169	.349 (*) .019	.474 (**) .001	.414 (**) .005	.365 (*) .014	1 .001	.480 (**) .001
	N	45	45	45	45	45	45	45	45	45	45	45	45
Kiosks	Pearson Correlation Sig. (2-tailed)	.192 .207	-.077 .616	.538 (**) .000	.347 (*) .020	.523 (**) .000	.190 .212	.413 (**) .005	.432 (**) .003	-.012 .938	.289 .054	.480 (**) .001	1 .001
	N	45	45	45	45	45	45	45	45	45	45	45	45

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

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

Correlation

It is the statistic summarizing the strength of association between the two metric variables.

Correlation between Furniture Mall and Place

There is strong positive correlation between Furniture Mall and Place at the significance level of .01(99%).

Correlation between Furniture Mall and Income

There is a weak positive Correlation between Furniture Mall and Income of the respondent at the significance level of .01(99%).

Findings

- ♦ Visiting of respondents to the furniture mall does not depend upon the gender of the respondents.
- ♦ Visit of respondents to the furniture mall depends on its location.
- ♦ Preference for branded products depends a lot on the annual income of the respondents.
- ♦ Visiting of respondents to the furniture mall depends upon the annual income of the respondents.
- ♦ Presence of eating outlets in a furniture mall depends on the age of the respondents.
- ♦ Visiting of respondents to the eating outlets in the furniture mall does not depend upon the age of the respondents.

Recommendations

- ♦ Location of the furniture mall should be according to the ease of the respondents.

- ♦ Branded products should be there in the furniture mall.
- ♦ Video games should be there in the furniture mall.
- ♦ Kiosks should be there in the furniture mall.
- ♦ Eating Outlets are more important for the respondents in the Furniture Mall than Cinema Hall.

Limitations of the Study

- ♦ The study was limited to particular places in Delhi.
- ♦ Since the time is less I have taken a sample of only 45 people and it will not reveal the whole population of Delhi.
- ♦ Findings are based on sample survey through questionnaires method; hence there is a scope for the respondents to be biased or pretentious.

Asian history of furniture

Asian furniture has a quite distinct history. The traditions out of India, China, Pakistan, Indonesia (Bali and Java) and Japan are some of the best known, but places such as Korea, Mongolia, and the countries of South East Asia have unique facets of their own.

The use of uncarved wood and bamboo and the use of heavy lacquers are well known Chinese styles. It is worth noting that China has an incredibly rich and diverse history, and architecture, religion, furniture and culture in general can vary incredibly from one dynasty to the next.

Traditional Japanese furniture is well known for its minimalist style, extensive use of wood, high-quality craftsmanship and reliance on wood grain instead of painting or thick lacquer. Japanese chests are known as Tansu, known for elaborate decorative iron work, and are some of the most sought-after of Japanese antiques. The antiques available generally date back to the Tokugawa era and Meiji era.

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PGDM (2009-2011)

Introduction

Last few decades have witnessed a great demand for herbal cosmetic products, away from synthetics, this so, because these herbal and natural cosmetics are safe to use and do not have any side effects. Neem tree is being extensively used in powdered form, extracts, raw form to manufacture quality products the world over.

With man relearning the benefits of natural products, neem is increasingly being used by leading herbal cosmetic manufacturers right from body lotions to face packs.

Herbal cosmetics are the current rage not only in Asian countries like India, but also countries like US, UK and Australia. The herbal premium cosmetic sector is growing at 15% P.A and this in turn poses good opportunity for neem manufacturers and exporters to make quality natural cosmetics to meet the ever increasing demand the world over. There has been a metamorphosis in the cosmetic industry with natural products being more in demand than their synthetic counterparts; this has been possible because of the shift in consumer preference from synthetic cosmetics to natural.

Perception of Consumers towards Herbal Cosmetics in India

The winds of change in the Cosmetics scenario are blowing forcefully in all parts of the world. India is no exception. The new concept of herbal drugs and cosmetics is the modern rage and we have entered the present century in a climate of confidence and fulfilment. There is a paradigm shift in attitude towards chemical cosmetics.

The current research paper attempts to understand the trends with regard to herbal cosmetic products in India. Besides this, an effort has been made to identify consumer attitude and perception are becoming positive towards herbal cosmetics.

Herbal cosmetics are the product of cosmetic chemistry, a science that combines the skills of specialists in chemistry, physics, biology, medicine and herbs. Since cosmetics are applied mostly to the skin, hair and nails, a brief description of the anatomy of these is desirable. In classifying herbal cosmetics, it must be considered that the consumers

of these preparations, most of whom are girls and women, are more concerned with their physical than their chemical characteristics. Now-a-days herbal cosmetic is occupying more popularity than synthetic cosmetic.

Sales of herbal products in the INDIA have increased dramatically in recent years. From the early 1990s through 1998, sales increased by approximately 25% annually. In 1999, sales of herbs exceeded \$3.3 billion. Since 1998 sales have plateaued, although market analysts projected an average annual growth rate of 9.7% through 2004 for the herbal product market segment.

In agreement with sales data, survey data indicate that herbal product use among Indians is sizable and growing. For example, in a 1997 survey of alternative medicine practices by adults in the INDIA, 12% of respondents reported using an herbal product in the past 12 months, an increase of 380% over the prevalence of use of herbal remedies found in a 1992 survey that used the same sampling and interviewing methods.

Because the safety and efficacy of many herbs used in the India remain essentially unknown, the increasing use of these products is of concern. Some herbs (e.g., germander, comfrey, pennyroyal) have well-documented toxic effects. Because of the lack of standardization, herbal product content and efficacy varies among manufacturers. Contamination during manufacturing and misidentification of plant species are also concerns. Herb-drug interactions are possible, but the extent to which they occur remains unknown due to the limited amount of research.

With the rising use of herbal products, pharmacists and other health care providers are increasingly confronted with the need to educate patients about the risks and benefits of their use. Unfortunately, much basic information that is critical to developing educational strategies is unavailable. More specifically, little is known about the general public's attitudes and beliefs regarding herbal medicines. A small number of studies have examined attitudes and beliefs relating to herbal products, but the findings have been limited because of the use of selective populations and small sample sizes.

Objectives

Major objective to conduct the research on herbal

products include

1. To study the attitudes and beliefs about herbal products held by adults in a large metropolitan area. Survey questions were designed to assess perceptions of the safety and efficacy of herbal products.
2. To study how adults rank various herbal companies and specific ingredients in order of their preferences

Methodology Adopted

The study involved collection of both primary and secondary data and random sampling Technique was used.

Research Design: Descriptive study

Participants: Adults in Delhi area were randomly selected

Intervention: Questionnaire

Main Outcome Measures: Attitudes and beliefs were assessed via Likert scale and SPSS through series of statements about herbal products.

We surveyed adults in Delhi between March 2010 and April 2010. To obtain a representative sample, we randomly selected 50 persons aged 18 years and older. The survey was conducted based on the questionnaire method

The survey included a section designed to assess attitudes and beliefs about herbal products. In this section, participants were asked to indicate on a 5-point Likert scale how strongly they disagreed or agreed with a series of statements. Several statements assessed perceived safety and efficacy. In addition, statements were included to assess beliefs about appropriate use of herbal products. The survey questions were developed by the research team. We pilot-tested the survey instrument for comprehension and readability with a convenience sample of 10 adults.

We asked participants whether they had used any herbal product. Statistical significance for all tests was also done through SPSS.

Findings and Interpretation

Reliability

Scale: ALL VARIABLES

Case Processing Summary

		N	%
Cases	Valid	46	100.0
	Excluded(a)	0	.0
	Total	46	100.0

List wise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	N of Items
.523	7

Interpretation

Cronbach's Alpha test is conducted in order to check the reliability of the data we have collected.

If the value comes out to be greater than 0.7 then it shows that the data is highly reliable, if the value comes out to be greater than 0.5 and less than 0.7, it shows that the data is reliable and if the value comes out to be less than 0.5 then the data is not reliable.

In our research the value is coming out to be 0.523 which shows that the data is reliable.

Factor Analysis

KMO and Bartlett's Test

Kaiser-Meyer -Olkin Measure of Sampling Adequacy.		.553
Bartlett's Test Of Sphericity	Approx. Chi-Square	40.831
	Df	21
	Sig.	.006

Communalities

	Initial	Extraction
Imapct	1.000	.796
side effect	1.000	.802
Duration	1.000	.612
Price	1.000	.718
Fairness	1.000	.908
Nourishment	1.000	.946
Acne	1.000	.669

Extraction Method: Principal Component Analysis

Comp Onent	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	2.047	29.239	29.239	2.047	29.239	29.239	1.903	27.187	27.187
2	1.364	19.483	48.723	1.364	19.483	48.723	1.366	19.516	46.703
3	1.034	14.778	63.500	1.034	14.778	63.500	1.108	15.835	62.538
4	1.007	14.386	77.886	1.007	14.386	77.886	1.074	15.348	77.886
5	.660	9.431	87.317						
6	.472	6.736	94.053						
7	.416	5.947	100.000						

Total Variance Explained

Extraction Method: Principal Component Analysis.

Component Matrix (a)

	Component			
	1	2	3	4
Imapct	.703	.234	-.454	-.203
side effect	-.065	.857	-.253	-.018
Duration	.737	.050	.012	-.259
Price	.598	-.537	.117	.240
Fairness	.133	.515	.736	.290
Nourishment	.263	.078	-.353	.864
Acne	.748	.115	.292	-.103

Extraction Method: Principal Component Analysis.

4 components extracted.

Rotated Component Matrix (a)

	Component			
	1	2	3	4
Imapct	.809	.205	-.252	.189
side effect	.128	.866	.133	.138
Duration	.770	-.117	.052	-.051
Price	.366	-.716	.026	.266
Fairness	.033	.123	.944	.038
Nourishment	.020	-.020	.033	.972
Acne	.709	-.183	.364	-.016

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.

Rotation converged in 6 iterations.

Component Transformation Matrix

Component	1	2	3	4
1	.922	-.270	.134	.242
2	.177	.886	.421	.081
3	-.119	-.341	.844	-.396
4	-.322	-.160	.303	.882

Extraction Method: Principal Component Analysis.
Rotation Method: Varimax with Kaiser Normalization.

Interpretation

KMO & Bartlett's Test are conducted to find if the data is ready for factor analysis or not. Basically the test confirms if the existing variables form Identity matrix or not.

If Identity matrix is formed it means that the data cannot be reduced & that the tools have to be straight away applied to the existing data. And if Identity matrix is not formed the data can be reduced i.e. it is ready for factor analysis.

Further if the value of KMO comes out to be less than 0.5, it is not considered good. If it comes out to be between 0.5 & 0.75, it is considerable and if it exceeds 0.75, it is very good.

In our research KMO is coming out to be 0.553 which shows that the data is considerable.

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Imapct	46	1.00	3.00	2.2174	.75757
Side effect	46	1.00	4.00	2.1087	.64043
Duration	46	1.00	4.00	2.4565	.68982
Price	46	1.00	4.00	2.6957	.89118
Fairness	46	1.00	4.00	2.4783	.72232
Nourishment	46	1.00	4.00	2.0000	.59628
Acne	46	1.00	5.00	2.3043	.96309
Imapct,duration,price,acne	46	1.25	3.50	2.4185	.58227
side effect	46	1.00	4.00	2.1087	.64043
Fairness	46	1.00	4.00	2.4783	.72232
Nourishment	46	1.00	4.00	2.0000	.59628
Valid N (listwise)	46				

41

Interpretation

The above table shows that the maximum mean is coming out to be in price variable i.e. the price effects the most when consumers think of purchasing the herbal products. The minimum mean is coming out to be in nourishment i.e. nourishment factor is not so important while making the purchase decision.

Regression

Variables Entered/Removed (b)

Model	Variables Entered	Variables Removed	Method
1	acne, side effect, Nourishment, fairness, duration, Price(a)		Enter

a All requested variables entered.

b Dependent Variable: impact

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.580(a)	.336	.234	.66297

a Predictors: (Constant), acne, side effect, nourishment, fairness, duration, price

ANOVA (b)

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	8.685	6	1.447	3.293	.010(a)
	Residual	17.142	39	.440		
	Total	25.826	45			

a Predictors: (Constant), acne, side effect, nourishment, fairness, duration, price

b Dependent Variable: impact

Coefficients (a)

Model	Non-standardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta	B	Std. Error
1 (Constant)	.216	.706		.306	.761
side effect	.308	.168	.260	1.828	.075
Duration	.400	.157	.364	2.549	.015
Price	.085	.130	.100	.657	.515
Fairness	-.203	.142	-.194	-1.428	.161
Nourishment	.124	.170	.098	.730	.470
Acne	.172	.120	.219	1.439	.158

Dependent Variable: impact

Interpretation

Regression shows does the independent variable affect the dependent variable. If R square value greater than 0.6 then independent variable does affect. Here in our data analysis our R square value is 0.336 which means all the independent variables like acne, nourishment, fairness, duration, price does not have much effect on consumers while purchasing the product.

Findings:

1. Females use creams more than males
2. People prefer herbal products over synthetic products
3. The frequency of using creams is daily
4. Himalayas is preferred more by the people than other products.

Limitations

Although the project has been worked out at its best yet there are some limitations, which cannot be overlooked. Had these limitations been overcome, the findings would have been more accurate. Some of these limitations can be discussed as under:

1. Time constraint makes the sample size very limited.
2. Respondents were not free in replying to the questions.

3. Respondent may have been biased due to several reasons.
4. The sample size has been small. Perhaps a large one could have brought more accurate results. Our sample may not be representative of the total population.
5. Usual sampling errors may exist.
6. Inexperience of researcher might also have resulted in inaccuracies.
7. All the data about surveys conducted before which were collected for this project, has been taken from secondary sources like websites, magazines, newspapers and book. And such data may not be completely accurate and reliable.
8. However, compared with the proportions in the overall population, a higher proportion of the survey participants were women and a lower proportion of males. Because some significant differences in attitudes and beliefs in accord with sex the over representation of women our sample may have affected the estimates of the overall frequency of various attitudes and beliefs.

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Introduction

Sunglasses are a visual aid, variously termed spectacles or glasses, which feature lenses that are coloured or darkened to prevent strong light from reaching the eyes. Many people find direct sunlight too bright to be comfortable, especially when reading from paper in direct sunlight. In outdoor activities like riding, skiing and flying, the eye can receive more light than usual. It has been recommended to wear these kind of glasses whenever outside to protect the eyes from ultraviolet radiation, which can lead to the development of a cataract. Sunglasses have also been associated with celebrities and film actors primarily due to the desire to mask identity, but in part due to the lighting involved in production typically being stronger than natural light and uncomfortable to the naked eye.

Purpose of study

Why are consumers spending on it? People not only look for glasses that give them all the advantages like UV protection, style, light weight etc.

Choice of the customer: the choice of the customer is evaluated by questionnaire.

Mention the leading players. : While everybody likes to grow and with such a huge market there would be many companies struggling to capture the whole market of digi-cam with their impressive strategies.

Comparative analysis of sunglasses of various brands: Many of the sunglasses as are available in the market have attracted various types of customers, but these customers always look for the cheap and best, that can certainly be done by introducing the best anticipated model. Every company has its USP by which they Position themselves in the consumers mind. Segments of people: it is to the different classes of people choosing the different brands according to their need.

Objective

The main objective is to find what attracts

consumers to the different brands prevailing in the market. There are various attributes affecting the consumer psyche, so there is a need to study the behavior of consumers and their mind set while selecting the products and also how the attributes effect a change in their behavior.

Scope and Methodology

Scope:-

- ♦ Marketing strategies
- ♦ Marketing implications
- ♦ Understanding the mindset of the consumers
- ♦ How are consumers motivated to buy the products

Methodology:-

- ♦ Data collection: - data was collected from both primary and secondary sources.
- ♦ Primary sources:- the initial collection of data was gathered by direct interaction with the employees of standard market sunglasses shops. For this we visited number of outlets in the city and asked for feedback of the customer. The tool used was questionnaire.
- ♦ Secondary sources:- the secondary source were websites and the data collection was also done by books.

Selection of brands and preparing questionnaire: - FAB analysis is done on Versace, Ray ban, Fast track, Miami Blues, Police, Mont Blanc, Idee, Oakley, and Christian Dior

Evaluation of customer and customer feedback: - we have evaluated customers on questionnaire basis. These are the following questions

1. Are you brand-conscious?
2. Why do you use sunglasses?
3. Which brands do you know?
4. Which brand do you prefer?
5. What do you look before purchasing a sunglass?
6. Is it a status symbol for you to wear sunglasses?
7. How much you are willing to spend for a sunglass?

FAB analysis of brands

Name of the brand	Features	Advantages	Benefits	Price
Versace	<ol style="list-style-type: none"> 1. Made by optical fibers 2. Frameless sunglasses 3. Glasses with crystal coating 4. Sleek design 5. Large lens 6. For men and women 7. Curved lens 	<ol style="list-style-type: none"> 1. Durability 2. High quality UV protection 3. Better hold 4. Light weight 	<ol style="list-style-type: none"> 1. Style and fashion 2. Status symbol 3. Eye protection 	Rs 8000 onwards
Oakley	<ol style="list-style-type: none"> 1. High quality lens 2. Sleek design 3. Polaroid technology 	<ol style="list-style-type: none"> 1. bends light rays and distorts vision at the lens periphery 2. ensures razor-sharp Vision at all angles 3. maximize peripheral vision and protection 4. wearable devices 	<ol style="list-style-type: none"> 1. for sports person 2. style 3. eye protection 4. better vision 5. high quality Performance 6. for business class 	Rs. 10000 onwards
Police	<ol style="list-style-type: none"> 1. Rhinestones and tiny studs extend along the temples and front pieces 2. Metal mixed and matched with acetate 3. screws have been replaced with T-shaped Clips 4. Thermoformed One-piece lenses 	<ol style="list-style-type: none"> 1. rhinestones add sparkles to the sunglass 2. metal with acetate creates a clever Interplay of allusions among the front pieces 3. t shaped clips hold the lenses in place subtly and nearly invisibly 	<ol style="list-style-type: none"> 1. Style 2. durability 3. status symbol 4. fashion 	Rs. 6000 onwards
Ray ban	<ol style="list-style-type: none"> 1. High quality lens 2. Lens available in Different size and shape 3. Light weight 4. Aviator and predator series 5. Polaroid lenses 	<ol style="list-style-type: none"> 1. UV protection 2. Comfortable wearing 3. Light weight 	<ol style="list-style-type: none"> 1. Style 2. Affordable 3. High quality lens at low price 4. Clear vision 	Rs. 450 onwards

Fast track	1. Polycarbonate lens 2. Different shapes of lens	1. Comfortable Wearing 2. Different shapes for men and women	1. Style 2. Low cost	Rs. 650 onwards
Mont Blanc	1. Rhodium plated stainless steel frame 2. Flexible hinges feature 3. Famous white star on every sunglasses	1. Durable 2. Flexible 3. Glittery 4. All weather	1. Party wear 2. Style 3. Status symbol	Rs. 11000 onwards
Miami Blues	1. Sleek design 2. Polycarbonate lens from UV	1. Flexible 2. Eye protection	1. Mostly used for Beaches 2. Fashion 3. Affordable	Rs. 699 onwards
Idee	1. Anti fog 2. Polarized 3. High quality metallic frames and lens	1. Shield 2. Sporty 3. High quality lens 4. All weather	1. Eye protection 2. Vision clearance 3. Style	Rs. 350 onwards
Christian Dior	1. Lens available at different sizes, shapes and colors 2. Light weight 3. Polycarbonate lens	1. UVA and UVB protection 2. Comfortable wearing 3. Durable	1. eye protection 2. high performance 3. Style	Rs. 2400 onwards

Customer feedback about the brand: - We asked customers about the brand and we found out that the brand is very popular among all segments of people. This is because of the low price tag and the attributes of the brand itself.

Ray Ban

Ray Ban is made from the best optical glass which has reliable visual clarity, color stability, scratch and impact resistant, and has the standard maximum 100% UV and UVB protection.

The company's presence in the eyewear industry is long-standing, and its reputation is a significant factor in why the world's sunglass wearers put the brand in high esteem. However, the company doesn't rest on its historical lenses. This company continues to manufacture its classics and new models with strict adherence to quality. Bausch and Lomb also utilize cutting edge technology to further the art and science of creating quality eyewear, and

that's why it's recognized as the best brand of sunglasses in the world today. There is Ray Ban's G-15 Lens, formulated to emphasize colors the eyes see most easily, enabling the wearer to see the world as it truly is.

Ray Ban sunglasses are quality eyewear. It stands for exceptional value, classic style and excellent if not lucky market exposure. It is not often that something that is worn by the father can still be in fashion today with the son. This is an amazing feat that Ray Ban eyewear would not have accomplished if it did look so good and work so well.

Ray Ban has created eyewear with Kid Friendly features to encourage kids to wear eye protection. Children spend more time under the sun than adults and are more susceptible to harmful ultra violet rays while it is wide knowledge that kids are more at risk because their eyes don't block as much ultra violet rays from the sun than adults.

Fastrack: "how many you have"

Eye Gear is an extension of Titan Fastrack, a sub-brand targeted at the Indian youth. With Fastrack Eye Gear, the young and hip now have a brand of stylish, affordable, eyewear that will enable them to express their sophisticated and evolved tastes.

The trendy and fashionable FASTRACK Eye Gear range is available in four distinct collections - Acid, Caffi, City Silk and Revv, that each conveys a distinct attitude and feel. It seeks to bring in a new dimension to the Indian sunglasses market, which until now, was dominated by the unorganized players at one end and the expensive, branded and designer labels at the other. This new range of sunglasses aims to bridge that gap with its unique combination of style, protection and value. The highly affordable Fastrack Eye Gear collection is priced from Rs. 695 to Rs. 1995. "The tints, styles, and frames offered by Fastrack Eye Gear are all extremely fashionable, and in keeping with current trends - perfect for today's youth!"

The FASTRACK Eye Gear collection seeks to fulfill this need and has been designed to convey the new attitude of the young." One can choose from the funky ambers, cool blues, light oranges or the classic blacks. The frames are made from corrosion resistant Stainless Steel, Grilamide and Magnesium Aluminum alloy and are designed to provide a snug, comfortable fit. All materials used for the frames are non-allergenic. Fastrack Eye Gear offers 100% UV 400 protection. The lenses are made of high quality optical grade polycarbonate that has been certified and tested to ANSI standards, which is the international norm for quality, which includes UV protection, vision distortion and impact resistance.

Versace: "every weekend warrior needs a new shield"

Customer feedback: - this brand is popular in higher class of people. This brand comes with a minimum price tag of 8000. This brand is designed to market in the higher class of people. Although in questionnaire, people showed willingness to buy the product. Versace Sunglasses

Founded in 1978, Versace is one of the world's leading international fashion houses. The Italian parent company of the Versace Group, Gianni Versace Spa, designs, markets and distributes luxury clothing, accessories, fragrances, makeup, skin care and home furnishings under the various brands of the Versace Group. These brands include: Versace, Versus, Versace Jeans Couture, Versace Classic, Versace Sport, Versace Intensive, Versace Young and Palazzo Versace. Versace's Style Department employs an exceptional group of

designers and stylists who work in teams specifically dedicated to each individual line. All of these teams operate under the close supervision and guidance of Creative Director, Donatella Versace.

Versace Sunglasses Collection:-With a sleek and innovative design, Versace eyewear is characterized by the brand's distinctive marks (the Greek fret pattern, the Medusa) and is targeted at people who love dressing fashionably. Those who wear Versace eyewear prefer an absolutely unconventional luxury product with bright colors and cutting-edge design, are aware of the latest fashion trends, enjoy the limelight, love being noticed, are sensual, dynamic, and self-assured.

Christian Dior: "let them eat cake"

Customer feedback: - Christian Dior is very famous among the youth. People see Christian Dior as a fashion statement. They are attracted towards its design, looks and better protection against UV. Christian Dior sunglasses are known for frames style and elegance. The collection is for the discerning fashion sunglasses wearer. Christian Dior eyeglasses eyewear is a fashion-forward frame collection including rectangular frame fronts in flat metal and combination frames. Over the years, the Christian Dior brand has been modernized, and the success of its collections has also involved its eyeglasses eyewear line. Christian Dior eyewear feature free lens scratch coating and edge polish with prescription eyeglass lenses (polarized lenses excluded). The ever-fashionable versatility offered by the stylish frames in the Christian Dior sunglasses is at the cutting edge. All Dior sunglasses we have scratch resistant lenses and provide incredible optical clarity of fashionable design.

Christian Dior Sunglasses Include Dior sunglasses, Dior Sunglasses For Men, Unisex Christian Dior Sunglasses, Christian Dior Aviator Sunglasses, Sparkling Christian Dior Sunglasses, Celebrity Christian Dior Sunglasses and Polarized Christian Dior Sunglasses.

Christian Dior sunglasses are the perfect model in luxury eyewear. The Christian Dior sunglass collection combines innovative designs with finely crafted plastic and metal frames that appeal to both men and women. Featuring a wide variety of fashion-forward styles, Christian Dior sunglasses are one of the hottest on the market! All Christian Dior sunglasses ensure 100% protection from harmful UVA/UVB rays. Christian Dior sunglasses are made exclusively in Italy. Christian Dior Sunglasses simply known as Dior are the ultimate fashion accessory for nearly every IT girl in today's papers. The styling of all Dior Sunglasses is

fantastic. The Dior Homme (Man) collection is rarely missed by males with a keen eye for fashion.

Oakley: “keep your eyes peeled”

Oakley was founded in 1975 by Jim Jannard, CEO and Chairman of the Board. The success of its first product line, handgrips for motocross motorcycles, led the company to expand into the design and manufacture of motocross goggles in 1980. The prominently displayed Oakley name on the goggles quickly gained recognition and helped establish Oakley's reputation for functional quality and unique design. By 1984, using the knowledge gained in designing, manufacturing and marketing goggles, the company produced its first high-performance sunglass, the Eyeshades®. The company has developed and secured over 600 patents and 800 trademarks worldwide and has incorporated those technologies into numerous new sunglass lines including M Frames®, Zeros®, E Wires®, A Wires®, Eye Jackets®, Moons®, the X-Metal® series Mars®, Romeo® and Juliet®, and a completely new thinking in eyewear called OVERTHETOP™. The Oakley product matrix has been expanded to now include footwear, apparel, watches and a prescription eyewear line.

With a corporate culture dedicated to purpose beyond reason, Oakley blends science and art to redefine product categories by rejecting the constraints of conventional ideas. Oakley is recognized as one of the most coveted brands in performance technology and fashion. The icon is embraced by the global culture of competitors who define their own lifestyle - the world-class athletes who exceed the limits of possibility. In its devotion to these athletes, Oakley does the same.

Oakley's thirty-year legacy of invention has led to a diversified range of products including eyewear, apparel, accessories, watches, footwear and electronics. Awarded more than 600 patents worldwide, Oakley today is a global icon offering products to consumers in more than 100 countries. Although it is recognized as a definitive lifestyle brand, Oakley is a technology company with a heritage of innovation, dedication to purpose, and authenticity.

Oakley's patented XYZ Optics® maintains visual clarity at all angles of view, even at the edge of raked-back lens contours that maximize peripheral vision and protection. Conventional eyewear bends light rays and distorts vision at the lens periphery, but XYZ Optics® maps the full lens contour to the human eye, ensuring razor-sharp vision at all angles.

Oakley premium eyewear surpasses the protection requirements for high-mass impact, as defined by The American National Standards Institute (ANSI). Part of an industrial standard called ANSI Z87.1, the high-mass impact test requires that the lens be hit by a 500-gram metal spike (over a pound of weight) dropped from a height of 51.2 inches (over four feet). To pass the test, no frame parts or lens fragments that could damage the eye may be ejected during impact.

Categories

Kids:- Sunglass Warehouse offers a variety of fun and inexpensive sunglasses for children. All sunglasses provide maximum protection from UV rays, so you can be sure their precious eyes are safe from the sun. Just add sunscreen for ultimate sun protection!

Sports:- used by those people who want to relaxing on the beach, boating, cycling, surfing, water skiing, or jet skiing, it provides the ultimate eyewear for the most active sportsmen . Outdoor, boating, fishing, cycling, athletic, water- sports or sunglasses for extreme sports.

Polarized sunglasses:- are used to reduce the intensity of the sun's rays. Like a camera, the human eye does not have the ability to process broad ranges of light. The eye adjusts to the glare in the foreground and mutes the lower light levels. If the reflected glare is eliminated, the remaining light falls in a narrow range of intensity, allowing your eyes to relax and enjoy greater depth perception and true color contrast. These are basically used by all segments of people irrespective of their gender, age and social class.

Men's Sunglasses: - For a number of men, sunglasses are an essential accessory, not only for their practicability but also for style. When considering buying men sunglass it is crucial to consider what the sunglasses will be used for. There are a number of types of lenses, designed for different conditions. For example polarized lenses are designed to reduce glare from water, snow etc. and so are perfect for drivers and water sports. Then there are Photo chromic lenses, which lighten when you are inside and darken when you are outside, and change outside as light conditions change, which is very useful when weather conditions change a lot. Another type of lens is a mirror coated lens which is best to combat some intense glare from water or snow. Wrap around frames are also available, which blocks more debris, wind and glare round the side of your eyes. Some systems have been created which allows you to change your lenses should you want to combat different weather and different lighting conditions.

Women Sunglass: - woman sunglasses are designed for fashion. Different shades are available in the market. The features are enhanced by adding jewel stone and rhinestone in the glass. Casual, sports and polarized glasses are available for women.

Data Analysis

Reliability

Scale: ALL VARIABLES

Case Processing Summary

		N	%
Cases	Valid	40	100.0
	Excluded(a)	0	.0
	Total	40	100.0

A Listwise deletion based on all variables in the procedure.

	N	Minimum	Maximum	Mean	Std. Deviation
Price	40	1.00	3.00	1.875	.3744
Brand	40	1.00	4.00	1.165	.27376
Protection	40	1.00	4.00	2.175	.61952
Fashion	40	1.00	4.00	2.050	.50224
Status	40	1.00	5.00	3.400	.77233
Valid N (list wise)	40				

Interpretation

The study of select variables of existence of loyalty programs has been done. The analysis of the means & the standard deviation of these variables are depicted in the table.

The above table shows that the maximum mean is

Reliability Statistics

Cronbach's Alpha	N of Items
.778	5

Interpretation

Cronbach's Alpha test is conducted in order to check the reliability of the data we have collected.

If the value comes out to be greater than 0.7 then it shows that the data is highly reliable and if the value comes out to be less than 0.7, it shows that either the respondents have wrongly answered the questions or there is some manipulation in the responses. And hence the data is not reliable. In our research the value is coming out to be 0.778 which shows that the data is highly reliable.

coming out to be 3.4000 in question no 4 i.e. status rarely affect the people while purchasing sunglasses. People are not concern with the status factor. And the minimum mean is coming out to be 1.1650 in question no 2 i.e. the brand is the main factor while purchasing sunglasses and people consider brand while purchasing sunglasses.

Interpretation

		Price	Brand	Protection	Fashion	Status
Price	Pearson Correlation	1	.795(**)	.762(**)	.691(**)	.558(**)
	Sig. (2-tailed)		.000	.028	.015	.010
	N	40	40	40	40	40
Brand	Pearson Correlation	.770(**)	1	.691(**)	.589	.693(**)
	Sig. (2-tailed)	.000		.000		.001
	N	40	40	40	40	40
Protection	Pearson Correlation	.654(**)	.619(**)	1	.693(**)	.589(**)
	Sig. (2-tailed)	.000	.005		.000	
	N	40	40	40	40	40
Fashion	Pearson Correlation	.674(**)	.609(**)	.634(**)	1	.581(**)
	Sig. (2-tailed)	.006	.010	.019		.019
	N	40	40	40	40	40
Status	Pearson Correlation	.309	.423	.439	.488	1
	Sig. (2-tailed)	.001	.001	.000	.001	
	N	40	40	40	40	40

Interpretation

It can be seen from the above table that both the parameters are positively correlated to each other at 0.01 level of significance ($p < 0.01$).

Correlation is done to find out which independent factor has strong and weak correlation with the dependent variable. Here in our study Price has a strong correlation with Brand. And Brand is positively & significantly correlated to Protection.

Limitations

- ♦ Time constraint
- ♦ Sampling errors
- ♦ Un co-operative consumers
- ♦ Limited area of survey

- ♦ Non-co-operative management
- ♦ The data collected from the retailers and customers may not be relevant

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There are three major sunglass standards:

The Australian Standard is AS/NZS 1067: 2003 Sunglasses and fashion spectacles. The five ratings for transmittance (filter) under this standard are based on the amount of absorbed light, 0 to 4, with "0" providing some protection from UV radiation and sun glare, and "4" indicating a high level of protection, but not to be worn when driving.

The European standard EN 1836:2005 has four transmittance ratings: "0" for insufficient UV protection, "2" for sufficient UHV protection, "6" for good UHV protection and "7" for "full" UHVV protection, meaning that no more than 5 % of the 380 nm rays are transmitted.

The U.S. standard is ANSI Z80.3-2001, which includes three transmittance categories. According to the ANSI Z80.3-2001 standard, the lens should have a UVB (280 to 315 nm) transmittance of no more than one per cent and a UVA (315 to 380 nm) transmittance of no more than 0.3 times the visual light transmittance. The ANSI Z87.1-2003 standard includes requirements for basic impact and high impact protection. In the basic impact test, a 1 in (2.54 cm) steel ball is dropped on the lens from a height of 50 in (127 cm). In the high velocity test, a 1/4 in (6.35 mm) steel ball is shot at the lens at 150 ft/s (45.72 m/s). To pass both tests, no part of the lens may touch the eye.

Dipender Singh Tib, M Shashikant, Manish Bansal, Murari Garg
PGDM (2009-2011)

Introduction

Tourism is the largest service industry in India, with a contribution of 6.23% to the national GDP and 8.78% of the total employment in India. India is witness to more than 5 million annual foreign tourist arrivals and 562 million domestic tourism visits. The tourism industry in India generated about US\$100 billion in 2008 and that is expected to increase to US\$275.5 billion by 2018 at a 9.4% annual growth rate. The Ministry of Tourism is the nodal agency for the development and promotion of tourism in India and maintains the "Incredible India" campaign.

According to World Travel and Tourism Council, India will be a tourism hotspot from 2009-2018, having the highest 10-year growth potential. The Travel & Tourism Competitiveness Report 2007 ranked tourism in India 6th in terms of price competitiveness and 39th in terms of safety and security. Despite short- and medium-term setbacks, such as shortage of hotel rooms, tourism revenues are expected to surge by 42% from 2007 to 2017. India has a growing medical tourism sector. The 2010 Commonwealth Games in Delhi are expected to significantly boost tourism in India.

The concept of identifying specific exclusive areas/zones for intensive tourism development is not new in India. It was first introduced in the National Tourism Policy of 1992 through Special Tourism Areas (STAs). When the STA policy was proposed in 1992, some of the identified locations were Bekal (Kerala), Sindhudurg (Maharashtra), Diu, Kancheepuram and Mahabalipuram (both Tamil Nadu). The proposal never took off, probably due to a lack of the necessary economic impetus from the central and state governments. But in some identified areas like Bekal and Sindhudurg where the government went all out to implement the policy, communities resisted vociferously. Despite the fact that the government's STA policy did not have the intended impact, tourism enclaves nonetheless began developing spontaneously and organically in places like Goa and Kovalam in Kerala. In these cases, enclavisation was a result of the socio-cultural identity that was given to these places as free-for-all tourist destinations, economic incentives that were given to boost tourism and especially private investment and a rising domestic and international tourist segment.

It is important to learn from the experiences of local communities in these locations. Let us take the case of Bekal in Kerala and Sindhudurg in Maharashtra. The long-term objective of the government in converting the entire Konkan coastal belt into a tourism hub was reflected in the choice of places like Bekal and Sindhudurg that border the Konkan coast, with Goa being right in the centre. Large-scale infrastructure projects like the Konkan Railway and Mangalore Airport were seen to facilitate the movement of tourist traffic.

In Bekal, a total area of 1,000 acres with an 11km stretch of beach was acquired through a 'single window clearance' mechanism, with an initial investment of Rs 1,000 crores (1 crore = 10 million) for development of the STA. The plan was to construct an International Tourist Village in Bekal - a resort of international standard that was to cater to the needs of foreign tourists with facilities like adventure sports, golf courses and tennis courts². For the project to become a reality, 30,000 farming and fishing families covering four fishing panchayats would have been rendered homeless and would have lost their traditional livelihood³. A writ appeal petition was filed in the Kerala High Court in 1995 highlighting that the project was being planned and pushed ahead with the greatest of secrecy; it would violate coastal zone regulations, had not complied with the necessary Environmental Impact Assessment and superseded the rights of the panchayats. Following sustained struggles by the affected communities on the ground supported by larger campaigns against this project, it was finally withdrawn.

In Sindhudurg, a stretch of land of 84 km in length and 1km in width, situated on the south Konkan coastal belt, was earmarked by the central government for the development of an STA. Large acres of agricultural land were acquired by the government for the construction of five-star hotels, resorts and the proposed Oros Airport. The tourism development model in the region was to cater specifically to the needs of foreign tourists with the sole intention of bringing in foreign exchange. The image of Sindhudurg as a 'foreign tourist destination' has not only made it completely inaccessible to domestic tourists due to its ultra-expensive nature but also has gradually adulterated its socio-cultural ethos. Tourism activities have caused the displacement of locals from areas like Mithabao, Tarkali, Shiroda and Malwan, giving

rise to anti-tourism protests and demonstrations in many places.

In both the cases, the project failed to understand the ethos and concerns of the local community with respect to issues related to livelihood, the environmental degradation to the region and cultural erosion. The only motive behind the project was generating greater revenue and creating a tourist hub along the lines of Goa.

But what makes the current development of tourism through SEZs and STZs (see below) much more inimical than any previous government policy is the combination of the economic incentives that the SEZ policy has outlined, the already unregulated and imbalanced structure of India's tourism economy, and the changing socio-cultural processes within urban India that are making specific demands on leisure and tourism products.

Objective

The main objective is to find what attracts consumers to the different brands prevailing in the market. There are various attributes affecting the consumer psyche, so there is a need to study the behavior of consumers and their mind set while selecting the products and also how the attributes effect a change in their behavior.

Methodology

Information Sources

Information has been sourced from books, newspapers, trade journals, white papers, industry portals, government agencies, trade associations, by monitoring industry news and developments, and through access to more than 3000 paid databases.

Analysis Methods

The analysis methods include ratio analysis, historical trend analysis, and linear regression analysis using software tools, judgmental forecasting, and cause and effect analysis.

Phase 1 of project

Selection of segments and preparing questionnaire:
- FAB analysis is done on
Transport Facilities

Hotel Industry
Information Enquiry
Indian Govt. Tourism Website
Police
Safety
Malls
Heritage Sites

Evaluation of tourist and tourist feedback:- We have evaluated foreigners on questionnaire basis. These are the following questions

- ♦ What is the current state of the tourism industry in India?
- ♦ What are the emerging trends in the tourism sector?
- ♦ Which are the leading tourism states?
- ♦ What is the future outlook of the tourism industry?
- ♦ Which factors are driving the Indian tourism industry?
- ♦ What is the scenario of the hotel industry in India?

Data Analysis

Case Processing Summary

		N	%
Cases	Valid	43	100.0
	Excluded(a)	0	0
	Total	43	100.0

A List wise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	N of Items
.614	17

Interpretation

Cronbach's Alpha test is conducted in order to check the reliability of the data we have collected. If the value comes out to be greater than 0.6 then it shows that the data is highly reliable and if the value comes out to be less than 0.6, it shows that the data is unreliable. In our research the value is coming out to be 0.614 which shows that the data is highly reliable.

		Appeal of the main purpose of visit of India.	Appeal of visit of India associated with the infrastructure
Appeal of visit of India associated with the tourist information.	Pearson Correlation	1	.561(**)
	Sig. (2-tailed)		.000
	N	43	43
Appeal of visit of India earlier before	Pearson Correlation	.467(**)	1
	Sig. (2-tailed)	.000	
	N	43	43

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

Interpretation

It can be seen from the above table that both the parameters are positively correlated to each other at 0.01 level of significance ($p < 0.01$).

This implies that the influence of the infrastructure, purpose of visit, information, earlier visit and tourist information are the main factor that influence the number of tourists visiting India is positively & significantly correlated to its visiting trip.

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
What is the main purpose of your visit	43	1	4	2.79	.559
have you visited the country before	43	1	4	2.98	.801
which age group do you belong	43	2	5	3.02	.707
tourism information	43	1	5	3.23	.895
transport system	43	2	4	3.09	.610
Accommodation	43	1	4	2.91	.840
Culture	43	1	4	2.40	.760
Hospitality	43	1	4	2.70	.803
shopping facility	43	1	4	3.07	.856
historic attraction	43	1	5	2.91	.840
Safety	43	1	5	3.16	.998
access to ATM/Money	43	1	5	2.93	.936
Infrastructure	43	1	5	3.19	.906
Sports facilities	43	1	5	3.47	.984
Medical facilities	43	1	4	2.88	.697
Adventure Tourism(Trekking)	43	1	4	2.84	.814
Heritage sites	43	1	4	2.35	.897
Valid N (listwise)	43				

Interpretation

The highest mean is 3.47 and the lowest mean is 2.35.

The respondents are disagreed that the sports facilities has a good selection of the purpose of visit in India. The respondents strongly agreed on all the variables of product assortment. The respondents are agreed that the heritage factor has a good selection for the purpose of visit in India. The other factor are lie between these two of the purpose of visit in India.

Limitations

- ♦ Time constraints
- ♦ Constraints of sample survey
- ♦ Biased and non co-operative consumers
- ♦ Limited area of survey
- ♦ The data collected from the retailers and customers may not be relevant

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The administrative head of the Ministry is the Secretary (Tourism). The Secretary also acts as the Director General (DG) Tourism. The office of the Director General of Tourism {now merged with the office of Secretary (Tourism)} provides executive directions for the implementation of various policies and programmes. Directorate General of Tourism has a field formation of 20 offices within the country and 14 offices abroad and one sub-ordinate office/project i.e. Indian Institute of Skiing and Mountaineering (IISM)/ Gulmarg Winter Sports Project. The overseas offices are primarily responsible for tourism promotion and marketing in their respective areas and the field offices in India are responsible for providing information service to tourists and to monitor the progress of field projects. The activities of IISM/GWSP have now been revived and various Ski and other courses are being conducted in the J&K valley.

Source: <http://tourism.gov.in/>

Cases

*Insights into the strategies of
global corporations*



Compiled by: Guneet Kaur, Sobhnik Kaur, Kamal Chugh,
Abhay Arora, Shweta Singh, Meenakshi Saxena PGDM (2009-2011)

Modern Chinese banking system was originated in 1950. Govt. started the process of reforming banking sector in 1979. In 1980 foreign banks were allowed to enter into China. In 1983 People's bank was defined the Central Bank. In 2001 China joined WTO and liberalize its economy, which provided a great boost to banking industry. Further, by 2008 there were 312 foreign funded banks operating in China. To meet the competition domestic banks improved their performance and service standards and transformed into market oriented institutions.

Citibank in India:

Citibank was founded in 1812 and has business in more than 100 countries with 200 million customers. Citi established its first branch in Shanghai in 1902. In 1941-42 all its branches were closed and started to re-open in 1983-88, when allowed by govt. In April 2007 Citibank was one of the first foreign banks to locally incorporate in China as Citibank (China) Co. Ltd. and launched its renminbi service to individuals. As of 2008 Citibank was recognized as one of the top foreign banks operating in China

About Renminbi

The Renminbi (RMB) (sign: ¥; code: CNY) is the official currency of the People's Republic of China (PRC), whose principal unit is the Yuan. The currency is legal tender in mainland China, but not in Hong Kong and Macau.

China Unionpay

CUP was established as the central bankcard association in 2002, to provide different bankcard facilities and to promote rapid and sound development of bankcard sector. It provided highly efficient services like the connection and switch between banking systems and interbank, cross regional and cross border use of bankcard were realized by banks in china through the interbank transaction settlement system of CUP. By 2007 over 200 domestic and overseas banks serving china and other countries were its members.

Citi (China)'s Strategies after 2001

Prior to 2001 banking environment in China was fairly restrictive. Citi could only give loans to foreign multinationals and their partners in domestic currency and money for domestic companies to be raised from foreign markets. So its business in China remained below expectation. As China became part of WTO, its economy was opened up which means intense competition and to counter it Citi brought in its marketing capabilities.

Now Citi was able to provide local currency loan to Chinese blue chip companies as well they were allowed to raise debt from them and from equity market in China. Citibank got the opportunity to showcase its global competency of card market and retail mortgages market, now in China. But to face the competition from strong network of domestic banks Citibank adopted following strategies:

Equity Strategic Alliances

In 2003, Citi took 5% stake in China's ninth largest bank, SPDB. The primary motive of this alliance was to launch a dual currency credit card that could be used to pay in the renminbi currency as well as foreign currencies abroad. It was the beginning of a long term commitment with China. By March 2004, Citi embarked on a route towards aggressive expansion in China.

In September 2006, Citi led Consortium made a strategic alliance by acquiring 85% stake in Guangdong Development Bank by making a winning bid of US\$ 3 billion. It was the first time that a major international financial services company has been permitted to obtain substantial ownership assume a significant role in the Chinese financial institution. In August 2007, it furthered Strategic partnership with SPDB. This time motive was to conduct cash management business. Both the banks agreed to share the data of their common clients and transmit internal trading orders. Actually they wanted to capitalize on Citi's expertise and SPDB's local experience.

Non-Equity Strategic Alliance

Following are the Non-equity strategic alliances which the company entered into:

June 2007

It was in June 2007 that Citibank joined hands with Sino-US MetLife Insurance Company Ltd. to launch an investment unit-linked insurance product for Chinese residents.

- ♦ The insurance company was interested in joining hands with Citi because the products were highly profitable and could be sold at a premium.
- ♦ As far as Citi is concerned, for them selling these insurance products would be a profitable route for enriching its product line.

November 2007

- ♦ Again they partnered with the MetLife Insurance Company Ltd. to launch a regular-premium investment-linked insurance product to meet the requirements of the customers.

January 2008

- ♦ Citi announced a Co-operative agreement with Allianz China Life Insurance Co. Ltd. In the field of Bancassurance where they would be reselling insurance products and services for Allianz in two strategic markets i.e. Sichuan and Zhejiang.

Implications of the Alliances

Since most of the alliances were entered into by the bank in the year 2007. The financial results of the year show that these alliances actually proved beneficial for them. As a result of which:

- ♦ The bank expanded its business to a very large extent and its income increased over 99 % to that of previous year to US\$ 314.8 million.
- ♦ Loans grew by 30 % and deposits by 70 % which reflected bank's successful strategy in building its brand.
- ♦ 75 % of their premier customers were local Chinese residents which reflected their good customer ties.
- ♦ After launching renminbi services Citi China

introduced 60 more financial products.

- ♦ It also won various awards during the year 2007 like
 - Best bank in China
 - Best foreign bank in China
- ♦ Citi also achieved a large number of firsts like
 - First bank to open a drive through ATM
 - First bank to launch mortgage refinancing

Strategies followed by foreign banks to increase market share in china

EIU in its research in 2004 identified three broad routes adopted by foreign banks:

The “Anglo-Saxon” Approach

First, the banks pursued aggressive expansion and opened as many new branches as possible & also entered new product markets. This strategy was mainly followed by global and huge organization like HSBC, CITI and AIG as they were having large financial clout and resources to make such huge investments.

Second, they tried to acquire stakes in other financial institutions. HSBC acquired 8% stake in Bank of Shanghai, 10% in ping and again a 16% in china's Industrial Bank.

The “Continental” Approach

This was mainly followed by continental European banks and financial institutions. They took less aggressive and lower profile route. The German financial service group Allianz had wholly owned Dresdner Bank, a general insurance company and a joint venture life insurance company with domestic Chinese partner. Similarly Fortis had a banking presence in three cities and a 24.9% stake in a Chinese life insurance firm.

The “specialist” Approach

This was mainly adopted by smaller firms in which they continued with areas of activity in which they had expertise and experience. Like some general insurers such as Chubb USA and Royal Sun Alliance UK restricted themselves to wholly owned general insurance ventures only.

Compiled by: Abhilasha Jindal, Ankit Gupta, Karan Arora,
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An outstanding feature that both Japanese and Korean economies share is the dominance of large business groups Keiretsu in Japan and Chaebol in Korea. Their Influence is not just restricted to the economy, but also they have maintained very close relationships with their governments. By recruiting mainly from top-universities they control first-rate human resources in their countries.

Large Japanese business groups: Zaibatsu:-

Zaibatsu played an important role in the rapid modernization of Japan from the late 19th century to the Second World War.

The four largest zaibatsu groups Mitsubishi, Mitsui, Sumitomo and Yasuda accounted about 25% of all Japanese business.

In short its ownership structure resembled a pyramidal model. Although the family members controlled the top position of the groups, usually the management of the business operations was given to professional managers, who were not related to the families.

Mitsubishi

Expanded from the shipping business into other areas by diversifying its products; practiced a system with a strong president the Iwasaki brothers held the main posts. However, professional managers, from non Iwasaki families, were given a great deal of power.

Mitsui

Mitsui was initially concentrated on textile and money exchange businesses. The Mitsui family virtually owned the Mitsui Group, but as the group grew, the owning family slowly dissociated itself from direct participation. The transformation of Mitsui to a zaibatsu was led by professional managers from non-zaibatsu families

Sumitomo

It made wealth from copper refining and mining businesses. In contrast to Mitsui and Mitsubishi the Sumitomo family had a lower ownership percentage. However, the parent company had more financial and personnel control over the

subsidiary companies.

Zaibatsu after WW II

After the Second World War the four largest zaibatsu groups voluntarily made dissolution proposals because they became a target of the Allied Forces Supreme Command.

In 1951 Japan regained its lost independence old familiar names like Mitsui, Mitsubishi, and Sumitomo began to reemerge. Nevertheless some prewar groups never regained their original ownership.

Keiretsu

Postwar Japanese business groups differed from zaibatsu in many aspects:

- ♦ Their pattern of ownership changed from hierarchical system to an inter-locking ownership pattern with the member companies cross-owning the stocks of others within the group.
- ♦ The governing body is the Presidential Club.
- ♦ Each group is organized around a general trading company and a major in-house bank.
- ♦ Large groups are linked through capital and personnel cross holding of stocks among the members of the group.
- ♦ Old zaibatsu families rarely get involved in management these large groups are almost entirely run by professional managers
- ♦ The largest among the six big Keiretsus is Mitsubishi with presidential club called Kiyokai
- ♦ Mitsui group is ranked as second. Its presidential club is called Nimokukai
- ♦ Sumitomo Group is the third largest group with presidential club called Hakusuikai
- ♦ The rest three of the biggest keiretsu groups are Fuyo, Sanwa and Dai-Ichi Kangyo

Advantages in forming large business groups:

- ♦ The mutual stockholding among the group members improves their stability
- ♦ Each group is supported by a general trading company (sogo sosha) and several financial firms
- ♦ Promotes group cohesiveness and helps the members to participate in large projects

There are two types of keiretsu:

Vertical keiretsu illustrates the organization and relationships within a company (for example all factors of production of a certain product are connected)

Horizontal keiretsu shows relationships between entities and industries, normally centered on a bank and trading company. Both are complexly woven together and self-sustain each other.

Large Korean Business Groups

Chaebol

- ♦ Comprised of many affiliated companies.
- ♦ Take higher percentage of the market share.
- ♦ Compared with Japanese business groups they are much younger the oldest group (Samsung) was established in 1938
- ♦ Their average size is smaller the Mitsubishi group is 20 times larger than the Samsung.
- ♦ Many corporations are still owned by the founders' family members.
- ♦ In smaller chaebol groups the owning family usually retains strong managerial control.
- ♦ The greater the size of the chaebol, the more the employment of professional managers.
- ♦ Somehow chaebols are more tolerant of employees switching companies compared to their Japanese counterparts.

Chaebol- Family Ownership

The family ownership of Korean chaebols can be classified into 3 types:

- ♦ Direct and sole ownership the founder owns all the affiliated companies
- ♦ Domination of a holding company the founder owns the holding company (Daweeo group)
- ♦ Interlocking mutual ownership the founder owns the holding company and/or some kind of foundation, which in turn owns the affiliated companies (Samsung)

Unlike keiretsu groups the influence of the owner can be assumed to be fairly high

Chaebol- Examples

- ♦ The Samsung group has one of the highest ratios of nonfamily member executives. The founder is the first in Korea to use a competitive recruiting system, but family members still dominate.
- ♦ The Hyundai group while an extremely bureaucratic management system is established

in the group but nevertheless five of the founder's sons manage 10 members of the group.

- ♦ The Lucky-Goldstar group the founder emphasized the importance of harmony in managing the group.
- ♦ The Daewoo group has somewhat different pattern. The shares owned by the owner account for less than 2 %

Chaebol vs. Keiretsu

- ♦ In contrast to the Japanese system, chaebol successors are generally restricted to those related by blood usually priority of inheritance is given to the eldest son.
- ♦ Also many chaebols have a powerful chairman's office which is not only in charge but also functions as a watchdog for poor performance.
- ♦ Chaebols do not have powerful general trading companies nor major in-house-banks.
- ♦ Financial firms within chaebol groups are controlled by the owning families or by holding companies but these financial firms do not own their own stocks nor the stocks of other group companies. The chaebols financial capability to support affiliated companies is very limited. Chaebols are heavily dependent on external finance

Conclusion

Major difference between Japanese and Korean business groups is that ownership and management in Keiretsus are separated while the owning families of chaebols actively participate in the management. After WW2 the management of the large Japanese groups has not been centralized while the Korean groups still have a powerful management center

Major reason for these differences is their different family emphasis:

- ♦ Japanese family concept based on ie family [so called "clan family"] which includes adopted sons.
- ♦ Korean family concept strictly based on blood relationship

Japanese groups are much older than Korean many can be traced back to the late 19th century, while most Korean groups were established during the 1950s. Owing to their historical and cultural differences, both groups will remain significantly different from each other in ownership control, organizational structures, and management styles for many years to come.

Facts about the Deal

On September 20, 2006: Corus Steel decided to acquire a strategic partnership with a low cost producer. Further in October, 2006: The Indian steel giant, Tata Steel wished to fulfill its ambition to expand its business. On October 6, 2006: The initial offer from Tata Steel was considered to be too low both by Corus and analysts. On October 17, 2006 Tata Steel kept its offer to 455p per share. Till October 18, 2006 Tata did not react to Corus and its bid price remained the same. On October 20, 2006: Corus accepted terms of ₹ 4.3 billion takeover bid from Tata Steel. On October 23, 2006: The Brazilian Steel Group CSN recruited a leading investment bank to offer advice on possible counter-offer to Tata Steel's bid. On October 27, 2006: Corus was criticized by the chairman of JCB, Sir Anthony Bamford, for its decision to accept an offer from Tata. On November 3, 2006: The Russian steel giant Severstal announced officially that it would not make a bid for Corus. On November 18, 2006: The battle over Corus intensified when Brazilian group CSN approached the board of the company with a bid of 475p per share. On November 27, 2006 the board of Corus decided that it is in the best interest of its shareholders to give more time to CSN to satisfy the preconditions and decide whether it should issue forward a formal offer. On December 18, 2006 : Within hours of Tata Steel increasing its original bid for Corus to 500 pence per share, Brazil's CSN made its formal counter bid for Corus at 515 pence per share in cash, 3% more than Tata Steel's Offer. On January 31, 2007: Britain's Takeover Panel announced in an e-mailed statement that after an auction Tata Steel had agreed to offer Corus investors 608 pence per share in cash. On April 2, 2007: Tata Steel managed to win the acquisition to CSN and has the full voting support from Corus' shareholders.

Rationale for the Deal

TATA Steel entered in to the deal due to the following reasons:

Tata Steel with a production capacity of 4.6 million tones was the 56th largest steel company in the

world before the deal. Though relatively small in scale compared to some of the large players in the steel industry, Tata Steel was highly profitable and also backed by the large Tata Group. One of the reasons for this profitability was access to very cheap raw materials (iron ore, coal) and low overall costs. Criticized initially for its conservativeness, the Tata Group had been at the forefront in terms of internationalization since 2000. It realized that it could not depend on a single market and decided to grow abroad. Chairman, Ratan Tata had been preaching the need to internationalize in "giant strides, not in token, incremental steps". For example, in 2000, Tata Tea had acquired Tetley in a \$ 0.43 bn deal, which was the largest takeover of a foreign company, by an Indian company to that date. The group primarily functions in five areas including steel, automobile, IT, telecommunications and energy. Tata Steel had already been growing through acquisitions. It acquired Singapore's NatSteel in February 2005 and Thailand's Millennium Steel plc. in April 2006. These two acquisitions strengthened its position in terms of higher valued finished products in growing Asian markets. Earlier (1995-2005), it had made significant investments for modernizing its major steel plant in India.

Corus Plc

Corus entered into the deal due to following reasons.

Corus was the world's ninth largest steel producer in 2006, with a production capacity exceeding 18 million tones. It was formed from the merger of the Dutch Hoogovens N.V. with British Steel plc in October 1999. However, things did not proceed very well after the merger - the two entities were working in opposite directions. Losses began mounting touching nearly 1.2 billion pounds in 2001. Share price of Corus in 2003 was 20 pence and it was on a verge of disaster before Mr. Varin took over as the CEO.

POSITIVES AND NEGATIVES FOR BOTH THE PARTIES**For Tata Steel: Positives**

The acquisition was well aligned with its overall global expansion plan. The deal would help it achieve global scale from its 56th position in terms of production to 5th in the world. This would translate into significant advantages in terms of price power in the global steel industry. Corus offered it a springboard for entry into the European market, and higher value qualities of steel. Though Corus was considered expensive in the short run, it was believed that the deal would be profitable in the long run. Corus also offered higher technological knowledge and environmental capabilities. This was a very big incentive.

For Tata Steel: Negatives

In terms of opportunity costs, this investment could prevent Tata's from making investments in India and other (possibly more lucrative) emerging markets. However, some of Tata's investment plans in India were stalled and awaiting political approval. Corus was debt ridden with low margins, and still expensive. A downturn would make it highly vulnerable. Many analysts called this investment risky and overpriced, specially the price increased forced after CSN intervention. Tata's share prices fell massively immediately after the deal was made public.

For Corus: Positives

A chance to bail out of debt and financial stress, and become part of a winning combination. Corus had been looking for a buyer for two years, Access to cheap high quality iron ore from India, Access to well established sales network of Tata Steel in developing markets

For Corus: Negatives

Unions worried that there will be job cuts. But analysts felt that some job cuts were inevitable even if Corus ran alone or with some other partner. Fears that UK plants will be shut down and production moved to India and perception among some workers that an Indian entity could be a sub-standard entity. However, overall, the positives outweighed the negatives and both sides decided to go ahead with the deal. They felt that their complementarily could be used for mutual benefit, and the management teams were confident of working with each other to bring out the synergies and build on them. The strategic rationale for this deal was not about cutting costs, especially

manpower costs, but it was more to do with strategic growth and expanding global footprint.

Funding

The Tata Corus Deal was valued at US \$13.7bn. The equity component was US \$7.56bn and debt component was US\$6.14bn. Acquisition was completed through a SPV called TATA Steel UK. It raised US \$6.14bn through a mix of high yield mezzanine and long term debt funding or immediate financing TATA steel UK raised \$2.66 through bridge loans. Share swap would have meant FDI and that brings lot of regulatory hassles. Share swap would have diluted TATA Steel's equity base. Cost of equity at around 15% is higher than that of the debt which is around 8% so paying in cash brings down the cost of acquisition.

Integration

Integration issues are responsible for a relatively high failure of international M&As. Both Corus and Tata knew this from their past experiences and this experience was used in designing integration plan for Tata-Corus. Tata companies tried to understand the culture of the country where M&As were to take place, as well as the working environment of that country, for skillful handling of post-merger issues. A Strategic and Integration Committee (SIC) was set up to facilitate what was envisioned to be 'light touch integration.' It was chaired by Ratan Tata and acted like a virtual organization encompassing both businesses.

Its goal was to develop common agenda for the group focusing on Continuous Improvement, Sharing of best practices, manufacturing excellence, cross fertilization of R&D capabilities, rationalization of costs across the businesses. This would create the foundation on which the group could pursue future growth. The integration was coordinated by a program office formed for the above purpose. Several teams having representation from both companies were set up to handle integration and strategic work streams. In January 2008, an umbrella management team or "group centre" was created. It consists of senior Corus Group and Tata Steel executives, and is co-chaired by Tata Steel's managing director Mr. B. Muthuraman and Corus CEO Philippe Varin. It has been set up to avoid duplication and ensure a common approach across key functions - technology, integration, finance, strategy,

corporate relations, communications and global minerals. However, Tata Steel and Corus will remain two separate brands for some more time. There are more than 20 working groups working on various issues. One of the key steps in integration is integrating raw materials (iron ore, coal). Tata Steel and Corus have already started joint sourcing and purchase of materials. They are also jointly exploring new iron-ore sources in Africa, Australia and Brazil. The idea in most cases is not immediately to fuse the functions but to plan activities in a coordinated manner (e.g. R&D)

geography, financials, technology and raw materials offer a strong rationale for the deal. The groups have been integrating well so far, and should do well in the future. The partnership will be best tested if and when the current upsurge in global steel prices stops and there is a downturn. The acquisition should be seen as part of larger general trends Ongoing consolidation of the global steel industry (many other M&As in the recent years), Growing internationalization of Tata Group (many M&As led by the group in last few years), Globalization and rise of MNEs.

Conclusion

Tata Steel's acquisition of Corus was a bold and smart move. Complementarities in scale, market

Although often used synonymously, the terms merger and acquisition mean slightly different things. When one company takes over another and clearly establishes itself as the new owner, the purchase is called an acquisition. From a legal point of view, the target company ceases to exist, the buyer "swallows" the business and the buyer's stock continues to be traded.

In the pure sense of the term, a merger happens when two firms agree to go forward as a single new company rather than remain separately owned and operated. This kind of action is more precisely referred to as a "merger of equals". The firms are often of about the same size. Both companies' stocks are surrendered and new company stock is issued in its place. For example, in the 1999 merger of Glaxo Wellcome and SmithKline Beecham, both firms ceased to exist when they merged, and a new company, GlaxoSmithKline, was created.

In practice, however, actual mergers of equals don't happen very often. Usually, one company will buy another and, as part of the deal's terms, simply allow the acquired firm to proclaim that the action is a merger of equals, even if it is technically an acquisition. Being bought out often carries negative connotations, therefore, by describing the deal euphemistically as a merger, deal makers and top managers try to make the takeover more palatable. An example of this would be the takeover of Chrysler by Daimler-Benz in 1999 which was widely referred to as a merger at the time.

A purchase deal will also be called a merger when both CEOs agree that joining together is in the best interest of both of their companies. But when the deal is unfriendly (that is, when the target company does not want to be purchased) it is always regarded as an acquisition.

Source: www.wikipedia.org

Compiled by: Anantika Gupta, Gunjan Kapoor, Kirti Sharma
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Introduction

Kamprad established IKEA in 1943 at the age of seventeen. IKEA began in a shed that was just two meters square in size. Kamprad started the business by buying pens, Christmas cards, matches, cigarette lighters, nylon stockings and other items in bulk and then selling them. In the year 1947 Furniture was introduced in IKEA's product portfolio and by 1951, the furniture sales had increased so much that Kamprad decided to discontinue all other products and concentrate solely on selling furniture. IKEA has become one of the world's leading retailers of home furnishings and it is also ranked 44th out of the top 100 brands by Interbrand, topping other known brands such as Pepsi. Today The IKEA group owns over 2700 stores in 35 countries.

IKEA's vision is to create a better everyday life for many people. They make this possible by offering a wide range of well designed functional home furnishing products at prices so low that as many people as possible be able to afford them. The IKEA Concept is based on offering a wide range of well designed, functional home furnishing products at prices so low that as many people as possible will be able to afford them rather than selling expensive home furnishings that only a few can buy, the IKEA Concept makes it possible to serve the many by providing low-priced products that contribute to helping more people live a better life at home. By the early 1960s the Swedish market was saturated and IKEA decided to expand its business formula outside Sweden. IKEA's CEO, Anders Dehlvin, noted: 'Sweden is a very small country. It's pretty logical in a country like this, if you have a very strong and successful business; you're bound to go international at some point. The reason is simple you cannot grow anymore.'

IKEA's internationalization strategy in Europe

There were no significant attention to local tastes and preferences, only necessary changes were allowed, to keep costs under control. IKEA's business formula is based on low cost and affordability. Adaptation to each country's local requirement would lead to higher cost of production and subsequently put pressure on the company to increase its prices. IKEA applied its initial vision to sell 'typically Swedish'. Strategy of not paying attention to local market peculiarities has worked well in Europe. The company has been

able to sell its standardized products across Europe, and as a result was able to build considerable economies of scale into its operations and maintain a price advantage over its competitors.

Challenges

IKEA first entered Japan in 1974 through a joint venture with a Japanese company as part of its plans to expand globally. However, even after twelve years in the country, IKEA could not gain a foothold in the market and decided to exit Japan in 1986. It took IKEA 5 years to prepare for re-entering the country. IKEA then decided to reenter Japan in 2006. IKEA Japan chief executive Tommy Kullberg says the company is ready after researching hundreds of Japanese homes - typically much smaller than in many developed countries and altering the size of some products and ways to present them in its showrooms. Another challenge came when IKEA entered the US market in 1985. IKEA faced several problems in the US market. The root of most of these problems was company's lack of attention to local needs and wants. US customers preferred large furniture kits and household items. For example, Swedish beds were five inches narrower than those US customers were used to. IKEA's kitchen cupboards were too narrow for the large dinner plates typically used in the US, IKEA's glasses were too small for US customers who typically add ice to their drink and hence require large glasses. It is said that US customers bought flower vases thinking they were drinking glasses.

Consequences

As a result of initial poor performance in the US market, IKEA's management realized that a standardized product strategy should be flexible enough to respond to local markets. The company has adopted a more balanced strategic focus (giving weight to global and domestic concerns). In the early 1990s IKEA redesigned its strategy and adapted its products to the US market. A greater customization in the US is made possible by the large size of the US market that enables IKEA's subsidiaries in the US to produce kits designed specifically for the US market in large quantities and hence keep cost under control. Japan and USA are the places where IKEA learnt its lesson the hard way. IKEA's endeavors show its efforts to keep a balance between global generalization and local

resistance. The core of the IKEA way remains intact but may take a different form at certain occasions. The exterior design of the shop is always blue and yellow, the colors of the Swedish national flag. In the restaurant attached to each shop, Swedish meatballs and gravad lax (pickled salmon) are always on the menu with the local dishes. The modern Scandinavian design of furniture emphasizes simplicity and nature. When customers go to 253 IKEA shops in 34 countries or territories, they walk through the showrooms, see and try out the goods before making a choice, pick up flat-packed items and enjoy assembling them themselves. As one can see from the IKEA saga, the company's success can be attributed to its ability of turning problems into opportunities. The lessons are less about models and more about the ability to adapt. In the time of globalization versus localization, IKEA is also involved in diversely demographical markets.

However, IKEA's vision and business idea have managed to co-exist harmoniously with the local cultures whilst the company keeps its Scandinavian origin at heart. If the strategy marketing of IKEA seems to be the same in all the countries marketing mix differs and takes into consideration the local conditions

IKEA and the Environment

- ♦ Use of wood-recyclable, biodegradable and renewable material
- ♦ Select wood that is from verified, well-managed forests that have been certified
- ♦ Free disposal of light bulbs
- ♦ Minimize costs by reducing wastes-saving raw material, energy and other resources
- ♦ Selecting the right environmental friendly products
- ♦ Use leftover material from one product to another
- ♦ Employees are "environmental coordinators" working in different ways to increase environmental awareness

The Swedish retail giant IKEA announced it will invest \$4.6-million to install 3,790 solar panels on three Toronto area stores, giving IKEA the electric-power-producing capacity of 960,000 kilowatt hours (kWh) per year. According to IKEA, that's enough electricity to power 100 homes. IKEA receive \$684,408 under Premier Dalton McGuinty's green energy monster for power that today retails for about \$115,000. No wonder, too, that the province of Ontario is in a headlong rush into a likely economic crisis brought on by skyrocketing electricity prices. The government's

regulator, the Ontario Energy Board, has prepared secret forecasts of how much Ontario consumers are going to have to pay for electricity over the next five years. Doubling the price of electricity in a decade is no way to spur growth and investment. In this age of global economic competition IKEA may end up with fewer sales of its Billy bookshelves in Toronto because its customers will be bogged down with soaring power bills and a sliding economy.

IKEA in legal entanglements

The furniture giant IKEA is going to battle the government in the High Court after planning permission for a new store was blocked. The Deputy Prime Minister John Prescott refused to allow a new IKEA to be built on the outskirts of Stockport in Cheshire. In a letter, he told the company that its philosophy ran counter to the government's objectives to ensure sustainability and promote social inclusion. He said that because 97.1% of IKEA's customers drove to the stores, people without cars were excluded. And he said a new, big store would be likely to have an impact on other centres. IKEA has built all of its 11 UK stores next to major roads and has big expansion plans. He said that because 97.1% of IKEA's customers drove to the stores, people without cars were excluded. And he said a new, big store would be likely to have an impact on other centres. IKEA has built all of its 11 UK stores next to major roads and has big expansion plans. If it becomes more difficult to get planning permission for out of town shops then the company will have to have change its whole strategy. IKEA's property manager Scott Courdrey said the company would fight Mr Prescott on each of the objections made in his letter. "We are by definition a retailer that relies heavily on car-borne traffic," he said. "We will be submitting evidence to protect this concept, which is very popular."

Porter's diamond and IKEA

♦ Factor condition

IKEA's national competitive advantage is IKEA's heritage. The people are famous for working hard, living on small means and using their heads to make the best possible use of the limited resources they have. This way of doing things is at the heart of the IKEA approach to keeping prices low.

♦ Demand Condition

Revenue : 23.1 billion euros

Net income : 2.5 billion euros

♦ Relating and supporting Industries

IKEA does not manufacture its own products, but works through a complex network of suppliers

around the world. IKEA has acquired a number of its own factories, some of which function as training units and set standards for other suppliers for production economy, quality, and environmental awareness. To secure supplies and help suppliers develop, IKEA has launched partnerships as joint owners or financiers in a number of countries including Poland, Slovakia, Russia, Romania, and China...

♦ Firm strategy, structure and rivalry

Over all IKEA is doing differentiation and cost leadership. Differentiated because their products are different compared to the conventional ones already in the market. They are a cost leader in terms of the price of their products are cheaper compared to other retailers.

In 1990, IKEA adopted The Natural Step framework as the basis for its environmental plan. This led to the development of an Environmental Action Plan, which was adopted in 1992. The plan focused on structural change, allowing IKEA to "maximize the impact of resources invested and reduce the energy necessary to address isolated issues." The environmental measures taken, include the following:

1. Replacing polyvinylchloride (PVC) in wallpapers, home textiles, shower curtains, lampshades, and furniture PVC has been eliminated from packaging and is being phased out in electric cables
2. Minimizing the use of formaldehyde in its products, including textiles
3. Eliminating acid-curing lacquers
4. Producing a model of chair (OGLA) made from 100% post-consumer plastic waste
5. Introducing a series of air-inflatable furniture products into the product line. Such products reduce the use of raw materials for framing and stuffing and reduce transportation weight and volume to about 15% of that of conventional furniture
6. Reducing the use of chromium for metal surface treatment
7. Limiting the use of substances such as cadmium, lead, PCB, PCP, and AZO pigments
8. Using wood from responsibly-managed forests that replant and maintain biological diversity
9. Using only recyclable materials for flat packaging and "pure" (non-mixed) materials for packaging to assist in recycling
10. Introducing rental bicycles with trailers for customers in Denmark
11. More recently, IKEA has stopped providing plastic bags to customers, but offers reusable bags for sale
12. The IKEA restaurants also only offer reusable plates, knives, forks, spoons, etc.

Source: www.wikipedia.org

Introduction

- ♦ SONY founded by Masaru Ibuka and Akio Morita on May 7, 1946 with the name 'Tokyo Tsushin Kogyo'.
- ♦ It was renamed as SONY in the year 1958 and its Headquarter is in Tokyo, Japan.
- ♦ This Organization was started with 20 employees and now have around 2,00,000 employees with operations in around 150 countries.
- ♦ Sony India a leader in the consumer electronics brand in the country, aims to make a difference to people's lifestyles and offer them new dimensions of enjoyment.
- ♦ Sony is one of the world's leading manufacturers for consumer electronics and broadcast & professional products. Established for more half a decade, Sony is known for its innovative and high quality products. This section brings you through Sony products from its establishment till now.
- ♦ Sony Corporation, Japan, established its India operations in November 1994, focusing on the sales and marketing of Sony products in the country.
- ♦ With the goal of fostering positive relationships within the communities in which we operate in, Sony engages in a myriad of activities and encourages employees to play an active role in their communities.
- ♦ Sony recognizes the importance of preserving the natural environment in order to create a sustainable society for our future generations. Sony is committed to achieving this goal by seeking to combine ongoing innovation in environmental technology coupled with environmentally sound business practices.

Products

- ♦ Audio (Home audio/ Portable)
- ♦ Televisions (LCD, Projectors)
- ♦ Information and Communication Gadgets
- ♦ Semiconductors (LCD, CCD)
- ♦ Electronics Components (Batteries, Data Recording Systems)
- ♦ Cyber shot Digital Camera
- ♦ Bravia LCD TV
- ♦ VAIO Laptop & Computers
- ♦ Handycam (Video Camera) and Digi-cam
- ♦ SONY MP3 Walkman

Some Facts

- ♦ SONY invested huge funds in R & D
- ♦ It transfers latest technology for its games from its London Studio to India.
- ♦ There primary focus is on Electronics and there Mobile phones are one of the profit making product (Cybershot, Xperia X1).
- ♦ Sony Corporation established its global reputation with the introduction of the transistor radio in 1957.
- ♦ For over forty years it has manufactured electronics hardware.
- ♦ In the past 10-15 years it has diversified into entertainment, software and a host of related and converging fields.
- ♦ The diversification has been successful because Sony has identified all of its new projects with its brand name and reputation for quality.
- ♦ Its core competency in electronics has been at the heart of its successful diversification.
- ♦ Over the last couple of years, Sony has been gradually but surely slipping from its ivory tower and failing to keep up with many of its followers turned competitors such as Samsung, LG and the others.

Sony's corporate strategy

Sony has successfully created an incredible brand name previously, however, its legend seem to be falling apart recently. In fact, Sony's net profit for the July-September quarter for 2006 falling 94% to 1.7 billion Yen, compared to 28.5 billion Yen for the same period in the previous year were reported publicly. The major reasons for the declining profit are affected by the critical strategic issues faced by Sony which became a main drawback for them.

The first strategic issue faced by Sony was the inefficient manufacturing structures which decreased Sony's quality that badly affects their reputation and caused a decline in product competitiveness. In the case of Sony, they did not make any improvement or perform well in Kaizen or implement an efficient manufacturing structure that ensure high product quality which affect their product quality and caused a massive damage to the company. For example, they recalled 9.6 million Sony Laptop batteries which were liable to overheat and potentially burst into flames where Sony even failed to fully study the problem in 2006 and there

were complaints from Japan's consumer about PS3's new system.

The failure of Sony in effectively implementing Kaizen or sustaining an effective manufacturing structure to ensure that they have high quality products had damage their strong brand name and reputation which caused them to lose their product competitiveness and competitive advantages in the market. The fact that Sony's product qualities are unable to meet the needs and expectations of their customer had completely decreases the confident of the market and swipes away its reputation. Diminishing of Sony's reputation created a negative prejudice and weakened their core competences which directly affected their competitive advantages and become a major threat for Sony.

In addition to this Sony has been are insufficient in responding to the shift of market demand and losing its competitive advantages. The delays for the European launch of PS3 due to manufacturing problems caused Sony to become incapable of fulfilling the increasing market demands which increase the stake for Sony as there are other strong competitors such as Microsoft and Nintendo to have a head start in gaining market share and enjoy first mover advantages. Besides, Sony also responded slower than others in the increasing demand of Plasma TVs and lost ground for key growing area. Therefore, Sony lost its competitive advantages and large proportion of the market shares in the game and electronic industry; they are also unable to benefit from the first mover advantages which left them behind of their competitors.

On the basis of the competence-based view Sony has been green-lighting asset sales to free up cash so they can rebuild the company around a tighter core of businesses. In December, Sony sold part of its 49% stake in retailer StyleLife Holdings to a group of investors. This managing for value strategy by disposal of assets to get more funds and reinvest back into different business units such as R&D, production and others can help Sony to strengthen its core competencies.

Another strategy that Sony implemented to boost its core competence is to bring miniaturization to its product in order to become more customer-orientated with the aim to increase competitive advantage, as well as create more value added activities. Sony also implemented a related diversification strategy which involved adding businesses whose value chains possess competitively valuable strategic fits with the value

chain of the company's present business.

Sony needs to be extra caution about the entire potential crisis that they will be facing in the future. It is pro-active in that, although the precise form of the crisis will be unknown, broad elements of many crisis situations will be, and these can be planned for through risk management and particularly contingency planning. Crisis control is also reactive in that the specifics of the situations must be dealt with as they unfold". Thus, risk management and crisis control are also essential for Sony to implement in order to stay alert and increase their awareness to potential threats.

OGHA

Ohga established a clear strategy regarding semiconductors for the first time. Sony decided to carry out external sales and original equipment manufacturing (OEM) of semiconductors along with other component parts. Until then, the notion of selling key Sony components to other manufacturers had been a taboo. As miniaturization of semiconductors advanced in the 1970s, the production of such parts required large capital investment. Sony realized, however, that it had special technology in the field of miniaturization and had been using it in the manufacture of consumer products. This led the company to produce small components and parts for external customers as well. Ohga's decision to promote the OEM business was to change the course of Sony's history. The company was aiming to derive revenue equally from consumer electronics products and sales from its other businesses by 1990.

Consequences of Diversification

- ♦ Sony From 1980's with Norio Ohga as a chairman was trying to "Diversify" from just a radio to entertainment.
- ♦ 1990's were very difficult years for Sony. In 1994 Japanese economy entered economic recession making diversification a failure.
- ♦ In 1993 Sony made losses \$200 million
- ♦ Till further years Sony continuously kept diversifying from play station video games to in 1994 to VAIO line of personal computers in 1997.
- ♦ 2007 was again a shocking period for Sony with losses and unbalanced financial statements.

Why A Failure?

- ♦ Less Efforts on Research and development as a result products were not up to mark in quality.
- ♦ High prices.

- ♦ Stiff competition
- ♦ Products not accepted in new markets.

Recommendation

♦ Regain Focus

Operating in a number of unrelated businesses is often justified on the logic of scale and scope economies. But from a brand perspective, such diversification are detrimental than helpful. Investment in core competencies is must to regain leadership.

♦ Elevate Branding To Board Room

Sony should revamp its R&D, design, and marketing departments.

For innovation to make any brand sense, it has to reflect consumer preferences. Innovation has to lead to products and services that would enhance the relationship between the brand and the consumer.

♦ Design, Features & Cool Factor

Given the aggressive strategies of Apple, Nokia, Samsung and others along with their superiority in design, customer oriented features and the loyal following of customers; it becomes very important for Sony to beef up its designs and features.

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When Tokyo Tsushin Kogyo was looking for a romanized name to use to market themselves, they strongly considered using their initials, TTK. The primary reason they did not is that the railway company Tokyo Kyuko was known as TKK. The company occasionally used the acronym "Totsuko" in Japan, but during his visit to the United States, Morita discovered that Americans had trouble pronouncing that name. Another early name that was tried out for a while was "Tokyo Teletch" until Morita discovered that there was an American company already using Teletch as a brand name.

The name "Sony" was chosen for the brand as a mix of two words. One was the Latin word "Sonus", which is the root of sonic and sound and the other, was "Sonny", a familiar term used in 1950s America to call a boy. The first Sony-branded product, the TR-55 transistor radio, appeared in 1955 but the company name did not change to Sony until January 1958.

At the time of the change, it was extremely unusual for a Japanese company to use Roman letters to spell its name instead of writing it in kanji. The move was not without opposition: TTK's principal bank at the time, Mitsui, had strong feelings about the name. They pushed for a name such as Sony Electronic Industries, or Sony Teletch. Akio Morita was firm, however, as he did not want the company name tied to any particular industry. Eventually, both Ibuka and Mitsui Bank's chairman gave their approval.

Source: www.wikipedia.org

A Compilation PGDM (2009-2011)

The case discusses a five-year long organizational restructuring exercise undertaken by Unilever, a leading global fast moving consumer goods (FMCG) company. It examines in detail the important elements of the restructuring programme named the 'Path to Growth Strategy'. The case focuses on the changes made with respect to the organizational structure, various Unilever businesses, branding strategies, operational processes and the supply chain management practices. Finally, it discusses the results of the restructuring exercise and examines the company's future prospects in the light of its falling share price and the sluggish growth of many of its leading brands. The study of the case will help gain an insight into the internal and external factors which force a large multi-product multi-national company to restructure its operations.

In September 1999, Unilever, one of the largest consumer goods companies in the world, announced plans to restructure its brand portfolio by end of 2004.

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The plan involved cutting down on its unwieldy portfolio of 1,600 brands and focusing on the top 400 brands. This move was read by the market as an indication that the company was unable to manage its brands and so was scaling back growth plans. This development, coupled with the fact that the growing popularity of Internet and telecom stocks was luring investors away from old economy stocks, resulted in Unilever finding itself in deep trouble - its stock price plummeted rapidly during 1999. According to reports, Unilever's market capitalization of about J51 billion (\$82 billion) in June 1999 shrank by almost J20 billion by January 2000. As a result, the company lagged far behind its competitors like Nestle and Procter & Gamble (P&G) in market capitalization.

The fact that Unilever had failed to meet its performance expectations for 1999 added to its problems. Analysts attributed this failure to the sluggish growth of its top line brands. They said that the company's existing brand strategy framework had lost its focus. They also criticized Unilever for investing less in strengthening its leading brands during the 1990s (as a majority of its investments went into business restructuring and acquisitions).

Meanwhile, the competitors had begun eating into Unilever's market share in a major way. Unilever

realized that it had to restructure its brand portfolio and operations to meet the challenges brought about by the changing market conditions. In February 2000, the company announced a \$5 billion five-year growth strategy, aimed at bringing about a significant improvement in its performance. The initiative was named the 'Path to Growth' Strategy (PGS). The exercise involved a comprehensive restructuring of operations and businesses. While many industry observers welcomed the move, some were skeptical about the slow-moving old economy giant's ability to regain its momentum in time to meet the intensifying competition.

Lever Brothers, diversified into many other businesses (primarily related to foods). At the time of the merger, Margarine Unie and Lever Brothers, together, had operations in over 40 countries. In the 1930s and 1940s, Unilever strengthened its presence in the US by acquiring Thomas J. Lipton (1937) and Pepsodent (1944). While the company's competitive position was adversely hit when its arch rival P&G launched Tide, a synthetic detergent, in 1946, it continued to prosper in Europe. This was because of the post-war boom in the demand for consumer goods, the growing popularity of margarine and personal care products, and the new detergent technologies. During the 1960s and 1970s, Unilever rapidly expanded its operations through vertical and horizontal integration, emerging as a diversified conglomerate by the early 1980s. Diversification into different businesses was prompted in one way or the other by the existing business lines. For instance, oilseeds crushed for use in the margarine and soap businesses, yielded a by-product called 'cattle cake,' and this led the company into the animal feeds business.

In 2000, the company witnessed a dramatic increase in its turnover with sales increasing by 16% to 47.6 billion. This was mainly attributed to the acquisition of the Bestfoods, Slim-fast, Ben & Jerry's and AmoraMaille businesses.

Since the announcement of the PGS, Unilever's share price had recovered by 30% to \$59 in August 2001, and this seemed to highlight the positive results of its restructuring exercise. By July 2002, Unilever's 400 leading brands accounted for 88% of the sales, up from 75% in 1999. By then, over 30,000 employees had been laid-off.

Unilever's Future Prospects

In August 2003, Unilever announced its half-yearly results for the year - sales dropped by 15% and profits fell by 13%. During this time, the company reduced its growth forecasts to 4% from the 5%-6%, it had promised its investors in the early 2003, stating that it was struggling with a more challenging business environment - poor sales in the dietary and food service markets, and the sluggish growth in the retail market on account of slower economic growth, worldwide. In October 2003, Unilever's share price fell by 7% (to 487 pence) on the London

Stock Exchange, immediately after it announced that it was lowering its growth forecasts for its leading brands to below 3% for 2003.

The company attributed this move to the waning popularity of its famous fragrance and dieting products (including Calvin Klein, Eternity, Prestige and Slim-Fast), and the poor performance of its other health and wellness products. This was the second time in 2003, that the company had reduced its growth forecasts for its leading brands.

The term **FMCG** refers to those retail goods that are generally replaced or fully used up over a short period of days, weeks, or months, and within one year. This contrasts with durable goods or major appliances such as kitchen appliances, which are generally replaced over a period of several years.

FMCGs have a short shelf life, either as a result of high consumer demand or because the product deteriorates rapidly. Some FMCGs such as meat, fruits and vegetables, dairy products and baked goods are highly perishable. Other goods such as alcohol, toiletries, pre-packaged foods, soft drinks and cleaning products have high turnover rates.

The following are the main characteristics of FMCGs:

From the consumers' perspective:

- ♦ Frequent purchase
- ♦ Low involvement (little or no effort to choose the item -- products with strong brand loyalty are exceptions to this rule)
- ♦ Low price

From the marketers' angle:

- ♦ High volumes
- ♦ Low contribution margins
- ♦ Extensive distribution networks
- ♦ High stock turnover

Source: www.wikipedia.org

Business Plans

Dreams of substance



Introduction

Aspire Coaching will help the students preparing for admission to premier B schools in the country and abroad. Quality coaching and guidance required for the same would be provided. The aim is to provide less expensive coaching to that section of society which cannot afford to pay for the big and expensive names in the coaching industry. The institute plans to have a lean structure with only 8 employees. It will be based in Faridabad. It will use owner's capital for starting up. It plans to open up 5 more centres in next 3 years.

Service: The services offered to the students include

- ♦ Coaching for MBA entrance exam test such as CAT, MAT, and GMAT
- ♦ Consultancy services.

Management Team: The institute will be headed by one managing director. It will have 5 faculty members, one receptionist and two employees for office operations.

Market & Competition: The market scenario is upbeat and more and more students are flocking to these coaching centres in search of a decent B-School to get the right mix of education and skills deemed necessary for an entry into the corporate world. There is no direct competition as such, as target market is the section seeking 'value for money'. As we will be based in Faridabad where the number of middle class families is high therefore there is a large scope to grow and succeed in this area. In spite of no direct competition there is a need for concern as there are a number of players existing in this area with well known brand names. But still there is scope for success as our major aim and goal is to provide value for money service i.e. quality education at affordable prices.

Marketing & Sales: We will be promoting this institute with a tag line 'Value for money coaching center'. To spread awareness we will be advertising in newspapers, distributing brochures and pamphlets and also promote via 'word of mouth.'

We will be conducting a market research to gain insights about the problems faced by students in other coaching centers so that special attention can be given on that part.

Operations & Implementation Schedule: Aspire coaching will leverage its competitive edge to gain market share. There advantages offer students significant value including:

- ♦ Interactive Classes
- ♦ Specialized handout material
- ♦ Verbal ability and personality development classes
- ♦ Consulting services
- ♦ Mock test
- ♦ Mock Group discussions and personal interviews.

Mostly in every entrance exam there are 3 sections namely, mathematical ability, verbal ability and logical reasoning and data interpretation. Classes for all three sections will held individually and will be divided in two groups i.e. Basic and Advanced.

In Basic, we will be providing basic knowledge and easy level problems to the students, whereas, in advance, high level problems i.e. questions with a higher level of difficulty will be taken. There will be 3 hour class for each section in a week and course will be for 1 year duration. Students can opt for Weekends or Weekdays Batches. A batch will comprise of maximum 25 students. Also, extra sessions will be given such as 4 sessions on General Awareness and 2 sessions on personality development which will be succeeded by Mock Group Discussions and personal interviews.

Opportunities & Risks: As more and more students are attractive towards the course which can give their career a height i.e. MBA therefore more and more competition is rising in market between students to enter into premier B-schools. This competition has raised the need of the coaching centres which can help students and enter into Big B-Schools. Coaching centers are increasing but also their course fee is rising which de-motivates lower income level group to go for this opportunity. Therefore, aspire coaching centre is coming up with quality education in affordable fee structure. So here is a great opportunity to grow in market. As in our economy Most of the population is of lower and middle level income group. Talking about risk, the major risk attached is people's perception. People normally think that lower price means low quality. So this is an issue and risk that people might think that low fees structure means low education and nobody wants to take risk for his/her career.

Financial Planning: Initial Investment would be funded by owner.

Some of the costs are:-

Rent of Institution:	Rs. 50,000 per month
Salary:	Rs. 15,000 pm
	1 Receptionist
	Rs. 10,000 pm
	2 Office Staff
	Rs. 35,000
	per faculty per batch
Office furniture:	Rs. 5,00,000
Telephone Bill:	Rs. 4000 pm
Electricity Bill:	Rs. 10,000 pm
Promotional expenses:	Rs. 1,00,000
Study Material:	Rs. 1000 per student
Other expenses:	Rs. 10,000 pm

Revenues:

Rs. 15,000 per student

History of MBA program

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The first graduate school of business in the United States was the Tuck School of Business, part of Dartmouth College. Founded in 1900, it was the first institution conferring advanced degrees (masters) in the commercial sciences, specifically, a Master of Science in Commerce degree, the forebear of the modern MBA degree. In 1908, the Graduate School of Business Administration (GSBA) at Harvard University was established; it offered the world's first MBA program, with a faculty of 15 plus 33 regular students and 47 special students.

The University of Chicago Booth School of Business first offered working professionals the Executive MBA (EMBA) program in 1940[citation needed], and this type of program is offered by most business schools today. In 1946, Thunderbird School of Global Management was the first school to offer an MBA program focused on global management.

In 1950, the first MBA degrees awarded outside the United States were by The University of Western Ontario in Canada, followed in 1951 with the degree awarded by the University of Pretoria in South Africa. The Institute of Business Administration, Karachi in Pakistan was established in 1955 as the first Asian business school by the Wharton School of the University of Pennsylvania. In 1957, INSEAD became the first European business school to offer an MBA program. In 1986, the Roy E. Crummer Graduate School of Business at Rollins College (Florida) was the first MBA program to require every student to have a laptop computer in the classroom. Initially, professors wheeled a cart of laptops into the classroom. The MBA degree has been adopted by universities worldwide, and has been adopted and adapted by both developed and developing countries.

Source: www.wikipedia.org

Conceptualized by Chandan Baghla, Aarti Sharma,
Nishu Jain, Rishabh Aggarwal PGDM (2009-2011)

The main objective of the proposal is to establish a company that can revive the sick theatre units in India. With the setting up an efficient and innovative research unit for revivals of theatres which are underperforming and are not able to generate profits or are running under loss in Punjab, Haryana, U.P. and later on extending the brand development in whole India, this will be the first of its kind in India.

Mission: To revive the entertainment industry of India

Vision: To develop R₂ as a national brand

Sick Theatres in Punjab Facing Problems

- ♦ Ajit theatre (Muktsar)
- ♦ Payal cinema (Muktsar)
- ♦ Ajaib theatre (Bathinda)
- ♦ Sunil theatre (Abohar)
- ♦ Samrat (Mansa)

Theatres in Haryana Facing Problems

- ♦ Neelam (Hisar)
- ♦ Elite (Hisar)
- ♦ Liberty (Rohtak)

The project is bound to have positive impact on socioeconomic & social developments. It will help in improving the underutilized entertainment resources in the region; promote new capacity building; help in employment creation; allow sustainable transfer of know-how and technology. This would also be the private sector's involvement in assisting Governments to revive entertainment industry.

The well know strategies for success will be followed

- ♦ Sound implementation schedule
- ♦ Prior recruitment of a project management team to ensure sound operations, marketing and financial control
- ♦ Investing the money in the project
- ♦ Proper contract is signed and legal formalities are fulfilled
- ♦ Environmentally friendly framework regarding waste water & energy
- ♦ Integration of purchasing, production and marketing know-how
- ♦ Close co-operation with national, regional & working in the area of redevelopment and infrastructure development , market research companies

- ♦ Entering long-term supply contracts with national, regional and infrastructure agencies for the supply of proper agencies supplying various instrument
- ♦ Offering a broad high-quality services range
- ♦ Flexible and creative management

Implementation

Phase 1: Up-date of the recent feasibility survey for the selected country/ site

- ♦ Selection of the theatres which are good but lack certain resources
- ♦ Identify the problems of the theaters (like ambience, transport, movies, infrastructure, segmentation, family)
- ♦ Identify the methods that can convince the client
- ♦ Signing of contract of 7 years and at 30% sales in profit

Phase 2: Refurbishment of theatre buildings, acquisition and installation of machinery and make changes according to the survey

- ♦ seat changes
- ♦ sound system changes
- ♦ screening latest films

Phase 3: Setting up the theatre and create ambience as per according to requirement of customers

- ♦ Develop a backup plan (free shows), premiere
- ♦ Additional Costs: transportation cost and living cost
- ♦ Provision for pre-operating expenses: training of staff
- ♦ Working capital to ensure smooth implementation

Pre-launch of Product (Theatre) Marketing

This would be handled by the use of cable ads, newspaper advertisement, advertisements on cycle-rickshaws, hoardings, college promotion campaigning.

Promotion Strategy

This would involve methods for quality control, amusement facilities for children, free shows (once in a week), on-line booking, advance booking, free home delivery for tickets within the radius of 10 km.

Safeguarding uniqueness & opposing more competition

It would be important to ensure the prevention of competitors. Networking arrangements would bring together private sector and R₂ to revive the entertainment sector. Players would assist the processes to find solutions to customer satisfaction challenges and understand problems that may hamper any unit.

Building upon existing structures:

- ♦ In order to create synergies, we would be cost efficient & avoid duplication of efforts, and this will not let competitors enter.
- ♦ We would generate and accumulate innovative ideas to complement what existing programs are already doing.
- ♦ We would supply standard services.
- ♦ Targeting underdeveloped areas: Establishing a unit will result in an improvement in quality standard supply efforts & an expansion of the private sector revival through new methods
- ♦ The approaches & strategic partnerships concerning marketing & distribution will make more profits and create higher customer satisfaction.

The R₂ would like to express its commitment to the concept of

- ♦ Strengthening and revival of theatre industry capacities as an important success factor for economic and social development in initially In Punjab , Haryana and UP and views this project proposal as a milestone on the way to a healthier future for entertainment sector and is of great advantage to people.
- ♦ Addressing environmental issues & implementation of R₂ standards
- ♦ Designing & further developing a new concept in reviving entertainment industry rather than copying existing efforts: and constructing a new mall

Centre for revival of theatres Executive Director :

- Chandan Baghla
- ♦ Managing Director- Aarti Sharma, Nishu Jain
- ♦ Manager - Rishabh Aggarwal
- ♦ Place: Baghla Market, Tibbi Sahib Road Muktsar
- ♦ Tel: 01633-260609- Mobile: 9555851351
- ♦ Email: chandanbaghla12@rediff.com

Total estimated costs, incl. initial working capital and training expenses, amounts to the equivalent of Rs. 30 lakh per theatre will apply to 10 units simultaneously impact on improving the living status in the region.

Statement showing revenues and costs of Ajit Theaters presently

What are their losses?? It is $1152000 - 1149600 = 2400$

Electricity Expenses	15000	Seats Occupied	70
Manager Cost	5000	Ticket Cost	10
Movie Cost	40000	Shows Per Day	4
Staff:	15000	Total Revenue Per Month	86800
Technical Staff	6000	Total Revenue Per Year	$86800 \times 12 = 1041600$
Extraoperating Expense	15000		
Total Cost Per Month	96000	From Canteen($300 \times 30 \times 12$)	108000
Total Cost Per Year	$96000 \times 12 = 1152000$	Total Revenue	1149600

Statement Showing Costs Incurred Initially In Ajit Theaters By Our Company R2 Ltd.

Initial Cost	100000
Building	24,000
Construction	40,000
Office Chairs And Chairs	20,000
Extra Expenses	16,000
Marketing & Distribution	337,000
C.dolby Theatre System(from Azadpur)	300,000
Amusement Facilites For Children	20,000
Online Booking(including Software Rs.5000)	15,000
Advance Booking	Nil
Free Home Delivery	2,000

Pre Launch Of Theatre	Marketing	73,750
Cable Ads (2000 Per Month)		24,000
Newspaper (3000*15)		45,000
Rikshaw Puller(250*15)		3,750
Hoadrings		Nil
College Promotion Campaign(free Tickets)		1,000
Ambience Expense		995,000
Central Air Conditioners		200,000
Renovation Cost		500,000
Movie Cost		100,000
Curtain Expense		25,000
Chair Expense:		170,000
Gold Class(100*500=50000)		
Silver Class(300*400=120000)		

Seats	200	Seats	160
Tickets Charge	50	Tickets Charge	50
Show Per Day	4	Show Per Day	4
Total Revenue Per Month (200*50*4*31)	1,240,000	Total Revenue Per Month (160*4*50*31)	992000
Total Revenue Per Year	14,880,000	Total Revenue Per Year	11904000

Electricity Expenses	20000
Manager Cost	5000
Movie Cost	100000
Staff:	25000
Technical Staff	6000
Extraoperating Expense	15000
Total Cost Per Month	171000
Total Cost Per Year	171000*12=2052000

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Total Revenue Per Year	14,880,000	Total Revenue Per Year	14,880,000
Extra Initial Cost	900,000	Our Profit	4,194,000
Remaining	13,980,000	Remaining	10,686,000
		Extra Initial Cost	900,000
Our Company Profit (30% Of 13980000)	4,194,000	Remaining	9,786,000
		Cost Per Year Presently Of Ajit Theaters	1,152,000
		Profit Of Ajit Theaters	8,634,000

TOTAL PROFIT OF 10 THEATERS PER YEAR OF OUR COMPANY

**4,19,40,000
(41,94,000*10)**

Conceptualized by: Sonali Mittal
PGDM (2009-2011)

Introduction

Purchasing a cosmetic item, be it just a face cream or one from among the 'n' number of shades available; be it a simple handbag or any fashion jewellery; it could be really tough and confusing. So my proposed business idea is to start up a very small scale venture in tie up with 'Avon' whereby I will provide all such products and guide on customers by personally using these products and then sharing my experience with them. The outlet will be named as **Trend Setters**.

Products & Services

There are a variety of products offered by Avon:

- a. Beauty Products, such as-
 - Lipsticks, lip glosses and lip balms
 - Eye Liners, Mascara, Eye Shades, Kajal
 - Nail Paints
 - Day n Night Creams
 - Anti Frizz Hair Creams & Shampoos + Conditioner
 - Sun block creams
- b. Perfumes (both for men and women)
- c. Hand Bags
- d. Fashion Jewellery
- e. Fashionable eye shades

Management Team

The venture is not very big, so the people required for running and managing the outlet will be very less.

There will be 4 people working with me at Trend Setters.

1. One person for Finance and accounting.
2. One person for order management.
3. Two people to handle customers/ customer service

Market and Competition

The beauty product market is vast with a big opportunity and a huge potential. This also increases market attractiveness and thus, the competition from all directions.

But the key to beat this competition would be trust. Trend setters will be honest with its dealings. It would experience and shares with its customers the

reality and build a long lasting relationship based on honesty and trust.

Marketing and Sales

The outline of the marketing plan involves division of the target market into two categories:-

Category I- High end segment, who are ready to spend on expensive brands of Avon like "Anew"

Category II School and college girls, who want value for money and in fact more value for less money. So, we have Avon brand "Simply Pretty" which offers exciting shades in different products at a very low price.

The second thing that I would focus on is creating awareness about the brand and variety of promotional offerings of Avon released from time to time.

This will be done in the following ways:-

1. Hand distribution of pamphlets and brochures in nearby areas.
2. Sending e-catalogues to prospective customers.
3. Sending SMSs every month regarding the offers and schemes that can be availed.
4. Word of mouth publicity (this way come at a little later stage; but will come definitely due to the foundation of trust)

Operations and Implementation Schedule

Initially we will start operating from a small rented shop in my apartments itself. The main reason for this is the potential customers who come often in the society to purchase sarees and bed sheets from another outlet in the apartments.

Later on, we plan to shift in this shopping complex of Prashant Vihar.

Opportunities and Risks

Some of the major opportunities will be:

- ♦ Easy to get customers walk-ins
- ♦ Less Investment needed
- ♦ Large Market

But the main risk is Competition that is given by other brands like Aviance, Amway, and Oriflame.

Financial Planning and Financing

Capital Expenditure

Security for shop	Rs. 25,000
Furniture & Fittings	Rs. 30,000
Total	Rs. 55,000

Revenue Expenditure

Rent of Shop	5000*12	Rs. 60,000
Employee Salary	5000*4*12	Rs. 2,40,000
Electricity	2000*12	Rs. 24,000
Sundry Expenses	2000*12	Rs. 24,000
Total		Rs. 3,48,000

Working Capital

Inventory of around Rs. 20,000 would be enough.
Every month the stock would get sold off and again

an inventory of Rs. 20,000 will be purchased.
So, average inventory will be Rs. 2000

The total costs turn out to be

Capital Expenditure	Rs. 55,000
Revenue Expenditure	Rs. 3,48,000
Working Capital	Rs. 20,000
Total	Rs. 4,23,000

Sources of Finance

Out of the total funding requirement of Rs. 4,23,000
(which includes Rs.2,10,000 for coming 11
Months)

1. Rs. 1,00,000 will be my own contribution
2. Rs. 1,00,000 Loan from Bank
3. Rs. 1,00,00 Short term loan from Family

Cosmetics are substances used to enhance the appearance or odor of the human body. Cosmetics include skin-care creams, lotions, powders, perfumes, lipsticks, fingernail and toe nail polish, eye and facial makeup, towelettes, permanent waves, colored contact lenses, hair colors, hair sprays and gels, deodorants, hand sanitizer, baby products, bath oils, bubble baths, bath salts, butters and many other types of products. A subset of cosmetics is called "make-up," which refers primarily to colored products intended to alter the user's appearance. Many manufacturers distinguish between decorative cosmetics and care cosmetics. The word cosmetic has Greek origins.

The manufacture of cosmetics is currently dominated by a small number of multinational corporations that originated in the early 20th century, but the distribution and sale of cosmetics is spread among a wide range of different businesses. The U.S. Food and Drug Administration (FDA) which regulates cosmetics in the United States defines cosmetics as: "intended to be applied to the human body for cleansing, beautifying, promoting attractiveness, or altering the appearance without affecting the body's structure or functions." This broad definition includes, as well, any material intended for use as a component of a cosmetic product. The FDA specifically excludes soap from this category.

Source: www.wikipedia.org

Introduction

The fashion industry has accepted T-Shirts as important and they have gained popularity and growth since a couple of years ago like no other clothing form. The trends in wearing T-shirts will be changing fast because people want to wear unique styles such as hip hop, pet shop and sports T-Shirts.

Product: T-Shirts

Management team:

General Manager: Owner
Production Managers 2
Sampling Coordinators 2

Market and Competition:

The T-Shirts would fare Competition with local players and brands like Reebok, Puma and Duke. The strength of the branded T-Shirts is their brand image, quality, long history promotion capabilities, and market share.

Market Segmentation: - The market is divided into two groups, one group preferring graphics and the second preferring art work. The target market for the T-Shirts is the youth. Young people have the highest likelihood of purchasing graphics and artwork T-Shirts.

Sales & Marketing: - Sales will be initially slow because of the reason that the business is a startup organization.

Marketing Strategy: - The marketing strategy will seek to increase visibility of the T-shirts among the student groups who actively purchase t-shirts for conducting sports events in schools, Colleges.

These would also be made available at the local clothing stores.

Opportunities & Risks: Growing population of young people provides huge opportunities for T shirts. Around 60% of India's population is under age of 35 years. Generally, individuals under age of 20 consume 43% of total sports apparel sales. Increased competitive pressure is a risk. The local players in the market specialize in marketing their products. Branded t-shirts are facing tough competition from the local players. Here is an increasing numbers of new entrants in this market which is unnoticed.

Financial Planning: - Factory will be situated at Jodhpur land and building would Cost Rs. 1.5 Crores.

- ♦ Sewing machines of SINGER would cost Rs. 11,000 per machine.
- ♦ Overheads like electricity, light, etc would cost 25% of overall manufacturing cost.
- ♦ Fabric will be purchased from Surat as the cost of approximately Rs. 30-35 per meter.
- ♦ Tailors at piece wage rate would be employed at the standard labor rates prevailing in the market.

Cost of Manufacturing:-

Fabric (30X2)	= Rs. 60
Tailor (Piece Wage)	= Rs. 30 per piece
Threads, zippers & Cards	= Rs. 10 per piece
Labels & tags	= Rs. 20 per piece
Finishing & packaging	= Rs. 10 per piece
Cost of manufacturing per piece	= Rs. 130

Cost of graphics and are work are excluded from above cost. These are generally in the range of Rs.50-Rs.200.

Source of Funds - Term loans from cooperative societies amounting to Rs. 3.5 crores

Cost Sheet

Direct cost of manufacturing	= 130+50
Indirect cost of manufacturing	= 33
Total variable cost of manufacturing	= 213
Selling Price/Unit	= Rs. 350
	Onwards

Break Even Point of Sales:-

Sale price per unit	= Rs. 350
Variable Cost/units	= Rs. 213
Total Fixed Expenses land	= Rs. 1,00,00,000

Salary

Production Mgrs	= 4,80,000
Sampling Coordinators	= 3,60,000
Selling & Distribution Expenses	= 50,000
Total Fixed Cost	= 10,890,000

Break Even point	= Fixed cost
	Contribution
	= 10890000
	350-213
	= 79489 Units

Conceptualized by Hitesh Ashwani
PGDM (2009-2011)

Introduction

In the present scenario, electricity scarcity is one of the biggest problems of govt. as well as the industrial sector and households. Government has made huge investment time to time, as nuclear deal, but still it is not able to solve this problem of energy crisis. So we have planned to make products which have all the necessary qualities, named '**Solar Cell Laminators.**'

Despite significant progress, solar power still does not compete with fossil fuels or large electric grids in meeting a significant portion of a nation's energy demands. That's because today's conventional silicon-based photovoltaic cells are still too inefficient and expensive to manufacture for large-scale electricity generation. But recent advances in Nanotechnology and Photonics have the potential to change all that. This will solve the problem of energy crisis in our country. This system basically comprises of thin and advance solar cell with laminator to generate electricity and also bears the property of laminating & decorating the wall and roof.

Our business will be based on the principle of 'serving each and every class of the society.' Solar Cell Laminators will produce electricity with the help of solar energy and will laminate the wall & roof of building. It is also capable of fulfilling other purpose like decorating the walls by using glossy laminator.

It is totally a new concept in the market. We have planned to start this business at the end of this financial year, as energy & house decoration has wide potential to grow in the Indian as well as overseas market. After spending our crucial time in its programming & testing, we concluded that initial review of the product has been encouraging. "It is an intellectually challenging idea". If it turned out to work, it will be very efficient and significant." Our purpose is to improve the quality of life of communities we serve. We shall achieve this objective by growing aggressively in focused area of business and through continuous improvement in quality, cost, and customer services and attain excellence

Goals and Objectives

Our ultimate goal will be to make our country an independent country in terms of its energy

resources and our objective is to attain profit by sales maximization and providing best services to consumers gaining their satisfaction. Our product is able to meet corporate social responsibility as it is eco- friendly in all aspects.

Products and Services

We would manufacture our solar cell laminator in two different varieties:

1. GSCL Glass Fixed Solar Cell Laminators
2. PSCL Plastic Solar Cell Laminators

Customers

Here we are focusing for our potential customers who are basically big consumers of electricity and have the potential to invest in our product. This may include

- a. Big institutions
- b. Schools & Colleges
- c. Hospitals
- d. Hotels
- e. Industries.

As all of these require a continuous supply and power backup and are therefore the most feasible and lucrative customers of ours. We are also planning to further make it more economical for house holds.

Market Size

Initially, our market size is limited to the neighboring three states of Rajasthan, Haryana, Delhi, and Punjab. Now if we have a look upon a number of institutes and industries these states are having, the result comes out to be quietly positive. In northern region these states are hub of education as well as industries. So our product will be imbibed immediately in the market.

Competitive Edge

We believe that the combination of industry specific expertise and broad SCL application development experience make Solar Cell Laminator innovation unique among power producing companies. We have a lot of external options because we do not have immediate competition, because no such product has been

launched in the market till now. The existing solar cell system used in our country are lacking in many things like:

1. Not efficient
2. Not economical
3. Very bulky in size
4. Based on old technology

Market Survey

There is a significant market opportunity for the Solar Cell Laminators. Below are some data from our recent market study:

1. Total electricity produced in India in
2006-07 662 bn kWh
2007-08 525.9 bn kWh (Economic Survey 2007-08)
2. With growing demand this level of production will not be sufficient.
3. Studies reveal that out of the total electricity generated about 42% is lost in transmission process. Government is facing a lot of loss in production and distribution of power.
4. People think that government is charging more per unit which is not so.
5. In such a situation we have the alternative of nuclear power but it is a very costly means of power production.

Given the circumstances solar cell energy as the only feasible alternative. In that case if we launch Solar Cell Laminators in the market then it will soon attract the attention of the customer and soon would it popularity in market.

Pricing Strategy

'Solar Cell Laminator' will make conscious efforts to minimize its own internal costs, and to pass that cost savings on to the consumer. The company has an advantage that it is the only company of this kind manufacturing, thus it has much lower transportation and inventory costs. The company's products represent a value, given their reputation for quality, and this attribute, more than anything else, will keep sales robust. We have decided to fix prices under 'cost -plus pricing.' Under this strategy we will add certain % of cost as profit to cost of production to arrive at price.

For GSCL (per unit)

Price = cost + profit
100 = 73.84 + 26.16

For PSCL (per unit)

Price = cost + profit
50 = 28.84 + 21.16

We have planned to sell our product by:

1. Opening agencies in different markets
2. Through dealers
3. Online orders
4. Personal selling

In case of distribution we have also planned to do home delivery. We will send our experts along with our delivery so that he can help our customer and make him understand about our product.

Selling Strategies

Publicity and Public Relations

'Solar Cell Laminator' will build a solid reputation as a company that produces quality products at a reasonable price. In addition, it will also build a reputation as a caring employer that works hard to promote positive influences in the community. These efforts will have been highly publicized by the local media. Pictures of the 'Solar Cell Laminator' along with its unique features would be sent to the various institutes and companies. As a result, 'Solar Cell Laminator' will receive much favorable attention. Our selling terms are such that it will provide satisfaction to the customers.

Advertising and promotion strategies

The administrative office, manufacturing facility, and warehouse are located on Highway. This location was strategically planned. It is far enough outside the city limits to avoid city ordinances for noise and traffic due to operations; however, the facility is positioned along a major highway. This location has provided 'Solar Cell Laminator' with excellent supply routes for its retail stores, as well as delivery routes to its wholesale customers.

Launching of product: We are planning to launch our product with help of news Channels as well as by campaigning for mass communication

Promotion

We have decided to promote our products through:

1. Personal selling
2. Campaigning through trained persons
3. Online advertising
4. Retail outlets

Location

The administrative office, manufacturing facility, and warehouse will be located near NH-8 (Near Jaipur). This location is strategically planned - it is far outside the city limits to avoid city for noise and traffic due to operations; however, the facility is

positioned along a major highway. This location has provided 'Solar Cell Laminator' with excellent supply routes for its retail stores, as well as delivery routes to its wholesale customers.

'Solar Cell Laminator' will use these locations for its retail outlets, and their locations have proven to be a significant contributing factor in the strong sales of 'Solar Cell Laminator.'

The strengths of this location are:

1. Easy availability of land.
2. Tax holiday providing by the government for newly established plant.
3. Connected to major cities.
4. Accessibility to cheap raw material.
5. Availability to cheap labor.

Business Operation

Solar Cell Laminators will solve the problem of energy crisis in our country. This system basically comprises of thin and advance solar cell with laminator to generate electricity and also bears the property of wall and roof laminator.

Production Process

Today's most efficient technology for generating electricity from solar radiation is triple-junction solar cells based primarily on gallium-arsenide semiconductors. Triple-junction technology converts a much higher proportion of light energy into electricity than conventional silicon solar cells, which deliver about 15 to 18 percent. Although today's best triple-junction solar cells are about twice as efficient as silicon solar cells, they still need to be more efficient to improve the economics of solar power.

Product-Overview

Highly efficient SCL: a mirror will be affixed with the silicon sheets. Mirror of premium quality is affixed over this solar panel. The lamination which is transparent is applied over the glass to make it more immune and lends extra protection. On the lower side we can apply the adhesive or in place of this we can also use the screwed system so that this tile type panel can be easily hanged or laminate the wall. These are many tiles like panels can be arranged over the wall or roof according to our desire.

Features

1. Its one sheet comprises of 36 cells in series as well as in parallel.
2. It is entirely eco-friendly.

3. It has a very long life span.
4. No requirement of maintenance and repairs.

Benefits

The benefits of our product are as unique as our product is

- ♦ It would serve multiple purposes in a single time - Electricity production; Lamination to walls and roofs; Decorative laminator would give a pleasing look to our walls; Protection of the wall from direct heat and rain; It would save the cost of painting the wall again and again.
- ♦ It is a onetime investment and is efficient.

Product has uniqueness in its attributes and is a new concept, so success ratio is high because of introduction of highly appreciated theme of Solar Cell Laminators.

Key Issues

As every business is characterized by controllable factors that determine the relative success of a firm. The key factors to be considered are:

- ♦ Tight cost control
- ♦ Trained, dependable, honest in store manager
- ♦ Close monitoring of task
- ♦ Careful site selection
- ♦ Maintenance of product quality and efficiency
- ♦ Friendly and attentive service from a trained staff.

Entry and Growth Strategy

In case of market entry and growth, it would not be a difficult task for us to enter in the market because it is an whole new concept to laminate the walls and roofs with the help of our whole new product "SOLAR CELL LAMINATOR". In spite of this our product would be a great hit in the market because of many reasons.

Raw Material Required

- ♦ Silicon
- ♦ Glass sheets
- ♦ Laminators- 1. Glass fibers 2. Plastics 3. Transparent polymer fiber
- ♦ Plastic sheet
- ♦ Anti reflective coating materials
- ♦ Poly crystalline silicon (optional)

Human Resources

For our production procedure we require many type of persons related to different areas

1. Technicians
2. Labour

3. Trainers
4. Office and administration

Financial Plan

The enclosed financial projections are based on assumption of a cash infusion Rs.60,000,000 on the basis of market research.

Estimated Expenses

Land	1 Crore
Machine	2 crore
Contruction	50 Lakh
Marketing	5 Lakh
Research And Development	20 Lakh

Human Resource

Managerial Staff (5*40000)	2 Lakh
Administrative Staff (20*10000)	2 Lakh
Skilled Labours (35*5000)	1.75 Lakh
Unskilled Labours (28*3000)	84000
(Per Day Wages 100 Each)	

Future Growth Aspects

Right now we are focussing on the roof and wall laminators, but in future we will further expand our

business in the same field and our forthcoming products will be

- ♦ Solar cell curtains
- ♦ Solar umbrella
- ♦ Solar huts
- ♦ Solar laminators for transport vehicles

Further, we will also concentrate on expansion of our business in southern region as well.

Keys to Success:

- ♦ A high level of quality in its product line.
- ♦ Maintaining and growing its referral networks to generate new and repeat sales.
- ♦ Significant investments in research and development and engineering with the aim to focus on precisely controlled equipment.
- ♦ Improving efficiencies of operations.

Through this venture the foremost achievement will be cheap electricity production. The cost incurred on it is one time investment and thereafter it will generate only revenues for us and benefits to the customers. As our product is within the reach of general masses, availability of power in each and every corner of our country will be possible and that too without using coal and nuclear power so it will also help in reducing the burden on environment and government.

Solar energy has been used since prehistoric times, but in a most primitive manner. Before 1970, some research and development was carried out in a few countries to exploit solar energy more efficiently, but most of this work remained mainly academic. After the dramatic rise in oil prices in the 1970s, several countries began to formulate extensive research and development programs to exploit solar energy.

In the next few years it is expected that millions of households in the world will be using solar energy as the trends in USA and Japan show. In India too, the Indian Renewable Energy Development Agency and the Ministry of Non-Conventional Energy Sources are formulating a program to have solar energy in more than a million households in the next few years. However, the people's initiative is essential if the program is to be successful.

India is one of the few countries with long days and plenty of sunshine, especially in the Thar Desert region. This zone, having abundant solar energy available, is suitable for harnessing solar energy for a number of applications. In areas with similar intensity of solar radiation, solar energy could be easily harnessed. Solar thermal energy is being used in India for heating water for both industrial and domestic purposes. A 140 MW integrated solar power plant is to be set up in Jodhpur but the initial expense incurred is still very high.

Source: <http://edugreen.teri.res.in/explore/renew/solar.htm>

Conceptualized by : Kirti Sharma, Prachi Agarwal, Shama Parveen
PGDM (2009-2011)

Introduction

EcoZen is a Delhi based company. Its mission is to serve planet by creating green fashion clothing so as to promote green and healthy way of life. EcoZen aims to bring green fashion through 'unisex EcoZen T-shirts' with immense youth appeal. Our product indicates that we are inimitable and pioneering brand. Our company's philosophy is to make every customer the promoter of mission green planet. The primary goal of EcoZen is to introduce the mainstream marketplace to a high quality product made from organic eco-friendly fibers. Further, we would promote relevant green initiatives by way of our employees and suppliers. In the marketing campaign, we will focus on the problem of global pollution due to toxic chemicals and harmful fabric used in Textile industry and providing solution to this problem by way of Eco-friendly organic clothing.

Our company's Main Strategy is to make a strong reputation and increasing market share in the local areas by offering exclusively designed T-shirts for youth made from organic fabric and which has smart prints by organic ink. For the next year, EcoZen has a strategy to do an aggressive marketing campaign for effective promotion & sales. EcoZen's long term goal is to be the most admired and one of the most widely known brands which provides wearable, comfortable clothing that would be beautifully crafted, unique and Environment friendly as well. We would take a great opportunity from World Environment Day which would be celebrated on 5th of June, 2011. We would participate and organize events to pull in the target customers and create awareness and buzz about our brand EcoZen. Since our business is on eco-friendly theme and our product is unique as well so we would get media coverage too. And we can use that opportunity to make strong brand name and market share.

This business plan has been developed to track progress prior to grand opening and following through with a three-year financial projection. EcoZen aims to offer its product at a cost-based pricing and skimmed pricing to meet the need of the hour and create a successful launch of our product.

Industry Background

The textile and garment industries share

tremendously to Global Warming by using environmental unfriendly methods growing fibers and further through manufacturing, distribution and transportation of clothing to stores and customers. And finally they contribute in pollution by creating mountains of discarded clothes and last year's fashions rotting in landfills.

There is environment and social need to bring revolutionary change in the way fibers are produced and this change can only be brought by creating demand in the market for organic and eco-friendly clothing and thus invoking "eco-fashion." But, there seems to be a foggy understanding of what is "eco-fashion" as a variety of terms have been used such as ethical, organic, green, fair trade, sustainable, recycled, re-used, eco etc. Words seem to be interchangeable although they have different meanings. Moreover, the fact that these words are used extensively and in different contexts frequently unrelated risks making them meaningless. It appears that the eco-fashion industry needs to formalize better boundaries, norms and regulations. Organic clothing is manufactured to last, enduring the life cycle and finally reaching a bio-degradable end naturally without creating any disturbance to the earth. Contrasting the synthetic fabrics, natural products do not diminish the earth's resources. At the end of their life cycle they blend into the soil of the earth, joining the natural resources of re-invigorating the planet earth.

The three reasons that would motivate the purchase of organic clothes are environmental-friendly reasons, health concerns and ethical concerns. Overall, there is a need to inform better the consumers on the nature of organic fashion and to continue "glamorizing" both the communication and the product.

The Company

EcoZen will be a new player in providing 100% certified Eco-friendly T-shirts in the youth apparel industry.

Vision

To be the stalwarts of green fashion by bringing a revolutionary change in the lifestyle and attitude of the youth. This transforms into an instant billboard conveying the overall message of responsibility, sustainability and humanity.

Mission

EcoZen's mission is to offer an eco-friendly and quality T-shirts to the customers.

Four Ps

Product:

The first and foremost "P" of marketing mix. EcoZen offers eco-friendly trendy T-shirts for youth which are made from organic fabrics such as bamboo and cotton fabrics and the dyes used are organic too. Thus, EcoZen T-shirts are completely eco-friendly alternative fashion statement for youth which are high on style and comfort quotient. The benefits of using bamboo fabrics render EcoZen T-shirts soft and wrinkle free. Also anti-bacterial properties provide odour free and anti-allergic characteristics.

Price:

Objective of pricing strategy:

Generating revenue & profits by offering environment friendly products to customers.

To build a strong and committed user base of EcoZen's organic clothing in the Indian market with initial emphasis and focus on Delhi market.

Pricing strategies followed would be:

Cost based pricing: Keeping in view our fixed costs and variable costs and then keeping desirable margins on the products

Value based pricing: By giving additional value to customers of EcoZen w.r.t the one offered by competitors in terms of quality, environment friendliness and style as well as trend quotient.

Place:

The third "P" of Marketing Mix i.e. the 'PLACE' element referring to the aspect that where our product would be available and where our customers would be able to buy it in most convenient fashion.

Location: EcoZen's exclusive store will be located at Kamla Nagar market in a prominent location. This particular location has been strategically selected due to several benefits associated with it some of which are listed below:

- ♦ Its proximity to Delhi University automatically makes it a favourite destination for high street fashion, glamour and galore.
- ♦ It would endow us with the benefit of being in direct contact with our target customer group as Kamla Nagar market is considered as a 'Shopping Hub' by Delhi youth.
- ♦ It daily receives 5000-6000 footfalls on an average

thus mounting our growth plans.

- ♦ Kamla Nagar is in close proximity to Delhi University and has colleges which correlate to the expenditure potential of our target customers.
- ♦ Enormous footfalls & proximity to Target Customer group would also be advantageous in making promotional strategies profitable & effective.
- ♦ Another direct advantage would be in terms of competition as there isn't any direct competitor offering Organic clothing and specific Attitudinal T-shirts in the market.
- ♦ Proximity of store location with warehouse would also give an additional advantage of cutting down cost of logistics.

Distribution & Logistics: We are into "Direct distribution"- We will be directly selling our products to target customer group.

Raw material supplier is located at Ahmadabad who will be supplying knitted organic dyed fabric directly at our manufacturing unit located in Gandhinagar industrial area on FOB values. Our warehouse is located in the premises of Gandhinagar area only which will be advantageous for us in cutting down cost of logistics.

Promotion:

The fourth "P" of Marketing mix 'Promotion' element; that is the marketing strategy of EcoZen will include:

- ♦ Aggressive advertising in leading newspaper and magazines.
- ♦ Extensive launch promotion of EcoZen at 'Rajiv Chowk Metro Station'.
- ♦ Social media i.e. Face book, Twitter to spread word about EcoZen
- ♦ Special events will be conducted in various colleges.
- ♦ Sponsorship plans of various fests and big events & Distribution of Pamphlets and cards.

EcoZen is a new destination offering the unique combination of health and fashion. EcoZen will offer T-shirts made from natural fabric such as bamboo and cotton fabrics which provides unique benefits not only to the users but also to the environment.

EcoZen will offer T-shirts with varying range of quotes and prints that would reflect their attitudes, thought process, feelings, sense of humor, etc. Further, these quotes and prints can be customized as on special requests of the customers. EcoZen in its product, packaging, décor and promotion would reflect its vision and mission of being eco-friendly

and creating awareness about it. The goal and promise of EcoZen can be summarized in our goal and slogan: “EcoZen: Redefining the green attitude of Delhi”.

Target site for EcoZen's outlet is Kamala Nagar, Delhi with 500 square feet of space. The warehouse would be at Gandhinagar, Delhi with 300 square feet of space.

1. Product Mix:

Important ingredients

1. Bamboo Fabric:

- ♦ One of the softest and newest environmentally friendly fabrics.
- ♦ It needs little care and no other fabric can beat it for a relax style of fashion.
- ♦ Bamboo fabric has a natural sheen and softness that feels and drapes like silk but is less expensive and more durable.
- ♦ Bamboo clothing is easy to launder in a clothes washer and dryer.
- ♦ Because of the smooth and round structure of its fibers, bamboo clothing is soft and non-irritating, even to sensitive skin.
- ♦ Bamboo is naturally anti-bacterial and anti-fungal supposedly because of bacteriostatic agent unique to bamboo plants called “bamboo kun” which also helps bamboo resist harboring odors. The bamboo kun in bamboo fabric stops odor-producing bacteria from growing and spreading in the bamboo cloth allowing bamboo clothing to be more hygienic and to remain fresher smelling.
- ♦ Bamboo clothing is hypoallergenic.
- ♦ Bamboo is highly absorbent and wicks water away from the body 3 to 4 times faster than cotton. In warm, humid and sweaty weather, bamboo clothing helps keep the wearer drier, cooler and more comfortable and doesn't stick to the skin.
- ♦ The structure of bamboo fibers make bamboo fabrics more breathable and thermal regulating than cotton, hemp, wool or synthetic fabrics.
- ♦ Bamboo clothing is naturally more wrinkle-resistant than cotton, and while it might still require ironing after washing, bamboo fabric can be ironed at a lower temperature than cotton. Shrinkage during washing and drying is minimal at warm temperatures.
- ♦ Bamboo fibers and fabrics absorb dyes faster and more thoroughly than cotton, modal and viscose with better color clarity. Bamboo fabrics do not need to be mercerized to improve their luster and dye-ability like cotton requires.

2. Organic Cotton Fabric:

- ♦ Soft and easy to care fabric.

- ♦ Dust and mite resistant.
- ♦ Best choice for people suffering from asthma and allergies.
- ♦ Helps removing and absorb body moisture and hence drawing heat away from the skin keeping body cool and fresh.
- ♦ The fabric allows better air circulation.
- ♦ Only fibre which becomes stronger when wet.

3. Organic Dyes

- ♦ Naturally dyed yarns have softer look and lighter colors than their chemically dyed counterparts.
- ♦ They prevent problems of rashes, irritations and asthma.

A. Why Bamboo Fabric?

- ♦ Botanically categorized as a grass and not a tree, bamboo just might be the world's most sustainable resource.
- ♦ It is the fastest growing grass and can shoot up a yard or more a day.
- ♦ Bamboo reaches maturity quickly and is ready for harvesting in about 4 years.
- ♦ Bamboo does not require replanting after harvesting because its vast root network continually sprouts new shoots.
- ♦ And bamboo does this the natural way without the need for petroleum-guzzling tractors and poisonous pesticides and fertilizers.
- ♦ Growing bamboo improves soil quality and helps rebuild eroded soil. The extensive root system of bamboo holds soil together, prevents soil erosion, and retains water in the watershed.
- ♦ Bamboo plantations are large factories for photosynthesis which reduces greenhouse gases. Bamboo plants absorb about 5 times the amount of carbon dioxide (a primary greenhouse gas) and produces about 35% more oxygen than an equivalent stand of trees.

B. Why Organic Cotton Fabric?

- ♦ Organic cotton is grown using methods and materials that have a low impact on the environment.
- ♦ Organic production systems replenish and maintain soil fertility, reduce the use of toxic and persistent pesticides and fertilizers, and build biologically diverse agriculture.
- ♦ Third-party certification organizations verify that organic producers use only methods and materials allowed in organic production.
- ♦ Organic cotton is grown without the use of toxic and persistent pesticides and synthetic fertilizers.

C. Why Organic Dye?

- ♦ Use of natural dyes cuts down significantly on the amount of toxic effluent resulting from

synthetic dye process.

Effects of Organic Clothing on Environment

Organic clothing (both mechanically and chemically manufactured) is 100% biodegradable and can be completely decomposed in the soil by micro-organisms and sunlight without decomposing into any pollutants such as methane gas which is commonly produced as a by-product of decomposition in landfills and dumps.

Product Mix

Our product is 100% certified eco-friendly T-shirts made from organic fibres which are dyed and have prints made from organic ink.

Features:

The EcoZen T-shirts come in three standard sizes: small, medium and large.

- ♦ Materials: 70% bamboo fiber + 30% cotton
- ♦ Soft and anti-ultraviolet
- ♦ Environment-friendly
- ♦ Available in various colors and sizes
- ♦ EcoZen T-shirts are unisex i.e both for males and

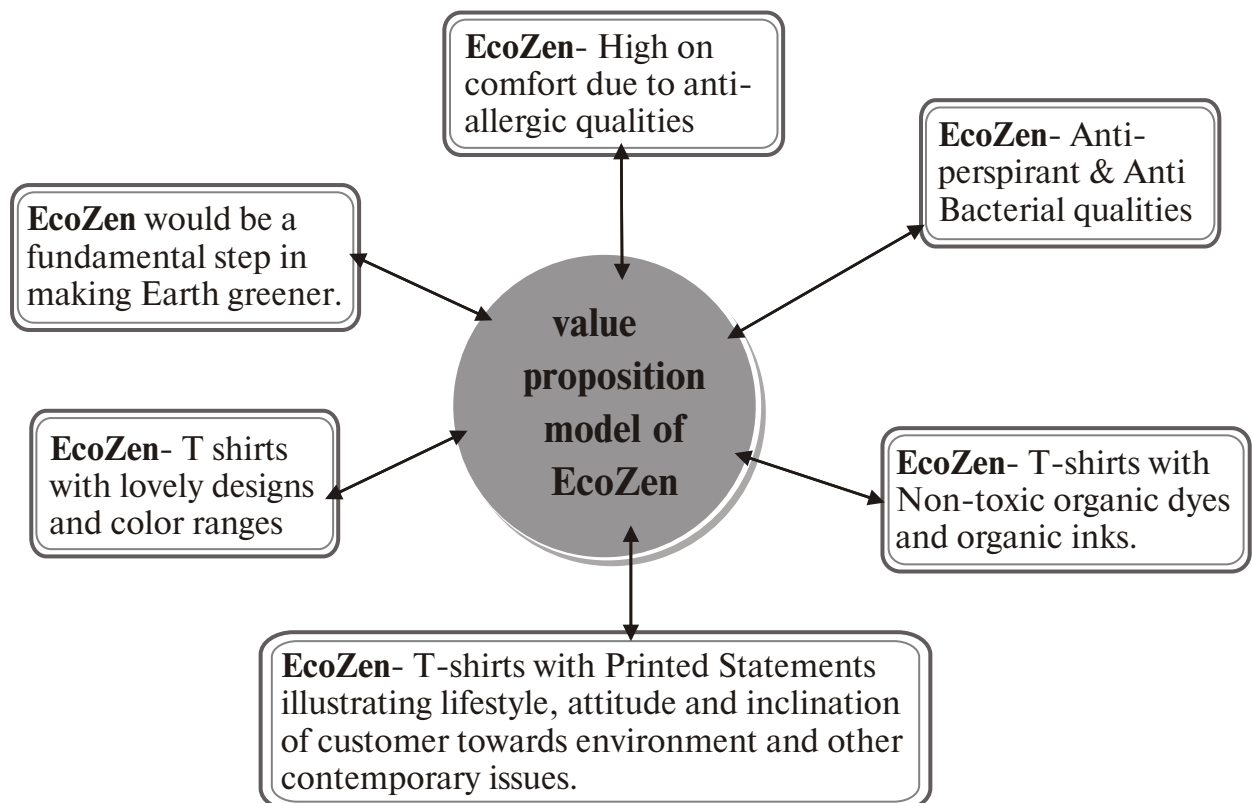
females.

- ♦ The prints are smart and youth targeted with environment centric messages.
- ♦ The ink used for printing is organic ink.
- ♦ The brand has youth appeal.

Benefits:

- ♦ The EcoZen T-shirts are environment friendly and has funky and youth appeal.
- ♦ EcoZen T-shirts provides conservation of water and less need of detergent owing to the inherent properties of the bamboo fabrics.
- ♦ The fibers used in the T-shirts are organic and made from certain plants which gives them soft smooth texture, anti-bacterial benefits, anti-perspiring properties, easily washable and keep them fresh longer.
- ♦ The organic ink used for printing makes EcoZen T-shirts complete eco-friendly product.
- ♦ Ours is a quality product as we get our organic textile supplied from well-known suppliers from Ahmadabad. EcoZen's T-shirts are 100% certified product.
- ♦ Our T-shirts would be packaged in environment friendly paper bags and cloth bags.

Values associated with EcoZen Brand and Pricing



Industry Analysis

We believe that since we need to wear clothing most of the time we might as well do it with fashion. The apparel industry is one of the most important sectors of the economy in terms of investment, revenue, trade and employment generation all over the world.

- ♦ India's Textile & Apparel industry (domestic + exports) is expected to grow from the current Rs 3, 27,000 crores (US\$ 70 bn) to Rs10, 32,000 crores (US\$ 220 bn) by 2020.
- ♦ The Indian domestic Textile and Apparel market size in 2009 was Rs 2, 18,570 crores (US\$ 47 Bn) and is expected to grow @ 11% CAGR to reach Rs 6, 56,000 crores (US\$ 140 Bn) by 2020.
- ♦ Domestic Apparel retail market was worth Rs 1, 54,000 crores (US\$33 Bn) in 2009 and is expected to reach Rs 4, 70,000 crores (US\$100 Bn) by 2020.
- ♦ The main drivers of domestic growth are increasing population, increasing income levels, rapid urbanization, improving demographics, increased organized players and increasing penetration of retailers into smaller cities.
- ♦ Global Textile and Apparel trade is recovering after a slump during the economic recession in 2008-09, and is expected to reach US\$ 1 Trillion by 2020 from the current US\$ 510 Bn. The growth in trade is driven by increased outsourcing of western / developed countries towards lower cost countries in Asia.
- ♦ In terms of financial returns, Apparel is the most attractive product category amongst retail product categories both in terms of Returns on Capital Employed and EBITDA.
- ♦ India's total Textile and Apparel industry size is valued at Rs 3, 27,000 crores (US\$ 70 Bn) in 2009 and is estimated to grow @ 11% CAGR to reach Rs 10, 32,000 crores (US\$ 220 Bn) by 2020.
- ♦ High growth categories in men's market include Active wear, T-Shirts, Innerwear and Shirts
- ♦ High growth categories in women's market include Innerwear, Woven tops / Shirts and T-shirts.

Market Analysis

Interests in T-shirts remain high for the targeted customers. It is the number one choice of items for which our target customers shop.

- ♦ In general, youths spend on an average Rs 25000 to Rs 50,000 on purchase of clothing.
- ♦ There is low or no awareness about eco-friendly organic clothing.
- ♦ In India, T-shirt industry has risen by 27% followed by shirts and trousers.

- ♦ Our target customers spend on natural products such as cotton, jute and khadi.
- ♦ 55% youths buy apparels from high street and malls.
- ♦ The internet has become a tremendous advantage.

Market Needs

Youths are now more conscious about their environment and are inclined to take measures to keep bringing more greenery and combating pollution. The eco-friendly organic clothing is preferred over synthetic clothing by approximately 97% of our respondents. This evidently shows that youths are ready to experiment with green fashion and are receptive to the idea of organic clothing.

Perceptual mapping and analysis

Perceptual mapping of target segment was conducted on four parameters of Price, Quality, trends and organic/green clothing in which existing players (major competitors in T-Shirts category) and their product offerings were placed at different spaces in the respective quadrants.

Parameters of organic clothing and trendy/stylish clothes:

- ♦ Only one competitor UCB is holding a space w.r.t these categories.
- ♦ UCB is at initial stages of product offerings in organic clothing. Variety as well as product assortment is very low.
- ♦ EcoZen although a new entrant in organic clothing category is high on parameters of fashion and style.
- ♦ Therefore EcoZen holds a strong place in this category at a superior position.

Parameters of organic clothing and pricing:

- ♦ UCB which is the only competitor under consideration ranks at higher values when considered in terms of pricing of its organic product offerings.
- ♦ EcoZen is offering pure and diverse organic clothing range at target segment's pocket friendly prices.
- ♦ At this point as well, EcoZen holds a better position than UCB.

Parameters of price and quality:

- ♦ Tantra, honeybee and Nuon are offering products specifically T-shirts at lower price values which are competitively priced and placed at moderate position in terms of quality.
- ♦ UCB and Shopper's stop ranks higher in terms of quality and price as well.

- ♦ A Middle position is captured by EcoZen with its high quality products and value based pricing.

Parameters of quality and trends:

- ♦ Tantra, Nuon and Honeybee ranks at a higher position than UCB & Shopper's stop in terms of style and fashion whereas in terms of quality UCB & Shoppers's stop are at better positions.
- ♦ EcoZen is in direct competition with Tantra & Nuon where style & fashion is concerned and in terms of quality EcoZen product offerings are at superior positions.

Pest Analysis

Political Factors:

- ♦ The National Fiber Policy framed by the Indian Govt. to provide an impetus to organic Fabric and to enable the departments of agriculture, textile and commerce to work together for sustaining organic cotton cultivation.
- ♦ The Organic Cotton Advisory board has been set up by the Indian Government on October 14, 2008 to support India's organic cotton industry.
- ♦ Increasing Government concern and support towards environment sustainability
- ♦ Global initiatives like Copenhagen summits brought Indian govt.'s attention towards pollution causing textile and garment industry which has led to promotion of organic fabric at bigger levels.

Economic Factors:

- ♦ Special incentives and schemes are provided by banks and Government to encourage women entrepreneurs.
- ♦ Increase in the per capita consumption of clothing due to increasing per capita income of consumers.
- ♦ Indian domestic apparel market is expected to grow at a CAGR of 11% driven by high unit value growth in organized and branded apparel sector.
- ♦ Government assistance for organic farming is leading to reduced costs of raw material.

Social Factors:

- ♦ Social realization towards negative impact caused by non-eco friendly products has led to an inclination of people towards usage of environment friendly products.
- ♦ Eco friendly clothing is turning out to be a fashion statement among youth combining high quality clothing with socially conscious environmentalism has become a fashion, and is in vogue
- ♦ Clothing pattern of urban as well as rural consumers is undergoing modernization and trendy clothing is becoming a part of their

lifestyle.

Technological Factors:

- ♦ The "Technology up gradation Fund Scheme" by Ministry of Textiles to provide credit facility at reduced rates to enable entrepreneurs to upgrade technologies of textile operations.
- ♦ Increasing technological up gradation in making best use of organic and eco friendly products in manufacturing of organic dyes and inks used in textile industry.

SWOT Analysis

Strengths

- ♦ **Less competition and few players in organic clothing category-** As fewer players are there in organic clothing category especially the T-shirt segment our product will enjoy the benefits of differentiation.
- ♦ **Anti-bacterial, Anti-perspirant & SPF qualities of environment friendly bamboo t shirts-** Bamboo clothing is a green solution to environment problems and degradation created by mad less use of chemicals & dyes in textile industry. This is a novel concept which if adopted in right fashion would bring a revolutionary change in the way textile industry works.

Also bamboo fabric is scientifically proved as an Ant- perspirant and Anti- bacterial fabric so it would provide our product with differentiating qualities.

- ♦ **Trendy, fashionable T-shirts at reasonable prices-** Designs of our products will be in accordance with changing fashion, style statements and attitude of youth.
- ♦ **Homoeothermic qualities of organic t-shirts-** Bamboo fabric is homoeothermic in nature & its products easily adjust themselves according to temperature variations.
- ♦ **Location of our store will be a huge strength-** Our store will enjoy the advantage of being in direct contact with our target segment and we would be able to reap higher benefits from our promotion activities.

Weaknesses

- ♦ **Unawareness among a large section of target segment about the concept of organic clothing-** Bamboo clothing being a new and unexplored concept is still not counted in regular clothing styles so a large section of target segment is completely unaware although ready.
- ♦ **We are naive in garment industry-** We are new entrepreneurs and inexperienced in this industry

so that may work as a weakness for our project.

- ♦ **Product assortment is limited-** Our focus is on single product category of T -shirts initially so low product assortment may act as a weakness.
- ♦ **High costs of organic fabric raw material-** We are using organic fabrics which are costlier than ordinary garment fabrics and thus our cost of raw material is higher than that of competitors.

Opportunities

- ♦ **Increasing consciousness of people towards environmental degradation -** The growing concern for global warming boosts the demand for organic products. With chemicals taking a toll on human health and environment, more and more people are becoming conscious of living life; the 'organic way'
- ♦ **Huge market potential of eco friendly clothing in India-** Eco friendly clothing in our country is expected to grow at a CAGR of 40% according to various research agencies.
- ♦ **To a large extent bamboo clothing is still an unexplored category -** Bamboo clothing is a novel concept and large sections of people are not even informed about any such utilization of bamboo fabrics. Therefore we can easily vouch upon this factor and can convert it into our "USP".
- ♦ **Eco friendly clothing combining high quality clothing with socially conscious environmentalism has become a fashion, and is in vogue-** With everything going green in society for sustainable environment, even clothing patterns are undergoing unprecedented changes to turn as Organic as they can.

Also, people find it trendy to wear environment

friendly stuff to make their own fashion statement.

- ♦ **Strong inclination of youth towards trendy and fashionable T-Shirts-** With high proportions of youth population in country and their strong inclination towards modernization and western trends; Attitude imprinted T-Shirts have become a rage among them to express themselves and their personalities.
- ♦ **Government's stricter norms for regular cloth manufacturing industries and simpler ones for environment friendly industry set ups-** Government's policies are acting as boon for industries with lower carbon footprints.
- ♦ **Favorable environment for young entrepreneurs as many establishments have come up to finance their projects-** A huge number of Entrepreneur cells such as NEN etc. and NGO's have come up in recent past years creating an amicable environment for business set up of young entrepreneurs often having innovative and risky ideas.

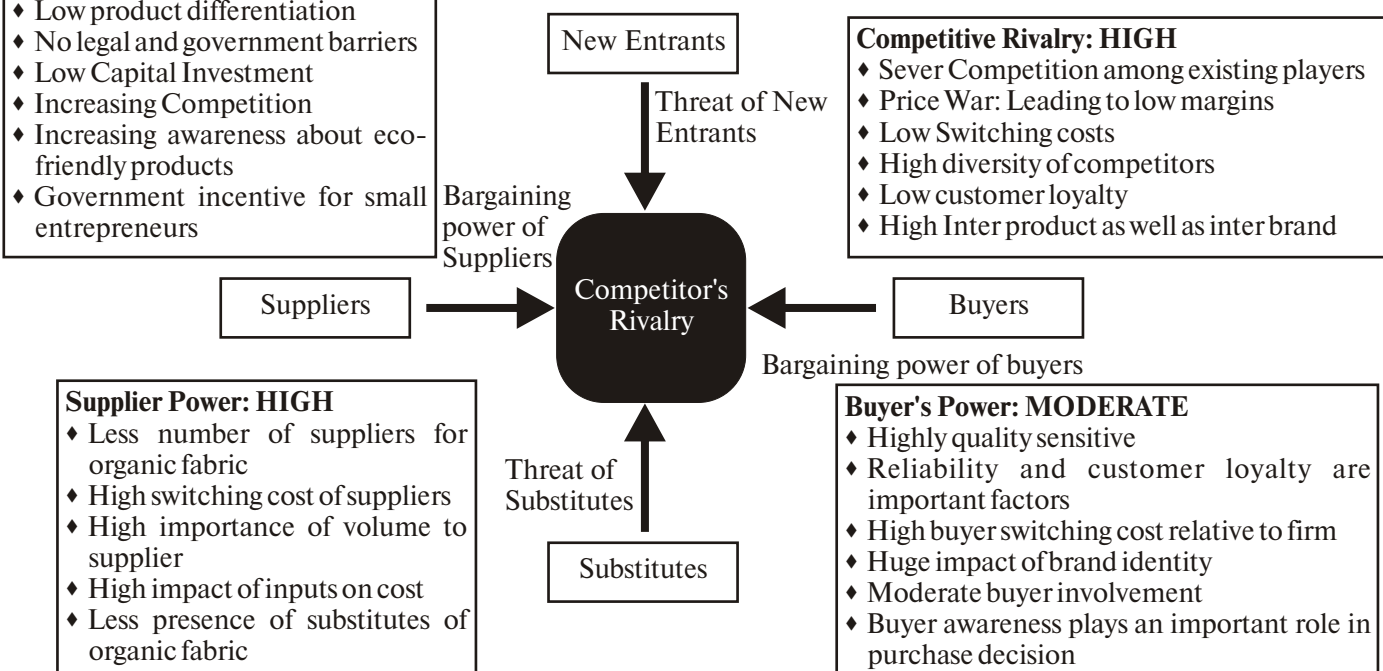
Threats

- ♦ Threat from already established T-shirt and other clothing brands which are already there in the market with a competitive edge of huge experience and brand loyalty in our comparison.
- ♦ Designers offering organic clothing ranges would also act as a threat.
- ♦ Apparel Brands offering 100% cotton clothing like Fab India and Khadi Gram Udyog etc. would pose a great competition in early adoption of our brand.

Barriers to Entry: MODERATE

- ♦ Low product differentiation
- ♦ No legal and government barriers
- ♦ Low Capital Investment
- ♦ Increasing Competition
- ♦ Increasing awareness about eco-friendly products
- ♦ Government incentive for small entrepreneurs

Porter's five forces model



MARKET STP

The particular segment that we will operate in is a submarket of the urban market and is referred to as street wear which are based on the revolutionary idea of being manufactured by using organic fabrics such as bamboo and cotton fabrics. There are many trends in this market segment and due to government initiatives and awareness from other sources eco-friendly consciousness is on rise.

The popular trend in our market segment is the more urban targeted graphic prints with attitude quotes made popular by youth icons and actors in recent movies with ubercool image.

Market Segmentation

We estimate that our customers are between 18 to 26 years of age.

Targeting

EcoZen T-shirts are targeting the youth that have slightly different demographics. We have T-shirts for Gen Y, individuals born between 1980 and 1994 and for Gen Z, individuals born between 1990-2001.

Our customers are college students and from our location of EcoZen outlet we are targeting them appropriately. Further, from our market analysis we have come to know that 75% of youth in Delhi are inclined to take measures to make environment better.

Competitive Edge

EcoZen has several identifiable factors that help our success. The competencies are as follows:

- ♦ The EcoZen T-shirts are environment friendly and are trendy with youth appeal.
- ♦ The fabrics used in the T-shirts are organic and made from bamboo and cotton fibres which gives them soft smooth texture, anti-bacterial benefits, anti-perspiring properties, easily washable and keep them fresh for longer hours.
- ♦ The organic ink used for printing makes EcoZen T-shirts complete eco-friendly product.
- ♦ They have the same look and texture as any branded quality T-shirts available in the market except that organic EcoZen T-shirts have anti-bacterial and SPF qualities.
- ♦ EcoZen T-shirts have smart trendy attitude messages printed on them as well as there can be customized messages as on special requests of the customers.

Market Research for Consumer Perception

Findings and interpretation

1. Awareness of eco friendly clothing:



Approximately 83% of respondents claimed that they are aware of eco friendly clothing and a meager 17% of respondents turned out to be unaware of existence of green clothing.

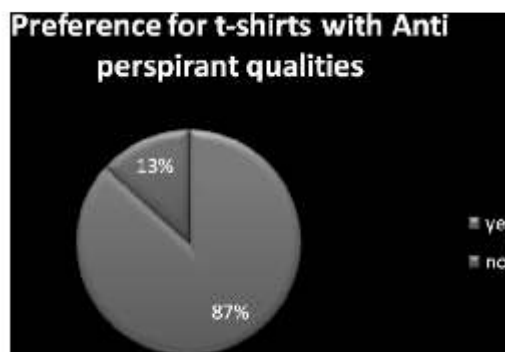
This kind of awareness would endow us with a strong base to build our promotional strategies.

2. Preference for eco friendly clothing:



Research revealed that 93% of respondents are fond of Eco friendly clothing while just 7% of respondents are nonchalant for the same. This predilection is highly favorable for our concept of bamboo clothing.

3. For t-shirts with anti -perspiring clothing and fresh feel qualities:



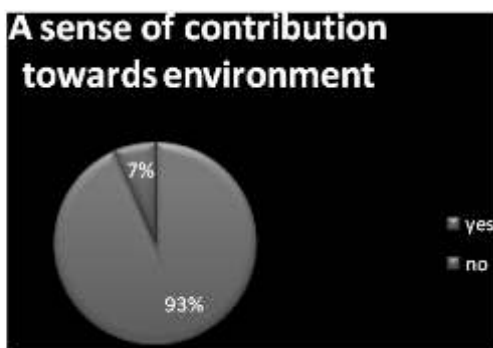
It has been found that 87% of respondents would love to go for t-shirts with Anti-perspiring and Anti bacterial properties while 13% of respondents seemed to be indifferent if such an option exists.

4. Personality and green clothing:



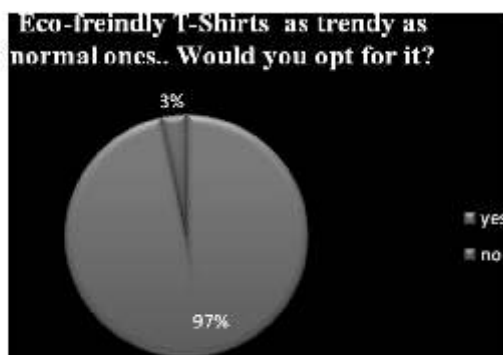
Research indicated that 60% of respondents are skewed towards the idea of creating individuality by sporting Environmental friendly clothing.

5. Sense of responsibility towards environment:



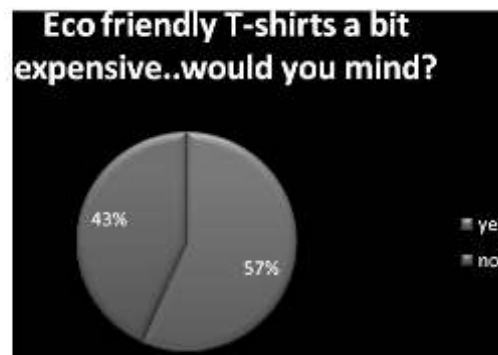
93% of the respondents felt that sporting an eco friendly t-shirt will provide them with a feel of contentment of a small yet fundamental contribution towards “Mother Earth”

6. Trendy eco friendly t-shirts or trendy normal ones?



97% of respondents would love to go for trendy and stylish Eco friendly t-shirts as compared to the normal ones available in market.

7. Willingness to spend a bit more for Eco friendly T-shirts:



It has been found that 57% of the respondents wouldn't mind spending a bit more; if it would help reduce the environmental crisis which has gripped the whole world.

Marketing Plan

Marketing Objective

Our marketing strategy is the key to our success:

1. Create cognitive and affective brand associations with the target customers for the unique EcoZen product through advertising and promotion.
2. Increase product awareness among the target customers.
3. Inform target customers about benefits of our product and its competitive advantage.
4. Build community relationships by making the target customers feel as the crusaders of environment.

Marketing Strategy

Our strategy is to implement the most aggressive marketing and networking in the community followed by provision of quality EcoZen T-shirts.

Positioning Strategy and Points Of Differentiation

Our positioning strategy is designed in such a manner that EcoZen Brand would be perceived by our target customer group as not only a brand to go for but also a place where they would get everything depicting their attitude, taste, inclination, liking and preferences. We want to capture the perceptual space of target customers in such a manner that whenever they would think of green EcoZen would strike their thoughts.

- ♦ Our Brand Logo, Symbols, Packaging etc.all would be designed in such a manner to have a strong & positive impact on the minds of consumers.

- ♦ We are directly targeting our customer at places where their chances of getting captured would be exquisitely high and our place strategy i.e. the store location at Kamla Nagar is one of the key factors contributing towards this.
- ♦ Also the pricing of products is done in such a manner that it would appear as a T-shirt with value added qualities.
- ♦ Four major points defining EcoZen's positioning strategy are -
 - Who am I? A brand called as EcoZen which is inclined towards organic clothing.
 - For whom m I? I am a brand for socially & environmentally conscious Youth who love to wear their attitude on their sleeves.
 - What am I? I am a high quality stylish and trendy brand of Organic Clothing made exclusively from environment friendly products.
 - Why me & against whom? One should choose EcoZen because it's Not only stylish but healthy as well for Mother Earth and for human beings against ordinary T-Shirts made from harmful chemicals, dyes & fabric which degrades environment.

Promotion Strategy

Key highlights of EcoZen's Promotion Mix

- ♦ Extensive Promotion by means of Radio and magazines as well as leading newspapers three days before launch.
- ♦ Special events will be organized at various places so as to increase customer awareness and participation in Ecozen & its activities.
- ♦ Promotion by means of Website, Social media and its elements i.e. Facebook and twitter specifically by creating various communities and encouraging customer participation by means of contests & reward points one month before launch.
- ♦ Widespread distribution of pamphlets and cards of Ecozen in areas of vicinity.
- ♦ Extensive promotion by making use of DMRC's advertising sites at Rajiv Chowk Metro station few days prior to launch.
- ♦ Sponsorships of college fests and special occasions so as to reach a immense customer group.

Financial Analysis

Financial Plan

I- Start-up Expenses Summary

ECOZEN'S Startup Expense Summary

Sources of Capital

Total Investment	In'000 15000
Startup Expenses Summary	
Capital Expenditure	253
Sales And Marketing	3658
Raw Material And Manufacturing Cost	3816
Human Resources	964
General And Administration	1670
Total First Year Budget	10361

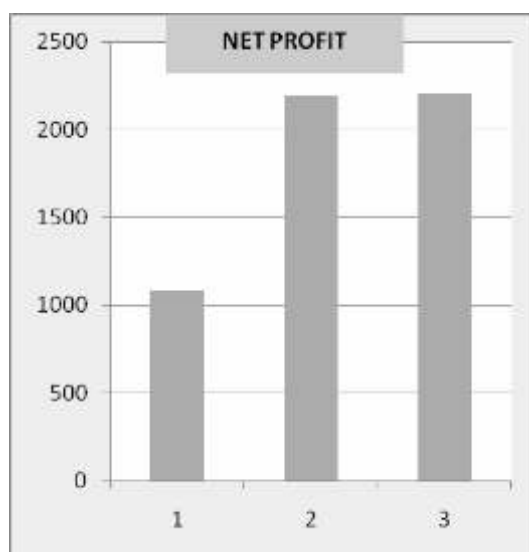
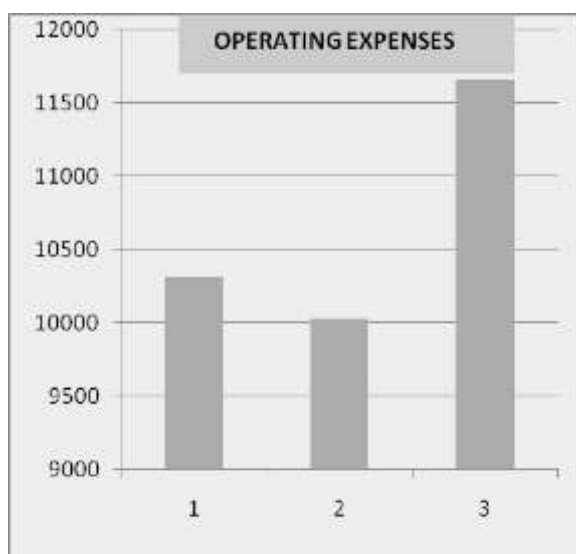
II- Revenue Forecast (3- Year)

ECOZEN Revenue Forecast (3 Years)

Revenue Forecast	In'000		
	Year 1	Year 2	Year 3
Units	21.6	24	27
Total Revenue(at 550 Per Unit)	11880	13200	14850

III- Profit and Loss Projection (3-Year)

	In'000 Year 1	Year 2	Year 3
Revenue(sales)	11880	13200	14850
Operating Expenses			
Capital Expenditure	253		
Sales And Marketing	3659.6	3170	3196
Raw Material And Manufacturing Cost	3816	4224	5808
Human Resources	1993.2	964	964
General And Administration	964	1670	1687
Total Operating Expenses	10311	10028	11655
Profit Before Tax	1570	3172	3195
Taxes(30.9%)	485	980	987
Net Profit	1085	2190	2208



IV- Pro forma Cash Flows (3- Year)

	In'000 Year 1	Year2	Year3
Cash Received			
Cash From Operations			
Cash Sale	11880	13200	14850
Additional Borrowing			
New Borrowing	15000	-	-
Total Cash Received	26880	13200	14850
Expenditure			
Expenditure In Operations			
Sales And Marketing	3659.6	3170	3196
Raw Material And Manufacturing Cost	3816	4224	5808
Human Resources	1993.2	964	964
General And Administration	964	1670	1687
Total Operating Expenses	10432.8	10028	11655
Additional Cash Spend			
Taxes	470	980	987
Purchase Of Long Term Asset	253	253	253
Total Cash Spent	723	1233	1240
Net Cashflow	15725	1940	1955

V- Projected Balance Sheet: ECOZEN Balance Sheet (Projected)

Asset	In 000 Year 1
Current Asset	
Cash In Bank	2867
Account Recievable	11880
Total Ca	14747
Fixed Asset	253
Total Fixed Asset	253
Total Assets	15000
Liabilities	
Long Term Debt	10000
Owner's Equity	5000
Total Liabilities And Owner's Equity	15000

VI- Breakeven Analysis

	Variable Cost	Fixed Cost
Variable Cost Components	47%	53%
Personnel	1080	
Raw Material & Manufacturing	3816	
Fixed Cost Componet		
Capital Expenditure	253	
Sales And Marketing	3659.6	
Human Resources(only Staff)	590	
General And Administration	964	

Breakeven Sales Level=18840 Units

From the breakeven analysis we have estimated that our breakeven level of sale would be around 18900 units. From market analysis we have come to know that we would be able to sell around 1800 T-Shirts per month, so the estimated sales for first year is 21600 units. Based on target costing we have decided to sell a T-Shirt at Rs.550.

So it's clear that we will be able to achieve our breakeven sales level within first year.

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- 4 [fiberhttp://organicclothing.blogs.com/my_weblog/2007/09/bamboo-facts-be.html](http://organicclothing.blogs.com/my_weblog/2007/09/bamboo-facts-be.html)
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Eco friendly Fabrics

1. Hemp - An amazing natural fiber. Hemp provides enormous benefit to the natural environment. This is true when used in products and when growing the hemp plant.
2. Jute - Similar to hemp, jute is a type of vegetable fiber used for thousands of years, with outstanding potential for the future.
3. Ingeo - Trademark for a man-made fiber derived from corn.
4. Calico - Fabric made from unbleached cotton. (Also referred to as muslin)
5. Hessian Cloth - Coarse woven fabric made from jute or hemp.
6. Organic cotton - Cotton grown organically (without pesticides etc.)
7. Recycled Polyester - Polyester created from used polyester garments.
8. Bamboo Fiber - Bamboo fabric is very comfortable and 100% biodegradable.
9. Tencel® - Brand name for a biodegradable fabric made from wood pulp cellulose.
10. Ramie - Ramie fibers are one of the strongest natural fibers. Ramie can be up to 8 times stronger than cotton, and is even stronger when wet.

Source: <http://www.natural-environment.com/blog/2008/04/10/17-eco-friendly-fabrics/>

(Questionnaire Applied)

Please fill up the appropriate box

Eco friendly clothing stands for garments crafted from natural and fair-trade textiles

1. Are you aware of Eco friendly clothing?

☐ Yes

☐ No

2. Would you prefer using such clothing which would be prepared by using methods and materials that have a low impact on the environment?

☐ Yes

☐ No

3. Would you buy T-shirts with Anti perspiring, Anti bacterial & fresh feel qualities?

☐ Yes

☐ No

4. Do you think wearing eco friendly clothing can help you stand apart from the crowd? (Give reason for your answer)

☐ Yes

☐ No

5. Do you think buying Eco friendly products can be a small but valuable step towards making Earth green?

☐ Yes

☐ No

6. Would you prefer buying Eco friendly T-shirts if they look as stylish and trendy like your normal branded T-Shirts?

☐ Yes

☐ No

7. Would you buy Eco friendly T-shirts if its bit expensive than your regular Eco Destructive T-shirts?

☐ Yes

☐ No

Outlines

A brief on some sectors of India



The pharmaceutical industry develops, produces and markets drugs licensed for use as medications. Pharmaceutical companies can deal in generic and/or brand medications. They are subject to a variety of laws and regulations regarding the patenting, testing and marketing of drugs. The industry comprises establishments primarily engaged in one or more of the following:

- ♦ Manufacturing biological and medicinal products.
- ♦ Processing botanical drugs and herbs.
- ♦ Isolating active medicinal principals from botanical drugs and herbs.
- ♦ Manufacturing pharmaceutical products intended for internal and external consumption

India is the preferred nation for pharmaceutical generation because:

- ♦ Low charges for research and development as well as production of drugs.
- ♦ Presence of low cost manufacturing facilities
- ♦ Educated and skilled manpower and cheap labor force

The Indian pharmaceutical market reached US\$ 10.04 billion in size in July 2010. It is growing at about 8 to 9 percent annually and is expected to reach US\$ 55 billion in 2020 from US\$ 12.6 billion in 2009. The industry meets around 70% of the country's demand for bulk drugs, drug intermediates, pharmaceutical formulations, chemicals, tablets, capsules, orals and injectibles. There are about 250 large units and about 8000 Small Scale Units, which form the core of the pharmaceutical industry in India. Manufacturers are free to produce any drug duly approved by the Drug Control Authority.

India's Domestic Pharmaceutical Market

Company	Size(\$ Billion)	Market Share(%)	Growth Rate(%)
Total Pharma Market	6.9	100.0	9.9
Cipla	.36	5.3	13.4
Ranbaxy	.34	5.0	11.5
Glaxo Smithkline	.29	4.3	1.2
Piramal Healthcare	.27	3.9	11.7
Zydus Cadila	.24	3.6	6.8

Initiatives

The Government has planned to set up a US\$ 639.56 million venture capital. An SEZ at Vishakhapatnam is in the offing. Also the government has opened and plans to open 3,000 Jan Aushadhi stores. Some of the major investment developments in the sector includes:

- ♦ Belgium based Helvoet Pharma, is setting up its

first greenfield production facility in Khandala Industrial Area.

- ♦ Swiss Pharma major Lonza AG, would invest around US\$ 55.33 million in Genome Valley project, Hyderabad.
- ♦ Chennai-based Bafna Pharmaceuticals plans to raise around US\$ 4.43 million for its future expansion.
- ♦ Hyderabad Menzies Air Cargo Private Limited, has launched India's first airport-based pharma

zone.

Some of the Major Players in India

Biocon

- ♦ Established in 1978, in 1979, it became the first company to manufacture and export enzymes to USA and Europe. The headquarters are in Bengaluru and its founder is Kiran Mazumdar Shaw
- ♦ Biocon is a fully integrated biotechnology enterprise focused on the development of biopharmaceuticals.
- ♦ Biocon is committed to find biotechnology solutions for the patients of diabetes and cancer. Recently it has launched ranges for nephrology division
- ♦ Biocon together with Syngene and Clinigene has employee strength of about 2000, consisting of chemists, computer scientists, medical practitioners, engineers, chemists, market analysts and biologists.

Cadila

- ♦ Established in 1958, its headquarters are in Ahmadabad and Pankaj Patel is its CEO
- ♦ Cadila is a well known research-oriented, technology-driven pharmaceutical company
- ♦ It is into the operations of soft gel, hospital disposables, instrumentations and diagnostics.
- ♦ It has marketing offices in more than 4 countries and has significant presence in over 45 countries.

Ranbaxy Laboratories Ltd.

- ♦ Established in 1961, its headquarters are in Gurgaon and Atul Shobti is the CEO
- ♦ Ranbaxy is focused on Discovery and development of drugs on anti-infectives, urology, respiratory/ inflammatory and metabolic diseases.
- ♦ It has strong presence in around 49 countries, products available in around 125 countries globally.

Cipla

- ♦ Established in 1935, its headquarters are in Mumbai and Y K Hamied is its CEO
- ♦ Cipla has a wide range of products and dosages forms, everything from nasal sprays, metered-dose inhalers, medical devices, pre-filled syringes, and lyophilized injections.
- ♦ Cipla had opened the door of hope to several AIDS patients by becoming the first company in the world to offer the Triple-drug AIDS Cocktail

at a very low price

Sun Pharmaceuticals Industries Limited

- ♦ Established in 1983, Sun Pharma was a start-up company with five products.
- ♦ Mr. Dilip S. Shanghvi is the Founder, Chairman and the MD of the company.
- ♦ The company has headquarters in Mumbai.
- ♦ The company has grown immensely since 1996 as a result of internal growth combined with external acquisitions of other companies such as Caraco Pharma Labs and ICN Hungary.
- ♦ Its products are in several therapeutic areas, including psychiatry, neurology, cardiology, diabetology, gastroenterology, respiratory, and orthopedics

Dr. Reddy's Laboratories

- ♦ Established in 1984, G V Prasad is Vice Chairman and CEO of Dr. Reddy's Laboratories.
- ♦ A fully integrated pharmaceutical company, it provides affordable and innovative medicines through three core businesses:
 - Pharmaceutical Services and Active Ingredients, comprising Active Pharmaceuticals and Custom Pharmaceuticals businesses;
 - Global Generics, which includes branded and unbranded generics;
 - Proprietary Products, which includes New Chemical Entities (NCEs), Differentiated Formulations, and Generic Biopharmaceuticals.

Aurobindo Pharma

- ♦ Founded in 1986 by Mr. P.V.Ramaprasad Reddy, Mr. K. Nityananda Reddy and a small, highly committed group of professionals.
- ♦ Robust product portfolio spread over major product areas encompassing CVS, CNS, Anti-Retroviral, Antibiotics, Gastroenterological, Anti-Diabetics and Anti-Allergic with approved manufacturing facilities by USFDA, UKMHRA, WHO, MCC-SA, ANVISA-Brazil for both APIs & Formulations
- ♦ The company has Global presence with own infrastructure, strategic alliances, subsidiaries and joint ventures.

Lupin

- ♦ Lupin was formed in the year 1968 and it is headquartered in Mumbai.
- ♦ An innovation led transnational pharmaceutical company producing a wide range of quality,

affordable generic and branded formulations and APIs for the developed and developing markets of the world and this product reach over 70 countries in the world.

- ♦ World's largest manufacturers of Tuberculosis drugs
- ♦ 5th largest and the fastest growing Top 5 company in the U.S by prescriptions),
- ♦ Fastest growing top 5 pharmaceutical players in India and
- ♦ Top 10 Generic players in Japan and South Africa.

GlaxoSmithKline

- ♦ One of the world's leading research-based pharmaceutical and healthcare companies is committed to improving the quality of human life by enabling people to do more, feel better and live longer.
- ♦ Established in the year 1924 in India, its product portfolio includes prescription medicines and vaccines.
- ♦ It is one of the market leaders with a turnover of Rs. 2003 crore and a share of 5.0%

Aventis Pharma Limited

- ♦ This pharmaceutical company was incorporated in May 1956
- ♦ It recently merged with pharmaceutical company Sanofi. This France-based private pharmaceutical giant has presence across all the continents of the world. It operates its Indian arm from Mumbai, India
- ♦ With nearly 100,000 employees in over 100 countries, Sanofi-Aventis has core strengths in the field of healthcare: a worldwide presence, market leadership in vaccines, major biological products and a strong and long-established presence in emerging markets.

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The Indian Pharmaceutical Industry today is in the front rank of India's science-based industries with wide ranging capabilities in the complex field of drug manufacture and technology. It ranks very high in the third world, in terms of technology, quality and range of medicines manufactured. From simple headache pills to sophisticated antibiotics and complex cardiac compounds, almost every type of medicine is now made indigenously.

Playing a key role in promoting and sustaining development in the vital field of medicines, the Indian Pharma- Industry boasts of quality producers and many units approved by regulatory authorities in USA and UK. International companies associated with this sector have stimulated, assisted and spearheaded this dynamic development in the past 53 years and helped to put India on the pharmaceutical map of the world.

“The Indian pharmaceutical industry is a success story providing employment for millions and ensuring that essential drugs at affordable prices are available to the vast population of this sub-continent.” Richard Gerster

Source: <http://www.pharmaceutical-drug-manufacturers.com/pharmaceutical-industry/>

Introduction

Without a sound and effective banking system, no country can have a healthy economy. The banking system of India should not only be hassle free but it should be able to meet new challenges posed by the technology and any other external and internal factors. For the past three decades India's banking system has several outstanding achievements to its credit. It is no longer confined to only metropolitans or cosmopolitans in India. In fact, Indian banking system has reached even to the remote corners of the country. This is one of the main reason of India's growth process. The first bank in India, though conservative, was established in 1786. From 1786 till today, the journey of Indian Banking System can be segregated into three distinct phases.

They are as mentioned below:

- ♦ Early phase from 1786 to 1969 of Indian Banks
- ♦ Nationalization of Indian Banks and up to 1991 prior to Indian banking sector Reforms.
- ♦ New phase of Indian Banking System with the advent of Indian Financial & Banking Sector Reforms after 1991.

The Early era:

The General Bank of India was set up in the year 1786. Next were the Bank of Hindustan and Bengal Bank. The East India Company established Bank of Bengal (1809), Bank of Bombay (1840) and Bank of Madras (1843) as independent units and called them Presidency Banks. These three banks were amalgamated in 1920 and Imperial Bank of India was established which started as private shareholders banks, mostly Europeans shareholders.

In 1865 Allahabad Bank was established and first time exclusively by Indians, Punjab National Bank Ltd. was set up in 1894 with headquarters at Lahore. Between 1906 and 1913, Bank of India, Central Bank of India, Bank of Baroda, Canara Bank, Indian Bank, and Bank of Mysore were set up. Reserve Bank of India came in 1935.

During the first phase the growth was very slow and banks also experienced periodic failures between 1913 and 1948. There were approximately 1100 banks, mostly small. To streamline the functioning

and activities of commercial banks, the Government of India came up with The Banking Companies Act, 1949 which was later changed to Banking Regulation Act 1949 as per amending Act of 1965 (Act No. 23 of 1965). Reserve Bank of India was vested with extensive powers for the supervision of banking in India as the Central Banking Authority.

The later years:

Government took major steps in this Indian Banking Sector Reform after independence. In 1955, it nationalized Imperial Bank of India with extensive banking facilities on a large scale especially in rural and semi-urban areas. It formed State Bank of India to act as the principal agent of RBI and to handle banking transactions of the Union and State Governments all over the country.

Seven banks forming subsidiary of State Bank of India was nationalized in 1960 on 19th July, 1969, major process of nationalization was carried out. It was the effort of the then Prime Minister of India, Mrs. Indira Gandhi. 14 major commercial banks in the country were nationalized. Second phase of nationalization Indian Banking Sector Reform was carried out in 1980 with seven more banks. This step brought 80% of the banking segment in India under Government ownership. After the nationalization of banks, the branches of the public sector bank India rose to approximately 800% in deposits and advances took a huge jump by 11,000%.

This phase has introduced many more products and facilities in the banking sector in its reforms measure. In 1991, under the chairmanship of M Narasimham, a committee was set up by his name which worked for the liberalization of banking practices. The country is flooded with foreign banks and their ATM stations. Efforts are being put to give a satisfactory service to customers. Phone banking and net banking is introduced. The entire system became more convenient and swift. Time is given more importance than money.

The financial system of India has shown a great deal of resilience. It is sheltered from any crisis triggered by any external macroeconomics shock as other East Asian Countries suffered. This is all due to a flexible exchange rate regime, the foreign reserves are high, the capital account is not yet fully convertible, and banks and their customers have limited foreign exchange exposure.

Central Bank

A central bank is an entity responsible for the monetary policy of its country, or group of member states (as in the European Union). The central bank's main responsibility is the management of monetary policy to ensure a stable economy, including a stable currency. It aims to manage inflation as well as deflation. Furthermore, it will hold foreign exchange reserves such as Dollar, Yen and Euro currencies and official gold reserves. The banks' role as the largest buyers of physical gold on the planet makes their decisions to buy or sell that gold one of the single most influential aspects of the market.

The central bank of India is the Reserve Bank of India, which was established on April 1, 1935 in accordance with the provisions of the Reserve Bank of India Act, 1934. The Central Office of the Reserve Bank was initially established in Calcutta but was permanently moved to Mumbai in 1937. The Central Office is where the Governor sits and where policies are formulated. Though originally privately owned, since nationalization in 1949, the Reserve Bank is fully owned by the Government of India. The Reserve Bank's affairs are governed by a central board of directors. The board is appointed by the Government of India in keeping with the Reserve Bank of India Act.

- ♦ Appointed/nominated for a period of four years
- ♦ Constitution:
 - o **Official Directors**
 - Full-time : Governor and not more than four Deputy Governors
 - o **Non-Official Directors**
 - Nominated by Government: ten Directors from various fields and one government Official
 - Others: four Directors - one each from four local boards

The main functions are general superintendence and direction of the Bank's affairs

Banks in India

In India the banks are being segregated in different groups. Each group has their own benefits and limitations in operating in India. Each has their own dedicated target market. Few of them only work in rural sector while others in both rural as well as urban. Many even are only catering in cities. Some are of Indian origin and some are foreign players. The RBI has shown certain interest to involve more of foreign banks than the existing one recently. This step has paved a way for few more foreign banks to start business in India.

Almost 80% of the businesses are still controlled by Public Sector Banks (PSBs). PSBs are still dominating the commercial banking system. Shares of the leading PSBs are already listed on the stock exchanges. The RBI has given licenses to new private sector banks as part of the liberalization process. The RBI has also been granting licenses to industrial houses. Many banks are successfully running in the retail and consumer segments but are yet to deliver services to industrial finance, retail trade, small business and agricultural finance.

The PSBs will play an important role in the industry due to its number of branches and foreign banks facing the constraint of limited number of branches. Hence, in order to achieve an efficient banking system, the onus is on the Government to encourage the PSBs to be run on professional lines.

The Indian Banks Association (IBA)

IBA was formed on the 26th September, 1946 with 22 members. Today IBA has more than 156 members comprising of Public Sector banks, Private Sector banks, foreign banks having offices in India, Urban Co-operative banks, Developmental financial institutions, Federations, merchant banks, mutual funds, housing finance corporations, etc.

The functions of IBA are:

- ♦ To promote sound and progressive banking principles and practices.
- ♦ To render assistance and to provide common services to members.
- ♦ To organize co-ordination and co-operation on procedural, legal, technical, administrative and professional matters.
- ♦ To collect, classify and circulate statistical and other information.
- ♦ To pool together expertise towards common purposes such as reduction in costs, increase in efficiency, productivity and improve systems, procedures and banking practices.
- ♦ To project good public image of banking through publicity and public relations.
- ♦ To encourage sports and cultural activities among bank employees.

IBA constitutes standing committees/task forces/small groups/ committees of experts from member banks for the examining of various aspects relating to industry level issues to get solutions. Recommendations of these groups/committees are communicated to members with the approval of the managing committee or taken up with the concerned authorities for action.

Conclusion

Indian banks have done favorably on growth, asset quality and profitability as compared with other regional banks over the last few years. The banking index has grown at a compounded annual rate of over 51 per cent since April 2001 as compared to a 27 per cent growth in the market index for the same period. Policy makers have made some notable changes in policy and regulation to help strengthen the sector. These changes include strengthening prudential norms, enhancing the payments system and integrating regulations between commercial and co-operative banks. However, the cost of intermediation remains high and bank penetration is limited to only a few customer segments and geographies. While bank lending has been a significant driver of GDP growth and employment, periodic instances of the “failure” of some weak banks have often threatened the stability of the system. Structural weaknesses such as a fragmented industry structure, restrictions on capital availability and deployment, lack of institutional

support infrastructure, restrictive labour laws, weak corporate governance and ineffective regulations beyond Scheduled Commercial Banks (SCBs), unless addressed, could seriously weaken the health of the sector. Further, the inability of bank managements (with some notable exceptions) to improve capital allocation, increase the productivity of their service platforms and improve the performance ethic in their organizations could seriously affect future performance.

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The State Bank of India is the 29th most reputed company in the world according to Forbes. Also SBI is the only bank featured in the coveted "top 10 brands of India" list in an annual survey conducted by Brand Finance and The Economic Times in 2010. The State Bank of India is the largest of the Big Four banks of India, along with ICICI Bank, Punjab National Bank and HDFC Bank its main competitors. With 56 million transactions happening per day all over the world; it is definitely an achievement

SBI provides a range of banking products through its vast network of branches in India and overseas, including products aimed at non-resident Indians (NRIs). The State Bank Group, with over 16,000 branches, has the largest banking branch network in India. It also has around 130 branches overseas. With an asset base of \$352 billion and \$285 billion in deposits, it is a regional banking behemoth and is one of the largest financial institutions in the world. It has a market share among Indian commercial banks of about 20% in deposits and loans.

Source: www.wikipedia.org

Introduction

The Indian Telecommunications network with 203 million connections is the third largest in the world and the second largest among the emerging economies of Asia. The sector account for more than 1 percent of India's GDP and is likely to double in 2-3 years. Also, Indian telecom sector gives direct employment to more than 4,00,000 people, compared to about 6,00,000 people in China.

Manufacture of Telecom Equipment is also taking place in India. Ericsson has set up GSM Radio Base Station Manufacturing facility in Jaipur. Elcoteq has set up handset manufacturing facilities in Bangalore. Ericsson recently launched their R&D Centre in Chennai. Flextronics has set up an SEZ in Chennai. Other major companies like Foxconn, Aspcorn, and Solelectron etc. have decided to set up their manufacturing bases in India.

- ♦ Telecom Regulatory Authority of India (TRAI) was set up in March 1997
- ♦ Telecom Disputes Settlement and Appellate Tribunal (TDSAT) came into existence in May, 2000. TDSAT has been empowered to adjudicate any dispute
 - between a licensor and a licensee
 - between two or more service providers
 - between a service provider and a group of consumers
 - hear and dispose of appeal against any direction, decision or order of TRAI
- ♦ All telecom services have been opened up for free competition for unprecedented growth.
- ♦ 217 (Information Technology Agreement) ITA-I items are at zero Customs Duty. Specified capital goods and all inputs required to manufacture ITA-I, items are at zero Customs Duty.
- ♦ Lease line charges have been reduced to make the bandwidth available at competitive prices to facilitate growth in IT enabled services.
- ♦ The Government's policy is neutral on use of technology by telecom service providers subject to availability of scarce resources such as spectrum etc.
- ♦ License Fees 6-10 per cent of Adjusted Gross Revenue (AGR)

FDI in Telecom

Foreign Direct Investment up to 74 per cent permitted, subject to licensing and security requirements for the following:

- ♦ Internet Service (with gateways)
- ♦ Infrastructure Providers (Category II)
- ♦ Radio Paging Service

FDI up to 100 per cent permitted in respect to the following telecom services:

- ♦ ISPs not providing gateways (Both for satellite and submarine cables)
- ♦ Infrastructure Providers providing dark fibre (IP Category I)
- ♦ Electronic Mail
- ♦ Voice Mail

Outline of a few major Players

There are three types of players in telecom services:

- ♦ State owned companies (BSNL and MTNL)
- ♦ Private Indian owned companies (Reliance Infocomm, Tata Teleservices,)
- ♦ Foreign invested companies (Vodafone, Bharti Tele-Ventures, Escotel, Idea Cellular, BPL Mobile, Spice Communications)

BSNL

- ♦ Bharat Sanchar Nigam Limited was established in 2000
- ♦ Bharat Sanchar Nigam Ltd. is the world's 7th largest telecommunications company providing comprehensive range of telecom services in India: Wireline, CDMA mobile, GSM Mobile, Internet, Broadband, Carrier service, MPLS-VPN, VSAT, VoIP services, IN Services etc. Within a span of five years it has become one of the largest public sector units in India.
- ♦ Sales/Revenues/Turnover : USD 8 billion (Turnover)
- ♦ It has a network of over 45 million lines covering 5000 towns with over 35 million telephone connections.
- ♦ BSNL plans to expand its customer base from present 47 million lines to 125 million lines and infrastructure investment plan to the tune of Rs.

733 crore (US\$ 16.67 million) in the next three years.

MTNL

- ♦ Mahanagar Telephone Nigam Limited was established in 1986
- ♦ MTNL was set up by the Government of India to upgrade the quality of telecom services, expand the telecom network, and introduce new services and to raise revenue for telecom development needs of India's key metros. MTNL with a market share of about 13% of the National telecom Network has a customer base of 5.92 million. The Govt. of India currently holds 56.25% stake in the company.
- ♦ Sales/Revenues/Turnover: USD 2.47 billion (Revenue)
- ♦ It has a customer base of 5.92 million
- ♦ MTNL has formed a Joint Venture company in Nepal by the name of United Telecom Ltd. (UTL) in collaboration with Telecom Consultants India Limited (TCIL) in 2001 for providing WLL based basic services in Nepal. MTNL has set up its 100% subsidiary .Mahanagar Telephone Mauritius Limited. (MTML) in Mauritius, for providing basic, mobile and international long distance services in 2004. MTNL-STPI IT Services Ltd. is a 50:50 Joint Venture between Software Technology Parks of India (STPI) and Mahanagar Telephone Nigam Limited, (MTNL). The JV formed in 2006. MTNL has restructured Millennium Telecom Ltd. (MTL) as a Joint Venture company of MTNL and BSNL with 51% and 49% equity participation respectively. The company will now be entering into new business stream of international long distance operations and will be executing a project of submarine cable system, both east and west from India.
- ♦ With the increased economic activity due to liberalization, growth of lines is expected to be around 400,000 a year. MTNL is also making its entry in the field of M-commerce too, which will enable the customers to transact business with the help of his mobile phone or similar hand held devices. MTNL is adding nearly 450 more Base Transceiver Stations (BTS) in Delhi and Mumbai.

VSNL

- ♦ Videsh Sanchar Nigam Limited was established

in 1986

- ♦ The VSNL operates a network of earth stations, switches, submarine cable systems, and value added service nodes to provide a range of basic and value added services and has a dedicated work force of about 2000 employees.
- ♦ VSNL's main gateway centers are located at Mumbai, New Delhi, Kolkata and Chennai.
- ♦ Revenue: USD 1.084 billion
- ♦ The company has 52 subsidiaries in 21 countries as well as operations across four continents.
- ♦ VSNL acquired Nasdaq - listed Teleglobe International Holdings Ltd for \$239 million in 2005 Videsh Sanchar Nigam Ltd acquired Tyco Global Network, submarine cable system, for USD 130 million in 2005.
- ♦ The company plans to expand its wholesale voices services across the EU, to effectively enable enterprise customers and retail voice carriers to connect to India. VSNL is adding its capacity to meet the overwhelming demand for connectivity to India in the wholesale voice services domain. The company is also offering flexible agreements and charging methods to meet the growing demands of the wholesale voice market.

Bharti Airtel

- ♦ Bharti Airtel was established in 1985
- ♦ Bharti Tele-Ventures Limited was incorporated on July 7, 1995 for promoting investments in telecommunications services. Its subsidiaries operate telecom services across India. Bharti's operations are broadly handled by two companies: the Mobility group and the Infotel group.
- ♦ Turnover: Rs. 1.73 billion
- ♦ The mobile business provides mobile & fixed wireless services using GSM technology across 23 telecom circles while the Airtel Telemedia Services business offers broadband & telephone services in 94 cities.
- ♦ Bharti Airtel company is planning to set up 3000 more towers as part of enhancing their rural coverage and will now focus on rural and semi-urban areas.

Revenues from the healthcare sector account for 5.2 per cent of the GDP. The industry has grown at about 13 per cent annually in recent years and is expected to grow at 15 per cent per year over the next four to five years. According to a recent study, the industry will account for 6.1 percent of GDP by 2012 and is projected to provide employment to around 9 million people.

The healthcare sector includes:

- ♦ Hospitals
- ♦ Fitness Centers
- ♦ Ambulatory Services
- ♦ Medical Equipment Manufacturers

Healthcare industry includes different segments: healthcare delivery, medical equipment and diagnostics, medical outsourcing and consulting. In India healthcare services is divided between public healthcare services & private healthcare services. To provide better healthcare services, the Public Private Partnership (PPP) Model has been adopted by the Indian government at both the central and the state level. The Healthcare sector is giving tremendous opportunities in the various segments.

Some of these segments are as under:

- ♦ Medical tourism
- ♦ Medical Infrastructure
- ♦ Telemedicine
- ♦ Training & Education
- ♦ Medical Equipment Market
- ♦ Medical Textiles
- ♦ Health Insurance Sector

Initiatives and prospects of Healthcare in India

- ♦ Ministry of Health stated that during the last five years rural health sector has been added with around 15,000 health sub-centres and 28,000 nurses and midwives.
- ♦ The Government launched the National Rural Health Mission (NRHM) in 2005. It aims to provide quality healthcare for all and increase the expenditure on healthcare from 0.9 per cent of GDP to 2-3 per cent of GDP by 2012.
- ♦ Drug maker Lupin plans to invest for capital expansion and acquisition of foreign companies.
- ♦ The Apollo Hospitals Educational and Research Foundation (AHERF) has firmed up its stem cell research collaboration.

- ♦ Hospitals chain Fortis Healthcare , Manipal Hospitals , Wockhardt Hospitals have planned to invest US\$ 300 million over next 12-18 months to add new beds.
- ♦ Nova Medical Centres, plans for setting up 100 centers across the country by 2014.
- ♦ Health care brands have started aggressive expansion in the country.
- ♦ Sahara Group is planning several healthcare projects
- ♦ Artemis Health Sciences (AHS), planning to establish four to eight multi-specialty hospitals.

An Example : Apollo Hospitals

- ♦ Apollo is a major hospital chain based in Chennai, India.
- ♦ Founded by Dr. Prathap C. Reddy in 1983.
- ♦ Apollo is the largest private healthcare provider in Asia and the third largest in the world, with hospitals in India, Sri Lanka, Bangladesh, Ghana, Nigeria, Republic of Mauritius, Qatar, Oman and Kuwait.
- ♦ The group has developed services in telemedicine and is now the largest telemedicine provider in India with 71 centres.
- ♦ Another venture of the group is Apollo Health Street, a global healthcare services company (Apollo Health Street). It offers business process outsourcing (BPO) and IT services internationally, operating out of three countries - the United States, the United Kingdom, and three centres in India.
- ♦ Apollo Hospitals is one of the largest integrated healthcare organizations in the world with owned and managed hospitals, diagnostic clinics, dispensing pharmacies and consultancy services.
- ♦ In addition, the group's service offerings include healthcare at the patient's doorstep, clinical & diagnostic services, medical business process outsourcing, third party administration services and health insurance.
- ♦ For these fields, in addition to the paramedical staff and doctors the group hires people in the fields of HR, Marketing, Finance, Key accounts and promotions etc.

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A compilation PGDM (2010-2012)

The power sector has registered significant progress since the process of planned development of the economy began in 1950. Hydro -power and coal based thermal power have been the main sources of generating electricity. Nuclear power development is at slower pace, which was introduced, in late sixties. Power development is the key to the economic development. Over the years (since 1950) the installed capacity of Power Plants (Utilities) has increased to 89090 MW, registering a 52 fold increase in 48 years. The electricity generation increased from about 5.1 billion units to 420 Billion units an 82 fold increase.

Energy sources from which power is generated are

Fossil fuels: Petroleum, Coal, Natural gas

Nuclear sources: Fission reactions, Fusion reactions

Renewable sources: Hydroelectric, Solar, Biomass, Wind, Geothermal

Fossil Fuels

Its main advantages are:

- ♦ Depending on the fuel the availability is good
- ♦ Simple combustion process can directly heat or generate electricity
- ♦ Inexpensive
- ♦ Can be distributed/transferred easily

However, there are some disadvantages, such as:

- ♦ Probable contributor to global warming
- ♦ Questionable availability of some fuels, major price swings based on politics of oil regions
- ♦ Cause of acid rain

An Example: ONGC

Oil and Natural Gas Commission, ONGC was formed in August 1956. It was incorporated on 23rd June 1993 and is an Indian public sector petroleum company. It is a Fortune Global 500 company ranked 335th, and contributes 77% of India's crude oil production and 81% of India's natural gas production. Indian government holds 74.14% equity stake in this company. It is involved in exploring for and exploiting hydrocarbons in 26

sedimentary basins of India. It produces about 30% of India's crude oil requirement. It owns and operates more than 11,000 kilometers of pipelines in India.

Journey Highlights-

In 1960 new resources were found in Assam and also established the new oil province in Cambay basin (Gujarat).

In 1970 with the discovery of Bombay High, ONGC went offshore.

Post 1991 when the liberalized economic policy was brought into effect and ONGC was re-organized as a limited company.

In March 1999, ONGC, Indian Oil Corporation (IOC) and Gas Authority of India Ltd. (GAIL) agreed to have cross holding in each other's stock.

In 2002-03 ONGC took over Mangalore Refinery and Petrochemicals Limited (MRPL) from and announced its entrance into retailing business.

ONGC has featured in the 2008 list of Fortune Global 500 companies at position 335.

ONGC is ranked as Asia's best Oil & Gas Company, as per a recent survey conducted by US-based magazine 'Global Finance'

2nd biggest E&P company (and 1st in terms of profits), as per the Energy Business Technology (EBT) Survey 2004

Ranks 24th among Global Energy Companies by Market Capitalization in PFC Energy 50 (December 2004)

Nuclear Sources

Nuclear fission involves the splitting of a heavy element into lighter elements. A uranium atom captures a neutron. This unstable isotope then "fissions" into the smaller elements barium and krypton and releases 3 more neutrons. This reaction results in the creation of 10 billion kJ per mole of energy. The energy produced by fission is used primarily to heat a liquid (usually water) to boiling. The steam generated by the boiling liquid is used to power a turbine that generates electricity.

Nuclear Power has some advantages that include:

- ♦ Relatively little fuel is needed.
- ♦ Fission is not believed to contribute to global warming or other pollution effects associated with fossil fuel combustion.

Some of the disadvantages are:

- ♦ Possibility of nuclear meltdown from uncontrolled reaction--leads to nuclear fallout with potentially harmful effects on civilians
- ♦ Waste products can be used to manufacture weapons
- ♦ High initial cost because plant requires containment safeguards

An Example: NPCIL

Nuclear Power Corporation of India Limited is a Public Sector Enterprise Under the administrative control of the Department of Atomic Energy (DAE), Government of India. The Company was registered as a Public Limited Company under the Companies Act, 1956 in September 1987 with the objective of operating the atomic power stations under the Atomic Energy Act, 1962.

The company is currently operating 17 nuclear power units at six locations. Three units of NPCIL namely KAPS-1, KGS-2 and RAPS-4 recorded non-stop continuous run of more than a year. The operating nuclear power units are Tarapur Atomic Power Station Units, Rajasthan Atomic Power Station Units, Madras Atomic Power Station Units, Narora Atomic Power Station Units, Kakrapar Atomic Station Units and Kaiga Generating Station Unit. The authorised share capital of the company is Rs. 15,000 crore, of which Rs. 10,145 crore was paid up as on March 31, 2008, fully subscribed by the Government of India. The total asset was Rs. 34269 Cr., networth Rs. 20740 Cr. and Reserve & Surplus Rs. 12041 Cr. as on 31st March 2008. During the financial year 2007-08, the revenue realisation was 99.9%, dividend paid was 30% of the net profit and no budgetary support was taken from the Government.

Wind Energy

Wind power is the conversion of wind energy into a useful form, such as electricity, using wind turbines. Wind is created when the sun unevenly heats the earth's surface. Thus, wind energy is a form of solar energy.

Its advantages are:

- ♦ The wind is free and with modern technology it can be captured efficiently.
- ♦ Once the wind turbine is built the energy it

produces does not cause green house gases or other pollutants.

- ♦ Although wind turbines can be very tall each takes up only a small plot of land.
- ♦ Remote areas that are not connected to the electricity power grid can use wind turbines to produce their own supply.

Some of the disadvantages are:

- ♦ The strength of the wind is not constant and it varies from zero to storm force.
- ♦ Wind turbines are noisy. Each one can generate the same level of noise as a family car traveling at 70 mph.

Some players in India

- ♦ Suzlon Energy Limited
- ♦ Unitron Energy Systems Private Limited
- ♦ Power Tech Wind Energy
- ♦ M/s. Windcare India Private Limited
- ♦ UD Energy Systems Private Limited

An example: Suzlon Energy limited

Suzlon started its operations in 1995 and is operating in 20 countries. It is ranked fifth leading wind turbine supplier in the world, with over 10.5% of global market share in 2007. Trying to cater to various climates and grid requirements Suzlon has a broad wind turbine product portfolio. It is also involved in some CSR initiatives. E.g. Neighborhood Development & Community Engagement - By nature of business, a large portion of its operations is in remote areas and underdeveloped parts. Company has made it mandatory upon themselves to first work at all the neighborhoods where they are located at wind farms, manufacturing locations & offices before spreading to other places. Vision Championing 'Powering a greener tomorrow' is to be integral in every initiative that the company undertakes.

Geo thermal power

Geothermal power is energy generated from heat stored in the earth, or the collection of absorbed heat derived from underground. Indian geothermal provinces have the capacity to produce 10,600 MW of power. Due to technical and logistic problems with other non-conventional energy sources, present industrialists' mood is upbeat and is showing keen interest in developing geothermal based power projects. The locations include: The Himalayan Province: About 100 thermal springs with surface temperatures as high as 90 degree C. Cambay

Province: More than 15 thermal discharge sites are located in this province with surface temperatures varying from 40 to 90 degree C. West coast province and the Sonata province: Encloses 23 thermal discharge sites with surface temperatures varying between 60 and 95 degree C. Bakreswar province. Godavari province: Hosts 13 thermal discharges with surface temperature varying from 50 to 60 degree C. The Barren Island: A part of the Andaman - Nicobar island chain in the Bay of Bengal.

An Example: Avin Energy Systems

Avin Energy Systems Private Limited. has explored possibilities of setting up geothermal power projects in Gujarat. Plans are underway to set up the first 5 MW power generating plant using geothermal energy.

Advantages of geo thermal energy include:

- ♦ Unlimited clean free energy.
- ♦ The energy source is renewable.
- ♦ It does not depend on the weather
- ♦ No pollution, apart for the initial building and set-up.

Some of the disadvantages are:

- ♦ Not everywhere has hot rocks close enough to the surface.
- ♦ The drill shaft sometimes has to be many kilometers deep. This is expensive and not easy to do.
- ♦ The drilling may cause rock instability in the region
- ♦ After some years the hot rocks may cool down and need a resting period before they heat up again.
- ♦ Small amount of CO₂, nitric oxide and sulfur oxide emission

Hydro Power

- ♦ Hydropower is the power that is derived from the energy of moving water, which may be harnessed for useful purposes.
- ♦ Hydroelectric power now supplies about 19% of world electricity. The world's largest is the "Three Gorges Dam" on the third longest river in the world, the Yangtzi River.
- ♦ Amount of electricity produced depends upon Distance of falling water and the Amount of falling water.

Advantages of hydro power are:

- ♦ Electricity can be produced at a constant rate.

- ♦ Electricity generation can be stopped as per the convenience.
- ♦ Dams can contribute to the generation of electricity for many decades.
- ♦ The lake that forms behind the dam can be used for water sports and irrigation purposes.
- ♦ Do not pollute the atmosphere.

Disadvantages include the following:

- ♦ Building dams is expensive.
- ♦ The flooding of large areas of land.
- ♦ The building of large dams can cause serious geological damage.
- ♦ Building a large dam alters the natural water table level.

An Example: NHPC

National Hydro Power Corporation is a schedule 'A' Govt. of India Enterprise, incorporated in the year 1975 with an authorized capital of Rs. 2000 million. Its objective is to plan, promote and organize an integrated and efficient development of hydroelectric power in all aspects. NHPC has been conferred Mini Ratna status by the Government of India. The name of the Company has been changed from National Hydroelectric Power Corporation Ltd. to NHPC Limited. The company enjoys highest credit rating (AAA for domestic borrowings and rating equivalent to Sovereign rating for external borrowings). NHPC has implemented India's largest hydroelectric project, the 2000 MW Subansiri Lower Project in Arunachal Pradesh.

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Snippets

Food for thought



There is not much time cannot erase.....



Anmol Sandhu
PGDM (2010-2012)

It can destroy huge mountains, can melt massive glaciers, it can make garlands of strong relationships, it can rust a lustrous metal and a decade old bond....it has the power to heal the gravest wounds...it is, perhaps, the most powerful. Time. "Leave it on time," they say. And time does take care of everything; without any rules though!

Things change. People change. Circumstances change....because time changes. There is nothing you can do. Things will change. People will change. Circumstances will change, because time will change. And it will alter several definitions. It will re-define relationships. It will bring with it numerous new experiences and embed the old ones as memories in our hearts. Some will be cherished and some.....better forgotten...

There is nothing time will not touch. It will - fade the best pair of your jeans; darken the silver jewellery you spent hours buying; turn the laptop you brought from your first salary into a piece of wreck; make people forget the recognition you received.....the mirror that shows a young and energetic you, will change show a wrinkled, and tired you.....

But, it will also, turn the sapling you planted in your garden into a fruitful tree, improve the taste of wine your friend gifted you and the flavor of friendship too, make space for a new pair of jeans in your new cupboard; it will revamp several relationships and bring with it several new suns.....

"Time is free, but it's priceless. You can't own it, but you can use it. You can't keep it, but you can spend it. Once you've lost it you can never get it back." **Harvey MacKay**

"Difficult times have helped me to understand better than before, how infinitely rich and beautiful life is in every way, and that so many things that one goes worrying about are of no importance whatsoever..."
Isak Dinesen

"Time is too slow for those who wait, too swift for those who fear, too long for those who grieve, too short for those who rejoice, but for those who love, time is eternity." **Henry Van Dyke**

"Time is the cruelest teacher; first she gives the test, then teaches the lesson." **Anonymous**

1. THE CALM

Not a single visual of chest-beating or wild grief. Sorrow itself has been elevated.

2. THE DIGNITY

Disciplined queues for water and groceries. Not a rough word or a crude gesture.

3. THE ABILITY

The incredible architects, for instance. Buildings swayed but didn't fall.

4. THE GRACE

People bought only what they needed for the present, so everybody could get something.

5. THE ORDER

No looting in shops. No honking and no overtaking on the roads. Just understanding.

6. THE SACRIFICE

Fifty workers stayed back to pump sea water in the N-reactors. How will they ever be repaid?

7. THE TENDERNESS

Restaurants cut prices. An unguarded ATM is left alone. The strong cared for the weak.

8. THE TRAINING

The old and the children, everyone knew exactly what to do. And they did just that.

9. THE MEDIA

They showed magnificent restraint in the bulletins. No silly reporters. Only calm reportage.

10. THE CONSCIENCE

When the power went off in a store, people put things back on the shelves and left quietly

The 2011 Tōhoku earthquake, officially named the Great East Japan Earthquake was a magnitude 9.0 (Mw) undersea mega thrust earthquake off the coast of Japan that occurred at 14:46 JST on Friday, 11 March 2011, with the epicenter approximately 70 kilometers east of the Oshika Peninsula of Tōhoku and the hypocenter at an underwater depth of approximately 32 km (20 mi). It was the most powerful known earthquake to have hit Japan, and one of the five most powerful earthquakes in the world overall since modern record-keeping began in 1900. The earthquake triggered extremely destructive tsunami waves of up to 38.9 meters that struck Japan, in some cases traveling up to 10 km inland. In addition to loss of life and destruction of infrastructure, the tsunami caused a number of nuclear accidents, of which by far the most serious was an ongoing level 7 event and 20 km evacuation zone around the Fukushima I Nuclear Power. The overall cost could exceed \$300 billion, making it the most expensive natural disaster on record.

Source: www.worldhunger.org

No one really knows how many people are malnourished. The statistic most frequently cited is that of the United Nations Food and Agriculture Organization, which measures 'undernutrition'. **The most recent estimate**, released in October 2010 by FAO, says that 925 million people are undernourished. As the figure below shows, the number of hungry people has increased since 1995-97, though the number is down from last year. The increase has been due to three factors: 1) neglect of agriculture relevant to very poor people by governments and international agencies; 2) the current worldwide economic crisis, and 3) the significant increase of food prices in the last several years which have been devastating to those with only a few dollars a day to spend. 925 million people is 13.6 percent of the estimated world population of 6.8 billion. Nearly all of the undernourished are in developing countries.

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In round numbers there are 7 billion people in the world. Thus, with an estimated 925 million hungry people in the world, 13.1 percent, or almost 1 in 7 people are hungry.

The FAO estimate is based on statistical aggregates. It looks at a country's income level and income distribution and uses this information to estimate how many people receive such a low level of income that they are malnourished. It is not an estimate based on seeing to what extent actual people are malnourished and projecting from there (as would be done by survey sampling). Undernutrition is a relatively new concept, but is increasingly used. It should be taken as basically equivalent to malnutrition. (It should be said as an aside, that the idea of undernourishment, its relationship to malnutrition, and the reasons for its emergence as a concept is not clear to Hunger Notes.)

Children are the most visible victims of undernutrition. Children who are poorly nourished suffer up to 160 days of illness each year. Poor nutrition plays a role in at least half of the 10.9 million child deaths each year--five million deaths.

Undernutrition magnifies the effect of every disease, including measles and malaria. The estimated proportions of deaths in which undernutrition is an underlying cause are roughly similar for diarrhea (61%), malaria (57%), pneumonia (52%), and measles (45%) (Black 2003, Bryce 2005). Malnutrition can also be caused by diseases, such as the diseases that cause diarrhea, by reducing the body's ability to convert food into usable nutrients.

According to the most recent estimate that Hunger Notes could find, malnutrition, as measured by stunting, affects 32.5 percent of children in developing countries. Geographically, more than 70 percent of malnourished children live in Asia, 26 percent in Africa and 4 percent in Latin America and the Caribbean. In many cases, their plight began even before birth with a malnourished mother. Under-nutrition among pregnant women in developing countries leads to 1 out of 6 infants born with low birth weight. This is not only a risk factor for neonatal deaths, but also causes learning disabilities, mental, retardation, poor health, blindness and premature death.

The world produces enough food to feed everyone. World agriculture produces 17 percent more calories per person today than it did 30 years ago, despite a 70 percent population increase. According to FAO, this is enough to provide everyone in the world with at least 2,720 kilocalories (kcal) per person per day. The principal problem is that many people in the world do not have sufficient land to grow, or income to purchase, enough food.



Green house gases stay can stay in the atmosphere for an amount of years ranging from decades to hundreds and thousands of years. No matter what we do, global warming is going to have some effect on Earth. Here are the 5 deadliest effects of global warming.

1. Polar ice caps melting: The ice caps melting is a four-pronged danger.

First, it will raise sea levels. There are 5,773,000 cubic miles of water in ice caps, glaciers, and permanent snow. According to the National Snow and Ice Data Center, if all glaciers melted today the seas would rise about 230 feet. Luckily, that's not going to happen all in one go! But sea levels will rise. Second, melting ice caps will throw the global ecosystem out of balance. The ice caps are fresh water, and when they melt they will desalinate the ocean, or in plain English - make it less salty. The desalinization of the gulf current will "screw up" ocean currents, which regulate temperatures. The stream shutdown or irregularity would cool the area around north-east America and Western Europe. Luckily, that will slow some of the other effects of global warming in that area!

Third, temperature rises and changing landscapes in the arctic circle will endanger several species of animals. Only the most adaptable will survive. Fourth, global warming could snowball with the ice caps gone. Ice caps are white, and reflect sunlight, much of which is relected back into space, further cooling Earth. If the ice caps melt, the only reflector is the ocean. Darker colors absorb sunlight, further warming the Earth.

2. Economic consequences: Most of the effects of anthropogenic global warming won't be good. And these effects spell one thing for the countries of the world: economic consequences. Hurricanes cause do billions of dollars in damage, diseases cost money to treat and control and conflicts exacerbate all of these.

3. Increased probability and intensity of droughts and heat waves: Although some areas of Earth will

become wetter due to global warming, other areas will suffer serious droughts and heat waves. Africa will receive the worst of it, with more severe droughts also expected in Europe. Water is already a dangerously rare commodity in Africa, and according to the Intergovernmental Panel on Climate Change, global warming will exacerbate the conditions and could lead to conflicts and war.

4. Warmer waters and more hurricanes: As the temperature of oceans rises, so will the probability of more frequent and stronger hurricanes. We saw in this in 2004 and 2005.

5. Spread of disease: As northern countries warm, disease carrying insects migrate north, bringing plague and disease with them. Indeed some scientists believe that in some countries thanks to global warming, malaria has not been fully eradicated.



(Source: Unknown)

It's a fine sunny day in the forest, and a rabbit is sitting outside his hutch, clicking the keys on his laptop with enthusiasm. Along comes a fox, out for a walk.

Fox (teasingly): What are you working on?

Rabbit (unmoved): My thesis.

Fox: Hmmm. What's it about?

Rabbit: Oh, I'm writing about a very important work that must be completed for the good of all animals

Fox (confidently): What is this great work of yours about?

Rabbit: It is titled, 'A study into the superiority of rabbits over foxes'

Fox (laughs angrily): That's ridiculous! Any fool knows that we foxes are superior to rabbits; and I'll eat you to prove it instantly!

Rabbit (meekly): Sure they aren't, and I can prove it. Come with me to my hutch and see for yourself. If you don't agree, you can eat me.

Not wanting to lose a chance for a good laugh the fox agrees. They both disappear into the rabbit's hutch. After a few minutes, the rabbit returns alone, to his laptop and resumes working.

Soon, a wolf comes along and stops to watch the hardworking rabbit.

Wolf (pleased with himself on having found his day's meal): What's that you're writing?

Rabbit: I'm doing a thesis on how rabbits are superior to wolves.

Wolf (guffaws loudly): You don't expect to get such rubbish published, do you?

Rabbit: I can see you are not convinced, but I can help. Come in and I'll prove myself right.

The amused wolf and the rabbit go into the hutch, and again the rabbit returns by himself, after a few minutes, and goes back to work.

Several days pass. The rabbit finally finishes his thesis on the superiority of rabbits over foxes and wolves. He invites all of his friends over so they can read his thesis and celebrate. When his friends enter the rabbit's hutch they see a normal graduate student abode - messy, with books, papers and files everywhere. But in one corner of the room is a pile of fox bones and in another is a pile of wolf bones. In between the two piles is a bespectacled lion surfing the net on his shiny laptop.

Moral: It doesn't matter what you choose for a thesis subject. It doesn't matter what you use for data. What does matter is who you have for a thesis advisor.

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