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Project Dissertation

MIB 204

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Project Report on

**“A COMPREHENSIVE STUDY ON IMPACT OF
SOCIAL MEDIA IN MARKETING ”**

*Submitted in partial fulfilment of the
requirements for the award of the degree
of*

**Master of Business
Administration
(International Business)**
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**Under the Guidance of:
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CERTIFICATE

I, promise tyagi, Roll No. **00119114322** certify that the Project Report/Dissertation(MIB 204) entitled “**A comprehensive study on impact of social media in marketing** ” Is completed by me and it is an authentic work carried out by me at **Gitarattan International Business School**. The matter embodied in this project work has not been submitted earlier for the award of any degree or diploma to the best of my knowledge and belief.

Signature of the Student Date:

Certified that the Project Report/Dissertation (MIB 204) entitled “**A comprehensive study on impact of social media in marketing** ”Done by promise Tyagi, Roll No. **00119114322**, is completed under my guidance.

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ABSTRACT

Social media marketing is a new trend and the most successful among all the types of marketing tools. For a business to succeed, Advertisement should reach maximum users and create a full clear and visible image of its brand. No doubt, social media marketing is the most cost effective advertising strategy. Most social networking platforms provide free accounts and signup and some online advertising tools come with some cost. On the other hand, the return is much more than investment, in case of social media advertising. Only by investing a little money and time, any one can greatly maximise and increase conversion rate and get high return on investment for the money invested in advertising.

The main aim of this study is to examine how social media marketing will affect the final decisions and behaviour of the consumer who spend their maximum time on social networking platforms and forecast relationships among various consumer activities, marketing activities and choice with the behaviour of the consumer.

Social media marketing is emerging continuously to satisfy the basic needs of website users and on the other side it also has increased the opportunities for companies to advertise their products and services in personalised way. The previous record shows that social media has contributed greatly in changing consumer behavior and organisations got to know about the customer behaviour.

Social media marketing has changed the marketing structure of the place where the goods are sold and purchased online. Social media marketing has significantly changed the way of thinking of the consumer and the organisations should not ignore the social media marketing

Growing popularity of social media compelled the marketers to think about this media along with traditional functional areas of marketing. Social media is based primarily on the internet or cellular phone-based applications and tools to share information among people. The number of social media user's is more than the population of some of the countries today. Impact of social media on marketing can be judged by comparing marketing before social media and marketing after the introduction of social media and the type of technologies used in social media.

CHAPTER-1

1.INTRODUCTION

For any Organisation, the most valuable as it is its brand and the modern organisation should realise that capitalising on brand can help achieve growth, profitability objective and sustainability. Along with incessant globalisation social media has emerged as the best platform for Advertising and Marketing for companies. It increased the visibility of services and products.

For every businessman the only aim is how various marketing tools and techniques can increase the number of selling services and products. The main aim of the study is to examine how social media marketing will affect the final consumer behaviour among persons who mostly use social media websites and also to find out the forecasted relationships among various social media marketing activities, customer activities and behaviour of the consumer.

The Social media has changed the entire structure as to where the goods should be sold and where to purchase online. It plays a very important part in modern day advertisement by describing attributes and possible roles for marketing planning, recognising various marketing tools and techniques. Not only that social media is changing the mind of consumer behaviour but also to a great extent used for direct marketing and as a tool for personalized goods.

Social media like Facebook, Twitter, YouTube and Instagram are dynamic tools that facilitate online relationships. It is a relatively low cost form of marketing and allows organisations to engage direct and end-user contact. The choice of social media marketing organisation creates an influential impact of brands by recommending personalized consumer choice. Brands influence customers, customers influence other customers and the chain continues which further affects future earnings of the organisation and long-term organisational sustainability.

In this fast growing world, all ones have busy schedules, so for the customer it is difficult to spend time on purchasing goods or services. Nowadays users are collecting information from different sites and platforms Online without wasting time and labour. And social media marketing is not only useful for customers, in that it provides information about the company but also provides information of the customer's choice to the company. Every social media tool tries to build an image of the company's brands and goods. So we can say that consumers can change their mind for purchasing any good or service by social media marketing and taking the goods or services online.

1.1. SOCIAL MEDIA MARKETING

It is a method by using social media sites to attain the attention of people. These programs concentrate on developing content which will attract the attention of the readers in social media and make them share the contents in their social networking site.

Any statement that is shared in the social networks, which includes short messages, information about a product or service, brand or a company is termed as electronic word of mouth. When the information about a product / service / brand / company is shared in a social media by a user, it is reshared by many users in other social networks and when the information is shared by a trustworthy source, it becomes a positive promotion for the product than the promotion done through paid sources. This shows the power of social media marketing.

What the major search engines seek for in terms of social media signals are the source's authoritativeness and trust. Authoritativeness is different from Authorship. Authorship is a function released by Google in 2011, which permits authors and publishers to add varied parts, including photos, ratings and more details to search engine results pages. Trust is fundamental to social signals being read by the search engines. Those people, whose social media profiles have a trust score, are called influencers.

As per consumer socialization theory, communication with customers plays an important role and its influence the psychological feature of the customer. It also has an impact on the attitude of the customer. Social media networking sites provide an environment that enables the consumers to communicate on the web which will have an important impact on consumer socialization concepts.

1.2 BENEFITS OF SOCIAL MEDIA MARKETING

Social marketing is an approach used to develop activities aimed at changing or maintaining people's behaviour for the benefit of individuals and society as a whole.

1.2.1 Increased Exposure:

Now a days the importance of Social Media Marketing has increased. Consumers and Marketers are using Social Networking too much. The exposure increased now a days which is showing 92%.

1.2.2 Increased Traffic:

With the introduction of web based marketing the users are increasing day by day. The research says that consumers and even marketers use social networking sites too much and due to that sites the traffic has increased day by day which is showing the research that traffic increased up to 80%.

1.3 Develops loyal fans:

Brand Loyalty is the other is the most important advantage of social networking sites. Taking an example if a consumer is satisfied with any product he or she will never go to any other company to buy the product. This creates brand loyalty.

1.3.1 Provided Marketplace Insight:

Social networking sites provide information about products and is available clearly. That means its Features, Functions, Price etc. Consumers will get full information about products only on websites and customers don't have to go anywhere. The result shows that 72% of customers agreed that social networking sites are providing marketing insights.

1.3.2 Generated Leads:

There are various different ways to lead generation. Most of the social networking sites generate leads for products and services. For example A blog is a hub for customers engagement. No doubt Face Book is also an important source, so in short it is generated leads.

1.3.3 Improved Search Ranking

Most of the customers are now spending hours even more than watching television too. And what curiosity they get as social networking sites are the search engines. With the help of social networking the ranks are given to products on the basis of feedback given by the customer online.

1.3.4 Growing Business Partnership

As a Trading form of selling and purchasing is now replaced with Social Media the same idea of business is also changing. After taking many years now Binch Box wants beauty obsessed Instagram followers to join them.

Nowadays growing partnerships are also an important advantage of social networking sites too.

1.3.5 Reduced Marketing Expenditure

Trading method of selling the product is too costly. A businessman needs salesman, office and many more requirements. But now a days social networking sites are user friendly and anybody can use the social media at any time and even businessmen can do the advertisement on social media sites very cheaply.

1.3.6 Improved Sales

In the present scenario where 4600 photos are shared, 600 websites are created every day. 1,00,000 tweets are sent. Now a days different social networking sites are created so differently as customers can purchase the goods online at any time. No doubt now a days revenue has increased online as compared to earlier days.

1.4. Social Media Marketing Techniques

The main purpose of social media marketing is communicating about the product to the consumer and making it accessible to people who doesn't know about the product. Social media is used by companies to promote the product to the prospective customers. Social media marketing helps the consumers at various stages of the buying process.

Research indicates that of these ten factors for effective marketing, Social media is one amongst them, which indicates if any brand is in operative on social media, then the result will be less chances of the brand to be present on google searches.

There are large no of users in facebook, Twitter and Google and there is huge exchange of information which made the business firms use social media to interact with prospective customers.

Instagram has hundred thirty million users monthly and twitter has two hundred ten million monthly users and the average communication rate ranges from 1.46 percent on Instagram and 6.03% in the case of twitter.. The cost involved in social media marketing is very less when compared to ancient modes of advertisements using TV/Radio/Print channels. In Fact there is no price involved when using social networking sites, it also covers a wide range of people.

Many firms are now changing their approach for interaction with customers. They are using online platforms for better client interaction and visibility. Social media are used as a platform by customers to post reviews, recommendations, ratings, and raise queries to the firms.

Companies are employing people to handle social media communication with the customers and they are working as online community managers. The job of these managers are to handle social media communications in an effective manner and win the trust of customers. Firms are taking steps to manage client issues, identify various modes of social media marketing, engage the customers to influence the new and prospective customers to market their product/service.

1.4.1 Advantage of social media marketing

❖ Increased brand recognition

Social Media is a new platform for promoting the brand. Social Media helps the companies to attain new customers and also have quick access to customers. When a particular brand is familiar and available in multiple social media sites, It increases the brand recognition to the customers and also attracts new customers. When the brand is tweeted frequently in the social media, then the company's brand image will get increased, thereby increasing the growth of the company business.

❖ Improved Brand Loyalty

A research work published in the US, indicated that when there is a higher level of interaction about a brand in social media, then there exists a higher level of trust about the brand among customers. It also suggests that companies can take the benefit by using social media tools to connect with its customers. The study also suggests there should be some strategic plan for use of social media to influence the customers. Another study indicates that fifty three out of hundred in American population are following their brands in social media and also they found to be loyal to their brands.

❖ Chances to Convert

There is a chance that each and every comment, post, sharing, likes in social media will become a sale and bring customers. Every comment, post, website link, video, tweet will make the viewers visit the page and view the product and thereby there is a chance for conversion into sale. Though all the comments may not get a chance for conversion into sale but every good comment about the product will get a chance for conversion into sale.

❖ Conversion Ratio

The conversion rate of conversion of discussion in social media into sales is high. It is the important element as seen by business people nowadays. The brands and the reviews about the product started to speak like individual salesmen in the social media channels. Due to this effect business people want to improve and increase their business with various people in social media than with firms.

❖ Brand Authority

Continuous communication with the customers will bring faith about the product among the customers. People are searching and viewing the comments in the social media about products and services, whenever they are planning to buy a product or avail a service. Every new post about a product in social media by a user will attract many users in social media and they follow the page for information updates. When there is more talk about a product in social media, there it becomes a more attractive brand.

❖ **Reduction in selling price**

Due to the presence of social media, the advertising cost is getting reduced by way of advertising through twitter, facebook etc... Hubspot research concludes that six hours of spending on the net in a week by a seller for social media will bring more viewers to the product in social media. In order to get more customers, sellers can spend one hour a day on social media which will definitely bring more customers and thereby reducing the cost of advertisement which in turn can reduce the price of the goods.

1.5 Some *social media marketing tools*

1. Social Media Monitoring.
2. Social Media.
3. Blog Marketing
4. Social Bookmarking and Tagging.
5. Social Analytics and Reporting.
6. Social Aggregation. With the fickle popularity of various Social Media Marketing like Google+, Facebook, Myspace. Etc. which is affecting consumer behaviour.

1.6 Statement of the Problem

The social experience in the research guides the components of the consumers buying behaviour through Online Platforms and the Impact of Social Media in Marketing. Many Social Media Marketing techniques like search engine optimization campaigns are used by businesses to boost their businesses. There are many Data Analysis that shows Social Media is affecting the Marketing behaviour of customers.

- Social networking is used by about 76% of businesses in order to achieve their marketing objectives.
- Business retailers experience about 133% increase in revenues after marketing their business in the mobile market that promotes social media marketing value for their business.
- 40% of online shoppers from the US use the Smartphone for in-store shopping.

1.7 Primary Objectives of the study:

Following are main and primary objectives of the present study:

1. To study the concept of social media.
2. To evaluate the various channels preferred by consumers for buying decisions over Traditional Channels
3. To analyse the impact of social media on consumer buying behaviour.
4. To find out which is the best social media preferred by customers.
5. To find out the impact of social media on consumers with reference to the Sitamarhi area.

1.7.1 Objective of the present paper

- To study the present status of E-Commerce in India.
- To examine the barrier of E-Commerce in India.
- To discuss the future of E-Commerce in India.
- To study the growth of the E-Commerce industry in India along with the factors responsible for it.

1.8 Scope of the study

1. The Scope of this research is ultimately to understand many features, advantages of social media marketing.
2. Understand the behaviour of the consumer, factors affecting consumer behaviour.
3. Traditional methods of marketing like Radio, Television are considered Upstarts with questionable staying power.
4. Many progressive business owners are dabbling in social media Marketing
5. The long term benefit of an effective broad scope social media marketing campaign cannot be measured in days or weeks.
6. Bloggs, Twitter, Facebook fans, Dig links, Skype are various tools Adopted by customers as well as marketers too.
7. Scope is concerned with the place of the research also, for that researcher Has taken the area in respect of Sitamarhi district.

1.9 Company profile

Grocebin.com

Grocebin is the youngest Online Grocery store in India, primarily operating out of Sitamarhi in the state of Bihar.

Bihar has always been an underdeveloped state since India got freedom particularly in the field of marketing. Grocebin has always believed in the concept of Supply-Chain management strategy to maximize customer value and gain a competitive advantage in the marketplace. We encompass everything from delivering of source materials from supplier to the manufacturer through its eventual delivery to the end user. We envision expanding to other cities of the country at the earliest.

Grocebin wide range of products include all the grocery and supermarket items a typical family would need on a daily basis including fruits and vegetables. The comprehensive mix of the products listed with us reflects the prerequisites of our modern times.

For now Grocebin stock and sell, from our warehouses, thereby cutting middlemen resulting in Low Costs for you. We have tied up with HDFC Payment Gateway, the country's most trusted payment gateway to ensure that all your transactions are safe and secure.

Grocebin is a people-oriented company and we believe that even in this automated world we always try our best to stay connected to our beloved customers every time they place an order. We are always looking for feedback from each and every customer to ensure that they are thoroughly satisfied with our supply.

Finally, we would strongly recommend and request you to provide feedback to us about your End-to-End experience of your grocery shopping with us and we would ensure that we shall update our features and functionalities to meet your expectations because you, the Customer is the PIVOT of our business and everything we do revolves around you.

1.10 Why should one use grocebin.com ?

Grocebin allows you to walk away from the drudgery of grocery shopping and welcome an easy relaxed way of browsing and shopping for groceries. Discover new products and shop for all your food and grocery needs from the comfort of your home or office. No more getting stuck in traffic jams, paying for parking, standing in long queues and carrying heavy bags – get everything you need, when you need, right at your doorstep. Food shopping online is now easy as every product on your monthly shopping list is now available online at grocebin.com, India's best online grocery store.

1.11 INDUSTRY PROFILE

E-COMMERCE

E-Commerce stands for electronic commerce and caters to exchange of products, services and information via the internet. Electronic commerce is more than just buying and selling products online. It includes the entire online process of developing, marketing, selling, delivering, serving and paying for products and services. It is doing business online. It includes any commercial activity that takes place directly between a business, its partners, or its customers through electronic communication and digital information processing technology.

E-Commerce is a modern business methodology that addresses the needs of the organisations, merchants and consumers to cut costs while improving the quality of goods and services and increasing the speed of service delivery. India has shown tremendous growth in the E-Commerce segment. E-Commerce has become an important tool for small and large businesses worldwide, not only to sell to customers but also to engage them. Although the transition from traditional purchasing to online purchasing was very slow initially in Indian market because of less number of internet users due to lack of internet facility and awareness in public. But now the situation has changed and the e-commerce industry is growing rapidly in our country.

1.11.1 PURPOSE OF THE STUDY

The purpose of this present study is to investigate the impact of social media marketing on individual attitude and perception. More specifically, this study will examine the perception of social media marketing and how it affects purchasing decisions. Although several researches that have been conducted on the effects of social media marketing on financial gains, the study's interests are specifically geared towards the examined effects of the use of social media on brand awareness and customer loyalty, which essentially could lead to an increase in business revenue. The study will be conducted via surveys on social media presence of businesses with participants being students at SATHYABAMA INSTITUTE OF SCIENCE AND TECHNOLOGY.

CHAPTER-2

Review of literature

INTRODUCTION

Literature review is among the most important steps in the process of any research work. Literature review is to find out and understand the main objective of a particular subject or research which has been taken by the researcher. It is a record which shows what has been done in this regard in the recent past. Thus, it is the current trend in the selected subject when the review of literature is made by the researcher. He/she will become an expert in his/her subject and eventually become a master. It shows the direction in which the research direction must go. Research work clearly showing there should not be duplication of work. It also indicates what type of methodology should be adopted by various experts and researchers.

Bikhchandani et al., (2007)

In their research describes whether or not shoppers shall purchase a product and whether or not they suggest a product to others. These are normally used as parameters for purchase intention. The study additionally reveals the result of knowledge cascades on social media by different product attributes is unconditional with different involvement strengths by shoppers. It concludes that the shoppers try to show totally different levels of involvement in different situations wherever they face with brand buying and recommending to others.

Manju Ahuja et al., (2007)

In their article, targeted on investigating the factors that influence the shopping behaviour and browsing behaviour of consumers during online purchase specifically, the study has been conducted about the consumers using business-to-consumer sites. The researchers also investigated buying preferences of consumers with varied demographic profiles which may reveal different buying approaches and consumer behaviours for a specific class of merchandise and services. Social media is the 1 most effective factor that influences buying behaviour of customers.

Muhammad Shafiqul et al., (2011)

In the analysis, the researchers concentrated on finding the relationship of Social Media and buying behaviour of customers. The study involved the students of academic institutes of Karachi. Around two hundred and sixty questionnaires were answered by the students. The study finds that there is no strong relationship between Customer Buying behaviour and Social Media.

Ramsunder (2011)

Their study says that shoppers' decisions are influenced heavily by on-line brands. Opinion of consumers will influence one another. This type of opinion by other consumers affects the repurchases. So, Consumers are moving to the Internet to get more data for their buying decisions.

Raghuramlyengar et al., (2013)

Investigated in Korea, how friends influence shopping through Social Network. Their study concentrates on two important questions, the first question is "Is there any influence by friends on purchases by consumers in social media networks", the second question is "if there is such influence which consumers are affected ". To strengthen the analysis, sample data were taken from social networking website Cyworld. Sample data of 208 users of Cyworld for ten weeks of purchase and non-purchase information was collected. The researchers build a model on the decision of buying and non buying and also with the amount spent. Markov chain Monte Carlo technique and Bayesian approach is used to estimate the model. The results indicated that there are three different categories of consumers with different buying behaviour.

Mir et al., (2014)

Thousands of web newsgroups and chat rooms influence the purchase decision of shoppers. The image of the brand increases when many users provide positive opinions about the brand.

Dhegiha et al., (2017)

Their study analyses the knowledge inheritance on customer's action and brand reputation. Knowledge inheritance on social media happens once a person observes the behaviour of others and makes a similar decision that other people have already made. The knowledge cascade are often used for one amongst 2 effects on shoppers, Knowledge cascading causes the brand to appear high or low in Customer Intention on purchasing and additionally may have an effect on consumers trust on brand. The study aims at customers who have trust on brand image. These kinds of customers are influenced by decisions taken by others.

TeenaBagga et al., (2018)

The study analyses the inner and outer factors of consumer's online buying behaviour. A structured form was used and a survey was conducted with two hundred samples. Questionnaires were sent through the mail and also posted through online web pages and were answered by the respondents themselves. The statistical analysis found seven major factors that govern the consumer's buying behaviour. These seven factors were: would like for Social Communication, website Attributes, on-line Advertising, Recreation, Convenience, privacy issues and data Search.

Garima Gupta (2019)

In her paper analysed the influence of social media on product buying. The results proved the actual fact that social media have an effect on product buying intentions. Particularly, there's a powerful impact of 3 factors called information about product, peer communication and the level of product involvement on shoppers purchase intentions with respect to social media. The author infers that, because the product is sold through on-line, it can't be examined; perceived data shared about the product on social media and information sharing among peer teams facilitates consumer's analysis on the product and makes decisions accordingly.

GeetanjaliNaidu et al., (2019)

Their study analyses the influence of social media in purchasing behaviour of customers in Raipur. According to the survey result 75% of Indian youth use the internet for sharing their opinion, views and comment in numerous websites. The analysis concludes that people use social media widely for collecting information regarding products.

Balakrishnan., (2020)

This study finds the influence of social media towards brand image and buying opinion of younger Generation. 200 questionnaires were distributed to undergraduate students of universities in Malaysia. The response rate was 75%. 3 hypotheses and 2 propositions were tested using multivariate analysis and mean. The result showed that the internet communications, online communities, electronic word of mouth, and on-line publicity are successful in promoting the brand image and buying intention of consumers through social media platforms. These findings notify the managers to reach the younger generation customers. Social media is the best selling tool. This analysis provides information to international sellers in applying social media activities to market their product.

Aindrila Biswas et al., (2021)

In her paper, aims to look at the influence of social media on consumer selection behavior. Technology Acceptance Model was adopted to find the social media usage perceptions. The employees of the Multinational companies in India are the samples for the study. An equation modeling was used to test the eligibility of the model. The results state that users of social media inclined to have more purchase intention than the occasional users.

Dr. Surbhi Chaturvedi et al., (2021)

Their study indicated that there may be 100 crore members present in social media; social media sites became an important medium for firms and consumers to meet each other for the exchange of information about products. They also suggest that the influence of social media on customer buying behavior is tremendous. Buying behavior in social networks is influenced by gender, education, income, age etc.

Alireza Mohammadpour et al., (2021)

The study aims to find the impact of social media marketing on online buying behaviour of customers with respect to brand capital using path analysis technique. A sample 160 from university of Tehran were asked to fill the questionnaire on social media marketing, brand capital and online shopping behaviour of consumers. The results indicated that social media had a significant impact on brand name. Social media marketing had a significant indirect positive impact on online shopping behavior of consumers. The results conform the role of brand marketing in concurrence with media and online buying behavior of consumers.

Marta Zembik (2022)

His study explains that Social media comprises blogs, public forums, social media sites, that are used for communication of some information. The data provided in social media is beneficial for organization/ firms and customers. Customers benefited from the product information posted by others, recommendations by other customers. Firms benefited by the information provided by the customers in social media about their products, getting the feedback on their product market, information about the prospective customers, customers needs and demographic characteristics. This article emphasizes how social media information is essential for companies and customers in their decision-making process.

Prof. Assoc. Dr. ElenicaPjero et al., (2022)

The researchers conducted the study in the Albania reality sector. Their article targeted on Social Media and its capacity to affect the buying behavior of customers. The researchers discussed the growth and adaptability of Social Media networks by numerous users in the world. The researchers made a multifaceted analysis on the impact of Social Media on consumers and buying intentions. The samples are selected from users of Social Media in all dimensions and the result depicts the significant behavior of consumers.

Tayyaba Noreen et al., (2022)

The researchers conducted the study about the Social media impact in Pakistan and Korea. This study investigates the impact of social media on the buying behavior of consumers. This study focuses on e - word of mouth, social media publicity and social media. The findings indicated that consumers of Korean consumers have higher intention to buy a product using social media platforms when compared to customers in Pakistan. The results proved that e - word of mouth have a bigger impact on buying intention when compared to publicity on social networks.

NimaBarhemmati et al., (2022)

In their study, they found that Social Network Marketing is becoming the most successful model in advertising. This study aims at how Social Network Marketing influences the shopper buying behavior among consumers who use social networking sites. The study also analyzes the relationships between customer engagement, social media selling activities and shopper purchase behavior. A survey was conducted among fifty students of Malaysian National University. The results showed positive relationships between consumer engagement of social media and their buying behaviors.

SakkthivelAM et al., (2022)

Their analysis makes an attempt to check the influence of social media sites over young women consumer" shopping behavior from Islamic faith countries. This study employs structural equation modeling to check out the influence of young woman consumers and the results disclosed that brand, society and reference teams exert additional influence over young woman consumer" shopping behavior through social media.

CHAPTER-3

RESEARCH METHODOLOGY AND RESEARCH DESIGN

3.1 RESEARCH DESIGN

Descriptive Research design has been used which clearly indicates that the study is about the characteristics of individuals or investors towards their investments.

3.2 SAMPLE DESIGN

The sampling design is the definite plan for obtaining a sample from a given population. It consists of number of items such as sample size, sampling unit, sampling technique, sampling area. In the current research, mostly qualitative primary data collected through online questionnaires with various types of customers through questionnaire which is pre coded and pre tested contacts; whereas secondary data collected among various Social Websites, various Literature Review, National, International Journals and various Thesis. Probability sampling design technique has been used in this study.

3.2.1 SAMPLING TECHNIQUE

The sampling technique used in the project is Stratified Random Sampling. Stratified random sampling is the procedure of dividing the population into different strata and choosing one among them for analysis.

3.2.2 SAMPLE SIZE

The survey will be conducted on the basis of sampling methods. The total population is 200 customers. The researcher is going to develop sample design, the respondents will be collecting the information from 200 customers that is 1% of the population were selected for the present study in Sitamarhi city.

3.2.3 AREA OF STUDY

The selected area of study is Delhi , Noida , Ghaziabad

3.2.4 PERIOD OF STUDY

The study was conducted for a period of three months from January 2024 - March 2024.

3.3 SOURCES OF DATA

The study used both primary data and secondary data

3.3.1 Primary Data

The primary data was collected through 128 respondents.

3.3.2 Secondary Data

The secondary data was collected from reviewing various literature, internet and ma related books .

3.4 ANALYTICAL TOOLS

Various tables and charts are used as a means for easy representation of data analyzed through Percentage Analysis.

3.4.1 SOFTWARE USED

Microsoft Excel

SPSS :Statistical Package for the Social Science

3.5 Hypothesis testing

The hypothesis will be tested by the following techniques:

1. CHI-SQUARE TEST

2. ANOVA

- **Chi-square test**

Chi-square is the measure which checks or evaluates the extent to which a set of the observed frequencies of a sample deviates from the corresponding set of expected frequencies of the samples. It is the measure of aggregate discrepancies actual and expected frequencies. This distribution is called χ^2 distribution. It was first introduced by helmet in 1875. It is also known as “goodness for fit”. It is used as a test static in testing hypotheses that provides the theoretical frequencies with which observed frequencies are observed.

The Question is on level of agreement for the following questions :						
	OBSERVED VALUES					TOTAL
	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	
Shopping on internet saves time	85	49	4	4	6	128
I prefer traditional/conventional shopping over online shopping.	16	64	34	13	1	128
Online shopping is risky	21	50	32	24	1	128
Online shopping will eventually suppress traditional shopping	25	64	29	9	1	128
Highly time consuming process for delivery of products and services	15	63	31	17	2	128
Filtering of goods available on the internet is tedious	27	56	28	15	2	128
The description of the products mentioned on the websites are very accurate	16	57	32	15	8	128
The information given about the product mentioned on the site is sufficient	15	66	28	17	2	128
Online shopping is as secure as traditional shopping	18	55	34	16	5	128
E-Commerce reduces the monetary cost in comparison to traditional shopping	20	74	24	6	4	128
Necessity of having a bank account or credit cards creates difficulty	24	57	26	16	5	128
I prefer cash on delivery over online payment	30	56	28	13	1	128
I will purchase only if there is provision of home delivery	49	54	20	4	1	128
Online shopping infrastructure in India is underdeveloped	30	54	31	9	4	128
TOTAL	371	819	381	178	43	1792
	EXPECTED VALUES					TOTAL
	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	
Shopping on internet saves time	26.5	58.5	27.21	12.71	3.07	128
I prefer traditional/conventional shopping over online shopping.	26.5	58.5	27.21	12.71	3.07	128
Online shopping is risky	26.5	58.5	27.21	12.71	3.07	128
Online shopping will eventually suppress traditional shopping	26.5	58.5	27.21	12.71	3.07	128
Highly time consuming process for delivery of products and services	26.5	58.5	27.21	12.71	3.07	128
Filtering of goods available on the internet is tedious	26.5	58.5	27.21	12.71	3.07	128
The description of the products mentioned on the websites are very accurate	26.5	58.5	27.21	12.71	3.07	128
The information given about the product mentioned on the site is sufficient	26.5	58.5	27.21	12.71	3.07	128
Online shopping is as secure as traditional shopping	26.5	58.5	27.21	12.71	3.07	128
E-Commerce reduces the monetary cost in comparison to traditional shopping	26.5	58.5	27.21	12.71	3.07	128
Necessity of having a bank account or credit cards creates difficulty	26.5	58.5	27.21	12.71	3.07	128
I prefer cash on delivery over online payment	26.5	58.5	27.21	12.71	3.07	128
I will purchase only if there is provision of home delivery	26.5	58.5	27.21	12.71	3.07	128
Online shopping infrastructure in India is underdeveloped	26.5	58.5	27.21	12.71	3.07	128
TOTAL	371	819	381	178	43	1792
X² Value						
P = 0						

The result of the 'Pearson Chi-Square' says that 'P=0' indicates a significant relationship between all the variables like Shopping on the Internet saves time, Online Shopping is Risky, etc.

- **Anova (analysis of variance)**

In stats we mostly want to get information if the mean of two popular people are equal. To answer this, we need to use Anova (analysis of variance). It is a particular type of statistical hypothesis testing mostly used in the analysis of experimental data. In the typical application of Anova (analysis of variance), the Hypothesis which is Null is that all groups are simply random samples of the same population. The wording of Anova (analysis of variance) is the synthesis of different types ideas and it is always used for various purposes and implement it.

The Question is on level of agreement for the following questions :

	OBSERVED VALUES				
	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
Shopping on internet saves time	65	49	4	4	6
I prefer traditional/conventional shopping over online shopping.	16	64	34	13	1
Online shopping is risky	21	50	32	24	1
Online shopping will eventually suppress traditional shopping	25	64	29	9	1
Highly time consuming process for delivery of products and services	15	63	31	17	2
Filtering of goods available on the internet is tedious	27	56	28	15	2
The description of the products mentioned on the websites are very accurate	16	57	32	15	8
The information given about the product mentioned on the site is sufficient	15	66	28	17	2
Online shopping is as secure as traditional shopping	18	55	34	16	5
E-Commerce reduces the monetary cost in comparison to traditional shopping	20	74	24	6	4
Necessity of having a bank account or credit cards creates difficulty	24	57	26	16	5
I prefer cash on delivery over online payment	30	56	28	13	1
I will purchase only if there is provision of home delivery	49	54	20	4	1
Online shopping infrastructure in India is underdeveloped	30	54	31	9	4

Anova: Two-Factor With Replication						
SUMMARY	Strongly Agree	Agree	Neutral	Disagree	Total	
<i>Shopping on internet saves time</i>						
Count	1	1	1	1	1	5
Sum	65	49	4	4	6	128
Average	65	49	4	4	6	25.6
						854.3
<i>I prefer traditional/conventional shopping over online shopping.</i>						
Count	1	1	1	1	1	5
Sum	16	64	34	13	1	128
Average	16	64	34	13	1	25.6
						600.3

<i>Online shopping is risky</i>						
Count	1	1	1	1	1	5
Sum	21	50	32	24	1	128
Average	21	50	32	24	1	25.6
						316.3
<i>Online shopping will eventually suppress traditional shopping</i>						
Count	1	1	1	1	1	5
Sum	25	64	29	9	1	128
Average	25	64	29	9	1	25.6
						591.8

<i>Highly time consuming process for delivery of products and services</i>						
Count	1	1	1	1	1	5
Sum	15	63	31	17	2	128
Average	15	63	31	17	2	25.6
						542.8
<i>Filtering of goods available on the internet is tedious</i>						
Count	1	1	1	1	1	5
Sum	27	56	28	15	2	128
Average	27	56	28	15	2	25.6
						400.3
<i>description of the products mentioned on the websites are very accurate</i>						
Count	1	1	1	1	1	5
Sum	16	57	32	15	8	128
Average	16	57	32	15	8	25.6
						385.3
<i>The information given about the product mentioned on the site is sufficient</i>						
Count	1	1	1	1	1	5
Sum	15	66	28	17	2	128
Average	15	66	28	17	2	25.6
						595.3
<i>Online shopping is as secure as traditional shopping</i>						
Count	1	1	1	1	1	5
Sum	18	55	34	16	5	128
Average	18	55	34	16	5	25.6
						377.3
<i>Commerce reduces the monetary cost in comparison to traditional shopping</i>						
Count	1	1	1	1	1	5
Sum	20	74	24	6	4	128
Average	20	74	24	6	4	25.6
						806.8
<i>Necessity of having a bank account or credit cards creates difficulty</i>						
Count	1	1	1	1	1	5
Sum	24	57	26	16	5	128
Average	24	57	26	16	5	25.6
						376.3
<i>I prefer cash on delivery over online payment</i>						
Count	1	1	1	1	1	5
Sum	30	56	28	13	1	128
Average	30	56	28	13	1	25.6
						428.3
<i>I will purchase only if there is provision of home delivery</i>						
Count	1	1	1	1	1	5
Sum	49	54	20	4	1	128
Average	49	54	20	4	1	25.6
						614.3
<i>Online shopping infrastructure in India is underdeveloped</i>						
Count	1	1	1	1	1	5
Sum	30	54	31	9	4	128
Average	30	54	31	9	4	25.6
						399.3
<i>Total</i>						
Count	14	14	14	14	14	
Sum	371	819	381	178	43	
Average	26.5	58.5	27.21428571	12.71428571	3.071428571	
Variance	203.9615385	46.88461538	59.56593407	32.37362637	5.148351648	

ANOVA						
<i>Source of Variation</i>	<i>SS</i>	<i>df</i>	<i>MS</i>			
Sample	0	13	0			
Columns	24631.65714	4	6157.914286			
Interaction	4523.142857	52	86.98351648			
Total	29154.8	69				

CHAPTER-4

DATA ANALYSIS AND INTERPRETATION

Below are the analysis done during the research study

4.1 age profile

TABLE 4.1 SHOWING THE RESPONDENT OF AGE

Particulars	No. of Respondents	Percentage of Respondents
Below - 20	10	7.8%
20 -30	96	75%
30 - 40	18	14.1%
40 - Above	04	3.1%
Total	128	100%

AGE

128 responses

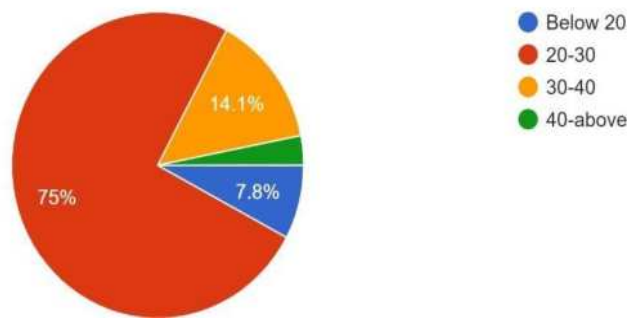


CHART 4.1 SHOWS THE AGE OF RESPONDENTS

INTERPRETATION

From the above data total Respondents are 128 from which 10 members are Below 20 means 7.8%, 96 members are between 20 -30 means 75%, 18 members are between 30 - 40 means 14.1%, and 04 members are 40 - Above means 3.1%.

Inference

Majority of the respondents are between 20-30 years old i.e 75%

4.2. Gender profile

TABLE 4. 2 SHOWING THE GENDER OF THE RESPONDENT

Particulars	No. of Respondents	Percentage of Respondents
Male	101	78.9%
Female	27	21.1%
Total	128	100%

GENDER
128 responses

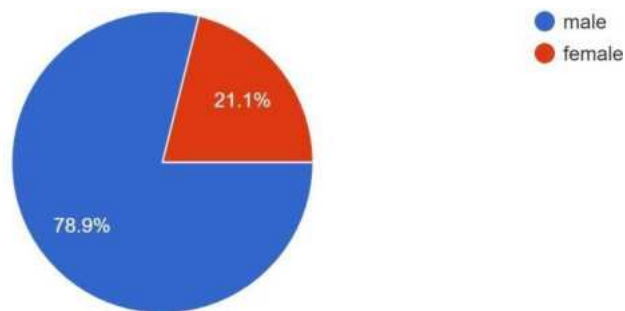


CHART 4.2 SHOWS GENDER OF THE RESPONDENT

INTERPRETATION

From the above data total respondents are 128 from which 78.9% are the respondents are men and the 21.1% are Women.

Inference

Majority of the respondents are Male i.e 78.9%

4.3. Marital Status

TABLE 4.3 SHOWING THE MARITAL STATUS OF THE RESPONDENT

Particulars	No. of Respondents	Percentage of Respondents
Married	29	22.7%
Un Married	99	77.3%
Total	128	100%

MARTIAL STATUS

128 responses

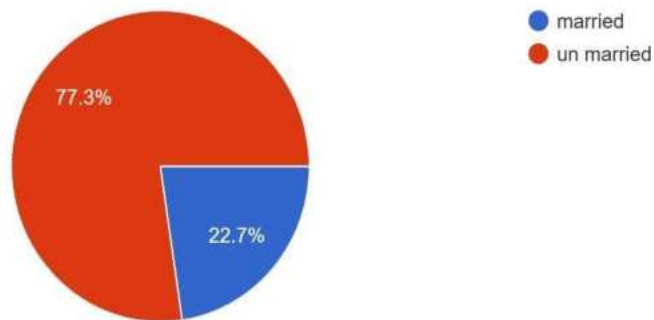


CHART 4.3 SHOWS MARITAL STATUS OF THE RESPONDENTS

INTERPRETATION

From the above data total respondents are 128 from which 77.3% are the Respondents are Married & 22.7% are Un Married

Inference

Majority of the respondents are Unmarried i.e 77.3%

4.4. Education Qualification profile

TABLE 4.4 SHOWING THE EDUCATION BACKGROUND OF THE RESPONDENT

Particulars	No. of Respondents	Percentage of the Respondents
High School	06	4.7%
Undergraduate	54	42.2%
Post Graduate	58	45.3%
PhD & Above	06	4.7%
Other	04	3.1%
Total	128	100%

QUALIFICATION
128 responses

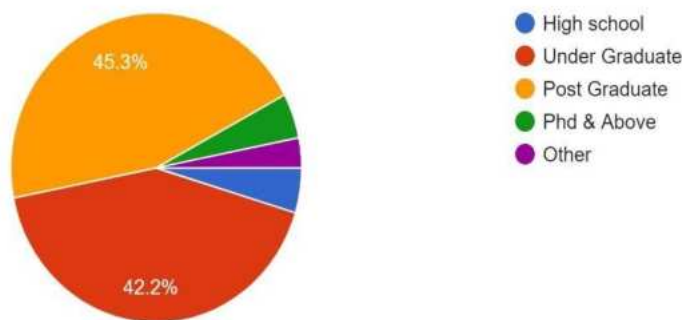


CHART 4.4 SHOWS THE QUALIFICATION OF THE RESPONDENTS

INTERPRETATION

From the above data total Respondents are 128 from which 58 members i.e., 45.3% are Post Graduate, 54 members i.e., 42.2% are Under Graduate, 06 members i.e., 4.7% are High School, also 06 member i.e., 4.7% are PhD & Above and the 04 members i.e., 3.1% are others.

Inference

Majority of the respondents are Post graduate i.e 45.3%

4.5 Occupation profile

TABLE 4.5 SHOWING THE OCCUPATION PROFILE OF THE RESPONDENT

Particulars	No. of Respondents	Percentage of Respondents
Employed	35	27.3%
Un Employed	23	18%
Self Employed	11	8.6%
Students	56	43.8%
Others	03	2.3%
Total	128	100%

Occupation
128 responses

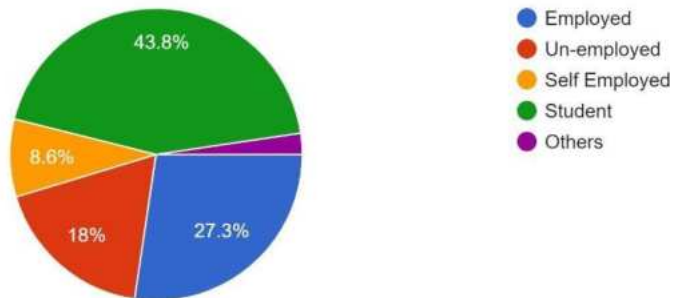


CHART 4.5 SHOWS THE OCCUPATION OF THE RESPONDENTS

INTERPRETATION

From the above data total respondent are 128 from which 35 is Employed i.e., 27.3%, 23 are Un Employed means 18%, 11 members is Self Employed i.e., 8.6%, 56 is Student i.e., 43.8%, and the others 03 i.e., 2.3%.

Inference

Majority of the respondents are students i.e 43.8%

4.6 Annual Income profile

TABLE 4.6 SHOWING THE ANNUAL INCOME OF THE RESPONDENT

Particulars	No. of respondents	Percentage of Respondents
Bellow - 2,00,000	77	60.2%
2,00,000 - 4,00,000	23	18%
4,00,000 - 6,00,000	10	7.8%
6,00,000 - Above	18	14%
Total	128	100%

Annual Income
128 responses

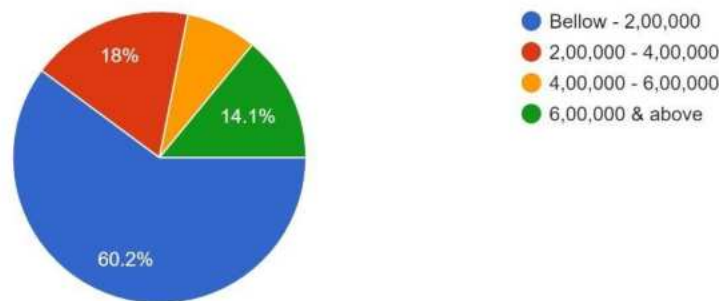


CHART 4.6 SHOWS THE ANNUAL INCOME OF THE RESPONDENTS

INTERPRETATION

In the above data total no. of Respondents are 128 from which 77 members are Bellow – 2,00,000 i.e., 60.2 %, 23 are Between 2,00,000 – 4,00,000 i.e., 18%, 10 members are in Between 4,00,000 - 6,00,000 i.e., 7.8%, 18 members are 6,00,000 - Above i.e., 14%

Inference

Majority of the respondents are Bellow - 2,00,000 i.e 60.2%

4.7 Have you ever had online shopping Respondents

TABLE 4.7 SHOWING RESPONDENTS OF ONLINE SHOPPING

Particulars	No. of Respondents	Percentage of Respondents
Yes	126	98.4%
No	02	1.6%
Total	128	100%

Have you ever had online shopping
128 responses



Chart 4.7 Shows the Respondents of ever had online shopping

INTERPRETATION

In the above data total no. of Respondents are 128 in which 126 members are doing online shopping i.e., 98.4% and the 02 members are not doing online shopping i.e., 1.6%

Inference

Majority of the respondents are doing online shopping i.e 98.4%

4.8. How often you do online shopping

TABLE 4.8 SHOWING RESPONDENTS HOW OFTEN DOES ONLINE SHOPPING

Particulars	No. of Respondents	Percentage of Respondents
Monthly Once	40	31.7%
Monthly Twice	38	30.2%
Six Month	16	12.7%
Yearly	01	0.8%
Occasionally	31	24.6%
Total	128	100%

How often you do online shopping
126 responses

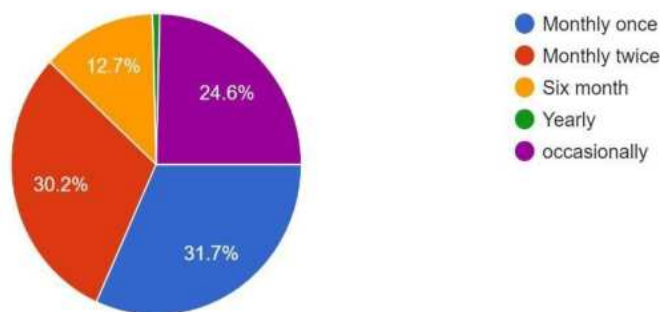


Chart 4.8 Shows the Respondents often do online Shopping

INTERPRETATION

In the above data total no. of Respondents are 128 in which 40 members are shopping online in monthly once i.e., 31.7%, 38 members are doing monthly twice i.e., 30.2%, 16 members are doing online shopping in 16 months at once i.e., 12.7%, 01 member are doing yearly i.e., 0.8% and 31 members is doing occasionally i.e., 24.6%.

Inference

Majority of the respondents are doing online shopping is monthly once i.e 31.7%

4.9. For how long have you been shopping online?

TABLE 4.9 SHOWING HOW LONG RESPONDENT HAVE BEEN SHOPPING ONLINE

Particulars	No. of Respondents	Percentage of Respondents
Less than 1 year	27	21.1%
2 - 5 Years	51	39.8%
More than 5 Years	50	39.1%
Total	128	100%

For how long have you been shopping online
128 responses

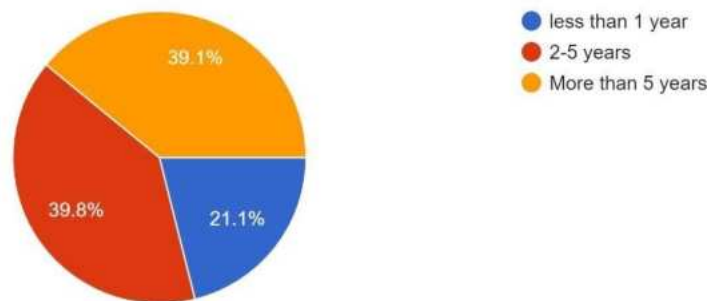


Chart 4.9 Shows the Respondents how long they shopping online

INTERPRETATION

In the above data total no. of Respondents are 128 in which 27 members are doing online shopping less than 1 year i.e., 21%, 51 members are doing online shopping between 2 - 5 years i.e., 39.8%, 50 members are doing online shopping more than 5 years i.e., 39.1%.

Inference

Majority of the consumer responds that they are doing online shopping for more than 2-5 years i.e 39.8%

4.10. The main objective of using online shopping according to you is

TABLE 4.10 SHOWING MAIN OBJECTIVE OF USING ONLINE SHOPPING

Particulars	No. of Respondents	Percentage of Respondents
Price	28	21.9%
Convenience & Time Savings	71	55.5%
Fast Shipping	13	10.2%
Trust	04	3.1%
Brand Conscious	09	07%
Friend Referral	03	2.3%
Total	128	100%

The main objective of using online shopping according to you is
128 responses

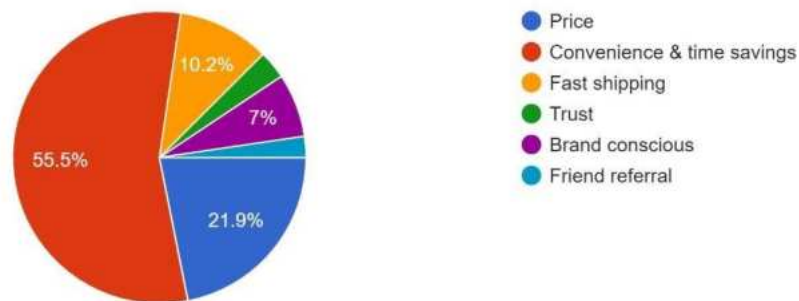


Chart 4.10 Shows the Respondents main objective of using online shopping

INTERPRETATION

In the above data total number. of Respondents are 128 in which 28 members are using online shopping due to price i.e., 21.9%, 71 members are doing online shopping due to convenience and time savings i.e., 55.5%, 13 members are doing online shopping due to Fast shipping i.e., 10.2%, 04 members due to trust i.e., 3.1%, 9 members due to brand conscious i.e., 07%, 03 members due to friend referral i.e., 2.3%

Inference

Majority of the consumer are Respond that they are doing online shopping due to convenience and time savings i.e 55.5%

4.11. Have you ever faced any problem while conducting online shopping

TABLE 4.11 SHOWING THE RESPONDENTS EVER FACED ANY PROBLEM WHILE CONDUCTING ONLINE SHOPPING.

Particulars	No. of Respondents	Percentage of Respondents
Yes	82	64.1%
No	46	35.9%
Total	128	100%

Have you ever faced any problem while conducting online shopping
128 responses

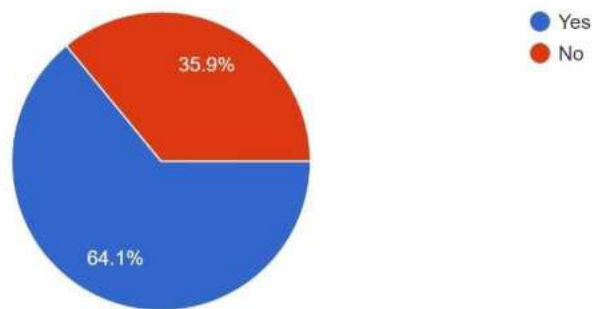


Chart 4.11 Shows the Respondents ever faced any problem while conducting online shopping.

INTERPRETATION

In the above data total number of members are 128 in which 82 members are faced problem while conducting online shopping i.e., 64.1%, and 46 members are not facing any problem while conducting online shopping i.e., 35.9%, According to my Response

Inference

Majority of the consumer are respondents that they facing the problem while they are doing online shopping i.e 64.1%

4.12. If Yes, What kind of Problem

TABLE 4.12 SHOWING THE RESPONDENTS WHAT KIND OF PROBLEM THEY FACED

Particulars	No. of Respondents	Percentage of Respondents
Delay in Deliver	19	14.8%
Cheap Quality of Product	57	44.5%
Product Damage	16	12.5%
Non-Delivery	04	3.1%
Other	32	25%
Total	128	100%

If yes, what kind of problem
128 responses

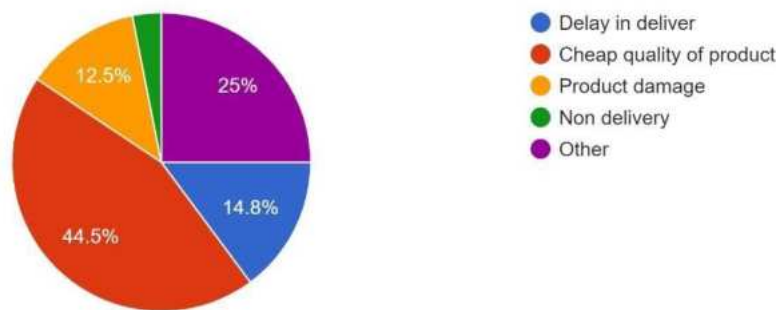


Chart 4.12 Shows the Respondents what kind of problem they faced

INTERPRETATION

In the above data total number of members are 128 in which 19 members are facing problem in delay in deliver i.e., 14.8%, 57 members are facing problem in cheap quality of product i.e., 44.5%, 16 members are facing problem in product damage i.e., 12.5%, 04 members are facing problem in Non-Delivery i.e., 3.1% 32 members are facing other type of problem i.e., 25%.

Inference

Majority of the consumer shows their respondents that what they facing the problem the cheap quality of product i.e 44.5%

4.13. How Often do you use Internet Everyday

TABLE 4.13 SHOWS THE RESPONDENTS HOW OFTEN DO USE INTERNET EVERYDAY

Particulars	No of Respondents	Percentage of Respondents
Less than 1 hr.	13	10.2%
1 – 2 hr.	16	12.5%
2 – 3 hr.	30	23.4%
3 – 4 hr.	17	13.3%
More than 4 hr.	52	40.6%
Total	128	100%

How often do you use internet everyday
128 responses

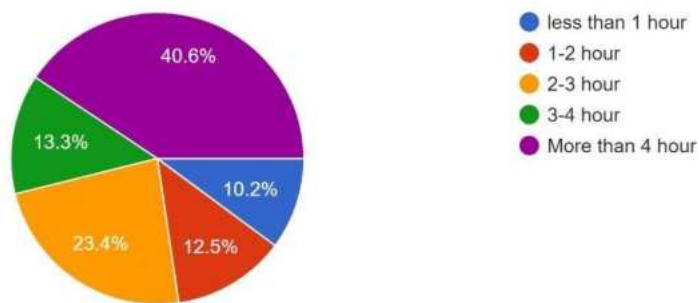


Chart 4.13 Shows the Respondents how often do use internet everyday

INTERPRETATION

In the above data total number. of members are 128 in which 13 members are using the internet less than 1 year i.e., 10.2%, 16 members are using the internet 1 – 2hr. i.e., 12.5% 30 members are using the internet daily 2 - 3hr. i.e.23.4%, 17 members are using the internet daily 3 – 4hr. and 52 members are using the internet daily more than 4 hr. i.e., 40.6%

Inference

Majority of the consumers show the respondents that they often use the internet more than 4hrs. In a day i.e 40.6%

4.14. How would you Describe your Internet Proficiency

TABLE 4.14 SHOWING THE RESPONDENTS WOULD DESCRIBE INTERNET PROFICIENCY

Particulars	No. of Respondents	Percentage of Respondents
Beginner	17	13.3%
Intermediate	71	55.5%
Advance	40	31.3%
Total	128	100%

How would you describe your Internet proficiency
128 responses

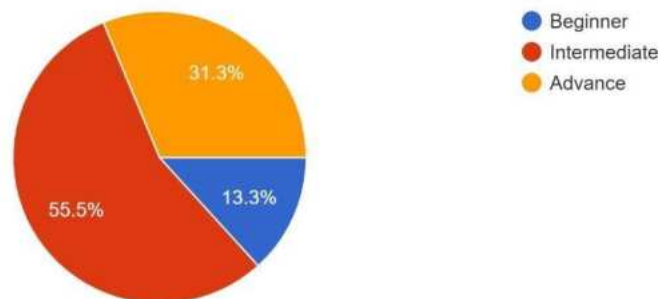


Chart 4.14 Shows the Respondents would describe internet proficiency

INTERPRETATION

In the above data total number. of member are 128 in which 17 are beginners in his internet proficiency i.e., 13.3%, 71 members are Intermediate to using internet proficiency i.e., 55.5%, 40 members are advanced to using Internet proficiency i.e., 31.3%,

Inference

Majority of the members shows that they are intermediate to describe the internet proficiency i.e 55.5%

4.15. How often do you use Internet for Shopping

TABLE 4.15 SHOWING THE RESPONDENTS HOW OFTEN USE INTERNET FOR SHOPPING

Particulars	No. of Respondents	Percentage of Respondents
Daily	13	10.2%
Weakly Once	21	16.4%
Weakly Twice	05	3.9%
Monthly Twice	37	28.9%
Occasionally	52	40.6%
Total	128	100%

How often do you use internet for shopping
128 responses

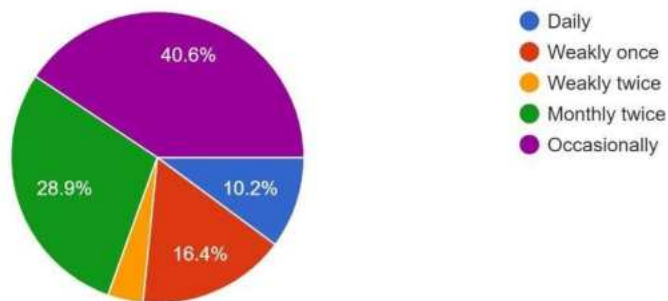


Chart 4.15 Shows the Respondents how often use internet for shopping

INTERPRETATION

In the above data total number. of members are 128 in which 13 members use internet daily for online shopping i.e., 10.2%, 21 members use weakly once internet for shopping i.e., 16.4%, 5 members use internet for online shopping weakly twice i.e., 3.9%, 37 members are using internet for online shopping monthly twice i.e., 28.9%, 52 members use internet for online shopping Occasionally i.e., 40.6%.

Inference

Majority of consumer shows the respondents to often use internet for shopping is occasionally i.e 40.6%

4.16. How much do you think you involved in the decision-making Process for buying any product at your family level

TABLE 4.16 SHOWING THE RESPONDENTS HOW MUCH INVOLVED IN THE DECISION MAKING PROCESS FOR BUYING ANY PRODUCT AT HIS FAMILY LEVEL

Particulars	No. of Respondents	Percentage of Respondents
Completely	26	20.3%
To a great Extent	42	32.8%
To moderate Extent	47	36.7%
Never	13	10.2%
Total	128	100%

How much do you think you involved in the decision making process for buying any product at your family level.

128 responses

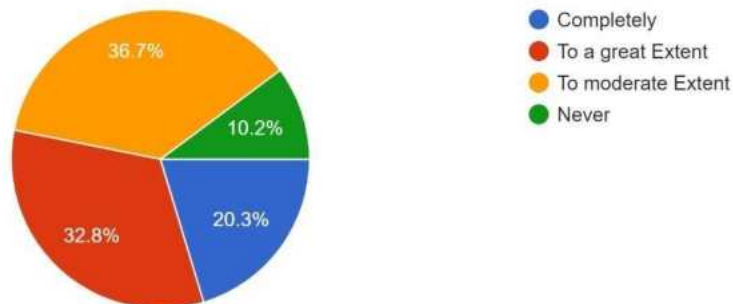


Chart 4.16 shows the respondents how much involved in the decision making process for buying any product at his family level

INTERPRETATION

In the above data the total v. of members who gave the Response is 128 in which 26 members have completely decision-making process for buying any product at his family level i.e., 20.3%. 42 members have a great extent for decision making process for buying any product at his family level i.e., 32.8%, 47 members have to moderate extent in the decision-making process for buying any product at his family level i.e., 36.7% 13 members who have never involved in the decision-making process for buying any product at his family level i.e., 10.2%.

Inference Majority of the members respondents how much involved in the decision making process for buying any product at his family level to moderate extent i.e 36.7%

4.17. If you never had online shopping please specify the reason

TABLE 4.17 SHOWING THE RESPONDENTS EVER HAD ONLINE SHOPPING

Particulars	No. of Respondents	Percentage of Respondents
I don't know about online shopping	04	3.1%
Risk of credit card transaction	33	25.8%
Internet literacy	12	9.4%
Risk of identity theft	10	7.8%
Other reason	69	53.9%
Total	128	100%

If you never had online shopping please specify the reason.
128 responses

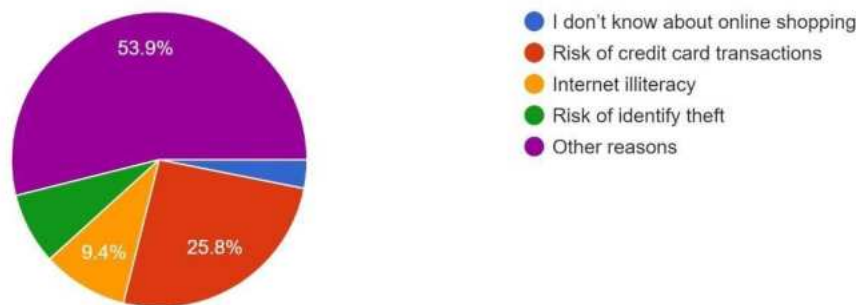


Chart 4.17 Shows the Respondents ever had online shopping

INTERPRETATION

In the above data total number. of respondents, I have 128 in which 04 members who don't know about online shopping i.e., 3.1%. 33 members have getting risk of credit card transaction while doing online shopping i.e., 25.8%, 12 members have internet literacy for online shopping i.e., 9.4%, 10 members who never had online shopping due to risk of identity theft i.e., 7.8%, 69 members never had online shopping due to other reasons i.e., 53.9%.

Inference

Majority of the members Shows the Respondents ever had online shopping for other reason i.e 53.9%

4.18. How often you rely on information available on social media if you have uncertainties regarding a purchase.

TABLE 4.18 SHOWING THE RESPONDENTS RELY ON INFORMATION AVAILABLE ON SOCIAL MEDIA IF THEY HAVE UNCERTAINTIES REGARDING A PURCHASE

Particulars	No. of Respondents	Percentage of Respondents
Always	13	10.2%
Often	26	20.3%
Sometimes	48	37.5%
Seldom	16	12.5%
Rarely	09	07%
Never	16	12.5%
Total	128	100%

How often you rely on information available on social media if you have uncertainties regarding a purchase
128 responses

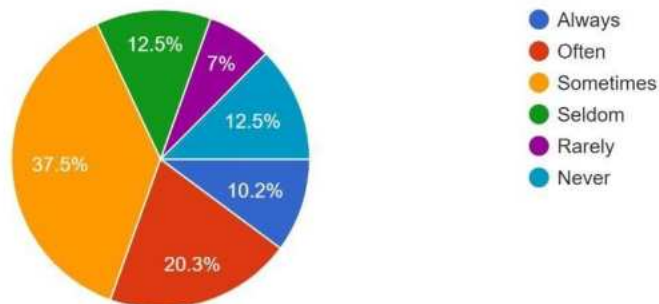


Chart 4.18 Shows the respondents rely on information available on social media if they have uncertainties regarding a purchase

INTERPRETATION

In the above data total no. of Respondents, I have is 128 in which 13 members always who often rely on information available on social media if he has any uncertainties regarding a purchase i.e., 10.2%, 26 members often who rely on information available on social media i.e., 20.3%, 48 members sometimes who get relay information on social media if he gets any uncertainties regarding a purchase i.e., 37.5%, 16 members seldom who rely on information available on social media i.e., 12.5%, 9 members rarely who get information available on social media i.e., 7%, 16 members who get never any information on social media if he have uncertainties regarding a purchase i.e., 12.5%.

Inference

Majority of the member responds that they sometimes rely on information available on social media if they have uncertainties regarding a purchase i.e 37.5%

4.19. Have you changed your initial purchase preference after searching relevant information via social media sites?

TABLE 4.19 SHOWING THE RESPONDENTS CHANGE THEIR INITIAL PREFERENCE AFTER SEARCHING RELEVANT INFORMATION VIA SOCIAL MEDIA SITES

Particulars	No. of Respondents	Percentage of Respondents
Always	12	9.4%
Often	23	18%
Sometimes	61	47.7%
Seldom	05	3.9%
Rarely	12	9.4%
Never	15	11.7%
Total	128	100%

Have you change your initial purchase preference after searching relevant information via Social media sites?

128 responses

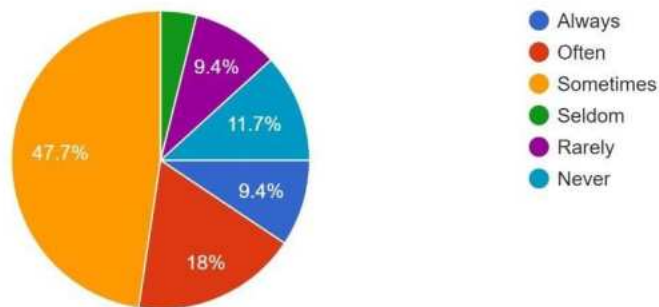


Chart 4.19 Shows the respondents change their initial preference after searching relevant information via social media sites

INTERPRETATION

In the above data total number of respondents, which I collect is 128 in which 12 members always change his initial purchase preference after searching relevant information via social media sites i.e., 9.4%, 23 members often change his decision i.e., 18%, 61 members sometimes change his decision i.e., 47.7%, 5 members seldom change his decision while purchasing i.e. 3.9%, 12 members rarely change his decision while purchasing i.e., 9.4%, 15 members who never change his decision while purchasing i.e., 11.7%.

Inference Majority of the members are showing sometimes they change their initial after searching relevant information via social media sites i.e 47.7%

4.20. Advertisements / Reviews / Blog posts etc. have higher credibility than Advertisements / Editorials / other marketing means on mass media?

TABLE 4.20 SHOWING THE RESPONDENTS HAVE HIGHER CREDIBILITY THAN ADVERTISEMENTS / EDITORIALS / OTHER MAKING MEANS ON MASS MEDIA

Particulars	No. of Respondents	Percentage of Respondents
Strongly Agree	35	27.3%
Agree	58	45.3%
Neutral	26	20.3%
Disagree	04	3.1%
Strongly Disagree	05	3.9%
Total	128	100%

Advertisements / Reviews / Blog posts etc. have higher credibility than Advertisements / editorials / Other marketing means on mass media ?
128 responses

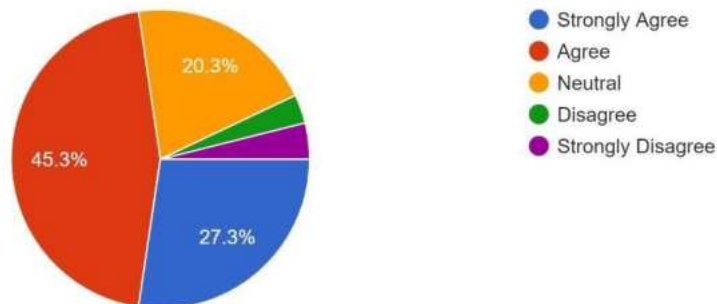


Chart 4.20 Shows the Respondents have higher credibility than Advertisements / editorials / other marketing means on mass media

INTERPRETATION

In the above data total number of respondents which I collect is 128 in which 35 consumers strongly agree that Advertisements / Reviews / Blog posts etc. have higher credibility than Advertisements / Editorials / other marketing means i.e., 27.3%, 58 members get agree with this i.e., 45.3%, 26 members are neutral on this statement i.e., 20.3%, 4 members are getting disagree with this statement i.e., 3.1% and 5 members are getting strongly opposed i.e., 3.9%.

Inference

Majority of members are agree to show the Respondents have higher credibility than Advertisements / editorials / other marketing means on mass media i.e 45.3%

4.21. Which according to you have highest media potential

TABLE 4.21 SHOWS THE RESPONDENTS HAVE HIGHEST MEDIA POTENTIAL

Particulars	No. of Respondents	Percentage of Respondents
Social media	101	78.9%
Print media	09	07%
Television ads	11	8.6%
Radio	00	00%
In person media	07	5.5%
Total	128	100%

Which according to you have highest media potential

128 responses

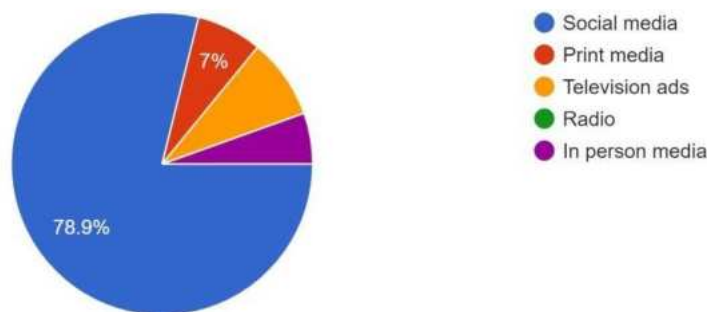


Chart 4.21 Shows the Respondents have highest media potential

INTERPRETATION

In the above data total number of responds which I collect is 128 in which 101 members are getting privilege to social media to get highest media potential i.e., 78.9%, 9 members giving to print media highest media potential i.e., 7%, 11 members giving in the favour of television media to highest media potential i.e., 8.6%, no one getting respond on radio and 7 members getting respond in person media i.e., 5.5%.

Inference

Majority of the members are getting responds that social media have highest media potential i.e 78.9%

CHAPTER-5

FINDINGS,SUGGESTIONS AND CONCLUSION

5.1 Findings

I find that 93% of all marketers indicated that their social media efforts have generated more exposure to their business, increased traffic was the second major benefit, with 87% reporting positive results.

- ☐ Majority of the respondents are between 20-30 years old i.e 75%
- ☐ Majority of the respondents are Male i.e 78.9%
- ☐ Majority of the respondents are Unmarried i.e 77.3%
- ☐ Majority of the respondents are Post graduate i.e 45.3%
- ☐ Majority of the respondents are students i.e 43.8%
- ☐ Majority of the respondents are Bellow - 2,00,000 i.e 60.2%
- ☐ Majority of the respondents are doing online shopping i.e 98.4%
- ☐ Majority of the respondents are doing online shopping is monthly once i.e 31.7%
- ☐ Majority of the consumer responds that they are doing online shopping for more than 2-5years i.e 39.8%
- ☐ Majority of the consumer are Respond that they are doing online shopping due to convenience and time savings i.e 55.5%
- ☐ Majority of the consumer are respondents that they facing the problem while they are doing online shopping i.e 64.1%
- ☐ Majority of the consumer shows their respondents that what they facing the problem the cheap quality of product i.e 44.5%
- ☐ Majority of the consumers show the respondents that they often use the internet more than 4hrs. In a day i.e 40.6%
- ☐ Majority of the members shows that they are intermediate to describe the internet proficiency i.e 55.5%
- ☐ Majority of consumer shows the respondents to often use internet for shopping is occasionally i.e 40.6%
- ☐ Majority of the members respondents how much involved in the decision making process for buying any product at his family level to moderate extent i.e 36.7%
- ☐ Majority of the members Shows the Respondents ever had online shopping for other reason i.e 53.9%
- ☐ Majority of the member responds that they sometimes rely on information available on social media if they have uncertainties regarding a purchase i.e 37.5%
- ☐ Majority of the members are showing sometimes they change their initial after searching relevant information via social media sites i.e 47.7%

- ❑ Majority of members are agree to show the Respondents have higher credibility than Advertisements / editorials / other marketing means on mass media i.e 45.3%
- ❑ Majority of the members are getting responds that social media have highest media potential i.e 78.9%

5.2 Suggestion

Social media is an essential piece of your business marketing strategy. Social platforms help you connect with your customers, increase awareness about your brand and boost your leads and sales. 52% of social media marketers believe social media positively influences their companies revenue and sales.

- ❑ Identify the right social media channel
- ❑ Make the most of live videos
- ❑ Create your brand story
- ❑ Leverage user-Generated content
- ❑ Use social friendly images
- ❑ Use instagram for posting ads
- ❑ Use relevant Hashtags
- ❑ Utilize the power of employee advocacy
- ❑ Get your timing right

5.3 CONCLUSION

Social media is creating a great influence on the business all around the globe. From creating a clear image of their brands by sharing their pages on social platforms. Social media also suggests the customer liked products through various Data Analytics and Data Science technology. People follow brand pages on social media to get notification. Social media is not an option but a necessity of modern business. Hence, the new social media marketing creates a lot of opportunities for new businesses and challenges to get customer space. And Social Media is occupying or shifting the traditional way of marketing to Digital advertisements of businesses and their products.

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APPENDIX I (QUESTIONNAIRE)

QUESTIONNAIRE

Personal Profile

1. Name.

2. Age.

(a) Below - 20

(b) 20 - 30

(c) 30 - 40

(d) 40 - Above

3. Gender.

(a) Male

(b) Female

4. Marital Status.

(a) Married

(b) Un Married

5. Qualification.

(a) High School

(b) Undergraduate

(c) Post Graduate

(d) PHD & Above

(e) Other

6. Occupation.

(a) Employed

(b) Un Employed

(c) Self Employed

(d) Student

(e) Other

7. Annual Income.

(a) Bellow - 2,00,000

(b) 2,00,000 - 4,00,000

(c) 4,00,000 - 6,00,000

(d) 6,00,000 - Above

8. Have you ever had online shopping?

(a) yes

(b) no

9. How often you do online shopping.

(a) Monthly Once

(b) Monthly twice

(c) Six Month

(d) Yearly

(e) Occasionally

10. For how long have you been shopping online?

(a) Less than one year

(b) 2 - 5 years

(c) More than 5 years

11. The main objective of using online shopping according to you is.

(a) Price

(b) Convenience & Time savings

(c) Fast shipping

(d) Trust

(e) Brand conscious

(f) Friend referral

12. Have you ever faced any problem while conducting online shopping?

(a) Yes

(b) No

13. If yes, what kind of problem

- (a) Delay in deliver
- (b) Cheap quality of product
- (c) Product damage
- (d) Non delivery
- (e) Other

14. How often do you use internet everyday

- (a) Less than - 1 hr.
- (b) 1 - 2 hr.
- (c) 2 - 3 hr.
- (d) 3 - 4 hr.
- (e) 4 - more than

15. How would you describe your internet proficiency

- (a) Beginner
- (b) Intermediate
- (c) Advance

16. How often do you use internet for shopping

- (a) Daily
- (b) Weakly once
- (c) Weakly twice
- (d) Monthly twice
- (e) Occasionally

17. How much do you think you involved in the decision-making process for buying any product at your family level

- (a) Completely
- (b) To a great extent
- (c) To moderate extent
- (d) Never

18. If you never had online shopping please specify the reason.

- (a) I don't know about online shopping
- (b) Risk of credit card transactions
- (c) Internet literacy
- (d) Risk of identity theft
- (e) Other reasons

19. How often you rely on information available on social media if you have uncertainties regarding a purchase.

- | | |
|---------------|------------|
| (a) Always | (b) Often |
| (c) Sometimes | (d) Seldom |
| (e) Rarely | (e) Never |

20. Have you changed your initial purchase preference after searching relevant information via social media sites?

- | | |
|---------------|------------|
| (a) Always | (b) Often |
| (c) Sometimes | (d) Seldom |
| (e) Rarely | (f) Never |

21. Advertisements / Reviews / Blog Posts etc. have higher credibility than Advertisements / Editorials / other marketing means on mass media?

- | | |
|-----------------------|--------------|
| (a) Strongly Agree | (b) Agree |
| (c) Neutral | (d) Disagree |
| (e) Strongly disagree | |

22. Which according to you have highest media potential

- | | |
|---------------------|-----------------|
| (a) Social media | (b) Print media |
| (c) Television ads | (d) Radio |
| (e) In person media | |

23. please select to your level of agreement to the following question

i. Shopping on the internet saves time.

- | | |
|-----------------------|--------------|
| (a) Strongly Agree | (b) Agree |
| (c) neutral | (d) Disagree |
| (e) Strongly Disagree | |

ii. I prefer traditional/conventional shopping over online shopping.

- | | |
|-----------------------|--------------|
| (a) Strongly Agree | (b) Agree |
| (c) neutral | (d) Disagree |
| (e) Strongly Disagree | |

iii. Online shopping is risky

- | | |
|-----------------------|--------------|
| (a) Strongly Agree | (b) Agree |
| (c) neutral | (d) Disagree |
| (e) Strongly Disagree | |

iv. Online shopping will eventually suppress traditional shopping

- | | |
|-----------------------|--------------|
| (a) Strongly Agree | (b) Agree |
| (c) neutral | (d) Disagree |
| (e) Strongly Disagree | |

v. Highly time-consuming process for delivery of products and services

- | | |
|-----------------------|--------------|
| (a) Strongly Agree | (b) Agree |
| (c) neutral | (d) Disagree |
| (e) Strongly Disagree | |

vi. Filtering of goods available on the internet is tedious

- | | |
|-----------------------|--------------|
| (a) Strongly Agree | (b) Agree |
| (c) neutral | (d) Disagree |
| (e) Strongly Disagree | |

vii. The description of the products mentioned on the websites are very accurate

- | | |
|-----------------------|--------------|
| (a) Strongly Agree | (b) Agree |
| (c) neutral | (d) Disagree |
| (e) Strongly Disagree | |

viii. The information given about the product mentioned on the site is sufficient

- (a) Strongly Agree
- (b) Agree
- (c) neutral
- (d) Disagree
- (e) Strongly Disagree

ix. Online shopping is as secure as traditional shopping

- (a) Strongly Agree
- (b) Agree
- (c) neutral
- (d) Disagree
- (e) Strongly Disagree

x. E-Commerce reduces the monetary cost in comparison to traditional shopping

- (a) Strongly Agree
- (b) Agree
- (c) neutral
- (d) Disagree
- (e) Strongly Disagree

xi. Necessity of having a bank account or credit cards creates difficulty

- (a) Strongly Agree
- (b) Agree
- (c) neutral
- (d) Disagree
- (e) Strongly Disagree

xii. I prefer cash on delivery over online payment

- (a) Strongly Agree
- (b) Agree
- (c) neutral
- (d) Disagree
- (e) Strongly Disagree

xiii. I will purchase only if there is provision of home delivery

- (a) Strongly Agree
- (b) Agree
- (c) neutral
- (d) Disagree
- (e) Strongly Disagree

xiv. Online shopping infrastructure in India is underdeveloped

- (a) Strongly Agree
- (b) Agree
- (c) neutral
- (d) Disagree
- (e) Strongly Disagree

24. how important are each of the following factors in refraining you from shopping on the internet

i. Risk of credit/debit transactions

- | | |
|----------------------|---------------|
| (a) Highly satisfied | (b) Satisfied |
| (c) Neutral | (d) Disagree |
| (e) Highly disagree | |

ii. Risk of losing privacy

- | | |
|----------------------|---------------|
| (a) Highly satisfied | (b) Satisfied |
| (c) Neutral | (d) Disagree |
| (e) Highly disagree | |

iii. Risk of identity theft

- | | |
|----------------------|---------------|
| (a) Highly satisfied | (b) Satisfied |
| (c) Neutral | (d) Disagree |
| (e) Highly disagree | |

iv. Waiting to receive the product

- | | |
|----------------------|---------------|
| (a) Highly satisfied | (b) Satisfied |
| (c) Neutral | (d) Disagree |
| (e) Highly disagree | |

v. Difficulty in returning products /items

- | | |
|----------------------|---------------|
| (a) Highly satisfied | (b) Satisfied |
| (c) Neutral | (d) Disagree |
| (e) Highly disagree | |

vi. Not being able to identify product quality

- | | |
|----------------------|---------------|
| (a) Highly satisfied | (b) Satisfied |
| (c) Neutral | (d) Disagree |
| (e) Highly disagree | |

vii. Risk of not getting what I paid for

- | | |
|----------------------|---------------|
| (a) Highly satisfied | (b) Satisfied |
| (c) Neutral | (d) Disagree |
| (e) Highly disagree | |

viii. Not skilful with internet

- | | |
|----------------------|---------------|
| (a) Highly satisfied | (b) Satisfied |
| (c) Neutral | (d) Disagree |
| (e) Highly disagree | |

ix. Lack of trust worthless of vendors

(a) Highly satisfied

(b) Satisfied

(c) Neutral

(d) Disagree

(e) Highly disagree

x. Complex compared to traditional shopping

(a) Highly satisfied

(b) Satisfied

(c) Neutral

(d) Disagree

(e) Highly disagree

xi. More expensive than retail store

(a) Highly satisfied

(b) Satisfied

(c) Neutral

(d) Disagree

(e) Highly disagree

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**A STUDY ON IMPACT OF SOCIAL MEDIA IN
MARKETING**

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ABSTRACT

Social media marketing is a new trend and the most successful among all the types of marketing tools. For a business to succeed, Advertisement should reach maximum users and create a full clear and visible image of its brand. No doubt, Social media marketing is the most cost-effective advertising strategy. Most social networking platforms provide free accounts and signup and some online advertising tools come with some cost. On the other hand, the return is much more than investment, in case of social media advertising. Only by investing a little money and time, anyone can greatly maximize and increase conversion rate and get high return on investment for the money invested in advertising.

The main aim of this study is to examine how social media marketing will affect the final decisions and behavior of the consumer who spend their maximum time on social networking platforms and forecast relationships among various consumer activities, marketing activities and choice with the behavior of the consumer.

Social media marketing is emerging continuously to satisfy the basic needs of website users and on the other side it also has increased the opportunities for companies to advertise their products and services in personalized way. The previous record shows that social media has contributed greatly in changing consumer behavior and organizations got to know about the customer behavior.

Social media marketing has changed the marketing structure of the place where the goods are sold and purchased online. Social media marketing has significantly changed the way of thinking of the consumer and the organizations should not ignore social media marketing.

Keywords: social media marketing, brand, publication, product, price

1.INTRODUCTION

For any Organization, the most valuable as it is its brand and the modern organization should realize that capitalizing on brand can help achieve growth, profitability objective and sustainability. Along with incessant globalization social media has emerged as the best platform for Advertising and Marketing for companies. It increased the visibility of services and products.

For every businessman the only aim is how various marketing tools and techniques can increase the number of selling services and products. The main aim of the study is to inspect how social media marketing will affect the final consumer behavior in the middle of persons who mostly use social media websites and also to find out the divine relationships among various social media marketing campaigns, customer activities and behavior of the consumer.

The Social media has changed the entire structure as to where the goods should be sold and where to purchase online. It plays a very important part in modern day advertisement by describing attributes and possible roles for marketing planning, recognizing various marketing tools and techniques. Not only that social media is changing the mind of consumer behavior but also to a great extent used for direct marketing and as a tool for personalized goods.

Social media like Facebook, Twitter, YouTube and Instagram are dynamic tools that facilitate online relationships. It is a relatively low-cost form of marketing and allows organizations to engage direct and end-user contact. The choice of social media marketing organization creates an influential impact of brands by recommending personalized consumer choice. Brands influence customers, customers influence other customers and the chain continues which further affects future earnings of the organization and long-term organizational sustainability.

In this fast-growing world, all ones have busy schedules, so for the customer it is difficult to spend time on purchasing goods or services. Nowadays users are collecting information from different sites and platforms Online without wasting time and labor. And social media marketing is not only useful for customers, in that it provides information about the company but also provides information of the customer's choice to the company. Every social media tool tries to build an image of the company's brands and goods. So, we can say that consumers can change their mind for purchasing any good or service by social media marketing and taking the goods or services online.

RESEARCH OBJECTIVE

- To study the present estimation of E-Commerce in India.
- To check out the blockade of E-Commerce in India.
- To discuss the future of E-Commerce in India.
- To study the growth of the E-Commerce industry in India along with the factors responsible for it.

2. REVIEW OF LITERATURE

Bikhchandani et al., (1998)

In their research describes whether or not shoppers shall purchase a product and whether or not they suggest a product to others. These are usually used as limitations for purchase intention. The study further reveals the result of knowledge rapids on social media by different product attributes is unconditional with different involvement strengths by shoppers. It is complete that the shoppers try to show totally different levels of participation in different circumstances wherever they face with brand buying and recommending to others.

Manju Ahuja et al., (2003)

In their article, targeted on look over the factors that influence the shopping behavior and browsing behavior of consumers during online purchase specifically, the study has been conducted about the consumers using business-to-consumer sites. The researchers also inquire about buying preferences of consumers with varied demographic profiles which may reveal different buying approaches and consumer behaviors for a specific class of merchandise and services. Social media is the 1 most effective factor that influences buying behavior of customers.

Muhammad Shafiqul et al., (2004)

In the analysis, the researchers concentrated on finding the relationship of Social Media and buying behavior of customers. The study elaborates the students of academic institutes of Karachi. Around two hundred and sixty questionnaires were replied by the students. The study finds that there is no strong connection between Customer Buying behavior and Social Media.

Ramsunder (2011)

Their study says that shoppers' resolutions are influenced heavily by on-line brands. Opinion of consumers will influence one another. This type of reaction by other consumers affects the repurchases. So, Consumers are moving to the Internet to get more data for their buying decisions.

Raghuramlyengar et al., (2012)

Examine in Korea, how friends instigate sell out through Social Network. Their study concentrates on two important questions, the first question is "Is there any influence by friends on purchases by consumers in social media networks", the second question is "if there is such an examination which consumers are pompous". To reinforce the analysis, sample data was obtained from social networking website Cyworld. Sample data of 208 users of Cyworld for ten weeks of buy and non-buying data was collected. The researchers build a model on the agreement of buying and non-buying and also with the amount spent. Markov chain Monte Carlo technique and Bayesian approach is used to access the model. The results advisable that there are three different classification of consumers with different buying behavior.

Mir et al., (2012)

Thousands of web newsgroups and chat rooms influence the purchase decision of shoppers. The image of the brand increases when many users provide positive opinions about the brand.

Dhegiha et al., (2013)

Their study analyses the knowledge inheritance on customer's action and brand reputation. Expertise inheritance on social media materializes once a person observes the behavior of others and makes a similar decision that other people have already made. The knowledge cascade is usually used for one amongst 2 effects on shoppers, Knowledge cascading causes the brand to emerge high or low in Customer Intention on purchasing and as well may have an effect on consumers trust on brand. The study aims at consumers who have trust on brand image. These kinds of customers are influenced by decisions taken by others.

TeenaBagga et al., (2013)

The study musters the inner and outer factors of consumer's online buying behavior. An organized form was used and a survey was conducted with two hundred samples. Questionnaires were sent by way of the mail and also posted through online web pages and were answered by the respondents themselves. The statistical investigation found seven major factors that govern the consumer's buying behavior. These seven components were: would like for Social Communication, website Attributes, on-line Advertising, Recreation, Convenience, privacy issues and data Search.

RESEARCH METHODOLOGY

Research design: in the current research, mostly qualitative primary data collected through oral interviews with various types of customers through questionnaires which are pre coded and pre tested nearby areas; Whereas some secondary data is also collected through Social Media, Journals and Literature reviews.

Sampling design: In the current research, mostly qualitative primary data collected through online questionnaires with various types of customers through questionnaire which is pre coded and pre tested contacts; whereas secondary data gather among many Social Websites, many Literature Review, National, International Journals and many Thesis.

The questionnaire is divided into four parts which are as follows:

First part: The questions which are designed for customers are starting with the personal information of the customers that is Name of customer, Age, Gender, Education, Occupation etc.

Second part: The second part of the questions are related to internet users or mobile users who are using the internet on mobile.

Third Part: The third part of the questions are related to the information about social media marketing and how consumers are using social websites which are doing marketing for buying purposes.

Fourth Part: The last fourth part shows the suggestions given by the customers.

Sample size: The survey will be conducted on the basis of sampling methods. The total population Is 2000 customers. The researcher is going to develop sample design, the researcher will be collecting the information from 200 customers that is 10% of the population were selected for the present study in Bihar city, Other than Bihar city and village areas in Bihar city.

Period of study:

The study was conducted for a period of three months from January 2021 - March 2021.

Source of data collected:

In the current research, mostly qualitative primary data collected through online questionnaires with various types of customers through questionnaire which is pre coded and pre tested contacts; whereas secondary data collected among many Social Websites, many Literature Review, National, International Journals and many Thesis.

Primary Data: Primary data is known as firsthand information in order to find out the solution of a specific problem. Primary data is assembled from its primary sources i.e., the source of the place where the data is produced. It is the first time collected by its investigator for statistical analysis.

Secondary data: Secondary data are the data that are in authentic existence, in records, having been already collected and also treated statistically. In short, it is the data that have been already collected, presented, tabulated and located with analytical data that have been collected by some agencies, government departments and research workers. It can come by from records, books, government publications and journals.

Utmost care has been taken by the researcher while collecting the data from the various sources

Methods of collection of data: It is an approach of data collection where we select the units for data through some tools or methods. In the wide sense, we can classify the methods of collection in two techniques for data collection procedure:

1. Census technique.
2. Sample technique.

Data plays an important role in research. Facts, information or premises accurately assembled and formally presented for the coming and for the purpose of drawing conclusions may be called data. For the intention of creating relationships between variables statistical information is being collected, then formatted and then presented and so should be added in the data.

Mostly there are two ways to collect data as popularly known as primary and secondary data. So, data can be assembled through two different sources that is Primary that is first hand and Secondary data which is already published.

4. Data analysis and interpretation:**Tool used:**

1. CHI-SQUARE TEST
2. ANOVA

For the purpose of various analyses simple data descriptive statistical methods will be used. Charts and diagrams will be used to emphasize and highlight growth of impact of social media. In accretion to this, the statistical tools such as tabulation, charts, measures of dispersion, ANOVA, Chi-square tests will be utilized by the researcher.

CHI-SQUARE TEST:

Chi-square is the measure which checks or evaluates the extent to which a set of the observed frequencies of a sample deviates from the corresponding set of expected frequencies of the samples. It is the measure of aggregate dissimilarity between expected frequencies and actual frequencies. This distribution is called χ^2 distribution. It was first introduced by helmet in 1875. It is also known as "goodness for fit". It is used as a test static in testing hypotheses that provides the theoretical frequencies with which observed frequencies are observed.

The Question is on level of agreement for the following questions :						
	OBSERVED VALUES					TOTAL
	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	
Shopping on internet saves time	65	40	4	4	6	129
I prefer traditional/conventional shopping over online shopping.	16	64	34	13	1	129
Online shopping is risky	21	90	32	24	1	129
Online shopping will eventually suppress traditional shopping	25	64	29	6	1	129
Highly time consuming process for delivery of products and services	15	63	31	17	2	129
Filtering of goods available on the internet is tedious	27	56	28	15	2	129
The description of the products mentioned on the websites are very accurate	16	57	32	15	8	129
The information given about the product mentioned on the site is sufficient	15	66	38	17	2	129
Online shopping is as secure as traditional shopping	18	55	34	16	5	129
E-Commerce reduces the monetary cost in comparison to traditional shopping	20	74	24	6	4	129
Necessity of having a bank account or credit cards creates difficulty	24	57	26	16	5	129
I prefer cash on delivery over online payment	30	56	28	13	1	129
I will purchase only if there is provision of home delivery	49	54	20	4	1	129
Online shopping infrastructure in India is underdeveloped	30	54	31	9	4	129
TOTAL	371	819	381	178	43	1792
	EXPECTED VALUES					TOTAL
	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	
Shopping on internet saves time	26.5	58.5	27.21	12.71	3.07	129
I prefer traditional/conventional shopping over online shopping.	26.5	58.5	27.21	12.71	3.07	129
Online shopping is risky	26.5	58.5	27.21	12.71	3.07	129
Online shopping will eventually suppress traditional shopping	26.5	58.5	27.21	12.71	3.07	129
Highly time consuming process for delivery of products and services	26.5	58.5	27.21	12.71	3.07	129
Filtering of goods available on the internet is tedious	26.5	58.5	27.21	12.71	3.07	129
The description of the products mentioned on the websites are very accurate	26.5	58.5	27.21	12.71	3.07	129
The information given about the product mentioned on the site is sufficient	26.5	58.5	27.21	12.71	3.07	129
Online shopping is as secure as traditional shopping	26.5	58.5	27.21	12.71	3.07	129
E-Commerce reduces the monetary cost in comparison to traditional shopping	26.5	58.5	27.21	12.71	3.07	129
Necessity of having a bank account or credit cards creates difficulty	26.5	58.5	27.21	12.71	3.07	129
I prefer cash on delivery over online payment	26.5	58.5	27.21	12.71	3.07	129
I will purchase only if there is provision of home delivery	26.5	58.5	27.21	12.71	3.07	129
Online shopping infrastructure in India is underdeveloped	26.5	58.5	27.21	12.71	3.07	129
TOTAL	371	819	381	178	43	1792
<div> <div>X² Value</div> <div>P = 8</div> </div>						

The result of the 'Pearson Chi-Square' says that 'P=0' indicates a significant relationship between all the variables like Shopping on the Internet saves time, Online Shopping is Risky, etc.

ANOVA:

In stats we mostly want to get information if the mean of two popular people is equal. To answer this, we need to use Anova (analysis of variance). It is a particular variety of statistical hypothesis testing mostly utilized in the analysis of experimental data. In the typical application of Anova (analysis of variance), the Hypothesis which is Null is that all groups are simply random samples of the same population. The wording of Anova (analysis of variance) is the synthesis of different types ideas and it is always used for various purposes and implement it.

The Question is on level of agreement for the following questions :					
	OBSERVED VALUES				
	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
Shopping on internet saves time	65	49	4	4	6
I prefer traditional/conventional shopping over online shopping.	16	64	34	13	1
Online shopping is risky	21	50	32	24	1
Online shopping will eventually suppress traditional shopping	25	64	29	9	1
Highly time consuming process for delivery of products and services	15	63	31	17	2
Filtering of goods available on the internet is tedious	27	56	28	15	2
The description of the products mentioned on the websites are very accurate	16	57	32	15	8
The information given about the product mentioned on the site is sufficient	15	66	28	17	2
Online shopping is as secure as traditional shopping	18	55	34	16	5
E-Commerce reduces the monetary cost in comparison to traditional shopping	20	74	24	6	4
Necessity of having a bank account or credit cards creates difficulty	24	57	26	16	5
I prefer cash on delivery over online payment	30	56	28	13	1
I will purchase only if there is provision of home delivery	49	54	20	4	1
Online shopping infrastructure in India is underdeveloped	30	54	31	9	4
Anova: Two-Factor With Replication					
SUMMARY	Strongly Agree	Agree	Neutral	Disagree	Total
Shopping on internet saves time					
Count	1	1	1	1	5
Sum	65	49	4	4	128
Average	65	49	4	4	25.6
					854.3
I prefer traditional/conventional shopping over online shopping					
Count	1	1	1	1	5
Sum	16	64	34	13	128
Average	16	64	34	13	25.6
					600.3
Online shopping is risky					
Count	1	1	1	1	5
Sum	21	50	32	24	128
Average	21	50	32	24	25.6
					318.3
Online shopping will eventually suppress traditional shopping					
Count	1	1	1	1	5
Sum	25	64	29	9	128
Average	25	64	29	9	25.6
					591.8

<i>Highly time consuming process for delivery of products and services</i>						
Count	1	1	1	1	1	5
Sum	15	63	31	17	2	128
Average	15	63	31	17	2	25.6
						542.8
<i>Filtering of goods available on the internet is tedious</i>						
Count	1	1	1	1	1	5
Sum	27	56	28	15	2	128
Average	27	56	28	15	2	25.6
						400.3
<i>description of the products mentioned on the websites are very accurate</i>						
Count	1	1	1	1	1	5
Sum	16	57	32	15	8	128
Average	16	57	32	15	8	25.6
						385.3
<i>The information given about the product mentioned on the site is sufficient</i>						
Count	1	1	1	1	1	5
Sum	15	66	28	17	2	128
Average	15	66	28	17	2	25.6
						595.3
<i>Online shopping is as secure as traditional shopping</i>						
Count	1	1	1	1	1	5
Sum	18	55	34	16	5	128
Average	18	55	34	16	5	25.6
						377.3
<i>commerce reduces the monetary cost in comparison to traditional shopping</i>						
Count	1	1	1	1	1	5
Sum	20	74	24	6	4	128
Average	20	74	24	6	4	25.6
						606.8
<i>Necessity of having a bank account or credit cards creates difficulty</i>						
Count	1	1	1	1	1	5
Sum	24	57	26	16	5	128
Average	24	57	26	16	5	25.6
						376.3
<i>I prefer cash on delivery over online payment</i>						
Count	1	1	1	1	1	5
Sum	30	56	28	13	1	128
Average	30	56	28	13	1	25.6
						428.3
<i>I will purchase only if there is provision of home delivery</i>						
Count	1	1	1	1	1	5
Sum	49	54	20	4	1	128
Average	49	54	20	4	1	25.6
						614.3
<i>Online shopping infrastructure in India is underdeveloped</i>						
Count	1	1	1	1	1	5
Sum	30	54	31	9	4	128
Average	30	54	31	9	4	25.6
						399.3
<i>Total</i>						
Count	14	14	14	14	14	
Sum	371	819	381	178	43	
Average	26.5	58.5	27.21428571	12.71428571	3.071428571	
Variance	203.9615385	46.88461538	59.56593407	32.37362637	5.148351648	

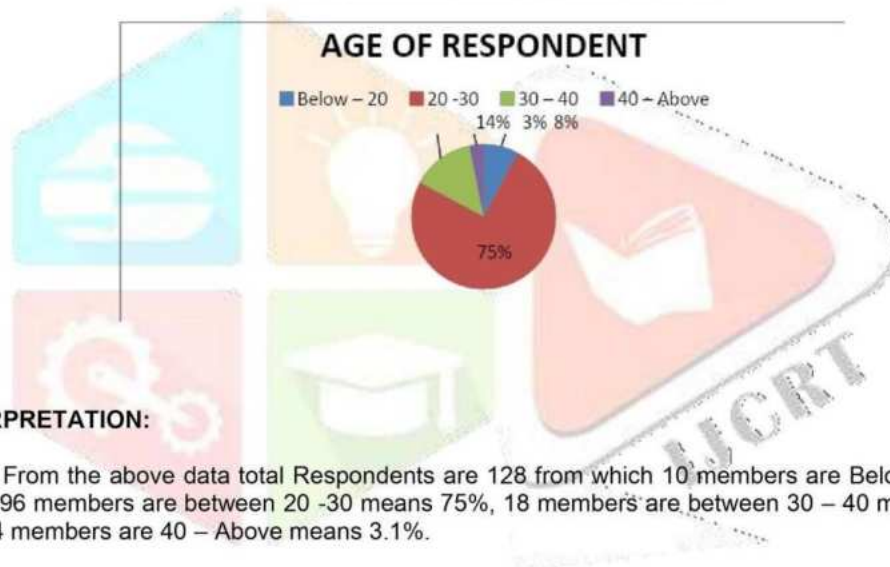
5. FINDINGS OF THE STUDY

For this research following hypothesis testing has been done and below are the results in tables and charts.

1.The Respondents of age:

Particulars	No. of Respondents	Percentage of Respondents
Below – 20	10	7.8%
20 -30	96	75%
30 – 40	18	14.1%
40 – Above	04	3.1%
Total	128	100%

CHART 1 SHOWING AGE OF RESPONDENT



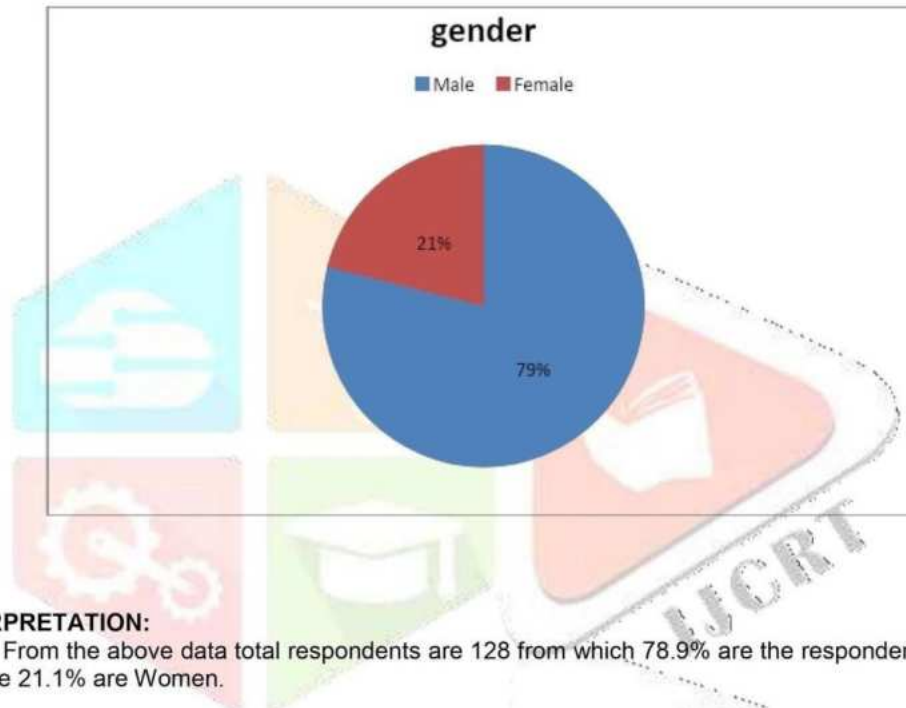
INTERPRETATION:

From the above data total Respondents are 128 from which 10 members are Below 20 means 7.8%, 96 members are between 20 -30 means 75%, 18 members are between 30 – 40 means 14.1%, and 04 members are 40 – Above means 3.1%.

In the above respondents maximum no. of members are between 20 – 30 and the minimum no. of members are 40 & Above.

2. Respondents of the gender:

Particulars	No. of Respondents	Percentage of Respondents
Male	101	78.9%
Female	27	21.1%
Total	128	100%

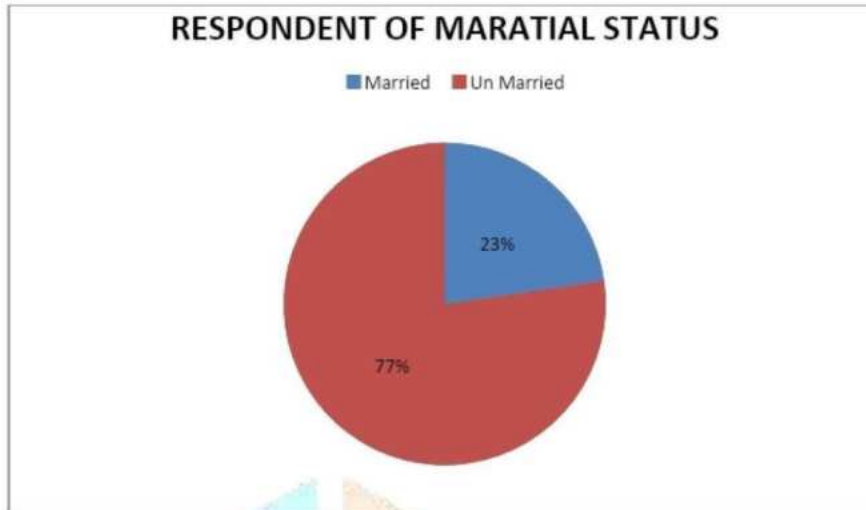
CHART 2 SHOWING GENDER**INTERPRETATION:**

From the above data total respondents are 128 from which 78.9% are the respondents are men and the 21.1% are Women.

In the above Respondents 78.9% is Male and the 21.1% is Female

3. Respondents of Marital Status

Particulars	No. of Respondents	Percentage of Respondents
Married	29	22.7%
Un Married	99	77.3%
Total	128	100%

**INTERPRETATION:**

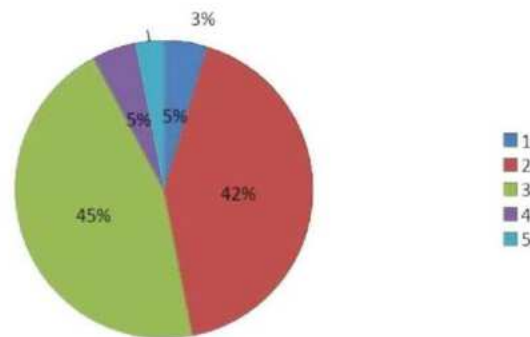
From the above data total respondents are 128 from which 77.3% are the Respondents are Married & 22.7% are Un Married

In the above Respondents Maximum no. of Members is Unmarried i.e., 77.3%; and the 22.7% are Married

4. Respondents of Qualification

Particulars	No. of Respondents	Percentage of the Respondents
High School	06	4.7%
Undergraduate	54	42.2%
Post Graduate	58	45.3%
PhD & Above	06	4.7%
Other	04	3.1%
Total	128	100%

RESPONDENT OF QUALIFICATION



INTERPRETATION

From the above data total Respondents are 128 from which 58 members i.e., 45.3% are Post Graduate, 54 members i.e., 42.2% are Under Graduate, 06 members i.e., 4.7% are High School, also 06 member i.e., 4.7% are PhD & Above and the 04 members i.e., 3.1% are others.

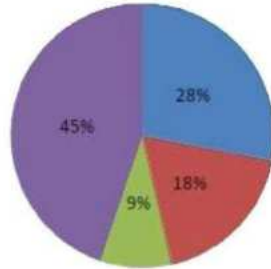
In the above data maximum no. of Respondents are Post Graduate i.e., 45.3% and the minimum no. is others i.e., 3.1%.

5. Respondent of Occupation

Particulars	No. of Respondents	Percentage of Respondents
Employed	35	27.3%
Un Employed	23	18%
Self Employed	11	8.6%
Students	56	43.8%
Others	03	2.3%
Total	128	100%

RESPONDENT OF OCCUPATION

■ Employed ■ Un Employed ■ Self Employed ■ Students



INTERPRETATION.

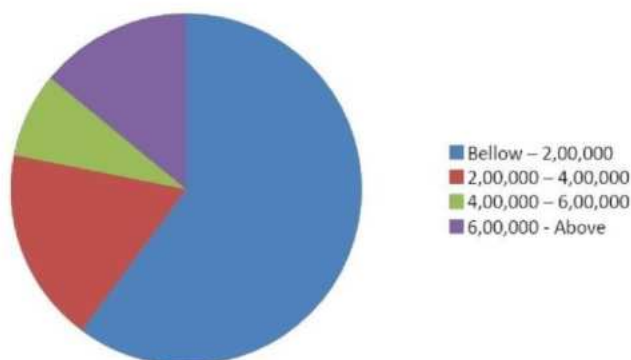
From the above data total respondent are 128 from which 35 is Employed i.e., 27.3%, 23 are Un Employed means 18%, 11 members is Self Employed i.e., 8.6%, 56 is Student i.e., 43.8%, and the others 03 i.e., 2.3%.

In the above data maximum no. of Respondents are students i.e., 43.8% and the minimum no. is Others i.e., 2.3%.

6. Respondent of Annual Income

Particulars	No. of respondents	Percentage of Respondents
Bellow – 2,00,000	77	60.2%
2,00,000 – 4,00,000	23	18%
4,00,000 – 6,00,000	10	7.8%
6,00,000 - Above	18	14%
Total	128	100%

RESPONDENT OF ANNUAL INCOME



INTERPRETATION

In the above data total no. of Respondents are 128 from which 77 members are Bellow - 2,00,000 i.e., 60.2 %, 23 are Between 2,00,000 - 4,00,000 i.e., 18%, 10 members are in Between 4,00,000 - 6,00,000 i.e., 7.8%, 18 members are 6,00,000 - Above i.e., 14%

In the above data maximum, no of Respondents are between Bellow - 2,00,000 i.e., 60.2% and the minimum no of the respondents are 6,00,000 - Above i.e., 14%.

6.CONCLUSION

Social media is creating a great influence on the business all around the globe. From creating a clear image of their brands by sharing their pages on social platforms. Social media also suggests the customer liked products through various Data Analytics and Data Science technology. People follow brand pages on social media to get notification. Social media is not an option but a necessity of modern business. Hence, the new social media marketing creates a lot of opportunities for new businesses and challenges to get customer space. And Social Media is occupying or shifting the traditional way of marketing to Digital advertisements of businesses and their products.

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PROJECT REPORT
On
IMPACT OF SOCIAL MEDIA ON STUDENT'S ACADEMICS IN ROHINI

Submitted in partial fulfillment of the requirements
for the award of the degree of

Master of Business Administration (International Business)

To
Guru Gobind Singh Indraprastha University , Delhi

Guide:- **Prof. Urvesh Chaudhery**

Submitted by **Rohan Khanna**

Roll number: 00219114322



GITARATTAN INTERNATIONAL BUSINESS SCHOOL,
DELHI-110085
BATCH (2022-2024)

Certificate

I, Mr. Rohan Khanna Roll No. 00219114322 certify that the minor project report (MBA) entitled “ IMPACT OF SOCIAL MEDIA ON STUDENT’S ACADEMICS IN ROHINI ” is completed by me and it is an authentic work carried at Gitarattan International Business School. The matter embodied in this minor project work has not been submitted earlier for the award of any degree or diploma to the best of my knowledge and belief .

Signature of the student :-

Date :-

Certified that the minor project report (MIB 204) entitled “IMPACT OF SOCIAL MEDIA ON STUDENT’S ACADEMICS IN ROHINI” done by Mr. Rohan Khanna Roll No. 00219114322, is completed under my guidance .

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Executive Summary

The title of the project work is “IMPACT OF SOCIAL MEDIA ON STUDENT’S ACADEMICS IN ROHINI”.

Social media is an ever-present part of our daily lives and the amount of time is increasing as we feel the need to stay connected. As a result, it’s nearly impossible to prevent students from desiring these interactions.

We need to understand the ways social media impacts students and how to encourage the right use of social media . The goal is for social media is to have a positive effect on their behavior and development, as opposed to a negative one.

1. Objectives of the study:

To study the role and relevance of social media on student’s academics, to analyze association between social media and academics, to analyze the impact of social media on student’s academics in rohini.

2. Scope of the study:

The topic taken for research project is “IMPACT OF SOCIAL MEDIA ON STUDENT’S ACADEMICS” , The project work was carried out for a period of 2 months.

3. METHODOLOGY FOR DATA COLLECTION

Primary and secondary method of data collection is used for the study . Primary data will be collected through questionnaires and secondary data is collected from websites, journals, articles, internet etc.

4. Methodology:

Sampling tools and techniques: Graphical analysis and Convenience sampling has been used.

Sample Size & Data Collection: Sampling size will be 100 and the data will be collected through a questionnaire.

5. Literature review
6. Data presentation and data analysis
7. Findings / Results of the study
8. Limitation of the study

The findings of the study is based on the data collected, Time was a major constraint, The sample size is of 100 students .

9. Suggestion / Scope for further research

The further research can be carried out by collecting large number of data from students of different states of India, Researcher can personally interact with students to collect data.

10. Recommendations

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LIST OF SYMBOLS

S No	Nomenclature & meaning	Symbol
1	AT THE RATE	@
2	PERCENTAGE	%

LIST OF ABBREVIATIONS

S No	Abbreviated Name	Full Name
1	ICT	Information and Communications Technology
2	PLATO	Programmed Logic for Automatic Teaching Operations
3	ARPANET	Advanced Research Projects Agency Network
4	MIT	Massachusetts Institute of Technology
5	TCP	TRANSMISSION CONTROL PROTOCOL
6	BBS	BULLETIN BOARD SYSTEM
7	IBM	INTERNATIONAL BUSINESS MACHINE
8	WWW	WORLD WIDE WEB
9	MOS	METAL OXIDE SEMICONDUCTOR
10	APS	ACTIVE PIXEL SENSOR
11	JPL	JET PROPULSION LABORATORY
12	DCT	DISCRETE COSINE TRANSFORM
13	JPEG	Joint Photographic Experts Group
14	MPEG	The Moving Picture Experts Group
15	VOL	VOLUME

CHAPTER-1

INTRODUCTION

Technology has paved a way of development from each corner of the world. As the world is celebrating communication with the help of ICT and has turned into a Global Village. Social media is an exclusive gift of ICT which plays a pivotal role in day to day life. Technology exposes mankind to a better way of doing things. Social media and students has developed such a bond that has resulted in numerous benefits, but as every object has its own pros and cons social media has both positive and negative impact in the day to day life of the students and that finally shows the consequences in their academic performance. Social networking sites include Facebook, twitter, WhatsApp messenger, Google talk, Google messenger etc. are the examples the students are prone to. Social networking sites are online communities of internet users and as academic excellence plays an important role in an individual placement be it in an academic institutions or job placement.

So, the individuals of this era are very much concerned with the ways they can enhance their academic achievement. Reviving and generating ideas with the rest of the world, with the individuals of mutual ideas, sharing information of every sphere has resulted in the broadening of knowledge stock of students. But with no doubt students as being more tech savvy apart from grabbing benefits from use of social media also has been addicted to the sites and has developed as a hobby of surfing.

So above having concern to meet with the race of the world of technology, students are trying to be all-rounder following more the social media tactics which has both positive and negative impacts in their academic performance.

Social media is an ever present part of our daily lives and the amount of time is increasing as we feel the need to stay connected. As a result, it's nearly impossible to prevent students from desiring these interactions.

We need to understand the ways social media impacts students and how to encourage the right

use of social media . The goal is for social media is to have a positive effect on their behavior and development, as opposed to a negative one.

Social media, when used correctly, can actually have a very positive effect on a student's development. Studies have found that our ability to identify key information buried within a cluster of characters and visual stimuli (advertisements) has increased as social media has become more integrated in our lives. In addition, regular interfaces with social media can lead to improved hand-eye coordination, multi-tasking, and reaction time. However, when screen time is not properly controlled, there can be negative effects of social media on students development.

These days the most commonly utilized method of communication is social media networking. It is being used by individuals belonging to every walk of life. Almost a decade ago, social media was widely accepted by public. There are numerous online networking platforms that include but are not limited to Facebook, twitter, Instagram, Pinterest, YouTube, LinkedIn, Google Plus, snapchat , Tumblr.

The main purpose of social media is to give access to its clients and users. They can have conversation with individuals and construct social relations on the web. They can likewise share their contemplations and individual data on social media including everyday happenings, suppositions, pictures, recordings and web-links. Also, individuals can promote their business and individual aptitudes. The capacity of online networking to spread valuable data quickly has made it the quickest developing method of association. Social media networking has changed numerous businesses, however the most striking impact of it is in the classrooms and the overall education system. Whether it's using private social gatherings, Facebook Pages, classroom Twitter profiles or web journals, school after school has grasped long range of interpersonal communication using some form of social media. With such a high rate of students using social media networking on daily basis, there is a strong need to analyze the extent to which social media is having its impact on students.

There is no doubt that online networking sites specially the social media have conveyed individuals closer to one another more than ever, yet specialists and researchers around the globe have been searching for the weaknesses that might have been faced by its users. After the presentation of cell phones, the utilization of online networking has risen exponentially. With the

ascent in the utilization of long range interpersonal communication locations, the edge of customary individual collaboration had been changed and will be more distinctive for the up and coming era. The long range interpersonal communication has its consequences for society inside and out for instance, specialized techniques, self-expression, disengagement, relations and the sense of humanity.

It has been a well-known truth that in order to utilize social networking websites, one needs to create an account and sign in every time they want to access the website. Every social networking site does not give its clients a choice to keep their online appearance private. In addition, there is an absence of mindfulness on approaches to hide the private data of the clients. Due to this reason, individuals face various privacy and accountability issues while utilizing online networking. Besides, there have been questions on the quality and dependability of the data that is accessible on the online networking in view of the absence of following back the realities. Individuals want to get the news instead of checking it. This makes them deceived and once in a while prompts mistaken assumptions. Moreover, it gives them a misguided feeling of being progressive. Another problem is the effect of social media on generic health conditions of the society. The reason behind this is people prefer to play games online that do not involve any physical activity. The purpose for this is individuals want to play games online which do not involve any physical action.

By tracing back, the history of Social media , it can be found that the face of social media today is quite different from what was considered to be social media in the past. It is vital for everybody nowadays but it was not like that almost a decade ago. Six Degrees is the social media that was evolved for the very first time in 1997. Users could create a profile and invite people as friends. This way of communication lasted till 2001.

Around 100 million individuals began to use internet and thus social networking websites, by the start of 2000. It turned out to be common for individuals to be engaged on social media websites. Obviously, then it was thought to be odd. Still, more individuals started to use visit these websites for socializing, dating and educational purposes.

After that, communication methods like blogging and instant messaging evolved. In spite of the fact that blogging may not appear like a form of social media, the term fits since it made public

capable of communicating through blog website instantly and conveniently. After this, various social media websites were created that include but are not limited to ICQ, America Online, AOL's instant messaging etc. MySpace was the very first social networking website using which people could set up a profile and make friends that became inspiration for the next generation social media, including Facebook. Now, MySpace has the least number of users when it is compared to Facebook and Twitter. LinkedIn is another website used for professional people who need to build moderate public image and develop professional public relations.

Today, the social media website containing largest number of subscribers is Facebook. It was launched by Mark Zuckerberg in 2004. It was initially released specifically for students belonging to Harvard University. Facebook it currently boasts over a billion users. The second most famous social media website is Twitter which was created by Jack Dorset, Biz Stone, Noah Glass and Evan Williams. Twitter has more than 500 million subscribers.

As more and more people started using social media websites, it became vital for different business brands to list their social media addresses that mostly include Facebook and Twitter web-links. Hence, social media became a spot for business as well.

Likewise, social media started to be one of the courses in which web advertisers and site proprietors would support the appearance of their sites. Online networking bookmarking turned out to be major form of promotion and there were services that would bookmark a post or a site. The advantages of social networking promoting for business started to be clear to entrepreneur

MEANING OF SOCIAL MEDIA

Social media refers to websites and applications that enable users to create and share content or to participate in social networking.

Social media are interactive technologies that allow the creation or sharing/exchange of information, ideas, career interests, and other forms of expression via virtual communities and networks. While challenges to the definition of social media arise due to the broad variety of stand-alone and built-in social-media services currently available.

FEATURES OF SOCIAL MEDIA

There are some common features:

1. Social media are interactive Web 2.0 Internet-based applications.
2. User-generated content—such as text posts or comments, digital photos or videos, and data generated through all online interactions—is the lifeblood of social media.
3. Users create service-specific profiles for the website or app that are designed and maintained by the social-media organization.
4. Social media helps the development of online social networks by connecting a user's profile with those of other individuals or groups

ADVANTAGES OF SOCIAL MEDIA

1. Educational process

Using online social networks in the educational process has been supported by several educational technology researchers, who have emphasized the benefits of technologies. Rising of social networking sites, and a general interest in students have attracted attention to the use of internet tools to develop distance education.

2. Worldwide connectivity

We have the chance to connect with others and share information through social media. It's the communication that brings us all together, and it's easily accessible.

3. Online marketing

You can build a relationship with your customers that makes them more likely to use your services. You can get the feedback right away.

4. Information spreads fast

All important things such as major news events, missing person, weather information, etc. can

cover in the world in a moment.

5. It lets us share anything with others

Instead of convincing a publishing company, social media allows artists to satisfy a million people and keeps creative control for themselves.

6. It helps you to achieve your goals

If your objective is to be healthier, joining a group with the same purpose and making long-distance friends help keep you accountable can go a long way towards making those goals a reality. Encouragement and support are crucial, and social media can help with that.

DISADVANTAGES OF SOCIAL MEDIA

1. Privacy problems

Sharing your online location or getting in trouble at work because of tweeting something inappropriate or sharing too much with the public can cause you some issues that sometimes can't ever be solved.

2. It changes lifestyle habits, and it is sleep disruption

Since using a social network is all done on some computers or mobile devices, it can sometimes motivate too much sitting down in one place for too long. Staring into the light from a computer or phone screen at night can negatively affect your ability to get a proper night sleep.

3. Lacks emotional connection

The quality of a conversation when using social media is unpleasant because you cannot sense the emotion or interest from the other person. It makes you wonder if they mean what they say.

4. Reduces Family Intimacy

Texting, Facebook, Twitter, etc. separate us from our families more than we actually think it does. When a family is spending family time together and watching a movie, in reality,

most children are on their phones rather than watching the film with their parents

HISTORY OF SOCIAL MEDIA

Social media may have roots in the 1840s introduction of the telegraph, which connected the United States.

Early computing

The PLATO system launched in 1960, after being developed at the University of Illinois and subsequently commercially marketed by Control Data Corporation. It offered early forms of social media features with 1973-era innovations such as Notes, PLATO's message-forum application; TERM-talk, its instant-messaging feature; Talkomatic, perhaps the first online chat room; News Report, a crowdsourced online newspaper, and blog; and Access Lists, enabling the owner of a note file or other application to limit access to a certain set of users, for example, only friends, classmates, or co-workers.

ARPANET, which first came online in 1967, had by the late-1970s developed a rich cultural exchange of non-government/business ideas and communication, as evidenced by the network etiquette (or 'netiquette') described in a 1982 handbook on computing at MIT's Artificial Intelligence Laboratory. ARPANET evolved into the Internet following the publication of the first Transmission Control Protocol (TCP) specification, RFC 675 (Specification of Internet Transmission Control Program), written by Vint Cerf, Yogen Dalal and Carl Sunshine in 1974. This became the foundation of Usenet, conceived by Tom Truscott and Jim Ellis in 1979 at the University of North Carolina at Chapel Hill and Duke University, and established in 1980.

A precursor of the electronic bulletin board system (BBS), known as Community Memory, had already appeared by 1973. True electronic BBSs arrived with the Computer Bulletin Board System in Chicago, which first came online on February 16, 1978. Before long, most major cities had more than one BBS running on TRS-80, Apple II, Atari, IBM PC, Commodore 64, Sinclair, and similar personal computers. The IBM PC was introduced in 1981, and subsequent models of both Mac computers and PCs were used throughout the 1980s. Multiple modems, followed by specialized telecommunication hardware, allowed many users to be online simultaneously. CompuServe, Prodigy and AOL were three of the

largest BBS companies and were the first to migrate to the Internet in the 1990s. Between the mid-1980s and the mid-1990s, BBSes numbered in the tens of thousands in North America alone. Message forums (a specific structure of social media) arose with the BBS phenomenon throughout the 1980s and early 1990s. When the World Wide Web (WWW, or 'the web') was added to the Internet in the mid-1990s, message forums migrated to the web, becoming Internet forums, primarily due to cheaper person access as well as the ability to handle far more people simultaneously than telco modem banks

Digital imaging and semiconductor image sensor technology facilitated the development and rise of social media. Advances in metal-oxide-semiconductor (MOS) semiconductor device fabrication, reaching smaller micron and then sub-micron levels during the 1980s–1990s, led to the development of the NMOS (n-type MOS) active-pixel sensor (APS) at Olympus in 1985, and then the complementary MOS (CMOS) active-pixel sensor (CMOS sensor) at NASA's Jet Propulsion Laboratory (JPL) in 1993. CMOS sensors enabled the mass proliferation of digital cameras and camera phones, which bolstered the rise of social media.

Data compression

An important feature of social media is digital media data compression, due to the impractically high memory and bandwidth requirements of uncompressed media. The most important compression algorithm is the discrete cosine transform (DCT), a lossy compression technique that was first proposed by Nasir Ahmed in 1972. DCT-based compression standards include the H.26x and MPEG video coding standards introduced from 1988 onwards, and the JPEG image compression standard introduced in 1992. JPEG was largely responsible for the proliferation of digital images and digital photos which lie at the heart of social media, and the MPEG standards did the same for digital video content on social media. The JPEG image format is used more than a billion times on social networks every day, as of 2014

Development of social-media platforms

Six Degrees, launched in 1997, is often regarded as the first social media site. The development of social media began with simple platforms. Geo Cities was one of the earliest social networking services, launched in November 1994, followed by Classmates.com in December 1995 and

SixDegrees.com in May 1997. Unlike instant- messaging clients (e.g., ICQ and AOL's AIM) or chat clients (e.g., IRC, iChat, or Chat Television), Six Degrees was the first online business that was created for real people, using their real names. As such, according to CBS News, Six Degrees is "widely considered to be the very first social networking site," as it included "profiles, friends lists and school affiliations" that could be used by registered users.

OBJECTIVES OF THE STUDY:

The objectives of this research are as follows:

1. To study the role and relevance of social media on student's academics .
2. To analyze association between social media and academics.
3. To analyze the impact of social media on student's academics

SCOPE OF THE STUDY

1. The topic taken for research project is "IMPACT OF SOCIAL MEDIA ON STUDENT'S ACADEMICS IN ROHINI"
2. The project work was carried out for a period of 2 months.

METHODOLOGY

• METHODOLOGY FOR DATA COLLECTION

Primary and secondary method of data collection is used for the study . Primary data will be collected through questionnaires and secondary data is collected from websites, journals, articles, internet etc.

• METHODOLOGY USED FOR DATA ANALYSIS

1. Sampling tools and techniques:

Graphical analysis and Convenience sampling has been used.

2. Sample Size & Data Collection:

Sampling size will be 100 and the data will be collected through a questionnaire and the questionnaire is filled by the students of technia, rukmani devi , gitarattan institute affiliated from ggsipu and present in rohini.

CHAPTER-2

LITERATURE REVIEW

The study in 2013 (Sabeen Jamil, Falak Zehra Mohsin, Rabab Naqvi, Shelina Bhamani) this study has been done in order to investigate the effect of Facebook usage on academic grades of the private college students. Gender contrasts in the use of Facebook were likewise considered and examined. It was speculated that there will be a critical effect of Facebook use on college students' grades and that there will be a noteworthy gender contrast regarding Facebook usage. Quantitative technique was chosen for this study. In the study, almost 80% students were undergraduate students. Since their study is often full-time, they focus on extracurricular activities after school time. Utilization of social media networks can be thought of as part of it. Among all the activities students exhibit while using Facebook, status updating was the top priority.

The analysis and investigation uncovered that Facebook use doesn't determine college student grades. Similarly, there is no gender distinction found when it came to Facebook utilization. It was found through statistical analysis, the second hypothesis regarding gender difference also was not correct. The authors in another study (Çolak, 2014) also aimed at exploring the role and impact of social media in students' academic life. According to them, social media utilization has a few positive effects on students' life. Social media provides a platform where they can create their own social life, make their own friends and communicate with them. It is the most convenient way of sharing one's opinions and thoughts. Besides, students can join various groups and discuss various topics freely without any conveyance issues. It not only improves their social skills but also helps gaining confidence. Also, students can improve their relationship with faculty and thus, get better guidance and share their academic queries in a better way.

The major negative effect of social media according to the authors is that students get so much involved in the social media activities that they become social media addicts. Due to this addictive behavior, students use social media even in classrooms which creates disturbance for other students and concentration issues in them. Inability to carefully follow lectures affects their grades. In this way, social networking increase students' tendency towards non-instructive, unscrupulous and inappropriate activities, for example, futile visiting and time

killing by stalking .The authors concluded that in order to spare youngsters' and youthful grown-ups' academic lives, educators and parents should work together. It appears that the best way to reduce damages of social media is this coordinated effort. The goal of another study (Munienge Mbodila, Clever Ndebele and Kikunga Muhandji,2014) was to find the effect of the utilization of social media networking on academic grades of students, particularly, the level of engagement and cooperation between them while utilizing Facebook. This paper inferred that social networking can be utilized as an instructive device to help students to work together and connect with and suggests that colleges grasp the application of social media networking for educating and learning. However, the subject university understudy lacked an e-learning system due to which it was not possible for the students to cooperate and work together through social media. The authors made an effort to solve this issue by creating a blog using Facebook where students could communicate, discuss and post useful information regarding lectures, course materials, quizzes and teachers. The authors analyzed the impact of that e-learning blog on the students with reference to the degree to which the students involved in academic activities together. For this purpose, the authors designed a questionnaire.

The results indicated that 90% of the students used Facebook. Among them, 83% of the students believed that the e-learning platform was very useful for them to discuss and share useful information regarding courses, course materials, exams and tests. Also, 87% students agreed that using the platform helped them to communicate with the teachers more conveniently. A study by (Fezile Isik, 2013), The title “Comparison of the Use of Social Network in Education between North and South Cyprus”.

The author has analyzed the utilization of social media networks in education of two private schools in North and South of Cyprus. The main focus of the study was given to comparison of the students activities of the two schools regarding usage of social media. In the study, the utilization of social systems in education was examined as new basic necessity. The use of social networks outside classrooms was very limited. The study indicated that it is due to parents' negative impression about social media. One of the interesting findings was that the computer technology teachers of both schools were not promoting utilization of social networks because of lack of trust on such networks. Also the study indicated that the instructors of both schools appreciated usage of social media only along-with face to face

lectures and communication. The reason behind this is that the students belonging to both schools lacked confidence in 15 face-to-face communication. This is a great setback of using social networks. The study showed that often teachers are required to communicate with their students in order to ensure better understanding with provision of visual examples over social media and to wish them for their examinations and studies. Also, in the south school, daily updates regarding course, tests and homework were being published on social media. The study also revealed the privacy concerns of the teachers belonging to both schools. The conclusion of the study was that teachers should have training on safe and secure utilization of social media in order to have competency and comfort in using social networks.

The study by (Akubugwo, Ijeoma and Maria Burke, 2013) on “INFLUENCE OF SOCIAL MEDIA ON SOCIAL BEHAVIOUR OF POST GRADUATE STUDENTS”

He inspected the significance with respect to studies, possible consequences and practical progress of inspected the scholarly significance, conceivable consequences for social conduct and scholastic advancement of social media. The study utilized both subjective and quantitative strategies for information gathering including questionnaires and interviews. Discoveries of this study propose that social media could contrarily effect on the students' social conduct, scholastic advancement. The study indicated that automatic software program that will shut down after a certain time, should be used to control its utilization by students. This showed that the respondents stressed that consistent association in social media can make the understudy turn into a possible social media addict. This can lead the subjects under study to disappointment and in the end affect the grades. Additionally, the respondents said that the inappropriate and unfiltered content seen online can without much of a stretch lead the students to get bad impact from them. With frequent use of unattended social media, students may indulge in utilization of terrible slangs, disregard to folks, educators, and the law in the general public. The study by (Mahmoud Maqableh, Lama Rajab, Walaa Quteshat, Ra'ed Moh'd Taisir Masa'deh, Tahani Khatib, Huda Karajeh, 2015) on “The Impact of Social Media Networks Websites Usage on Students' Academic Performance”

The major elements of this research are established based on preceding literature, either theoretically or empirically. This section provides the methodology applied in this study. The methodology includes the research theoretical framework, procedural definitions, research

hypotheses, research type and scale, research population and sample, besides data collection and analysis procedures. The reliability and validity of the study are also provided. As this research is deductive and quantitative in its nature, one of the important characteristics of deduction is the need to operationalize the variables of the study in a way that facilitates the measurement of facts quantitatively. Indeed, the independent variable of the use of social networks websites and the dependent variable of academic achievements were identified from.

The research done for finding the relationship between student's grades and social media networking was done for the University of Jordan. The subjects chosen for study were undergraduate students of the University. The study indicated that most of the social media network users were females with ages between 20-23 years. Almost 39% of the students were spending 3 hours per day on Facebook, while 40% of the students spent 10 hours on social media every week. The results obtained did not indicate any effect of social media on college student grades or academic achievements. The authors concluded that the students who spend most of their time of the week days using social media, must have given time to their studies on weekends in order to maintain their academic grades. In another research by (Kristen Tarantino, Jessica McDonough, Ma Hua, 2013), on "Effects of Student Engagement with Social Media on Student Learning".

The authors reviewed various studies. The research has discussed the relation between students' involvement in social media and their learning. They also discussed how it can affect peer connections, collaborations and information creation. Instructors who need to utilize social media in their courses to enhance students learning ability ought to be arranged to encourage students and be dynamic members in the communitarian learning group. The notion that students definitely know how to utilize social media might act as an obstacle for those students who might require closer supervision and direction. The authors claimed that since females utilize social media more than males, gender might have a great influence to the extent to which students are occupied with academic efforts through social media, in this way influencing their overall learning process.

Using social media for educational purposes can be beneficial for student learning in multiple ways. First, social media enhances peer interactions, which can bridge diversity in the classroom and establish open lines of communication between students and educators. Social

media also facilitates discussion and knowledge transfer between students, creating a deeper sense of understanding of the course material.

Thus, students who use social media are able to move beyond the memorization of material and create products that represent their own voices . Finally, social media can aid in the achievement of both general and content specific student learning outcomes

Therefore, overall student learning can increase when educators incorporate social media into academic course content. The paper (Samir N. Hamade,2013) focusses on the recognition and utilization of social networking among college students in Kuwait, and study their positive and negative effects. According to the authors, the best advantage of social networks was a better connection with family and companions and more association in social, political and social exercises.

Ignoring study/work and the time consumed on social media websites are the two noteworthy downsides. The discoveries demonstrated that there is a lack of understandingamong students regarding using social media beyond time consumption, which affirms the need to instruct students on the advantages of social networks and the nature of data found on social media. The outcomes demonstrated that 60% students were ignoring study or work, which is the top negative effect of social networks. Also, 58% students spent most of their time in utilizing social media.

Privacy and security issues should also be raised since 70% of the students had insecure accounts and they allowed everybody to view their accounts while only 30% of the students managed their security settings to permit just close friends and/or relatives to see their information. The outcomes demonstrated that 74% of the students view their social media website frequently. Among them, 15% of the students open social media once per day, and 7% of them open their records few times each week. Overall, students appeared to use social media networking mostly to view others' profiles and updates which is passive usage as opposed to active posting.

Acheaw & Larson (2015): in the paper examine the impact of social media in their academic performance and also to identify benefit derived from using social media. Papertakes both research questions and hypothesis for the study. It is suggested that students should encourage to use their phones for supplement their research. The study revealed the majority of the

students had mobile phones with internet facilities. It is found that students spent in mobile phones for 30 minutes to 3 hours a day. It is also found that the academic performance of the students are affecting negatively.

The study sought to assess students' use of social media and its effect on academic performance of tertiary institutions students in Ghana with a focus on Koforidua Polytechnic students. Questionnaire was used for collecting data. Out of one thousand five hundred and seventy-eight copies of the questionnaire distributed, one thousand five hundred and eight were retrieved which represented a response rate of 95.5%. The study revealed that majority of the respondents had mobile phones which also had Internet facility on them and had knowledge of the existence of many media sites. The study further confirmed that most of the respondents visit their social media sites using their phones and spend between thirty minutes to three hours per day. In addition the study revealed that the use of social media sites had affected academic performance of the respondents negatively and that there was direct relationship between the use of social media sites and academic performance. The study recommends among others that, students with mobile phones having internet facility should be encouraged to use it to supplement their research in the library rather than the usual chatting with friends all the time. Students should be encouraged to limit the time they spend on their social media sites per day and advise them to rather substitute those hours to read novels to improve their knowledge. Since the use of social media sites had affected the academic work of students negatively there is the urgent need for the introduction of students to the availability of novels and other information resources or materials that can help them academically.

Zahid, et.al. (2019); the paper tried to investigate the impact and relationship between social media and academic performance of the student. To resolve the misconception regarding social media are to identify the problems of individuals using social media. Various factors determine the academic performance of students but at this modern age social media is worth mentioning to be the most popular factor. The paper concluded with the positive aspect of usage of social media by the students as it has helped them in exchanging and generating new ideas and students being an asset of any country play a pivotal role in social development.

CHAPTER-3

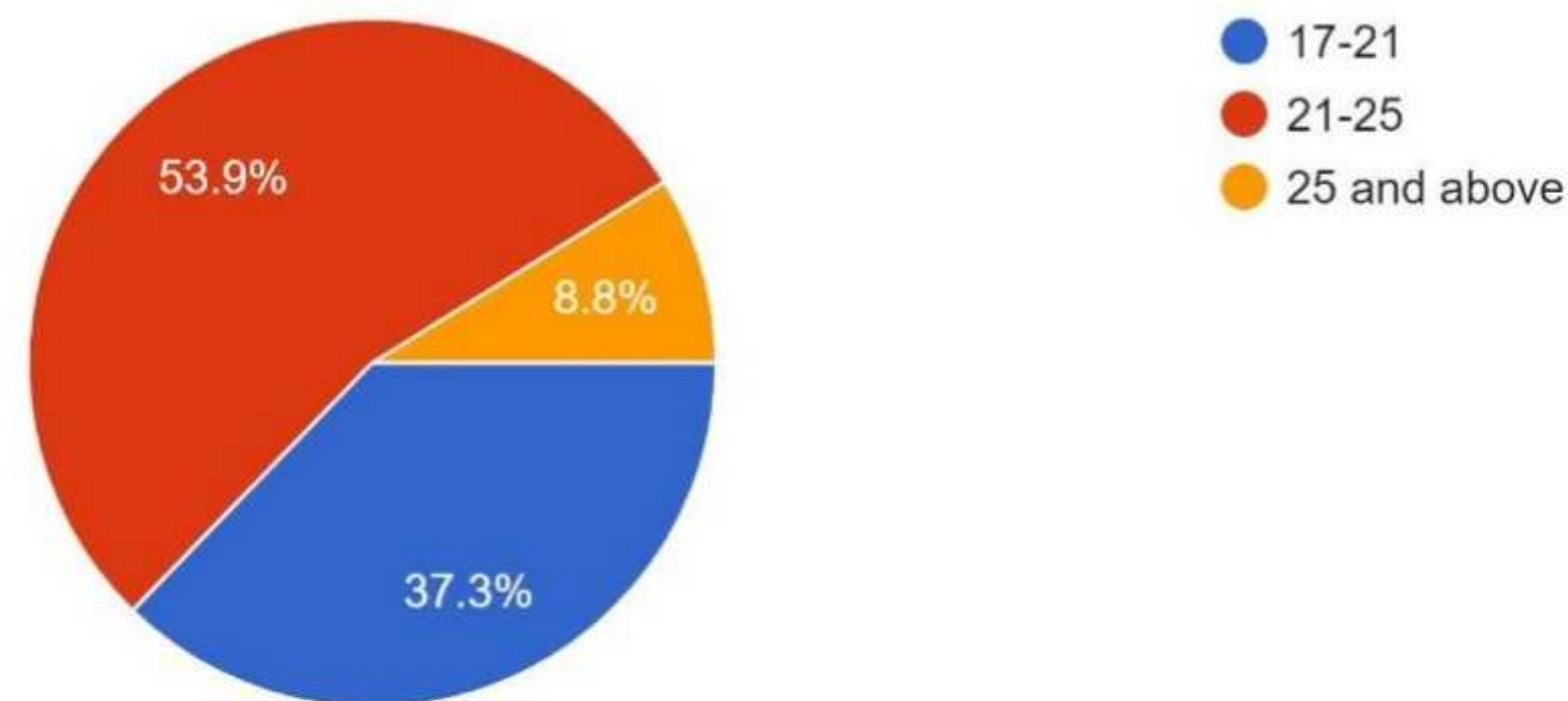
DATA ANALYSIS AND INTERPRETATION

Data Presentation and Analysis

THE DATA HAS BEEN COLLECTED THROUGH A QUESTIONNAIRE.
THE RESPONSE OF 102 STUDENTS WERE RECORDED.

AGE

Age
102 responses

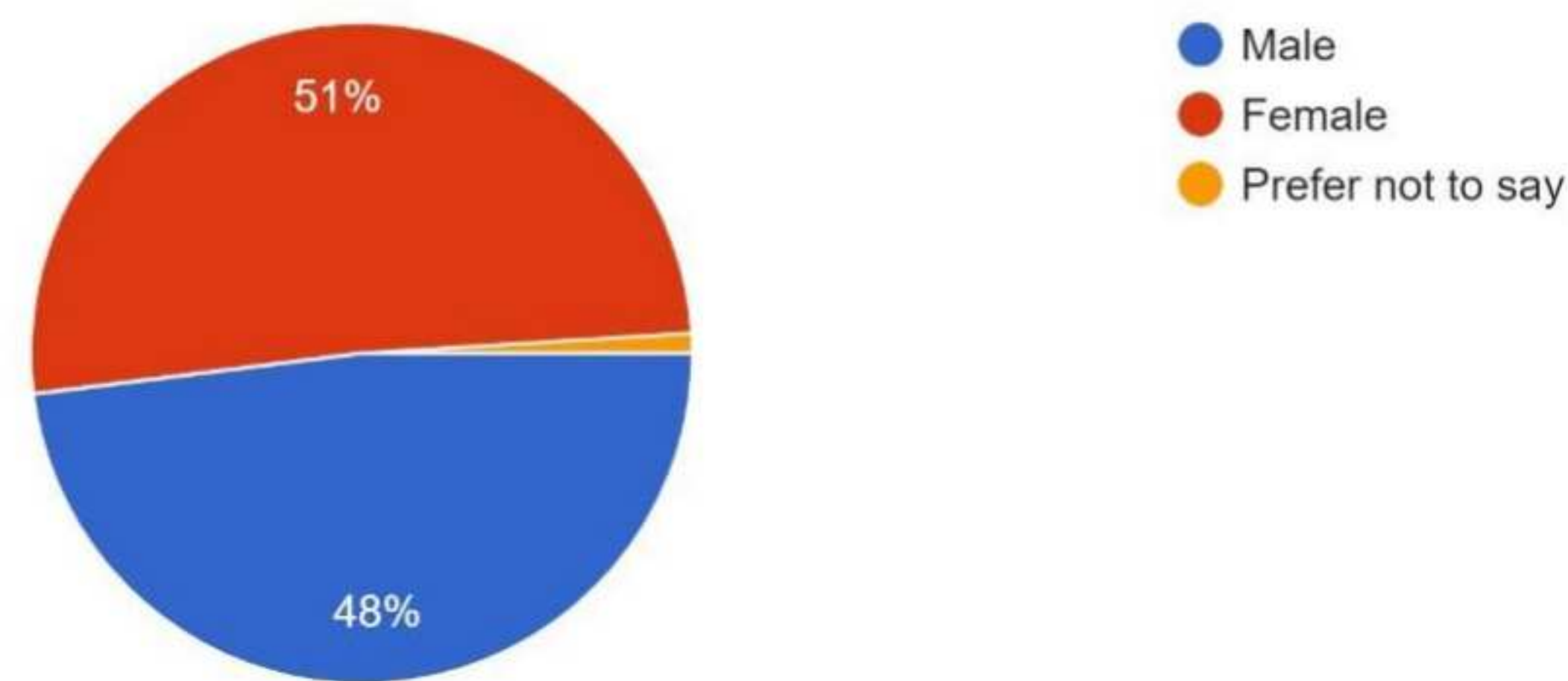


3.2.1 ANALYSIS

WITH THE HELP OF ABOVE FIGURE WE CAN ANALYSE THAT THE MAXIMUM NUMBER OF RESPONDENTS I.E. 53.90% BELONGS TO THE AGE GROUP OF 21-25 , 37.3% BELONGS TO THE AGE GROUP OF 17-21 AND 8.8% BELONGS TO THE AGE GROUP OF 25 and above.

3.1.2 GENDER

Gender
102 responses

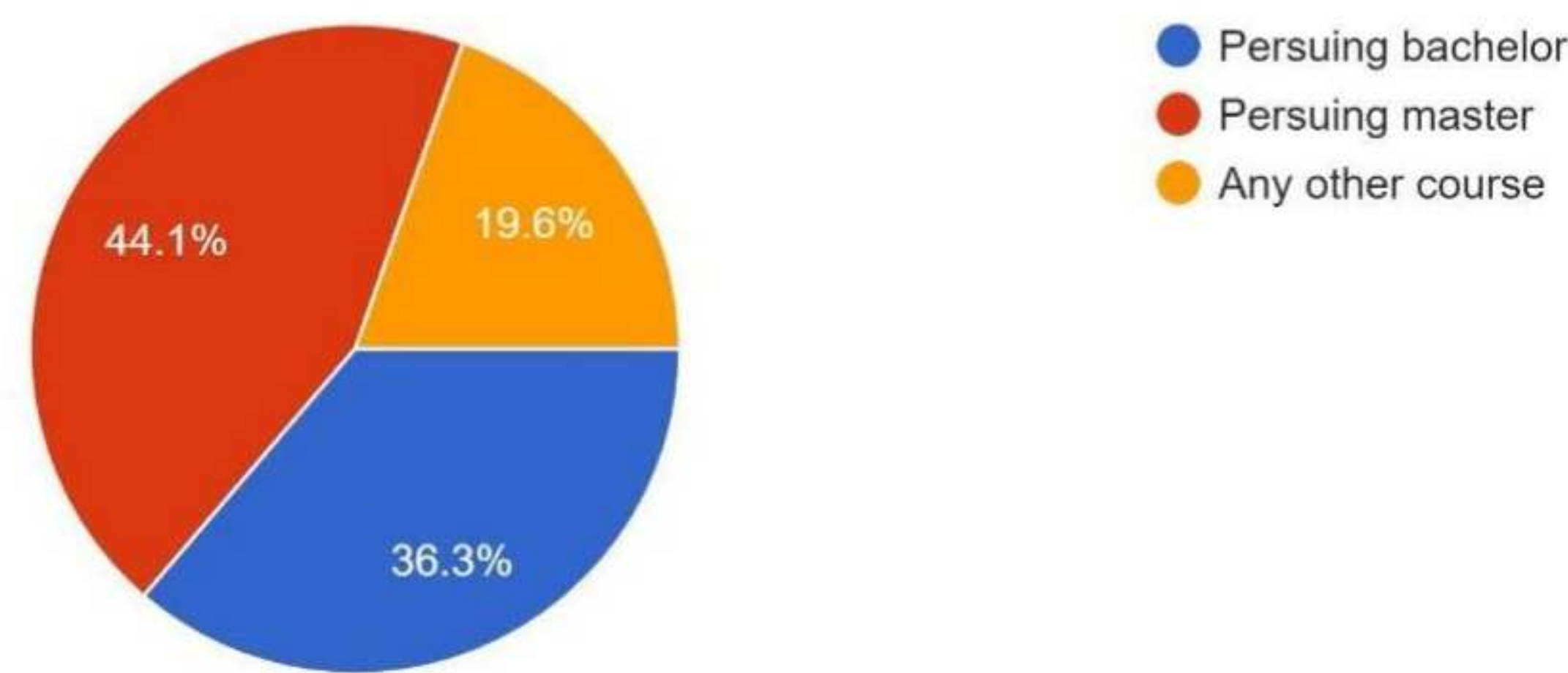


3.2.2 ANALYSIS

FROM THE ABOVE FIGURE WE CAN ANALYSE THAT OUT OF THE TOTAL RESPONSES 48% WAS OF MALE AND 51% WAS OF FEMALE and 1% other.

3.1.3 EDUCATION

Education
102 responses



3.2.3 ANALYSIS

THE ABOVE FIGURE SHOWS THE EDUCATIONAL BACKGROUND OF THE RESPONDENTS.

36.3% respondents are perusing bachelors, 44.1% respondents are perusing masters and 19.6% respondents are perusing other courses.

3.1.4 STUDENTS USING SOCIAL MEDIA

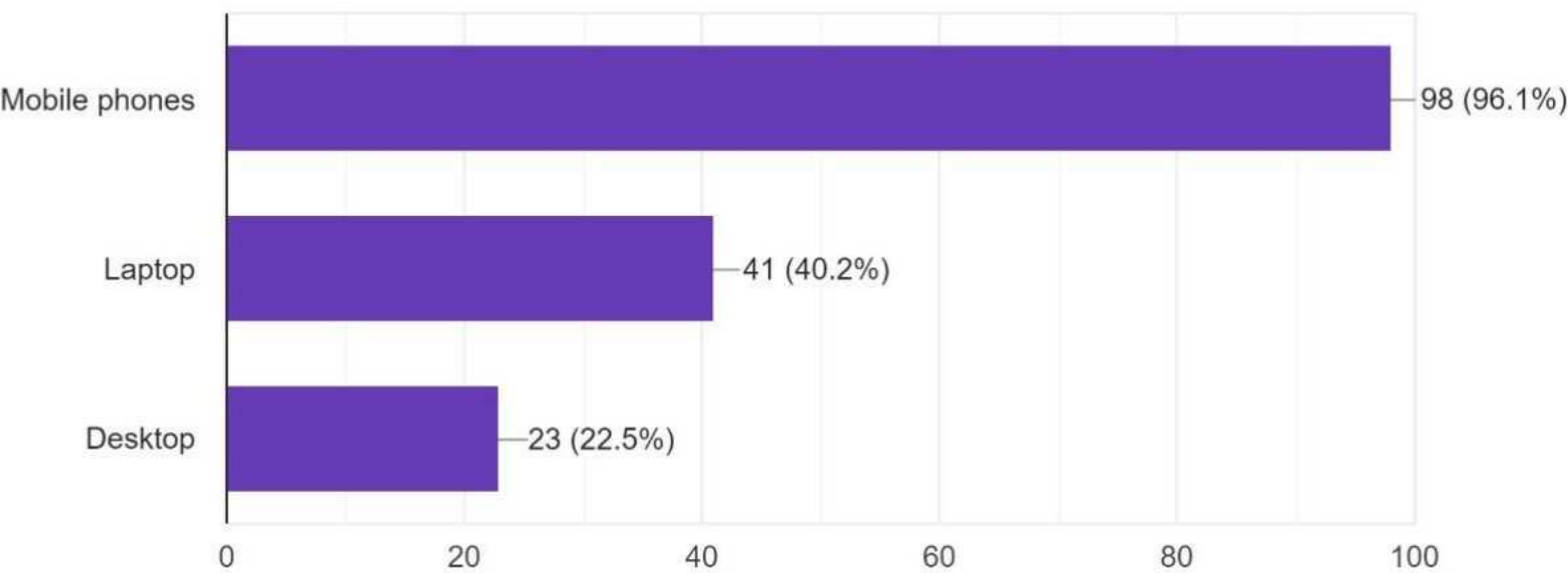
100% respondents use social media

3.2.4 ANALYSIS

WITH THE HELP OF ABOVE WE CAN see THAT ALL THERESPONDENTS USES SOCIAL MEDIA.

3.1.5 DIFFERENT WAYS OF ACCESSING SOCIAL MEDIA

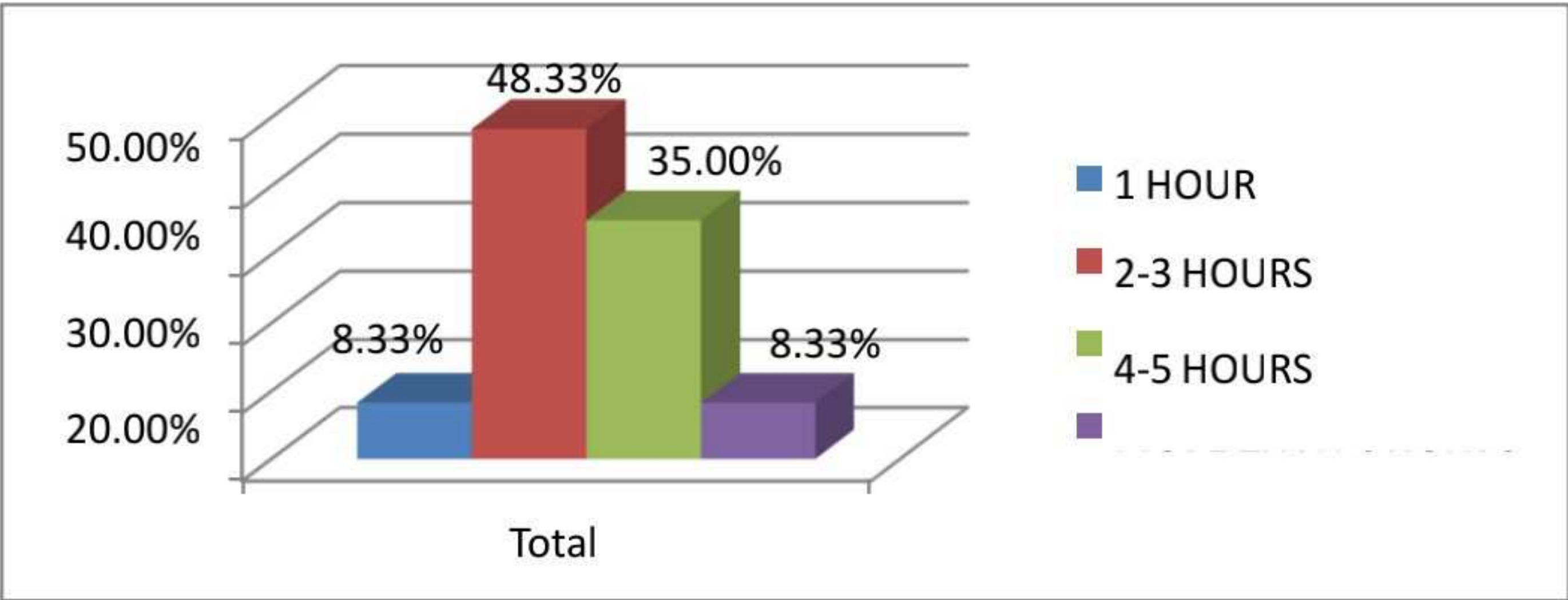
What are the different ways of accessing social media?
102 responses



3.2.5 ANALYSIS

WITH THE HELP OF ABOVE FIGURE WE CAN ANALYSE THAT APPROX ALL THE STUDENTS USES MOBILE PHONE FOR ACCESSING SOCIAL MEDIA.

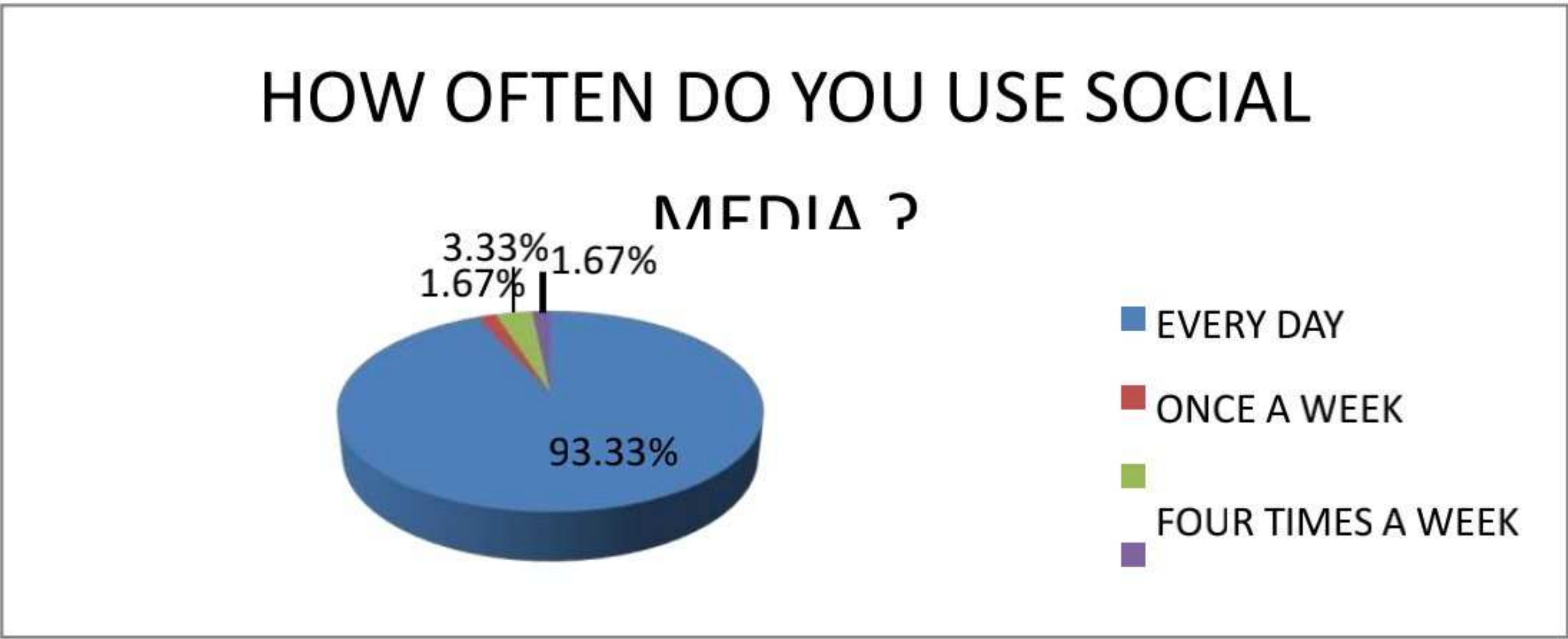
3.1.6 NUMBER OF HOURS A DAY SPENT BY STUDENTS ON SOCIAL MEDIA



3.2.6 ANALYSIS

WITH THE HELP OF ABOVE FIGURE WE CAN ANALYSE THAT MOST OF THE STUDENTS I.E. 48.33% USES SOCIAL MEDIA 2-3 HOURS A DAY AND 35% OF THE STUDENTS USES SOCIAL MEDIA 4-5 HOURS A DAY WHILE 8.33% OF THE STUDENTS USES SOCIAL MEDIA 1 HOUR A DAY AND MORE THAN 6 HOURS A DAY .

3.1.7 NUMBER OF DAYS STUDENTS USES SOCIAL MEDIA IN A WEEK

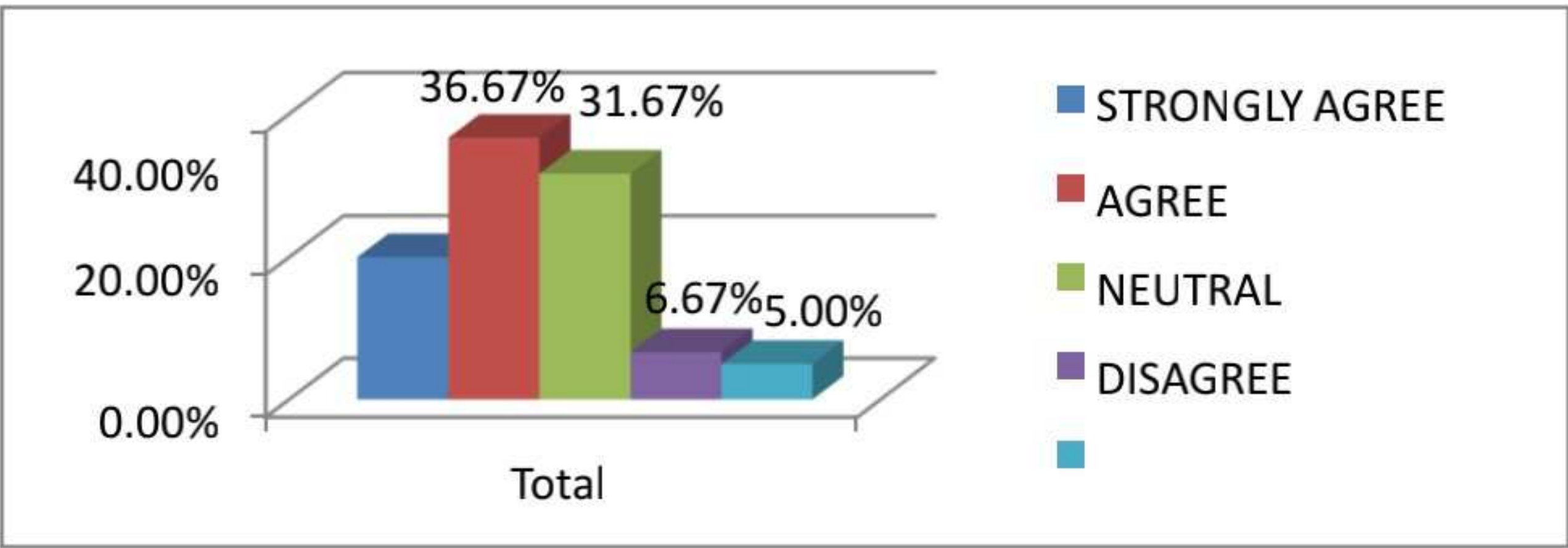


3.2.7 ANALYSIS

WITH THE HELP OF ABOVE FIGUREWE CAN ANALYSE THAT MOST OF THE STUDENTS I.E. 93.33% OF THE STUDENTS USES SOCIAL MEDIA EVERY DAY

AND 3.33% OF THE STUDENTS USES SOCIAL FOUR TIMES A DAY WHILE 1.67% OF THE STUDENTS USES SOCIAL MEDIA ONCE A WEEK.

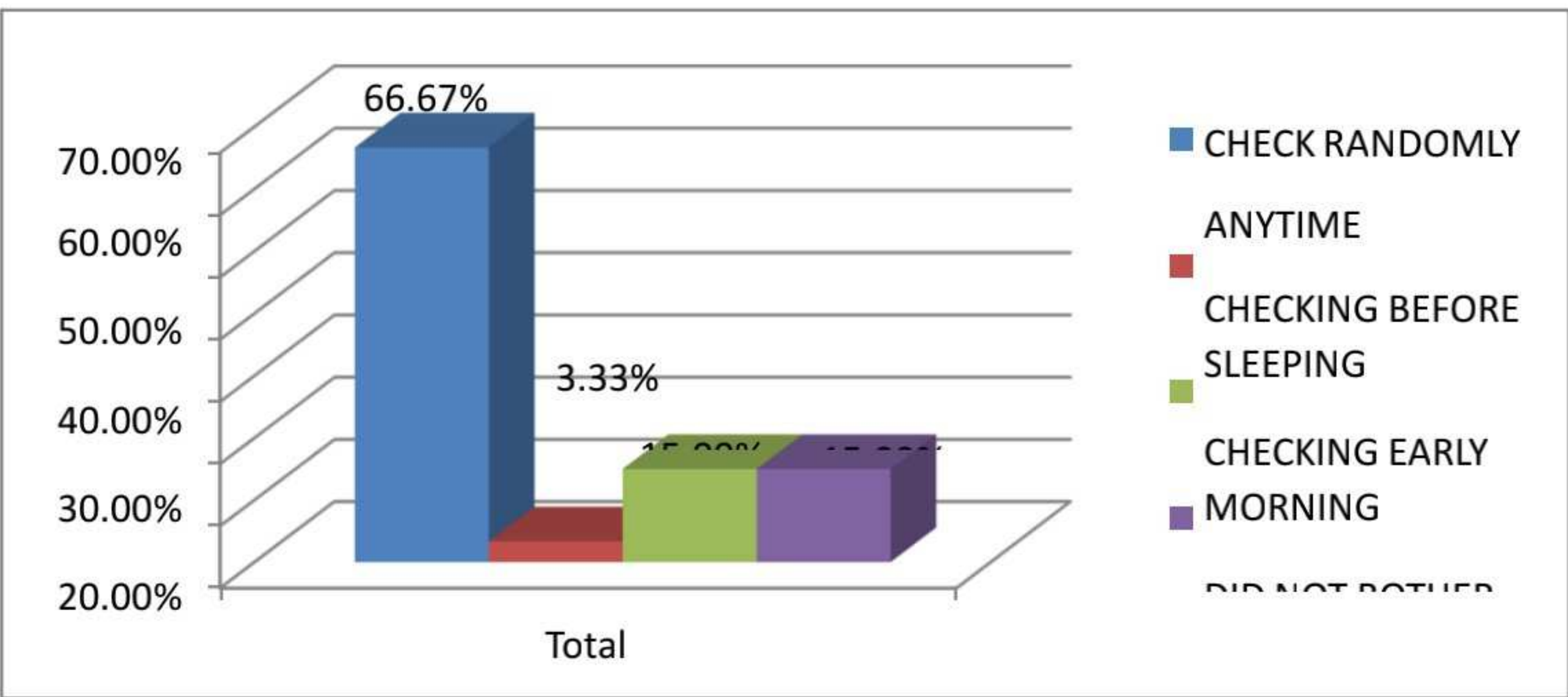
3.1.8 SOCIAL MEDIA HELPED STUDENTS IN BOOSTING CONFIDENCE LEVEL



3.2.8 ANALYSIS

WITH THE HELP OF ABOVE FIGURE WE CAN ANALYSE THAT 36.67% OF THE STUDENTS AGREE'S THAT SOCIAL MEDIA HAS HELPED THEM IN BOOSTING THEIR CONFIDENCE WHILE 20% OF STUDENTS STRONGLY AGREE'S , 31.67% OF STUDENTS REMAINS NEUTRAL, 6.67% OF STUDENTS DISAGREE'S AND 5% OF STUDENTS STRONGLY DISAGREE'S IT .

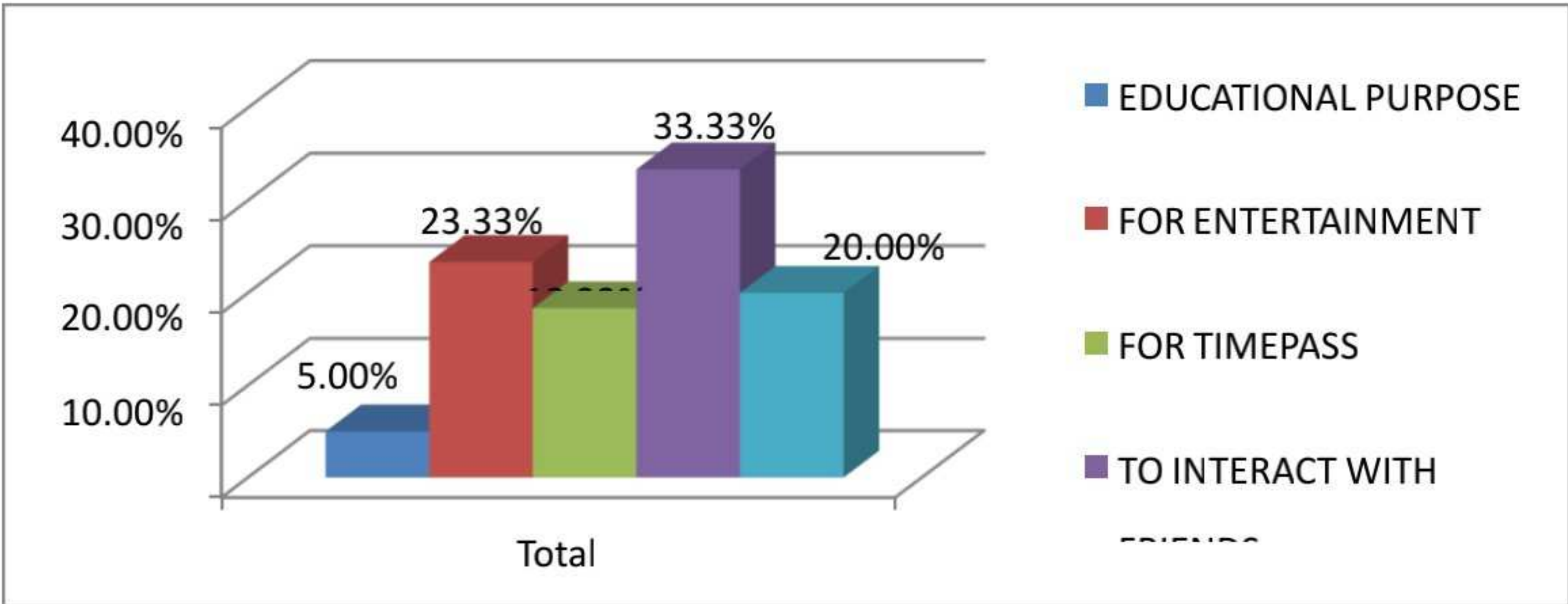
3.1.9 THE EXTENT OF THE ADDICTION OF STUDENTS FOR SOCIAL MEDIA



3.2.9 ANALYSIS

WHILE STUDYING THE ADDICTION FOR SOCIAL MEDIA IT WAS OBSERVED 66.67% OF STUDENTS CHECKS THEIR PHONE RANDOMLY ANYTIME AND 15% OF STUDENTS CHECKS EARLY MORNING WHILE 15% OF STUDENTS DID NOT BOTHER CHECKING PHONE AND 3.33% OF STUDENTS CHECKSBEFORE SLEEP.

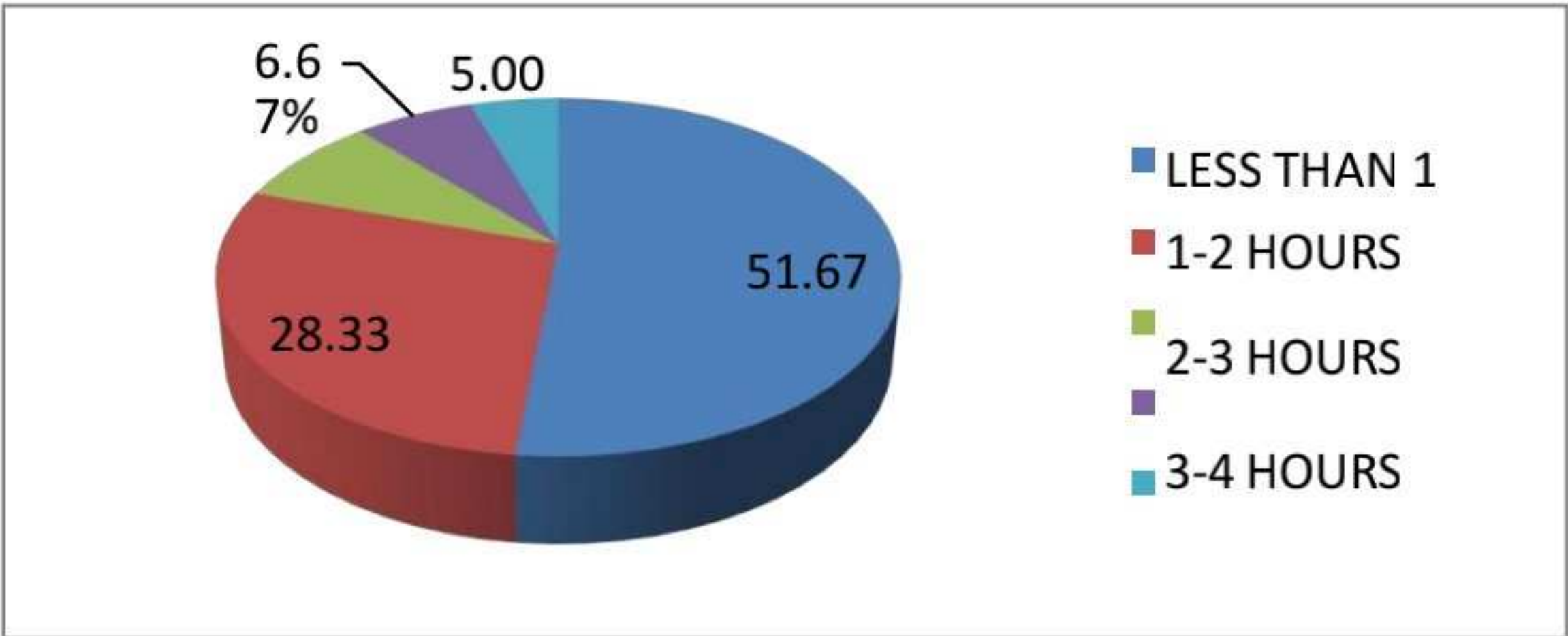
3.1.10 MAIN PURPOSE OF USING SOCIAL MEDIA BY STUDENTS



3.2.10 ANALYSIS

WHILE STUDYING THE PURPOSE OF STUDENTS OF USING SOCIAL MEDIA IT WAS OBSERVED THAT 33.33% OF STUDENTS USES TO INTERACT WITH FRIENDS ,23.33% OF STUDENTS USES FOR ENTERTAINMENT , 20% USES TO STAY INFORMED , 18.33% USES FOR TIMEPASS AND ONLY 5% OFSTUDENTS USES FOR EDUCATIONAL PURPOSE.

3.1.11 NUMER OF HOURS STUDENTS USING SOCIAL MEDIA PER DAY FOR ACADEMIC PURPOSES

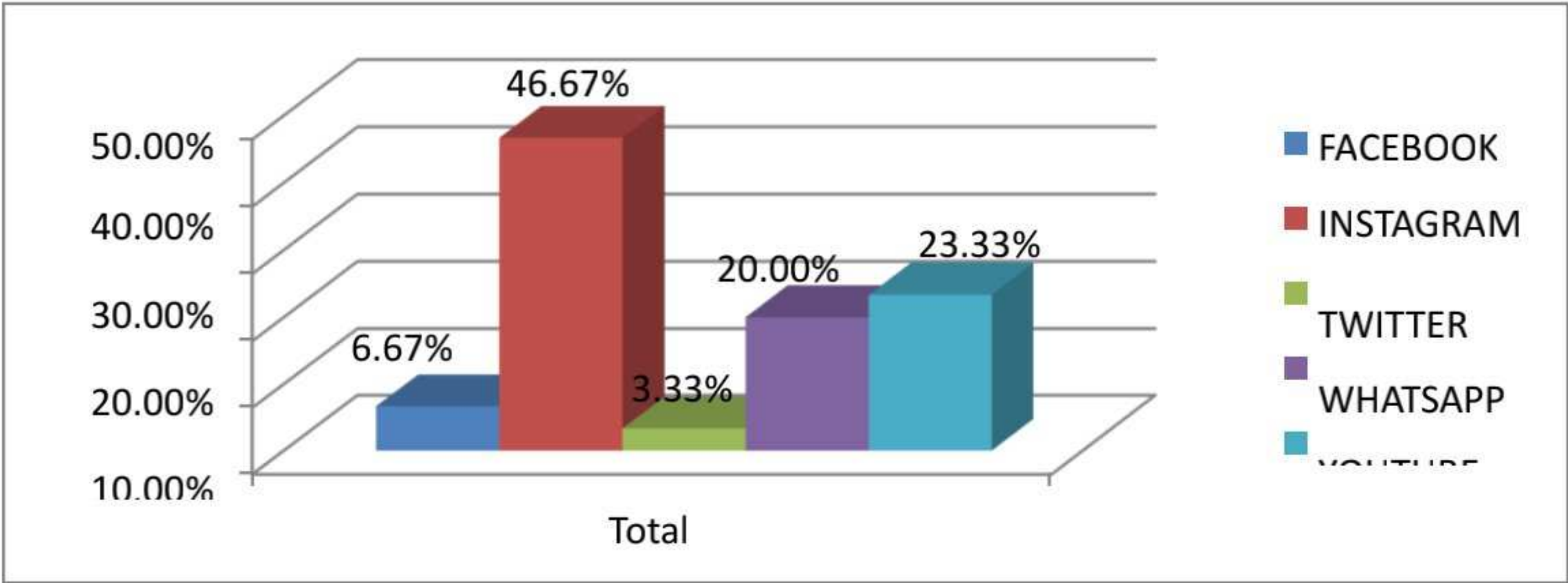


3.2.11 ANALYSIS

WITH THE HELP OF ABOVE FIGURE WE CAN ANALYSE THAT MOST OF THE STUDENTS I.E. 51.67% OF THE STUDENTS USES SOCIAL MEDIA LESS THAN 1 HOUR FOR ACADEMIC PURPOSES WHILE 28.33% USES 1-2 HOURS , 8.33% USES 2-3 HOURS ,6.67% USES 3-4 HOURS

AND ONLY 5% OF STUDENTS USES SOCIAL MEDIA MORE THAN 4 HOURS FOR ACADEMIC PURPOSES.

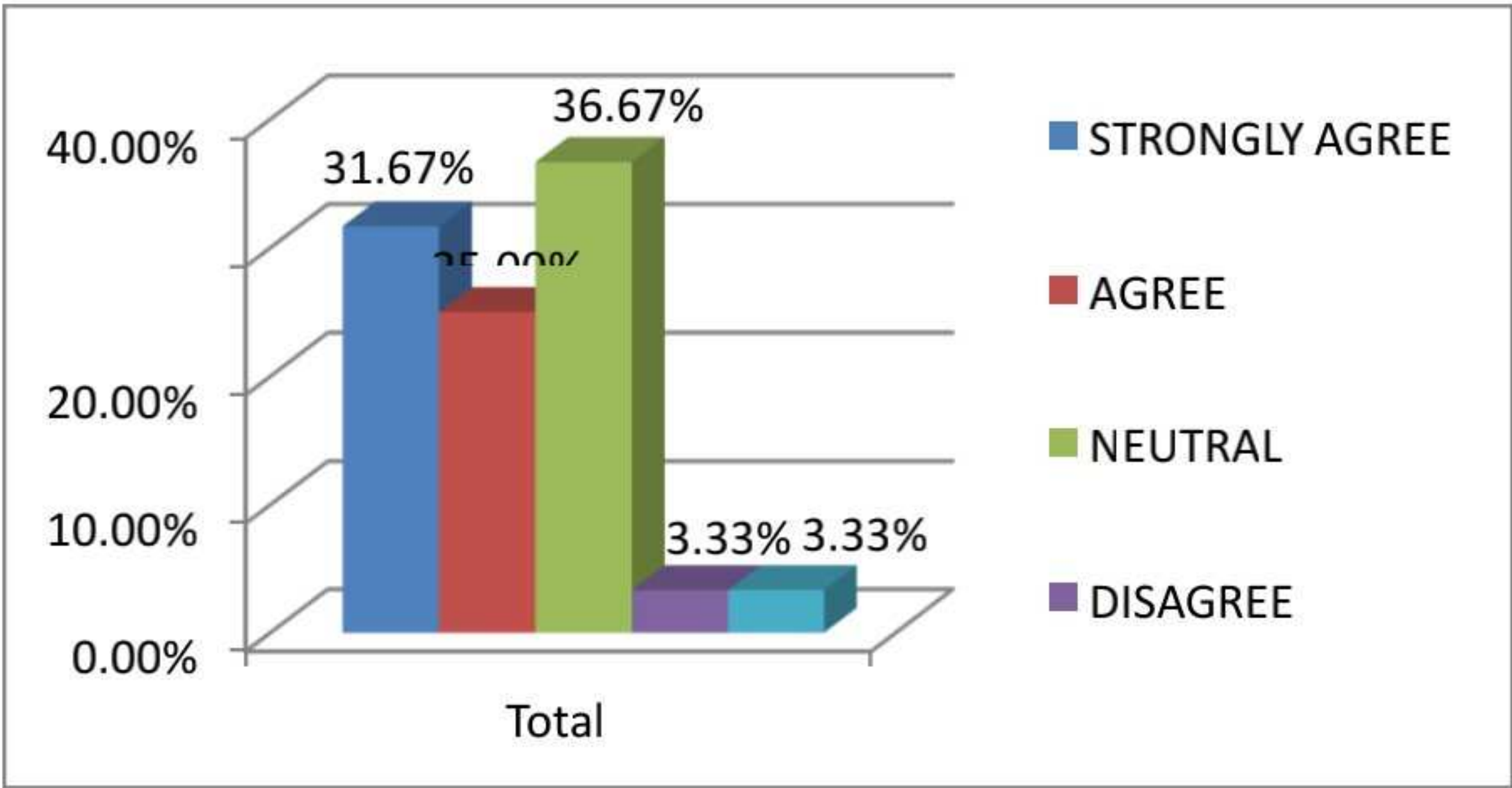
3.1.12 MOST PREFERRED SOCIAL NETWORKING SITE



3.2.12 ANALYSIS

WITH THE HELP OF ABOVE FIGURE WE CAN ANALYSE THAT 46.67% OF THE STUDENTS PREFERS INSTAGRAM , 23.33% PREFERS FACEBOOK , 20% PREFERS WHATSAPP, 6.67% PREFERS YOUTUBE AND 3.33% OF STUDENTS PREFERS TWITTER.

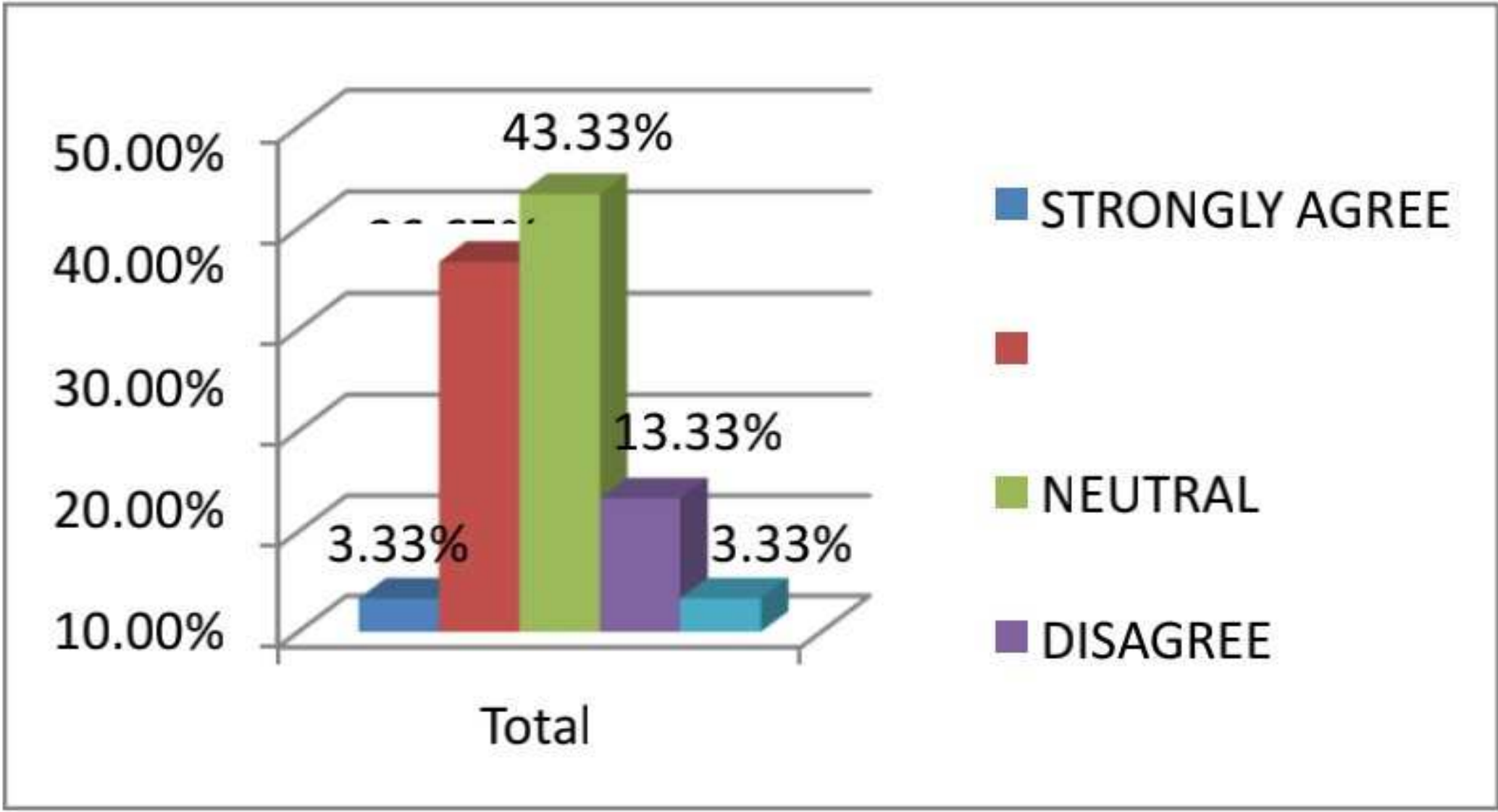
3.1.13 USE OF SOCIAL MEDIA MINIMIZES TIME FOR STUDY AND HAS NEGATIVE IMPACT



3.2.13 ANALYSIS

WITH THE HELP OF ABOVE FIGURE WE CAN ANALYSE THAT 36.67% OF STUDENTS REMAINS NEUTRAL I.E. NIETHER AGREE NOR DISAGREE THAT THE USE OF SOCIAL MEDIA MINIMIZES THEIR TIME FOR STUDY AND HAS NEGATIVE IMPACT WHILE 31.67% STRONGLY AGREE’S , 25% AGREE’S IT AND 3.33% DISAGREE’S IT AND STRONGLY DISAGREE’S IT .

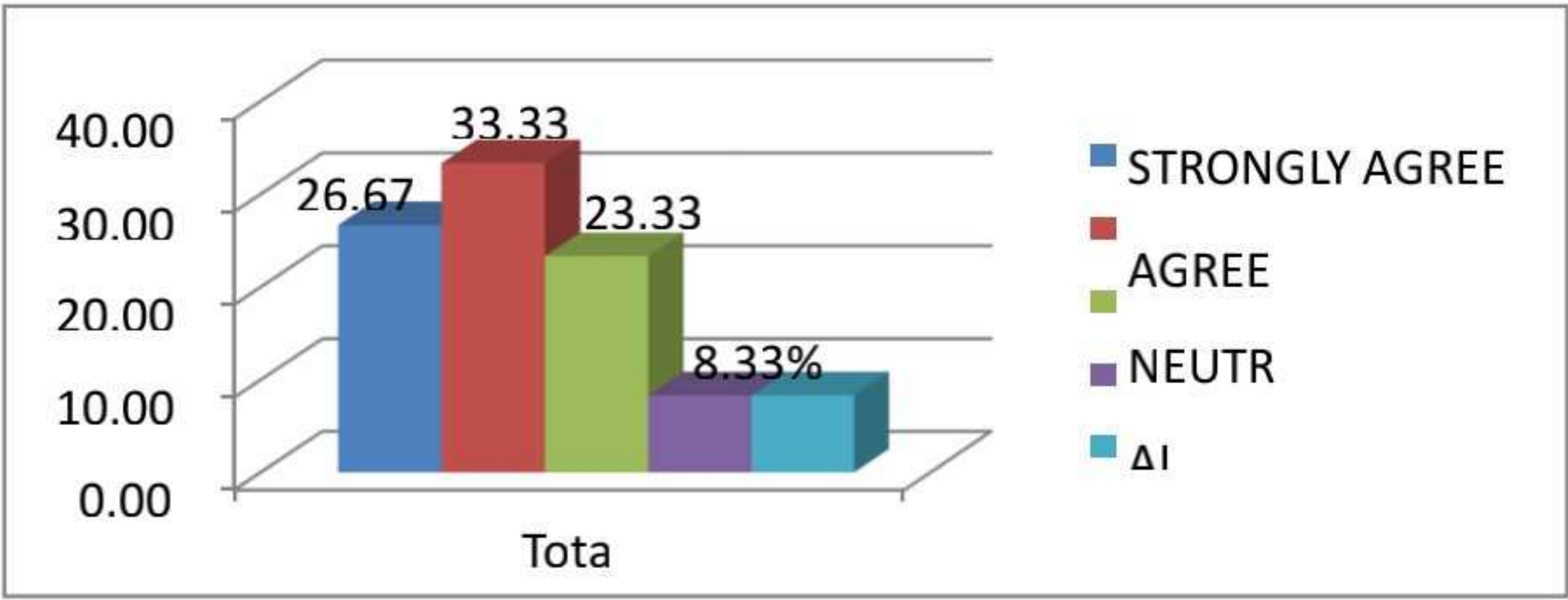
3.1.14 ACADEMICS ARE GREATLY INFLUENCED AND GROWING WITH THE HELP OF SOCIAL MEDIA



3.2.14 ANALYSIS

WHILE STUDYING THE INFLUENCE OF SOCIAL MEDIA IN ACADEMICS AND ITS GROWTH WITH THE HELP OF SOCIAL MEDIA IT WAS OBSERVERED THAT 43.33% OF STUDENTS REMAINS NEUTRAL ABOUT IT I.E. THEY NIETHER AGREE’S NOR DISAGREE’S IT.

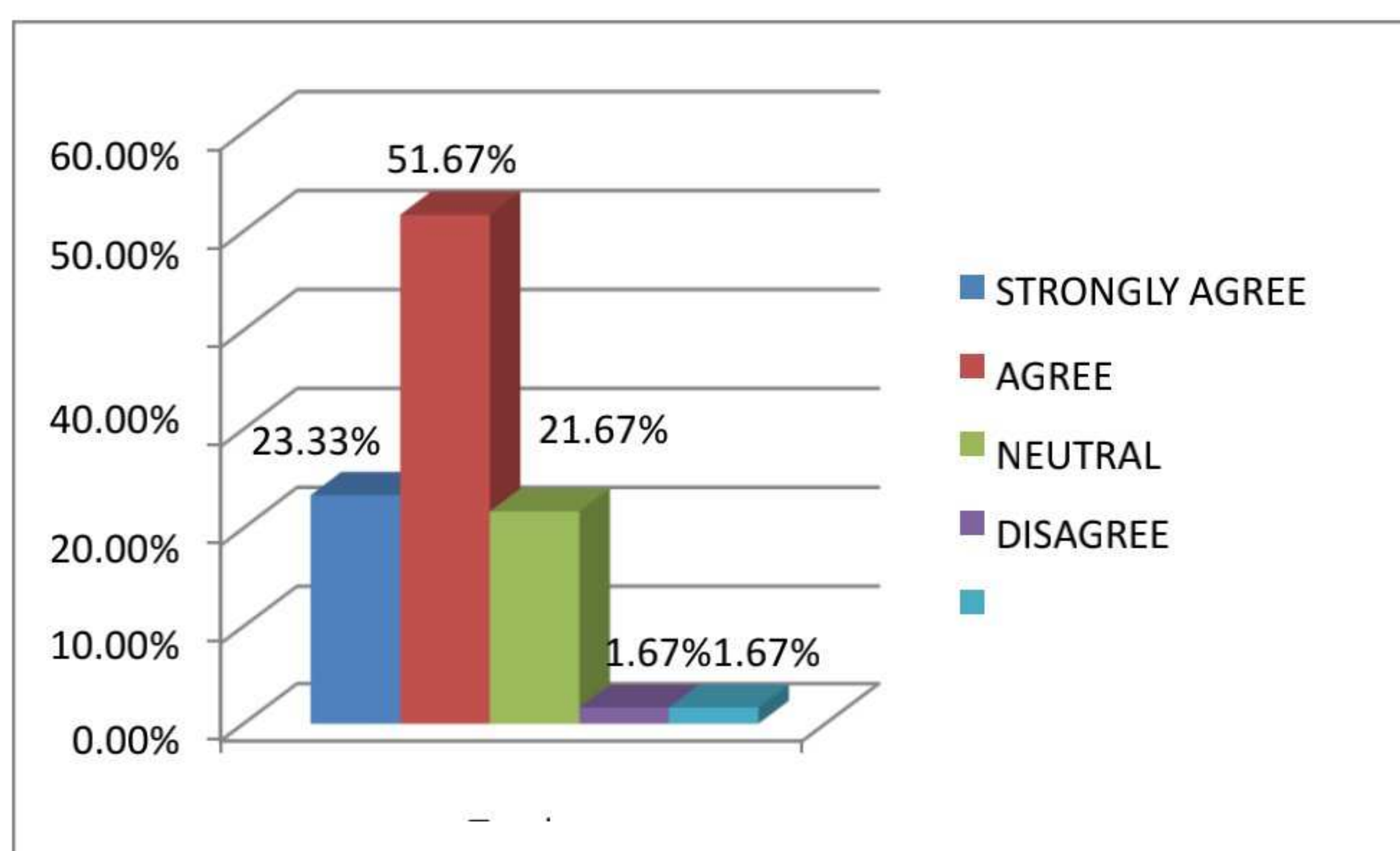
3.1.15 FEEL THAT STUDY THROUGH SOCIAL NETWORKING SITES IS FAR MORE INTERESTING THAN THAT OF THE LECTURES IN CLASSROOMS



3.2.15 ANALYSIS

WITH THE HELP OF ABOVE FIGURE WE CAN ANALYSE THAT 33.33% OF THE STUDENTS AGREE’S THAT STUDY THROUGH SOCIAL NETWORKING SITES IS FAR MORE INTERESTING THAN THAT OF THE LECTURES IN CLASSROOMS

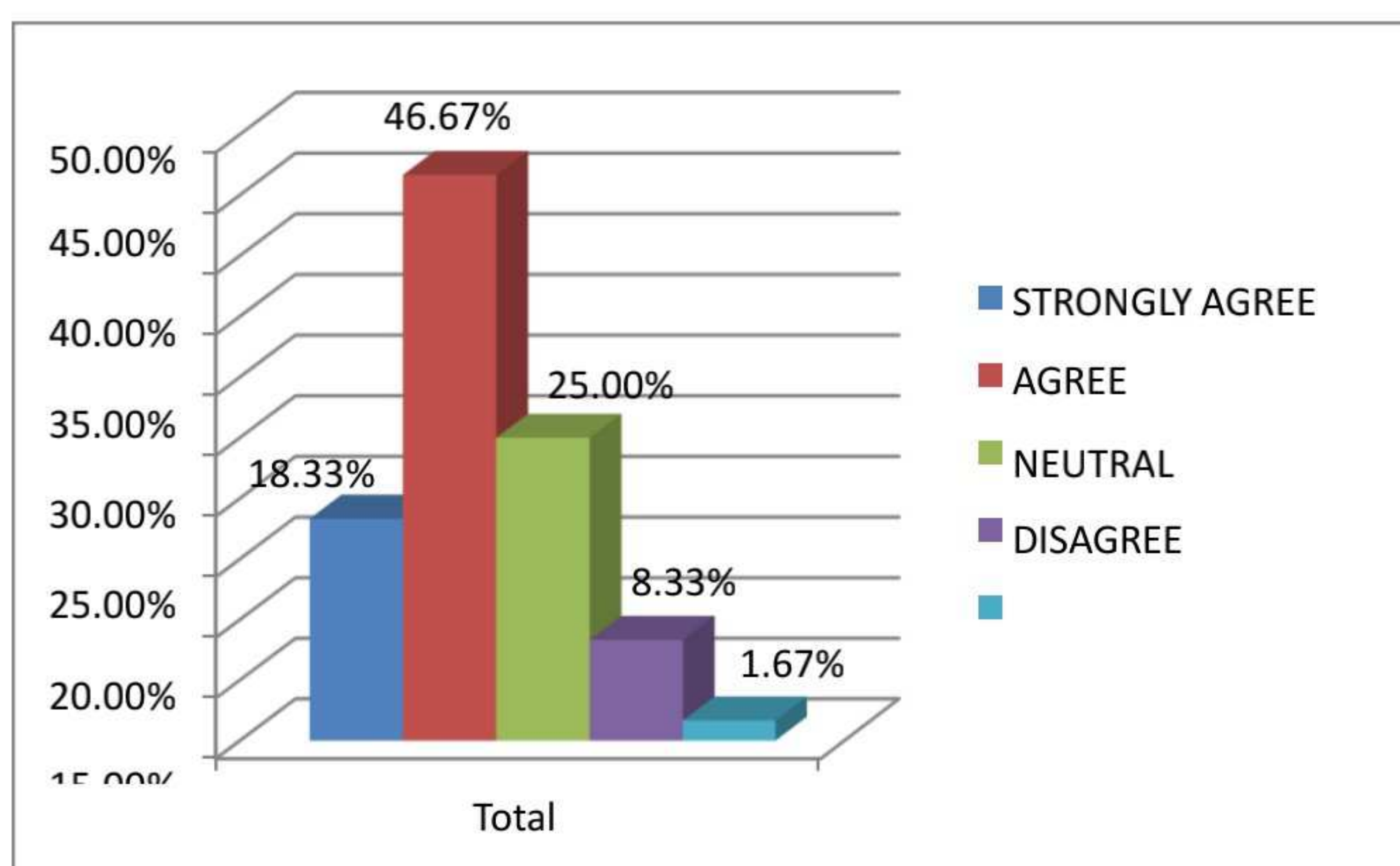
3.1.16 ADDICTION TO SOCIAL MEDIA IS A PROBLEMATIC ISSUE THAT AFFECTS ACADEMIC LIFE



3.2.16 ANALYSIS

WITH THE HELP OF ABOVE FIGURE, WE CAN ANALYSE THAT 51.67% OF THE STUDENTS AGREE'S THAT ADDICTION TO SOCIAL MEDIA IS A PROBLEMATIC ISSUE THAT AFFECTS ACADEMIC LIFE.

3.1.17 SOCIAL MEDIA DISTRACTS STUDENTS FROM STUDIES



3.2.17 ANALYSIS

WITH THE HELP OF ABOVE FIGURE, WE CAN ANALYSE THAT 46.67% OF STUDENT'S AGREE'S THAT SOCIAL MEDIA DISTRACT THEM FROM STUDIES

CHAPTER-4

SUMMARY & CONCLUSION

Findings :

The findings are as under:

1. MOST OF THE STUDENTS I.E. 48.33% USES SOCIAL MEDIA 2-3 HOURS A DAY AND 35% OF THE STUDENTS USES SOCIAL MEDIA 4-5 HOURS A DAY WHILE 8.33% OF THE STUDENTS USES SOCIAL MEDIA 1 HOUR A DAY AND MORE THAN 6 HOURS A DAY .
2. MOST OF THE STUDENTS I.E. 93.33% OF THE STUDENTS USES SOCIAL MEDIA EVERY DAY
3. SOCIAL MEDIA HAS HELPED 36.67% STUDENTS IN BOOSTING THERE CONFIDENCE LEVEL.
4. THE MAIN PURPOSE OF USING SOCIAL MEDIA IS THAT 33.33% OF STUDENTS USES TO INTERACT WITH FRIENDS ,23.33% OF STUDENTS USES FOR ENTERTAINMENT , 20% USES TO STAY INFORMED , 18.33% USES FOR TIMEPASS AND ONLY 5% OF STUDENTS USES FOR EDUCATIONAL PURPOSE.
5. 51.67% OF THE STUDENTS USES SOCIAL MEDIA FOR ACADEMIC PURPOSES.
6. 46.67% OF THE STUDENTS PREFERS INSTAGRAM , 23.33% PREFERS FACEBOOK , 20% PREFERS WHATSAPP, 6.67% PREFERS YOUTUBE AND 3.33% OF STUDENTS PREFERS TWITTER.
7. MOST OF THE STUDENTS I.E. 33.33% OF THE STUDENTS FEELS THATSTUDY THROUGH SOCIAL NETWORKING SITES IS FAR MORE INTERESTING THAN THAT OF THE LECTURES IN CLASSROOMS.
8. 51.67% OF THE STUDENTS AGREE'S THAT ADDICTION TO SOCIAL MEDIA IS A PROBLEMATIC ISSUE THAT AFFECTS ACADEMIC LIFE.
9. SOCIAL MEDIA HAS NEGATIVE IMPACTS ON STUDENT'S ACADEMICS AS SOCIAL MEDIA DISTRACTS STUDENTS FROM STUDIES.
10. THE OBJECTIVES OF THE STUDY IS ACHIEVED SUCCESSFULLY.

Limitations of the study

1. Due to regular classes it was not possible to personally interact with students to carry out a survey.
2. The findings of the study is based on the data collected.
3. Time was a major constraint.
4. The sample size is of 100 students .

Suggestions & Scope for further Study :

1. The further research can be carried out by collecting large number of data from students of different states of India .
2. Researcher can personally interact with students to collect data.

CHAPTER- 5

RECOMMENDATIONS

The recommendations of the study thus conducted are as follows :

The use of social media has become very popular all around the world due to a great development of technology in recent years. People across all walks of life make use of social media sites. Many people have become so use to social media that they can spend agood number of hours on the social media particularly students. This study was conducted to investigate the impact of social media on student academic performance. The findings revealed that the time spent on social media can negatively affect student academic activities. Therefore, it is our suggestion that for students to be more productive,the need to minimize the time they spend engaging on social media activities.

We know that social media is an ever present part of our daily lives and the amount of time is increasing as we feel the need to stay connected. As a result, it's nearly impossible to prevent students from desiring these interactions but students should try that they doesn't get addicted to social media and should balance between use of social media and academics. Students should use social media to the extent which doesn't affecttheir academics.

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Annexure-1

QUESTIONNAIRE ON IMPACT OF SOCIAL MEDIA ON STUDENT'S ACADEMIC PERFORMANCE

NAME

AGE

- ☐ 17-21
- ☐ 21-25
- ☐ 25 and above

GENDER

- ☐ MALE
- ☐ FEMALE
- ☐ PREFER NOT TO SAY

EDUCATION

- ☐ PERSUING BACHLOR
- ☐ PERSUING MASTER
- ☐ ANY OTHER COURSE

DO YOU USE SOCIAL MEDIA ?

- ☐ YES
- ☐ NO

IF ANSWER FOR Q1 IS YES, THEN MOVE TO THE FOLLOWING QUESTIONS OTHERWISE YOU CAN STOP. THANKS FOR YOUR VALUABLE TIME

WHAT ARE THE DIFFERENT WAYS OF ACCESSING SOCIAL MEDIA ?

- ☐ MOBILE PHONES
- ☐ LAPTOP
- ☐ DEKSTOP

HOW MANY HOURS A DAY DO YOU USE SOCIAL MEDIA ?

- ☐ 1 HOUR
- ☐ 2-3 HOURS
- ☐ 4-5 HOURS
- ☐ MORE THAN 6 HOURS

HOW OFTEN DO YOU USE SOCIAL MEDIA ?

- ☐ EVERY DAY
- ☐ ONCE A WEEK
- ☐ FOUR TIMES A WEEK
- ☐ OTHER

HAS SOCIAL MEDIA HELPED YOU IN BOOSTING YOUR CONFIDENCELEVEL

- ☐ STRONGLY AGREE
- ☐ AGREE
- ☐ NEUTRAL
- ☐ DISAGREE
- ☐ STRONGLY DISAGREE

WHAT IS THE EXTENT OF THE ADDICTION FOR SOCIAL MEDIA ?

- ☐ DID NOT BOTHER CHECKING
- ☐ CHECK RANDOMLY ANYTIME
- ☐ CHECKING EARLY MORNING
- ☐ CHECKING BEFORE SLEEPING

WHAT IS THE MAIN PURPOSE OF USING SOCIAL MEDIA ?

- ☐ EDUCATIONAL PURPOSE
- ☐ TO STAY INFORMED
- ☐ TO INTERACT WITH FRIENDS
- ☐ FOR TIMEPASS
- ☐ FOR ENTERTAINMENT

HOW OFTEN DO YOU USE SOCIAL MEDIA PER DAY FOR ACADEMICPURPOSES?

- ☐ LESS THAN 1 HOUR
- ☐ 1-2 HOURS
- ☐ 2-3 HOURS
- ☐ 3-4 HOURS
- ☐ MORE THAN 4 HOURS

WHICH SOCIAL NETWORKING SITE YOU PREFER THE MOST ?

- ☐ FACEBOOK
- ☐ INSTAGRAM
- ☐ WHATSAPP
- ☐ YOUTUBE
- ☐ TWITTER

DO YOU THINK THAT USE OF SOCIAL MEDIA MINIMIZES YOUR TIMEFORSTUDY AND HAS NEGATIVE IMPACT ?

- ☐ STRONGLY AGREE
- ☐ AGREE
- ☐ NEUTRAL
- ☐ DISAGREE
- ☐ STRONGLY DISAGREE

DO YOU FEEL THAT YOUR ACADEMICS ARE GREATLY INFLUENCEDANDGROWING WITH THE HELP OF SOCIAL MEDIA ?

- ☐ STRONGLY AGREE
- ☐ AGREE
- ☐ NEUTRAL
- ☐ DISAGREE
- ☐ STRONGLY DISAGREE

DO YOU FEEL THAT STUDY THROUGH SOCIAL NETWORKING SITES IS FAR MORE

INTERESTING THAN THAT OF THE LECTURES IN CLASSROOMS ?

- ☐ STRONGLY AGREE
- ☐ AGREE
- ☐ NEUTRAL
- ☐ DISAGREE
- ☐ STRONGLY DISAGREE

ADDICTION TO SOCIAL MEDIA IS A PROBLEMATIC ISSUE THAT AFFECTS ACADEMIC LIFE

- ☐ STRONGLY AGREE
- ☐ AGREE
- ☐ NEUTRAL
- ☐ DISAGREE
- ☐ STRONGLY DISAGREE

DOES SOCIAL MEDIA DISTRACT YOU FROM STUDIES ?

- ☐ STRONGLY AGREE
- ☐ AGREE
- ☐ NEUTRAL
- ☐ DISAGREE
- ☐ STRONGLY DISAGREE

Impact of Influencer Marketing on International Preferences among Gen-Y in Delhi NCR

Submitted in partial fulfilment of the requirements for the degree of

Master of Business Administration (MBA)

To

Guru Gobind Singh Indraprastha University, New Delhi

Guide:
Prof. Ekta Rastogi

Submitted by:
Anurag Pundir



Gitarattan International Business School
New Delhi 110085

Batch 2022-24

CERTIFICATE

I, Anurag Pundir, Enrolment Number 00419114322 certify that the Project Report (MIB 204) entitled “Impact of Influencer Marketing on International Preferences among Gen-Y in Delhi NCR” is done by me and is an authentic work carried out by me at GIBS, Delhi 110085. The matter embodied in this Report has not been submitted earlier for the award of any Degree or Diploma to the best of my knowledge and belief.

Signature of Student

Date:

Certified that the Project Report (MIB 204) entitled “Impact of Influencer Marketing on International Preferences among Gen-Y in Delhi NCR” done by Mr Anurag Pundir, Enrolment Number 00419114322, is completed under my guidance.

Signature of Guide

Date:

Name of the Guide

Designation

Countersigned

Director / Summer Training Coordinator

ACKNOWLEDGEMENT

I would like to take this opportunity to express my sincere gratitude to GIBS, Rohini for providing me with the opportunity to pursue this project.

I am particularly grateful to Prof. Ekta Rastogi, for her insightful guidance, constructive feedback, and unwavering encouragement throughout the project development process. Her expertise in international business was instrumental in shaping the direction and focus of this research project.

My deepest appreciation goes to my family and friends for their unwavering support and encouragement throughout my MBA journey. Their patience and understanding during this demanding period were invaluable.

I am truly grateful for the support of GIBS, Rohini and all MBA faculty members. I would not have been able to complete this project without their guidance and encouragement.

Thank you.

Sincerely

Anurag Pundir

Enrolment Number: 00419114322

Session: 2022-24

Executive Summary

Title: Impact of Influencer Marketing on International Preferences among Gen-Y in Delhi NCR

Introduction: The rise of social media platforms has led to the emergence of influencer marketing as a powerful tool for brands to reach their target audience. Among these, Generation Y (Gen-Y) in the Delhi National Capital Region (NCR) represents a significant demographic with unique preferences and consumption patterns. This study aims to investigate the role of influencer marketing in shaping international preferences among Gen-Y in Delhi NCR.

Objectives:

- To analyze the impact of influencer marketing on shaping international brand preferences of Gen-Y in Delhi NCR.
- To identify the types of influencers preferred by Gen-Y in Delhi NCR.

Literature Review: This section examines relevant literature on influencer marketing, consumer behavior of Gen-Y, and the influence of social media on international preferences. It provides a theoretical framework for understanding the dynamics between influencer marketing and Gen-Y consumer behavior.

Methodology:

- ***Sampling Technique:*** Non probability convenience sampling was employed to select participants from Gen-Y residing in Delhi NCR.
- ***Data Collection:*** Survey was conducted to gather primary data regarding Gen-Y's perception of influencer marketing and its impact on their international preferences.
- ***Data Analysis:*** Statistical analysis was carried out to find measures of Central Tendency.

Results and Discussion: The findings are presented and discussed in light of the research objectives. The analysis explored the extent to which influencer marketing influences Gen-Y's international preferences, the types of influencers preferred by them, and the effectiveness of influencer marketing strategies adopted by international brands.

Conclusion and Recommendations: Based on the findings, conclusions were drawn regarding the role of influencer marketing in shaping international preferences among Gen-Y in Delhi NCR. Recommendations are provided for marketers and brands to effectively utilize influencer marketing to target this demographic and enhance their international market penetration.

Limitations: The study might be limited by factors such as sample size, respondent bias, and the rapidly evolving nature of social media platforms and Influencer marketing trends.

Future Research: Future research avenues may include longitudinal studies to track changes in Gen-Y's preferences over time, comparative studies across different demographics, and explorations of emerging influencer marketing platforms and strategies.

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Ch 1: Introduction

In today's digital age, traditional marketing approaches are being reshaped by the power of social media and the rise of influencer culture. Influencer marketing, once considered a niche tactic, has emerged as a dynamic and impactful strategy for brands looking to connect with consumers in authentic and meaningful ways.

At its core, influencer marketing harnesses the influence and reach of individuals who have established credibility and a loyal following in specific niches or industries. These influencers, ranging from celebrities with millions of followers to micro-influencers with smaller but highly engaged audiences, wield the power to shape opinions, inspire action, and drive consumer behavior.

Unlike traditional advertising, which often relies on interruptive tactics to push messages onto audiences, influencer marketing operates within the realm of content creation and storytelling. By partnering with influencers who align with their brand values and target demographics, companies can leverage the trust and authenticity that influencers have cultivated with their followers to deliver branded messages in a more organic and relatable manner.

The evolution of social media platforms like Instagram, YouTube, TikTok, and others has provided fertile ground for the proliferation of influencer marketing. These platforms serve as digital marketplaces where brands can identify, engage, and collaborate with influencers to create sponsored content that resonates with their intended audience.

Influencer marketing is not a one-size-fits-all approach; rather, it encompasses a diverse array of strategies and tactics tailored to fit the unique objectives and target markets of each brand. From sponsored product placements and influencer endorsements to affiliate partnerships and

ambassador programs, the possibilities for collaboration between brands and influencers are virtually limitless.

1.1 Objectives of Study

1. To identify the types of influencers preferred by Gen-Y in Delhi NCR.
2. To explore the impact of influencer content on shaping international preferences among Gen-Y.
3. To analyze the influence of influencer marketing on the purchasing behavior of Gen-Y in Delhi NCR.
4. To assess the effectiveness of influencer marketing strategies employed by international brands targeting Gen-Y in Delhi NCR.

1.2 Scope of Study

The scope of the project is to investigate the effects of influencer marketing on the preferences and purchasing decisions of Generation Y in the Delhi National Capital Region (NCR) with regards to international products, services, and brands.

Specifically, the project aims to:

1. Identify the most influential social media platforms and types of influencers (e.g., beauty, lifestyle, gaming) among Gen Y in Delhi NCR.
2. Analyze the impact of influencer marketing on Gen Y's awareness, perception, and preference for international brands.
3. Examine the role of influencer marketing in shaping Gen Y's purchasing decisions and behavior towards international products and services.
4. Investigate the factors that influence the effectiveness of influencer marketing among Gen Y, such as content quality, authenticity, and relevance.
5. Compare the impact of influencer marketing on Gen Y's preferences across different product categories (e.g., fashion, electronics, travel).
6. Provide insights into the current trends and future directions of influencer marketing among Gen Y in Delhi NCR.

The project's scope is limited to:

- Gen Y individuals residing in Delhi NCR
- International products, services, and brands
- Social media platforms (e.g., Instagram, Facebook, YouTube)
- Influencer marketing campaigns and activities

The project's findings will contribute to the existing body of knowledge on influencer marketing and provide valuable insights for marketers, brands, and influencers seeking to effectively target and engage with Gen Y consumers in Delhi NCR.

1.3 Methodology

The following methodology has been used for data collection:

Primary Research:

- Online survey using Google Forms
- Sample size: 50 -100 Gen Y individuals residing in Delhi NCR
- Questionnaire includes (<https://forms.gle/ApTdSvKvEXScdRuY6>) (Annexure attached)
- Demographic information
- Social media usage habits
- Influencer marketing exposure and engagement
- International product preferences and purchasing behavior

Secondary Research:

- Existing literature on influencer marketing, Gen Y consumer behavior, and international marketing
- Academic databases, industry reports, and market research studies

1.4 Methodology used for Data Analysis

Quantitative Data Analysis (Survey and Social Media Listening):

1. Descriptive Statistics:

- Mean, median, mode, and standard deviation for continuous variables
- Frequency and percentage analysis for categorical variables

2. Data Visualization:

- Bar charts, histograms, and scatter plots to illustrate findings

1.5 Software and tools used for data analysis:

- Excel or Google Sheets for data manipulation and calculation

By using a mixed-methods approach and integrating findings from both quantitative and qualitative data, the project will provide a comprehensive understanding of the impact of influencer marketing on international preferences among Gen Y in Delhi NCR.

Ch-2: Literature Review

2.1 Theoretical Description

The theoretical framework of influencer marketing draws upon several key concepts from fields such as marketing, psychology, sociology, and communication. Here are some theoretical perspectives commonly used to understand and analyze influencer marketing:

Social Influence Theory: Social influence theory, particularly the work of scholars like Robert Cialdini, examines how individuals are influenced by others within social groups. Influencer marketing leverages this theory by utilizing influencers as opinion leaders who have the ability to sway the opinions, attitudes, and behaviors of their followers.

Credibility Theory: Credibility theory explores how the perceived trustworthiness, expertise, and attractiveness of a source influence the effectiveness of communication. Influencers are often chosen based on their perceived credibility within a specific niche or industry, as their endorsements are seen as more authentic and trustworthy by their followers.

Social Identity Theory: Social identity theory suggests that individuals define themselves based on their membership in social groups and strive to maintain a positive social identity. Influencers often align themselves with certain lifestyles, interests, or values, allowing followers to identify with them and feel a sense of belonging. Brands can tap into this sense of social identity by partnering with influencers who resonate with their target audience.

Network Theory: Network theory examines the structure and dynamics of social networks, focusing on how information and influence flow through interconnected nodes. Influencer marketing operates within the context of these social networks, with influencers serving as key nodes who disseminate brand messages to their followers.

Psychological Factors: Various psychological principles underpin influencer marketing, including social proof, reciprocity, and scarcity. Social proof refers to the tendency of individuals to look to others for cues on how to behave, making influencer endorsements powerful forms of social proof. Reciprocity involves the expectation that people will respond positively to gifts, favors, or acts of kindness, which can manifest in influencers promoting brands in exchange for compensation or free products. Scarcity plays on the idea that people desire what is perceived to be rare or exclusive, leading influencers to create a sense of urgency or exclusivity around branded content.

Information Processing Models: Information processing models, such as the elaboration likelihood model (ELM) and the heuristic-systematic model (HSM), help explain how individuals process persuasive messages and make decisions. Influencer marketing content can be designed to appeal to both central and peripheral routes of processing, depending on factors such as audience involvement and motivation.

By drawing on these theoretical frameworks, researchers and practitioners can gain insights into the underlying mechanisms driving the effectiveness of influencer marketing and develop strategies to optimize campaign outcomes.

2.2 Consumer Behaviour of Generation Y

Understanding the consumer behavior of Gen Y is crucial for businesses looking to effectively engage with this demographic population. Here are some key characteristics and behaviors commonly associated with Gen Y consumers:

Digital Natives: Gen Y has grown up in a digital world, surrounded by smartphones, social media, and instant access to information. As a result, they are highly proficient in using technology and rely heavily on digital channels for communication, entertainment, and shopping. Businesses need to have a strong online presence and utilize digital marketing strategies to reach and engage with Gen Y consumers effectively.

Authenticity and Transparency: Gen Y values authenticity and transparency in brand communication. They are skeptical of traditional advertising and are more likely to trust recommendations from peers, influencers, or authentic user-generated content. Brands that demonstrate authenticity, honesty, and a genuine commitment to social and environmental issues are more likely to resonate with Gen Y consumers.

Purpose-Driven Consumption: Gen Y is socially and environmentally conscious, and they prefer to support brands that align with their values and beliefs. They are more likely to choose brands that prioritize sustainability, diversity, inclusivity, and ethical business practices. Brands that actively engage in corporate social responsibility (CSR) initiatives and advocate for social causes are likely to attract and retain Gen Y consumers.

Personalization and Customization: Gen Y expects personalized experiences and tailored recommendations from brands. They are accustomed to curated content, personalized ads, and

product recommendations based on their preferences and browsing history. Businesses can leverage data analytics and artificial intelligence to personalize their marketing efforts and provide relevant, engaging experiences to Gen Y consumers.

Visual and Interactive Content: Gen Y gravitates towards visual and interactive content formats, such as videos, images, memes, and short-form content on platforms like TikTok, Instagram, and Snapchat. They have shorter attention spans and prefer bite-sized, visually appealing content that entertains, educates, or resonates with them emotionally. Brands should prioritize visual storytelling and interactive experiences to capture the attention of Gen Y consumers.

Mobile-First Shopping: Gen Y relies heavily on mobile devices for online shopping, product research, and social media engagement. They prefer seamless, mobile-friendly experiences when browsing e-commerce websites or engaging with brands on social media platforms. Businesses should optimize their websites and digital platforms for mobile devices and leverage mobile apps, messaging apps, and social commerce features to cater to Gen Y's mobile-first shopping behavior.

Instant Gratification: Gen Y has grown up in an era of instant gratification, where they expect immediate access to information, products, and services. They have little patience for slow-loading websites, long checkout processes, or delayed responses from customer service. Brands need to prioritize speed, convenience, and efficiency in their online experiences to meet the expectations of Gen Y consumers.

By understanding the unique characteristics and behaviors of Gen Y consumers, businesses can tailor their marketing strategies, product offerings, and customer experiences to effectively engage and connect with this influential demographic.

2.3 Influence of Social Media on International Preferences

Social media plays a significant role in shaping the international preferences of Gen Y consumers in several ways:

Exposure to Global Trends and Cultures: Social media platforms provide Gen Y with unprecedented access to diverse cultures, lifestyles, and trends from around the world. Through platforms like Instagram, Facebook, YouTube, and Twitter, Gen Y can discover international fashion trends, music, cuisine, travel destinations, and cultural phenomena. As a result, they are more open to exploring and adopting products, brands, and experiences from different countries and regions.

Influencer and Celebrity Endorsements: Gen Y follows and engages with influencers and celebrities from across the globe who share their lifestyles, preferences, and recommendations on social media. Influencers often collaborate with international brands and showcase their products or experiences, influencing Gen Y's perceptions and preferences. Celebrity endorsements of international brands and products on social media can also contribute to their popularity and desirability among Gen Y consumers.

Peer Influence and Social Proof: Gen Y is highly influenced by their peers and social networks on social media platforms. They often seek validation and recommendations from friends, classmates, and online communities when making purchasing decisions. Social proof plays a significant role in shaping their perceptions and preferences for international brands, as they are more likely to trust recommendations and testimonials from peers who have had positive experiences with these brands.

User-Generated Content and Reviews: Gen Y relies on user-generated content (UGC) and reviews on social media platforms to inform their purchasing decisions. They actively seek out and engage with UGC, such as product reviews, unboxing videos, and user testimonials, to gain insights into the quality, performance, and authenticity of international brands and products. Positive UGC can enhance the reputation and credibility of international brands among Gen Y consumers.

Brand Engagement and Interaction: Social media allows Gen Y to engage directly with international brands through likes, comments, shares, and direct messages. Brands that actively engage with Gen Y on social media by responding to their inquiries, addressing their concerns, and soliciting their feedback can build stronger relationships and loyalty among Gen Y consumers. Social media interactions also enable brands to showcase their values, personality, and authenticity, which can resonate with Gen Y's preferences and priorities.

Global Communities and Movements: Social media platforms facilitate the formation of global communities and movements around shared interests, causes, and identities. Gen Y actively participates in online communities and discussions on social media platforms, where they engage with like-minded individuals from different countries and cultures. These global connections and exchanges of ideas can influence Gen Y's perceptions, values, and preferences for international brands and products that align with their interests and beliefs.

Overall, social media serves as a powerful platform for Gen Y to explore, discover, and engage with international brands, trends, and cultures. By leveraging social media effectively, international brands can enhance their visibility, relevance, and appeal among Gen Y consumers, ultimately influencing their preferences and purchasing decisions on a global scale.

2.4 Types of Influencers Preferred by Gen Y in Delhi NCR

In Delhi NCR, Gen Y preferences for influencers can vary based on factors such as interests, lifestyle, and cultural influences. However, certain types of influencers tend to resonate more with Gen Y in this region. Here are some types of influencers preferred by Gen Y in Delhi NCR:

Fashion and Lifestyle Influencers: Gen Y in Delhi NCR is often interested in fashion, beauty, and lifestyle trends. They follow influencers who share content related to fashion styling, makeup tutorials, skincare routines, and lifestyle inspiration. Fashion influencers who showcase the latest trends, street style, and affordable fashion options are particularly popular among Gen Y consumers in Delhi NCR.

Here are some examples of fashion and lifestyle influencers in India:-

- Nagma Mirajkar: a beauty, fashion and lifestyle content creator.
- Barkha Singh: an actor, animal lover, traveller and environmentalist.
- Komal Pandey: a fashion influencer who loves to make fashion videos and drink chai.
- Kritika Khurana: a popular fashion blogger.
- Isha Borah: a fashion influencer who believes that styling can be therapy.
- Dolly Singh: a content creator and actor.
- Masoom Minawala Mehta: a fashion creator, investor and entrepreneur.
- Karron S Dhingra: a lawyer and fashion influencer.
- Meghna Kaur: a fashion and travel influencer.
- Aashna Hegde: a fashion influencer who also loves thrift shopping.
- Juhi Godambe: a fashion blogger known for her sense of style and easy-to-copy outfits.

- Aashna Shroff: a fashion and travel blogger known for her sense of style and photography skills.
- Akanksha Redhu: a fashion influencer known for her individuality and luxury.

Food and Travel Influencers: Delhi NCR is known for its vibrant food culture and diverse culinary offerings. Gen Y enjoys exploring new food trends, restaurants, cafes, and street food destinations. They follow food and travel influencers who share reviews, recommendations, and behind-the-scenes insights into the local food scene and travel experiences in and around Delhi NCR.

Here are some food and travel influencers in India-

- Kabita Singh: Creator, food enthusiast and influencer with 1.5 million followers on Instagram.
- Larissa D'Sa: Travel filmmaker, storyteller and influencer with 801,500 followers on Instagram.
- Pooja Dhingra: Entrepreneur, pastry chef, influencer and judge on MasterChef India with 7.1 million followers on Instagram.
- Aakanksha Monga: Travel influencer with 892,700 followers on Instagram.
- Seema Gurnani: Food and travel blogger, content creator and influencer with 26,100 followers on Instagram.
- Pawan: Food and travel influencer behind the blog "Indian Food Freak".
- Chahat Anand: Food and travel influencer with 1.9 million followers on Instagram.

Fitness and Wellness Influencers: Health and wellness have become increasingly important for Gen Y in Delhi NCR, especially given the rising awareness of fitness and self-care. They follow

fitness influencers who share workout routines, healthy recipes, wellness tips, and motivational content to inspire and guide them on their fitness journey.

Here are some fitness and wellness influencers in India -

- Kriti: a personal trainer and content creator with a master's in sports nutrition.
- Bani J: a powerlifter, actor and model who has over 1.5 million followers on Instagram.
- Pranit Shilimkar: a fitness influencer and founder of fitnesstalks, an online health consulting company.
- Hazzel Choudhary: a self-proclaimed foodie who is a fitness motivator.
- Shipra Goel: a yoga teacher and wellness coach who is a huge supporter of body positivity.
- Simrun Chopra: a fitness influencer.
- Pooja Makhija: a fitness influencer.
- Namrata Purohit: a fitness influencer.
- Luke Coutinho: a fitness influencer.
- Rohit Khatri: a sports science nutritionist and fitness enthusiast.

Entertainment and Gaming Influencers: Gen Y in Delhi NCR is highly active on social media platforms like Instagram, YouTube, and TikTok, where they consume entertainment and gaming content. They follow influencers who create engaging and entertaining content, such as comedy sketches, gaming streams, challenges, and memes, that resonate with their sense of humor and interests.

Here are some entertainment and gaming influencers in India -

- Ajey Nagar (CarryMinati): CarryMinati is popular among millennials and Gen Z. He is also known for endorsing products from various niches like watches, diet supplements, travel, etc.
- Naman Mathur (Mortal): Naman Mathur is popular among Gen Z and has represented India in international PUBG matches as a part of Team SOUL.
- Ajay (Total Gaming): Ajay is known for his Hindi commentary on gameplay. He has a large fan base of Garena free fire players.
- Aaditya D. Sawant (dynamo gaming): Aaditya D. Sawant is a remarkable player who has represented India in various competitions.
- Payal Dhare (Payalgaming): Payal Dhare is a Mumbai-based Indian gamer who has broken the gaming world stereotypes of gender hindrances.
- Ritik Jain and Jash Dhoka (Two side gamers): Ritik and Jash are duo-team players who play a lot of games. They are part of a sports team called TSG Esports.
- Ujjawal Chaurasia (Techno Gamerz): Ujjawal plays various android games and shares the tactics and tips of games like Minecraft, modern warfare, GTA 5, call of duty mobile, PUBG, etc.
- Rony Dasgupta (The rawknee): Rony Dasgupta is known for his hilarious background commentary and has amazing gameplay skills.
- Shagufta Iqbal (Xyaa): Xyaa is one of the most remarkable players who plays games very professionally. She plays many FPS multiplayer games.
- Aakarsh Chaudhary (vivone): Aakarsh is a budding gamer who plays a lot of games like Valorant, BGMI, Warzone, CODM, Pokémon unite, Fortnite, etc

Social Cause and Activism Influencers: Gen Y in Delhi NCR is socially conscious and actively engaged in discussions around social issues, environmental sustainability, and activism. They

follow influencers who use their platform to raise awareness, advocate for social causes, and drive positive change in society. Influencers who are vocal about environmental conservation, gender equality, mental health awareness, and LGBTQ+ rights are particularly influential among Gen Y consumers in Delhi NCR.

Here are some social causes and activism influencers in India -

- Licypriya: an 11-year-old child climate activist who has represented India in seven UN events.
- Kailash Satyarthi: a Nobel Peace Prize laureate who campaigns against child labor and advocates for children's right to education.
- Pradeep Sangwan: an avid trekker, environmentalist and founder of Healing Himalayas.
- Vani: a sustainability influencer who uses her platform to raise awareness about the importance of living sustainably, reducing waste and using natural products.
- Falguni: a body positivity influencer who uses her platform to promote self-acceptance and challenge traditional beauty standards.

Micro-Influencers and Local Celebrities: While celebrities and macro-influencers have wide reach and influence, Gen Y in Delhi NCR also values authenticity and relatability. They follow micro-influencers and local celebrities who have a more personal connection with their audience and share content that reflects the local culture, language, and lifestyle of Delhi NCR.

Here are some micro-influencers and local celebrities in India -

- Neha Mathur: A cook and recipe maker who travels and has a unique perspective of visiting new and authentic experiences across India.

- Aishwarya: A beauty and makeup YouTuber who creates makeup tutorials and beauty vlogs.
- Tanish: A food enthusiast who travels around Mumbai, Delhi and Amritsar and showcases street food in every town.
- Dr. Radhika Aggrwal: A foodie who covers luxury food, street food and homemade recipes on her micro-blog on Instagram.
- Rituka and Baby Saksham: Among the top micro influencers in India who creates content revolving around lifestyle, parenting and Do It Yourself activities.
- Rimpi Jakhwal: An entrepreneur and digital creator who creates content revolving around lifestyle, beauty, haircare and travel.
- BTS boy: A video creator who creates various memes and viral content regularly.
- Gufran Shaikh: A pharmacist who creates content revolving around street smart lifestyle.
- Mohammad Ayaan: A structural engineer who creates content revolving around photography and videography.

Overall, Gen Y preferences for influencers in Delhi NCR are diverse and dynamic, reflecting their interests, values, and cultural context. Brands looking to engage with Gen Y in this region should collaborate with influencers who align with their target audience's interests and preferences while also considering the authenticity and credibility of the influencer's content.

2.5 Effectiveness of Influencer Marketing

The effectiveness of influencer marketing has been widely studied across various industries and contexts. Here are some key points summarizing the findings from literature:

Increased Brand Awareness: Influencer marketing can significantly boost brand awareness by leveraging the reach and credibility of influencers. Studies have shown that campaigns featuring influencers can lead to increased exposure among target audiences, especially when influencers have a large and engaged following.

Enhanced Engagement: Influencer marketing often results in higher levels of engagement compared to traditional advertising methods. Influencers have a unique ability to create authentic and relatable content that resonates with their followers, leading to higher levels of likes, comments, and shares.

Improved Purchase Intentions: Research suggests that consumers are more likely to consider purchasing a product or service recommended by an influencer they trust. Influencers can effectively communicate the benefits and features of a product in a way that feels genuine, leading to increased purchase intentions among their followers.

Positive Brand Perceptions: Collaborating with influencers who align with a brand's values can help shape positive perceptions among consumers. When influencers endorse a brand or product, they transfer their credibility and authority to the brand, leading to favorable associations in the minds of consumers.

Higher ROI: Despite the initial investment required for influencer marketing campaigns, many studies have found that influencer marketing can deliver a higher return on investment compared to traditional advertising channels. This is often attributed to the targeted nature of influencer campaigns and the ability to track and measure results effectively.

Reach Specific Audience Segments: One of the key advantages of influencer marketing is its ability to reach specific audience segments based on the demographics, interests, and preferences of the influencer's followers. Brands can leverage influencers who have built a loyal following within their target market, resulting in more effective and efficient marketing efforts.

Content Creation and Distribution: Influencer marketing provides brands with access to high-quality content that can be repurposed across various marketing channels. Influencers are skilled content creators who understand how to create engaging and compelling content that resonates with their audience, saving brands time and resources.

Social Proof and Trust: Influencers serve as social proof for brands, especially among younger demographics who value peer recommendations and authenticity. When influencers endorse a product or service, it signals to their followers that the brand is trustworthy and worth considering.

Overall, the effectiveness of influencer marketing depends on various factors, including the choice of influencers, the quality of content, the alignment with brand values, and the ability to measure and track campaign performance. When executed strategically, influencer marketing can be a powerful tool for brands to connect with consumers and drive business results.

2.6 Impact on Consumer Behavior

The impact of influencer marketing on consumer behavior is a significant area of research and interest in both academic and marketing circles. Here's an overview of how influencer marketing influences consumer behavior:

Trust and Credibility: Influencers often build strong relationships with their followers based on trust and authenticity. When influencers endorse products or services, their followers are more likely to trust their recommendations compared to traditional advertising. Research suggests that consumers perceive influencer recommendations as more genuine and credible, leading to increased purchase intentions.

Social Proof: Influencer marketing leverages the principle of social proof, which suggests that people are more likely to adopt behaviors or beliefs if they see others doing the same. When consumers see influencers using or endorsing a product, they perceive it as socially desirable and may be more inclined to purchase it themselves.

Authenticity and Relatability: Influencers often create content that is relatable and authentic, which resonates with their followers. This authenticity makes influencer recommendations feel more genuine and less like traditional advertisements, leading to higher levels of engagement and positive attitudes toward the promoted products.

Emotional Connection: Influencers have the ability to evoke emotions and connect with their audience on a personal level. By sharing personal experiences and stories, influencers can create emotional connections with their followers, which can influence their purchasing decisions. Consumers may be more likely to buy products endorsed by influencers they feel emotionally connected to.

Perceived Value: Influencer marketing can enhance the perceived value of a product or brand. When consumers see influencers they admire using or endorsing a product, they may perceive

it as more valuable and desirable. This can lead to higher willingness to pay and increased purchase intentions.

Purchase Intentions and Behavior: Numerous studies have shown that influencer marketing can positively impact purchase intentions and actual purchase behavior. Consumers exposed to influencer content are more likely to consider purchasing the promoted products and may be more inclined to make a purchase compared to those who are not exposed to such content.

Word-of-Mouth and Virality: Influencer marketing can also amplify word-of-mouth marketing and contribute to the virality of a product or brand. When influencers share content with their followers, it has the potential to reach a large audience quickly, leading to increased brand awareness and exposure.

Overall, influencer marketing can have a profound impact on consumer behavior by leveraging trust, credibility, social proof, authenticity, emotional connection, and perceived value to influence purchase intentions and behavior. However, it's essential for marketers to understand their target audience and carefully select influencers whose values align with those of the brand to maximize the effectiveness of influencer marketing campaigns.

2.7 Types of Influencers and Strategies

Influencers come in various shapes and sizes, each with its unique characteristics and audience reach. Here are some common types of influencers and strategies associated with them:

Celebrities: These influencers are well-known figures in entertainment, sports, or other fields with a large following. They often have millions of followers on social media platforms like Instagram, Twitter, and Facebook. Brands collaborate with celebrities for their wide reach and influence, leveraging their fame to promote products or services to a broad audience.

Strategy: Brands typically engage celebrities for sponsored posts, endorsements, brand ambassadorships, or product placements. These collaborations can involve one-off campaigns or long-term partnerships, depending on the brand's objectives and budget.

Macro-Influencers: Macro-influencers have a significant following on social media, typically ranging from tens of thousands to a few million followers. They may be industry experts, social media personalities, or content creators who have established themselves as influential figures in specific niches.

Strategy: Brands often partner with macro-influencers for sponsored content, product reviews, giveaways, or influencer-hosted events. Macro-influencers can help brands reach a large but relatively targeted audience within a specific niche or demographic.

Micro-Influencers: Micro-influencers have smaller but highly engaged followings, typically ranging from a few thousand to around 100,000 followers. They are often considered experts or enthusiasts in specific niche markets, such as beauty, fashion, fitness, travel, or food.

Strategy: Brands collaborate with micro-influencers for authentic, niche-specific content that resonates with their highly engaged followers. Micro-influencers often have higher engagement rates and deeper connections with their audience compared to macro-influencers, making them valuable partners for brands seeking to target specific communities or demographics.

Nano-Influencers: Nano-influencers have a small but highly engaged following, typically ranging from a few hundred to a few thousand followers. They are everyday consumers who have built a loyal following based on their expertise, passion, or personality.

Strategy: Brands collaborate with nano-influencers for hyper-local or hyper-targeted campaigns that aim to reach specific geographic areas or niche communities. Nano-influencers often have a high level of trust and authenticity among their followers, making them effective advocates for brands seeking to connect with niche audiences.

Key Opinion Leaders (KOLs): Key Opinion Leaders are influential individuals within specific industries or communities who are highly respected and trusted for their expertise, knowledge, or experience. They may not have a large following on social media but wield significant influence among their peers or followers.

Strategy: Brands collaborate with KOLs for thought leadership, expert endorsements, or co-created content that provides valuable insights or advice to their audience. KOLs can help brands establish credibility, authority, and trust within their target market, particularly in specialized or niche industries.

Employee Advocates: Employee advocates are employees of a company who promote its products or services on social media or other platforms. They can serve as authentic brand ambassadors who share their personal experiences, insights, and enthusiasm for the company's offerings.

Strategy: Companies encourage employees to become brand advocates by providing training, resources, and incentives to promote the brand authentically. Employee advocates can help humanize the brand, increase employee engagement, and amplify the company's messaging to a wider audience.

These are just a few examples of the types of influencers and strategies commonly used in influencer marketing campaigns. The choice of influencers and strategies depends on various factors, including the brand's objectives, target audience, budget, and industry landscape. Effective influencer marketing campaigns often involve a combination of different types of influencers and strategies to maximize reach, engagement, and ROI.

2.8 Measurement and Metrics

Measuring the effectiveness of influencer marketing campaigns is crucial for assessing their impact, optimizing performance, and demonstrating ROI. Here are some key measurement metrics commonly used in influencer marketing:

Reach: Reach refers to the total number of people who have been exposed to an influencer's content or campaign. It is typically measured by the total number of followers or subscribers across various social media platforms where the content is posted.

Engagement: Engagement metrics measure the level of interaction and involvement generated by an influencer's content. Common engagement metrics include likes, comments, shares, retweets, saves, and clicks. High engagement rates indicate that the content is resonating with the audience and driving meaningful interactions.

Impressions: Impressions represent the total number of times an influencer's content has been displayed on users' screens. Unlike reach, which counts unique individuals, impressions can

include multiple views by the same person. Impressions provide insight into the potential exposure and visibility of the content.

Click-Through Rate (CTR): CTR measures the percentage of users who clicked on a link or call-to-action (CTA) within an influencer's content. It is calculated by dividing the number of clicks by the total number of impressions and multiplying by 100. A higher CTR indicates that the content is compelling and effective at driving traffic to the desired destination.

Conversion Rate: Conversion rate measures the percentage of users who completed a desired action, such as making a purchase, signing up for a newsletter, or downloading an app, after interacting with an influencer's content. It is calculated by dividing the number of conversions by the total number of website visits or clicks and multiplying by 100. Conversion rate provides insight into the effectiveness of the influencer campaign at driving meaningful outcomes.

Return on Investment (ROI): ROI quantifies the financial return generated by an influencer marketing campaign relative to the investment made. It is calculated by subtracting the cost of the campaign from the revenue generated and dividing by the cost of the campaign, then multiplying by 100 to express as a percentage. Positive ROI indicates that the campaign generated more revenue than the cost, while negative ROI indicates the opposite.

Brand Sentiment: Brand sentiment measures the overall perception and sentiment of consumers toward a brand before, during, and after an influencer marketing campaign. It can be assessed through sentiment analysis of social media mentions, comments, and feedback related to the campaign. Positive sentiment indicates that the campaign has positively impacted brand perception and reputation.

Influencer Performance: Evaluating the performance of individual influencers is essential for identifying top performers and optimizing future collaborations. Key metrics for assessing influencer performance include reach, engagement rate, audience demographics, content quality, authenticity, and alignment with brand values.

Long-term Impact: Beyond immediate metrics, it's essential to assess the long-term impact of influencer marketing campaigns on brand awareness, brand loyalty, customer lifetime value, and overall business growth. Longitudinal studies and customer surveys can provide insights into the lasting effects of influencer partnerships.

By analyzing these metrics comprehensively, brands can gain valuable insights into the effectiveness and ROI of their influencer marketing campaigns, identify areas for improvement, and make data-driven decisions to optimize future strategies.

2.9 Challenges and Ethical Considerations:

Influencer marketing, while effective, also presents several challenges and ethical considerations that marketers and influencers need to address. Here are some of the key challenges and ethical considerations:

Transparency and Disclosure: One of the primary ethical considerations in influencer marketing is transparency. Influencers are often required by law to disclose their relationships with brands and clearly label sponsored content as such. However, some influencers may fail to disclose paid partnerships or may use ambiguous language that can mislead consumers. Lack

of transparency can erode trust and credibility, leading to backlash from followers and potential legal consequences.

Authenticity and Trust: Maintaining authenticity and trust is essential in influencer marketing. Consumers follow influencers because they trust their opinions and recommendations. However, sponsored content that feels overly promotional or inauthentic can damage the influencer's credibility and alienate their followers. Striking the right balance between promoting products and maintaining authenticity is a significant challenge for influencers and brands alike.

Influencer Fraud and Fake Followers: Influencer fraud, including the purchase of fake followers and engagement, is a widespread issue in influencer marketing. Some influencers may inflate their follower counts or engagement metrics artificially to appear more influential than they are. Brands that collaborate with influencers based on false metrics may end up wasting resources on ineffective campaigns. Detecting and combating influencer fraud is a challenge for brands and platforms seeking to ensure the authenticity of influencer partnerships.

Brand Alignment and Values: Ensuring alignment between the influencer's personal brand and values and those of the brand they are promoting is crucial for maintaining authenticity and credibility. If the partnership feels forced or the product does not align with the influencer's image, followers may perceive it as inauthentic or opportunistic. Brands need to carefully vet influencers to ensure their values and content align with the brand's identity and messaging.

Regulatory Compliance: Influencer marketing is subject to various regulations and guidelines, including those related to advertising standards, consumer protection, and

disclosure requirements. For example, in the United States, the Federal Trade Commission (FTC) requires influencers to disclose their relationships with brands clearly. Failure to comply with these regulations can result in fines, legal action, and damage to reputation for both influencers and brands.

Privacy Concerns: Influencer marketing often involves the use of personal data, such as audience demographics and engagement metrics, to target and measure campaigns effectively. However, collecting and using personal data raise privacy concerns, particularly regarding data security, consent, and transparency. Influencers and brands must adhere to applicable data protection laws and regulations to protect consumer privacy rights.

Addressing these challenges and ethical considerations requires collaboration between influencers, brands, agencies, and regulatory bodies. Establishing clear guidelines, fostering transparency, prioritizing authenticity, and maintaining integrity are essential for building trust and credibility in influencer marketing partnerships. Additionally, ongoing education and awareness efforts can help stakeholders navigate the evolving landscape of influencer marketing responsibly and ethically.

2.10 Regulatory Environment

The International Advertising Bureau (IAB) is a trade association that represents the interests of the digital advertising industry. Its members include advertisers, publishers, media companies, and technology firms. The IAB's goals include:

- Promoting the growth and development of the digital advertising industry
- Establishing standards and guidelines for digital advertising

- Providing research and insights into the digital advertising market
- Advocating for policies that support the growth of the digital advertising industry
- Offering training and education programs for professionals in the digital advertising industry

Some of the key initiatives and resources offered by the IAB include:

- **IAB Tech Lab:** Develops and maintains technical standards for digital advertising
- **IAB Quality Assurance Guidelines:** Establishes guidelines for ensuring brand safety and ad quality
- **IAB Digital Video Ad Format Guidelines:** Provides guidelines for digital video advertising
- **IAB Internet Advertising Revenue Report:** Publishes annual reports on digital advertising revenue
- **IAB Learning & Development:** Offers training and education programs for digital advertising professionals

The IAB has local chapters and affiliates around the world, including the IAB US, IAB Europe, IAB UK, and others.

In India, influencer marketing is subject to various regulations and guidelines aimed at ensuring transparency, consumer protection, and fair advertising practices. The regulatory environment for influencer marketing in India primarily revolves around consumer protection laws, advertising standards, and guidelines set by regulatory authorities. Here are some key aspects of the regulatory environment:

Advertising Standards Council of India (ASCI): ASCI is a self-regulatory organization responsible for monitoring and regulating advertising content in India. ASCI has guidelines that apply to influencer marketing, ensuring that advertisements are truthful, honest, and not misleading to consumers. Influencers and brands are expected to adhere to ASCI's guidelines when creating and promoting sponsored content.

Consumer Protection Act (CPA): The CPA aims to protect consumers' interests and rights by regulating unfair trade practices, misleading advertisements, and product quality. Influencer marketing campaigns must comply with the provisions of the CPA to ensure that consumers are not deceived or misled by false or exaggerated claims.

Advertising Standards under Cable Television Networks (Regulation) Act, 1995: This Act regulates advertisements aired on television, including those featuring influencers. Advertisements must comply with the Advertising Code prescribed under the Act, which prohibits content that is indecent, vulgar, offensive, or promotes activities harmful to society.

Guidelines on Influencer Marketing Disclosure by Advertising Standards Council of India (ASCI): ASCI has issued specific guidelines on influencer marketing disclosure to promote transparency and accountability in sponsored content. Influencers are required to clearly disclose any material connection with the brand, such as paid partnerships, free products, or incentives, in their posts.

Digital Media Ethics Code under Information Technology (Intermediary Guidelines and Digital Media Ethics Code) Rules, 2021: The Indian government introduced new rules in 2021 to regulate digital media platforms, including social media. These rules require social

media intermediaries to comply with a code of ethics, which includes provisions related to influencer marketing transparency and accountability.

Platforms' Terms of Service: Social media platforms like Instagram, Facebook, YouTube, and Twitter have their own terms of service and community guidelines that influencers and brands must adhere to when creating and promoting content. These guidelines may include requirements related to disclosure of sponsored content, prohibited content, and promotional practices.

Taxation Laws: Influencer income from sponsored content is subject to taxation under Indian tax laws. Influencers and brands are responsible for complying with tax regulations, including reporting and paying taxes on income generated from influencer marketing activities.

It's essential for influencers, brands, and agencies involved in influencer marketing in India to familiarize themselves with these regulations and guidelines to ensure compliance and avoid legal repercussions. Adhering to ethical and transparent practices not only helps maintain trust with consumers but also contributes to the long-term sustainability and credibility of influencer marketing in India.

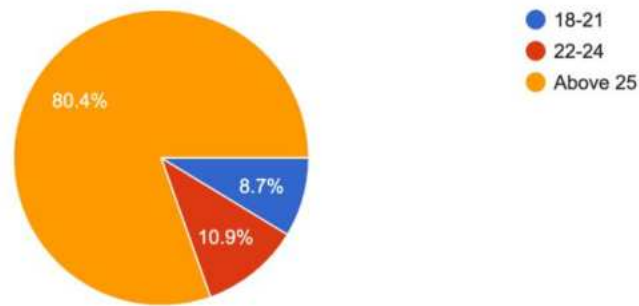
Chapter-3: Data Presentation & Analysis

3.1 Data Presentation:

Raw data (primary or secondary) collected was reduced to standard formats such as tables, charts, graphs, diagrams etc and is presented in this chapter for each attribute/parameter under investigation.

1. Age

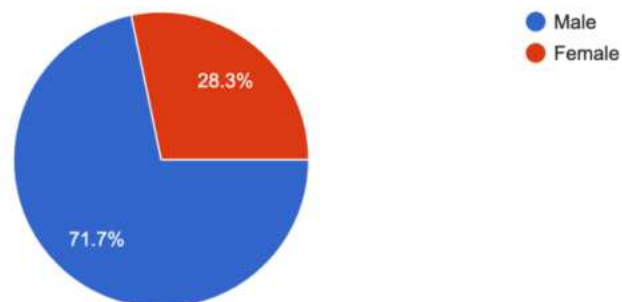
46 responses



As seen majority of those surveyed were above age of 25.

2. Gender

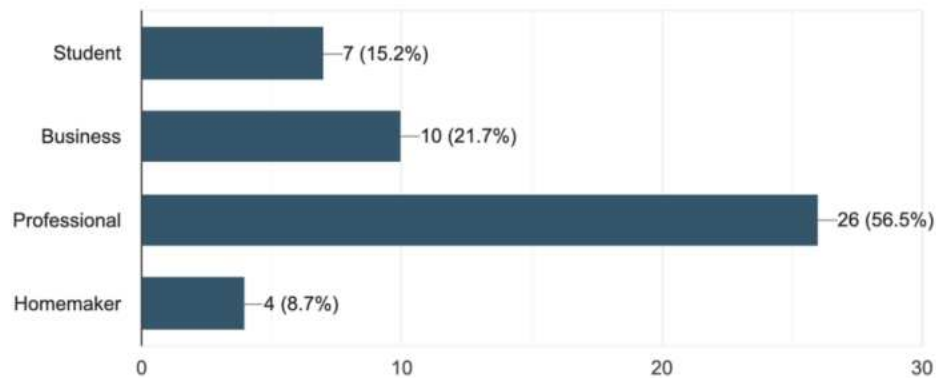
46 responses



Majority of those surveyed were males.

3. Occupation

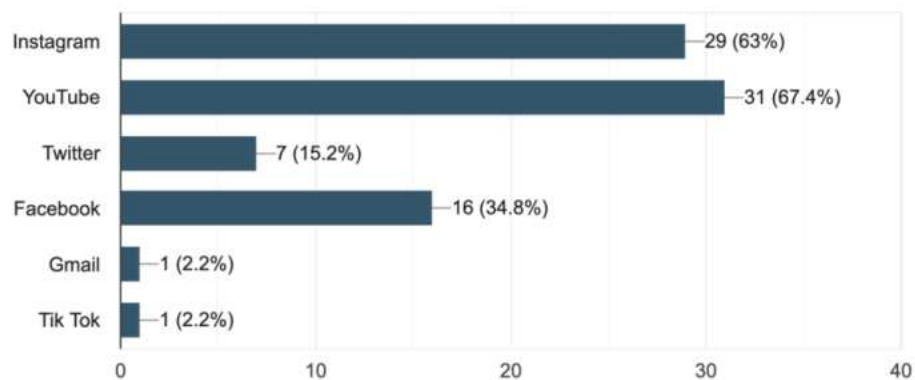
46 responses



More than 50% surveyed respondents were professionals.

4. Which social media platforms do you use most frequently (select all that apply):

46 responses



Let's start by organizing the data and then calculate the mean, median, and mode.

Data: 1, 2, 4, Gmail 1, 4, 4, 2, 4, 4, 1, 1, 1, 2, 3, 3, 4, 1, 2, 2, 4, 2, 3, 1, 2, 1, 2, 1, 2, 4, 1, 2, 3, 1, 2, 4, 1, 2, 3, 1

Frequency Distribution:

1: 22

2: 23

3: 5

4: 19

Gmail: 1

Tik Tok: 1

Mean: $=1+2+3+4+1+226=336=5.5$ $Mean=61+2+3+4+1+22=633=5.5$

Median:

Since there are 33 observations, the median will be the average of the 17th and 18th values when arranged in ascending order.

The 17th and 18th values are both 2. $=2$ $Median=2$

Mode:

The mode is the value(s) that appear most frequently.

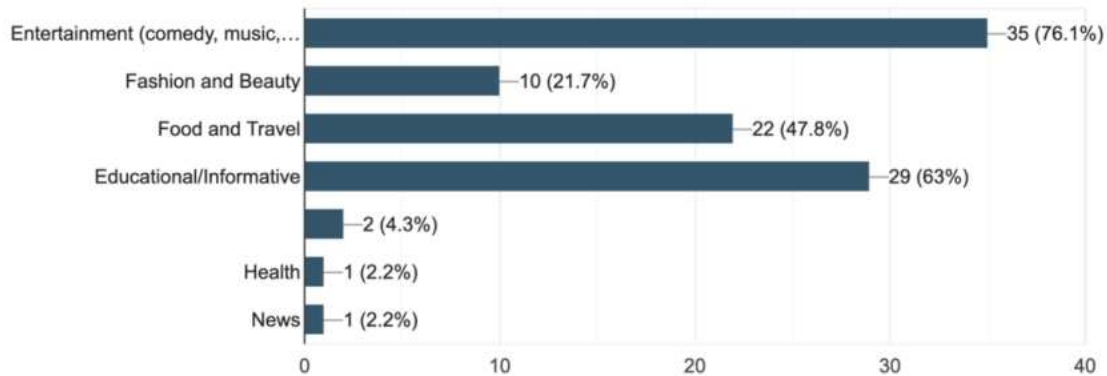
Both 1 and 2 have the highest frequency (22 and 23 times, respectively).

$=\{1,2\}$ $Mode=\{1,2\}$

This statistical analysis provides insights into the usage patterns of social media platforms among the surveyed individuals. Platforms 1 and 2 are the most commonly used, with a mode of both 1 and 2. The mean and median further confirm that these two platforms are prevalent among the respondents.

5. What type of content do you enjoy most on social media (select all that apply):

46 responses



Let's start by organizing the data and then calculate the mean, median, and mode.

Data: 1, 2, 4, Health 3 1, News 1 1, 3, 4 1 4 1 1, 2, 4 1 1, 4 2, 3, 4 1 1, 3, 4 1, 4 4 1, 3, 4 1, 3, 4 1, 4 1, 3, 4 1, 3, 4 1 4 1, 4 1, 4 4 1, 3, 4 1, 3, 4 4 1, 2, 3, 4 1 1, 2 1, 2, 3 4 1, 2, 3 1, 3 1, 3, 4 1, 3, 4 4 1, 2, 3, 4 1, 2, 3, 4 1, 3 2, 3 1, 3

Frequency Distribution:

Health: 1

News: 2

Other: 3

Health, News: 1

Health, Other: 10

News, Other: 1

News, Other, Health: 1

Other, Health: 6

News, Health: 1

Other, News: 1

News, Health, Other: 1

Other, News, Health: 1

Mean: $=1+2+3+1+10+1+1+6+1+1+1+112=2912$ $Mean=121+2+3+1+10+1+1+6+1+1+1+1$
 $=1229$

Median:

Since there are 12 observations, the median will be the 6th value when arranged in ascending order.

The 6th value is Other. $=Other$ $Median=Other$

Mode:

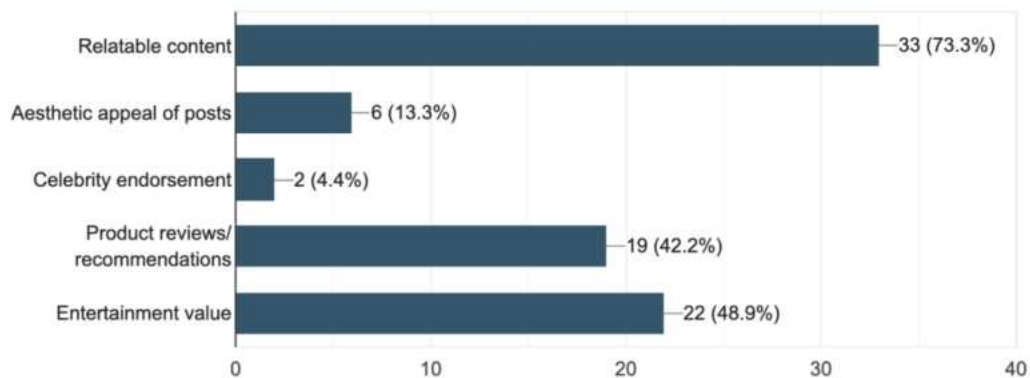
The mode is the value(s) that appear most frequently.

Other appears most frequently (10 times). $=Other$ $Mode=Other$

This statistical analysis provides insights into the types of content enjoyed most on social media among the surveyed individuals. "Other" content is the most commonly enjoyed type, followed by News. The mean, median, and mode confirm that "Other" content is prevalent among the respondents.

6. What factors attract you to follow or engage with influencers on social media? (Select all that apply)

45 responses



Let's start by organizing the data and then calculate the mean, median, and mode.

Data: 1, 4, 1, 1, 4, 5, 5, 1, 5, 1, 1, 1, 4, 5, 1, 4, 5, 1, 1, 1, 4, 5, 3, 4, 5, 1, 4, 1, 5, 1, 4, 5, 1, 2, 5, 4, 5, 1, 3, 4, 1, 4, 1, 2, 1, 4

Frequency Distribution:

1: 27

2: 4

3: 2

4: 21

5: 19

Mean: $=27+4+2+21+19=73$ $Mean=73/5=14.6$

Median:

Since there are 5 factors, the median will be the 3rd value when arranged in ascending order.

The 3rd value is 4. =4 *Median*=4

Mode:

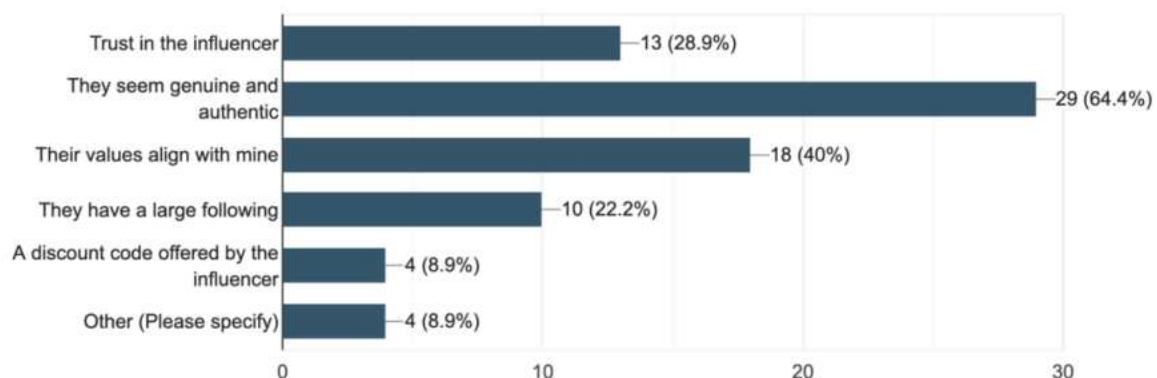
The mode is the value(s) that appear most frequently.

1 appears most frequently (27 times). =1 *Mode*=1

This statistical analysis provides insights into the factors that attract individuals to follow or engage with influencers on social media. Factor 1 is the most commonly selected, followed by Factor 4. The mean, median, and mode confirm that Factor 1 is prevalent among the respondents.

7. What factors make an influencer's recommendation trustworthy for you? (Select all that apply)

45 responses



Let's start by organizing the data and then calculate the mean, median, and mode.

Data: 2, 5 (Please specify), 2, 5 (Please specify), 5 (Please specify), 2, 2, 4, 2, 1, 1, 2, 2, 2, 3, 2, 1, 2, 3, 2, 1, 3, 2, 1, 4, 2, 3, 3, 1, 2, 3, 2, 5 (Please specify), 1, 2, 3, 4, 2, 3, 2, 3, 1, 4, 3

Frequency Distribution:

1: 9

2: 24

3: 12

4: 4

5 (Please specify): 4

Mean: $=9+24+12+4+4=53$ $Mean=59+24+12+4+4=553$

Median:

Since there are 5 factors, the median will be the 3rd value when arranged in ascending order.

The 3rd value is 12. $=12$ $Median=12$

Mode:

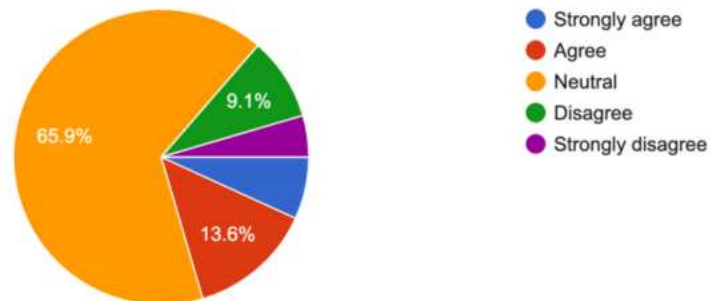
The mode is the value(s) that appear most frequently.

2 appears most frequently (24 times). $=2$ $Mode=2$

This statistical analysis provides insights into the factors that make an influencer's recommendation trustworthy. Factor 2 is the most commonly selected, followed by Factor 3. The mean, median, and mode confirm that Factor 2 is prevalent among the respondents.

8. Would you purchase an International brand product recommended by an Influencer that you follow?

44 responses



Let's start by organizing the data and then calculate the mean, median, and mode.

Data: 3, 3, Dis2, 3, Dis2, 3, 3, 3, 1, 3, 3, 3, 2, 3, Strongly dis2, 3, 2, 3, 3, 1, 3, 3, 3, 3, Strongly dis2, 3, 3, 3, 3, Dis2, 3, 3, 2, 2, 3, 3, Dis2, 3, 3, 3, 2, 2, 1

Frequency Distribution:

1: 3

2: 7

3: 28

Dis2: 6

Strongly dis2: 2

Mean: $=3+7+28+6+25=465=9.2$ $Mean=53+7+28+6+2=546=9.2$

Median:

Since there are 5 responses, the median will be the 3rd value when arranged in ascending order.

The 3rd value is 28. =28 $Median=28$

Mode:

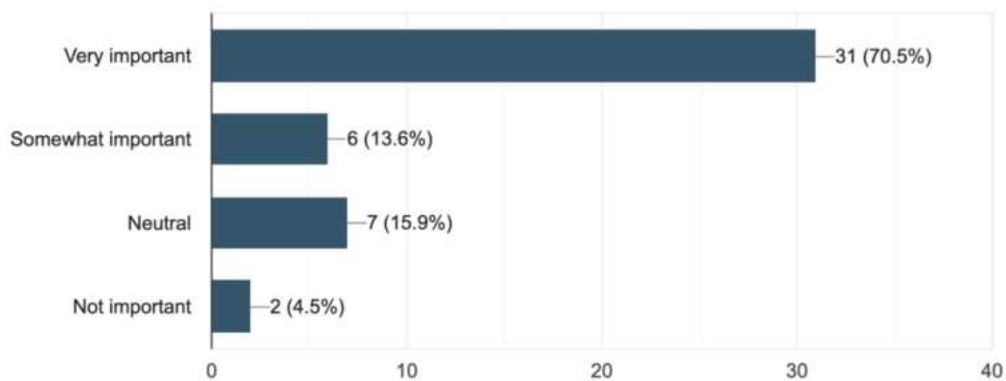
The mode is the value(s) that appear most frequently.

3 appears most frequently (28 times). =3 $Mode=3$

This statistical analysis shows that most respondents are inclined towards purchasing international brand products recommended by influencers they follow, as indicated by the mean, median, and mode, which are predominantly around "3" (indicating agreement with the statement).

9. How important is it for you to see genuine reviews of a product before purchasing, even if an influencer recommends it?

44 responses



Let's start by organizing the data and then calculate the mean, median, and mode.

Data: 1, 1, 1, 1, 3, 1, 3, 2, 2, 1, 2, 3, 2, 1, 1, 1, 1, 1, 1, 1, 1, 1, 3, 3, 1, 3, 3, 4, 1, 2, 1, 1, 1, 1, 1, 1, 1, 1, 1, 4, 1, 2, 1

Frequency Distribution:

1: 37

2: 4

3: 6

4: 2

Mean: $=37+4+6+2=49$
 $Mean = \frac{49}{4} = 12.25$

Median:

Since there are 4 responses, the median will be the 2nd value when arranged in ascending order.

The 2nd value is 6. $Median = 6$

Mode:

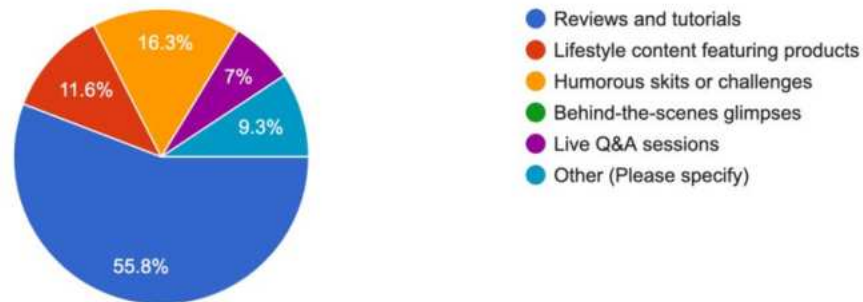
The mode is the value(s) that appear most frequently.

1 appears most frequently (37 times). $Mode = 1$

This statistical analysis shows that for most respondents, seeing genuine reviews of a product before purchasing, even if an influencer recommends it, is important, as indicated by the mean, median, and mode, which are predominantly around "1" (indicating agreement with the statement).

10. Which type of influencer content do you find most engaging? (Select all that apply)

43 responses



Let's start by organizing the data and then calculate the mean, median, and mode.

Data: 1, 1, 1, 1, 5 (Please specify), 5 (Please specify), 5 (Please specify), 3, 1, 1, 3, 2, 1, 1, 3, 1, 1, 2, 1, 3, 1, 1, 2, 3, 2, 5, 1, 1, 5, 5 (Please specify), 1, 3, 1, 1, 1, 3, 1, 1, 1, 1, 2, 5, 1

Frequency Distribution:

1: 31

2: 5

3: 6

5 (Please specify): 6

Mean: $=31+5+6+64=484=12$ $Mean=431+5+6+6=448=12$

Median:

Since there are 4 responses, the median will be the 2nd value when arranged in ascending order.

The 2nd value is 6. $=6$ $Median=6$

Mode:

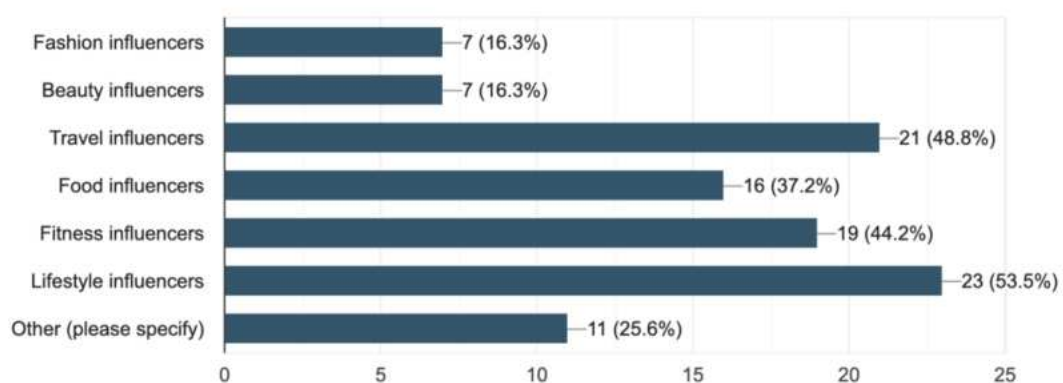
The mode is the value(s) that appear most frequently.

1 appears most frequently (31 times). =1 $Mode=1$

This statistical analysis shows that most respondents find type 1 influencer content to be the most engaging, as indicated by the mean, median, and mode, which are predominantly around "1" (indicating agreement with the statement)

11. What types of influencers do you prefer to follow? (Select all that apply)

43 responses



Let's start by organizing the data and then calculate the mean, median, and mode.

Data: 2, 4, 5, 6, 5 (please specify), 1, 3, 4, 5, 6, 5 (please specify), 3, 5, 6, 5 (please specify), 5 (please specify), 5, 6, 3, 5 (please specify), 5 (please specify), 4, 6, 3, 6, 5, 6, 5 (please specify), 3, 4, 5, 6, 5 (please specify), 1, 2, 3, 4, 5, 6, 6, 3, 4, 6, 5 (please specify), 5 (please specify), 5, 6, 4, 5, 6, 3, 3, 5, 3, 4, 5, 6, 5 (please specify), 5, 1, 2, 3, 4, 5, 6, 1, 2, 3, 4, 5, 6, 1, 2, 3, 4, 5, 6, 2, 3, 6, 5, 6

Frequency Distribution:

1: 7

2: 7

3: 21

4: 12

5 (please specify): 19

6: 22

Mean: $=7+7+21+12+19+22=88$
 $Mean = \frac{88}{6} = 14.67$

Median:

Since there are 6 responses, the median will be the 3rd and 4th values when arranged in ascending order, and then averaged.

The 3rd and 4th values are both 19. $=19+19=38$
 $Median = \frac{38}{2} = 19$

Mode:

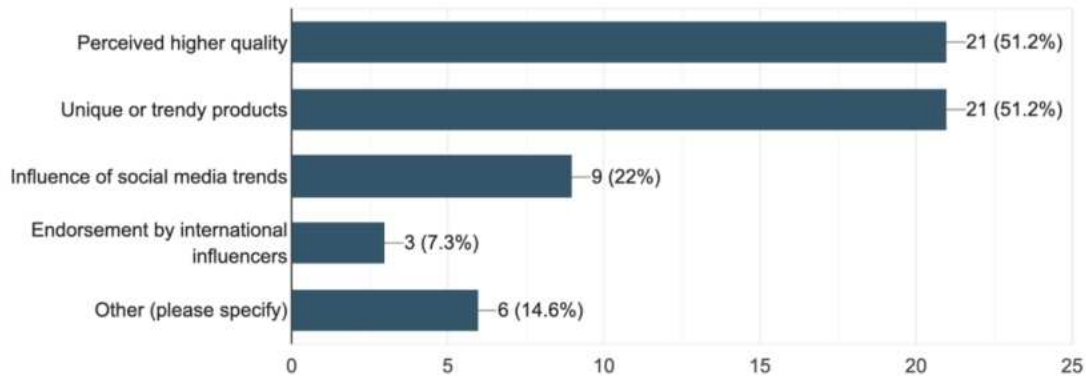
The mode is the value(s) that appear most frequently.

6 appears most frequently (22 times). $=6$
 $Mode = 6$

This statistical analysis shows that most respondents prefer to follow type 6 influencers, as indicated by the mean, median, and mode, which are predominantly around "6" (indicating agreement with the statement)

12. What factors influence your preference for international brands (select all that apply):

41 responses



Let's start by organizing the data and then calculate the mean, median, and mode.

Data: 2, 3, 2, 1, 2, 5 (please specify), 5 (please specify), 3, 3, 1, 1, 2, 5 (please specify), 3, 1, 2, 1, 1, 1, 3, 2, 2, 1, 2, 2, 1, 1, 1, 3, 1, 2, 2, 3, 1, 2, 3, 4, 1, 2, 3, 4, 2, 1, 2, 1, 2, 5 (please specify), 1, 2, 3, 1, 4, 1

Frequency Distribution:

1: 24

2: 25

3: 10

4: 2

5 (please specify): 8

Mean: $=24+25+10+2+8=69$
 $Mean = \frac{69}{5} = 13.8$

Median:

Since there are 5 responses, the median will be the 3rd value when arranged in ascending order.

The 3rd value is 10. =10 $Median=10$

Mode:

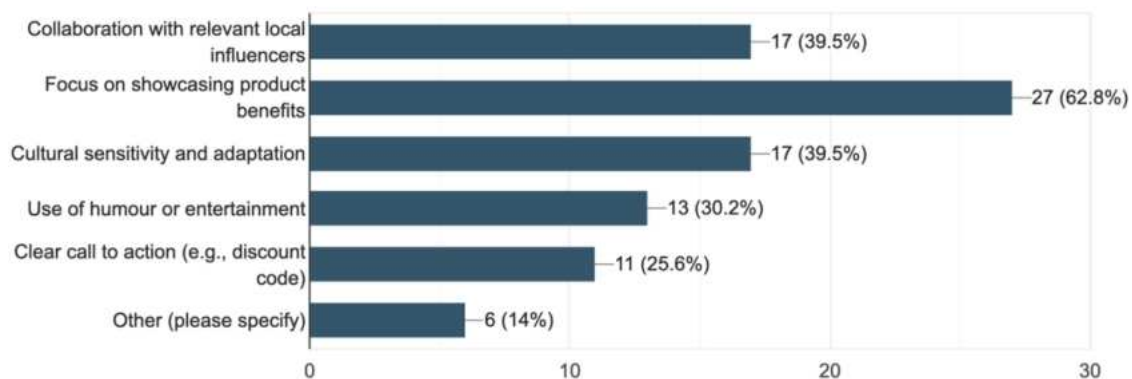
The mode is the value(s) that appear most frequently.

Both 1 and 2 appear most frequently (24 and 25 times, respectively) = {1,2} $Mode=\{1,2\}$

This statistical analysis shows that factors 1 and 2 are the most influential in respondents' preference for international brands, as indicated by the mean, median, and mode, which are predominantly around "1" and "2" (indicating agreement with these factors).

13. In your opinion, what makes influencer marketing campaigns for international brands effective (select all that apply):

43 responses



Let's start by organizing the data and then calculate the mean, median, and mode.

Data: 1, 2, 3, 4, 5, 2, 2, 2, 2, 3, 5 (please specify), 2, 5 (please specify), 3, 1, 5 (please specify), 1, 2, 3, 3, 5 (please specify), 2, 2, 4, 5, 1, 3, 3, 4, 2, 2, 3, 2, 2, 3, 1, 1, 2, 4, 5, 2, 2, 5 (please

specify), 2, 3, 4, 5, 2, 2, 4, 1, 2, 3, 4, 5, 2, 3, 5 (please specify), 4, 2, 4, 5, 2, 3, 5 (please specify),
1, 1, 2, 4, 5, 1, 2, 3, 1, 2, 4, 1, 2, 3, 1, 2, 3, 5 (please specify), 1, 2, 3, 4, 5, 1

Frequency Distribution:

1: 23

2: 35

3: 20

4: 9

5 (please specify): 19

Mean: $=23+35+20+9+19=106$
 $Mean=106/5=21.2$

Median:

Since there are 5 responses, the median will be the 3rd value when arranged in ascending order.

The 3rd value is 20. $Median=20$

Mode:

The mode is the value(s) that appear most frequently.

2 appears most frequently (35 times). $Mode=2$

This statistical analysis shows that factors 2 is the most commonly selected as making influencer marketing campaigns for international brands effective, followed by 1 and 3. The mean, median, and mode indicate the dominance of factor 2 in respondents' selections.

Chapter-4: Summary & Conclusions

In conclusion, influencer marketing has emerged as a powerful and effective strategy for brands to engage with consumers in India's rapidly growing digital landscape. Here are some key points highlighting the significance of influencer marketing in India:

Rapid Growth: Influencer marketing has witnessed exponential growth in India, fuelled by the increasing internet penetration, smartphone adoption, and social media usage. With a young and digitally savvy population, India presents immense opportunities for brands to connect with consumers through influencer partnerships.

The influencer marketing industry in India is expected to grow by 25% in 2024. The industry is expected to reach INR2,344 crore in 2024 and expand to INR3,375 crore by 2026.

- 75% of brands expect to consider influencer marketing as part of their marketing strategy.
- 47% of brands prefer to drive influencer campaigns with micro and nano influencers due to lower cost per reach.
- 56% of brands invested more than 2% on influencer marketing.
- 70% of brands plan to keep their influencer marketing budget the same or increase it in 2024, with half planning to increase it by up to 10%.
- 77% of brands believe that their agencies are fairly equipped to drive influencer marketing campaigns.
- 71% of brands engage with influencers on a fixed fee model and 29% are exploring performance-linked models to drive influencer accountability.

- 77% of influencers reported income growth in the past two years and 86% of influencers expected over 10% increase in their income over the next two years.

Cultural Diversity: India is a culturally diverse country with multiple languages, traditions, and customs. Influencer marketing allows brands to navigate this diversity by partnering with influencers who resonate with specific regional, linguistic, or cultural segments of the population. This localized approach enables brands to establish deeper connections with consumers and drive engagement.

Youthful Demographic: India has one of the youngest populations globally, with a significant portion of its demographic comprising 450 million millennials (Gen Y). These digital natives are highly active on social media platforms and value authenticity, creativity, and personalization in brand communication. Influencers, particularly micro-influencers and nano-influencers, play a crucial role in reaching and influencing this demographic, driving brand awareness, consideration, and loyalty.

Influencer Diversity: Influencer marketing in India encompasses a diverse range of influencers across various categories, including fashion, beauty, lifestyle, travel, food, technology, and gaming, among others. Brands have the flexibility to collaborate with celebrities, macro-influencers, micro-influencers, nano-influencers, and key opinion leaders (KOLs) based on their campaign objectives, target audience, and budget.

Engagement and Authenticity: Influencers in India have built strong relationships with their followers based on trust, authenticity, and relatability. By creating content that resonates with their audience's interests, preferences, and aspirations, influencers can drive meaningful

engagement and conversations around brands. Authenticity is paramount in influencer marketing, and consumers in India are increasingly discerning, preferring genuine endorsements over overtly promotional content.

Challenges and Opportunities: While influencer marketing offers numerous opportunities for brands to connect with consumers, it also presents challenges such as –

- influencer fraud,
- disclosure compliance,
- measurement metrics
- and changing algorithms on social media platforms.

Overcoming these challenges requires transparency, collaboration, and continuous innovation in influencer strategies and measurement frameworks.

In summary, influencer marketing has become an integral part of the marketing mix for brands seeking to engage with consumers in India's dynamic and competitive market. By leveraging the power of influencers to create authentic, personalized, and culturally relevant content, brands can effectively drive brand awareness, engagement, and conversions, ultimately contributing to their business growth and success in India's evolving digital landscape.

Chapter-5: Recommendations

In India, influencer marketing has been rapidly evolving and is expected to continue to grow and innovate in the coming years. Here are some potential future trends and directions for influencer marketing in India:

Rise of Micro-Influencers: While macro-influencers have dominated the influencer marketing landscape in India, there is a growing trend towards leveraging micro-influencers. Micro-influencers often have higher engagement rates and more niche audiences, making them valuable partners for brands looking to target specific demographics or communities.

Regional and Vernacular Content: As internet penetration increases in rural and semi-urban areas of India, there is a growing demand for regional and vernacular content. Brands are likely to collaborate with influencers who can create content in local languages to connect with audiences in tier 2 and tier 3 cities.

Long-Term Partnerships: Instead of one-off campaigns, brands may increasingly opt for long-term partnerships with influencers. Long-term collaborations can help build deeper relationships between influencers and their audiences, leading to more authentic and effective brand endorsements over time.

Video Content Dominance: With the popularity of platforms like Facebook and Instagram Reels, video content is expected to dominate influencer marketing in India. Brands will likely focus on creating engaging and entertaining paid campaigns and paid promotional video content in collaboration with influencers to capture the attention of their target audience.

Niche Influencer Categories: Beyond traditional categories like fashion, beauty, and lifestyle, there is growing interest in niche influencer categories such as gaming, fitness, technology, and finance. Brands will explore partnerships with influencers in these specialized niches to reach highly engaged and relevant audiences.

Authenticity and Transparency: As consumers become more discerning about influencer partnerships, authenticity and transparency will be key factors in successful influencer marketing campaigns. Influencers who genuinely align with a brand's values and products, and who clearly disclose sponsored content, will maintain credibility and trust with their audience.

Data-driven Influencer Selection: Brands will increasingly rely on data and analytics to identify the most relevant influencers for their campaigns. AI-powered tools can analyze audience demographics, engagement metrics, and content performance to help brands make informed decisions about influencer partnerships.

Regulatory Compliance: With the implementation of guidelines by regulatory bodies like the Advertising Standards Council of India (ASCI) and the Competition Commission of India (CCI), brands and influencers will need to ensure compliance with regulations regarding disclosure of sponsored content and fair trade practices.

Integration with E-commerce: Influencer marketing will become more closely integrated with e-commerce platforms, allowing consumers to make purchases directly from influencer content. This seamless integration of content and commerce will streamline the path to purchase and drive higher conversion rates for brands.

Emergence of New Platforms and Formats: As new social media platforms and content formats emerge, brands and influencers will experiment with innovative ways to create and distribute content. Whether it's live streaming, augmented reality, or interactive storytelling, there will be endless possibilities for creativity and experimentation in influencer marketing.

These trends reflect the dynamic nature of influencer marketing in India and highlight the importance of staying agile and adaptable to emerging opportunities and challenges in the evolving digital landscape.

Limitations

Here are some limitations of influencer marketing in India

Adopting a narrow approach: Influencer marketing is a vast concept, but brands tend to adopt a narrow approach while implementing it. They focus on finding the right influencer for their brand and formulate strategies for a single platform, mostly YouTube or Instagram.

Picking influencers based on followers and search words: Brands usually select influencers based on the number of followers, frequently used keywords and feedback from their followers. However, this strategy doesn't guarantee that the content will reach the right audience.

Using existing metrics for measuring ROI: Influencer marketing campaigns directly influence a brand's visibility, awareness, conversions and search volume. However, there are no specific ways to measure these metrics, making it difficult for brands to evaluate the success of their campaigns.

Lack of standardised rates for sponsored content: Influencers decide their remuneration based on the type of post and the time spent creating it. Due to the absence of set guidelines and regulations, there is a huge variation in the sponsored rates of various influencers.

Working with unresponsive influencers: Influencers sometimes avail a product or service from the brand and stop responding without posting any content on their social media networks, resulting in financial losses for brands.

Fake followers and loss of integrity: Influencers tend to buy followers to become social media giants, but a huge percentage of their followers might not be genuine and authentic, making it difficult for brands to distinguish between fake and genuine influencers.

Lack of influencers in unconventional sectors: There is a growing community of influencers in areas like fashion, beauty, lifestyle, fitness and food, but there are hardly any influencers in fields like chemical engineering, logistics and banking.

Challenges

Here are some challenges of influencer marketing in India

- Finding the 'right' influencers: Brands struggle to identify the appropriate influencers for their campaigns.
- Bots and fake followers: Bots have a propensity to inflate metrics and misrepresent the influencer's actual reach and impact.
- Lack of performance metrics: Evaluating the results of influencer marketing has been a challenge, as there are no real-time insights available.

- Higher turnaround time: Influencer marketing campaigns have several processes, such as finding, investigating, and choosing the right influencers, which can take a lot of time.
- Scalability problem: Managing and scaling a project of this size manually can be challenging because marketers frequently lack the knowledge necessary to scale, track, and measure the campaign.
- Non-alignment of budget with deliverables: The biggest challenge social media influencers faced in brand relationships was a non-alignment of budget with the deliverables.

Annexure
Questionnaire

Section 1 of 6

Influencer Marketing and Gen-Y Purchasing behaviour

This study aims to investigate the role of influencer marketing in shaping international preferences among Gen-Y.

1. Age

2. Gender

Other...

3. Occupation

After section 1

Go to section 2 (Social media Interaction)

Section 2 of 6

Social media Interaction

4. Which social media platforms do you use most frequently (select all that apply):

Other...

5. What type of content do you enjoy most on social media (select all that apply):

Other...

6. What factors attract you to follow or engage with influencers on social media? (Select all that apply)

After section 2

Continue to next section

Section 3 of 6

Influencer Marketing & Purchasing behaviour:

7. What factors make an influencer's recommendation trustworthy for you? (Select all that apply)

8. Would you purchase an International brand product recommended by an Influencer that you follow?

9. How important is it for you to see genuine reviews of a product before purchasing, even if an influencer recommends it?

After section 3

Continue to next section

Section 4 of 6

Influencer Preferences:

10. Which type of influencer content do you find most engaging? (Select all that apply)

11. What types of influencers do you prefer to follow? (Select all that apply)

12. What factors influence your preference for international brands (select all that apply):

After section 4

Continue to next section

Section 5 of 6

Influencer Marketing Effectiveness:

13. In your opinion, what makes influencer marketing campaigns for international brands effective (select all that apply):

After section 5

Continue to next section

Section 6 of 6

For SurveyCircle users (www.surveycircle.com): The survey code is: BP32-GKXG-Q75X-MX33

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The Impact of FDI in Economic Development of India

*Submitted in partial fulfillment
of the requirements for the award of
the Master degree in*

MASTER OF BUSINESS ADMINISTRATION

To

Guru Gobind Singh Indraprastha University, Delhi

Guide:
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Submitted by:
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CERTIFICATE

I, Ms. Rashi Nautiyal, Roll No. 00519114322 certify that the Project Dissertation Report (MIB 204) entitled “FDI and Economic Development Of India” is completed by me and it is an authentic work Carried out by me at Gitarattan International Business School. The matter embodied in this Minor project work has not been submitted earlier for the award of any degree or diploma to the best of my knowledge and belief.

Signature of the student

Date: 02-05-2024

Certified that the Minor Dissertation Report (MIB 204) entitled “FDI and Economic Development Of India” done by Ms. Rashi Nautiyal , Roll No. 00519114322, is completed under my guidance.

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Regards,

Rashi Nautiyal

00519114322

EXECUTIVE SUMMARY

Developing countries, emerging economies and countries in transition have come increasingly to see FDI as a source of economic development and modernisation, income growth and employment. Countries have liberalised their FDI regimes and pursued other policies to attract investment. They have addressed the issue of how best to pursue domestic policies to maximise the benefits of foreign presence in the domestic economy. The study *Foreign Direct Investment for Development* attempts primarily to shed light on the second issue, by focusing on the overall effect of FDI on macroeconomic growth and other welfare-enhancing processes, and on the channels through which these benefits take effect. The overall benefits of FDI for developing country economies are well documented.

Given the appropriate host-country policies and a basic level of development, a preponderance of studies shows that FDI triggers technology spillovers, assists human capital formation, contributes to international trade integration, helps create a more competitive business environment and enhances enterprise development. All of these contribute to higher economic growth, which is the most potent tool for alleviating poverty in developing countries. Moreover, beyond the strictly economic benefits, FDI may help improve environmental and social conditions in the host country by, for example, transferring “cleaner” technologies and leading to more socially responsible corporate policies.

The report does not focus solely on the positive effects of FDI for development. It also addresses concerns about potential drawbacks for host economies, economic as well as non-economic. While many of the drawbacks, referred to as “costs” in this report, arguably reflect shortcomings in the domestic policies of host countries, important challenges may nevertheless arise when these shortcomings cannot easily be addressed. Potential drawbacks include a deterioration of the balance of payments as profits are repatriated (albeit often offset by incoming FDI), a lack of positive linkages with local communities, the potentially harmful environmental impact of FDI, especially in the extractive and heavy industries, social disruptions of accelerated commercialisation in less developed countries,

and the effects on competition in national markets. Moreover, some host country authorities perceive an increasing dependence on internationally operating enterprises as representing a loss of political sovereignty. Even some expected benefits may prove elusive if, for example, the host economy, in its current state of economic development, is not able to take advantage of the technologies or know-how transferred through FDI.

The study is divided in following chapters:-

Chapter-1: Introduction This chapter provides an overview of the research issue concerning Foreign Direct Investment (FDI) and its role in economic development in India . It justifies the need for studying FDI in these two countries and outlines the research objectives. Additionally, it establishes the background for comparing FDI trends and their impact on economic development, highlighting the significance of the research.

Chapter-2: Literature Review The second chapter reviews existing literature and research on FDI and economic development in India. It conducts the analysis of theories, ideas, and empirical studies related to FDI inflows, their determinants, and their effects on economic growth and development. This chapter identifies any gaps in the current research and establishes the theoretical framework for the study.

Chapter-3: Foreign Direct Investment in India. This chapter presents a detailed examination of FDI trends and patterns in India , focusing on key indicators such as FDI inflows, sectoral distribution, investment policies, and their impact on economic development.

Chapter-4: Summary & Conclusions Chapter four outlines the conclusions drawn from the analysis of FDI and economic development in India. It summarizes the main findings of the study, discusses their implications, and draws inferences from the data. Additionally, this chapter identifies any limitations of the study and suggests areas for further research.

Chapter-5: Recommendations Based on the findings and conclusions of the study, the final chapter provides recommendations for policymakers and stakeholders in India to enhance the role of FDI in driving economic development. These recommendations include specific policy measures, strategies, and initiatives aimed at attracting more FDI, improving

investment climate, and leveraging FDI for sustainable economic growth. The recommendations are practical, actionable, and tailored to address the challenges and opportunities identified in the study.

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List Of Symbols

Symbol	Name
\$	Dollar
%	Percentage
&	And

List Of Abbreviations

Symbol	Name
FDI	Foreign Direct Investment
IPR	Intellectual Property Right
IMF	International Monetary Fund
WTO	World Trade Organization
GDP	Gross Domestic Product
PPP	Purchasing Power Parity

CHAPTER – 1

INTRODUCTION

The phenomenal rise of FDI in the global economy over the past 20 years is among the most notable changes. The remarkable surge in foreign direct investment (FDI) that occurred in 1990 has made FDI a crucial element of development strategies in both rich and developing countries. Policies are formulated to encourage inward flows of FDI. In actuality, foreign direct investment (FDI) benefits both the host and the home countries. Since they stand to gain much from FDI, both nations are eager to welcome this kind of investment. The "home" nations wish to benefit from the enormous markets that industrial expansion has opened up. Conversely, the "host" countries seek to augment their domestic savings and foreign cash by gaining technology and managerial expertise. Furthermore, because developing countries lack access to foreign markets and a range of technological know-how, capital, entrepreneurship, and financial resources, they have come to view foreign direct investment (FDI) as the only apparent solution to all of their resource shortages. Furthermore, the rapid expansion of FDI globally is made possible by the integration of global financial markets.

1.1 An Overall View

India under British rule. Unfortunately, a lack of plentiful and reliable data prevented academics from depicting the full history of foreign direct investment flooding into India. The majority of foreign direct investment (FDI) prior to independence came from British businesses. British corporations establish their operations in the mining industry and other industries that align with their financial and commercial objectives. Although Japanese businesses increased their trading with India after the Second World War, the United Kingdom continued to be the country's largest investor in India.

In addition, following Independence, policymakers began to pay attention to concerns about foreign finance and MNC operations. The FDI strategy was created with the interests of the country in mind. Its objectives are to use FDI as a means of obtaining cutting-edge technology and to mobilise foreign exchange resources. The first Prime Minister of India viewed foreign investment as "necessary" in order to obtain capital equipment and scientific, technical, and industrial

knowledge in addition to augmenting indigenous capital. The FDI policy has evolved over time in tandem with changes in political and economic regimes. The 1965 industrial policy gave multinational corporations permission to enter India through technological cooperation. During the second five-year plan (1956–61), the nation did, however, confront two serious crises: the mobilisation of financial resources and foreign exchange. As a result, the government took a more permissive stance and began to accept equity funding for technical cooperation as well as more frequent equity participation from foreign businesses.

To further increase foreign direct investment (FDI) inflows into the nation, the government offers other incentives as well, including tax breaks, streamlined licencing processes, and the de-reservation of certain industries including pharmaceuticals, aluminium, heavy electrical equipment, fertilisers, etc. Investors from other developed nations, such as the United States, Japan, Germany, and others, are drawn to this government's lenient stance towards foreign money. However, the government was forced to enact strict foreign policy in the 1970s as a result of a large outflow of foreign reserves in the form of remittances of dividends, earnings, royalties, etc. Regarding foreign ownership of firms, foreign money, and FDI types, the government implemented a selective and extremely restrictive foreign policy at this time.

An important driver of India's economic expansion is foreign direct investment (FDI), which provides a sizable non-debt funding source for the country's development initiatives. Global firms make deliberate investments in India, taking advantage of the nation's special investment advantages, such as tax breaks and labor costs that are comparatively low. This not only makes it easier to learn new technologies, but it also promotes the creation of jobs and other benefits. The government's proactive policy framework, a dynamic business environment, increasing global competitiveness, and growing economic influence are all contributing factors to the inflow of these investments into India.

1.2 Objectives Of The Study

The main purpose and objective of the study are:

1. To study the trends and patterns of flow of FDI.
2. To assess the determinants of FDI inflows.

3. To evaluate the impact of FDI on the Economic growth.

1.3 Scope Of Study

The examination of the relationship between Economic Development and Foreign Direct Investment (FDI) is a complex field with a wide range of dimensions, factors, and situations. The following are some essential elements that delineate the extent of research in this area:

- **Geographic Coverage:** To better understand how FDI affects economic development in various geographical contexts, the study may concentrate on a particular area, nation, or collection of nations. Regional differences in FDI inflows and their effects on development outcomes can be found through comparative research between areas.
- **Policy Analysis:** Scholars can evaluate how well regulatory frameworks and FDI policies draw in investment and maximise its positive effects on development. Evaluations of investment promotion tactics, investment incentives, regulatory changes, and institutional capacity-building programmes with the goal of improvement.
- **The Macroeconomic Impact:** The research may look into how FDI affects important macroeconomic variables like GDP growth, investment rates, inflation, trade balances, and tax revenues. Understanding the cumulative effects of FDI inflows on overall economic performance and stability can be gained through macroeconomic analysis.
- **Microeconomic Dynamics:** Scholars may investigate the microeconomic processes by which foreign direct investment (FDI) impacts firm-level conduct, technology uptake, productivity enhancements, and market rivalry. The pathways through which foreign direct investment (FDI) supports industry and firm-level economic development can be clarified by microeconomic analysis.

1.4 Importance Of Study

Foreign direct investment (FDI) plays a significant role in shaping the current global economic development process. The paper makes an effort to examine the significant aspects of FDI in India. The analysis determines the key factors, patterns, trends, and investment flows to India. The study

also looks at how foreign direct investment (FDI) affected India's economic growth from 1991 to 2022. There are several reasons why the time period being studied is significant. First of all, India liberalised its economy and opened its doors to the private sector in July of 1991. Second, by liberalising their economies in the 1980s, South-East Asian nations rose to prominence in the early 1990s for their economic development. Thirdly, the success of India's first generation of economic reforms and the nation's rate of economic expansion were viewed as safe havens for foreign direct investment (FDI), which encouraged the government to implement second generation reforms in the first ten years of this century. Fourthly, there has been a noticeable shift in how industrialised and developing nations see foreign direct investment. For both of them, FDI is the best source of outside funding. Fifth, there is more competition, especially among emerging countries, for foreign direct investment inflows.

Another incentive to start this research is the movement of the power centre from the western countries to the Asian subcontinent. New economics are developed in the world of industrialised nations through foreign direct investment (FDI) incentives, the removal of restrictions, bilateral and regional investment agreements among Asian countries, and the rise of Asia as an economic powerhouse, with China and India emerging as the two most promising economies of the world. Since no other study has incorporated the explanatory variables included in this study, it is significant from the perspective of the macroeconomic variables included in the study. The study makes sense for comprehending inflows between 1991 and 2022.

1.5 Research Methodology

Research methodology refers to the systematic approach and techniques used by researchers to conduct a study or investigation. It encompasses the principles, procedures, and strategies employed to gather, analyze, interpret, and draw conclusions from data in order to address research questions or objectives effectively.

1.5.1 Data Collection

This study is based on secondary data. The required data have been collected from various sources i.e. World Investment Reports, Asian Development Bank's Reports, various Bulletins of Reserve Bank of India, publications from Ministry of Commerce, Govt. of India, Economic and Social Survey of Asia and the Pacific, United Nations, Asian Development Outlook, Country Reports on

Economic Policy and Trade Practice- Bureau of Economic and Business Affairs, U.S. Department of State and from websites of World Bank, IMF, WTO, RBI, UNCTAD, EXIM Bank etc.. It is a time series data and the relevant data have been collected for the period 1991-2022.

CHAPTER - 2

LITERATURE REVIEW

This chapter includes research findings of earlier studies with reference related to FDI and Economic Development. The extensive body of research on economies that focuses on both theoretical justification and empirical results tends to show that foreign direct investment (FDI) is essential for any economy to flourish and grow sustainably in this age of globalization.

Laura Alfaro and Jasmina Chauvin, 2017

The impact of foreign direct investment on host economies has been studied. This study examines the empirical literature with a focus on the following questions: What is the impact of foreign direct investment (FDI) on the economic development of host nations, and how do local financial markets play a role in mediating potential benefits? First, we define FDI and go over general theories about the different kinds and reasons for FDI. Only the most important findings from the extensive firm-level literature on MNCs are highlighted in this review since it adopts a host-country viewpoint as opposed to a firm perspective. Next, we examine how the financial landscape of the host nations influences the volume of foreign direct investment (FDI)-related capital inflows, influences the operations of foreign companies, and moderates the amount of productivity spillovers from FDI to local companies.

Halil Kukaj and Faruk B. Ahmeti, 2016

Investment, especially foreign direct investment (FDI), is thought to be one of the main drivers of economic expansion. The global flow of FDIs has increased dramatically over the last 25 years. This is because many nations, particularly developing nations, view foreign direct investment (FDI) as a crucial component of their overall economic growth strategy. This essay reviews the economic effects of foreign direct investment, concentrating on emerging nations—especially Kosovo and the former Yugoslavian countries on the Balkan Peninsula. FDIs have two main effects on the economic growth of the host nation. These include of increasing domestic capital and improving efficiency through the dissemination of new technology, as well as through innovation, marketing, and managerial abilities. Second, foreign direct investment (FDI) carries costs as well as benefits. The impact of FDI is contingent upon the unique circumstances of the

recipient country as well as the policy environment at large. This relates to the potential for links between FDI and domestic investment, the degree of absorption capacity, the targeting of FDI, and the ability to diversify. In order to shed light on the primary reasons why foreign direct investments in Kosovo have failed, the article downplays the significance of indicators that are primarily of an institutional nature. The level of foreign direct investment and its outcomes were deemed inadequate. Consequently, the study rejects the idea that a variety of steps, particularly pertaining to the business community and government institutions, are required in this regard.

PL Beena, Laveesh Bhandari, Sumon Bhaumik, Subir Gokarn and Anjali Tandon

In terms of the amount of FDI input, India has advanced significantly since 1991. However, it remains a meagre USD 4 billion annually and appears to have reached a plateau at that amount. Just 3.2% more foreign direct investment (FDI) came in in 2002 than there was in 2001. The conventional wisdom holds that bureaucratic roadblocks and doubts about the sincerity of the government(s) regarding economic reforms deter multinational corporations (MNCs) from investing in India. But up until now, there hasn't been much talk about two crucial topics: the experience of multinational corporations (MNCs) investing in India and the connection between their output and familiarity with the local environment, as well as the degree of spillovers in the form of technology transfer. The significance of the former stems from the fact that, for obvious reasons, meeting the expectations of MNCs that are currently operating in India is a necessary prerequisite for an increase in FDI influx. Conversely, the amount of FDI input is not as likely to affect India's future growth as technology and know-how transfer. In fact, the significance of these spillovers may be critical given that the competitiveness of Indian businesses abroad will determine the country's future growth.

Nlandu Mamingi and Kareem Martin

The relationship between foreign direct investment (FDI) and economic growth in the nations that make up the Organisation of Eastern Caribbean States (OECS) is examined experimentally in this research. The study estimates a dynamic panel growth model using the generalised method of moments (GMM) and uses panel data, which consists of annual data covering the period 1988-2013 from 34 nations, including the six OECS economies, in order to achieve that goal. The empirical findings demonstrate that while FDI has a positive impact on growth, that impact is small

when taken into account on its own. Put differently, its noteworthy impact is somewhat circumstantial. While FDI crowds out domestic investment, infrastructure development and FDI also have a significant and positive relationship that boosts economic growth. These results have consequences for policy.

Prema-chandra Athukorala

This paper examines foreign direct investment (FDI) in developing Asia over the past three decades with emphasis on two key issues: the implications of the ongoing process of international production fragmentation and the alleged ‘crowding out’ effect of China’s rise as a major host to FDI on the other countries in the region. The evidence suggests that assembly processes within vertically integrated global industries (in particularly, electrical goods and electronics) has gained prominence over the past two decades as the major area of attraction for foreign investors in the region. Contrary to the popular crowding out fear, China’s rise as a major assembly centre within global production networks seems to have added further dynamism to region-wide MNE operations in the regions. A key policy inference from our analysis is that, in designing policies of outward-oriented development, investment and trade policies must be considered together as co-determinants of the location of production and patterns of trade.

Alan A. Bevan and Saul Estrin

We determine the factors that influence foreign direct investment inflows to Central and Eastern Europe, including nation risk, unit labor costs, host market size, and gravity considerations, by utilizing a panel dataset that includes data on FDI flows from market to transition economies. Consequently, we see that the growth of the private sector, industrial development, government balance, reserves, and corruption all have an impact on national risk. We demonstrate that the introduction of structural shift dummy variables for significant announcements about EU accession progress has a direct effect on FDI receipts, but not on country credit ratings. The European Commission's Agenda 2000 statement caused a split between the transition countries we included in our sample and the 'first wave'. The process's fundamental dynamics show that increases in FDI lead to a lag in the improvement of a nation's credit rating, which raises future FDI receipts. As a result, we propose that while the frontrunners may experience positive cycles as a result of the accession process, the laggards may face dire consequences.

PL Beena, Laveesh Bhandari, Sumon Bhaumik, Subir Gokarn and Anjali Tandon

The Indian government's economic policies during the first forty years following its liberation from British colonial authority were characterized by planning, control, and regulation. Periodically, there were attempts at market-oriented reform, mainly in reaction to pressures from the balance of payments, which led to policy measures that coupled the depreciation of the exchange rate with a loosening of limitations on the entrance of foreign capital. The latter, on the other hand, had a much smaller effect on actual inflows and were comparatively limited in scope. Despite this, many enterprises had foreign ownership, in part because of their pre-independence roots. Furthermore, domestic companies were permitted to join into technology licensing agreements, which frequently included an equity share as well, in fields where the government put a high priority.

Cathy Ge Bao and Maggie Xiaoyang Chen 2018

How do local businesses react to the possibility of competition from outside? This study uses information about prospective multinational investments from more than 35,000 global media outlets to quantify the risks posed by foreign competition. The analysis demonstrates that domestic firms respond by increasing productivity, boosting innovation, and changing the composition of their products using firm-specific metrics of the danger posed by international competition. The link between starting productivity and productivity growth, however, is U-shaped, with the left and right tails upgrading productivity through product lowering and innovation, respectively. These answers represent a significant source of gains for the economy and offer fresh perspectives on when to implement economic measures.

Vittorio Daniele and Ugo Marani, 2007

The underlying causes of foreign direct investments in the Middle East and North Africa. The study's primary interpretive hypothesis is predicated on the idea that institutions' quality plays a major influence in drawing in foreign direct investment. The rise in foreign direct investment (FDI) flows in the MENA region was found to be significantly lower than in the EU or in Asian economies, including China and India. According to the report, improving institutional and legal reform are essential first steps towards raising MENA's appeal to foreign direct investment.

Laura Alfaro, 2003

This paper examines the effects of foreign direct investment (FDI) on growth in the primary, manufacturing, and services sectors, demonstrating that while it may seem reasonable to argue that FDI can bring significant benefits to host countries, the benefits of FDI vary greatly across sectors. According to an empirical research based on cross-country data covering the years 1981–1999, total foreign direct investment has an unclear impact on growth. However, foreign direct investments in manufacturing tend to have a positive impact on growth, whereas those in the primary sector typically have a negative one. There is conflicting evidence from the service industry.

CHAPTER- 3

TRENDS AND PATTERNENS OF FDI INFLOWS

3.1 Introduction

One of the most prominent and striking feature of today's globalised world is the exponential growth of FDI in both developed and developing countries. In the last two decades the pace of FDI flows are rising faster than almost all other indicators of economic activity worldwide. Developing countries, in particular, considered FDI as the safest type of external finance as it not only supplement domestic savings, foreign reserves but promotes growth even more through spillovers of technology, skills, increased innovative capacity, and domestic competition. Now a days, FDI has become an instrument of international economic integration. Located in South Asia, India is the 7th largest, and the 2nd most populated country in the world. India has long been known for the diversity of its culture, for the inclusiveness of its people and for the convergence of geography. Today, the world's largest democracy has come to the forefront as a global resource for industry in manufacturing and services. Its pool of technical skills, its base of an English – speaking populace with an increasing disposable income and its burgeoning market has all combined to enable India emerge as a viable partner to global industry. Recently, investment opportunities in India are at a peak. This chapter covers the trends and patterns of FDI inflows at World, Asian and Indian level during 1991-2008.

3.2 Trends And Patterns Of FDI Flow In The World

The liberalization of trade, capital markets, breaking of business barriers, technological advancements, and the growing internationalization of goods, services, or ideas over the past two decades makes the world economies the globalised one. Consequently, with large domestic market, low labour costs, cheap and skilled labour, high returns to investment, developing countries now have a significant impact on the global economy, particularly in the economics of the industrialized states. Trends in World FDI flows depict that developing countries makes their presence felt by receiving a considerable chunk of FDI inflows. Developing economies share in total FDI inflows rose from 26% in 1980 to 40% in 1997.

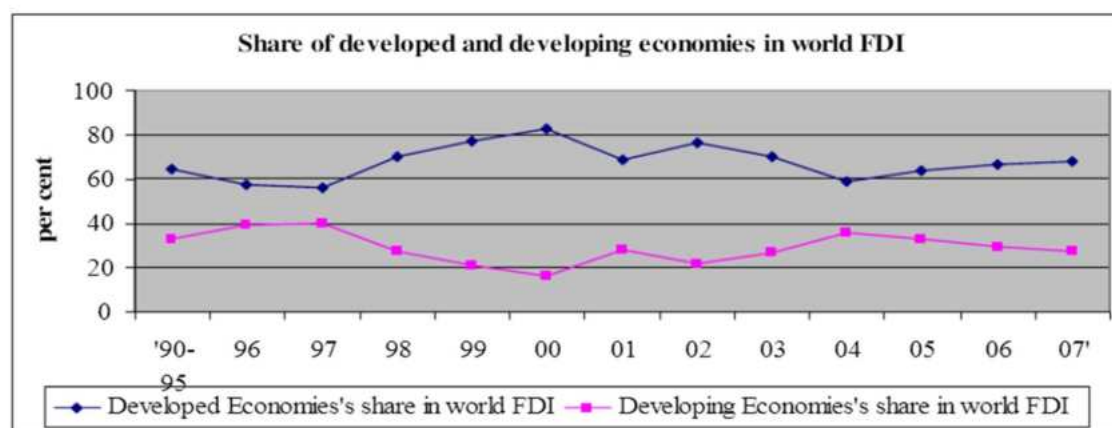
amount in US \$ Billion

Years/ Countries	1990- 95	96	97	98	99	2000	2001	2002	2003	2004	2005	2006	2007
World FDI	225.3	386.1	478.1	694.5	1088.3	1492	735.1	716.1	632.6	648.1	958.7	1411	1833.3
Developed Economies share in world FDI	64.4	57.1	56	69.7	77.1	82.2	68.4	76.5	69.9	58.6	63.8	66.7	68
Developing Economies share in world FDI	33	39.5	39.9	27	20.7	15.9	27.9	21.7	26.3	36	33	29.3	27.3

Source: compiled from the various issues of WIR, UNCTAD, World Bank

(Table no :- 3.1 FDI inflows in the world)

However, the share during 1998 to 2003 fell considerably but rose in 2004, again in 2006 and 2007 it reduces to 29% to 27% due to global economic meltdown. Specifically, developing Asia received 16 %, Latin America and the Caribbean 8.7 %, and Africa 2 %. On the other hand, developed economies show an increasing upward trend of FDI inflows, while developing economies show a downward trend of FDI inflows after 1995.



Source: compiled from the various issues of WIR, UNCTAD, World Bank

(Fig no:- 3.1 FDI in World)

3.3 Trends And Patterns Of FDI Flow In Asia

As much of the world faces a sharp slowdown in growth, emerging markets in Asia remain a bright spot on the investment horizon. Emerging Asia, which includes China, India, Indonesia, the Philippines, Thailand and Vietnam, has outperformed other emerging markets during the past two

decades. Going forward, it is forecast to have higher GDP growth than advanced economies in the next two years. But while these countries offer significant investment opportunities, they are not without risks.

Asia and the Pacific witnessed US\$ 302 billion worth of Greenfield projects announced in the January to September 2023 period, a staggering 35 per cent increase compared with the same period in 2022, when US\$ 224 billion had been recorded. 2023 appears to be on track to match – and exceed – the project announcements in terms of capital investment levels of 2022.

As of September 2023, outward Greenfield announcements in Asia and the Pacific have already surpassed the levels recorded in the first three quarters of 2022 by 32 per cent, increasing from US\$ 231 billion in 2022 to US\$ 305 billion in 2023. After 2017 and 2022, outward Greenfield FDI announcements are surpassing inward flows for the third time in the past decade.

Subregional data highlights three key trends. First, ASEAN countries' stability, digitalization, adoption of sustainable policies and targets, and growth histories maintain it as a top region within the Asia-Pacific region for Greenfield FD. Second, India's potential for rapid growth, educated labour pool and large domestic market will similarly ensure its place among the largest receiving countries for FDI in the region and globally in the medium term. Third, China is increasingly looking outward, investing more in its neighbours, particularly within ASEAN.

Locations in Asia-Pacific are being increasingly chosen due to dynamic qualitative factors, such as a skilled workforce, rather than static quantitative factors, such as low-cost considerations. From 2013-2017, investors' most cited determinants for investment in the Asia-Pacific region were domestic market growth, proximity to markets or customers and the regulatory environment. Since then, skilled workforce availability has entered the top three most influential factors.

This observation – locations in Asia-Pacific being increasingly chosen due to dynamic qualitative factors rather than static quantitative factors – is reinforced by the number of incentives deals concluded over the years. With the exception of the COVID- 19 pandemic and its immediate aftermath, where (mostly fiscal) government support measures were hiked up, incentives deals in the region have been continuously declining since 2014.

Economies are increasingly competing through pro-active investment attraction, not least as the challenge to established patterns of Greenfield FDI is opening up new opportunities for countries that have traditionally been overlooked. In terms of strategy, it is imperative that IPAs and the responsible line ministries co-operate to integrate FDI into coherent national development strategies. In terms of execution, IPAs should support the entire investment development life cycle, ranging from image building and marketing, investor targeting, servicing and facilitation, to aftercare and policy advocacy. To maximize benefits, strategy and execution should be regularly monitored and evaluated to make sure they result in the desired outcomes. This way, IPAs can influence investment patterns and contribute to the national development agenda, especially around boosting FDI in and for sustainable development.

The flow of Foreign Direct Investment (FDI) in Asia has been influenced by various trends and patterns over the years. Asia has emerged as a major recipient of FDI due to its rapid economic growth, large consumer markets, and improving business environments. Here are some of the key trends and patterns of FDI flow in Asia:

- **Shift towards Services and Technology:** One of the notable trends in FDI flow in Asia is the increasing focus on services and technology sectors. Countries like India and the Philippines have seen significant FDI inflows in sectors such as IT services, business process outsourcing (BPO), and software development. Additionally, emerging technologies like fintech, e-commerce, and renewable energy are attracting FDI in countries across the region.
- **China's Evolving Role:** China has been a dominant player in FDI inflows in Asia for many years. While manufacturing has been a major focus of FDI in China, there is a shift towards higher value-added industries, technology, and services. The Chinese government's initiatives like Made in China 2025 and Belt and Road Initiative (BRI) are also influencing FDI trends in the region.
- **ASEAN Integration:** The Association of Southeast Asian Nations (ASEAN) has been working towards economic integration and has become an attractive destination for FDI. Countries like Vietnam, Indonesia, Thailand, and the Philippines are emerging as key

recipients of FDI in manufacturing, infrastructure, and services sectors due to their growing economies, young populations, and business-friendly policies.

- **Infrastructure Investment:** Infrastructure development has been a priority for many Asian countries to support economic growth and development. FDI in infrastructure projects, such as transportation, energy, and telecommunications, has been increasing, with countries like India, Indonesia, and the Philippines attracting investments in this sector.
- **Regional Trade Agreements:** Regional trade agreements like the Regional Comprehensive Economic Partnership (RCEP) and Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) are expected to boost trade and investment flows within Asia. These agreements are likely to encourage FDI by creating larger markets, reducing trade barriers, and harmonizing regulations across participating countries.
- **Rise of Green and Sustainable Investments:** With growing awareness of environmental issues and climate change, there is a rising trend of FDI in green and sustainable sectors in Asia. Investments in renewable energy, clean technology, and sustainable infrastructure are increasing as governments and businesses prioritize environmental sustainability.
- **Challenges and Risks:** Despite the positive trends, Asia also faces challenges and risks that could impact FDI flows, such as geopolitical tensions, regulatory uncertainties, and economic vulnerabilities. Countries with stable political environments, transparent regulations, and strong institutions are likely to attract more FDI compared to those facing instability and policy unpredictability.

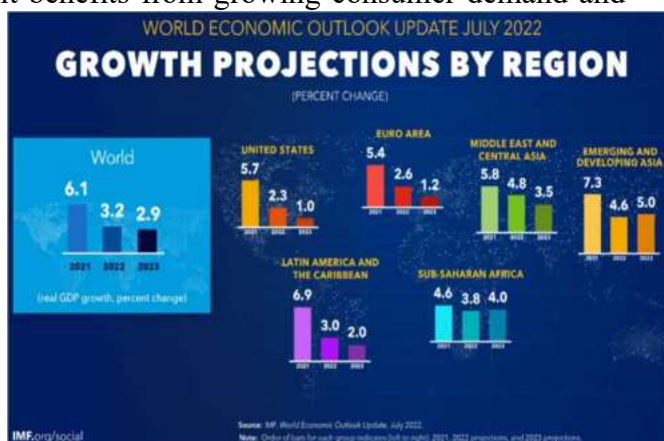
3.3.1 Investment Opportunities in Emerging Asia

Solid growth in emerging markets in Asia is expected to continue going forward, according to the International Monetary Fund. In its latest economic forecast, the IMF has penciled in annual GDP growth of 4.6% for emerging and developing Asia in 2022, rising to 5% in 2023. By contrast, it is predicting more subdued growth of just 2.3% and 1% in the United States, and 2.6% and 1.2% in the Euro Area in 2022 and 2023 respectively.

With the exception of China, emerging Asia countries have positive demographic trends, with young populations making them well-placed to reap the so-called “demographic dividend.”

Meanwhile, the countries enjoy a growing middle class, with its associated rising demand for goods and services, ongoing urbanization, and a high level of technology adoption.

Vietnam is expected to see the strongest performance this year, with the World Bank forecasting GDP growth of 7.5% for the country in 2022, as its manufacturing and services sectors continue to recover from the COVID-19 pandemic, and it benefits from growing consumer demand and rising tourist numbers. The Philippines is also expected to enjoy strong domestic demand, as well as increased private investment and large public infrastructure projects, contributing to forecast GDP growth of 6.5% for this year, according to the Asian Development Bank. Meanwhile Malaysia and Indonesia look set to benefit from a combination of increased domestic demand, recovering tourism and strong raw material exports. Both countries also stand to gain from increased commodity prices.



Country	GDP Ranking	Ease of Doing Business Score (2020)	Global Innovation Index Ranking (2022)
China	2nd	31th	11th
India	5th	63rd	40th
Indonesia	16th	73rd	75th
Thailand	27th	21st	43rd
Vietnam	34th	70th	48th
Malaysia	35th	12th	36th
The Philippines	36th	95th	59th
Cambodia	109th	144th	97th

(Table no :- 3.2 Emerging Economies Of Asia)

3.4 Most Attractive Location Of Global FDI

Foreign Direct Investment (FDI) is an essential indicator of global economic integration and the attractiveness of countries for international investors. Several factors influence the attractiveness of a location for FDI, including market size, economic growth prospects, political stability, regulatory environment, infrastructure, and labor force quality.

The most attractive locations for global FDI include:

United States: The U.S. remains a top destination for FDI due to its large consumer market, technological innovation, and relatively stable political and economic environment. The U.S. also offers a diverse range of industries and sectors for investment.

China: Despite some challenges, China continues to be a major recipient of FDI due to its massive market size, rapid economic growth, and government initiatives to attract foreign investment through policies and infrastructure development.

United Kingdom: The UK has traditionally been a favored destination for FDI, particularly in sectors like finance, technology, and manufacturing. Despite uncertainties surrounding Brexit, the UK continues to attract foreign investment due to its skilled workforce, strong legal system, and proximity to European markets.

Singapore: Known for its business-friendly environment, low taxes, and strategic location in Southeast Asia, Singapore is a hub for FDI, especially in finance, technology, and logistics sectors.

India: With its large and growing consumer market, economic reforms, and improving business environment, India has been attracting significant FDI inflows, particularly in sectors like IT, manufacturing, and renewable energy.

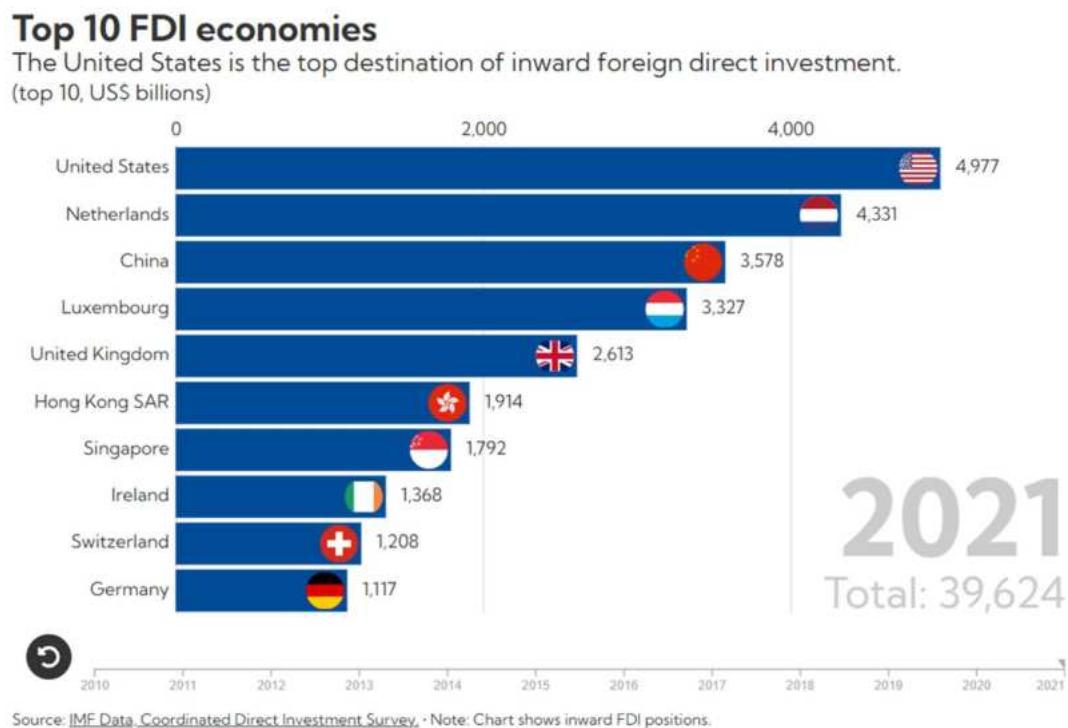
Germany: As the largest economy in Europe, Germany offers a stable and competitive business environment, advanced infrastructure, and skilled workforce, making it an attractive location for FDI, especially in manufacturing and technology sectors.

Canada: Canada offers a stable political environment, well-developed infrastructure, and access to the North American market, making it an attractive destination for FDI in sectors like energy, technology, and finance.

Australia: With its abundant natural resources, stable political environment, and proximity to Asian markets, Australia attracts FDI in sectors like mining, agriculture, and real estate.

Netherlands: The Netherlands serves as a gateway to European markets due to its strategic location, excellent infrastructure, and favorable tax policies, attracting FDI in logistics, finance, and technology sectors.

Switzerland: Known for its financial stability, skilled workforce, and innovation-friendly environment, Switzerland attracts FDI in finance, pharmaceuticals, and technology sectors.



(Fig no:- 3.2 Top 10 FDI in World)

It is a well-known fact that due to infrastructural facilities, and conducive business environment United States tops the chart of major emerging destination of global FDI inflows. The other most preferred destinations of global FDI flows apart from United States are Brazil, Mexico, Russia, and India. The annual growth rate registered by China was 15%, Brazil was 84%, Mexico was 28%, Russia was 62%, and India was 17% in 2007 over 2006. During 1991-2007 the compound annual growth rate registered by China was 20%, Brazil was 24%, Mexico was 11%, Russia was 41% (from 1994), and India was 41%. India's FDI need is stood at US\$ 15 bn per year in order to

make the country on a 9% growth trajectory (as projected by the Finance Minister of India in the current Budget⁷⁴). Such massive FDI is needed by India in order to achieve the objectives of its second generation economic reforms and to maintain the present growth rate of the economy. Although, India's share in world FDI inflows has increased from 0.3% to 1.3% from 1990-95 to 2007. Though, this is not an attractive share when it is compared with China and other major emerging destinations of global FDI inflow.

3.5 Trends And Patterns Of FDI Flow In India

CATEGORY 1	CATEGORY 2	CATEGORY 3
100% FDI Permitted through Automatic Route	100% FDI Permitted through Government Route	100% FDI Permitted through Government + Automatic Route

(Fig no - 3.3 FDI in India)

Automatic Route :- Under the Automatic Route, the non-resident investor or the Indian company does not require any approval from Government of India for the investment.

Government Route :- Under the Government Route, prior to investment, approval from the Government of India is required. Proposals for foreign direct investment under Government route, are considered by respective Administrative Ministry/ Department.

This is mainly because India's FDI regulations are more lenient. India now ranks among the top 100 countries in the world for Ease of Doing Business (EoDB). FDI inflows to India totaled \$45.15 billion in 2014–15 and have been rising steadily ever since.

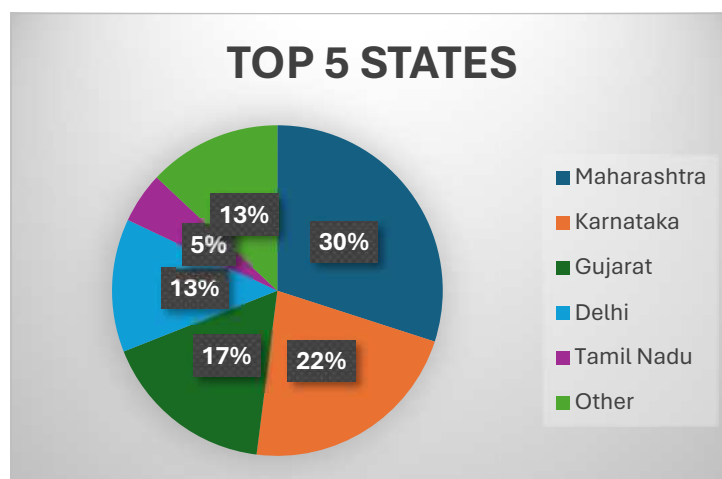
The nation has received \$971.521 billion in foreign direct investment (FDI) during the course of the last 23 years (April 2000 to December 2023), whereas the last 9 years (April 2014 to December 2023) have received \$448.896 billion in FDI, or almost 67% of the total FDI inflow over the same period. Just \$45.15 billion in foreign direct investment (FDI) entered India in FY 2014–15; this

climbed to \$60.22 billion in FY 2016–17 and, in FY 2021–22, reached an all-time high of \$83.57 billion in reported FDI inflows. \$17.96 billion in overall FDI inflows and \$11.54 billion in total FDI equity inflows were made into the nation in FY 2023–2024. The top 5 nations for foreign direct investment (FDI) equity inflows into India during FY 2023–2024 are Mauritius (26%), Singapore (23%), USA (9%), Netherlands (7%), and Japan (6%).

Services Sector (Finance, Banking, Insurance, Non Fin/Business, Outsourcing, R&D, Courier, Tech. Testing and Analysis, Other) (16%), Computer Software & Hardware (15%), Trading (6%), Telecommunications (6%) and Automobile Industry (5%), are the top 5 sectors receiving the highest FDI Equity Inflow during FY 2023–2024. Top 5 States receiving highest FDI Equity Inflow during FY 2023-24 are Maharashtra (30%), Karnataka (22%), Gujarat (17%), Delhi (13%), and Tamil Nadu (5%).

TOP 5 STATES	
Maharashtra	30%
Karnataka	22%
Gujarat	17%
Delhi	13%
Tamil Nadu	5%
Other	13%

(Table no:- 3.3 Top 5 states)



(Fig no:- 3.4 Top 5 states)

3.5.1 India's FDI Inflows Over the Last 20+ Years

In 2022, India ranked 10th in top destinations for foreign direct investment (FDI), a culmination of decades of economic and policy reforms.

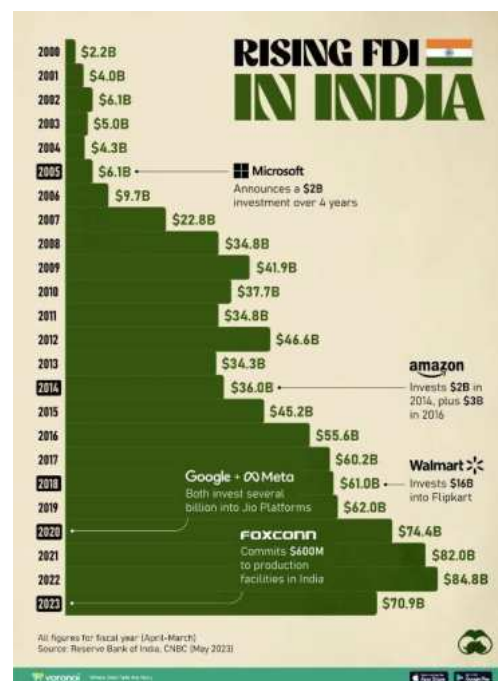
We visualize how India's FDI inflows have increased since 1999–2000, using data sourced from the Reserve Bank of India, and sourced from S&P Global. Data is current up to financial year 2022–2023, which ended March 2023.

3.5.2 India's FDI Journey Between 2000 And 2023

Facing a severe balance of payments crisis in 1991, the Indian economy liberalized with a slew of economic reforms aimed at reducing import tariffs and “opening up” sectors to foreign investment.

As a result, foreign direct investment to the country trended upwards, gathering steam at the start of the new century. India's FDI inflows rocketed from \$2.2 billion in 1999–2000 to more than \$22 billion in 2006–2007, mirroring the country's rapid economic growth.

In the midst of the subprime crisis and the global recession, investment to the country stayed resilient due to the country's vast, and fairly insulated, domestic market.



The country's burgeoning demand, global brands have made increasingly large plays into the country's economy. Some notable investments of the last decade include:

- 2014: Amazon invests \$2B into country operations in 2014, plus \$3B in 2016.
- 2018: Walmart invests \$16B into Flipkart—an Indian e-commerce platform.
- 2020: Google & Meta invest \$4.5B and \$5.7B respectively into India's largest telecom provider, Jio Platforms.
- 2023: Foxconn commits \$600M to production facilities in India.

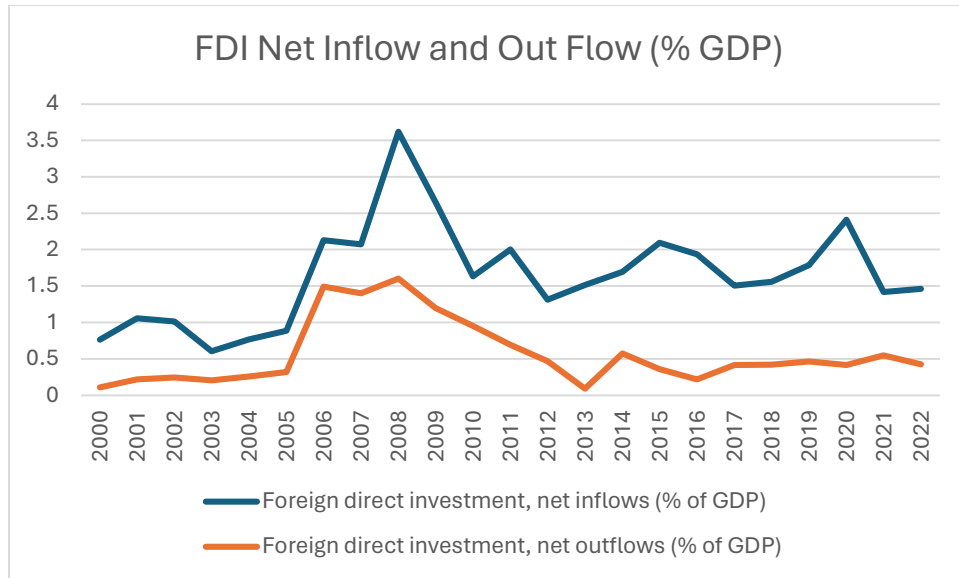
This has been boosted by the government's continued push to liberalize its FDI laws. For example, in 2021, the government did away with FDI caps in the country's telecom, oil, and defense industries.

The country's top five sources of FDI inflows include Mauritius, Singapore, and the United States. As for China, despite being a large trading partner, the country's investments in India have been impacted by a 2020 ruling necessitating additional screening for FDI investments from bordering countries.

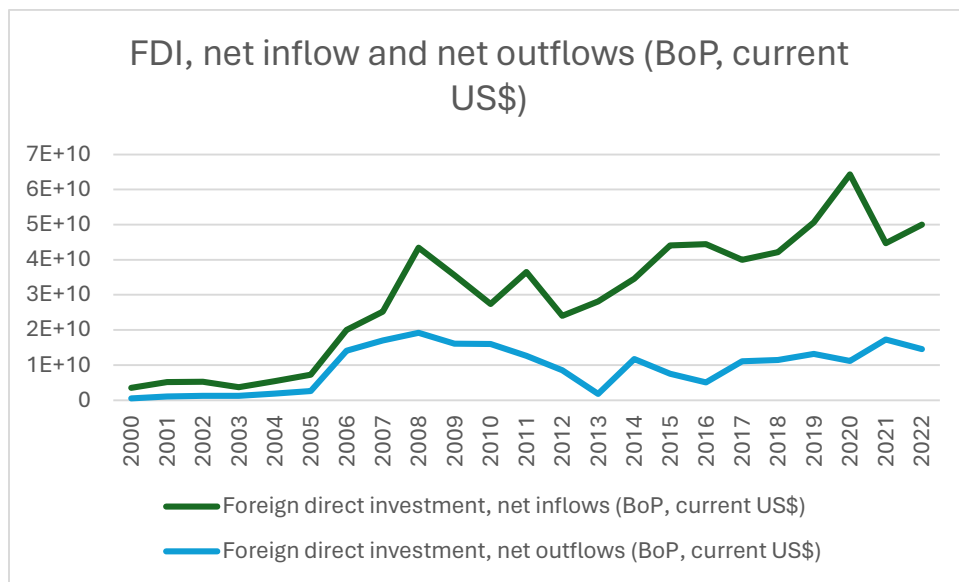
FDI Trend and Pattern Since 2000 To 2022

	A	B	C	D	E
1	Country Name	India			
2	Country Code	IND			
3	Indicator Name	Foreign direct investment, net inflows (% of GDP)	Foreign direct investment, net outflows (% of GDP)	Foreign direct investment, net inflows (BoP, current US\$)	Foreign direct investment, net outflows (BoP, current US\$)
4	2000	0.765212649	0.108782767	3584217307	509532975
5	2001	1.056378305	0.217149393	5128093562	1054132218
6	2002	1.011571805	0.244897685	5208967106	1261071115
7	2003	0.605889255	0.203693879	3681984671	1237846245
8	2004	0.765601405	0.259051931	5429250990	1837062923
9	2005	0.88610072	0.321893491	7269407226	2640754960
10	2006	2.130168425	1.492867398	20029119267	14036833332
11	2007	2.073394047	1.399326213	25227740887	17026111929
12	2008	3.620523235	1.606189451	43406277076	19256527246
13	2009	2.651590332	1.199472947	35581372930	16095583747
14	2010	1.635034094	0.952969169	27396885034	15968099288
15	2011	2.002063463	0.691587283	36498654598	12607994610
16	2012	1.31293453	0.467994186	23995685014	8553237671
17	2013	1.516276467	0.095057271	28153031270	1764948800
18	2014	1.69565959	0.573112117	34576643694	11686480933
19	2015	2.092115214	0.357212266	44009492130	7514275639
20	2016	1.937364122	0.21994507	44458571546	5047292606
21	2017	1.507315833	0.418263547	39966091359	11090150305
22	2018	1.558214838	0.422422743	42117450737	11417789536
23	2019	1.78482634	0.463417726	50610647354	13140702032
24	2020	2.409135936	0.416330541	64362364994	11122667604
25	2021	1.419775274	0.547208108	44727277563	17238734439
26	2022	1.461675015	0.425336733	49940258404	14532249718

(Table no:- 3.4 FDI Trend And Pattern Since 2000 To 2022)



(fig no:- 3.5 FDI Net Inflow and Out Flow (% GDP))



(Fig no :- 3.6 FDI, net inflow and net outflows (BoP, current US\$))

3.6 Sources Of FDI In India

Foreign Direct Investment (FDI) in India has been growing steadily over the years, with various countries and sectors contributing to its inflow. Here are the major sources of FDI in India:

Singapore: Singapore has consistently been the largest source of FDI in India. Many companies from Singapore invest in India due to its strategic location, favorable business environment, and strong economic ties between the two countries.

- Mauritius: Historically, Mauritius has been a significant source of FDI in India, primarily due to the Double Taxation Avoidance Agreement (DTAA) between the two countries. Many investors route their investments through Mauritius to take advantage of tax benefits.
- United States: The United States is a major source of FDI in India, with American companies investing in various sectors such as technology, manufacturing, healthcare, and finance. The strong economic and strategic partnership between India and the U.S. has facilitated investment flows between the two countries.
- Netherlands: The Netherlands is another significant source of FDI in India, often due to its favorable tax regime and as a gateway to European markets. Dutch companies invest in sectors like technology, agriculture, and renewable energy in India.
- Japan: Japanese companies have been increasing their investments in India, particularly in sectors such as automotive, manufacturing, infrastructure, and technology. The India-Japan economic partnership, supported by initiatives like the Japan-India Investment Promotion Partnership, has boosted investment ties between the two countries.
- United Kingdom: Despite uncertainties surrounding Brexit, the United Kingdom remains a significant source of FDI in India. British companies invest in various sectors including finance, technology, healthcare, and education.
- Germany: Germany is also a notable source of FDI in India, with investments primarily in manufacturing, automotive, technology, and renewable energy sectors.
- United Arab Emirates (UAE): The UAE has been increasing its investments in India, particularly in sectors like real estate, infrastructure, energy, and tourism. The strong cultural and business ties between India and the UAE have contributed to investment flows.
- France: French companies have been investing in India across various sectors including technology, infrastructure, automotive, and aerospace. The economic and strategic partnership between India and France has facilitated investment cooperation.
- China: While China has been a major destination for Indian investments, Chinese companies are also increasingly investing in India, especially in sectors like technology,

manufacturing, and renewable energy. However, political and strategic tensions between India and China have impacted investment flows in recent years.

In addition to these countries, India attracts FDI from a diverse range of other countries across Asia, Europe, and North America. The Indian government has implemented various reforms and policies to further improve the ease of doing business, liberalize FDI norms, and attract foreign investments in priority sectors.

It's worth noting that the sectors attracting FDI in India vary, with technology, manufacturing, services, renewable energy, and infrastructure being among the key sectors that receive significant foreign investment. Additionally, the Indian government's initiatives such as Make in India, Digital India, and Startup India are aimed at promoting domestic manufacturing, digital transformation, and entrepreneurship, which are expected to further boost FDI inflows into the country.

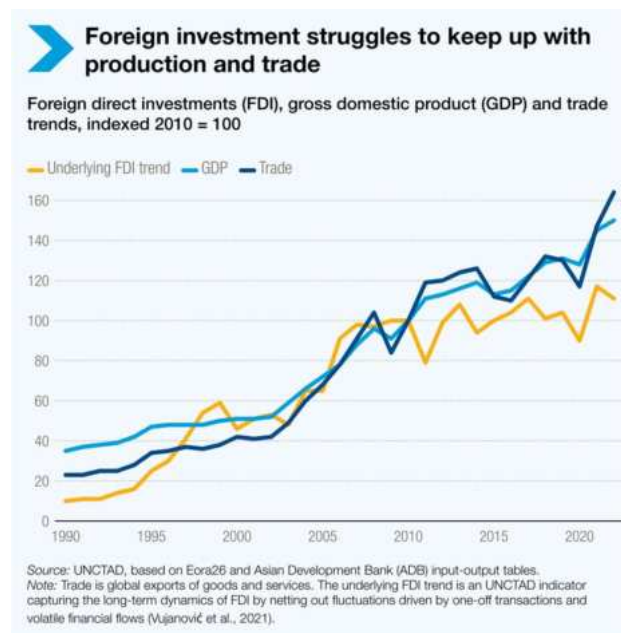
Total FDI inflows in the country in the FY 2023-24 is \$17.96 Bn and total FDI equity inflows stands at \$11.54 Bn. Mauritius (26%), Singapore (23%), USA (9%), Netherland (7%) and Japan (6%) emerge as top 5 countries for FDI equity inflows into India FY 2023-24.

3.7 Shifting Investment Patterns: 5 Key FDI Trends And Their Impact On Development

A new UN Trade and Development (UNCTAD) report sheds light on major shifts in global foreign direct investment (FDI) shaped by trends in global value chains, technological advancements, geopolitical dynamics and environmental concerns. The report, entitled “Global economic fracturing and shifting investment patterns”, cautions that factors beyond economic determinants are increasingly shaping investment decisions, complicating standard approaches to investment promotion. The impact of these shifts on FDI-based development:-

FDI Growth Lagging Behind GDP and Trade: The stagnation of FDI growth contrasts sharply with the continued expansion of global GDP and trade. This divergence reflects increased investor caution driven by shifts in international production and global value chains, rising protectionism, and geopolitical tensions. Developing countries, heavily reliant on FDI for

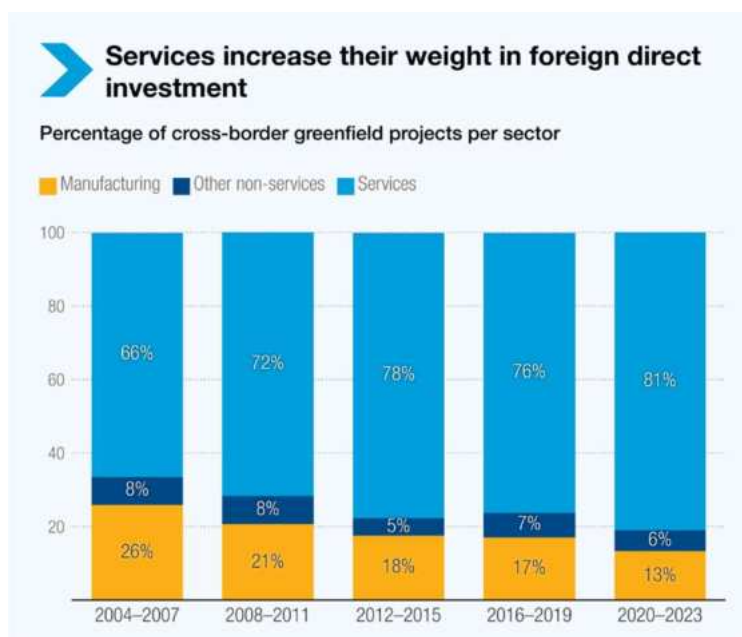
economic development, are particularly vulnerable to fluctuations in global investment flows. The growth of FDI and global value chains (GVCs) is no longer aligned with GDP and trade growth, indicating a significant shift in the global economy. Since 2010, global GDP and trade have grown annually by an average 3.4% and 4.2%, respectively, even amidst rising trade tensions. Meanwhile, FDI growth has stagnated near zero. This lag reflects increased investor caution due to shifts in international production and GVCs, rising protectionism and growing geopolitical tensions. It also highlights that developing countries that are dependent on FDI for economic development are particularly vulnerable to fluctuations in global investment flows.



(Fig no :- 3.7 FDI GDP AND TRADE)

Shift from Manufacturing to Services: FDI is increasingly favoring the services sector over manufacturing, reflecting broader economic trends driven by rapid technological advances. While larger developing economies benefit from this shift, smaller ones face challenges in adapting, leading to imbalances and hindering the adoption of new technologies in less-developed economies. FDI is increasingly favouring services over manufacturing, widening the gap between the two sectors. From 2004 to 2023, the share of cross-border greenfield projects in the services sector jumped from 66% to 81%. Simultaneously, investment in services within manufacturing industries nearly doubled to about 70%, propelled by rapid technological advances. In contrast, FDI in manufacturing stagnated for two decades before experiencing a

significant downturn, with a negative compound annual growth rate of -12% in the three years after the COVID-19 outbreak. The expansion of the services sector mainly benefits larger developing economies that can effectively compete, creating an imbalance that leaves smaller ones at a disadvantage. Additionally, the decline in FDI flows to manufacturing severely hinders less-developed economies' ability to upgrade production methods and adopt new technologies.



(Fig no :- 3.8 Services increase in FDI)

Geopolitical Tensions Impacting FDI: Recent global conflicts and crises have disrupted traditional investment patterns, leading to unstable relationships and limited opportunities for strategic diversification. This trend, particularly pronounced in manufacturing amid escalating trade tensions, underscores the need for proactive measures to mitigate geopolitical risks and foster a conducive investment environment. Recent global conflicts and crises have disrupted usual investment patterns, leading to unstable investment relationships and limited chances to benefit from strategic diversification. Investments between geopolitically distant countries – those with divergent political interests or foreign policies – decreased from 23% in 2013 to 13% in 2022. This trend became particularly pronounced in manufacturing as trade tensions began to escalate in 2019.

Rise of Environmental Technologies: FDI in environmental technologies, such as renewable energy and electric vehicles, has surged in response to growing concerns over climate change. While presenting new opportunities for countries to attract investment and develop new industries, this surge only partially offsets the decline in investment across other manufacturing sectors. Moreover, the focus on high-tech sectors primarily benefits developed economies, exacerbating the challenges faced by smaller and less-developed economies. As concerns over climate change intensify, FDI in environmental technologies like wind and solar energy has emerged as the fastest-growing sector outside of services. Their share of total greenfield projects in non-services sectors has climbed from 1% to 20% over the past two decades. Similarly, FDI projects in the manufacturing of electric vehicles and batteries have grown 27% annually since 2016. Beyond the green energy sector, other environmental technologies – from hydrogen production to sustainable aviation fuels and eco-friendly packaging – are expected to open new opportunities for countries to attract investment and develop new industries. However, the surge in FDI for environmental technologies only partially offsets the decline in investment across other manufacturing sectors. Moreover, the focus on high-tech sectors mainly benefits developed economies, while smaller and less-developed economies continue to struggle with dwindling FDI in traditional sectors.

Marginalization of Less-Developed Countries: Global investment flows increasingly concentrate in developed and major emerging markets, excluding smaller and less-developed countries and exacerbating their economic vulnerabilities. The dwindling share of total greenfield FDI projects in least developed countries underscores the need for inclusive policies to address disparities and promote sustainable development. Global investment flows increasingly favor sectors in developed and major emerging markets. This narrow focus tends to exclude smaller and less-developed countries, worsening their economic vulnerabilities. The share of total greenfield FDI projects in least developed countries (LDCs) has dwindled from 3% in the mid-2010s to just 1%. Additionally, FDI in low-income and lower-middle-income countries has decreased by a third over the past two decades.

3.8 International Investment Agreements

India is the founding member of GATT (General Agreement on Trade and Tariffs). India is also a signatory member of South Asian Free Trade Agreement (SAFTA). India has signed BITs (Bilateral Investment Treaties) with both developed and developing nations. India has concluded 57 numbers (upto 2006) of BITs, out of which 27 are with developed nations and majority of them, are with developing countries of Asia (16), the Middle East (9), Africa (4), and Latin America (1). India also maintains double tax avoidance agreements (tax treaties) with 70 countries (upto 2006). Apart from BITs and tax treaties India is the member of many FTAs (Free Trade Area, nearly 17 in numbers, upto 2006)). Bilateral Investment Treaties (BITs):

India has signed BITs with over 80 countries. Some notable ones include agreements with the United States, United Kingdom, Germany, France, Japan, Australia, Canada, and Russia.

Comprehensive Economic Cooperation Agreements (CECAs):

India has entered into CECAs with countries like Singapore, South Korea, Malaysia, and Japan. These agreements cover various aspects of economic cooperation, including investment.

Free Trade Agreements (FTAs):

India has FTAs with several countries and regional blocs, such as ASEAN (Association of Southeast Asian Nations), South Korea, Japan, and Sri Lanka. These agreements often include provisions related to investment promotion and protection.

Regional Comprehensive Economic Partnership (RCEP):

India was initially part of negotiations for the RCEP, which is a mega-regional trade agreement involving 15 Asia-Pacific countries. While the investment provisions in RCEP were expected to cover aspects of investment protection, India withdrew from the agreement in 2019.

Multilateral Investment Agreements:

India is a member of various multilateral organizations that deal with investment, such as the International Centre for Settlement of Investment Disputes (ICSID), a part of the World Bank Group, and the United Nations Commission on International Trade Law (UNCITRAL), which deals with international trade law, including investment-related aspects.

3.9 FDI And Indian Economy

Nations' progress and prosperity is reflected by the pace of its sustained economic growth and development. Investment provides the base and pre-requisite for economic growth and development. Apart from a nation's foreign exchange reserves, exports, government's revenue, financial position, available supply of domestic savings, magnitude and quality of foreign investment is necessary for the well being of a country. Developing nations, in particular, consider FDI as the safest type of international capital flows out of all the available sources of external finance available to them. It is during 1990s that FDI inflows rose faster than almost all other indicators of economic activity worldwide. According to WTO83, the total world FDI outflows have increased nine – fold during 1982 to 1993, world trade of merchandise and services has only doubled in the same. Since 1990 virtually every country- developed or developing, large or small alike- have sought FDI to facilitate their development process. Thus, a nation can improve its economic fortunes by adopting liberal policies vis-à-vis by creating conditions conducive to investment as these things positively influence the inputs and determinants of the investment process. FDI is considered as an instrument of international economic integration as it brings a package of assets including capital, technology, managerial skills and capacity and access to foreign markets. The impact of FDI depends on the country's domestic policy and foreign policy. As a result FDI has a wide range of impact on the country's economic policy. In order to study the impact of foreign direct investment on economic growth, two models were framed and fitted. The foreign direct investment model shows the factors influencing the foreign direct investment in India. The economic growth model depicts the contribution of foreign direct investment to economic growth.

Investment climate in India has improved considerably since the opening up of the economy in 1991. This is primarily attributed to ease in FDI rules in India. India, today is a part of the top 100 clubs on Ease of Doing Business (EoDB). FDI inflows in India stood at \$45.15 Bn in 2014-15 and have consistently increased since then. Total FDI inflows in the country in the last 23 years (Apr 2000 to Dec 2023) are \$971.521 Bn while the total FDI inflows received in the last 9 years (Apr 2014 to Dec 2023) was \$448.896 Bn which amounts to nearly 67% of total FDI inflow in last 23 years. In FY 2014-15, FDI inflow in India stood at mere \$45.15 Bn, which increased to \$60.22 Bn in 2016-17 and further to the highest ever annual FDI inflow of \$83.57 Bn reported during the FY 2021-22. Total FDI inflows in the country in the FY 2023-24 is \$17.96 Bn and total FDI equity

inflows stands at \$11.54 Bn. Mauritius (26%), Singapore (23%), USA (9%), Netherland (7%) and Japan (6%) emerge as top 5 countries for FDI equity inflows into India FY 2023-24.

3.9.1 Selection of Variables

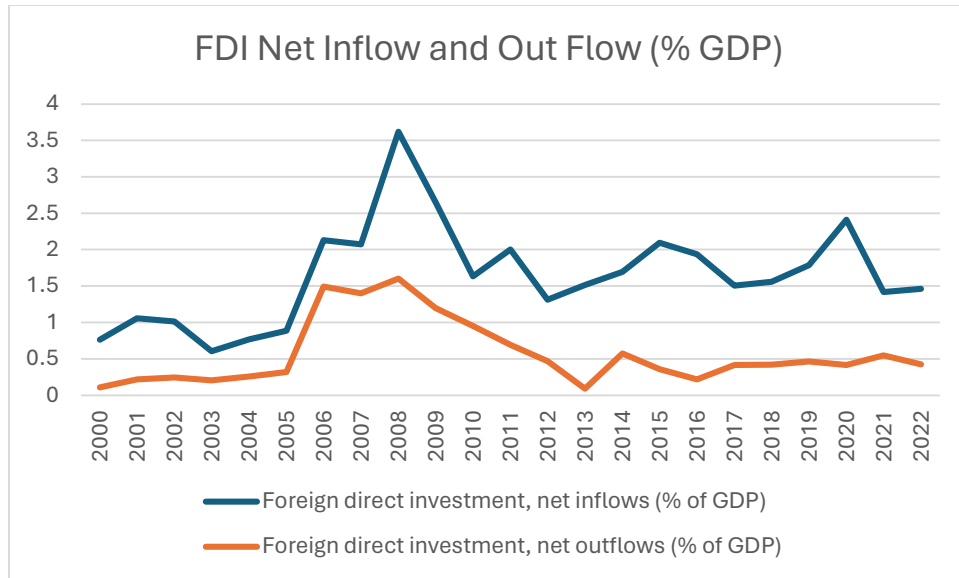
When studying the relationship between Foreign Direct Investment (FDI) and the Indian economy, selecting the appropriate variables is crucial for conducting meaningful analysis and drawing accurate conclusions. Macroeconomic indicators of an economy are considered as the major pull factors of FDI inflows to a country.

The present study includes the following macroeconomic indicators: total trade (TRADEGDP), research and development expenditure (R&DGDP), financial position (FIN.Position), exchange rate (EXR), foreign exchange reserves (RESERVESGDP), and foreign direct investment (FDI), foreign direct investment growth rate (FDIG) and level of economic growth (GDPG). These macroeconomic indicators are considered as the pull factors of FDI inflows in the country. In other words, it is said that FDI inflows in India at aggregate level can be considered as the function of these said macroeconomic indicators.

3.9.1.1 Foreign Direct Investment (FDI)

	A	B	C
1	Country Name	India	
2	Country Code	IND	
3	Indicator Name	Foreign direct investment, net inflows (% of GDP)	Foreign direct investment, net outflows (% of GDP)
4	2000	0.765212649	0.108782767
5	2001	1.056378305	0.217149393
6	2002	1.011571805	0.244897685
7	2003	0.605889255	0.203693879
8	2004	0.765601405	0.259051931
9	2005	0.88610072	0.321893491
10	2006	2.130168425	1.492867398
11	2007	2.073394047	1.399326213
12	2008	3.620523235	1.606189451
13	2009	2.651590332	1.199472947
14	2010	1.635034094	0.952969169
15	2011	2.002063463	0.691587283
16	2012	1.31293453	0.467994186
17	2013	1.516276467	0.095057271
18	2014	1.69565959	0.573112117
19	2015	2.092115214	0.357212266
20	2016	1.937364122	0.21994507
21	2017	1.507315833	0.418263547
22	2018	1.558214838	0.422422743
23	2019	1.78482634	0.463417726
24	2020	2.409135936	0.416330541
25	2021	1.419775274	0.547208108
26	2022	1.461675015	0.425336733

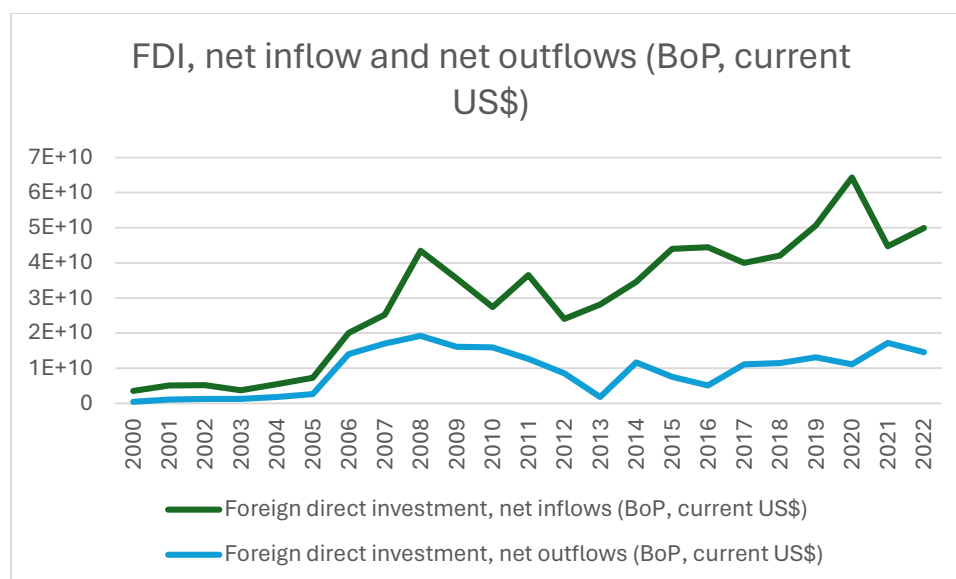
(Table no:- 3.5 FDI Inflow and Outflow Since 2000 To 2022)



(fig no:- 3.9 FDI Net Inflow and Out Flow (% GDP))

Indicator Name	Foreign direct investment, net inflows (BoP, current US\$)	Foreign direct investment, net outflows (BoP, current US\$)
2000	3584217307	509532975
2001	5128093562	1054132218
2002	5208967106	1261071115
2003	3681984671	1237846245
2004	5429250990	1837062923
2005	7269407226	2640754960
2006	20029119267	14036833332
2007	25227740887	17026111929
2008	43406277076	19256527246
2009	35581372930	16095583747
2010	27396885034	15968099288
2011	36498654598	12607994610
2012	23995685014	8553237671
2013	28153031270	1764948800
2014	34576643694	11686480933
2015	44009492130	7514275639
2016	44458571546	5047292606
2017	39966091359	11090150305
2018	42117450737	11417789536
2019	50610647354	13140702032
2020	64362364994	11122667604
2021	44727277563	17238734439
2022	49940258404	14532249718

(Table no:- 3.6 FDI Inflow and Outflow BOP US\$ Since 2000 To 2022)



(Fig no :- 3.10 FDI, net inflow and net outflows (BoP, current US\$))

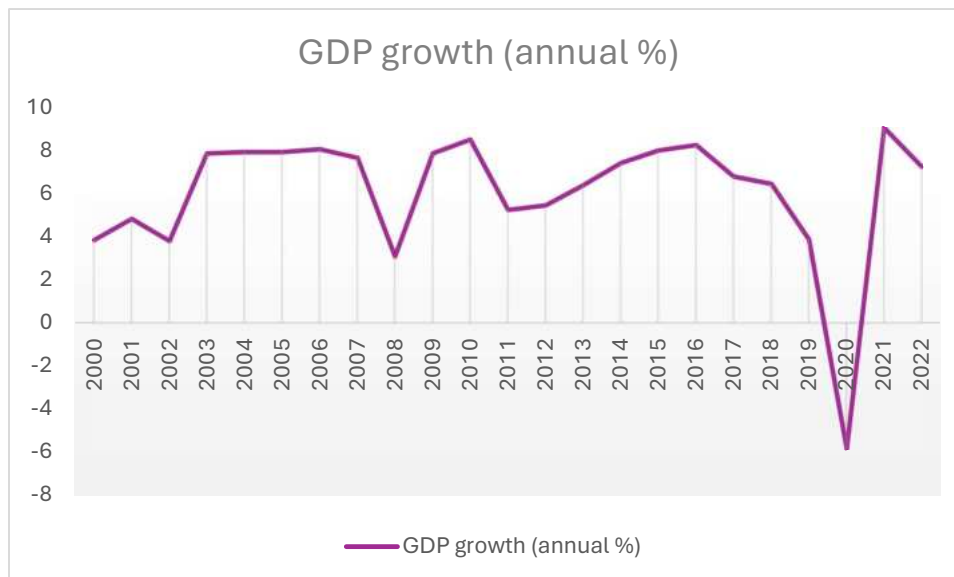
Foreign direct investment refers to direct investment equity flows in the reporting economy. It is the sum of equity capital, reinvestment of earnings, and other capital. Direct investment is a category of cross-border investment associated with a resident in one economy having control or a significant degree of influence on the management of an enterprise that is resident in another economy. Ownership of 10 percent or more of the ordinary shares of voting stock is the criterion for determining the existence of a direct investment relationship. Data are in current U.S. dollars.

- India foreign direct investment for 2022 was \$49.94B, a 11.66% increase from 2021.
- India foreign direct investment for 2021 was \$44.73B, a 30.51% decline from 2020.
- India foreign direct investment for 2020 was \$64.36B, a 27.17% increase from 2019.
- India foreign direct investment for 2019 was \$50.61B, a 20.17% increase from 2018.

3.9.1.2 Gross Domestic Product (GDP)

1	Country Name	India
2	Country Code	IND
3	Indicator Name	GDP growth (annual %)
4	2000	3.840991157
5	2001	4.823966266
6	2002	3.803975321
7	2003	7.860381476
8	2004	7.922936613
9	2005	7.923430621
10	2006	8.060732572
11	2007	7.660815066
12	2008	3.08669806
13	2009	7.861888832
14	2010	8.497584702
15	2011	5.241315002
16	2012	5.456388753
17	2013	6.386106401
18	2014	7.410227601
19	2015	7.99625379
20	2016	8.256305499
21	2017	6.795383423
22	2018	6.453851341
23	2019	3.871436939
24	2020	-5.831053221
25	2021	9.050277909
26	2022	7.239693281
27		
28		

(Table no:- 3.7 GDP Growth Since 2000 To 2022)



(Fig no :- 3.11 GDP Growth (Annual %))

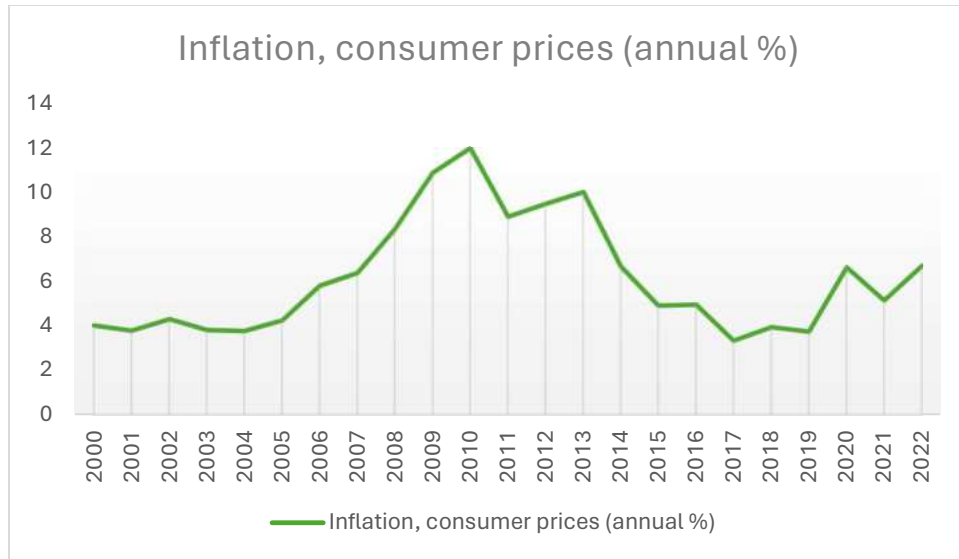
GDP at purchaser's prices is the sum of gross value added by all resident producers in the economy plus any product taxes and minus any subsidies not included in the value of the products. It is calculated without making deductions for depreciation of fabricated assets or for depletion and degradation of natural resources. Data are in current U.S. dollars. Dollar figures for GDP are converted from domestic currencies using single year official exchange rates. For a few countries where the official exchange rate does not reflect the rate effectively applied to actual foreign exchange transactions, an alternative conversion factor is used.

- India gdp for 2022 was \$3,416.65B, a 8.45% increase from 2021.
- India gdp for 2021 was \$3,150.31B, a 17.92% increase from 2020.
- India gdp for 2020 was \$2,671.60B, a 5.78% decline from 2019.
- India gdp for 2019 was \$2,835.61B, a 4.91% increase from 2018.

3.9.1.3 Inflation , Consumer Price (Annual %)

2	Country Code	
3	Indicator Name	Inflation, consumer prices (annual %)
4	2000	4.00943591
5	2001	3.779293122
6	2002	4.297152039
7	2003	3.805858995
8	2004	3.767251735
9	2005	4.24634362
10	2006	5.796523376
11	2007	6.372881356
12	2008	8.349267049
13	2009	10.88235294
14	2010	11.98938992
15	2011	8.911793365
16	2012	9.478996914
17	2013	10.01787847
18	2014	6.665656719
19	2015	4.906973441
20	2016	4.948216341
21	2017	3.328173375
22	2018	3.938826467
23	2019	3.729505735
24	2020	6.623436776
25	2021	5.131407472
26	2022	6.699034141
27		

(Table no:- 3.8 Inflation , Consumer Price (Annual %) Since 2000 To 2022)



(Fig no:- 3.12 Inflation , Consumer Price (Annual %) Since 2000 To 2022)

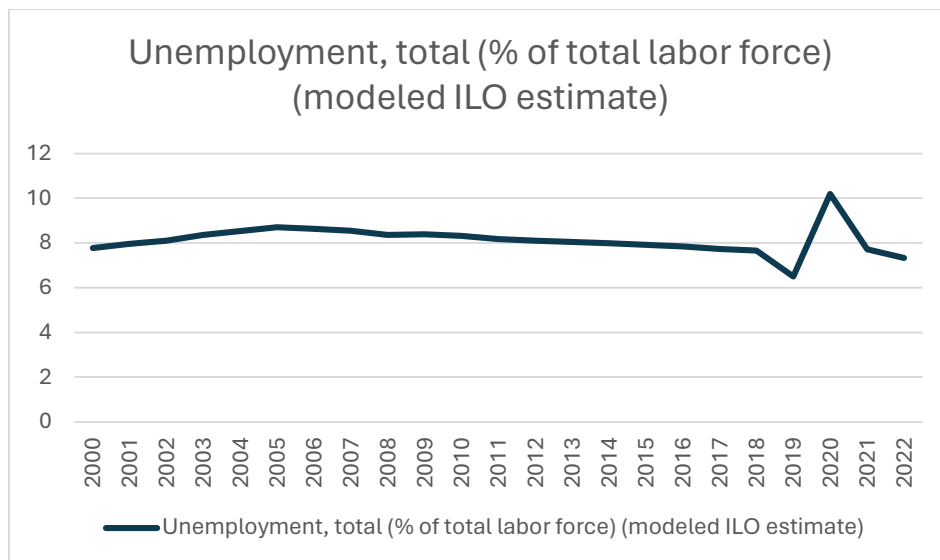
Inflation as measured by the consumer price index reflects the annual percentage change in the cost to the average consumer of acquiring a basket of goods and services that may be fixed or changed at specified intervals, such as yearly. The Laspeyres formula is generally used.

- India inflation rate for 2022 was 6.70%, a 1.57% increase from 2021.
- India inflation rate for 2021 was 5.13%, a 1.49% decline from 2020.
- India inflation rate for 2020 was 6.62%, a 2.89% increase from 2019.
- India inflation rate for 2019 was 3.73%, a 0.21% decline from 2018.

3.9.1.4 Unemployment

Indicator Name	Unemployment, total (% of total labor force) (modeled ILO estimate)
2000	7.77
2001	7.957
2002	8.102
2003	8.36
2004	8.531
2005	8.7
2006	8.625
2007	8.536
2008	8.354
2009	8.384
2010	8.319
2011	8.168
2012	8.095
2013	8.037
2014	7.981
2015	7.915
2016	7.842
2017	7.733
2018	7.65
2019	6.51
2020	10.195
2021	7.713
2022	7.33

(Table no:- 3.9 Unemployment Since 2000 To 2022)



(Fig no:- 3.13 Unemployment Since 2000 To 2022)

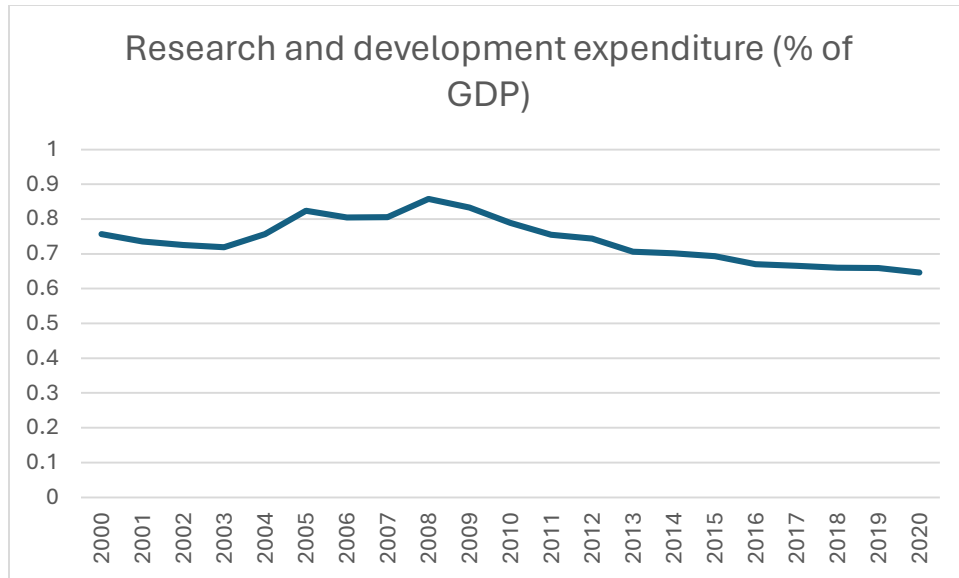
Unemployment refers to the share of the labor force that is without work but available for and seeking employment.

- India unemployment rate for 2022 was 4.82%, a 1.56% decline from 2021.
- India unemployment rate for 2021 was 6.38%, a 1.48% decline from 2020.
- India unemployment rate for 2020 was 7.86%, a 1.35% increase from 2019.
- India unemployment rate for 2019 was 6.51%, a 1.14% decline from 2018.

3.9.1.5 Research & Development Expenditure (R&D/GDP)

Country Code	
Indicator Name	Research and development expenditure (% of GDP)
2000	0.756990016
2001	0.735909998
2002	0.72566998
2003	0.719290018
2004	0.756900012
2005	0.824109972
2006	0.804729998
2007	0.805069983
2008	0.858759999
2009	0.833140016
2010	0.788489997
2011	0.755020022
2012	0.743990004
2013	0.706420004
2014	0.701590002
2015	0.693099976
2016	0.669839978
2017	0.66602999
2018	0.66000998
2019	0.659420013
2020	0.64635998

(Table no:- 3.10 Research & Development Expenditure Since 2000 To 2020)



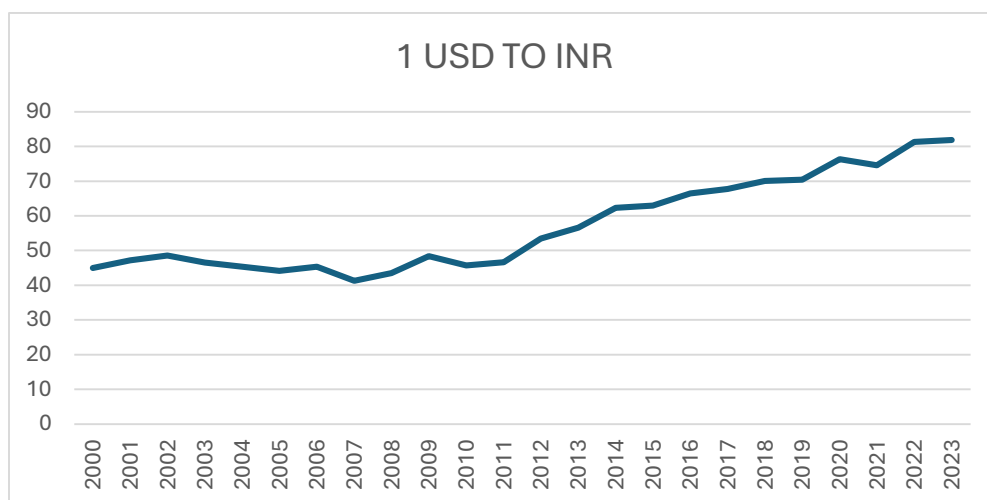
(Fig no:- 3.13 Research & Development Expenditure Since 2000 To 2020)

3.9.1.6 Exchange Rates (EXR)

Exchange Rates (EXR) represent the value of one currency in terms of another currency and can have significant impacts on various economic indicators, including unemployment rates. Fluctuations in exchange rates can affect the competitiveness of exports and imports, which in turn can influence economic growth, production levels, and ultimately, employment opportunities. However, since the provided data does not include exchange rate information, I cannot modify the unemployment rates accordingly. If you provide exchange rate data, I can help you analyze how it might impact the unemployment rates in India.

Indicator Name	1 USD TO INR	For inv (%)
2000	44.94	
2001	47.19	
2002	48.61	
2003	46.58	
2004	45.32	
2005	44.1	
2006	45.31	
2007	41.35	
2008	43.51	
2009	48.41	
2010	45.73	
2011	46.67	
2012	53.44	
2013	56.57	
2014	62.33	
2015	62.97	
2016	66.46	
2017	67.79	
2018	70.09	
2019	70.39	
2020	76.38	
2021	74.57	
2022	81.35	
2023	81.94	

(Table no:- 3.10 Exchange Rate Since 2000 To 2020)



(Fig no:- 3.14 Exchange Rate Since 2000 To 2020)

3.9.3 Role Of FDI On Economic Growth

Foreign Direct Investment (FDI) plays a crucial role in the economic growth of countries by stimulating various aspects of their economies. Here are three key roles that FDI plays in fostering economic growth:

- **Capital Formation:** FDI brings in external capital, which is often essential for countries lacking sufficient domestic savings to finance investment projects. This influx of capital can be directed towards various sectors such as infrastructure, manufacturing, technology, and services, thus boosting overall economic activity. By funding new projects and expanding existing ones, FDI contributes to the creation of jobs, increases productivity, and enhances the capacity of the economy to produce goods and services efficiently.
- **Technology Transfer and Innovation:** FDI often involves the transfer of advanced technology, managerial expertise, and best practices from multinational corporations (MNCs) to domestic firms. This technology transfer facilitates the adoption of modern production techniques, improves the quality of products and services, and enhances the efficiency of domestic industries. Additionally, exposure to international markets and competition encourages local firms to innovate and upgrade their products and processes to remain competitive globally. Consequently, FDI can act as a catalyst for technological advancement and innovation, which are vital drivers of long-term economic growth.
- **Spillover Effects and Linkages:** FDI creates linkages between foreign affiliates and domestic firms through various channels such as supply chains, joint ventures, and knowledge networks. These linkages enable the diffusion of skills, knowledge, and business practices across borders, leading to spillover effects that benefit the entire economy. For instance, the presence of foreign firms may enhance the skills of the local workforce, improve managerial practices, and foster the development of supporting industries. Moreover, FDI can stimulate the growth of small and medium-sized enterprises (SMEs) by providing them with opportunities to participate in global value chains and access new markets. Overall, these spillover effects amplify the impact of FDI on economic growth by promoting structural transformation, diversification, and competitiveness.

FDI has contributed to India's economic development:

- **Infrastructure Development:** FDI has been instrumental in funding and developing critical infrastructure projects in India. This includes sectors such as telecommunications, transportation, energy, and urban infrastructure. Foreign investors bring in capital, technology, and expertise necessary for the construction and modernization of infrastructure networks, which are essential for supporting economic activities, improving connectivity, and enhancing the overall efficiency of the economy. For example, foreign investment in the telecommunications sector has led to the expansion of mobile networks and internet connectivity, facilitating communication and enabling the growth of various industries.
- **Technology Transfer and Innovation:** FDI has facilitated the transfer of advanced technology and managerial practices to India, leading to improvements in productivity, product quality, and innovation across different sectors. Multinational corporations (MNCs) often bring state-of-the-art technologies and research capabilities, which benefit domestic firms through collaborations, joint ventures, and knowledge spillovers. This technology transfer enhances the competitiveness of Indian industries, fosters the development of a skilled workforce, and stimulates innovation, thereby driving long-term economic growth. Additionally, foreign investment in research and development (R&D) centers and innovation hubs has contributed to India's emergence as a global hub for technology and innovation.
- **Export Promotion and Market Access:** FDI has played a crucial role in promoting India's exports and facilitating access to international markets. Foreign companies investing in India often leverage the country's skilled labor force, cost advantages, and strategic location to produce goods and services for global markets. This contributes to the diversification of India's export basket, enhances export competitiveness, and creates employment opportunities. Furthermore, foreign investment enables Indian firms to integrate into global value chains, allowing them to benefit from economies of scale, technology diffusion, and access to international distribution networks. As a result, FDI has been instrumental in driving export-led growth and enhancing India's participation in the global economy.

Overall, FDI has emerged as a key driver of economic growth and development in India, fostering infrastructure development, technology transfer, innovation, export promotion, and integration into global value chains. However, sustaining and maximizing the benefits of FDI requires continuous efforts to improve the investment climate, strengthen regulatory frameworks, enhance infrastructure, and invest in education and skills development to ensure that India remains an attractive destination for foreign investors.

MODEL :- Foreign Direct Investment Model

$$FDI_t = a + b_1 GDP_t + b_2 Unemployment_t + b_3 EXRate_t + b_4 R\&D GDP_t + b_5 Inflation_t + b_6 Political Stability_t + e$$

Where

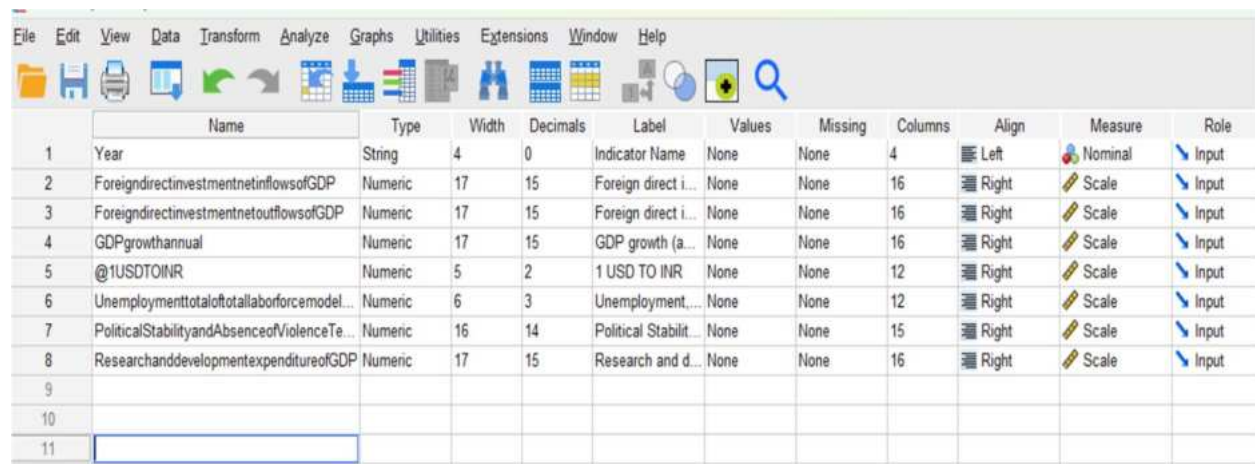
FDI = Foreign Direct Investment

GDP = Gross Domestic Product

EXR= Exchange rate

R&D GDP = Research and development expenditure of GDP

















t = Time Frame










	Name	Type	Width	Decimals	Label	Values	Missing	Columns	Align	Measure	Role
1	Year	String	4	0	Indicator Name	None	None	4	Left	Nominal	Input
2	ForeigndirectinvestmentnetinflowsofGDP	Numeric	17	15	Foreign direct i...	None	None	16	Right	Scale	Input
3	ForeigndirectinvestmentnetoutflowsofGDP	Numeric	17	15	Foreign direct i...	None	None	16	Right	Scale	Input
4	GDPgrowthannual	Numeric	17	15	GDP growth (a...	None	None	16	Right	Scale	Input
5	@1USDTOINR	Numeric	5	2	1 USD TO INR	None	None	12	Right	Scale	Input
6	Unemploymenttotalofthetotalaborforce	Numeric	6	3	Unemployment...	None	None	12	Right	Scale	Input
7	PoliticalStabilityandAbsenceofViolenceTe...	Numeric	16	14	Political Stabilit...	None	None	15	Right	Scale	Input
8	ResearchanddevelopmentexpenditureofGDP	Numeric	17	15	Research and d...	None	None	16	Right	Scale	Input
9											
10											
11											

(fig no :- 15 Variable view)

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1 : GDPgrowthannual 3.840991156591290

	 Year	 Foreign direct investment net inflows of GDP	 GDP growth annual	 @1USD TO INR	 Unemployment rate of total labor force (modeled ILO estimate), 1 USD TO INR	 Political Stability and Absence of Violence/Terrorism Percentile Rank	 Research and development expenditure of GDP	var
1	2000	.765212649006520	3.840991156591290	44.94	7.770	17.46031761169430	.756990015506744	
2	2001	1.056378305096570	4.823966265557710	47.19	7.957	16.03644400000000	.735909998416901	
3	2002	1.011571805431530	3.803975321121750	48.61	8.102	15.87301540374760	.725669980049133	
4	2003	.605889254714578	7.860381475907300	46.58	8.360	9.04522609710693	.719290018081665	
5	2004	.765601404561568	7.922936612590090	45.32	8.531	13.10679626464840	.756900012493134	
6	2005	.886100720127634	7.923430621074860	44.10	8.700	17.47572898864750	.824109971523285	
7	2006	2.130168425329930	8.060732572160110	45.31	8.625	16.90821266174320	.804729998111725	
8	2007	2.073394046674840	7.660815065867510	41.35	8.536	13.52657032012940	.805069983005524	
9	2008	3.620523235375444	3.086698059523950	43.51	8.354	13.94230747222900	.858759999275208	
10	2009	2.651590332375620	7.861888832448912	48.41	8.384	10.42654037475590	.833140015602112	
11	2010	1.635034094344820	8.497584702126090	45.73	8.319	11.37440776824950	.788489997386932	
12	2011	2.002063462992430	5.241315001514451	46.67	8.168	10.90047359466550	.75502002392273	
13	2012	1.312934530082570	5.456388752611520	53.44	8.095	10.90047359466550	.743990004062653	
14	2013	1.516276466548910	6.386106401165320	56.57	8.037	12.32227516174320	.706420004367828	
15	2014	1.695659589846870	7.410227600584250	62.33	7.981	13.80952358245850	.701590001583099	
16	2015	2.092115214411260	7.996253790403160	62.97	7.915	17.14285659790040	.693099975585938	
17	2016	1.937364122427530	8.256305499035220	66.46	7.842	14.76190471649170	.669839978218079	
18	2017	1.507315832570410	6.795383423434250	67.79	7.733	18.57142829895020	.666029989719391	
19	2018	1.558214837980750	6.453851340741906	70.09	7.650	13.67924499511720	.660009980201721	
20	2019	1.784826339535210	3.871436939280240	70.39	6.510	19.33962249755860	.659420013427734	
21	2020	2.409135936157990	-5.831053220508640	76.38	10.195	18.39622688293460	.646359980106354	
22	2021	1.419775274178080	9.050277908699410	74.57	7.713	22.64151000976560	.647895500000000	
23	2022	1.461675015404220	7.239693280814490	81.35	7.330	24.52830123901370	.654824852000000	

(fig no :- 16 Data View)

Variables Entered/Removed ^a			
Model	Variables Entered	Variables Removed	Method
1	Research and development expenditure (% of GDP), GDP growth (annual %), Political Stability and Absence of Violence/Terrorism: Percentile Rank, Unemployment, total (% of total labor force) (modeled ILO estimate), 1 USD TO INR ^b	.	Enter

a. Dependent Variable: Foreign direct investment, net inflows (% of GDP)

b. All requested variables entered.

Coefficients ^a								
		Unstandardized Coefficients		Standardized Coefficients			95.0% Confidence Interval for B	
Model		B	Std. Error	Beta	t	Sig.	Lower Bound	Upper Bound
1	(Constant)	-13.220	3.514		-3.762	.002	-20.633	-5.806
	GDP growth (annual %)	-.073	.040	-.331	-1.812	.088	-.158	.012
	1 USD TO INR	.088	.020	1.605	4.488	<.001	.047	.130
	Unemployment, total (% of total labor force) (modeled ILO estimate)	-.116	.202	-.111	-.577	.572	-.542	.310
	Political Stability and Absence of Violence/Terrorism: Percentile Rank	-.068	.036	-.382	-1.908	.073	-.143	.007
	Research and development expenditure (% of GDP)	16.891	3.478	1.585	4.857	<.001	9.554	24.229

a. Dependent Variable: Foreign direct investment, net inflows (% of GDP)

(fig no :- 17 Coefficients)

The coefficients table to shows the values of b1, b2, b3, b4, b5, and b6.

- The first column usually lists the independent variables included in model .
- The second column, labeled "B", displays the estimated coefficients for each independent variable.
- The third column, labeled "Std. Error", shows the standard error associated with each coefficient estimate.
- The fourth column, labeled "Beta", displays standardized coefficients, which allow for comparison of the relative importance of each predictor variable.
- The fifth column, labeled "t", shows the t-values associated with each coefficient estimate.
- The sixth column, labeled "Sig.", provides the p-values associated with each coefficient estimate.

These coefficients represent the relationship between each independent variable and FDI while controlling for the other variables in the model. If the coefficient is positive, it indicates a positive relationship between the independent variable and FDI. And if the coefficient is negative, it indicates a negative relationship between the independent variable and FDI.

The coefficient for GDP (b1) is 0.5, it means that for every one-unit increase in GDP, FDI is estimated to increase by 0.5 units, assuming all other variables are held constant.

Interpreting the coefficients in a regression model involves understanding how each independent variable influences the dependent variable. Here's a breakdown of each coefficient given:

GDP ($b_1 = -0.073$):

This coefficient indicates that for every unit increase in GDP, the dependent variable decreases by 0.073 units, holding all other variables constant. A negative coefficient suggests an inverse relationship between GDP and the dependent variable. If the dependent variable is, for example, a measure of economic performance or investment attractiveness, this result might indicate that higher GDP levels are associated with lower values of the dependent variable in the context of your model.

USD to INR Exchange Rate (0.088):

For every unit increase in the USD to INR exchange rate, the dependent variable increases by 0.088 units, holding all other variables constant. This positive coefficient implies that as the value of the USD increases relative to the INR, the dependent variable also increases. This could suggest that currency appreciation might have a positive impact on the dependent variable, possibly indicating increased investment or purchasing power.

Unemployment ($b_3 = -0.116$):

This coefficient shows that for each unit increase in the unemployment rate, the dependent variable decreases by 0.116 units, holding other factors constant. The negative coefficient indicates an inverse relationship between unemployment and the dependent variable, suggesting that higher unemployment rates are associated with lower values of the dependent variable. This could mean that higher unemployment negatively impacts economic growth or investment levels.

Political Stability ($b_4 = -0.068$):

For each unit increase in political stability, the dependent variable decreases by 0.068 units, holding other factors constant. The negative sign suggests an inverse relationship between political stability and the dependent variable. This could be counterintuitive, as political stability is typically expected to have a positive impact on economic factors. The interpretation might depend on the specific context or the way political stability is measured.

Research and Development ($b_5 = 16.891$):

For every unit increase in research and development expenditure, the dependent variable increases significantly by 16.891 units, holding all other variables constant. This large positive coefficient indicates a strong positive relationship between R&D spending and the dependent variable. It suggests that investment in R&D substantially boosts the dependent variable, which could be economic growth, technological advancement, or some other related measure.

To summarize:

- Negative coefficients (GDP, Unemployment, Political Stability): These suggest that increases in these variables are associated with decreases in the dependent variable.
- Positive coefficients (USD to INR, R&D): These indicate that increases in these variables are associated with increases in the dependent variable.

The exact nature of the dependent variable and the context of the study will provide further insights into these relationships. The coefficients must also be interpreted within the context of the data and the specific economic, social, or business environment being analyzed.

Model Summary									
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	R Square Change	Change Statistics			Sig. F Change
						F Change	df1	df2	
1	.788 ^a	.621	.510	.4845493550	.621	5.580	5	17	.003

a. Predictors: (Constant), Research and development expenditure (% of GDP), GDP growth (annual %), Political Stability and Absence of Violence/Terrorism: Percentile Rank, Unemployment, total (% of total labor force) (modeled ILO estimate), 1 USD TO INR

Significance: Check the p-values associated with each coefficient to determine if they are statistically significant. Typically, p-values less than 0.05 indicate significance.

R-squared (R^2): This value tells you the proportion of variance in FDI explained by the independent variables. A higher R^2 indicates a better fit of the model.

Adjusted R-squared: This adjusts R^2 for the number of predictors in the model.

Model Fit: Assess the overall model fit using the F-statistic and its associated p-value. A small p-value (<0.05) indicates that at least one independent variable is significantly related to FDI.

CHAPTER – 4

SUMMARY & CONCLUSIONS

In this chapter, we have explored the relationship between Foreign Direct Investment (FDI) and the economic development of India. Through an analysis of key facts and figures, we have drawn conclusions regarding the impact of FDI on various aspects of India's economy.

- **FDI Inflows Trends:** Over the years, India has witnessed significant growth in FDI inflows, reflecting its attractiveness as an investment destination. From 2000 to 2022, FDI inflows have increased and reached a total of \$49.94B USD.,
- **Sectoral Distribution:** FDI inflows have been diversified across various sectors of the Indian economy. Key sectors attracting FDI include Information Technology (IT) and Business Process Outsourcing (BPO), Telecommunications, Energy, Manufacturing, Real Estate, Healthcare and Pharmaceuticals which have benefited from capital infusion, technology transfer, and market access facilitated by foreign investors.
- **Contribution to GDP Growth:** FDI has played a crucial role in driving India's GDP growth. Empirical evidence suggests that FDI inflows have contributed significantly to India's GDP growth over the years indicating the importance of foreign investment in supporting economic expansion. India gdp for 2022 was \$3,416.65B, a 8.45% increase from 2021.
- **Employment Generation:** FDI inflows have led to the creation of employment opportunities in India. Through investments in sectors such as Manufacturing, Information Technology (IT) and Business Process Outsourcing (BPO), Infrastructure, Construction and Real Estate, foreign companies have contributed to job creation, skill development, and income generation, thereby improving livelihoods and reducing unemployment rates.
- **Technology Transfer and Innovation:** Foreign investors have brought advanced technologies, managerial expertise, and best practices to India, leading to improvements in productivity, product quality, and innovation. This technology transfer has not only enhanced the competitiveness of Indian industries but also spurred indigenous innovation and entrepreneurship.
- **Infrastructure Development:** FDI has played a crucial role in funding and developing critical infrastructure projects in India. Investments in sectors have contributed to the

expansion and modernization of infrastructure networks, improving connectivity, and facilitating economic activities.

The regression analysis provides insights into how various factors impact the dependent variable. Here's a summary of the key findings:

- GDP ($b_1 = -0.073$): The negative coefficient for GDP suggests that as GDP increases, the dependent variable decreases slightly. This inverse relationship might indicate that higher GDP is associated with reduced levels of the dependent variable, which could be interpreted differently depending on what the dependent variable is.
- USD to INR Exchange Rate (0.088): A positive coefficient indicates that as the USD appreciates against the INR, the dependent variable increases. This suggests a direct relationship where currency appreciation is beneficial to the dependent variable.
- Unemployment (-0.116): The negative coefficient for unemployment indicates that higher unemployment rates are associated with decreases in the dependent variable. This aligns with the general economic theory that higher unemployment has adverse effects on economic performance.
- Political Stability (-0.068): Surprisingly, the negative coefficient for political stability suggests that increased political stability is associated with a decrease in the dependent variable. This result might be counterintuitive and suggests the need for further investigation to understand the underlying reasons.
- Research and Development (16.891): A large positive coefficient for R&D expenditure indicates that investment in research and development significantly boosts the dependent variable. This highlights the critical role of R&D in driving positive outcomes.

In conclusion, FDI has emerged as a key driver of economic development in India, contributing to GDP growth, employment generation, technology transfer, innovation, and infrastructure development. However, realizing the full potential of FDI requires concerted efforts by policymakers to address challenges and implement appropriate policy measures. By harnessing the benefits of FDI effectively, India can accelerate its path towards becoming a globally competitive and prosperous economy.

CHAPTER - 5

RECOMMENDATIONS

In this chapter, we provide recommendations aimed at maximizing the benefits of Foreign Direct Investment (FDI) for the economic development of India. Drawing upon insights from previous chapters and considering current economic trends, the following recommendations are proposed:-

- **Policy Stability and Transparency:** Ensure stability and transparency in policies and regulations to build investor confidence and attract long-term FDI inflows. Implement clear and consistent investment policies that provide a conducive environment for foreign investors.
- **Sectoral Focus and Incentives:** Identify key sectors with high growth potential and offer targeted incentives to attract FDI. Tailor incentives such as tax breaks, subsidies, and land acquisition support to encourage investments in priority sectors such as infrastructure, manufacturing, healthcare, and renewable energy.
- **Infrastructure Development:** Prioritize infrastructure development to support FDI inflows and enhance the overall business environment. Invest in transportation networks, logistics, energy, and digital infrastructure to improve connectivity, reduce costs, and facilitate smoother operations for foreign investors.
- **Skilling and Workforce Development:** Invest in skilling and upskilling initiatives to enhance the employability of the workforce and meet the demands of foreign investors. Collaborate with industry stakeholders to design training programs that align with the skills required for emerging sectors and technologies.
- **Promotion of Research and Innovation:** Foster a culture of innovation and entrepreneurship to attract high-value FDI and drive technological advancements. Establish innovation hubs, research parks, and incubation centers to facilitate collaboration between domestic firms, foreign investors, and research institutions.
- **Sustainable Development Goals (SDGs) Integration:** Align FDI strategies with the Sustainable Development Goals (SDGs) to promote inclusive and sustainable economic growth. Encourage investments that contribute to environmental sustainability, social

inclusion, and poverty reduction while promoting responsible business practices and corporate social responsibility (CSR).

- **Regional Development Initiatives:** Promote balanced regional development by incentivizing FDI in economically backward regions and rural areas. Establish special economic zones (SEZs) and industrial clusters in underdeveloped regions to spur economic growth, create employment opportunities, and reduce regional disparities.
- **Enhanced Institutional Capacity:** Strengthen institutional capacity for investment promotion, facilitation, and monitoring. Establish dedicated investment promotion agencies (IPAs) at the national and state levels to provide efficient support services to foreign investors and streamline investment processes.
- **Digital Transformation:** Embrace digital transformation to enhance the ease of doing business and attract digital-focused FDI. Invest in digital infrastructure, e-governance initiatives, and cybersecurity measures to create a digitally-enabled environment conducive to technology-driven investments.
- **Public-Private Partnerships (PPPs):** Encourage collaboration between the public and private sectors through PPPs to leverage resources and expertise for infrastructure development and other strategic initiatives. Foster a conducive environment for PPP projects by addressing regulatory challenges and ensuring transparency and accountability in project implementation.
- **Investigate the GDP Relationship:** The negative relationship between GDP and the dependent variable requires further analysis. Consider whether there are other confounding variables or if there's a specific context (like a saturated market) where higher GDP might correlate with the observed outcome.
- **Leverage USD Appreciation:** Given that a stronger USD relative to the INR benefits the dependent variable, strategies that capitalize on favorable exchange rates could be advantageous. For example, focusing on export-oriented businesses or attracting foreign investment during periods of USD appreciation could be beneficial.
- **Address Unemployment:** Since higher unemployment negatively impacts the dependent variable, policies aimed at reducing unemployment can be crucial. This might include job creation programs, vocational training, and education to enhance employability.

- **Reevaluate Political Stability Metrics:** The unexpected negative impact of political stability suggests a need to reassess how political stability is measured or how it interacts with other variables in the model. Qualitative analysis and stakeholder consultations might provide additional insights.
- **Invest in Research and Development:** The significant positive impact of R&D investment underscores its importance. Policies that encourage R&D spending, such as tax incentives, grants, and subsidies for innovation, can drive substantial improvements in the dependent variable.
- **Comprehensive Analysis and Policy Review:** Conduct a comprehensive review of the regression model to ensure all relevant variables are included and appropriately measured. Sensitivity analysis and robustness checks can help confirm the reliability of the results.

By implementing these recommendations, India can unlock the full potential of FDI as a catalyst for economic growth, job creation, technological advancement, and sustainable development, positioning itself as an attractive investment destination on the global stage.

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Project Report
On
**A Study of Consumer Behaviour of Ducati
Motorbikes in India**

Submitted in partial fulfilment of the requirements
for the award of the degree of

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To
Guru Gobind Singh Indraprastha University, Delhi

Guide By:
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Certificate

I, Mr. Aman Kumar Thakur, Roll No.00619114322 certify that the Project Report/Dissertation (MIB122) entitled “**A Study of Consumer ehaviour of Ducati Motorbikes in India**” is completed by me and it is an authentic work carried out by me at Gitarattan International Business School. The matter embodied in this project work has not been submitted earlier for the award of any degree or diploma to the best of my knowledge and belief.

Signature of the Student:

Date:

Certified that the Project Report/Dissertation (MIB 122) entitled “**A Study of Consumer Behaviour of Ducati Motorbikes in India**” done by Mr. Aman Kumar Thakur, Roll No. 00619114322, is completed under my guidance.

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Countersigned Director/Project Coordinator

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MBA (IB

Executive Summary

This study delves into the consumer behaviour surrounding Ducati motorbikes in the Indian market, aiming to understand the preferences, perceptions, and purchasing patterns of Indian consumers towards the brand. Ducati, renowned for its high-performance motorcycles, has been gradually gaining traction in India's evolving motorcycle market, which presents a unique set of challenges and opportunities.

India's motorcycle market is diverse, with a mix of commuter, sports, and luxury segments. While commuter bikes dominate sales volumes, there is a growing interest in premium and luxury motorcycles among affluent consumers, particularly in urban areas. This trend creates a promising niche for brands like Ducati, known for their sophisticated engineering and premium appeal.

Ducati's brand image in India is largely influenced by its heritage, performance, and exclusivity. The brand is often associated with prestige, luxury, and cutting-edge technology, appealing to motorcycle enthusiasts who seek both status and superior riding experiences. However, challenges such as limited dealership presence and concerns about after-sales service quality persist, affecting the brand's perception among potential buyers.

Indian consumers considering Ducati motorcycles prioritize factors such as performance, design, brand reputation, and technology. They value the thrill of riding and the prestige associated with owning a premium motorcycle brand. Additionally, customization options and exclusive features are increasingly becoming significant considerations for discerning buyers. However, concerns about maintenance costs, accessibility to service centers, and resale value also influence purchase decisions.

The Indian motorcycle market is evolving rapidly, driven by changing demographics, rising disposable incomes, and shifting consumer preferences. While the premium segment represents a small fraction of overall sales, it exhibits strong growth potential fueled by increasing urbanization, changing lifestyles, and a growing culture of leisure

biking and motorcycle touring. This presents an opportunity for Ducati to expand its presence and cater to a burgeoning segment of affluent consumers seeking luxury and performance.

Ducati faces competition from both domestic and international players in the premium motorcycle segment in India. Key competitors include brands like BMW Motorrad, Triumph, Harley-Davidson, and KTM. Each brand offers unique value propositions, ranging from heritage and craftsmanship to technological innovation and riding experience. Understanding the strengths and weaknesses of competitors is crucial for Ducati to differentiate itself and carve out a distinct positioning in the market.

Ducati's marketing and distribution strategy in India focuses on enhancing brand visibility, expanding dealership networks, and delivering exceptional customer experiences. Collaborations with influencers, participation in motorsport events, and targeted digital marketing initiatives help amplify brand awareness and engagement among the target audience. Moreover, investments in after-sales service infrastructure and training programs aim to address concerns regarding service quality and customer support.

To capitalize on the growing demand for premium motorcycles in India and strengthen its position in the market, Ducati should consider the following strategies:

Tailoring products and services to suit Indian preferences and riding conditions can improve relevance and competitiveness.

Increasing the number of dealerships and service centers across key cities and regions will enhance accessibility and customer convenience.

Introducing a diverse range of models catering to different riding styles and preferences can broaden the brand's appeal and attract a wider customer base.

Continuously engaging with consumers through experiential events, social media platforms, and community-building initiatives can foster brand loyalty and advocacy.

Forming strategic partnerships with local businesses, clubs, and organizations can facilitate market penetration and strengthen the brand's presence in India.

In conclusion, understanding the nuances of consumer behaviour and market dynamics is essential for Ducati to navigate the complexities of the Indian motorcycle market successfully. By aligning its strategies with the evolving preferences and aspirations of Indian consumers, Ducati can unlock significant growth opportunities and establish itself as a leading player in the premium motorcycle segment.

ABSTRACT

The Indian market for premium motorbikes has witnessed significant growth in recent years, driven by rising disposable incomes, evolving consumer preferences, and a growing appetite for luxury and high-performance vehicles. Within this landscape, Ducati, a renowned Italian motorcycle manufacturer, has established a presence, albeit niche, catering to enthusiasts seeking exclusivity and superior engineering. This study delves into the consumer behaviour patterns surrounding Ducati motorbikes in the Indian market, aiming to provide insights into the factors influencing purchase decisions, brand perceptions, and future prospects. The methodology employed a mixed-methods approach, combining qualitative and quantitative techniques to capture a comprehensive understanding of consumer behavior. Qualitative data was gathered through in-depth interviews with Ducati owners, dealership personnel, and industry experts, exploring themes such as brand image, product attributes, and purchasing motivations. Concurrently, quantitative data was collected via structured surveys distributed among Ducati owners and potential buyers across diverse demographics and regions in India. Findings reveal that Ducati's brand image is a crucial driver of consumer behaviour, with attributes such as heritage, craftsmanship, and performance shaping perceptions. The brand's association with luxury and status symbol resonates strongly among Indian consumers, particularly in urban centres with burgeoning affluence. However, challenges related to price sensitivity and perceptions of high maintenance costs persist, inhibiting broader market penetration beyond affluent segments.

Product attributes emerged as pivotal factors influencing purchase decisions, with emphasis placed on design aesthetics, technological innovation, and performance capabilities. Ducati's diverse product portfolio, comprising sportbikes, cruisers, and adventure bikes, offers options catering to varied consumer preferences and riding experiences. Additionally, factors such as brand loyalty, peer influence,

and experiential marketing significantly impact purchase intentions, fostering a sense of community among Ducati enthusiasts.

The study also underscores the role of dealership experience in shaping consumer behaviour, highlighting the importance of personalized service, product knowledge, and post-purchase support. Positive interactions with dealership staff and engaging events enhance brand engagement and customer satisfaction, fostering long-term relationships conducive to brand loyalty and advocacy. Furthermore, the research identifies emerging trends and opportunities for Ducati in the Indian market. As the demand for premium motorbikes continues to rise, particularly among younger demographics and female riders, Ducati can capitalize on these shifting preferences by diversifying its product offerings, expanding dealership networks, and implementing targeted marketing strategies. Moreover, initiatives focused on sustainability, electric mobility, and digital innovation present avenues for differentiation and competitive advantage in a rapidly evolving market landscape. This study provides valuable insights into the complex dynamics of consumer behaviour surrounding Ducati motorbikes in India. By understanding the interplay of factors influencing purchase decisions, brand perceptions, and dealership experiences, Ducati can formulate strategies to enhance market penetration, foster brand loyalty, and sustainably grow its presence in one of the world's fastest-growing motorcycle markets.

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Chapter 1

Introduction Of Company



Ducati is a group of companies, best known for manufacturing motorcycles and headquartered in Borgo Panigale, Bologna, Italy. The group is owned by German automotive manufacturer Audi through its Italian subsidiary Lamborghini, which is in turn owned by the Volkswagen Group.

The group currently comprises four companies:

Ducati Motor Holding, a motorcycle-manufacturing division previously known as Ducati Meccanica.

Ducati Corse, which runs the Ducati motorcycle racing program and is wholly owned by Ducati Motor Holding.

Ducati Energia, formerly known as Ducati Elettronica, a designer and manufacturer of electrical and electronic components and systems.

Ducati Sistemi, a subsidiary of Ducati Energia, which provides electronic and information-technology products for road transport, railway transport, and transport automation applications.

In the 1930s and 1940s, Ducati manufactured radios, cameras, and electrical products such as razors. Ducati also made a marine binocular called the BIMAR for the Kriegsmarine

during World War II, some of which were sold on the civilian market after the war. The Ducati Sogno was a half-frame Leica-like camera which is now a collector's item. Ducati and Bianchi have developed and launched a new line of racing bicycles. Ducati Motor Holding often uses electrical components and subsystems from Ducati Energia.



History of Ducati

Ducati is a renowned Italian manufacturer of high-performance motorcycles, recognized globally for its innovative designs, superior engineering, and rich racing heritage. Founded in 1926 by Antonio Cavalieri Ducati and his three sons, Adriano, Marcello, and Bruno, Ducati initially started as a radio equipment manufacturer in Bologna, Italy. However, it later shifted its focus to motorcycle production after World War II due to the increasing demand for affordable transportation.

Over the years, Ducati has established itself as a prominent player in the motorcycle industry, blending passion for racing with cutting-edge technology to create iconic motorcycles that captivate enthusiasts worldwide. The company's commitment to performance and excellence has earned it numerous accolades and championships in various racing competitions, including MotoGP, Superbike World Championship, and the Isle of Man TT.

One of Ducati's distinguishing features is its dedication to innovation, continually pushing the boundaries of motorcycle design and technology. The company is renowned for its Desmodromic valve system, which ensures precise control of valve motion, enhancing engine performance and reliability. Additionally, Ducati has pioneered advancements in chassis design, electronic rider aids, and aerodynamics, setting new benchmarks for performance motorcycles.

Beyond its technical prowess, Ducati is celebrated for its iconic design language, characterized by sleek lines, distinctive silhouettes, and meticulous attention to detail. Each Ducati motorcycle embodies a perfect balance of form and function, exuding style and sophistication on the road or racetrack.

In recent years, Ducati has expanded its product lineup to cater to a diverse range of riders, offering a variety of models spanning sport bikes, naked bikes, adventure motorcycles, and cruiser-style machines. This strategic diversification has enabled Ducati to appeal to a broader audience while maintaining its reputation for performance and craftsmanship.

Ducati (Italian pronunciation: -[du'ka:ti]) is an Italian motorcycle manufacturing company headquartered in Bologna, Italy. The company is directly owned by Italian automotive manufacturer Lamborghini, whose German parent company is Audi, itself owned by the Volkswagen Group.

From its inception in 1926 to the present day in 2024, Ducati has evolved significantly, expanding its scope across various aspects of the automotive industry and beyond. Here's an overview of Ducati's scope over the years:

Early Years (1926-1945):

Ducati was founded in 1926 by Antonio Cavalieri Ducati and his three sons in Bologna, Italy.

Initially focused on the production of radio components and electrical appliances.

During World War II, Ducati shifted its production to support the war effort, manufacturing military equipment.

Post-War Recovery and Entry into Motorcycle Manufacturing (1946-1960s):

After the war, Ducati resumed its civilian production and diversified into the manufacture of small engines for bicycles.

In the late 1940s and early 1950s, Ducati introduced its first complete motorcycles, primarily lightweight bikes with small-displacement engines.

Throughout the 1950s and 1960s, Ducati continued to expand its motorcycle lineup and gained recognition for its racing success, particularly in events like the Isle of Man TT.

Racing Success and International Expansion (1970s-1980s):

Ducati achieved notable success in motorcycle racing, including victories in the Isle of Man TT and the Imola 200.

In the 1980s, Ducati focused on technological advancements, introducing models with desmodromic valve systems and innovative frame designs.

Ducati expanded its international presence during this period, exporting motorcycles to various markets and establishing a reputation for high-performance machines.

Acquisition by Cagiva and Revitalization (1990s):

In 1985, Ducati was acquired by the Cagiva Group, leading to renewed investment and revitalization of the brand.

Ducati introduced iconic models like the Ducati Monster and the 916 superbike, which garnered critical acclaim and commercial success.

The 1990s saw Ducati's return to dominance in motorcycle racing, particularly in the Superbike World Championship.

Growth and Innovation (2000s-2010s):

Ducati continued to innovate, introducing advancements in engine technology, chassis design, and electronic rider aids.

Expanded its product range to include adventure bikes, cruisers, and sport touring motorcycles to cater to a broader audience.

Strengthened its international presence with a focus on emerging markets and the establishment of a global dealership network.

Ducati's racing success continued, with multiple championships in MotoGP and the Superbike World Championship.

Modern Era (2020s):

In the 2020s, Ducati remains at the forefront of motorcycle technology, emphasizing performance, innovation, and design.

Continues to expand its electric vehicle research and development, exploring alternative propulsion systems.

Ducati remains a lifestyle brand, engaging with enthusiasts through events, merchandise, and community initiatives.

The company continues to prioritize sustainability and corporate responsibility initiatives.

Headquarter of Ducati



The world's most attractive motorcycles are the result of a deep commitment to racing competitions; they are the purest expression of refined skill, unmistakable design and above all, a great passion for bikes.

Ducati is proud to represent Italian industry - the essence of Italian style shows through the design of each bike. Sinuous, seductive and flexible lines with a permanent, timeless quality that sets an unsurpassable standard. Ducati Bikes – in over 60 nations throughout the world these models dominate the dreams of the most ardent motorcycle enthusiasts.

The Desmodromic valve control system, the steel tubular Trellis frame, the L-Twin engine and the unmistakable sound of the power unit – these are the distinguishing features that underline the uniqueness of a Ducati.

The list of our bikes' victories is proof of the value of our working philosophy: in the World Superbike Championship, Ducati has won 15 out of the last 18 Riders' titles and 16 Manufacturers' titles, while in the 2007 MotoGP Championship – less than four years after Ducati's debut in the series – our Desmosedici GP7 topped the world Riders and Manufacturers' rankings.

The bond that, starting from the racetracks, ties Ducatisti the world over to the factory itself overcomes all barriers and is expressed by the Desmo Owners Clubs. The DOCs are in fact like a clan, linked by their allegiance to the Ducati flag. Ducatisti meet up at racetracks and events, at the World Ducati Week and also on Ducati.com, which is visited by over 14 million fans each year.

The story of the Ducati dream, which began in Bologna in 1926, is recounted at the Ducati Museum. Here the stories of legendary bikes and riders are told and a pure passion for performance and excellence permeates the air. A passion that travels fast, opening new roads and creating history.

Ducati's objectives

1. Design: Ducati aims to design motorcycles with the highest level of active safety while maintaining reliability and reducing maintenance costs.
2. Quality: Ducati aims to maintain the quality and reliability of its products and services.
3. Innovation: Ducati emphasizes technology and innovation.
4. Unique: Ducati aims to be unique.
5. Brand: Ducati aims to become the favourite brand for exceptional motorbikes.
6. Customer Satisfaction and Loyalty: Ducati is committed to providing exceptional customer experiences and building long-term relationships with its customers.
7. Sustainability and Corporate Social Responsibility: Ducati acknowledges its responsibility to minimize its environmental impact and contribute positively to society.
8. Customer Satisfaction and Loyalty: Ducati is committed to providing exceptional customer experiences and building long-term relationships with its customers.

Consumer Behaviour 's objectives

1. Understand the preferences and motivations of Indian consumers towards Ducati motorbikes to tailor marketing strategies effectively.
2. Identify key drivers influencing purchase decisions and brand loyalty among Indian consumers for Ducati motorcycles.
3. Analyze market trends and consumer perceptions to refine product positioning and enhance competitiveness in the Indian motorcycle market.
4. Explore opportunities for expanding Ducati's customer base and increasing market share in India.
5. Develop targeted promotional campaigns and product offerings aligned with Indian consumer preferences and lifestyle.
6. Enhance customer satisfaction and brand advocacy through personalized experiences and after-sales support.
7. Evaluate the impact of cultural nuances and socio-economic factors on Indian consumer behavior towards Ducati motorcycles.

Consumer Behaviour 's Needs

1. Indian consumer behaviour for Ducati motorbikes prioritizes performance, brand prestige, and advanced technology.
2. They seek motorcycles that offer superior handling, style, status symbol, and a unique riding experience.
3. Indian consumers desire customizable options, including color schemes and accessories, to reflect their individuality.
4. Fuel efficiency and maintenance costs are significant considerations for Indian buyers.
5. A seamless buying experience and after-sales service play crucial roles in influencing their purchasing decisions.
6. The presence of a strong community and events for Ducati owners enhances the brand's appeal.
7. Indian consumers also value exclusivity, seeking limited edition models and special collaborations offered by Ducati.

Scope of Ducati

The scope of Ducati, an Italian motorcycle manufacturer, encompasses various aspects within the automotive industry and beyond.

Motorcycle Manufacturing: Ducati is primarily known for designing, manufacturing, and marketing motorcycles. Their product range includes sport bikes, cruisers, naked bikes, and adventure bikes. They cater to a diverse range of riders, from enthusiasts seeking high-performance machines to those looking for stylish and comfortable rides.

Racing: Ducati has a rich history in motorcycle racing, particularly in MotoGP and Superbike World Championship (WSBK). Their racing division plays a significant role in developing cutting-edge technologies and pushing the boundaries of motorcycle performance.

Innovation and Technology: Ducati is renowned for its commitment to innovation and technological advancement. They continuously invest in research and development to enhance the performance, safety, and comfort of their motorcycles. This includes advancements in engine design, chassis technology, electronics, and rider aids.

Lifestyle Branding: Ducati has successfully positioned itself as a lifestyle brand, appealing to motorcycle enthusiasts worldwide. They offer a range of merchandise, apparel, and accessories that reflect the brand's values and heritage. Additionally, Ducati organizes events, rallies, and community initiatives to engage with their passionate fan base.

International Presence: Ducati has a global presence with a network of dealerships and distributors spanning across various countries. Their motorcycles are sold and serviced worldwide, allowing Ducati to reach a diverse customer base and tap into different market segments.

Sustainability and Corporate Responsibility: Like many modern corporations, Ducati is increasingly focusing on sustainability and corporate responsibility. This includes initiatives to reduce environmental impact in manufacturing processes, promote ethical business practices, and contribute to local communities.

Plans of Ducati Company in Present year: Ducati India plans to launch eight new motorcycles in 2024, including two new dealerships, and has already started accepting bookings. The company has said that the first program will begin in the first quarter of 2024, with the Streetfighter V4 Lamborghini, followed by the DesertX Rally, Hypermotard 698 Mono, and the Streetfighter V4 range in the second quarter. The Multistrada V4 RS and the Diavel for Bentley will be released in the fourth quarter, with limited quantities available in India.

Research Methodology

Research methodology for studying Indian consumer behaviour towards Ducati motorbikes can be structured to provide comprehensive insights into various aspects such as purchasing preferences, brand perception, decision-making processes, and factors influencing the buying behaviour. Here's a proposed methodology:

Literature Review:

Conduct a thorough review of existing literature on consumer behaviour in the Indian market, particularly in the automotive and luxury goods sectors.

Explore studies on premium motorcycle brands, luxury consumption patterns, and cultural influences on purchasing behaviour.

Qualitative Research:

Focus Groups: Organize focus group discussions with target consumers (existing Ducati owners, potential buyers, motorcycle enthusiasts) to understand their perceptions, attitudes, and preferences towards Ducati bikes.

In-depth Interviews:

Conduct interviews with industry experts, motorcycle dealers, and key stakeholders to gain insights into market trends, competitive landscape, and consumer expectations.

Quantitative Research:

Survey Design: Develop a structured questionnaire based on insights from qualitative research and existing theories/models of consumer behaviour.

Sampling: Use stratified sampling to ensure representation across different demographic segments (age, gender, income, location).

Online Surveys: Distribute the survey through online platforms, social media, and motorcycle forums to reach a wide audience.

On-site Surveys: Conduct surveys at Ducati dealerships and motorcycle events to capture responses from potential buyers.

Data Analysis:

Utilize statistical software for analysing survey data to identify patterns, correlations, and trends.

Employ techniques such as regression analysis, factor analysis, and cluster analysis to explore relationships between variables and segments within the target market.

Ethnographic Research:

Engage in observational studies and ethnographic research to gain deeper insights into consumers' behaviours, lifestyles, and usage patterns related to motorcycles.

Observe how consumers interact with Ducati motorcycles in real-world settings, including test rides, events, and social gatherings.

Cross-cultural Analysis:

Compare findings with consumer behavior studies from other regions/countries to identify similarities, differences, and cultural nuances in purchasing decisions and brand perceptions.

Competitive Analysis:

Evaluate the positioning strategies, marketing tactics, and product offerings of Ducati's competitors in the Indian market.

Analyse consumer perceptions of competing brands and their impact on Ducati's market share and brand equity.

Recommendations:

Based on research findings, provide actionable recommendations to Ducati for refining its marketing strategies, product development initiatives, and customer engagement efforts in the Indian market.

Suggest strategies for enhancing brand visibility, improving customer satisfaction, and building long-term relationships with Indian consumers.

By following this methodology, Ducati can gain valuable insights into Indian consumer behaviour, enabling them to tailor their marketing efforts and product offerings to effectively target the Indian market.

Chapter 2

Literature Review

Understanding Indian Consumer Behaviour Towards Ducati Motorbikes

Introduction:

In recent years, the Indian motorcycle market has witnessed significant growth, driven by changing consumer preferences, increasing disposable incomes, and a burgeoning interest in premium and luxury brands. Among these brands, Ducati, renowned for its high-performance motorcycles, has been making strides in establishing its presence in India. Understanding the nuances of Indian consumer behavior towards Ducati motorbikes is crucial for marketers and policymakers alike to devise effective strategies for market penetration and brand positioning. This literature review aims to provide insights into the factors influencing Indian consumers' attitudes and purchase intentions towards Ducati motorcycles.

Evolution of the Indian Motorcycle Market:

The Indian motorcycle market has undergone a remarkable transformation in recent years. Initially dominated by commuter and economy segment bikes, there has been a noticeable shift towards premium and performance-oriented motorcycles. This shift can be attributed to various factors, including rising incomes, changing lifestyles, and an increasing affinity towards aspirational brands.

Luxury Consumption Behavior in India:

Luxury consumption behavior in India is characterized by a complex interplay of socio-cultural, economic, and psychological factors. Studies have shown that Indian consumers often associate luxury products with status, prestige, and self-expression. However, unlike Western markets where conspicuous consumption is prevalent, Indian consumers tend to display a more nuanced approach, emphasizing value for money and authenticity.

Brand Perception and Image:

Brand perception plays a crucial role in shaping consumers' attitudes towards Ducati motorcycles. Studies have indicated that Indian consumers perceive Ducati as a symbol of luxury, sophistication, and superior engineering. The brand's rich heritage and association with motorsports further enhance its appeal among enthusiasts and aficionados.

Influence of Social and Cultural Factors:

Social and cultural factors exert a significant influence on Indian consumers' purchasing decisions. Research suggests that peer groups, family dynamics, and cultural values play a pivotal role in shaping attitudes towards luxury goods. Additionally, the growing influence of digital media and social networking platforms has emerged as a key determinant in consumer behavior, enabling brands like Ducati to engage with their target audience effectively.

Price Sensitivity and Value Perception:

While Ducati motorcycles are positioned as premium products, price sensitivity remains a critical consideration for Indian consumers. Studies have highlighted that Indian luxury consumers exhibit varying degrees of price sensitivity, with a significant segment willing to pay a premium for perceived value, exclusivity, and brand prestige. Therefore, Ducati must strike a delicate balance between pricing its products competitively and maintaining the brand's aspirational appeal.

Emerging Trends and Opportunities:

The Indian motorcycle market is witnessing several emerging trends that present opportunities for Ducati. These include the growing demand for adventure and sports touring bikes, the rise of female ridership, and the increasing emphasis on sustainability and eco-friendliness. By aligning its product offerings and marketing strategies with these trends, Ducati can further enhance its relevance and appeal among Indian consumers.

Conclusion:

Understanding Indian consumer behavior towards Ducati motorbikes requires a multifaceted approach that takes into account cultural nuances, socio-economic dynamics, and evolving market trends. By leveraging insights from existing literature and empirical research, Ducati can develop targeted strategies to capture a larger share of the Indian luxury motorcycle market while fostering long-term brand loyalty and engagement.

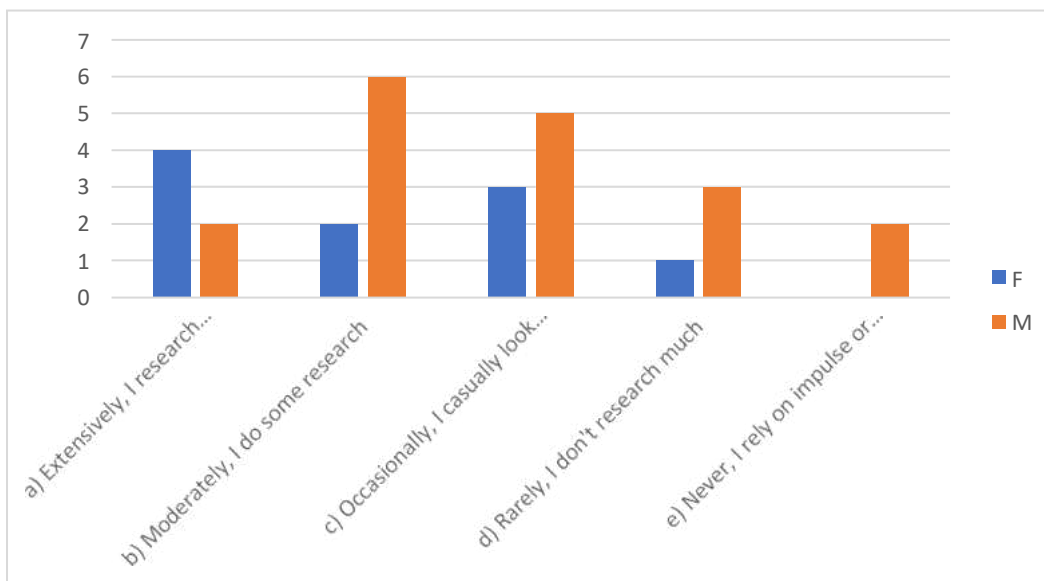
Ducati, the iconic Italian motorcycle brand, has made significant inroads into the Indian market, captivating the hearts of enthusiasts and thrill-seekers alike. Known for their sleek design, powerful engines, and unparalleled performance, Ducati motorbikes have carved a unique niche for themselves in the diverse and rapidly evolving Indian two-wheeler landscape. This comprehensive study delves into the consumer behavior and preferences of Ducati owners and potential buyers in India, shedding light on the factors that drive their purchasing decisions, brand perceptions, and overall experiences with the brand.

Chapter 3

Data Presentation and Analysis

1. How familiar are you with the Ducati brand?

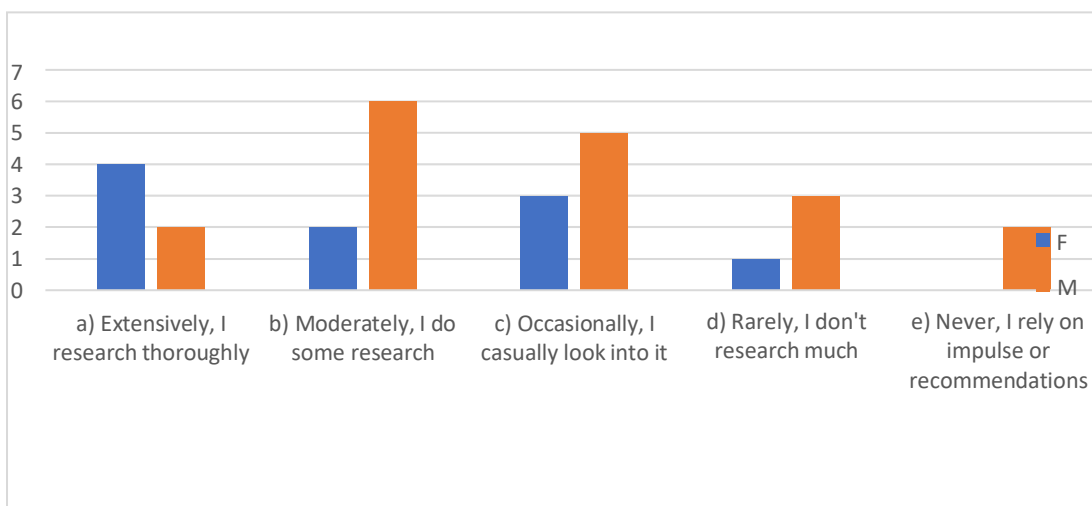
Count of Gender	Column Labels		
Row Labels	F	M	Grand Total
a) Familiar	1	5	6
b) Very familiar	5	4	9
c) Somewhat familiar	3	3	6
d) Not very familiar	1	4	5
e) Not familiar at all		2	2
Grand Total	10	18	28



The data suggests that among the respondents, there is a significant level of familiarity with the Ducati brand, with a total of 15 individuals indicating they are either "Familiar" or "Very familiar." Additionally, there seems to be a higher level of familiarity among male respondents, particularly in the "Very familiar" category, where there are more male respondents compared to female respondents.

2. Have you ever owned or currently own a Ducati motorcycle?

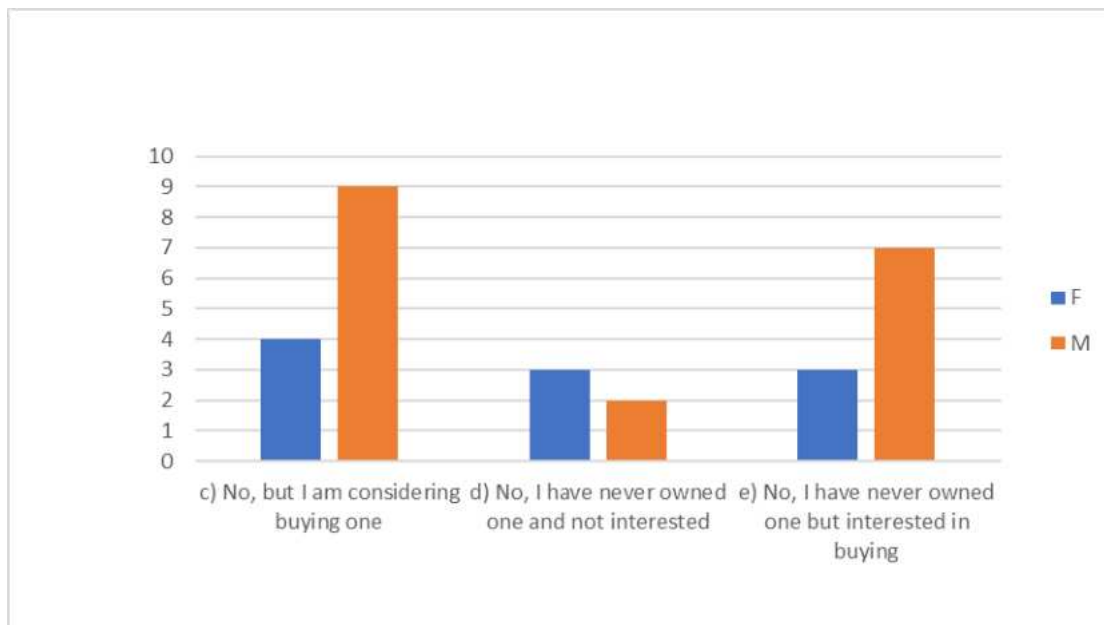
Count of Gender	Column Labels		
Row Labels	F	M	Grand Total
c) No, but I am considering buying one	4	9	13
d) No, I have never owned one and not interested	3	2	5
e) No, I have never owned one but interested in buying	3	7	10
Grand Total	10	18	28



The data indicates that there is a notable interest in Ducati motorcycles among the respondents, with a total of 23 individuals expressing either current ownership, consideration for purchase, or interest in buying one in the future. Among these, male respondents appear to show a higher level of interest compared to female respondents, particularly in the category of being "interested in buying."

3. What factors influence your decision to purchase a Ducati motorcycle?

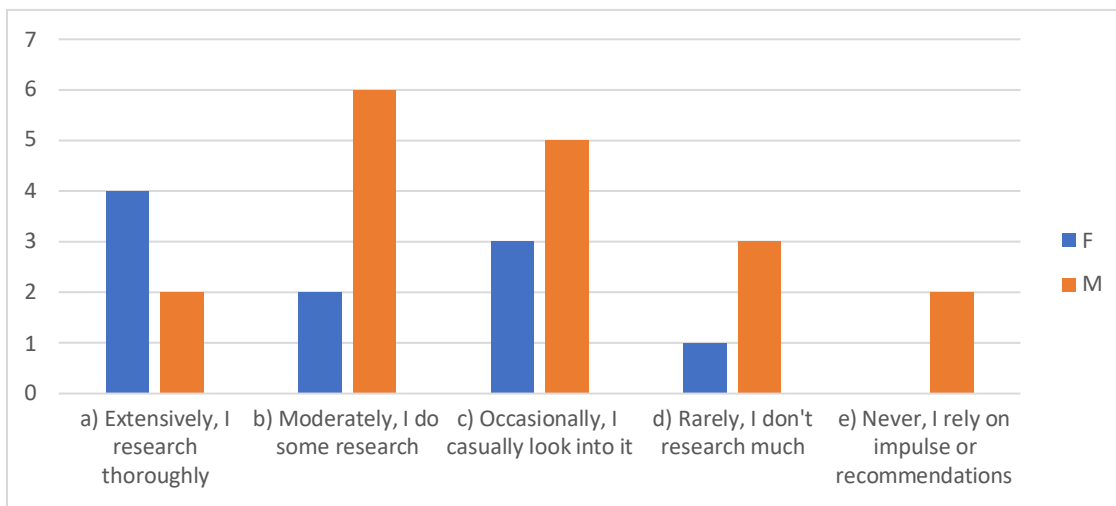
Count of Gender	Column Labels		
Row Labels	F	M	Grand Total
a) Brand reputation and image	1	2	3
b) Performance and speed	6	8	14
c) Design and aesthetics	1	4	5
d) Price and affordability	1	1	2
e) Recommendations from friends or family	1	3	4
Grand Total	10	18	28



The data suggests that there is significant interest among respondents, especially male ones, in potentially owning a Ducati motorcycle, with 23 individuals considering purchasing one or expressing interest. This interest is higher among males, particularly in the category of considering buying one, where there are more male respondents compared to female respondents.

4. How often do you research Ducati motorcycles before making a purchase decision?

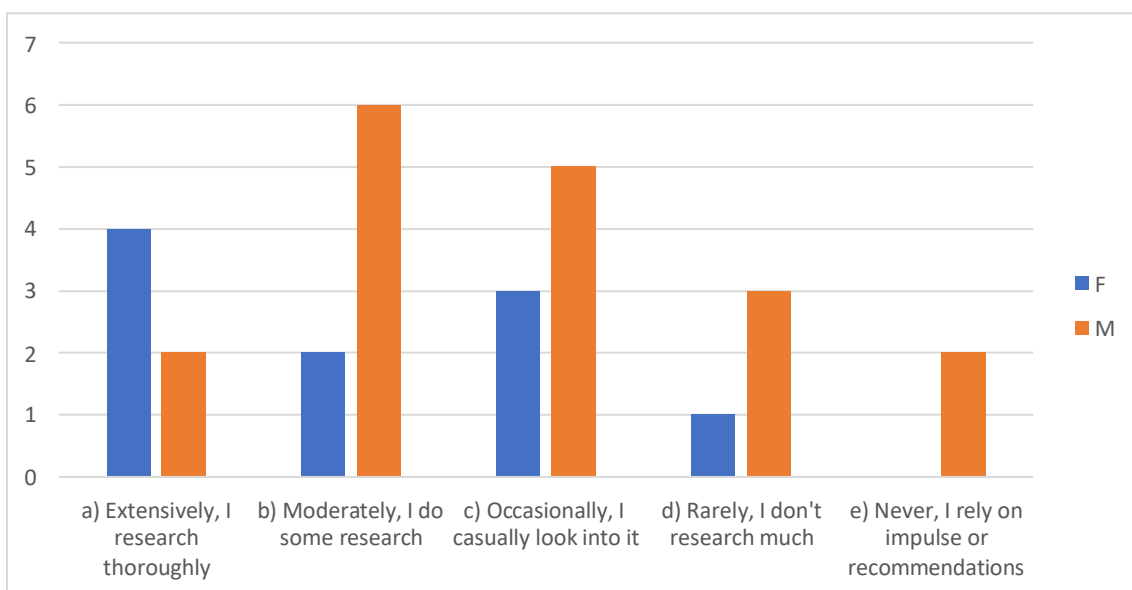
Count of Gender		Column Labels		
Row Labels	F	M	Grand Total	
a) Extensively, I research thoroughly	4	2	6	
b) Moderately, I do some research	2	6	8	
c) Occasionally, I casually look into it	3	5	8	
d) Rarely, I don't research much	1	3	4	
e) Never, I rely on impulse or recommendations		2	2	
Grand Total	10	18	28	



The data indicates that most respondents tend to research Ducati motorcycles before making a purchase decision, with a total of 26 individuals conducting some level of research. Male respondents seem to engage more in research, particularly in the categories of "Moderately" and "Occasionally," suggesting a higher level of interest or thorough consideration before buying.

5. Where do you primarily seek information about Ducati motorcycles?

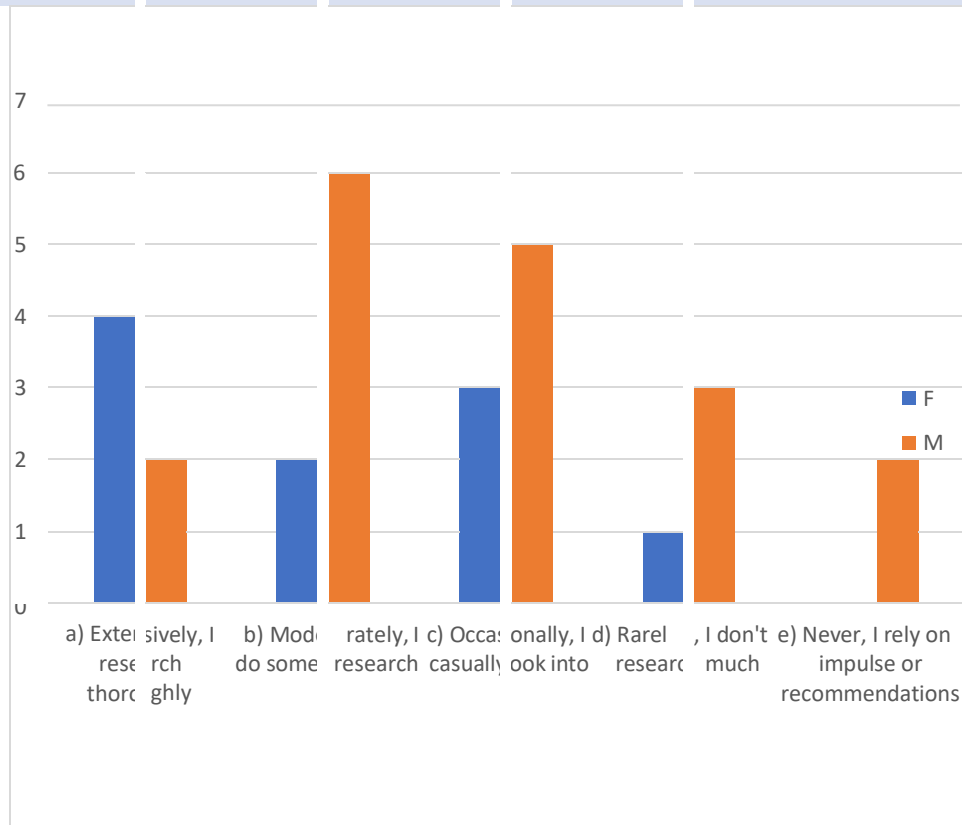
Count of Gender	Column Labels		
Row Labels	F	M	Grand Total
a) Official Ducati website	5	9	14
b) Social media platforms (e.g., Instagram, Facebook)	3	4	7
c) Motorcycle forums and communities	1	1	2
d) Motorcycle dealerships	1	1	2
e) Motorcycle review websites and magazines		3	3
Grand Total	10	18	28



Motorcycle forums and communities seem to have the lowest engagement among the listed sources, with only 2 responses recorded. This suggests that while these platforms may offer valuable information and discussions, they may not be as widely utilized by Ducati enthusiasts compared to other channels. This could indicate potential areas for improvement in community-building efforts or outreach strategies within these forums to enhance engagement and interaction among Ducati enthusiasts.

6. How important is the availability of Ducati dealerships and service centers in your decision to buy a Ducati motorcycle?

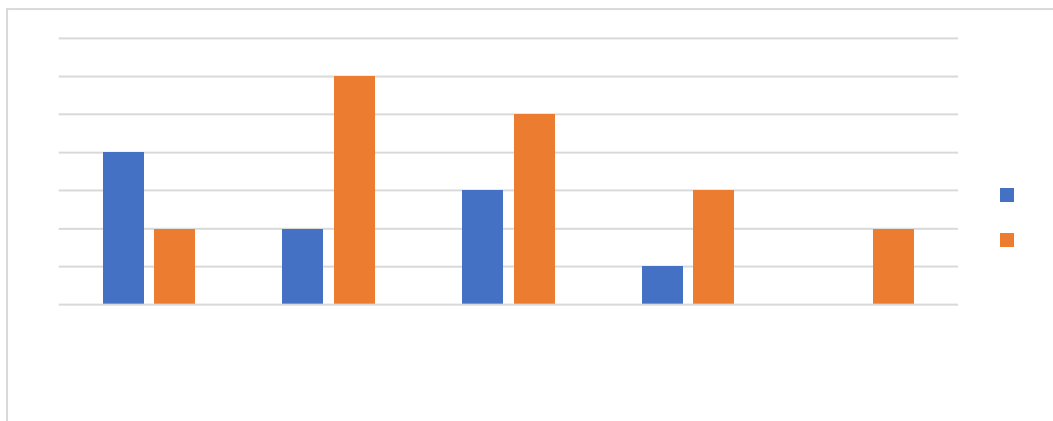
Count of Gender	Column Labels		
Row Labels	F	M	Grand Total
a) Very important	5	4	9
b) Important	4	7	11
c) Somewhat important		4	4
d) Not very important		3	3
e) Not important at all	1		1
Grand Total	10	18	28



From the data, it appears that motorcycle forums and communities are perceived as important channels by Ducati enthusiasts, with a total of 9 respondents considering them "Very important" and 11 considering them "Important." However, there is a notable drop-off in perceived importance beyond these categories, with only 4 respondents considering them "Somewhat important," and fewer responses for "Not very important" and "Not important at all." This suggests that while the majority value these platforms, there may be room for improvement in enhancing their significance or addressing concerns among a minority who perceive them as less important.

7. What influences your perception of Ducati motorcycles as a luxury or premium brand?

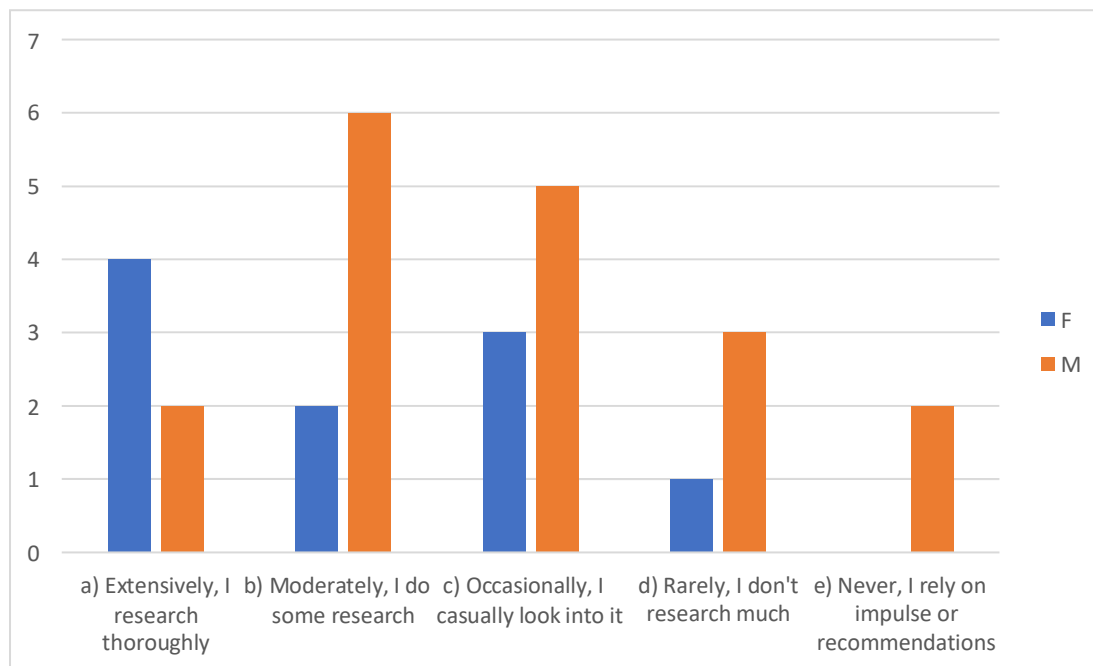
Count of Gender		Column Labels	
Row Labels	F	M	Grand Total
a) High price point	1	3	4
b) Exclusivity and limited availability	3	4	7
c) Superior quality and craftsmanship	6	5	11
d) Prestigious brand associations		4	4
e) Celebrity endorsements		1	1
(blank)		1	1
Grand Total	10	18	28



The data suggests that Ducati enthusiasts perceive motorcycle forums and communities as particularly valuable for discussing aspects related to the superior quality and craftsmanship of Ducati motorcycles, with 11 respondents associating this attribute with the brand. This highlights a strong appreciation for the engineering and design excellence of Ducati bikes within these online communities. Additionally, while aspects such as high price point, exclusivity, limited availability, and prestigious brand associations are also recognized, they receive comparatively fewer mentions, indicating that craftsmanship is a primary driver of engagement and discussion within these forums.

8. How likely are you to recommend Ducati motorcycles to others?

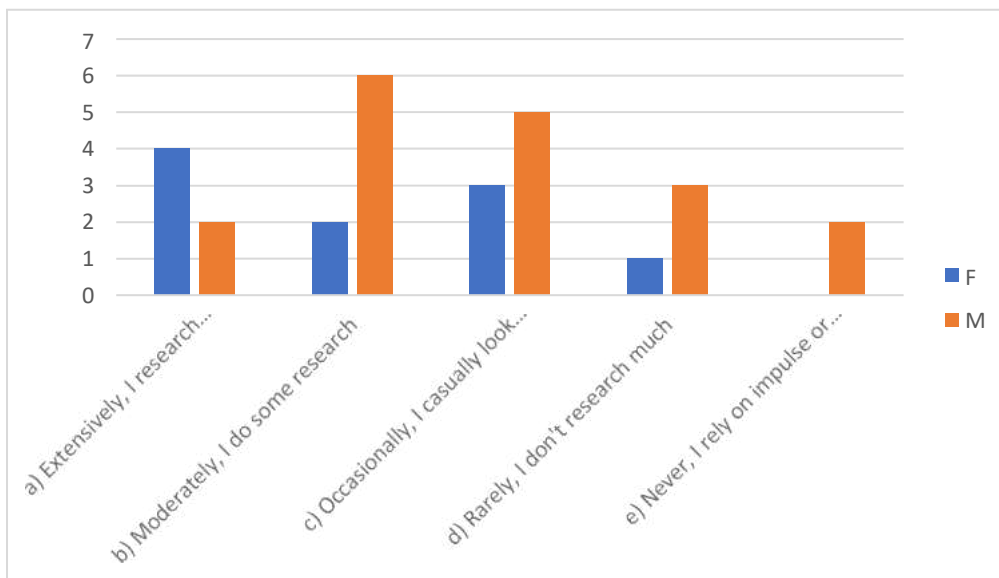
Count of Gender	Column Labels		
Row Labels	F	M	Grand Total
a) Very likely	5	5	10
b) Likely	2	3	5
c) Neutral	3	6	9
e) Very unlikely		3	3
(blank)		1	1
Grand Total	10	18	28



The data indicates that among Ducati enthusiasts, motorcycle forums and communities are predominantly valued for discussions on the superior quality and craftsmanship of Ducati motorcycles, with 11 respondents expressing this sentiment. While attributes like exclusivity, limited availability, and prestigious brand associations are also recognized, they receive fewer mentions compared to craftsmanship. The presence of a blank response suggests a potential opportunity for further exploration or clarification regarding the significance of these platforms for Ducati enthusiasts.

9. How do you perceive the resale value of Ducati motorcycles compared to other brands?

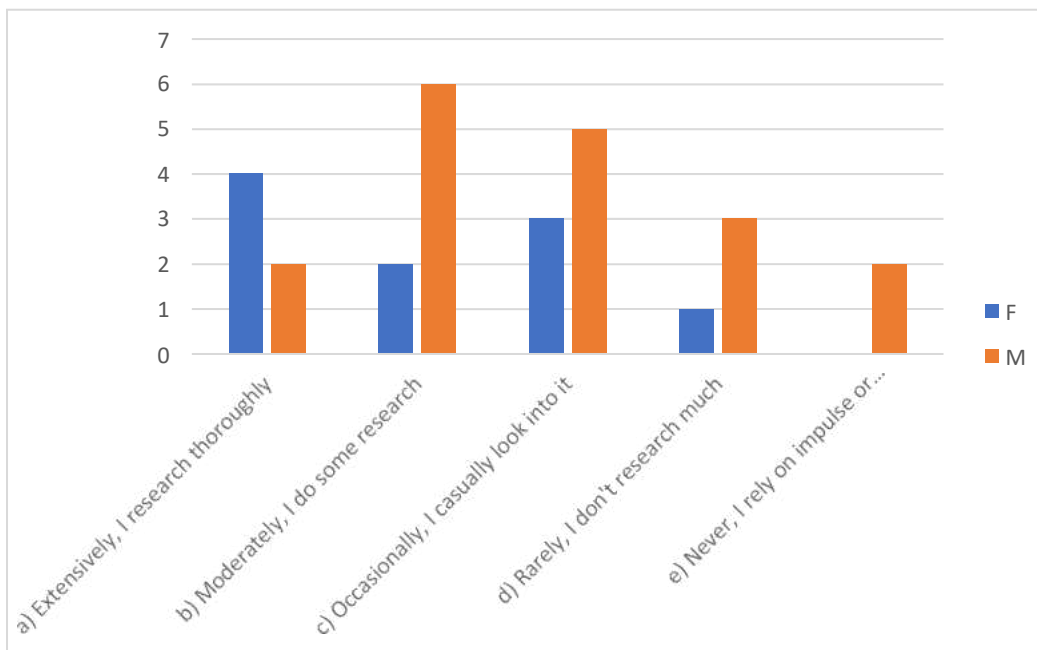
Count of Gender	Column Labels		
Row Labels	F	M	Grand Total
a) Higher resale value	5	2	7
b) Similar resale value	4	8	12
c) Lower resale value	1	4	5
d) Not sure		2	2
e) Not applicable, I don't consider resale value		1	1
(blank)		1	1



The data reveals that among Ducati enthusiasts, motorcycle forums and communities serve as platforms for discussing the resale value of Ducati motorcycles. Notably, a significant portion of respondents (12) perceive the resale value to be similar. There are also discussions about both higher (7 respondents) and lower (5 respondents) resale values. Additionally, some respondents express uncertainty (4 respondents) or indicate that they do not consider resale value (2 respondents). The presence of a blank response suggests a potential range of perspectives or lack of consideration regarding resale value within these communities.

10. What factors would make you hesitant to purchase a Ducati motorcycle?

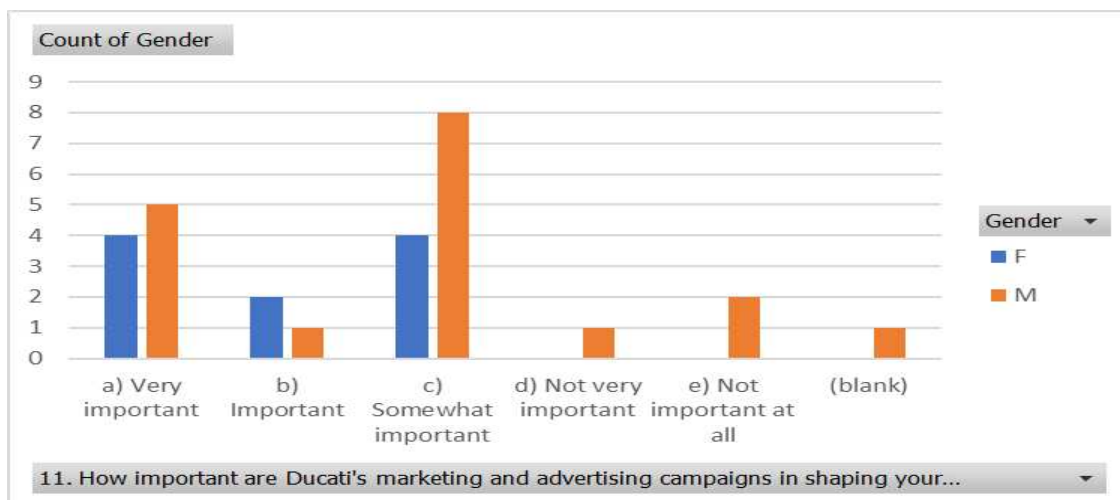
Count of Gender		Column Labels	
Row Labels	F	M	Grand Total
a) Reliability and maintenance concerns	3	2	5
b) High cost of ownership	4	7	11
c) Limited availability of spare parts	3	7	10
e) Other motorcycle brands offer better value	1		1
(blank)		1	1
Grand Total	10	18	28



The data highlights several key discussions within motorcycle forums and communities among Ducati enthusiasts. Reliability and maintenance concerns (5 respondents) as well as the high cost of ownership (11 respondents) emerge as significant topics of conversation. Additionally, the limited availability of spare parts is also a notable concern, with 10 respondents expressing this issue. Furthermore, there is a mention of other motorcycle brands offering better value (1 respondent). The presence of a blank response suggests potential variability or lack of consideration on these topics within these online communities.

11. How important are Ducati's marketing and advertising campaigns in shaping your perception of the brand?

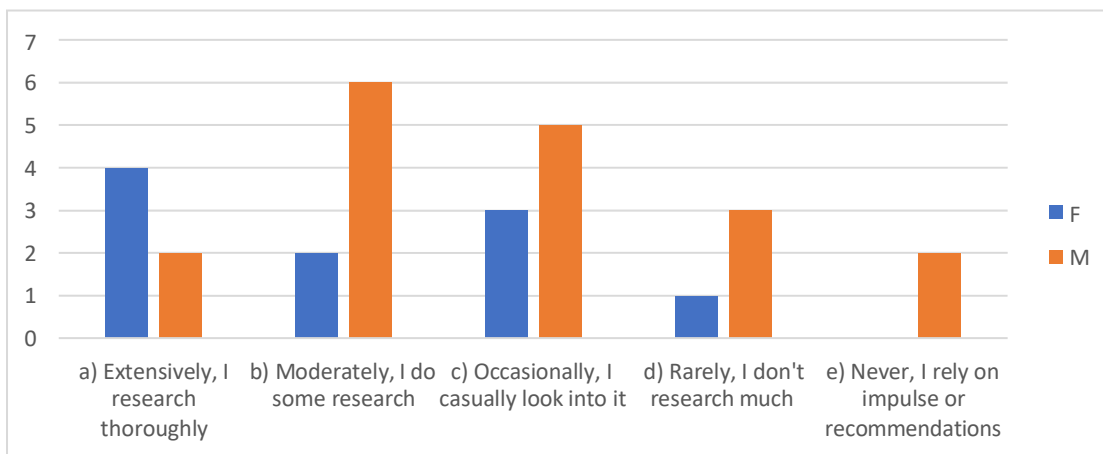
Count of Gender	Column Labels		
Row Labels	F	M	Grand Total
a) Very important	4	5	9
b) Important	2	1	3
c) Somewhat important	4	8	12
d) Not very important		1	1
e) Not important at all		2	2
(blank)		1	1
Grand Total	10	18	28



The data suggests that among Ducati enthusiasts, motorcycle forums and communities are perceived as moderately important platforms for engagement and discussion. A notable portion of respondents consider them "Somewhat important" (12 respondents), while fewer respondents view them as "Very important" (9 respondents) or "Important" (3 respondents). There are also some who perceive them as "Not very important" (2 respondents) or "Not important at all" (4 respondents), though these numbers are relatively small. Additionally, the presence of a blank response indicates potential variability or lack of consideration regarding the importance of these platforms within the Ducati community.

12. Would you consider purchasing a Ducati motorcycle for daily commuting?

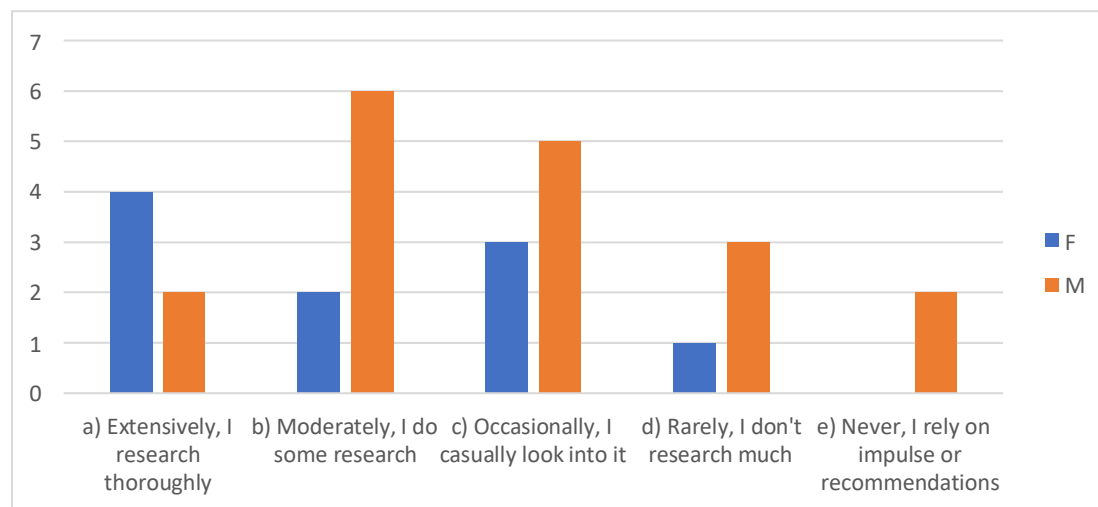
Count of Gender		Column Labels	
Row Labels	F	M	Grand Total
a) Yes, I would use it for daily commuting	1	3	4
b) Maybe, depending on the model	6	7	13
c) No, I prefer other brands for commuting	2	4	6
d) No, I would only use it for leisure rides	1	2	3
e) Not applicable, I don't commute by motorcycle		1	1
(blank)		1	1
Grand Total	10	18	28



The data indicates that among Ducati enthusiasts, motorcycle forums and communities serve as platforms for discussing preferences regarding the use of Ducati motorcycles for commuting purposes. The majority of respondents (13) express a possibility of using Ducati for daily commuting, depending on the model ("Maybe, depending on the model"). There are also respondents who would not choose Ducati for commuting, either preferring other brands (6 respondents) or considering Ducati solely for leisure rides (3 respondents). Additionally, there are some who do not commute by motorcycle (2 respondents). The presence of a blank response suggests potential variability or lack of consideration regarding commuting preferences within the Ducati community.

13. How satisfied are you with Ducati's after-sales services, including maintenance and customer support?

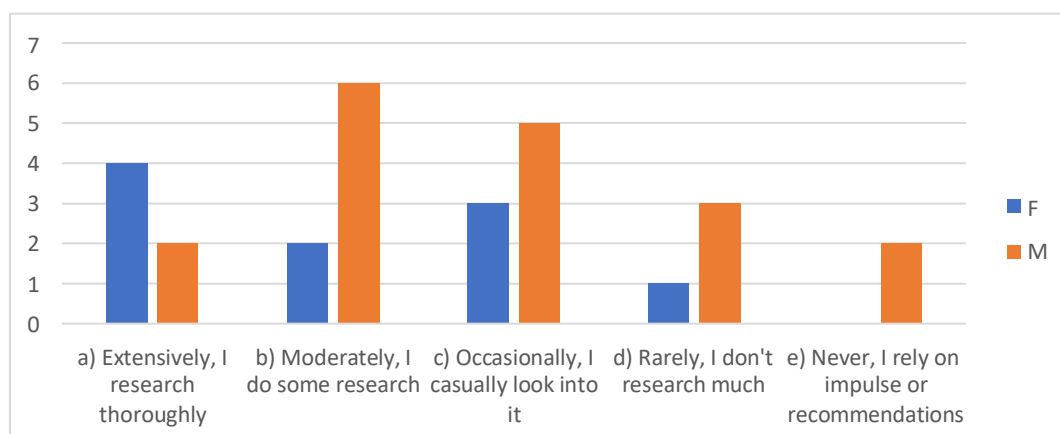
Count of Gender	Column Labels	
Row Labels	F	M Grand Total
a) Very satisfied	5	3 8
b) Satisfied	1	4 5
c) Neutral	4	8 12
d) Dissatisfied		1 1
e) Very dissatisfied		1 1
(blank)		1 1
Grand Total	10	18 28



The data suggests that among Ducati enthusiasts, satisfaction levels with motorcycle forums and communities vary. A significant portion of respondents express a neutral sentiment (12 respondents), indicating a balanced perspective on their satisfaction. There are also respondents who report being very satisfied (8 respondents) or satisfied (5 respondents). However, there are also indications of dissatisfaction, with a few respondents expressing either dissatisfaction (1 respondent) or very dissatisfaction (1 respondent). Additionally, the presence of a blank response suggests potential variability or lack of consideration regarding satisfaction levels within these online communities.

14. How do you perceive Ducati's efforts towards environmental sustainability and corporate social responsibility?

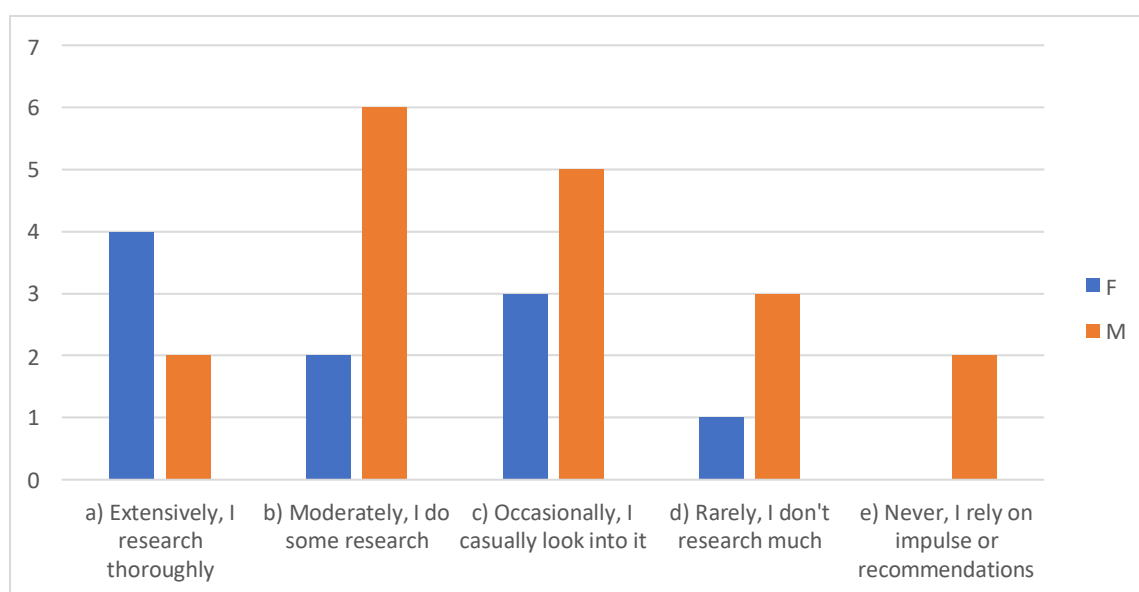
Count of Gender	Column Labels	
Row Labels	F	M
a) Very positive	1	1
b) Positive	5	3
c) Neutral	4	12
e) Very negative		1
(blank)		1
Grand Total	10	18



The data illustrates varying perceptions of Ducati enthusiasts towards motorcycle forums and communities. A considerable portion of respondents (16) express a neutral sentiment, indicating a balanced view. Additionally, there are respondents who hold positive views (8 respondents), with some expressing a very positive perception (2 respondents). Conversely, a small number of respondents express negative sentiments, with one respondent each indicating either a very negative perception or leaving a blank response. Overall, while neutral attitudes dominate, there are still positive sentiments expressed towards these online communities.

15. What improvements or additions would you like to see in Ducati's product lineup or services?

Count of Gender	Column Labels		
Row Labels	F	M	Grand Total
a) More affordable models	6	8	14
b) Expanded dealership network		2	2
c) Better warranty and after-sales services	1	6	7
d) Innovation in technology and features	2		2
e) Other (please specify) _____	1	1	2
(blank)		1	1
Grand Total	10	18	28



The data reflects the preferences and suggestions of Ducati enthusiasts regarding potential improvements or additions to motorcycle forums and communities. Among the responses, there's a notable interest in more affordable models (14 respondents), indicating a desire for accessibility within the Ducati product range. Additionally, better warranty and after-sales services (7 respondents) are highlighted as areas for enhancement. Some respondents also suggest innovations in technology and features (2 respondents), although fewer in number. Moreover, there are suggestions for expanding the dealership network (2 respondents), while other specific suggestions are provided by two respondents under the category "Other." The presence of a blank response signifies potential variability or lack of additional suggestions among Ducati enthusiasts.

Chapter 4

Summary & Conclusions

The study of consumer behavior regarding Ducati motorbikes in India delves into understanding the preferences, attitudes, and purchasing decisions of consumers within the Indian market. Through a comprehensive analysis of various factors influencing consumer behavior, including demographic characteristics, psychographic traits, and marketing strategies, the research aims to provide insights into the dynamics of the Ducati brand in India.

The study begins by examining the demographic profile of Ducati consumers in India, highlighting key characteristics such as age, income level, occupation, and geographic distribution. It further explores the psychographic factors driving consumer preferences, including lifestyle choices, brand perceptions, and product preferences. Additionally, the impact of marketing efforts, such as advertising campaigns, brand image, and dealership experiences, on consumer behavior is analyzed.

Through qualitative and quantitative research methods, including surveys, interviews, and observational studies, the study gathers valuable data on consumer perceptions, motivations, and purchasing patterns. It identifies trends and patterns within the Indian market, uncovering insights into the factors influencing Ducati's popularity and market positioning in India.

Key findings of the study reveal that Ducati motorbikes are predominantly favored by affluent, urban consumers who value performance, luxury, and status. The brand's association with prestige, innovation, and superior engineering plays a significant role in attracting consumers seeking exclusivity and sophistication. Additionally, the study highlights the importance of dealership experiences, product customization options, and after-sales services in shaping consumer perceptions and loyalty towards the brand.

Furthermore, the research identifies opportunities for Ducati to strengthen its presence in the Indian market, including expanding its product portfolio to cater to diverse consumer segments, enhancing brand visibility through strategic partnerships and sponsorships, and investing in customer engagement initiatives to foster brand loyalty and advocacy.

Overall, the study provides valuable insights into the consumer behavior of Ducati motorbikes in India, offering recommendations for market strategies and initiatives to capitalize on emerging trends and consumer preferences.

In conclusion, the study of consumer behavior regarding Ducati motorbikes in India elucidates the complex interplay of factors shaping consumer preferences and purchasing decisions within the Indian market. Through a comprehensive analysis of demographic, psychographic, and marketing influences, the research provides valuable insights into the dynamics of the Ducati brand in India.

Key findings underscore the importance of understanding the unique needs and aspirations of Indian consumers, particularly affluent urban demographics, who are drawn to Ducati's blend of performance, luxury, and status. The brand's strong association with prestige, innovation, and superior engineering positions it favorably among consumers seeking exclusivity and sophistication.

Moreover, the study highlights the significance of dealership experiences, product customization options, and after-sales services in cultivating consumer loyalty and advocacy. By delivering exceptional customer experiences and addressing evolving consumer expectations, Ducati can strengthen its market positioning and sustain long-term growth in India.

Moving forward, the study recommends strategic initiatives to capitalize on emerging trends and consumer preferences, including diversifying the product portfolio to appeal to diverse consumer segments, enhancing brand visibility through targeted marketing efforts and partnerships, and investing in customer engagement initiatives to foster brand loyalty and advocacy.

In essence, the study offers valuable insights and recommendations for Ducati to navigate the complexities of the Indian market, capitalize on growth opportunities, and establish itself as a leading player in the premium motorbike segment. By aligning its strategies with the evolving needs and preferences of Indian consumers, Ducati can unlock new avenues for success and consolidate its position as a coveted brand in the Indian automotive landscape.

Chapter 5

References

Questionnaire

<https://docs.google.com/forms/d/1ypgVVZ15CuB3YMSxJrtN4G4hqxoDMzbupfi4UMnn2vM/prefill>

Responses :

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"Audi Interim Financial Report 2012" (PDF). AUDI AG. 23 July 2012. Archived from the original (PDF) on 3 August 2012. Retrieved 2 August 2012. Effective July 19, 2012, the Audi Group acquired 100 percent of the voting rights in the motorcycle manufacturer Ducati Motor Holding S.p.A., Bologna (Italy) via Automobili Lamborghini S.p.A., Sant'Agata Bolognese (Italy), a subsidiary of AUDI AG for a purchase price of EUR 747 million.

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[special#:~:text=These%20bikes%20are%20known%20for,Ducati%20such%20a%20thrilling%20experience.](https://www.arrowmotorbikerentals.com/post/what-makes-ducati-special#:~:text=These%20bikes%20are%20known%20for,Ducati%20such%20a%20thrilling%20experience)

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Annexure

Ducati, renowned for its premium motorbikes, has made significant strides in the Indian market. This annexure presents findings from a comprehensive study on consumer behavior towards Ducati motorbikes in India. The study aims to provide insights into the factors influencing consumers' purchasing decisions and their perceptions of the Ducati brand.

The study employed a mixed-method approach, combining quantitative surveys and qualitative interviews. A sample of motorcycle enthusiasts across various demographics was surveyed, and in-depth interviews were conducted with 30 Ducati owners and potential buyers. The research was conducted in major Indian cities where Ducati dealerships are located.

Brand Perception:

Ducati is perceived as a symbol of luxury, performance, and prestige among Indian consumers. Respondents expressed admiration for the brand's Italian heritage and its association with motorsports.

Product Attributes:

The study found that consumers value Ducati's advanced technology, distinctive design, and superior performance. Features such as engine power, handling, and aesthetics significantly influence purchase decisions.

Price Sensitivity:

While Ducati is recognized for its premium pricing, respondents indicated a willingness to pay a premium for the brand's quality, craftsmanship, and exclusivity. However, price remains a significant consideration for many potential buyers, especially in the context of competing brands offering similar features at lower prices.

Social Influence:

Social factors play a crucial role in shaping consumer behavior towards Ducati. Positive word-of-mouth, peer influence, and social media presence contribute to brand awareness and perception. Ducati's active

engagement with enthusiasts through events and community activities also enhances its appeal.

Perceived Risk:

Despite Ducati's reputation for quality and performance, some consumers perceive risks associated with maintenance costs, availability of spare parts, and after-sales service. Addressing these concerns is vital for building trust and confidence among prospective buyers.

Brand Loyalty:

Existing Ducati owners exhibit strong brand loyalty, often becoming brand ambassadors and influencing others' purchase decisions. Factors contributing to loyalty include the ownership experience, service quality, and the sense of belonging to a community of enthusiasts.

Conclusion:

The study provides valuable insights into the consumer behavior of Ducati motorbikes in India. It underscores the importance of brand perception, product attributes, pricing strategies, social influence, perceived risk, and brand loyalty in shaping consumers' attitudes and purchasing decisions. Understanding these factors is essential for Ducati to sustain its growth and competitiveness in the Indian market. By addressing consumer concerns, enhancing brand experiences, and leveraging social engagement, Ducati can further strengthen its position and appeal to discerning Indian consumers.

Note:

The findings presented in this annexure are based on the research conducted as of [insert date]. Additional studies and ongoing market analysis may provide further insights into consumer behavior towards Ducati motorbikes in India.

“A STUDY ON THE IMPACT OF SOCIAL MEDIA MARKETING ON CONSUMERPURCHASING BEHAVIOR CONCERNING RESTAURANTS”

*Submitted in partial fulfillment of the requirements for the
award of the degree of*

Master of Business Administration (International Business)

To

Guru Gobind Singh Indraprastha University, Delhi

**Guide:
Dr. Ekta Rastogi**

**Submitted by:
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GITARATTAN INTERNATIONAL BUSINESS SCHOOL

**DELHI-110085
Batch (2022-2024)**

Certificate

I, Mr. Shivam Khatri, Roll No. 00719114322 certify that the Project Report/Dissertation (MIB-204) entitled “**A Study on the Impact of Social Media Marketing on Consumer Purchasing Behavior concerning Restaurants**” is completed by me and it is an authentic work carried out by me at Gitarattan International Business School. The matter embodied in this project work has not been submitted earlier for the award of any degree or diploma to the best of my knowledge and belief.

Signature of the Student

Date:

Certified that the Project Report/Dissertation (MIB-204) is entitled.

“**A Study on the Impact of Social Media Marketing on Consumer Purchasing Behavior Concerning Restaurants**” done by Mr. Shivam Khatri, Roll No. 00719114322, is completed under my guidance.

Signature of the Guide

Date:

Name of the Guide:

Dr Ekta Rastogi

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ACKNOWLEDGEMENT

This report has been made possible due to invaluable support of a number of people to whom I owe my heartfelt gratitude and without whose help, I may not have been able to complete this report . It was a great chance for learning and professional development. Therefore, I consider myself as a very lucky individual as I was provided with an opportunity to be a part of it. I am also grateful for having a chance to meet so many wonderful people and professionals who led me through this dissertation project. I want to sincerely thank to our very helpful Institution Gitarattan International Business School for allowing me to prepare the report and supporting me throughout the span. This report documents the work done during the period of study at Guru Gobind Singh Indraprastha University under the supervision of Dr. Ekta Rastogi. The report first shall give an overview of the topic that was chosen by me completed with details. Then the results obtained shall be discussed and analyzed. Report shall also elaborate on the future works which can be persuaded as an advancement of the current work. I have tried my best to keep report simple yet technically correct. I hope I succeed in my attempt.

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EXECUTIVE SUMMARY

The emergence and widespread adoption of social media platforms have transformed the way businesses interact with consumers. Social media has become an integral part of people's lives, influencing their behaviors, attitudes, and purchasing decisions. In the context of the restaurant industry, social media marketing has gained significant prominence as a powerful tool to engage with customers, build brand awareness, and drive sales. Restaurants have embraced social media platforms to showcase their offerings, promote special deals, and create a vibrant online presence. However, there is a need to understand the impact of social media marketing on consumer purchasing behavior in the restaurant industry more comprehensively.

In recent years, on-line reviews became to offered for several classes of product, together with hotels, and restaurants, that connects potential customers with several different customers. on- line review websites give a short summary of every restaurant's name, address, and also the overall opinion of its food and quality. As a result of this, potential customers are notified through on-line reviews of the strengths and weaknesses of a restaurant. Once these potential customers choose a restaurant, on-line reviews are counted as expert opinions. In addition, on- line reviews are often times utilized by customers as they are unknown with a restaurant, and these reviews embrace each exceptional and poor consumers' experiences. Particularly, on-line reviews provide a vast knowledge that features consumer feedback, consumer overall rating, the food each served by the restaurant and tried by customers, and locations that the reviewed party will ask improve the buyer expertise. Thus, on-line reviews these days have the facility to attach the potential consumer directly with a restaurant even before he/she walks through the doors of a restaurant. Moreover, the recognition of on-line review websites' (e.g., Yelp.com, TripAdvisor,

and Angie's List) have magnified in recent years, and so a lot of reviews are created for a range of product and services. The twenty first century has witnessed the numerous influence of social media on customers behaviour that's touching awareness of product, purchase behaviour, opinions, and analysis of product. Social media has provided the foremost effective means that of communication for organizations to attach with consumers on a worldwide scale. With social media rising several corporations have detected the potential of social media, and that they have modified their promoting ways to require advantage of those new opportunities. Consequently, social media permits consumers to share their experiences through electronic word to make a reliable source for different consumers. basically, this new variety of net communication offers the sharing of data between service suppliers and consumers via the web. on-line customers reviews within the restaurant choice method, and this has helped consumers clarify data with trust and credibleness as critical data provided by the business, which could be viewed with hesitation and potential disbelief. Therefore, most consumers usually talk over with their attention on on-line reviews before getting. Our current society reached the fundamental quantity referred to as New Media age wherever individuals are probably touched by trendy technology data sharing. The Web 2.0 tools alias Social Media play a really necessary role for current digital age. several users are ready to share their content on-line and exchange totally different data with general public. The user-generated content (UGC) permits gathering of this data not by directors of the online pages however even by the common site's users. The creation of divergent on-line communities links along individuals with similar preferences and interests that the spread of the electronic word-of-mouth information reaches the convenient recipient. It was time once individuals customer share the important expertise with the nearest friends, currently the information is shared with everybody interested. those that are concerned within the community

typically additional extensively concerning their personal expertise with the merchandise or services. Moreover, the influence of customers behaviour is followed. the online information boom doesn't effect only the end users, the companies haven't been left so much behind. The advancements of Social Media have submerged out social commerce into e-business as several firms believe that social commerce is rising their business price and they need to remain within the competitive atmosphere. to extend its fight, the relations with customers should be evolved. ancient selling and therefore the ecustomer relationship management (later described as e-CRM) is usually extended by social media platforms to business performance by enhancing B2C communication. As e-CRM tries to enhance the link between company and public, the social media play the foremost necessary role as connecting and communicative channel.

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Company Profile

History of Restaurant

The restaurant industry has a rich and diverse history that spans centuries and cultures. Here is a brief overview of its evolution:

Ancient Origins:

The concept of restaurants can be traced back to ancient civilizations. In ancient Rome, there were establishments called "thermopolia" where people could purchase ready-to-eat food. Ancient China also had similar establishments called "fangzi," where travelers and locals could find meals.

The Rise of Taverns and Inns:

During the Middle Ages, taverns and inns emerged as popular gathering places for travelers, merchants, and locals. These establishments provided meals and lodging, catering to the needs of weary travelers. Taverns often served simple fare and alcoholic beverages.

The Birth of Modern Restaurants:

The modern concept of a restaurant as we know it today originated in 18th-century France. In 1765, a man named A. Boulanger opened a shop in Paris that sold soups, which he called "restoratives" or "restaurants." These early restaurants focused on providing nourishing and health-restoring soups. The term "restaurant" was coined to describe these establishments.

The Haute Cuisine Era:

In the 19th century, French cuisine experienced a culinary revolution. Auguste Escoffier, a renowned French chef, played a significant role in shaping modern gastronomy. He introduced new cooking techniques, refined dining etiquette, and created elaborate menus. Fine dining establishments known as "gourmet restaurants" emerged, serving sophisticated and elaborate dishes.

The Rise of Fast Food:

The 20th century witnessed the rise of fast-food chains, which revolutionized the restaurant industry. In 1921, White Castle opened the first fast-food hamburger chain in the United States. McDonald's, founded in 1940, popularized the fast-food model with its efficient system and standardized menu.

Culinary Diversity and Fusion:

In recent decades, the restaurant industry has become increasingly diverse and globalized. Culinary fusion, blending flavors and techniques from different cultures, has gained popularity. Chefs have embraced experimentation and innovation, leading to the emergence of fusion cuisine and unique dining experiences.

Technology and Digital Transformation:

Advancements in technology have had a profound impact on the restaurant industry. Online food delivery services, reservation platforms, and restaurant review websites have transformed the way customers interact with restaurants. Social media and digital marketing have become crucial for restaurants to promote their brands and engage with customers.

Sustainability and Health Consciousness:

In recent years, there has been a growing focus on sustainability and health-conscious dining. Many restaurants are incorporating sustainable practices, using locally sourced ingredients, and offering plant-based and organic options to cater to evolving consumer preferences.

The COVID-19 Pandemic:

The global pandemic that began in 2020, known as COVID-19, had a severe impact on the restaurant industry. Lockdowns, social distancing measures, and restrictions on dining-in led to a shift towards takeout, delivery, and online ordering. Restaurants had to adapt rapidly, implementing safety measures and embracing technology to survive during these challenging times.

The restaurant industry continues to evolve, driven by changing consumer preferences, technological advancements, and cultural influences. Concepts like farm-to-table dining, sustainable practices, and immersive dining experiences are gaining popularity. The industry is likely to witness further innovations as it adapts to new challenges and opportunities in the future.

History of Restaurants In India

The history of restaurants in India is deeply intertwined with its rich culinary traditions and cultural diversity. Here is a brief overview of the evolution of restaurants in India:

Ancient Origins:

India has a long-standing tradition of communal dining spaces and food establishments. In ancient times, there were "Bhojanalayas" or communal dining halls where people from all walks of life could gather to share a meal. These spaces provided nourishment to travelers, pilgrims, and the general public.

Mughal Influence:

The Mughal Empire, which ruled a significant part of India from the 16th to 18th centuries, greatly influenced the culinary landscape of the country. Mughal emperors and nobility had a penchant for lavish feasts and exquisite flavors. They established grand kitchens known as "Bawarchikhana" and "Shahi Bhojanalayas" to cater to their culinary desires. These kitchens eventually evolved into upscale dining establishments that served Mughlai cuisine.

Colonial Influence:

During the colonial era, the British brought their own dining traditions to India. They introduced establishments like coffee houses and British-style taverns, primarily catering to the British expatriate community and the elite Indian population who embraced Western customs.

Udupi Restaurants:

In the southern region of India, specifically in Udupi, Karnataka, a unique style of vegetarian restaurants emerged in the 20th century. Udupi restaurants, inspired by the culinary traditions of the region's temples, offered simple yet flavorful vegetarian dishes. These restaurants gained popularity for their fast service, affordable prices, and emphasis on hygiene.

Dhabas and Highway Eateries:

India's vast network of highways and road travel culture gave rise to roadside eateries known as "dhabas." These humble establishments served as pit stops for weary travelers, truck drivers, and locals. Dhabas initially offered traditional North Indian cuisine, but over time, their menus expanded to include a variety of regional dishes.

The Birth of Fine Dining:

With India's growing middle class and increasing exposure to global cuisines, the late 20th century saw the emergence of fine dining restaurants in urban centers. These establishments aimed to provide luxurious dining experiences, featuring diverse cuisines, sophisticated ambiance, and attentive service. Indian chefs gained recognition on the international stage, and their culinary skills brought prestige to the Indian restaurant industry.

The Rise of Chain Restaurants and Food Delivery:

In recent decades, the restaurant landscape in India has witnessed the proliferation of chain restaurants. These establishments, offering standardized menus and consistent quality, cater to a wide range of customers across different cities. Additionally, the advent of online food delivery platforms has transformed the way people order food, providing convenience and expanding options for consumers.

Culinary Diversity and Regional Specialties:

India's regional diversity is reflected in its restaurant scene. Each state and region boasts its own distinctive cuisine and specialty dishes. Restaurants in India showcase a wide range of culinary traditions, from North Indian, South Indian, and Mughlai cuisine to regional specialties like Gujarati, Rajasthani, Bengali, and Kerala cuisine.

Modern Trends and Fusion Cuisine:

Today, Indian restaurants are embracing innovation and experimentation. Chefs are blending traditional flavors with modern techniques, creating fusion cuisine that combines elements from different culinary traditions. Restaurants are also catering to changing dietary preferences, offering vegetarian, vegan, and gluten-free options.

The restaurant industry in India is poised for continued growth and evolution. With the influence of technology, the rise of food delivery services, and the increasing emphasis on sustainable and healthy dining, Indian restaurants are likely to adapt to the changing consumer landscape while preserving their rich culinary heritage.

Development of Restaurants In India by Social Media Marketing

The development of restaurants in India has been significantly influenced by social media marketing. Here's a timeline of how social media marketing has impacted the growth and promotion of restaurants in the country:

Early Adoption (Late 2000s to Early 2010s):

During this period, social media platforms like Facebook and Twitter gained popularity in India. Restaurants started recognizing the potential of these platforms as marketing tools and began creating their social media profiles. They used these platforms to share updates, promote special offers, and engage with customers.

Visual Appeal and Food Photography (Mid-2010s):

The mid-2010s witnessed the rise of visual-driven platforms like Instagram. Restaurants started leveraging the power of food photography to showcase their dishes and create visually appealing content. Food bloggers and influencers emerged, posting captivating images of their dining experiences and driving interest towards specific restaurants.

User-Generated Content and Reviews:

User-generated content became an essential part of restaurant marketing through social media. Customers began sharing their dining experiences, reviews, and recommendations on platforms like Yelp, Zomato, and TripAdvisor. Restaurants encouraged customers to post reviews and started responding to feedback, creating a positive online presence and building trust with potential diners.

Targeted Advertising and Influencer Collaborations:

As social media platforms evolved, restaurants started using targeted advertising to reach specific demographics. They could run sponsored posts and targeted ads to promote their offerings to users based on location, interests, and other factors. Restaurants also began collaborating with influencers and bloggers to reach wider audiences and gain credibility through influencer endorsements.

Real-Time Updates and Engagement:

Restaurants started utilizing social media to provide real-time updates about special events, seasonal menus, and limited-time promotions. Customers could stay informed about new offerings, discounts, and happy hour deals. Restaurants also engaged with customers directly by responding to queries, comments, and messages promptly, enhancing customer service and fostering relationships.

Online Ordering and Delivery Services:

The integration of social media with online ordering and delivery services transformed the way restaurants operated. Platforms like Swiggy, Zomato, and Uber Eats enabled customers to order food directly through social media platforms, simplifying the process and increasing convenience. Restaurants promoted their delivery services through social media to expand their customer base.

Live Streaming and Behind-the-Scenes Content:

Restaurants started utilizing live streaming features on platforms like Facebook and Instagram to provide behind-the-scenes glimpses, live cooking demonstrations, and interactive Q&A sessions. These strategies allowed restaurants to engage with customers in real-time, showcase their culinary expertise, and create a sense of authenticity and transparency.

Impact of Social Media Influencers:

Social media influencers, including food bloggers, chefs, and lifestyle personalities, gained significant influence in shaping restaurant choices and dining trends. Restaurants collaborated with influencers to feature their establishments, dishes, and experiences, leveraging their followers' trust and reach.

Social Listening and Feedback Analysis:

Restaurants began actively monitoring social media conversations and conducting sentiment analysis to gauge customer feedback, preferences, and trends. Social listening tools helped restaurants identify areas for improvement, respond to customer concerns promptly, and tailor their offerings to meet changing demands.

Ongoing Evolution:

Social media marketing continues to play a vital role in the development of restaurants in India. Restaurants now focus on creating engaging video content, utilizing emerging platforms like

TikTok and YouTube. They also emphasize storytelling, showcasing their unique narratives and brand values to connect with customers on a deeper level.

Overall, social media marketing has provided restaurants in India with a powerful platform to reach and engage with customers, promote their offerings, and stay relevant in an increasingly digital age.

The conceptual background of social media marketing in the restaurant industry encompasses several key elements that contribute to its significance and effectiveness. Understanding these concepts provides a foundation for comprehending the role of social media marketing in promoting restaurants and engaging with customers. Here are the key aspects of the conceptual background:

➤ Digital Transformation in the Restaurant Industry:

The restaurant industry has witnessed a significant digital transformation in recent years, with the increasing use of technology and online platforms. This transformation has resulted in changing consumer behaviors, preferences, and expectations. Consumers now rely heavily on digital channels, including social media, to discover, evaluate, and engage with restaurants. As a result, restaurants must embrace digital marketing strategies, including social media marketing, to remain competitive in the modern landscape.

➤ Social Media Platforms and their Reach:

Social media platforms have become powerful tools for connecting with customers, building brand awareness, and driving engagement. Platforms such as Facebook, Instagram, Twitter, and YouTube have millions (or even billions) of active users, making them ideal for reaching a broad audience. The widespread popularity and accessibility of social media platforms provide restaurants with an opportunity to connect with existing and potential customers on a large scale.

➤ Benefits of Social Media Marketing for Restaurants:

Social media marketing offers numerous benefits for restaurants, including:

- **Increased Brand Visibility:** Restaurants can enhance their visibility and exposure by establishing a presence on social media platforms. Regularly sharing engaging content, such as enticing food images, behind-the-scenes glimpses, and special offers, helps to raise brand awareness among a wider audience.
- **Customer Engagement and Interaction:** Social media platforms facilitate direct and interactive communication between restaurants and customers. Restaurants can engage with customers by responding to comments, answering queries, and acknowledging feedback. Such engagement creates a sense of community and fosters loyalty among customers.
- **Amplification of Word-of-Mouth:** Social media provides a platform for customers to share their dining experiences and recommendations. Positive reviews and user-generated content can be shared and spread rapidly, influencing others' perceptions and attracting new customers.
- **Targeted Advertising:** Social media platforms offer sophisticated targeting options, allowing restaurants to reach specific demographics, interests, and locations. This targeted approach ensures that marketing messages are delivered to the right audience, increasing the chances of conversions and customer acquisition.

➤ Influencer Marketing and User-Generated Content:

Influencer marketing has gained prominence in the restaurant industry. Influencers, who have a significant following and credibility, collaborate with restaurants to promote their offerings. Their endorsements and content creation can greatly impact consumer perceptions and generate buzz around a restaurant. Additionally, user-generated content, such as customer reviews, photos, and videos, serves as powerful social proof, influencing others' decisions and building trust.

➤ Metrics and Measurement:

Measuring the effectiveness of social media marketing efforts is essential to understand its impact and optimize strategies. Metrics such as reach, engagement, impressions, click-through rates, and conversions provide insights into campaign performance and customer behavior. Restaurants can leverage analytics tools to track these metrics, make data-driven decisions, and refine their social media marketing strategies accordingly.

➤ Challenges and Considerations:

While social media marketing offers significant opportunities, it also presents challenges for restaurants. These challenges include information overload, managing negative feedback or reviews, maintaining consistency across platforms, and dealing with ever-evolving algorithms and trends. Restaurants must be mindful of ethical considerations, privacy concerns, and the need to strike a balance between promotional content and authentic engagement.

- Understanding the conceptual background of social media marketing in the restaurant industry helps to recognize its potential and guide the development of effective strategies. By leveraging social media platforms, restaurants can enhance their brand visibility, engage with customers, leverage user-generated content, and measure their marketing efforts for continuous improvement and success.

- **Influencer Marketing and User-Generated Content:**

Influencer marketing has become a popular strategy in the restaurant industry. Influencers, who have established credibility and a significant following on social media platforms, collaborate with restaurants to promote their offerings. These influencers create content that showcases their dining experiences at the restaurant, including food photos, videos, and reviews. By partnering with influencers, restaurants can tap into their followers' trust and influence, expanding their reach and attracting new customers. Additionally, user-generated content plays a crucial role in social media marketing for restaurants. Customers often share their dining experiences on social media platforms, posting photos, writing reviews, and recommending restaurants to their followers. This user-generated content acts as powerful social proof, influencing others' decisions and building trust in the restaurant's brand.

- **Social Listening and Online Reputation Management:**

Social media platforms provide a channel for customers to share their opinions, both positive and negative, about restaurants. Through social listening, restaurants can monitor conversations and track mentions of their brand, enabling them to address customer feedback and concerns in real-

time. Online reputation management is crucial in the restaurant industry as negative reviews or comments can significantly impact a restaurant's image and customer perception. By promptly addressing negative feedback and resolving customer issues publicly, restaurants demonstrate their commitment to customer satisfaction and showcase their responsiveness to potential customers.

➤ Targeted Advertising and Local Marketing:

Social media platforms offer advanced targeting options, allowing restaurants to reach specific demographics, interests, and locations. This targeted advertising approach ensures that restaurants' marketing messages are delivered to the most relevant audience, increasing the chances of conversions and customer acquisition. Moreover, social media platforms provide opportunities for local marketing, enabling restaurants to reach potential customers within their geographical proximity. This is particularly beneficial for restaurants that primarily cater to a local customer base, such as neighborhood cafes or family-owned restaurants.

➤ Engaging and Building a Community:

Social media platforms serve as a means for restaurants to engage directly with their customers, fostering a sense of community and building relationships. By responding to comments, answering questions, and actively participating in discussions, restaurants can create a personalized and interactive experience for their followers. This engagement helps in establishing a loyal customer base and encourages repeat visits. Moreover, social media platforms provide a space for restaurants to share updates, announcements, and behind-the-scenes glimpses, creating anticipation and generating excitement among their followers.

➤ Data Analytics and Optimization:

Measuring the effectiveness of social media marketing efforts is crucial for restaurants to understand their impact and optimize their strategies. Social media platforms provide analytics tools that offer insights into various metrics, including reach, engagement, impressions, click-through rates, and conversions. By analyzing these metrics, restaurants can gain a deeper understanding of their audience's behavior, preferences, and engagement patterns. This data-driven approach allows restaurants to make informed decisions, refine their social media marketing strategies, and allocate resources effectively to maximize their return on investment.

➤ Challenges and Considerations:

While social media marketing presents numerous opportunities for restaurants, it also comes with challenges. The constantly evolving nature of social media platforms requires restaurants to stay updated on trends, algorithm changes, and best practices. Managing negative feedback or reviews on public platforms can be challenging, requiring careful handling and timely responses. Restaurants must also navigate the balance between promotional content and authentic engagement to ensure that their social media presence remains genuine and resonates with their audience. Additionally, ethical considerations, such as transparency in influencer partnerships and respect for customer privacy, should be taken into account when executing social media marketing strategies.

Understanding the conceptual background of social media marketing in the restaurant industry is essential for restaurants to harness the full potential of these platforms. By leveraging influencer marketing, user-generated content, social listening, targeted advertising,

- **Influencer Marketing and User-Generated Content:**
- Influencer marketing has emerged as a powerful strategy for restaurants to leverage the influence and reach of social media personalities. Influencers, who often specialize in food, dining, or lifestyle content, have built a dedicated following that trusts their recommendations and opinions. By partnering with influencers, restaurants can tap into their credibility and reach a wider audience. Influencers create engaging content, such as food reviews, restaurant recommendations, and visually appealing food photography, which can significantly impact consumer perceptions and drive traffic to restaurants. This form of word-of-mouth marketing through influential individuals helps restaurants establish trust and credibility among their target audience.
- User-generated content also plays a significant role in social media marketing for restaurants. Customers love to share their dining experiences, capturing photos of their meals and posting them on platforms like Instagram or Facebook. By encouraging customers to share their experiences and tagging the restaurant's social media account or using a specific hashtag, restaurants can create a sense of community and generate organic content that showcases the dining experience.

This user-generated content acts as authentic social proof, providing potential customers with real-life examples of what to expect when dining at the restaurant.

➤ **Social Listening and Online Reputation Management:**

Social media platforms serve as a space where customers express their opinions, both positive and negative, about their restaurant experiences. Through social listening, restaurants can monitor conversations, track brand mentions, and gather valuable insights into customer sentiment. By actively listening to customer feedback, restaurants can address concerns, respond to queries, and engage in conversations. This shows customers that the restaurant values their opinions and is committed to providing a positive dining experience. Additionally, by promptly addressing negative feedback or reviews, restaurants can mitigate the impact on their online reputation and demonstrate their dedication to customer satisfaction.

➤ **Targeted Advertising and Local Marketing:**

Social media platforms offer powerful targeting options that allow restaurants to deliver their marketing messages to specific demographics, interests, and geographical locations. This level of precision enables restaurants to reach the most relevant audience for their offerings. For example, a fine dining restaurant can target affluent individuals interested in gourmet cuisine, while a fast-casual restaurant may focus on reaching students or young professionals. This targeted advertising approach ensures that marketing efforts are more cost-effective and increase the likelihood of reaching potential customers who are genuinely interested in the restaurant's offerings.

- Moreover, social media platforms provide opportunities for local marketing.

Restaurants can leverage location-based features to target users within a specific radius of their establishment. This is particularly beneficial for attracting nearby customers, such as people looking for a place to eat in the neighborhood or tourists searching for dining options in a particular area. By tailoring their social media marketing strategies to target local customers, restaurants can drive foot traffic and increase their visibility within their immediate community.

- Engaging and Building a Community:

Social media platforms offer restaurants a direct line of communication with their customers, creating an opportunity to engage and build a community around their brand. By actively participating in conversations, responding to comments and messages, and sharing relevant content, restaurants can establish a more personal and interactive relationship with their audience. This engagement fosters a sense of community and loyalty among customers, as they feel valued and heard by the restaurant. Additionally, social media provides a platform for restaurants to share updates, special promotions, and behind-the-scenes glimpses of the culinary experience, generating excitement and anticipation among followers.

- Data Analytics and Optimization:

One of the key advantages of social media marketing is the availability of data and analytics tools to measure the effectiveness of marketing efforts. Social media platforms provide robust

analytics that offer insights into various metrics, such as reach, engagement, impressions, click-through rates, and conversions. By analyzing these metrics, restaurants can gain a deeper understanding.

Importance of Social Media

Social media marketing is a method of using social media channels with an objective of widening the customers base. It offers great benefits when it comes to advertise the restaurants.. Social media promotes totally different types of communication, marketing, recreation and networking. This new set of collaboration tools permits many varieties of interactions that were before not offered to commoner. Social media provides many advantages to the restaurant trade. These are often listed as below:

1. Improved brand awareness: Social Media plays a significant role in differentiating brands and providing customers merchandise. consumer involvement and delivery of merchandise and services considerably impacts the name and trust.
2. Increased customer base: The potential customer has a chance to get information regarding any restaurant before visiting it in through social media platforms like Facebook pages, blogs, etc. electronic messaging and invites on these platforms attracts a lot of consumers.
3. Increase in sales: Sales increase as a result of improved whole awareness and increase traffic due to word of mouth marketing, discounts, specials or events offered on social media channels.
4. Repeat business: Social media provides a complete image to the restaurant and tempts customers to return back once more when obtaining an honest expertise. Besides this establishing positive relation with customers results into repeat sales.

5. Low cost and high return: Social networking, blogging and different styles of social media square measure low value of selling. With the proper levelling of effective policy of electronic communication and promotions, the returns with the social media will be excessive.
6. Notifications of events and promotions: Notifications of hosting any event or launching a brand new menu item on social media by restaurants helps to make sure an honest turn-out because it will attract many people with a little effort.
7. Improved customer interaction: Social media tools supply customers insight moreover as customers interaction. Social media helps to interact guests in spoken communication regarding the restaurant, the expertise and their feedback for improvement. participating with customers create them feel vital and successively increase their loyalty.
8. Monitoring online reputation: Social media permits organizations to place service representatives monitor social sites frequented by customers base and offers them a chance to be able to establish and resolve customers problems, if any. Social media inculcates many types of discussion platforms which permit us the flexibility to understand each smart and unhealthy reviews of consumers, managing these effectively facilitate to create the name.
9. Viral Marketing: Social Media amplifies word of mouth and has a direct impact on customers growth and also the spreading of positive/negative feedback regarding the service of the eating place among the audience. primary reviews square measure taken terribly seriously by customers. Positive image are often designed by happy customers.
10. Complementary to other campaigns: Social media will run hand-in-hand with ancient selling ways, and even facilitate promote those campaigns.

Many sites considered to be “social media” are sites that simply enable users to make connections and interact with one another. With the use of word of mouth marketing, social media is able to spread information virally to many users in a matter of seconds. Originally, sites such as Facebook, Twitter, YouTube, and LinkedIn originated from users desire to make social connections. On all of these networks users are able to share and transmit information with other users. These networks are consistently developed and improved to make the sites more effective and usable. At the same time firms are trying to determine how to use social media to drive more revenue and if the firm should be using these sites.

Use of Social Media by Restaurant Industry

With no surprise, the restaurants use social media sites to form higher relationship with customers. like several different business, it's necessary to make good bond between company and public and today's trend needs the social media promoting. Of course, it's not solely concerning being on-line by making few social media accounts, however to synchronize multiple on-line stages along and operate across those platforms whereas exploitation e-CRM. (Gourmet promoting, 2015) finally, Social Media have become terribly effective tools however firms produce new on-line business and gain competitive advantage to its competitors. The provide of the product and services through on-line sources is turning into cheap means the way to attract potential customers. Also it keeps the previous ones with new approaches that straighten the position on the market. Social media produce a platform that usually promotes some engaging on-line deals for potential consumers and makes the connection with the particular consumers. Social media gives consumers the power to seek information about the various product and services, criticize them in equal manner and much more. Thus, majority of companies today have

incorporated social media in their strategies and operations to connect with prospective consumers.

Consumers are increasingly moving away from traditional advertising media and actively seeking out social media platforms to search information related to different restaurants because they regard it reliable and convenient which helps them in better decision-making, and results in less wastage of time.

Social media marketing is the process of using social media channels to communicate others with an objective of widening the customer base. It offers great benefits when it comes to advertise the restaurants. Social media encompasses different forms of communication, marketing, entertainment and networking.

Online visibility through social media marketing is gradually becoming a secret weapon of restaurant owners in having a strong customer base. Consumer buying behaviour is changing very speedily & marketers have to change their strategies according to the scenario. Therefore now the restaurant marketers have to focus on their promotional strategies. They have to change it according to the preferences and behavioural pattern of new digitally active consumer base.

The social media play a very important role for the customers as the user-generated content has a huge influence on their decision-making process. The restaurants that try to set the proper e-marketing strategy need to create the e-customer relation management that interconnect people on social media platforms.

The online information boom doesn't affect only the end users, the businesses haven't been left far behind. The advancements of Social Media have drowned out social commerce into e- business as many companies believe that social commerce is improving their business value plus they wish to stay in the competitive environment. To increase its competitiveness, the relations with customers must be evolved. (Lee, 2014).

With no surprise, the restaurants also use social media sites to create better relationship with customers. Like any other business, it is necessary to build strong bond between company and public and today's trend requires resolutely the social media marketing. Of course, it is not only about being online by creating few social media accounts, but to synchronize multiple online stages together and operate across those platforms while using e-CRM. (Gourmet marketing, 2015).

After all, Social Media are becoming very effective tools how companies create new online business and gain competitive advantage to its competitors. The offer of the products and services through online sources is becoming inexpensive way how to attract potential customers. Also it keeps the old ones with new approaches that straighten the position on the market. Social media create a platform that often promotes some attractive online deals for potential consumers and also prolong the relationship with the actual consumers. (Grenier, Fair and Schumaker, 2014).

Social media has provided the most effective means of communication for organizations to connect with consumers on a worldwide scale. With social media rising rapidly within general demographics, many companies have noticed the potential of social media, and they have

changed their marketing strategies to take advantage of these new opportunities. Consequently, social media enables consumers to share their purchasing experiences through electronic word of mouth (eWOM) to create a reliable source for other consumers (Tran, 2015). Essentially, this new form of web communication (eWOM) offers the sharing of information between service providers and consumers via the Internet (Pantelidis, 2010).

Online restaurant review websites include a brief overview of each restaurant's name, address, and the overall opinion of its food and service quality by the reviewer (Zhang et al., 2010). As a result of this, potential consumers are notified through online restaurant reviews of possible strengths and weaknesses of a restaurant. When these potential consumers select a restaurant, online reviews are counted as expert opinions (Parikh, 2013). Additionally, online reviews are frequently used by restaurant consumers as an additional source when they are unfamiliar with a restaurant, and these reviews include both exceptional and poor consumers' experiences (Parikh, Behnke, Vorvoreanu, Almanza & Nelson, 2014). In particular, online restaurant reviews offer a massive amount of data that includes consumer feedback, consumer overall rating, the food both served by the restaurant and tried by consumers, and locations that the reviewed party can refer to improve the consumer experience (Jurafsky, Chahuneasu, Routledge, & Smith, 2014). Thus, online reviews today have the power to connect the potential consumer directly with a restaurant even before he/she walks through the doors of a restaurant (Yang et al., 2017). Moreover, the popularity of online review websites' (e.g., Yelp.com, TripAdvisor, and Angie's List) have increased in recent years, and thus more reviews have been created for a variety of products and services.

Many sites considered to be “social media” are sites that simply enable users to make connections and interact with one another. With the use of word of mouth marketing, social media is able to spread information virally to many users in a matter of seconds. Originally, sites such as Facebook, Twitter, YouTube, and LinkedIn originated from users desire to make social connections. On all of these networks users are able to share and transmit information with other users. These networks are consistently developed and improved to make the sites more effective and usable. At the same time firms are trying to determine how to use social media to drive more revenue and if the firm should be using these sites.

Since social media marketing is free, it has been a widely accepted and effective way to reach consumers at a low cost. However, these sites have also been able to maintain relationships through communication within the domain of these sites. Some uses include marketers being able to advertise specials in the business, creating direct personalized connections with the company and the consumer, and maintaining interest through updates. The conversations created through social media are important to customers because it allows users to communicate with each other in a more trusted medium of talking to people just like them. Users are able to share videos, products, services, and books in order to represent themselves and their beliefs. For the service industry, many companies today are facing the struggle of whether to jump on the social media bandwagon and start using it as a primary marketing tool. Word of mouth marketing is free advertising for the company by its loyal customers. The fact that anybody can use this type of marketing for free gives reason itself for consumers to start taking advantage of social media sites, which are formed around this capability.

Marketing strategy on social network have dramatically developed in nowadays to advertise to right target groups. This study is aimed to identify the impact on social media marketing in related to customer choices regarding to fine dining restaurants case study. Fine dining restaurants have been developed new gastronomic. It is a concept in which food consumption it is not unique purpose of nutrition and acquires multiple meanings. Nowadays consumer does not seek only feed body but they look for experiences. However, choice decision-making is influenced by promotion, advertising and Word Of Mouth (WOM). Especially, the numerous online resources towards providing product reviews, which is one of the key that affect customers purchase decisions.

Restaurant is a famous segment that consumers often find out fine dining restaurants for special occasions and they always look for information from other customers shared their experience via social media. The comments behave rationally. In the same way choices are deliberate and consistent if they can maximize utility from their alternative (Skouras et al., 2005). Shafir et al. (1993) suggested that a consumer chooses choice based on various reasons that are answered demand. To understanding social media marketing relates consumer choice has led to a diversity of theoretical approaches. This study believes that the social media marketing on fine dining choice decision is suitable to explore and analyse how social media marketing affects to fine dining choice decision.

Increasing focus on global development and the expansive use of technology in marketing, advertising and promotion have led to shifts in the way in which companies focus on consumers (Quelch & Jocz, 2008). Researchers have recognized that technology has become a major

component in expanding markets and have defined entire marketing strategies around global access to technology. At the same time, advertising and promotion often focus on the psychological, emotional, and social factors influencing consumer behaviours, elements that must be incorporated into technology-based marketing (Quelch & Jocz, 2008). As a result, even in the presence of global expansion and new technologies, companies need to look at the four essential “Ps” of marketing: product, price, place, and promotion (Quelch & Jocz, 2008).

Rust, Moorman and Bhalla (2010) maintain that while many companies have access to a variety of types of technologies that could enhance consumer interest, expand brand recognition and improve overall marketing, many underuse technologies as a foundation for interacting with customers. These researchers, though, seem to suggest that expanded use of information technologies and social media are going to be the trends in the future (Rust, Moorman, & Bhalla, 2010). Rather than focusing on shortterm advertising through technology, adept companies are integrating social media mechanisms to enhance the relationship with consumers. Companies frequently focus on three of the most widely used social media platforms for use in product marketing and branding: Facebook, YouTube and Twitter (Muntinga, Moorman, & Smit, 2011; Shi, Rui, & Whinston, 2014). More than any time in the past, companies are recognizing the value of the use of methods to engage consumers in a way that continually reintroduces the product, increases the appeal of products, or identifies social components to product experiences. Social media websites have become the centre of information distribution on products, including the introduction of new product lines, the creation of brand awareness, and methods to shape consumer behaviour (Muntinga, Moorman & Smit, 2011). Social media provides the unique opportunity to use word-of-mouth marketing to a widespread audience, supporting consumer-to-

consumer communications and advancing brand awareness through a large-scale social network (Kozinets, de Valck, Wojnicki, & Wilner, 2010).

Unlike print or television advertising, social media is not an advertising platform in and of itself, and as a result, companies can be challenged with determining how consumer information and engagement impact the branding process. Positive comments in social media venues can have a positive impact, but negative comments can also be a part of the brand dialogue and may not be able to be controlled by the companies using social media for marketing (Ho-Dac, Carson, & Moore, 2013; Kohli, Suri, & Kapoor, 2014). At the same time, consumers participate in the discussion and exchanges that influence the branding process, all the while paying very little attention to their participation in the branding or marketing process (Kohli, Suri, & Kapoor, 2014).

Of the three social media platforms identified as commonly used by companies to support marketing and branding (i.e. Twitter, YouTube and Facebook), Facebook is considered by some to be the “holy grail of marketers” because of its focus on the integration of advertising into participants social content. In the Facebook format, advertisers present their information about specific brands and products, Facebook users provide comments or “Like” content (showing approval of specific content), and this then drives additional similar content (Nelson-Field, Riebe, & Sharp, 2012; Shen & Bissell, 2013). The more consumers engage in behaviours around product advertising or comment on Facebook about specific products, the more content they will be provided that has similar products or brands (Shen & Bissell, 2013). Social media, then, has a

significant impact on how marketers design their strategic approach, how they deliver brand information, and how they scale advertising to enhance consumer engagement.

Social networking sites like Facebook have provided a new way of introducing brand-related content and creating exchanges with consumers by generating consumer interactions (Shen & Bissell, 2013). The value of this approach is based on the shift in the way in which the Internet is being used, and social venues are progressing. Just a decade ago, the number one online activity was pornography, but just a decade later, this has shifted to social networking (Shen & Bissell, 2013). As a result, about 93% of businesses use some form of social networking for marketing and branding (Shen & Bissell, 2013). In their 2013 study, Shen and Bissell maintained that in any given year, there are more than 200 million active online users in the United States who spend more than 29 hours spent on online browsing, product assessment and networking. Of this large amount of social networking use, Facebook is the leader, with the most time spent on this social network leader (over 7 hours per person per week) (Shen & Bissell, 2013).

Brand loyalty becomes an increasing focus when companies consider the use of social media. Facebook, for example, has more than 955 million active users, most of whom log on at least once each month (Laroche, Habibi, & Richard, 2013). About half of Facebook users access their accounts on a daily basis, either via the internet-based platform or through their mobile application (Laroche, Habibi, & Richard, 2013). As a result of this widespread use, advertisers view Facebook and other social media platforms as the most beneficial technology to introduce brand-related content and promote brand associations.

While companies see Facebook as a means to promote brand awareness and gain consumer attention, not all of the responses to advertising in social media are positive. While brand-related content is being introduced at an increasing rate in the Facebook platform, social media-based advertising is sometimes viewed as an unwanted element, and companies have to be aware of how consumer responses to their advertisements can impact the value of that brand-related content (Laroche, Habibi, & Richard, 2013). Researchers have maintained that it is important that companies recognize that the process of introducing advertising and brand-related content in social media requires a close scrutiny of the content and a focus on brand-based community building (Laroche, Habibi, & Richard, 2013).

Brand communities often form based on the presence of brand loyalty and positive response to brandcentric content. When creating a social media presence for a brand, the development of this kind of community requires an understanding of how social media works and how brand communities function through the application of social media. Brand communities are made up of individuals who choose to participate and demonstrate a relationship to the essential information, content, or materials that are being shared in the community.

LITERATURE REVIEW

2) Mredu Goyal, (2016). Conducted a study on topic “**A STUDY OF IMPACT OF SOCIAL MEDIA ON CONSUMER BEHAVIOR IN RESTAURANT INDUSTRY OF JAIPUR CITY**” This study had given a clear indication that social media though not much popular in consumers of Jaipur for restaurant selection is now a strong driving force. Online visibility through social media marketing is gradually becoming a secret weapon of restaurant owners in having a strong customer base. Consumer buying behaviour is changing very speedily & marketers have to change their strategies according to the scenario. Therefore now the restaurant marketers have to focus on their promotional strategies. They have to change it according to the preferences and behavioural pattern of new digitally active consumer base.

3) Goyal Anita and Singh N.P (2007). Conducted a study on the topic “**Consumer perception about fast food in India**”. The study was about factors affecting the choice of fast food outlets by Indian young consumers. The purpose of the study was to estimate importance of various factors affecting the choice of fast food outlets by Indian consumers.

4) Western Kentucky University (2003). Conducted a study using a sample of 249 consumers' purchases to analyse the type of product purchased, and the cost of item. The results of this research revealed that consumers are buying either inexpensive or expensive items, and are doing so based on recommendations from social media by their contacts or friends on social media.

5) Rebecca J. Purdy(Forbes &Vespoli (2013). In his research paper have explained the importance of social media to the restaurants and how social media contributes in increasing their income.

6) **Manoj Timilsina**. conducted a study on topic “**Impacts of social media in restaurant businesses A case study of restaurants based on Oulu region**” The objective of this research was to inspect impacts of social media in business and how it is influencing business. Additionally, Oulu based restaurants were chosen for conducting survey. Forty three restaurants were contacted and six of them were Interviewed by means of F2F. The direct impact of social media has on sales and increase in flow of customers. Majority of the restaurant’s (83%) customers has increased with clever use of social media.

7) **Veronika Rouckova(2015)**. Conducted a study on the topic “**Social media in customer decisionmaking process – the role of reviews**” The main aim of this study was to find out how social media impact customer decision making process. Restaurants as service establishments are often discussed through various social media platforms where travellers give online comments and describe their personal experiences. It gives tips or hints to the others who search online recommendations.

8) **NefikeGunden (2017)** ,University of South Florida. Conducted a study on the topic “**How Online Reviews Influence Consumer Restaurant Selection**” Restaurant consumers are increasingly using and relying on online reviews to make their dining choices. Also, restaurant attributes that influenced consumers’ restaurant selection have been studied greatly by many researchers.

9) **Edelman, (2010)**. Conducted a study on the topic , “**Social media in customer decision-making process – the role of reviews**” The rapid merger of new technologies has changed the contemporary business expeditiously. Nowadays, the marketers must apply new ways of doing

business with new online media channels in mind. In the past, the marketing strategy of the company was mainly focused on paid media channels, whereas nowadays the consumer engagement with companies is indispensable. The driving advocacy plays a significant role in this matter. If the product gets bad online reviews on social media platforms or is not discussed on these sites at all, the paid advert will not retain the customer's loyal relationship for long time.

10)Leerapong and Mardjo(2013). Conducted a study on the topic “**Effect of Social Media on Purchase Decision**” in his research paper have examine the factors that influence their online purchase decision through online social network, particularly Facebook. The customers ranked in order of importance relative advantage, trust, perceived risk, compatibility as the factors that encouraged or discouraged them from purchasing product through Facebook.

11) Sharma and Rehman (2012).Conducted a study on the topic “Effect of Social Media on Purchase Decision” in his research paper have explained that positive or negative information about a product or a brand available on the Social Media has significant overall influence on consumers purchase behaviour. The customers spread positive word of mouth through social media.

12) **Titz(2004).** In his research concluded that the restaurant reviews present a variety of information that helps the restaurant's consumers to make selections beforehand. By reading restaurant reviews, consumers can get more detailed information about previous consumers' overall dining experiences, such as the quality of the food and service. Online reviews help consumers by providing information from previous customers before selecting a particular restaurant to visit.

13) **Lee, (2014).** In his research on topic Social media in customer decision-making process have explained .The online information boom doesn't affect only the end users, the businesses

haven't been left far behind. The advancements of Social Media have drowned out social commerce into e-business as many companies believe that social commerce is improving their business value plus they wish to stay in the competitive environment. To increase its competitiveness, the relations with customers must be evolved.

14) **Perreau, (2013)**. In his research concluded that the organizations must effectively respond to customer behaviour if they want to improve their online marketing strategy. Particularly the products with lower differentiation might have small brand awareness on the market. Additionally, to have a positive effect on consumer product evaluation proceeding, the solid, trustworthy and tangible information must be provided by marketers on social media platforms as well as establishing a lasting relationship with its customers.

15) **Jae Man Jung, Sandra Sydnor, (2015)**. Have concerned consumers decision-making regarding a restaurant choice, food quality, service, quality and price as important factors that influence to consumer decision-making. Other factors might influence such as location and cleanness.

16) **Kivela (1999)**. Has developed a study that measure customers dinning satisfaction and return patronage based on different restaurant categories. Using face-to-face interviews with various types of customers. The study has found that decor, type and style of food, variety of foods, food not eaten at home and Restaurant with high reviews on social media was considered important in fine dining restaurants.

17) **Nyoryung and Kannan (2014)**. Concluded that the relationship of social media and customer activities are positive with social media. Customers are more willing to participate in branding, product reviewing, online rating, and/or interacting. In addition, customers are

influenced by social media though their emotional changes, and this change may connected to their friends, relatives, business, and even other online users when making decisions

18) **Sema, (2013)**. In his research concluded that However, social media marketing may not be the only aspect that increases business value. A suitable market size, appropriate business environment, various mega events can also make a significant difference. For hotel industry, where the hotel located and the number of tourists has a great impact.

19) **Zhang, Guillet, & Gao, (2012)**. Concluded that on overall business performance. According to the studies examined, involvement in the relationship of online rating system in choosing a hotel states that a good online rating system does affect the hotel substantially by retaining customers for a long time and also attracting new customers.

20) **Chan and Guillet (2011)**. Concluded that in general, the hospital industry does not having good performance in using social media as a marketing tool. The major issue for hotels in doing social media marketing is about communication between hotel's business aspect and their customers.

Chapter – 5

Research Methodology

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Objectives

The objectives of conducting research on "A Study on the Impact of Social Media Marketing on Consumer Purchasing Behavior with Reference to Restaurants" may include:

1. **Understanding Consumer Behavior:** The research aims to explore how social media marketing strategies employed by restaurants influence consumer decision-making processes, preferences, and behaviors when it comes to choosing where to dine. It seeks to gain insights into the factors that shape consumer purchasing behavior in the context of restaurant selection.
2. **Assessing the Effectiveness of Social Media Marketing:** The study aims to evaluate the impact and effectiveness of social media marketing on restaurants' ability to attract and retain customers.

It seeks to identify which social media strategies, platforms, and content types are most influential in driving consumer purchasing decisions.

3. Exploring the Role of Online Reviews and Recommendations: The research aims to examine the significance of online reviews and recommendations shared on social media platforms. It seeks to understand how positive or negative reviews influence consumer perceptions, decision-making, and ultimately, their choice of restaurants.

4. Identifying Key Factors Influencing Consumer Choices: The study seeks to identify the key factors that influence consumer choices in the restaurant industry through social media marketing. It may explore factors such as the impact of visually appealing content, engagement with customers, personalized interactions, and targeted advertising on consumer preferences and decision-making.

5. Analyzing the Impact of Social Media Advertising: The research aims to assess the effectiveness of social media advertising campaigns run by restaurants. It may investigate the extent to which targeted advertising on social media platforms contributes to brand awareness, customer engagement, and ultimately, consumer purchasing behavior.

6. Providing Insights for Marketing Strategies: The study aims to provide valuable insights and recommendations for restaurants to develop effective social media marketing strategies. It seeks to identify best practices, tactics, and approaches that can enhance customer engagement, loyalty, and overall business success.

By achieving these objectives, the research on the impact of social media marketing on consumer purchasing behavior with reference to restaurants can provide valuable insights into the dynamics between social media marketing and consumer decision-making, enabling restaurants to make informed marketing decisions and optimize their strategies accordingly.

Research Methodology

Research methodology is a way to systematically solve research problems. It may be understood as a science of study; new research is done. This includes the study of various steps that are generally adopted by a researcher in studying his research problem along with logic behind them.

Need Of The Study

The study helps in understanding how consumers make decisions when it comes to choosing restaurants and how social media marketing influences their behaviors. This knowledge is crucial for restaurants to tailor their marketing efforts and strategies to effectively reach and engage their target audience.

Data Collection

Primary: - It is being collected by questionnaire.

Secondary: - Case study books and other research papers in the literature review papers are being monitored for further work.

Sample Size- 100 people

Sample Location- Delhi City

Limitations of The Study

1. Sample Bias: The study's findings may be limited to the specific sample of restaurants and consumers chosen for the research. It may not fully represent the entire restaurant industry or all consumer segments. Therefore, generalizing the results to the broader population should be done with caution.

3. Limited Scope of Variables: The study may focus on a specific set of variables related to social media marketing and consumer behavior. Factors such as cultural influences, economic conditions, and personal preferences that could impact consumer decisions may not be fully accounted for, limiting the comprehensive understanding of the subject matter.

4. Causality vs. Correlation: Establishing a cause-and-effect relationship between social media marketing and consumer purchasing behavior can be challenging. While the study may identify correlations between social media activities and consumer behavior, it may be difficult to determine if social media directly causes changes in consumer behavior or if other factors are at play.

5. External Factors and Market Dynamics: The study may not account for external factors, such as changes in the competitive landscape, technological advancements, or social trends, which could influence consumer behavior independently of social media marketing efforts. These factors may impact the validity and generalizability of the study's findings.

6. Rapidly Changing Landscape: Social media platforms, consumer behaviors, and marketing trends are constantly evolving. The study's findings may become outdated relatively quickly due to the fast-paced nature of social media and the dynamic restaurant industry. Therefore, the study's conclusions should be interpreted within the context of the specific time period and may require periodic updates and further research.

7. Ethical Considerations: When conducting research involving social media, ethical considerations arise regarding privacy, data usage, and informed consent. Researchers must ensure compliance with relevant ethical guidelines and obtain necessary permissions to access and analyze social media data.

Chapter – 6

Data Analysis & Interpretation

DATA ANALYSIS (Tools)

Data Analysis is done only after editing, coding, classification, and tabulation of data. After making the process, the data becomes meaningful information. After analyzing the data, it should be interpreted.

Respondents	Delhi
People	100
Total	100

Simple percentage Analysis Simple percentage analysis/percentage analysis refers to a special kind of ratio with the help of absolute figures it will be difficult to interpret any meaning from the collected data, but when percentage are found out then it becomes easy to find the relative difference between two or more attributes. It is often used in data presentation for the simple number reducing all of them to zero to hundred which fact facilitates relative comparisons formula used for calculations. Percentage = No. of respondents in each group/ Total respondents

* 100

TABLE.1

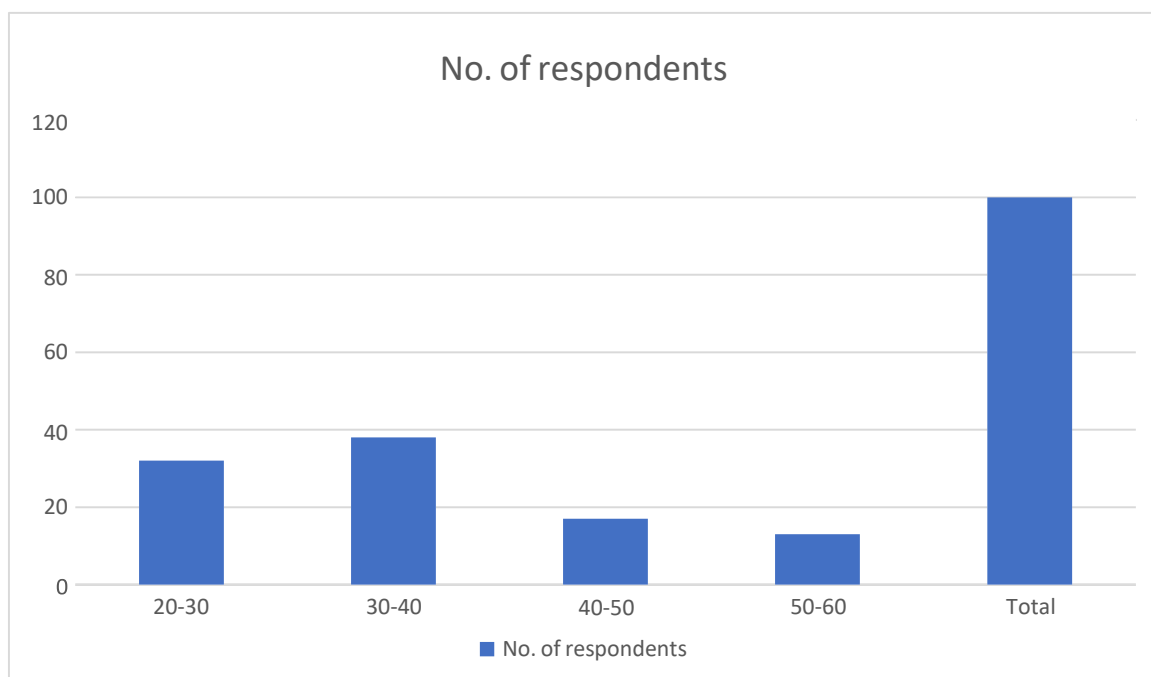
TABLE REPRESENTING AGE OF THE RESPONDENTS

SR.NO	AGE	NO. OF RESPONDENTS	PERCENTAGE
1.	20-30	32	32%
2.	30-40	38	38%
3.	40-50	17	17%
4.	50-60	13	13%
5.	Total	100	100%

ANALYSIS

The above table shows that 17% of the total respondents approached are between the age group of 40-50 . 38% of the respondents are between the age group of 30-40, 32% of the respondents are between the age group of 20-30, 13% of the respondents are in the age group of 50-60.

GRAPH.1
SHOWING PERCENTAGE OF THE RESPONDENTS ACCORDING TO
AGE GROUP



INFERENCE

The majority of the respondents fall between the age group of 30-40.

TABLE.2

TABLE REPRESENTING GENDER OF THE RESPONDENTS

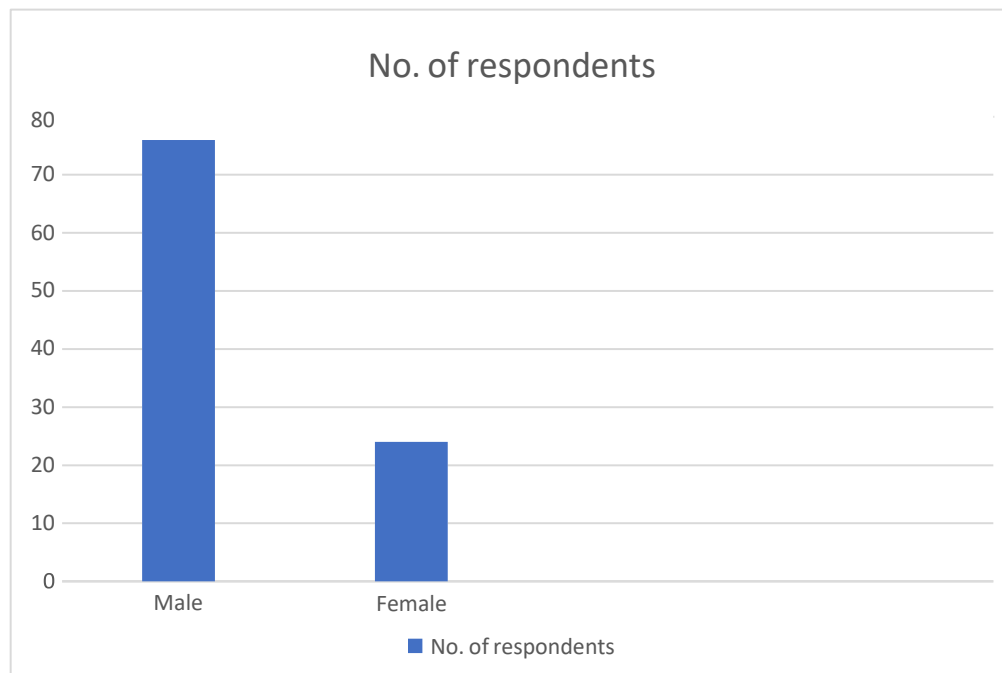
Gender	No. Of Respondents	Percentage
Male	76	76%
Female	24	24%
Total	100	100%

ANALYSIS

The above table shows that 76% of the respondents are males and 24% of the respondents are female.

GRAPH.2

SHOWING PERCENTAGE ACCORDING TO GENDER OF THE RESPONDENTS



INFERENCE

Most of the respondents approached were males.

TABLE. 3

TABLE REPRESENTING OCCUPATION OF THE RESPONDENTS

Occupation	No. Of Respondents	Percentage
Student	30	30%
Professional	40	40%
Self Employed	15	15%
Homemaker	10	10%
Other	5	5%
Total	100	100 %

ANALYSIS

The above table shows that 30% of the respondents are students, 40% are professionals, 10% homemakers, 15% are self-employed and 5% are others.

INFERENCE

Most of the respondents approached are professionals.

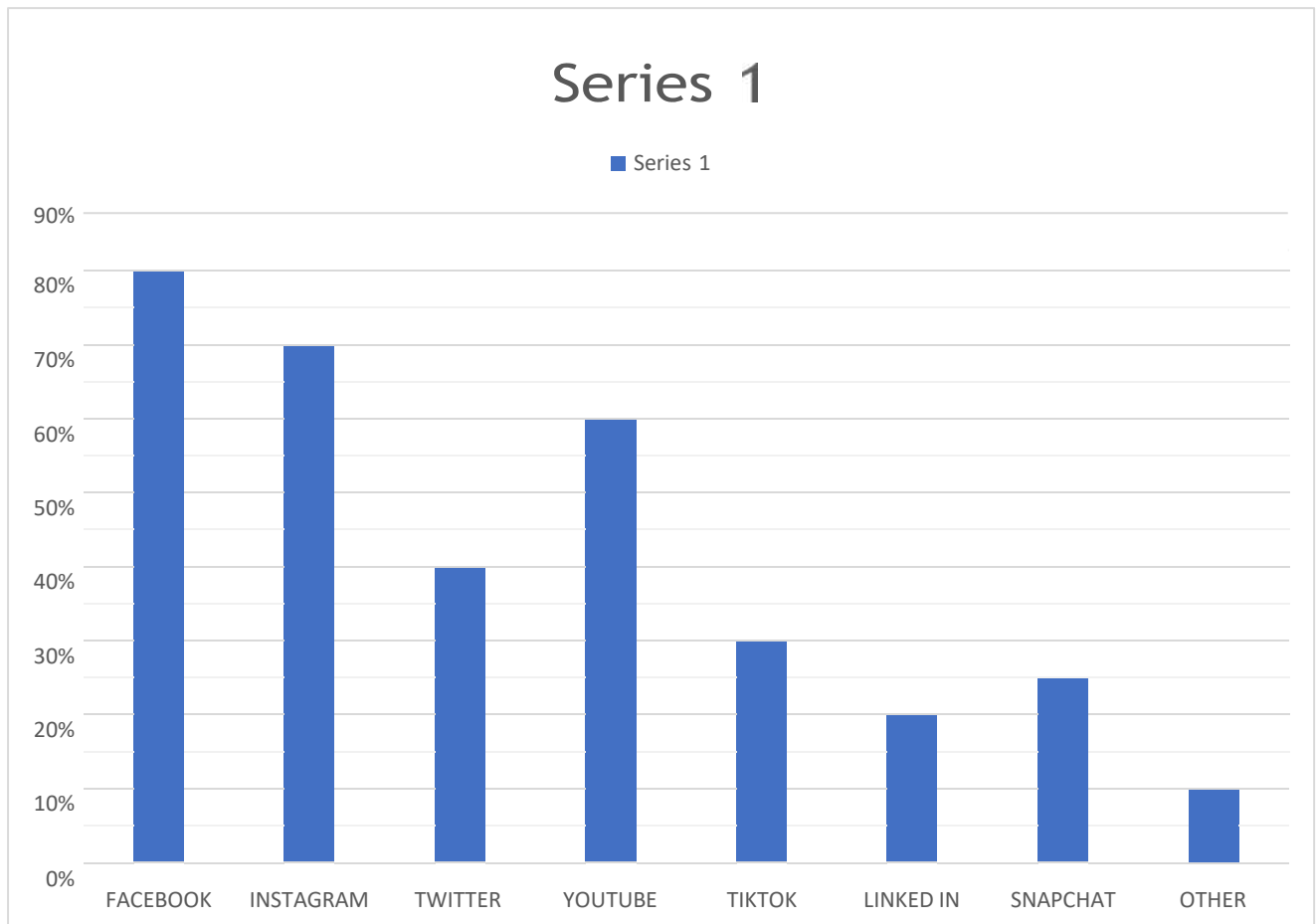
TABLE 4

**TABLE SHOWING DIFFERENT SOCIAL MEDIA PLATFORMS
RESPONDENTS ACTIVELY USE**

SOCIAL MEDIA PLATFORMS	RESPONDENTS USE (IN %)
FACEBOOK	80%
INSTAGRAM	70%
TWITTER	40%
YOUTUBE	60%
TIKTOK	30%
LINKED IN	20%
SNAPCHAT	25%
OTHER	10%

GRAPH 4

SHOWING DIFFERENT SOCIAL MEDIA PLATFORMS RESPONDENTS ACTIVELY USE



INFERENCE

By analysing the graph top three popular social media are Facebook, Instagram, and YouTube.

TABLE 5

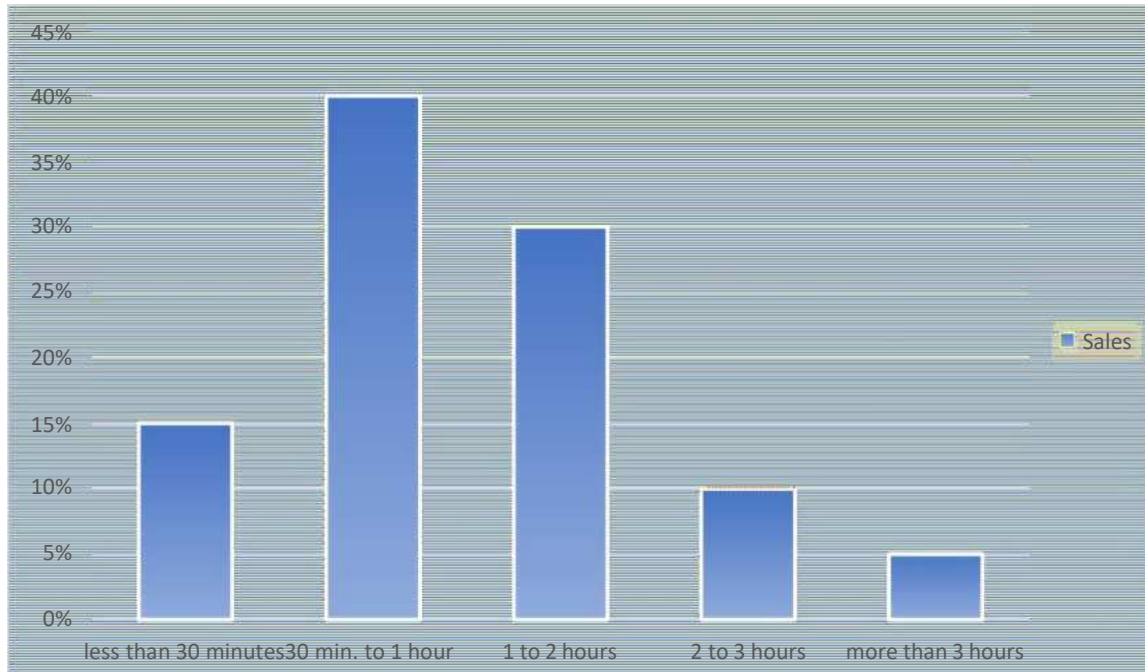
TABLE SHOWING ON AVERAGE, HOW MUCH TIME DO YOU SPEND

ON SOCIAL MEDIA PER DAY

AVERAGE TIME (PER DAY)	RESPONDENTS
Less Than 30 minutes	15%
30 minutes to 1 hour	40%
1 To 2 hours	30%
2 To 3 hours	10%
More than 3 hours	5%

GRAPH 5

GRAPH SHOWING ON AVERAGE, HOW MUCH TIME DO YOU SPEND ON SOCIAL MEDIA PER DAY



INFERENCE

By analysing the pie chart we can find out that most of the respondents average time of using social media is 30 minutes to 1 hour.

TABLE 6

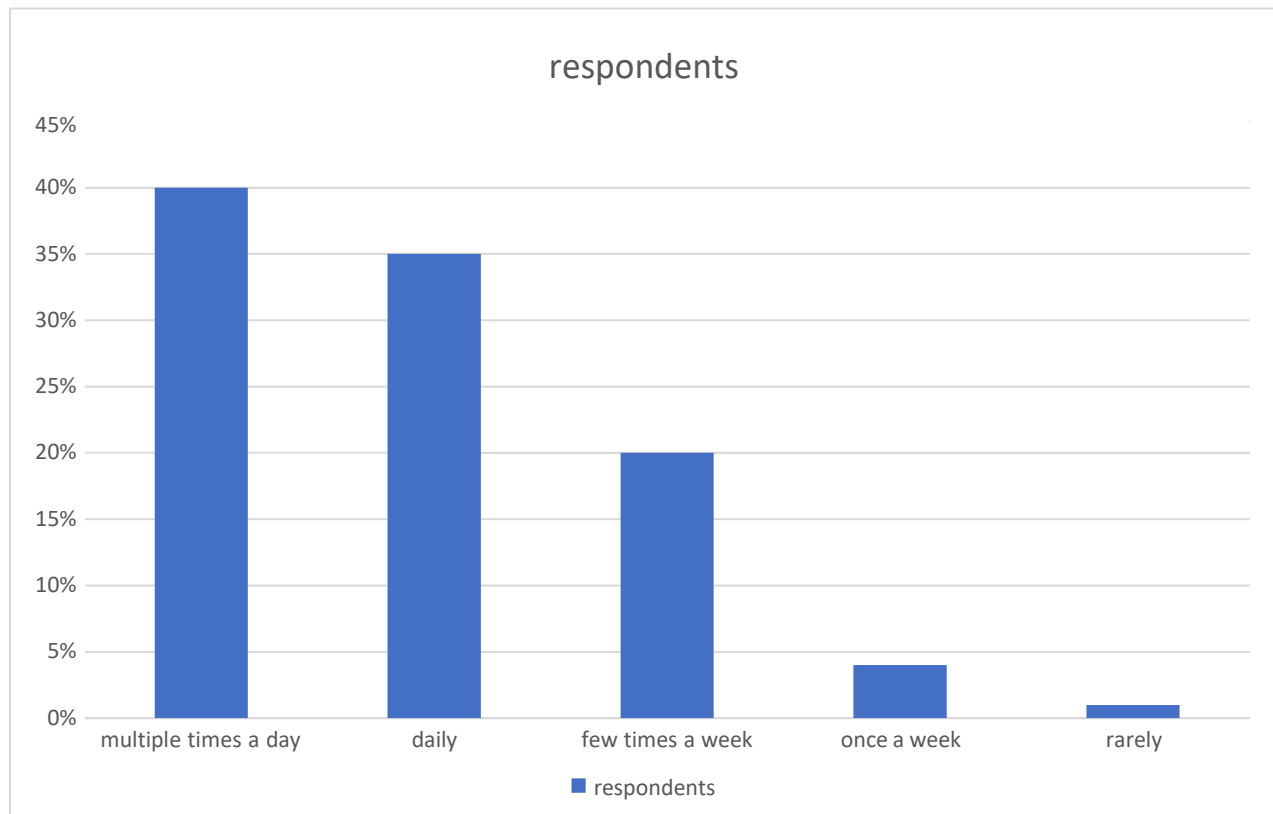
HOW OFTEN DO YOU COME ACROSS RESTAURANT -RELATED

CONTENT ON SOCIAL MEDIA PLATFORMS

RESTAURANT RELATED CONTENT	RESPONDENTS
Multiple times a day	40%
Daily	35%
Few times a week	20%
Once a week	4%
Rarely	1%

GRAPH

HOW OFTEN DO YOU COME ACROSS RESTAURANT-RELATED CONTENT ON SOCIAL MEDIA PLATFORMS

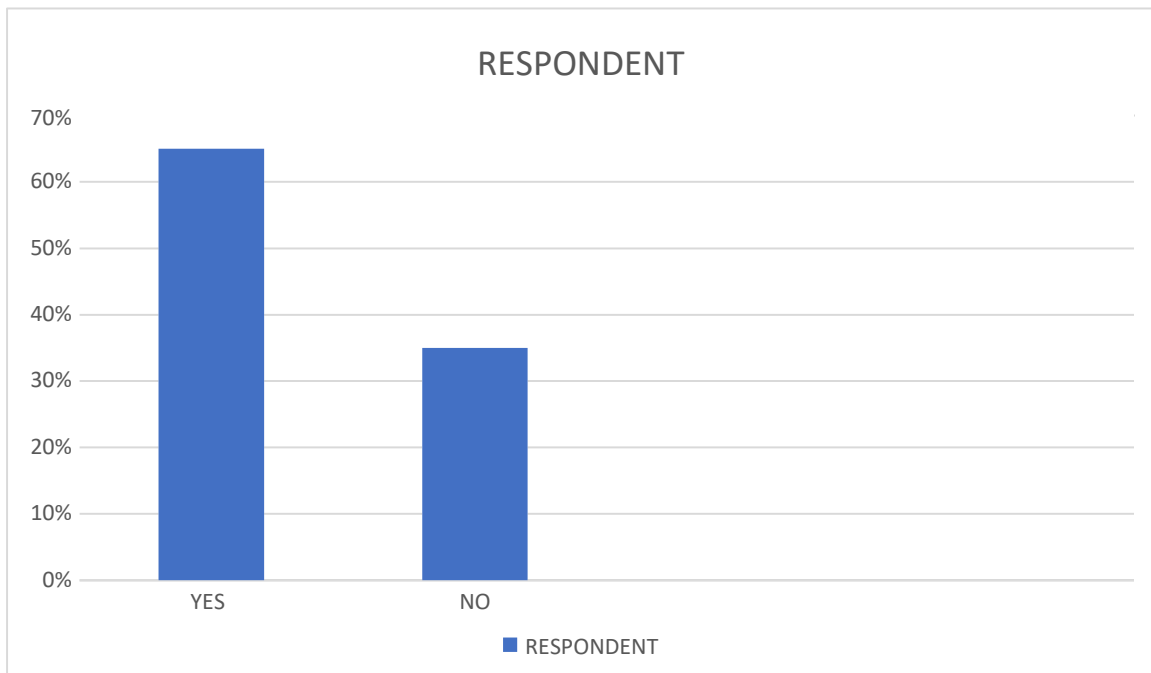


INFERENCE

Majority of the respondents go through restaurant related content daily or multiple times a day.

GRAPH 7

HAVE YOU EVER CHOSEN A RESTAURANT BASED ON THE CONTENT YOU SAW ON SOCIAL MEDIA

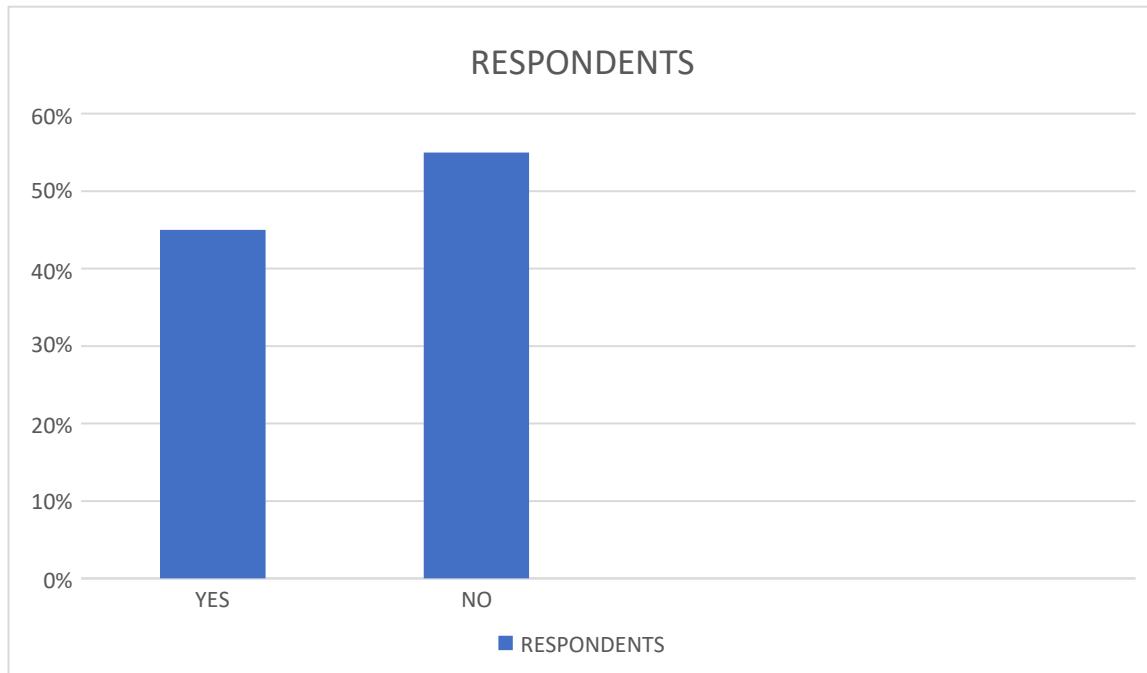


INFERENCE

65% of the respondents chose a restaurant based on the content they saw on social media.

GRAPH 8

HAVE YOU EVER VISITED A RESTAURANT BASED ON TARGETED ADVERTISEMENTS OR SPONSORED POSTS ON SOCIAL MEDIA

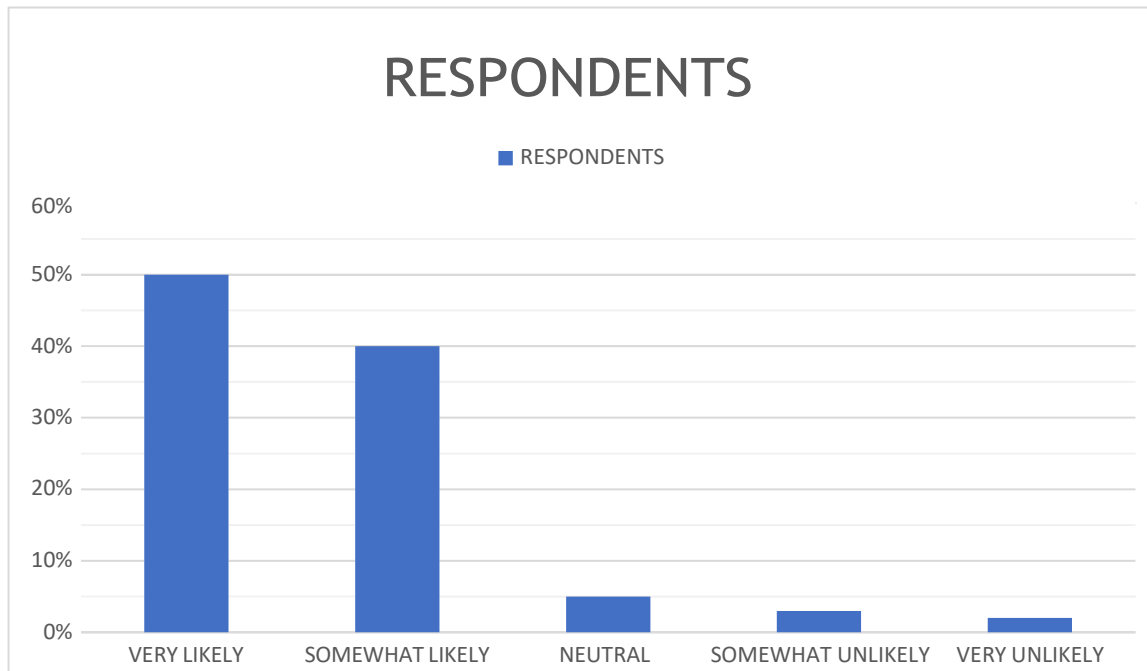


INFERENCE

In this pie chart, 45% of the respondents visit by advertisements or sponsored posts on social media.

GRAPH

HOW LIKELY ARE YOU TO TRUST ONLINE REVIEWS AND RECOMMENDATIONS ON SOCIAL MEDIA PLATFORMS WHEN CHOOSING A RESTAURANT

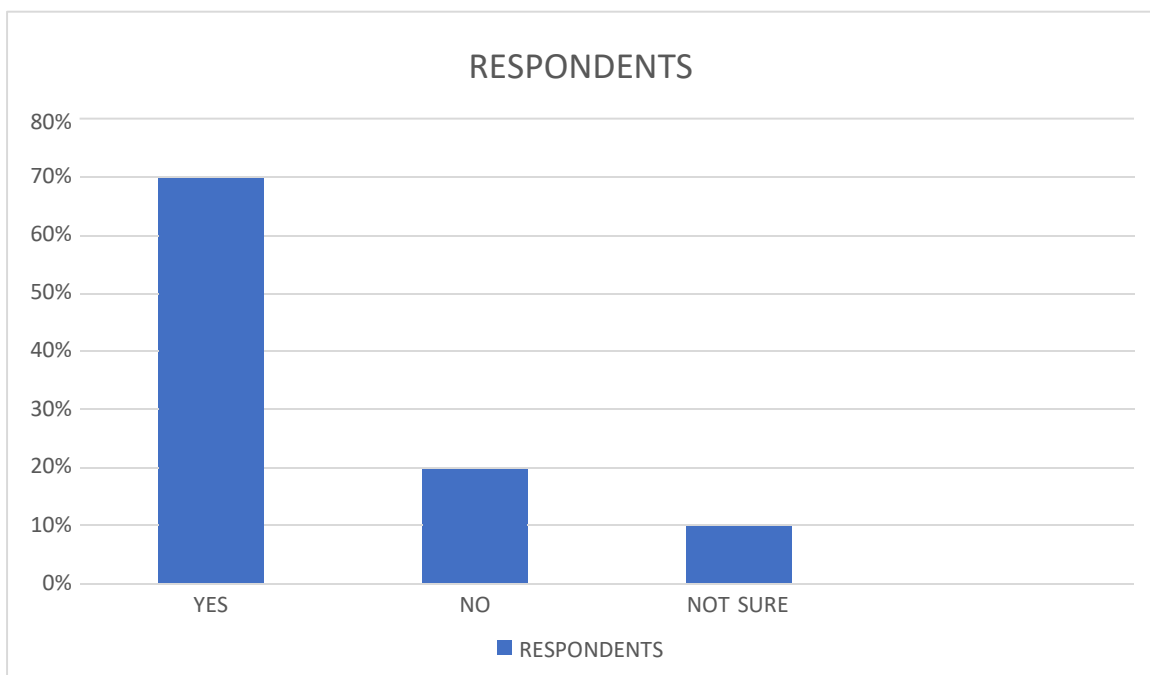


INFERENCE

In the bar graph we can see that 50 percent respondents are very likely and 40 percent are somewhat likely with the online reviews.

GRAPH 10

DO YOU THINK SOCIAL MEDIA MARKETING HAS ENHANCED YOUR OVERALL DINING EXPERIENCE BY PROVIDING MORE INFORMATION AND ENGAGEMENT OPPORTUNITIES WITH RESTAURANTS



INFERENCE

Seventy percent of the respondents think that social media marketing has enhanced their overall dining experience by providing more information and engagement opportunities with restaurants.

Findings, Suggestions & Conclusion

Findings

1. Social media platforms with high user engagement, such as Facebook and Instagram, are popular among consumers for restaurant-related content.
2. A significant proportion of respondents actively use social media and spend a considerable amount of time on these platforms, indicating their potential as effective marketing channels for restaurants.
3. High-quality food photographs and positive reviews/recommendations have a strong influence on consumer restaurant selection. These factors play a key role in shaping consumer perceptions and preferences.
4. Targeted advertisements and sponsored posts on social media have the potential to drive restaurant visits, suggesting the effectiveness of personalized marketing strategies.

5. Consumers exhibit a moderate to high level of trust in online reviews and recommendations on social media platforms when making restaurant choices.

6. Compelling visuals, interactive content, and user-generated content are perceived as effective social media marketing tactics that influence consumer purchasing behavior.

7. Overall, social media marketing has enhanced the dining experience for a majority of consumers by providing them with more information and engagement opportunities with restaurants.

Suggestions

1. **Enhance Visual Content:** Restaurants should focus on creating high-quality food photographs and visually appealing content for social media platforms. Investing in professional photography and incorporating visually engaging elements can attract more consumers and increase their interest in visiting the restaurant.
2. **Leverage Positive Reviews and Recommendations:** Restaurants can actively monitor and respond to online reviews and recommendations. Encouraging satisfied customers to leave positive reviews on social media platforms and featuring them in marketing campaigns can build trust and influence potential customers.
3. **Utilize Targeted Advertising:** Restaurants should consider utilizing targeted advertising on social media platforms to reach their specific target audience. By leveraging demographic and interest-based targeting options, restaurants can increase the effectiveness of their marketing campaigns and reach consumers who are more likely to be interested in their offerings.
4. **Foster User-Generated Content:** Restaurants can encourage customers to create and share content related to their dining experiences. This can be done through contests, hashtags, or interactive campaigns. Sharing user-generated content on social media platforms helps create a sense of authenticity and community around the restaurant.

5. **Personalize Marketing Efforts:** Restaurants should explore personalization techniques by leveraging customer data and preferences. Tailoring offers, recommendations, and messages based on individual customer preferences can enhance the effectiveness of marketing efforts and increase customer engagement and loyalty.

6. **Collaborate with Influencers:** Partnering with relevant influencers who have a strong presence on social media platforms can significantly impact consumer behavior. Restaurants can collaborate with influencers to create sponsored content, reviews, or promotional campaigns that align with the restaurant's brand and target audience.

7. **Actively Engage with Customers:** Restaurants should actively engage with customers on social media platforms by responding to comments, messages, and reviews. Building a positive online reputation and providing timely and helpful responses can foster customer loyalty and enhance the overall dining experience.

8. **Monitor and Adapt to Trends:** Social media and consumer preferences are dynamic and continuously evolving. Restaurants should stay updated with the latest trends and adapt their social media marketing strategies accordingly. This includes exploring emerging platforms,

9. incorporating new features, and adjusting content strategies to align with changing consumer behaviors.

Conclusion

The study reveals that social media marketing plays a significant role in influencing consumer purchasing behavior in the restaurant industry. Social media platforms, such as Facebook and Instagram, are widely used by consumers, who spend a considerable amount of time engaging with restaurant-related content. High-quality food photographs, positive reviews, and personalized recommendations have a strong influence on consumer restaurant selection. Targeted advertisements and sponsored posts on social media have the potential to drive restaurant visits.

Consumers show a moderate to high level of trust in online reviews and recommendations on social media platforms, indicating the importance of reputation management and customer engagement. Compelling visuals, interactive content, and user-generated content are perceived as effective social media marketing tactics that capture consumers' attention and influence their decision-making.

Overall, social media marketing has enhanced the dining experience for consumers by providing them with more information, engagement opportunities, and a sense of community with restaurants. To capitalize on the impact of social media marketing, restaurants are advised to focus on enhancing visual content, leveraging positive reviews, utilizing targeted advertising, fostering user-generated content, personalizing marketing efforts, collaborating with influencers, actively engaging with customers, and staying updated with the latest trends.

Chapter – 8

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Chapter – 9

Appendices & Annexure

1. Age:
2. Gender:
3. Occupation:
4. Which social media platforms do you actively use? (Select all that apply)
 - a) Facebook
 - b) Instagram
 - c) Twitter
 - d) YouTube
 - e) TikTok
 - f) LinkedIn
 - g) Snapchat
 - h) Other (Please specify: _____)
5. On average, how much time do you spend on social media per day?
 - a. Less than 30 minutes
 - b. 30 minutes to 1 hour
 - c. 1 to 2 hours
 - d. 2 to 3 hours
 - e. More than 3 hours
6. How often do you come across restaurant-related content on social media platforms?
 - a. Multiple times a day
 - b. Daily
 - c. Few times a week
 - d. Once a week
 - e. Rarely

7. Have you ever chosen a restaurant based on the content you saw on social media?
- a. Yes
 - b. No
8. How likely are you to trust online reviews and recommendations on social media platforms when choosing a restaurant?
- a. Very likely
 - b. Somewhat likely
 - c. Neutral
 - d. Somewhat unlikely
 - e. Very unlikely

9. Have you ever visited a restaurant based on targeted advertisements or sponsored posts on social media?

a. Yes

b. No

10. Do you think social media marketing has enhanced your overall dining experience by providing more information and engagement opportunities with restaurants?

a. Yes

b. No

c. Not sure

Thank you for your participation! Your responses will be kept confidential and used for research purposes only.

Project Dissertation
ON
A STUDY OF CONSUMER'S ONLINE SHOPPING
BEHAVIOR WITH REFERENCE TO AMAZON AND
FLIPKART

*Submitted in partial fulfillment of the requirements for the award
of the degree of*

**Master of Business Administration (International
Business) To**

Guru Gobind Singh Indraprastha University, Delhi

Guide:
Dr. Ekta Rastogi

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GITARATTAN INTERNATIONAL BUSINESS SCHOOL

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STUDENT UNDERTAKING

This is to certify that I have completed the Project Dissertation “**A STUDY OF CONSUMER’S ONLINE SHOPPING BEHAVIOR WITH REFERNCE TO AMAZON AND FLIPKART**” under the guidance of “**DR. Ekta Rastogi**” in partial fulfillment of the requirement for the award of degree of Masters of Business Administration (International Business) at at Gitarattan International Business School, Delhi. The Matter embodied in this project work has not been submitted earlier for the award of any degree or diploma to the best of my knowledge and belief

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CERTIFICATE FROM FACULTY GUIDE

This is to certify that the Project dissertation titled “**A STUDY OF CONSUMER’S ONLINE SHOPPING BEHAVIOR WITH REFERENCE TO AMAZON AND FLIPKART**” is an academic work done by “**Anuj Dahiya**” submitted in the partial fulfillment of the requirement for the award of the degree of Masters of Business Administration (International Business) from Gitarattan International Business School, Delhi, under my guidance & direction. To the best of my knowledge and belief the data & information presented by him/her in the report has not been submitted earlier.

Signature of the
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This report has been made possible due to invaluable support of a number of people to whom I owe my heartfelt gratitude and without whose help, I may not have been able to complete this report . It was a great chance for learning and professional development. Therefore, I consider myself as a very lucky individual as I was provided with an opportunity to be a part of it. I am also grateful for having a chance to meet so many wonderful people and professionals who led me through this dissertation project. I want to sincerely thank to our very helpful Institution Gitarattan International Business School for allowing me to prepare the report and supporting me throughout the span. This report documents the work done during the period of study at Guru Gobind Singh Indraprastha University under the supervision of Dr. Ekta Rastogi. The report first shall give an overview of the topic that was chosen by me completed with details. Then the results obtained shall be discussed and analyzed. Report shall also elaborate on the future works which can be persuaded as an advancement of the current work. I have tried my best to keep report simple yet technically correct. I hope I succeed in my attempt.

Anuj Dahiya
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EXECUTIVE SUMMARY

The growing use of Internet in India provides a developing prospect for online shopping. If E-marketers know the factors affecting online Indian behavior, and the relationships between these factors and the type of online buyers, then they can further develop their marketing strategies to convert potential customers into active ones, while retaining existing online customers. This project is a part of study, and focuses on factors which online Indian buyers keep in mind while shopping online. This research found that information, perceived usefulness, ease of use; perceived enjoyment and security/privacy are the five dominant factors which influence consumer perceptions of Online purchasing. Consumer behavior is said to be an applied discipline as some decisions are significantly affected by their behavior or expected actions. The two perspectives that seek application of its knowledge are micro and societal perspectives. The online purchasing behavior of online shoppers and factor influencing online shopping behavior and its future perspective. Internet is changing the way consumers shop and buy goods and services, and has rapidly evolved into a global phenomenon. Many companies have started using the Internet with the aim of cutting marketing costs, thereby reducing the price of their products and services in order to stay ahead in highly competitive markets. Companies also use the Internet to convey, communicate and disseminate information, to sell the product, to take feedback and also to conduct satisfaction surveys with customers. Customers use the Internet not only to buy the product online, but also to compare prices, product features and after sale service facilities they will receive if they purchase the product from a particular store. Many experts are optimistic about the prospect of online business. In addition to the tremendous potential of the E-commerce market, the Internet provides a unique opportunity for companies to more efficiently reach existing and potential customers. Although most of the revenue of online transactions comes from business-to-business commerce, the practitioners of business-to-consumer commerce should not lose confidence. It has been more than a decade since business-to-consumer E-commerce first evolved. Scholars and practitioners of electronic commerce constantly strive to gain an improved insight into consumer behavior in cyberspace. Along with the development of E-retailing, researchers continue to explain E-consumers behavior from different perspectives. Many of their studies have factors or assumptions which are based on the traditional models of consumer behavior, and then examine their validity in the Internet context.

CHAPTER-1

INTRODUCTION

INTRODUCTION TO THE INDUSTRY

“Consumer is the sole end and purpose of all production; and the interest of the producer ought to be attended to only so far as it may be necessary for promoting that of the consumer.”

- Adam Smith

The growing interdependence of the world economy and international character of many business practices have contributed to the development of universal emphasis on consumer. Modern technological developments have no doubt made a great impact on the quality, availability and safety of goods and services. A consumer is person who purchases or ultimately consumes goods and services. Growing practice of electronic transactions includes both e-commerce and e-consumers.

Internet is changing the way consumers shop and buys goods and services, and has rapidly evolved into a global phenomenon. Many companies have started using the Internet with the aim of cutting marketing costs, thereby reducing the price of their products and services in order to stay ahead in highly competitive markets. Even Government institutions have started replacing their paper work. Companies also use the Internet to convey, communicate and disseminate information, to sell the product, to take feedback and also to conduct satisfaction surveys with customers.

Customers use the Internet not only to buy the product online, but also to compare prices, product features and after sale service facilities they will receive if they purchase the product from a particular store. Many experts are optimistic about the prospect of online business.

Online shopping is definitely a great way to shop with everything available on the websites from clothes, gift items, food, home needs, medicines, and many more, this mode of shopping allows one to shop conveniently without hassle on spending hours in a supermarket or shopping areas. The Internet with its wide array of information nooks, allows the customer to go through various reviews of the product or service before actually heading for purchases. These online shopping websites also have daily deals for the customer looking for discounts and store offerings.

Profits and growth can be sustained only by adopting ethical methods of doing business. Most of the products or services which consumers buy or pay for are durables and services. Rather than earning short term profit, the focus should be more on achieving long term goals.

Consumer behavior is said to be an applied discipline as some decisions are significantly affected by their behavior or expected actions. Customers use the Internet not only to buy the product online, but also to compare prices, product features and after sale service facilities they will receive if they purchase the product from a particular store. Many experts are optimistic about the prospect of online business.

A consumer before buying any product online, he will check the authenticity of the online shopping website as how much the site is trustworthy and reliable as in online shopping the consumer or buyer is not able to see the seller and cannot check the product until it has been delivered to him.

ABOUT ONLINE SHOPPING

Online shopping is a form of electronic commerce which allows consumers to directly buy goods or services from a seller over the Internet using a web browser. Consumers find a product of interest by visiting the website of the marketplace directly or by searching among alternative vendors using a shopping search engine, which displays the same product's availability and pricing at different marketplaces. As of 2021, customers can shop online using a range of different computers and devices, including desktop computers, laptops, tablet computers, smartphones, and smart speakers.

An online shop evokes the physical analogy of buying products or services at a regular "bricks-and-mortar" retailer or shopping center; the process is called business-to-consumer (B2C) online shopping. When an online store is set up to enable businesses to buy from another business, the process is called business-to-business (B2B) online shopping. A typical online store enables the customer to browse the firm's range of products and services, view photos or images of the products, along with information about the product specifications, features and prices.

Online stores usually enable shoppers to use "search" features to find specific models, brands or items. Online customers must have access to the Internet and a valid method of payment in order to complete a transaction, such as a credit card, an Interact-enabled debit card, or a service such as PayPal. For physical products (e.g., paperback books or clothes), the e-tailer ships the products to the customer; for digital products, such as digital audio files of songs or software, the e-tailer usually sends the file to the customer over the Internet. The largest of these online marketplace corporations are Alibaba, Amazon.com, and eBay.

HISTORY

One of the earliest forms of trade conducted online was IBM's online transaction processing (OLTP) developed in the 1960s and it allowed the processing of financial transactions in real-time. The computerized ticket reservation system developed for American Airlines called Semi-Automatic Business Research Environment (SABRE) was one of its applications. Here, computer terminals located in different travel agencies were linked to a large IBM mainframe computer, which processed transactions simultaneously and coordinated them so that all travel agents had access to

the same information at the same time.

The emergence of online shopping as we know today developed with the emergence of the Internet. Initially, this platform only functioned as an advertising tool for companies, providing information about its products. It quickly moved on from this simple utility to actual online shopping transaction due to the development of interactive Web pages and secure transmissions. Specifically, the growth of the internet as a secure shopping channel has developed since 1994, with the first sales of Sting album 'Ten Summoner's Tales'. Wine, chocolates, and flowers soon followed and were among the pioneering retail categories which fueled the growth of online shopping. Researchers found that having products that are appropriate for e-commerce was a key indicator of Internet success. Many of these products did well as they are generic products which shoppers did not need to touch and feel in order to buy. But also importantly, in the early days, there were few shoppers online and they were from a narrow segment: affluent, male, 30+. Online shopping has come a long way since these early days and -in the UK- accounts for significant percent (depending on product category as percentages can vary).

PROCESS OF SHOPPING AT ONLINE STORE

1. Cart created:

In this example, a customer does not need to register on the site in order to buy. The order process actually starts as soon as the visitor selects a product and adds it to a shopping cart. A cart (basket) will be created and saved in the system, and can be viewed in Orders under "Carts". If the customer does not complete the checkout procedure, the cart will remain in the system for a specified time. When the customer returns to the website, the cart will be "remembered" and made available for continued shopping. Already in this early step the system will perform an inventory and pricing check, to look for availability in the warehouse, as well as discounts for selected products in the cart. This will be updated if and when the customer returns to the cart at a later stage.

2. Start checkout:

When the customer decides to complete the purchase and chose to "proceed to checkout", the first step of the checkout procedure is initiated.

3. Add address:

In the second step of the checkout procedure, the shipping and billing address information is added together with the preferred type of delivery (First class/Express etc). The address information can be entered manually by an "anonymous" customer, or automatically if the customer is logged in and has a registered user profile with address information. The system can also be set up so that it is possible to split shipments in different parts and to different addresses here.

4. Add payment:

In step three of the checkout procedure, the payment is added to the "purchase order to be". The system will calculate the total sum including the purchase amount and the shipping fee. In this step the customer selects a payment method, for instance by credit card or PayPal. The payment will be registered and verified. This may happen instantly or after a certain specified time, depending on how the payment process is set up and the type of e-commerce solution (B2C or B2B). In this step it is also possible to split payments, if the system is configured for this.

5. Order created:

Usually the actual purchase order is created in the system when the payment is settled. In the last checkout step, a purchase order number is created, the customer confirms the purchase, and an order confirmation is sent to the customer. The shopping cart is now converted to a purchase order which is visible with status "In Progress" under "Purchase Orders" in Orders.

6. Order processing:

When the order is created then the order processing starts. This consists of steps to check the warehouse and inventory status for the products in the order, and for creating the actual shipment. Depending on the inventory status for the products, the order may be split into more than one shipment.

7. Shipment released:

When the shipment is verified, it will be released. The purchase order will now appear in Orders, under "Shipping/Receiving" and "Released for Shipping".

8. Add to pick list:

This step involves the addition of the shipping items to a pick list. The pick list is the list that the warehouse will use to create the physical shipping of the products in the order. This step will also produce a packing slip, which is the paper slip that will be attached to the physical package to be shipped.

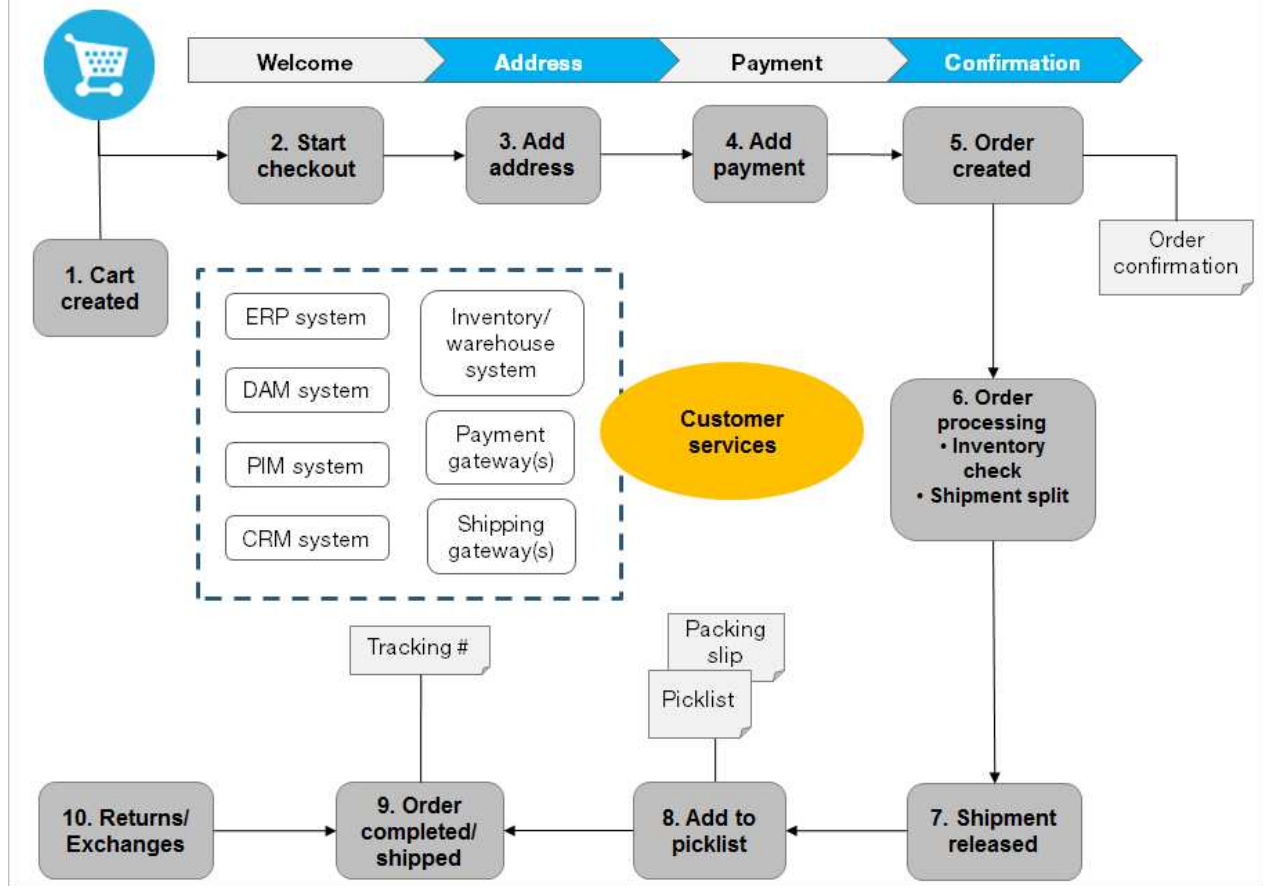
9. Order completed/shipped:

When the pick lists with the different orders and their respective packing slips have been created, the order will be set to complete. In the system this involves the creation of a shipment validation number which is associated with tracking number. The tracking number can be entered manually or automatically, if such integration exists. The tracking number connects the physical package with the shipping provider for the delivery, and is used for tracking the package on its way to the delivery address. The purchase order will now appear in Orders under "Purchase Orders" again, with status "Completed".

10. Return/Exchanges:

Only completed orders can be subject to returns/exchanges. Depending on how the system is set up, returns can be created automatically or manually. Creating a return usually involves replacing a delivered product with another one in exchange, and/or a payment refund. When the return is created it will appear in Orders under "Shipping/Receiving" and "Returns". Order status can be for instance "Awaiting Exchange".

Shopping flow example



GAINT PLAYERS IN INDIAN ONLINE SHOPPING

FLIPKART



Flipkart Private Limited, d/b/a Flipkart is an Indian e-commerce company based in Bengaluru, India. It was founded by Sachin Bansal and Binny Bansal in 2007. The company initially focused on book sales, before expanding into other product categories such as consumer electronics, fashion, home essentials & groceries, and lifestyle products.

The service competes primarily with Amazon's Indian subsidiary, and the domestic rival Snapdeal. As of March 2017, Flipkart held a 39.5% market share of India's e-commerce industry. Flipkart is significantly dominant in the sale of apparel (a position that was bolstered by its acquisitions of Myntra and Jabong.com), and was described as being "neck and neck" with Amazon in the sale of electronics and mobile phones. Flipkart also owns PhonePe, a mobile payments service based on the Unified Payments Interface (UPI).

In August 2018, U.S.-based retail chain Walmart acquired a 77% controlling stake in Flipkart for US\$16 billion, valuing it at \$20 billion.

HISTORY:

Flipkart was founded in October 2007 by Sachin Bansal and Binny Bansal, who were both alumni of the Indian Institute of Technology Delhi and formerly worked for Amazon. The company initially focused on online book sales with country-wide shipping. Following its launch, Flipkart slowly grew in prominence; by 2008, it was receiving 100 orders per day. In 2010, Flipkart acquired

the Bangalore-based social book discovery service weRead from Lulu.com

.

In late 2011, Flipkart made several acquisitions relating to digital distribution, including Mime360.com and the digital content library of Bollywood portal Chakpak.

In February 2012, the company unveiled its DRM-free online music store Flyte. However, the service was unsuccessful due to competition from free streaming sites, and shut down in June 2013.

In May 2012, Flipkart acquired Letsbuy, an online electronics retailer. In May 2014, Flipkart acquired Myntra, an online fashion retailer, for ₹20 billion (US\$280 million). Myntra continues to operate alongside Flipkart as a standalone subsidiary; the site focuses on an upscale, "fashion-conscious" market, while Flipkart itself focuses on the mainstream market and major international brands.

In February 2014, Flipkart partnered with Motorola Mobility to be the exclusive Indian retailer of its Moto G smartphone. Motorola also partnered with Flipkart on the Moto E—a phone targeted primarily towards emerging markets such as India. High demand for the phone caused the Flipkart website to crash following its midnight launch on 14 May. Flipkart subsequently held exclusive Indian launches for other smartphones, including the Xiaomi Mi3 in July 2014 (whose initial release of 10,000 devices sold out in around 5 seconds), the Redmi 1S and Redmi Note in late-2014 (which saw similarly accelerated sellouts), and Micromax's Yu Yunique 2 in 2017.

On 6 October 2014, in honour of the company's anniversary and the Diwali season, Flipkart held a major sale across the service that it promoted as "Big Billion Day". The event generated a surge of traffic, selling US\$100 million worth of goods in 10 hours. The event received criticism via social media over technical issues the site experienced during the event, as well as stock shortages.

In March 2015, Flipkart blocked access to its website on mobile devices and began requiring that users download the site's mobile app instead. The following month, Myntra went further and discontinued its website on all platforms, in favour of operating exclusively through its app. The "app-only" model, however, proved to be unsuccessful for Myntra (reducing sales by 10%), and its main website was reinstated in February 2016. The experiment with Myntra led to suggestions that

Flipkart itself would perform a similar move, but this did not occur. In November 2015, Flipkart launched a new mobile website branded as "Flipkart Lite", which provides an experience inspired by Flipkart's app that runs within smartphone web browsers.

In April 2015, Flipkart acquired Appiterate, a Delhi-based mobile marketing automation firm. Flipkart stated that it would use its technology to enhance its mobile services. In October 2015, Flipkart reprised its Big Billion Day event, except as a multi-day event that would be exclusive to the Flipkart app. Flipkart also stated that it had bolstered its supply chain and introduced more fulfillment centres in order to meet customer demand. Flipkart achieved a gross merchandise volume of US\$300 million during the event, with the largest volumes coming from fashion sales, and the largest value coming from mobiles.

In December 2015, Flipkart purchased a minority stake in the digital mapping provider MapmyIndia. The company stated that it would licence its data to help improve delivery logistics. In 2016, Flipkart acquired the online fashion retailer Jabong.com from Rocket Internet for US\$70 million, as well as the UPI mobile payments startup PhonePe. In January 2017, Flipkart made a US\$2 million investment in Tinystep, a parenting information startup.

In April 2017, eBay announced that it would sell its Indian subsidiary eBay.in to Flipkart and make a US\$500 million cash investment in the company. eBay promoted that the partnership would eventually allow Flipkart to access eBay's network of international vendors, and vice versa, but these plans never actually came to fruition. In July 2017, Flipkart made an offer to acquire its main domestic competitor, Snapdeal, for around US\$700–800 million. It was rejected by the company, which was seeking at least US\$1 billion.

Flipkart held a 51% share of all Indian smartphone shipments in 2017, overtaking Amazon India (33%). Flipkart sold 1.3 million phones in 20 hours on 21 September alone for its Big Billion Days promotion, doubling the number sold on the first day of the event in 2016 (where it sold a total of 2.5 million phones in five days).

In August 2019, Flipkart entered into a partnership with Authentic Brands to license and distribute Nautica in India.

Flipkart has invested \$4 million (about Rs 29 crore) in customer engagement and rewards platform EasyRewardz on Tuesday Nov 19 2019.

MARKET TREND ANALYSIS:

Current size of e-commerce market in India is \$11.2 billion

360 e-commerce portal offering services in India (tripled since 2010)

Internet users in India is expected to grow to 376 million by 2015

SWOT ANALYSIS OF FLIPKART:

Strengths:

- Industry condition: Established brand
- Established investor's relations
- Services and warehousing
- Payment options

Weakness:

- Customers are not comfortable with online payment
- Not profitable operationally
- Middle management retention issues Opportunities
- Development of m-commerce in the e-market
- Increasing internet penetration
- Target social media to reach young population Threats:
- High competition from major online retailers
- Capture of alternative market by competitors

Their success is largely due to their obsession with providing customers a memorable online shopping experience. Be it Cash on Delivery, a 30-day replacement policy, EMI options, free shipping - and of course the great prices that they offer. Then there's dedicated Flipkart delivery team that works round the clock to personally make sure packages reach on time. For now they're present in 27 lucky cities, but don't worry, plans are underway to spread to many others.

AMAZON



Amazon.com, Inc. is an American multinational conglomerate technology company based in Seattle, with 750,000 employees. It focuses on e-commerce, cloud computing, digital streaming, and artificial intelligence. It is considered one of the Big Four tech companies, along with Google, Apple, and Microsoft. It has been referred to as "one of the most influential economic and cultural forces in the world."

Amazon is known for its disruption of well-established industries through technological innovation and mass scale. It is the world's largest online marketplace, AI assistant provider, and cloud computing platform as measured by revenue and market capitalization. Amazon is the largest Internet Company by revenue in the world. It is the second largest private employer in the United States and one of the world's most valuable companies.

Amazon was founded by Jeff Bezos in Bellevue, Washington, in July 1994. The company initially started as an online marketplace for books but later expanded to sell electronics, software, video games, apparel, furniture, food, toys, and jewelry. In 2015, Amazon surpassed Walmart as the most valuable retailer in the United States by market capitalization. In 2017, Amazon acquired Whole Foods Market for US\$13.4 billion, which vastly increased Amazon's presence as a brick-and-mortar retailer. In 2018, Bezos announced that its two-day delivery service, Amazon Prime, had surpassed 100 million subscribers worldwide.

Amazon distributes downloads and streaming of video, music, and audiobooks through its Prime Video, Amazon Music, Twitch, and Audible subsidiaries. Amazon also has a publishing arm, Amazon Publishing, a film and television studio, Amazon Studios, and a cloud computing

subsidiary, Amazon Web Services. It produces consumer electronics including Kindle e-readers, Fire tablets, Fire TV, and Echo devices. In addition, Amazon acquisitions include Ring, Twitch, Whole Foods Market, and IMDb. Among various controversies, the company has been criticized for technological surveillance overreach, a hyper-competitive and demanding work culture, tax avoidance, and anti-competitive practices.

HISTORY:

Jeff Bezos founded Amazon in July 1994. He chose Seattle because of technical talent as Microsoft is located there. In May 1997, the organization went public. The company began selling music and videos in 1998, at which time it began operations internationally by acquiring online sellers of books in United Kingdom and Germany. The following year, the organization also sold video games, consumer electronics, home-improvement items, software, games, and toys in addition to other items.

In 2002, the corporation started Amazon Web Services (AWS), which provided data on Web site popularity, Internet traffic patterns and other statistics for marketers and developers. In 2006, the organization grew its AWS portfolio when Elastic Compute Cloud (EC2), which rents computer processing power as well as Simple Storage Service (S3), that rents data storage via the Internet, were made available. That same year, the company started *Fulfillment by Amazon* which managed the inventory of individuals and small companies selling their belongings through the company internet site. In 2012, Amazon bought Kiva Systems to automate its inventory-management business, purchasing Whole Foods Market supermarket chain five years later in 2017.

AMAZON'S BUSINESS STRATEGY:

Amazon is basing its business strategy on 3 pillars:

- Vast selection
- Low cost
- Fast delivery

SWOT ANALYSIS OF AMAZON:

Strengths:

- Brand well known along with a strong customer base in many parts of the world.
- Diverse product offerings
- Free home delivery above a minimum purchase
- Working with minimum profit and gaining from economies of scale
- Strong business relationships with publishing houses, major electronic companies etc.
- Experience of almost a decade in online shopping industry

Weakness:

- Operates at very low margin
- Criticism for its working conditions

Tie ups with major players of untapped market Threats:

- Online security threats
- Regional low-cost retailers
- Strong online presence of Indian competitors like Flipkart and Myntra
- Flexible rules against FDI enabling other major players like Wal-Mart etc. to enter

RECENT DEVELOPMENTS IN THE ONLINE MARKET PLACES

India in the recent years has been experiencing an exponential growth in e-commerce and there are new companies springing up at a rapid rate. E-commerce had a standout year in 2015, when it grew in size from \$5 Billion to \$8 Billion and pervaded every aspect of our lives. In 2016, it grew further. The industry is set to become more 'm', or mobile, than 'e' commerce. M-commerce has been and will be the inevitable trend of modern times. That means more users. No doubt, more users will help companies build scale, but they will embrace a few changes themselves.

Companies will go after profitable growth rather than wooing customers with deep discounts (in other words, running on losses). A bigger user base will just be the cue for companies to reduce discounts and focus on profitable growth.

“Building scale won't be a challenge for the large players,” says Sandeep Aggarwal, founder, Shopclues. Six of the largest e-commerce players- Flipkart, Amazon India, Snapdeal, eBay.in and Shopclues- together have about 85-90% of the e-commerce business in India.

Cash on Delivery (COD), a preferred mode of payment for many customers, will decline as more and more people familiarize themselves with using payment wallets to shop and pay bills.

Companies will have their hands full as more users come on board, but they will be up to the task of serving the needs of customers. That will lead to the emergence of new categories of services – like delivering even milk and water – which Paytm founder Vijay Shekhar Sharma believes “will replace the neighbourhood store.” “You won't need to step out to shop.”

Brick-and-mortar will not disappear, but “there'll be more fusion between online and offline services,” he adds. Here is a tantalizing possibility of how this and then walk down to the store to pick up the product selected.

GOVERNMENT LAWS & REGULATIONS

In a boost to retailers and grocery start-ups such as Bigbasket and Grofers, the government on Monday allowed 100% FDI in food retail, including through e-commerce, provided such items are produced, processed or manufactured in the country.

This will allow multi-brand retail giants such as Walmart to look at their food business here closely and perhaps even foray into B2C food retail. Currently, the US giant operates a B2B business here since FDI in multi-brand retail is not allowed. The US retailer has built a strong backend infrastructure in food. Similarly, the move will help Indian hyper-local grocery start-ups raise funds more easily.

"The decision by the government to allow up to 100% foreign direct investment (FDI) through FIPB in marketing of food products produced or manufactured in India, including through e-commerce, is very progressive and will help in reducing wastage, helping farm diversification and encourage industry to produce locally within the country. This far-reaching reform will benefit farmers, give impetus to food processing industry and create vast employment opportunities. We will study the policy document when government finalises and issues it," said a Walmart India spokesperson.

The decision comes without any riders, department of industrial policy and promotion secretary Ramesh Abhishek said. The food processing ministry wanted the food retailers to mandatorily invest in back-end infrastructure besides being allowed to sell some non-food goods.

DIPP said that the e-commerce marketplace may provide support services to sellers in warehousing and logistics.

However, such entities will not exercise ownership over the inventory. "Such an ownership over the inventory will render the business into inventory-based model," it said in a press note.

As per the norms, an e-commerce firm will not be permitted to sell more than 25 per cent of total sales from one vendor or its group companies. "E-commerce entities providing marketplace will not directly or indirectly influence the sale price of goods or services and shall maintain level playing field," it added.

Chapter 2

LITRATURE REVIEW

REVIEW OF LITRATURE

It has been universally acknowledged that no work can be meaningfully conceived and soundly accomplished without critically studying what already exists in relation to it. It is the study of already established knowledge pertaining to the area that enable us to perceive clearly what is already lighted up in that area and what still remained enveloped in darkness. Once we come to know about that what is already researched and what portioned is left out, then we can proceed logically and purposefully. There are very few direct studies available on this subject. In fact, in India, studies have not been conducted related to the topic so far.

A research involves an in depth knowledge of the key factors which are important to the study. Various libraries and institutes in the region were visited. The available related literature in these libraries and institutes was studied which proved to be very useful in getting an insight into the main objectives of the study and in finalizing the methodology.

The online consumer market place is growing at an exponential rate. At the same time, technology has enhanced the capacity of online companies to collect, store, maintains, transfer and analyze vast amount of data from and about the consumer who visit their web sites. This increase in the collection and use of data has raised public awareness and consumer concern about online privacy. Number of studies has been done in this field some of which are discussed below:

- Spiller, P., Lohse, G. (1997) completed work on “A Classification of Internet Retail Stores”. Their work presents a classification of on-line retail stores based upon convenience sample of 137 Internet retail stores. Their research identified five different on-line store design strategies: Super Stores, Promotional Stores, Plain Sales Stores, One Page Stores and Product Listings. They differ mainly in terms of the store’s size, the quantity of extra information and appetizers, and the interface design including consistency, page lengths, image sizes and navigation capabilities.
- Alba, Lynch, Weitz, Janiszewski, Lutz, Sawyer and Wood (1997) suggest that a key difference between online and offline shopping is the ability of online shoppers to obtain

more information about both price and non-price information as a result of reduced search cost. Because consumers are able to obtain more price information online and compare across online retailers with a few clicks, they are more likely to shop online when the price of a product is high rather than low as it saves consumers from having to go out to acquire the cheaper options.

- Hossain, N. (2000).studied E-Commerce in Bangladesh: Status, Potential and Constraints. The objective was to study the status, statutes, potential and constraints to ecommerce development in Bangladesh. He found that the potential for use of ecommerce by Bangladeshi consumers and businesses with foreign firms is much brighter, and can play an important role in boosting the country's exports. He added that lack of awareness among the policymakers was a major restraint in introducing e-commerce. He concluded that Bangladesh must liberalize the telecom and IT sector, along with that country's financial and commercial procedures must be reformed for the successful implementation of e-commerce. For the success of e-commerce the Bangladeshi companies have to attain internationally accepted certification on quality control, competitive price and timely delivery. The major constrains to execute e-commerce successfully in Bangladesh were too few telephone connections, absence of a strong independent regulatory body for the telecommunication sector, Interest rate ceiling on export loan and absence of encryption law that precludes acceptance of digital signature.
- Morrison and Firmstone (2000). Looked at the social function of trust and its implications for e-commerce. They identify different components of trust building online and the potential trust problems that exist in the online environment. Firstly, the authors distinguish between personal and abstract trust. Personal trust is the trust that exists between close individuals in that they will perform in line with the aspirations of that person. Abstract trust is trust in systems; they refer to it as trust in organizations, markets and state systems. In the case of online shopping, personal trust could be the trust that exists between the consumer and the retailer. Abstract trust could be the trust that exists between the consumer and the Internet as a shopping medium.

- Massagli, M. (2000) studied “E-Tail V/S Retail: The Future of Downtown Regional Shopping Centre”. The objective was to explore potential impacts of E-Retailing on place based shopping. The researcher has collected data by taking interview of professionals selected from the field of retail, planning and real estate. The researcher has analyzed five factors. They are experiential components, sense of place, community benefits, exterior & interior layout and accessibility and convenience. The result revealed that E-Retailing couldn't substitute the traditional shopping. Further he said that in future both the retailing format will merge and develop a hybrid retail format.
- Persson, C. (2001). studied “Strategies for enhancing consumer interaction in electronic retailing”. The objectives of his study were to examine the potential for e-commerce by identifying and analyzing factors that are important for the consumers in making use of the new medium. The results of the studies indicate that all three strategies can give important contributions to the establishment of ease-of-use in e-commerce. The MultiChannel Retailing strategy seems to be the most useful strategy in the short run. The Analytical technology strategy and the Hypermedia interface strategy have the potential to become important strategies in the future of e-commerce.
- Subba Rao, Truong, Senecal and Le, (2007) conducted the study on —How Buyers' Expected Benefits, Perceived Risks, and E-Business Readiness Influence their E Marketplace Usage and claims that buyer's E-business readiness moderated the relationship between expected benefits and usage of electronic marketplaces.
- Prasad and Aryasri (2009) have explored the determinants of shopping behaviour such as convenience, customer service, trust, web store environment and web shopping enjoyment and examine the effect of these factors towards online buying behaviour.

- Dr. Durmaz(2011) in the study entitled — impact of cultural factors on online shopping behaviour and the study found that while buying goods and services, culture, beliefs and traditions take an important position, while the environment, friends and social groups stated 48.6% .In this case the impact of cultural factors means a lot.
- Wells et al. (2011) in his study entitled — online impulse buying: understanding the interplay between consumer impulsiveness and website quality focused on the direct relationships between the website and online impulse buying. The study found and proposed the model considered the direct influence of website quality on the urge to buy impulsively.
- Dahiya Richa (2012) in the study entitled — Impact of demographic factors of consumers on online shopping behaviour: a study of consumers in India and the study found that On-line shopping is a recent phenomenon in the field of E-Business and is definitely going to be the future of shopping in the world. Most of the companies are running their on-line portals to sell their products/services on-line.
- Though online shopping is very common outside India, its growth in Indian Market, which is a large and strategic consumer market, is still not in line with the global market. The potential growth of on-line shopping has triggered the idea of conducting a study on on-line shopping in India. The results of study reveal that on-line shopping in India is significantly affected by various Demographic factors like age, gender, marital status, family size and income. The results of the study could be further used by the researchers and practitioners for conducting future studies in the similar area.
- Realizing the importance of E-commerce, companies would like to discover more business opportunities and to bring back more customers. As such, it is very important to understand consumers' E-commerce adoption behaviour and their online shopping behaviour. This is believed to be different from their behaviour in the traditional shopping environment. Thus, there is a need for the theory of consumer online shopping behaviour.

Chapter-3

OBJECTIVE OF THE STUDY

OBJECTIVE OF THE STUDY

- To Study the Consumers' Perception towards internet shopping and characterize them predictable with their fulfillment levels.
- To recognizing the qualities of web based shopping sites according to the impression of web purchasers.
- To recognize the troubles looked by the current web purchasers and assess their effect on the fulfillment levels of the web customers
- The study aims to identify the factors that shape consumer preferences towards these online stores and to understand the key concerns from the consumer's point of view while shopping online

Chapter-4

RESEARCH METHODOLOGY

RESEARCH METHODOLOGY

This investigation for the most part targets recognizing the primary elements influencing the procurement conduct of web purchases and furthermore the principle troubles looked by them during the procedure of web based shopping which can limit them further to go for web based shopping.

It likewise endeavors to live the fulfillment levels of the web customers and feature the significant downsides of internet shopping techniques. Further it additionally targets distinguishing the significant reasons which limit the customers from shopping on the web.

RESEARCH DESIGN

To direct this investigation under the quantitative research approach, Conclusive research configuration was chosen for the examination wherein Descriptive and Causal research structures are applied for assessing the impression of buyers with respect to web based shopping and setting up the interrelationships between the fluctuated factors influencing the procurement conduct of web purchasers and their general fulfillment.

DATA COLLECTION METHOD

Primary Data

It is original primary data, for specific purpose of research project. For this project, I have to use the common research instrument or tool- Questionnaire.

Secondary Data

It will be collected to add the value to the primary data. This may be used to collect necessary data and records by different websites, magazines, annual reports, journals, reference books, and newspapers, etc.

SAMPLE DESIGN

Sample Unit

For studying consumer preference towards on online shopping platforms, samples were randomly selected from New Delhi.

Sample Media

Questionnaire in the form of Google forms.

Sampling Methods

Convenient sampling

Sample size

200

Research place

New Delhi

CHAPTER-5

LIMITATIONS

Limitations

Scope and Generalizability: The study is limited to analyzing consumer behavior towards online shopping specifically on Amazon and Flipkart, which may not fully represent the entire online shopping behavior across different e-commerce platforms.

Geographical Limitation: The study focuses on a specific geographical area, which may affect the generalizability of the results to other regions with different online shopping behaviors and preferences.

Data Collection Method: The reliance on surveys and questionnaires for data collection can introduce bias, as respondents may not always provide accurate or honest answers.

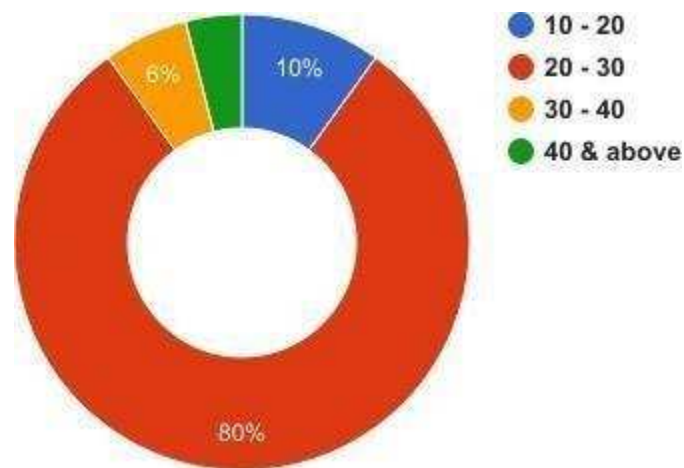
Rapid Market Changes: The online shopping market is rapidly evolving with new technologies and changing consumer preferences, which means the findings might become outdated quickly.

Chapter-6

DATA PRESENTATION AND ANALYSIS

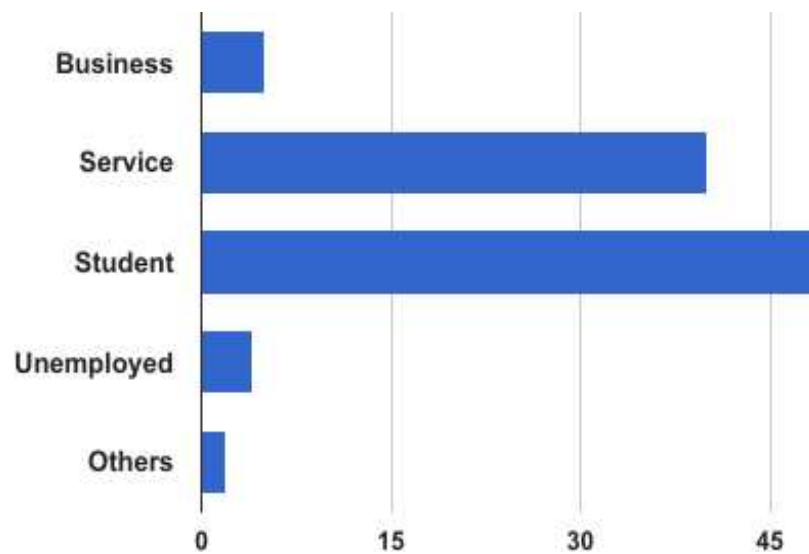
The objectives of the research were studied with respect to a regular online shopper who shopped more than once because they would be the right respondent to give an insight about the online shopping. Therefore it is firstly important to understand who is a regular online shopper. In the survey the respondents were asked the following questions which helped to know about a regular shopper.

1. What age-group do you fall into?



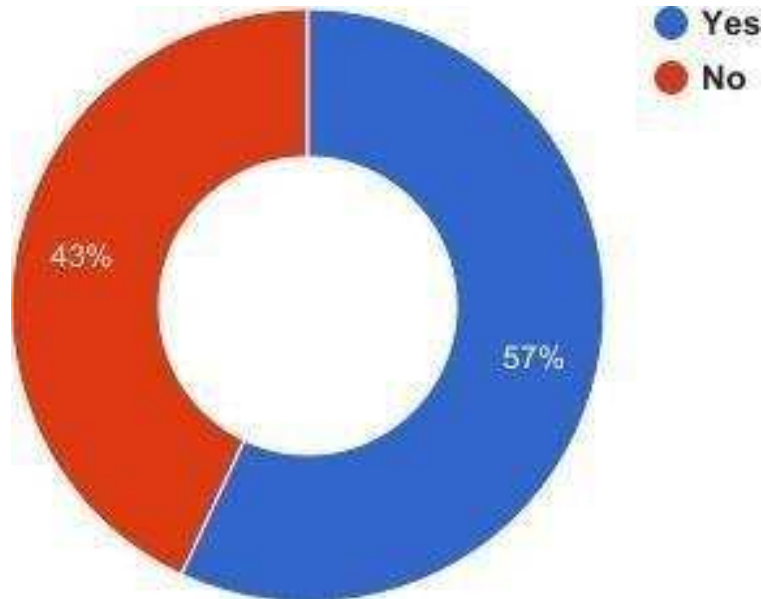
As per the data collected, 80% of the respondents fall into 10 – 20 & 20 – 30 age groups which indicate that the majority of the online shoppers are young generation.

2. What do you do currently?



As per the survey, majority of the respondents are students & servicemen who fall in the above mentioned age groups who are the powerful internet users in the country.

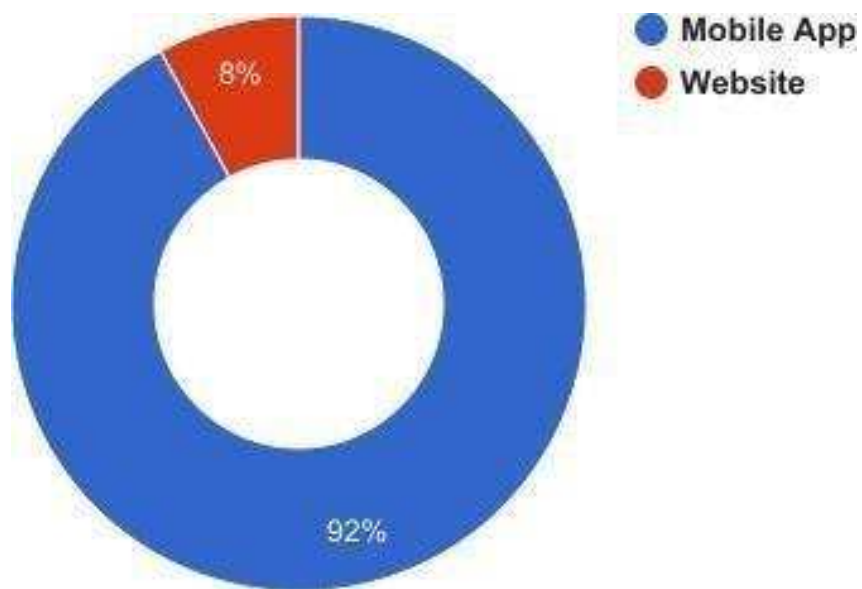
3. Are you a frequent online shopper?



As per the data collected, 57% of the people are regular online customers, these are mainly working people who do not have time to go to shop and make purchase and also the younger generation are depended on online purchase as they seek variety of alternatives for the same product.

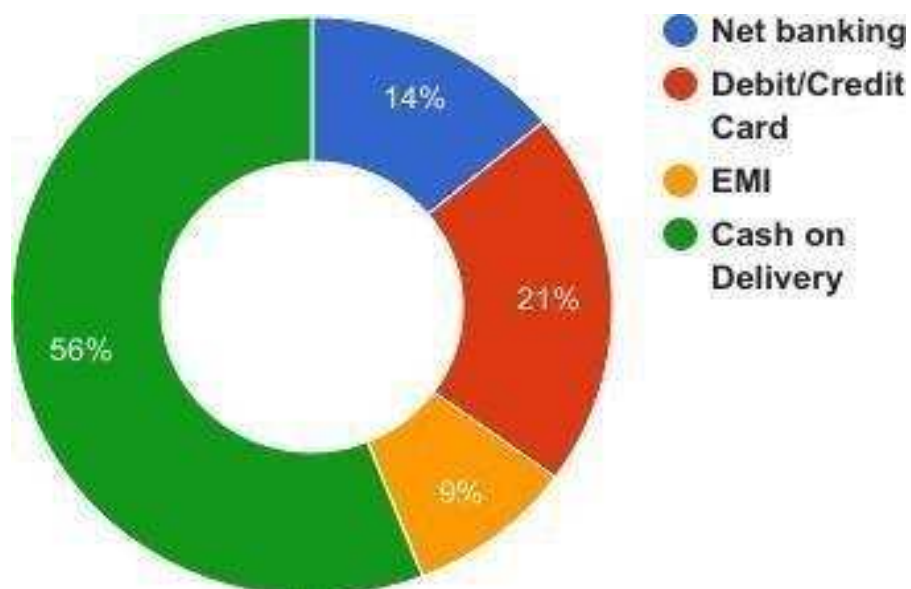
43% of the people are not regular online customers because the quality of the products cannot be known and some people are not flexible to shop online.

4. Which platform do you prefer for your online shopping?



The data indicates that most people find it convenient to shop with mobile application rather than the official website version.

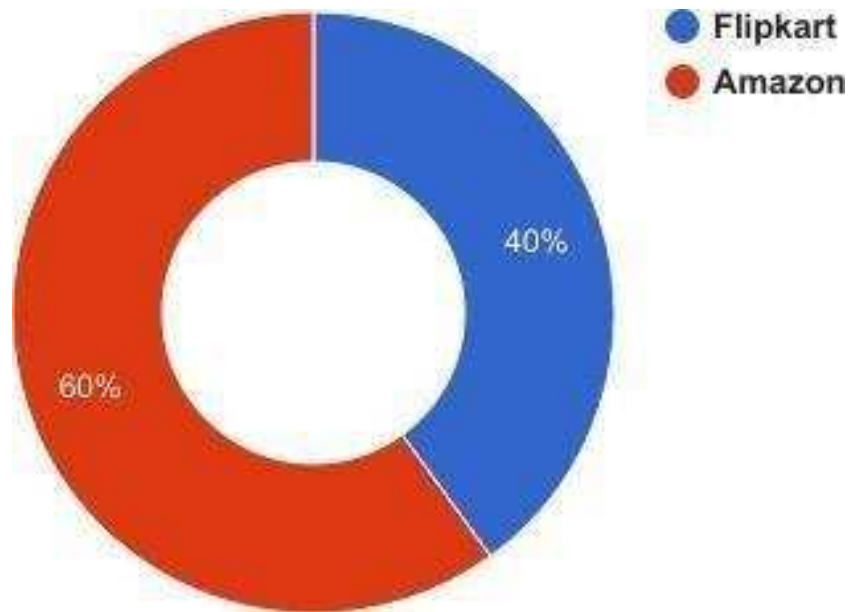
5. What is your most preferred mode of payment while you purchase from online?



As per the survey, the most preferred mode of payment is CoD (cash on delivery)

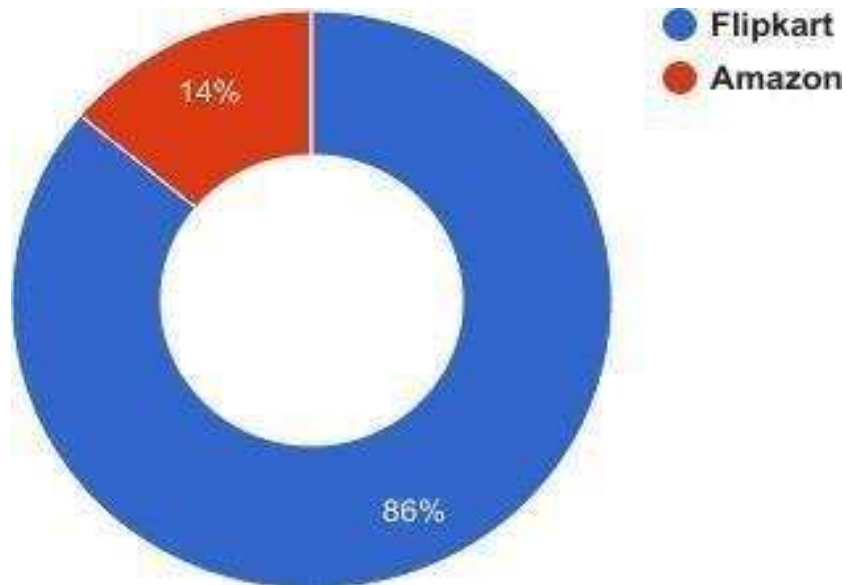
Other preferences like Debit/Credit card payment & Net banking is slowly gaining momentum.

6. What is your most preferred online shopping site?



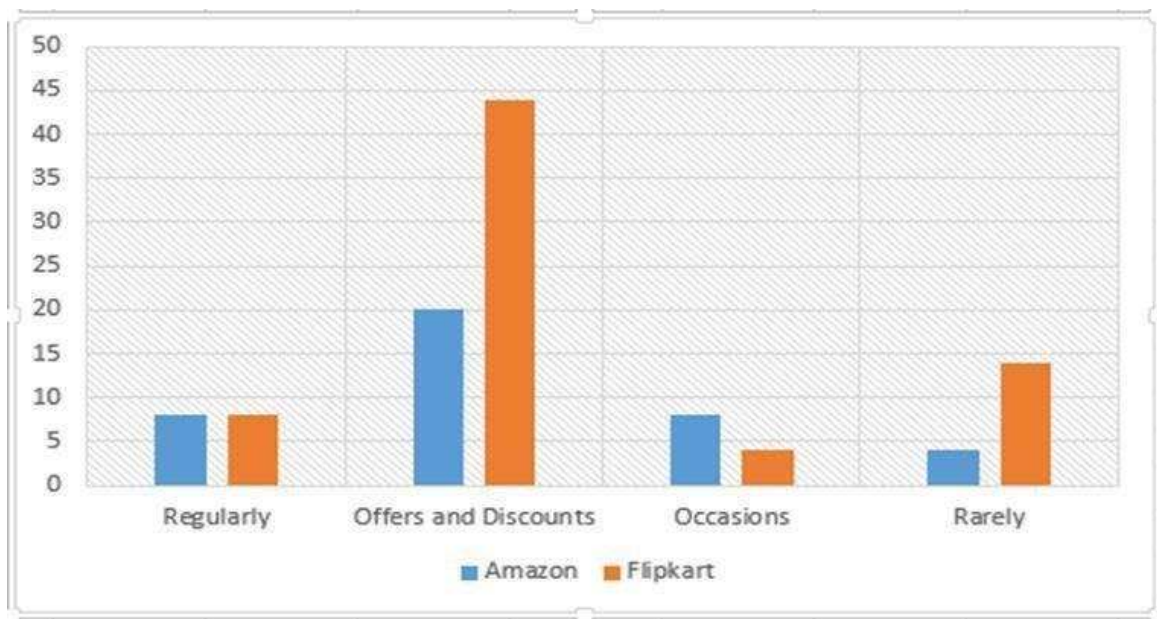
As per the data collected, vast majority of respondents prefer Amazon to do their online shopping.

7. Which online store has a better & effective mobile app layout for your ease of shopping?



As per the survey, 86% of the respondents prefer the Flipkart mobile app over Amazon's because it eases the shopping experience of the customers.

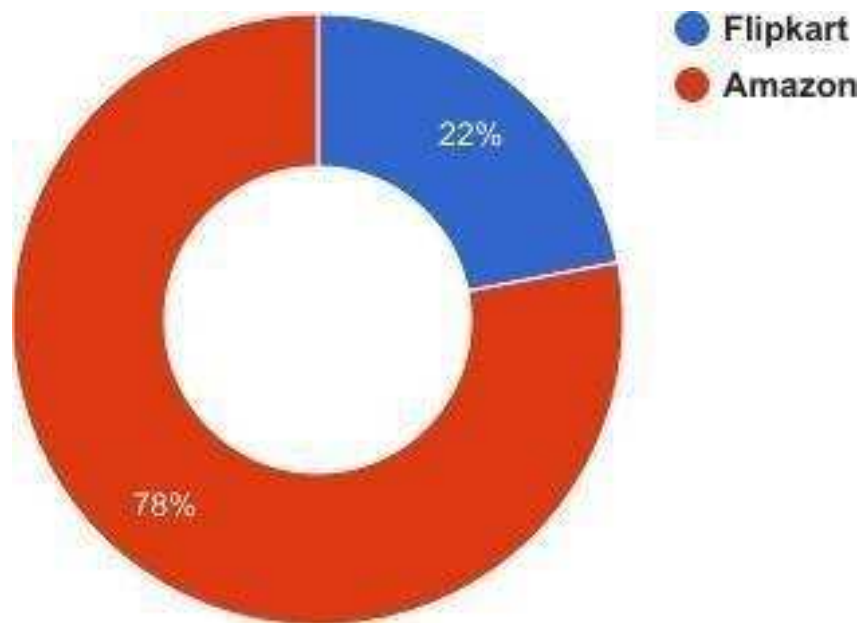
8. When do you mostly shop from your preferred online store?



As per the survey, online shopping is most preferred by the customers at the time of availability of 'offers and discounts'.

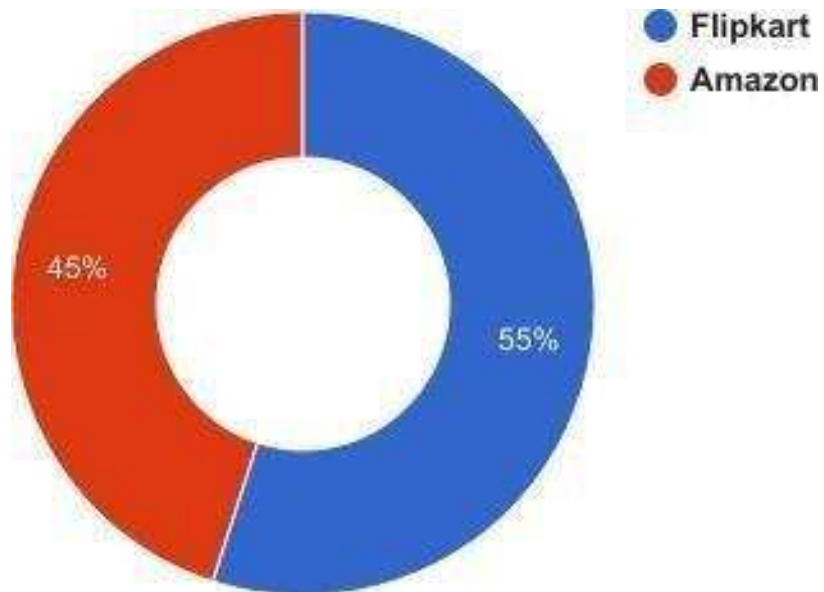
A very few percentage shop regularly

9. Which online store has products at a lower price as compared to the other?



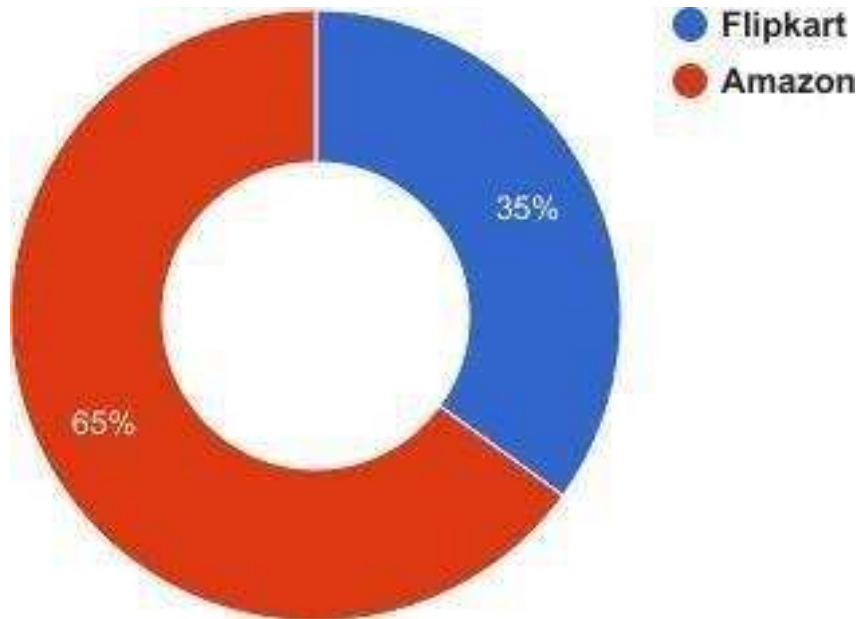
As per the survey, majority of the respondents prefer Amazon over Flipkart for giving best bang for their buck & helps them to save a bit extra on purchases.

10. Which online store has a better product display & description?



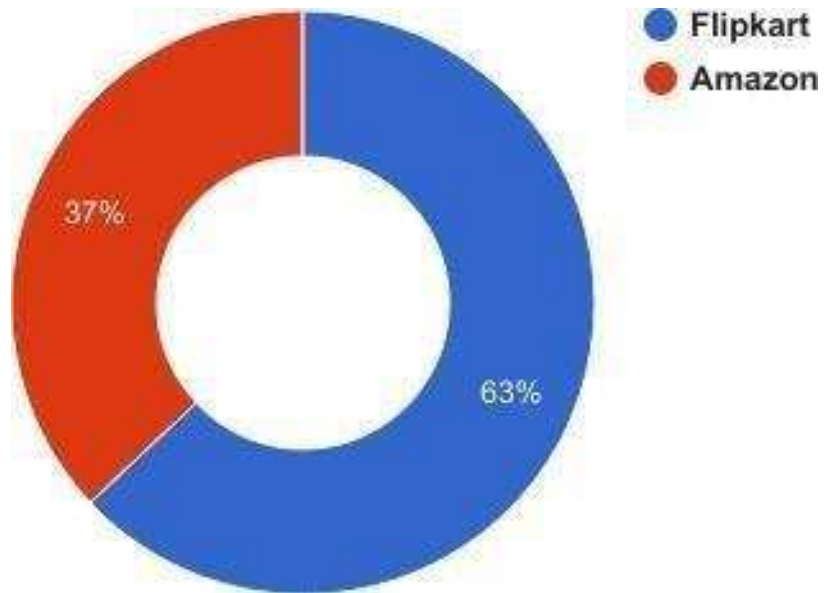
As per survey, the Both Flipkart & Amazon have good product visibility & detailed description (like price, discount & offers, pictures, feel, specifications, dimensions, contents of package, etc.) But, Flipkart has a slight edge over Amazon.

11. Which online store has a variety of product choices in-terms of sorting & filtering as per individual requirements & seller ratings?



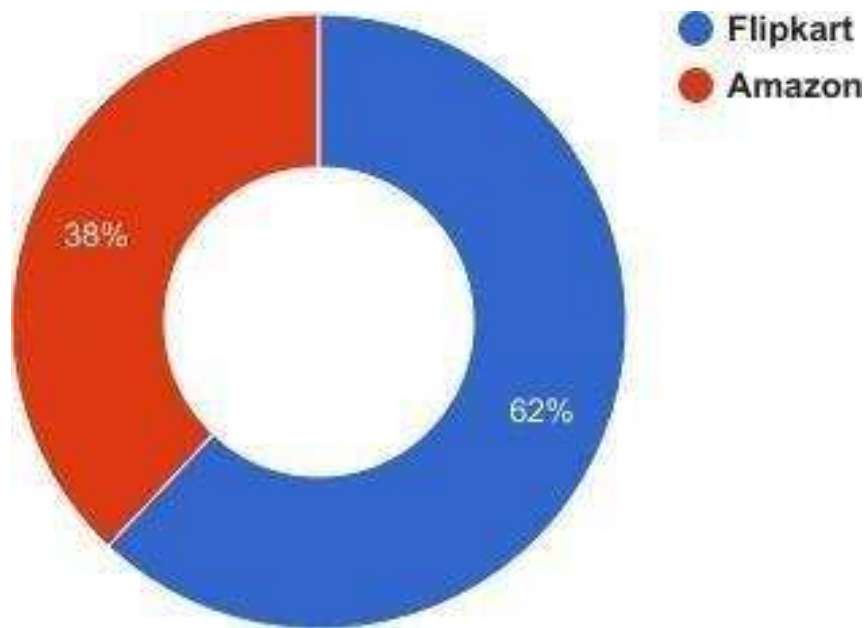
As per the data collected, Amazon stands out to be the provider of a variety of product choices which allows shoppers to sort & filter out products according their requirements (like gender, age, price, availability, size, features, colour, etc.) & seller ratings given by other customers.

12. Which online store gives you a better customer feedback, rating & reviewing system?



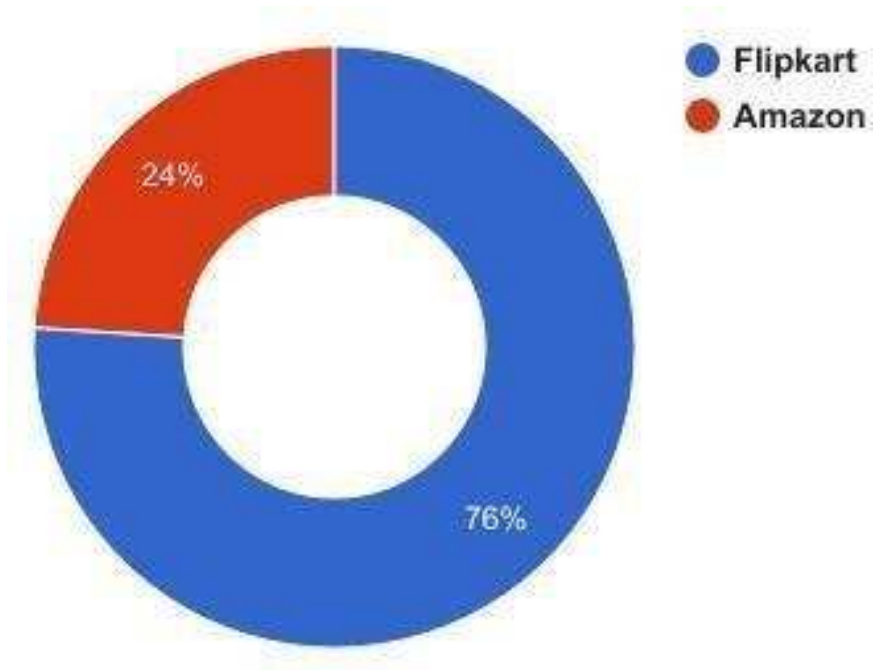
As per the survey, 63% respondents indicate that Flipkart has better customer feedback, rating & reviewing system over Amazon.

13. Which online store has a better 'After-sales service'?



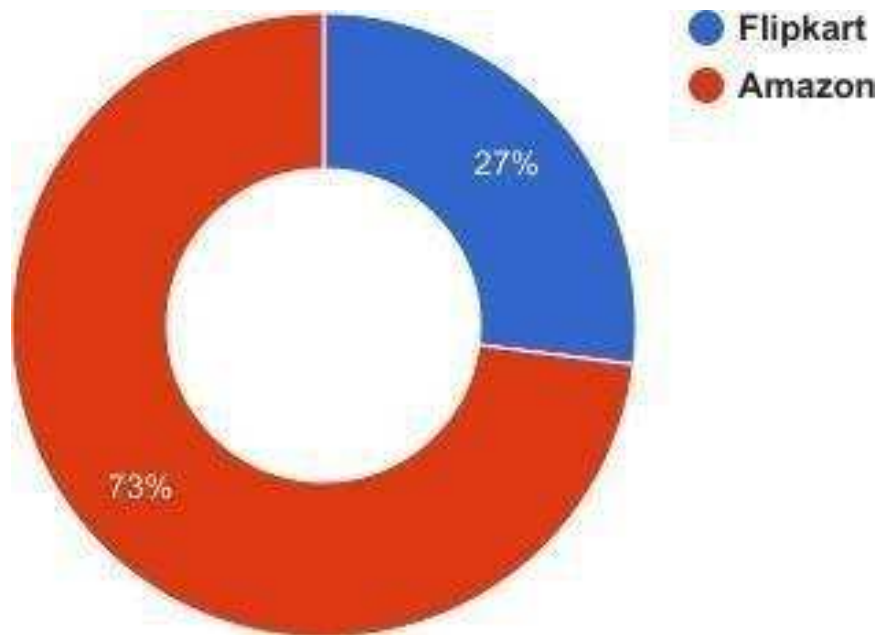
As per the survey, 62% of the respondents express that Flipkart has a better 'After- sales service' over Amazon.

14. Which online store has a better customer-friendly ‘exchange/return/replacement and/or refund policy’?



76% respondents find Flipkart’s ‘Exchange/Return/Replacement & Refund policy’ more convenient & customer-friendly in comparison to 24% respondents who feel otherwise.

15. Which online store has a swift delivery system?



As per the survey, vast majority of respondents prefer Amazon's swift product delivery system over Flipkart.

Chapter-7

FINDINGS AND CONCLUSIONS

FINDINGS

As per the survey data, my findings as follows:

- Majority of the online shoppers are students & servicemen who between 10 years to 30 years of age who are powerful internet users in the country.
- People prefer to shop with Mobile application rather than logging into the official website solely due to the shopping experience.
- The most preferred mode of payment while purchasing online is Cash on Delivery & Card transactions
- Amazon is more preferred by the people over Flipkart for online shopping due to various factors
- People prefer to shop with Flipkart over Amazon because of the ease of shopping experience through its official website & mobile application
- Online shopping is most preferred by the customers at the time of availability of 'offers and discounts'
- Majorly selling product categories are clothing, footwear & electronics
- Amazon has the edge over Flipkart in-terms of lower product cost, product choices & swift product delivery
- Flipkart has a better Product description & display, Customer feedback & Rating system, Exchange/Return/Replacement & Refund policy & after-sales service

CONCLUSION

This research shows that online shopping is having very bright future in India. With the use of internet, consumers can shop anywhere, anything and anytime with easy and safe payment options. Consumers can do comparison shopping between products, as well as, online stores. Online shopping even after gaining popularity won't completely eliminate traditional shopping. There are still areas where we prefer to go into a shop and select items. The advent of plastic money and the tremendous usage of debit and credit cards have brought shops from around the world to the tip of customers' finger or to the website. But there's no going back, and online shopping will become an even more crucial part of our lives, growing more sophisticated with each passing year. Over all the factors from the internet that influenced or prevented online consumer behaviour and attitude need to be carefully concerned by the online retailers, who can utilize the appropriate marketing communications to support the customers purchase decision making process and improve their performance.

Chapter-8

SUGGESTIONS

SUGGESTIONS

- Amazon needs to improve its mobile application for improving the shopping experience of their customers & to attract more customers.
- EMI facility can be implemented at the time 'sale' to increase the tendency of shopping.
- Amazon has wide range of products but it should work on improving its after-sales service by tweaking some of its customer relations policies & by better training of their customer agents.
- Amazon should improve the product visibility, description & display to make the shopping experience more intuitive.
- Flipkart has good service quality but should work on lowering its product cost to be more competitive.
- Flipkart should focus on increasing the variety of products available for all social & demographic groups.

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ANNEXURES

- What age-group do you fall into?
10-20
20-30
30-40
40 & Above
- What do you do currently?
Business
Service
Student
Unemployed
Others
- Are you frequently online shopper?
Yes
No
- Which platform do you prefer for your online shopping?
Mobile App
Website
- What is your most preferred mode of payment while you purchase from online?
Net banking
Debit/Credit card
EMI
COD
- What is your most preferred online shopping site?
Flipkart
Amazon
- Which online store has a better & effective mobile app layout for your ease of shopping?
Flipkart
Amazon
- When do you mostly shop from your preferred online store?
Regularly
Offers and Discount

Occasions

Rarely

- Which online store has products at a lower price as compared to the others?

Flipkart

Amazon

- Which online store has a better product display & description?

Flipkart

Amazon

- Which online store has a variety of product choices in-term of sorting & filtering as per individual requirements & seller ratings?

Flipkart

Amazon

- Which online store gives you a better customer feedback, rating & reviewing system?

Flipkart

Amazon

- Which online store has a better 'AFTER-SALES services'?

Flipkart

Amazon

- Which online store has a better customer-friendly 'exchange/return/replacement and/or refund policy'?

Flipkart

Amazon

Project Report
On
Market Analysis and Trends
Zomato

Submitted in partial fulfillment of the requirements
for the award of the degree of

Master of Business Administration (International Business)
To

Guru Gobind Singh Indraprastha University, Delhi

Guide By:
Prof. Dr. Ekta Rastogi

Submitted By:
Harsh Rattu
00919114322



GITARATTAN INTERNATIONAL BUSINESS
SCHOOL DELHI-110085
Batch (2022-2024)

Certificate

I, Mr. Harsh Rattu, Roll No.00919114322 certify that the Project Report/Dissertation (MIB122) entitled “**Market Analysis and Trends-Zomato**” is completed by me and it is an authentic work carried out by me at Gitarattan International Business School. The matter embodied in this project work has not been submitted earlier for the award of any degree or diploma to the best of my knowledge and belief.

Signature of the Student:

Date:

Certified that the Project Report/Dissertation (MIB 122) entitled “**Market Analysis and Trends-Zomato**” done by Mr. Harsh Rattu Roll No. 00619114322, is completed under my guidance.

Signature of the Guide:

Date:

Gitarattan International Business School, Delhi-110085

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Project report is a venture that requires cooperation of many people. The report would not have been possible without the kind support and help of many individuals. It is my pleasure in taking this opportunity to express my sincere regards and my gratitude towards my project coordinator Prof Dr. Ekta Rastogi Gitarattan International Business School, New Delhi. Without her guidance, constructive criticisms and encouragement, the project would not have been possible. I would also like to thank the management of the institute for their continuous guidance, assistance, valuable observations and inspiration. Lastly, I thank the almighty, my family and friends for constantly motivating me to complete the project and providing me an environment which enhanced my knowledge.

Harsh Rattu

00919114322

Annexure-III

**FORMAT FOR CONTENTS & LIST OF TABLES/FIGURES/
SYMBOLS**

CONTENTS

S No	Topic	Page No
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4	Chapter-2: Literature Review	20-22
5	Chapter-3: Research Methodology	23-25
6	Chapter-4: Data Collection and Analysis	26-45
7	Chapter-5: Conclusion and Recommendations	46-48
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9	Questionnaire	52-57

CHAPTER-1

INTRODUCTION

Online food ordering apps are the media by which local hotels and restaurants, chefs, canteens are delivering take away and food parcel directly to consumers footsteps. Due to increase in working young generation in metro cities and hectic work life culture this type of idea is easily spreading. This system has generated a new dimension to working people's kitchen. Now days consumers are getting more attracted towards online ordering apps rather than home delivery of a specific restaurants. In a process of online food ordering apps there is no human intervention involved which gives it more privacy. Apps are having number of restaurants, chef kitchens listed with their menu specifically. So, the consumers need not to carry pamphlets and menu list for further orders. It gives convenience to order food on click of a button. These apps can be directly downloaded to smart phone which give them more accessibility. By giving your address and profile, payment information account can be created. However, the app needs to be downloaded by the customers on their cell phones and register them on the app. Creating profile on apps includes their address and payment information. Apps are having different kind of mode of payments like credit cards, debit cards, cash less accounts and free home delivery. Different apps offer different services, offers, features or restaurants too. Downloaded app used to give some coupons discounts, previous order history, some palette suggestions, recent customers review on restaurants as well as dishes. This sector is coming up with innovative ideas to provide their consumer convenience, satisfaction and retention. There is a huge competition between free home delivery given by particular restaurants and online food ordering apps. Due to introduction of new technology and innovation consumers are having so many options

dicey and hesitant towards the idea but after success of concept there are growing number of players in market. Zomato, Swiggy, food panda, Ubereat, just eat are some main players in this segment. Few big restaurants brand own their own chain of delivery like Dominos, Pizza hut, fassos, KFC.

1.2 COMPANY PROFILE

1.2.1 OVERVIEW

“ZOMATO- Never have a bad meal”

ZOMATO is the brainchild of Mr. Deepinder Goyal and Pankaj Chadda who were colleagues in Bain and Company'. The idea to start ZOMATO came from the demand for menu cards to order food among their colleagues. Mr. Deepinder Goyal and Pankaj Chadda initially started a database for food menu named "Foodie hay" in 2008 which soon had gone live with menus of 1200 restaurants in Delhi NCR (INDIA) by July 2008. Later the name was changed into ZOMATO (to avoid any legal implication as the name Foodiebay has eBay annexed with it) in November 2010 which is now the largest restaurant detecting platform in India listed with more than 4200 restaurants across 12 cities in the country. And internationally it Lys lists of about 1.4 million

restaurant across 10,000 cities in and at present it operates in 23 countries, including India, Australia and the United States. ZOMATO got its first funding of \$1 million from Info Edge and it's also ZOMATO's largest shareholder. ZOMATO has over 2000 passionate Zoman's strong across 23 countries, and this number is increasing day by day. ZOMATO is widely used by internet users who want information for dining and delivery options, ZOMATO is capturing customers by providing all the information a customer can need before going to a restaurant or ordering foods online. ZOMATO is following affiliate marketing model with website and mobile apps. Customers who are ordering foods online can pay through debit cards, credit cards and net banking

ZOMATO has also partnered with Paytm, PayPal, and Freecharge to enable online payments. For marketing purpose, ZOMATO's key strategy is it's friendly website with up-to date information of the restaurants. It also has a global mobile application

where it gets more than 50% of its total traffic ZOMATO has partnered with Delhivery and has invested in Pickingo and Grab to quick up its delivery process.

1.2.2 ZOMATO'S MISSION AND VISION

Zomato's mission is better food for more people. Started in 2010, Zomato offers services like restaurant search & discovery, reviews, home delivery of food, online table reservation, and digital payments when dining out. It also works with restaurant partners to provide tools that enable them to engage and acquire more customers while empowering them with a last-mile delivery service and a one-stop procurement solution Feeding India.

- Hyperpure, for ingredients and kitchen products. Apart from this, Zomato has been focusing on providing transparent and flexible earning opportunities to its delivery fleet, and contributing towards a more sustainable society through its non-profit entity Zomato co-founder Pankaj Chaddah had declared that the vision of Zomato "is to be the global platform when someone is looking for food locally."

1.2.3 ZOMATO – VALUE PROPOSITION

The company model Zomato offers its clients a selection of values. The aim of Zomato Zomato's work is appreciated. Zomato focuses on the QAAA model, which promises and offers customers and partners quality, accessibility, accessibility, and portfolio.

The following are the values of Zomato, making Zomato unique and admirable:

Zomato works to maintain an impartial platform. Hyperpure constantly helps to keep the food supplies high. Hyperpure Zomato's project offers fresh, squeaky, clean, and high-quality meals to its partnering eateries. The most sought-after food hygiene grade is a quality symbol that is well known at its partner restaurants. Zomato supply has

extended from its beginnings to increasing numbers of towns and cities. They are vigorously growing their services. Now they give reservations for the tables, cater to companies, and feed India.

The popularity of Zomato Gold speaks to Zomato's efficiency in several fascinating choices. Zomato always strives for the best and doesn't leave any stone unturned.

They promise affordability without jeopardizing their business. In opening up bands, Zomato believes in providing its clients with new flavours and experiences across regional limits. They deliver the best information to their consumers and assist them to make an informed choice as readable as possible.

Zomato believes in creating value for its customers in order to sustain its business operation. The company tries to bridge the gap between the customers and restaurants by providing efficient technology application, which has helped them reduce its delivery time

1.2.4 COMPETITIVE EDGE OVER OTHER BRANDS

Strategy: Zomato designs creative systems which engross a customer's interest. The Zomato Gold is a premium membership reward system that offers BOGO (Buy One, Get One) and two plus two free beverages to customers as a part of a unique dine- out experience. Presently, 600,000 customers have Zomato Gold. This program has helped consumers to eat out more which has led to an increase in customer rush at a higher rate.

Strong Brand Name: A strong brand name is a must for keeping its brand into existence in the market and Zomato successfully has been able to build its brand that resounds with confidence and easy accessibility. Many competing brands such as Food Panda and Uber eats have been in this business, but in comparison to Zomato, they

need to put more effort into creating their brand awareness. It has been able to continuously modernize through multiple channels and has ensured that the advantages it has generated are built on.

Focus on technology: Zomato's greatest benefit offered to its clients is its attractively designed user interface. The app is very much appealing and user-friendly which has succeeded to provide a competitive edge over other brands. Even for a beginner, the swiftness at which the website of Zomato opens and mobile application is very fast and simple to access. In developing a persuasive UI for its customers, Zomato offers a lot of attention and effort. It has data analytics which has added to its success in an amazing manner.

Since it is highly data-driven, Zomato was able to gain a competitive advantage. The company can get operational benefits and commercial productivities such as estimation of delivery time, optimization of logistics, advertisement, and arrangement of supply. The goal of Zomato is to introduce the cloud kitchen model, to extend its business with limited resources and less fixed costs. Such importance on the development of technology at Zomato will allow it to lead in the market.

With most businesses doing exceptionally well in the market, the food industry is facing a lot of competition from many entrants. Google Maps are used which provides a directory of local restaurants, including customer feedback, pictures, and ratings on the site. The key advantage over Google Maps is that the menu listing for Maps has not begun.

1.2.5 SEGMENTATION-TARGETING-POSITIONING (STP) OF ZOMATO

Segmentation: If we visit the demographic segmentation strategy of Zomato, we can also visit Zomato when they want to dine out or research the restaurants nearby. Zomato has also discovered a larger target segment in the working professionals because most of them want to dine out frequently or order food delivered to their doorstep.

Furthermore, Zomato also brings in experiential events, via multi-city food and entertainment carnivals, to spread positive and merry vibes around food. Besides, the brand has also further plans of launching new products and business lines associated with food both in the segments of food delivery and dining out.

Target: To sum up, the target customers of Zomato are usually the people aged between 18-35 years, who love to dine out or have food delivered to their homes. It is the youth that the brand targets who often indulge in experiencing different food items with their friends and colleagues.

Zomato also caters to the customers who refer to the ratings and reviews and then decides whether a place or a particular dish is good.

Positioning: Over the years Zomato has positioned itself quite well as a platform that brings restaurants, suppliers, users, food suppliers, and logistics partners together. It aims to create a world where the food producers and suppliers are bonded well with their consumers and work with mutual cooperation

Zomato has earned a towering reputation not only among its target audiences but with others as well where the authentic reviews and recommendations from Zomato users are a must before deciding on a particular food item from a particular restaurant. It has

truly become a go to app for Indian youths. Besides, with the launch of Zomato Gold, dining out has turned more pocket-friendly for its customers than it was ever before.

1.2.6 CUSTOMER AQUISITION

ZOMATO.com is largely used by internet-savvy people with high disposable incomes who look for dining or delivery options. A significant number of their visitors are from corporate sector-a lot of people use the website to order in food at work. Their server statistics show that ZOMATO receives maximum traffic just before lunch or dinner

time, confirming the fact that the website caters to a highly targeted audience.

For acquiring customer, along with some macro-level indicators, they do on ground research across several metrics like data collection, merchant, partnerships, user engagement etc. before entering a new market. For example, Colombo had fit in into the expansion plans, as it required limited product customization for local market, allowing ZOMATO to replicate their business model seamlessly.

ZOMATO is a revolutionary online restaurant guide, which brings millions of customers and tens of thousands of restaurant businesses together. what makes them better than others are that they have all the information needed for a customer to decide their next place to cat-out or order in from-i.e. menus, photos, maps, reviews, contact information and restaurant features.

1.2.7 COMPETITORS OF ZOMATO

Though Zomato is very predominantly present in the industry, it does face a lot of direct and indirect competition. Zomato faces direct competition from Swiggy, and competition from other players, including:

- Faasos
- Box8
- Domino's

- FreshMenu
- Pizza Hut
- TravelKhana

Some of the other international competitors of Zomato are:

- DoorDash
- Grubhub Inc.
- Deliveroo
- Postmates
- ChowNow

1.2.8 HISTORY OF ZOMATO

Zomato which was earlier known as Foodiebay, was established in July 2008 by two IIT graduates namely Deepinder Goyal and Pankaj Chaddah. The idea first struck Deepinder when his colleagues consistently had a demand for paper menu leaflets of different restaurants, to order food. That is when he thought of converting the restaurants paper menus to a digital app, which is far more accessible and easier to use.

In the matter of 9 months, the company grew to become the largest restaurant directory in Delhi and later expanded to other cities due to its success. By 2012, Zomato had started expanding internationally to countries like UK, South Africa, Qatar, Sri Lanka, South Africa, New Zealand, Brazil, etc. During this course, the company had to change its name since its last four letters of 'Foodiebay' coincided

with 'eBay', the company name was changed to Zomato in 2010 to avoid any legal issues.

In 2015, the company forayed into the food delivery business and went on to launch Gold in India which was a subscription product, under which subscribers would get access to complimentary food and drinks. Zomato also launched Hyperpure, which directly works with Farmers to improve the quality of food produce and supply fresh produce to restaurants. The company now views its business as a combination of three key large pillars which are Delivery, Dining Out, and Sustainability.

1.2.9 ABOUT THE FOUNDERS

The founders of Zomato are Deepinder Goyal and Pankaj Chaddah. Both are IIT graduates and were working with Bain & Co in New Delhi before they came together to launch Zomato.

Deepinder Goyal

Deepinder Goyal

Deepinder Goyal is an IIT Delhi alumnus. Goyal was not a good student back at school but he eventually made his way to the prestigious IIT. After completing his graduation, Goyal was hired by Bain and Company, where he served as a Senior Associate Consultant for a little less than 4 years, after which he founded Zomato.

Deepinder Goyal has waived off his salary for FY22. This was disclosed in a regulatory filing of Zomato dated June 7, 2022.

Pankaj Chaddah

Pankaj Chaddah is a BTech, Mechanical Engineering graduate from IIT Delhi. Chaddah completed his graduation and then went to join Bain and Company, where he served for two and half years before joining Deepinder to found Zomato. However, this co-founder resigned from Zomato in May 2018, where he served as a "conscience keeper, and a support system during upheavals," as he had described his role, for over 10 years. Chaddah founded Shyft (formerly Mindhouse) in November 2019, where he currently serves as a Co-founder.

Gaurav Gupta, who initially joined as the Global Head of the Advertising sales of Zomato and COO and was later promoted to the Co-founder position of the platform, resigned on September 14, 2021. Gaurav headed the supply of the food-tech company.

1.3 OBJECTIVES OF THE STUDY

- To do an analysis of the way Zomato has scaled up its operations, expanded its business into various countries
- To study in detail about Zomato's business model, revenue model, financial model and marketing model.
- To find out the strengths, weaknesses, future opportunities and challenges of their business model.

1.4 LIMITATIONS OF STUDY

1. The current information is up to date in current times of study but may change in future.
2. The information is based on secondary data and cannot be relied upon blindly. Secondary data may be incomplete and lack accuracy depending on;
3. The secondary data can be manipulated by the companies which in turn affects the study overall.

CHAPTER-2

LITERATURE REVIEW

- Serhat Murat Alagoz & Haluk Hekimoglu (2012), opined that e-commerce is dynamically growing worldwide, the food industry is also indicating an increased growth. They have suggested the Technology Acceptance Model (TAM) as a base to study the acceptance of online food ordering apps. Their analysis of data stated that the attitude towards online food ordering is due to the ease and usefulness of online food ordering process and also vary according to their innovativeness against information technology, their trust in e commerce websites and few external influences.
- Ashoutosh bhargve (2013) said that Food panda an online food ordering apps has been launched in the Indian market since May 2012. Foodpanda first major move was acquisition of TastyKhana, which was started in Pune in year 2007. With acquisition of Tasty Khana and JUST EAT, it is now available in over 200 cities and delivery partner with over 12,000 restaurants. JUST EAT which was launched in Denmark in 2001 and was listed publicly on the London Stock Exchange is also mentioned. Their Indian venture was come as Hungry Ban galore in 2006. It was reintroduced in 2011 when JUST EAT acquired a majority share in the business. Today, the company partners with over 2,000 restaurants.
- H.S. Sethu & Bhavya Saini (2016), their idea was to analyse the student's perception, behaviour and satisfaction of online food ordering and delivery applications. Their study shows that online food ordering apps secure their time due to easily availability. It is also found that visibility of their favourite food at any point of time and always access to internet, free data are the main reasons for using the apps.

- According to Sheryl E. Kimes (2011), his study found that perceived control and convenience associated with the online food ordering services were important for both users and non-users. Non-users need more personal attention and also had high uncertainty towards use of early technologies. According to Leong Wai Hong (2016), the food at any point of time and always access to internet, free data are the main reasons for using the apps.
advancement in many industries has changed the business model to grow. Efficient systems can help improve the productivity and profitability of a restaurant. The use of online food delivery system is believed that it can lead the restaurants business grow from time to time and will help the restaurants to facilitate major business online.
- According to Varsha Chavan, et al, (2015), the use of smart phone mobile interface for consumers to view order and follow has helped the restaurants in delivering orders from consumers immediately. The increase in uses of smart phones and computers are giving platform for service industry. Their Analysis concluded that this process is convenient, effective and easy to use, which is expected to better day by day in coming times.

CHAPTER-3

RESEARCH METHODOLOGY

Research methodology is a way to systematically solve the problem. It may be understood as a science of studying how research is done scientifically. In it we study the various steps that are generally adopted by a researcher in studying his research problem along with the logic behind them.

The methodology followed for conducting the study includes the specification of research design, sample design, questionnaire design, data collection and statistical tools used for analysing the collected data.

WHY IS A RESEARCH METHODOLOGY IMPORTANT ?

It provides a detailed plan that helps to keep researchers on track, making the process smooth, effective and manageable. A researcher's methodology allows the reader to understand the approach and methods used to reach conclusions

Research design:

Research design is simply the framework or plan for a study, used as a guide in collecting and analysing data. There are three types of Research Design:-

- Exploratory Research Design:- The major emphasis in exploratory Research design is on discovery of ideas and insights.
- Descriptive Research Design:- The Descriptive Research Design Study is typically concerned with determining the frequency with which something occurs or the relationship between two variables.

- Causal Research Design:- A Causal Research Design is concerned with determining cause and effect relationship.

The research design used for this study is of the descriptive type. Descriptive research studies are those studies which are concerned with describing the characteristics of a particular individual or a group. The report is based on secondary data collected from various published sources such as Ministries of Government of India, research institutes and websites.

CHAPTER-4
DATA COLLECTION AND ANALYSIS

PRIMARY DATA :

The process of collecting original data with the help of research with the help of various methods like: - surveys, questionnaires, industry expert opinions, direct observation and Interviews. It is also known as field research. The data collected by these methods is mostly interpreted scientifically to gain meaningful insights from it. Primary data is original in nature and is collected first hand. Primary data is information that you collect specifically for the purpose of your research project. An advantage of primary data is that it is specifically tailored to your research needs. A disadvantage is that it is expensive to obtain.

THE SOURCES OF PRIMARY DATA ARE :

1. Surveys
2. Direct personal interviews
3. Indirect oral interview
4. Telephonic interview

Mailed

Questionnaire

SECONDARY DATA

The secondary data are those which have already been collected by someone else and which have been already been passed through the statistical process. Secondary data refers to -hand information. It is not originally collected and rather obtained from from the telephone directory or the phone number of a company taken from Just Dial are secondary data.

THE METHODS OF SECONDARY DATA COLLECTION ARE AS FOLLOWS

1. Textbooks
2. News articles
3. University-published studies
4. Websites

LIMITATIONS OF STUDY

- A sample size of 51 respondents in total was selected for the study.
- The samples used in this study is only limited to a particular area.
- Online data is collected from secondary sources

PERIOD OF THE STUDY The required primary data

have been collected through a survey made on group of

people in between the month of March 2024 to April 2024.

NO. OF EXPECTED RESPONDENT: 75 NO.

OF ACTUAL RESPONDENT: 50 NO. OF

QUESTIONS: 13MODE OF QUESTIONNAIRE:

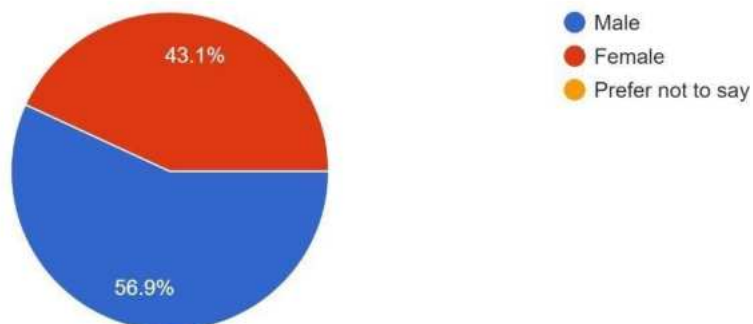
GOOGLE LINK

<https://forms.gle/WxZzWUQEto4ayC9d6>

QUESTION – WHAT IS YOUR GENDER?

GENDER	PERCENTAGE	NO. OF RESPONDENTS
MALE	56.9%	29
FEMALE	43.1%	22
PREFER NOT TO SAY	0%	0

Gender
51 responses



INTERPRETATION

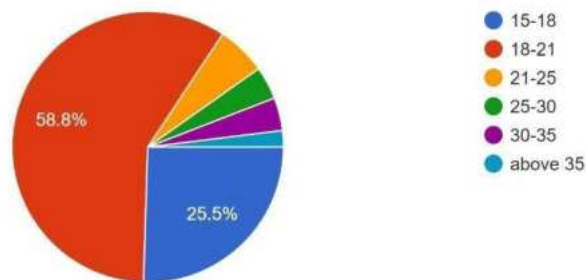
- The above chart represents the gender of sample size or respondents who filled the questionnaire at the time of survey.
- In a sample of 51 respondents, the percentage of males are 56.9% i.e., 29 in the total sample size and the percentage of females are 43.1% i.e., 22 in total sample size as shown above in table and pie chart.

QUESTION – WHAT IS YOUR AGE?

AGE GROUP	RESPONDENTS	PERCENTAGE
15-18	13	25.5%
18-21	30	58.8%
21-25	3	5.9%
25-30	2	3.9%
30-35	2	3.9%
ABOVE 35	1	2%

Age

51 responses



INTERPRETATION

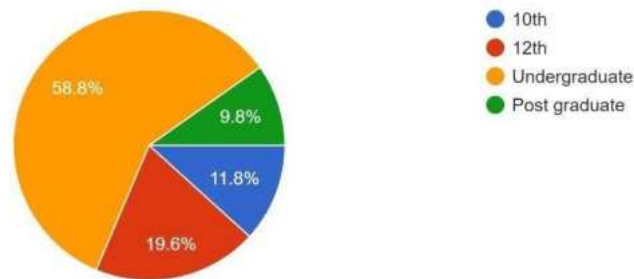
- The above chart represents the age group of sample size of respondents who filled the questionnaire at the time of survey.
- The respondents were chosen from different age groups like from 15-25 in different groups. In a sample of 51 respondents, 25.5% of the total sample size are belong to people aged b/w 15-18, 58.8% of the total sample size are belong to people aged b/w 18-20, 5.9% of the total sample size are belong to people aged b/w 21-25, 5.9% of the total sample size are belong to people aged b/w 25-30, 3.9% of the total sample size are belong to people aged b/w 30-35, 2% of the total sample size are belong to people aged above 35, each as shown above in table and chart.

QUESTION – WHAT IS YOUR LEVEL OF EDUCATION?

LEVELS OF EDUCATION	RESPONDENTS	PERCENTAGE
10 th	6	11.8%
12 th	10	19.6%
UNDERGRADUATE	30	58.8%
POST GRADUATE	5	9.8%
TOTAL	51	100%

Level of Education

51 responses



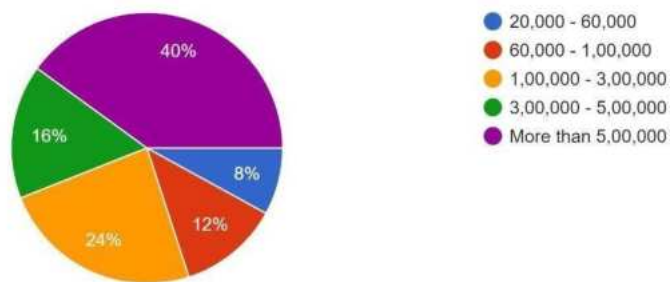
INTERPRETATION

- The above chart represents the Educational Qualification of sample size of respondents who filled the questionnaire at the time of survey.
- The respondents were chosen from different educational backgrounds like from 10th, 12th, undergraduate and postgraduate; each as shown above in table and chart.

QUESTION – WHAT IS YOUR ANNUAL FAMILY INCOME?

ANNUAL FAMILY INCOME	RESPONDENTS	PERCENTAGE
20000-60000	4	8%
60,000-1,00,000	6	12%
1,00,000-3,00,000	12	24%
3,00,000-5,00,000	8	16%
MORE THAN 5,00,000	20	40%

Annual family income
50 responses



INTERPRETATION

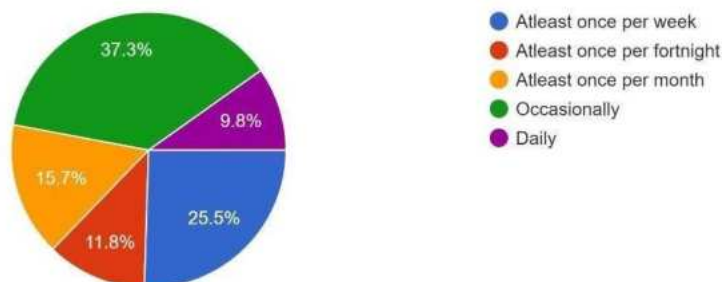
- The above chart represents the Monthly income of sample size of respondents who filled the questionnaire at the time of survey.
- The respondents were chosen from different Financial backgrounds like from 20,000 and that to More than 5,00,000; each as shown above in table and chart.

QUESTION – HOW OFTEN DO YOU USE FOOD APPS?

FREQUENCY OF USING FOOD APPS	RESPONDENTS	PERCENTAGE
DAILY	5	9.8%
OCCAISONALLY	19	37.3%
ATLEAST ONCE PER MONTH	8	15.7%
ATLEAST ONCE PER FORTNIGHT	6	11.8%
ATLEAST ONCE PER WEEK	13	25.5%

How often do you use food apps?

51 responses



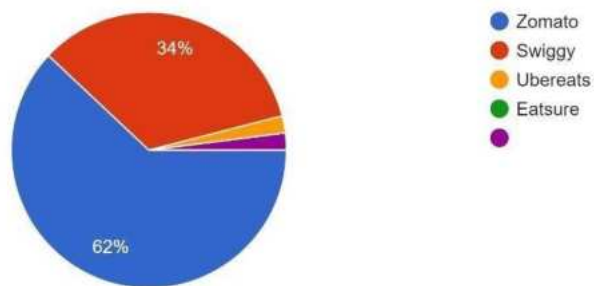
INTERPRETATION

- The above chart represents the frequency of using food ordering apps of sample size of respondents who filled the questionnaire at the time of survey.
- Respondents were ordering Daily, Occasionally, At least once per month, At least once per fortnight, At least once per month.

QUESTION – WHICH FOOD APPS DO YOU PREFER?

FOOD APPS	RESPONDENTS	PERCENTAGE
ZOMATO	31	62%
SWIGGY	17	34%
UBEREATS	2	4%
EATSURE	0	0%
OTHER	0	0%

which food apps do you prefer?
50 responses



INTERPRETATION

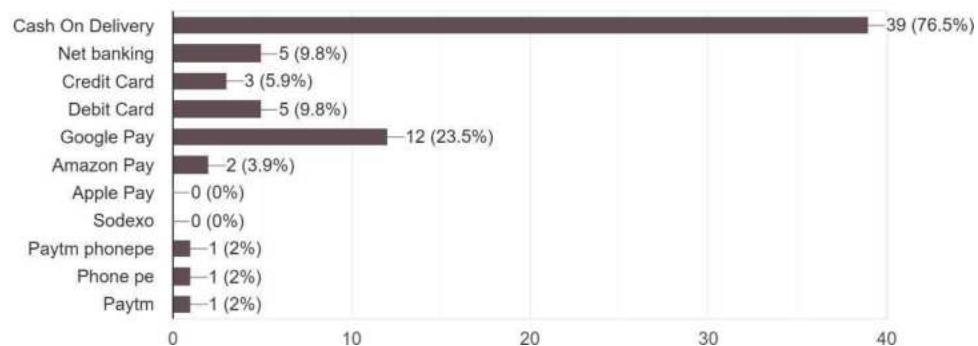
- The above chart represents the apps used by the respondents to order food online (Zomato, Swiggy, UberEats, Eatsure).
- Around 62% of respondents use Zomato, 34% of respondents use swiggy and others as represented in table as well as chart.

QUESTION – WHAT IS YOUR PREFERRED MODE OF PAYMENT

PREFERRED MODE OF PAYMENT	RESPONDENTS	PERCENTAGE
CASH ON DELIVERY	39	76.5%
NET BANKING	5	5.9%
CREDIT CARD	3	5.9%
DEBIT CARD	5	9.8%
GOOGLE PAY	12	23.5%
AMAZON PAY	2	3.9%
APPLE PAY	0	0%
SODEXO	0	0%
OTHER (PAYTM, PHONEPE)	3	6%

Preferred mode of payment, I use while ordering

51 responses



INTERPRETATION

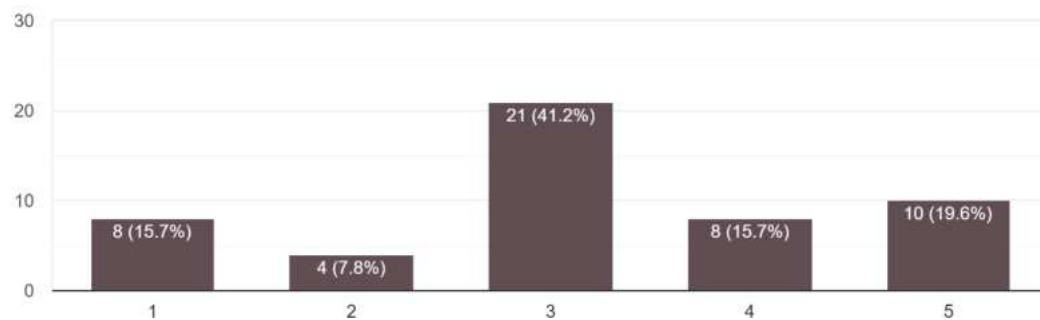
- The above chart represents the preferred mode of payment used by the respondents to order food online (COD, Net banking, cards etc.).
- Around 76% of respondents use Cash on Delivery, 23% of respondents use Google Pay and others as represented in table as well as chart.

QUESTION – HOW DO YOU FIND THE FOOD AVAILABLE ON WEBSITE AS
PER YOUR TASTE?

RATING	RESPONDENTS	PERCENTAGE
1	8	15.7%
2	4	7.8%
3	21	41.2%
4	8	15.7%
5	10	19.6%

I find the food available on website is as per my taste.

51 responses



INTERPRETATION

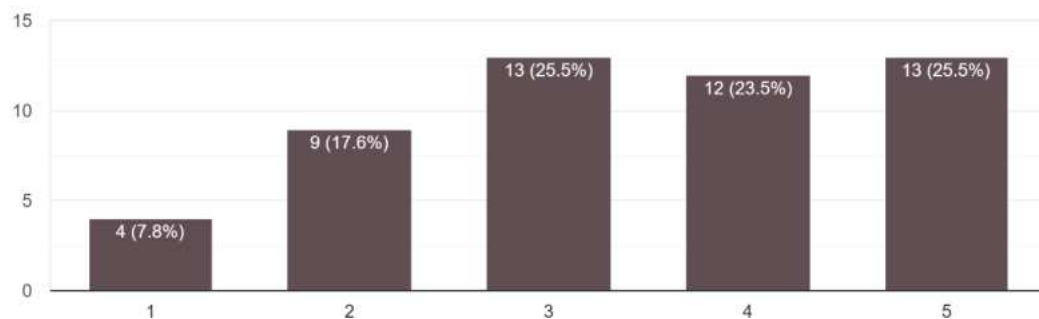
- The above chart represents the ratings given by the respondents to food available on website as per their taste.
- Around 41% of respondents rated “3”, 20% of respondents rated “5” and others as represented in table as well as chart.

QUESTION – DO YOU FIND FOOD APPS FLEXIBLE TO USE?

RATING	RESPONDENTS	PERCENTAGE
1	4	7.8%
2	9	9%
3	13	25.5%
4	12	23.5%
5	13	25.5%

I find food apps flexible to use

51 responses



INTERPRETATION

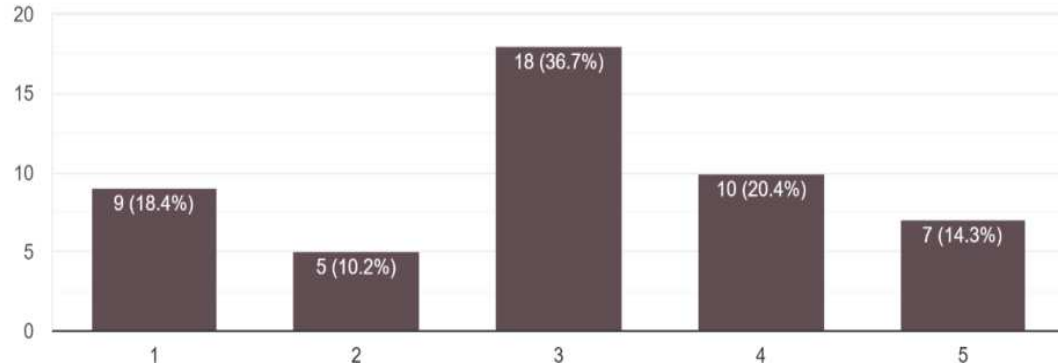
- The above chart represents the ratings given by the respondents to food apps flexible to use.
- Around 26% of respondents rated “3” & “5”, 23% of respondents rated “4” and others as represented in table as well as chart.

QUESTION – DO YOU FIND THE COST OF FOOD AFFORDABLE ON FOOD APPS?

RATING	RESPONDENTS	PERCENTAGE
1	9	18.4%
2	5	10.2%
3	18	36.7%
4	10	20.4%
5	7	14.3%

I find the cost of food affordable on food apps.

49 responses



INTERPRETATION

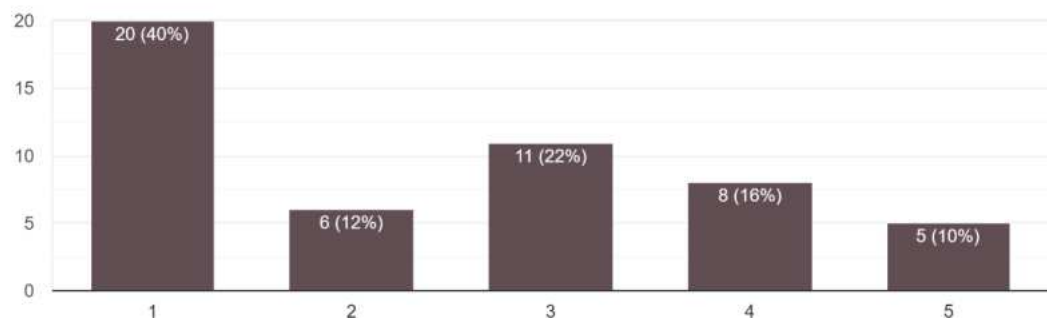
- The above chart represents the ratings given by the respondents to affordability to the cost of food-on-food apps.
- Around 36.7% of respondents rated “3”, 20.4% of respondents rated “4” and others as represented in table as well as chart.

QUESTION – DO YOU OFTEN FIND IT DIFFICULT TO USE FOOD USE?

RATING	RESPONDENTS	PERCENTAGE
1	20	40%
2	6	12%
3	11	22%
4	8	16%
5	5	10%

I often find it difficult to use food apps.

50 responses



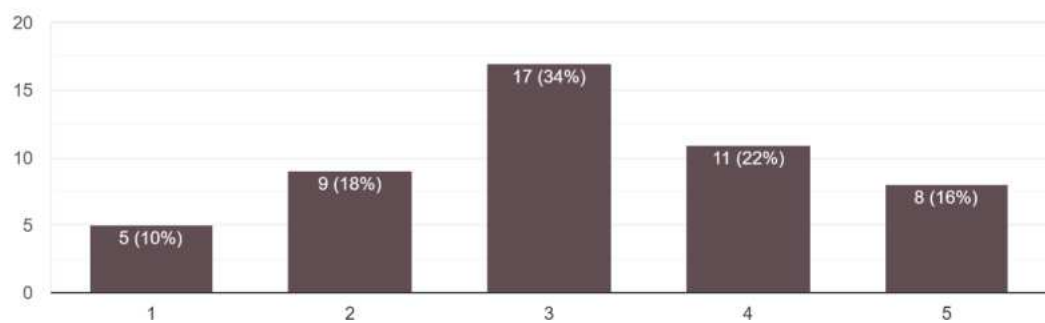
INTERPRETATION

- The above chart represents the ratings given by the respondents to difficulty in using food apps.
- Around 40% of respondents rated “1”, 22% of respondents rated “3” and others as represented in table as well as chart.

QUESTION – DO VARIETY OF RESTAURANTS IN FOOD APPS AFFECT
YOUR FOOD CHOICE?

RATING	RESPONDENTS	PERCENTAGE
1	5	10%
2	9	18%
3	17	34%
4	11	22%
5	8	16%

Variety of restaurants in my food apps affect my food choice
50 responses



INTERPRETATION

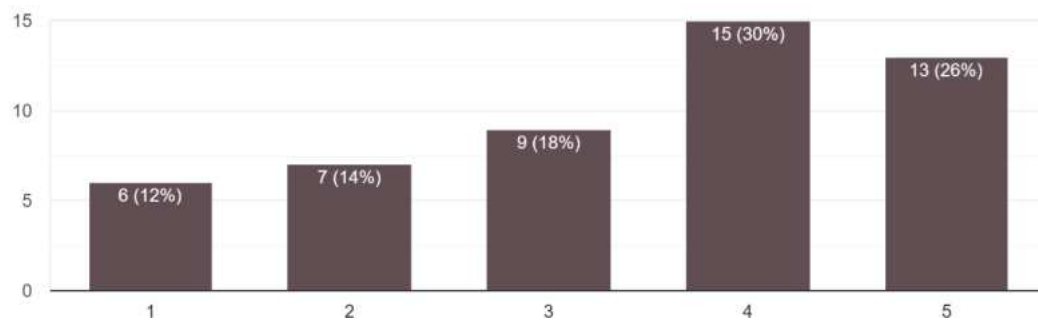
- The above chart represents the ratings given by the respondents to effect on food choice due to presence of variety of restaurants on food apps.
- Around 34% of respondents rated “3”, 22% of respondents rated “4” and others as represented in table as well as chart.

QUESTION – DO YOU BELIEVE ZOMATO IS SAFE AND SECURE TO USE
REGARDING ONLINE PAYMENTS?

RATING	RESPONDENTS	PERCENTAGE
1	6	12%
2	7	14%
3	9	18%
4	15	30%
5	13	26%

I believe Zomato is safe and secure to use regarding online payments.

50 responses



INTERPRETATION

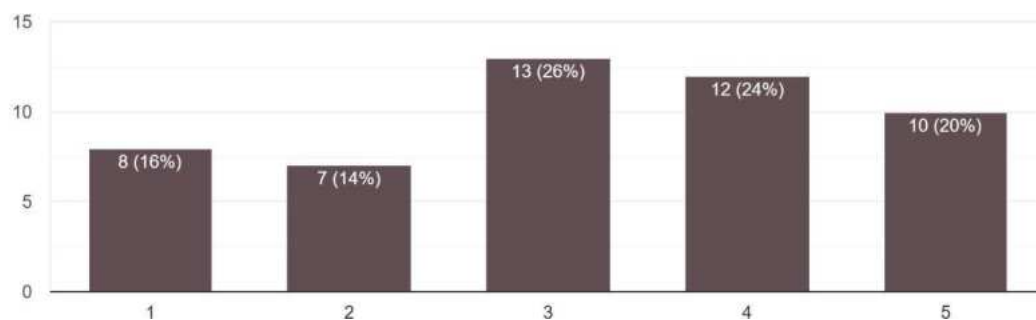
- The above chart represents the ratings given by the respondents to safety & security regarding online payments on Zomato.
- Around 30% of respondents rated “4”, 26% of respondents rated “5” and others as represented in table as well as chart.

QUESTION – DO YOU BELIEVE CUSTOMER CARE AT ZOMATO IS REAL QUICK REGARDING REFUND, RE-ORDER AND TO LISTEN TO COMPLAINTS, IF ANY.

RATING	RESPONDENTS	PERCENTAGE
1	8	16%
2	7	14%
3	13	26%
4	12	24%
5	10	20%

I believe customer care at Zomato is real quick regarding refund, re-order and to listen to complaints, if any.

50 responses



INTERPRETATION

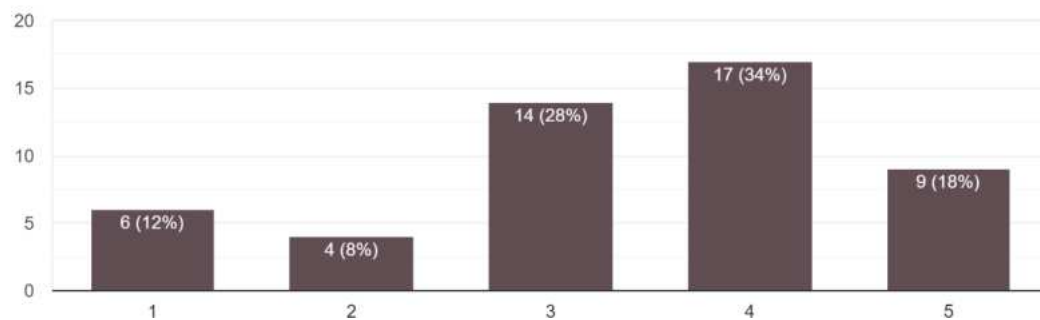
- The above chart represents the ratings given by the respondents to Zomato's customer care regarding refund, re-order and listen to complaints on Zomato.
- Around 26% of respondents rated "3", 24% of respondents rated "4" and others as represented in table as well as chart.

QUESTION – DO YOU BELIEVE HYGIENE RATING FACTOR ON ZOMATO IS USEFUL WHILE MAKING A DECISION?

RATING	RESPONDENTS	PERCENTAGE
1	6	12%
2	4	8%
3	14	28%
4	17	34%
5	9	18%

I believe hygiene rating factor on Zomato is useful while making a decision.

50 responses



INTERPRETATION

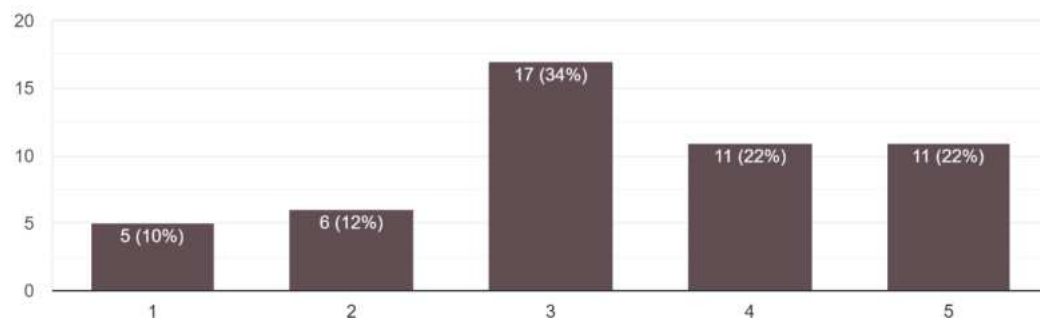
- The above chart represents the ratings given by the respondents to usefulness of Zomato’s hygiene rating factor while making a decision.
- Around 34% of respondents rated “4”, 28% of respondents rated “3” and others as represented in table as well as chart.

QUESTION – DO YOU FIND THAT ZOMATO PROVIDES YOU WITH TWO WAY COMMUNICATION.

RATING	RESPONDENTS	PERCENTAGE
1	5	10%
2	6	12%
3	17	34%
4	11	22%
5	11	22%

I find that Zomato provides me with two way communication.

50 responses



INTERPRETATION

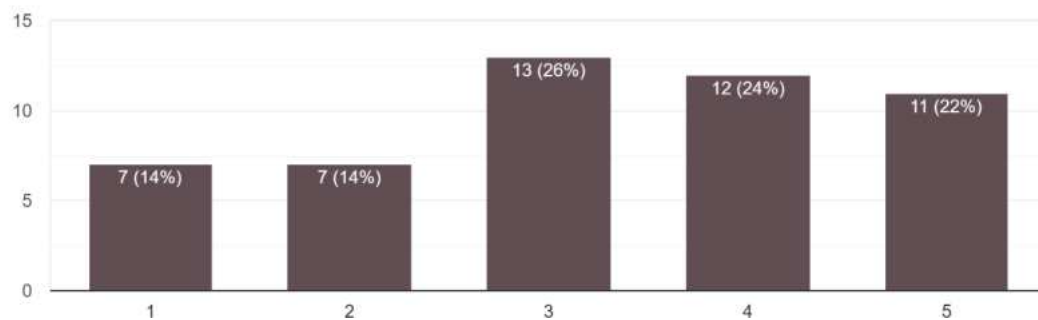
- The above chart represents the ratings given by the respondents to provision of Zomato to two-way communication.
- Around 34% of respondents rated “3”, 22% of respondents rated “4” & “5” and others as represented in table as well as chart.

QUESTION – DO YOU FIND CHAT BOT FEATURE ON ZOMATO REALLY GREAT?

RATING	RESPONDENTS	PERCENTAGE
1	7	14%
2	7	14%
3	13	26%
4	12	24%
5	11	22%

I find chat bot feature on Zomato really great.

50 responses



INTERPRETATION

- The above chart represents the ratings given by the respondents to Zomato's chat bot feature.
- Around 26% of respondents rated "3", 24% of respondents rated "4" and others as represented in table as well as chart.

CHAPTER-5
CONCLUSION AND RECOMMENDATIONS

5.1 CONCLUSION

According to current trends, Zomato's Digital Marketing Strategy will have to keep advancing. They need to find fresh ways to draw more interest in their customers.

They are doing a stellar job right now. If they continue to work hard on it, they will reap more profit. Zomato needs to be more dynamic in compete with other online food service providers by timely making changes according to customer needs.

By introducing the notion to provide access for different restaurants and cafes, Zomato has entirely revolutionized the functioning of the food and restaurant business. It is imperative that Zomato should expand its platform and improve its reach to a greater audience base. They should invest more in new technologies and grab hold of them.

Zomato is increasing its reach day by day. By now it is already in 25 countries with 1.5 million listed restaurants and this data will not stop here. They should begin establishing their base in other 3rd world countries to gain the most out of them.

Zomato needs to expand its reach to various other countries and it needs to establish its base faster. It is a major issue in the service sector that services can be very easily copied and implemented. Hence Zomato needs to establish and expand itself faster

than others in order to stay ahead of the curve.

There are many new players emerging in this field daily, both small and big. Zomato can initiate a partnership with several of its competitors and at the same time keep an eye on the latest technologies and trends happening around to stay ahead and grow further.

Zomato is an online-based service platform, hence they make the best use of the digital platform. They should utilize various digital marketing channels such as SEO, Emailing, and Content Marketing to promote their newer service and offers.

In the past few years, the number of smartphones and internet users has been increased tremendously. And so companies like Zomato has a very lucrative opportunity to approach new users and convert them into their customers. Also due to the covid-19 pandemic, the platform's growth has further enhanced.

6.1 RECOMMENDATIONS

(1) In rural sectors, its reach is not very high. The brand needs to leverage it through aggressive ads, with more and more technical avenues and opening up.

(2) Some online sites have a fake review scheme that misleads the customer. Therefore, Zomato needs to check the validity of such reviews by having a reward-based scheme.

(3) By adding new features, such as a virtual restaurant tour, Zomato also needs to keep innovating. It must introduce live recordings and video shots from restaurants, cafes can be updated features especially if good bands are performing. To draw more consumers, the brand should use its most used features.

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Questionnaire

Question1. Gender

- ☐ Male
- ☐ Female
- ☐ Prefer not to say

Question 2. Age

- ☐ 15-18
- ☐ 18-21
- ☐ 21-25
- ☐ 25-30
- ☐ 30-35
- ☐ Above35

Question 3. Level of Education

- ☐ 10th
- ☐ 12th
- ☐ Undergraduate
- ☐ Postgraduate

Question 4. Annual family income

- ☐ 20,000-60,000
- ☐ 60,000-1,00,000
- ☐ 1,00,000-3,00,000
- ☐ 3,00,000-5,00,000
- ☐ More than 5,00,000

Question 5. How often do you use food apps?

- ☐ Atleast once per week
- ☐ Atleast once per fortnight
- ☐ Atleast once per month
- ☐ Occasionally
- ☐ Daily

Question 6. Which food apps do you prefer?

- ☐ Zomato
- ☐ Swiggy
- ☐ Ubereats
- ☐ Eatsure
- ☐ Other

Question 7. Preferred mode of payment, I use while ordering

- ☐ Cash on delivery
- ☐ Net banking
- ☐ Credit card
- ☐ Debit card
- ☐ Google Pay
- ☐ Amazon Pay
- ☐ Apple pay
- ☐ Sodexo
- ☐ Other

Question 8. I find the food available on website is as per my taste

- ☐ 1
- ☐ 2
- ☐ 3
- ☐ 4
- ☐ 5

Question 9. I find food apps flexible to use

- ☐ 1
- ☐ 2
- ☐ 3
- ☐ 4
- ☐ 5

Question 10. I find the cost of food affordable on food apps

- ☐ 1
- ☐ 2
- ☐ 3
- ☐ 4
- ☐ 5

Question 11. I often find it difficult to use food apps

- ☐ 1
- ☐ 2
- ☐ 3
- ☐ 4

Question 12. Variety of restaurant in my food app affect my food choice

- ☐ 1
- ☐ 2
- ☐ 3
- ☐ 4
- ☐ 5

Question 13. I believe zomato is safe and secure to use regarding online payment

- ☐ 1
- ☐ 2
- ☐ 3
- ☐ 4
- ☐ 5

Question 14. I believe customer care about zomato is real quick regarding , re-order
and to listen to complain , if any

- ☐ 1
- ☐ 2
- ☐ 3
- ☐ 4
- ☐ 5

Question 15. I believe hygiene rating factor on zomato is useful while making a decisions

- ☐ 1
- ☐ 2
- ☐ 3
- ☐ 4
- ☐ 5

Question 16. I find that zomato provides me with two ways communication

- ☐ 1
- ☐ 2
- ☐ 3
- ☐ 4
- ☐ 5

Question 17. I find chat box features on zomato really great

- ☐ 1
- ☐ 2
- ☐ 3
- ☐ 4
- ☐ 5

Project Report on the Consumer Behaviour of Youth towards E-Shopping

Submitted in partial fulfilment of the requirements for the award of the degree of

Masters of Business Administration

To

Guru Gobind Singh Indraprastha University, Delhi

Guide:

Prof. Ektarastogi

Submitted by:

akshaysingla

01019114322

GITARATTAN INTERNATIONAL BUSINESS SCHOOL DELHI-110085

Batch (2022-2024)



Certificate

I, akshaysingla , RollNo. 01019114322 certify that the Project Report/Dissertation(MBA-IB)entitled“**SurveyReportontheConsumer Behaviour of YouthtowardsE-Shopping**”iscompletedby meanditisan authentic work carried out by me at Gitarattan International Business School.The matter embodied in this project work has not been submitted earlier for the award of any degree or diploma to the best of my knowledge and belief.

SignatureoftheStudent

Date:

Certified that the Project Report/Dissertation (MBA-IB) entitled “**Survey ReportontheConsumerBehaviourofYouthtowardsE-Shopping**”doneby Ms. Akshaysingla , Roll No. 01019114322, is completed under my guidance.

SignatureoftheGuide Date:

NameoftheGuide:

Designation:

GitarattanInternationalBusinessSchool, Delhi-110085

Acknowledgement

Project report is a venture that requires co-operation of many people. This report would not have been possible without the kind support and help of many individuals.

It is my pleasure in taking this opportunity to express my sincere regards and my gratitude towards my project coordinator **Prof. ekta Rastogi** Gitarattan International Business School, New Delhi. Without his guidance, constructive criticisms and encouragement, the project would not have been possible.

I would also like to thank the management of the institute for their continuous guidance, assistance, valuable observations and inspiration.

Lastly, I thank almighty, my family and friends for constantly motivating me to complete the project and providing me an environment which enhanced my knowledge.

akshaysingla

01019114322

Executive Summary

Customer satisfaction is defined as a measure of customer satisfaction with a company's products, services, and capabilities. Customer satisfaction data, including surveys and ratings, can help companies decide how to improve or change their products and services. In today's competitive world, companies pursue customer retention, as customers are the key success for the company, as customers are willing to play an important role in managing the competition in the online business world.

Customer satisfaction is a term often used in business life. It measures how well the products and services provided by the company meet or exceed customer expectations. Customer satisfaction is defined as "the number or percentage of customers who report that a company has exceeded satisfactory targets with its products or services (ratings)".

This study focuses on the online shopping behaviors of university students. The Internet is changing the way consumers buy goods and services and is fast becoming a global phenomenon. Today's customers are more thoughtful and able to choose from the market. The customer experience is expanding on the internet. The number of Internet users is increasing day by day, which attracts people with the option to buy online. An online store allows customers to browse a company's products and services, view images or images of product, and information about specific products, features, and price. Most online stores allow shoppers to use the "search" function to find a particular model, brand or product. Online customers must have a valid payment method, such as a credit card, an enabled debit card, or a service such as PayPal, and Internet access to complete the transaction.

Consumer behavior in the digital environment will not be influenced or controlled by brands and companies, but will be influenced by search engines, recommendations, online reviews and other information when making a purchasing decision. With the rapid disintegration of the digital environment,

people have tended to use digital devices such as mobile phones, computers and tablets to collect information. In other words, the digital environment is increasingly influencing consumer thinking and purchasing behavior. In online shopping environment, interactive decision making can about helping consumers make decisions. While customers' online reviews can influence the behavior of other buyers, all customers are more interactive.

Online shopping impresses consumers by offering unique conveniences. The digital retail era has created an "always on" shopping experience where customers are almost always happy to shop and find new products. Online shopping enables consumers to shop anytime, anywhere, across multiple channels, platforms and devices.

Primary data were collected by distributing questionnaires to 129 people. According to the results of this study, the behavior of young people towards online shopping. In the introductory part of this study, the question of how companies can manage their customers in a difficult environment is discussed because customers are important in the success of the company and customer satisfaction plays an important role. The main aims, sources and methods of the study are discussed. It provides online shopping or customer behaviour, history, changing online shopping habits, customer needs and expectations, and departmental information of e-commerce companies in India.

In the literature review, the works of different authors were mentioned in order to make the research easier to understand and to give information about. The second part also covers the theoretical framework of consumer behavior and market monitoring of online shopping. Early findings in the form of a literature review are useful for drawing conclusions. In data presentation and analysis, research is done through primary research and secondary research. Among the recommendations, recommendations from data analysis and research studies will be based on research objectives. This process is also covered. In the appendix, the survey questionnaire was mainly used as a basis for preliminary study based on customer satisfaction.

ABSTRACT

The number of internet users in India is increasing day by day. In 2023, there were approximately 243 million Internet users. The main reason for the high usage is the affordable price of smartphones and internet tariff plans. That's why people turn to the internet to buy goods and services. Ecommerce is growing 38% per year.

The total value of Ecommerce in 2023 was Indian Rupees 900 billion. It is expected to reach around INR 6 billion in the next five years. According to reports, around 70% of Internet users and online shoppers are young people. For this reason, a study was conducted to evaluate the internet usage behaviors of young people and the factors that affect them to shop online. The sample size of this study is 129 students from different schools.

About 80% of people use smartphones and use the internet every day. Young women spend more money on online shopping than young adults. The main factors affecting online shopping experiences are choice, loyalty, competitive price, accessibility, convenience, security concerns, knowledge and experience showcase.

CONTENTS

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Chapter-1

Introduction

The Internet is changing the way consumers buy goods and services and is fast becoming a global phenomenon. Many companies have started using the Internet to reduce business costs, thereby reducing the cost of their products and services to communicate and disseminate information, sell products, write message ideas, and conduct customer satisfaction surveys. Consumers use the internet not only to purchase products online, but also to compare the price, product's features and after sales services they would receive if they purchased the product from a specialty store. Many experts are optimistic about the future of online commerce.

In addition to the huge potential of Ecommerce, the Internet offers companies a unique opportunity to reach existing customers and be more efficient. While business-to-business businesses make up the majority of online business revenue, business-to-business businesses should not lose faith. It has been more than a decade since business-to-consumer Ecommerce first took off. Ecommerce researchers and practitioners are dedicated to gaining and developing customer insights from multiple perspectives. Many studies have identified the fact or hypothesis based on consumer behavior patterns and then tested its validity in the internet environment.

Online shopping is an easy solution for busy life in today's world. The way consumers shop has changed over the years. Users or buyers find online shopping very convenient, while consumers continue to buy from stores operating in the real place. Online shopping saves valuable time for ordinary people who are too busy to spend much time or enjoy their shopping.

In the 21st century, business and commerce have become more diversified with more channels and online commerce has increased worldwide (Johnson, Gustafsson, Andreassen, Lervik, & Cha, 2001). Globally, E-commerce creates an estimated \$2.29 trillion in jobs (John, 2018) and is expected to reach 4 Trillion (eMarketer, 2016) (eMarketer, 2018), business to consumer (B2C) (Zuroni & Goh, 2012). Asia Pacific is leader in the growth of online shopping compared to major markets such as USA, UK, Japan and Europe. The Asia Pacific region has seen a lot of growth, especially in China. In 2016, online sales in the Asia-Pacific region were approximately US\$1 trillion, most of which came from China with about US\$899 billion (eMarketer, 2016). As more and more people become more familiar with the internet and its benefits, online shopping is becoming more popular and preferred by a group of customers seeking better information, convenience, price, options and other useful products.

History of online shopping

One of the oldest forms of online commerce is Online Transaction Processing (OLTP), developed by IBM in the 1960s, which allows financial transactions to be completed in real time. One such application is a computerized airline reservations system called the Semi Automatic Business Research Environment (SABRE) developed for American Airlines. There, computer terminals in travel centers are connected to a large IBM mainframe computer, which is fully exchanged and coordinated so that all travel agents have the same access time to the same information. Between 1971 and 1971, students at Stanford and MIT first used the internet. ARPANET enabled marijuana trading, but this interaction was not suitable for e-commerce as it was not an online transaction.

As we all know, the phenomenon of online shopping emerged with the advent of the Internet. Initially, the platform was only used as an advertising tool for the company, providing information about its products. Thanks to the development of interactive pages and secure communication, this has grown from a simple product to an online business. Especially since 1994, with the

1st sale of Sting's Ten Summoner's Tales album, the Internet has become a safe business. Wine, chocolate and flowers follow the leading products that support the growth of online shopping.

Researchers have found that having the right products for E-commerce is the key to success online. Many of these products are successful because they are products that customers can buy without touching or feeling. But just as importantly, there were very few people who bought things online in the early days, and they came from a narrow group: rich men, over 30. UK (percentages may vary by product category).

ONLINE SHOPPING IN INDIA

The birth and development of the Internet is the biggest event of this century. The e-commerce sector in India has grown since its inception in '1999-2000 to a time when it was possible to sell and find anything from luxury goods to peanuts in India. Most companies use the internet to offer their products and services so that the business community can reach and reach a wide audience. Computers and the Internet have completely changed the way people do business every day; Online shopping is one of them. The Internet has changed the way people shop. Access to just about anything, from clothing to books, music and jewelry to digital cameras, cell phones, mp3 players, video games, movie tickets, railroad and plane tickets, from the comfort of your home, office or internet cafe or anywhere in the world. Convenience, convenience, convenience and security are the main things users buy online. Young people between the ages of 18-40 have the opportunity to buy large items in the city.

CHANGING ATTITUDE TOWARDS ONLINE SHOPPING

"Knowledge of the Marketing Industry, Future Demands and Current Issues"

There are stores, but people are shopping online! And the quantity is not small. Today's customers are more thoughtful and able to choose from the market.

The customer experience is expanding on the internet. The number of Internet users is increasing day by day, which attracts people with the option to buy online.

I never thought Indians would be so enthusiastic about online shopping. Ticket travel reservations, and even books and movies can be purchased online. How do people who know that different brands come in different sizes and qualities in India, and that some electronic products even come, buy them online? Some people in India have never tried online shopping. Reasons for top prefer online shopping:

➤ Convenience

Online stores are usually open 24 hours and many customers use the Internet at home and at work. Other places like internet cafes and schools also have access. Visiting the store normally requires a trip and must be done during business hours.

➤ Information and Analysis

Online stores should describe the products they sell with text, images and multimedia information. Some stores also allow customers to review or rate their products. There are also dedicated review sites that host user reviews of different products. Reviews and current blogs offer consumers a cheaper option to plan their purchases from around the world without relying on local stores.

➤ Home Delivery Concept

However, home delivery is a concept that Indians know and love. The market boom is just getting started. In the early days there was the option of setting up in a small shop or letting a close friend Kirana (food vendor) deliver food to the home, this is still a successful system.

Consumer needs and expectations

According to the results of a study published by Western Michigan University in 2005, an E-commerce site does not always show up well in many search engines. He needs to build relationships with customers to make money. The report also suggests that websites should make a positive impression on customers and give them a reason to return. However, recent research has shown that websites that focus more on quality, convenience, and personal service make customers more willing to buy. Internet operations management company Dyn surveyed more than 1,400 customers in 11 countries in North America, Europe, the Middle East and Asia, and its findings are as follows:

- Online stores should increase website speed
- Online stores should facilitate user security concerns

These concerns are often closely related to about two-thirds of consumers.

Overview Of E-commerce Companies In India

Online business or E-commerce refers to the exchange of goods and services using electronics and the internet. The most popular E-Business example is online shopping, defined as buying and selling things over the internet on any device. Some of the best E-commerce companies in India are Flipkart, Amazon, Paytm, Indiamart etc. Include e-Commerce sites.

The Indian E-commerce industry is growing at an astonishing rate and very few companies have achieved surprising results in a short time. The number of internet connections and users in India has increased to 784.

It will reach 59 million in 2021 thanks to the "Digital India" initiative and other key initiatives aimed at making things easier. Nowadays, everyone prefers to shop online due to timelessness and low cost. It is the main driver of growth of e-commerce platforms and online e-commerce sites.

E-commerce has changed the way of doing business in India due to the use of technology and the increasing number of consumers across the country.

According to Grant Thornton, Indian E-commerce companies and stores will rise at \$38. From \$5 billion in 2017 to \$200 billion in 2026. Despite the

COVID-19 crisis and disruption, NASSCOM forecast India's E-commerce market to grow by 5% in 2021 with sales of \$56.6 billion. It has revealed some of the best e-commerce platforms in the country.

E-Commerce Companies in India

With over 19,000 e-commerce companies in India, it can be difficult to stand out from the crowd. There are e-commerce companies that range from small one-suppliers to super niche stores that only sell certain products. It varies according to the size of the e-commerce company, the services it offers, the resources it provides and its monthly traffic. We decided that these are the best e-commerce sites in India. All of these companies listed below make it easy for customers to shop online.

1) Amazon's e-commerce company in India

Amazon started as an online bookstore in America where customers could purchase books on various topics such as finance and health. % Since its founding in India in 2010, the e-commerce site has reached approximately 322.54 million monthly visitors, making it by far the most popular online business site in the Indian e-commerce industry. According to Statista, Amazon has an 89% audience in India today.

2) Flipkart India E-Commerce Service Provider

Founded in 2007, Flipkart is a privately held company focused on online shopping, fashion e-commerce, mobile and more.

After making \$16 billion in 2018, Flipkart, now owned by Walmart Inc., is Amazon's biggest competitor in India, with a 39.5% market share in the Indian e-commerce market. Flipkart is known for its Big Sale Days, where it offers deep discounts across all product categories. It has a strong online presence and is considered by many Indian consumers and third-party sellers as the best e-commerce platform in the Indian market.

3) In India, Myntra e-commerce platform

Myntra started to buy personalized gifts. Myntra had added 350 foreign and Indian brands to its platform by 2012 and this number was increasing every year. It was acquired by Flipkart in 2014. Today Myntra is a popular online fashion and lifestyle e-commerce company for men, women and children in India.

4) IndiaMART India E-Commerce Website

IndiaMART is a well-known B2B (Business to Business) and B2C (Business to Consumer) platform for Indian businesses. It facilitates the connection between consumers and producers. Manufacturers, distributors and distributors can list their products on the IndiaMART website and customers can contact them directly via email or phone. It currently has a 60% market share in the online B2B distribution segment in India.

5) Shopclues E-Commerce Company in India

Shopclues is one of the leading E-commerce companies in India offering great deals and discounts on various products. Shopclues is your one stop shop for everything from clothing to kitchen appliances to electronics. It makes history by supporting small traders and regional traders, especially in the 2nd and 3rd cities, turning it into businesses across the country.

6) Snapdeal Indian e-commerce provider

Established in 2010, Snapdeal is quietly becoming one of the best E-commerce websites in India. Snapdeal offers great deals on all essentials like electronics, clothing and kitchen appliances. That's why 3,700 cities and towns in India use Snapdeal.

7) FirstCry E-Commerce Platform in India

FirstCry, Mumbai, Bangalore, Hyderabad, Chennai, Kolkata and other major cities. As of 2021, more than 200,000 products belonging to more than 5,000 companies are listed on the website.

8) Nykaa E-Commerce Company in India

Nykaa, like FirstCry, started as a pure E-commerce company and has since expanded to open 76 stores in India. It is a famous online store for cosmetics and beauty products in India with over 300,000 products from over 2000 domestic and international brands. Nykaa became India's first male grooming E-commerce company in 2018. The company also purchased 20 Dresses.com, the personal women's contouring platform, in late 2019.

9) BookMyShow India E-Commerce Website

BookMyShow India is India's largest advertising and entertainment company. BookMyShow is your one stop shop for Indian Movies, Events & Monuments tickets and fan merchandise sale. Due to its success, BookMyShow has opened

branches in Indonesia, UAE, Sri Lanka and the West Indies.

10) eBay India E-Commerce Company

eBay is a global Ecommerce company headquartered in California, currently operating in 179 countries including India. The website is mainly used for C2C and B2C sales. For buyers, you can use the site for free right now, but after some free listings, sellers will be charged to list more products and then pay again when the goods are sold. PayPal, StubHub, Skype, Craigslist, & qoo10.jpg are just a few of the e-commerce and other companies eBay has acquired.

11) Rediff

Rediff.com in Mumbai. Besides online shopping, India is home to the world's Ecommerce industry, which provides entertainment, news and information. The main attraction of the site is discounts and specials. We are India's leading online magazine offering a wider range of journalism including news, interview and advice, teen must_haves, movie videos, videos and reviews, live cricket scores, live tips, newsletters and free email.

12) MakeMyTrip

Established in 2000, MakeMyTrip is one of the largest and most respected Ecommerce travel and accommodation companies in India, offering good, reasonable airfares, special discounts and ask customers to book online to learn about they do not live. IT. The company operates in India, the United States and the United Arab Emirates and serves more than 5 million satisfied customers.

13) LimeRoad

Limeroad.com is a women's fashion startup and is one of the top 15 fashion and apparel Ecommerce companies in India. It won the best start of the year award in 2015. Users can use the portal's products to create their own versions of virtual books and earn money from the books they create.

14) Paytm Mall

India's largest Ecommerce company, Paytm, launched Paytm Mall, an online shopping center for its customers, in 2017. Alongside top brands, premium products and affordable options, customers can also use Paytm Mall coupons to get discounts and cash back on their orders.

15) AJIO

AJIO is a fashion, home and lifestyle retailer from India and around the world. Reliance Retail's digital/E-commerce program. It is an E-commerce store similar to Myntra that has gained the trust and confidence of its customers over time. In addition to offering exclusive products worldwide, the E-commerce portal also has its own brand, AJIO OWN.

1.1 Statement of the problem

There are millions of people online at any given time, and they are all potential customers of a company that sells online. Due to the rapid development of internet technology, companies that want to sell products over the website have to find a way to compete in the cutthroat competition. With so many potential customers, it's important to be able to understand what customers want & need. When a customer decides to buy online, it is important to identify and analyze the factors that affect the customer. As the Internet is a new medium, consumers have new needs.

That's why it's important for online retailers to know what drives online customers. Consumer behavior analysis is not a new phenomenon. Renowned marketing expert Philip Kotler has published several books on the theory of consumer behavior. Over the years, these theories have been used not only to understand consumers, but also to create marketing strategies that appeal to them. Therefore, understanding and identifying customers is related to the direction of the company's business strategy. These insights can also be used to identify online customers and create unique customer profiles.

Because online sales are the vehicle of new stores and the behavior of online customers differs from those of traditional customers, it is important to identify the layer of nature that influences online customers. Analyzing the process that online consumers go through when making decisions and purchasing on the Internet reveals some of the consumer's thoughts. Online retailers must identify and consider these factors in order to meet customer needs and compete in the online marketplace.

1.2 SCOPE OF THE STUDY

At any given time there are millions of people online and each of them is a potential customer for a company providing online sales. Due to the rapid development of the technologies surrounding the internet, a company that is interested in selling products from its website will constantly have to search for an edge in the fierce competition. There are so many potential consumers, it is of the utmost importance to be able to understand what the consumers want and need. The importance of analyzing and identifying factors that influence the consumer when he or she decides to purchase on the internet is vital. Since the internet is a new medium for there have been new demands set by the consumer. The online retailers must know what influences the online consumer behavior is diverse from traditional consumer behavior, one must identify what influences the online consumer.

1.3 OBJECTIVES OF THE STUDY

This project research helps to find out what are the main factors that affect consumer behavior towards online shopping. The following are the objectives of the study;

- To identify the key factors influencing online purchase behavior of youth.
- To find out the age group among which the online shopping is more popular.
- To analyze the satisfaction level among youth.

- To show the benefits of online shopping.

1.4 METHODOLOGY

This study is based on primary and secondary data. Primary data were collected through a questionnaire specifically designed for this study. Secondary data is obtained from research articles, diaries, journals and websites.

1.4.1 SAMPLE SIZE

Samples were collected from consumers and buyers of online shopping. The sampling size is 129, the sampling technique used for the study is Random Sampling.

1.4.2 SAMPLE DESIGN

In particular research, a procedure that is being followed for selecting a sampling unit is called sample design. The procedure that is being followed by the researchers to select a sampling unit is simple random Sampling. In simple random sampling, each sample unit has an equal chance to get selected.

1.4.3 COLLECTION OF DATA

PRIMARY DATA

Primary data are those, which are collected for the first time, and are original.

A suitable combination of Questionnaires and interview techniques is used to collect the required primary data. By using a questionnaire, data has been collected from 129 sample respondents.

SECONDARY DATA

These secondary data are those which are already collected by someone for some purpose and are available for the present study. Secondary data was collected from magazines, websites, and other such sources.

1.4.4 TOOLS OF ANALYSIS AND PRESENTATION

The collected data has been analyzed and interpreted by using different statistical tools such as percentages, pie charts, bar charts, etc.

Chapter-2

REVIEW OF LITERATURE AND THEORETICAL

FRAMEWORK

A literature review is a comprehensive summary of previous research on a topic. Literature review of academic texts, books, and other resources on a particular topic. Reviews should be written, descriptive, summarized, objectively evaluated, and clearly describe previous research. It should provide a theoretical basis for research, contribute to a better understanding of research, and help interpret the nature of research. The literature review confirms the work of previous researchers and, in doing so, reassures the reader that the study was successful. It is assumed that authors have read, evaluated, and assimilated that work with reference to previous work in the research area. Data analysis helps to better understand any research and is one of the most important steps in the research process.

1.1 REVIEW OF LITERATURE

In today's era, digital platforms offer new customers the opportunity to gather information, compare products or prices, and shop online. Therefore, the behavior of customers has a significant impact on E-commerce companies.

Predicting Today's Consumer Behavior Era E-commerce companies must understand how, where and why consumers behave the way they do, and understand how they should deliver products and services according to customer needs, which will definitely translate into customer satisfaction. With their shopping experience and becoming loyal customers of the brands they like, they regularly purchase products and services through online shopping. The purchasing behavior of consumers who shop online was examined by combining previously recorded data with a literature review. Among these, studies from 2013 to 2017 were reviewed.

Of course, it will help researchers understand consumers' behavior and the thoughts of online consumers with a simple understanding of use.

INTRODUCTION

In the global market, even the biggest retailers who are important in the market find themselves looking for new products that will best serve their customers so that they can stay with more attention and loyalty to their customers.

From the beginning of online selling, what has happened to real world stores in terms of advertising strategy is to attract customers to purchase the products and services they provide. In addition, consumers' purchasing tendencies and purchasing behaviors change according to their expectations & situation conditions. These buyers have many choices in terms of assortment, available brands, and other key features associated with them, ultimately shifting them from the traditional to the modern online shopping method. Another important factor that determines the way buyers shop online is the technological change of buyers, which internet applications have helped them in every way.

These are some of the biggest factors that make buyers more likely to sell online again and again. Here, researchers want to make detailed information about buyer behavior and purchasing behavior on online shopping patterns for purchasing goods and services. Examining this data illustrates the behavior of online shoppers, while future researchers will understand and analyze the main factors that influence buyer character and good judgment. This research aims to reveal the factors affecting the purchasing behavior of online consumers. By reading the data on customers' attributes and online customers' attributes, I believe the impact on some important factors for online customers can be seen. The Internet is a world made possible by connected computers that use the Internet protocol to transfer information via packet switching. It is a "network" of millions of small local, educational, business and govt. networks that offer a variety of information and services, such as transfer files, link page, and other international files. The Internet was originally used by professionals, researchers, and students; However, this changed when business organizations began to incorporate the World Wide Web into their advertising activities and facilitate online shopping (Jobber and Fahy, 2003). The Internet has become the world's gateway to information exchange and e-commerce.

The basic concept of providing information and services to customers on the World Wide Web has become proprietary to companies.

According to Vesterby and Chabert (2001), the Internet can make it easier for companies to obtain information about products or services offered to their customers or potential customers. Companies can meet customers' information needs at a lower cost, for example, by sending product brochures. Because users can select information from the website, information providers can collect information to better understand users' needs and wants. The Internet, on the other hand, is a place where there are few standards or rules: therefore, efforts should be made to show customers where the site is unique and what services are offered to that place. Vesterby and Chabert (2001) argue that non-physical companies must aggressively market themselves both online and offline in order for customers to remember their brand.

Whether it is a traditional business or an online business, marketers understand that customer and how they make decisions and buy (Hollensen, 2004), because customers are supported by marketers' advertisements. The marketer can decide and control the product to be sent to the customer, but the control ends when the advertisement reaches the customer. The customer interprets the information sent to him according to the conditions specific to each customer. As a result, marketers have developed different theories to explain why consumers interpret information in a certain way to understand certain behaviors (Kotler and Armstrong, 2007). Many articles have been created to analyze the characteristics of online consumers.

Allred, Smith, and Swinyard (2006) defined online consumers as young, affluent, well-educated, more than "computer literate" and larger retailers. Donathou and Garicia (1999) defined online consumers as older, higher income, convenience-seeking, innovative, curious, diversity-seeking, less risk-averse, less name and price conscious, and more tolerant of advertising and direct marketing character. Some of these features are similar, while others are different. Trying to identify online customers is difficult, as the rapid growth of e-commerce also leads to advances in technology and different types of users. It is well known that products relate to online consumers, making consumer characteristics difficult to define (Christopher & Huarng, 2003).

1. **Solomon (1998)** studied the Consumer behaviour and said that it is the study of the processes involved when an individual selects, purchases, uses or disposes of products, services, ideas, or experiences to satisfy needs and desires. In view for the Internet to spread out as a retail channel, it is imperative to realize the consumer's mind-set, intention and conduct in light of the online buying practice.
2. **Lepkowska -White, and Rao (1999)** referred vendor characteristics, security of transactions, content for privacy and customer characteristics as factors influencing electronic exchange.
3. **Schiffman, Scherman, & Long (2003)** in his study researched that "yet individual attitudes do not, by themselves, influence one's intention and/or behavior. Instead that intention or behavior is a result of a variety of attitudes that the consumer has about a variety of issues relevant to the situation at hand, in this case online buying. Over time the Internet buyer, once considered the innovator or early adopter, has changed. While once young, professional males with higher educational levels, incomes, tolerance for risk, social status and a lower dependence on the mass media or the need to patronize established retail channels (Ernst & Young, 2001; Mahajan, Muller & Bass, 1990),
4. **Sultan and Henrichs (2000)** in his study concluded that the consumer's willingness to and preference for adopting the Internet as his or her shopping medium was also positively related to income, household size, and innovativeness.
5. **The work of Kim and Park (2005)** using U.S. samples suggests that their positive attitudes as well as willingness to search for pre-purchase information lead to a strong likelihood that they will buy online. Online shoppers, are required to have computer skills in order to use the Internet for shopping. Hence, those who are not comfortable with using the computer, will likely do their shopping at the traditional store, modern shop, or discount store (Monuwe, 2004) because it will be faster shopping there than in the Internet shop.

6. **Goldsmith and Flynn (2004)** state that the home catalog is another traditional selling channel where people can shop at home because of the varieties of products offered in the catalog. They can order through the phone or by mail. It is convenient except that they are not able to touch and feel products before purchasing.
7. **Dr.VVijayalakshmi&Dr.R.Lakshmi (2018)** Mostly youngsters and youth generation (19-30 age group) are very much interested in online buying because they know about technology and e- shopping.
8. **Sylke et al, (2004)** the growth rate of electronic commerce in India, however, has yet been much below anticipation; its proportion of total retail business is still small due to its certain limitations.
9. **Garbarino&Strahilevitz(2004),Korgaonkar&Wolin(1999),Van Slyke et al (2002)** previous researches suggested that men are more likely to purchase products and/or services from the Internet than women.
10. **NaLi&PingZhang(2002)**foundthatmenaremoreadoptinginonline shopping,Femaleshoppersarefoundtopreferusingcataloguestoshop athome.Itisfoundoncefemaleshowedpreferenceinonlineshopping, they will shop more frequently online than their male counterparts.
11. **Zhang, Dran, Small, and Barcellous (1998)**, indicated that website designfeaturesofthewebsiteareimportantandinfluencingfactorsthat leadsconsumer'ssatisfactionanddissatisfactionwithaspecificwebsite.

2.2THEORETICALFRAMEWORK

MEANINGOFCONSUMERBEHAVIOUR

Consumer behavior is the study of individuals, groups, or organizations and all activities related to the purchase, use, and disposal of goods and services, and how the thoughts, feelings, and preferences of consumers affect purchasing behavior. Consumer behavior emerged as different subdisciplines of business in the 1940s-50s, but has evolved into an interdisciplinary social science that combines element of psychology, sociology, social anthropology, anthropology, ethnography, marketing and economics language (especially behavioral economics).

Galleries Royales Saint-Hubert store, Belgium. Broadly speaking, consumer behaviour is concerned with how consumers choose, decide, and use products and services. Consumer behavior research examines individual characteristics such as demographics, lifestyles, & behavioral variables (such as spending, spending time, honesty, willingness to give advice and suggestions) in order to understand people's needs and usage patterns. The impact on consumers from groups such as family, friends, sports, and user groups (brand influencers, opinion leaders) for people as a whole is also investigated. Research shows that predicting user behavior is difficult, even for experts in the field; but newer studies such as ethnography, consumer psychology, & machine learning provide insight into how consumers make decisions. Also, customer relationship management (CRM) data has become an asset for analyzing customer behavior. The wealth of information generated from this data allows the identification of patterns of behavior that lead to repeat customer demand, customer retention, loyalty, and other behaviors such as a willingness to advise, advocate, or engage with the consumer public. Databases also assist in market segmentation, particularly behavioral segmentation such as developing loyalty segments; (Saib Relationship Marketing).

DEFINITION OF CONSUMER BEHAVIOUR

According to Engel, Blackwell, and Mansard, "Consumer behavior is the behavior and decisions people make to purchase goods & services for personal consumption." According to Loudon and Bitta, "Consumer behavior is the process by which people evaluate, acquire, use, or dispose of the physical processes and decision-making for products and services. Service."

FACTORS AFFECTING CONSUMER BEHAVIOUR

The factors which influence consumer behavior

1. Psychological (motivation, perception, learning, beliefs and attitudes)
2. Personal (age and life-cycle stage, occupation, economic circumstances, lifestyle, personality, and self-concept)
3. Social (reference groups, family, roles, and status)
4. Cultural (culture, subculture, social class system)

2.3. INDUSTRIAL PROFILE

2.3.1 HISTORY OF ONLINE SHOPPING

Online shopping is a type of E-commerce where customers buy goods/services directly from vendors without any intermediaries over the internet. An online store, online store, online store, online store, online store, online store or virtual store allude to the physical comparison of purchasing goods or services in a store or store operating in real space. The process is called business-to-consumer (B2C) online shopping. When a business buys something from another business, it's called a business-to-business (B2B) online purchase. **1979** Videotext has long been researched to provide information to end users. A lot of work has been done on video in the UK, the two ways of sending messages mainly designed to send messages of interest to "multiple companies" but in the context of Michael Aldrich's 1979 "phone Shopping concept" (today online shopping) changed the way of doing business. The same thing happened in the US at that time with services like The Source and CompuServe.

1982

Mintel followed Videotext as an online service that allows for online shopping, shopping, phone book searching and even chatting. This was one of the most successful pre-WWW services; it was made in France and also in Great Britain, but with the lesser

1987

With Swag, a fork of CompuServe, the community of software developers and writers has an online business where they can sell their products using a "business account". Soon online shopping started working for business software at that time.

1990

Tim Berners-Lee wrote the World Wide Web and provided the first web browser that changed a lot; beginning.

1992

The Revolutionary Book of J.H. Snider and Terra Ziporyn; Store of the Future:

How New Tech Will Change the Way We Shop and Buy, st. Martin's Press.

1994

Netscape released the Navigator browser, which later offered Secure Sockets Layer (SSL) encryption for secure transactions. Pizza Hut began ordering cars, bikes and adult content online on their website and selling on Internet.

1995

Amazon.com started selling everything online, and with Jeff Bezos launched the first 24-hour jobless-only Internet radio station.

Then RTHK and Internet Radio started broadcasting. Companies like Dell and Cisco started using the internet for all their business. Online auctions sponsored by eBay.

1998

The US began selling electronic products online that can be purchased online & downloaded to print.

1999

E-commerce company bought Business.com for \$7.5 million. Peer-to-peer file sharing software Napster is released. Home improvement products are now available at ATG stores.

2000

The dot.com bankruptcy as we know it today did not happen in a day, but after a period of speculation (about 1995 to 2000) where only the "e" or ".com" prefix was used. Many companies rise and fall. Many entrepreneurs make brilliant plans, often "Generous" loyalty takes venture capitalists, most of these companies began to work on the principle of "expanding the business and then profits will cover all current expenses and losses".

That demand boosted the market as the Nasdaq peaked at 5132.52. March 10, 2000.

Since then, the market has fallen and so have people who are over-speculating. Bought on eBay for \$1.5 billion. CSN Stores and NetShops are created with the concept of niche products and come with many online stores where the same product can be purchased from anywhere.

2003

The Growth of Online Marketing Shows The World They Believe Amazon has re-entered the market by announcing its first annual earnings.

2007

Work received.com, R.H. Bought by. It bought Donnelley for \$345 million and paved the way for big players in technology.

2012

Great growth in Ecommerce in the United States, with sales reaching \$204 billion, an increase of 17% over the previous year.

2014

Online Seller, Amazon.com daily revenue is estimated at more than \$2.5 trillion, with an annual growth rate of 14%. With \$1.89 billion in eBay sales, the no. say it all.

2016

The average number of online purchases of 66% in 2015 is expected to increase by 78% in 2016, driven by increased interest and positive interest in products ranging from clothing to jewellery, electronics to business books." ASSOCHAM and International accounting firm PricewaterhouseCoopers (PwC).

CHAPTER-3

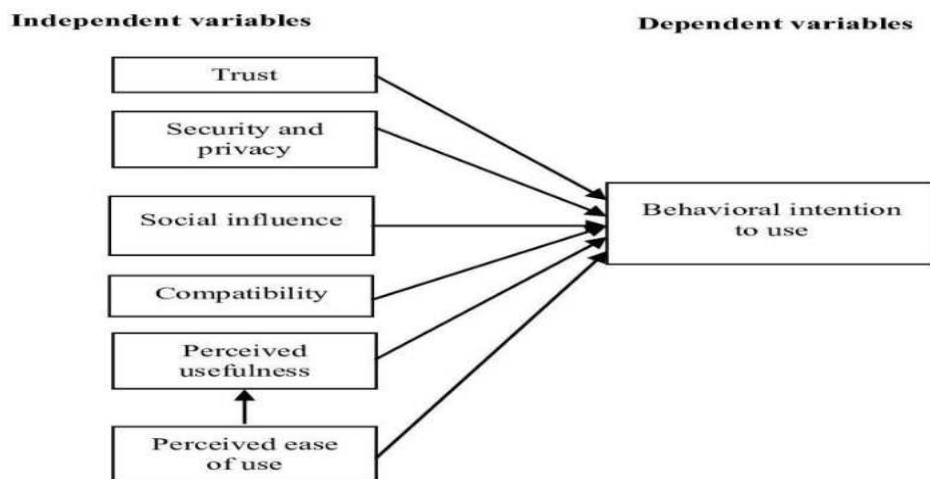
DATAPRESENTATIONANDANALYSIS

3.1 ResearchMethodology

This section describes the validation process and the research methodology carried out during the analysis of the collected data. The tools used in data collection, the reliability assessment of the questionnaire and the results of the reliability assessment are also discussed briefly or in detail. This study was conducted to understand customer satisfaction and perception of Ecommerce sites. This study is conducted with a combination of quantitative and qualitative methods. Collect data from different respondents using questionnaire designed to understand the factors that affect online shopping. This is the quantitative aspect of research. In optimization, various secondary data sources are used.

3.2 Researchmodel

To determine the customer's view, the researchers decided on 6 factors such as ease of use, customer view, benefits, identity performance, trust and security, and then the effect of using embedded UTAUT (Unified theory of acceptance and use of technology) system on other factors. This research model was adopted.



3.2.1 Method of Data Collection:

A well-structured questionnaire was designed to collect primary data in order to get first-hand information from the respondents. The questions in the questionnaire were based on the findings from the literature. The researcher emailed questionnaire link to all the respondents and collected emails in order to make sure not to collect data from the same respondent more than once.

Secondary data was collected from Published literature in Books, Magazines, Journals and Newspapers and websites.

3.2.2 Sampling Design:

Probability Sampling: A theory of probability is used to form a sample using the Probability Sampling method. In this sampling method, every individual of a target population has an equal opportunity to be a part of a selected sample.

Non-probability Sampling: Non-probability sampling is a technique where the sample is chosen on the basis of the researcher's judgment, experience and knowledge and not on random selection.

Convenience sampling, which is a non-probability sampling method, was used for the purpose of data collection. The respondents were chosen on the basis of their willingness, availability and approach-ability.

Population: A population is usually a broad number of individuals or artifacts that is the main subject of a scientific inquiry. In this research, population was restricted to users as well as non-users of products purchased through online shopping.

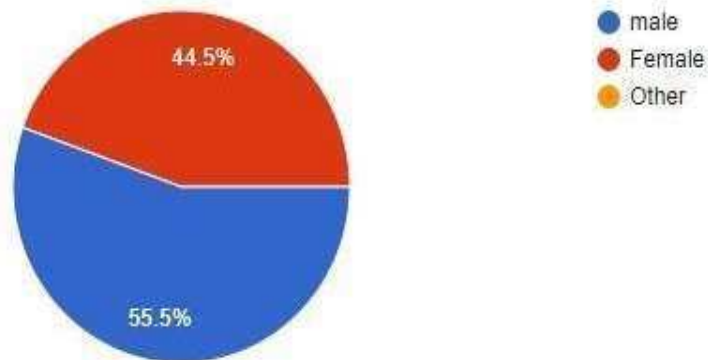
3.2.3 DATA ANALYSIS AND INTERPRETATION:

The findings from data analysis and interpretation are given below:

1. Gender

Gender was included in the survey in order to find out if there is a difference between men and women concerning the beliefs towards the factors. The following table will show the distribution of the male and female respondents that were included in the survey.

Gender	Percentage
Male	55.5
Female	44.5

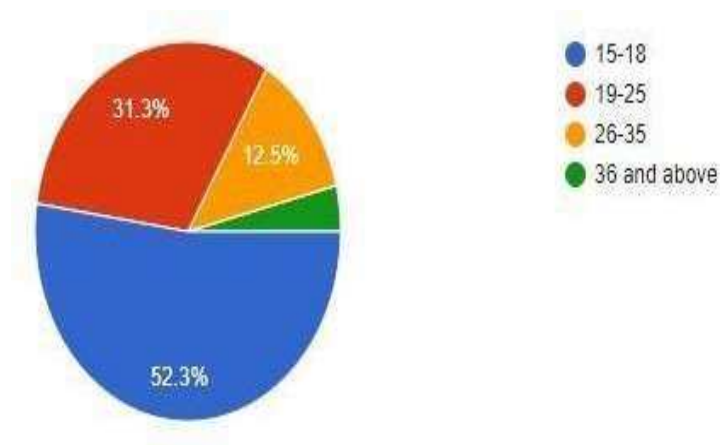


Interpretation: The distribution of male and female respondents shows a majority of male respondents (55.5%), compared to the female respondents (44.5%).

2. Age

The respondents were asked to write how old they were, instead of setting up different age groups to choose from.

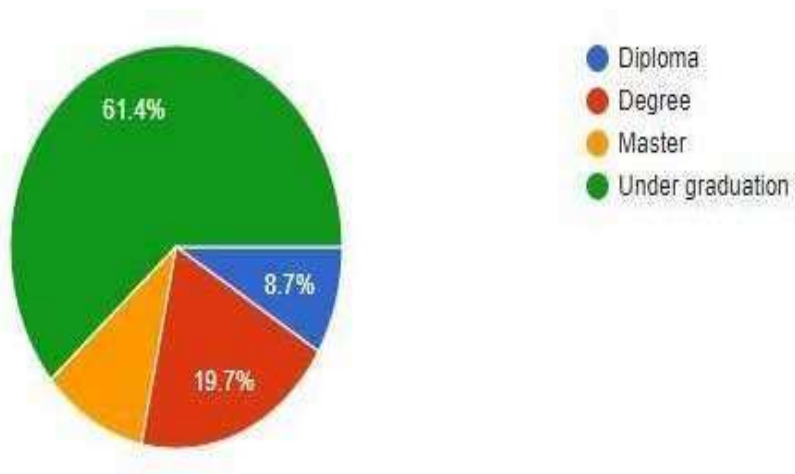
Year	Percentage	frequency
15-18	31.3	40
19-25	52.3	67
26-35	12.5	16
36 and above	3.9	5



Interpretation: This distribution shows that a majority of respondents belong to 19-25 age group, i.e.- 52.3%

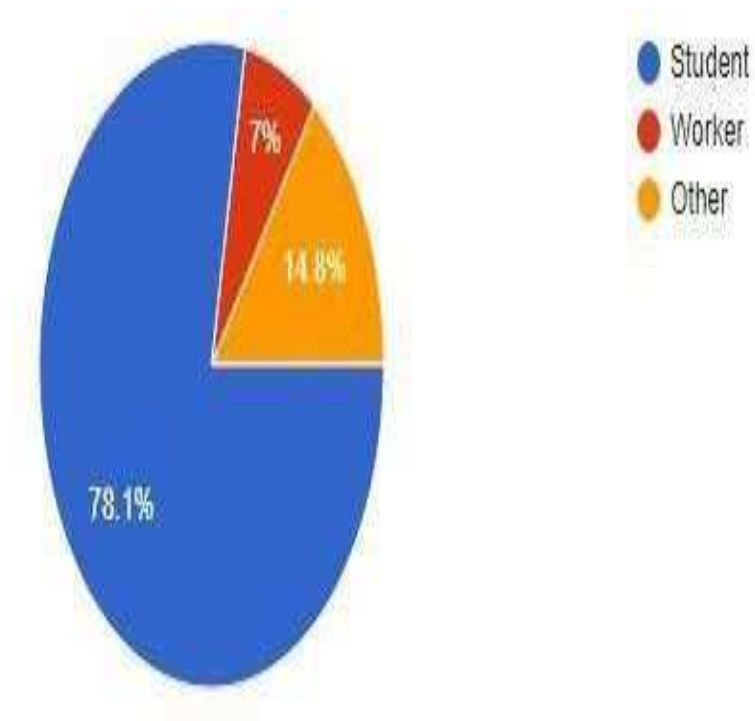
3. Educationallevel

Education	Percentage	Frequency
Undergraduation	61.4	77
Diploma	8.7	11
Degree	19.7	25
Master	10.2	13



4. Occupation

Occupation	Percentage	Frequency
Student	78.1	100
Worker	7	9
Other	14.8	19



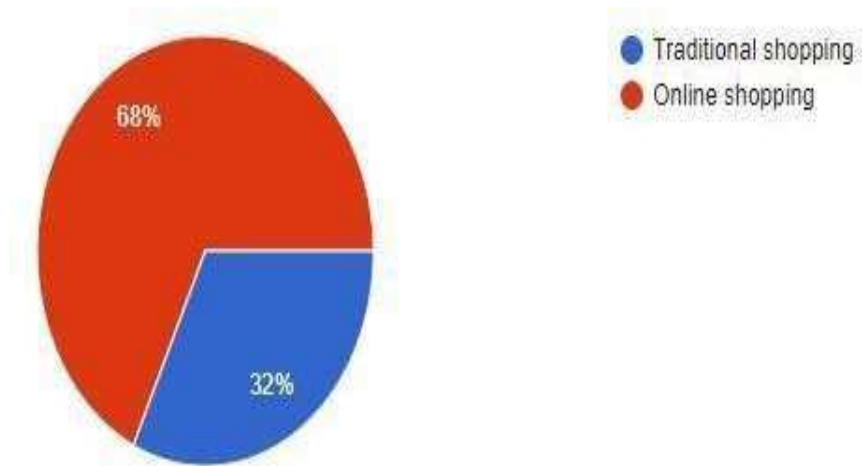
Interpretation: The above pie chart shows that it is mostly students who go for online shopping

5. Which mode of shopping do you prefer?

Traditional marketing refers to **any type of marketing that isn't online**. This means print, broadcast, direct mail, phone, and outdoor advertising like billboards. From newspapers to radio, this method of marketing helps reach targeted audiences.

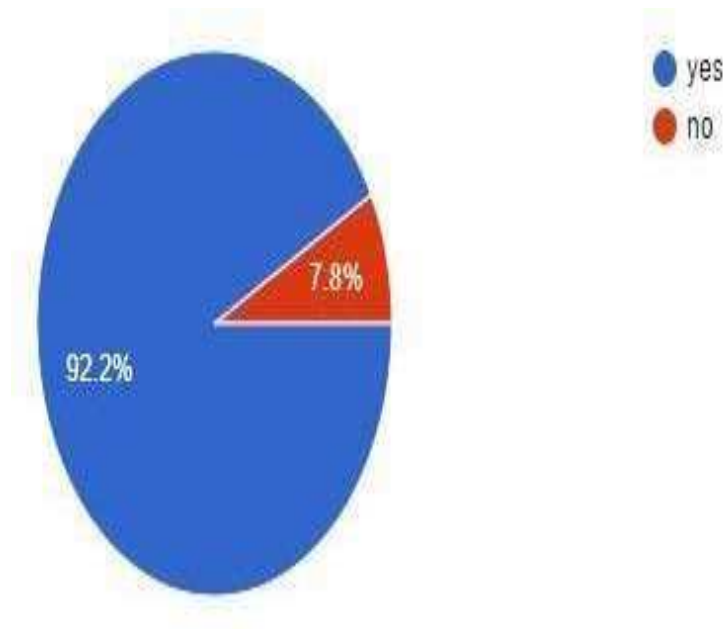
Online marketing is the practice of leveraging web-based channels to spread a message about a company's brand, products, or services to its potential customers.

Online shopping	68	87
Traditional shopping	32	41



Interpretation: The above pie chart shows that it is mostly people go for online shopping.

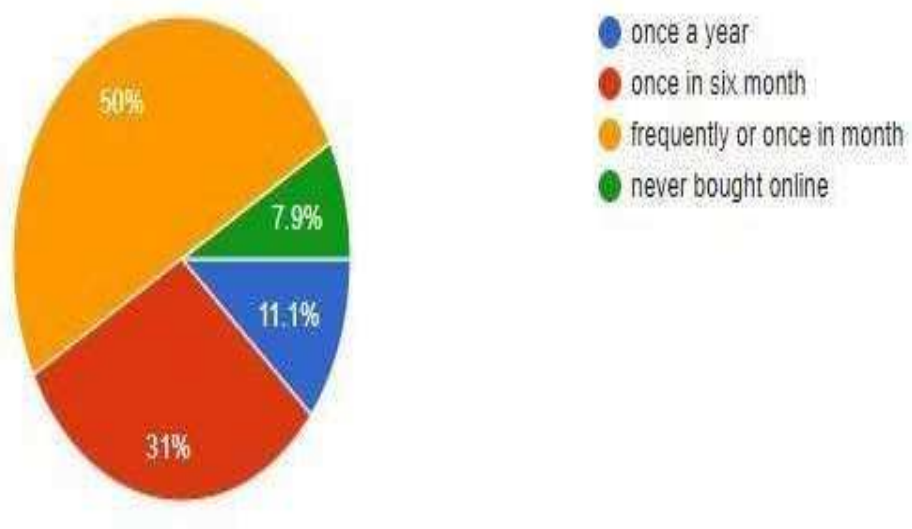
6. Have you ever had online shopping?



Interpretation: This graph shows the percentage of respondents who had online shopping, it shows that 92.2% of respondents had online shopping but 7.8% of respondents had not ever online shopping. In today's era, online shopping is at peak. People don't just go online to shop. They go online to make comparisons between the various places that they can potentially buy from. Going from one physical store to the next can be a tiring process. Jumping from one brand to the next via the internet is easy and painless.

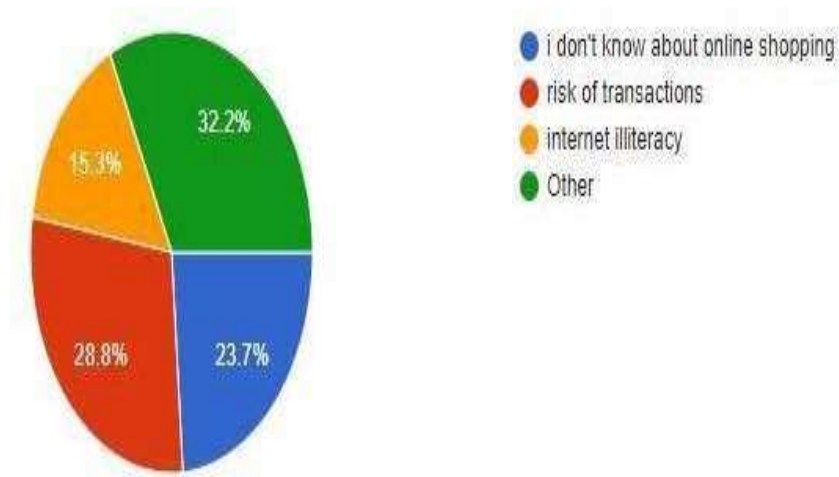
7. How many times do you have online shopping?

No. of times had online shopping	Percentage	Frequency
Once a year	11.1	14
Once in six month	31	39
Frequently or once in month	50	63
Never bought online	7.9	10



Interpretation: The above diagram shows that maximum respondents did online shopping frequently or once a month.

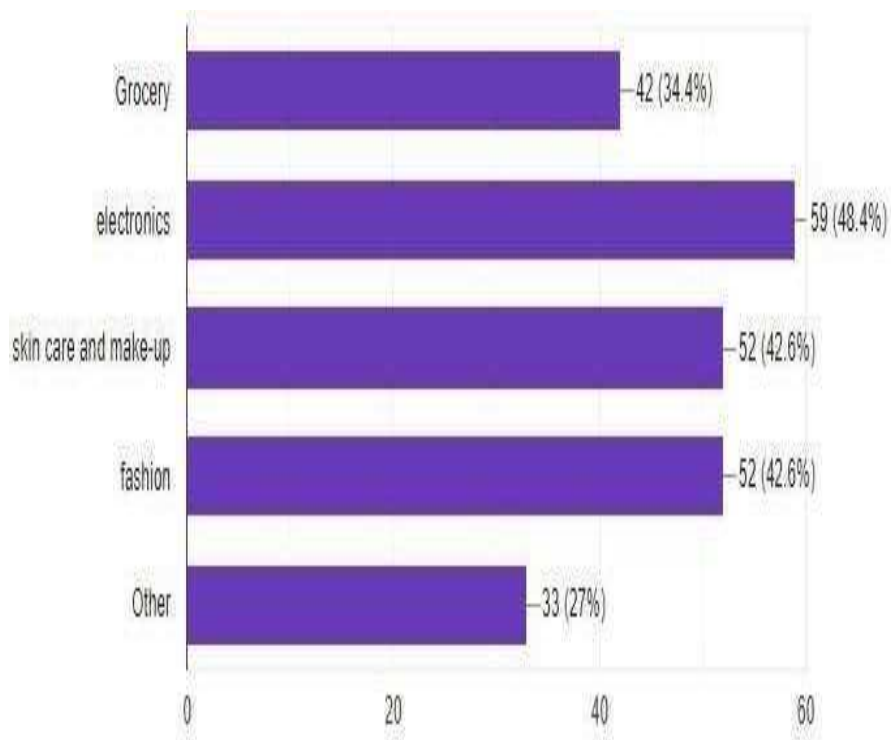
8. if you never had online shopping, please specify the reason



Interpretation: The above diagram shows that maximum respondents never had online shopping many reasons. This graph shows 23.7% do not shop because they don't know about the online shopping, 28.8% due to risk of transaction and 15.3% due to internet illiteracy.

9. What type of commodity mostly do you purchase through online shopping?

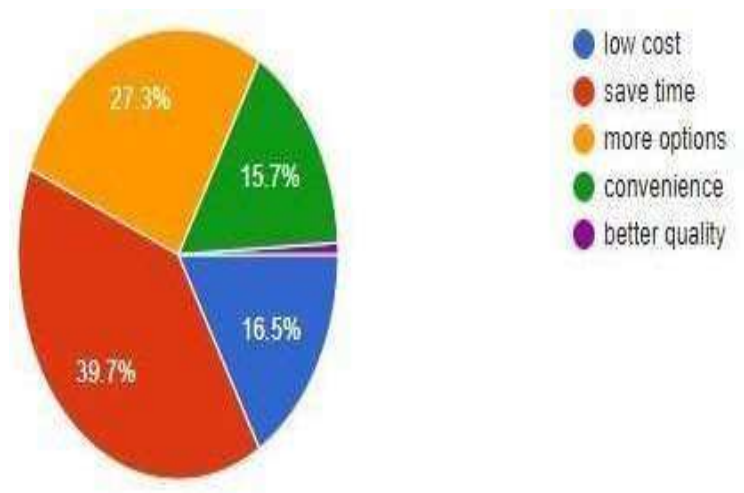
Type of commodity	Percentage	Frequency
Grocery	34.4	42
Electronics	48.4	59
Skincare and makeup	42.6	52
Fashion	42.6	52
Other	27	33



Interpretation: The above diagram shows that maximum respondents had online shopping in electronics (48.4%). This graph shows equal percentage of respondents in skincare, makeup and fashion i.e. 42.6%. According to graph, grocery is shop by 34.4% and other commodities by 27%.

10. What is your opinion about the greatest advantage of online shopping?

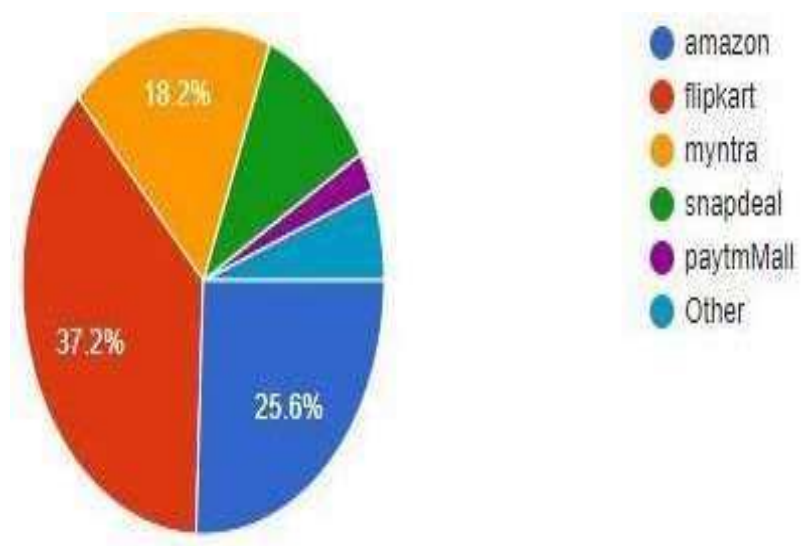
Advantage	Percentage	Frequency
Low cost	16.5	20
Save time	39.7	48
More option	27.3	33
Convenience	15.7	19
Better quality	0.8	1



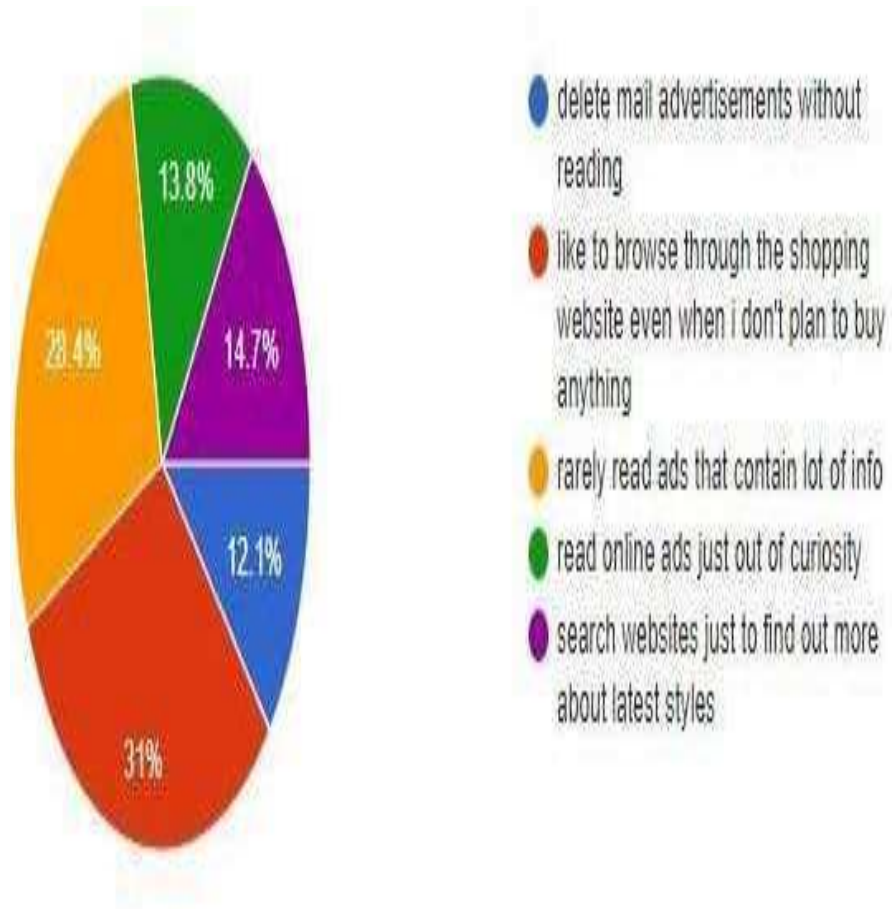
Interpretation: The greatest advantage is saving time (39.7%). This graph shows many more advantage i.e. low cost (16.5%), more option (27.3%), convenience (15.7%) and better quality (0.8%).

11. From which website do you purchase mostly?

Website	Percentage	Frequency
Amazon	25.6	31
Flipkart	37.2	45
Myntra	18.2	22
Snapdeal	10.7	13
Paytm Mall	2.5	3
Other	5.8	7



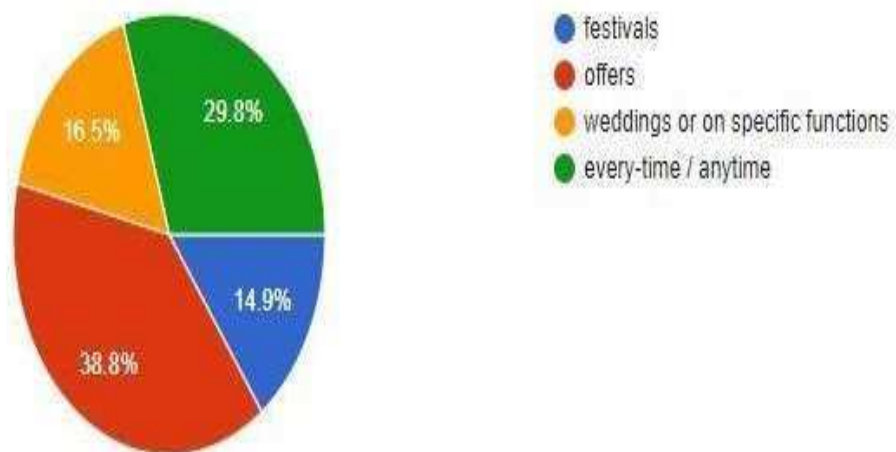
12. Interest in online shopping



Interpretation: The above diagram shows that maximum respondents had interest in online shopping due to they like to browse through the shopping website even when they don't have plan to buy anything(31%).

13. On which occasion do you make purchase?

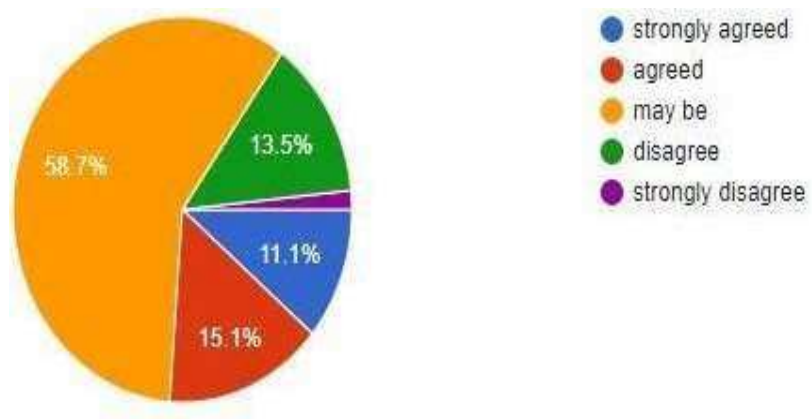
Occasion	Percentage	Frequency
Festival	14.9	18
Offers	38.8	47
Weddings or on specific functions	16.5	20
Every-time /anytime	29.8	36



Interpretation: The above diagram shows that maximum respondents had interest in online shopping when there is offers.

14. Onlineshoppingisassecureastraditional shopping

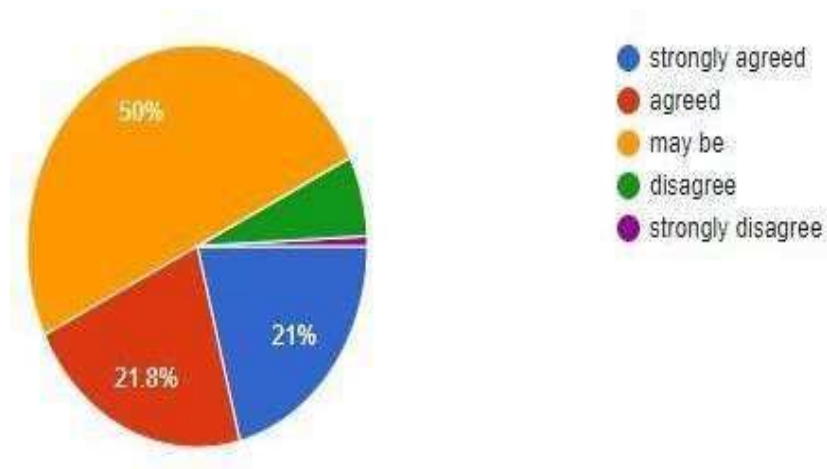
Onlineshoppingisas secure as traditional shopping	Percentage	Frequency
Stronglyagreed	11.1	14
Agreed	15.1	19
Maybe	58.7	74
disagree	13.5	17
Stronglydisagree	1.6	2



Interpretation: The above diagram shows that maximum respondents had confusion that online shopping is secure than traditional shopping or not.

15. Website provides sufficient product information and explanation

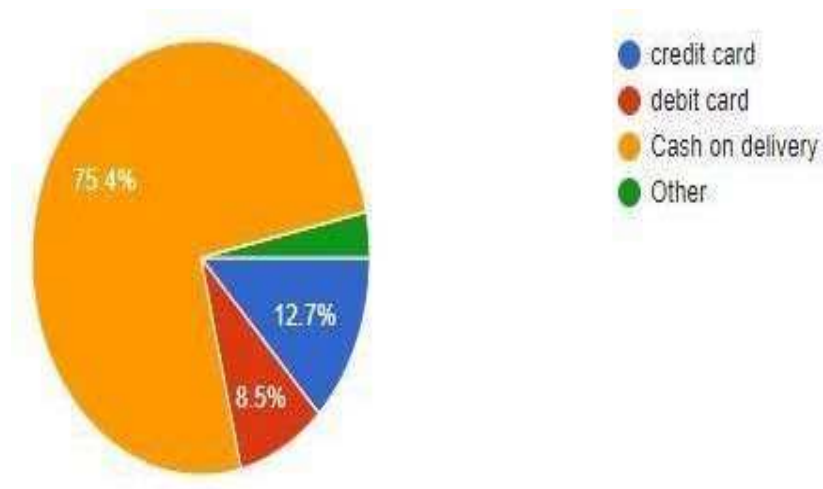
Website provide sufficient product information and explanation	Percentage	Frequency
Strongly agreed	21	26
Agreed	21.8	27
Maybe	50	62
disagree	6.5	8
Strongly disagree	0.8	1



Interpretation: The above diagram shows that maximum respondents had through that online shopping is providing them sufficient information and explanation or not.

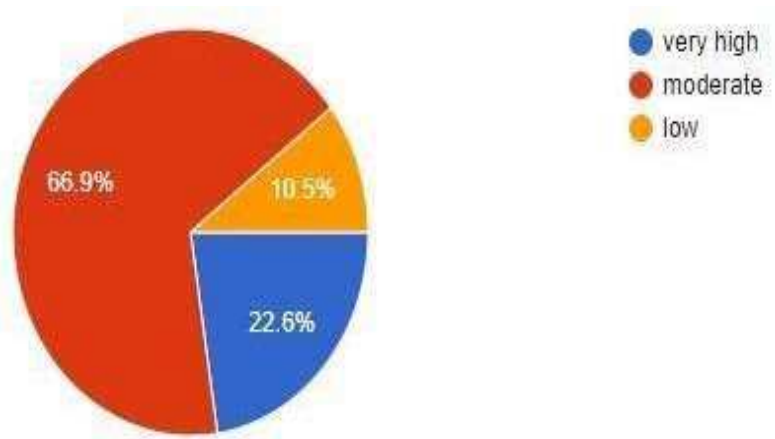
16. What mode of payment would you prefer when you purchase something online

Mode of payment	Percentage	Frequency
Credit card	12.7	15
Debit card	8.5	10
Cash on delivery	75.4	89
Other	3.4	4



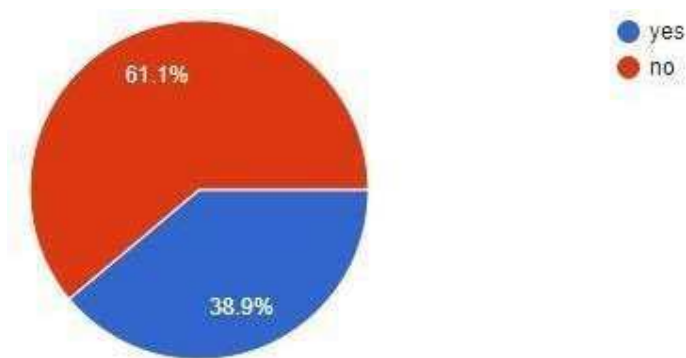
Interpretation: The above diagram shows that maximum respondents prefer cash on delivery than other mode of payment.

17. Satisfaction through online shopping



Interpretation: The above diagram shows that moderate respondents are satisfied through online shopping (66.9%). 22.6% gets higher satisfaction but 10.5% doesn't satisfy.

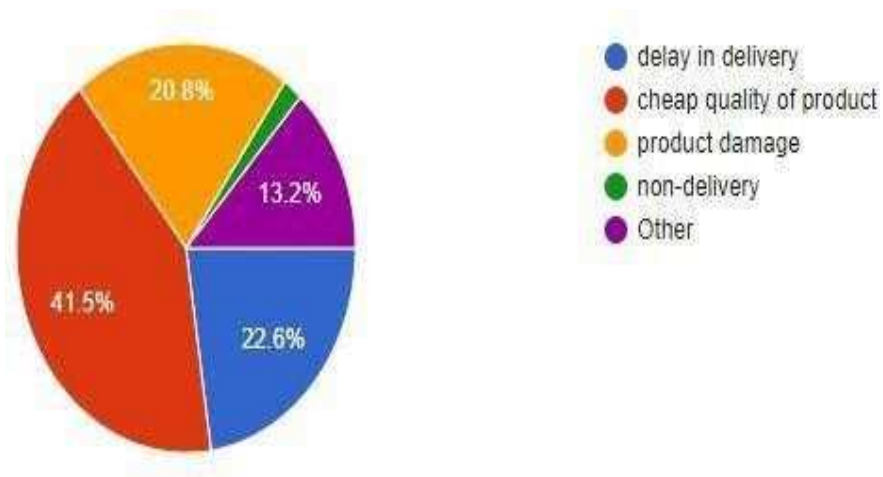
18. Have you felt any problem while conducting online shopping?



Interpretation: The above diagram shows that 61.1% percentage of respondents felt no problem while conducting online shopping but 38.9% have a problem while conducting.

19. if yes, what kind of problem?

Problem	Percentage	Frequency
Delay in delivery	22.6	12
Cheap quality of product	41.5	22
Product damage	20.8	11
Non-delivery	1.9	1
Other	13.2	7



Interpretation: The above diagram shows that maximum percentage of respondents gets cheap quality of product.

Chapter-5

Findings,SuggestionAndConclusion

The study entitled “A study on the topic consumer behavior towards online shopping“ has been conducted to analyze and evaluate consumer behavior towards online shopping. The study has been conducted by collecting primary data with the help of a structured questionnaire from 129 respondents. The collected primary data have been analyzed and interpreted with help of ratios and percentages and the analysis is presented in the form of tables and charts.

5.1 FindingsOfTheStudyOnConsumerBehaviourTowards Online Shopping

The major findings of the study on Consumer Behaviour Towards Online Shopping are:

1. 55.5% of respondents are males and 44.5% are females
2. 52.3% of respondents are belonging to the age group of 19-25.
3. Majority of respondents (61.4%) are undergraduates.
4. Majority of respondents (78.1%) are students.
5. 68% of respondent use online shopping
6. 92.2% of respondents had online shopping.
7. 50% of respondent frequently or once in month have online shopping but 32.2% don't have because of many reasons.

8. Maximum respondents had online shopping in electronics(48.4%) and manyhaveequallyinskincare,makeupandfashioni.e.42.6%.grocery is also shop by 34.4% of respondent and other commodities by 27%respondent.
9. Accordingto 39.7% ,onlineshoppingsavesmoretime.
10. Most preferred (37.2%)online shoppingsiteisflipkart..
11. 31% of respondents are conducting online purchasing because the like to browse through the shopping website even when they don't plan to buy anything.
12. 38.8%liketoshop whenthereisoffers.
13. 58.7%ofrespondentshadconfusionthatonlineshoppingissecurethan traditional shopping or not.
14. 50%ofrespondentshadthroughthatonlineshoppingisprovidingthem sufficient information and explanation or not.
15. Mostpreferredpaymentmodeiscashondelivery.
16. 66.9%saysthattheyare satisfied throughonlineshopping.
17. 66.1%respondent feltproblem whileconductingonlineshopping.
18. Out of 38.1% respondent, 41.5%of respondent get cheapquality product.
19. Fearononlinefraudandbudgetaryreasonarethemajorhesitatingfactor for the online purchase.
20. Majorreasonsfor onlineshopping are Offersand24*7 Availability.

5.2 SUGGESTIONS:

The key to effective Ecommerce is to understand the new trends and use marketing strategies to meet current expectations for easy shopping.

1. Convenience is the number one priority.

According to a Linworks survey, 76% of consumers cite comfort as one of their top priorities. (78% of consumers are now more profitable than before the COVID restrictions.) An important aspect of customer discovery is the ability to browse online stores and pay as a guest. Additionally, the fewer forms customers have to fill out, the easier and better they see the buyer's entire journey (and the more likely they are to return).

2. Ease of access across all devices

81% of online shoppers want to switch devices seamlessly throughout the shopping process. In fact, the expectation is that customers can start their shopping journey on one device (like a desktop) and end on another device (like a mobile). This experience is expected to include identifying personal details completed on the device the customer used to complete the purchase (even if they type the details message on another device).

3. Access to omnichannel shopping

Customers can enjoy "always on" shopping using a variety of technology options. 70% of consumers now shop while multitasking (e.g.: browsing social media platforms). They can expect their favorite brands to be the way they spend most of their time. This makes their work easier by ensuring that they don't leave the platform they like and trust while shopping. For a retailer, this includes using an omnichannel model, focusing on the various stores where customers spend time, and selling specifically on social networks like Facebook and Instagram.

4. Poor pay

Retailers need to focus on all aspects of the customer when considering meeting the needs and behavior of customers. Consumers seek convenience in the shopping process. As part of the end to end shopping experience, they expect to find online eCommerce stores with easy to use payment gateways that also accept popular payment methods such as "buy now, pay later". Ease of payment options makes purchasing decisions faster for 89% of consumers.

84% of customers make big ticket purchases by offering easy and flexible payment options.

5. Fast and reliable delivery

95% of customers see fast delivery as a must for online shopping. That's why ShipBob offers fast 2-day shipping and has a decentralized network of fulfillment centers to distribute products that will help reduce shipping cost, increase delivery time and meet customer expectations. Shipping transparency is also expected from online sellers. In fact 72% of consumers abandon a purchase due to poor delivery on e-commerce sites.

6. How to Meet Today's Sales Expectations

The key to success in e-commerce sales is understanding customer demand and trends. For retailers, meeting and exceeding customer needs defined by online marketing changes is a prerequisite for creating a great customer experience.

7. Sell across multiple platforms

Customers cannot succeed online unless they meet them where they are. In today's market, this means selling on multiple e-commerce platforms.

When necessary, managing sales and inventory can be challenging when selling across multiple sites.

8. Deliver faster

With the rise of e-commerce groups like Amazon with the ability to deliver faster, customers have come to expect transparent and convenient shipping options from all online stores. In short, customers want their products quick and cheap. They are willing to prioritize stores that can meet these expectations. It will be important to ensure the fastest possible delivery to customers in 2021 and beyond. As a global logistics platform, ShipBob is committed to achieving this goal through distributed warehousing and shipping automation. ShipBob's fulfillment solutions enable retailers to quickly meet demand to help build trust and increase customer satisfaction.

9. Ensure Easy Return Process

The customer journey does not end after purchase. After delivery, after sales service and interaction should be as good as possible in order to maintain the loyalty of customers. This means making the recovery process simple and

easy.

10. Build Personal Experience

Consumers want to easily find recommended products that fit their specific needs or solve the problems they have, without having to dig deep. To do this, marketers must create personalized shopping plans based on data from search, insight and purchase history. Public data such as location and email can help identify customer needs or issues they need help with.

A cross-sectoral approach can make this possible as a process that works.

11. Include simple product reviews

Consumers want to know the quality of the product they buy and don't want to look far to find out. 38% of consumers believe online reviews are important when deciding what to do. (Age also plays an important role in review expectations, as younger age groups require more reviews than older age groups.) Retailers look for as many online reviews as possible in easy-to-find locations.

12. Offer flexible payment options

If the last step of the purchasing process is difficult and inconvenient, customers will skip the purchase completely. In fact, nine out of 10 people surveyed by Linnworks said they would like to have a flexible payment option when paying at an online store.

5.3 CONCLUSION

After completing the project, it is revealed that customers are partially satisfied with online shopping. Some corrections in the facility can fully satisfy the customers. Online shopping sites provide a big platform for customers for shopping and they can save time by shopping online. By removing the online frauds, sites can create a high place in the mind of customers. Customers need fast delivery of good quality products, a wider range of products and competitive prices are of the main factor that attracts people towards online shopping, more improvements in this two fields attract people more. Online shopping provides

an important role in the mind of customers. Online shopping is becoming more popular day by day with the increase in the usage of World Wide Web. Understanding customer's need for online selling has become a challenge for marketers. Special understanding of the customer's satisfaction level with their experience towards online shopping, making improvement in the factors that influence consumers to shop online and working on the factors that affect consumers to shop online will help marketers to gain the competitive edge over others. Online shopping to consumer is the help in finding the wide range of product without going to shop and get home delivery of the product. With this online shopping has truly revolutionized and influenced our society as a whole. This use of technology

has opened doors and opportunities that enable for a more convenient lifestyle today. However, this concept of online shopping led to the possibilities of fraud and privacy conflicts. Unfortunately, it has shown that it is possible for criminals to manipulate the system and access personal information. Luckily, today with the latest features of technology, measures are being taken in order to stop hackers and criminals from inappropriately accessing private databases. Through privacy and security policies, website designers are doing their best to put an end to this unethical practice. By doing so, society will continue to depend upon online shopping, which will allow it to remain a tremendous success in the future.

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Appendix

QUESTIONNAIRE

SurveyOnConsumerBehaviorTowardsE-Shopping

Online shopping has obtained very important position in the 21st century as most of the people are busy, loaded with hectic schedule. In such a situation onlineshoppingbecametheeasiestandmostsuitablemodefortheirshopping.

Internet has changed the way of consumer's store, and has rapidly developed into a global perspective. An online shop arouses the physical similarity of buying products as well as services from internet shop and this process of shoppingiscalledbusiness-to-consumeronlineshopping.Thepresentpaperis based on assumption of classical model behavior. This paper examines the behavior and perception of online customers.

1. Gender

- ✓ Male
- ✓ Female
- ✓ Other

2. Age

- ✓ 15-18
- ✓ 19-25
- ✓ 25-35
- ✓ 35and above

3. Educationallevel

- ✓ Diploma
- ✓ Degree
- ✓ Master
- ✓ Undergraduation

5. Occupation

- ✓ Student
- ✓ Worker
- ✓ Other

5. Whichmodeof shoppingdoyouprefer?*

- ✓ Traditionalshopping
- ✓ Online shopping

6. Haveyoueverhadonline shopping"

- ✓ Yes
- ✓ no

7. Howmanytimesdo youhaveonlineshopping?

- ✓ onceayear
- ✓ oncein sixmonth
- ✓ frequentlyor onceinmonth
- ✓ neverbought online

8. if you never had an online shopping, please specify the reason

- ✓ i don't know about online shopping
- ✓ risk of transactions
- ✓ internet illiteracy
- ✓ Other

9. What type of commodity mostly do you purchase through online shopping?

- ✓ Grocery
- ✓ electronics
- ✓ skin care and make-up
- ✓ fashion ✓ Other

10. What is your opinion about the greatest advantage of online shopping?

- ✓ low cost
- ✓ save time
- ✓ more options
- ✓ convenience
- ✓ better quality

11. What type of commodity mostly do you purchase through online shopping?

- ✓ amazon
- ✓ flipkart
- ✓ myntra
- ✓ snapdeal
- ✓ paytm Mall
- ✓ Other

12. Interest in online shopping

- ✓ delete mail advertisements without reading
- ✓ like to browse through the shopping website even when i don't plan to buy anything
- ✓ rarely read ads that contain a lot of info
- ✓ read online ads just out of curiosity
- ✓ search websites just to find out more about latest styles

13. On which occasion do you make purchases?

- ✓ festivals
- ✓ offers
- ✓ weddings or on specific functions
- ✓ every-time/ anytime

14. Online shopping is as secure as traditional shopping

- ✓ strongly agreed
- ✓ agreed
- ✓ maybe
- ✓ disagree
- ✓ strongly disagree

15. Website provides sufficient product information and explanation

- ✓ strongly agreed
- ✓ agreed
- ✓ maybe
- ✓ disagree
- ✓ strongly disagree

16. What mode of payment would you prefer when you purchased something online

- ✓ creditcard
- ✓ debitcard
- ✓ Cashon delivery

- ✓ Other

17. Satisfactionthrough onlineshopping

- ✓ veryhigh
- ✓ moderate
- ✓ Low

18. Have you felt anyproblem while conductingonlineshopping?

- ✓ yes
- ✓ no

19. ifyes, whatkindof problem?

- ✓ delayindelivery
- ✓ cheap qualityof product
- ✓ product damage
- ✓ non-delivery
- ✓ Other

Project Report on

**“A COMPREHENSIVE STUDY ON MARKETING
MIX OF ADIDAS SPORTS FOOTWEAR ”**

*Submitted in partial fulfilment of the requirements
for the award of the degree of*

**Master of Business
Administration
(International Business) Batch**
2022-2024

**Under the Guidance of: Dr.Ekta
Rastogi**

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Certificate

I, DIKSHANT KHANORIA , Roll No. **01119114322** certify that the Project Report/Dissertation(MIB 204) entitled “**A comprehensive study on MARKETING MIX OF ADIDAS SPORTS FOOTWEAR ”** Is completed by me and it is an authentic work carried out by me **at Gitarattan International Business School**. The matter embodied in this project work has not been submitted earlier for the award of any degree or diploma to the best of my knowledge and belief.

Signature of the Student Date:

Signature of the Guide:

Date:

Name of the Guide: Designation:

Gitarattan International Business School, Delhi-110085

Countersigned Director/Project Coordinator

Acknowledgement

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Executive Summary: Marketing Mix of Adidas

This executive summary provides an overview of a project focused on analysing and enhancing the marketing mix of Adidas, a global leader in the sports apparel and footwear industry. The project aims to assess the current marketing mix strategies employed by Adidas and recommend improvements to further strengthen the brand's market position. The key areas of focus in this project are as follows:

1. **Situation Analysis:** The project begins with a comprehensive analysis of Adidas' current marketing mix, including an assessment of its product offerings, pricing strategies, distribution channels, promotional activities, customer service, and physical evidence. This analysis helps identify strengths, weaknesses, opportunities, and threats, providing a foundation for further improvement.
2. **Customer Research:** The project involves conducting in-depth customer research to understand their needs, preferences, and perceptions regarding Adidas products. Through surveys, interviews, and market analysis, key insights are gathered regarding customer demographics, purchase behaviour, brand loyalty, and the effectiveness of current marketing efforts.
3. **Competitor Analysis:** An analysis of Adidas' major competitors is conducted to gain insights into their marketing mix strategies, product positioning, pricing, and promotional activities. This analysis helps identify opportunities for differentiation and areas where Adidas can gain a competitive advantage.
4. **Recommendations for Product Enhancement:** Based on customer feedback and market trends, recommendations are provided to enhance Adidas' product offerings. This includes suggestions for introducing new product lines, improving existing products, incorporating technological advancements, and focusing on sustainability to meet evolving customer expectations.
5. **Pricing Strategy:** Recommendations for pricing strategies are formulated based on competitor analysis, customer research, and market trends. This includes assessing the perceived value of Adidas products, optimizing pricing to ensure competitiveness, and implementing effective pricing promotions or discounts.
6. **Distribution Channels:** The project examines Adidas' current distribution channels and proposes strategies to optimize their reach and effectiveness. This may involve expanding online presence, exploring new partnerships with retailers, and improving the overall customer experience across different touchpoints.
7. **Promotional Activities:** Recommendations are provided to enhance Adidas' promotional efforts. This includes leveraging social media, influencer marketing, content marketing, and experiential marketing to engage with target customers effectively. Additionally, the project explores opportunities for sponsorship and collaborations to reinforce the brand's association with sports excellence.
8. **Customer Service and Physical Evidence:** Strategies are outlined to improve customer service and enhance the physical evidence associated with the Adidas brand. This involves providing comprehensive training to employees, ensuring a seamless and personalized customer experience, and creating visually appealing in-store environments that reflect the brand's image.
9. **Implementation Plan:** A detailed implementation plan is developed, outlining the necessary steps, timelines, and resources required to execute the recommended marketing mix enhancements. Key performance indicators and milestones are identified to track the success of the project.

By executing this project, Adidas aims to strengthen its market position, increase brand loyalty, and drive revenue growth. The recommended improvements to the marketing mix will enable Adidas to better meet customer needs, effectively differentiate from competitors, and align with evolving market trends. Ultimately, the project aims to enhance Adidas' overall marketing strategy and ensure its continued success in the sports apparel and footwear industry.

Chapter-1:

PROFILE OF THE FIRM/ COMPANY

(ADIDAS)

General Information

For over 80 years Adidas has been part of the India of sports on every level, delivering state-of-the-art sports footwear, apparel and accessories. Today, with total net sales of 6.1 billion and net income of 208 million, Adidas - Salomon is a global

leader in the sporting goods industry and offers the broadest portfolio of products. Adidas-Salomon products are available in virtually every country of the world. Their strategy is simple: continuously strengthen our brands and products to improve our competitive position and financial performance.

The company's share of the world market for sporting goods is estimated at around 15 percent.

Activities of the company and its approximately 100 subsidiaries are directed from Adidas-Salomon AG's headquarters in Herzogenaurach, Germany. Also located in Herzogenaurach are the strategic business units for Running, Soccer and Tennis as well as the Research and Development Center. Additional key corporate units are based in Portland, Oregon in the USA, the domicile of Adidas America Inc. and home to the strategic business units Basketball, Adventure and Alternative Sports. The strategic business unit Golf is based in California. The business unit Winter Sports is in Annecy, France. The company also operates design studios and development departments at other locations around the world, corresponding to the related business activity. Adidas-Salomon AG has approximately 13,400 employees worldwide.

Products

Apparel

Adidas manufactures a range of clothing items, varying from men's and women's t-shirts, jackets, hoodies, pants and leggings.

The first Adidas item of apparel was the Franz Beckenbauer tracksuit created in 1967. Adidas AG is the largest manufacturer of sports bras in Europe, and the second largest manufacturer in the world.

Sportswear

Association football



(FIG1.FIFA JERSY)

Argentina national team jersey for the 2014 FIFA World Cup, autographed by Diego Maradona



(FIG2. AUTOGRAPHED JERSEY)

Autographed jersey of the Spain national team for the 2014 FIFA World Cup

One of the main focuses of Adidas has always been football kits, and the associated equipment. Adidas remains a major company in the global supply of team kits for international association football teams and clubs.

Adidas makes referee kits that are used in international competition and by many countries and leagues in the world. The company has been an innovator in the area of footwear for the sport, with notable examples including the 1979 release of the Copa Mundial moulded boot used for matches on firm dry pitches. It holds the accolade of the best-selling boot of all time. The soft-ground equivalent was named World Cup and it too remains on the market.



(FIG3.FIFA FOOTBALL)

Beau Jeu, which translates to "Beautiful Game" in English, was an official match ball of UEFA Euro 2023.



(FIG4.FOOTBALL)

Telstar 18, official ball for the 2018 FIFA World Cup

Since 1970, FIFA, the world governing body of football, has commissioned specially designed footballs for use in its own World Cup tournaments. The Adidas Telstar was the first ball commissioned for the World Cup in 1970. The balls supplied for the 2006 World Cup, the "Team Geist", were particularly noteworthy for their ability to travel further than previous types when struck,

leading to longer range goals. Goalkeepers were generally believed to be less comfortable with the design of the ball, claiming it was prone to move significantly and unpredictably in flight.



(FIG5.FINALEFOOTBALL)

The Adidas Finale (ball in the 2020–21 season pictured) is the official match ball of the UEFA Champions League.

Adidas introduced the Jabulani for the 2010 World Cup. The ball was designed and developed by Loughborough University in conjunction with Bayern München. The Adidas Brazuca for the 2014 World Cup was the first World Cup ball named by the fans. In 2022, for the 14th time in a row, Adidas created the 2022 World Cup ball, Al Rihla.

Adidas is one of the official sponsors of the UEFA Champions League, and the Adidas Finale is the competition's official match ball. Along with the aforementioned Adidas Predator boot, Adidas manufactures the adiPure range of football boots. Adidas named an official match ball of the UEFA Euro 2023 tournament the Adidas Beau Jeu which translates to "The Beautiful Game" in English. Adidas provides clothing and equipment for all teams in Major League Soccer.

Baseball

Adidas has also provided baseball equipment and sponsors numerous players of Major League Baseball and Nippon Professional Baseball in Japan.

Adidas Baseball hardgoods are licensed to Dick's Sporting Goods.

From 1997 to 2008, Adidas sponsored the New York Yankees.

Basketball

Adidas's Superstar and Pro Model shoes, affectionately known as "shelltoes" for their stylized hard rubber toe box, were fueled by, among others, coaches such as UCLA's John Wooden. Adidas drew about even with Converse in basketball by the mid-1970s before both started to fall behind then-upstart Nike in the early 1980s. Subsequently, Adidas Superstar became very popular in the 1980s hip hop streetwear scene alongside Adidas's stripe-sided polyester suits.

From 2006 to 2017, Adidas was the uniform supplier of all the 30 teams in the National Basketball Association, replacing the Reebok brand after Adidas's acquisition of Reebok. Adidas was replaced by Nike as the official uniform supplier of the league after the 2023–17 season.



(FIG6.CRICKET BAT)

Indian cricketer Sachin Tendulkar, batting with his personalized Adidas cricket bat

Adidas began manufacturing cricket footwear in the mid-1970s, with their initial target market being Australia. Their shoes were a radical departure from traditional leather cricket boots which had remained basically unchanged for decades, being lighter and more flexible but also offering less toe protection, so that it became not uncommon to see batsmen who had been struck by the ball on the foot hopping around in pain. Having continued to manufacture cricket footwear for many years, in 2006 the company finally entered the field of bat manufacture in 2008 and currently their bat range includes the Pellara, Incurza, Libro and M-Blaster models.

In the 1990s, Adidas signed the superstar Indian batsman Sachin Tendulkar and made shoes for him. From 2008 until his retirement, Adidas had sponsored the cricket bat used by Tendulkar. It created a new bat, 'Adidas MasterBlaster Elite', personalized for him.

In 2008, Adidas made a concerted move into English cricket market by sponsoring English batting star Kevin Pietersen after the cancellation of his lifetime deal with Woodworm, when they ran into financial difficulties. The following year they signed up fellow England player Ian Bell, Pakistan opening batsman Salman Butt and Indian Player Ravindra Jadeja.

In the Indian Premier League (IPL), Adidas sponsored the team Mumbai Indians from 2008 to 2014 and Delhi Daredevils from 2008 to 2021. They were the official sponsors of Pune Warriors India in 2011 and 2022, however the team was banned from IPL due to payment issues. In 2015 Season, Adidas sponsored Royal Challengers Bangalore.

Golf

Adidas Golf manufactures golf clothing, footwear, and accessories. Men's and women's equipment includes footwear, shirts, shorts, pants, outerwear (wind suits), base layer and eyewear.

Gymnastics

From 2000 to 2022, Adidas has provided men's and women's gymnastics wear for Team USA, through USA Gymnastics. USA Gymnastics and Adidas sponsorship concluded at the end of 2022. In 2006, Adidas gymnastics leotards for women and Adidas men's competition shirts, gymnastics pants and gymnastics shorts have been available in the United States, with seasonal leotards offered for Spring, Summer, Fall and Holidays. Adidas previous collaborated with GK Elite, since Spring 2021, Adidas gymnastics products have been available worldwide through Elegant Sports. USA Olympic team members McKayla Maroney, Jordyn Wieber, Jake Dalton and Danell Leyva are all sponsored by Adidas gymnastics.

Ice hockey

Adidas has been providing uniforms for the National Hockey League since the 2017–18 season, replacing Reebok. Adidas will no longer provide on-ice jerseys for the NHL following the 2023-24 season.

Lacrosse

In 2021, Adidas announced it entering to the lacrosse equipment, also sponsoring the Adidas National Lacrosse Classic in July 2008 for the top 600 high school underclassmen players in the United States. The company made their self into their own brand such as "Adidas Lacrosse", getting several scholarships, Bucknell (men and women), Bryant (men), Delaware (men and women), New Jersey Institute of Technology (men), and D3 powerhouse Lynchburg (men and women in fall of 2023 with soft good only)". Materials that Adidas provided were jerseys, shorts, shoes, shafts, heads, gloves, and protective pieces.

Products manufactured for the sport are sticks, gloves, protective gear and boots.

Running



(FIG7.RUNNING Gadgets)

Adidas running shoe demo in Boston

Adidas currently manufactures several running and lifestyle shoes, including the Energy-boost, and the spring-blade trainers. The brand has built a strong runners' network within big European capitals, such as Paris' "Boost Energy League". In 2023 the 3rd season launched. In Paris, the Boost Energy League gathers 11 teams representing different districts of Paris.^[62]

Adidas launched two new colour ways of the NMD R1 and one new colour way of the NMD XR1 in September 2023.

In November 2023, Adidas teased a sneaker made from ocean plastic. The shoe is created from a fabric called "Biosteel". The shoe is called the "Adidas Future craft Biofabric." The material used is 15% lighter than conventional silk fibres, and is 100% biodegradable. The shoe only begins to dissolve when it is put in contact with a high concentration of the digestion enzyme proteinase, which occurs naturally. Once this happens, the shoes can decompose within 36 hours. The shoe was never released.

Adidas EQT is a style of sneakers from Adidas. It originated in the early 90s and was relaunched in 2017. The latest Adidas EQT line released in a "Turbo Red" Pack on 26 January 2017, and included models such as the Adidas EQT Support 93/17, EQT Support ADV, and EQT Support Ultra. Adidas.com is one of the few online retailers.

Skateboarding

Adidas Skateboarding produces shoes made specifically for skateboarding, including the redesign of previous models for skateboarding. The brand also releases signature models designed by team riders.

Tennis

Adidas has been involved with tennis equipment since the mid-1960s and has historically sponsored many top tennis players, beginning with two of the most dominant male tennis players at the start of the professional era in the late 1960s, Stan Smith and Ilie Nastase. During the 1980s and 1990s, not only were they exclusive apparel and footwear sponsors of world number one men's tennis players Ivan Lendl and Stefan Edberg and ladies' world number one Steffi Graf, but each player had their own, exclusive graphic styles designed for their use during play, which were in turn marketed to the general public. Ivan Lendl even spent the vast majority of his dominant career playing with several different models of Adidas tennis racquets, primarily using the legendary Adidas GTX-Pro and then later the Adidas GTX Pro-T. In 2009 the company introduced a new line of tennis racquets. While the Feather was made for the "regular player", and the Response for the "club player", Adidas targeted the "tournament player" with the 12.2 oz Barricade tour model.

Kabaddi

Adidas entered Kabaddi which is still a non-Olympic sport but highly popular in the Indian subcontinent and Asian countries. In 2014, with the launch of Pro Kabaddi League a city-based franchise league in India, Kabaddi took the region by storm. In 2015, they tied up with Mumbai-based franchise U Mumba.

Accessories



(FIG8.LIMITED EDITION BOTTLE)

Adidas "Fresh Impact – Limited Edition" bottle

Adidas also designs and makes slide-style sandals, mobile accessories, watches, eyewear, bags, baseball caps, and socks. As well, Adidas has a branded range of male and female deodorants, perfumes, aftershave and lotions.

Adidas announced they would be launching a new \$199 Fit Smart wristband in mid-August 2014. The wristband will pair with Adidas's miCoach app, which acts as a personal trainer.

Adilette



(FIG9.SANDAL)

Adilette sandals

Adilette was the first ever pair of sandals made by Adidas, originally developed in 1963. Adidas claims that a group of athletes approached Adi Dassler requesting a shoe be made for the locker room. To this day, the resulting sandals are a best-seller. Since the original navy blue and white Adilette sandals were created nearly fifty years ago, more varieties have been created in different colours (black, red, green, grey, orange, brown, yellow, pink, golden, silver). Most recently, Adidas has introduced a colour scheme that goes along with its Predator and adizero line; the scheme is dubbed warning (orange) and purple. Usually, the three stripes appear in the contrasting colour on the strap of the classic models. The most common Adilette livery is in navy blue or black, mixed with white colours. Also, the Woodilette and Trefoil models follow a similar design but without stripes on the strap

The model provides a contoured orthopaedic rubber sole with synthetic upper, and was designed as an after sport slide sandal, but the Adilette were quickly adopted outside of the sporting world.

Adiss age



(FIG10. PAIR OF SANDALS)

A pair of Adissage

Adissage is also a slide sandal. Available in black, navy, light blue, black with pink, and other assorted colours, the sandal has the trademarked three stripes on a velcro strap toward the front of the shoe. On the side of the shoe, toward the heel on either side, the manufacturers name appears, as well as on a round emblem in the actual heel of the footbed. Notably, there are tiny black massage nubs throughout the foot-bed for the purpose of massaging foot aches after sport, although popular as a casual sandal amongst non-athletes as well.

Santiossage

The Santiossage is a slide-style sandal. The sandal has the trademarked three stripes on a velcro strap toward the front of the shoe. Santiossage comes in black, navy, or red. On the side of the shoe, toward the heel on either side, the manufacturer's name appears, as well as on a round emblem in the actual heel of the foot-bed. Like the Adissage there are tiny clear massage nubs throughout the foot-bed for the purpose of massaging after-sport footaches, although the sandals are worn casually among non-athletes. Seen through these clear nubs are Adidas's three stripes.

Adidas India Private Limited Details

CIN	U19201DL1996PTC076591
Date of Incorporation	26 Feb, 1996
Status	Active
Company Category	Company limited by Shares
Company Sub-category	Non-govt company
Company Class	Private
Business Activity	Manufacturing (Leather & products thereof)
Authorized Capital	47500.0 lakhs
Paid-up Capital	46610.07 lakhs
Paid-up Capital %	98.12646
Registrar Office City	Delhi
Registration Number	76591
Listing Status	Unlisted

MARKETING MIX OF ADIDAS LIMITED.

Adidas is a multinational corporation that designs and produces sportswear, footwear, and accessories. The company's marketing mix consists of the 4 Ps: product, price, place, and promotion. This literature review examines the marketing mix of Adidas and its impact on the company's sales and brand image.

Product: Adidas offers a wide range of products including footwear, apparel, and accessories. The company's product line caters to athletes, fitness enthusiasts, and fashion-conscious consumers. Adidas invests heavily in research and development to design innovative and high-performance products. According to a study by Statista, Adidas had a revenue of 23.6 billion euros in 2020, which indicates the success of the company's product offerings.

Price: Adidas uses a premium pricing strategy, positioning itself as a high-end brand. The company's pricing strategy is based on the value it offers to customers in terms of quality, innovation, and style. The pricing strategy has helped Adidas maintain its brand image and differentiate itself from its competitors. However, the company has also introduced affordable product lines to cater to price-sensitive consumers, such as its collaboration with Kanye West, Yeezy, and its originals line.

Place: Adidas has a wide distribution network that includes its own retail stores, online stores, and third-party retailers. The company's retail stores are strategically located in high-traffic areas, and its online store offers a convenient and easy shopping experience for customers. Adidas has also collaborated with popular retailers, such as Foot Locker and JD Sports, to expand its reach and cater to different markets.

Promotion: Adidas is known for its innovative and engaging marketing campaigns. The company invests heavily in sponsorship deals with athletes, sports teams, and events to build brand awareness and create a strong association with sports. Adidas also uses social media platforms to connect with consumers and promote its products. For example, the company's collaboration with Beyonce for the Ivy Park collection generated significant buzz on social media.

Overall, Adidas's marketing mix has been successful in establishing the brand as a high-end and innovative sports fashion brand. The company's focus on product quality and innovation, premium pricing strategy, wide distribution network, and engaging marketing campaigns have helped it maintain its position in the competitive sports apparel market.

Market share & position of the adidas in shoe industry

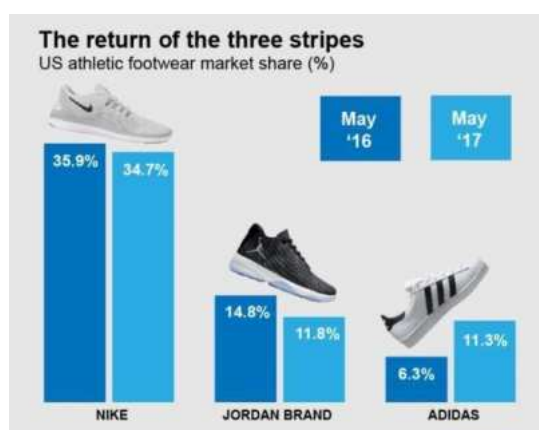
As of my knowledge cut-off in 2021, Adidas was one of the largest sportswear manufacturers in the world and had a significant market share in the shoe industry. According to Statista, Adidas had a global market share of approximately 9.5% in the footwear market in 2020, making it the third-largest athletic footwear company in the world after Nike and Skechers.

Adidas has a strong position in the athletic footwear market, with a focus on innovative design and technology. The company offers a wide range of footwear products, including running shoes, basketball shoes, soccer cleats, and lifestyle sneakers. Adidas has also collaborated with popular designers and celebrities to create limited-edition collections that generate buzz and increase brand visibility.

Adidas has also made significant investments in sustainability initiatives, such as using recycled materials in their products and implementing more environmentally friendly production processes. These efforts have helped to position the company as a leader in sustainable fashion, which is becoming increasingly important to consumers.

Overall, Adidas has a strong market position in the shoe industry, and the company continues to invest in innovation, sustainability, and marketing to maintain its competitive edge.

Adidas is a private company with an estimated 53,800 employees. In the US, the company has a notable market share in at least one industry: Footwear Wholesaling, where they account for an estimated **9.1%** of total industry revenue.



(FIG11.MARKETRETURNS)

Chapter-2:

Literature Review and SWOT Analysis

Literature Review

1. (Kumar & Narendran, 2012). Research has shown that pricing is a key factor in customer perception of footwear products in India. In a study conducted by S. Ramesh Kumar and T.V. Narendran, it was found that price was the most important factor influencing the purchase decision of customers for footwear products in India Customers in India tend to be price-sensitive and are more likely to purchase products that are priced lower.
2. (Kavitha & Jayalakshmi, 2014). Quality is another important factor that influences customer perception of footwear products in India. In a study conducted by V. Kavitha and P. Jayalakshmi, it was found that customers in India are willing to pay a higher price for footwear products that are of better quality Quality is particularly important for customers in India, as they tend to place a higher value on durability and comfort.
3. (Gupta & Dey, 2016). Research has also shown that variety plays an important role in customer perception of footwear products in India. In a study conducted by A. Gupta and A. Dey, it was found that customers in India are more likely to purchase footwear products that offer a wide range of styles and designs The study also found that customers in India are more likely to switch between brands to find the right style or design.
4. (FDRA, 2017). Research has shown that pricing is a crucial factor in customer perception of footwear products globally. In a study conducted by the Footwear Distributors and Retailers of America (FDRA), it was found that price was the most important factor influencing the purchase decision of customers for footwear products globally Customers tend to be price-sensitive and are more likely to purchase products that are priced lower.
5. (McKinsey & Company, 2018). Quality is another important factor that influences customer perception of footwear products globally. In a study conducted by the consulting firm McKinsey & Company, it was found that customers are willing to pay a higher price for footwear products that are of better quality .Customers place a high value on durability, comfort, and performance when it comes to footwear products.
6. (Bain & Company, 2020). Research has also shown that variety plays an important role in customer perception of footwear products globally. In a study conducted by the consulting firm Bain & Company, it was found that customers are more likely to purchase footwear products that offer a wide range of styles and designs The study also found that customers are more likely to switch between brands to find the right style or design.
7. Kotler & Armstrong (2022) defined a product as anything that can be offered to a market for attention, acquisition, use, or consumption that might satisfy a want or need. They also stated that a consumer product is the product bought by the final consumer for personal consumption. Consumers buy products frequently, with careful planning, and by comparing brands based on price, quality and style. Product strategy refers to all the goods and services that a company offers to the target market in order to satisfy their needs. It also includes physical products, services, information, places, organizations or ideas that can be offered for acquisition or consumption that might satisfy a want or a need.
8. (Abdullah Saif, 2015) it is important for the company to thinking of price the charge as ‘cost’ to the customer to help them plan the pricing strategy more effective. Pricing strategy may vary

market to market because of many reasons associated with the PESTEL model such as political, economic, social, technological, environmental and legal forces. Therefore, it is these forces that have effects on pricing component of marketing strategy by control effects on marketing, distribution, and transportation costs; taking into consideration of market structures and demand; also, tariffs, taxes, and other financial trade barriers of different countries affect the pricing strategy; the competitors' pricing practices; and costs and margins of distribution channels all have significant impact on the pricing strategy.

9. (Isolate, 2023) **PLACE STRATEGIES** Another very important element of marketing is a place that is also called the distribution, which is defined as the process and methods by which products or services reach customers. Distribution is the elements that helps customers and users to find and keep purchase those products from those manufacturers / providers with them at the time of need. Thus, the distribution may become a functioning complex system where producers, brokers and independent trade and the interests of consumers wholly compatible with each other in a certain environment and a certain time.
10. (Thabit & Raewf, 2018) Goods are produced to be sold to customers; they have to be made ready to the customers at a suitable place where they can handily make deal. So, it is important that the product is ready at markets in the city. This includes a chain of persons and organizations like distributors, wholesalers and retailers who shape the distributing network of the organization (the channel of distribution). The organization must choose whether to sell directly to the persons or through the distributors. It can even plan to sell it directly to customers.
11. (Suherly , Affif, Arief , & Guterres , 2023) Placement refers to the location where the products and services available can be sold or bought. Buyers can purchase products or services on the market either physical or virtual market. The placement of elements also consists of the physical channels and channels of cooperation.
12. (Muchiri, 2023) Promotion strategy is a major component in the marketing mix strategy. It helps company to communicate on their product or services to the customers. Promotional strategy constitutes a number of elements that include personal selling, sales promotion, advertising, public relations and direct marketing to attract the potential buyers. These elements have an influence on the relationship of the customer and the firm that is essential towards improving the sales of a product or service.
13. (Suherly , Affif, Arief , & Guterres , 2023) Sale service is not easy because of its intangible services. There are two ways of sale used by the service industry in which advertising and marketing activities of mouth.

SWOT Analysis

Adidas Strengths

1. Adidas company has a long heritage and high brand value since 1924.
2. Adidas sponsors major sporting events including Olympics and major sportsmen and teams.
3. The company has worldwide presence and is internationally recognized.
4. Adidas has a very diversified product portfolio ranging from sports shoes, equipment's to clothing and accessories.

Adidas Weaknesses

1. The products by Adidas can sometimes be costly due to innovative technology or production method
2. Stiff competition and similar big brands means customers have high brand switching

Adidas Opportunities

1. To keep up with the competition, Adidas generates close to 60 new foot-friendly designs each year.
2. The company can venture into making more stylish designs and cuts
3. Tie-up with emerging sports teams/clubs/players internationally can boost Adidas's brand presence
4. Brand building by setting up sponsored sports academies

Adidas Threats

1. Other brands offering more styles and varieties, thus more competition
2. Threat from other competitive brand who produce sports equipment and accessories at a lesser cost
3. Pirated or fake imitations affect brand image of Adidas
4. Local brands in individual countries lead to more competition to Adidas

SALES ANALYSIS

During the first quarter of 2021, sales at Adidas totaled 120 billion rupees. This is an increase of 2.7% from the 120 billion rupees in sales at the company during the first quarter of 2022. During the previous 17 quarters, sales at Adidas have increased compared with the same quarter in the previous year

Sales at Adidas appear to have some seasonality: during each of the previous 5 years, sales have been highest during the third quarter, which has accounted for between 28.0% and 32.0% of the annual sales.

Adidas reported sales of 320 billion rupees for the year ending December of 2021. This represents an increase of 9.0% versus 2022, when the company's sales were 320 billion Rupees. Sales at Adidas have increased during each of the previous five years (and since 2021, sales have increased a total of 226%).

LIST OF COMPETITIVE BRANDS AND COMPARATIVE ANALYSIS

NIKE

REEBOK

FILA

SPEEDO

NEW BALANCE

SKETCHERS

PUMA

Adidas Marketing Mix (4Ps) Analysis Mind Map

In order to have a better understanding of the four elements in the Adidas marketing mix and how you can incorporate such strategies into your own business, you can plot them into a diagram that is easier to analyze. Take a look at this example.



(FIG12.MARKETING MIX)

Product

Adidas Superstar
Adidas Stan Smith
Adidas Samba
Adidas Ultra Boost

Price

Competitive pricing strategy
Skimming pricing strategy

Place

Online stores
Offline stores
Promotion
Billboards
TV commercials
Magazine ads
Social media ads

Product Strategy of Adidas

Although Adidas manufactures a wide range of sportswear and equipment, it's best known for its athletic footwear. Adidas is currently the second biggest sports shoe brand in the world. As of the latest 2021 data, the brand is valued at US\$14.3 billion. The company's sales in 2021 surpassed US\$11.6 billion, and a large portion of this revenue came from shoes. Following are some of the most iconic Adidas shoes of all time:

Adidas Superstar – These took the basketball industry by storm in 1969. From traction to impact protection and durability, these shoes had everything a player needed to play their best game. They also work great as a casual sneaker for both men and women.

Adidas Stan Smith – For many tennis players around the world, this is a must-have pair of shoes. It features a minimalist design that is extremely appealing and does not distract from the game. It is also superbly functional and very comfortable to wear.

Adidas Samba – Originally designed for soccer players, the Samba got the attention of a type of soccer fans and, for some reason, took to wearing these affluent-looking shoes to games. Its unique look with the black leather and gum outsole added a lot to its appeal and has since become one of the most popular Adidas shoes of all time.

Adidas Ultra Boost – Considered by many to be the ideal running shoe, the Ultra Boost series provides unparalleled comfort while running even the toughest terrains. The innovative cushioning does boost your energy and keeps you going with your workout far longer than you think you can.

All in all, the product lineup of Adidas is quite well-rounded, with superior choices in all the different categories. In clothing, Adidas offers sweatshirts, shorts, tracksuits, jackets, swimwear, sports bras, hoodies, and so on. Adidas also has sports accessories like bags, sunglasses, goggles, and even watches. Adidas has even ventured into perfumes and lotions, as well as sports equipment like balls.

The main concentration of Adidas is to provide top-quality sporting goods to athletes and young people. The company has a multitude of offerings for just about any sport you can think of – basketball, running, gymnastics, swimming, baseball, skateboarding, and so on. In all of these sports and categories, Adidas products stand out not only because of their immensely cool designs but also because of the innovative features that address the needs of the customers.

Price Strategy of Adidas

Adidas has always utilized either of two strategies when it comes to pricing – the competitive pricing strategy and the skimming pricing strategy. The competitive pricing comes into play with its regular products, taking into account the prices of rival companies like Nike and Puma. The skimming pricing strategy is used whenever Adidas launches a cutting-edge product that is more advanced than what competitors offer.

Adidas generally targets high-end customers who are more than willing to pay for quality; hence, the premium prices are typical of Adidas products. With their superior quality, the products do deserve an expensive price tag. But these high prices also inadvertently serve another purpose, which is to give upper-class customers the reassurance that they are indeed purchasing a product of quality.

The problem with costly price tags is that the products are not accessible to the general public, especially in developing countries. Because they couldn't afford the real thing, many ordinary people settle for buying cheap imitations that bear the Adidas logo. This does not necessarily take away from the company's sales because the target clients have no problem paying the higher prices, but it does make Adidas a rather elitist brand. For a lot of people, owning an Adidas item does not simply show a preference for quality but is actually used as a status symbol.

Place Strategy of Adidas

The place strategy is an integral part of the Adidas marketing mix. The sportswear company utilizes both online and offline venues to market and sell its merchandise.

As of the last count, Adidas operates 177 stores across all the states in America except for New Mexico. California is the state with the most Adidas outlets at 29. Outside the US, Adidas has more than 1200 concept stores, plus thousands of multi-brand outlets and other sports retail stores that carry its merchandise.

As for online stores, Adidas maintains official merchant accounts at Amazon.com, Flipkart.com, and Myntra.com to give global customers easier access to its products. Of course, Adidas also has an official website where all its products are available for purchase and where customers actually have the option for merchandise personalization, which is perfect for creating your own unique look and for gifting.

Promotion Strategy of Adidas

Adidas is a household name today, but this certainly did not happen overnight. The brand enjoys instant recognition today because it has invested heavily in a lot of effective promotion and marketing strategies in the past.

Chapter-3: Data Presentation & Analysis

RESEARCH METHODOLOGY

The information required for this study obtained was basically through two sources.

Primary Data:

Primary Data will gather by a survey through a structured questionnaire. The Data has been collected from 50 customers, through questionnaires, by using purposive sampling. In addition, interaction with the staff of Adidas Ltd. has also given some information.

Secondary Data: Secondary Data comprises of information obtained from annual reports, brochures, manuals websites etc.

Target

respondents

Gender: Male and

female

Age group:

20-45

Sampling units: Adidas Ltd shoe industry users

No. of Samples: 50 respondents

STATEMENT OF THE PROBLEM

This Project has been titled "A Study on marketing mix of Adidas."

The study would help to understand the consumer satisfaction to their expectation toward shoes.

OBJECTIVE:

- To do the comparison in shoe industry with special reference to Adidas
- To know the marketing mix of Adidas brand with reference to Adidas

SCOPE OF THE STUDY

This study helps the organizations to increase their service and product quality and in turn increase the market share, top and bottom line of the company.

NEED FOR THE STUDY

Marketing starts with identifying the needs of customers and ends in satisfying those wants. The goal of marketing is to attract new customers by promising superior value and to keep current customers by delivering satisfaction based on their preferences retaining them.

Without customer, no market exists. As the customers are regarded as the superiors in today's market, the level of satisfaction and their preferences should be keenly studied. The shoe industry has been expanding rapidly. Gone are the days when possessing a shoe was seen as a luxury. Now days, it is viewed as a mere necessity. Prior, sale of shoe's was mainly confined to urban areas but lately in rural areas. Not only this, this industry has also customers ranging from all demographic segments. It has been common sights that even school going children are school shoes. The women customers are also increasing due to increase in women literacy and employment. Getting a new customer is difficult, then retaining a current customer is a more difficult one and not only that it is estimated that the cost of attracting a new customer is five times the cost of retaining current customer. It requires a great deal of effort to induce satisfied customer to switch away from their current preference. Thus, customer satisfaction is been given top priority in today's competitive world.

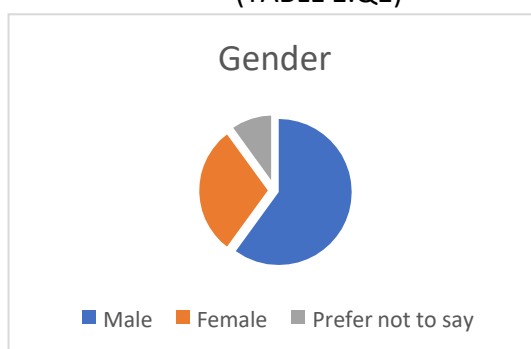
DATA ANALYSIS & INTERPRETATION

1. Gender:

- Male
- Female
- Prefer not to say

Recommendation	Response
Male	30
Female	15
Prefer not say	5
Total	50

(TABLE 1.Q1)



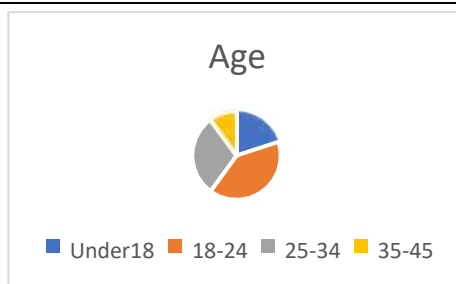
Interpretation: From the above total respondent are 50 out of them 30 was male ,15 was female and another 5 were prefer not to say.

2. Age:

- Under 18
- 18-24
- 25-34
- 35-45

Recommendation	Response
Under 18	10
18-24	20
25-34	15
35-45	5
Total	50

(TABLE 2.Q2)



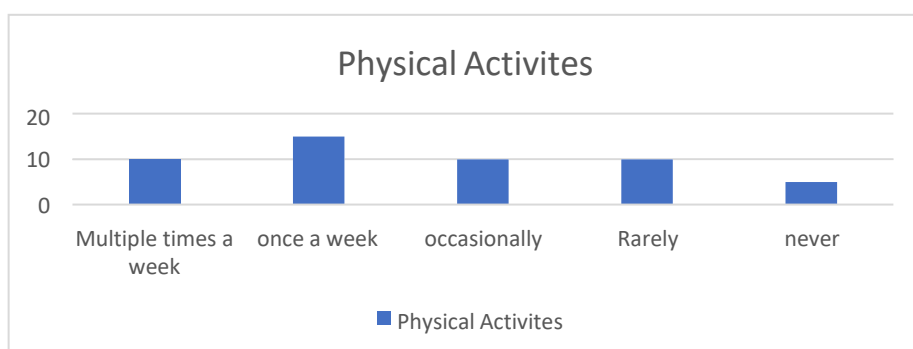
Interpretation: From the above total respondent are 50 out of them 10 was under 18 ,20 was between 18-24, 15 was between 25-35 and another 35-45 was 5.

3. How frequently do you engage in physical activities or sports?

- Multiple times a week
- Once a week
- Occasionally
- Rarely
- Never

Recommendation	Response
Multiple times a week	10
Once a week	15
Occasionally	10
Rarely	10
Never	5
Total	50

(TABLE 3.Q3)



Interpretation: From the above total respondent are 50 out of them,10 respondent was engaged in physical activities in multiple time a week ,15 respondent was engaged n physical activities once a week,10 respondent was engaged in physical activities occasionally,10 of respondent rarely engaged in physical activities, and 5 out respondents never engage in physical activities

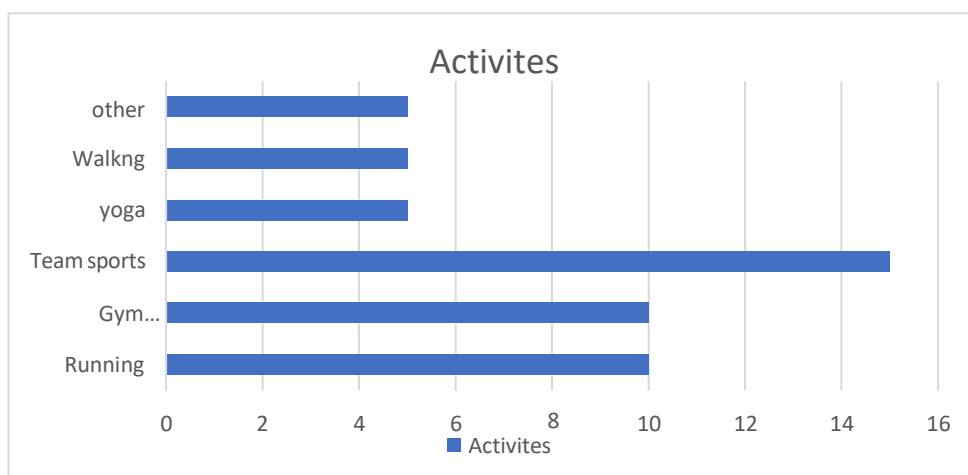
4. What type of physical activities or sports do you participate in?

- Running/jogging
- Gym workouts
- Team sports (e.g., basketball, soccer, etc.)
- Yoga/Pilates
- Walking

- Other

Recommendation	Response
Running/jogging	10
Gym workouts	10
Team sports (e.g., basketball, soccer, etc.)	15
Yoga/Pilates	5
Walking	5
others	5
Total	50

(TABLE 4.Q4)



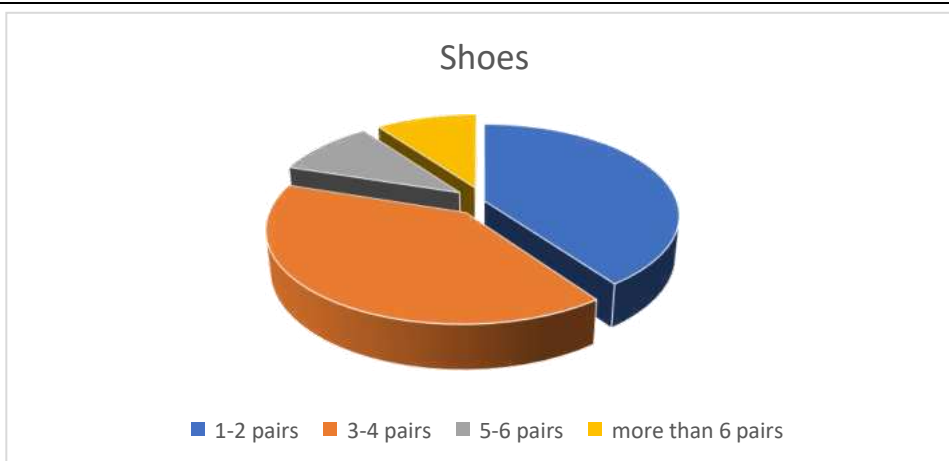
Interpretation: From the above total respondent are 50 out of them 10 respondents are in running/jogging activities, 10 is in gym workout activities, 15 is in team sports activities, 5 is in yoga activities, 5 is in walking activities and 5 are in other activities

5. On average, how many pairs of athletic shoes do you purchase in a year?

- 1-2 pairs
- 3-4 pairs
- 5-6 pairs
- More than 6 pairs

Recommendation	Response
1-2 pairs	20
3-4 pairs	20
5-6 pairs	5
More than 6 pairs	5
Total	50

(TABLE 5.Q5)



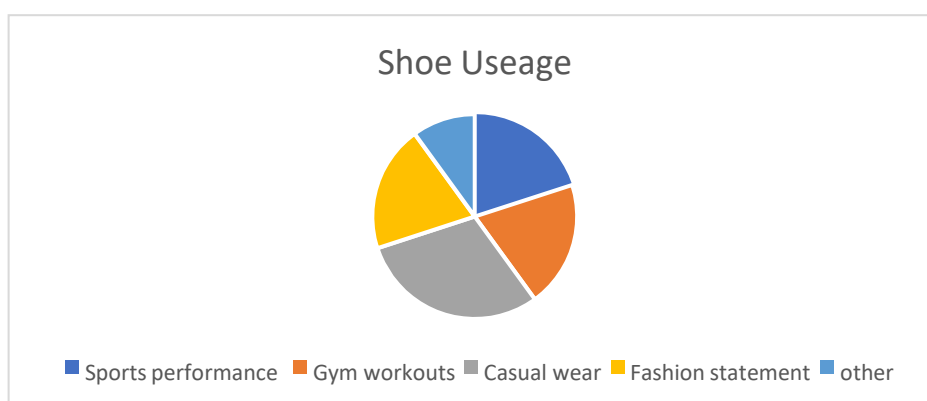
Interpretation: From the above total respondent are 50 out of them 20 of them having 1-2 pairs of shoes, 20 of them having 3-4 pairs of shoes, 5 of them 5-6 pairs of shoes and another 5 have more than 6 pairs of shoes

6. How do you primarily use athletic shoes of adidas?

- Sports performance (e.g., running, basketball, etc.)
- Gym workouts
- Casual wear
- Fashion statement
- Other

Recommendation	Response
Sports performance	10
Gym workouts	10
Casual wear	15
Fashion statement	10
Others	5
Total	50

(TABLE 6.Q6)



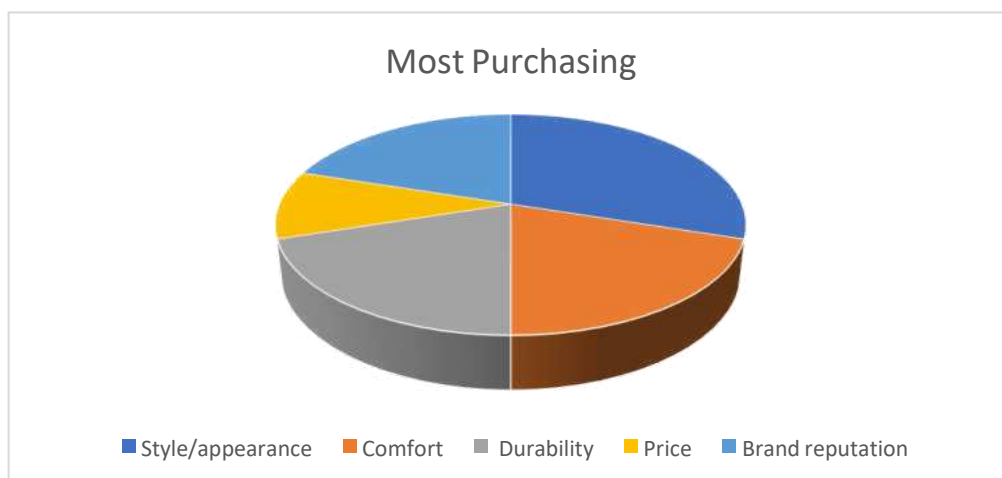
Interpretation: From the above total respondent are 50 out of them 10 of them primarily uses sports performance shoes, 10 of them primarily use gym workout shoes, 15 of them primarily use casual war shoes, 10 of them primarily use fashion statement shoes and 5 of them use other shoes

7. What factors are most important to you when purchasing athletic shoes of adidas?

- Style/appearance
- Comfort
- Durability
- Price
- Brand reputation

Recommendation	Response
Style/appearance	15
Comfort	10
Durability	10
Price	5
Brand reputation	10
Total	50

(TABLE 7.Q7)



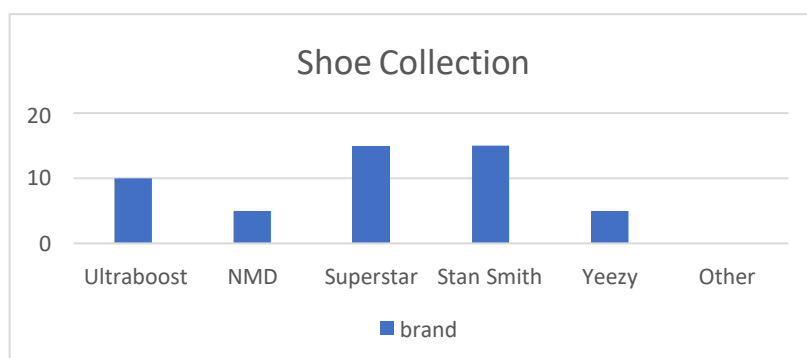
Interpretation: From the above total respondent are 50 out of them ,15 of them prefer to purchase style shoes,10 of them prefer to purchase comfort shoes,10 of them prefer to purchase long durability shoes,5 of them prefer to purchase knowing of price of shoes and another 10 prefer to purchase knowing brand reputation

8. Which of the following Adidas shoe collections are you familiar with?

- Ultraboost
- NMD
- Superstar
- Stan Smith
- Yeezy
- Other

Recommendation	Response
Ultraboost	10
NMD	5
Superstar	15
Stan smith	15
yeezy	5
other	0
Total	50

(TABLE 8.Q8)



Interpretation: From the above total respondent are 50 out of them 10 having a collection of ultraboost, 5 of them having a collection of NMD, 15 of them having a collection of superstar, 15 of them having a collection of stan smith, 5 of them having a collection of yeezy.

9. Have you purchased Adidas shoes in the past?

- Yes

-NO

-Will buy soon

Recommendation	Response
Yes	30
No	5
Will buy soon	15

(TABLE 9.Q9)



Interpretation: From the above total respondent are 50 out of them 30 of respondent answered yes they purchased shoes in past , 5 of them respondent answered no they didn't purchased she yet and another 15 said they will buy soon.

10. How likely are you to recommend Adidas shoes to a friend or family member?

- Extremely likely
- Very likely
- Neutral
- Somewhat likely
- Not likely at all

Recommendation	Response
Extremely likely	20
Very likely	10
Neutral	10
Somewhat likely	5
Not likely at all	5
Total	50

(TABLE 10.Q10)



Interpretation: From the above total respondent are 50 out of them,20 of them extremely like to refer their friend and family to buy their shoes, 10 of them very likely to refer their friend and family to buy their shoes,10 of them is neutral to refer there friend and family,5 of them are somewhat likely to refer there friend and family to buy the shoes and other 5 not likely at all to buy there shoes and refer to friends and family

Chapter-4:

Summary & Conclusions

FINDINGS

1. From the above total respondent are 50 out of them 30 was male ,15 was female and another 5 were prefer not to say.
2. From the above total respondent are 50 out of them 10 was under 18 ,20 was between 18-24, 15 was between 25-35 and another 35-45 was 5.
3. From the above total respondent are 50 out of them,10 respondent was engaged in physical activities in multiple time a week ,15 respondent was engaged n physical activities once a week,10 respondent was engaged in physical activities occasionally,10 of respondent rarely engaged in physical activities, and 5 out respondents never engage in physical activities
4. From the above total respondent are 50 out of them 10 respondents are in running/jogging activities,10 is in gym workout activies,15 is in team sports activities ,5 is in yoga activities ,5 is in walking activities and 5 are in other activities
5. From the above total respondent are 50 out of them 20 of them having 1-2 pairs of shoes,20 of them having 3-4 pairs of shoes ,5 of them 5-6 pairs of shoes and another 5 have more than 6 pairs of shoes
6. From the above total respondent are 50 out of them 10 of them primarily uses sports performance shoes,10 of them primarily use gym workout shoes,15 of them primarily use casual wear shoes ,10 of them primarily use fashion statement shoes and 5 of them use other shoes
7. From the above total respondent are 50 out of them ,15 of them prefer to purchase style shoes,10 of them prefer to purchase comfort shoes,10 of them prefer to purchase long durability shoes,5 of them prefer to purchase knowing of price of shoes and another 10 prefer to purchase knowing brand reputation.
8. From the above total respondent are 50 out of them 10 having a collection of ultraboost,5 of them having a collection of NMD,15 of them having a collection of superstars,15 of them having a collection of stan smith ,5 of them having a collection of yeezy
9. From the above total respondent are 50 out of them 30 of respondent answered yes, they purchased shoes in past, 5 of them respondent answered no they didn't purchase she yet and another 15 said they will buy soon.
10. From the above total respondent are 50 out of them,20 of them extremely like to refer their friend and family to buy their shoes, 10 of them very likely to refer their friend and family to buy their shoes,10 of them is neutral to refer their friend and family,5 of them is somewhat likely to refer their friend and family to buy the shoes and other 5 not likely at all to buy their shoes and refer to friends and family

Suggestions

Adidas excels in marketing its sports footwear by employing a combination of effective strategies. Firstly, they have a strong brand identity that resonates with athletes and sports enthusiasts worldwide. Their marketing campaigns focus on highlighting the performance, innovation, and style aspects of their footwear, leveraging the emotional appeal of sports and competition. Adidas strategically partners with high-profile athletes and sports teams, using their endorsements to create a sense of authenticity and credibility.

Digital marketing plays a significant role in Adidas' promotional efforts. They leverage social media platforms to engage with their target audience, sharing inspiring content, behind-the-scenes glimpses, and interactive experiences. Adidas also collaborates with social media influencers who align with their brand image, reaching a broader consumer base. Furthermore, they employ targeted online advertising and search engine optimization techniques to ensure their products are visible to potential customers.

Adidas understands the importance of customer experience, both online and offline. They have invested in creating immersive retail spaces that reflect their brand values and offer personalized experiences. In their physical stores, they provide knowledgeable staff who can assist customers in finding the right footwear for their needs. Online, Adidas focuses on seamless user experiences, offering detailed product information, easy navigation, and hassle-free purchasing processes.

Community engagement is another key aspect of Adidas' marketing approach. They sponsor sports events, organize competitions, and support grassroots initiatives to connect with their target audience at a local level. By fostering a sense of community and belonging, Adidas strengthens its brand loyalty and builds lasting relationships with customers.

In conclusion, Adidas' marketing of sports footwear is characterized by a compelling brand identity, strategic partnerships, effective digital marketing, emphasis on customer experience, and community engagement. These factors contribute to their strong presence in the market and reinforce their position as a leading sports footwear brand.

CONCLUSION

Turbulent is the word that apply describe the scenario in sports industry in last two last financial years. By frequent price cuts in market and larger than live Marketing game plans, competition reached its new highs and lows. It is no longer sufficient to just be competitive. A company which has to survive has got to have competitive advantage. One needs to take strategic initiative in the short run to achieve the desired “positioning” in future. One has to foresee ‘tomorrow’.

Understanding competition today involves three levels:

Competition for intellectual leadership for new ideas that create new advantages. Competition for translating these ideas into product/service faster than others. Competition for market share.

Following tips are helpful in combating competition:

Do not nature and PARADIGMS because today “anything is possible”. Search for newer markets than expanding your customer base.

Come out with state of the art, feature packed affordable and competitive advantageous products. Set Benchmarks for growth. Improve up on distribution channels for viable coverage of the market. Wear out competition through trend setting, inimitable tactical moves based on our infrastructure strengths. The strategic intent should be clear down the management. Work on your strengths i.e., Infrastructure, financial base, backward integration.

POP and MERCHANDISING material should be made as per international market.

CORPORATE TRAINING PROGRAMMEA for Development of manpower from external faculty.

We have so far identified the various areas on which *ADIDAS* and other major sports companies need to improve upon to achieve the desired level of competitiveness. These improvements would give *ADIDAS* and the other sports companies base to compete with the MNCs and help the Indian companies to reduce the impact of MNCs on the Indian Market in the future. Indian manufacturers will have to react quickly because any delay in reacting to the threat posed by the MNCs would only give the MNCs time to establish them in the market. With their expertise and financial capacity, they would be nearly impossible to compete with once they get a firm foot hold in the market.

The future

But the battle has only started, and the foreign sports companies are here for the long term. They can sustain losses for years to come in order to gain market share. What they are doing at present, is building up distribution networks to cover every nook and corner of the country and, setting up manufacturing facilities. Only those Indian manufactures which have a strong focus on manufacturing and technological up gradation will survive in the long run, although with a much smaller market share than they have at present. Small companies will be sidelined totally and will exit from the sports market altogether.

ADIDAS in INDIA has always been driven by its Value – for-money strategy. The company needs to identify critical success factory and work assiduously towards achieving it.

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ANNEXURE

1. Gender:

- Male
- Female
- Prefer not to say

2. Age:

- Under 18
- 18-24
- 25-34
- 35-45

3. How frequently do you engage in physical activities or sports?

- Multiple times a week
- Once a week
- Occasionally
- Rarely
- Never

4. What type of physical activities or sports do you participate in?

- Running/jogging
- Gym workouts
- Team sports (e.g., basketball, soccer, etc.)
- Yoga/Pilates
- Walking

5. On average, how many pairs of athletic shoes do you purchase in a year?

- 1-2 pairs
- 3-4 pairs
- 5-6 pairs
- More than 6 pairs

6. How do you primarily use athletic shoes of adidas?

- Sports performance (e.g., running, basketball, etc.)
- Gym workouts

- Casual wear
- Fashion statement
- others

7. What factors are most important to you when purchasing athletic shoes of adidas?

- Style/appearance
- Comfort
- Durability
- Price
- Brand reputation

8. Which of the following Adidas shoe collections are you familiar with?

- Ultra boost
- NMD
- Superstar
- Stan Smith
- Yeezy
- Other

9. Have you purchased Adidas shoes in the past?

- Yes
- NO
- Will buy soon

10. How likely are you to recommend Adidas shoes to a friend or family member?

- Extremely likely
- Very likely
- Neutral
- Somewhat likely
- Not likely at all

DIGITAL MARKETING STRATEGIES AND BUSINESS DEVELOPMENT OF XIAOMI CORPORATION

*Submitted in partial fulfillment of the requirements for the award of the
degree of*

Masters of Business Administration

To

Guru Gobind Singh Indraprastha University, Delhi

Guide:

DR. EKTA RASTOGI

(PROFESSOR)

Submitted by:

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**GITARATTAN INTERNATIONAL BUSINESS
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DELHI-110085

Batch (2022-2024)

Certificate

I, Mr. DEERGH BHATIA, Roll No. 01319114322 certify that the Project Report (MS-202) entitled **DIGITAL MARKETING STRATEGIES AND BUSINESS DEVELOPMENT OF XIAOMI CORPORATION** is completed by me and it is an authentic work carried out by me at Gitarattan International Business School. The matter embodied in this project work has not been submitted earlier for the award of any degree or diploma to the best of my knowledge and belief.

Signature:

Date:

Certified that the Project Report (MS-202) entitled “DIGITAL MARKETING STRATEGIES AND BUSINESS DEVELOPMENT OF XIAOMI CORPORATION” done by Mr. DEERGH BHATIA, Roll No. 01319114322 is completed under my guidance.

Signature of the Guide:

Name of the Guide: Dr. EKTA RASTOGI

Designation: **Professor**

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DEERGH BHATIA

(01319114322)

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EXECUTIVE SUMMARY

Digital marketing activities are search engine optimization (SEO), search engine marketing (SEM), content marketing, influencer marketing, content automation, campaign marketing, and e-commerce marketing. , social media marketing, social media optimization, e-mail direct marketing, display advertising, e-books, optical disks and games, and any other form of digital media.

Business development entails tasks and processes to develop and implement growth opportunities within and between organizations. It is a subset of the fields of business, commerce and organizational theory.

Xiaomi Corporation is a Chinese electronics company headquartered in Beijing. Xiaomi makes and invests in smartphones, mobile apps, laptops, and related consumer electronics.

In this study, we will analyse the perception of the consumers about Xiaomi products and the company itself.

CHAPTER – 1

INTRODUCTION

1.1 INTRODUCTION TO THE TOPIC

Digital marketing activities are search engine optimization (SEO), search engine marketing (SEM), content marketing, influencer marketing, content automation, campaign marketing, and e-commerce marketing. , social media marketing, social media optimization, e-mail direct marketing, display advertising, e-books, optical disks and games, and any other form of digital media.

Business development entails tasks and processes to develop and implement growth opportunities within and between organizations. It is a subset of the fields of business, commerce and organizational theory.

Marketing strategy has the fundamental goal of increasing sales and achieving a sustainable competitive advantage. *Marketing strategies* cover everything from Pay per click, search engine marketing, public relations (PR), Engineering with Marketing & the much more.

Digital marketing activities are search engine optimization (SEO), search engine marketing (SEM), content marketing, influencer marketing, content automation, campaign marketing, and e-commerce marketing. , social media marketing, social media optimization, e-mail direct marketing, display advertising, e-books, optical disks and games, and any other form of digital media.

Strength's analysis of Xiaomi

One of the Largest Smartphone maker – Xiaomi is one of the largest smartphone makers in the world. It is said to be the 5th largest smartphone manufacturer as of 2017. Originating from China, the Smartphones are manufactured in huge quantities and have wide acceptance across the world.

Highest selling Smartphone – The REDMI Note 4 became the highest selling smartphone in India and China and practically in 50% of the Asian market. This shows that Xiaomi is strongly rising in the smartphone market and has already beaten several giants.

Huge China and Asia market available – Another benefit to Xiaomi is that the whole Asian market is their playground. As China lies within Asia and as Chinese mobile brands are highly penetrated in the Asian markets, Xiaomi still has a lot of ground to explore.

Penetrative Pricing – Xiaomi has the strongest penetrative pricing advantage because it generally uses direct marketing techniques and avoids dealer and distributor margins.

Good Quality products – Even at such low prices, no one can doubt the quality of Xiaomi phones. The smartphones are regularly rated high on all E-commerce portals – a further proof that Xiaomi does not compromise on quality even if it lowers the price regularly.

Manufacturing Advantage – China has a huge manufacturing advantage because the country in itself is known for manufacturing and exporting the products. China is also one of the largest consumers in the Asian market.

Rising Brand Awareness – Xiaomi's brand awareness is rising and more and more people are getting to know about the brand thereby resulting in higher sales across the globe.

Growing year on year – The company which started manufacturing in 2011 has grown by leaps and bounds and is regularly growing year on year.

E-commerce advantage – The Flash sale model is a very popular model which has worked wonders for Xiaomi. In this model, the product is made available only in limited quantities and sold at a very low price. This model made the consumers crazy and each Xiaomi looked like a price which was hard earned.

Specifications of the smartphones produced – Xiaomi smartphones are technologically advanced as well and they give higher tech specs at lower price. Xiaomi phones are especially renowned for their camera which is said to be very high resolution and gives excellent photos.

Research and Development – Xiaomi invests heavily in R&D and it is a market follower but its major R&D expenses are towards cost advantage and not differentiation advantage.

1.2 OBJECTIVE OF THE STUDY

The main objective of the study is as follows:-

- To maintain Social media interactions with customers.
- To study how to visits Website and leads the customers
- To establish factors influencing Brand Loyalty of Xiaomi Corporation.
- To find out the factors influencing Buying Behavior of a Consumer towards Xiaomi Corporation.
- To find out the relationship between brand and market share towards Xiaomi Corporation.
- To find out the brand perception of the consumer towards Xiaomi Corporation.
- To know the attributes that customer keeps in the mind wile dealing Xiaomi Corporation.
- To study new products or services which is launched.
- To study the different criteria of digital marketing services.
- To analyze the approach which help them to get more business

1.3 COMPANY PROFILE

Xiaomi Corporation is a Chinese electronics company headquartered in Beijing. Xiaomi makes and invests in smartphones, mobile apps, laptops, and related consumer electronics.

Xiaomi released its first smartphone in August 2011 and rapidly gained market share in China to become the country's largest smartphone company in 2014. At the start of second quarter of 2018, Xiaomi was the world's fourth-largest smartphone manufacturer, leading in both the largest market, China, and the second-largest market, India. Xiaomi later developed a wider range of consumer electronics, including a smart home (IoT) device ecosystem.

Xiaomi has 15,000 employees in China, India, Malaysia, Singapore and is expanding to other countries including Indonesia, the Philippines, and South Africa. According to *Forbes* magazine, Lei Jun, the founder and CEO, has an estimated net worth of US\$12.5 billion. He is China's 11th richest person and 118th in the world. Xiaomi is the world's 4th most valuable technology start-up after receiving US\$1.1 billion funding from investors, making Xiaomi's valuation more than US\$46 billion.

History

Xiaomi was founded in 2010. Xiaomi and MI are two different companies. However, they produce MI and Redmi with collaboration with each other. Xiaomi's logo "MI" is short for Mobile Internet since Xiaomi was founded to be a mobile-first technology company. Xiaomi has a total of 15,222 full-time employees. Most are based in Beijing, Mainland China, while the others are split between India, Taiwan, Indonesia, and Hong Kong.

Products

Xiaomi produces many products. Notably, it produces smartphones which run on their own version of Android MIUI firmware. Observers suggest that part of Xiaomi's rapid success rests on its ability to differentiate itself within the Android universe. The company has increased its range of products; its smartphones include: Mi Series, Mi Note Series, Mi Max Series, Mi Mix Series and the Redmi Series. Redmi Note and MI mobile phones are two different products of two different companies. As well as mobile phones, Xiaomi has started selling wearables, mobile accessories, and appliances such as television and speakers. In 2018 it was selling tablets, laptops, and smart-home devices.

Xiaomi operates on a vertically-integrated model that enables the company to sell hardware at cost or below in order to attract users and earn money by selling content. Hugo Barra, a former Google executive who served Xiaomi's vice president from 2014 to 2017, characterized the organization as "an Internet and a software company much more than a hardware".

Xiaomi also keeps its prices low or close to "bill-of-material" by keeping most of its products in the market longer, eighteen months rather than the six-month norm followed by many smartphone companies. This strategy allows Xiaomi to take advantage of price reductions in the prices of key components of its products. It enables the company to sell hardware with specifications comparable to high-end devices at a fraction of the cost.

The company's version of the Android operating system, the MIUI skin, with its design, app marketplace, and functionalities, has established a community of users who form a crucial part of Xiaomi's customer base and contribute to the company's drive for market awareness. This ecosystem is a massive source of revenue as indicated in 2015, when sales from the platform reached \$750 million.



Xiaomi's Redmi Note

The company focuses on India, the world's second-largest smartphone market. Xiaomi announced on May 2, 2018, the launch of Mi Music and Mi Video to offer "value-added internet services" in India. On March 22, 2017, Xiaomi announced that it planned to set up a second manufacturing unit in India in partnership with contract manufacturer Foxconn. On August 7, 2018, Xiaomi announced on its blog that Holitech Technology Co. Ltd., Xiaomi's top supplier, would invest up to \$200 million over the next three years to set up a major new plant in India.

Recently Xiaomi started to sell more simple goods such as sunglasses, caps, pillows, glass lunchboxes, cups, filters, bags, backpacks, luggages, screwdrivers, umbrellas and etc.

In 2023, researchers at Check Point found a security breach in Xiaomi phone apps. The security flaw was reported preinstalled.

Xiaomi Redmi	
Parent Company	Xiaomi
Category	Smartphones
Sector	Mobile Handsets
Tagline/ Slogan	“Accelerate your life”

USP	Low price tag
Xiaomi Redmi STP	
Segment	Smart touch phones
Target Group	Middle and lower middle class people
Positioning	Budget Smartphone
Xiaomi Redmi SWOT Analysis	
Strengths	<p>Below is the Strengths, Weaknesses, Opportunities & Threats (SWOT) Analysis of Xiaomi Redmi. Strengths are:</p> <ol style="list-style-type: none"> 1. Budget Smartphone launched via flash sale model 2. Dual SIM 4G support , powered with 1GB RAM and 8GB onboard storage 3. Special launch of limited edition 16 GB storage and 2GB RAM phones 4. Offers sharpest and best display among its competitor phones 5. Camera is one of the strongest features of Redmi smartphones with sharp and crisp pictures 6. Price has been a great strength for xiaomi models

Weaknesses	<p>Here are the weaknesses of Xiaomi Redmi :</p> <ol style="list-style-type: none"> 1. Perception of the brand is still not at par with samsung, lg etc
Opportunities	<p>Following are the Opportunities of Xiaomi Redmi :</p> <ol style="list-style-type: none"> 1. Improve upon by increasing display size, and making phone lighter as compared to competitors 2. Include latest OS with regular updates
Threats	<p>The threats of Xiaomi Redmi are as mentioned :</p> <ol style="list-style-type: none"> 1. Many competitors in same price tag segment 2. In terms of offering, similarity in storage space and connectivity options
Xiaomi Redmi Competition	
Competitors	<p>Below are the 4 main Xiaomi Redmi competitors :</p> <ol style="list-style-type: none"> 1. Motorola Moto 2. Oppo 3. Vivo 4. Realme

CHAPTER – 2

LITERATURE REVIEW

2.1 LITERATURE REVIEW

1. Internet usage history and intensity also affect online shopping potential. Consumers with longer histories of Internet usage, educated and equipped with better skills and perceptions of the Web environment have significantly higher intensities of online shopping experiences and are better candidates to be captured in the well-known concept of flow in the cyber world (Sisk, 2000; Hoffman and Novak, 1996; Liao and Cheung, 2001). Those consumers using the Internet for a longer time from various locations and for a higher variety of services are considered to be more active users (**Emmanouilides and Hammond, 2000**).

2. As **Bellman et al. (1999)** mention, demographics are not so important in determining online purchasing potential. Whether the consumer has a wired lifestyle and the time constraints the person has are much more influential. Risk taking propensity is also a powerful factor. E-shoppers have higher risk taking tendencies. Consumers with high levels of privacy and security concerns have lower purchasing rates in online markets but they balance this characteristic with their quest for making use of the information advantage of the environment (Kwak et al., 2002; Miyazaki and Fernandez, 2001). These educated individuals, as more confident decision makers, are much more demanding and have greater control over the purchasing process from initiation to completion (**Rao et al., 1998**).

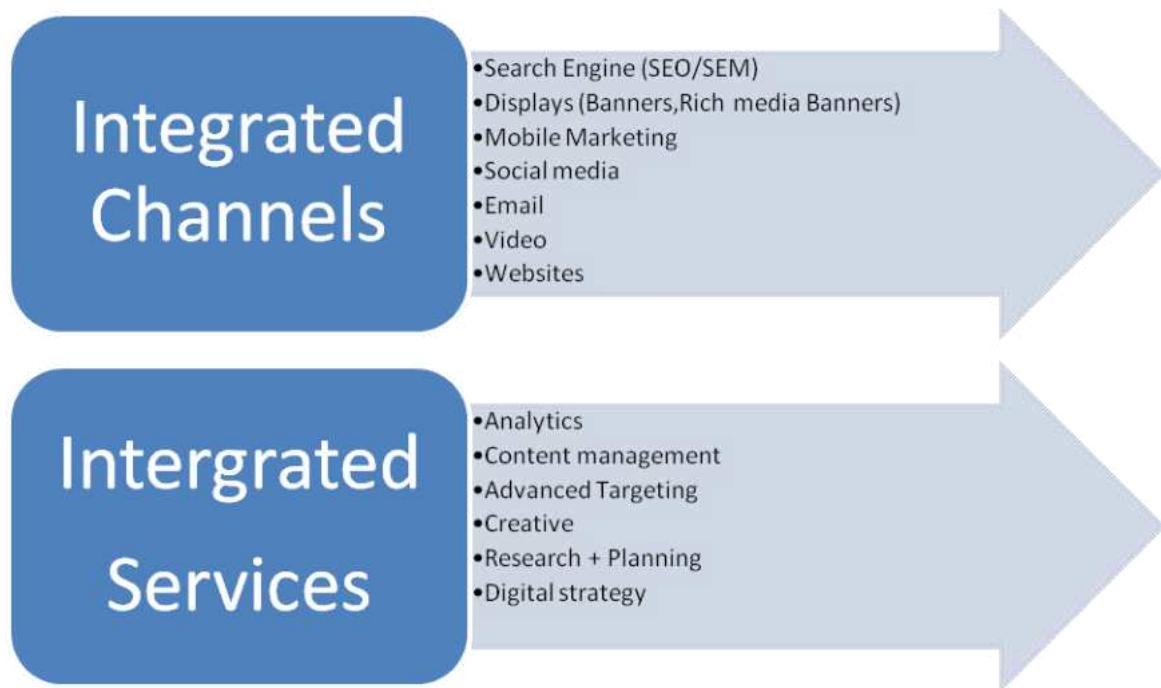
3. E-shoppers have higher risk taking tendencies. Consumers with high levels of privacy and security concerns have lower purchasing rates in online markets but they balance this characteristic with their quest for making use of the information advantage of the environment (Kwak et al., 2002; Miyazaki and Fernandez, 2001).

4. According to data from IDC for worldwide smartphone shipments in the third quarter of 2014, Xiaomi made the top five list for the first time, coming in at number three behind Samsung and Apple. Xiaomi has a presence in six countries and regions but has not yet entered the Japanese market, so few people [in Japan] know the brand. This paper gives the background of the founder of Xiaomi and its history and describes the competitive strategy supporting Xiaomi's rapid growth Cite (Fangqi Xu, Kinki University, Japan.)



Digital marketing ecosystem is not only concerned with internet marketing and social media marketing, in introduction we discussed that peoples have a belief that internet or social media marketing are same but not same, be clear from beginning itself. Digital marketing ecosystem consists of internet marketing and social media marketing. They are just a channels for communication, digital ecosystem consist of integrating channels and integrating services.

Digital Ecosystem



Search Engine

Search engine optimization (SEO) is the art of getting a website to work better with search engines (like Google, Bing & Yahoo), and to look for achievable, profitable, ranking opportunities through keyword research. It is a quest for increased visibility in search engines via relevant copy, quality links, domain trust, social popularity and search engine connectivity.

Search engine marketing (SEM) is a broader term than SEO, and is used to encompass different options available to use a search engine's technology, including paid ads. SEM is often used to describe acts associated with researching, submitting and positioning a website within search engines. It includes things such as search engine optimization, paid listings and other search-engine related services and functions that will increase exposure and traffic to your Web site.

Displays

Display advertising is a type of advertising that typically contains text (i.e., copy), logos, photographs or other images, location maps, and similar items. In periodicals, display advertising can appear on the same page as, or on the page adjacent to, general editorial content. Normal banners, Rich media banner, Interstitials and pops are example of displays.

Mobile Marketing

Mobile marketing is used in reference to any marketing efforts on or with a mobile device. It involves planning, creating, and implementing a mix of initiatives to bring together sellers and buyers via mobile devices. Mobile ads, Mobile websites, Apps and Games are some of examples for mobile marketing.

Social Media Marketing

Social Media refers to any software tool that enables and encourages engagement in conversation or sharing. Popular forms of social media include Facebook, Twitter, LinkedIn, YouTube, Pinterest, Google + and blogs. Now all days social media become platform for marketer to make conversation with customers. Brands are now engaging customers through social media.

eMail Marketing

eMail Marketing is a type of direct marketing that involves sending personalized, targeted messages to a specific audience. eMail Marketing is easy to use, low cost, and effective. Most of the B2B business in present era is following email marketing, but in B2C also email marketing is productive.

Video

Marketers are now use video to make customers aware of brands and to sharing the experience of other customers. YouTube ads are too popular in video ads. In social media platforms also brands are sharing video.

Analysis

Analytics is the practice of evaluating data, and the process by which a company arrives at a most advantageous decision. Here marketer analysis the integrate channel to understand the effectiveness of communication. Analysis may be based on numbers of visitor or like in social media pages..Etc.

Content Management

After analysis the integrate channels marketer can able to understand the problems with current contents. Later he can manage the content to increase the engagement rate, content may be text in banners, images or websites.

Advanced Targeting

Advanced targeting are techniques involving the sending of targeted messages to a specific audience. It is used to increase the effectiveness of a marketing campaign. Behavioral targeting is also a part of advanced targeting, here marketer can target the customer based on their past behavior in online. Marketer can put ads in other webpage where customer is going.

Creative

Creative is the artistic component of an ad or website. It usually includes an image and copy present in ads or website. Marketer can make those contents attractive to customers. Marketer will sometimes change the entire design of websites, apps..Etc.

Research and Planning

Marketer will do some research to understand the behavior-, taste and preference to customers in digital platform. This research may be doing by using paid-tools like ComScore...Etc. Through this research marketer can understanding where T.G is present or what T.G would to do in online. After research marketer will plan new campaigns based on those research reports. These campaigns are more effective to reach the T.G properly.

Digital Strategy

Digital strategy is the process of specifying an organization's vision, goals, opportunities and initiatives in order to maximize the business benefits through digital media. Strategy will be different for each brand, it will base on the brand objective and target groups interest. It is actual a plan formulated by the marketer to explore the opportunities. Strategy may be short term or long term, but it need to be fit with market situations.

2.2 PERSONAL SELLING

Personal selling is when a company uses salespersons to build a relationship and engage customers to determine their needs and attain a sales order that may not otherwise have been placed. The personal selling process is a seven step approach: prospecting, pre-approach, approach, presentation, objections, closing the sale, and follow-up.

Personal Sales Meeting: Meeting the customer face-to-face to makes the salesprocess more personalized.

The sales cycle, more generally speaking, turns leads into prospects, suspects into prospects and prospects customers.

Prospecting is the step salespeople determine leads or prospects. The pre-approach is used for preparing for the presentation through customer research and goal planning for the presentation. The approach is when the salesperson initially meets with the customer and determines a customer's wants and needs. Once the salesperson knows the needs, he or she is ready for the presentation that will entice the customer to commit. After the presentation, a salesperson must meet objections or address customer concerns. Gaining commitment comes next. Finally, the salesperson must remember to follow up after the sale is made.

The sales department would aim to improve the interaction between the customer and the sales facility or mechanism and or salesperson. Sales management would breakdown the selling process and then increase the effectiveness of the discrete processes as well as the interaction between processes. For example, in many out- bound sales environments, each step in the typical process outlined above has sales- related issues, skills, and training needs, as well as marketing solutions to improve each discrete step.

The Relationship of Sales & Marketing

Marketing and sales differ greatly, but have the same goal. Marketing improves the selling environment and plays a very important role in sales. If the marketing department generates a list of potential customers, sales will benefit. The goal of a marketing department is to increase the number of interactions between potential customers and the organization. Achieving this goal may involve the sales team using promotional techniques such as advertising, sales promotion, publicity, creating new sales channels, or creating new products.

The relatively new field of sales process engineering views "sales" as the output of a larger system, not just as the output of one department. The larger system includes

many functional areas within an organization. From this perspective, “sales” and “marketing,” among others, represent a number of processes whose inputs and outputs supply one another to varying degrees. In this context, improving an “output” (such as sales) involves studying and improving the broader sales process, as in any system, since the component functional areas interact and are interdependent.

Most large corporations structure their marketing departments in a similar fashion to sales departments and the managers of these teams must coordinate efforts in order to drive profits and business success. For example, an “inbound” focused campaign seeks to drive more customers “through the door”, giving the sales department a better chance of selling their product to the consumer.

Many companies find it challenging to get marketing and sales on the same page. The two departments, although different in nature, handle very similar concepts and have to work together for sales to be successful. Building a good relationship between the two that encourages communication can be the key to success – even in a down economy.

2.3 LEAD GENERATION

Lead generation is the process of capturing the interest—and ideally the contact information—of potential customers for your business. With the number of options and resources available today, it is less likely now than ever before for a consumer to make a purchase during their first encounter with a business.

Lead generation is the first step in building a relationship with a potential client or customer. When an interested prospect becomes a lead, they are not just expressing interest in your business, but also inviting you to nurture that interest. By giving you their contact information, they are giving you permission to further the conversation.

The goal of generating leads is to connect with people who could benefit from your business so that you can show what you have to offer, build trust, and provide the

information they need in order to make the purchase—thereby increasing the chances that they do.

Lead generation takes many forms, and different strategies will work for different businesses and audiences.

Inbound vs Outbound Lead Generation

As mentioned above, lead generation is obtaining permission from a prospective customer to communicate further with them with regard to your business. There are two ways of generating leads: inbound lead generation and outbound lead generation.

Outbound Lead Generation

Outbound lead generation is when a business makes the first reach out to a potential customer, such as through:

- Cold calling
- Going door to door
- Purchasing an email list
- Sending direct mail to all residents in your zip code

Outbound marketing is also referred to as “interruption marketing” because the business is dictating the encounter with the potential customer and directly asking them to engage. Outbound marketing is looked at by many as an old school approach but is still highly effective for businesses today.

Inbound Lead Generation

Inbound lead generation is your business making customers and viewers want to work with you. This may include:

- Subscribing to your blog
- Signing up for your email newsletter
- Downloading a piece of content

With outbound lead generation, the business makes the first move. With inbound lead generation, it's the consumer. They decide if and when they want to engage with your business. For this reason, it is also referred to as "permission marketing".

The Core of Lead Generation

With both forms of lead generation, your prospects are offering up something that is of value to them, such as their contact information, their time, or even their money. This means that for the exchange to be worth it or beneficial to them, you must provide something of value in return.

Whether you're taking an inbound or outbound approach, the key to all lead generation is the offer. Examples of quality offers include:

- Free eBook in exchange for email address.
- Free consultation in exchange for a phone number.
- Free demo on an item in exchange for an in-store purchase.

Remember, the focus of lead generation is to connect with potential customers, so your offer should be something that is relevant to your business and of interest and/or value to your ideal customers—not just anyone.

Online vs Offline Lead Generation

Both inbound and outbound lead generation can occur online and off. Online and offline lead generation have the same goal but are different in the platforms they use and ways they engage customers.

Online Lead Generation

Online lead generation is rising and getting easier with all the different ways you can build your digital presence. Online lead generation targets potential customers through digital platforms such as your website, email, webinars, and social media.

Offline Lead Generation

Offline lead generation uses traditional offline channels to build your audiences such as newspapers, television, radio, and physical events.

While they are exactly as they sound, online and offline lead generation aren't exactly as simple as they sound. These two methods of lead generation can intertwine. For example, you may host a webinar (online), send out an email invite with a link to signup (online), but also have a signup sheet in your store (offline).

Examples of Lead Generation

Now that you have a clear picture of the inbound and outbound approaches, as well as the online and offline channels for lead generation, let's put them together for some realistic examples.

Offline Outbound Lead Generation

- A new fitness center sends a postcard out to all residents of the surrounding area about an open house.
- An accountant produces a radio ad during tax season to call for a free consultation.

Online Outbound Lead Generation

- That same fitness center runs a display ad that shows up in front of people shopping online for workout clothes or equipment.
- A salon creates a Facebook Ad with a 20% promo code, that shows up in users' News Feeds.

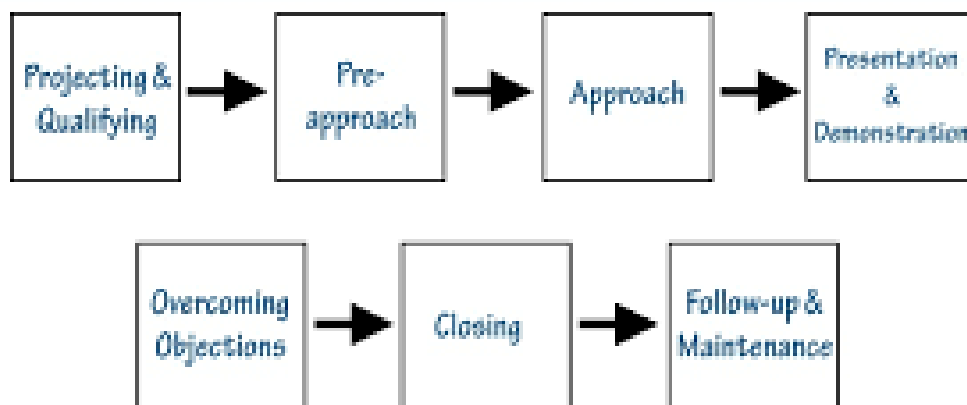
Offline Inbound Lead Generation

- An interior designer hosts a free workshop on DIY dining room decor.
- Photographer offers to do free headshots at a local professional networking event.

Online Inbound Lead Generation

- Personal trainer writes blog posts on health and wellness, accumulating traffic to their website that has a contact us form.
- Local pastry chef uses SEO to show up first on directory searches such as Google Maps.

Steps in Personal Selling or Selling Process



Lead generation is crucial to your small business. Now that you understand and have examples for the four key areas of lead generation: inbound, outbound, online, and offline, you can put them to use to grow— your small business.

Online lead generation

Online lead generation is an Internet marketing term that refers to the generation of prospective consumer interest or inquiry into a business' products or services through the Internet. Leads, also known as contacts, can be generated for a variety of purposes: list building, e-newsletter list acquisition, building out reward programs, loyalty programs or for other member acquisition programs.

Social media

With growth of social networking websites, social media is used by organizations and individuals to generate leads or gain business opportunities. Many companies actively participate on social networks including LinkedIn, Twitter and Facebook to find talent pools or market their new products and services.

Online advertising

There are three main pricing models in the online advertising market that marketers can use to buy advertising and generate leads:

- Cost per thousand (e.g. CPM Group, Advertising.com), also known as cost per mille (CPM), uses pricing models that charge advertisers for impressions — i.e. the number of times people view an advertisement. Display advertising is commonly sold on a CPM pricing model. The problem with CPM advertising is that advertisers are charged even if the target audience does not click on (or even view) the advertisement.
- Cost per click advertising (e.g. AdWords, Yahoo! Search Marketing) overcomes this problem by charging advertisers only when the consumer clicks on the advertisement. However, due to increased competition, search keywords have become very expensive. A 2007 Doubleclick Performics Search trends report shows that there were nearly six times as many keywords with a cost per click (CPC) of more than \$1 in January 2007 than the prior year. The cost per keyword increased by 33% and the cost per click rose by as much as 55%.
- Cost per acquisition advertising (e.g. TalkLocal, Thumbtack) addresses the risk of CPM and CPC advertising by charging only by the lead. Like CPC, the price per lead can be bid up by demand. Also, like CPC, there are ways in which providers can commit fraud by manufacturing leads or blending one source of lead with another (example: search-driven leads with co-registration leads) to generate higher profits. For such marketers looking to pay only for specific actions/acquisition, there are two options: CPL advertising (or online lead generation) and CPA advertising (also referred to as affiliate marketing). In CPL campaigns, advertisers pay for an interested lead — i.e. the contact information of a person interested in the advertiser's product or service. CPL campaigns are suitable for brand marketers and direct response marketers looking to engage consumers at multiple touchpoints — by building a newsletter list, community site, reward program or member acquisition program. In CPA campaigns, the advertiser typically pays for a completed sale involving a credit card transaction.

Recently, there has been a rapid increase in online lead generation: banner and direct response advertising that works off a CPL pricing model. In a pay-per-acquisition (PPA) pricing model, advertisers pay only for qualified leads resulting from those

actions, irrespective of the clicks or impressions that went into generating the lead. PPA advertising is playing an active role in online lead generation.

PPA pricing models are more advertiser-friendly as they are less susceptible to fraud and bots. With pay per click, providers can commit fraud by manufacturing leads or blending one source of lead with another (example: search-driven leads with co-registration leads) to generate higher profits for themselves.

A GP Bullhound research report stated that the online lead generation was growing at 71% YTY— more than twice as fast as the online advertising market. The rapid growth is primarily driven by the advertiser demand for ROI focused marketing, a trend that is expected to accelerate during a recession.

Common types of opt-in ad units include:

- Co-registration advertising: The advertiser receives some or all of the standard fields collected by a site during the site's registration process.
- Full page lead generation: The advertiser's offer appears as a full page ad in an HTML format with relevant text and graphics. The advertiser receives the standard fields and answers to as many as twenty custom questions that s/he defines.
- Online surveys: Consumers are asked to complete a survey, including their demographic information and product and lifestyle interests. This information is used as a sales lead for advertisers, who purchase the consumer's information if provided. The consumer may 'opt-in' to receive correspondence from the advertiser and is therefore considered a *qualified lead*.

A common advertising metric for lead generation is cost per lead. The formula is Cost / Leads, for example if you created 100 leads and it cost \$1000, the cost per lead would be \$10.

5 Ways to Generate B2B Leads Online

In this section, we'll cover the four strategies outlined above, as well as a strategy that hasn't been mentioned in any of the studies, yet it enabled one B2B company to generate a 5,100% ROI from a \$1 million investment.

First though, let's talk about one of the oldest strategies in online marketing: email marketing.

1. Email Marketing

Email marketing is one of the few online marketing channels that has stood the test of time. In fact, email is 23 years old this year, and it still trumps the top spot on many B2B marketer's lists of B2B lead generation strategies.

One of the biggest trends in email marketing at the moment, that has generated great results for many B2B businesses, is *marketing automation*.

Not sure what the fuss about marketing automation is? Read this. In short, marketing automation tools are effectively hybrid email marketing tools that connect with your CRM to enable you to automatically send highly targeted emails to leads that are personalised specifically to them.

When Thomson Reuters upgraded to a marketing automation solution, their revenue increased by 172%. Another company increased their revenue by 832% (going from \$80,000 in debt to \$2 million in revenue) in just three years.

While traditional newsletters and email marketing are still important, the ability to capture more data on users and use behavioural-triggers has enabled B2B marketers to get a lot smarter with how they target users in the inbox.

2. Content Marketing: From Blogging to Microsites

By creating a total of 48 infographics, videos, and Q&A blog posts targeting C-level prospects of large market cap financial institutions, the public accounting firm Crowe Horwath generated \$250,000 in revenue attributed to content marketing.

If 6-figure growth doesn't get you excited, perhaps 10-figures (a *billion*) will.

In 2012, Xerox created a microsite offering relevant tips to business owners. The result? 70% of the companies targeted interacted with the microsite, adding 20,000 new contacts to their pipeline, 1,000+ of which scheduled appointments. The value of those appointments exceeded **\$1.3 billion in pipeline revenue**.

Given the broad scope of content marketing, a good question to ask is what type of content should B2B companies be focusing on to generate leads?

Well, you could go by which tactics are most commonly used by other B2B companies (displayed below). The risk of this approach is that, by definition, you'll be doing what everyone else is doing.

While there is some wisdom in following trends, there's a good argument to do exactly the opposite of what other marketers are focusing on.

“Whenever you find yourself on the side of the majority, it is time to pause and reflect.”
– Mark Twain

Whether you're a contrarian marketer or prefer to stick to what's working for others, a good content marketing strategy requires a degree of diversity and experimentation to understand where the biggest growth opportunities are for your business.

So, by all means, experiment with the common and uncommon tactics. Whether you use microsites, blogging, research reports, or infographics, the important thing is to test what does and doesn't work so that you can gradually refine your lead generation over time.

3. Search Marketing

Organic search marketing is arguably one of the most valuable long-term strategies for generating B2B leads.

About 5-6 years ago, I was working on the SEO campaign for a major business stationery brand. It was one of my first ‘big campaigns’ that I was allowed to manage in my previous job.

While I can’t take the credit (their in-house SEO team and previous agencies had laid a great foundation for us), I watched the site’s revenue from SEO increase by over £4 million, just from a handful of keywords reaching #1 on Google.

Getting to #1 in Google is a lot harder today than it was five or ten years ago, and it can barely be summarised in a few sentences.

If I were to attempt it, though, I’d probably say that good SEO in 2015 is largely a by-product of doing things well in other areas e.g. design, conversion rate optimisation, content marketing, and social. While there are exceptions, this is increasingly looking like the rule.

4. Social Media

Calling social media an effective B2B lead generation strategy is a controversial discussion to be starting.

While social media scored very well on both of the aforementioned ‘studies’, we can just as easily find reports where social media channels are regarded as the least effective lead generation strategies.

The bottom line is, social media isn’t inherently a poor channel for B2B lead generation. The reason social media is sometimes rated poorly on these aggregate studies is because most B2B companies have an ill-fitting social media strategy, to put it politely.

While tens of thousands of companies blast out self-promotional drivel, a minority of businesses use it generate and nurture millions of dollars worth of leads. In this instance, it’s best to learn from the minority rather than the majority.

One of the most obvious ways to generate B2B leads from social media is using LinkedIn. An commodity risk management company managed to generate over \$2 million in pipeline value through their lead generation strategy.

Another consideration is that social media is an integral part of content marketing, and to some extent, search marketing. How successful will your blogging or infographics be if no one's following your company's updates on social media?

5. Integrating it all together

It's said that *success leaves clues*. Well, when a \$37 billion company generates a **5,100% return on investment** on a million-dollar marketing campaign, it might be a pretty good clue.

From a \$1 million investment in an integrated marketing campaign that included display ads, email marketing, campaign websites and content marketing, the healthcare technology company Optum generated \$52 million in new business.

So, what's the clue?

I believe it's this: exceptional lead generation results come from a relentless willingness to experiment with different tactics, and to combine tactics across multiple channels.

Only by experimenting, can you truly know what does and doesn't work, and when you know this, you can use your time and budget more effectively to generate higher returns on your investment, and better lead generation results overall.

I hope this post has given you some inspiration on what's possible with B2B lead generation, and which areas are best to focus on. As always if you have any questions, or are interested in getting touch, feel free to comment below or drop me an email here.

Avoiding the leaky bucket effect

Many B2B marketers spend a lot of time, metaphorically, pouring water into leaky buckets. Rather than fixing the bucket (the marketing funnel), they pour more water (traffic) into the bucket to keep it full.

This is a recipe for inflated acquisition costs and below-average results.

The biggest culprit here are landing pages and, in particular, your forms. Forms separate your leads from non-leads, and have a huge impact on your conversion rates and overall lead generation results. If you haven't already, I'd recommend optimising your forms – or using a tool like Leadformly to ensure that you're not leaving leads behind from your marketing campaigns.

Let's say you send 1,000 visits to your landing page at a cost of \$3 per visit. If your form converts at 1% you'll get 10 leads at a cost per lead of \$300. If, on the other hand, your form converted at 3%, you'd receive 30 leads at a cost per lead of \$100.

That's 3X more leads for one third of the cost per leads without spending a penny extra – just by improving your lead generation form.

Once your funnel is well-optimised and you're confident that there's no more opportunity to improve your landing pages / funnels, it's time to acquire traffic – but which channels or lead generation strategies should you use?

2.4 Social Media Marketing for Businesses

Social media marketing is a powerful way for businesses of all sizes to reach prospects and customers. Your customers are already interacting with brands through social media, and if you're not speaking directly to your audience through social platforms like Facebook, Twitter and Instagram you're missing out! Great marketing on social media can bring remarkable success to your business, creating devoted brand advocates and even driving leads and sales.



Social media marketing, or SMM, is a form of internet marketing that involves creating and sharing content on social media networks in order to achieve your marketing and branding goals. Social media marketing includes activities like posting text and image updates, videos, and other content that drives audience engagement, as well as paid social media advertising.

We've created this guide to provide you with an introduction to social media marketing and some starter social media marketing tips and training to improve your business's social presence.

With these tips, you can begin developing your own social media marketing expert plan.

Social Media and Marketing: Start With a Plan

Before you begin creating social media marketing campaigns, consider your business's goals. Starting a social media marketing campaign without a social strategy in mind is like wandering around a forest without a map—you might have fun, but you'll probably get lost.

Here are some questions to ask when defining your social media marketing goals:

- What are you hoping to achieve through social media marketing?
- Who is your target audience?
- Where would your target audience hang out and how would they use social media?
- What message do you want to send to your audience with social media marketing?

Your business type should inform and drive your social media marketing strategy.

For example, an e-commerce or travel business, being highly visual, can get a lot of value from a strong presence on Instagram or Pinterest. A business-to-business or marketing company might find more leverage in Twitter or LinkedIn.

How Social Media Marketing Can Help You Meet Your Marketing Goals

Social media marketing can help with a number of goals, such as:

- Increasing website traffic
- Building conversions
- Raising brand awareness
- Creating a brand identity and positive brand association
- Improving communication and interaction with key audiences

The bigger and more engaged your audience is on social media networks, the easier it will be for you to achieve every other marketing goal on your list!

How to Choose the Best Social Media Platforms for Marketing

Here's a brief overview about how to use social media for marketing according to each platform's unique user base and environment. Different social media marketing sites require different approaches, so develop a unique strategy tailored for each platform.

Using Facebook for Social Media Marketing



Facebook's casual, friendly environment requires an active social media marketing strategy. Start by creating a Facebook Business Fan Page. You will want to pay careful attention to layout, as the visual component is a key aspect of the Facebook experience.

Facebook is a place people go to relax and chat with friends, so keep your tone light and friendly. And remember, organic reach on Facebook can be extremely limited, so consider a cost-effective Facebook ad strategy, which can have a big impact on your organic Facebook presence as well!

Using Twitter for Social Media Marketing



Twitter is the social media marketing tool that lets you broadcast your updates across the web. Follow tweeters in your industry or related fields, and you should gain a steady stream of followers in return.

Mix up your official tweets about specials, discounts, and news with fun, brand-building tweets . Be sure to retweet when a customer has something nice to say about you, and don't forget to answer people's questions when possible. Using Twitter as a social media marketing tool revolves around dialog and communication, so be sure to interact as much as possible to nurture and build your following.

Using LinkedIn for Social Media Marketing

LinkedIn is one of the more professional social media marketing sites. LinkedIn Groups is a great venue for entering into a professional dialog with people in similar industries and provides a place to share content with like-minded individuals. It's also great for posting jobs and general employee networking.

Encourage customers or clients to give your business a recommendation on your LinkedIn profile. Recommendations makes your business appear more credible and reliable for new customers. Also browse the Questions section of LinkedIn; providing answers helps you get established as a thought leader and earns trust.



Using YouTube for Social Media Marketing

YouTube is the number one place for creating and sharing video content, and it can also be an incredibly powerful social media marketing tool. Many businesses try to create video content with the aim of having their video “go viral,” but in reality those chances are pretty slim. Instead, focus on creating useful, instructive “how-to” videos. These how-to videos also have the added benefit of ranking on the video search results of Google, so don't under-estimate the power of video content!

CHAPTER-3

DATA ANALYSIS & INTERPRETATION

Methodology is the systematic, theoretical analysis of the methods applied to a field of study. It comprises the theoretical analysis of the body of methods and principles associated with a branch of knowledge. Typically, it encompasses concepts such as paradigm, theoretical model, phases and quantitative or qualitative techniques.

A methodology does not set out to provide solutions - it is, therefore, not the same thing as a method. Instead, it offers the theoretical underpinning for understanding which method, set of methods or so called “best practices” can be applied to specific case, for example, to calculate a specific result.

It has been defined also as follows:

1. "the analysis of the principles of methods, rules, and postulates employed by a discipline"
2. "the systematic study of methods that are, can be, or have been applied within a discipline"
3. "the study or description of methods"

RESEARCH DESIGN: – The research design used in this study was both ‘Descriptive’ and ‘exploratory’.

SAMPLING TECHNIQUE:–

The selection of respondents will be doing on the basis of convenience sampling (Non- Probability). Basically I will use random sampling method.

STASTICAL TOOLS:

MS-EXCEL will use to prepare pie- charts and graphs and MS-WORD will use to prepare or write the whole project report.

LIKERT SCALES:

Likert scales are the four, five, six, point scales much used in various fields of research. Often the scale is used as a semantic differential.

RESEARCH DESIGN

The research design is purely and simply the framework of plan for a study that guides the collection and analysis of data. Types of Research Design:

- **Exploratory Research** – The main purpose of such studies is that of formulating a problem for more precise investigation or of developing the working hypotheses from an operational point of view.
- **Descriptive Research** – Those studies which are concerned with describing the characteristics of a particular individual, or of a group.
- **Hypothesis Testing Research** – They are those where the researchers tests the hypotheses of casual relationships between variables.

SAMPLE SIZE

Detail:

Size of Data **100**

Area **: New Delhi**

Sampling Technique

Sampling techniques can be broadly classified in to two types:

- Probability Sampling.
- Non Probability Sampling.

Methods of Data Collection --- Testing Of Questionnaire

Primary Data:

Main source for the primary data for the project was questionnaires which I got filled by the customers.

Secondary Data:

Secondary data for the base of the project I collected from internet, magazines, newspapers etc.

Statistical Analysis

In this segment I will show my findings in the form of graphs and charts. All the data which I got from the market will not be disclosed over here but extract of that in the form of information will definitely be here.

TOOLS AND TECHNIQUES OF ANALYSIS

Tools for analysis

- Bar chart (Bar charts will be used for comparing two or more values that will be taken over time or on different conditions, usually on small data set)
- Pie-chart (Circular chart divided in to sectors, illustrating relative magnitudes or frequencies)

Tools and Techniques

As no study could be successfully completed without proper tools and techniques, same with my project. For the better presentation and right explanation I used tools of statistics and computer very frequently. And I am very thankful to all those tools for helping me a lot. Basic tools which I used for project from statistics are-

- **Bar Charts**

- **Pie charts**

- **Tables**

Bar charts and pie charts are really useful tools for every research to show the result in a well clear, ease and simple way. Because I used bar charts and pie charts in project for showing data in a systematic way, so it need not necessary for any observer to read all the theoretical detail, simple on seeing the charts any body could know that what is being said.

Technological Tools

Ms- Excel

Ms-Word

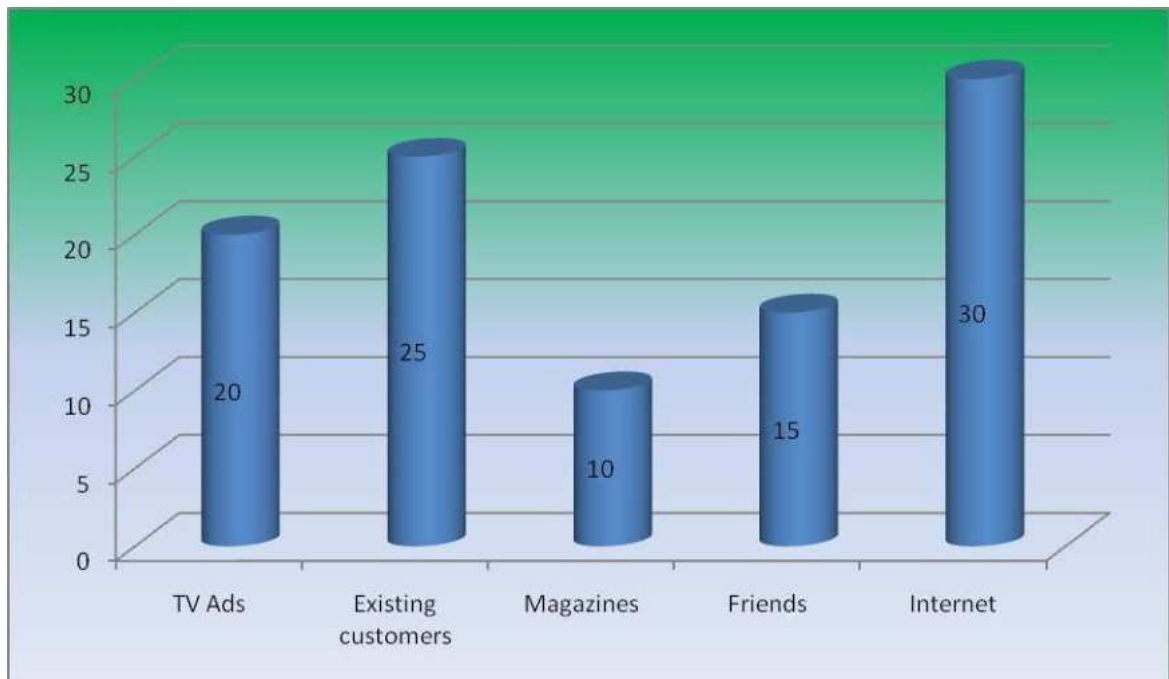
Above application software of Microsoft helped me a lot in making project more interactive and productive.

Q.1. How you aware about Xiaomi Corporation?

Table No. 1:

Option	No. of Respondents	Percentage
TV Ads	20	20%
Existing customers	25	25%
Magazines	10	10%
Friends	15	15%
Internet	30	30%
Total	100	100%

GRAPH No.1:



Interpretation: From the above graph shows that 20% of the respondents came to know of Xiaomi Corporation through TV ads, 10% of the respondents through magazines, 25% of the respondents through the existing customers and 15% of respondents from friends, 30% of respondents through internet. The above graph explained that majority of respondents are **Existing customers** ads and Internet.

Q.2. What is your perception about Xiaomi Corporation?

Table No. 2:

Particulars	No. of Respondents	Percentage
Good	45	45%
Ordinary	25	25%
No comment	25	25%
Poor	5	5%
Total	100	100%

Graph No.2:



Interpretation:

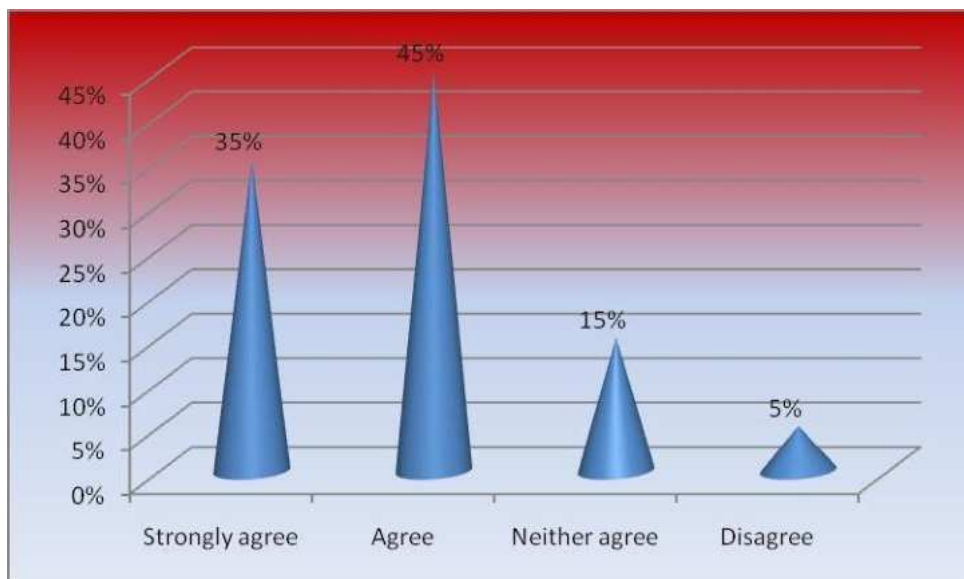
The above graph reveals that good perception comes from 45%, 25% have ordinary perception about the Xiaomi Corporation and rest by 25% have No Comment, 5% have poor perception.

3.Xiaomi Corporation have Good Quality?

Table No. 3

Particulars	Number of Respondent	Percentage
Strongly agree	35	35%
Agree	45	45%
Neither agree	15	15%
Disagree	5	5%
TOTAL	100	100%

Graph No. 3



Interpretation:

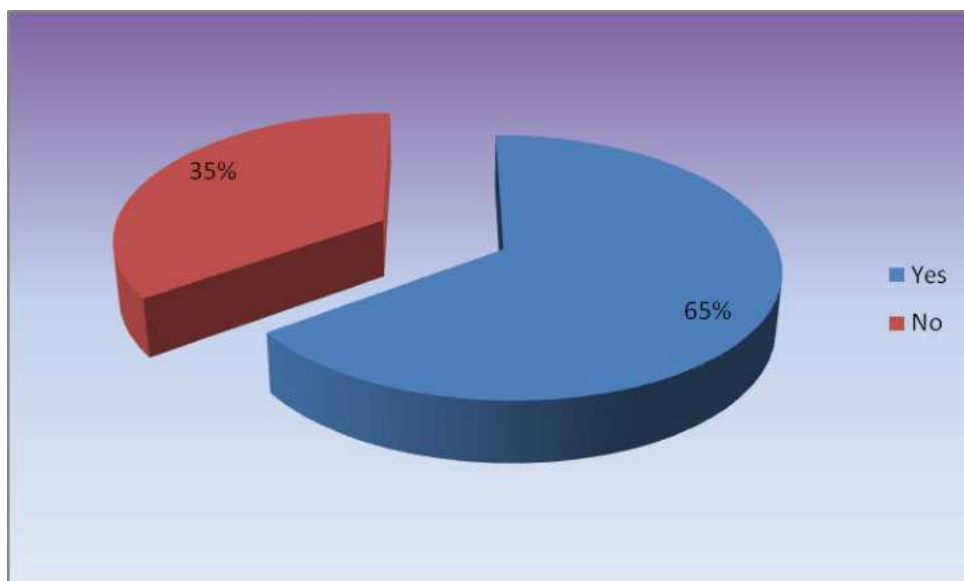
The above graph shows that 35% of respondents strongly agree Xiaomi Corporation have Good Quality, 45% agree, 15% Neither agree and 5% of respondents disagree.

4. Do you think Xiaomi Corporation Services are more Quality & beneficial than others?

Table No.4:

Product	No. of Respondent	Percentage
Yes	65	65%
No	35	35%
Total	100	100%

Graph No.4:



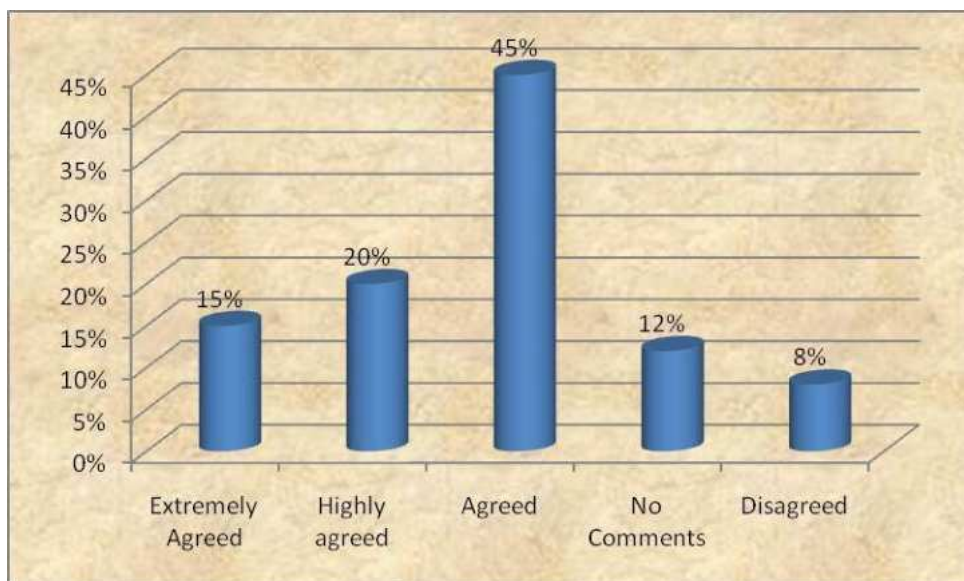
Interpretation: The above graph showing is 65% of respondents says Xiaomi Corporation are more quality and beneficial than others. Only 35% of respondents Says No.

5.: On the basis of price and feature comparison, is Xiaomi Corporation economical?

Table. No.5:

Option	No. of respondents	Percentage
Extremely Agreed	15	15%
Highly agreed	20	20%
Agreed	45	45%
No Comments	12	12%
Disagreed	8	8%
Total	100	100%

GRAPH No. 5:



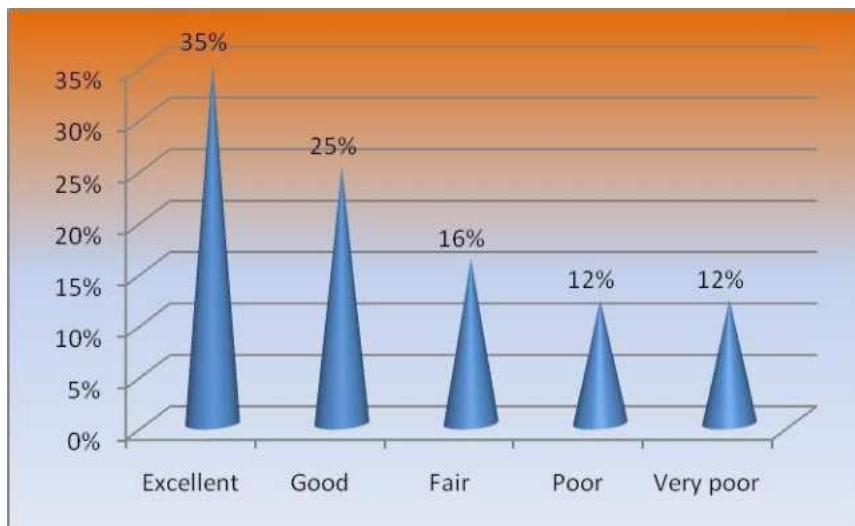
Interpretation: The above graph showing is Xiaomi Corporation are economical. 15% of public is extremely agreed with this statement, 20% is highly agreed, 45% is agreed and rest of peoples answer is negative.

6. What is the Selling scale System of Xiaomi Corporation?

Table No.6

Option	No. of Respondents	Percentage
Excellent	35	35%
Good	25	25%
Fair	16	16%
Poor	12	12%
Very poor	12	12%
Total	100	100%

Graph No. 6



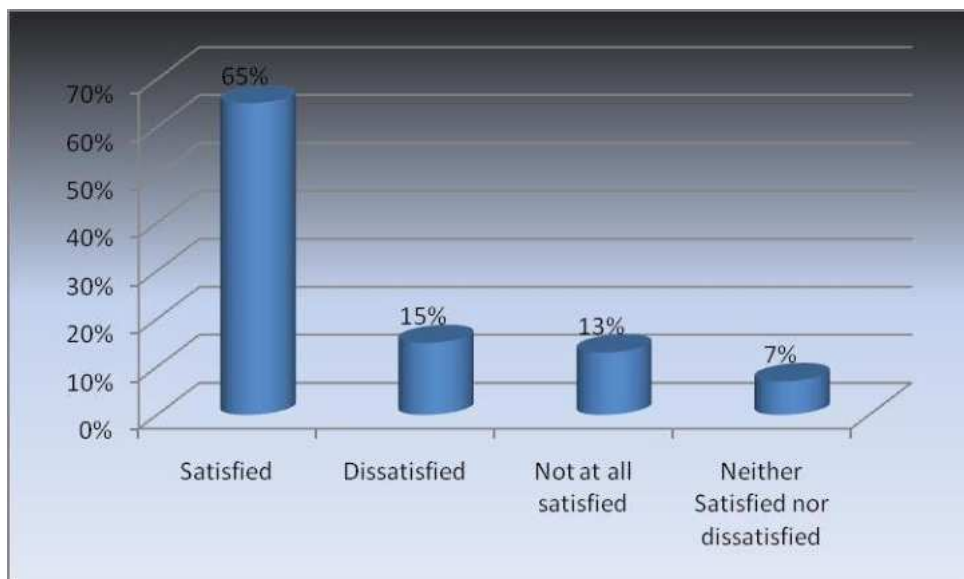
Interpretation: In the above graph shows that 35% of people says excellent about selling scale system of Xiaomi Corporation, 25% Good, 16% Fair, 12% Poor and rest 12% says very poor.

7. State the level of satisfaction for the Xiaomi Corporation Services?

Table No.7

Option	No. of Respondents	Percentage
Satisfied	65	65%
Dissatisfied	15	15%
Not at all satisfied	13	13%
Neither Satisfied nor dissatisfied	7	7%
Total	100	100%

Graph No. 7



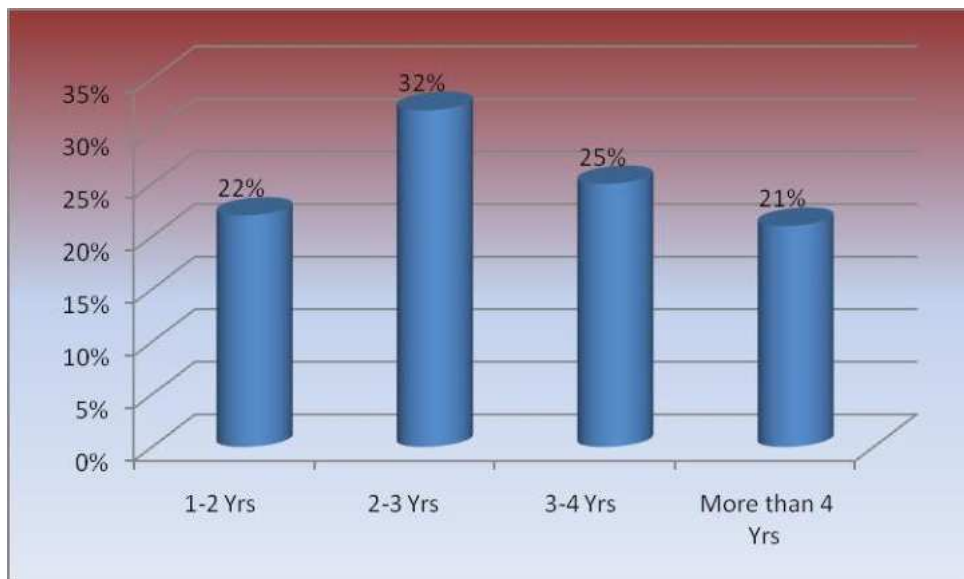
Interpretation: The above graph shows that 65% of respondents satisfied withXiaomi Corporation Services. Only 15% of respondents dissatisfied with its Services.

8. How many years have you been using Xiaomi Corporation?

Table No.8:

Years	No. of Respondent	Percentage
1-2 Yrs	22	22%
2-3 Yrs	32	32%
3-4 Yrs	25	25%
More than 4 Yrs	21	21%
Total	100	100%

Graph No.8:



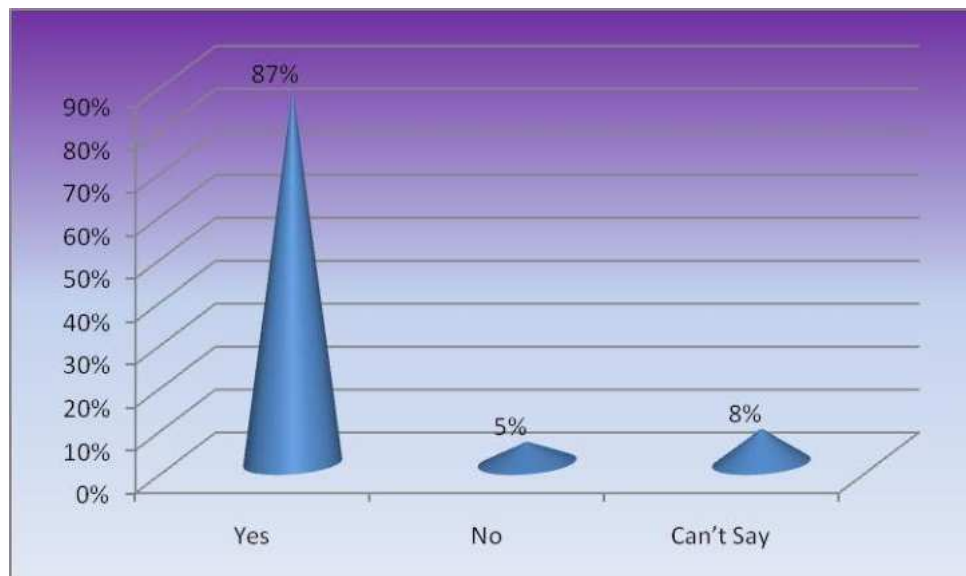
Interpretation: In the above graph shows that 22% of people using Xiaomi Corporation 1-2 years, 32% respondents using 2-3 years, 25% respondents using for 3-4 years and rest 21% respondents using More than 4 years.

9. Does Advertisement Influence your decision in choosing Xiaomi Corporation Services?

Table No. 9

Particulars	No. of Respondents	Percentage
Yes	87	87%
No	5	5%
Can't Say	8	8%
Total	100	100%

Graph No. 9



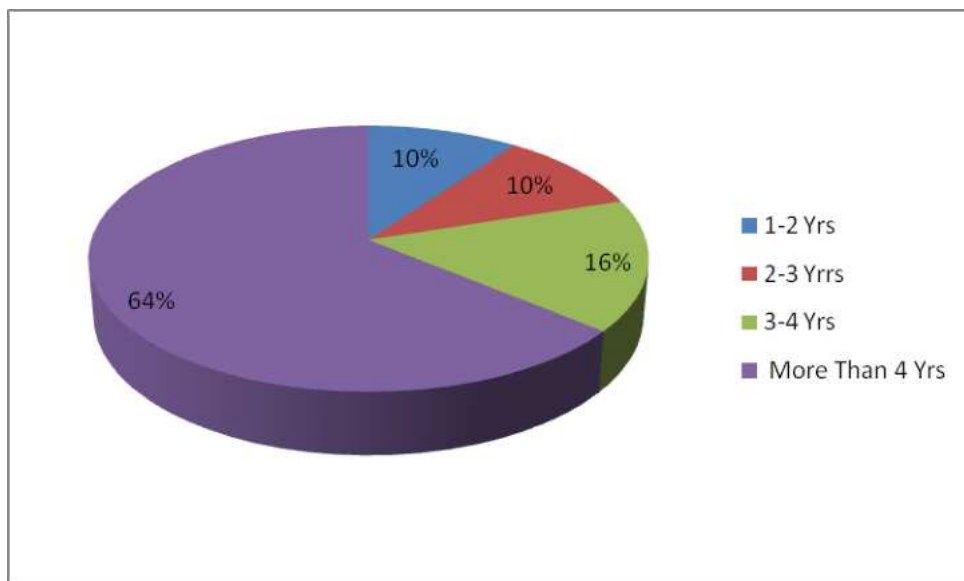
Interpretation: In the above graph shows that 87% of customer says yes advertisement influence decision in choosing a Xiaomi Corporation.

10. How many years have you been using Xiaomi Corporation Product?

Table No. 10

Years	Percentage
1-2 Yrs	10%
2-3 Yrs	10%
3-4 Yrs	16%
More Than 4 Yrs	64%

Graph No. 10



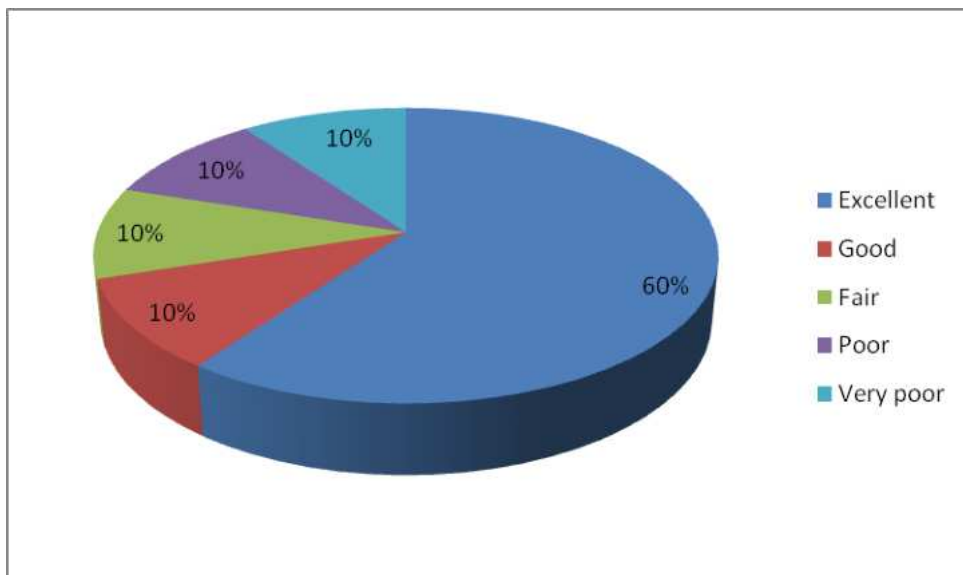
Interpretation: The above graph showing that 64 % customer are using this product more than 4 years. 16 % are using 3-4 years . and rest are using below 3 years.

11. What is the selling scale System of Xiaomi Corporation Product?

Table No. 11

Particulars	Percentage
Excellent	60%
Good	10%
Fair	10%
Poor	10%
Very poor	10%

Graph No. 11



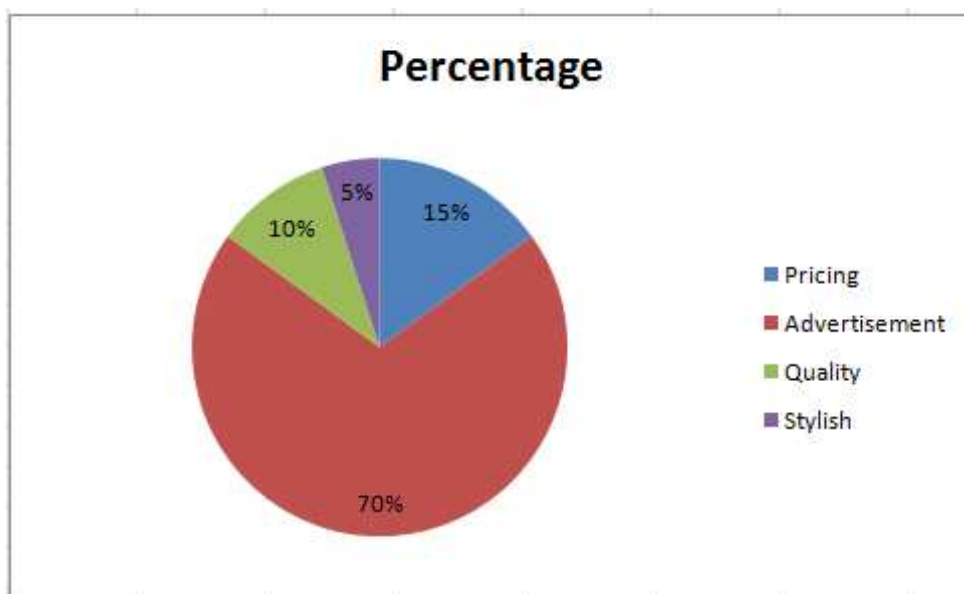
Interpretation: The above graph showing that selling scale of Xiaomi Corporation product is very enough. Rest customer says equally about this product.

12. Which factor is most liked by you?

Table No. 12

Option	Percentage
Pricing	15%
Advertisement	70%
Quality	10%
Stylish	5%

Graph No. 12



Interpretation: The above graph showing that 70 % customer is attract towards Xiaomi Corporation product due to Advertisement. 15 % customer says that pricing is good of Xiaomi Corporation.

CHAPTER-4

SUMMARY&CONCLUSION

- a. It reveals that 20% of the respondents came to know of Xiaomi Corporation through TV ads, 10% of the respondents through magazines, 25% of the respondents through the existing customers and 15% of respondents from friends, 30% of respondents through internet. The above graph explained that majority of respondents are TV ads and Magazines.
- b. It reveals that good perception comes from 45%, 25% have ordinary perception about the Xiaomi Corporation and rest by 25% have No Comment, 5% have poor perception.
- c. It is observed that 35% of respondents strongly agree Xiaomi Corporation have Good Quality, 45% agree, 15% Neither agree and 5% of respondents disagree.
- d. It reveals that 65% of respondents says Xiaomi Corporation. are more quality and beneficial than others. Only 35% of respondents Says No.
- e. It is observed that Xiaomi Corporation are economical. 15% of public is extremely agreed with this statement, 20% is highly agreed, 45% is agreed and rest of people's answer is negative.
- f. It reveals that 35% of people says excellent about selling scale system of Xiaomi Corporation, 25% Good, 16% Fair, 12% Poor and rest 12% says very poor.
- g. It is observed that 65% of respondents satisfied with Xiaomi Corporation Services. Only 15% of respondents dissatisfied with its Services.
- h. It reveals that 22% of people using Xiaomi Corporation 1-2 years, 32% respondents using 2-3 years, 25% respondents using for 3-4 years and rest 21% respondents using More than 4 years
- i. It reveals that 87% of customer says yes advertisement influence decision in choosing a Xiaomi Corporation
- j. It reveals that 64 % customer are using this product more than 4 years. 16 % are using 3-4 years . and rest are using below 3 years.
- k. It reveals that selling scale of Xiaomi Corporation product is very enough. Rest customer says equally about this product.

CHAPTER – 5

RECOMMENDATIONS

Xiaomi is a new company compare to Apple or Samsung such popular companies. However, its development shocks the world. And according to its development and company's history, we can notice that it is possible that Xiaomi will overpass these companies. Even some people think that Xiaomi copies the techniques from other companies, such as Apple. But, we should not that they did have their advantages, their products are coming into people's life. And since the media, electronic product, even some technologies are relevant to our life, thus Xiaomi will have very large region to improve and keep continue their development.

- Digital Marketing is not only concerned with placing ads in portals, it consists of integrated services and integrated channels. Marketers want to use these components in an effective way to reach target groups and to build a brand. In this digital era marketer is not the custodian for a brand, people who are connected across the digital platforms are the custodians.
- The ability to interact with the customers of the company should be viewed as a very positive aspect by any business. It offers very real insight into how the company's are viewed.
- The feedback shared on the review social networking sites such as Facebook, LinkedIn, Twitter, Google+, holidayiq.com & TripAdvisor is an opportunity to improve the service offering.
- Measuring the affects that reviews, Wall-posting, Blog, Photo Video, Pop-up, tweets and posts can directly have on bookings could be quite difficult.
- Digital Media creates a real Connection between companies and customers; that connection creates a trend for purchase intensity.
- Digital Networking provide ample of opportunities for interacting with any industries partners.

- Digital Marketing provides a platform to innovative advertising to be effectively used for business growth of any industries.
- Industry with use of Social Networking Sites can gain competitive advantage by reducing advertising cost , create awareness, capture large market, able to transact globally , can improve customer service quality and acquire new customers.

5.2 SUGGESTIONS

- Budget Smartphone launched via flash sale model
- Dual SIM 4G support , powered with 1GB RAM and 8GB onboard storage
- Special launch of limited edition 16 GB storage and 2GB RAM phones
- Offers sharpest and best display among its competitor phones
- Camera is one of the strongest features of Redmi smartphones with sharp and crisp pictures
- Price has been a great strength for xiaomi models
- The digital networking strategy should sufficiently flexible to allow it to adapt to new developments and to determine what works and what does not work.
- A dedicated social media co-ordinator is recommended to monitor the impact of any changes implemented. A dedicated co-ordinator would also allow for consistency in communication. At the very least a profession agency experienced in digital media marketing should be consulted at from the earliest planning stages.
- The reviews and complaints raised by the customers on the SNS should be effectively managed and proper actions should be taken by the management and the action taken should also be communicated to the customer.
- The promotional offers during season on should be displayed on the Social Network Site on regular basis, so that large number of customers is captured.

LIMITATIONS OF THE STUDY

As said a basic research was conducted at the company to enable the company to assess how far the customers are satisfied with product and services of XIAOMI CORPORATION. During the course of the study the following limitations were observed:

- The method will be unsuitable if the number of persons to be surveyed is very less as it will be difficult to draw logical conclusions regarding the satisfaction level of customers.
- Interpretation of data may vary from individual depending on the individual understanding the product features and services of the company.
- The method lacks flexibility. In case of inadequate or incomplete information the result may deviate.
- It is very difficult to check the accuracy of the information provided.
- Since all the Services and services are not widely used by all the customers it is difficult to draw realistic conclusions based on the survey.

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ANNEXURE

1. How you aware about Xiaomi Corporation Services?

- a) TV Ads
- b) Existing customers
- c) Magazines
- d) Friends
- e) Internet

2. What is your Perception about Xiaomi Corporation Services?

- a) Good
- b) Ordinary
- c) No Comments
- d) Poor

3. Xiaomi Corporation Services has Good Quality?

- a) Strongly agree
- b) Agree
- c) Neither agree
- d) Disagree

4. Do you think Xiaomi Corporation Services are more Quality & beneficial than others?

- a) Yes
- b) No

5. On the basis of price and feature comparison, is Xiaomi Corporation Services economical?

- a) Extremely Agreed
- b) Highly agreed
- c) Agreed
- d) No Comment
- e) Disagreed

6. What is the selling scale System of Xiaomi Corporation Services?

- a) Excellent
- b) Good
- c) Fair
- d) Poor
- e) Very poor

7. State the level of satisfaction for the Xiaomi Corporation Services?

- a) Satisfied
- b) Dissatisfied
- c) Not al all satisfied
- d) neither satisfied nor dissatisfied

8. Does Advertisement Influence your decision in choosing a Xiaomi Corporation Services?

- a) Yes
- b) No
- c) Can't Say

9. Why do you use Xiaomi Corporation India services?

- | | |
|---------------------|--------------------------------------|
| a) Good price | b) Better Quality |
| c) Easily available | d) Diversified categories of product |

10. How many years have you been using Xiaomi Corporation India?

- | | |
|------------|----------------------|
| a) 1-2 yrs | b) 2-3 yrs |
| c) 3-4 yrs | d) More than 4 years |

11. What is the selling scale System of Xiaomi Corporation India?

- | | |
|--------------|---------|
| a) Excellent | b) Good |
| c) Fair | d) Poor |
| e) Very Poor | |

12. Which factor is most liked by you?

- | | |
|------------|------------------|
| a) Pricing | b) Advertisement |
| c) Quality | d) Stylish |

Project Report on

**“A STUDY ON CONSUMER
PERCEPTION TOWARDS ONLINE
GROCERY STORE ”**

*Submitted in partial fulfilment of
the requirements for the award
of the degree of*

**Master of
Business
Administration
(International
Business) Batch
2022-2024**

**Under the Guidance
of: Dr.Ekta Rastogi**

**Submitted by:
AYUSH SHARMA**

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ROHINI DELHI 110085

Certificate

I, AYUSH SHARMA , Roll No. **01419114322** certify that the Project Report/Dissertation(MIB 204) entitled “**A study on impact CONSUMER PERCEPTION TOWARDS ONLINE GROCERY STORE** ” Is completed by me and it is an authentic work carried out by me **at Gitarattan International Business School**.The matter embodied in this project work has not been submitted earlier for the award of any degree or diploma to the best of my knowledge and belief.

Signature of the Student Date:

Signature of the Guide:

Date:

Name of the Guide: Designation:

Gitarattan International Business School, Delhi-110085

Countersigned Director/Project Coordinator

Acknowledgement

Project report is a venture that requires co-operation of many people. The report would not have been possible without the kind support and help of many individuals. It is my pleasure in taking this opportunity to express my sincere regards and my gratitude towards my project coordinator Dr. EKTA RASTOGI **Gitarattan International Business School**, New Delhi. Without her guidance, constructive criticisms and encouragement, the project would not have been possible. I would also like to thank the management of the institute for their continuous guidance, assistance, valuable observations and inspiration. Lastly, I thank almighty, my family and friends for constantly motivating me to complete the project and providing me an environment which enhanced my knowledge.

Executive Summary

Internet and Information technology have made tremendous contributions for business transformation witnessed nowadays all over the world. This has given birth to E-commerce which encompasses several pre purchase and post purchase activities leading to exchange of products or service or information over electronic systems such as the internet and the other Telecommunication networks. Analyzing the competitive advantage of E-Commerce, it is observed that E-Commerce enables simpler, faster and efficient business transactions. For developing country like India, E-Commerce offers considerable opportunity for growth.

The project has been undertaken to determine whether online grocery shopping is beneficial to the user and which factors influence the user to buy online grocery. The project will study the attitude of customers towards online shopping, also determining the factors which influence the consumer to purchase goods and services. It will also determine the purchase decision with respect to grocery and the place preference of grocery shopping with respect to price, quality, variety, proximity and offers/ discounts.

First chapter of the project deals with _Introduction '. This chapter gives an overview to the e-commerce industry and online grocery shopping. The second chapter of the report includes the literature review. The third chapter enumerates with objectives of the study. In this the objectives are defined, on the basis of which we have to work on this report. Also, it includes the research methodology which includes the type of research, research design, sources of data collection and techniques used to analyses data. The fourth chapter includes the data analysis, in which we analyses the data that has been collected through questionnaire. The fifth chapter is about the findings and conclusions of the study. In this, all the findings based on the analysis are covered and a conclusion based on it is given. The chapter sixth draws down the suggestions and limitations.

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CHAPTER-1

INTRODUCTION

INTRODUCTION

1.1 WHAT IS E-COMMERCE

E-commerce, also known as electronic commerce or internet commerce, refers to the buying and selling of goods or services using the internet, and the transfer of money and data to execute these transactions. Ecommerce is often used to refer to the sale of physical products online, but it can also describe any kind of commercial transaction that is facilitated through the internet.

Whereas e-business refers to all aspects of operating an online business, ecommerce refers specifically to the transaction of goods and services.

The history of ecommerce begins with the first ever online sale: on the August 11, 1994 a man sold a CD by the band Sting to his friend through his website Net Market, an American retail platform. This is the first example of a consumer purchasing a product from a business through the World Wide Web—or —ecommerce as we commonly know it today.

Since then, ecommerce has evolved to make products easier to discover and purchase through online retailers and marketplaces. Independent freelancers, small businesses, and large corporations have all benefited from ecommerce, which enables them to sell their goods and services at a scale that was not possible with traditional offline retail.

Global retail ecommerce sales are projected to reach \$27 trillion by 2020.

Information communication technology and the Internet have made contributions in changing the concept of business. There is a paradigm shift of business model witnessed today all over the world. The proliferation of internet has given birth to E- business and subsequently e-commerce. While e-commerce is confined to a transaction, e-business encompasses several pre purchase and post purchase activities leading to the exchange of products or service or information over electronic systems such as the internet and the other electronic mode including telecommunication networks.

Analyzing the competitive advantage of e-commerce, it is observed that e-commerce enables simpler, faster and efficient business transactions. It helps in developing low-cost leadership in existing markets and introduces product differentiation and mass customization. For a developing country like India, e-commerce offer considerable opportunity for growth.

E-commerce has entered every section of business and influenced the retail sector in a big way. The proliferation of internet in remote corners of developed as well as developing countries have proved to be conducive for a steady growth of online market and commerce. The unserved and underserved sections of the society have been privileged to get access to a broader choice of commodities and service.

1.2 EXISTING ISSUES

With increasing popularity of e-commerce in all sectors of business world, huge investments are made by business houses enhancing B2C and B2B transactions. Besides there are several other models which have developed e.g. C2C, G2C, and many more. Though e-commerce has seen the boom, there have been many stories of failure. One of the basic reasons of failure is the gap between server perception and customer perception of quality of online service. There have been many scholarly articles (Sasser, Olsen and Wyckoff, 1978; Grönroos 1982; Lehtinen and Lehtinen 1982; Lewis and Booms 1983; Parasuraman, Zeithaml and Berry 1985; Ennew, Reed and Binks 1993) suggested that service quality is a gap score of what a customer expects from a company and what is offered to them in reality. They reiterated that it is important to understand how customers assess service quality because it is the key factor which differentiates service products and give a competitive edge to business. Parasuraman et.al. (1988, 1991) conceptualized service quality into a measuring scale, SERVQUAL which gained good recognition in many other published studies. It was considered important to study the customer perception of online shopping.

1.3 MODELS OF E-COMMERCE

- **Business-to-Business (B2B):** □

B2B e-commerce is simply defined as e-commerce between companies. This is the type of e-commerce that deals with the relationships between and among businesses. About 80% of e-commerce is of this type, and most experts predict that B2B e-Commerce will continue to grow faster than the B2C segment. E.g.: indiamart.com, eindiabusiness.com, tradeindia.com etc.

- **Business-to-consumer (B2C):** □

Business-to-consumer e-commerce, or commerce between companies and consumers, involves customers gathering information; purchasing physical goods (i.e., tangibles such as books or consumer products) or information goods (or goods of electronic material or digitized content, such as software, or e-books); and, for information goods, receiving products over an electronic network.

It is the second largest and the earliest form of e-commerce. Its origins can be traced to online retailing (or e-tailing). Thus, the more common B2C business models are the online retailing companies such as flipkart.com Amazon.com, snapdeal.com etc.

- **Business-to-Government (B2G):** □

Business-to-government e-commerce or B2G is generally defined as commerce between companies and the public sector. It refers to the use of the Internet for public procurement, licensing procedures, and other government-related operations. This kind of e-commerce has two features: First, the public sector assumes a pilot/leading role in establishing e-commerce; and second, it is assumed that the public sector has the greatest need for making its procurement system more effective.

Web-based purchasing policies increase the transparency of the procurement process (and reduce the risk of irregularities). To date, however, the size of the B2G commerce market as a component of total commerce is insignificant, as government e-procurement systems remain undeveloped.

- **Consumer-to-Consumer (C2C):** □

Consumer-to-consumer e-commerce or C2C is simply commerce between private individuals or consumers. This type of e-commerce is characterized by the growth of electronic marketplaces and online auctions, particularly in vertical industries where firms/businesses can bid for what they want from among multiple suppliers.

It perhaps has the greatest potential for developing new markets. Online auction site eBay, Yahoo! Auctions are a couple of examples of C2C websites.

1.4 MOBILE COMMERCE IN INDIA

Mobile is growing in India with more than 800 million subscribers across the country. The advancement in terms of adoption of smart phones with 3G enabled services is happening at a rapid pace. This of course opens up the gates to mobile advertising, mobile application development and mobile commerce in India. According to Buzz City's latest report, India is a top performing mobile advertising region in the whole of Asia. The growth in mobile advertising globally is tremendous with the ads served on a year-on-year growth of 139%.

In India, Mobile Commerce is still in the development phase as the use of mobile phones for carrying out transactions is very limited. However, the development is taking place at a nice speed and in the coming years, Mobile Commerce is most likely to make its presence feel as companies and businesses have started understanding the benefits of Mobile Commerce. Some of the companies have even incorporated this technology. Airtel, ICICI, Reliance are some of the companies/businesses that are using this technology as their users are allowed to make limited purchases from their phones. For now, the users are mainly allowed to pay phone bills, utility bills, book movie tickets, book travel tickets with their cell phones.

However, more services will be introduced in the coming years. Security is one of the main concerns of Mobile Commerce as it's very important to offer secure transactions and this is the reason why Mobile Commerce is still in the development phase in India.

1.5 OVERVIEW BUSINESS-TO-CONSUMER (B2C)

Business or transactions conducted directly between a company and consumers who are the end-users of its products or services. Business to consumer as a business model differs significantly from the business to business model, which refers to commerce between two or more businesses. The significant paradigm shift over the recent years from a brick-and-mortar to an e-commerce shopping preference is clearly evident. As consumers continue to realize the many advantages of online shopping e-commerce

will continue to grow exponentially. The bottom line is, if you're in the business of selling directly to consumers and want to compete with the retail giants you must have the ability to respond quickly to the growth and demands that the e-commerce shift presents. Just as important as having an e-commerce presence is choosing the right company for your e-commerce solution. You want a proven leader who has the experience to help you avoid mistakes.

1.6 A CONSUMER PERSPECTIVE OF E-SERVICE QUALITY

E-service quality can be defined as overall customer evaluations and judgments regarding the excellence and quality of e-service delivery in the virtual marketplace. Research over the past two decades has demonstrated that service quality influences consumption decisions, but only recently these findings have been applied to e-commerce. For example, service quality measures have been applied to assess the quality of virtual community web sites, satisfaction with e-commerce channels, and determinants of web site success.

Online shopping is a complex process that can be divided into various sub-processes such as navigation, searching for information, online transactions, or customer interactions. Customers are unlikely to evaluate each sub-process in detail during a single visit to an online store, but rather will perceive the service as an overall process and outcome. Furthermore, for online customers, high standard e-service quality is the means by which the potential benefits of the internet can be realized. Because it is much easier to compare product technical features and prices online than through traditional channels, e-service quality becomes a key factor for customers. Online customers thus expect equal or higher levels of service quality than traditional channels customers.

1.7 B2C E-COMMERCE WEB SITE QUALITY

Zeithmal et al. define e-service quality as the extent to which a Web site facilitates efficient and effective shopping, purchasing, and delivery of products and services. Several re-searchers recognize the differences and challenges for

Web site service quality. Service in offline stores depends on the interactions between customer and service providers. But online services do not involve direct interactions between customers and service providers. In this environment, some traditional service

quality dimensions that determine customer satisfaction, such as the tangibility of facilities, employees, and equipment, and employee's responsiveness and empathy are unobservable. Because service as provided on the Internet is impersonal, the service quality characteristics of a Web site are different than those that occur in a traditional store. Jarvenpaa and Todd found four factors that affect service quality- product perceptions, shopping experience, consumer risk, and customer service. Lohse and Spiller address the importance of online service quality. The level of e-service quality is an essential component of this customer-centric strategy.

1.8 ONLINE SHOPPING IN INDIA

India's digital journey is one of exuberance. The country had the world's second- largest internet population at over 483 million users in 2018. E-commerce is emerging as a great level given that organized retail is still not ubiquitous across the length and breadth of the country with large retail chains making up less than 10% of the market. E-commerce is helping people in smaller towns in India access quality products and services similar to what people in the larger cities have access to. It's been forecast that close to 60% of online shoppers would come from beyond the top eight large cities by the end of this year.

Increasing internet penetration has helped to expand the potential customer pool.

Internet penetration is only about 10% (or about 121 million users) as against about 81% in the US and 36% in China. However this number continues to rise at a consistent pace because of falling prices for broadband connections.

Innovation is helping e-commerce companies break the inertia for online shopping by offering benefits to customers not traditionally available in a brick and mortar store. Business models include no question asked return policies ranging from 7 days to 30 days, free product deliveries and the industry dynamics changing —cash on delivery model. The last innovation has really helped unlock the potential as people can now order products and pay when they get physical delivery of the product.

This has been a tremendous success because Indians are still reluctant to give their credit/debit card details online and want to have the psychological comfort that they would actually get the product once payment has been made. These innovations have

led to further innovations downstream as ancillary businesses are developing to support these initiatives. Some companies have begun to develop support mechanisms for the entire cash on delivery model and are trying to reach the far flung corners of India, including in the interiors where traditional logistics companies are still not completely present. The logistics companies are also shoring up their act and have started to build specific verticals and expertise to address the requirements of e- Commerce companies.

Divyan Gupta is the Founder and CEO of Keshiha Services Pvt. Ltd, a company with interests in the internet, telecom, healthcare, education and advanced technology businesses has stated that, acceptance of online shopping as a secure shopping mode is has also helped to increase e-commerce uptake.

Currently only about 10 million people do online transactions out of an approximate population of 200 million credit and debit card holders. However the latest industry report by First Data Corporation and ICICI Merchant Services indicate that there are about 150 million users that are ready for e-commerce.

More importantly the report indicates that urban Indian consumers are now confident enough to make online purchases of up to US\$500 as against US\$40-100 in the recent past. So not only are the numbers of online shoppers projected to increase but there has been a real increase in the total value being spent online.

1.9 ONLINE GROCERY SHOPPING

Proving that no sector of the retail market is safe from the online shopping revolution, it is now possible for the humble hometown grocery store to become digitized and available on your Smartphone, tablet, or computer. Just think: no longer checkout lines, counting the number of items to see if you qualify for the Express Lane, forgetting your grocery list at home, or carrying heavy bags up your front steps. Online grocery shopping is dramatically changing the consumer's relationship with the food market and making a service that may have once felt luxurious into an everyday convenience.

COVID-19 AFFECTS ONLINE SHOPPING

Government policies to prevent the spread of the corona virus have dramatically increased the demand for online grocery shopping. Before the pandemic, only about 7% of people in Western countries did their food shopping online.

Suddenly stores were expected to deliver to more than 90% of homes. Not surprisingly there were teething problems. A shortage of drivers and grocery vans impacted on the availability of delivery slots. The situation has gradually improved as more staff are trained, and more vehicles are brought into service.

Ordering Food Online

An online grocery store is a website that allows users to purchase food over the Internet to be delivered to the person at a later time. Ordering food on the Internet is similar to ordering any other product--the desired food items can be searched for specific, or one can browse through listings of products or sections, similar to sections one might walk through at an actual grocery store. The products offered by an online grocery store are identical to a normal grocery store. When one has finished shopping, checkout is made with a credit card, and the buyer must specify certain hours that he will be available to receive the food for delivery. Since Internet groceries must deliver the food to the customers, they typically pay a fee for delivery based on the amount of food they buy.

Benefits of Online Grocery Shopping

The primary benefit of online grocery shopping is convenience. By ordering online, one can quickly search for the products he/she needs and order them without having to physically walk through expansive aisles. It also saves travel expenses and time going to the grocery store. Considering the wide availability of the Internet, it also means grocery shopping can be done from remote locations or in the middle of doing other tasks.

For instance, using an online grocery store can allow a person to do all her grocery shopping during her lunch break at work.

It is also very useful for those without a car or who may be physically unable to move around easily, since the food is delivered right to their doors. The use of online-based grocery stores are increasing in popularity as more and more people become comfortable with using the Internet to make purchases.

Disadvantages of Online Grocery Shopping

Perhaps the largest disadvantages of shopping online are that it costs extra money, since food must be delivered, and that the food ordered is not obtained immediately. If someone were making a certain recipe and discovered he needed an additional ingredient, he would probably not be able to order it online and get it quickly enough to finish his dish. In the same way, it forces a person to plan his food buying in advance of when he will need it--if delivery will take a day or two, a person needs to plan to have an extra day or two of essential foods available before he runs out.

Another disadvantage is that online shopping forces the customer to be home during a certain period to collect the food when it is delivered. Also, online grocery stores will often only cover specific delivery areas.

How Does Online Grocery Shopping Work?

Following is the basic parameter that determines the working of online grocery shopping.

- Creating the Website□

The most important part of online grocery shopping is the website itself. The website should have a complete list of groceries that are able to be delivered as well as the prices for each item.

This website should then have a "shopping cart" where a user can add items to a list of things to be ordered, as well as view and edit items that she is planning to purchase.

Finally, this website should have the ability for the user to enter her address and pay for the order.

- Filling the Order and Shipping□

The next step is to take the submitted order and use it to collect and deliver the items on the list. In general, fulfillment of the grocery order needs to be done manually by a stock boy or other employee.

This process can be made easier by having a well-organized room where the products can be easily and efficiently located. The stock person should also check to make sure that the items placed in the order match the list that the user created.

Then, once the order has been compiled, the collection of food needs to be placed in a vehicle and delivered to the customer.

- Restocking and Processing Payments Clearly□

It is critical to ensure that all the items listed on the website are in stock and able to be shipped. As a result, the stock room needs to be carefully checked to ensure inventory levels are sufficient.

Also, it is important to have the ability to obtain and process payments made by credit card.

1.10 INDIAN PLAYERS IN ONLINE GROCERY SHOPPING

Retailing industry of India is one of the fastest growing retail markets in the world and strong pillars of Indian economy. India has one of the highest number of Physical outlets for Shopping and today.

Here is the list of most popular and notable online grocery store in India, Offering online grocers and services to consumer with home delivery and discount.

- **Big Basket**□

Big Basket is the most popular online supermarket in India, offers wide range of best quality grocery at the lowest price. It is India's largest online grocery store that deliver wide range of products right to your doorstep with easy payment option.

- **Grofers**

Grofers is another most popular Indian online grocery delivery service provider, based out in Gurugram and allow consumers to place order using the mobile application or online website.

- **Nature's Basket**

Godrej Nature's Basket is an online grocery store now also operates physical stores in Indian cities. Natures Basket sells fresh vegetables, fruits and grocery through online and mobile app, now acquired by Spencer's Retail.

- **Amazon Pantry**

Amazon Pantry is a service for Prime members that allow to shop grocery store items online and single box for delivery to customer's doorstep. Amazon is already selling list of products like smartphones, apparel, laptop, camera and other items in India.

- **Flipkart Grocery**

Flipkart also launched its online grocery store business that sells staples, packed food and personal care like soap, hair oil, toothpaste and laundry detergent.

- **Zopnow**

Zopnow delivers grocery and India's one of the largest online supermarket. Fresh food, grocery, vegetables and frozen products are get delivered at your doorstep within 3 hours or your chosen delivery slots.

- **Spencers**

Spencer's Retail already operates chain of retail stores in over 35 cities in India, headquartered in Kolkata and recently opened its largest store in India.

- **Easyday**

Easyday online store serves grocery to your doorstep and instant grocery delivery services only shop from Easyday Club. The Indian retail brand is owned by Future Retail that also own Big Bazaar grocery store, Brand Factory and Food Bazaar.

- **DMart**□

DMart is now online as DMart ready, offering daily essentials, grocery and staples of all brands online at best price. Avenue Super marts runs the DMart retail chain of hypermarkets in Indian states.

- **Reliance SMART**□

Reliance Smart is a subsidiary company of Reliance Industries and is largest retailer in India. The online store of Reliance smart is a new age supermarket offering one stop shopping experience for online users and made grocery shopping even simpler.

CHAPTER-2

LITERATURE

REVIEW

LITERATURE REVIEW

1. **Shukla Hitendra, Agarwal Naveen (2020)** in their research Study on Consumer Behavior on Online Grocery Shopping ‘provided an overview of online shopping towards the grocery. Every person has Internet and most of them do online shopping. According to it, only 45% people are shopping online grocery. A total of 55% people are shopping offline grocery through their favorite store as dog goodwill, because they have no trust on freshness of foods in online grocery shopping. If such stores are providing online grocery facilities then percentage of online grocery shopping users will increase.

2. **Dr. Ankita Srivastava and Shobha Premaram (2019)** in their research Online Grocery Stores Sustainability: A Study on Various Dimensions Influencing Consumer For Purchasing Online Grocery‘ attempted to reveal the demographic characteristics of those users who contribute most in the process of online purchase of grocery and the dominating factors which drive them to do so. Growing awareness, easier access, and changing lifestyles are the key growth drivers for the consumer market. Today's consumer wants packaged goods that work better, faster, and smarter. Through the online and mobile platforms the shopping has become easier, faster and hassle free activity. Grocery purchase is the most time taking and less interesting type of shopping activity.

3. **Reema Singh (2019)** in her research Why do online grocery shoppers switch or stay? An exploratory analysis of consumers’ response to online grocery shopping experience‘ examined various drivers and outcomes of online grocery shopping experience that can help researchers and retailers answer the pressing question: —Why do online grocery customers stay or switch? Two broad dimensions of OCE, four attributes and 13 factors corresponding to shoppers’ psychological states and their utilitarian and hedonic orientations emerged from the data analysis.

The proposed framework, containing these four attributes and corresponding 13 factors, captures the consumers 'intention to stay with the current retailer or switch.

4. **Sabari Shankar R, Nareshkkumar S (2018)** in their research A Descriptive Analysis of Consumer Perception on Online Grocery Shopping intended to understand the consumer perception of online grocery shopping and the impact of demographic factors on the same. The major findings were there is impact of demographics on consumer perception on online grocery shopping and monthly saving and budget control are possible. The important dimensions considered for online grocery shopping were listed.

5. **Veronika Ilyuk (2018)** in Like throwing a piece of me away: How online and in-store grocery purchase channels affect consumers' food waste analyzed how grocery purchase channels (i.e., online vs. in-store) may differentially affect food waste likelihood. Indeed, online grocery shopping was projected to rise considerably in the near future and warrants attention as a catalyst to both positive and negative downstream outcomes. The research demonstrated that waste likelihood is higher when consumers purchase food items online (vs. in-store), and further explores the psychological mechanism underlying this effect. Three studies collectively provide evidence that online channels systematically yield lower perceptions of purchase effort, thereby reducing experiences of psychological ownership and, in turn, increasing consumers 'intentions of discarding (vs. Consuming) purchased food items.

6. **Dr. Ch. Jayasankara Prasad and Yadaganti Raghu (2018)** in their research Determinant Attributes of Online Grocery Shopping in India - An Empirical Analyses identified the attributes of online grocery shopping which has been the motivational factors of customers buying groceries online. The seven determinants - convenience, security, trust, service support, flexible transaction, personalized attention, and price promotions are having significant influence on consumer's online grocery buying behavior.

7. **Sakshi Mishra Shukla (2017)** in her research ‘A Study of Consumer Perception towards Online Grocery Shopping: Challenges and Prospects’ studied various dimensions of online grocery shopping ranging from its characteristics, its processes, present consumer perception towards online grocery shopping, Indian players in the market, and the different variables around which the study revolves. The study concluded that factors like wide variety of products, offers and discounts, free home delivery, time saving and convenience, cost effective, easy terms and conditions, user friendliness, authenticity and genuineness, easy to order and cash on delivery should be taken as strengths and pillars of online grocery shopping and these can be improvised or modified to extract maximum advantage for business.
8. **Mr. Krunal K. Punjani (2017)** in his research ‘A Study On Female Consumers’ Perception towards Online Grocery Shopping with Special Reference to Kalyan-Dombivli City’ analyzed the perception of female consumers towards shopping groceries through online platforms. A questionnaire was developed and primary data of 110 female respondents were collected. This survey was carried out in Kalyan & Dombivli area situated in Maharashtra, India.
9. **Anusha Sreeram, Ankit Kesharwani, Sneha Desai (2017)** in their research ‘Factors affecting satisfaction and loyalty in online grocery shopping: an integrated model’ conceptualized and tested an integrated model of online grocery buying intention by extending technology acceptance model by adding several antecedents of online grocery shopping behavior such as physical effort, time pressure, entertainment value, product assortment, economic values, website design aesthetics, etc. The ultimate dependent variable was consumer’s satisfaction with buying process of grocery product via online platform. Findings highlighted the importance of entertainment value and economic value as key variables which shape the buyer’s satisfaction and purchase loyalty behavior.
10. **Gary Mortimer, Syed Fazal e Hasan, Lynda Andrews & Jillian Martin (2016)** in their research ‘Online grocery shopping: the impact of shopping frequency on perceived risk’ investigated the online shoppers’ experience in the context of online purchasing frequency and also examined the mediating effect of perceived risk

between trust and online repurchase intention of groceries. They find out that while customer satisfaction predicts trust for both infrequent and frequent online grocery shoppers, perceived risk fully mediates the effect of trust on repurchase intentions for infrequent online grocery shoppers. Furthermore, path analysis reveals that the developed behavioral model is variant across both groups of shoppers.

11. Gabriela Hanus (2016) in research CONSUMER BEHAVIOUR DURING ONLINE GROCERY SHOPPING presented the conditions of online grocery shopping and consumers' attitude towards buying food via the Internet based. With online grocery supermarkets there are no limitations connected with localization and opening hours, and consumers have access to a large range of stores and products online across the world. The most important advantages of online shopping are convenience and time saving, while the most significant disadvantages for consumers involve the risk of incorrectly valuating some products and apprehension about the selection and handling of perishables, such as vegetables, eggs, and meat products.

12. Harjinder Kaur and Rakesh K. Shukla (2016) in their research Consumer's Attitude towards Online Grocery Shopping In Delhi analyzed the consumer's attitude towards online grocery shopping and identified some factors that may foster or hinder its acceptance. The results suggested that among demographic variables family income and age was one of the significant factors while understanding behavior dimension related to education level or working members in the family can also help online marketers to develop positive tendency to online grocery shopping. Moreover results indicate that time slot option among product delivery factors and user friendly website among website designing factors are the most important variables for the respondents. However, Consumers are also more concerned about the quality of products among the various fear factors related to online grocery shopping. Social influence factors have least importance, albeit customer review has moderate weightage.

13. Vidhi BAHETI and Leena Ajit KAUSHAL (2015) in their research _The analysis of consumers 'attitudes towards online grocery shopping - A case study in Indian context 'examined the impact of varied attributes on the consumers _ attitudetowards online grocery shopping. Perceived Cost, Convenience, Risk and Enjoyableare the four attributes examined in this study. The sub-populations of the various demographic traits and usage behavior will be compared and analyzed to find out if there is any significant difference amongst the attitudes of sub- populations towards online grocery shopping in India.

14. Sathiyaraj S., Kumar A. Santhosh, Subramani A.K.(2015) in their research

_Consumer perception towards online grocery stores, Chennai 'determined the customer perception towards online grocery shopping in Chennai. The major findings of the study were 29% of respondents quoted the reason for choosing the online shopping is to purchase unique and special articles, and they want to find the best price of the product. The outcome of the research paper also revealed that the demographic variables, such as gender, age group don't have influence of the factors of customer satisfaction.

15. Mrs. Chitra Sharma(2015) in her research _Consumer Perception Towards

Online Grocery Stores 'explored consumer perception towards online grocery stores. The dawn of the Internet era opened up amazing new possibilities and e-commerce has emerged as a perfect amalgamation of technology and marketing acumen. E-grocers have set up systems to accept orders over the phone, which in itself can be an independent business model. One can buy Indian grocery items online from us at the most affordable prices. One can avail heavy discounts on your each purchase from us thereby saving big amounts.

CHAPTER-3

RESEARCH

METHODOLOGY

RESEARCH METHODOLOGY

3.1 OBJECTIVES OF THE STUDY

- To find out whether grocery online shopping is beneficial for the user.
- To analyze which factors influence the user to buy online grocery.
- To identify the issues faced by the user while shopping online.
- To find out which feature of the website attracts the user to purchase the product from the online shopping website.

3.2 RESEARCH METHODOLOGY OF THE STUDY

Research methodology is a way to systematically solve the research problem. It may be understood as a science of studying how research is done scientifically. In it, we study the various steps that are generally adopted by a researcher in studying his research problem along with the logic behind them.

3.2.1 Type of research

Qualitative research is used in this project. Qualitative research is defined as a market research method that focuses on obtaining data through open-ended and conversational communication. This method is not only about —what people think but also —why they think so. Qualitative research is multi-method in focus, involving an interpretive, naturalistic approach to its subject matter. This means that qualitative researchers study things in their natural settings, attempting to make sense of, or interpret, phenomena in terms of the meanings people bring to them.

3.2.2 Type of Research Design

Research Design refers to "framework or plan for a study that guides the collection and analysis of data". In this project **descriptive type** of research is done. It includes surveys and fact-findings enquiries of different kinds. The main purpose of descriptive research is description of the state of affairs, as it exists at present. The main characteristics of

this method are that the researcher has no control over the variables. He can only report what has happened or what is happening.

3.2.3 Sources of Data

(a) Primary data

Primary data consist of original information gathered from a sample size of 200 respondents residing in Delhi, India.

(b) Secondary data

Secondary data consists of information that already exists and that was collected in the past for some other purposes.

3.2.4 Analytical tools used

The term analysis refers to the computation of certain measures along with searching for pattern of relationship that exists among data group. Analysis is essential for a scientific study and for ensuring that we have all relevant data for making contemplated comparison. Therefore, I have used Tabulation, Graphs & charts in my project. **Sample size**

When a survey is undertaken and when it is not possible to cover the entire population the researcher has to answer the basic question – how large should be sample be? The sample size decision is related directly to research cost.

The intended sample size is the number of participants planned to be included in the trial, usually determined by using a statistical power calculation. The achieved sample size is the number of participants enrolled, treated, or analyzed in the study.

Sample Size = 200

Sampling Method= Convenience Sampling

3.2.5 Tools of Data Collection

In order to collect data from viewpoint of consumers, the strategy of the research is the survey. To investigate consumer behaviors and purchasing decisions, a quantitative

approach is used to analyze the results from the survey. Survey in the form of questionnaire is chosen for this research. Surveys are a kind of research which is more rigid than interviews. They are usually used to gather ideas from a large population. Each respondent is asked to respond to the same set of questions, it provides an efficient way of collecting responses from a large sample prior to quantitative analysis. The questionnaire was prepared as self-administered and published electronically using the internet, internet-mediated questionnaires. Since the nature of the questionnaire help to reach a large population, **internet-mediated questionnaire** makes that one step further and it was possible to reach more respondents.

CHAPTER-4

DATA

PRESENTATION

AND ANALYSIS

DATA PRESENTATION AND ANALYSIS

4.1 DEMOGRAPHIC OBSERVATIONS

1. Gender

Male	Female	Total
116	84	200

Table 1: Gender Distribution

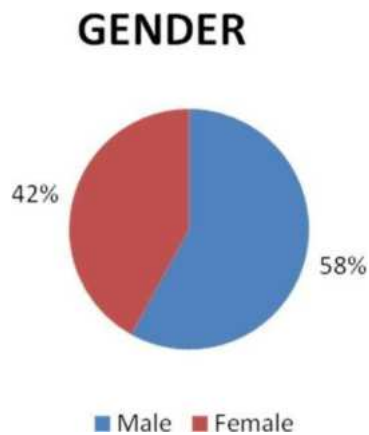


Figure 1: Gender Distribution

Interpretation

The above diagram depicts that out of the total 200 respondents, 42% of the respondents were female as the objective was to study the consumer behavior with respect to online grocery and grocery is more shopped by female respondent.

2. Age Brackets

Age	Respondents
18-24	92
25-30	76
30& above	32

Table 2: Age Distribution for sample

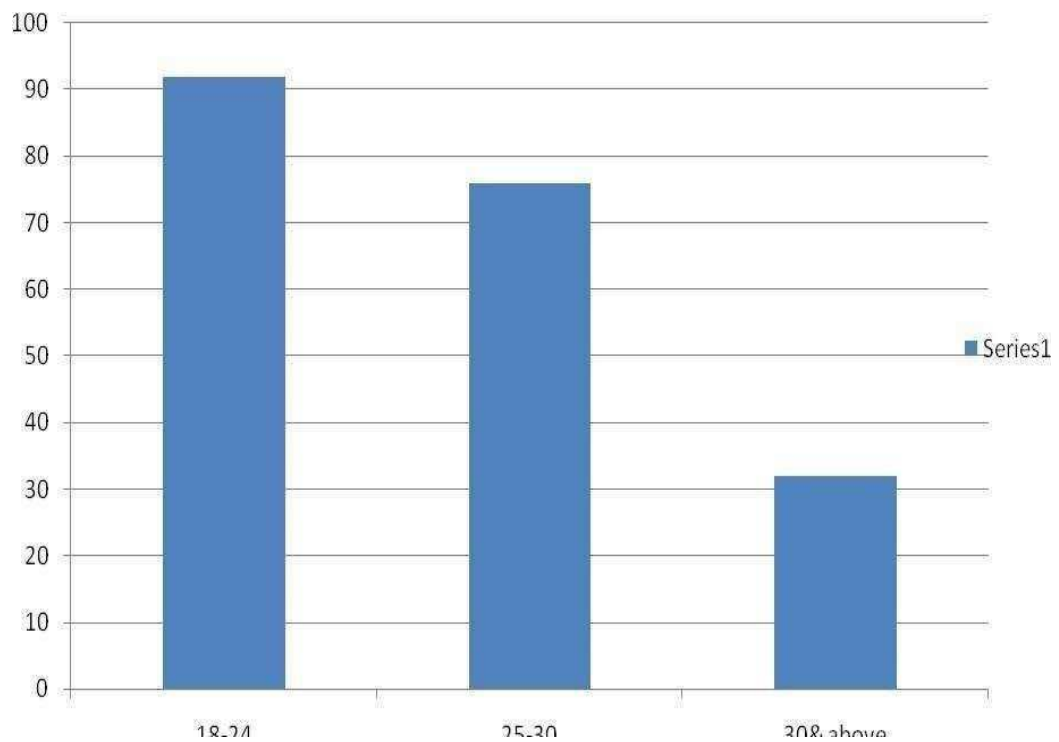


Figure 2: Age distribution of sample

Interpretation

16 % of the respondents were among 30 & above age bracket. Another 46% of the respondents were ranging from 18-24 age bracket and the remaining 38 % respondents were ranging from 25-30 age bracket.

4.2 QUESTIONNAIRE ANALYSIS

Q1. Which item you shop online?

Items	No. of Respondents
Apparels	48
Books	28
Electronic	56
Food	16
Games	32
Music	12
Other	8

Table 3: Popular Items online

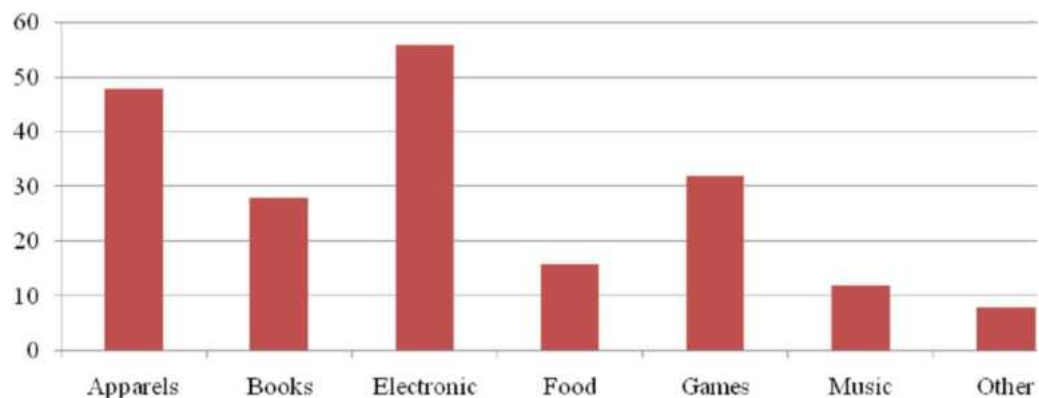


Figure 3: Popularity of online items

Interpretation

The above diagram depicts that electronic appliance like hair dryer, mobile appliances, computer peripherals etc. has the highest number of transaction in online shopping. Apparels is the second most item sold in the online shopping which are more preferred by the female respondent.

Q2. How much money do you spent in online shopping? (Rupees)

Amount(Rs)	Number of respondent
100-500	48
500-1000	68
1000-5000	36
5000 & above	48

Table 4: Amount of money spent on online shopping

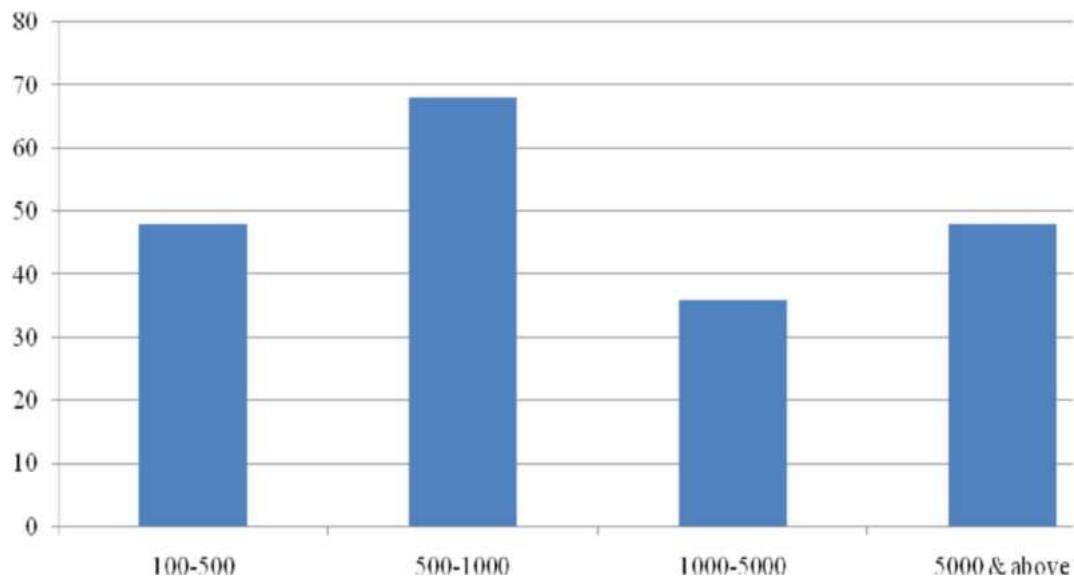


Figure 4: Amount of money spent on online shopping

Interpretation

The money spend in online shopping indicates that the users are willing to pay more price when there is premium quality products such as electronics, branded apparels, original music etc.

Q3. When do you feel the need to shop online?

	No. of respondents
When I need home delivery	68
When I want something unique and special	48
When I need to compare prices	24
When I don't have time to find things in different market	40
Others	20

Table 5: Need of shopping online

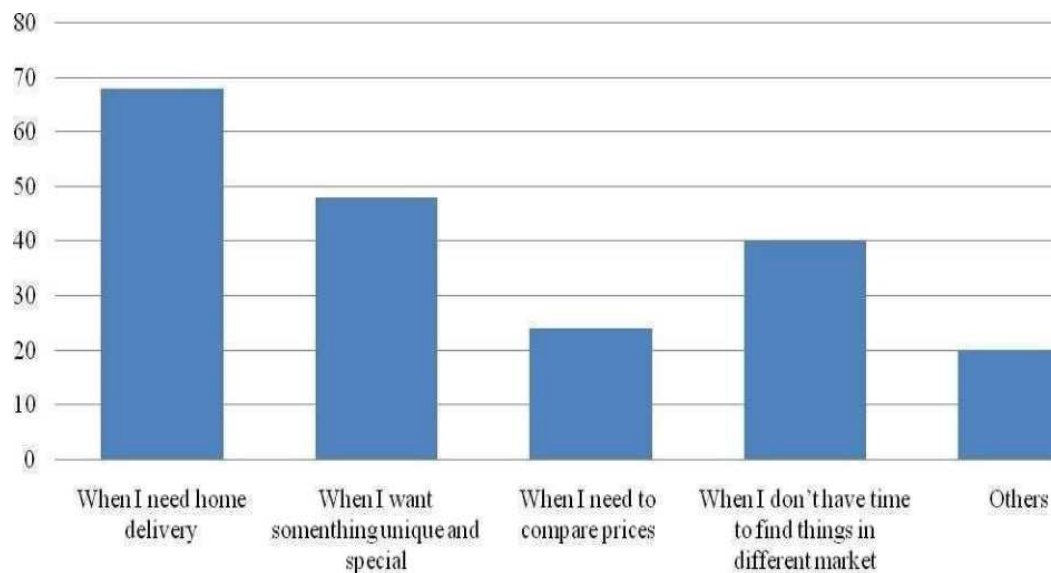


Figure 5: Need of shopping online

Interpretation

From the above, we can depict that the factor which motivates the respondents to shop online the most is when they need home delivery. The other factor which motivates them to shop online is when they want something unique and special. The above graph also determines that people shop online when they don't have the time to find things in the market for the product to be purchased. Also, respondents shop online when they feel the need to compare the prices.

Q4. What features on the online shopping website attracts you?

	Very Important	Somewhat Important	Not Important
Website user Friendly	110	60	30
Cash on delivery	75	105	20
Credit/debit card payment	82	82	36
Offers and discounts	93	71	36
Free shipping	144	29	9

Table 6: Features of websites attracting users

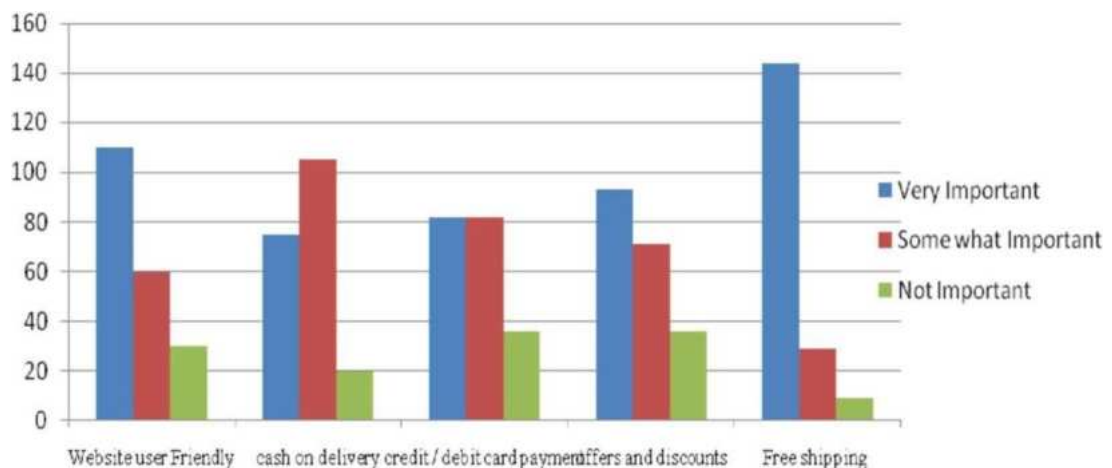


Figure 6: Features of websites attracting users

Interpretation

The above diagram depicts that website user friendliness forms an important factor when it comes to online shopping. Cash on delivery forms an important aspect of the online shopping website in the Indian online shopping market. The other mode of payment gateway through net banking and credit/debit banking also forms an important part of the online shopping website. Also along with offers & discounts, free shipping also forms as the most important factor for the online shopping website.

Q5. While shopping, what affects your satisfaction the most?

Features	No. of respondents
Design of website	52
Discount offers	48
Advertisements	64
Range of Products	24
Value for money	12

Table 7: Features affecting satisfaction the most

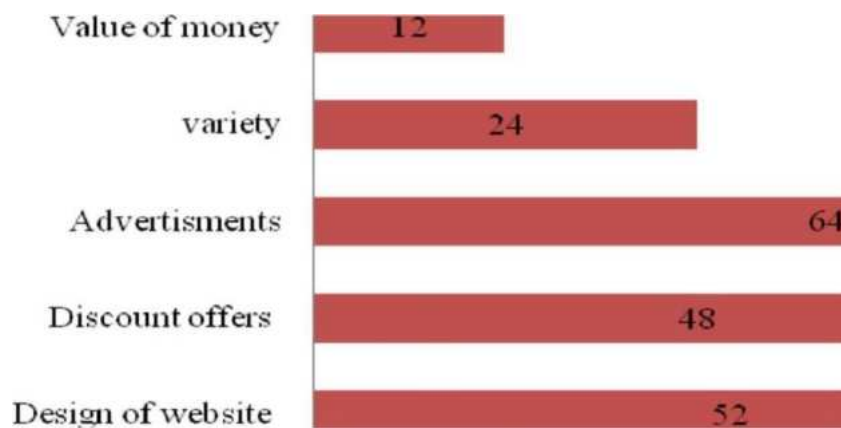


Figure 7: Features affecting satisfaction the most

Interpretation

From the above diagram, we can determine that people prefer online shopping when discounts are offered to them. Also the variety of product offering to the customer also forms an important factor which motivates the respondent to shop online. The other factor that motivates the user to shop online is when the product they purchase is of value for money. Also the design of website along with the different advertisement promotion motivates the user to shop online.

Q6. What are your issues regarding online shopping?

Issues	No. of respondent
No guarantee	48
Possibility of forgery	52
Highly priced product	44
Too much clutter	28
Security issue	20
Physical Examination	8

Table 8: Issues considered while shopping online

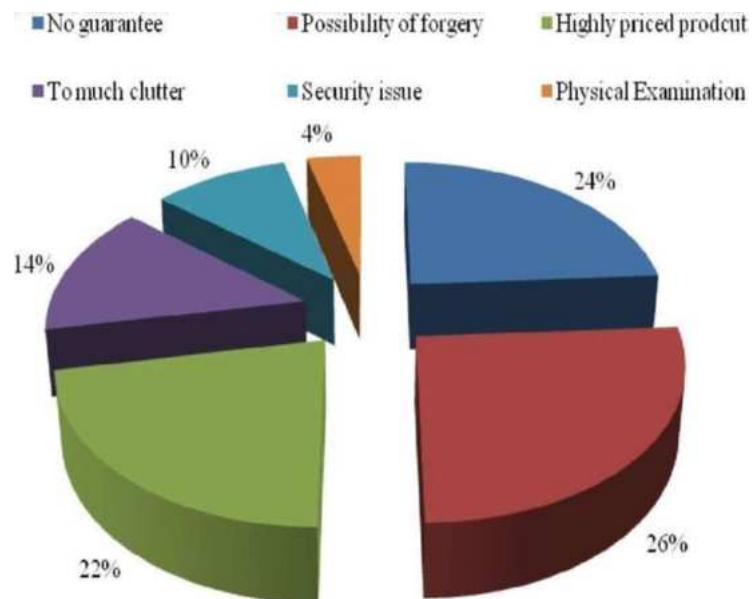


Figure 8: Issues considered while shopping online

Interpretation

The factor which demotivates the user to shop online the most is the security issue, which consists of issues like phishing, hacking of accounts etc.

Q7. Where do you shop for grocery items?

Shops	No of respondents
Local Kirana	80
Ration Shop	21
Sabzi Mandi	49
Super Markets	50

Table 9: Shops preferred for grocery items



Figure 9: Shops preferred for grocery items

Interpretation

The above graph depicts that most of the respondents shop from Local Kirana and supermarkets for grocery items. The reason for shopping from the particular shopping Centre can be depicted below.

Q8. If given an option to buy grocery online will you buy online?

Yes	68
No	88
May be	44

Table 10: Preference to buy grocery online

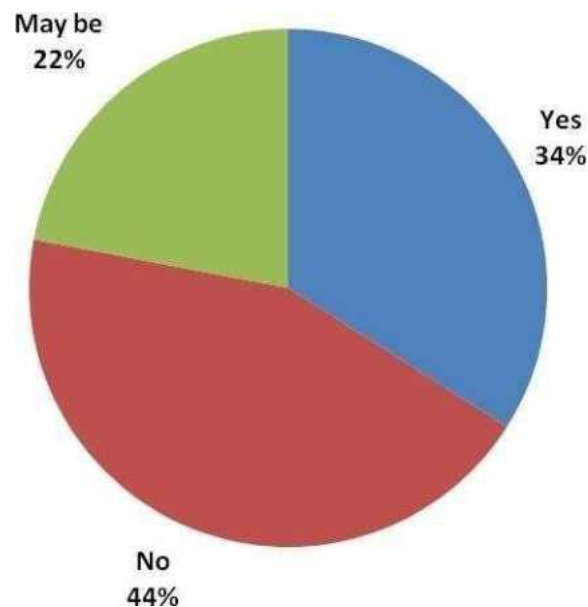


Figure 10: Preference to buy grocery online

Interpretation

The above graph depicts that around 34% of respondent are willing to buy grocery online if the option is given. The remaining percentage of the respondent may or may not buy grocery online due the factors like physical examination and security issues.

Q9. Do you think buying grocery online is beneficial?

Yes	136
No	64

Table 11: Opinion on buying grocery online

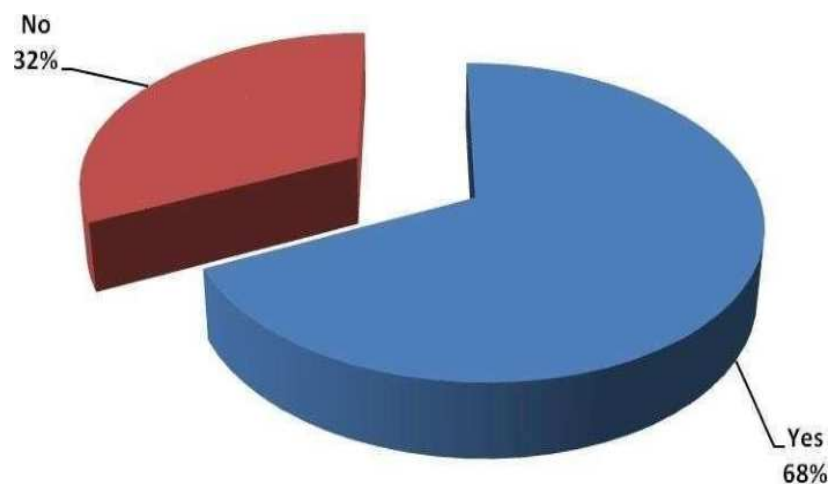


Figure 11: Opinion on buying grocery online

Interpretation

The above diagram depicts that majority of the respondents think that buying grocery is beneficial which can be determined from the next question. The remaining respondent thinks that online grocery shopping will be not beneficial due the factors like forgery products, highly priced products and no guarantee of the product.

Q10. If yes, why do think it is beneficial?

Parameters	No. of respondents
Easy to order	68
Variety	48
Discount & offers	52
Saves time	20
Avoid long queues	12

Table 12: Parameters beneficial for shopping online

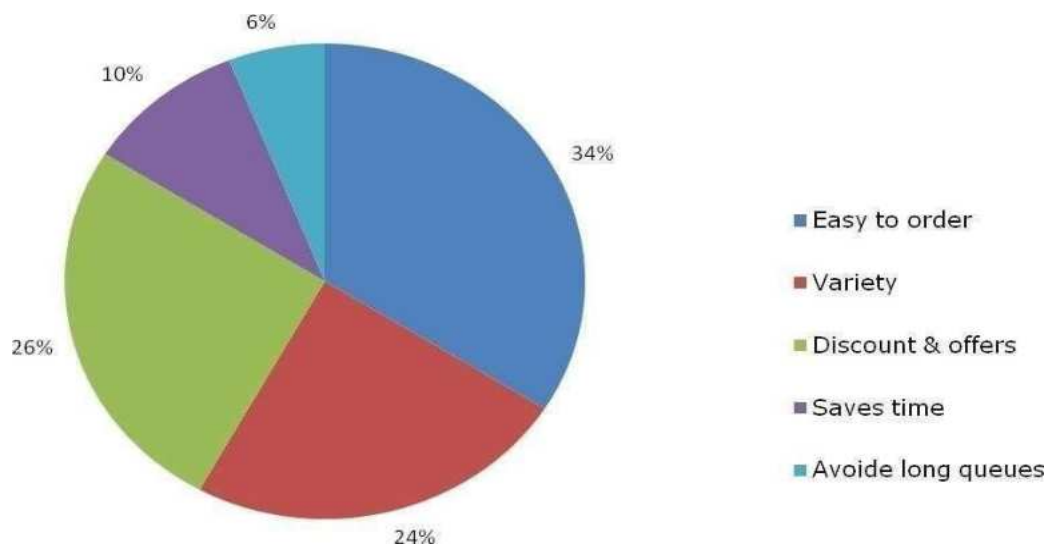


Figure 12: Parameters beneficial for shopping online

Interpretation

The above graph depicts that user respondents think that online shopping will be beneficial as it will save their time to shop for grocery items and also it will allow the user to avoid long queues resulting in reduction in time spent in shopping. The other factors why online grocery shopping will be beneficial as it will allow the user to shop all the grocery at a particular place with discounts and offers.

CHAPTER-5

FINDINGS AND

CONCLUSION

FINDINGS AND CONCLUSION

A. Findings

- From the data collected above, we can observe that there is an increase in the number of respondents in online shopping as there is awareness about this concept in the market.
- Certain parameters which motivates the user to shop online are:
 - User friendliness of the website.
 - Discounts and offers, offered by the website.
 - Cash on delivery form an important gateway in online transaction.
 - Free shipping is the most important factor which motivates the user to shop online.
- Physical examination is the important issues in the online shopping which determines the tangibility of the product.
- The data depicts that supermarket are the preferred shopping destination as it offers all the basic aspect of the online shopping which are price, quality variety, proximity to home, offers & discounts.
- From the above data collection, we can determine that most of the respondents agree to buy grocery online if the option is given.
- The data also determines the factors which will be beneficial for the consumer to shop grocery online which are:
 - Variety at one shop ➤ Saves times
 - Avoid long Queues

B. Conclusion

From the above data analysis, it can be concluded that consumer buys goods from the online shopping website on the basis of factors like offers and discounts, variety of product available, free home delivery, website user friendliness, etc.

The hypothesis framed for the project —Consumer Perception towards Online Grocery Shopping‖ was that online grocery shopping stores are beneficial for the consumer.

From the above data analysis it can be determined that most of the respondents would agree to buy grocery online rather than shopping of grocery with the traditional method.

Out of the agreed respondent to buy online grocery, most of the respondents would think that it would be beneficial to shop grocery online on the basis of factors like easy to order, variety, discounts/ offers, saves time and avoid long queues. With above analysis, we can thus prove the hypothesis to be positive.

CHAPTER-6

SUGGESTIONS

AND

LIMITATIONS

SUGGESTIONS AND LIMITATIONS

A. SUGGESTIONS

When it comes to operational aspects of the business, the firm should consider the following business operation model:

- Instead of going for the regular e-Commerce way of Grocery shopping, the firm should start up by bringing existing retailers online.□
- For the purchase of the grocery item, user can choose their nearby Kirana Store from the listed stores along with a convenient time of the delivery.□
- The local store would be informed about the order and it would be delivered to the address at the time mentioned with the payment of cash only on delivery.□

Following are the important aspects of the proposed business plan:

- The firm will have a low operating cost compared to other online grocery website, as they don't have to stock any inventory of grocery products.□
- The firm main cost will include cost of dealership from the local retailers.□
- Other cost will include the cost related to website designing, HR personal, computer database hardware & software, building cost etc.□
- It will allow the firm to eliminate the cost of brand loyalty of the branded grocery item which reduces the operating cost to a great extent.□
- It will develop a better relationship between their neighborhood retailer and the consumers.□
- It will allow more user interference, when the consumer can order their grocery from the trusted local retailer than unknown player in the market.□
- Also it will protect the local retailer from diminishing from the market due the presence of supermarket and foreign players in the market.□

- In order to increase the productivity of the site, the firm should offer special discounts with respect to seasons like Diwali, Ganpati, Holi etc., also special packages should be created as monthly ration.□

B. LIMITATIONS

The major constraints or limitations of the project are given below:

- The sample size selected is limited.□
- Lack of homogeneity of data, personal judgment, lack of consistency, etc. is the factors which limit the conclusion to be derived.□
- Analysis is based only on the qualitative information. □
- Other limitation caused in the market research was that the research will only study the consumer perception towards online grocery shopping and not the dealers, wholesalers or retailers ‘perception towards online shopping which acts as an agent to the online retail industry to support its business operations.□

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Questionnaire

Name:

Gender:-

- ☐ Male
☐ Female

Age:-

- ☐ 18-24
☐ 25-30
☐ 30 and above

Q1. Which item you shop online?

- ☐ Apparels
☐ Books
☐ Electronics
☐ Food
☐ Games
☐ Music
☐ Other

Q2. How much money do you spent in online shopping? (Rupees)

- ☐ 100 - 500
- ☐ 500-1000
- ☐ 1000-5000
- ☐ 5000 & above

Q3. When do you feel the need to shop online?

	Agree	Neutral	Disagree
When I want something unique and special	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Value for money	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
When I need to compare prices	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
When I don't have the time to find things in Different market	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Others	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Q4. What features in online shopping website attracts you?

Agree Neutral Disagree

Website user Friendly	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Cash on delivery	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Credit / debit card payment	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Offers and discounts	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Free shipping	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Q5. While shopping what affects your satisfaction the most?

Agree Neutral

Disagree

The design of a website	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Discounts offered	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Advertisement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Variety	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Value for money	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Q6. What are your issues regarding online shopping?

Agree Neutral

Disagree

No guarantee	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Possibility of forgery	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Product highly priced	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Too much clutter	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Security issue	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Physical examination	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Q7. Where do you shop for grocery items?

- ☐ Local Kirana
- ☐ Ration Shop
- ☐ Sabzi Mandi
- ☐ Supermarkets

Q8. If given an option to buy grocery online will you buy online?

- ☐
- ☐ Yes
- ☐ No
- ☐ May be

Q9. Do you think buying grocery online is beneficial?

- ☐ Yes
- ☐ No

Q10. If yes, why do you think it is beneficial?

- ☐ Easy to order
- ☐ Variety at one Shop
- ☐ Discount & Offers
- ☐ Saves time
- ☐ Avoid Long queues

COMPARATIVE STUDY OF MARKETING STRATEGIES OF THE POPULAR FASHION BRANDS WITH REFERENCE TO **FOREVER21** AND **H&M**

*Submitted in partial fulfillment of the requirements for
the award of the Master degree in*

Business Administration

(International Business)

To

Guru Gobind Singh Indraprastha University, Delhi

Guide:

Guide Name:

Prof. Ekta Rastogi

Submitted by: Student

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I, Mr./Ms. Mayank Tanwar __Roll No. 01519114322 certify that the project dissertation Report(MIB204) entitled “A STUDY ON THE MARKETING STRATEGY ON THE POPULAR FASHION BRANDS WITH REFERENCE TO FOREVER21 AND H&M” is completed by me and it is an authentic work Carried out by me at GITARATTAN INTERNATIONAL BUSINESS SCHOOL. The matter embodied in this report has not been submitted earlier for the award of any degree or diploma to the best of my knowledge and belief.

Signature of the Student:_____

Date:_____

Certified that the Project dissertation Report (MIB204) entitled “A STUDY ON THE MARKETING STRATEGY ON THE POPULAR FASHION BRANDS WITH REFERENCE TO FOREVER21 AND H&M” done by Mr. Mayank Tanwar, Roll No. 01519114322 , is completed under my guidance.

Signature of the Guide

Date:

Name of the Guide: Prof. Ekta Rastogi

Designation:

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LIST OF ABBREVIATION

S No	Abbreviated Name	Full Name
1	H&M	Hennis and Mauritz
2	ASOS	As seen on screen
3	US	United states
4	IMC	Integrated marketing communication
5	PhD	Doctor of philosophy
6	MS	Microsoft

Executive Summary:

This report presents a comprehensive study on the marketing strategies employed by popular fashion brands, with a focus on Forever 21 and H&M. The objective of this research is to analyze and compare the marketing tactics used by these two brands, identify their key success factors, and provide insights into their strategies for the benefit of other fashion companies in the market.

The study begins with an overview of the fashion industry, highlighting its competitive nature and the significance of effective marketing strategies in establishing a strong brand presence. It then delves into the specific strategies employed by Forever 21 and H&M, analyzing their marketing mix, target audience, positioning, and brand messaging.

The findings reveal that Forever 21 and H&M adopt distinct marketing strategies while sharing some commonalities. Forever 21 has positioned itself as a trendy and affordable fashion destination for young adults and teenagers, leveraging social media platforms and influencer collaborations to drive brand awareness and engagement. On the other hand, H&M focuses on delivering quality fashion at affordable prices to a wider consumer base, employing a combination of traditional advertising, digital marketing, and strategic partnerships to enhance its brand value.

Furthermore, this study examines the various marketing channels utilized by Forever 21 and H&M, including online platforms, physical stores, social media, and mobile applications. The analysis highlights the importance of a seamless omnichannel approach in reaching and engaging with the target audience.

In addition, the study explores the role of sustainability and corporate social responsibility (CSR) in the marketing strategies of Forever 21 and H&M. Both brands have recognized the growing consumer demand for ethically produced and

environmentally friendly fashion, and have incorporated sustainable practices into their operations and communications. These efforts have helped them build a positive brand image and connect with socially conscious consumers.

Based on the comparative analysis, this report concludes with key insights and recommendations for fashion brands looking to enhance their marketing strategies. It emphasizes the significance of understanding the target audience, creating a strong brand identity, leveraging digital marketing channels effectively, and embracing sustainable practices as crucial factors for success in the competitive fashion industry.

Overall, this study provides valuable insights into the marketing strategies employed by Forever 21 and H&M, showcasing their strengths and highlighting areas for improvement. By applying the lessons learned from these industry leaders, fashion brands can refine their marketing approaches and ultimately achieve sustainable growth and success in the dynamic fashion market.

CHAPTER-1 INTRODUCTION TO TOPIC

MARKETING STRATEGY

A Marketing Strategy is the long-term planning of business objectives that the company wants to achieve. For these to be achieved it is important to choose well the specific actions to consolidate the reputation of products and services or increase sales in the market. Utilizing opportunities is vital to find the target market and to be able to make customers loyal to the organization so that the positioning of the company gets stronger.

It is important to define how you want to position the product/service in the market in order to achieve positioning among customers and fulfil customer and organization relationship loyalty. Is the method to create sales opportunities, also to communicate and position the product or service and to translate the operational lines that allow reaching a target market through the right channels.

There are four elements that make up the marketing mix, in which the 4ps of marketing are found to shape the crucial strategies to generate profits in the company and boost sales:

- Product Strategies
- Pricing Strategies
- Distribution Strategies
- Promotion Strategies

Importance of having a Marketing Strategy in business

- a) Choosing a suitable marketing strategy for the company will bring great advantages such as:

- b) Understanding what customers want
- c) Meet the needs and exceed the expectations of the customers
- d) Strengthen the relationship with the target market
- e) Build the brand in the consumer's mind

Marketing Strategies vs. Marketing Plan

In order to formulate strategies, it is necessary to have the marketing objectives in mind, since strategies must be implemented to achieve these objectives; but also the consumers that make up the target market, the competition, the resources and capabilities of the company.

It is important that before identifying and formulating the strategies, the difference between the marketing strategy and the marketing plan must be considered, since it can generate confusion about these two concepts that go hand in hand but are focused differently,

Creating a marketing strategy

Key elements are crucial for creating a strategy. Below is a list of those elements with an explanation of what they involve:

Segmentation

A company's current and potential customers fall into specific segments or groups. You need to characterize them according to their needs.

You can identify these groups plus their needs through market reports and market research. As soon as you know what they are, you need to address those needs more effectively than your rivals. You also need to address consumers' expectations.

Targeting And Positioning

You must target the market segments that represent the greatest profits for your business. What your product or service offers must meet the needs and expectations of the target market you have selected.

Your marketing strategy must make the most of your strengths. It <https://marketbusinessnews.com/financial-glossary/what-are-marketing-tactics-definition-and-examples/>ust also satisfy the needs and meet the expectations of your target segment.

Promotional Tactics

When you have designed your marketing strategy, you need to decide how to make sure your target segment knows about your product or service. You must also tell them why and how your product can meet their needs.

You can do this via advertisements, public relations campaigns, exhibitions, and Internet marketing. Internet marketing means the same as digital marketing, i.e., online marketing.

Monitoring, Assessment, And Evaluation

You must monitor and evaluate or assess your strategy. It is important. Unfortunately, many people in business skip this part.

Monitoring and evaluation help companies see how well their strategy is performing. It also helps them devise a future marketing strategy. In other words, it has both short- and long- term benefits.

Strategy Comes Before Your Plan

As soon as you have determined what your marketing strategy is, you can draw up a marketing plan. The plan describes how you are going to execute your strategy. It also shows how you will evaluate its effectiveness or success.

John Romero once said:

“In marketing, I’ve seen only one strategy that can’t miss – to market to your best customers first.”

Let’s talk about the marketing strategies of two companies in detail

- H&M
- Forever21

Marketing Mix of H&M



Product

H&M is classified as a brand that offers homogenous shopping products. This means that their consumers purchase their products at H&M because of its pricing and features. Many consumers that shop at H&M get attracted to purchase several items they didn't plan to get. The reason to that is the convenience of having all departments in one retail store, which gives H&M a large Product mix width. Every department H&M offers have various product lines to be able to attract as wide demographically as possible. Since H&Ms focus is to sell good quality products inspired with the latest fashion, for a unbeatable price, they always have new product lines coming up. H&M is a retailer that is looking to provide consumers with fashionable, high-quality clothing at

the best price possible. They offer “fast-fashion” clothing, in other words from runway to racks in record time, and sell European influenced clothing in the American market. Additionally, H&M carries clothing in a variety of categories including women’s casual, men’s business, children’s wear, footwear and accessories. Products and services have something called "product life cycle" which includes 4 stages- Introduction stage, Growth stage, Maturity stage, and Decline stage. Since a product doesn't last forever it's important that company stays on top of their innovations or development of their products and services. Marketing managers use this life cycle to forecast the products future and develop a marketing strategy as effective as possible for that particular product. H&M has always something new coming up. But by being a clothing brand H&M doesn't have to focus on the innovation of a whole new product. H&M's focus is on staying on top of the fashion trends. In the fashion industry there is a fairly short product life cycle because trends and tastes change regularly. Once fashion is introduced, there is a rapid growth stage and before it reaches maturity, sold at dump prices to make space for the latest fashion

Price

The price strategy of H&M is designed based on their customers’ needs which is low price and high fashion. H&M outsources the production to countries where the labor cost is much lower. To control transportation cost, outsourcing was arranged according to different product. Those high fashion products which target at the European market were produced in Turkey, because of the short product life cycle. In addition, basic products are produced in Asia because they allow longer transportation time and bear lower risk. The company also conduct strict cost control plan. For example, very few executives have secretaries or have cellphone privilege. These two steps allow H&M to achieve a low price fashion business. Although H&M’s low price is the foundation of success, I would argue that the low price also give H&M a image of bad quality. This image hinders H&M from keeping their customers. When a young girl turns to a middle-aged lady or a school girl becomes a office lady, H&M may not suits them. As a result, H&M face a challenge of constantly attracting new customers. This challenge may calls for more cost in promotion.

Promotion

To develop an promotion strategy, a company should firstly identify and understand target audience. H&M’s target customers are young women who want more fashion cloth at low price.

Young people have plenty access to information. A multi-channel promotion strategy including advertising, internet promotion, sales promotion was adapted by H&M. These multi-channel

strategy increases the exposure of H&M. product of H&M is low price and high fashion which is based on their customer needs. The promotional actions of H&M focus on the two features. It is easy to find the posters of H&M are in fashionable style and always with the price of the clothes. On H&M's website, price is put at obvious position. Although Zara and Gap, H&M's main competitors, put the price online, they usually put it small. On the contrary, advertising of H&M always highlights the low price to build awareness of their low price. H&M conducts an eye-catching event promotion which is to invite top fashion designer to design clothing for them. This method is not only improve the product but also enhance the brand image to be more fashion and upper-class.

Place

The features for H&M logistics are simplicity, reliability and transparency. H&M design clothes and outsource it. Basic goods are made in Asia, while fashionable goods are made in Turkey. Instead of owning factories, H&M chooses to own outlets. The realization of H&M's business ideas rely on the success of their distribution strategy. Lightning turnaround is the reason for the success of H&M. H&M distribution channel is direct distribution, from producer to customers. By cutting middle transaction, it reduces cost and assures quick delivery. H&M choose to sell clothes and cosmetics in around it's stores. Store selling, on one hand, assures basic access to customers and helps the command from headquarters go to outlets efficiently and correctly. Because the inventory for H&M is refreshed every day, direct command is important for correct adjustment in stores. On the other hand, controlling so many stores gives rise to the managerial cost. Besides stores, H&M starts to launch online sale in several areas.

Social Media Marketing Strategies of H&M

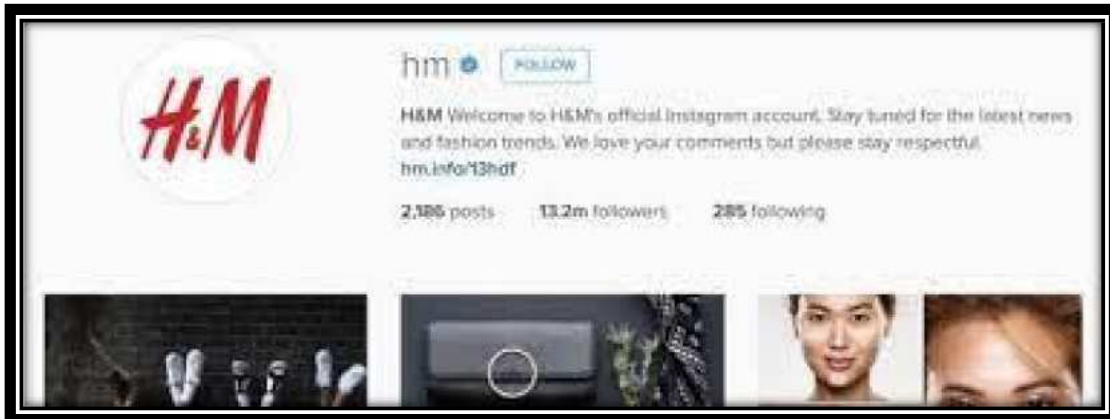
Social media is a practical and dynamic platform for marketing and brand advertisement, especially for fashion brands. Many different brands post their latest products and updates as photos on different social networks to promote their products and gain popularity. By using the case study from H&M (Hennes&Maurtiz) fashion brand, the thesis aims to study on how this fashion brand uses different social media channels to attract customers' interest and obtain communication toward their brand image. The purpose of the paper is to address socialmedia

as a marketing strategy in fashion markets. Understanding this can help consumers to focus on specific social media targets for better information and also can provide recommendations for

marketers making up future plans utilizing social media. The research focuses on social media marketing in fashion branding and analyzes how the company interacts with their current and potential future customers on Facebook and Instagram. Using content analysis on official social media network pages of H&M, the research provides insights about brand marketing strategies and their respective branding tactics.

Instagram in Fashion Marketing

Instagram allows a business to tell the visual story of the brand. From launching a new range to showcasing products on the catwalk, Instagram helps brands turn their objective all the way from inspiration to action. Ranking the eighth on the largest social platforms in the world, Instagram is considered to be the number one in fashion world. Designers find Instagram as an energetic and connective way of sharing their creations which to



be considered as their products. The application makes brand's communication reachable among communities of designers, stylists, editors and photographers.

Facebook For Marketing



Social media help brands to gain more customers easier than traditional alternatives. Facebook marketing allows pages to measure quantitative outcomes from customer interactions such as page views, numbers of shares and comments. In another way, measurements can also be qualitative outcomes in forms of comments from members of a social media community. When online users leave comments about a particular post, their opinions are either positive feedbacks or negative complains but they all contribute to the “content” of which measure the success of the business.

Twitter for Marketing

H&M has created separate Twitter feeds for each of the local markets in which it operates, but each one uses the same background and header image so the branding is obviously closely controlled.

The feeds appear to be equally poor at responding to other users, with each tending to churn out marketing messages rather than answering queries or @mentions.



Pinterest for Marketing



Though there is an H&M USA Pinterest account, but I can't really tell whether it's official or not.

I'd like to think it isn't as it currently has zero boards, but occasionally brands do establish dormant accounts just to prevent anyone else from squatting in them.

Either way, the retailer is missing an opportunity by not taking part on Pinterest as other users are sharing its content in huge numbers.

A report in Adweek last month showed that during January Pinterest users interacted with H&M-related pins 145,000 times, however a "good number" of those pins featured dead links.

MARKETING STRATEGIES USED BY Forever 21

Place and Distribution Strategy



company is spreading awareness among the masses by each passing day. The increasing popularity can be measured by its increase in number of followers of the company's official social media pages. Conventional methods like Print and Digital media has been not dropped as well. The company's official website has been constantly upgrading to become more user friendly to provide all the necessary information to the existing and potential customers. Hence this completes the marketing mix of Forever 21.

Price/Pricing Strategy:

It has a great deal reputation for meeting the fashion demand of its customer at an economical price tag. The pricing strategy in its marketing mix is that to compete in the aggressive industry. The response received by the company from its customers speaks about the strategy of the company by itself. The numbers are rising up as we speak. The end of financial year generated 3.7 billion revenues for the company from its 480 stores which increased to 3.9 billion and reached 4.5 billion in the next year. All the data shows that Forever 21 has become one of the coveted brand because of its well thought of policies of making products pocket- friendly and qualitative as well. Company also caters to its high- end consumers as well. The number of units sold by the brand is highest in USA.

Product Strategy:

Forever 21 is a popular fashion brand serving clothes for both men and women across various age categories. Forever 21 has its presence globally with a diverse portfolio of products in its marketing mix ranging from beauty products and accessories to apparel for girls, men and women.

Social Media Strategies of Forever 21

Forever 21 drives engagement on social media by crafting content that goes in sync with the millennial audience. The brand has managed to increase its fan growth by three million users on Instagram in less than a year. Their social media pages are sure to inspire you to create content for your own brand. To give you a preview of their performance, here are a few growth and engagement metrics of the brand on Facebook, Twitter, and Instagram.

Apparel retailer Forever 21 is encouraging shoppers to upload their own photos of summer looks for a chance to be promoted through the chain's social networks and on its mobile- optimized site with shoppable links to featured merchandise, bringing the customer to the forefront in a unique effort to drive sales

Innovating Sales



Forever 21's contest implements a unique approach to drive summer sales. While social media and 'selfie' campaigns are common, creating a mobile-optimized shoppable gallery is not seen as often.

This idea makes consumers feel valued and as if they are the clothing models, enticing them to get involved and shop the apparel.

The campaign also features the consumer's Instagram or Twitter handle, promoting the social media pages of the particular user. This is enough to fuel many users to engage with the

brand, as the thought behind gaining more followers is appealing to many users and also furthers that celebrity-like quality.

These hashtags are not solely for the purpose of the campaign; the retailer consistently shares photos of merchandise and other attention-grabbing content, including these hashtags, in an effort for them to trend. Its accounts on Instagram, Facebook and Twitter all include links to shop any of the apparel showcased through the social media channels.

It is important for brands to value their consumers and almost put them on a pedestal. This type of a campaign creates an authentic bond between the brand and consumer to maintain a continued sales relationship.

Consumer-First Campaign



This campaign is also beneficial because it promotes the apparel in a way that catches the consumer's eye on numerous channels, creating more of a chance for driving sales.

Similar to this campaign, fashionable apparel and accessories retailer Hennes & Mauritz, commonly known as H&M, boosted sales with curated lists of trending items in the form of ablog post on social media, playing on consumers' love of pictures and snackable content (see more).

Additionally, Twitter now has the capacity to become a significant player in m-commerce as event marketers and music artists flock to the social media application's buy button for exclusive selling opportunities, confirming the potential for social networks to target users with geo-located advertisements and drive impulse buys (see more).

These campaigns are all examples of how brands are attempting to navigate driving sales through social networks.

The philosophy of quick manufacturing at an affordable price is used in large retailers such as Forever21 and H&M. This philosophy is known as 'Fast Fashion Retailing' and marketing is one of the key drivers for this philosophy as it creates the desire and want for the consumption of new designs that come into the market to the point of production.

INTRODUCTION TO COMPANY

FOREVER 21



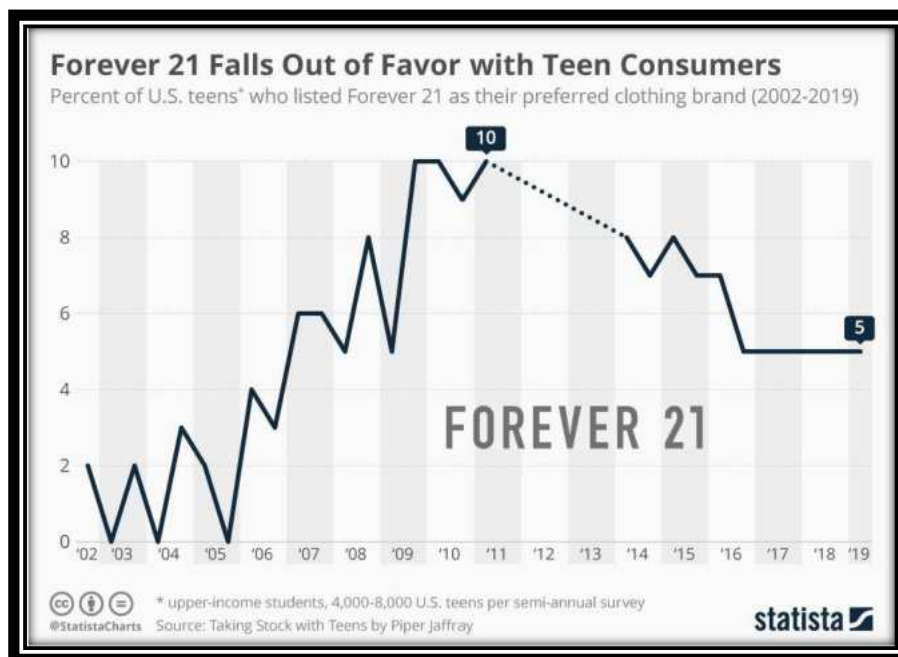
Forever 21 created a pilot campaign for their existing shoppers. This campaign incentivized shoppers to create their unique styles from Forever 21 merchandise. Automation of m- couponing clubbed with obvious trigger to shopper social psychology in the new digital world resulted in an amazing campaign.

Forever 21 was originally started in Los Angeles in 1984 by two immigrants from South Korea, Don Chang and his wife JinSook Chang. The company was originally called “Fashion 21,” but its name was soon changed to Forever 21 when the company started to expand and became a chain of stores (Chapin). Even as it achieved tremendous success, Forever 21 remained a family-owned business. By the end of its first year of being in business, Forever 21 sales had risen from \$35,000 to \$700,000, and the company had taken off (Chapin). By 1989, Forever 21 had opened its eleventh store, which also happened to be its first store in a mall setting. By 2001, there was a drastic national expansion of the company, and its average store size was 24,000 square feet. The goal of Forever 21 is to provide a ‘one-stop shopping’ experience in a fun and exciting environment. It has become the ultimate source for the latest fashions at a great price. Forever 21 stores have numerous shop-in-shop concepts which demonstrate the continuing strength of boutique and specialty retailing over department or megastore formats. Forever 21 stores have different sections within their stores that exhibit different styles of clothing which appeal to different varieties of people. Aside from their normal, everyday clothing line, Forever 21 also offers a plus-size line, a sleepwear line, an athleisure line, a cosmetics line, and various other lines that are all sold under

the Forever 21 brand label.



TARGETED CONSUMERS



The target consumer group for this store is young consumers from the United Kingdom. Recently, business for Forever 21 in the United Kingdom has been at a decline. In June of 2016, Forever 21 was scaling back on many of its stores in the United Kingdom (Bury). Currently, the average

consumer in the United Kingdom is focused on buying brands that represent their country. This is partly because of Brexit. “Brexit” is the term used for Great Britain’s planned exit from the European Union, a decision made over the summer of 2016 in a nation-wide vote. One of the results of this planned exit is that some consumers from the United Kingdom have become more patriotic and therefore have become more focused on purchasing merchandise from brands and stores that originated in their native country, the United Kingdom. Forever 21 is a company that is advertised and known very well as an American brand, as it originated in the United States. Because of this, Forever 21 is at a clear disadvantage to its competitors, such as Primark, Topshop, and H&M, stores that originated in the United Kingdom. The stores that they decided to close in the United Kingdom are all expected to be taken over by rival store H&M. In addition, United Kingdom consumers in general have been spending less money due to economic concerns raised by Brexit.

COMPETITORS

One great challenge to the success of Forever 21 in the United Kingdom is that there are competitors such as Topshop, Primark, and H&M which provide essentially the same concept of fast fashion clothing and accessories, but with the additional advantage of being United Kingdom based companies. ASOS is another competitor that originated from and targets the United Kingdom. It carries over 850 brands while also selling their own brand, which allows the company to offer a wider variety of clothing than Forever 21.

MARKETING

Initially, the popularity of Forever 21 was largely due to their low prices and ability to keep up with the trends. Recently, their marketing strategy has shifted to focus mainly on social media in order to reach young generations. The brilliance of this is that social media can reach a wide audience easily without the company having to put a lot of money and effort into their social media platforms. Forever 21 utilizes social media in order to raise brand awareness, which is an integral part of reaching the youngest generations. For example, one marketing technique that Forever 21 uses is encouraging consumers to upload photos of their own outfits.

Customers post their photos and tag Forever 21, which then uploads the photos to their own social media sites. This gives the consumer a unique shopping experience because they feel more involved in the shopping process. The consumer can also gain followers on these social media sites by posting these photos because Forever 21 is sharing them with a larger population. Also, it is easier for other social media users to find where the clothes are from and shop there. Social media campaigns like this are one way that Forever 21 works to entice new consumers and keep loyal consumers (Jaekel). Below is an image of the Forever 21 Instagram, where photos of new clothing are posted. The Instagram account also posts photos of celebrities wearing the clothing and consumers wearing the clothing. One of the reasons the social media is so popular is because it shows different styles of wearing the clothes.

OVERALL

Currently, the business of Forever 21 is in decline in part due to competition from companies such as H&M, Primark, Zara, and Topshop. Zara and Topshop are still successfully conquering the fast fashion market due to their skill at copying runway fashion very quickly and with higher quality fabrics and workmanship than Forever 21 products. In an oversaturated fast fashion market, Forever 21 is struggling to keep up. They also recently faced issues with an exclusive partnership they had with a shipping company.

H&M



Being the world's second largest retailer in the clothing business, just behind Zara and ahead of Gap Inc., H & M Hennes & Mauritz AB has built and maintained enormous trust across their customers all over the globe through 67 years of their existence.

Hennes & Mauritz AB is engaged in the sale of clothing, accessories, footwear, cosmetics, and home textiles. The company brands include COS, Weekday, Cheap Monday, Monki, and H&M Home. The COS comprises fifty stores and an online shopping in Europe, which designs and provides garments, shoes, belts, and jewellery for men and women. The Weekday sells its own brands MTWTFSS Weekday and Weekday STOREMADE. It also conducts design collaborations with independent fashion labels such as Carin Wester, and Bless and Bruno Pieters. The Cheap Monday includes denim collections for men, women, babies, accessories, glasses, underwear, and shoes. The Monki provides graphic design fashion for young women. The H&M Home provides fashion for every room in the houses including towels, bed linen, curtains, and other home textiles. The company was founded by Erling Persson in 1947 and is headquartered in Stockholm, Sweden.

In 1947 Hennes women's clothing store opened in Västerås, Sweden. Today the H&M Group offers fashion for everyone under the brands of H&M, COS, Monki, Weekday, Cheap Monday and & Other Stories, as well as fashion for the home at H&M Home.

The company was founded by Erling Persson in 1947, when he opened his first shop in Västerås, Sweden.] The shop, called Hennes (Swedish for "hers"), exclusively sold women's clothing. A store was opened in Norway in 1964. In 1968, Persson acquired the hunting apparel retailer MauritzWidforss, which led to the inclusion of a menswear collection in the

product range and the name change to Hennes & Mauritz.

The company was listed on the Stockholm Stock Exchange in 1974.] Shortly after, in 1976, the first store outside Scandinavia opened in London. H&M continued to expand in Europe and began to retail online in 1998 when bought the domain hm.com from a company called A1 in a non-published domain transaction. The two-letter domain was registered in the early 1990s, but data on the first registration is lost. The opening of its first U.S. store on 31 March 2000, on Fifth Avenue in New York City marked the start of the expansion outside of Europe

In 2008, the company announced in a press release that it would begin selling home furnishings.] Initially distributed through the company's online catalog, there are now H&M Home stores located internationally. Following expansion in Asia and the Middle East and the launch of concept stores including COS, Weekday, Monki, and Cheap Monday, in 2009 and 2010, branding consultancy Interbrand ranked the company as the twenty-first most-valuable global brand, making it the highest-ranked retailer in the survey. Its worth was estimated at \$12–16 billion.

COMPETITORS



Globally, most fashion retailers have followed a similar business model for several decades. Designers and buyers keep searching for new fashion trends round the year and around the world. They make decisions 6-9 months in advance based on what they believe (or guess) consumers

will buy. More often than not, bad bets result in heavy discounted sales (markdowns) to clear out unsold inventory.

Uniqlo, Zara, and H&M follow three uniquely different models that are each proving to be hugely successful. All three understand that success in the fashion business does not come from guessing on the next hot style. Any retailer may have a few great buyers who are able to identify some winners, but being dependent on the keen eye or gut feeling of a handful of people is a highly risky strategy.

MARKETING

Current strategies that H&M are marketing to its consumer are through a mobile marketing campaign to promote the latest collection. Consumers can receive SMS coupons or mobile banner advertisements placed on some social media sites. H&M launched their first mobile campaign in 2006 and is still continuing to use this channel to advertise. The main goal for this marketing strategy is to promote the latest seasonal trends for every season and to drive consumers' visits.

OVERALL

As the company operates in the fashion industry which has low product lifecycle, the markets operate with the risk of unsold inventory due to emerging & changing fashion trends.

Although the company is being present in the limited number of countries but it is in expansion mode, the company has planned opening 400 branches in the year 2017 and is planning to strengthen its online marketplace channel.

TARGETED CONSUMER GROUP

The target customers of H&M belong to the group of fashionable and trendy consumers who see shopping as a social activity provide pleasure in their daily life, who wants to follow the trends without investing a lot of money. Even though H&M offers clothing and accessories for

all ages, their target market is women.

Research Methodology

Research Methodology refers to the comprehensive actions of research in my report. To achieve the required results to establish the objective, some methods are used. This section will clarify the methods I used to do this project.

Objectives of Study

- The primary objective of this report is to understand how marketing strategies have helped fashion brands like H&M and forever 21 to flourish and grow.
- To understand the customer perception about the brand promotional strategies.
- To identify the factors influencing the brand purchase decisions of the customer.
- To understand the importance of advertising in changing market scenario.

Scope Of The Study

The study aims to understand the massive contribution of Online marketing as a part of Integrated Marketing Communication and to know its splendid efforts towards promotion in practice and also to find out some challenges in using online marketing as a tool of integrated marketing communication. The recommendations of this research can be used to frame an appropriate Integrated Marketing Communication strategy in which companies can give special consideration to online marketing along with the other traditional tools of IMC.

Research problem

This study focuses on following problems –

- 1) Should companies integrate various marketing tools to communicate about its brand?
- 2) How do consumers get awareness about different fashion clothing brands?
- 3) How online marketing plays important role in companies' marketing strategy?
- 4) What are the reasons for growing popularity of online marketing among consumers especially in covid 19?

Research Design

The first step is to formulate a research design. This means planning a strategy of conducting research. It is a detailed plan of how the goals of research will be achieved. Research design is exploratory, descriptive and/or experimental in nature. It is helping the investigator in providing answers to various kinds of social/economic questions. After collecting and analysis of the data, the researcher has to accomplish the task of drawing inferences. Only through interpretation researcher can expose relations and processes that underlie his findings and ultimately conclusions. Interpretation refers to the task of drawing inferences from the collected facts after an analytical study.

It is a search for broader meaning and research findings. It is the device through which factors that seem to explain what has been observed by researcher in the course can be better understood and provides theoretical conception which serves as a guide for further researches. It is essential because it will lead towards findings of the study and proper effective conclusions of the study.

In the present study, researcher has followed Descriptive research.

Descriptive research is usually a fact finding approach generalizing a cross - sectional study of present situation. The major goal of descriptive research is to describe events, phenomenon and situations on the basis of observation and other sources.

Survey Method:

The survey method is the technique of gathering data by asking questions from people who are thought to have the desired information. Every effort should be made to state the objectives in specific terms.

The survey design can be defined as: “gathering information about a large number of people by interviewing a few of them.”

The definition can be modified by stating that collecting information with other data collection alternatives available to survey researcher in addition to interviewing i.e. questionnaire, personal observation etc. Surveys are conducted in case of descriptive research studies with the help of questionnaire techniques in most appropriate manner. Survey type of research studies usually have larger sample.

It is concerned with conditions or relationships that exist, opinion that are held, processes that

are going on effects that are evident or trends that are developing. Thus in surveys variables that exist or have already occurred are selected and observed. It is the example of field research.

Data Collection:

Data collection means to a purposive gathering of information relevant to the subject matter of the study from the units under research.

Primary data are empirical observations gathered by the researcher or his associates for the first time for any research and used by them in statistical analysis. There are several methods of collecting primary data particularly in descriptive researches.

Telephone enquiries Postal/mail questionnaire

Personal interviewing Panel research

Special survey techniques.

Telephonic inquiries and mailing questionnaires are the best's method for gathering quickly needed information at the cheapest way.

Questionnaire:

The questionnaire has a list of questions to be asked and spaces in which the respondents record the answer. It is either printed or typed in definite order on a form or set of forms. Each question is worded exactly as it is to be asked; also the questions are listed in an established sequence.

Generally it is mailed to respondents who are expected to reply in the space provided in itself or may be approached personally to explain the purpose and meaning of questions in the questionnaire, they are conducted by enumerators. Often questionnaire is considered as heart of a survey operation hence should be drafted carefully. Hence structured questionnaire ensures easy quantifications. In present study, the required data was collected through Samplesurvey

using structured questionnaire. Since 'Customer's inclination towards Online marketing' is the core focus of the study, a structured & closed ended questionnaire was prepared for customers only. (covering various demographic parameters).

The questionnaire incorporated questions related to customers' preference for online marketing

and other traditional mediums for getting awareness on various brands and making purchase decision.

Though questionnaire is an economic tool for data collection, non-response or incomplete response is high in this case. However, proper follow up was take to overcome this barrier by making sure that each questionnaire is completely filled.

Secondary data is the data collected by others in the past and used by others. It may be either being published or unpublished data. It includes the following:

1. Various publications of central, state and local governments.
2. Various publications of foreign governments or international bodies.
3. Technical and trade journals
4. Books, magazines, and new paper.
5. Reports prepared by research scholars, university economists etc.
6. Reports publications of various associations connected with business and industry, bank, university, economists etc.

Sources of unpublished data are mainly diaries, letters, unpublished biographies; autobiographies etc. before using secondary sources the researcher must ensure reliability sustainability and adequacy of data.

In present study, researcher has used published and unpublished sources of secondary data.

Secondary data was collected to provide the dissertation with necessary theoretical back up. Information related to IMC, online marketing & its implication etc. was collected through various secondary sources such as research journals, reference books, business magazines and content sharing websites

Sampling Methods:

Sample selection is undertaken for practical impossibility to survey entire population by applying rationality in selection of samples we generalise the findings of our research. A complete enumeration of all items of the population is known as census enquiry. But practically considerations of time and cost almost invariably lead to a selection of respondents called sampling techniques.

A sample design is a definite plan for obtaining a sample from a given population. Sampling process:

1. Define the population: the population is said to be completely defined if atleast the following terms are specified i.e. elements, sampling units, extent, and time. In this research such terms may be defined as follows Elements Sampling units Extent Time.
2. Identifying the sampling frame: a complete list of population units is the sampling frame it should be so selected which consist of almost all the sampling units. Popularly known sampling frames are census reports, electoral register, list of account holders, etc.
3. Specifying sampling unit: it is the basis unit containing the elements of target population.
4. Specify the sample method: it indicates how the sample units are selected, whether probability or non-probability samples are to be taken.
5. Determine the sample size: the decisions about the number of elements to be chosen i.e. number of observations in each sample of the target.
6. Parameters of interest: one must consider the questions of specific population parameter which are of the interest.

Select the sample: final step in the selection of sample process where a good deal of field work and office work is introduced in the actual selection of sample elements:

Descriptive type of study generally used probability sampling design (random 000 sampling) and requires structured or well, thought out instruments for collection of data like questionnaire.

In present study researcher has used stratified probability sampling with -Sample size : 200 (Sample size is selected on the basis of discussion with the research expert)

Area covered – Delhi NCR

Sample frame – Educational institutions & corporate offices.4.8

Data analysis tools for research :

To analyse data collected through structured questionnaire researcher used statistical software SPSS 17.0 and Ms-Excel Add-In Data Analysis. Statistical tools used for the analysis are Mean, Median & mode, Standard deviation, Skewness & Kurtosis.

Validity of the data:

The approach of content validity was used in order to verify whether the context of measure covers the full domain of the content. It helped to assess how items used in the survey represent their context domain and how clear they are. Verification made to assess whether questions asked to the respondents covers all the necessary details related to dissertation topic.

Thus, the present study adopts descriptive research design and undertakes the survey method with questionnaire as a research instrument in order to collect primary data required in the research. Stratified probability sampling is the sampling technique used to select the appropriate sample. And content validity issued Webinar conducted on scope of marketing after covid 19 in which panelist Mr Sanmati Pande (Ceo of growfitter.com) explained Every person is in the same boat .So everyone has to float now. Marketing is a key to every businessprofit and customer acquisition is very important Optimism and the fact that every challenge brings in opportunity, the COVID andits challenges, has made the compelling need of newer ways and means of connectivity and thereby a relook at digital -mobile marketing and advertising approach.

CHAPTER 2 LITERATURE REVIEW

IMPLEMENTATION OF MARKETING STRATEGIES PRACTICED BY WESTERN AND EASTERN EUROPEAN FASHION BRANDS- H&M AND RESERVED CASE

Year of publication: 2015, Author: Sonia Zawadzka

Abstract:

Purpose: Based on the H&M and Reserved examples, the goal of this thesis is to investigate various marketing methods used by Western and Eastern European origin fashion businesses, as well as which of them are most appealing to Polish students.

Method: Both qualitative and quantitative researches were used in the study. The data was gathered using two sorts of information: secondary and primary. Secondary information was gathered from fashion marketing literature, academic journals, and fashion blogs. A semi structured interview with Reserved's assistant marketing manager and surveys given to Polish students supplied the key data. Following that, systematic combining was used, which is a non linear procedure for matching theory with reality.

Conclusion: Although the fashion marketing tactics used by both organisations appear to be quite similar and have no discernible differences, they differ in some ways. Advertising and sales promotion are the most commonly used strategies in both circumstances. Both companies are seen as global, while H&M appears to take a more fashion-oriented strategy, participating in fashion shows and supplying customers with their own glossy magazine. Advertising activities and sales promotion appear to be the most enticing marketing tactics for respondents, according to the study. Furthermore, social media has shown to be an important component in establishing a connection with customers. However, this avenue of communication is frequently overlooked or underutilised.

BRAND DEVELOPMENT OF H&M

Year of Publication: 2009, Authors: Xiaoling Ruan, Liya Li

Abstract:

Aim: Brands are becoming increasingly significant in our lives. The majority of the company is dedicated to brand development. The goal of this research is to look at H&M's overall brand development and how it got started in China.

Method: In this study, we do a case study on H&M. We gathered both main and secondary information. Two interviews are used to gather main data. We also gather secondary data from a literature review, press articles, H&M's webpage and annual reports.

Result and conclusion: H & M has successfully developed brands around the world. It not only creates a good reputation and a healthy brand image for consumers, but also satisfies them. Nevertheless, penetration into the Chinese market is proceeding smoothly.

Contribution of the thesis: This study may be useful for the people who are interested in brand development. Especially, this study may offer some information on brand development for clothing firms.

Comparative Study Of Customer Preference With Respect To Two Fashion Brands H&M Versus Forever 21

Year of Publication: 2012, Author: Anjali Singh, Ph.D. and Ms. Saachi Narang

Abstract

Aim: To understand consumer preferences as this understanding could help companies in shaping their product offering.

Method: The study is based on the descriptive research design formed to meet the objectives of the study. The selection of descriptive research design is in line with the studies conducted in the past in the area of consumer behaviour.

Result and Conclusion: The paired sample t-test is used to compare the preference level of consumers with respect to quality, price, availability, convenience of buying, advertisements

made by marketer (print or electronic), customer service, brand image, social media presence and social status attached to the products and services offered by the marketer of the products offered

by H&M versus Forever 21.

ASSESSING THE INFLUENCE OF FASHION CLOTHING ADVERTISING ON WOMEN'S CONSUMER BEHAVIOUR IN FINLAND; A CASE STUDY OF H&M

Year of Publication: 2012, Author: Sari Suzan Hamed Abu Adab

Introduction: Qualitative research is usually the best way to observe individual attitudes and views (Moore 2000). This study consists of a case study of Hennes & Mauritz (H&M), a Swedish clothing retailer and a semi structured interview. According to Gray (2009) a case study can be defined as empirical study that observes relationships; this study observes the relationship between H&M and its consumers. This study can be considered to contribute on previous research, however further research of the company is recommended. The case study will be analysed among the online survey results to observe the company's objectives and consumers' opinion about H&M.

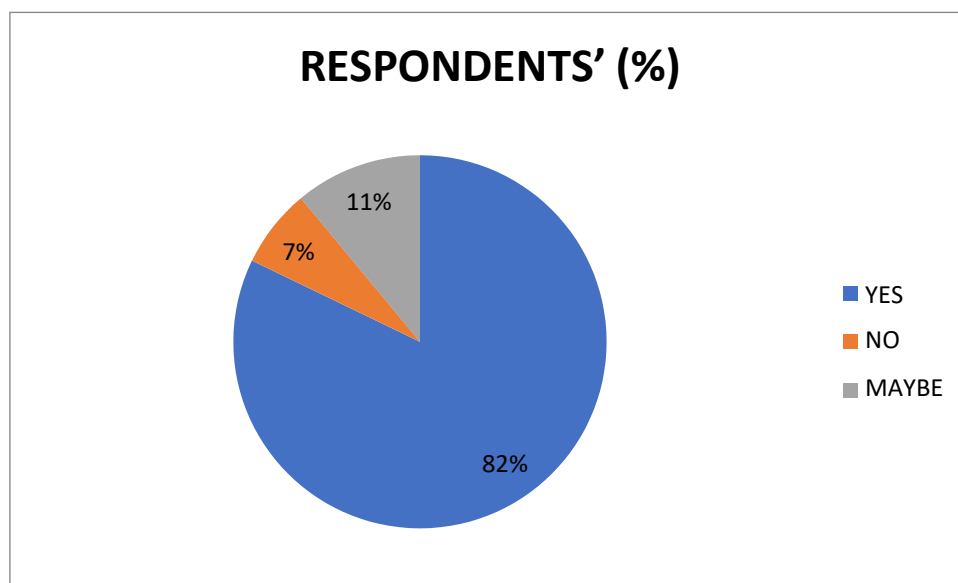
Semi-Structured Telephone Interview:

This study is considered to be reliable since the research results can be assumed to be the same if the same research would be carried out more than once. The validity of this research is significant since it discovers the current consumer behaviour patterns and also current attitudes towards H&M. There are numerous limitations for this dissertation such as time and geographical issues. Further research will be required due to the level of complexity of the study. This study can be considered to be used as secondary research.

CHAPTER-3 DATA INTREPRETATION AND ANALYSIS

Question1:Have you heard the brand “Forever 21”?

OPTIONS	RESPONDENTS' (%)
YES	82%
NO	7%
MAYBE	11%

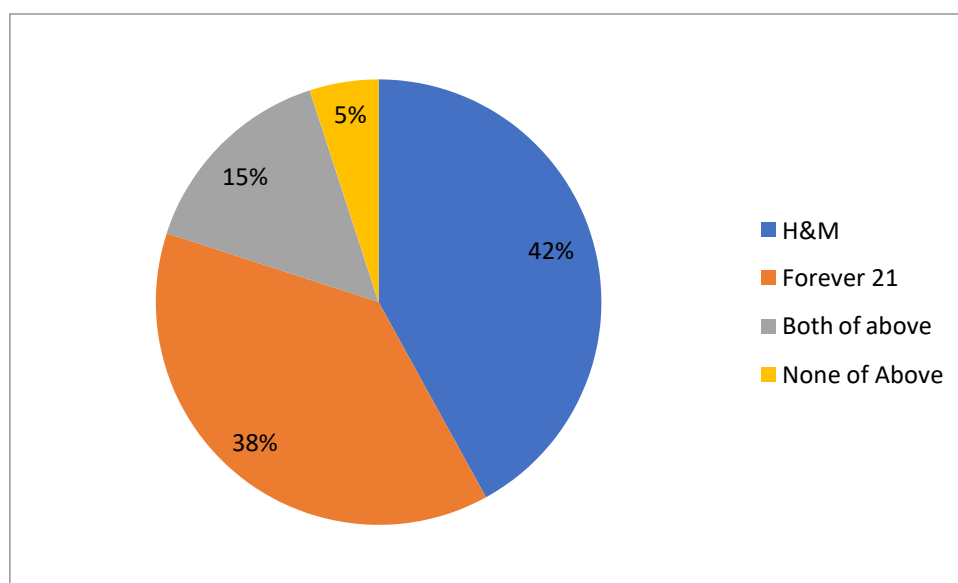


Interpretation

A very large majority of people responded a “yes” to this question that is 82 percent. A very little percentage of respondents answered a “No” to this which is 6.8 percent. Reason being forever 21 is a very popular brand. There are still respondents who are not much sure whetherthey have heard about the brand or not so they have answered “Maybe” which includes 9 percent.

Question2: Which company you think that contains good advertising content to attract the customers?

OPTIONS	RESPONDENTS' (%)
H&M	42%
Forever 21	38%
Both of above	15%
None of Above	5%

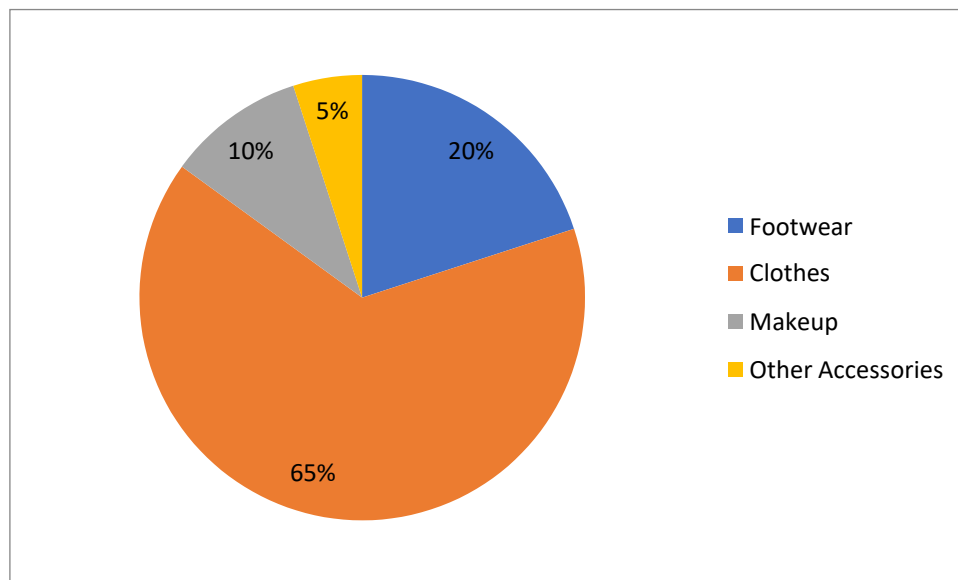


Interpretation

Almost H&M and Forever 21 contain a good advertising content. 42% respondents think that H&M has good marketing content over Forever 21. Only 5% think that they both don't have good advertising content.

Question 3: Which product you love the most in forever 21?

OPTIONS	RESPONDENTS' (%)
Footwear	20%
Clothes	65%
Makeup	10%
Other Accessories	5%

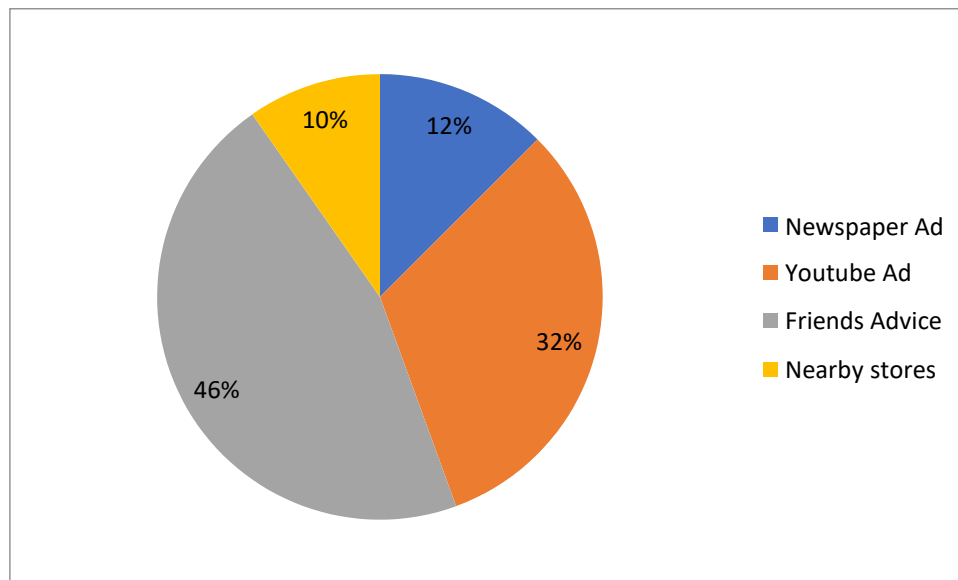


Interpretation

The majority of the respondents are more attracted towards clothes of forever 21. Very less percent people thinks that forever 21 makeup products are good that is 10 percent. 5%percentpeople love other accessories of forever 21, 20% percent also love forever 21 for its footwear collection.

Question4: How did you got aware of the brand H&M?

OPTIONS	RESPONDENTS' (%)
Newspaper Ad	12.5%
YouTube Ad	31.9%
Friends Advice	45.8%
Nearby stores	9.7%

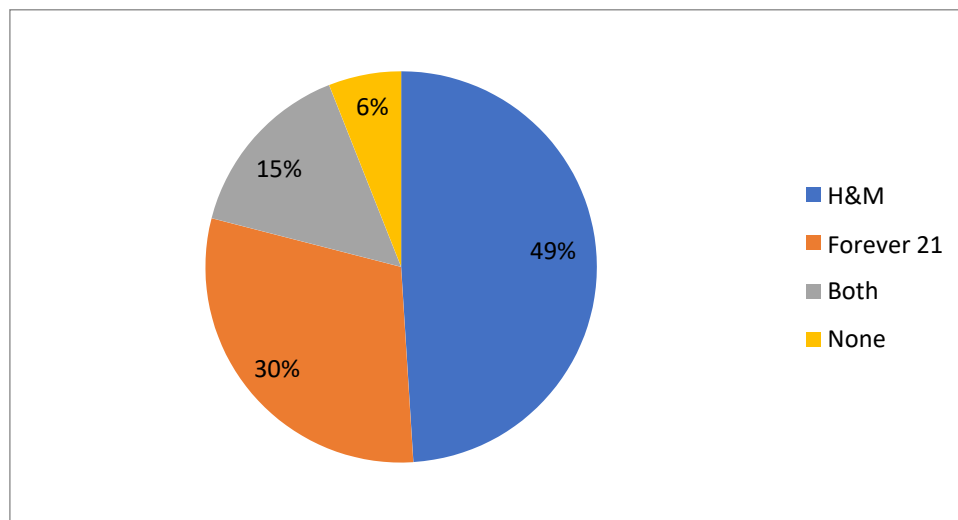


Interpretation

Almost half of the respondents that is 45.8 percent people says that they got aware of the brand from their friends circle. Very less percent people said that they got to know about the brand due to near by brick-mortar store. Also, many people 32 percent got aware of H&M due to its YouTube ad which clearly shows how much digital marketing helps in brand awareness. Some people also got aware by newspapers ad i.e. 12.5 percent only.

Question5: Which product you love to wear the most?

OPTIONS	RESPONDENTS' (%)
H&M	35%
Forever 21	29%
Both	25%
None	11%

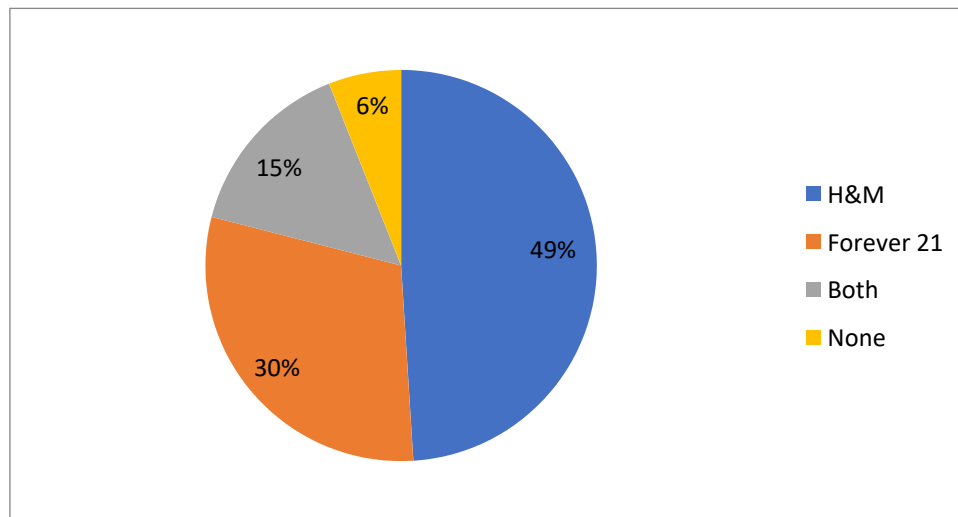


Interpretation

The majority of the respondents are more attracted towards clothes of H&M. Less Respondent would like to wear Forever 21. Both companies lead on loving part of customer as compared to other market arrivals.

Question6: Which brand do you feel most cost friendly?

OPTIONS	RESPONDENTS' (%)
H&M	49%
Forever 21	30%
Both	15%
None	6%

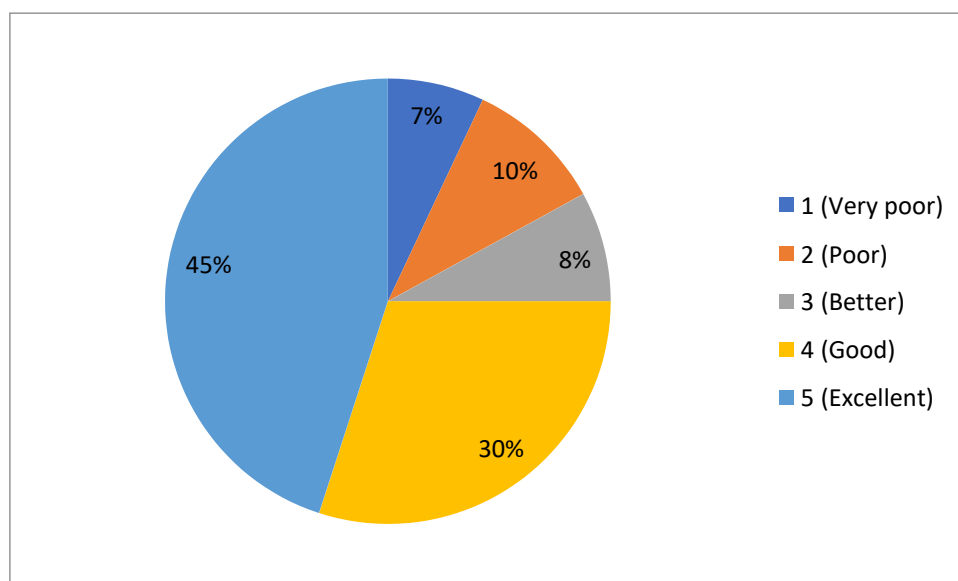


Interpretation

A large number of respondents have voted for H&M which clearly shows that H&M is ahead of forever 21 in customers' eyes in respective of cost friendly product. 30 percent have said they would go for forever 21. Some respondents said they both are equally cost friendly. Another 6 percent respondents have said they would go for some other brand rather than H&M and Forever 21.

Question7: How many marks you will rate Forever 21 in terms of marketing strategy?

OPTIONS	RESPONDENTS' (%)
1 (Very poor)	7%
2 (Poor)	10%
3 (Better)	8%
4 (Good)	30%
5 (Excellent)	45%

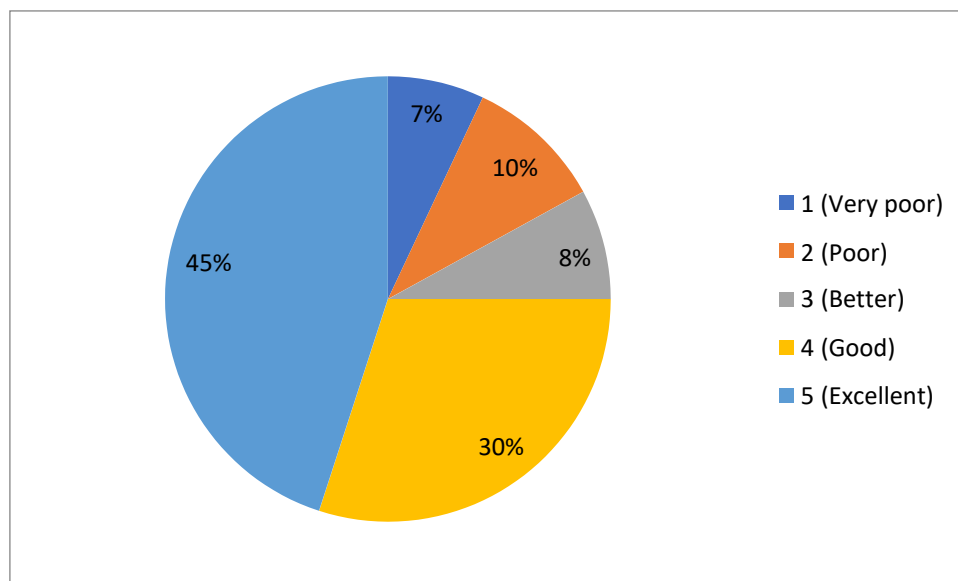


Interpretation

Majority of the respondents have given a 5 mark to forever 21 in terms of marketing strategy. Many respondents think forever 21 is intermediate in marketing strategy. 8 percent have rated a 3. 10 percent have marked it 2. Almost 7 percent respondents have rated it 1.

Question 8:How many marks will you rate H&M in terms of marketing strategy?

OPTIONS	RESPONDENTS' (%)
1 (Very poor)	3%
2 (Poor)	2%
3 (Better)	45%
4 (Good)	20%
5 (Excellent)	30%

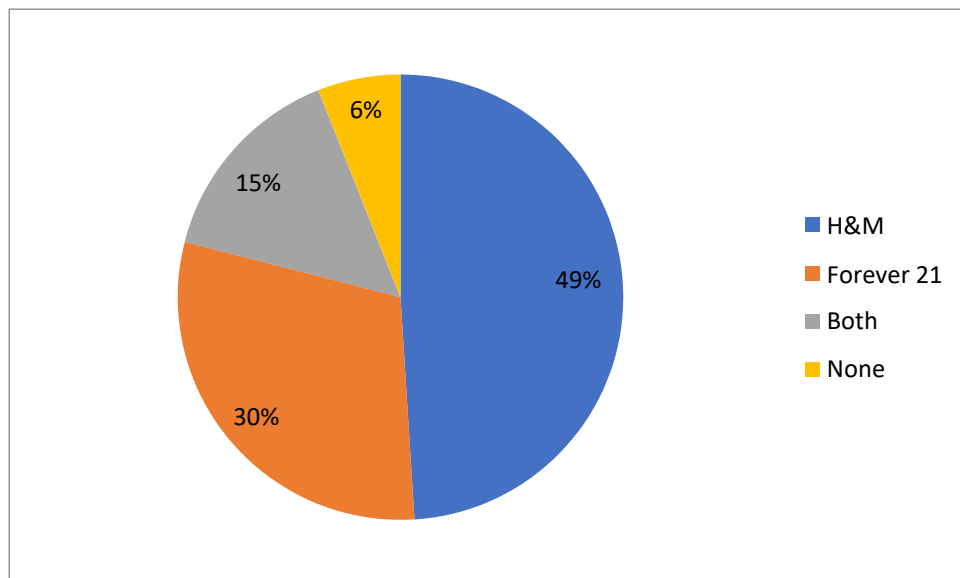


Interpretation

Majority of the people have replied that H&M is using better marketing strategy. 30 percent of the respondents marked 5. 20 percent of the respondents marked 4. 45 percent of the respondents marked 3. Almost 5 percent of the respondents marked 1 or 2.

Question 9: Which brand have the best after sales service?

OPTIONS	RESPONDENTS' (%)
H&M	49%
Forever 21	30%
Both	15%
None	6%

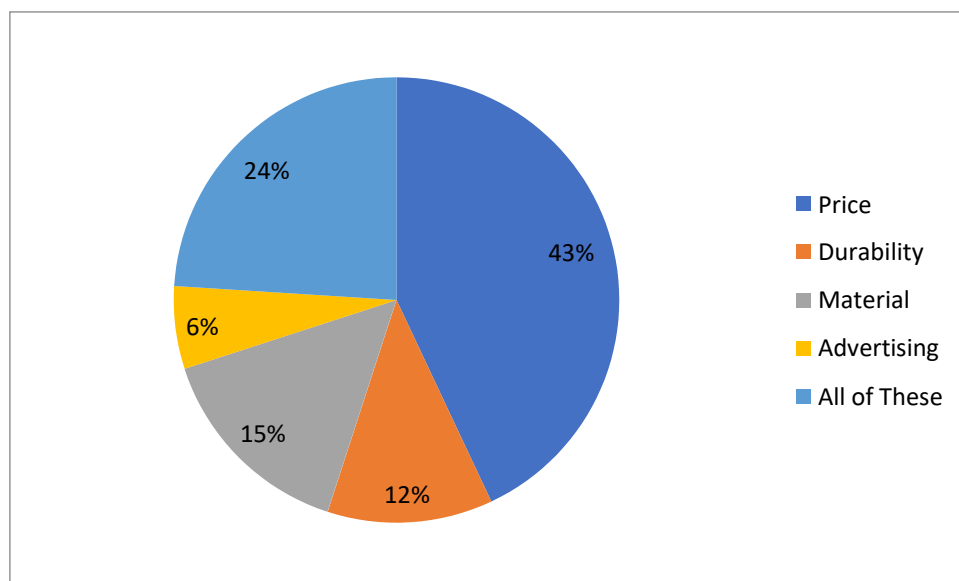


Interpretation

Majority of the people thinks H&M gives best after sales services. 30% respondents marked Forever 21. 15% of respondents think both company provide best after sales service. 6% of the respondents feel that both companies don't provide best after sales service maybe of bad experience.

Question 10: What influences you while choosing the H&M and Forever 21?

OPTIONS	RESPONDENTS' (%)
Price	43%
Durability	12%
Material	15%
Advertising	6%
All of These	24%



Interpretation

Majority of the respondents think price influences the lot while purchasing clothes from H&M and Forever21. Also many respondents say all the matters are Price, Material and Advertising for choosing between H&M and Forever 21.

Chapter 4 Summary and Conclusion

FINDINGS

- Majority of the respondents preferred H &M as compared to forever 21 because of the quality and fashion trends.
- It has been observed that the respondents have taken decisions on their own rather than being impacted by friends, family member, fashion influencers.
- Social media marketing has impacted customers more than television or magazines of receiving information about the product
- The working respondents were found more conscious about their looks than housewives.
- Majority of the respondents preferred to buy online from other sites like Myntra and flip kart rather than sites of H&M and Forever 21.
- Majority of respondents preferred to buy products physically from store than buying online.

CONCLUSION

H&M and Forever 21 have from their foundation a long time ago grown from a small S clothing companies to one of the biggest fashion companies in the world when it comes to cheap and fashionable clothes. H&M and forever 21 have been able to develop a strong and sustainable brandname where the product is well adapted to the needs and wants of the customers. They have showed the market that fashion doesn't have to be expensive and you don't have-to earn a lot of money to be able to dress in a fashionable way. This concept attractive for younger people that still don't have such a high income because they are in the beginning of their career or they are still studying. In my opinion, H&M and forever 21 has successfully communicated their vision to their customers-and created a strong brand name, and therefore been able to gain a place in the mind of the customers, which is very important in a competitive perspective.

During the last decade the competition between companies that sell cheap and fashionable clothes has increased, which will force H&M n forever21 to never stop developing and improve their business. Their marketing strategies must be competitive and at the same time ethical-to attract and keep customers.

Chapter 5 Recommendation

SUGGESTIONS

- H&M must have more casual and fashionable clothing as mostly people say that it
- mostly deals in formals and they should lay more emphasis on introducing casual and fashionable clothes.
- The company must concern to the satisfaction of customer demand
- Using target selling by targeting audience can lead to more sales and revenue of the companies.
- Forever 21 should use its brand story wisely to connect with customers emotionally.
- Brand preference studies reveal that comparatively there is more preference for H&M among consumers so in order to attract and maintain his consumers. Advertising programs should be intensified by forever 21.
- Perception of the consumer is changing rapidly. They seek new benefits and values in their preferred brand. Moreover, consumer likes to have brand at low rate. So H&M and forever 21 should insert it so as to meet the changing preference of the consumer.
- H&M, and Forever 21 are the market leader in fashion clothing. Most of the consumers are brand loyal. They should be treated as intangible assets. These brands should ever strive to satisfy them.
- Fulfillment of the consumer needs should be of main priority.

LIMITATIONS

- The main area of the focus was only limited to marketers or followers towards fashionable clothing in today's era.
- The research is only about 2 fashion brands that is H&M and forever 21
- There are only 150 respondents.
- Respondents are mostly females.
- The respondents belong to north India only
- H&M and forever 21 did not contribute much to the report when asked for data

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ANNEXURE (Questionnaire)

Question1 : Have you ever heard the brand "Forever 21"?

- Yes
- No
- Maybe

Question2 : Which company you think that contain good advertising content to attract customers?

- H&M
- Forever 21
- both of the above
- none of the above

Question3 : Which product you love the most in Forever 21?

- Footwear
- Clothes
- Makeup
- Other

Question4 : How did you get aware of the brand H&M?

- Newspaper ad
- YouTube Ad
- Friend's Advice
- Social media Ad

Question5 : Which product you love to wear the most ?

- H&M
- Forever 21
- Both
- Other

Question6 : which brand do you feel most cost friendly ?

- H&M
- Forever 21
- Both
- None

Question7 : How will you rate Forever 21 in terms of marketing strategy ?

- very poor
- Poor
- Better
- Good
- Excellent

Question8 : How will you rate H&M in terms of marketing strategy ?

- Very poor
- Poor
- Better
- Good
- Excellent

Question9 : which brand has the best after sales service ?

- H&M
- Forever 21
- Both
- None

Question10 : What influences you while choosing the H&M and Forever 21 ?

- Price
- Durability
- Material
- Advertising

*A comparative study of performance of
SBI&HDFC*

*Submitted in partial fulfillment
of the requirements for the award of
the Master degree in*

MASTER OF BUSINESS ADMINISTRATION

To

Guru Gobind Singh Indraprastha University, Delhi

Guide:
Dr. Urvesh Chaudhary
Professor

Submitted by:
Ankush Sharma
01619114322



GITARATTAN INTERNATIONAL BUSINESS SCHOOL
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Batch (2022-2024)

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CERTIFICATE

I, Mr. Ankush Sharma, Roll No. 01619114322 certify that the Project Dissertation Report (MIB 204) entitled “**A comparative study of performance of SBI and HDFC**” is completed by me and it is an authentic work Carried out by me at Gitarattan International Business School. The matter embodied in this Minor project work has not been submitted earlier for the award of any degree or diploma to the best of my knowledge and belief.

Signature of the student

Date: 02-05-2024

Certified that the Minor Dissertation Report (MIB 204) entitled “FDI and Economic Development of India” done by Mr. Ankush Sharma, Roll No. 01619114322, is completed under my guidance.

Signature of the Guide

Date: 02-05-2024

Name of Guide: Dr. Urvesh
Chaudhary

Designation: Professor

Countersigned

Director/Minor Project Coordinator

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I would like to express my profound gratitude towards Gitarattan International Business School for providing me with this opportunity and my gratitude towards my Faculty Guide Dr. Urvesh Chaudhary for his valuable suggestions, comments, feedback and support throughout the project. I am deeply grateful to the management of Gitarattan International Business School for giving me an opportunity to work on this project.

Regards,

Ankush Sharma

01619114322

Chapter 1: Introduction

Introduction to Banking Sector

India is not only the world's largest independent democracy, but it is also a rapidly growing economic powerhouse. No country can have a stable economy without a sound and efficient banking system. Banks play a critical role in a country's economic growth. They collect people's unused savings and make them eligible for investment. They're in the process of granting loans and purchasing investment securities, new demand deposits are also established. Accepting and discounting bills of exchange allows for trade both within and outside the country. Banks also help to improve capital mobility. India's banking system has a long list of notable accomplishments over the last three decades. It is no longer limited to the cities, but has spread to even the most remote parts of the world. This is one of the factors behind India's development. The banking industry is now one of India's most important service industries. The availability of high-quality services is critical to the economy's success. Banks' attention has turned away from customer acquisition to customer retention. The introduction of Information Technology into the banking sector has changed the way people work. The banking sector's policy has undergone radical transformations, various customer-oriented products, such as internet banking, are available. Customer's workload has been reduced mainly because of ATM providers, telebanking, and electronic payments. The internet's convenience Banking allows a customer to access and manage his bank account without having to go to the bank. The Customer's options have been revolutionized by the availability of ATMs and credit/debit cards.

Definition of a Bank

A bank is a financial institution and a financial intermediary that accepts deposits and channels those deposits into lending activities, either directly by loans or indirectly through capital markets. (technofunc.com, 2013)

Types of Banks:

Banks are classified as Public or Private depending on their ownership

PUBLIC SECTOR BANKS

Public Sector Banks (PSBs) are a major form of bank in India, in which the Indian government or state governments own a majority stake (i.e. more than 50%). The shares of these banks are traded on stock exchanges. Public sector banks in India include State Bank of India, Bank of Baroda, Bank of Maharashtra, Bank of India and others.

PRIVATE SECTOR BANKS

Private sector banks are those in which majority of the stake is owned by the bank's shareholders rather than the government. Private sector banks in India include RBL Bank, HDFC Bank, ICICI Bank, Yes Bank, and others. (Private sector Banks)

Indian Banking Sector

The Reserve Bank of India (RBI) claims that India's banking sector is adequately capitalised and controlled. The country's financial and economic standards are far superior to those of any other country on the planet. According to credit, industry, and liquidity risk studies, Indian banks are generally resilient and have fared well during the global downturn.

Innovative banking models such as transfers and small finance banks have recently been introduced in the Indian banking industry. The RBI's new initiatives may go a long way toward assisting the domestic banking industry's restructuring.

Market Size

The Indian banking system consists of 12 public sector banks, 22 private sector banks, 46 foreign banks, 56 regional rural banks, 1485 urban cooperative banks and 96,000 rural cooperative banks in addition to cooperative credit institutions. As of September 2020, the total number of ATMs in India increased to 210,049 and is further expected to increase to 407,000 by 2023. (banking sector in india, 2023)

NON PERFORMING ASSESTS OF A Bank

Definition: A non-performing asset (NPA) is a loan or advance for which the principal or interest payment remained overdue for a period of 90 days. (Definition of NPAs)

Types of NPAs
Standard Assets: This is a type of performing asset that generates a steady stream of income and repayments as they become due. These assets have a normal risk profile and are not NPAs in the traditional sense. As a result, standard properties do not need any special requirements.

Sub-Standard Assets- These include loans and advances that have been classified as non-performing assets for more than a year.

Doubtful Assets- these are assets that have been deemed non-performing for a duration of more than 12 months.

Loss Assets- these are the assets that the lending institutions are unable to recover. (What is NPA and Types of NPA, 2023)

Introduction to the SBI and HDFC bank

➤ HDFC Bank

About HDFC

The Housing Development Finance Corporation Limited (HDFC) Bank is an Indian banking and financial services company, headquartered in Mumbai, Maharashtra. HDFC Bank is India's largest private sector bank by assets and by market capitalization as of April 2021. It is the third largest company by market capitalization on the Indian stock exchanges.

The HDFC Bank Preferred program for high net worth individuals.

The HDFC Bank Plus and The Investment Advisory Services program have been designed keeping in mind needs of customers who seek distinct financial solutions, information and advice on various investment avenues. The Bank also has a wide array of retail loan products including Auto Loans, Loans against marketable securities.

History

HDFC Bank, a subsidiary of the Housing Development Finance Corporation, was established in 1994 and is headquartered in Mumbai, Maharashtra, India. Manmohan Singh, the Union Finance Minister, inaugurated the company's first corporate office and a full-service branch at Sandoz House in Worli.

Market Reach

The Bank's distribution network had 5,500 branches in 2,764 cities as of 30 June 2019. In fiscal year 2017, the bank also constructed 430,000 point-of-sale terminals and issued 23,570,000 debit cards and 12 million credit cards. As of March 21, 2020, it had 1, 16,971 permanent staff.

Products and Services Offered Wholesale banking, retail banking, treasury, auto loans, two-wheeler loans, personal loans, loans against land, consumer durable loan, lifestyle loan, and credit cards are among the products and services offered by HDFC Bank. Payzapp and SmartBUY are two other digital products available. **(HDFC Bank)**

➤ **SBI Bank**

About SBI

STATE BANK OF INDIA is a regulatory body for public sector banking and financial services in India, based in Mumbai, Maharashtra. SBI is world's 43rd largest bank and the only Indian bank on the Fortune Global 500 list of the world's largest companies for 2020, ranking 221st. [eight] It is India's largest public sector bank, with a 23 percent asset market share and a 25 percent share of the overall loan and deposit market.

History

The Imperial Bank of India was established when the Bank of Calcutta and the Bank of Bombay merged to create the Imperial Bank of India, which later became the State Bank of India in 1955. In 1955, the Indian government took control of the Imperial Bank of India, with the Reserve Bank of India (India's central bank) owning a 60% stake and renaming the bank State Bank of India. **(State Bank of India)**

Market Reach

SBI is one of the largest employers in the country with 209,567 employees as on 31 March 2017, out of which 23% were female employees and 3,179 (1.5%) were employees with disabilities. On the same date, SBI had 37,875 Scheduled Castes (18%), 17,069 Scheduled Tribes (8.1%) and 39,709 Other Backward Classes (18.9%) employees.

National

In India, SBI has over 24000 branches. Its revenue in the financial year 2012–13 was 2.005 trillion (US\$28 billion), with domestic operations accounting for 95.35 percent of revenue. In the same financial year, domestic activities accounted for 88.37 percent of overall earnings. SBI organized 11,300 camps and opened over 3 million accounts by September under the Pradhan Mantri Jan Dhan Yojana, which was

launched by the government in August 2014 and included 2.1 million accounts in rural areas and 1.57 million accounts in urban areas.

International

As of 2014-15, the bank had 191 overseas offices in 36 countries making it the Indian bank with the highest presence in international markets. **(State Bank of India)**

Products and Services Offered

SBI offers a plethora of products and services such as savings account, credit cards, fixed deposits, personal loan, home loan, business loan, debit card, loan against property, car loan, gold loan, mudra loan and more. **(State Bank of India, 2023)**

Objectives of the Study

- To compare and evaluate the financial performance of SBI and HDFC Bank.
- To understand and compare the trends of NPA of both the banks over the last three years.
- To ascertain yearly fluctuations in terms of profitability, liquidity and efficiency of SBI and HDFC Bank.

Research Hypothesis

Ho1 = there is no significant relationship between the gross NPA ratio of SBI and HDFC over the last three years.

Ho2 = there is no significant relationship between the net NPA ratio of SBI and HDFC over the last three years.

Scope of the Study

In the present study, an attempt has been made to measure, evaluate and compare the financial performance of SBI and HDFC. The study is based on secondary data that has been collected through annual reports of the respected banks, websites, journals, documents and other published information. The study covers the period of 3 years i.e. is from year 2017-18, 2018-19 and 2019- 20. Ratio analysis was applied to analyze and compare the trends in financial performance. Mean and t test have also been deployed to analyze the trends in banking profitability.

Research Design

- DURATION OF STUDY- The period of this study will cover last 3 years of the financial data- 2020-21, 2021-22, 2022-23.

- DATA COLLECTION PROCEDURE- Secondary Data will be used in this study to compare the financial statements of both the banks over the last three years.
- DATA COLLECTION METHODS- Data has been collected through Ratio Analysis.
- STATISTICAL TOOLS AND TESTS USED- The statistical tool used in the study is Mean and inferential statistic T-test has been conducted to know the significant relation between the NPA Ratios of both the banks

Chapter 2

Review of Literature

International Reviews

Here are several factors that impact the profitability of banks (**Sufian & Habibullah, 2010**); (**Dietrich & Wanzenried, 2011**). These factors can be broadly classified as either internal determinants that originate within the firm such as bank size, capital, risk management, expenses management, and diversification (**Molyneux & Thornton, 1992**); (**BODLA & VERMA, 2006**)

Or

external determinants that are outside the firm like market concentration, industry size and ownership, inflation, interest rates, money supply and Gross Domestic Product (GDP) (**Athanasoglou, Brissimis, & Delis, 2008**); (**Chirwa, 2003**).

The effect of main internal factors on profitability has been studied in a number of studies. (**Smirlock & Brown, 1986**) investigated the profitability of demand deposits as a feature of total deposits. Demand deposits seemed to have a substantial positive relationship with earnings, according to their results. Loan loss provision and net charge offs had a major negative impact on large bank profitability, according to Miller and Noulas (1997). These findings revealed that asset and liability composition had an effect on net charge-offs. As a result, commercial banks' asset liability portfolio decisions are likely to have an effect on their profitability through net charge-offs. As a result, banks with higher wages and benefits will need higher net interest margins to stay profitable. (**S M Miller , A G Noulas, 1997**) (**Ganesan, 2001**) looked at the profitability of India's public sector banks and discovered that interest costs, interest income, other income, deposits per branch, credit to total assets, and the proportion of priority sector advances were all important determinants of profitability. (**ElBannay, 2004**) looked into it.

Whether or not investment in information technology infrastructure has an effect on bank profitability in the United Kingdom. The findings revealed that a bank's profitability is influenced by the number of automated teller machines it has built. (**BODLA & VERMA, 2006**) attempted to define the core determinants of profitability of public sector banks in India, and their findings revealed that non-interest income, operating expenses, provision, and capital are all important factors. Net profits are inextricably linked to contingencies and spread.

(Naceur, S, & Goaid, 2001) found that banks with relatively high capital and overhead expenses have higher net-interest margins and profitability levels in a study of Tunisian banks from 1980 to 2000. They also discovered that the size of a bank has a negative impact on profitability, moreover the stock exchange. Bank profitability increased as a result of the expansion. Furthermore, private banks were discovered to be comparatively more profitable. They are more successful than their government-owned counterparts.

(SUFIAN, 2009) looked at the factors that influenced Malaysian domestic and foreign commercial bank profitability from 2000 to 2004. Malaysian banks with higher credit risk and loan concentration have lower profitability rate, according to research. Banks with a higher capitalization ratio, on the other hand, have a higher risk of failure. High running costs and a high proportion of income from non-interest sources were found to be comparatively more beneficial.

The effect of macroeconomic variables such as concentration, expansion, and inflation on bank profitability is covered by external determinants of bank profitability (Rajan & Zingales, 1998); (Athanasoglou, Brissimis, & Delis, 2008); (Chirwa, 2003) looked into the relationship between market structure and consumer behavior and profitability of Malawi's commercial banks using time series data from 1970 to 1994. The investigation demonstrates a long-term connection between bank performance and concentration. (SUFIAN, 2009) discovered that economic growth has a negative effect on Malaysian bank profitability. Inflation rates that were higher had a positive effect on the profitability of these banks. (Molyneux & Thornton, 1992) studied a survey of eighteen European countries. And discovered that the return on equity and the level of interest rates have a significant positive relationship on each nation, the concentration of banks, and the ownership of the government

National Reviews

Avani Ojha and Hemchandra Jha- has conducted studies on the effect of NPAs on the operations of the SBI and PNB using various research methods and analyzed the hypothesis based on the entire study that NPAs play a significant role. Non-performing assets have a significant effect on bank profitability because they are closely linked to efficiency. The profitability and asset liability management of Indian banks. NPAs are the product of advances not being recovered or not being recovered within a certain time frame for a given type of lending. They suggest that banks analyze NPAs on a regular basis, by intent, borrower, country, and so on. Before sanctioning, there should be methods and proper inspections of the creditors.

(Ojha & Jha, 2018)

Dr. Ganesan and R. Santhanakrishnan has conducted a report on NPAs at the State Bank of India from 2002-03 to 2011-12 with the aim of deploying capital, analyzing gross NPAs, investigating the effects of NPAs, and recommending steps to monitor NPAs. They calculated the averages and standard deviations to test the hypothesis, and the results were based on the desired outcomes. They put the hypothesis to the test by estimating averages and standard deviations, and then comparing the results to the desired outcomes. They discovered that the banking industry has changed dramatically since the first phase of economic liberalization, and that credit management has become increasingly important as a result. NPAs has increased with economic growth and aggressive lending practices. **(Santhankrishnan & Ganesan, 2013)**

Manisha Raj, Aashita Jain, Shruti Bansal, and Tanya Verma conducted a report on non-performing assets (NPAs) and conducted a “A comparative study of SBI and HDFC Bank from 2014-17.” They primarily conducted a report on nonperforming assets (NPAs) to examine the pattern of NPAs at State Bank of India and HDFC Bank over a four-year period from 2014 to 2017. They also compared overall advances, net benefit, gross NPAs, and net NP from table to table. They looked for a linear relationship between net profit and net NPAs in both banks during the research. After conducting research, they came to the conclusion that managing non-performing assets (NPAs) is a difficult challenge for any bank in the banking industry. After analyzing the data for the given years, it appears that the biggest problem for both banks in terms of liquidity is that NPAs have increased while profitability has decreased. Despite the fact that SBI has a higher NPA ratio than HDFC Bank.

Since SBI is a public sector bank, it is more vulnerable to losing money if it extends loans to the general public. In the case of HDFC Bank, their investigation discovered that no significant benefit or loss has been reported, but that NPAs are periodically settled against the bank’s profitability. In the event that SBI’s condition worsens as a result of rising NPAs. **(RAJ, Jain, Bansal, & Verma, 2018)**

Swathi.M.S. and Sridhar.K. conducted a study of non-performing assets from 2007 to 2013 and analyzed the methods for resolving NPAs for public sector banks, private sector banks, and other types of banks. To conclude the analysis, they mostly relied on secondary data released by banks at the end of each quarter and year, as well as the RBI annual reports. They have taken the net and gross Non-Performing Assets to assess and find the facts and figures in the analysis using data derived from secondary sources. They

investigated the causes and factors that influence NPAs. Willful defaults by customers of various banks is the key cause, according to the central light. Other factors they discovered during the study included lenient lending norms, industrial crises, fund diversification, higher debt and borrowing costs, and a sudden stock market downturn. Lok Adalat, enactment of the SARFAESI Act, Asset Reconstruction Company, corporate debt restructuring, and other solutions are also suggested by them to solve the problems. **(Swathi.M.S & Sridhar., 2019)**

The first mention of bankers is that of the ‘Shroffs,’ ‘Seths,’ ‘Sahukars,’ ‘Mahajans,’ and ‘Chettis,’ who were doing similar work in the past. In her article on the history of banking, Srivastava (2001) mentions the presence of these early forms of bankers. ‘Indian Banking History’ is a book about the history of Indian banking. She goes on to say that these small businesses were run by indigenous bankers. Their activities ranged from small money lenders to Shroffs with massive conglomerates Corporations they ran are much bigger and more specialized company than they did before even greater than an ordinary bank.

(Shrivastava, 2001)

Tiwari (1959) investigated the growth and development of the Indian banking system. He claims that Allahabad Bank (founded in 1865) was the first bank owned entirely by Indians, followed by Punjab National Bank (1894). A large number of other banks like Bank of India, Central Bank of India, and other Indian banks were founded between 1906 and 1913. Bank of Baroda, Canara Bank, Indian Bank, and Bank of Mysore are some of the most well-known banks in India. **(Tiwari, 1959)**

The performance of public sector banks has declined dramatically since nationalization, with more than half of them having a negative net worth. Recognizing that a sound banking system is essential for any country’s growth, the ‘Banking Sector Reforms’ were introduced by the government at the time. The first move was to set up a committee to implement the banking reforms.

The Narasimham Committee was established in 1989 to implement these reforms. In 1991, the Committee issued its first report, which included recommendations such as lowering the Statutory Liquidity Ratio (SLR) to 25% over a five-year period and gradually lowering the SLR. CRR (Cash Reserve Ratio) of 3-5 percent. It also suggested that guided credit be phased out. Programs and a re-definition of the priority field are in the works. The prohibition on establishing new private banks. Branch licensing was also abolished, according to the Narasimham Committee Report.

In 1991, The committee’s second report, released in 1998, recommended that the two organizations be merged. Banks in the public sector that are strong and those that are poor are being closed. The committee also promoted a healthy rivalry between public and private sector banks by recommending the Golden

Handshake Scheme. **(Arora, 2017)**

Following the Narasimham Committee's recommendations, the profitability and growth of Indian banks improved significantly. Deposits as a percentage of GDP increased from 48.6% in 1990 to 60.4 percent in 2010. In 2002, the credit rating rose from 29.5 percent to 39 percent. **(Radha, 2003)**

According to Malayadri and Sirisha (2011), in their paper titled "A Comparative Study of NonPerforming Assets in Indian Banking Industry," there has been a rise in advances and a decrease in the NPA ratio in both public and private sector banks, resulting in improved financial performance. Quality of the asset They also came to the conclusion that the banks' NPA management had improved as a result of the study. The regulatory authorities implemented prudential standards and measures. **(Malayadri, Sirisha, & Pacha, 2011)**

In their paper titled "NPAs Reduction Strategies for Commercial Banks in India," Prasad and Veena (2011) reported that NPAs have a negative effect on the ROA because they do not produce any net interest income. As a result, bank profits are reduced, and recycling of waste is limited. **(Bhavani, G.V., Veena, & D, 2011)**

The NPAs study comparing public and private sector banks was conducted by Kajal Chaudhari and Monika Sharma in June 2011. To detect any diversion of funds, effective and regular followup of the end usage of the funds sanctioned is needed. This procedure can be repeated every quarter to ensure that any accounts that become NPA are properly accounted for. **(Chaudhari & Sharma, 2011)**

PROF. SIRAJ. K. K & SIRAJ. K. K (DR). NPA, according to P. SUDARSANAN PILLAI (February 2014), is a virus that has infected the banking sector. It has an effect on liquidity and profitability, as well as posing a challenge to asset quality and bank survival. The study concluded that nonperforming assets (NPAs) continue to be a major danger, and the incremental aspect explained by NPA additions raises serious doubts about the efficiency of Indian banks' credit risk management. **(PILLAI & K.K, 2012)**

Chetan Dudhe (August 2017) discovered a connection between gross nonperforming assets and net profit. Every country has a problem with nonperforming loans, and financial institutions should devise new strategies to boost loan recovery. Non-performing assets (NPAs) are impacting financial institutions' financial and psychological results. **(Dudhe, 2017)**

Chapter-3

Data Presentation & Analysis

Data Representation and Interpretation

Ratio analysis of SBI and HDFC bank from its annual reports for the year 2017-18, 2018-19 and 2019 - 20 is presented below-:

I NON PERFORMING ASSETS RATIOS

NON-PERFORMING ASSETS (NPA) are assets for which interest is overdue for more than 90 days. It includes-

- **Gross non-performing asset ratio**

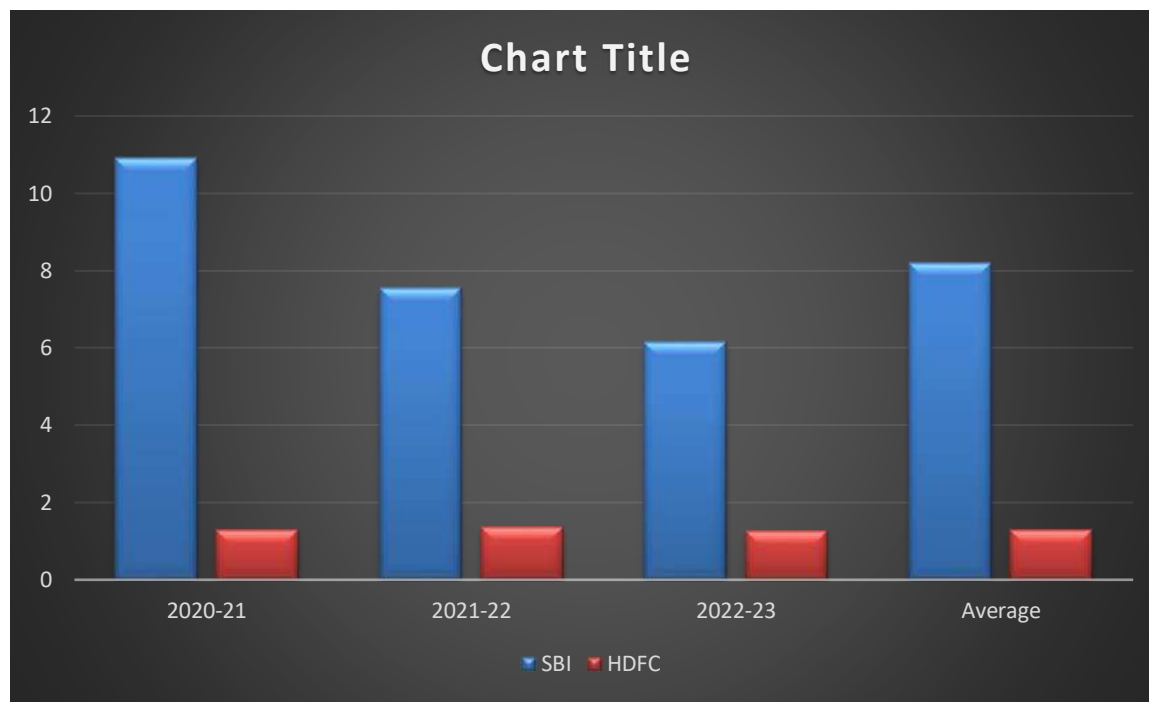
Gross non-performing assets- Gross non-performing assets refer to the total amount of the debts that an organization has failed to collect or the people owing the organization has failed to honor their contractual obligations of paying both the principal and interest amount. Gross non-performing loans are the sum of all the loans that have been defaulted by the individuals who have acquired loans from the financial institution. This means that all loans defaulted are added together to form gross non-performing assets.

Formula

Gross NPA Ratio= (A1 + A2 + A3 + An)/Gross Advances (
A1 stands for loans given to person number one, A2 for loans given to person
number two etc

YEAR	SBI	HDFC
2020-21	10.91	1.30
2021-22	7.53	1.26
2022-23	6.15	1.36
Average	8.19	1.30

(Table 1 shows the % of Gross NPA of SBI and HDFC for last three years)



(Graph 1 shows the % of Gross NPAs of SBI and HDFC for last three years)

Interpretation: The gross NPA ratio of SBI stood at 10.91 in 2017-18 while that of HDFC was 1.30 in the same year. In 2018-19 the ratio of SBI dropped down to 7.53 and that of HDFC increased to 1.36. In the year 2019-20 the ratio of SBI further dropped down to 6.15 while that of HDFC was 1.26.

So the average Gross NPA ratio of SBI stood at 8.19 while that of HDFC was much lesser at 1.30, which clearly shows that SBI's asset quality is in very poor shape.

● **NET NON PERFORMING ASSETS RATIO**

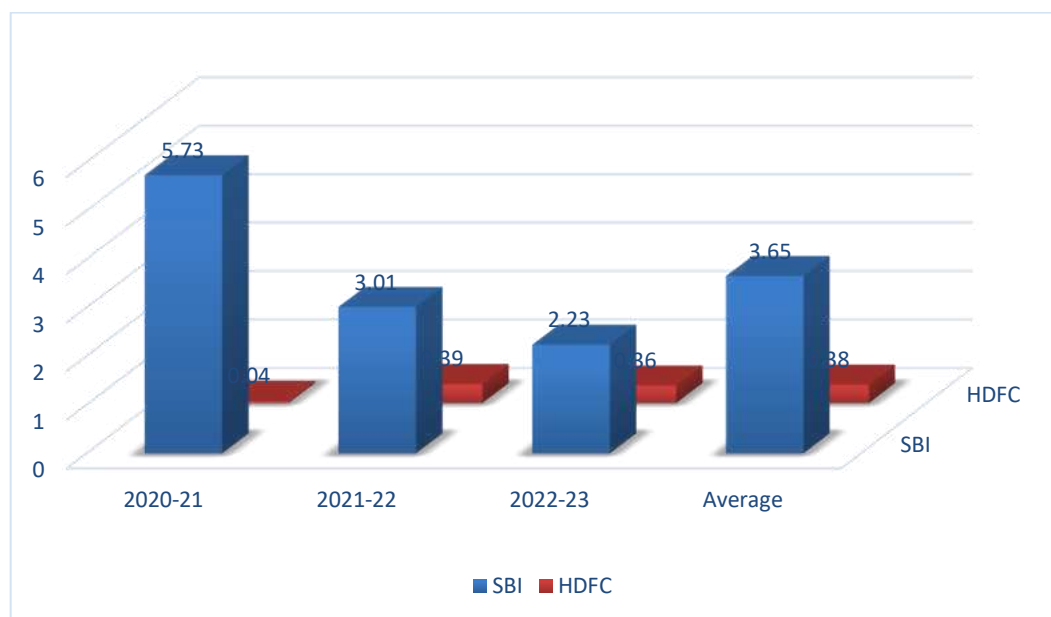
Net non-performing assets are the amount that is realized after provision amount has been deducted from the gross non-performing assets. It is the actual loss that the organization incurs after loan defaults.

Formula-

$$\text{Net NPA Ratio} = (\text{Total Gross NPA}) - (\text{Provision for Unpaid Debts}) / \text{Gross Advances}$$

YEAR	SBI	HDFC
2020-21	5.73	0.40
2021-22	3.01	0.39
2022-23	2.23	0.36
Average	3.65	0.38

(Table 2 shows the % of Net NPA of SBI and HDFC for last three years)



(Table 2 shows the % of Net NPA of SBI and HDFC for last three years)

Interpretation: In the year 2017-18, the Net NPA ratio of SBI stood at 5.73 while that of HDFC was much lesser i.e. 0.40. In year 2018-19, the ratio of SBI further dropped to 3.01 and that of HDFC was at 0.39. In 2019-20, the ratio again dropped to 2.23 and 0.36 respectively, which shows the Net NPAs gradually started decreasing.

The average gross NPA ratio of SBI was at 3.65 and that of HDFC was at 0.38. Therefore it shows that HDFC has better overall financial health and it is better than SBI in managing their net NPAs.

Efficiency Ratios

Efficiency ratios measure a company's ability to use its assets and manage its liabilities effectively in the current period or in the short-term. These ratios measure how efficiently a company uses its assets to generate revenues and its ability to manage those assets

. The efficiency ratio of a bank can be used to determine how efficient a bank is. This reveals the financial health of the institution.

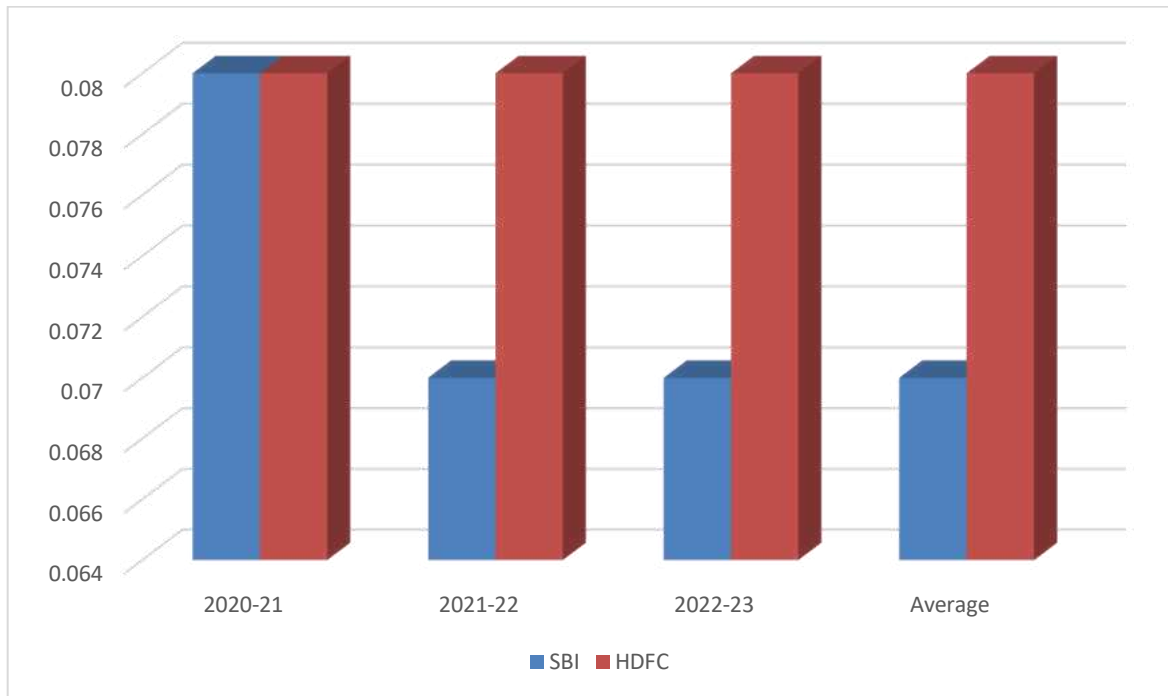
• Fixed Asset Turnover Ratio

Fixed-asset turnover ratio is a type of efficiency ratio that measures sales to the value of fixed assets. It indicates how well the business is using its fixed assets to generate sales. Generally, a high fixed assets turnover ratio indicates better utilization of fixed assets and a low ratio means inefficient or under-utilization of fixed assets.

Fixed Asset Turnover Ratio = Net Sales / Average Fixed Assets

YEAR	SBI	HDFC
2020-21	0.08	0.08
2021-22	0.07	0.08
2022-23	0.07	0.08
Average	0.07	0.08

(Table 3 showing Fixed Asset Turnover Ratio of SBI and HDFC for the last three years)



(Graph 3 showing Fixed Asset Turnover Ratio of SBI and HDFC for the last three years)

Interpretation: The fixed asset turnover ratio of both SBI and HDFC stood at 0.08 in the year 2017-18, in 2018-19, the ratio of SBI was at 0.07 while that of HDFC remained same at 0.08. In 2019-20, the ratio again remained same as 0.07 and 0.08 respectively.

The average Fixed Assets Turnover ratio of SBI was 0.07 and that of HDFC was 0.08 which shows that both the banks are inefficiently using their fixed assets.

Leverage Financial Ratios

Leverage ratios measure the amount of capital that comes from debt. In other words, leverage financial ratios are used to evaluate a company's debt level.

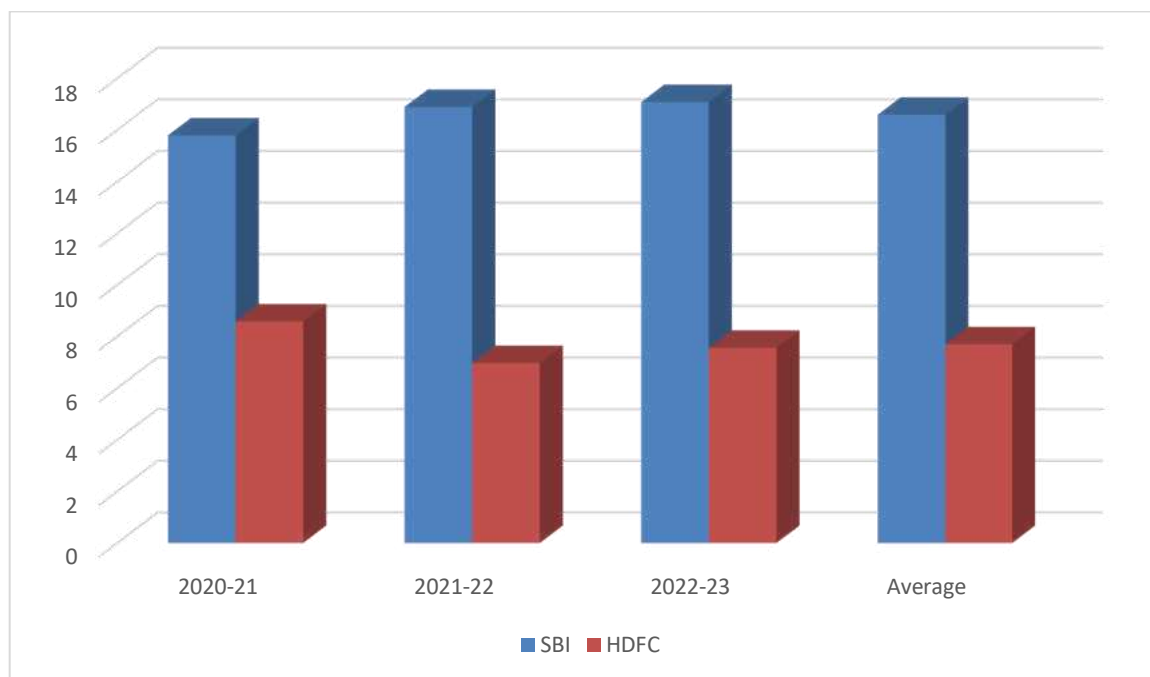
• Debt to Equity Ratio

The debt to equity ratio is a type of leverage ratio that calculates the weight of total debt and financial liabilities against shareholders' equity. The ideal debt to equity ratio is 2:1 (because the cost of debt is lower than the cost of equity.)

Debt to equity ratio = Total liabilities / Shareholder's equity

YEAR	SBI	HDFC
2020-21	15.79	8.58
2021-22	16.89	6.97
2022-23	17.08	7.56
Average	16.59	7.70

(Table 4 showing Debt to Equity Ratio of SBI and HDFC for the last three years)



(Graph 4 showing Debt to Equity Ratio of SBI and HDFC for the last three years)

Interpretation: In the year 2017-18, the debt to equity ratio of SBI is very high at 15.79 and that of HDFC is 8.58. In 2018-19, the DER of SBI increased to 16.89 while that of HDFC decreased to 6.97. Lastly in 2019-20, the ratio further increased to 17.08 and 7.56 respectively.

The average debt to equity of SBI stood at 16.59 and that of HDFC stood at 7.70. It suggests that SBI is at higher default risk than HDFC and both of the banks are financing a significant amount of their potential growth through borrowing.

Profitability Ratios

Profitability ratios measure a company's ability to generate income relative to revenue, balance sheet assets, operating costs, and equity. Common profitability financial ratios include the following:

- **Operating Profit Ratio**

Operating profit ratio is a profitability or performance ratio that compares the operating income of a company to its net sales to determine operating efficiency.

Operating Profit Ratio = Operating income / Net sales

YEAR	SBI	HDFC
2020-21	8.14	22.33
2021-22	8.95	15.87
2022-23	-6.65	12.66
Average	3.48	16.95

(Table 5 showing Operating Profit Ratio of SBI and HDFC for the last three year)



(Graph 6 showing Gross Profit Ratio of SBI and HDFC for the last three years)

Interpretation: In 2017-18, the gross profit ratio of SBI stood at 6.81 while that of HDFC stood at 21.20. In 2018-19, ratio of SBI increased to 7.62 while that of HDFC decreased to 14.72. In 2019-20 SBI had a negative gross profit ratio of -7.93 which shows that the sales are not enough to cover the costs incurred to manufacture the goods or provide the services.

The average gross profit ratio of SBI stood at 2.16 while that of HDFC was much higher at 15.84 and it suggests that HDFC is successfully producing profits over and above cost.

• Net Profit Ratio

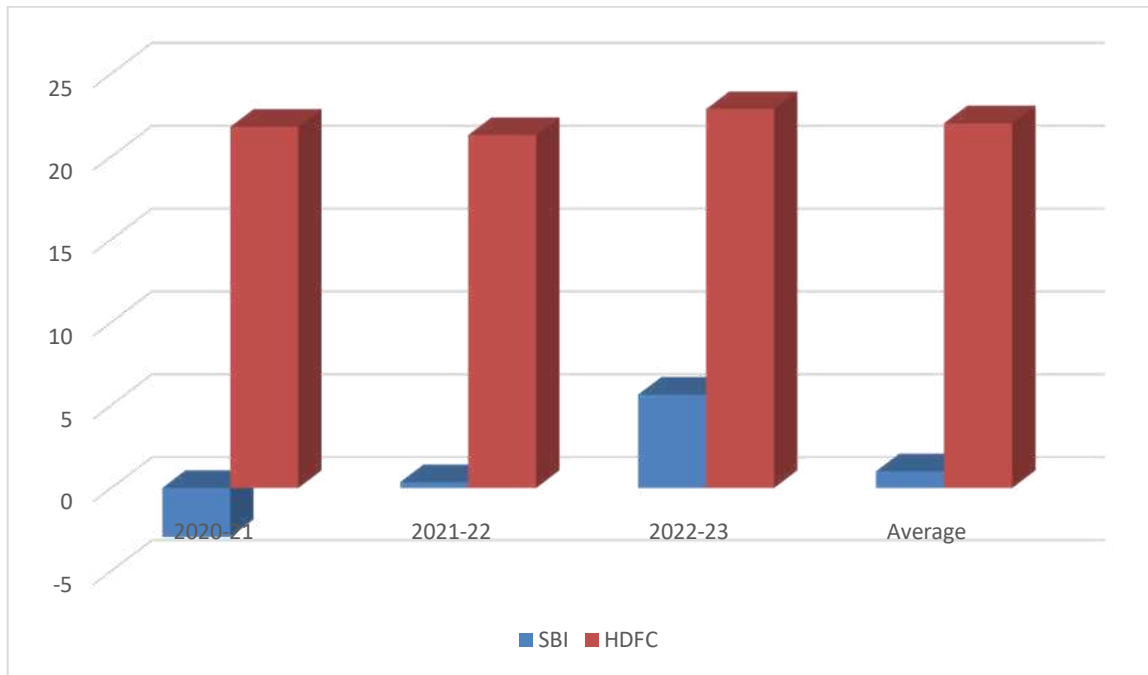
Also known as Net Profit Margin ratio, it establishes a relationship between net profit earned and net revenue generated from operations (net sales). Net profit ratio is a profitability ratio which is expressed as a percentage hence it is multiplied by 100.

NP ratio helps to determine the overall efficiency of the business' operations, furthermore, it is an indicator of how well a company's trading activities are performing.

$$\text{Net Profit Ratio} = (\text{Net profit} \div \text{Net sales}) \times 100$$

YEAR	SBI	HDFC
2020-21	-2.96	21.79
2021-22	0.35	21.29
2022-23	5.63	22.86
Average	1	22

(Table 7 showing Net Profit Ratio of SBI and HDFC for the last three years)



(Graph 7 showing Net Profit Ratio of SBI and HDFC for the last three years)

Interpretation: The net profit ratio of SBI stood at -2.96 at while that of HDFC stood at 21.79 in 2018-19 the ratio of SBI was at 0.35 while that of HDFC was at 21.29. In 2019-20 the net profit ratio of SBI increased to 5.63 while that of HDFC increase to 22.86.

The average net profit ratio of SBI stood at 1 while that of HDFC stood at 22 which show that SBI is making less money than it is spending and HDFC's overall efficiency is quite good.

Liquidity Ratios

Liquidity ratios are financial ratios that measure a company's ability to repay both short- and long-term obligations. Common liquidity ratios include the following:

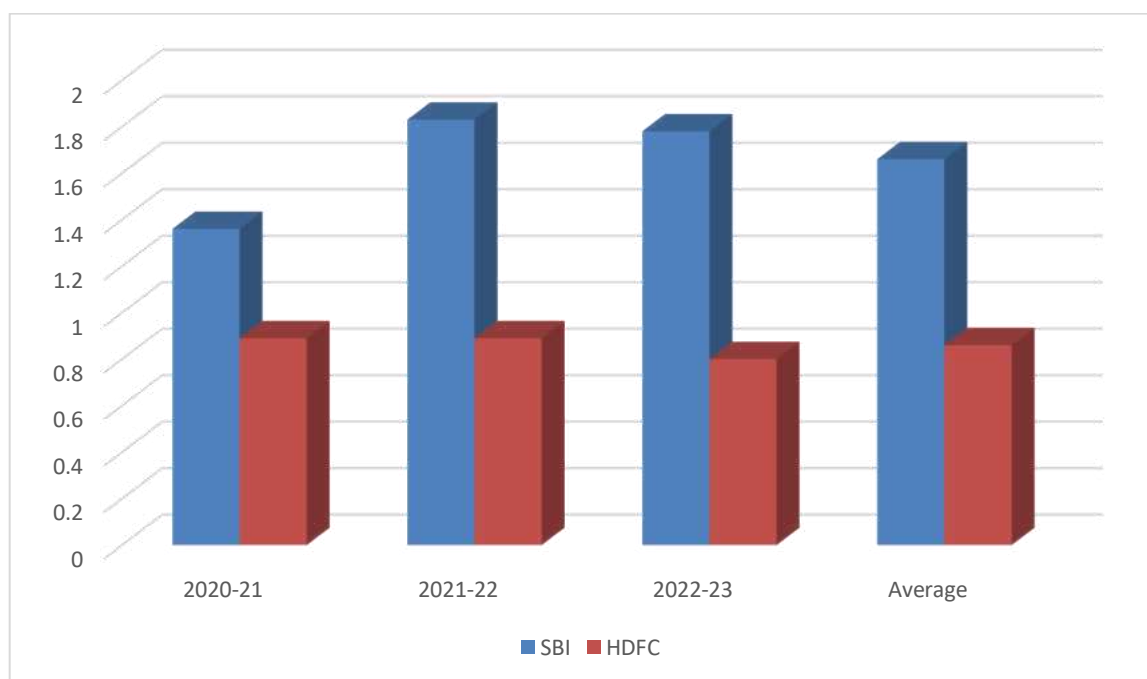
• Current Ratio

The current ratio is a liquidity ratio that measures a company's ability to pay off short-term obligations or those due within one year. This ratio measures the financial strength of the company. Generally 2:1 is treated as the ideal current ratio.

Current Ratio = Current Assets / Current Liabilities

YEAR	SBI	HDFC
2020-21	1.36	0.89
2021-22	1.83	0.89
2022-23	1.78	0.80
Average	1.66	0.86

(Table 8 showing Current Ratio of SBI and HDFC for the last three years)



(Graph 8 showing Current Ratios of SBI and HDFC for the last three years)

Interpretation: In 2017-18 the current ratio of SBI stood as 1.36 and that of HDFC stood at 0.89. In 2019-20, the ratio of SBI was 1.83 and that of HDFC was 0.89. In 2019-20, the ratio stood at 1.78 and 0.80 respectively.

The average of current assets ratio of SBI was 1.66 and that of HDFC was at 0.86 which shows that SBI is more capable in paying its short term obligations

Hypothesis Testing

T-test at significance level of 0.05 was used to analyze the financial performance of SBI and HDFC bank.

Ho1 = there is no significant relationship between the gross NPA ratio of SBI and HDFC over the last three years.

	SBI	HDFC
Mean	3.656667	0.3838333
Variance	3.376133	0.000433
Observation	3	3
Pooled Variance	1.688283	
Hypothesized Mean Difference	0	
Df	4	
T stat	3.085	
p(T<=t) one-tail	0.018	
t Critical one-tail	2.13	
P(T<=t) two-tail	0.036	
t Critical two-tail	2.77	

RESULT: A two sample t test assuming equal variances was conducted to check if there was significant difference between the gross NPA ratio of SBI and HDFC bank over the last three years.

There was statistically significant difference between the average gross NPA ratios of SBI and HDFC bank. .

Ho2 = there is no significant relationship between the net NPA ratio of SBI and HDFC over the last three years.

	SBI	HDFC
Mean	8.19667	1.30667
Variance	5.997733	0.002533
Observation	3	3
Pooled Variance	3.000133	
Hypothesized Mean Difference	0	
Df	4	
T stat	4.871857	
p(T<=t) one-tail	0.004104	
t Critical one-tail	2.131847	
P(T<=t) two-tail	0.008209	
t Critical two-tail	2.776445	

RESULT: A two sample t test assuming equal variances was conducted to check if there was significant difference between the net NPA ratio of SBI and HDFC bank over the last three years. There was statistically significant difference between the average net NPA ratios of SBI and HDFC bank. Since $p < 0.05$ ($p = 0.008$), H_0 is rejected and therefore we it is proved that **there is significant relationship between the net NPA ratio of SBI and HDFC bank over the last three years**

Chapter-4

Summary & Conclusions

Findings

1. **NPA Ratios-** From graph 1 and graph 2 it is clear that over the last three years, NPAs of SBI are far more than that of HDFC which clearly shows that asset quality and overall financial health of SBI is in poor shape.

- Among the last three years 2017-18 has been proved to be the worst year for SBI with highest NPA ratios and HDFC had highest gross and net NPA ratios in 2018-19 and 2017-18 respectively.

2. Efficiency Ratios

Fixed Assets Turnover ratio-From table and graph no. 3 it is found that the average fixed asset turnover ratios of SBI and HDFC were almost same during the last 3 years which shows that both the banks were inefficiently using their fixed assets.

3. Leverage Ratios

- **Debt to equity ratio-** It is used to evaluate a company's debt level which is not satisfactory of both the banks. The average debt equity of SBI stood at 16.59 and that of HDFC stood at 7.70 which shows that SBI is at higher default risk than HDFC. Among the last three years it is observed that SBI had highest debt in 2019-20 whereas HDFC had the highest in 2017-18.

4. Profitability Ratios

- **Operating Profit ratio-** Further in graph 5 it is clear that the operating profit ratio of SBI is very less while that of HDFC is completely satisfactory which shows that the company is making enough money from its ongoing operations to pay for its variable costs as well as its fixed costs.

Gross Profit ratio- Graph 6 shows that gross profit ratio of SBI is again very less than that of HDFC over the last three years. SBI had a negative gross profit ratio of -7.93 in the year 2019-20 issues that the sales and not enough to cover the cost incurred in manufacturing activities. But in the same year HDFC's GP ratio was highest which shows the company has more cash to pay for indirect and other costs such as interest raph 7 show that the net profit ratio of SBI is less than that of HDFC over the last 3 years which shows that HDFC's overall efficiency is better.

- **Net Profit Ratio-** Graph 8 shows that current ratio of SBI is better than that of HDFC which shows that

SBI is more capable in paying its short term obligations. Among the last 3 years 2018-19 has proved to be the best year for both the banks with highest current ratio of SBI at 1.83 and that of HDFC stood at 0.89.

5. Lastly a two sample t test assuming equal variances was conducted to check if there was significant difference between the NPA ratios of SBI and HDFC bank over the last 3 years.

- In the test the null hypothesis was rejected and therefore it was proved that there was significant difference between the NPA ratios of SBI and HDFC

After the above study on the comparative analysis of SBI and HDFC it was discovered that both the banks are managing their ratios to the best of their abilities within the specified parameters. However, when we compare the two banks, it appears that HDFC Bank has an edge over SBI, reason being HDFC Bank have lower NPAs than the SBI. HDFC Bank having average Gross NPAs less than 1.5% while SBI having the GNPAs near about 8.1% as per the annual report of both banks over the last three years.

HDFC Bank has managed their NPA and profitability ratios in a very efficient manner and are playing an important role as a profitable commercial bank, while SBI is controlling its ratios particularly the current assets ratio but is not as competitive in terms of net profit and Non Performing Assets (NPAs).

SBI needs to be more focused on managing the net profits and NPAs part to be a commercially successful bank.

During, the comparative study of SBI v/s HDFC Bank it is found that HDFC Banks has never gone above 2% in net NPAs during the study period while SBI has never gone below 6% during the study period. This is an eye-opening comparison that demonstrates SBI's need to concentrate on acquiring high-quality assets, otherwise they will be compromising customers' hard-earned money in the future.

In order to study the trends of NPA, t-Test has been used, the results of which have been shown in the relevant tables. The comparative analysis of the profitability of the two banks clearly reveals that there is no significant relation between the NPA ratios of both the Bank

Chapter-5: Recommendations

- As we see, the debt equity ratio of SBI is higher than HDFC so it should try to restructure its debt and NPAs. The borrowings should be reduced to the level that it is not more than 4-5 times of equity. It will decrease their NPAs. Also this will result in better financial health of the companies.
- Banks should limit its huge lending to trusted companies or individuals so that recovery becomes comparatively faster and easier which would consequently result in less NPAs
- We can increase the gross profit ratio of SBI by generating more revenue by managing the costs of company efficiently. Working on the products and services of the bank and making different changes in little time will increase the revenue.
- Reducing extra operating expenses and direct overhead expenses will increase the profit margin of the Banks
- . The current ratio of HDFC Bank can be improved by
 1. Delaying any capital purchases that would require any cash payments.
 2. Looking to see if any term loans can be re-amortized.
 3. Selling any capital assets that are not generating a return to the business (use cash to reduce current debt)

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PROJECT REPORT
ON
COMPARATIVE FINANCIAL STATEMENTS ANALYSIS OF ICICI BANK

Submitted to
For Partial **Fulfillment** of the requirement for the award of
MASTERS OF BUSINESS ADMINISTRATION
(BATCH-2022-24)

SUBMITTED TO:

PROF URVESH CHAUDHERY

Submitted By: SHIV SHASHI SHARMA

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DECLARATION

I SHIV SHASHI SHARMA from MBA IB 4th Sem of the GITARATTAN INTERNATIONAL BUSINESS SCHOOL hereby declare that the Project Report entitled, Study on Financial Analysis of “ICICI Bank” is an original work and the same has not been submitted to any other institute for the award of any other degree. A seminar presentation of the project Report was made on Financial Analysis of ICICI Bank and the suggestions as approved by the faculty were duly incorporated.

ACKNOWLEDGEMENT

This Project report comes out to be a great source of learning and experience. This has greatly enhanced my knowledge about the ICICI BANK.

I take this opportunity to thank all those people who have helped me throughout my project. I would like to thanks all those respondents who sincerely devoted their time in filling the questionnaire and helped me in completing my report.

I am thankful to PROF urvesh chaudhery, Faculty Guide for his constant support and guidance. I hope I can build upon the experience and knowledge that I have gained here and make a valuable contribution towards this industry in the coming future.

SHIV SHASHI SHARMA

FACULTY GUIDE

PREFACE

In any organization, the two important financial statements are the Balance Sheet and Profit & Loss Account of the business. Balance Sheet is a statement of financial position of an enterprise at a particular point of time. Profit & Loss account shows the net profit or net loss of a company for a specified period of time. When these statements of the last few years of any organization are studied and analyzed, significant conclusions may be arrived regarding the changes in the financial position, the important policies followed and trends in profit and loss etc. Analysis and interpretation of financial statement has now become an important technique of credit appraisal. The investors, financial experts, management executives and the bankers all analyze these statements. Though the basic technique of appraisal remains the same in all the cases but the approach and the emphasis in the analysis vary. A banker interprets the financial statement so as to evaluate the financial soundness and stability, the liquidity position and the profitability. Analysis of financial statements is necessary because it helps in depicting the financial position on the basis of past and current records. Analysis of financial statements helps in making the future decisions and strategies. Therefore it is very necessary for every organization whether it is a financial or manufacturing, to make financial statement and to analyze it.

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EXECUTIVE SUMMARY

While going through the Project report about ICICI Bank, I personally got immense knowledge about banking products. Earlier, I didn't have well versed knowledge of banking sector, but after placement at ICICI Bank I made myself aware of services & facilities provided by the bank in a more detailed way.

While doing the survey in the market I came to know about the awareness of the customer of the ICICI that are satisfied with the products provided by the bank or not. With the help of the questionnaire I came to know about that the customer don't have the vast knowledge of the products provided by the bank; there is a vast scope of improvement in the level of satisfaction.

This can be taking care of suggestions given by different customers. It was also observed that though the Bank has launched various innovative products, the level of customers' awareness about products & services is very low. So, the staff of the branches should be more proactive publicizing about their products. Debit cum ATM card and savings bank a/c but about other products & services the level of customers' awareness is very low. It is concluded from the above research that most of the customers having Saving Bank A/c with ICICI Bank. From the research, researcher found that facilities provided by the Bank were influencing factor in opening an a/c. Through the survey I came to the result that most of the respondents were satisfied with the Employees' knowledge, customer services, Employee's behavior and working hours.

CHAPTER – I

INTRODUCTION

Definition of Bank:

Banking Means "Accepting Deposits for the purpose of lending or Investment of deposits of money from the public, repayable on demand or otherwise and withdraw by cheque, draft or otherwise."

Banking Companies (Regulation) Act, 1949

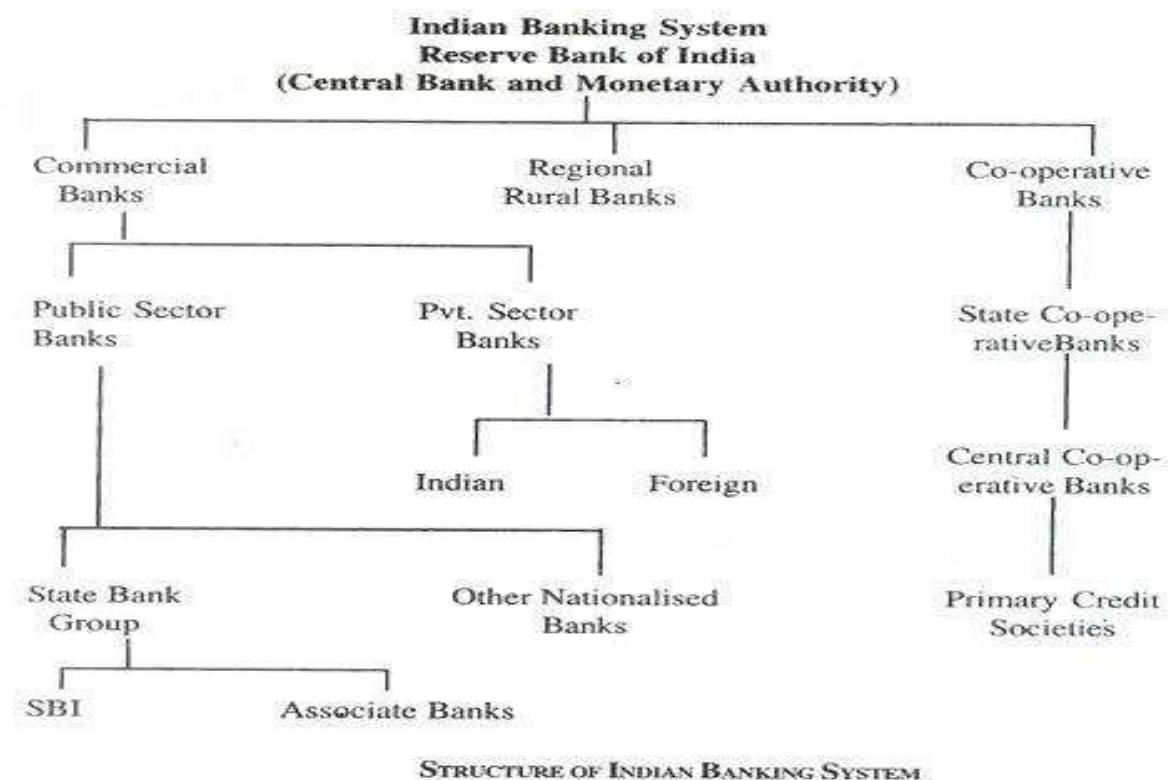
ORIGIN OF THE WORD BANK -

The origin of the word bank is shrouded in mystery. According to one view point the Italian business house carrying on crude form of banking were called banchi bancheri" According to another viewpoint banking is derived from German word "Branch" which mean heap or mound. In England, the issue of paper money by the government was referred to as a raising a bank.

ORIGIN OF BANKING:

Its origin in the simplest form can be traced to the origin of authentic history. After recognizing the benefit of money as a medium of exchange, the importance of banking was developed as it provides the safer place to store the money. This safe place ultimately evolved in to financial institutions that accepts deposits and make loans i.e., modern commercial banks.

BANKING SYSTEM IN INDIA



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. The most striking is its extensive reach. 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 reasons of India's growth process.

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.

All these details and many more are discussed over here. The banks and its relation with the customers, their mode of operation, the names of banks under different groups and other such useful information's are talked about.

One more section has been taken note of is the upcoming foreign banks in India. 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.

PUBLIC SECTOR BANKS

Public sector banks are those banks which are owned by the Government. The Govt. runs these Banks. In India 14 banks were nationalized in 1969 & in 1980 another 6 banks were also nationalized. Therefore in 1980 the number of nationalized banks 20. At present there are total 34 Public Sector Banks in India (As on 26-09-2019). Of these 19 are nationalized banks, 6 (STATE BANK OF INDORE ALSO MERGED RECENTLY) belong to SBI & associate group and 1 bank (IDBI Bank) is classified as other public sector bank. Welfare is their primary objective.

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PRIVATE SECTOR BANK

These banks are owned and run by the private sector. Various banks in the country such as ICICI Bank, HDFC Bank etc. An individual has control over their banks in preparation to the share of the banks held by him. Private banking in India was practiced since the beginning of banking system in India. The first private bank in India to be set up in Private Sector Banks in India was IndusInd Bank.

It is one of the fastest growing Bank Private Sector Banks in India. IDBI ranks the tenth largest development bank in the world as Private Banks in India and has promoted world class institutions in India. The first Private Bank in India to receive an in principal approval from the Reserve Bank of India was Housing Development Finance Corporation Limited, to set up a bank in the private sector banks in India as part of the RBI's liberalization of the Indian Banking Industry.

Cooperative banks in India

The Cooperative bank is an important constituent of the Indian Financial System, judging by the role assigned to co operative, the expectations the co operative is supposed to fulfill, their number, and the number of offices the cooperative bank operate. Though the co operative movement originated in the West, but the importance of such banks have assumed in India is rarely paralleled anywhere else in the world. The cooperative banks in India play an important role even today in rural financing. The businesses of cooperative bank in the urban areas also have increased phenomenally in recent years due to the sharp increase in the number of primary co-operative banks.

Rural banks in India

Rural banking in India started since the establishment of banking sector in India. Rural Banks in those days mainly focused upon the agro sector. Regional rural banks in India penetrated every corner of the country and extended a helping hand in the growth process of the country.

SBI has 30 Regional Rural Banks in India known as RRBs. The rural banks of SBI are spread in 13

states extending from Kashmir to Karnataka and Himachal Pradesh to North East. The total number of SBIs Regional Rural Banks in India branches is 2349 (16%). Till date in rural banking in India, there are 14,475 rural banks in the country of which 2126 (91%) are located in remote rural areas.

INTRODUCTION OF THE TOPIC

Meaning of Financial Statements

Financial statements refer to such statements which contains financial information about an enterprise. They report profitability and the financial position of the business at the end of accounting period. The team financial statement includes at least two statements which the accountant prepares at the end of an accounting period. The two statements are: -

❖ The Balance Sheet

❖ Profit And Loss Account

They provide some extremely useful information to the extent that balance Sheet mirrors the financial position on a particular date in terms of the structure of assets, liabilities and owners equity, and so on and the Profit And Loss account shows the results of operations during a certain period of time in terms of the revenues obtained and the cost incurred during the year. Thus the financial statement provides a summarized view of financial positions and operations of a firm.

Meaning of Financial Analysis

The term **financial analysis** is also known as ‘**analysis and interpretation of financial statements**’ refers to the process of determining financial strength and weakness of the firm by establishing strategic relationship between the items of the Balance Sheet, Profit and Loss account and other operative data.

The first task of financial analysis is to select the information relevant to the decision under consideration to the total information contained in the financial statement. The second step is to arrange the information in a way to highlight significant relationship. The final step is interpretation and drawing of inference and conclusions. Financial statement is the process of selection, relation and evaluation.

Features of Financial Analysis

To present a complex data contained in the financial statement in simple and understandable form. To classify the items contained in the financial statement in convenient and rational groups. To make comparison between various groups to draw various conclusions.

Purpose of Analysis of financial statements

- ❖ To know the earning capacity or profitability.
- ❖ To know the solvency.
- ❖ To know the financial strengths.
- ❖ To know the capability of payment of interest & dividends.
- ❖ To make comparative study with other firms.
- ❖ To provide useful information to mgt.

Procedure of Financial Statement Analysis

The following procedure is adopted for the analysis and interpretation of financial statements:

The analyst should acquaint himself with principles and postulated of accounting. He should know the plans and policies of the management so that he may be able to find out whether these plans are properly executed or not.

The extent of analysis should be determined so that the sphere of work may be decided. If the aim is find out. Earning capacity of the enterprise then analysis of income statement will be undertaken. On the other hand, if financial position is to be studied then balance sheet analysis will be necessary.

The financial data be given in statement should be recognized and rearranged. It will involve the grouping similar data under same heads. Breaking down of individual components of statement according to nature. The data is reduced to a standard form.

A relationship is established among financial statements with the help of tools & techniques of analysis such as ratios, trends, common size, fund flow etc.

The information is interpreted in a simple and understandable way. The significance and utility of financial data is explained for help in decision making.

The conclusions drawn from interpretation are presented to the management in the form of reports.

Types of Financial Analysis

There are different ways of analysis the financial statements:

On The Basis of Process of Analysis

Horizontal Analysis: This is used when the financial statement of a number of years are to be analyzed. Such analysis indicates the trends and the increase or decrease in various items not only in absolute figures but also in percentage form. This analysis indicates the strengths and weaknesses of the firm. This analysis is also called as dynamic analysis because it also shows the trend of the business.

Vertical Analysis: This is used when financial statements of a particular year or on a particular date are analyzed. For this type of analysis we generally use common size statements and the ratio analysis. It involves a study of quantitative relationship among various items of balance sheet and profit and loss account. This type of analysis is static analysis because this is based on the financial results of one year. Vertical analysis is useful when we have to compare the performance of different departments of the same company.

Among these two types of analysis, horizontal analysis is more useful because it brings out more clearly the trends of working of a firm. This gives us more concrete bases for future planning.

On The Basis Of Information Available

Internal Analysis: This analysis is based on the information available to the business firm only. Hence internal analysis is made by the management. Internal analysis is more reliable and helpful for financial decisions.

External Analysis: This analysis is made on the basis of published statements, reports and information's. This analysis is made by external parties such as creditors, investors, banks, financial analysis etc. external analysis is less reliable in comparison to internal analysis because of limited and often incomplete information.

On The Basis of Number of Firms

A) **Inter-Firm Analysis:** When financial analysis of two or more companies or firms are analyzed and compared over a number of accounting periods, it is called inter-firm analysis.

b) **Intra -Firm Analysis:** intra-firm analysis is concerned with the analysis of financial performance of different units or departments or segments of the same enterprise or company. Similarly when

financial statements of two or more years of the same firm are analyzed and compared it is also called as intra-firm analysis.

On The Basis of Objectives

a) **Accounting Analysis**: Accounting analysis is analysis of past financial performance and involves examining how generally accepted accounting principles and conventions have been applied in arriving at the values of assets, liabilities, revenues and expenses.

b) **Prospective Analysis**: Prospective analysis involves developing forecasted financial statements keeping in view the changes that are likely to shape and affect the business given the assumptions about these changes and the limitation of the forecasting technique used. This is quite complicated analysis.

Methods/Tools of Financial Analysis

A number of methods can be used for the purpose of analysis of financial statements. These are also termed as techniques or tools of financial analysis. Out of these, and enterprise can choose those techniques which are suitable to its requirements. The principal techniques of financial analysis are:-

a. Comparative Financial Statements:

When financial statements figure for two or more years are placed side-side to facilitate comparison, these are called ‘comparative Financial Statements’. Such statements not only show the absolute figures of various years but also provide for columns to indicate to increase or decrease in these figures from one year to another. In addition, these statements may also show the change from one

year to another on percentage form. Such cooperative statements are of great value in forming the opinion regarding the progress of the enterprise.

Objectives purpose or significance of comparative financial statements

1. To simplify data
2. To make inter period/inter-firm comparison
3. To indicate the trends
4. To enable forecasting
5. To indicate the strengths and weaknesses of the firm
6. To compare the performance
7. To analyze expenses
8. To analyze profits

CHAPTER – 2

RESEARCH METHODOLOGY

Introduction to ICICI Bank

ICICI Bank (formerly **Industrial Credit and Investment Corporation of India**) is India's largest private sector bank by market capitalization and second largest overall in terms of assets. Total assets of Rs. 3,562.28 billion at December 31, 2019 and profit after tax Rs. 30.19 billion for the nine months ended December 31, 2019. The Bank also has a network of 1,640+ branches (as on February 11, 2019) and about 4,721 ATMs in India and presence in 18 countries, as well as some 24 million customers (at the end of July 2016). ICICI Bank offers a wide range of banking products and financial services to corporate and retail customers through a variety of delivery channels and specialized subsidiaries and affiliates in the areas of investment banking, life and non-life insurance, venture capital and asset management. (These data are dynamic.) ICICI Bank is also the largest issuer of credit cards in India. ICICI Bank has got its equity shares listed on the stock exchanges at Kolkata and Vadodara, Mumbai and the National Stock Exchange of India Limited, and it's ADRs on the New York Stock Exchange (NYSE). The Bank is expanding in overseas markets and has the largest international balance sheet among Indian banks. ICICI Bank now has wholly-owned subsidiaries, branches and representative offices in 18 countries, including an offshore unit in Mumbai. This includes wholly owned subsidiaries in Canada, Russia and the UK (the subsidiary through which the Heave savings brand is operated), offshore banking units in Bahrain and Singapore, an advisory branch in Dubai, branches in Belgium, Hong Kong and Sri Lanka, and representative offices in Bangladesh, China, Malaysia, Indonesia, South Africa, Thailand, the United Arab Emirates and USA. Overseas, the Bank is targeting the NRI (Non-Resident Indian) population in particular. ICICI reported a net profit of Rs. 3,758 crore for FY2019. The bank's Current and savings account (CASA) ratio increased to 28.7% at March 31, 2020 from 26.1% at March 31, 2021. Increase of Rs. 5,286 crore in CASA deposits in quarter ended March 31, 2022.

BUSINESS OBJECTIVE

Vision

To be the leading provider of financial services in India and a major global bank.

Mission:

We will leverage our people, technology, speed and financial capital to:

- ❖ Be the banker of first choice for our customers by delivering high quality, world-class products and services.
- ❖ Expand the frontiers of our business globally.
- ❖ Play a proactive role in the full realisation of India's potential.
- ❖ Maintain a healthy financial profile and diversify our earnings across businesses and geographies.
- ❖ maintain high standards of governance and ethics.
- ❖ contribute positively to the various countries and markets in which we operate.
- ❖ create value for our stakeholders.

RESEARCH METHODOLOGY

The procedure adopted for conducting the research requires a lot of attention as it has direct bearing on accuracy, reliability and adequacy of results obtained. It is due to this reason that research methodology, which we used at the time of conducting the research, needs to be elaborated upon. It may be understood as a science of studying how research is done scientifically. So, the research methodology not only talks about the research methods but also considers the logic behind the method used in the context of the research study. Research Methodology is a way to systematically study and solve the research problems. If a researcher wants to claim his study as a good study, he must clearly state the methodology adapted in conducting the research so that it may be judged by the reader whether the methodology of work done is sound or not.

OBJECTIVE OF THE STUDY

- 1.) To understand the concept of ratio analysis of icici bank.
- 2.) To analyze the statement of icici bank of 5 years.
- 3.) The understand the liquidity ratio concept of the company.
- 4.) To find out the shortcomings in ICICI Bank.
- 5.) To analyse the debt equity and liquidity of the company.

IMPORTANCE OF THE STUDY

By “FINANCIAL PERFORMANCE ANALYSIS OF ICICI Bank” we would be able to get a fair picture of the financial position of ICICI Bank.

By showing the financial performance to various lenders and creditors it is possible to get credit in easy terms if good financial condition is maintained in the company with assets outweighing the liabilities. Protecting the property of the business. Compliances with legal requirement.

Meaning of Research:

Research is defined as “a scientific and systematic search for pertinent information on a specific topic”. Research is an art of scientific investigation. Research is a systematized effort to gain new knowledge. It is a careful investigation or inquiry especially through search for new facts in any branch of knowledge. Research is an academic activity and this term should be used in a technical sense. Research comprises defining and redefining problems, formulating hypothesis or suggested solutions. Making deductions and reaching conclusions to determine whether they if the formulating hypothesis. Research is thus, an original contribution to the existing stock of knowledge making for its advancement. The search for knowledge through objective and systematic method of finding solutions to a problem is research.

Research Problem

The first step while conducting research is careful definition of Research Problem. “To ERR IS THE HUMAN” is a proverb which indicates that no one is perfect in this world. Every researcher has to

face many problems which conducting any research that's why problem statement is defined to know which type of problems a researcher has to face while conducting any research design.

Research Design

A research designs is the arrangement of conditions for collection and analysis data in a manner that aims to combine relevance to the research purpose with economy in procedure. Research Design is the conceptual structure with in which research in conducted. It constitutes the blueprint for the collection measurement and analysis of data. Research Design includes an outline of what the researcher will do form writing the hypothesis and it operational implication to the final analysis of data. A research design is a framework for the study and is used as guide in collection and analyzing the data. It is a strategy specifying which approach will be used for gathering and analyzing the data. It also includes the time and cost budget since most studies are done under these two cost budget since most studies are done under theses tow constraints. The design is such studies must be rigid and not flexible and most focus attention on the following:

- ❖ What is the study about?
- ❖ Why is the study being made?
- ❖ Where will the study be carried out?
- ❖ What type of data is required?
- ❖ What period of time will the study include?
- ❖ What will be sample design?
- ❖ What techniques of data collection will be used?
- ❖ How will the data be analyzed?

- ❖ In what style will the report be prepared?

TYPES OF RESEARCH DESIGN:

❖ EXPERIMENTAL RESEARCH DESIGN

❖ EXPLORATORY RESEARCH DESIGN

❖ DESCRIPTIVE& DIAGNOSTIC RESEARCH

Exploratory Research Design: This research design is preferred when researcher has a vague idea about the problem the researcher has to explore the subject.

Experimental Research Design – The research design is used to provide a strong basis for the existence of casual relationship between two or more variables.

Descriptive Research Design – It seeks to determine the answers to who, what, where, when and how questions. It is based on some previous understanding of the matter.

Diagnostic Research Design It determines the frequency with which something occurs or its association with something else.

RESEARCH DESIGN USED IN THE STUDY:

Descriptive research design is used in this study because it will ensure the minimization of bias and maximization of reliability of data collected. Descriptive study is based on some previous understanding of the topic. Research has got a very specific objective and clear cut data requirements the researcher had to use fact and information already available through financial statements of earlier years and analyze these to make critical evaluation of the available material. Hence by making the type of the

research conducted to be both **Descriptive** and **Analytical** in nature. From the study, the type of data to be collected and the procedure to be used for this purpose were decided.

Data Collection Method

The process of data collection begins after a research problem has been Defined and research design has been chalked out. There are two types of Data –

PRIMARY DATA -

It is first hand data, which is collected by researcher itself. Primary data is collected by various approaches so as to get a precise, accurate, realistic and relevant data. The main tool in gathering primary data was investigation and observation. It was achieved by a direct approach and observation from the officials of the company.

SECONDARY DATA -

it is the data which is already collected by someone else. Researcher has to analyze the data and interprets the results. It has always been important for the completion of any report. It provides reliable, suitable, adequate and specific knowledge.

TYPE OF DATA USED IN THE STUDY

The required data for the study are basically **secondary** in nature and the data are collected from the audited reports of the company.

INTERNET – which includes required financial data collected from ICICI Bank's website and some other websites on the internet for the purpose of getting all the required financial data of the bank and to get detailed knowledge about ICICI Bank for the convenience of study.

Broachers of ICICI Bank.

The valuable cooperation extended by staff members and the branch manager of ICICI bank, dharmshala contributed a lot to fulfill the requirements in the collection of data in order to complete the project.

Methods of data analysis

The data collected were edited, classified and tabulated for analysis. The analytical tools used in this study are:

ANALYTICAL TOOLS APPLIED:

The study employs the following analytical tools:

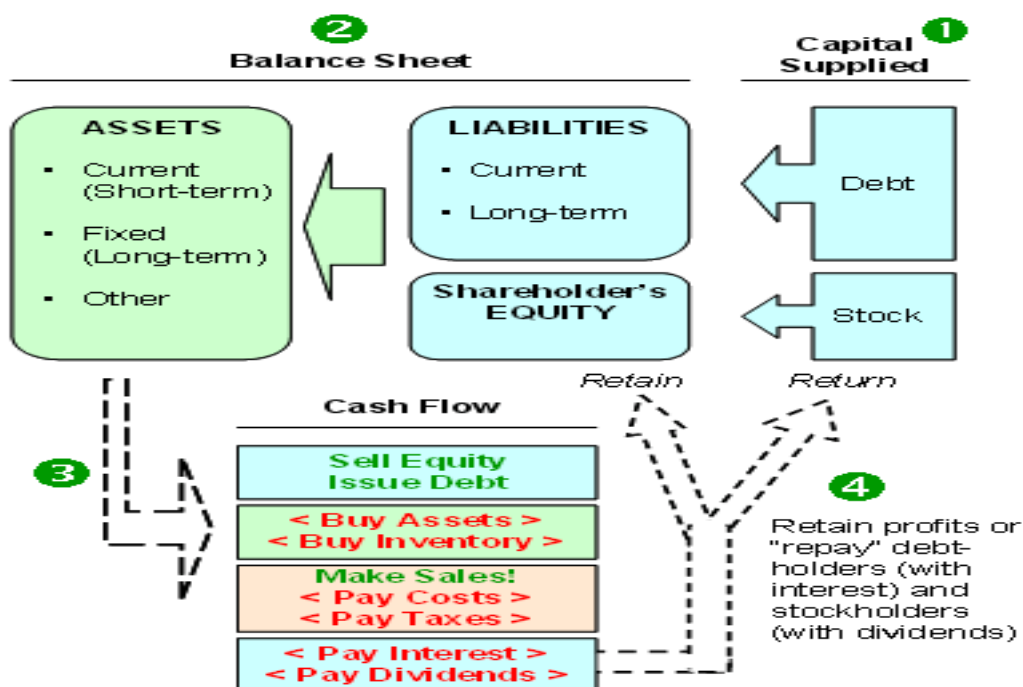
- ❖ Comparative statement.
- ❖ Trend Percentage.
- ❖ Ratio Analysis.
- ❖ Cash Flow Statement.

Limitations of study

- Difficulty in data collection.
- Limited knowledge about the bank in the initial stages.
- Branch manager was reluctant for giving financial data of the bank.
- The analysis and interpretation are based on secondary data contained in the published annual reports of ICICI Bank for the study period.
- Due to the limited time available at the disposable, the study has been confined for a period of 5 years (2019-2023).
- Ratio itself will not completely show the company's good or bad financial position.
Inter firm comparison was not possible due to the non availability of competitors data.
- The study of financial performance can be only a means to know about the financial condition of the company and cannot show a through picture of the activities of the company

CHAPTER-3

MACRO ANALYSIS



BALANCE SHEET OF ICICI BANK LTD.

As On Mar 2019, Mar 2020, Mar 2021, Mar2022, Mar2023.

(Rs. In crores)

	2019	2020	2021	2022	2023
LIABILITIES:					
Total Share Capital	1086.75	1239.83	1249.34	1462.68	1463.29
Equity Share Capital	736.75	889.83	899.34	1112.68	1113.29
Share Application Money	0.02	0.00	0.00	0.00	0.00
Preference Share Capital	350.00	350.00	350.00	350.00	350.00
Reserves	11813.20	21316.16	23413.92	45357.53	48419.73
Revaluation Reserves	0.00	0.00	0.00	0.00	0.00
Net Worth	12899.97	22555.99	24663.26	46820.21	49883.02

Deposits	99818.78	165083.17	230510.19	244431.05	218347.82
Borrowings	33544.50	38521.91	51256.03	65648.43	67323.69
Total Debt	146263.25	226161.17	306429.48	356899.69	335554.53
Other Liabilities And Provisions	21396.17	25227.88	38228.64	42895.39	43746.43
Total Liabilities	167659.42	251388.95	344658.12	399795.08	379300.96
ASSETS:					
Cash And Balances With RBI	6344.90	8934.37	18706.88	29377.53	17536.33
Balances With Banks, Money At Call	6585.07	8105.85	18414.45	8663.60	12430.23
Advances	91405.15	146163.11	195865.60	225616.08	218310.85
Investments	50487.35	71547.39	91257.84	111454.34	103058.31
Gross Block	5525.65	5968.57	6298.56	7036.00	7443.71
Accumulated Depreciation	1487.61	1987.85	2375.14	2927.11	3642.09
Net Fixed Assets	4038.04	3980.72	3923.42	4108.89	3801.62
Capital Work In Progress	96.30	147.94	189.66	0.00	0.00
Other Assets	8702.59	12509.57	16300.26	20574.63	24163.62
Total Assets	167659.40	251388.95	344658.11	399795.07	379300.96

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Contingent liabilities	97507.79	119895.78	177054.18	371737.36	803991.92
Bills for collection	9803.67	15025.21	22717.23	29377.55	36678.71
Book value(Rs.)	170.35	249.55	270.37	417.64	445.17
EPS	27.22	28.55	34.59	37.37	33.78
No. of equity shares	736716094	889823901	899266672	1112687495	1113250642

PROFIT AND LOSS ACCOUNT OF ICICI BANK LTD.

For The Year Ended Mar2019, Mar2020, Mar2021, Mar2022, Mar2023 (Rs. In Crores)

	2019	2020	2021	2022	2023
INCOME:					
Interest Earned	9409.90	13784.49	22994.29	30788.34	31092.55
Other Income	3416.14	4983.14	5929.17	8810.77	7603.72
Total Income	12826.04	18767.63	28923.46	39599.11	38696.27
EXPENDITURE:					
Interest Expended	6570.89	9597.45	16358.50	23484.24	22725.93
Operating Expenses	3299.15	4479.51	6690.56	8154.18	7045.11
Total Expenses	9870.04	14076.96	23049.06	31638.42	29771.04
Operating Profit	2956	4690.67	5874.40	7960.69	8925.23
Other Provision And Contingencies	428.80	1594.07	2226.36	2904.59	3808.26

Provision For Tax	522	556.53	537.82	898.37	1358.84
Net Profit	2005.20	2540.07	3110.22	4157.73	3758.13
Extraordinary Items	0.00	0.00	0.00	0.00	(0.58)
Profit B/F	53.09	188.22	293.44	998.27	2436.32
Total	2058.29	2728.29	3403.66	5156.00	6193.87
Preference Dividend	0.00	0.00	0.00	0.00	0.00
Equity Dividend	632.96	759.33	901.17	1227.70	1224.58
Corporate Dividend Tax	90.10	106.50	153.10	149.67	151.21
Per share Data					
Eps(Rs.)	27.22	28.55	34.59	37.37	33.78
Equity Dividend(%)	85.00	85.00	100.00	110.00	110.00
Book Value(Rs)	170.35	249.55	270.37	417.64	445.17
Appropriations					
Transfer To Statutory Reserve	547.00	248.69	1351.12	1342.31	2008.42
Transfer To Other Reserve	600.01	1320.34	0.00	0.01	0.01
Proposed Dividend/Transfer To Govt	723.06	865.83	1054.27	1377.37	1375.79
Balance C/F To Balance Sheet	188.22	293.44	998.27	2436.32	2809.65

FINANCIAL STATEMENT ANALYSIS

Comparative Income Statement of ICICI Bank From 2019-2020 To 2022-2023

	(Rs. in crores)							
PARTICULARS	2019-2020		2020-2021		2021-2022		2022-2023	
	Absolute change	% of change	Absolute change	% of change	Absolute change	% of change	Absolute change	% of change
INCOME:								
Operating income	5941	46.3	10156	54.1	10676	37	(902.84)	(2.3)
EXPENDITURE:								
Interest expended	3026.56	46	6761.05	70.4	7125.74	43.5	(758.31)	(3)
Operating expenses	1180.36	36	2211.05	49.3	1463.62	22	(1109.07)	(14)
Total expenses	4206.92	43	8972.1	64	8589.36	37.2	(1867.38)	(5.9)
Operating profit	1734.67	59	1183.73	25.2	2086.29	35.5	964.54	12.1
Provision and contingencies	1199.8	126.1	613.58	28.5	1038.78	37.5	1364.14	36
Net profit for the year	534.87	27	570.15	22.4	1047.51	34	(399.6)	(10)
Extraordinary items								
	0.00	0.00	0.00	0.00	0.00	0.00	(0.58)	0.00
Profit brought forward	135.13	254.5	105.22	56	704.83	21	1438.05	144

<u>TOTAL</u>	670	32.55	675.37	25	1752.34	51.4	1037.87	20
<u>PROFIT/(LOSS):</u>								

Interpretation:-The net profit shows a fluctuating trend i.e. it increased by 27% in 2019-20 22.4% increase in 2020-21, and increased by 34% in 2021-22 and finally if falls by 10% in 2022-23 this may be due to decline in operating income and increased tax liability in the year 2022-23.

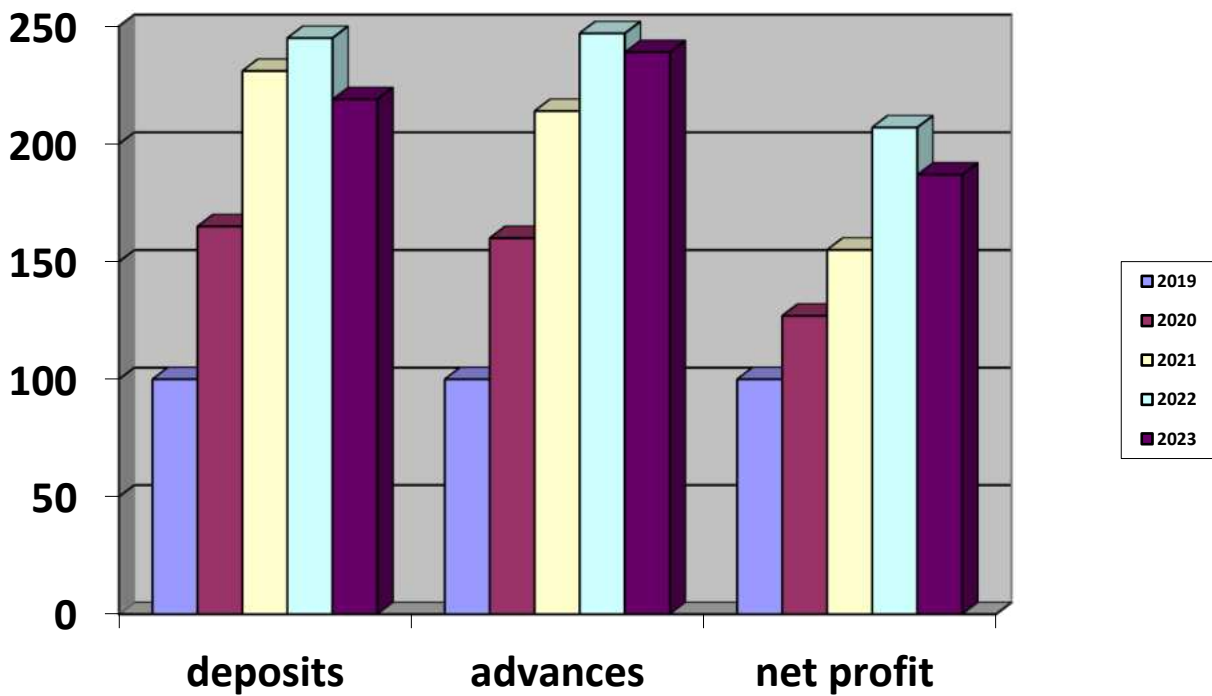
1. TREND ANALYSIS

Trend Percentage of ICICI Bank from 2019-2020 to 2022-2023

(Base year 2019)

Percentage (%) figures

Particulars	2019	2020	2021	2022	2023
Deposits	100	165	231	245	219
Advances	100	160	214	247	239
Net profit	100	127	155	207	187

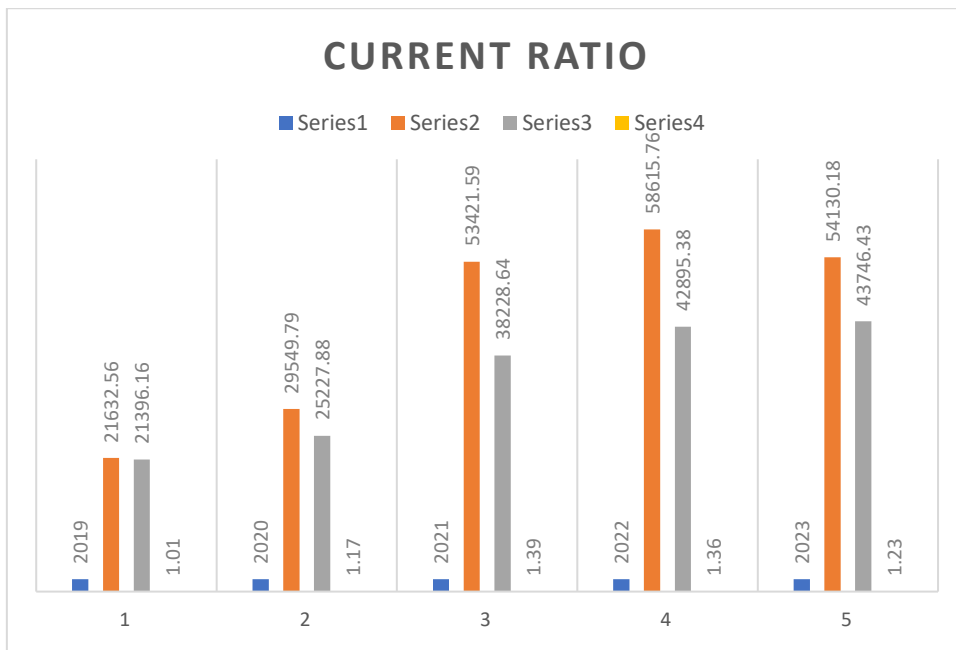


2. RATIO ANALYSIS

D) CURRENT RATIO:

An indication of a company's ability to meet short-term debt obligations; the Higher the ratio, the more liquid the company is. Current ratio is equal to current assets divided by current liabilities. If the current assets of a company are more than twice the current liabilities, then that company is generally considered to have good short-term financial strength.

$$\text{CURRENT RATIO} = \text{CURRENT ASSETS} / \text{CURRENT LIABILITY}$$



Year	Current Assets	Current Liabilities	Current Ratio
------	----------------	---------------------	---------------

	(Rs. In crores)	(Rs. In crores)	
2019	21632.56	21396.16	1.01
2020	29549.79	25227.88	1.17
2021	53421.59	38228.64	1.39
2022	58615.76	42895.38	1.36
2023	54130.18	43746.43	1.23

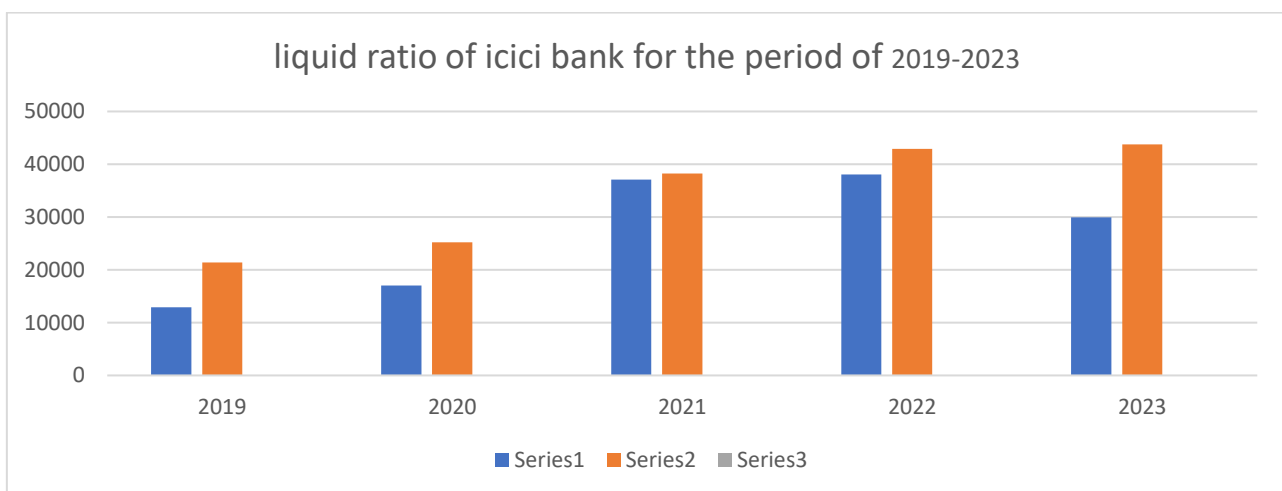
ii) **LIQUID RATIO:**

Liquid ratio is also known as ‘**Quick**’ or ‘**Acid Test** ‘**Ratio**’. Liquid assets refer to Assets which are quickly convertible into cash. Current Assets other stock and prepaid expenses are considered as quick assets.

$$\text{Quick Ratio} = \frac{\text{Total Quick Assets}}{\text{Total Current Liabilities}}$$

Total Current Liabilities

$$\text{Quick Assets} = \text{Total Current Assets} - \text{Inventory}$$



2019	12929.97	21396.16	0.60
2020	17040.22	25227.88	0.67
2021	37121.33	38228.64	0.97
2022	38041.13	42895.38	0.88
2023	29966.56	43746.43	0.68

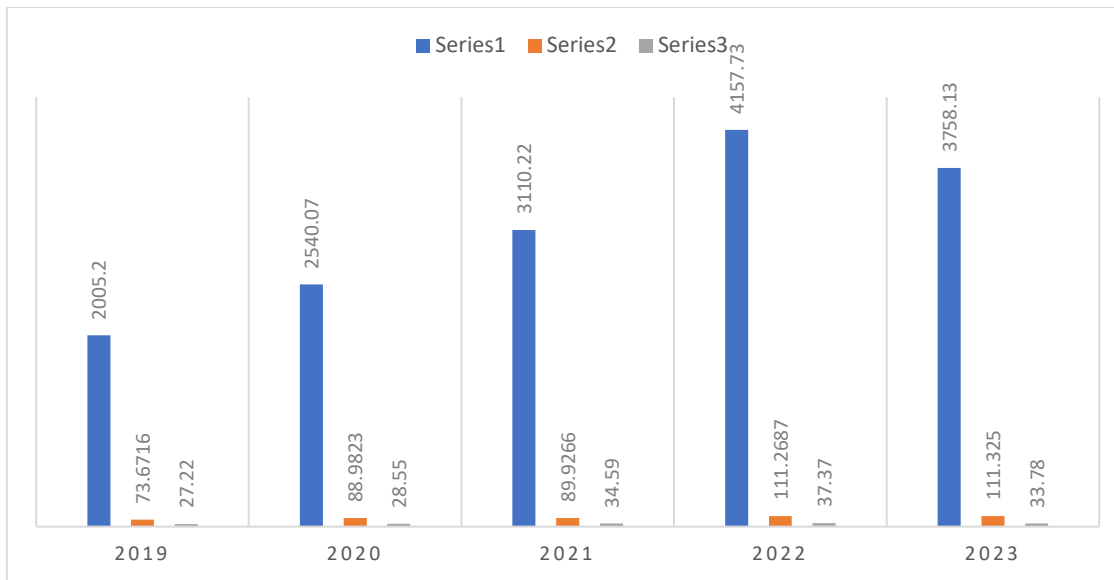
3.) EARNING PER SHARE:

In order to avoid confusion on account of the varied meanings of the term capital employed, the overall profitability can also be judged by calculating earnings per share with the help of the following formula:

Earning Per Equity Share = Net Profit after Tax – Preference Dividend

No. of Equity shares

Year	Net Income Available For Shareholders (Rs. In crores)	No. Of Equity Shares (Rs. In crores)	EPS
2019	2005.2	73.6716	27.22
2020	2540.07	88.9823	28.55
2021	3110.22	89.9266	34.59
2022	4157.73	111.2687	37.37
2023	3758.13	111.325	33.78

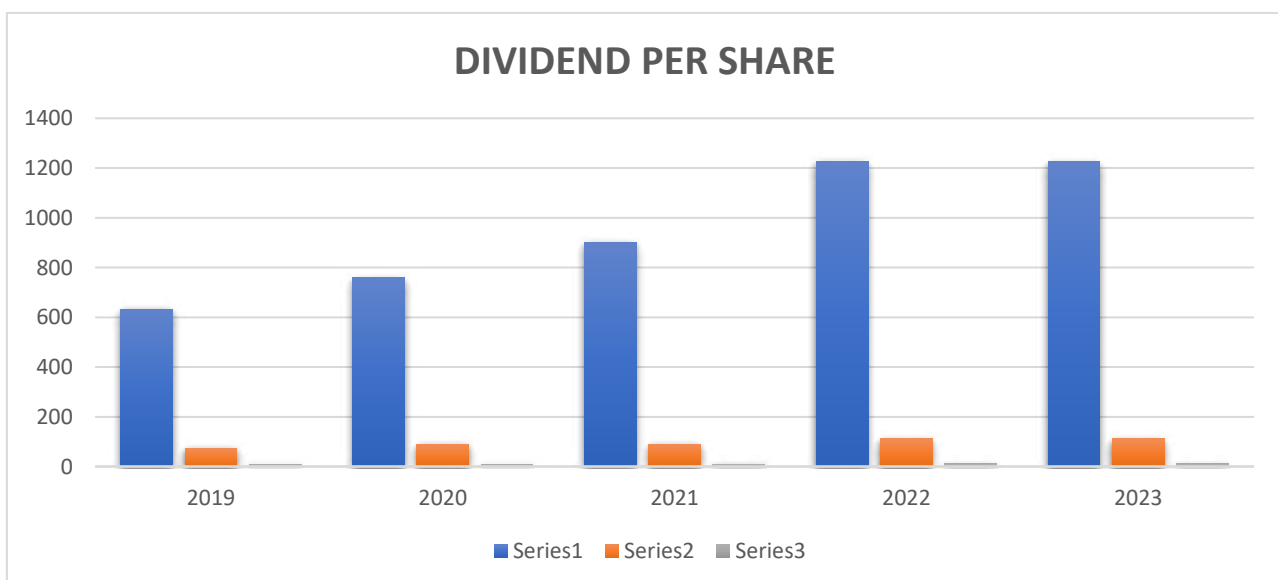


4.) DIVIDEND PER SHARE:

It is expressed by dividing dividend paid to equity shareholders by no. of equity shares. This shows the per share dividend given to equity shareholders. It is very helpful for potential investors to know the dividend paying capacity of the company. It affects the market value of the company.

Dividend per Share = Dividend Paid To Equity Shareholders

No. Of Equity Shares



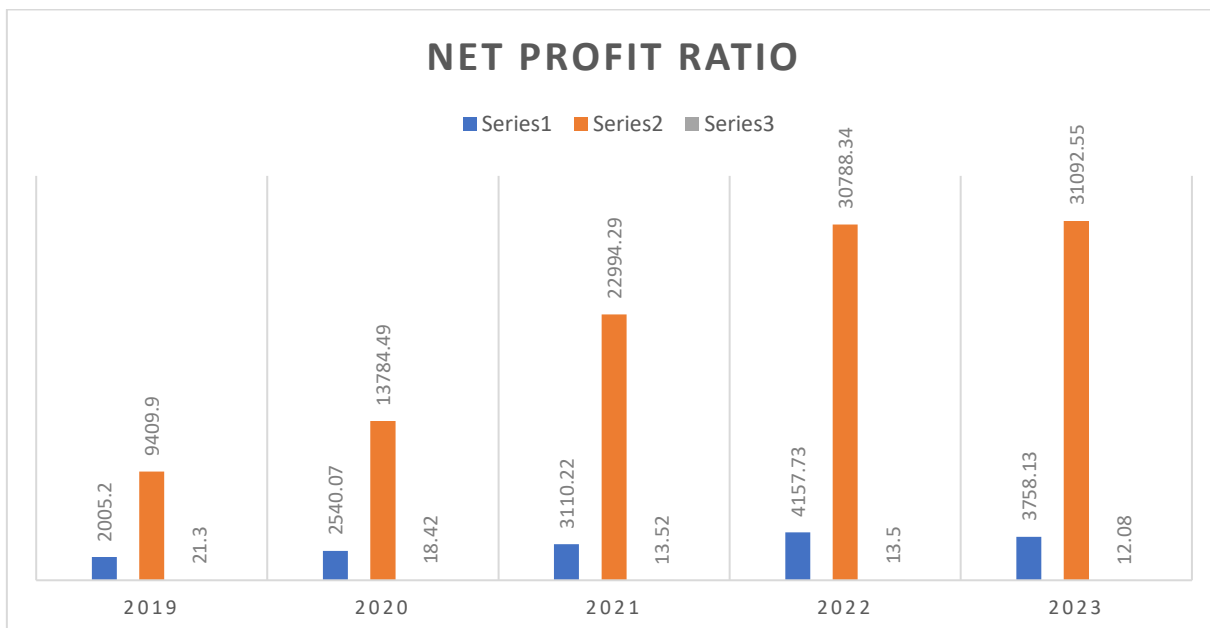
Year	Dividend Paid (Rs. In crores)	No. Of Equity Shares (Rs. In crores)	DPS
2019	632.96	73.6716	8.59
2020	759.33	88.9823	8.53
2021	901.17	89.9266	10.02
2022	1227.7	111.2687	11.03
2023	1224.58	111.325	11

5.) NET PROFIT RATIO:

This ratio helps in determining the efficiency with which affairs of the business are being managed.

An increase in the ratio over the previous period indicates improvement in the operational efficiency of the business. The ratio is thus an effective measure to check the profitability of business.

$$\text{Net Profit Ratio} = \frac{\text{Net Profit}}{\text{Net Sales}} \times 100$$

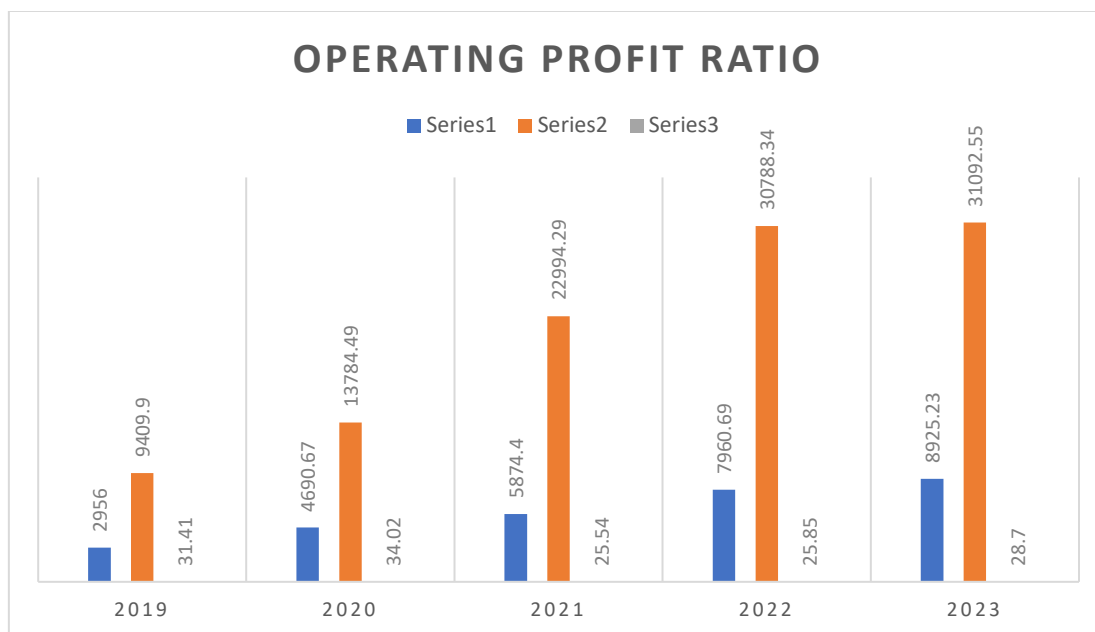


Year	Net Profit (Rs. In crores)	Sales (Rs. In crores)	Net Profit Ratio (in %)
2019	2005.2	9409.9	21.3
2020	2540.07	13784.49	18.42
2021	3110.22	22994.29	13.52
2022	4157.73	30788.34	13.5
2023	3758.13	31092.55	12.08

6.) OPERATING PROFIT RATIO:

$$\text{Operating Profit Ratio} = \frac{\text{Operating Profit}}{\text{Net Sales}} \times 100$$

The difference between net profit ratio and net operating profit ratio is that net operating profit is calculated without considering non-operating expenses and non-operating incomes. If we deduct this ratio from 100, the result will be operating ratio. Higher operating profit ratio enables the organization to recoup non-operating expenses out of operating profits and provide reasonable return.



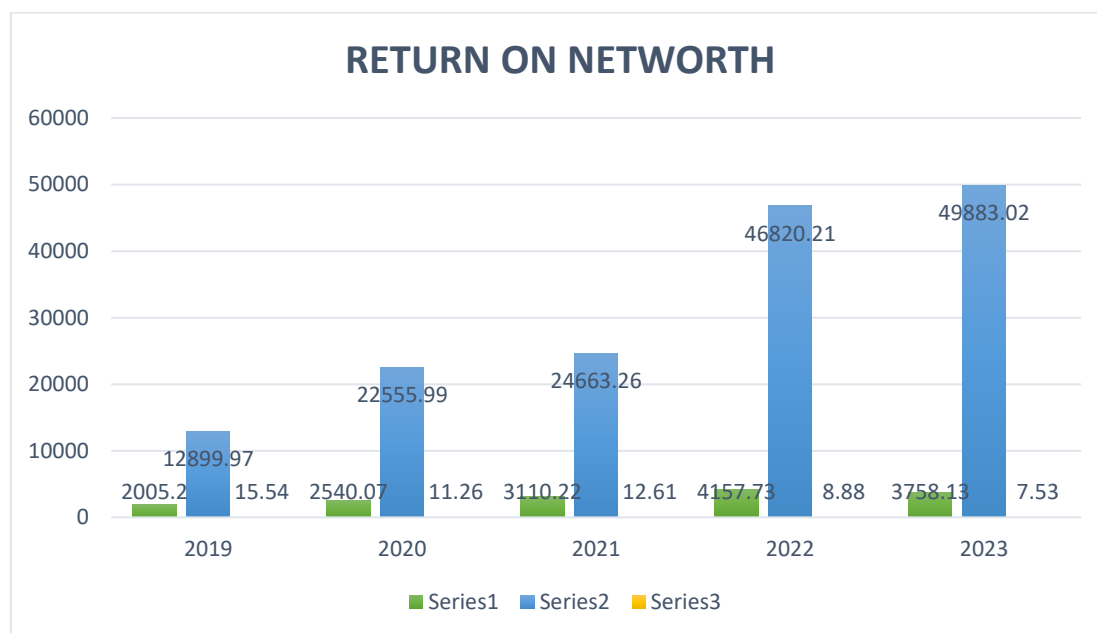
Year	Operating Profit (Rs. In crores)	Sales (Rs. In crores)	Operating Profit Ratio (in %)
2019	2956	9409.9	31.41
2020	4690.67	13784.49	34.02
2021	5874.4	22994.29	25.54
2022	7960.69	30788.34	25.85
2023	8925.23	31092.55	28.7

7.) RETURN ON NET WORTH:

It measures the profitability of the business in view of the shareholders. It judges the earning capacity of the company and the adequacy of return on proprietor's funds. Shareholders and potential investors are interested in this ratio. It is calculated as below:

$$\text{Return on Net Worth} = \frac{\text{Net Profit after Interest and Tax}}{\text{Shareholder's Funds}} \times 100$$

Shareholder's Funds

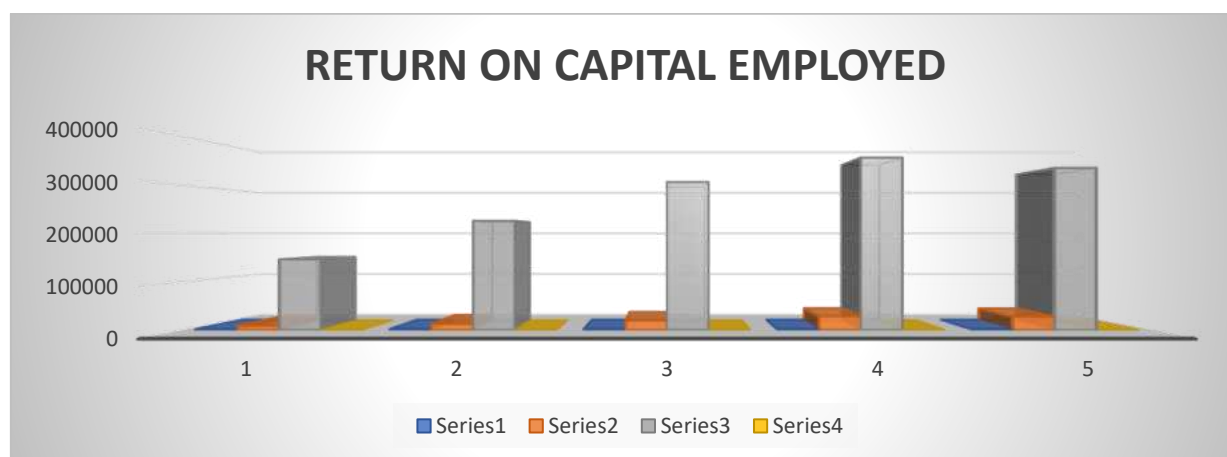


Year	Net Profit After Interest And Tax (Rs. In crores)	Shareholder's Fund (Rs. In crores)	Return On Net Worth (in %)
2019	2005.2	12899.97	15.54
2020	2540.07	22555.99	11.26
2021	3110.22	24663.26	12.61
2022	4157.73	46820.21	8.88

2023	3758.13	49883.02	7.53
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8.) RETURN ON CAPITAL EMPLOYED:

It establishes relationship between profit before interest and tax and capital employed. It indicates the percentage of return on the total capital employed in the business. This ratio is also known as **Return on Investment**. It measures the overall efficiency and profitability of the business in relation to investment made in business. It also shows how efficiently the resources are used in the business. Comparison of one unit with that of the other or performance in one year with that of the same unit is possible. It is calculated as below:

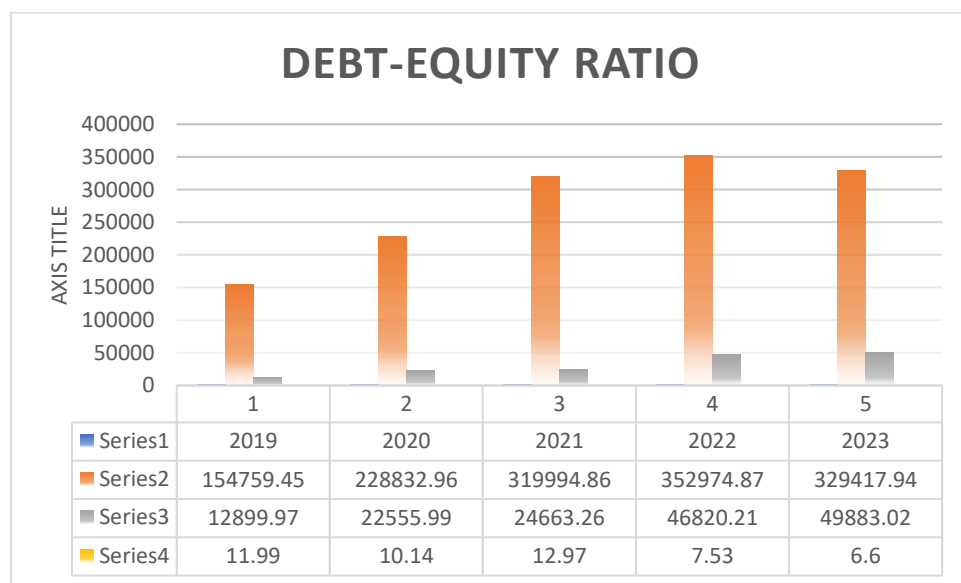


Year	Net Profit Before Interest And Tax (Rs. In crores)	Capital Employed (Rs. In crores)	Return On Capital Employed (in %)
2019	9098.09	146263.25	6.22
2020	12694.05	226161.17	5.61
2021	20006.54	306429.48	6.52
2022	28540.34	356899.69	7.99

2023	27842.9	335554.53	8.29
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9.) DEBT- EQUITY RATIO:

The Debt-Equity ratio is calculated to find out the long-term financial position of the firm. This ratio indicates the relationship between long-term debts and shareholder's funds. The soundness of long-term financial policies of a firm can be determined with the help of this ratio. It helps to assess the soundness of long-term financial policies of a business. It also helps to determine the relative stakes of outsiders and shareholders. Long-term creditors can assess the security of their funds in a business. It indicates to what extent a firm depends upon lenders to meet its long-term financial requirements. A low Debt-Equity ratio is considered better from the point of view of creditors.



Year	Debt (Rs. In crores)	Equity (Rs. In crores)	Debt Equity Ratio
2019	154759.45	12899.97	11.99
2020	228832.96	22555.99	10.14

2021	319994.86	24663.26	12.97
2022	352974.87	46820.21	7.53
2023	329417.94	49883.02	6.6

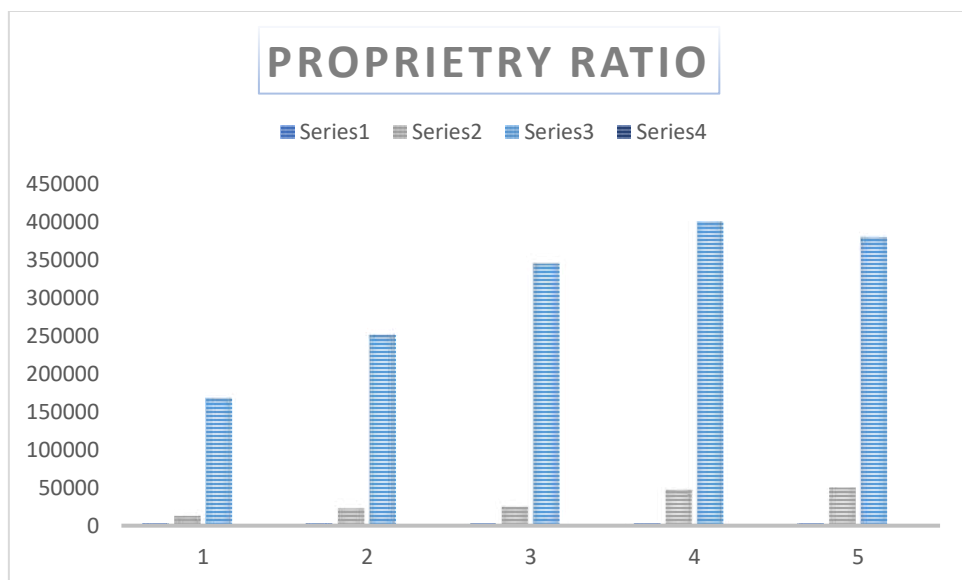
10.) PROPRIETARY RATIO:

It is also called shareholders equity to total equity ratio or net worth to total assets ratio or equity ratio.

It compares the shareholder's funds to total assets. It is calculated by dividing shareholder's funds by total assets.

$$\text{Proprietary Ratio} = \frac{\text{Shareholder's Fund}}{\text{Total Assets}}$$

It helps to determine the long-term solvency of a company. This ratio measures the protection available to the creditors. Higher the ratio, lesser is the likelihood of insolvency in future, as the management has to use lesser debts and vice versa. Thus, this ratio is of great importance to the creditors.



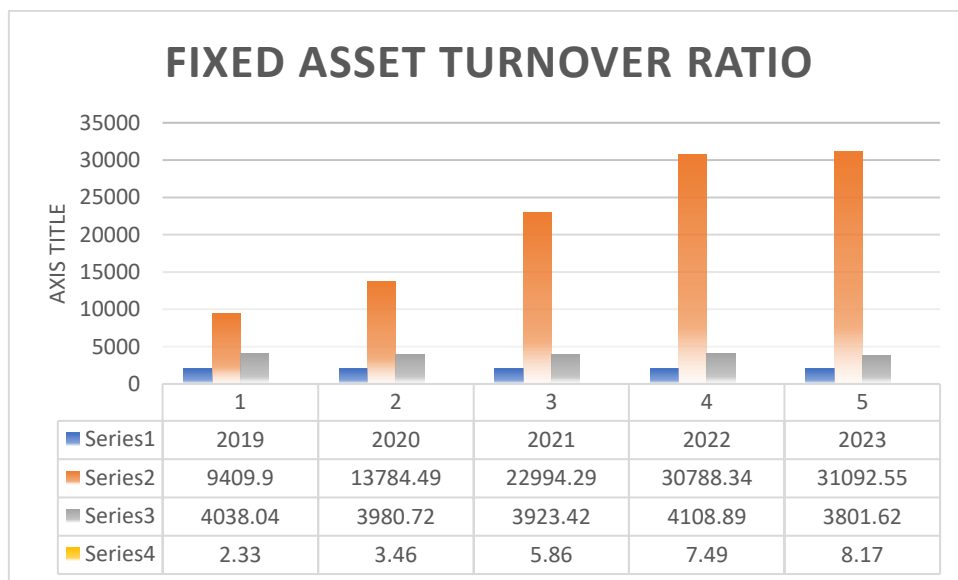
Years	Shareholder's Funds (Rs. In crores)	Total Assets (Rs. In crores)	Proprietary Ratio
2019	12899.97	167659.4	0.07
2020	22555.99	251388.95	0.08
2021	24663.26	344658.11	0.07
2022	46820.21	399795.07	0.12
2023	49883.02	379300.96	0.13

11.) FIXED ASSETS TURNOVER RATIO:

It is also called as Sales to Fixed Assets Ratio. It measures the efficient use of fixed assets. This ratio is a measure of efficient use of fixed assets. It is calculated as:

$$\text{Fixed Assets Turnover Ratio} = \frac{\text{Cost of goods sold or Sales}}{\text{Net Fixed Assets}}$$

It measures the efficiency and profit earning capacity of the business. Higher the ratio, greater is the intensive utilization of fixed assets and a lower ratio shows under utilization of the fixed assets. This ratio has a special importance for manufacturing concerns where investment in fixed assets is very high and the profitability is significantly dependent on the utilization of these assets.



Year	Sales (Rs. In crores)	Net Fixed Assets (Rs. In crores)	Fixed Assets Turnover Ratio
2019	9409.9	4038.04	2.33
2020	13784.49	3980.72	3.46
2021	22994.29	3923.42	5.86
2022	30788.34	4108.89	7.49
2023	31092.55	3801.62	8.17

12.) CREDIT-DEPOSIT RATIO:

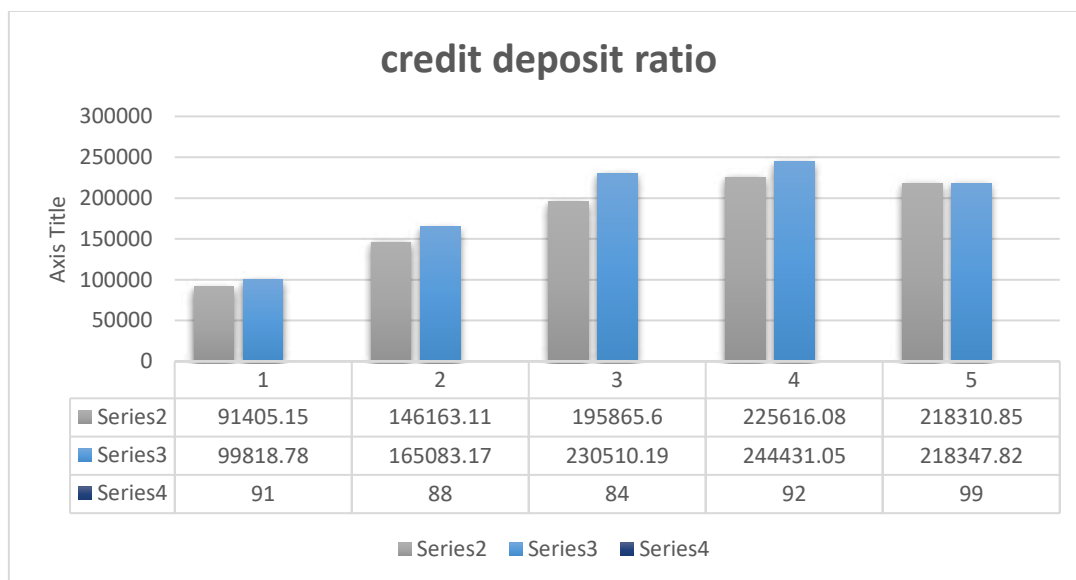
This ratio is very important to assess the credit performance of the bank. The ratio shows the relationship between the amounts of deposit generated by the bank as well as their deployment towards disbursement of loan and advances. Higher credit deposit ratio shows overall good efficiency and performance of any banking institution.

$$\text{Credit Deposit Ratio} = \frac{\text{Credits}}{\text{Deposits}} \times 100$$

Credit means disbursement of advances

Deposit means sum of fixed deposit,

Saving deposit and current deposit.



Year	Advances (Rs. In crores)	Deposits (Rs. In crores)	Credit Deposit Ratio (in %)
2019	91405.15	99818.78	91
2020	146163.11	165083.17	88
2021	195865.6	230510.19	84
2022	225616.08	244431.05	92
2023	218310.85	218347.82	99

CASH FLOW STATEMENT OF ICICI BANK

	2019	2020	2021	2022	2023
Profit before tax	2,527.20	3,096.61	3,648.04	5,056.10	5,116.97
Net cash flow- operating activity	9,131.72	4,652.93	23,061.95	-11,631.15	14,188.149
Net cash used in investing activity	-3,445.24	-7,893.98	-18,362.67	-17,561.11	3,857.88
Netcash used in fin. activity	-1,227.13	7,350.90	15,414.58	29,964.82	1,625.36
Net inc/dec in cash and equivalent	4,459.34	4,110.25	20,081.10	683.55	-8,074.57
Cash and equivalent begin of year	8,470.63	12,929.97	17,040.22	37,357.58	38,041.13
Cash and equivalent end of year	12,929.97	17,040.22	37,121.32	38,041.13	29,966.56

CHAPTER –4

MICRO ANALYSIS

1. Trend Analysis:

There is a continuous increase in the deposits till the year ending 2016 followed by a downfall in the year ending 2023 due to repayment of deposits in this year.

Similarly advances also shows an increasing trend till the year ending 2022 followed by a slight downfall in the year ending 2023. There has been a substantial increase in net profit till the year ending 2015. In four years it has been more than double. The overall performance of the bank is satisfactory.

2. Ratio Analysis:

i) Current Ratio:

An ideal solvency ratio is 2. The ratio of 2 is considered as a safe margin of solvency due to the fact that if current assets are reduced to half (i.e.) 1 instead of 2, then also the creditors will be able to get their payments in full.

But here the current ratio is less than 2 and more than 1 which shows that the bank has current assets just equal to the current liabilities which are not satisfactory as the safety margin is very less or zero. Therefore the bank should keep more current assets so that it can maintain a satisfactory safety margin.

ii) Liquidity Ratio:

A quick ratio of 1:1 is considered favorable because for every rupee of current liability, there is at least one rupee of liquid assets. A higher value of ratio is considered favorable. Here this ratio is less than 1 in 2012, 2013 & 2014 but in 2015 & 2016 it is close to 1 which is not satisfactory. This means the bank has not managed its funds properly in this particular period. Therefore bank should rationally utilize its funds to maintain an ideal liquid ratio.

3.) Earning Per Ratio:-

Earnings per Share are the most commonly used data which reflects the performance and prospects of the company. It affects the market price of shares. Here the Earning Per Share is shows a persistent increase till the year 2015 after that in the year 2016 Earnings Per share is followed by a downfall due to decline in profits.

4.) Dividend per Share:-

Here the Dividend per Share is increasing year after year except a little decline in 2016. otherwise the dividend per share ratio of the bank is quite satisfactory which shows the bank has a good dividend paying capacity.

5.) Net Profit Ratio:-

Although both the sales and net profit have increased during the above period but the Net Profit Ratio of the bank is declining continuously. This is because of the reason that net profits have not increased in the same proportion as of the sales.

6.) Operating Profit Ratio:-

In the year 2012 & 2013 the operating profit is 31.41% & 34.02% respectively. After that it has been consistently declined from the year 2014 till 2015 and again gaining momentum in 2016. This may be due to the reason that operating expenses have been increased more as compared to sales during the above period consequently reducing the operating profits. Therefore the bank should check on unnecessary operating expenses to correct this situation and to provide a sufficient return.

7.) Return on Net Worth:-

The net profit after interest and tax have increased slowly till the year 2015 followed by a downfall due to high interest payments, operating expenses and taxation liability. Consequently the net worth ratio has declined considerably and has reduced to more than half in the year 2016 than it was in 2012.

8.) Return On Capital Employed:-

The above table exhibits the return on capital employed ratio of the bank for last five years. This ratio measures the earning of the net assets of the business. The ratio was 6.22% in year 2012. After that it raised to the tune of 5.61%, 6.52%, 7.99% and 8.29% in year 2013, 2014, 2015 and year 2016 respectively. It leads to the conclusion bank rising but very little proportion of return on capital employed.

9.) Debt Equity Ratio:-

The ratio shows the extent to which funds have been provided by long-term creditors as compared to the funds provided by the owners. Here the Debt-Equity ratio for the above period is always high. This shows that the bank is more relying on outside funds as compared to internal sources of capital, in its capital structure. From the long-term lenders point of view this ratio is not satisfactory.

10.) Proprietary Ratio:-

Above table exhibits the proprietary ratio of the bank for last five years. It was 7% in 2012, after that was 8% in year 2013. Similarly it was once again reduced to 7 % in the year 2014. After 2014 it registered increase and was 12% and 13% in the year 2015 and 2016 respectively. Hence it leads to the conclusion owners have less than 13% stake in the total assets of the bank. It is not a good sign as far the long term solvency is concerned.

11.) Fixed Asset Turnover Ratio:-

Here the fixed assets employed in the business shows a decreasing trend except in the year 2014 where fixed assets have again increased. This may be due to increase in rate of depreciation in subsequent years. Nevertheless, the fixed assets turnover ratio has been consistently increasing. It indicates that fixed assets have been effectively used in the business without much additional investment in the period of study and also the capital is not blocked in fixed assets.

12.) Credit Deposit Ratio:-

Above table exhibits credit deposit ratio of the bank during last 5 years. In the year 2012 ratio was 91% and it declined to 88% and 84% in the year 2013 and 2014 respectively. In the year 2015 and 2016 ratio was increased to 92% and 99% respectively. It leads to conclusion that credit performance of the bank is very good.

ANALYSIS & INTERPRETATIONS

- ❖ Profit before tax for the year ended March 31, 2019 was Rs. 5,117 crore (US\$ 1,009 million), compared to Rs. 5,056 crore (US\$ 997 million) for the year ended March 31, 2023.
- ❖ Profit after tax for FY2019 was Rs. 3,758 crore (US\$ 741 million) compared to Rs. 4,158 crore (US\$ 820 million) for FY2020 due to the higher effective tax rate on account of lower proportion of income taxable as dividends and capital gains.
- ❖ Operating expenses (including direct marketing agency expenses) decreased 14% to Rs. 6,835 crore (US\$ 1,348 million) in FY2023 from Rs. 7,972 crore (US\$ 1,572 million) in FY2019. The cost/average asset ratio for FY2012 was 1.8% compared to 2.2% for FY2020.
- ❖ During the year, the Bank has pursued a strategy of prioritizing capital conservation, liquidity management and risk containment given the challenging economic environment. This is reflected in the Bank's strong capital adequacy and its focus on reducing its wholesale term deposit base and increasing its CASA ratio. The Bank is maintaining excess liquidity on an ongoing basis. The Bank continues to invest in expansion of its branch network to enhance its deposit franchise and create an integrated distribution network for both asset and liability products.
- ❖ The branch network of the Bank has increased from 755 branches at March 31, 2019 to 1,438 branches at April 24, 2021. The Bank is also in the process of opening 580 new branches which would expand the branch network to about 2,000 branches, giving the Bank a wide distribution reach in the country.

CHAPTER-5

SUMMARY OF MAJOR FINDINGS AND SUGGESTIONS

Findings

- ❖ Profit before tax for the year ended March 31, 2020 (FY2020) was Rs. 5,117 crore (US\$ 1,009 million), compared to Rs. 5,056 crore (US\$ 997 million) for the year ended March 31, 2019 (FY2019).
- ❖ Profit after tax for FY2020 was Rs. 3,758 crore (US\$ 741 million) compared to Rs. 4,158 crore (US\$ 1,820 million) for FY2019 due to the higher effective tax rate on account of lower proportion of income taxable as dividends and capital gains. Net interest income increased 15% from Rs. 7,304 crore (US\$ 1,440 million) for FY2019 to Rs. 8,367 crore (US\$ 1,650 million) for FY2020. While the advances declined marginally year-on-year, the net interest income increased due to improvement in net interest margin from 2.2% in FY2019 to 2.4% in FY2020.
- ❖ Operating expenses (including direct marketing agency expenses) decreased 14% to Rs. 6,835 crore (US\$ 1,348 million) in FY2020 from Rs. 7,972 crore (US\$ 1,572 million) in FY2019. The cost/average asset ratio for FY2020 was 1.8% compared to 2.2% for FY2019.
- ❖ During the year, the Bank has pursued a strategy of prioritizing capital conservation, liquidity management and risk containment given the challenging economic environment. This is reflected in the Bank's strong capital adequacy and its focus on reducing its wholesale term deposit base and increasing its CASA ratio. The Bank is maintaining excess liquidity on an ongoing basis. The Bank has also placed strong emphasis on efficiency improvement and cost rationalization. The Bank

continues to invest in expansion of its branch network to enhance its deposit franchise and create an integrated distribution network for both asset and liability products.

- ❖ In line with the above strategy, the total deposits of the Bank were Rs. 218,348 crore (US\$ 43.0 billion) at March 31, 2029, compared to Rs. 244,431 crore (US\$ 48.2 billion) at March 31, 2019. The reduction in term deposits by Rs. 24,970 crore (US\$ 4.9 billion) was primarily due to the Bank's conscious strategy of paying off wholesale deposits. During Q4-2020, total deposits increased by Rs. 9,283 crore (US\$ 1.8 billion), of which Rs. 5,286 crore (US\$ 1.0 billion), or about 57%, was in the form of CASA deposits. The CASA ratio improved to 28.7% of total deposits at March 31, 2020 from 26.1% at March 31, 2019.
- ❖ The branch network of the Bank has increased from 755 branches at March 31, 2019 to 1,438 branches at April 24, 2021. The Bank is also in the process of opening 580 new branches which would expand the branch network to about 2,000 branches, giving the Bank a wide distribution reach in the country.
- ❖ In line with the strategy of prioritizing capital conservation and risk containment, the loan book of the Bank decreased marginally to Rs. 218,311 crore (US\$ 43.0 billion) at March 31, 2021 from Rs. 225,616 crore (US\$ 44.5 billion) at March 31, 2019.
- ❖ Liquidity position:-The liquid ratio of the bank in the year 2019,2020 and 2021 is 0.60,0.67and 0.68 respectively and the year 2019 and 2022 liquid ratio is 0.97 and 0.88 respectively which is close to 1. Though it is not equal to the ideal liquid ratio of 1:1 but still its under control. So in nut shell, it can be concluded that the liquidity position of the bank is quite satisfactory.
- ❖ Capital adequacy and return on capital employed:-The Bank's capital adequacy at March 31, 2022 as per Reserve Bank of India's revised guidelines on Basel II norms was 15.5% and Tier-1 capital adequacy was 11.8%, well above RBI's requirement of total capital adequacy of 9.0% and Tier-1

capital adequacy of 6.0%. The above capital adequacy takes into account the impact of dividend recommended by the Board. Also the capital is being effectively utilized in the bank as it shows better return on capital employed over years.

- ❖ Asset quality :-At March 31, 2020, the Bank's net non-performing asset ratio was 1.96%. During the year the Bank restructured loans aggregating to Rs. 1,115 crore (US\$ 220 million).
- ❖ Dividend on equity shares :-Since the dividend per share has shown a promising increase for the period under study. It shows that the bank is following a sound dividend policy and is capable of distributing higher dividends. In this way the investors will feel investing in capital of the bank a much beneficial option and will be reluctant to withdraw capital for a long time.
- ❖ Earnings per share:-The earnings per share for the period under study also shows a promising increase. It suggests that bank has better profitability position and in future it can be a better or attractive channel of investment for shareholders.
- ❖ Higher trends of credit deposit ratio – A positive sign High trends of credit deposit ratio reveals that bank has performed satisfactorily as regard to granting loans and advances to generate income. It suggests that credit performance is good and the bank is doing its business good by fulfilling its major objective as regards to granting loans and accepting deposits.

Conclusion

- ❖ On the basis of various techniques applied for the financial analysis of ICICI Bank we can arrive at a conclusion that the financial position and overall performance of the bank is satisfactory. Though the income of the bank has increased over the period but not in the same pace as of expenses. But the bank has succeeded in maintaining a reasonable profitability position.
- ❖ The bank has succeeded in increasing its share capital also which has increased around 50% in the last 5 years. Individuals are the major shareholders. The major achievement of the bank has been a tremendous increase in its deposits, which has always been its main objective. Fixed and current deposits have also shown an increasing trend.
- ❖ Equity shareholders are also enjoying an increasing trend in the return on their capital. Though current assets and liabilities (current liquidity) of the bank is not so satisfactory but bank has succeeded in maintaining a stable solvency position over the years. As far as the ratio of external and internal equity is concerned, it is clear that bank has been using more amount of external equity in the form of loans and borrowings than owner's equity.
- ❖ Bank's investments are also showing an increasing trend. Due to increase in advances, the interest received by the bank from such advances is proving to be the major source of income for the bank.

Suggestions

- ❖ Although the short-term liquidity position is quite satisfactory as per revealed by liquid ratio but the current ratio is below the ideal ratio of 2:1. So the bank should make efforts to increase its current assets to maintain a safety margin and to maintain a better liquidity position.
- ❖ Higher trend of credit deposit ratio reveals that the bank has performed satisfactorily as regard to granting loans and advances to generate income. It suggests that the credit performance of bank is good and it is performing its business well by fulfilling the major objective of granting credit and accepting deposit.
- ❖ Though the bank has been successful in increasing its deposits but to further improve upon such situation it can introduce some new and attractive schemes for public. Such schemes can be in the form of higher rate of interest and shorter maturity period for FD's etc.
- ❖ Bank should try to finance more and more projects. Financing will help it to earn higher amount of profits. The bank is having a greater reliance on debt capital. The increasing reliance on external equities may prove hazardous in the long run. So in order to remedy this situation bank should increase its focus on internal equities and other sources of internal financing.

CHAPTER-6

REVIEW OF LITERATURE

Saluja & Kaur (2010) documented the monetary fitness of joint venture banks in the CAMEL parameters in Nepal. His study concluded that economic fitness of joint venture is extra highquality than that of industrial banks. Moreover, the aspects of CAMEL confirmed that the economic fitness of joint challenge banks used to be no longer hard to manipulate the feasible influence to their balance sheet on a large-scale foundation barring any constraints inflicted to the economic health.

Singh, & Tandon (2012) conducted a study in financial performance: a comparative analysis of SBI and ICICI bank. The study found that the mean of Credit Deposit Ratio and interest expenses in ICICI was higher than in SBI. SBI has higher interest income as compared to ICICI. From the study it has been indicated that people prefer ICICI bank to invest their money and they SBI to take long term and short - term loans & advances.

Srinivas & Sarohja (2013), in their study on ‘Comparative financial performance of HDFC Bank and ICICI Bank’ for a period of ten years from 2010 to 2012 observed that the both banks are good with respect capital adequacy because it is above the Basel norms. Comparing the financial performance of public sector and private sector bank.

Jaiswal and Jain (2016) found that SBI has better market position than ICICI in terms to earning per share, price ratio per share and dividend payout ratio, but on the other hand ICICI bank is performing well in terms of NPA in comparison of SBI bank.

while Kumar and Gopal (2019) found that ICICI Bank outperformed than HDFC Bank in terms of balance sheet ratios and debt coverage ratios. In terms of profitability ratios, SBI and Kotak Mahindra Bank have done well.

In his study, Sathye (2020) assessed the productive effectivity of banks in a developing nation, particularly India. Using information envelopment analysis, the dimension of effectivity was actually

completed. The effectiveness of three banking agencies, namely publicly owned, privately owned, and overseas-owned is assessed. It has been established that Indian banks have a lower effectivity rating than public sector banks and foreign banks in India when compared to the rest of the globe. The current strategy of reducing non-performing assets and explaining the body of personnel and branches may be continued in order to gain efficiency benefits and make Indian banks more internationally competitive, which is a primary intent of the Indian government.

CHAPTER - 7

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CONSUMER PERCEPTION TOWARD THE UTILITY OF PRODUCTS PROMOTED BY SOCIAL MEDIA INFLUENCERS

*Submitted in partial fulfillment of the
requirements for the award of the degree of*

Master of Business Administration (International Business)
To

Guru Gobind Singh Indraprastha University, Delhi

Guide:
Dr. Ekta Rastogi

Submitted by:
Umesh Kumar
RollNo:01819114322



GITARATTAN INTERNATIONAL BUSINESS SCHOOL
DELHI-110085
Batch (2022-2024)

Certificate

I, Mr. Umesh Kumar, Roll No. 01819114322 certify that the Project Report/Dissertation (MIB-204) entitled “**A STUDY ON CONSUMER PERCEPTION TOWARDS UTILITY OF PRODUCTS PROMOTED BY SOCIAL MEDIA INFLUENCERS**” is completed by me and it is an authentic work carried out by me at Gitarattan International Business School. The matter embodied in this project work has not been submitted earlier for the award of any degree or diploma to the best of my knowledge and belief.

Signature of the Student

Date:

Certified that the Project Report/Dissertation (MIB-204) is entitled.

“**A STUDY ON CONSUMER PERCEPTION TOWARDS UTILITY OF PRODUCTS PROMOTED BY SOCIAL MEDIA INFLUENCERS**” done by Mr. Umesh Kumar, Roll No. 01819114322, is completed under my guidance.

Signature of the Guide

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With Regards

Umesh Kumar

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CHAPTER 1

INTRODUCTION

1.

INTRODUCTION

We are living in a modern era where everyone is seeking growth. Growth in lifestyle, growth in knowledge, growth in incomes and to reach the goal of growth Technology plays a very essential role. Today everyone is using technology as a key to unlock the growth path. Technology has become a vital part of every area, and we cannot imagine our lives without technology.

One of the important areas is marketing. Marketers are competing to expand their reach and increase their sales to enjoy profit. And for that, engaging the consumers is the most important task. The more engaged the consumers are, the greater the sales. To engage more consumers, marketers are taking the help of technology and this time the technology is the internet.

The Internet is the vast network of people using computers to download and upload information which can be explored and accessed by the users of the internet. Through the internet, one can connect to another instantly no matter how far he/she is in the world. The internet has now become the fastest and cheapest way to communicate with a huge audience at a time with the help of social media applications and websites. What are social media applications and websites?



1.1 Social Media Applications/ Websites

Social media applications and websites are internet-based platforms designed to connect people with one network and provide them a mean to communicate, post about their lifestyle by photos, videos and blogs.



1. Facebook

Founded by Mark Zuckerberg, Eduardo Saverin, and their roommates at Harvard College on 4 Feb 2004 in California, today Facebook is the largest platform of social media with over 2.7B active users. Facebook is designed to its users connect with their friends, family, and anyone who is a user of Facebook living in any part of the world.



2. Instagram

Instagram is an application developed by Facebook that is based on the sharing of photos and videos through posts and stories. The popularity of anInstagram user is denoted by the number of his/her followers. Instagram comesunder the fancy social media app category with several over 1B usersworldwide.



3. WhatsApp

WhatsApp is the world's leading messenger application with over 1.5B users. It was developed by Brian Acton and Jan Koum and is now owned by Facebook. WhatsApp allows its users to send voice and text messages, do video and voice calls, and put status or story. A user can add other users by their contact number which should be registered on WhatsApp.



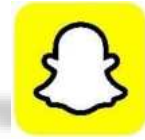
4. Twitter

Twitter is a social networking platform with more than 330m users where users post blogs, thoughts, and opinions which are known as "tweets" and communicate with each other through messages. It can be accessed through a website and app where a user can also upload audio-visual tweets. Jack Dorsey, Noah Glass, Biz Stone, and Evan Williams founded Twitter in San Francisco in 2006.



5. YouTube

YouTube is the world's largest open video streaming website which is also available in Android and IOS apps. Developed by Chad Hurley, Steve Chen, and Jawed Karim in 2005 and owned by Google, YouTube allows its users to upload and stream videos for free. YouTube is also an open source of knowledge on the internet where a user can find videos of almost every genre with over 2B users.



6. Snapchat

Snapchat was developed in July 2011 by Snap.Inc, Evan Spiegel, Bobby Murphy, Daniel Smith, David, and Leo Noah. It was the first app with the feature of auto-vanishing messages and pictures after the receiver opened it with 331.4m active users. It is also the first app that introduced the “Story” feature in which pictures and videos disappear automatically after some time.



7. LinkedIn

LinkedIn is employment oriented social networking service which was developed in 2002 by Reid Hoffman, Allen Blue, Konstantin, Jean-Luc and Eric Ly. The main objective of this app is to provide job seekers opportunity to find a job from the posts posted by job employers. Microsoft Corporation is the parent organization of LinkedIn. It has over 660 million users.



8. Pinterest

Pinterest was founded in 2009 by Ben Silbermann. It is an informative image sharing social media service which allows its user to get or upload information through small videos, GIFs and images in the form of pin boards. It has over 300 million users worldwide.

1.2 Social Media Influencers



Social Media Influencers are the users of social media platforms who have a large follower group or fan base in it. Social media influencers are the users who gained popularity through their social media posts. Their creative, unique, entertaining, informative posts attracted other users through which they gained popularity. They create such posts which can go viral within hours and as a result they become famous among the social media users.

Considering their popularity in the social media platform, companies hire them to promote their products by making videos or posting pictures with their products and recommending it to their followers. Their posts with the product attract their followers towards the product and make them to purchase it which helps the companies to boost up their sales through social media marketing.

The creativity of the promotion post is mostly dependent on the creative team of the companies. But the followers of the hired influencers get more engaged when the influencer adds his/her own creativity into it. The reason behind is found that the followers of the influencers are attracted to him/her because of his/her content and the creativity he/she adds into it and the followers like to watch more creative content with their style into it.

A social media influencer has the power of manipulating his/her followers' buying decisions in which the credibility, knowledge and relationship with his/her followers plays a crucial role. Their reputation in a significant platform helps them to engage more and more users. They create trends which their followers follow the trends.

1.3 Types of Social Media Influencers

1. By the number of followers.



a) Mega Influencers

Mega influencers are those influencers who have a 1 million or more followers on their social media platforms. Mega influencers are considered as celebrities and most of them gained their popularity through appearance in movies, web series, T.V. shows, sports and music albums. From past few years many social media users also became mega influencers through their social media posts which consist of YouTubers, Instagrammers, TikTokers etc. Due to large fanbase or followers of mega influencers only big brands approach them as they charge very high for their posts.

b) Macro Influencers

Macro influencers are the influencers having 50k to 1M followers on their social media. These influencers are easy to approach compared to mega influencers and also the optimal choices of companies as they charge less than mega influencers with a large coverage of followers. They become an essential asset for the company to spread awareness about their products. However, macro influencers are found doing influencing fraud more than any other category.

c) Micro Influencers

Micro influencers are normal ordinary individuals who have gotten known for their insight about some expert specialty. All things considered; they have generally acquired many social media following among that specialty. The size of their followers can be between 1k to 50k. It can be possible that the micro influencers may not have any idea about the existence of a company and their product before it approaches them. Micro influencers are more popular among the Generation Z and are also considered as future influencers.

d) Nano Influencers

The most up to date influencer-type to acquire acknowledgment is the nano-influencer. These individuals just have few followers, yet they will in general be specialists in an exceptionally specific field. The size of their followers can be 1000 or may be below it but the potential and knowledge they hold make them so effective. They are the cheapest from above all and have a very small size in terms of followers but their numbers in the market is very high.

2. By the type of Content



“Content is the Key”

a) Bloggers

Bloggers share most dynamic and authentic relationships with their followers and fans. Publishing content to a blog has been associated with influencer showcasing for quite a while. There are numerous profoundly persuasive websites on the web. On the off chance that a mainstream blogger emphatically refers to a product in a post, it can prompt the blogger's fans or followers needing to purchase the product. Numerous bloggers have developed sizeable followings in explicit areas. For example, there are profoundly compelling websites about self-awareness, wellbeing, childrearing, music, and numerous different themes, including publishing content to a blog itself.

If a blog is enormous, influential and powerful enough, you might have the option to purchase a supported post on their webpage. This permits you to either compose a post yourself or vigorously impact the blogger to compose a post for your benefit.

b) YouTubers

YouTubers are the users of YouTube a video streaming and sharing platform who have gained their followers in the term of *Subscribers* through their videos. The genre of video can be differed but if the video is liked by the users the creator and the featured person along with the video gets viral and famous. YouTubers are hired by brands to feature their products in their videos and get paid by the company for it.

c) Podcasters

Podcasting is a generally ongoing type of online content that is filling in popularity. It has made many commonly recognized names now. Podcasters releases audio based digital files that can be downloaded and streamed. Companies hires popular podcasters to mention their products in their podcasts.

d) Social Post (Instagram, Facebook, Pinterest etc)

Social post can be done by any user of social media platforms so thus the youtubers, podcasters, bloggers, and other content creators. But to gain popularity through their specific platforms can limit their fan base or followers. To expand their followings, they also use other social media sites and platforms to interact with their audiences. They use Facebook, Instagram, Snapchat, and other social media platforms to interact with their audiences with as a result increase their followings among the users of that platforms.

The post they make in these platforms grabs the attention of users of that platform and seeing this as an opportunity, marketers pay influencers to make a post with their or about their products to increase the reach and engagement.

3. Celebrities

Celebrities are considered as the original influencers. Their popularity sometimes goes out of the limit and has the highest potential to manipulate their fans. Movie stars, Pop stars, and Sportspersons are considered as highly valuable influencers for a brand. They charge a huge amount for their single post on their social media accounts and captures a huge number of consumers for the company.

The Rock ranks as Instagram's 'most valuable star'

© 2 July 2020



Dwayne "The Rock" Johnson has topped Instagram's rich list as the celebrity thought to be able to charge more than any one else for a sponsored post.



1.4 Key Attributes of Social Media Influencers



a) Authenticity

Being authentic and genuine is the most important attribute of an influencer. No one wants to follow a person who portrays a fake persona. The relationship which is built between an influencer and a follower is based upon trust. An influencer is like an idol to their followers and no one would want their idol to be an inauthentic person. An influencer can drive their followers to do something they tell them to do and falling into a fake and unethical activity is the only thing followers would like to avoid.



b) Likability

An influencer with a positive mindset and body language is always likable among his followers. A great influencer must be liked by everyone inside and outside his specific platform. A likable influencer is not made overnight. It takes years to get likable with a great consistency. And a likable influencer is always a profitable asset for marketers.



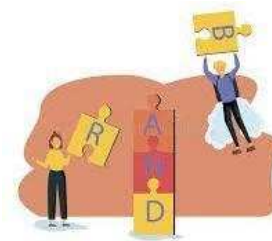
c) Engagement

An influencer without any engagement is like an empty kettle of tea. Engaging with the followers is an attribute of a good influencer. Followers are always keen to get in touch with their influencers through social media and always look for an opportunity to interact with their idols. Lack of engagement can cause losing in number of followers.



d) Authority

Authority helps the influencers to influence and make the followers listen to them. The accuracy and knowledge of the messages conveyed by influencers are driven by their authority makes the followers to believe them. Handling a huge number of followers is not a cup of tea thus authority of the influencers helps them to take control over the followers and influence them according to them.



e) Great Brand Persona

A good influencer is always presentable in front of their followers. Thus, marketers use them as a representative of their brand. The way they present themselves with brand they wear and collaborate with drive the intention of their followers to purchase those brands. A good influencer has a great brand persona as they always appear in branded apparels and products.



f) Visibility

Visibility is the attribute in which bigger audiences are cover. They are always visible and presentable most of the time in front of their followers. They have a great sense of time that when they have to post a content to create and capture larger audiences at a time.



g) Marketing Mind

A good influencer always has marketing on his mind and knows how to market themselves to cover larger audience and also retain their followers. They don't only take pay cheques to earn money but has a full knowledge about the products they promote in social media.

CHAPTER 2

OBJECTIVES OF THE STUDY

2. OBJECTIVES OF THE STUDY

- To identify consumer perception towards the utility of products promoted by social media influencers.
- To analyze consumer's experience with the products recommended by social media influencers.
- To study consumer perception towards influencer marketing in social media platforms.
- To know what kind of social influencers, influence the consumers more to purchase the product.

CHAPTER 3

LITERATURE REVIEW

3. LITERATURE REVIEW

Liselot Hudders, Steffi De Jans & Marijke De Veirman, Belgium (2020), with the help of the theoretical framework of Stern's Revised Communication Model for Advertising and 154 respondents stated that influencer's effectiveness is impacted by the content and source of message they promote with a good storytelling skill to connect with the consumers which is an essential part of influencer marketing.

According to Collin Campbell & Justine Rapp Farrell, San Diego (2020), the influencers are identified by 3 different components i.e., endorser, followers or audience and the manager of their social media handles. The interplay of these components describes their power to influence and potential as marketing tool by conducting relevant research to strategically analyse each component.

Agafa Daniel, Finland (2020), in her study stated that the explanation for influencer proficiency is their capacity to easily cooperate with their supporters, bringing about making an entirely relatable, dependable and agreeable picture, either by deliberately attempting to make that sort of picture or by naturally making it. The consumer's viewpoint towards influencers and influencer showcasing is very certain, even people who don't follow influencers via social media, don't consider paid to be as a contrary component, and notwithstanding a dominant part of respondents would at any rate consider purchasing an item or administration through a miniature influencer.

Karina Dogra, Vienna (2019), did a comparative study between Millennial and Gen Z in the terms of brand loyalty influenced by influencer marketing. In her study, she stated that the promotions done by influencer affects the brand reliability of corrective brands; in any case, there is no distinction in the effect on both Generation Z and Millennial. SPSS IBM tool was used in which independent t-test and general regression model test were done.

According to Felicia Kalu, Ireland (2019), recent male college grads are not familiar with conventional advertising. It was affirmed that the visual content bid them via social media and their favoured social media platform is Instagram. The actual appearance of a social media influencer is the critical elements that impact an Irish male millennial insight and conduct towards a social media influencer.

C. Jaya Vinoth, Dr. V. Ramesh Kuma, Thanjavur (2019), their research was conducted in the town of Vallam with 200 respondents to analyse customer's attitude towards social media marketing in rural areas. With the help of descriptive and percentage analysis they found that the techniques of marketing used by marketers using influencers in social media plays an important role in attracting the rural customers to buy the product.

Yi Xuan Ong & Naoya Ito, Singapore (2019), did a study on word-of-mouth effectiveness of marketing done by social media influencers in the tourism industry of Singapore under Hokkaido Tourism Organization. Using Structural Equation Method and factor analysis they found that the attitude of consumers and changes in it is the impact of social media influencer marketing which led the consumers' travelling intentions and also their will to do word of mouth for the organization.

Ndinatsei Nathalie Mumbengegwi, Johannesburg (2019), conducted a research to comprehend the advertisement's impact created by influencers on consumer-based brand value and explore shopper's eagerness to post client created content. The researcher found that, there is an affiliation mirroring that influencer promoting positively affects buyer-based brand value and deep connections between influencer advertising and buyers' eagerness to posting brand advancing substance via web-based media. The sample size of 228 was analysed with the help of ANOVA test.

Sophia van Dam & Eva A. van Reijmersdal, Amsterdam (2019), conducted a study on perception, behaviour and advertising literacy of adolescents on influencer's promotion videos on social media platforms where they found that youths are tolerating sponsorships and show sympathy toward the influencers as opposed to having a basic viewpoint. When a revelation upsets the equilibrium, teenagers report opposition and negative brand assessments. The hypothetical comprehension of teenagers' promoting education of video influencer showcasing and give viable rules to building up revelation strategies.

KÁDEKOVÁ, Zdenka; HOLIENČINOVÁ, Mária, Slovak Republic (2018), conducted a research using Dunn's Test of Contrasts, Kruskal-Wallis Test, Fisher's Exact Test and Kolmogorov-Smirnov Test with a sample size of 459 respondents. According to the study there are critical contrasts between the purchaser of X and Y age groups in the territory of effect of influencers on shopper conduct, which prompts distinctive showcasing opportunities in the market.

According to Vaibhavi Nandagiri, Bengaluru (2018), the positive work of a influencer do affect the followers, as the followers sees that the influencer is a credible source and in this way are happy to evaluate the items recommended by them. The influencer additionally notices positive reaction from both the brands they underwrite and from their followers. Sample size chose by her was 100 respondents between 18-21 years of age group.

Monique van Staden and Luzelle van Niekerk, SAMRA (2018), in their study, evaluation of influencer marketing effectiveness in social media found that a brand message will be received if there is a self-brand association which comes from commitment with credible influencers on themes that issue, straightforwardly affecting the general choice solace and consumer loyalty. The sample size taken was 323 and analysed by exploratory factor analysis.

According to Mayank Yadav & Zillur Rehman (2017), the consumers utilize social media to gather information about favoured items with the best value alternatives. They developed a 15 item and 5-dimensional scale in order to measure the perceived Social Media Marketing Activities. Their study revealed that the consumers get influenced positively to purchase by perceived social media marketing activities.

According to Xin Jean, Aifa Rozaini, Jun-Hwa & Mun Wai, Malaysia (2017), the consumers' intention of purchase is driven by influencers' credibility, attractiveness and match up with the products they are associated with. In their study using PLS-SEM technique with 200 respondents, they found due to lack of expertise and improper knowledge of the products they endorsed resulted in the insignificant relationship between the credibility of influencers and the purchase intentions of the consumers.

Ida Kristin Johansen & Camilla Sveberg Guldvik, Norway (2017), conducted a research with 180 respondents to understand how customer's buying intentions are influenced by influencer marketing. According to the findings Influencer promoting emphatically impacts attitude of customers and has no impact on buyer "emotional standard". In any case, more shockingly the outcomes show that influencer promoting has no immediate impact on shoppers buy expectation.

According to Kayleigh E. Burke, Virginia (2017), Instagram has emerged as a potential platform for marketers to connect with the consumers. She conducted a research with a sample size of 151 respondents where she found that the post made by influencers on Instagram and perception of their followers towards the product has a significant relationship with self-congruity and comparison towards the social media influencers correlated to each other.

According to Lennart A. Braatz, Netherland (2017), Influencers can utilize two-sided messages to keep up their dependability while organizations have an interest in the utilization of uneven messages to expand buy aims. Consumers appear to search for the ideal item and react ideal towards messages depicting an item all things considered. Despite the fact that uneven messages make them doubtful, they react with higher buy expectations to it.

According to M.C.B. Guruge, Sri Lanka (2017), Social media influencers just influence their reliable followers or whether they likewise influence the bigger public requirements inside and out assessment. The attributes identified with viable influencer promoting were distinguished from various viewpoints.

According to Nausherwan Raunaque, Md. Zeeshan & Md. Azam Imam (2016), the main factor that prevents the consumers shopping online is trust issues Consumers were found insecure about their privacy and lack of protection policies for consumers. Online payment system was also found a matter of concern among the consumers. They suggested that online e-commerce companies should address the concerns of consumers and make such regulations that could solve the insecurities of the consumers.

According to Sally Dunlop, Becky Freeman & Sandra C. Jones, Australia (2016), The close omnipresent utilization of social media among teenagers and grown-ups makes openings for both corporate brands and wellbeing advancement organizations to target and draw in with youth remarkably. In their study they investigate arising proof about the degree of exposure to promoting of hurtful items on Instagram, Twitter, YouTube, and Facebook and through other online platforms and expected exposure on juvenile wellbeing.

Kassoway (2015), People follow influencers' lives in social media, and through the right execution the influencer marketing seems like a natural part of their lives rather than advertising, which is usually even. Influencers posting about brands and products in their social media are usually seen as fellow online media users by their followers and fan base, there by the message of the brands are seen as more credible and trustworthy.

According to Wong (2014), Influencer marketing can freely be characterized as a marketing form that distinguishes and targets people with impact over potential buyers. However, having an impact is unmistakably more than having a lot of followers. It is about the connection between the influencer and his or her followers and the expertise and credibility of the influencer.

According to Safko and Brake (2009), Social media is a worldwide phenomenon which encompasses all of the communications between people online all the ways they participate in and share information, knowledge, and opinions while using internet-based applications to communicate.

CHAPTER-4

RESEARCH METHDOLOGY

4. RESEARCH METHODOLOGY

4.1 Research Methodology

Research methodology is a process used for making decisions by collecting, analyzing, and interpreting data. The methodology may include interviews, public research, surveys, and other techniques for research and could include both present and historical information.

1) Primary Data

The essential information is gathered through a questionnaire designed with the help of Google Forms and sent to social media users to collect the data from their individual experiences. The questionnaire was kept formal and simple and designed in English.

2) Secondary Data

The secondary information is gathered from online articles, books, websites, records, previous reports, and research.

4.2 Sampling Method

The sampling unit is the unit into which an aggregate is divided for sampling purposes, each unit and response is considered as an individual.

- The sampling method used in this research is Snowball sampling.

4.3 Snowball Sampling

Snowball Sampling can be defined as a technique of nonprobability sampling in which the targeted samples help in recruiting new samples.

4.4 Sample Size

Sample size can be defined as inferences to reference a population for a sample.

- The sample size taken for the research was 210.

4.5 Target Samples

- In the research the target samples are the users of social media in the city of Delhi.

4.6 Sampling Tool

- The tool used for data collection was Google Forms.

4.7 Analyzing Tool

- The tool used for analyzing the data was SPSS/EXCEL Tool and the technique used was descriptive analysis.

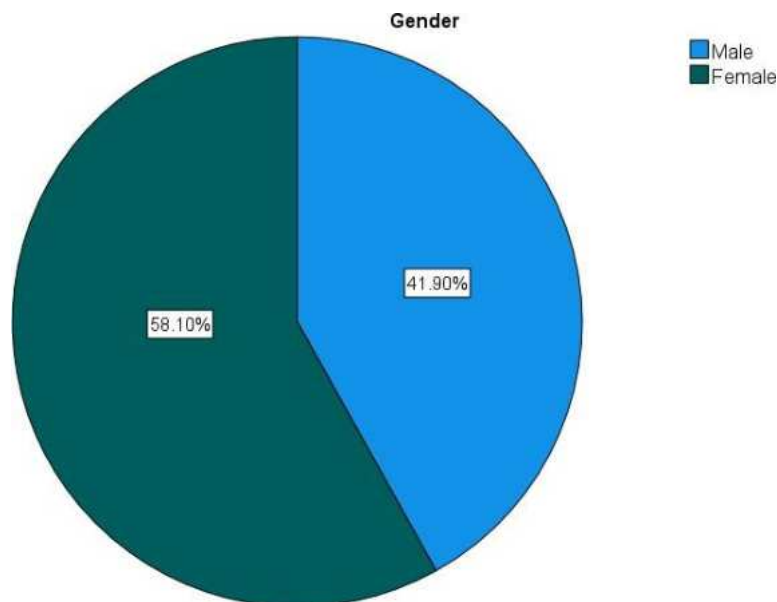
CHAPTER- 5
DATA ANALYSIS AND INTERPRETATION

5. DATA ANALYSIS AND INTERPRETATION

1. Gender

Table 1. Gender				
	Frequency	Percent	Valid Percent	Cumulative Percent
Male	88	41.9	41.9	41.9
Female	122	58.1	58.1	100.0
Total	210	100.0	100.0	

Fig.1



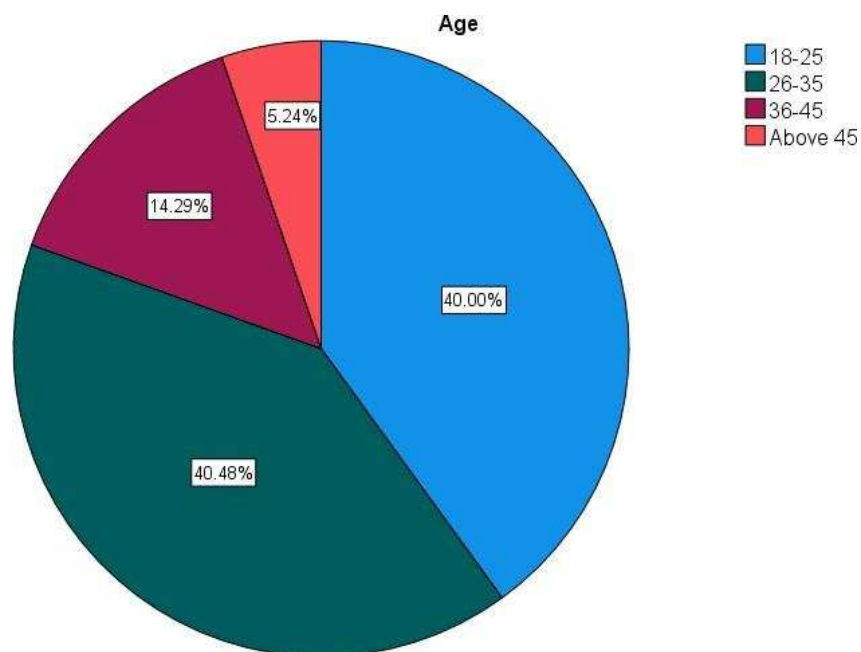
Interpretation-

- According to the analysis most of the respondents were female i.e., 58.10% whereas male respondents were 41.90%.
- Male - 88 out of 210 respondents
Female – 122 out of 210 respondents

2. Age

Table 2. Age				
	Frequency	Percent	Valid Percent	Cumulative Percent
18-25	84	40.0	40.0	40.0
26-35	85	40.5	40.5	80.5
36-45	30	14.3	14.3	94.8
Above 45	11	5.2	5.2	100.0
Total	210	100.0	100.0	

Fig. 2



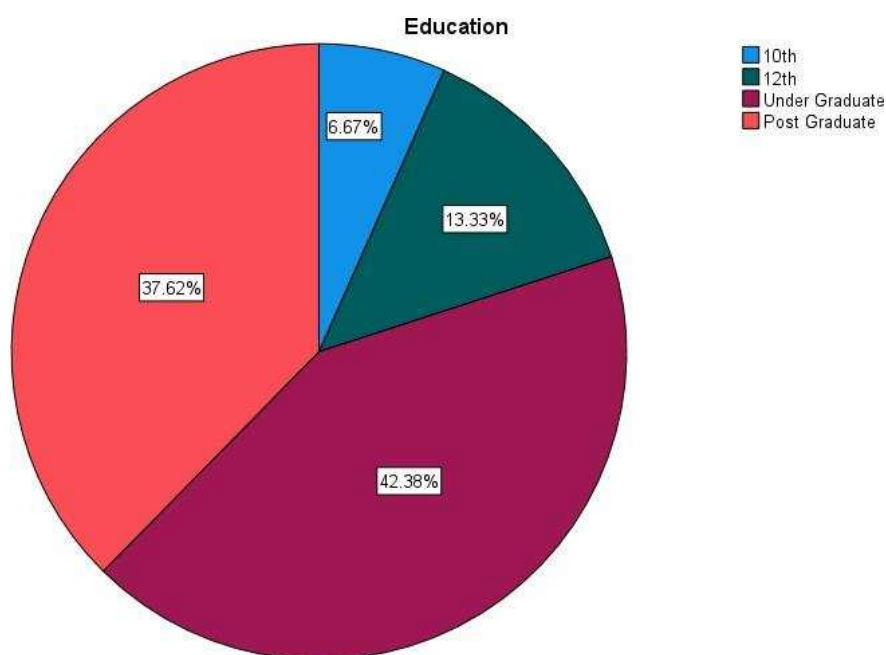
Interpretation

- Most of the respondents were found between the age group of 26-35 40.5% and 18-25 i.e., 40%.
- Followed by 36-45 (14.29%).
- Respondents above the age group of 45 years were 5.2%

3. Education

Table 3. Education				
	Frequency	Percent	Valid Percent	Cumulative Percent
10th	14	6.7	6.7	6.7
12th	28	13.3	13.3	20.0
Undergraduate	89	42.4	42.4	62.4
Postgraduate	79	37.6	37.6	100.0
Total	210	100.0	100.0	

Fig. 3

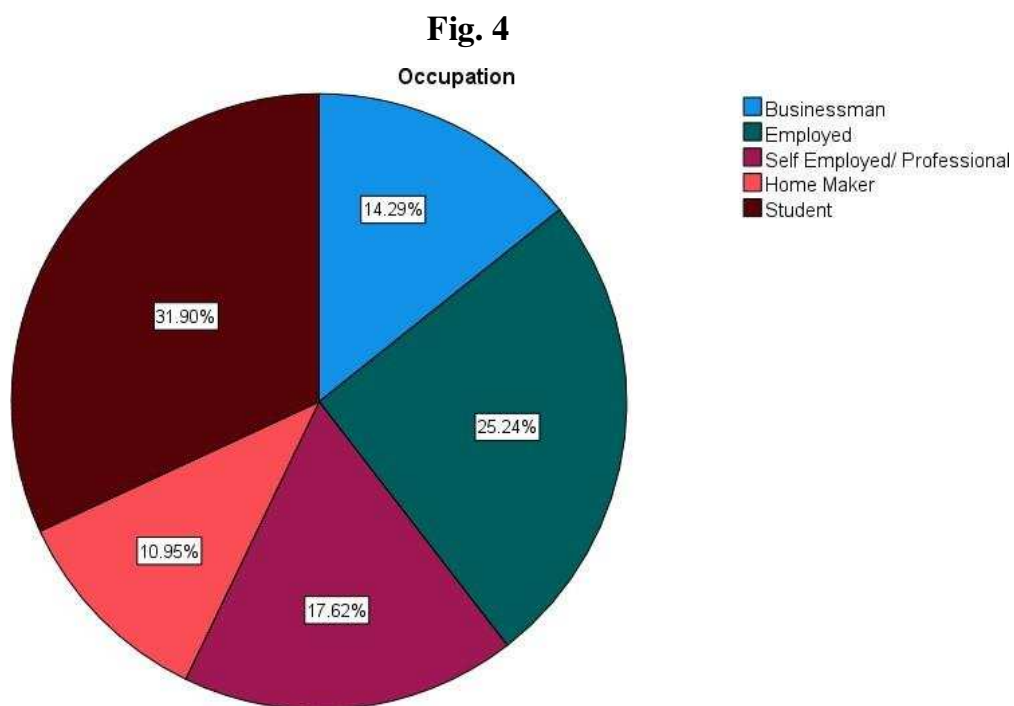


Interpretation-

- Most of the respondents were undergraduates (42.4%).
- Followed by postgraduates (37.6%)
- 12th (13.3%) and 10th (6.7%)

4. Occupation

Table 4. Occupation				
	Frequency	Percent	Valid Percent	Cumulative Percent
Businessman	30	14.3	14.3	14.3
Employed	53	25.2	25.2	39.5
Self Employed/ Professional	37	17.6	17.6	57.1
Home Maker	23	11.0	11.0	68.1
Student	67	31.9	31.9	100.0
Total	210	100.0	100.0	



Implementation-

- Acc. to the above analysis most of the respondents were students (31.9%)
- Followed by respondents who were employed (25.2%), self-employed/ professional (17.6%) and businessman (14.3%)
- Least of the respondents were home makers with (11%)

5. Do you use social media apps/websites?

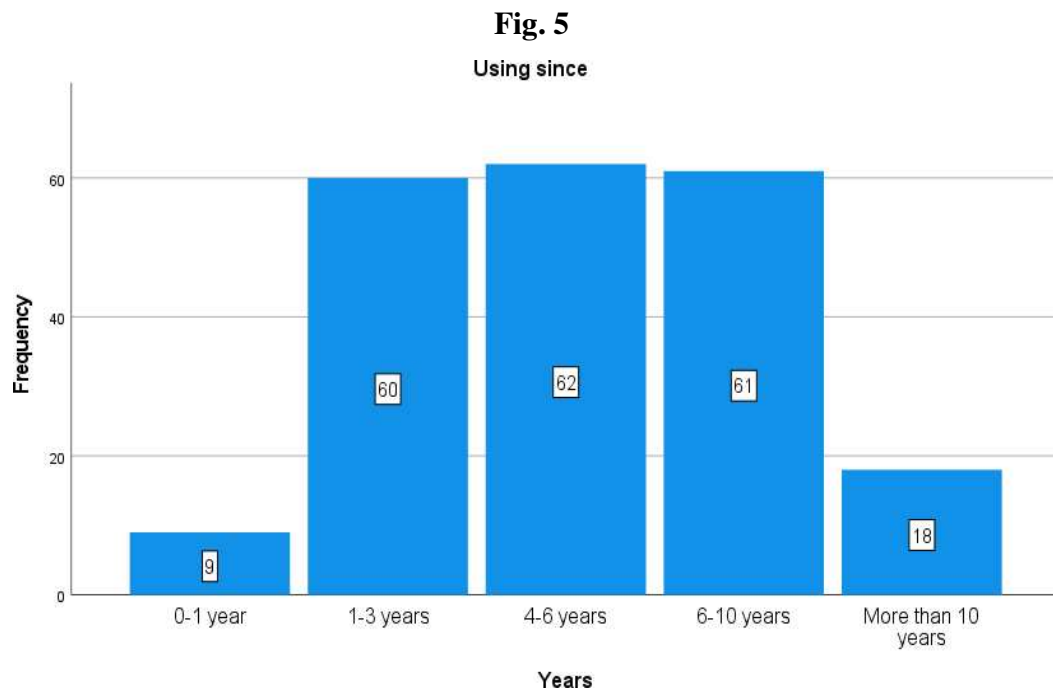
Table 5. Users				
	Frequency	Percent	Valid Percent	Cumulative Percent
Yes	210	100	100	100
No	0	0	0	100.0
Total	210	100.0	100.0	

Interpretation-

- All the respondents were aware of social media websites and users.
- As they were the target samples for the research.

6. How long have you been using social media websites/applications?

Table 6. Using since				
	Frequency	Percent	Valid Percent	Cumulative Percent
0-1 year	9	4.3	4.3	4.3
1-3 years	60	28.6	28.7	33.0
4-6 years	61	29.0	29.2	62.2
6-10 years	62	29.0	29.2	91.4
More than 10 years	18	8.6	8.6	100.0
Total	210	100	100.0	
Total	210	100.0		



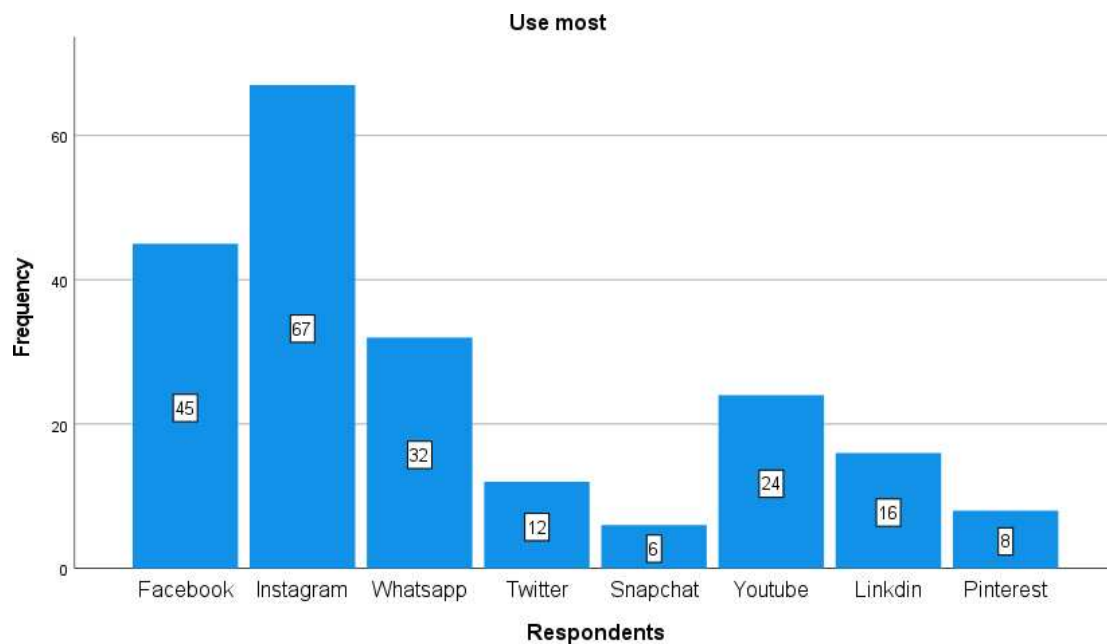
Interpretation

- Most of the respondents were found using social media since last 6-10 years (62 respondents)
- Followed by respondents using social media since last 4-6 years (61), 1-3 years (60) and users of more than 10 years (18).
- Least respondents were found using social media since last 0-1 year.

7. Which social media websites/applications you use the most?

Table 7. Use most					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Facebook	45	21.4	21.4	21.4
	Instagram	67	31.9	31.9	53.3
	WhatsApp	32	15.2	15.2	68.6
	Twitter	12	5.7	5.7	74.3
	Snapchat	6	2.9	2.9	77.1
	YouTube	24	11.4	11.4	88.6
	LinkedIn	16	7.6	7.6	96.2
	Pinterest	8	3.8	3.8	100.0
	Total	210	100.0	100.0	

Fig. 6



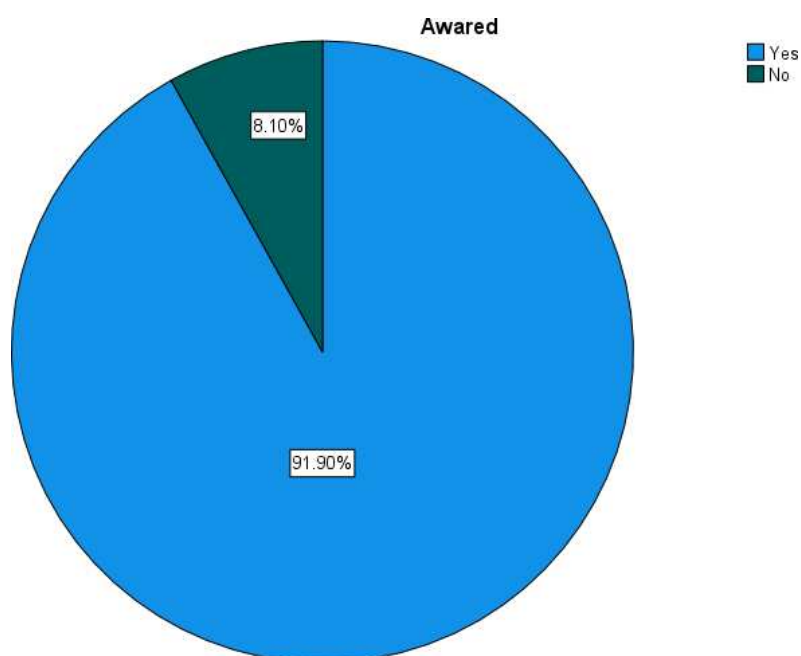
Interpretation

- Out of 210 respondents most of them were found using Instagram mostly (57 respondents).
- Followed by Facebook (45), WhatsApp (32) and YouTube (24).
- Where, least of the respondents were found using Snapchat (6), Pinterest (8), Twitter and LinkedIn (16) mostly

8. Are you aware of social media influencers?

Table 8. Aware of social media influencers					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	193	91.9	91.9	91.9
	No	17	8.1	8.1	100.0
	Total	210	100.0	100.0	

Fig. 7



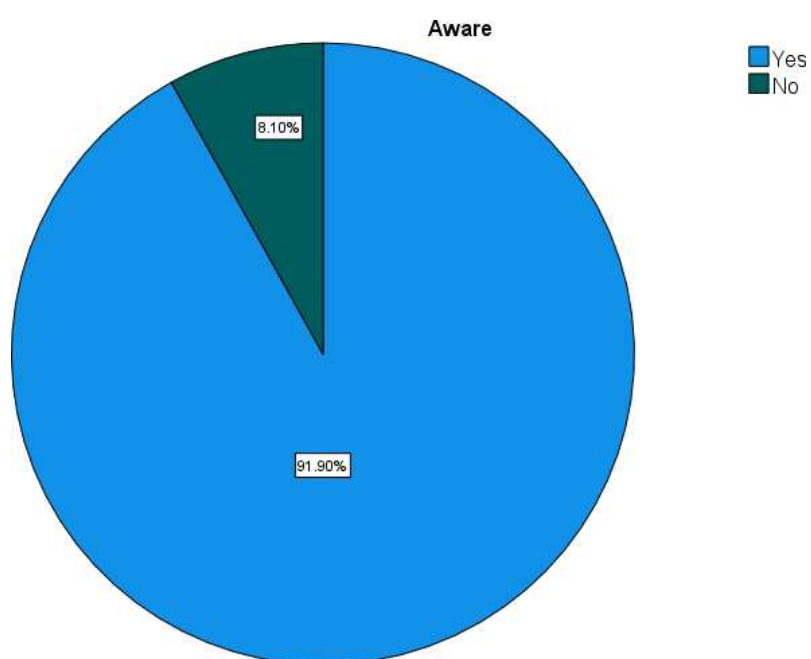
Interpretation-

- Acc. to the above data 91.90% of respondents were aware about social media influencers.
- Whereas 8.10% respondents were not aware about social media influencers.

9. Are you aware of the products promoted by social media influencers?

Table 9. Aware of promoted products					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	193	91.9	91.9	91.9
	No	17	8.1	8.1	100.0
	Total	210	100.0	100.0	

Fig. 8



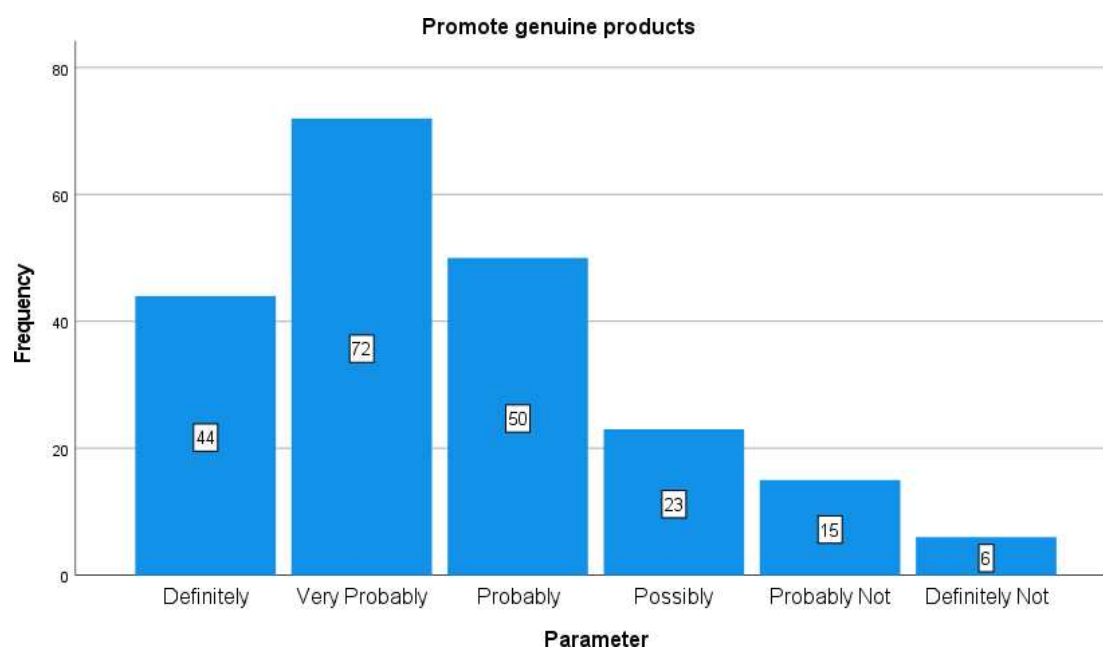
Interpretation-

- Out of 210 respondents 193 respondents (91.90%) were aware about products promoted by social media influencers.
- 8.10% respondents were unaware.

10. How likely do you think social media influencers promote genuine products?

Table 10. Promote genuine products					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Definitely	44	21.0	21.0	21.0
	Very Probably	72	34.3	34.3	55.2
	Probably	50	23.8	23.8	79.0
	Possibly	23	11.0	11.0	90.0
	Probably Not	15	7.1	7.1	97.1
	Definitely Not	6	2.9	2.9	100.0
	Total	210	100.0	100.0	

Fig. 9



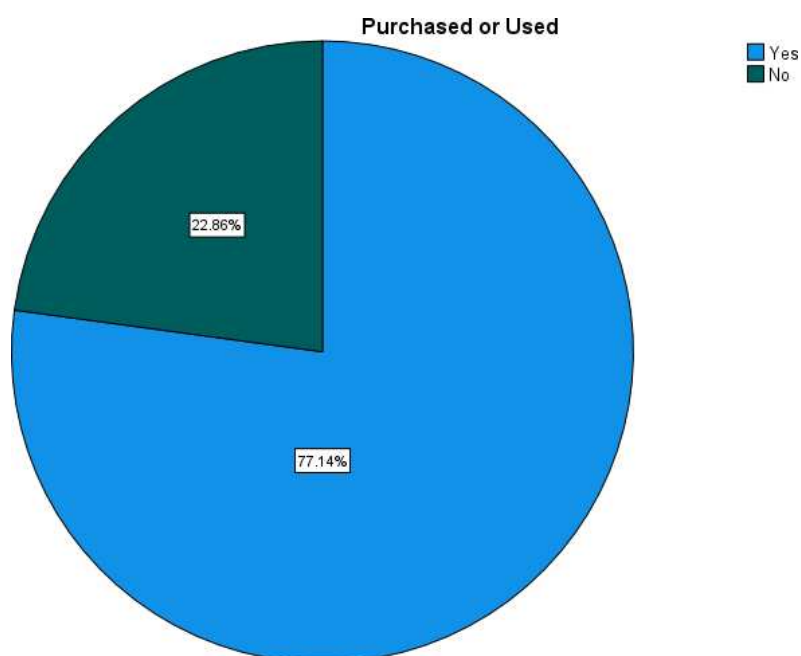
Interpretation-

- Most of the respondents were found responding Very Probably (72).
- Followed by respondents responding (Probably 50), Definitely (44), Possibly (23).
- Whereas 6 respondents responded definitely not and 15 responded 15.

11. Have you ever purchased or used any products recommended by social media influencers?

Table 11. Used					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	162	77.1	77.1	77.1
	No	48	22.9	22.9	100.0
	Total	210	100.0	100.0	

Fig. 10



Interpretation-

- Out of 210 respondents 162 (77.1%) responded Yes.
- Whereas 48 respondents (22.9%) responded No.

12. What was the last product you purchased or used recommended by social media influencers?

Table 12. Last purchased/ used product					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Beauty Product	69	32.9	43.4	43.4
	Health Care Product	28	13.3	17.6	61.0
	Food & Beverages	21	10.0	13.2	74.2
	Apparels	19	9.0	11.9	86.2
	Lifestyle Products	22	10.5	13.8	100.0
	Total	159	75.7	100.0	
Non-Users & Other		51	24.3		
Total		210	100.0		

Fig. 11

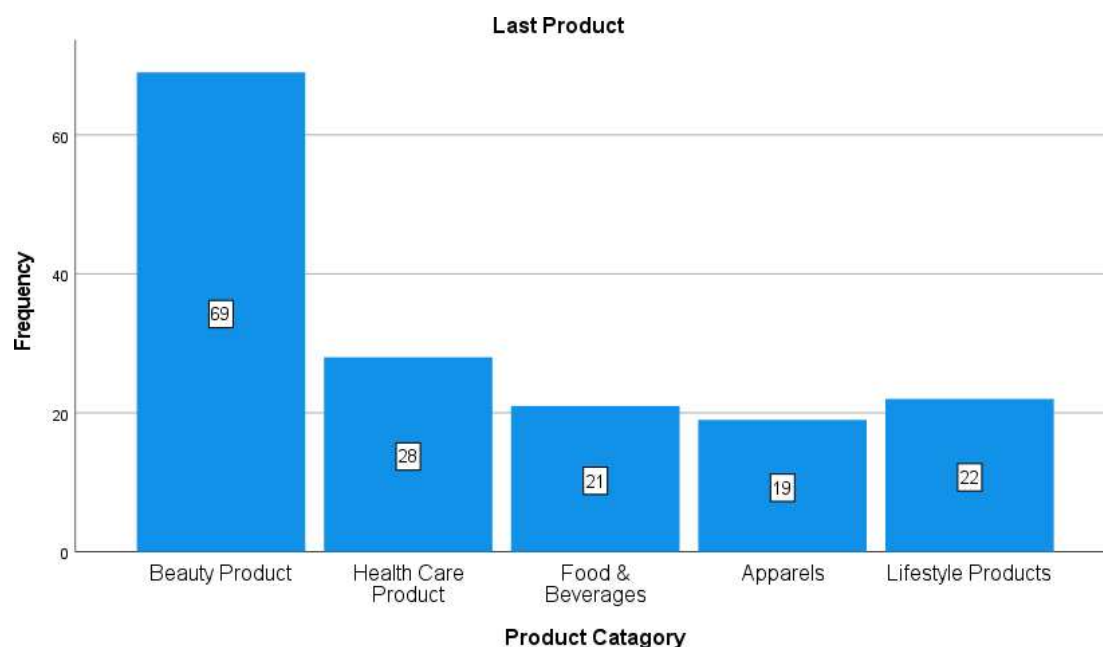


Table 13. Other last products					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid		207	98.6	98.6	98.6
	Electronic products	1	.5	.5	99.0
	Electronics	1	.5	.5	99.5
	Headphones	1	.5	.5	100.0
	Total	210	100.0	100.0	

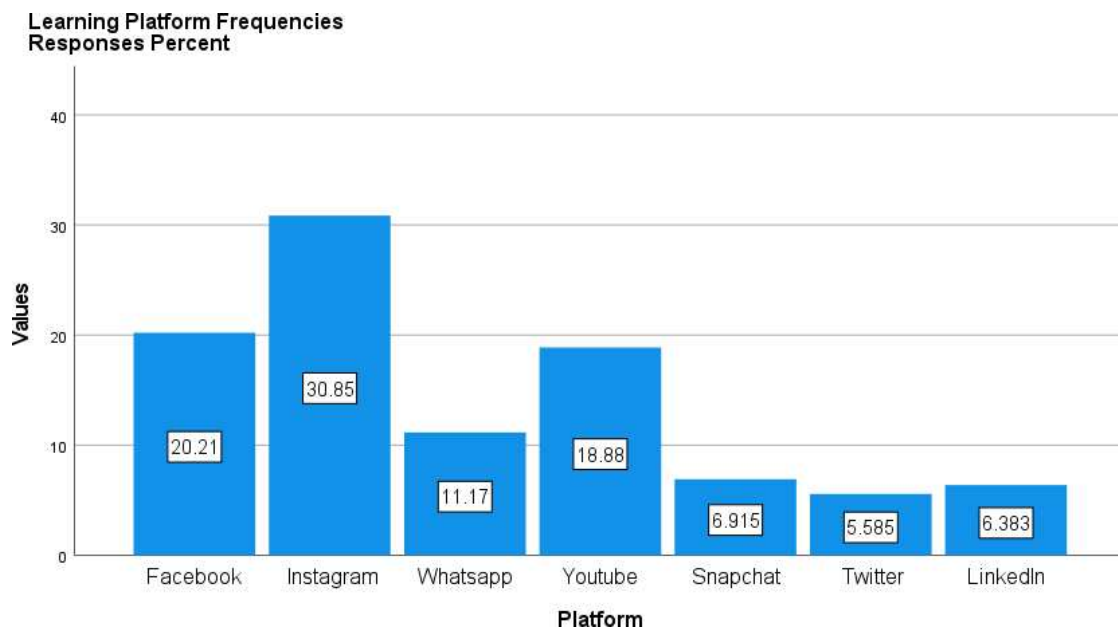
Interpretation-

- Most of the respondent's last used or purchased product were Beauty products (69 respondents).
- Followed by Health Care Products (28 respondents), Life Style Products (22 respondents) and Food & Beverages with (21 respondents).
- Whereas least purchased products were Apparels with 19 respondents.
- 3 respondents were found purchasing or using other products lastly.
- The products were – Electronics and headphones which comes under lifestyle product category.

13. From which platform did you learn about the products?

Table14. Learning Platform Frequencies			
		Responses	
		N	Percent
Where did you learn about the product?	Facebook	76	20.2%
	Instagram	116	30.9%
	WhatsApp	42	11.2%
	YouTube	71	18.9%
	Snapchat	26	6.9%
	Twitter	21	5.6%
	LinkedIn	24	6.4%
Total		376	100.0%

Fig. 12



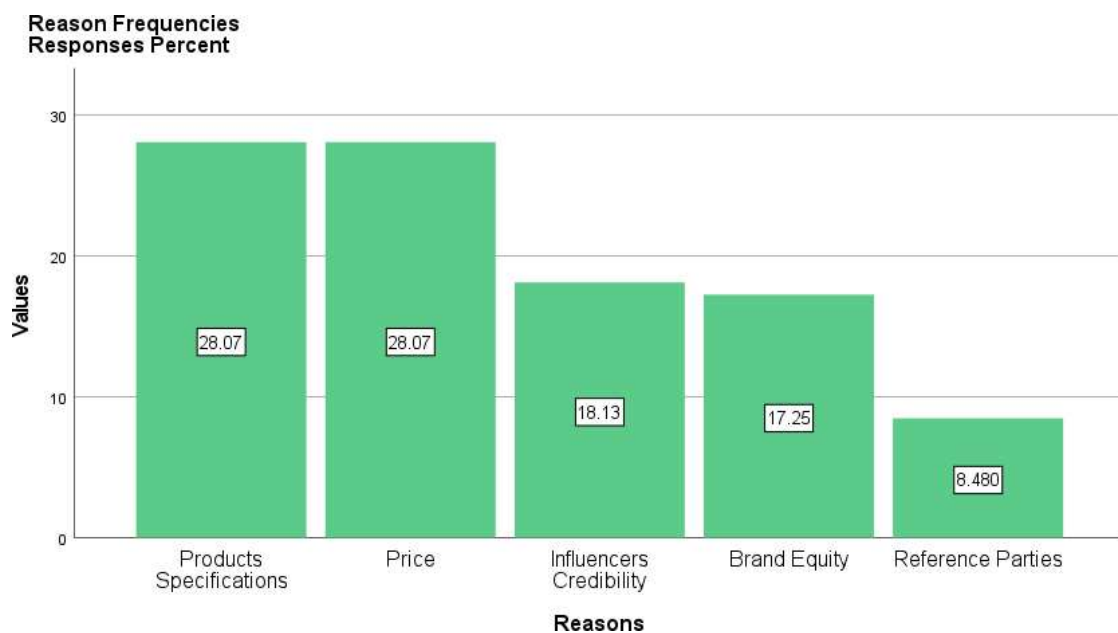
Interpretation

- Most of the respondents learn about the products they purchased from Instagram (30.9%)
- Followed by Facebook (20.2%), YouTube (18.9%), WhatsApp (11.2%)
- Least responses for learning platforms were for Twitter (5.6%).

14. What made you purchase or use the product?

Table 15. Reason Frequencies				
		Responses		Percent of Cases
		N	Percent	
Reason of Purchase	Products Specifications	96	28.1%	100.0%
	Price	96	28.1%	100.0%
	Influencer's Credibility	62	18.1%	64.6%
	Brand Equity	59	17.3%	61.5%
	Reference Parties	29	8.5%	30.2%
Total		342	100.0%	356.3%

Fig. 13

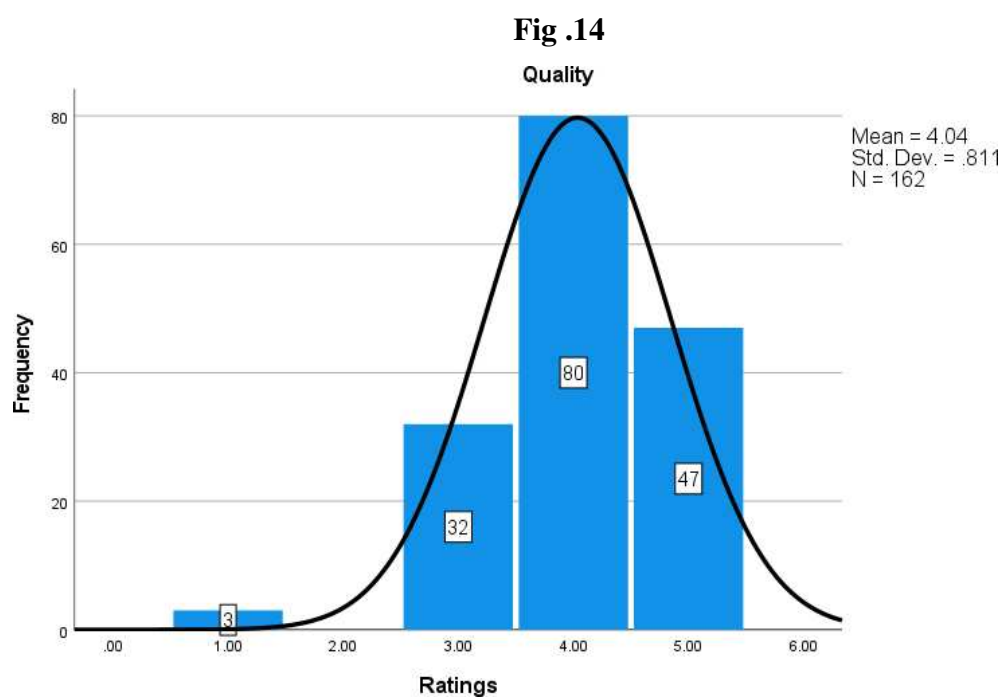


Interpretation-

- Most responded reasons for the purchase of the products were Product's specifications and Price with 28.1% of respondents each.
- Followed by Influencer's Credibility with 18.1% and Brand Equity with 17.3%
- Reference Parties got least responses as the reason of purchase with 8.5%.

15. Rate the product you purchased or used recommended by social media influencers.

Table 16. Quality					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Worst	3	1.4	1.9	1.9
	Good	32	15.2	19.8	21.6
	Very Good	80	38.1	49.4	71.0
	Excellent	47	22.4	29.0	100.0
	Total	162	77.1	100.0	
	48	22.9			
Non-Users		210	100.0		

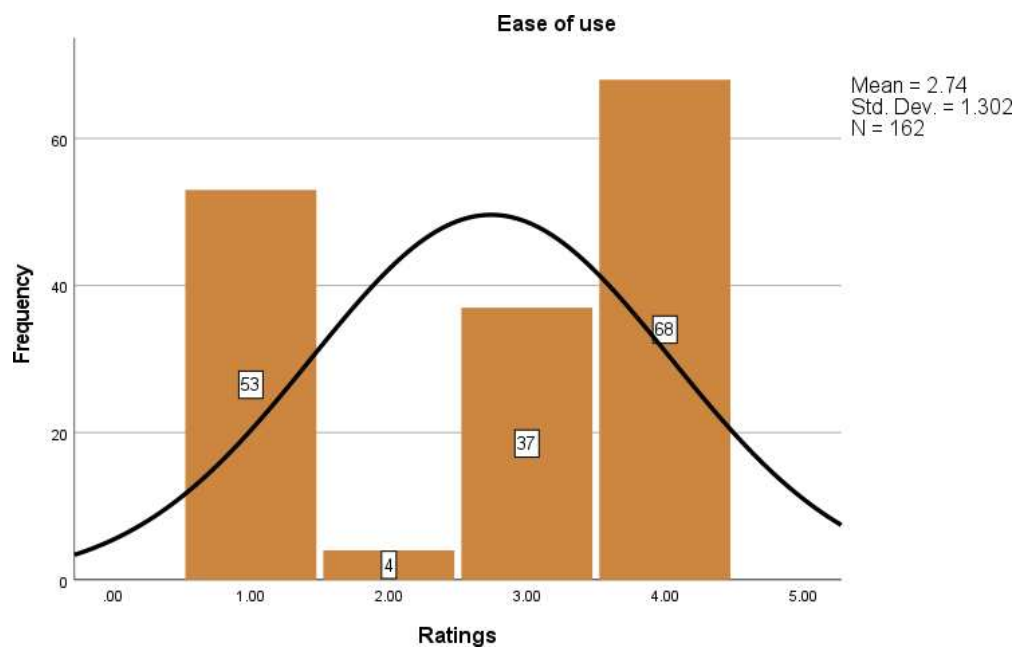


Interpretation-

- Most of the respondents rated the quality of the products 4 on the scale of 5.
- Only 3 respondents rated the products as Worst.
- The average ratings of 162 respondents is 4.04 out of 5.

Table 17. Ease of use					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Worst	53	25.2	32.7	32.7
	Poor	4	1.9	2.5	35.2
	Good	37	17.6	22.8	58.0
	Very Good	68	32.4	42.0	100.0
	Total	162	77.1	100.0	
Non-Users		48	22.9		
Total		210	100.0		

Fig.15

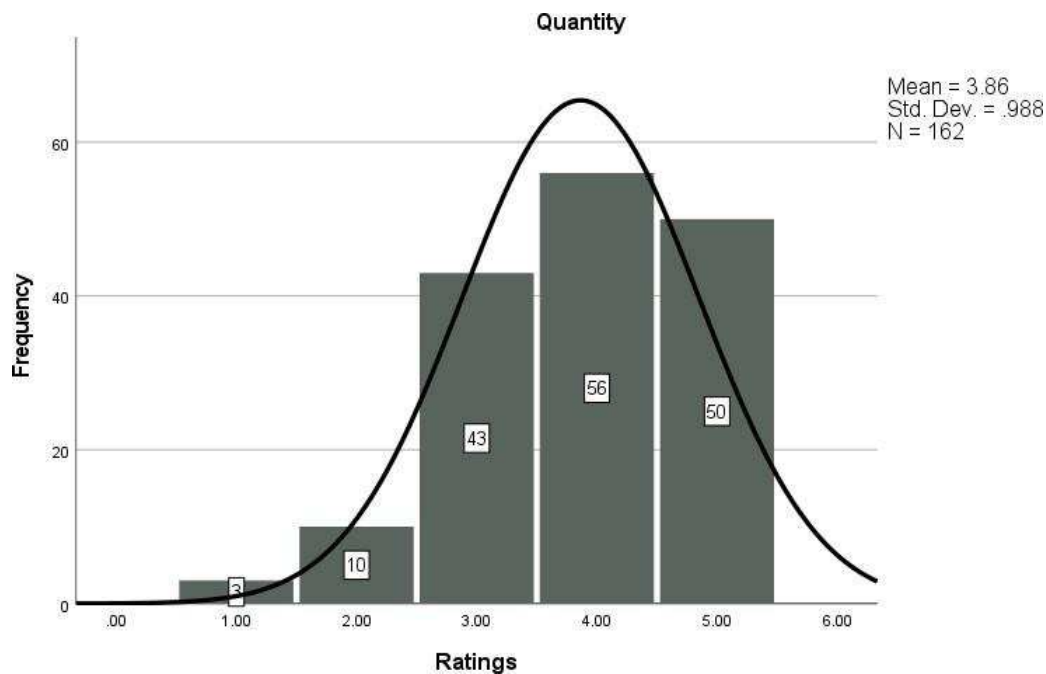


Interpretation-

- Out of 162 users a majority of them (32.4%) rated the ease of use of the products as 4 on the scale of 5.
- Followed by rating of 1(Worst) given by 25.2% of users.
- The overall rating of ease of use of the product is 2.74 out of 5.

Table 18. Quantity					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Worst	3	1.4	1.9	1.9
	Poor	10	4.8	6.2	8.0
	Good	43	20.5	26.5	34.6
	Very Good	56	26.7	34.6	69.1
	Excellent	50	23.8	30.9	100.0
	Total	162	77.1	100.0	
Non-Users		48	22.9		
Total		210	100.0		

Fig. 16

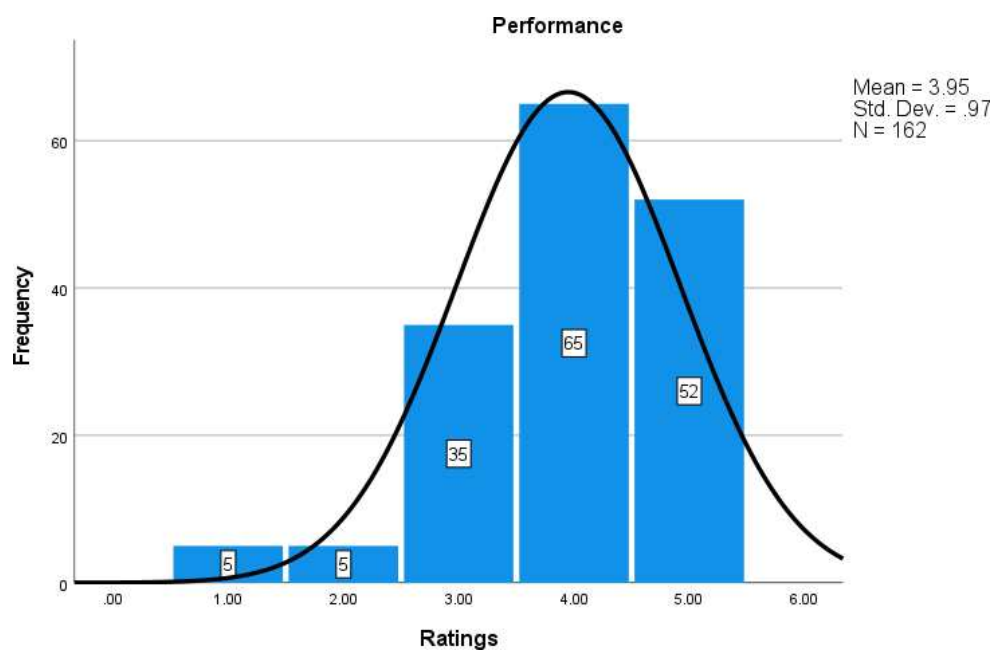


Interpretation-

- Most of the respondents (26.7%) were found giving the rating of 4 out of 5 to the quantity of the products.
- Followed by 5 out of 5 ratings with 23.8% respondents and 3 out of 5 ratings with 20.5% respondents.
- 4.8% respondents rated 2 out of 5 whereas 1.4% respondents rated 1 out of 5.
- The average ratings of the quantity of the product is 3.86 out of 5.

Table 19. Performance					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Worst	5	2.4	3.1	3.1
	Poor	5	2.4	3.1	6.2
	Good	35	16.7	21.6	27.8
	Very Good	65	31.0	40.1	67.9
	Excellent	52	24.8	32.1	100.0
	Total	162	77.1	100.0	
Non-Users		48	22.9		
Total		210	100.0		

Fig. 17

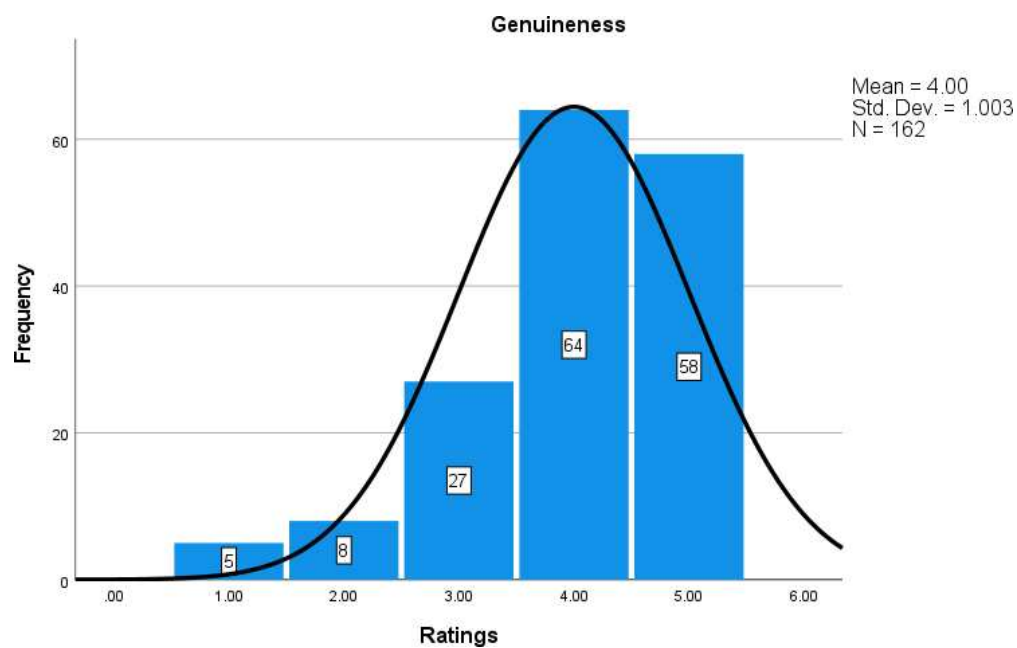


Interpretation-

- Most of the users rated the performance of the product as 4 on the scale of 5 (31%).
- Followed by 5 out of 5 (24.8%) whereas the least rated are both worst and poor with 2.4%.
- The overall ratings of the performance of the products are 3.95 out of 5.

Table 20. Genuineness					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Worst	5	2.4	3.1	3.1
	Poor	8	3.8	4.9	8.0
	Good	27	12.9	16.7	24.7
	Very Good	64	30.5	39.5	64.2
	Excellent	58	27.6	35.8	100.0
	Total	162	77.1	100.0	
Non-Users		48	22.9		
Total		210	100.0		

Fig. 18



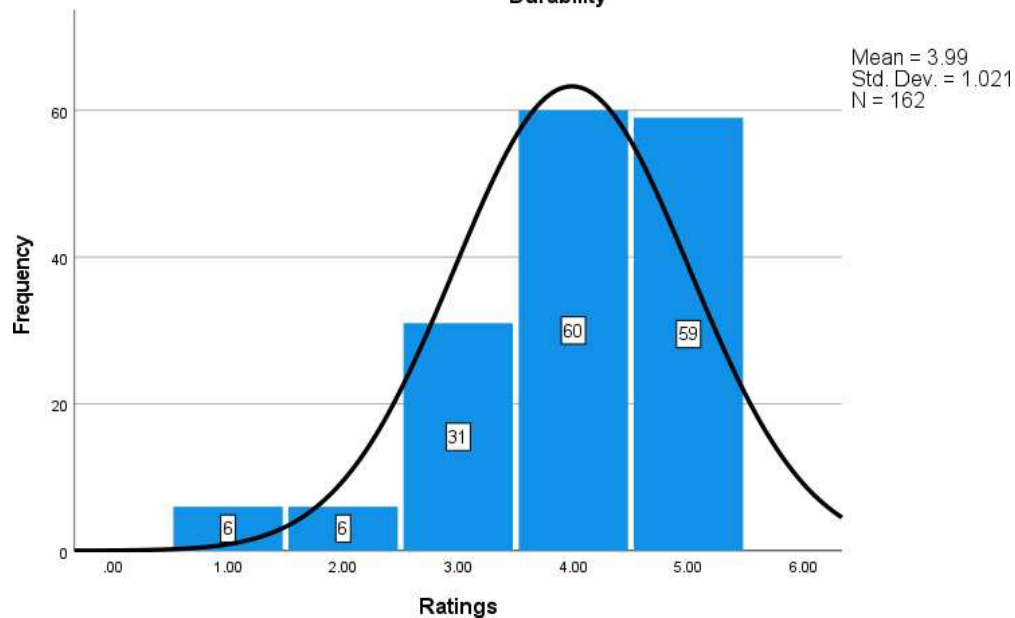
Interpretation-

- 30.5% users rated the genuineness of the product as 4 on the scale of 5.
- 27.6 % rated 5 out of 5, 12.9 rated 3 out of 5, 3.8% rated 2 out of 5 and 2.4% users rated 1 out of 5.
- The average ratings of the genuineness of the products are 4 out of 5.

Table 21. Durability					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Worst	6	2.9	3.7	3.7
	Poor	6	2.9	3.7	7.4
	Good	31	14.8	19.1	26.5
	Very Good	60	28.6	37.0	63.6
	Excellent	59	28.1	36.4	100.0
	Total	162	77.1	100.0	
Non-Users		48	22.9		
Total		210	100.0		

Fig. 19

Durability



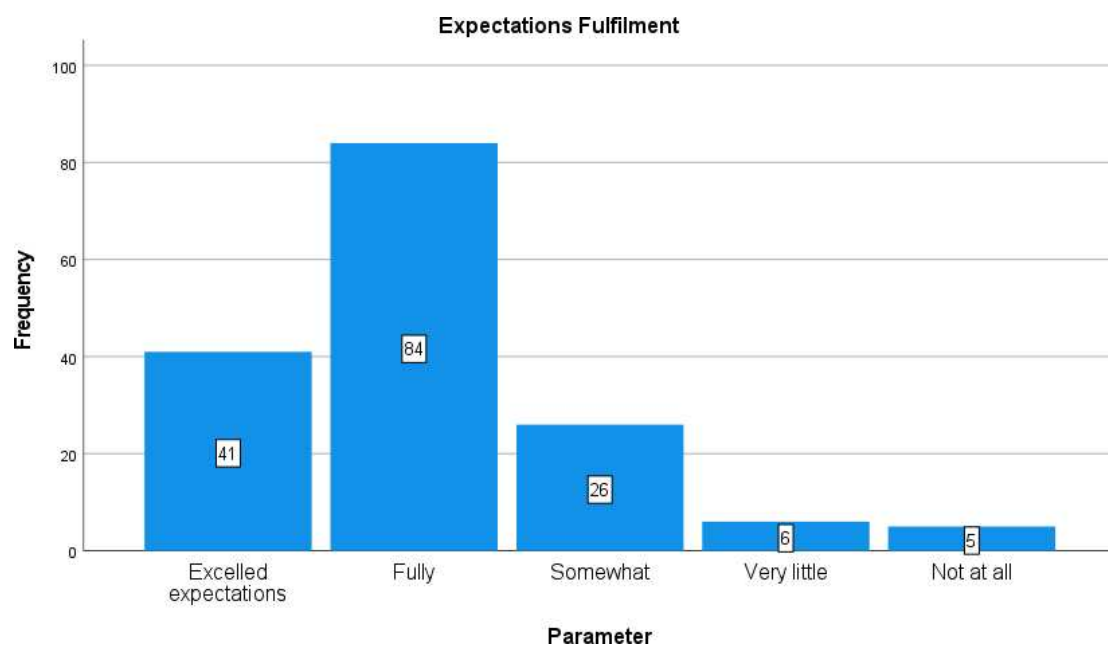
Interpretation-

- 28.6% users rated the durability of the products 4 out of 5 and 28.61% rated 5 out of 5.
- Followed by 3 out of 5 rated by 14.8% users and 2.9% rated 1 out of 5 and 2 out of 5 each
- The average ratings of durability are 3.99 out of 5.

16. How likely did the product fulfilled your expectations?

Table 22. Fulfilled Expectations					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Excelled expectations	41	19.5	25.3	25.3
	Fully	84	40.0	51.9	77.2
	Somewhat	26	12.4	16.0	93.2
	Very little	6	2.9	3.7	96.9
	Not at all	5	2.4	3.1	100.0
	Total	162	77.1	100.0	
Non-Users		48	22.9		
Total		210	100.0		

Fig. 20



Interpretation-

- Most of the users responded Fully i.e., 84 out of 162 users.
- Followed by 41 (excelled expectations), 26 (somewhat)
- Least responses were of (very little) 6 and (Not at all) with 5 Reponses.

17. How likely did the product justified its price?

Table 23. Price Justification					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Fully	58	27.6	35.8	35.8
	To an extent	74	35.2	45.7	81.5
	Somewhat	21	10.0	13.0	94.4
	Very little	4	1.9	2.5	96.9
	Not at all	5	2.4	3.1	100.0
	Total	162	77.1	100.0	
Non-Users		48	22.9		
Total		210	100.0		

Fig. 21



Interpretation-

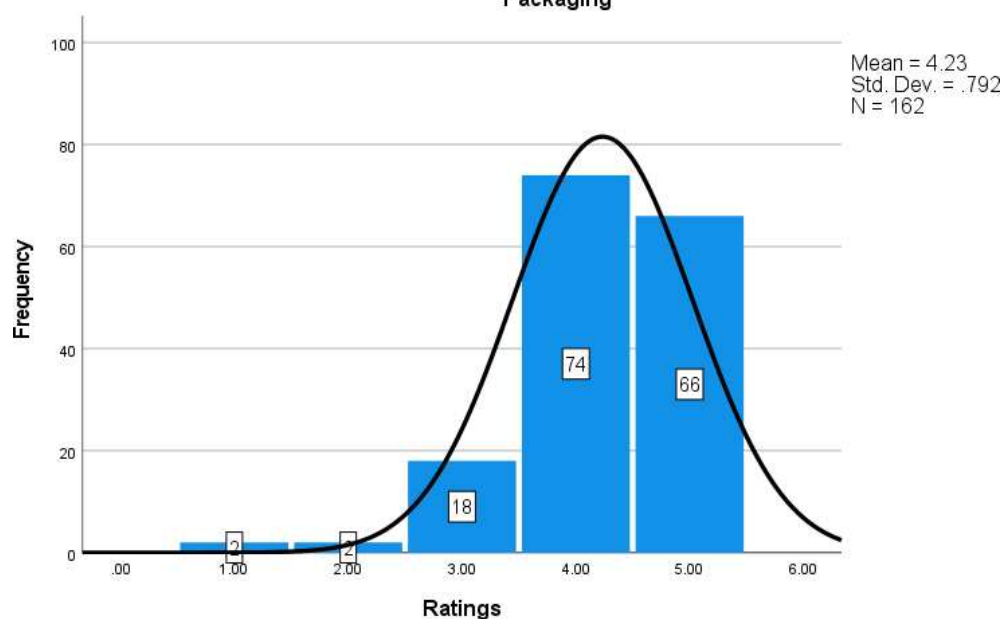
- 74 out of 162 users responded (To an extent)
- Followed by (fully) with 58 responses, (Somewhat) with 21 responses.
- (Not at all) with 5 responses and (Very little) with 4 responses.

18. Rate the packaging of the product.

Table 24. Packaging					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Poor	2	1.0	1.2	1.2
	2.00	2	1.0	1.2	2.5
	3.00	18	8.6	11.1	13.6
	4.00	74	35.2	45.7	59.3
	Excellent	66	31.4	40.7	100.0
	Total	162	77.1	100.0	
Non-Users		48	22.9		
Total		210	100.0		

Fig. 22

Packaging



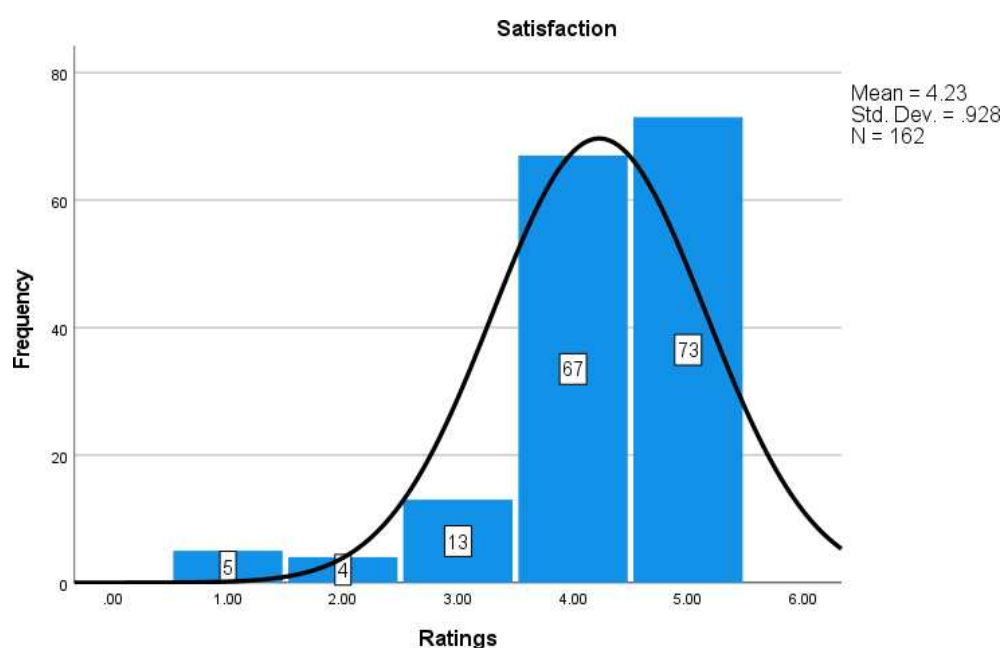
Interpretation-

- Most of the users rated the packaging of the products 4 on the scale of 5 (74 users)
- Followed by (66 users) rated 5 out of 5 and (18 users) 3 out of 5.
- (2-2 users) rated 1 and 2 out of 5.
- The overall rating of the packaging of the product is 4.23 out of 5.

19. Rate your satisfaction with the use of the product.

Table 25. Satisfaction					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Highly Dissatisfied	5	2.4	3.1	3.1
	2.00	4	1.9	2.5	5.6
	3.00	13	6.2	8.0	13.6
	4.00	67	31.9	41.4	54.9
	Highly Satisfied	73	34.8	45.1	100.0
	Total	162	77.1	100.0	
Non-Users		48	22.9		
Total		210	100.0		

Fig. 23



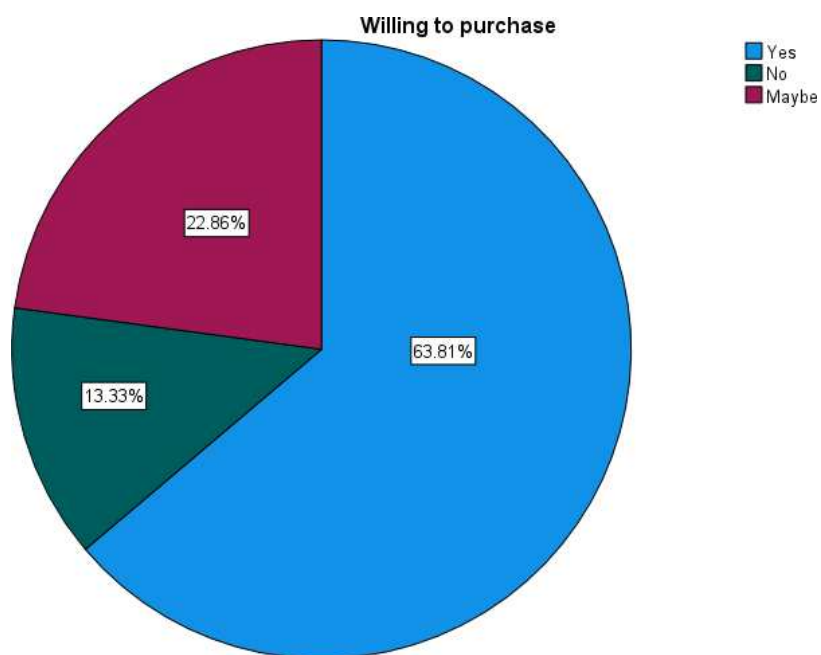
Interpretation-

- Most of the users were found highly satisfied with the products. (73 users)
- Followed by Satisfied users (67 users) and Neutral users (13 users)
- Whereas 4 users were found Dissatisfied and 5 users were found highly dissatisfied with the products.
- The overall satisfaction from the product is found 4.23 out of 5.

20. Are you willing to purchase / purchase more products promoted by social media influencers?

Table 26. Willing to purchase					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	134	63.8	63.8	63.8
	No	28	13.3	13.3	77.1
	Maybe	48	22.9	22.9	100.0
	Total	210	100.0	100.0	

Fig. 24



Interpretation-

- Out of 210 respondents 63.8% respondents responded Yes
- 13.3% responded with No
- 22.9% responded with Maybe.

CHAPTER-6

FINDINGS & SUGGESTIONS

6. FINDINGS & SUGGESTIONS

6.1 Findings

1. According to the analysis most of the respondents were female (58.1%) and the remaining (41.9%) were male.
2. Most of the respondents were found between the age group of 18-35 combined (18-25 40%, 26-35 40.5%)
3. A majority of respondents were found undergraduates (42.4%).
4. Most of the respondents were found students (31.9%) and least of the respondents were found as home makers (11%)
5. All the respondents were found using social media as they were the target respondents.
6. Acc. to the analysis most of the respondents were found using social media from past 4-10 years combined.
7. Instagram (31.9%) was found as the most used social media site among the respondents followed by Facebook (21.4%).
8. 91.9% respondents were found aware about social media influencers and also about their promotion of the products.
9. Most of the respondents 55.3% (combining positive responses) were found believing that social media influencers promote genuine products on social media platforms.
10. Out of 210 respondents 162 respondents were found purchasing and using the products promoted by social media influencers.

11. 43.4% users were found purchasing and using beauty products lastly. Followed by healthcare (17.6%), Lifestyle (13.8%) and Apparels (11.9%).
12. Most of the users learned about their products from Instagram, Facebook and YouTube.
13. The specification of the product, price and the credibility of the influencer were found the main reason for the purchase of the products.
14. The overall rating given by the users on the scale of 5 are – Quality (4.04), ease of use (2.74), Quantity (3.86), Performance (3.95), Genuineness (4) and Durability (3.99)
15. Expectations of most of the respondents were found fully fulfilled by the product (51.9%).
16. 45.7% users found the price of the products were justified to an extent.
17. The packaging of the products got 4.23 rating from the users.
18. Most of the users were found highly satisfied from the purchase and use of the products with an average rating of 4.23 out of 5.
19. A majority of respondents (63.8%) said they are willing to purchase more products promoted by social media influencers.

6.2 Suggestions

After doing the analysis of the responses thoroughly I think that most of the users of the products promoted by social media influencers are overall satisfied with the product. But there were some loose ends in the social media influencer marketing which I found and following are the suggestion that I would like to give-

1. The marketers should focus on increasing the variety of products as social media marketing is emerging as a potential and trending marketing tactics nowadays.
2. Companies should hire social media influencers with high credibility.
3. Companies must select social media influencers wisely as they are the representatives of their company in front of a huge number of audiences.
4. Social media influencers must be educated about the products they are promoting.
5. Influencers should do a research on the product and the company before promoting because promoting a disingenuous product can affect their credibility negatively.

CHAPTER- 7

CONCLUSION

7. CONCLUSION

After a brief analysis and study of the topic- **“Consumer Perception towards the Utility of the Products promoted by Social Media Influencer”** I have come to the following conclusion:

1. Overall, a majority of consumers said they think social media influencers very probably promotes genuine products. Still there are a vast number of disingenuous products social media influencers promote just to earn more money.
2. The overall experience of the consumers from the purchase and use of products promoted by social media influencers were good.
3. The perception of the consumers towards influencer marketing is very critical. Mostly consumers have negative perception towards the products and have concern about its utility and genuineness but after using them their perception have majorly changed.
4. It is found that using genuine and valuable products have left positive impact on the consumer's perception.
5. Instagram and YouTube influencers were found influencing consumers the most to make them purchase the products.
6. The main attribute of influencers which influence the consumers to make purchase decisions is their credibility and their fan base.

CHAPTER- 8

LIMITATIONS OF THE STUDY

8.

LIMITATIONS OF THE STUDY

- The research will be conducted only in the city of Raipur which, I believe will be sufficient to get a convincing amount of data and idea, but it could have been for effective if I can include the data from other cities for a potential topic like this.
- The study is confined to a finite period of time of almost 2 months.
- The findings of the research will be based on the information provided by the respondents through questionnaire.
- Due to time constraints the size of the respondents will be kept 200 to 250.
- It will be a difficult task to collect data from the consumers who have purchased any products from social media influencer marketing or at least have some basic knowledge about social media or influencer marketing.

CHAPTER – 9

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CHAPTER- 10

ANNEXURE

10.

ANNEXURE

1. Name _____

2. Gender

a) Male

b) Female

c) Other _____

3. Age

a) 10-25

b) 26-35

c) 36-45

d) Above 45

4. Education

a) 10th

b) 12th

c) Under Graduate

d) Post Graduate

5. Occupation

- a) Businessman
- b) Employed
- c) Self Employed/ Professional
- d) Home Makes
- e) Student

6. Do you use Social Media Websites Apps?

- a) Yes
- b) No

7. How long have you been using social media?

- a) 1-3 years
- b) 4-6 years
- c) 6-10 years
- d) More than 10 years

8. Which social media website App you use the most?

- a) Facebook
- b) Instagram
- c) WhatsApp
- d) Twitter
- e) Snapchat
- f) YouTube
- g) LinkedIn
- h) Pinterest

9. Are you aware about social media influencers?

- a) Yes
- b) No
- c) Maybe

10. Are you aware about the products influencers promote in social media pla

- a) Yes
- b) No

11. How likely do you think social media influencers promote genuine products?

- a) Definitely
- b) Very Probably
- c) Probably
- d) Possibly
- e) Probably Not
- f) Definitely Not

12. Have you purchased or used any products recommended by social media
Influencers? (If not then scroll to the last question)

- a) Yes
- b) No

13. What was the last product you purchased or used recommended by social media influencers?

- a) Beauty Products
- b) Health Care Products
- c) Food Beverages
- d) Apparels
- e) Lifestyle Products
- f) Other

14. From which platform did you learn about the product?

- a) Facebook
- b) Instagram
- c) WhatsApp
- d) YouTube
- e) Snapchat
- f) Twitter
- g) LinkedIn
- h) Other

15. What made you purchase or use the product?

- a) Products Specifications
- b) Price
- c) Influencer's Credibility
- d) Brand Equity
- e) Reference parties (Friends, Family. Colleagues etc)
- f) Other

16. Rate the product you purchased or used recommended by social media influencers.

	W	P	G	VG	E
a) Quality	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
b) Ease of Use	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
c) Quantity	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
d) Performance	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
e) Genuineness	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
f) Durability	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

17. How likely did the product fulfilled your expectations?

- a) Excelled expectations
- b) Fully
- c) Somewhat
- d) very little
- e) Not at all

18. How likely the product justified its price?

- a) Fully
- b) To an extent
- c) Somewhat
- d) Very Little
- e) Not at all

19. Rate the packing of the product.

Poor ☐ ☐ ☐ ☐ ☐ Excellent

20. Rate your satisfaction with the use of the product.

Poor ☐ ☐ ☐ ☐ ☐ Excellent

21. Are you willing to purchase more products promoted by social media influencers?

- a) Yes
- b) No
- c) Maybe

INDIGENOUS INNOVATIONS: EMPOWERING
GROWTH THROUGH THE MAKE IN INDIA
INITIATIVE

*Submitted in partial fulfillment
Of the requirements for the award of
the Master degree in*

MASTER OF BUSINESS ADMINISTRATION (IB)

To

Guru Gobind Singh Indraprastha University, Delhi

Guide:
Dr. Urvesh Chaudhery
Professor

Submitted by:
Ashish Verma
01919114322



GITARATTAN INTERNATIONAL BUSINESS SCHOOL
NEW DELHI-110085
Batch (2022-2024)

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CERTIFICATE

I, Mr. Ashish Verma, Roll No. 01919114322 certify that the Project Dissertation Report (MIB 204) entitled “INDIGENOUS INNOVATION: EMPOWERING GROWTH THROUGH THE MAKE IN INDIA INITIATIVE” is completed by me and it is an authentic work Carried out by me at Gitarattan International Business School. The matter embodied in this Minor project work has not been submitted earlier for the award of any degree or diploma to the best of my knowledge and belief.

Signature of the student

Date: 02-05-2024

Certified that the Minor Dissertation Report (MIB 204) entitled “INDIGENOUS INNOVATION: EMPOWERING GROWTH THROUGH THE MAKE IN INDIA INITIATIVE” done by Mr. Ashish verma, Roll No. 01919114322, is completed under my guidance.

Signature of the Guide

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Director/Minor Project Coordinator

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Regards,

Ashish Verma

01919114322

EXECUTIVE SUMMARY

This project studies about and talks about how indigenous innovation affect the economy growth and empowerment while talking about the make in India initiative. Innovation is also the key to success in all social developments. Creative ideas and innovations challenge existing norms and foster positive growth. They help improve the overall quality of life. Innovative ideas can cross over the hurdles of social apathy, conservative mind sets and orthodox attitudes to usher in positive changes in society. An innovation changes existing rules, norms, thinking and structures to create a novel transformation. Innovations thus, help achieve sustained change in a given environment. Innovation, has thus become the key to the sustainable development of the society.

Whereas indigenous innovations are crucial for any developing nation in order to achieve cumulative growth, both economically and socially. These innovations, as they will be mostly in the form of appropriate modifications in the existing products, will require further critical interventions and hand-holding efforts for their transition into markets. Design intervention can help bring in the much needed empathetic understanding and holistic vision to connect and integrate the various efforts towards a positive outcome. One would come across amazing indigenous innovations in India that can be developed into marketable products and thereby help in creating business success. These could provide vital directions for a country like India, to transform into an innovation-driven economy.

Indigenous innovations are primarily based on their evolution as well as their applications – in the local context. These solutions/innovations are developed mostly through informal, unorganized and experimental basis, by individuals, group of interested/ affected people from the same community. As the solutions would evolve largely for necessity – to solve the problems at hand, and not for any business purpose, they will have inherent weaknesses, in terms of their replication, production and/or commercialization. They will also have limitations in terms of their migration from one culture or tradition to new environments. Within the specific context/boundary, these solutions will be most effective, both in terms of their suitability as well as sustainability. For a diverse and densely populated country like India, that is also large in size, indigenous innovations, if encouraged and hand-held properly; offers tremendous business opportunities. For the contemporary Asian economies, the definition of indigenous innovations—“Independent, self-reliant and indigenous”; will be more inclusive and appropriate.

To support these indigenous innovation government has launched several schemes to help innovations in India many schemes were launched by government one of the

major scheme which was launched by government to help these indigenous innovation is “MAKE IN INDIA SCHEME”.

Make in India scheme program has been built on layers of collaborative effort. There has been from Union Ministers, Secretaries to the Government of India, state governments, industry leaders, and various knowledge partners. A National Workshop on sector specific industries in December 2014 brought Secretaries to the Government of India and industry leaders together to debate and formulate an action plan for the next three years, aimed at raising the contribution of the manufacturing sector to 25% of the GDP in the coming years.

CHAPTER -1

INTRODUCTION

1.1 Overview of Make in India initiative:



The “Make in India” initiative is based on four pillars, which have been identified to give boost to entrepreneurship in India, not only in manufacturing but also other sectors.

New Processes: ‘Make in India’ recognizes ‘ease of doing business’ as the single most important factor to promote entrepreneurship. A number of initiatives have already been undertaken to ease business environment. The aim is to de-license and de-regulate the industry during the entire life cycle of a business.

New Infrastructure: Availability of modern and facilitating infrastructure is a very important requirement for the growth of industry. Government intends to develop industrial corridors and smart cities to provide infrastructure based on state-of-the-art technology with modern high-speed communication and integrated logistic arrangements. Existing infrastructure to be strengthened through up gradation of infrastructure in industrial clusters.

Innovation and research activities are supported through fast paced registration system and accordingly infrastructure of Intellectual Property Rights registration set-up has been upgraded. The requirement of skills for industry are to be identified and accordingly development of workforce to be taken up.

New Sectors: ‘Make in India’ has identified 25 sectors in manufacturing, infrastructure and service activities and detailed information is being shared through interactive web-portal and professionally developed brochures. FDI has been opened up in Defence Production, Construction and Railway infrastructure in a big way.

New Mindset: Industry is accustomed to see Government as a regulator. ‘Make in India’ intends to change this by bringing a paradigm shift in how Government interacts with industry. The Government will partner industry in economic development of the country. The approach will be that of a facilitator and not regulator.

The Make in India program has been built on layers of collaborative effort. There has been from Union Ministers, Secretaries to the Government of India, state governments, industry leaders, and various knowledge partners. A National Workshop on sector specific industries in December 2014 brought Secretaries to the Government of India and industry leaders together to debate and formulate an action plan for the next three years, aimed at raising the contribution of the manufacturing sector to 25% of the GDP in the coming years.

These exercises resulted in a road map for the single largest manufacturing initiative undertaken by a nation in recent history. They also demonstrated the transformational power of public-private partnership, and have become a hallmark of the Make in India program. This collaborative model has also been successfully extended to include India’s global partners, as evidenced by the recent in-depth interactions between India and the United States of America.

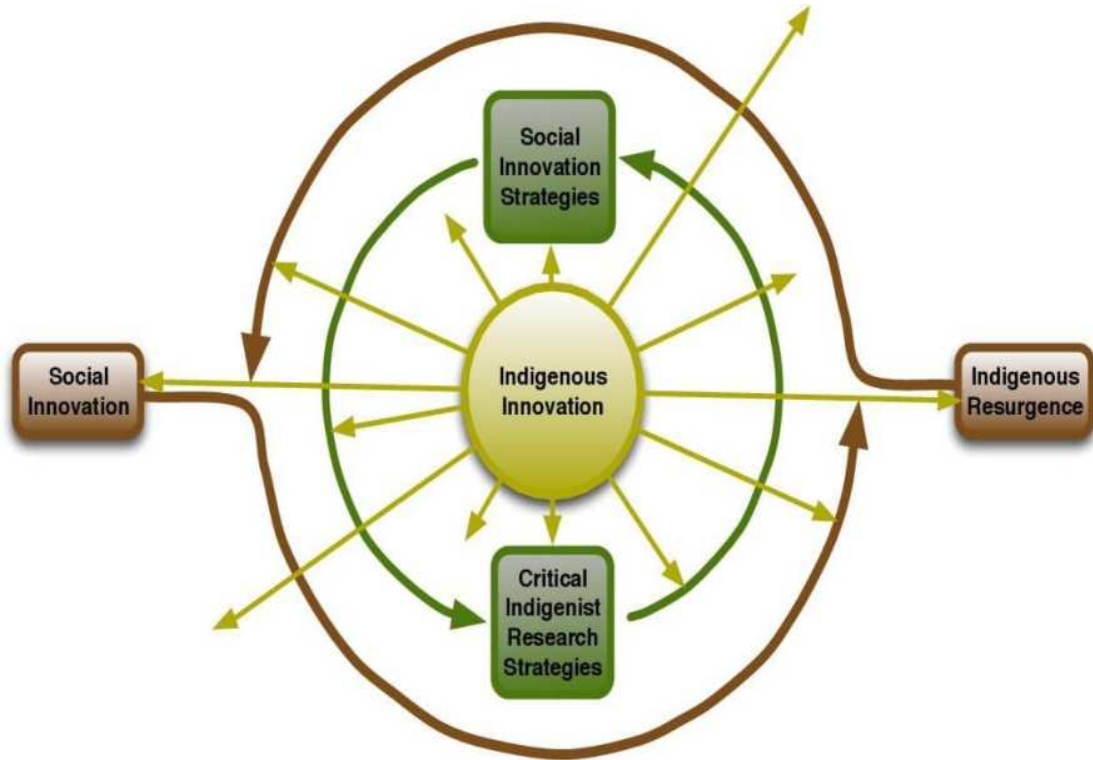


1.2 Importance of Indigenous innovation in economic development:

Economic condition of business organizations and the society as a whole, today depends on their capability to produce products and services that are better, cheaper and faster than their competitors. Innovation helps bring in this much needed change and improvements at all levels of business and economy. This helps improve the economic position of all the stake holders involved.

Innovation today, is essential for the long-term growth of organizations. Innovation is also the key to success in all social developments. Creative ideas and innovations challenge existing norms and foster positive growth. They help improve the overall quality of life. Innovative ideas can cross over the hurdles of

social apathy, conservative mind sets and orthodox attitudes to usher in positive changes in society. An innovation changes existing rules, norms, thinking and structures to create a novel transformation. Innovations thus, help achieve sustained change in a given environment. Innovation, has thus become the key to the sustainable development of the society.



Indigenous innovations can aid developing nations embark on a cumulative path of positive growth; thereby helping them join the ranks of the more advanced nations. Local challenges and opportunities that are as varied as the individual communities themselves, provide great opportunities to stimulate economic growth by capitalizing on the local knowledge and resources residing in the communities. ‘One style of innovation that really works in a country as large and diverse as ours, is grassroots innovations: this includes inventions for a milieu that is quintessentially Indian. ... they are critical to how Indian ingenuity can be directly used to transform our circumstances, in ways that elite corporate research laboratories never can’ wrote Arindam Banerji (Banerji 2004). The need to promote indigenous innovations as evolving alternatives to development has now been well recognized.

Approximately 80% of the world’s population, relies on Indigenous Knowledge for either medicine or food (Nakata, 2002). The theme of utilizing indigenous knowledge to create appropriate solutions occurs repeatedly throughout developmental literature. The indigenous communities have always been innovative, but not mainly for commercial reasons (Puffer 1995). These innovations have been in the areas of farming, traditional healing, making of domestic equipments and so on, all of which were and are environmentally friendly (Sopazi and Andrew 2005). Farmers innovate due to necessity, changing

conditions and curiosity, doing informal experiments on new ideas either from their own – and/or learned from other farmers, researchers, extensionists and/or other information sources like the mass media (Reij and Water-Bayer 2005). For the last 10,000 years farmers have exchanged ideas, technologies, seeds, and innovations among themselves (Rai and Shrestha 2006).

Indigenous innovations can help find the best solutions for local problems. By utilizing the indigenous knowledge and existing resources available, and in turn also generating new employment opportunities, indigenous innovations help foster selfconfidence and self-respect amongst the community. This eventually leads to economic growth and social change in the community. Indigenous innovations encourage local self-reliance, decentralization of decision-making and fair access to natural resources. As these solutions emerge from the local context, they will be more likely to be accepted by the community. Fostering ‘innovation attitude’ amongst the community through appropriate hand holding, encouragements and promotion of indigenous innovations will create positive a attitude towards life and its challenges.

This will help safeguard the community morale. This will also capacitate the innovators and the community against external threats that may be in the form of changing socio economic environment, introduction of new products and technologies, or even natural disasters (Puffer 1995), (Rai and Shrestha 2006).

Indigenous Innovations and India:

India, with its rich tradition of over 5000 year old civilization, possesses infinite treasure of indigenous knowledge and practised wisdom that are being constantly used and practised in the daily life. Creativity, in each of the culturally cohesive Indian societies, was recognized as a quality as essential and ordinary as the act of breathing..., observed Dr. Kapila Vatsayan, a noted historian, during her convocation address at NID in 1989. Over seventy percent of India’s population today, lives in more than 5, 50, 000 villages spread across thirty-five states of the country.

Agriculture and crafts being their main sources of income, use of indigenous knowledge and indigenous innovations is here a necessity and therefore a common practice. As for Indian industries, majority of them comprise of Small and Medium scale Enterprises (SMEs).

Fierce competition amongst these more than 3.57 million SMEs and auxiliary units drive constant innovations – indigenous innovations - for refinements and up-gradations of their products and processes.

Also, a vast majority of the country’s population comprises of people from rural and middle-income group segment. Indigenous innovations here are a necessity for them, in their struggle of daily life. Indians by nature are highly enterprising and they find ingenious and amazing ways to make the most of whatever resources and skills at

their disposal to earn their daily living.Design is the way of life in India (Mehta 2003). There is therefore, a rich resource of indigenous innovations available in India that could be meaningfully exploited to stimulate social and economic developments at all levels of the Indian society.

Characteristics of Successful Indigenous Innovations:

Successful indigenous innovations, according to Paula Puffer, quickly become permanent local knowledge of the community (Puffer 1995). Paula Puffer, from her study of several such innovations, has derived some of the features that she found were common in these innovations.

These features include its affordability, easy availability and reduced risks. According to her, a successful innovation generates income and at the same time saves labour. It should be easy to understand and should easily fit into current practices. These innovations produce readily visible results within a reasonable amount of time. They meet multiple needs of the user/community and are attested by evidence from several sources, including those most trusted in the community.

These innovations take into consideration things such as taste preferences, nutritional beliefs, etc.. The innovators, designers and organizations therefore can try to incorporate as many of these features as possible, to improve/refine their indigenous innovations to increase the potential of their acceptability and thereby their success. The best/successful solutions, according to the UNESCO/MOST publication titled 'Best Practices using Indigenous Knowledge', demonstrate positive and tangible impact on the living conditions, quality of life or environment of the individuals, groups or communities concerned.

They are innovative, and offer creative solutions to common local problems. These solutions create sustainable effects, in terms of eradication of poverty, social exclusion, etc., and especially through participatory involvements. They also act as source of inspirations to others and also as a model for generating policy initiatives (Boven and Morohashi 2002).

1.3 Objective and Scope of the study:

Our major objective to conduct these studies are:

- To analyze the impact of indigenous innovation on economic growth and empowerment within the context of the Make in India initiative.
- To examine the role of government policies, industry collaborations, and grassroots initiatives in fostering a culture of indigenous innovation.
- Identify the challenges and barriers faced by indigenous innovators and entrepreneurs, including access to finance, infrastructure constraints, and regulatory hurdles.

- Analyze the role of government, industry, academia, and civil society in addressing these challenges and fostering a conducive environment for indigenous innovation.
- Anticipate future trends and opportunities for indigenous innovation in India, including the adoption of emerging technologies, digitalization, and sustainability.

1.4 Hypothesis and methodology:

Ho1 - The Make in India initiative has significantly contributed to the promotion of indigenous innovation in key sectors of the Indian economy.

Ho2 - Indigenous innovation plays a crucial role in driving economic growth, fostering entrepreneurship, and promoting inclusive development in India.

Methodology:

Research Design – the overall work has been done on the basis of qualitative data. The data have been collected by various articles published on make in india as well as indigenous growth of India.

Data Collection – data have been collected from various data sources such as Case studies, research articles, news, and various speeches.

CHAPTER – 2

LITERATURE REVIEW

“Let’s build the Aatma Nirbhar Bharat that we are proud of when we celebrate 100 years of Independence”

-Prime Minister Narendra Modi

INTRODUCTION:

The ‘Make in India’ initiative was launched on September 25, 2014, to facilitate investment, foster innovation, build best in class infrastructure and make India a hub for manufacturing, design and innovation. The development of a robust manufacturing sector is a key priority of the Government of India. Make in India was one of the first 'Vocal for Local' initiatives that exposed India's manufacturing domain to the world. The sector has the potential to not only take economic growth to a higher trajectory but also to provide employment to a large pool of our young labour force. Make in India initiative has significant achievements and presently focuses on the following 27 sectors under Make in India 2.0.1



MAIN PILLARS OF ‘MAKE IN INDIA’

1. New Processes: 'Make in India' recognizes 'ease of doing business' as the single most important factor to promote entrepreneurship. A number of initiatives have already been undertaken to ease the business environment.

2. New Infrastructure: Government intends to develop industrial corridors and smart cities, and create world-class infrastructure with state-of-the-art technology and high-speed communication. Innovation and research activities are supported through a fast-paced registration system and improved infrastructure for IPR registration. The requirement of skills for the industry is to be identified and accordingly development of the workforce to be taken up.

3. New Sectors: Foreign Direct Investment (FDI) has been opened up in Defence Production,

Insurance, Medical Devices, Construction and Railway infrastructure in a big way. Similarly, FDI has been allowed in Insurance and Medical Devices.

4. New Mindset: In order to partner with industry for the economic development of the country, the Government shall act as a facilitator and not a regulator.

SOME MAJOR INITIATIVES TAKEN TO ENABLE MAKE IN INDIA

1. Production linked Incentive (PLI) Schemes: Keeping in view India's vision of becoming Atmanirbhar and enhancing India's manufacturing capabilities and exports, an outlay of INR 1.97 lakh crore (over US\$ 26 billion) has been announced in the Union Budget 2021-22 for PLI schemes for 14 key sectors of manufacturing, starting from fiscal year (FY) 2021-22.

2. PM GatiShakti & National Logistics Policy: The PM GatiShakti is the first of its kind initiative by the government to develop a multimodal logistics infrastructure for national transformation. Along with that, the recently launched National Logistics Policy aims to reduce logistics costs by almost 10% over the next few years.

3. Industrialization and Urbanization: Government of India is developing various Industrial Corridor Projects as part of National Industrial Corridor Programme which is aimed at development of greenfield industrial regions/nodes which can compete with the best manufacturing and investment destinations in the world. GoI has accorded approval for development of 11 Industrial corridors (32 projects) in four Phases.

4. New Design, Innovation and R&D: India is the third largest tech-driven Start-up ecosystem globally with over 79,100 Startups. "Start-up India" initiative was launched aiming at fostering entrepreneurship and promoting innovation by creating an ecosystem that is conducive to the growth of Startups.

5. Discount on Tax: Tax rates were rationalized to boost the Make in India initiative. India now has one of the Lowest Tax Rates in Asia, making it one of the most competitive Global Economies.

RECORD FDI TO BOOST MAKE IN INDIA

The Government of India is making continuous efforts under Investment Facilitation for implementation of Make in India action plans to identify potential investors. Support is being provided to Indian Missions abroad and State Governments for organising events, summits, road-shows and other promotional activities to attract investment in the FDI Inflow country under the Make in India banner.

India has recorded highest ever annual FDI inflow of USD 83.57 billion in the financial year 2021-22 as compared to US \$ 45.15 billion in 2014-2015. In the financial years 2014-2020, India had received FDI inflow worth US\$ 358.30 billion which is 53 per cent of the FDI reported in the last 20 years (US\$ 681.87 2014-15 to 2020-21). India is rapidly emerging as a preferred country for foreign investments in the manufacturing sector. FDI Equity inflow in Manufacturing Sectors has increased by 76% in FY 2021-22 (USD 21.34 billion) compared to the previous FY 2020-21 (USD 12.09 billion).

Major Achievements under Make in India

- As per Economic Survey 2021-22, in spite of covid-related disruptions, there is a trend of the positive overall growth of gross value addition (GVA) in the

manufacturing sector. The total employment in this sector has increased from 57 million in the year 2017-18 to 62.4 million in the year 2019-20.3

- Powered by indigenously produced vaccines, India not only achieved COVID-19 vaccination coverage in record time but also became a major exporter of much-needed life-saving vaccines to many developing and under developed countries across the world
- .Vande Bharat trains, India's first indigenous Semi High Speed train featuring state-of-the-art coaches and providing an entirely new travel experience to passengers, is a stellar example of the "Make in Indian" success story.
- INS Vikrant is india's first domestically made aircraft carrier. India is achieving new milestones in defence production to reduce imports and be aatmnirbhar in this core sector .
- Highest ever merchandise exports of 420 billion USD was achieved in FY 2021-22
- .India is currently a mobile and electronics manufacturing hub with global recognition.



“There are more than 90,000 startups, including 110 unicorns, in which young Indians are playing a big part. Success in various sectors is inspiring and unbelievable.”

- NEWS 18

What are the Success and Failures of MII?

Successes:

- India improved its ranking in the World Bank's Ease of Doing Business Index, from 142nd in 2014 to 63rd in 2020.
- India opened up various sectors to private and foreign investment, such as defence, railways, civil aviation, etc.
- India witnessed growth in some sectors, such as automobiles, electronics, renewable energy, textiles, etc.
- India became a leader in mobile phone manufacturing, with over 200 units producing more than 225 million handsets in 2017-18.

Failures:

- India failed to create an international niche market for its products and services.
- India did not achieve its targets of increasing the manufacturing sector's share in GDP to 25% by 2025, creating 100 million additional jobs, and boosting manufacturing growth to 12-14% per annum.
- India faced challenges such as policy paralysis, lack of competitive advantage, investment crunch, trade protectionism, infrastructure bottlenecks, labour issues, etc.

Innovation – A Necessity :

Tom Peters reminds us in "California Management Review": 'Get Innovative or Get Dead'. Innovation, has long been recognized, as a major driving force in economic growth and social development. According to the Growth Theory, developed by the Nobel Prize-winning economist Robert Solow, technological progress and innovation is the greatest engine of economic growth. Studies have shown that industrial policies of the world's developed nations give importance to the strategic role of innovations in generating new business ideas which will translate into greater economic growth. For any country aspiring to become a developed nation, it is imperative therefore, to transit to the innovation-driven economy (Goh 2005).

Economic condition of business organizations and the society as a whole, today depends on their capability to produce products and services that are better, cheaper and faster than their competitors. Innovation helps bring in this much needed change and improvements at all levels of business and economy. This helps improve the economic position of all the stake holders involved. Innovation today, is essential for the long-term growth of organizations.

Innovation is also the key to success in all social developments. Creative ideas and innovations challenge existing norms and foster positive growth. They help improve the overall quality of life. Innovative ideas can cross over the hurdles of social apathy, conservative mind sets and orthodox attitudes to usher in positive changes in society. An innovation changes existing rules, norms, thinking and structures to create a novel transformation. Innovations thus, help achieve sustained change in a given environment. Innovation, has thus become the key to the sustainable development of the society.

Characteristics of Innovation:

Though the importance of innovation has increased over the years, there exists a clear anxiety and major difficulty in its understanding, both in terms of its definition as well as its process. There is limited knowledge as to why, when and how innovation occurs. (Szmytkowski 2005).

According to the Oxford Dictionary, the word 'Innovation' first appeared around 1297. Joseph Schumpete, in his publication "The theory of Economic Development" (1911) had described the motor of the development as the innovation itself (Szmytkowski 2005).

Gerard H. Gaynor, in his book *Innovation by Design*, based on the analysis of views and comments expressed by prominent researchers of innovation theories over the years, arrives at a simpler definition— ‘Innovation = invention + implementation/commercialization’. While invention is described as the first occurrence of an idea for a new product or process, innovation is the first attempt to carry it out into practice. The emphasis here is on the ‘newness’ of the idea. Innovation creates new value rather than new knowledge. Innovation is not science or technology. It is about business. Innovations are, generally classified into three broad categories, ie.; incremental innovations, new-to-the-market/society innovations and breakthrough innovations. Most innovations take place incrementally. Innovation can occur from the bottom-up or be sponsored from the top-down. Each approach will have its strengths and limitations (Gaynor 2000). Innovation depends on four major elements: resources, infrastructure, culture and process. Innovation cannot take place if any of these four elements are missing.

All four are equally important. Innovation encompasses three overlapping dimensions, which are –individual/ you, team/s (that also include you), and the organization/group. The individual/you will be the centre of the entire process of innovation, as only an individual will have new ideas. But taking ideas to market involves team work, for, one person cannot do it on his/her own. One needs to combine several different types of knowledge, capabilities, skills and resources to convert invention/idea into innovation. The leader of the team here, plays a key role to effectively coordinate this process to achieve the goal/tasks. The personality of the organization/group, known commonly as culture, plays a vital role in innovation. The innovation process generally falls under three major phases that are; generating ideas, harvesting ideas and developing and implementing these ideas. The common factor in these three phases is teamwork – synergy amongst the group. ‘Innovation is about action, it isn’t about perfection.’ believes IDEO (Gaynor 2000), (Kelley and Littman 2004), (Adair 2003).

Indigenous Innovations – A Way Ahead:

Indigenous innovations can aid developing nations embark on a cumulative path of positive growth; thereby helping them join the ranks of the more advanced nations. Local challenges and opportunities that are as varied as the individual communities themselves, provide great opportunities to stimulate economic growth by capitalizing on the local knowledge and resources residing in the communities. ‘One style of innovation that really works in a country as large and diverse as ours, is grassroots innovations: this includes inventions for a milieu that is quintessentially Indian. ... they are critical to how Indian ingenuity can be directly used to transform our circumstances, in ways that elite corporate research laboratories never can’ wrote Arindam Banerji (Banerji 2004). The need to promote indigenous innovations as evolving alternatives to development has now been well recognized.

In China, the government introduced a fifteen years plan that primarily focuses on its urgent need for expanding its capacity to create “indigenous innovations”. The plan, known as “National Medium and Long Term Program for Scientific and Technological Development” was introduced in the year 2006. It identifies innovation as a new national strategy for China to advance into the ranks of innovative countries by 2020. Although the industrial sector in China is burgeoning, much of this it is low value-added, labour intensive manufacturing. Majority of the industries are large multinationals owned by foreign companies, or the state-owned corporations. Realizing the urgent need to stimulate cutting-edge indigenous innovations, so as to reduce the dependence on foreign technology, the plan aims to foster smaller, entrepreneurial companies, because they are the drivers of innovation. The term ‘Indigenous Innovations’ is translated by them as “independent, self-reliant, and indigenous”, one that combines three distinct elements: original, or genuinely new; integrated, or combining existing technologies in new ways; and assimilated, or making improvements to imported technologies (The AeA Competitiveness Series, 2007).

Significance of Indigenous Innovations:

Approximately 80% of the world's population, relies on Indigenous Knowledge for either medicine or food (Nakata, 2002). The theme of utilizing indigenous knowledge to create appropriate solutions occurs repeatedly throughout developmental literature. The indigenous communities have always been innovative, but not mainly for commercial reasons (Puffer 1995). These innovations have been in the areas of farming, traditional healing, making of domestic equipments and so on, all of which were and are environmentally friendly (Sopazi and Andrew 2005). Farmers innovate due to necessity, changing conditions and curiosity, doing informal experiments on new ideas either from their own – and/or learned from other farmers, researchers, extensionists and/or other information sources like the mass media (Reij and Water-Bayer 2005). For the last 10,000 years farmers have exchanged ideas, technologies, seeds, and innovations among themselves (Rai and Shrestha 2006).

Indigenous innovations can help find the best solutions for local problems. By utilizing the indigenous knowledge and existing resources available, and in turn also generating new employment opportunities, indigenous innovations help foster selfconfidence and self-respect amongst the community. This eventually leads to economic growth and social change in the community. Indigenous innovations encourage local self-reliance, decentralization of decision-making and fair access to natural resources. As these solutions emerge from the local context, they will be more likely to be accepted by the community. Fostering 'innovation attitude' amongst the community through appropriate hand holding, encouragements and promotion of indigenous innovations will create positive attitude towards life and its challenges. This will help safeguard the community morale. This will also capacitate the innovators and the community against external threats that may be in the form of changing socio economic environment, introduction of new products and technologies, or even natural disasters (Puffer 1995), (Rai and Shrestha 2006).

Need for a Global – Local Approach:

Combining indigenous knowledge with scientific knowledge can help create solutions that are culturally acceptable, economically feasible and environmentally sustainable for the society being aided (Puffer 1995). The old notion of research & development (R&D), as an isolated process carried out in a laboratory, concerned with generating new technologies and/or applications that are then transferred to the passive users, has now changed. Research and development is now widely seen as a learning process that follows inclusive, participatory, exploratory and experiential approach. Also termed as user-led approach, wherein the user becomes an integral constituent of the R&D team. It is therefore critical to create an enabling environment, for seamless fusion of indigenous and scientific knowledge by utilizing complimentary expertise and experience of people, and the one that is based on mutual respect. This will help stimulate and foster the culture of indigenous innovations in the country.

Interventions for Indigenous Innovations – Case Studies:

GIAN, Ahmedabad, successfully supported Amritbhai Agrawat, an artisan-innovator from a small village in Gujarat, to further develop his innovation of a four-wheeled bullock-cart integrated with tilting mechanism. This new innovative cart eliminates the drudgery for the farmers/labourers involved in manually carrying and spreading the farm manure in the field. The tilting cart can be used single-handedly by the farmer to distribute manure over the entire field. GIAN arranged the innovator to refine and improve this new innovation, get the necessary micro-finance etc. and also helped Amritbhai file patent for his innovation, which is now licensed to three entrepreneurs on district basis for its production (Gupta 2000, 20-21). Another success story is that of the 'rain gun', innovated by Anna Saheb, a local innovator in Kerala. Anna Saheb was successfully supported by Rural Innovation Network, RIN, which

helped to understand its market potential, its further improvements and finally its technology transfer to another company. (Banerji 2004) Both these case studies are the examples of successful interventions for implementation/commercialization of indigenous innovations so as to benefit both, the innovator - in terms of satisfaction and financial gain - and also to their many users, for getting products/solutions suitable to their needs and contexts.

Criteria for Selection of Indigenous Innovations:

Indigenous innovations, as they are not clearly defined, thereby make it difficult for the field/extension workers to differentiate them from the traditional practice or technological advances. These indigenous innovations/solutions could either be in the form of innovative modification/value-addition of the existing/traditional product/ process/ application or entirely new innovation that may have emerged locally or transferred from outside.

PROLINNOVA's Nepal unit, based on their experience over the years, has developed criteria that could be used as guidelines for the field workers while selecting these innovations (Rai and Shrestha 2006). The important criteria for these guidelines include its technical feasibility, economic viability, environment friendliness and its social acceptability.

The innovation should be locally evolved/developed using local knowledge and skills, by addressing the person's/community's immediate or long term needs. The solution should also be widely replicable while getting the innovator's consent and his/her level of interest are one of the important criteria of selection, suggested in the guidelines, its adaptability (how easily can it be used/ modified), use of easily available/accessible local resources, its affordability and cost effectiveness in terms of time and resources are few of the desirable criteria suggested in the guidelines.

These criteria for selection of indigenous innovations help prioritize these innovations as per the context, understand the level of innovation and also the need and type of further interventions required.

Design – a Key Constituent of Interventions:

The interventions/supports offered by these organizations would largely be in the domain of marketing – to carry out initial market research to understand market and business potential, and/or for marketing of the new products; planning and management of resources, finance; technology – product refinements, modifications, product testing and production/replication; capacity building through training and exposure, etc. Besides these, the organizations also support the innovators for documentation and protection of innovations, promotion and dissemination of innovation and knowledge to larger audience, interface with government, academia, industry, etc., and the much needed coordination, networking and hand-holding. The hand-holding supports, including documentation, are generally carried out from anthropological perspectives.

By the very nature of these interventions, they focus largely on market and business potentials, that is, commercialization of these innovations. There are however little interventions visible in terms of idea/content refinements/ improvements. Design interventions, here can bring in the much needed user perspective, and help the solution sharply target its primary objective as indigenous innovation, to satisfy the need, the skills and resources available, and the local context. Product refinements, from its functional, production/fabrication, packaging and transportation, maintenance and service and also aesthetics aspects, will help convert these preliminary ideas into marketable and sustainable products. Designer's ability to view the problems from various different perspectives, empathetic understanding and unique focus on quality will help bring in holistic understanding of the problem at hand. Besides this, his/her ability to create and evaluate

multiple alternatives, while helping to communicate with varied stake holders - each with different backgrounds and expertise - will help reduce numbers of iterations and thereby precious time and resources. The Grassroots Innovation Design Studio, GRIDS, set up at the National Institute of Design, NID, in collaboration with GIAN, Ahmedabad, helps provide this crucial design intervention support to the local innovators and organizations.

CHAPTER – 3

DATA PRESENTATION AND ANALYSIS

We can understand the impact of indigenous growth and make in india scheme by focusing on different sectors of Indian economy.

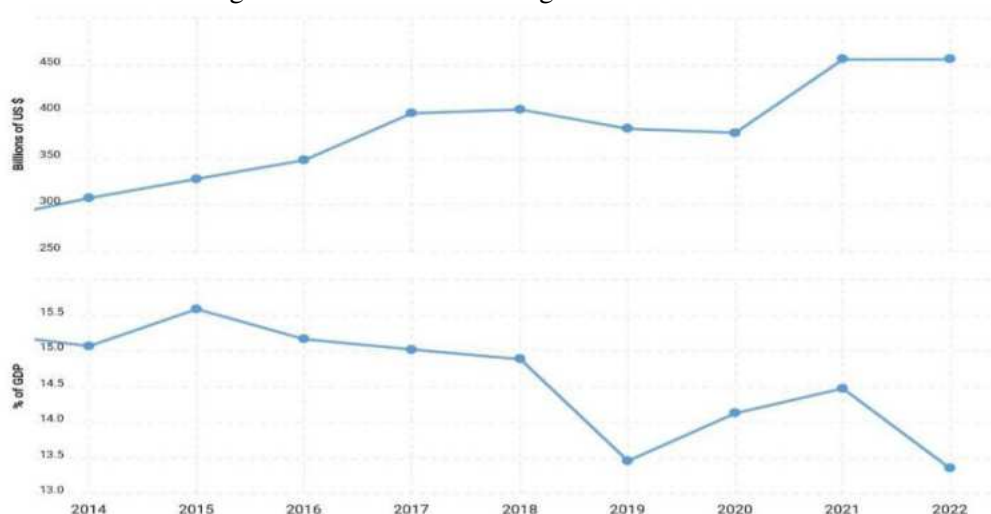
Manufacturing Sector:

- **Increase in FDI Inflows:** Data from the Department for Promotion of Industry and Internal Trade (DPIIT) shows a significant increase in foreign direct investment (FDI) inflows in the manufacturing sector since the launch of Make in India.
- **Growth in Manufacturing Output:** Statistics from the Central Statistics Office (CSO) indicate a growth in the manufacturing output, reflecting increased production and capacity utilization in key sectors such as automobiles, electronics, and textiles.
- **Rise in Industrial Production:** The Index of Industrial Production (IIP) tracks changes in industrial production output over time, providing insights into the growth trajectory of indigenous manufacturing under Make in India.

Data regarding the growth of indigenous innovation in manufacturing sector of Indian economy after the make in India scheme:

YEAR	Billions of US\$	% of GDP
2014	\$307.21B	15.07%
2015	\$327.82B	15.58%
2016	\$347.94B	15.16%
2017	\$398.20B	15.02%
2018	\$402.24B	14.88%
2019	\$381.55B	13.46%
2020	\$377.35B	14.12%
2021	\$455.91B	14.47%
2022	\$456.06B	13.35%

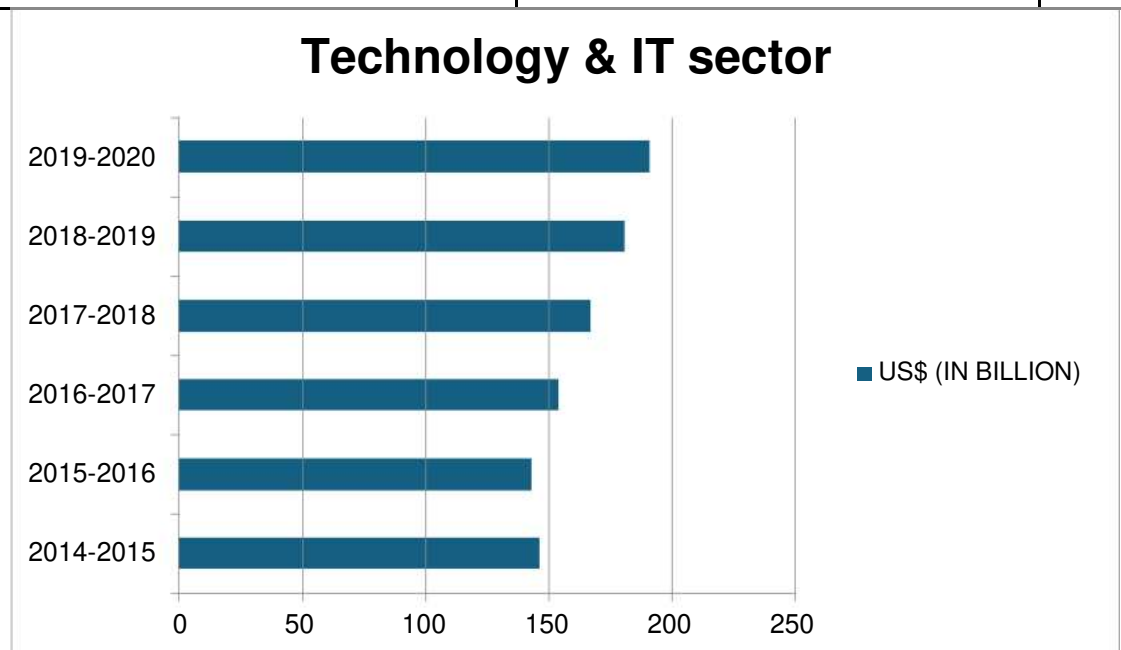
Table 3.1 table showing the data of manufacturing sector of india



Technology and IT Sector:

- Startup Ecosystem Growth: Data from industry reports and startup databases reveal a significant expansion of the startup ecosystem in India, with a growing number of indigenous startups in technology-driven sectors such as software development, e-commerce, and digital services.
- Patent Filings and Innovation Index: Analysis of patent filings and innovation indices can provide insights into the level of indigenous innovation and technological advancements in the IT and technology sectors under the Make in India initiative.

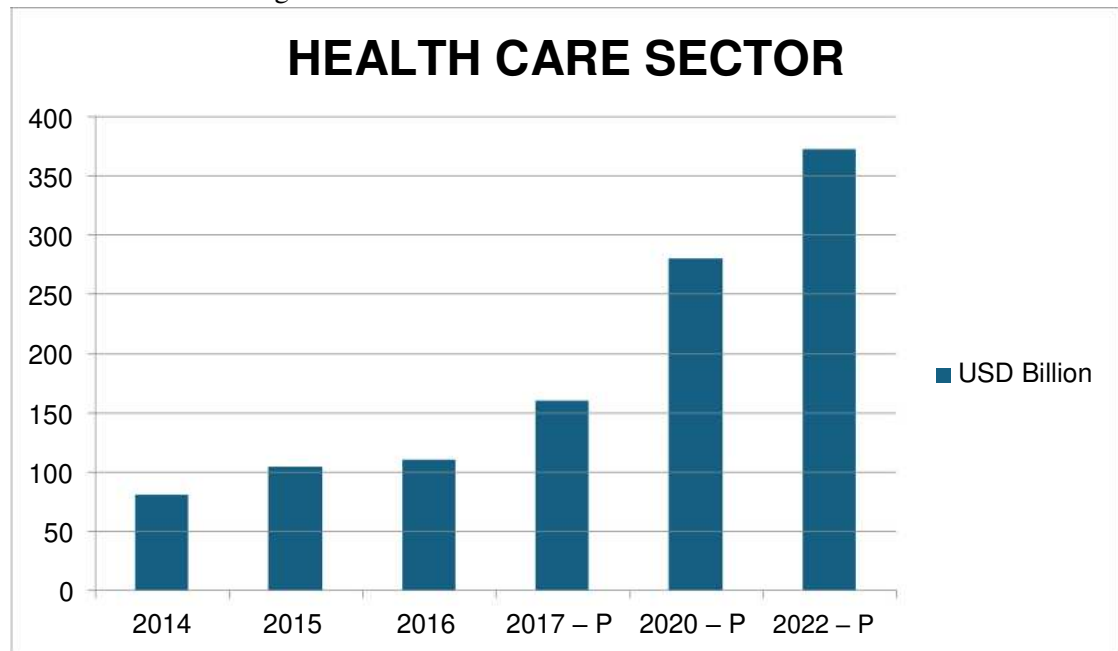
YEAR	US\$ (IN BILLION)
2014-2015	\$146.4B
2015-2016	\$143B
2016-2017	\$154B
2017-2018	\$167B
2018-2019	\$181B
2019-2020	\$191B



Healthcare Sector:

- Increase in R&D Expenditure: Statistics on research and development (R&D) expenditure in the healthcare sector, sourced from government reports and industry studies, can indicate the level of investment in indigenous innovation and drug discovery.
- Growth in Pharmaceutical Exports: Data from export promotion councils and trade associations may show an increase in pharmaceutical exports, reflecting the competitiveness of indigenous pharmaceutical manufacturing under Make in India.

Table 3.3 table showing the data of healthcare sector

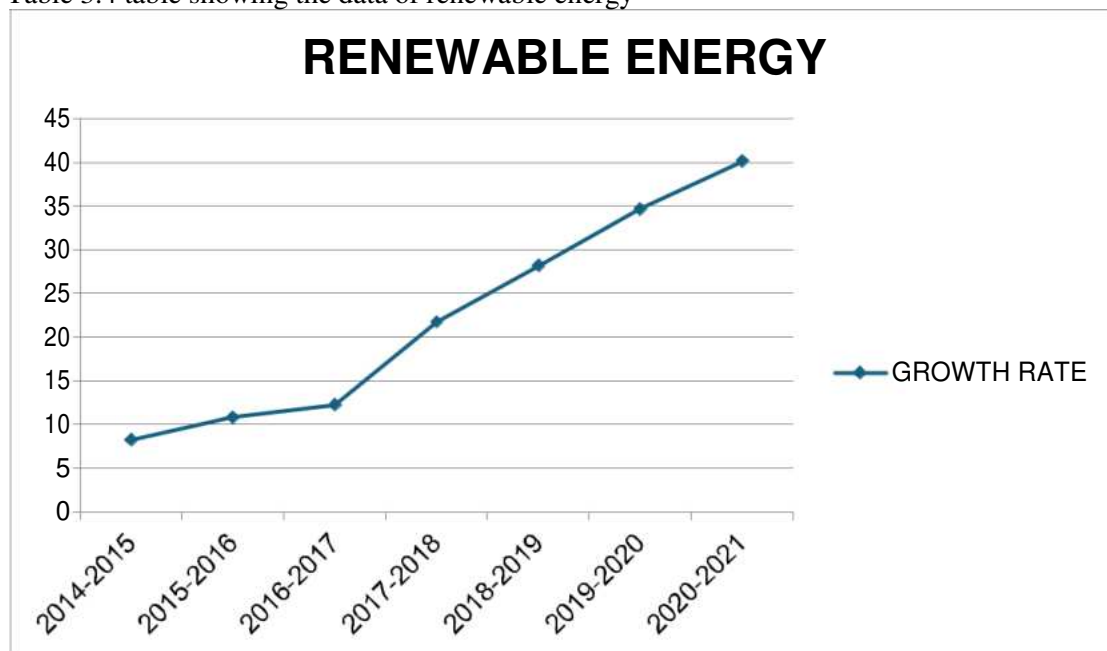


Renewable Energy Sector:

- Capacity Addition in Renewable Energy: Statistical data from renewable energy agencies and regulatory authorities can provide information on the capacity addition in indigenous manufacturing of solar panels, wind turbines, and other renewable energy technologies.
- Investment in Renewable Energy Projects: Analysis of investment trends and project pipelines in the renewable energy sector can highlight the contribution of Make in India towards indigenous innovation and technology adoption in clean energy.

YEAR	GROWTH RATE
2014-2015	8.2
2015-2016	10.8
2016-2017	12.3
2017-2018	21.7
2018-2019	28.2
2019-2020	34.6
2020-2021	40.1

Table 3.4 table showing the data of renewable energy

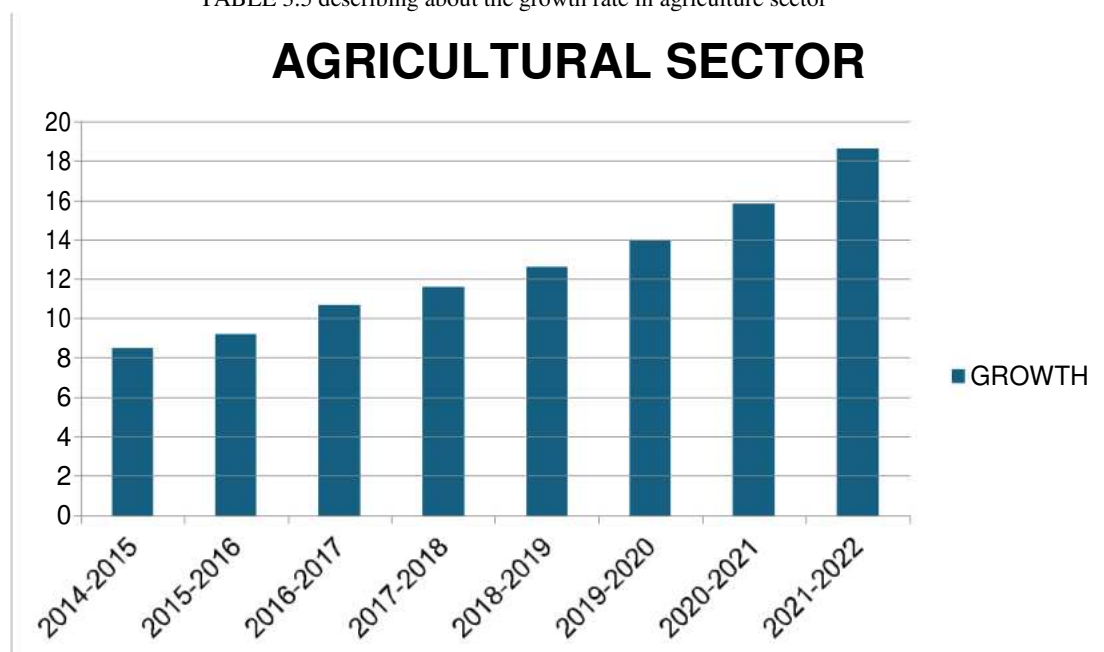


Agriculture Sector:

- Adoption of Agri-Tech Solutions: Data on the adoption of agricultural technologies and innovations, such as precision agriculture, IoT-enabled farming, and agri-business models, can indicate the impact of Make in India initiatives in promoting indigenous innovation in agriculture.
- Growth in Agri-Exports: Statistics on agricultural exports and value-added agri-products can demonstrate the competitiveness of indigenous agri-businesses and the success of Make in India initiatives in promoting value addition and export-oriented agriculture.

YEARS	GROWTH
2014-2015	8.5
2015-2016	9.2
2016-2017	10.7
2017-2018	11.6
2018-2019	12.6
2019-2020	13.9
2020-2021	15.8
2021-2022	18.6

TABLE 3.5 describing about the growth rate in agriculture sector

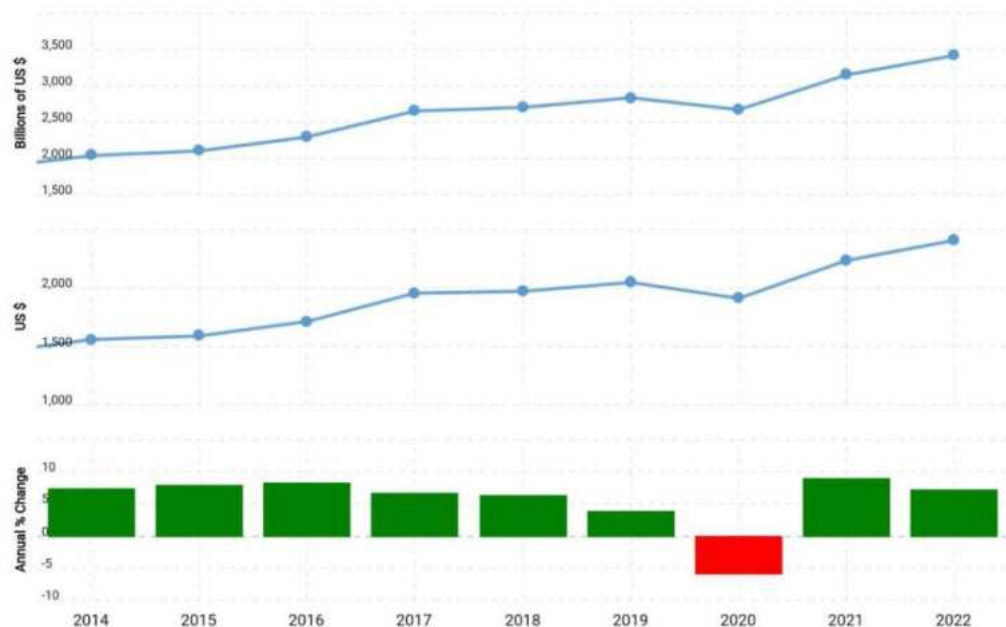


- As if we go according to our 2 hypothesis and study about how indigenous innovation affect our economy growth then we can get the data as in:

YEAR	GDP	Per Capita	Growth Rate
2014	\$2039.13B	\$1560	7.41%
2015	\$2103.59B	\$1590	8.00%
2016	\$2294.80B	\$1714	8.26%
2017	\$2651.47B	\$1958	6.80%
2018	\$2702.93B	\$1974	6.45%
2019	\$2835.61B	\$2050	3.87%
2020	\$2671.60B	\$1913	-5.83%
2021	\$3150.31B	\$2238	9.05%
2022	\$3416.65B	\$2411	7.24%

Table 3.6 indian economic growth due to indigenous innovation after “make in india “ scheme

Through the above given table you can easily underline how indigenous growth affected the Indian economy after the introduction of “MAKE IN INDIA” scheme, through the help of GDP, Per Capita, Growth Rate.



This is the graphical representation of the above given table stating GDP, Per Capita & Growth Rate.

Graph 1. Market size of India's IT industry



Data source: IBEF, Ministry of Commerce & Industry, Government of India

CHAPTER – 4

SUMMARY & CONCLUSION

Summary:

The project "Indigenous Innovation: Empowering Growth Through the Make in India Initiative" aimed to explore the role of indigenous innovation in driving economic growth and fostering entrepreneurship within the framework of the Make in India initiative. Through a comprehensive review of existing literature, analysis of secondary data, and examination of case studies and policy interventions, the project examined the contributions, challenges, and opportunities associated with indigenous innovation across key sectors of the Indian economy.

Any innovation involves risks, and demands patience and perseverance. The government and the NGOs involved in these tasks therefore, need to be willing to share these risks and be prepared for their long term involvements. Also, innovation is primarily a team work that thrives in creative environments and a culture that encourages experimentations and positive critique. Team synergy based on complementary expertise and strength of each of the members, and innovator as its central member, will greatly increase the chances of its success. A cluster based participatory approach that brings together the grass root innovators from the region/locality and the scientists/researchers will therefore be more suitable here.

While, interventions and supports in terms of marketing, management, engineering and finance are visible, the design interventions, that are so crucial today to develop these innovative ideas into marketable solutions are found missing, or are at best inadequate. With global outlook, sensitivity to local needs and aspirations, and capability to hand-hold the innovator/industry, designer can help convert these innovative ideas into market success. Design, it is now recognized, is the core of innovation, and thus the key to any business success. By the very nature of its profession, design helps bring in the much needed empathetic understanding and holistic vision to connect and integrate all the various efforts towards a positive outcome.

Designer would, while utilizing the unique strength of the innovation/idea, help connect these indigenous innovations to the users' aspirations, and in the process help overcome those typical constraints of resources, skills etc. He/She would thus act here as a catalyst to bring in the much needed new changes and new vision. Indian economy demands different solutions, the solutions that are 'people centric' - people not as consumers but as human beings – a solution that generates new employment opportunities utilizing the existing skills of the people, improves the standard of living while preserving the values of traditional society (Mehta 2003).

These necessitate developing a product design methodology that addresses this unique need to en-cash the abundant ingenious and indigenous resources available in the country, encourages sustainability in all its forms, and the one that is focused primarily on improving the quality of life of people involved.

The project highlighted the multifaceted impact of the Make in India initiative in promoting indigenous innovation in sectors such as manufacturing, technology, healthcare, renewable energy, and agriculture. Key findings revealed significant growth in domestic manufacturing capacities, expansion of the startup ecosystem, advancements in technology adoption, and the emergence of homegrown solutions to address societal challenges. Government policies and initiatives aimed at supporting indigenous innovation were found to have played a crucial role

in creating an enabling environment for entrepreneurship, investment, and R&D.

Despite the progress made, the project identified several challenges hindering the full realization of the potential of indigenous innovation in India. These included barriers such as access to finance, infrastructure constraints, regulatory hurdles, and skill shortages. Addressing these challenges requires continued efforts from policymakers, industry stakeholders, and the research community to foster a conducive ecosystem for innovation, entrepreneurship, and inclusive growth.

Findings:

- **Government Policies and Initiatives:** The Make in India initiative has led to a significant increase in domestic manufacturing capacities and technology adoption across key sectors of the Indian economy. Government policies and initiatives such as the Production Linked Incentive (PLI) scheme and sector-specific programs have incentivized indigenous innovation and entrepreneurship.
- **Startup Ecosystem Growth:** The project found a burgeoning startup ecosystem in India, with a growing number of indigenous startups in technology-driven sectors. These startups are driving innovation, disrupting traditional industries, and contributing to job creation and economic growth.
- **Technology Adoption:** Indigenous innovation has been facilitated by the widespread adoption of technology, including digitalization, automation, and artificial intelligence. Indian companies are leveraging these technologies to develop innovative products, services, and business models that cater to domestic and global markets.
- **Sectoral Impact:** The Make in India initiative has had a positive impact on various sectors, including manufacturing, technology, healthcare, renewable energy, and agriculture. Indigenous innovation in these sectors has resulted in increased production, improved quality, cost competitiveness, and enhanced export potential.
- **Challenges:** Despite the progress made, the project identified several challenges hindering indigenous innovation, including access to finance, infrastructure constraints, regulatory hurdles, and skill shortages. These challenges need to be addressed to unlock the full potential of indigenous innovation and entrepreneurship in India.

Conclusion:

In conclusion, the project underscores the importance of indigenous innovation as a driver of economic growth, job creation, and sustainable development in India. The Make in India initiative has provided a platform to showcase India's potential as a global manufacturing hub and a hotbed for innovation and entrepreneurship. By promoting indigenous manufacturing, technology adoption, and value addition across sectors, the initiative has laid the foundation for India's transition towards a knowledge-based economy and a global innovation powerhouse.

This is the era of innovation-driven economy. Today's fiercely competitive and increasingly saturated global markets, rapid technological breakthroughs, Information Technology (IT) integration, have all left the old weapons of achieving any differentiation/edge, inadequate.

Innovation is today the key to any business success. Coupled with this, the increasing awareness of ecological and sustainability issues, scarcity of materials, stringent IPR norms, mass customization, have all resulted in the demand for the solution – innovations, that have emerged/evolved based on local needs and the ones that focus on the ‘quality of life’, of all of its stake holders. Tomorrow’s business will compete on originality, and only the local user and the local context can provide this much needed edge, and thereby the unique strength. Indigenous innovations, it has now been recognized, is crucial for any developing nations to achieve cumulative growth of economic and social developments.

The very nature of the composition of Indian society – primarily an agrarian and service economy, large middle income and rural segment, crafts and SMEs as the main industry sectors, they all encourage development of indigenous and ingenious ways to earn their livings. Its rich resource of indigenous knowledge evolved over the years, is been constantly used and practised in the efforts of their survival, and also their progress. One would therefore, come across amazing innovations – solutions that may have been developed/innovated to meet and solve the specific needs and requirements of the person or region. By their very nature of development, these ideas/innovations will have inbuilt considerations of many of the ecological and sustainability aspects.

There is, therefore, a great scope of developing these ideas and also the traditional knowledge into contemporary applications for local solutions. This would benefit the large number of people living in the region and would also generate employment opportunities. These indigenous innovations/ideas/knowledge could thus form a significant resource that can be developed into marketable products and thereby help creating business successes, and in turn providing a vital direction for the country like India, to transit into an innovation-driven economy. Indigenous design and development capabilities are the keys to gaining a competitive edge....One of the very important ingredients for success of the vision of transforming India into a developed nation by 2020 is the evolution of creative leaders, said His Excellency, the President of India, Dr. A. P. J. Abdul Kalam, during his 25th Convocation address at NID on 5th January 2005.

Moving forward, sustaining and scaling up indigenous innovation will require concerted efforts to address existing challenges and capitalize on emerging opportunities. This includes enhancing access to finance and infrastructure, strengthening intellectual property rights protection, fostering collaboration between industry and academia, and promoting inclusive innovation that addresses the needs of underserved communities.

Overall, the project emphasizes the need for a holistic approach to indigenous innovation that leverages India's diverse talent pool, rich cultural heritage, and technological capabilities. By empowering indigenous innovators and entrepreneurs, India can unlock its full potential and emerge as a global leader in innovation, driving inclusive growth and prosperity for all segments of society.

CHAPTER – 5

RECOMMENDATIONS

Enhance Access to Finance: Facilitate access to finance for indigenous innovators and entrepreneurs through targeted schemes, venture capital funding, and support mechanisms such as incubators and accelerators.

Invest in Infrastructure: Invest in infrastructure development, including physical infrastructure, digital connectivity, and research facilities, to create a conducive environment for innovation and entrepreneurship.

Streamline Regulatory Processes: Simplify regulatory processes and create a business-friendly environment by reducing red tape, eliminating bureaucratic hurdles, and ensuring ease of doing business for indigenous innovators and startups.

Promote Skill Development: Strengthen skill development initiatives to bridge the gap between industry requirements and the workforce. Focus on enhancing technical and entrepreneurial skills through vocational training, education reforms, and industry-academia collaborations.

Protect Intellectual Property Rights: Strengthen intellectual property rights protection to incentivize innovation and safeguard the interests of indigenous innovators and entrepreneurs. Create awareness about the importance of intellectual property rights and provide legal support to address infringements.

Encourage Collaboration: Foster collaboration between government, industry, academia, and civil society organizations to promote knowledge sharing, technology transfer, and innovation clusters. Facilitate partnerships that leverage complementary strengths and resources to drive indigenous innovation forward.

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PROJECT DISSERTATION ON

“Quest For Financial Inclusion Via Digital Financial Services During Covid 19 Pandemic

Case Study Of Women In Delhi NCR ”

SUBMITTED IN THE PARTIAL FULFILLMENT FOR THE AWARD

DEGREE Of MASTER IN BUSINESS ADMINISTRATION

Guide By:

Prof. Urvesh Chaudhary

Submitted By:

Amit sharma

35119114322



GITARATTAN INTERNATIONAL BUSINESS SCHOOL

DELHI-110085 Batch (2022-2024)

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Certificate

I, Mr. Amit sharma, Roll No.35119114322 certify that the Project Report/Dissertation (MIB122) entitled “**Quest For Financial Inclusion Via Digital Financial Services During Covid 19 Pandemic**” is completed by me and it is an authentic work carried out by me at Gitarattan International Business School. The matter embodied in this project work has not been submitted earlier for the award of any degree or diploma to the best of my knowledge and belief.

Signature of the Student:

Date:

Certified that the Project Report/Dissertation (MIB 122) entitled “**Quest For Financial Inclusion Via Digital Financial Services During Covid 19 Pandemic**” done by Mr. Amit sharma, Roll No. 35119114322, is completed under my guidance.

Signature of the Guide:

Date:

Gitarattan International Business School, Delhi-110085

Countersigned Director/Project Coordinator

Certificate from Faculty Guide

This is to certify that the project titled **“Quest For Financial Via Digital Financial Services During COVID-19 Pandemic ; case study Of Women In Delhi NCR ”** is an academic work done by **“Amit sharma”** submitted in the partial fulfillment of the requirement for the award of the degree of **“Masters in Business Administration”** from **“Gitarattan international business school, New Delhi.”** under my guidance and direction.

To the best of my knowledge and belief, the data and information presented by her in the project has not been submitted earlier elsewhere.

Acknowledgment

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CHAPTER-1

Introduction

1.1 Financial Inclusion

Financial Inclusion is the process of ensuring access to appropriate financial products and services needed by vulnerable groups such as weaker sections and low income groups at an affordable cost in a fair and transparent manner by mainstream institutional players. It plays a major role in the inclusive growth of the country.

Financial inclusion is studied in the context of access to formal financial services as distinct from that of access and use of informal sources of finance. Although the term financial inclusion is of relatively recent coinage, Governments and Central banks across the world have been working to increase the reach of formal financial services for long.

The most common manifestation of formal financial services is the possession of a bank account. Financial inclusion is also most commonly understood in terms of ‘overcoming of factors of exclusion’ and therefore is most relevant in the context of people who are more excluded from formal financial services such as those in rural areas, belonging to poor households and women (Demirgüç-Kunt, Klapper, Singer, Ansar, & Hess., 2018). The earliest definitions of financial inclusion were therefore in terms of spread of bank branches in unbanked areas and the availability of accounts among the underprivileged. In India, RBI used the term ‘Financial Inclusion’ for the first time in its Annual Policy Statement of 2005-06 (RBI Annual Policy, 2005) to define a policy of introducing ‘no frills’ accounts that would allow the poor in rural areas to open basic banking accounts with no minimum balance.

financial inclusion came to denote a process that ensures the ease of access, availability, and usage of the formal financial system for all members of an economy (Sarma, 2016). 2.3.8 The process of evolution of the theme continued with Dr. Raghuram Rajan, former Governor of RBI (2016) with a further widening of scope to include the demand side variables, “Financial inclusion is about

- (a) the broadening of financial services to those people and enterprises who do not have access to financial services sector;
- (b) the deepening of financial services for those who have minimal financial services; and
- (c) greater financial literacy and consumer protection so that those who are offered financial products can make appropriate choices.”

He also broadened the scope of financial inclusion which used to be credit centered to include universal access to a wide range of services such as savings, payments, and insurance and equity products at an affordable cost. The United Nations Capital Development Fund defines Financial inclusion as individuals and enterprises being able to access and use a range of appropriate and responsibly provided financial services offered in a well-regulated environment.

1.2 Digital Financial services

Digital financial services (DFS) are financial services (e.g., payments, remittances, and credit) accessed and delivered through digital channels, including via mobile devices. These encompass established instruments (e.g., debit and credit cards) offered primarily by banks, as well as new solutions built on cloud computing, digital platforms, and distributed ledger technologies (DLT), spanning mobile payments, crypto-assets and peer-to-peer (P2P) applications.

These new solutions are commonly referred to as fintech. The use of DFS in emerging and developing economies (EMDEs) at the onset of the current pandemic. Digital financial services can be harnessed to respond to the COVID-19 shock, and the crisis has the potential to accelerate their development and use.^{3,4} For countries where DFS have not been developed, however, making progress to satisfy important preconditions will smooth the transition toward DFS' use.

These include having an adequate digital infrastructure (e.g., high-quality communication services that facilitate access to the internet and mobile connectivity) and putting in place legal and regulatory requirements that enable DFS (e.g., allow the use of third-party agents to facilitate access to DFS and develop a strong network of local agents, establish a risk-based and proportionate anti-money laundering (AML) framework, foster interoperability and competition). Incentives for local adoption and the existence of a national ID system can also facilitate the development of DFS.

Digital financial services have revolutionized the way individuals and businesses manage their finances, offering a wide range of benefits and conveniences. One prominent example is online banking, where customers can access their bank accounts and perform various transactions through internet banking platforms.

They can view their transaction history, transfer funds between accounts, pay bills, and even apply for loans or credit cards, all from the comfort of their own homes or offices. The accessibility and convenience of online banking have made it increasingly popular among consumers, saving them time and reducing the need for physical visits to bank branches.

Mobile banking takes this convenience a step further by allowing customers to access banking services through their smartphones or mobile devices. With dedicated apps or mobile websites, individuals can perform banking tasks on the go, enabling them to manage their finances from anywhere, at any time. Mobile banking has become particularly valuable for people who have limited access to traditional banking services, such as those in remote areas or with physical limitations.

Digital wallets have also gained significant traction in the realm of digital financial services. These wallets enable users to store and manage their payment card information securely on

their smartphones or other devices. By linking their bank accounts or payment cards to these digital wallets, individuals can make payments at participating merchants, transfer money to other users, and perform other financial transactions with ease. Digital wallets have become an essential tool in the era of contactless payments, offering a convenient and secure alternative to traditional cash or card-based transactions.

Peer-to-peer (P2P) lending platforms have emerged as disruptive forces in the financial industry. These platforms connect borrowers directly with lenders, cutting out traditional financial intermediaries. By leveraging technology and algorithms, P2P lending platforms match borrowers' funding needs with lenders' investment preferences. This streamlined approach has made borrowing and lending more accessible, efficient, and often more cost-effective for individuals and small businesses. P2P lending has opened up new avenues for financing, especially for those who may have difficulty obtaining loans through traditional channels.

Digital financial services have also transformed the investment landscape. Online investment platforms provide individuals with the ability to buy and sell stocks, bonds, mutual funds, and other investment products directly through their computers or mobile devices. These platforms often offer educational resources, portfolio management tools, and real-time market data, empowering individuals to make informed investment decisions. By democratizing access to investment opportunities, online investment platforms have opened doors for a wider range of people to participate in the financial markets.

Crowdfunding has become increasingly popular as a digital financial service, enabling individuals and businesses to raise funds for various projects or ventures. Online crowdfunding platforms allow creators to present their ideas and initiatives to a global audience and collect small contributions from a large number of individuals. This method of fundraising has helped bring countless innovative projects to life, from creative endeavors to social causes and entrepreneurial ventures. Crowdfunding has not only diversified the sources of funding but has also fostered a sense of community and engagement among supporters.

Digital insurance services have also seen significant advancements. Insurance companies now offer online portals and mobile apps that allow customers to manage their policies, file claims, and access insurance-related information conveniently. These digital platforms provide customers with real-time access to policy documents, coverage details, and premium payment options. Additionally, they often offer features like online claims submission and status tracking, simplifying the claims process and enhancing customer experience.

The rise of digital financial services has also been closely tied to the emergence of blockchain technology and cryptocurrencies. Blockchain technology provides a decentralized and secure ledger for recording financial transactions, and cryptocurrencies like Bitcoin and Ethereum offer digital currencies that operate independently of traditional banking systems.

Digital financial services in the blockchain and cryptocurrency space include platforms and exchanges that facilitate transactions and storage of cryptocurrencies, as well as other blockchain-based financial products and services like decentralized finance (DeFi)

applications. These services have introduced new possibilities for borderless transactions, financial inclusion, and innovative financial instruments.

Digital payments, digital lending, and digital remittances have grown in recent years. Digital payments are noncash transactions processed through digital channels. These include digital commerce and mobile point-of-sale (POS) payments.

Digital commerce refers to consumer transactions directly related to online shopping for products and services that can be made via various payment methods (e.g., credit cards, direct debits, invoices, or online payment providers, such as PayPal and AliPay). Mobile POS payments are transactions processed via “mobile wallets” (e.g., M-Pesa) where the payment is made by a contactless interaction of the mobile application with a suitable payment terminal belonging to the merchant.

Digital financial services refer to the range of financial services that are delivered through digital channels, such as the internet, mobile devices, and other electronic platforms. These services leverage technology to provide convenient, accessible, and often faster financial transactions and interactions for individuals and businesses.

Digital payment technologies improve the ability to target cash assistance to households, particularly to the unbanked, to women and to the informal sector. These technologies can also improve the speed of transfers, which is of particular value in the COVID-19 crisis, as large informal sectors in many developing economies are in urgent need of assistance. Examples of country-specific uses include China (consumption coupons disbursed via Alipay and WeChat pay), India (transfers via Aadhaar-linked accounts), as well as Colombia, Morocco, Peru, and who have been expanding or leveraging existing digital payment systems, particularly to the informal sector. M-Pesa using countries are also leveraging the system for transfers.

Digital payments have also been successfully used in past health crisis experiences. In addition, in crisis times digital G2B payments could include grants to cover wages for staff, employee retention funds for small businesses, and lending programs for businesses.

Digital financial services have gained popularity due to their convenience, speed, and accessibility. They have expanded financial inclusion by reaching underserved populations who may not have access to traditional banking services. However, it is important to ensure the security of digital financial transactions and protect user data to maintain trust in these services.

Digital financial services refer to the use of digital technology to provide various financial products and services. These services are typically offered through online platforms, mobile applications, or other digital channels. They have gained significant popularity and have transformed the way financial transactions are conducted.

Digital financial services refer to the suite of financial products and services that are delivered through digital platforms such as websites, mobile apps, and online banking portals. These services leverage technology to provide convenient and accessible financial solutions to individuals and businesses.

Digital financial services cover a wide range of offerings, including:

- **Online Banking:** This allows customers to access and manage their bank accounts, make transactions, pay bills, transfer funds, and view statements through a secure online portal or mobile app.
Customers can access their bank accounts, view transaction history, transfer funds, pay bills, and perform other banking activities through internet banking platforms.
Banks and financial institutions offer internet banking platforms that allow customers to manage their accounts, make transactions, pay bills, transfer funds, and access other banking services electronically.
- **Mobile Banking:** Similar to online banking, mobile banking enables customers to perform financial transactions and access banking services through their smartphones or tablets.
mobile banking allows customers to access banking services and conduct transactions using their smartphones or mobile devices through dedicated apps or the mobile websites.
Mobile banking applications enable users to perform banking activities using their smartphones or tablets. These apps often provide features like balance inquiries, fund transfers, bill payments, and even mobile check deposits.
- **Digital Payments:** These services facilitate electronic payments, allowing users to make purchases, transfer money, and pay bills digitally. Examples include mobile wallets (e.g., Apple Pay, Google Pay), peer-to-peer payment apps (e.g., Venmo, PayPal), and online payment gateways.
Digital wallets enable users to store and manage their payment card information securely on their smartphones or other devices. They can make payments at participating merchants, transfer money, and perform other financial transactions.
Services like PayPal, Venmo, Apple Pay, Google Pay, and other digital wallets enable users to make online payments, transfer money to friends and family, and complete purchases without the need for physical cash or cards.
- **Digital Lending:** Online platforms and mobile apps provide convenient access to loans and credit facilities, allowing individuals and businesses to apply for loans, receive approvals, and manage repayments digitally.
- **Digital Investing:** Online investment platforms and robo-advisors enable individuals to invest in stocks, bonds, mutual funds, and other financial instruments. These platforms often provide automated portfolio management and personalized investment advice.
- **Digital Insurance:** Insurance companies offer online portals and mobile apps for customers to purchase and manage insurance policies, file claims, and access policy

information. Some platforms also employ technologies like telematics for usage-based insurance

Insurance companies offer online portals and mobile apps where customers can manage their policies, file claims, and access insurance-related information.

- **Digital Remittances:** Digital services make it easier and cheaper to send money across borders. Online platforms and mobile apps facilitate international remittances, reducing the need for traditional money transfer methods.
Digital remittance services enable people to send money internationally using online platforms or mobile apps, providing a faster and often more cost-effective alternative to traditional remittance methods.
- **Personal Finance Management:** Digital tools and apps help individuals track their expenses, set budgets, analyze spending patterns, and achieve financial goals. These services often provide insights and recommendations based on user's financial data.
- **Peer-to-Peer Lending:** Online platforms connect borrowers directly with lenders, eliminating the need for traditional financial intermediaries like banks. These platforms match borrowers with investors willing to provide funds, enabling individuals and small businesses to access loans more easily.
P2P lending platforms connect borrowers directly with lenders, bypassing traditional financial intermediaries. These platforms use technology to match borrowers' funding needs with lenders' investment preferences.
- **Crowdfunding:** Digital platforms allow entrepreneurs, artists, and other individuals to raise funds for their projects by reaching out to a large number of people willing to contribute small amounts. Crowdfunding has become popular for financing creative projects, charitable causes, and even startups.
Digital crowdfunding platforms facilitate fundraising for individuals, startups, or projects by collecting small contributions from a large number of individuals via online platforms.
- **Robo-Advisory:** Robo-advisors use algorithms and artificial intelligence to provide automated investment advice and portfolio management services. These platforms analyze users' financial goals, risk tolerance, and investment preferences to offer personalized investment recommendations.
Robo-advisors use algorithms and automation to provide investment advice and portfolio management services based on customers' financial goals and risk profiles. These services are typically accessible through online platforms.
- **Cryptocurrency Services:** Digital currencies like Bitcoin and Ethereum have given rise to a range of digital financial services. These include cryptocurrency exchanges for trading digital assets, digital wallets for storing and managing cryptocurrencies, and decentralized finance (DeFi) platforms that offer various financial services using blockchain technology.

Digital financial services also include platforms and exchanges that facilitate transactions and storage of cryptocurrencies, as well as other blockchain-based financial products and services.

- **Online Investment Platforms:** Digital investment platforms allow individuals to buy and sell stocks, bonds, mutual funds, and other investment products online. They often provide educational resources, portfolio management tools, and real-time market data.

These digital financial services have transformed the way people manage their finances, offering convenience, accessibility, and efficiency. However, it's essential for users to prioritize cybersecurity and privacy measures when engaging in digital financial transactions. Digital financial services provide convenience, accessibility, and efficiency to users by eliminating geographical barriers and reducing the need for physical infrastructure. However, it's important to consider the security aspects and choose reputable platforms that prioritize customer data protection and follow regulatory guidelines to ensure safe and reliable transactions.

Digital financial services have revolutionized the way we manage our finances, providing us with a range of convenient and accessible options. Online banking is one such service that allows customers to access their bank accounts, view transaction history, transfer funds, pay bills, and perform various other banking activities through internet banking platforms. This eliminates the need to visit physical bank branches, saving time and effort. Mobile banking has further enhanced accessibility by enabling customers to access banking services through their smartphones or mobile devices. With dedicated apps or mobile websites, users can conveniently check their account balances, make transactions, and even deposit checks by simply capturing an image. Mobile banking has made banking services more accessible, especially for individuals in remote areas or with limited access to physical bank branches.

Digital wallets have gained popularity as a convenient payment method. These wallets allow users to securely store their payment card information on their smartphones or other devices. With digital wallets, users can make payments at participating merchants by simply tapping their smartphones or scanning a QR code.

Additionally, they can transfer money to friends and family, split bills, and even make online purchases without the need for physical cards. peer-to-Peer (P2P) lending platforms have disrupted traditional lending models by connecting borrowers directly with lenders. These platforms leverage technology to match borrowers' funding needs with lenders' investment preferences. P2P lending provides an alternative to traditional banks, enabling individuals and small businesses to access loans quickly and often at competitive rates. It also offers investment opportunities for individuals seeking higher returns on their funds.

Online investment platforms have made investing in stocks, bonds, mutual funds, and other financial instruments more accessible to the general public. These platforms offer user-friendly interfaces, educational resources, portfolio management tools, and real-time market data, empowering individuals to make informed investment decisions. With just a few clicks, investors can buy and sell securities, monitor their portfolios, and stay updated with market trends.

Crowdfunding has gained popularity as a digital financial service, allowing individuals, startups, or projects to raise funds from a large number of people. Crowdfunding platforms provide a convenient way to collect small contributions online, enabling entrepreneurs, artists, and social initiatives to bring their ideas to life. It has democratized fundraising and reduced reliance on traditional sources of capital. Digital insurance services have transformed the insurance industry by offering online portals and mobile apps for policy management. Customers can easily access their insurance policies, file claims, and receive updates on their coverage, all from the convenience of their devices. This eliminates the need for lengthy paperwork and simplifies the insurance process for individuals and businesses alike.

Remittance services have also seen significant digital transformation, providing a faster and more cost-effective alternative to traditional methods of sending money internationally. With digital remittance platforms, individuals can transfer money to their loved ones abroad using online platforms or mobile apps. These services often offer competitive exchange rates and reduced transaction fees, making cross-border money transfers more affordable.

Robo-advisors have emerged as a popular choice for individuals seeking automated investment advice and portfolio management. These digital platforms use algorithms and automation to analyze investors' financial goals, risk profiles, and market trends. Based on this analysis, robo-advisors recommend investment strategies and manage portfolios on behalf of their clients. Robo-advisors have made investment services more accessible to a wider audience, especially for individuals with smaller investment amounts.

Lastly, digital financial services also encompass blockchain and cryptocurrency services. Blockchain technology provides a decentralized and secure platform for transactions and data storage. Cryptocurrency exchanges enable individuals to buy, sell, and store digital currencies. Additionally, blockchain-based financial products and services, such as decentralized finance (DeFi) platforms, offer innovative alternatives to traditional financial systems.

These digital financial services have transformed the financial landscape, providing individuals and businesses with greater convenience, accessibility, and efficiency. However, it is important for users to remain vigilant about cybersecurity and privacy measures to protect their financial information and assets in the digital realm.

1.3 About The Industry

Banking

The Indian financial system has witnessed remarkable changes since 1991, Banking sector is one among which is performing really well after liberalization, and success can truly be associated with major banking reforms taken by RBI and some major technological changes that have take place over years . In 2014, RBI introduced two new categories of banks into the Indian financial system, namely Payment Banks and Small Banks.

The core objective of introducing these banks to increase the financial inclusion and spreading financial product and services to untapped rural area . Payment banks is a new kind of bank which is potential with the express purpose of extending the reach of banking to the vast majority of the unbanked and under banked segments of the population. Firstly, its movement towards the financial inclusion initiative by widening the digital payment infrastructure. Secondly, it encourages the Financial Technology culture in the Indian banking. Findings are favorable in deepening the financial services and financial inclusion in India, especially in the rural areas, mainly focusing on low-income groups and small businesses.

Bank is an advanced form of an issuer of a prepaid instrument and can be seen as financial institutions that are not able to function as a full bank, but that provide banking services. Payment banks, for example, in India are not permitted to lease money and cannot accept deposits above a limit. This means they are a non-full-service niche bank capable of offering restricted financial services.

A committee for Comprehensive Financial Services for Small Businesses and Low-Income Home Affairs was established in September 2013 by the Reserve Bank of India (RBI), regulating the Indian banking system. The committee's purpose was to develop a clear vision and principles for better financial inclusion in India

In January 2014, RBI published detailed findings and submitted the ambitious recommendation to provide all adult people with universal banking. To this purpose, the committee advised that differentiated banking be established and considered, among other potential differentiated banks, the development of payment banks. Drawing on the findings, in July 2014, RBI developed draught Guidelines on Payments Bank licensing and in November 2014 the final guidelines and requests. A request came from more than 40 institutions and in principle 11 applicants for the establishment of payment banks in India were finally approved in August 2015.

CHAPTER-2

Literature Review

2.1 Theoretical Background

Contactless digital payments for P2P transfers and for purchases in stores could help maintain social distancing and reduce the potential spread of COVID-19. Existing modalities for digital payments (debit/credit cards, internet banking, mobile wallets, digital payment apps, Unified Payments Interface service, Unstructured Supplementary Service Data, and bank prepaid cards, mobile) have been increasingly used by households around the world.

As an example, a recent survey of Indian households indicates the rising use of transactions conducted using digital payments during the COVID-19 crisis.²⁵ Some governments are currently providing incentives to pay for goods or services digitally, through mobile money or e-wallets.

The online provision of goods and services increases during the pandemic, there will be a greater need for digital methods of payments that are compatible with online use. Digital forms of payment, including mobile money and digital currencies, can facilitate the processing of remittances in times of crisis. This is especially the case when traditional forms of remittances require physical queuing

For instance, the United Nations Capital Development Fund is working with mobile network operators to temporarily waive fees for mobile remittances, to help maintain the flow of remittances that is a key source of income for many Pacific island economies. The digitization of P2G payments, aside from its social distancing benefits, has the scope to raise tax revenues.

Digital payment of taxes could improve the visibility of tax payments, which can help combat tax evasion and corruption. For example, digitization schemes for the mobile payment of municipal taxes in Senegal, raised tax revenues by a factor of seven within three months. Higher tax revenues can be particularly important during the ongoing pandemic given the large fiscal expenditure needs most governments will face.

2.2 Review Of Literature

AijaA. Shaikh , Richard Glavee-Geo , Heikki Karjaluo , RobertEbo Hinson (2023)-

The widespread diffusion of smartphones in emerging and developing markets has inspired digital transformation, reduced the informal and undocumented volume of transactions, and increased digital inclusion in Africa and elsewhere. The diffusion of smartphones, which has played a remarkable role in reducing the digital divide, is now considered the future of the industry, although mostly in developed markets). Cell phones and internet penetration reduce information asymmetry and cell phones continue to be the top choice of device for the vast majority of mobile money users with 5.2 billion mobile users worldwide

Joshua Sebu(2023) - The emerging facts suggest that mobile money technology has resulted in the most expansive outreach of financial services. Although the widespread success of mobile money services is significant for financial inclusion, this chapter also highlights the insidious threat posed by accompanying fraudulent activities. Consequently, the overall success of the financial innovation drive would require a robust and sustained welfare-enhancing mechanism to produce a more satisfied clientele which would lead to a meaningful and positive financial development.

Zul Hakim jumat (2023) - Although COVID-19 has caused a global slowdown, the magnitude of GDP losses appears to vary across countries. This study considers the question: could digital finance help to mitigate the adverse impact of COVID-19 on GDP? Countries with higher levels of digital financial inclusion are found to experience less fall in GDP, whereas countries relying more on cash transactions experience a greater GDP decline. These results suggest that digital financial inclusion might play a key role in mitigating the adverse impact of COVID-19 on GDP.

Anusha Goel (2023) - Financial Inclusion means providing basic financial products and services to marginalised groups in society in a cost-effective manner. It is an aspect of financial development which helps to achieve higher growth, reduced inequality and reduced poverty. This article undertakes a thematic literature review of factors responsible for financial exclusion, recent trends regarding inclusion, and policy initiatives by government and regulatory bodies. The literature suggests that low earnings, gender gap, ignorance towards marginalised groups, low degree of financial literacy, remote locations and cultural barriers are all important issues behind financial inclusion.

Patty Zakaria(2023) - Financial technologies and financial product advancements are long rooted in the early twentieth century. Advances in this sector, adding to the financial infrastructure of the economies, have defined the performance of countries and reflected on the financial well-being of the economic units that interact in such markets with immense opportunities for financial inclusion. Yet, with the hasty technological advancements in the field, we observe an increase in the complexity and forms of digital financial risks and regulatory loopholes with poorly defined legal frameworks that struggle to meet the dynamic tech environment. By augmenting the fraud triangle approach for digital financial risks, we identified the motives, opportunities, and rationale of financial tampering, including fraud, money laundering, and financial crimes. Based on this and the potential Fintech holds for emerging economies, the chapter provides a commentary on the legal catch-up effect and further considerations for a healthy fintech environment.

Rajesh Desai, Kedar Bhatt and Avani Raval (2023) - Financial literacy has been recognized as a vital pre-requisite for financial inclusion, especially in emerging economies like India. The present research contributes to this growing domain of research by examining the effect of the financial literacy on inclusion. Considering the enormous growth of finance industry in terms of products and services as well as operations, it is hard to confine financial inclusion to bank-based services only. Therefore, this article adopts a comprehensive measure to gauge financial inclusion by integrating banking services, investment products, and government schemes. In addition, a financial literacy score has been computed using objective-based questions focusing on varied financial aspects.

Ogunode, Olubunmi Adewole and Akintoye, Rufus Ishola (2023) - This paper examined the interplay between financial technologies and financial inclusion in emerging economies especially from the Nigerian perspective. The study adopted the exploratory research design involving extensive review of related published materials including statistics obtained from reputable sources such as the World Bank, the Enhancing Financial Inclusion Surveys and the Global Findex reports. The study found that while the deployment of financial technologies has aided the financial inclusion drive in Nigeria, progress is still being hampered by challenges relating to poor system interoperability, socio-cultural induced gender sensitivities, concerns of data privacy breaches and over serving of cities by Fintechs to the detriment of priority rural areas. The study therefore recommended that regulatory authorities should provide clear policy frameworks that address issues of gender sensitivities, breach of data privacy and encourage a redirection of fintech activities to priority rural areas for greater impact on the financial inclusion drive. Also, efforts should be made to improve system interoperability and linkages between the conventional banks and fintech players to mitigate the challenges of frequent downtimes and service glitches which heightens trust deficiency.

Arnesh Telukdarie , Aviksha Mungar (2023) - Major parts of the population in developing regions reside in rural areas which leads them to having limited access to financial services. Digital financial technology has been identified as a potential solution in accelerating developing markets towards financial inclusion. Substantial evidence has been provided in the previous literature which indicates that an acceleration towards financial inclusion can have a positive impact on the economy. The application of digital technology, inclusive of Artificial Intelligence, may serve as a powerful tool to help individuals in developing markets obtain access to financial institutions as well as the services they may provide.

Peng Peng & Hui Mao (2022) - Digital financial inclusion not only promotes entrepreneurship by urban households but also increases their participation in the financial market. The increase in their income flow can be translated into an improvement in the stock of wealth, enabling them to avoid falling into relative poverty. But this effect is heterogeneous. Digital investment and digital credit play more important roles than digital payment. It is also more pronounced in households with higher financial literacy and households in smaller cities.

Sonal Raina Tikku and Anjani K. Singh(2022) - Financial inclusion is the driving force for growth in emerging markets of the world. It boosts the process of development and poverty alleviation for any economy. Most of the banks utilise an expensive brick and mortar model; therefore, mobile banking can act as a facilitator for financial inclusion in economic manner. This study identifies the factors effecting adoption of mobile banking among agri traders in wholesale commodity markets of India. It also explores the challenges faced by them, in mobile banking adoption.

Simona Andreea Apostu, Mirela Panai (2022) - In order to highlight the variables influencing Fintech and financial inclusion in selected countries, specific indicators were used—internet usage and the share of bank assets in GDP, and several indicators regarding individuals performance, that is, online shopping, paid bills via internet, accessed a bank account online, paid utility bills using a mobile phone, made or received digital payments, account ownership and debit card ownership.

Wellalage et al., 2021; GSMA, 2021) - The widespread diffusion of smartphones in emerging and developing markets has inspired digital transformation, reduced the informal and undocumented volume of transactions, and increased digital inclusion in Africa and elsewhere. The diffusion of smartphones, which has played a remarkable role in reducing the digital divide, is now considered the future of the industry, although mostly in developed markets

Ürgüplü and Hüseyinoğlu, 2021) – This study aims at making a contribution to the mobile money and financial inclusion literature . We also develop a research model to investigate the influence of mobile money agent credibility and service quality on customer empowerment; and exploring the outcome of such empowerment. Our exploratory quantitative analysis also seeks to examine users' true user behavior instead of behavioral intention when adopting and using a financial technology, such as mobile money.

Khenfer et al., (2020) - Little attention has been directed toward mobile money and similar financial technology developments to examine the role played by mobile money agents' credibility and service quality in promoting mobile money services and empowering mobile money users in Ghana, which is the context of this study. The concept of consumer empowerment—enhancing consumers' ability with sufficient knowledge and autonomy to access, understand, share information, and to exert control over a certain decision

Batista and Vicente, (2020)- The objectives behind the development and deployment of mobile money technology, which is defined as the provision of banking and payment services through a network of agents on a cell phone with a GSM connection were to provide easy and convenient access to banking and payment services, expand the consumer base, and discover a new revenue stream for service providers, given that the mobile money industry currently has over 1.2 billion registered accounts, over 300 million monthly active accounts, and the global value of daily transactions exceeded 2 billion USD (GSMA, 2021).

Svitlana Naumenkova, Svitlana Mishchenko and Dmytro Dorofeiev (2019).- The purpose is to assess the level of financial inclusion in the country, to determine the dominant influence of price and non-price barriers to access to financial services for the Ukrainian population when compared to other world countries and to define which part of the adult population is able to join the formal financial services system through the use of innovative channels and financial service systems.

Kabbiri et al., (2018) -Unlike traditional banking and payment models, where either the teller in the branch or the ATMs and the Internet facilitate banking transactions, the mobile money ecosystem is complemented by a dedicated agent network . Mobile money agents in the mobile money ecosystem (a typical digital and service channel) serves as the foundation of the mobile money initiative. These agents, which are formally selected and designated by banking firms, FinTech, and Telecoms, interact with consumers and provide everyday banking and payment-related services using cell phones, thereby replacing the need for bank branches, ATMs and Internet banking. Therefore, it is safe to conclude that the success of mobile money technology is indispensable to the successful development and management of the demographically distributed agent network.

Peterson K. Ozili ,(2018) - This study examine the impact of digital finance for financial inclusion and financial system stability. Focussing on digital finance, this article provides a discussion on digital finance and explores the impact of digital finance for financial inclusion and financial system stability - an issue which has not been addressed in the literature. At a conceptual level, the discussions also address the benefits and risks of digital finance, digital financial inclusion and financial inclusion.

Demirgüç-Kunt et al., (2018)- .Fintech Revolution opens new opportunities for financial inclusion (Demirgüç-Kunt et al., 2018). This applies in particular to the use of digital money, mobile accounts (Sarma & Pais, 2011), and the issuance of biometric smart cards (Karthik et al., 2016). Changes in the payment landscape in the current environment and the possibility of its usage for financial inclusion are covered in the WBG and BIS joint document (World Bank Group, 2016).

Klapper and Singer (2017) - highlighted the benefits and challenges of implementing electronic payments by public authorities to citizens in the government-to-person (G2P) system. Gabor and Brooks (2017) analyzed the creation of fintech-philanthropy-development complexes that combine behavioral economics with forecasting algorithms via implementing the “Know Thy (Irrational) Customer” concept to accelerate access to finance

2.3 Research Gap

we find that gender gaps in the usage of digital financial services across countries are associated with gender gaps in financial literacy, digital literacy, and socio-cultural factors. Using gender gaps in a composite measure of digital financial inclusion, we estimate a random effect panel data model using data on emerging and developing economies over two time periods. We find that countries with a higher share of women graduating in Science, Technology, Engineering, and Mathematics (STEM) and with lower gender gaps in upper secondary education tend to have lower gender gaps in digital financial inclusion.

There are large gender gaps in leadership positions in the fintech industry. Women represent less than 10 percent of leadership—both as founders and as members of executive boards of fintech firms. While the share of women leaders has been steadily improving over time—mostly as improved representation in newer firms—large gender gaps continue to persist. In fact, the share of women in leadership position is even lower than those in the traditional banking industry and technology companies.

Another Research Gap here is time that is limited for the research.

2.4 Rationale of the study

The COVID-19 pandemic has had a significant impact on the global economy, and women have been disproportionately affected. Financial inclusion through digital financial services can be a powerful tool to help women overcome the economic challenges caused by the pandemic. Here are some strategies that can help: Governments and financial institutions can increase access to digital financial services by providing incentives to promote their adoption. For example, they can waive fees, reduce taxes, or provide subsidies for digital transactions. They can also invest in digital infrastructure to increase internet connectivity and mobile phone penetration.

Women who are not familiar with digital financial services may be hesitant to adopt them. Therefore, it is crucial to increase financial literacy among women, particularly in rural areas. This can be done through training programs, public awareness campaigns, and community-based initiatives. Digital financial services can be particularly useful for women entrepreneurs who are struggling to maintain their businesses during the pandemic. Governments and financial institutions can provide women with access to credit, business training, and mentoring programs to help them grow their businesses.

Women may be hesitant to use digital financial services if they feel their personal and financial information is not secure. Therefore, it is important to ensure that digital financial services are secure and privacy is maintained. This can be done through robust data protection laws and regulations, secure payment gateways, and encryption technologies. Financial inclusion through digital financial services requires collaboration between governments, financial institutions, civil society organizations, and other stakeholders. Collaboration can help to identify the specific needs and challenges facing women in different contexts and develop tailored solutions that are inclusive and effective.

CHAPTER – 3

Research Methodology

3.1 Research Objective

1. Determine the level of financial inclusion among women in Delhi NCR during the COVID-19 Pandemic.
2. Examine the role of digital financial services in enabling women to engage in income-generating activities during the pandemic.
3. Determine the level of awareness and knowledge about digital Financial services among women in Delhi NCR.

3.2 Hypothesis

H1: The use of digital financial services by women in Delhi NCR during the Covid-19 Pandemic has positively contributed to financial inclusion.

H2: The availability and quality of digital infrastructure, including internet connectivity and access to smartphones, play a crucial role in determining the level of financial inclusion among women in Delhi NCR during the COVID-19 pandemic.

H3: Socio-economic factors, such as income level and education, significantly influence the level of financial inclusion among women in Delhi NCR during the COVID-19 pandemic.

3.3 Research Design

“Descriptive research design” - Descriptive research is a type of research that is used to describe the characteristics of a population. It collects data that are used to answer a wide range of what, when, and how questions pertaining to a particular population or group.

3.4 Source of data

Primary - Primary data will be collected from women through questionnaire

3.5 Population

A population is the pool of individuals from which a statistical sample is drawn.

“Delhi NCR”

3.6 Sample - Sample is a group of peoples , objects or items that are taken from a larger population for measurement.

Sample Unit - Women

Sample Size - 100

Sampling Technique – Non-Probabilistic convenience sampling technique

3.7 Variable Identification

S n o.	<u>Name of The paper</u>	Author	year	findings
1.	Impact of digital finance on financial inclusion and stability	panel Peterson K. Ozili	<u>2018</u>	Awareness
<u>2.</u>	The Impact of Digital Financial Technology on Accelerating Financial Inclusion in Developing Economies	Arnesh Telukdarie ^a , Aviksha Mungar ^a	<u>2023</u>	Usage
<u>3.</u>	FinTechs and financial inclusion: Digital perspectives on financial markets	Simona Andreea Apostu, Mirela Panait	2023	Access
<u>4.</u>	Fintech-driven Financial Inclusion and Consumer Protection	Colins Mugo	2023	Channels

Table1 showing Variable Identification

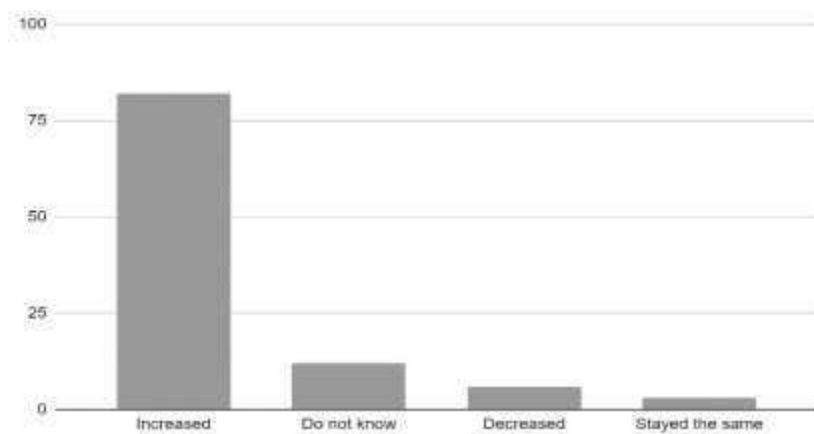
CHAPTER – 4

DATA ANALYSIS

4.2 Analysis of objectives

4.2.1 Objective 1 : Determine the level of financial inclusion among women in Delhi NCR during the COVID-19 Pandemic

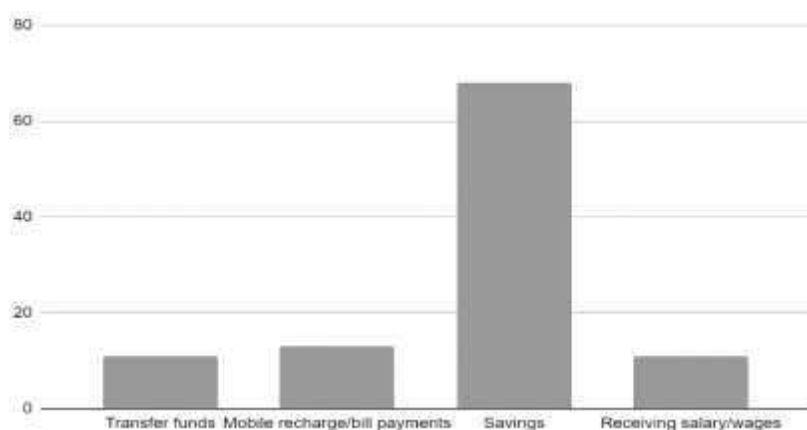
Usage of Digital Payments / Transactions during Covid 19 pandemic



Interpretation

Increase in the number of women with access to formal financial services through digital channels. Expansion of digital banking infrastructure, including the availability of banking agents and mobile banking facilities in underserved areas. Reduction in geographical barriers as digital services provide greater reach and accessibility. Frequency and regularity of women's use of digital financial services. Diversification of financial activities, such as savings, payments, remittances, and investments, through digital platforms.

Use of digital financial services

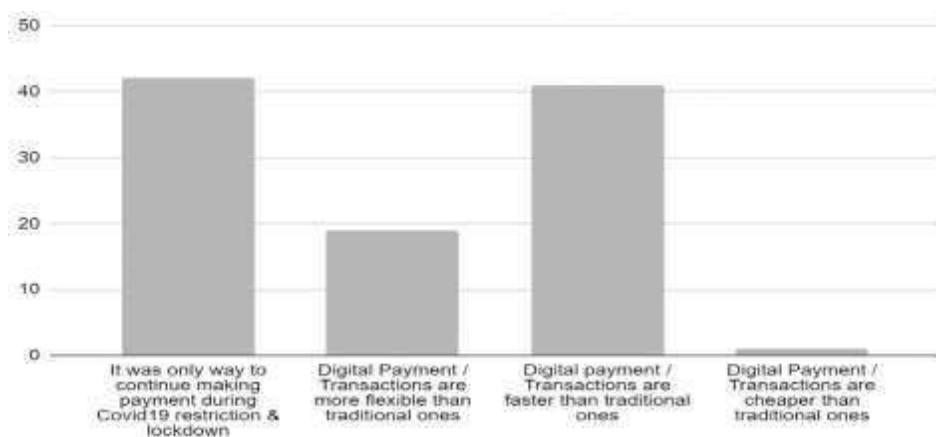


Interpretation

Mobile banking applications enable users to perform banking activities using their smartphones or tablets. These apps often provide features like balance inquiries, fund transfers, bill payments, and even mobile check deposits. These services facilitate electronic payments, allowing users to make purchases, transfer money, and pay bills digitally. Examples include mobile wallets (e.g., Apple Pay, Google Pay), peer-to-peer payment apps (e.g., Venmo, PayPal), and online payment gateways. Digital wallets enable users to store and manage their payment card information securely on their smartphones or other devices. They can make payments at participating merchants, transfer money, and perform other financial transactions. Services like PayPal, Venmo, Apple Pay, Google Pay, and other digital wallets enable users to make online payments, transfer money to friends and family, and complete purchases without the need for physical cash or cards.

4.2.2 Objective 2 : Examine the role of digital financial services in enabling women to engage in income-generating activities during the pandemic.

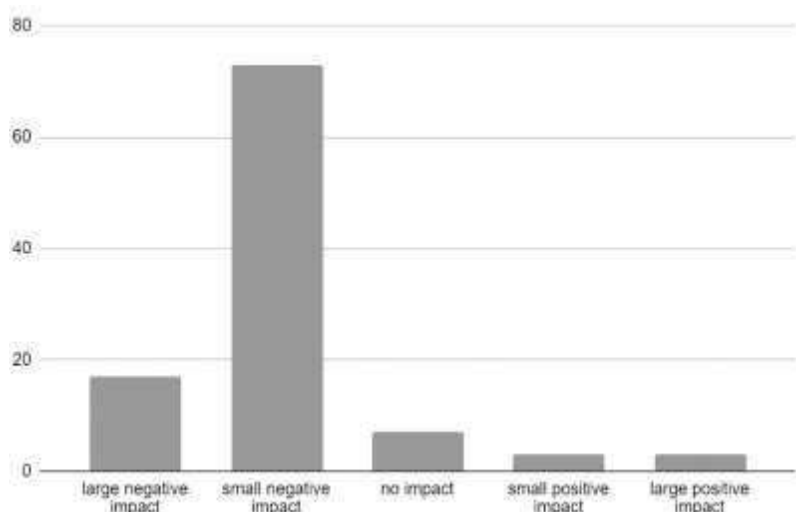
Increasing the use of Digital Payments /Transactions during Covid 19 pandemic



Interpretation

Through online banking and mobile banking, women in Delhi NCR have been able to manage their finances remotely, avoiding the need for physical interactions and reducing the risk of exposure to the virus. Digital wallets have further facilitated contactless payments, allowing women to make transactions securely and conveniently, even in situations where physical cash may be limited.

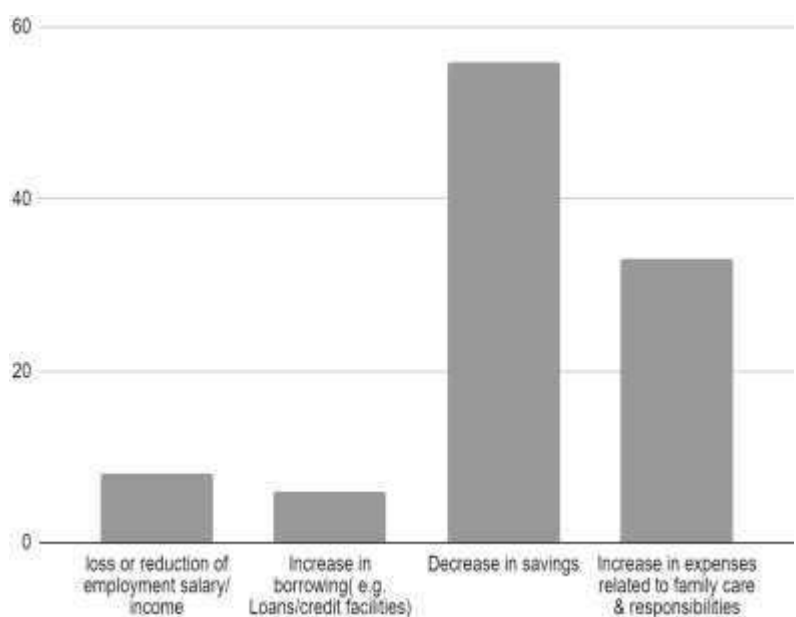
Impact Of COVID – 19 Pandemic



Interpretation

During the Covid-19 pandemic, the utilization of digital financial services has led to increased financial inclusion among women in Delhi NCR, enabling them to overcome barriers to traditional banking services and gain access to formal financial systems."Increased Adoption of Digital Financial Services: The Covid-19 pandemic forced people to minimize physical interactions, leading to a surge in the adoption of digital financial services. The hypothesis assumes that women in Delhi NCR also embraced these services, using them as an alternative to traditional banking methods.

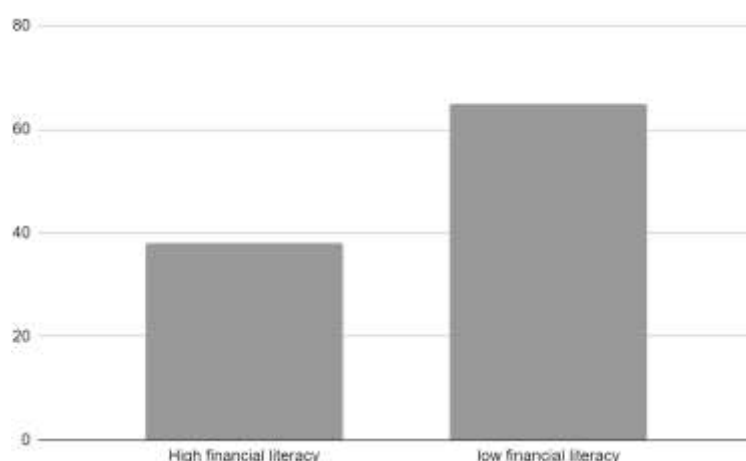
Negative Impact Of COVID-19 Pandemic



Interpretation

Women have been disproportionately affected by job losses and economic instability during the pandemic. Industries such as hospitality, retail, and healthcare, where women are overrepresented, have experienced significant layoffs. Additionally, women are more likely to work in informal sectors with limited job security and social protection.

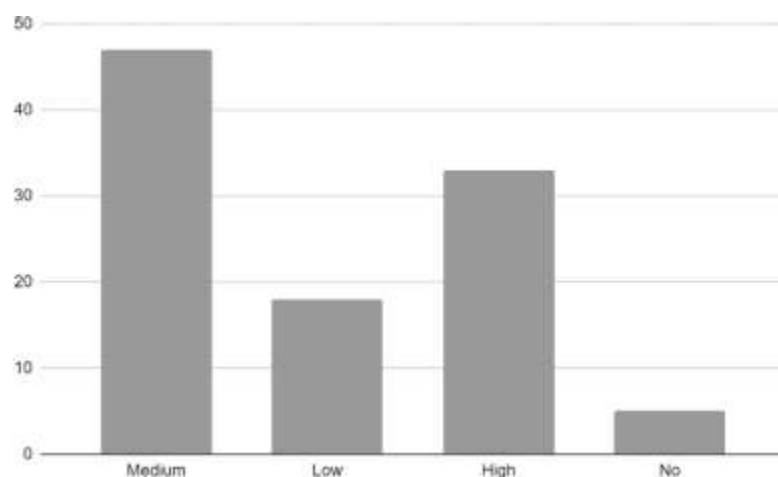
4.2.3 Objective 3: Determine the level of awareness and knowledge about digital Financial services among women in Delhi NCR.



Interpretation

Limited financial literacy and digital skills act as significant barriers for women in accessing financial services. Women, especially those from marginalized communities, may lack awareness and understanding of basic financial concepts, such as savings, loans, and investments. Moreover, the gender digital divide persists, with women having lower levels of digital literacy and limited access to smartphones, internet connectivity, and digital platforms, which are essential for utilizing digital financial services.

Familiarity Of Women With Digital Financial Services



Interpretation

The pandemic and associated lockdown measures restricted physical access to banks and other financial institutions. This posed challenges for women in Delhi NCR, particularly those in marginalized communities, who rely on physical branches for banking services. Limited access to financial services hindered their ability to manage finances, access credit, and engage in formal financial activities. The transition to digital financial services during the pandemic posed challenges for women who faced barriers related to the digital divide. Limited access to smartphones, internet connectivity, and digital literacy skills prevented many women from utilizing digital platforms for financial transactions. This further marginalized them from formal financial services.

4.1 T-Test: Paired Two Sample for Means

	<i>Variable 1 Digital financial services</i>	<i>Variable 2 Women literacy</i>
Mean	6286.75	0.8
Variance	91584815	0.694737
Observations	20	20
Pearson Correlation	0.293606	
Hypothesized Mean Difference	0	
df	19	
t Stat	2.93755	
P(T<=t) one-tail	0.004225	
t Critical one-tail	1.729133	
P(T<=t) two-tail	0.008451	
t Critical two-tail	2.093024	

Table2 shows T-test between digital payments and women literacy

Interpretation

The value of T-test is less than 0.05 that means the relationship usage of digital payments and women literacy is significant. This applies both variables are significant to each other.

Women who are not familiar with digital financial services may be hesitant to adopt them. Therefore, it is crucial to increase financial literacy among women, particularly in rural areas. This can be done through training programs, public awareness campaigns, and community-based initiatives.

Women may be hesitant to use digital financial services if they feel their personal and financial information is not secure. Therefore, it is important to ensure that digital financial services are secure and privacy is maintained. This can be done through robust data protection laws and regulations, secure payment gateways, and encryption technologies.

Overall, financial inclusion through digital financial services can play a crucial role in empowering women and promoting economic recovery during and after the COVID-19 pandemic. By increasing access to digital financial services, increasing financial literacy, promoting women's entrepreneurship, ensuring security and privacy, and fostering collaboration between stakeholders, we can create a more equitable and inclusive financial system.

4.3 Hypothesis Result

Hypothesis	Accept/Reject
H1: The use of digital financial services by women in Delhi NCR during the Covid-19 Pandemic has positively contributed to financial inclusion.	Accept
H2: The availability and quality of digital infrastructure, including internet connectivity and access to smartphones, play a crucial role in determining the level of financial inclusion among women in Delhi NCR during the COVID-19 pandemic.	Accept
H3: Socio-economic factors, such as income level and education, significantly influence the level of financial inclusion among women in Delhi NCR during the COVID-19 pandemic.	Accept

4.4 Evaluation of the impact of financial digital services on women's financial inclusion

This requires assessing various aspects of their effectiveness in promoting access, usage, and empowerment.

Here are some key evaluation measures:

Access to financial services:

Increase in the number of women with access to formal financial services through digital channels.

Expansion of digital banking infrastructure, including the availability of banking agents and mobile banking facilities in underserved areas.

Reduction in geographical barriers as digital services provide greater reach and accessibility.

Usage of financial services:

Frequency and regularity of women's use of digital financial services.

Diversification of financial activities, such as savings, payments, remittances, and investments, through digital platforms.

Utilization of advanced features like loans, insurance, and financial planning tools.

Financial literacy and digital skills:

Improvement in women's financial literacy and understanding of digital financial services.

Enhanced digital skills and confidence in using digital platforms for the financial transactions.

Awareness of the benefits and risks associated with digital financial services.

Economic empowerment:

Increase in women's control over financial resources and decision-making power.

Improvement in income-generating opportunities and entrepreneurship facilitated by digital platforms.

Enhanced ability to save, invest, and plan for future financial goals.

Financial resilience:

Improved ability to cope with financial shocks and emergencies through access to digital savings and insurance products.

Reduction in vulnerability to predatory lending and informal financial services.

Ability to build financial buffers and withstand economic disruptions, such as the COVID-19 pandemic.

Gender equality and social impact:

Promotion of gender equality by addressing gender gaps in financial access and usage.

Reduction in gender-based disparities in financial decision-making and economic participation.

Positive social outcomes, such as increased household welfare, education for children, and women's empowerment in communities.

Evaluation methods may include surveys, interviews, focus group discussions, and analysis of transactional data from digital platforms. Longitudinal studies can assess changes in financial behaviors and outcomes over time. It is important to capture both quantitative and qualitative data to gain a comprehensive understanding of the impact of financial digital services on women's financial inclusion.

4.5 Impact Of Covid-19 Pandemic On women

The COVID-19 pandemic has had a significant impact on the global economy, and women have been disproportionately affected. Financial inclusion through digital financial services can be a powerful tool to help women overcome the economic challenges caused by the pandemic.

The COVID-19 pandemic has had a significant impact on women in Delhi NCR in terms of financial inclusion. Here are some key impacts:

Disruption of livelihoods: The pandemic led to widespread job losses, income reduction, and business closures, affecting women's economic stability. Women, particularly those in the informal sector or working as daily wage laborers, faced a higher risk of losing their livelihoods, leading to financial instability and increased vulnerability.

Increased financial responsibilities: Many women in Delhi NCR had to shoulder additional financial responsibilities during the pandemic. With the loss of income or reduced earnings of male family members, women often became the primary breadwinners and had to manage household expenses, healthcare costs, and education-related expenditures.

Limited access to financial services: The pandemic and associated lockdown measures restricted physical access to banks and other financial institutions. This posed challenges for women in Delhi NCR, particularly those in marginalized communities, who rely on physical branches for banking services. Limited access to financial services hindered their ability to manage finances, access credit, and engage in formal financial activities.

Digital divide and limited digital literacy: The transition to digital financial services during the pandemic posed challenges for women who faced barriers related to the digital divide. Limited access to smartphones, internet connectivity, and digital literacy skills prevented many women from utilizing digital platforms for financial transactions. This further marginalized them from formal financial services.

Increased reliance on informal financial services: In the absence of formal financial services or during financial emergencies, women in Delhi NCR often turned to informal sources of credit, such as moneylenders or local lenders. These informal channels often come with high interest rates and exploitative practices, exacerbating their financial vulnerability.

Gender-based violence and safety concerns: The pandemic and associated lockdowns increased instances of gender-based violence, including economic abuse. Women faced challenges in accessing financial resources and making independent financial decisions, as

they were confined to their homes or faced limitations on movement. This further restricted their financial autonomy and inclusion.

Addressing the impact of COVID-19 on women's financial inclusion requires targeted interventions, such as promoting digital literacy, providing affordable and accessible digital financial services, and supporting entrepreneurship and income-generation opportunities. It is crucial to ensure that women are not left behind in the recovery process and that their financial inclusion is prioritized to enhance their resilience and empowerment.

4.6 Lack of awareness and digital literacy among women

During the COVID-19 pandemic, lack of awareness and digital literacy among women in Delhi NCR posed significant challenges to their financial inclusion. Here are some key aspects related to this issue:

Limited knowledge of digital financial services: Many women in Delhi NCR had limited awareness of digital financial services and their benefits. They may not have been aware of the availability of digital banking, mobile wallets, or online payment platforms. This lack of awareness hindered their ability to access and utilize these services for financial transactions.

Digital skills and literacy gaps: Women often faced barriers in adopting digital financial services due to limited digital skills and literacy. They may not have been familiar with operating smartphones, navigating mobile applications, or using internet-based platforms. Lack of proficiency in using technology and understanding digital interfaces acted as a barrier to accessing and effectively utilizing digital financial services.

Language and educational barriers: Language barriers, particularly for women who were not fluent in English or Hindi, further limited their access to digital financial services. Many digital platforms and applications primarily operate in English or Hindi, making it challenging for women who were more comfortable in regional languages. Additionally, limited educational backgrounds or lower levels of formal education also contributed to the digital literacy gap.

Limited access to devices and internet connectivity: Women in Delhi NCR faced challenges related to limited access to smartphones, computers, or internet connectivity. Sharing devices within households or lack of personal ownership restricted their ability to engage with digital platforms. Unequal access to reliable internet connections further hindered their participation in digital financial services.

Trust and security concerns: Some women expressed concerns related to the security and privacy of their financial information when engaging with digital platforms. The fear of fraud, cyber threats, or data breaches deterred them from actively using digital financial services, despite their potential benefits. Lack of awareness about safety measures and risk mitigation strategies further contributed to these concerns.

4.7 Addressing the lack of awareness and digital literacy among women during the COVID-19 pandemic requires focused efforts and interventions, including:

- Implementing targeted financial literacy programs to enhance women's understanding of digital financial services and their benefits.
- Offering training and capacity-building initiatives that focus on developing digital skills and promoting digital literacy among women.
- Providing multilingual support and localized interfaces to cater to women from diverse linguistic backgrounds.
- Collaborating with community organizations, NGOs, and government agencies to raise awareness about digital financial services and their usage.
- Promoting affordable access to devices and internet connectivity, ensuring that women have the necessary tools to engage with digital platforms.
- Strengthening consumer protection measures and ensuring robust security protocols to build trust and address women's concerns regarding the safety of their financial transactions.
- By addressing the lack of awareness and digital literacy, women in Delhi NCR can be empowered to utilize digital financial services effectively and enhance their financial inclusion during and beyond the pandemic.

4.8 Barriers to financial inclusion for women in Delhi NCR

Women in Delhi NCR face several socio-economic and cultural barriers that hinder their access to financial services. Traditional gender roles and societal norms often limit women's decision-making power and financial autonomy.

In many cases, women have limited control over household finances and may face resistance when seeking financial services independently. This lack of agency can impede their ability to open bank accounts, obtain loans, or access other financial products and services.

Limited access to formal financial institutions: Many women in Delhi NCR, particularly those from low-income backgrounds, have limited access to formal financial institutions such as banks and credit unions. The physical distance of bank branches from their residences, long queues, and complex documentation requirements make it challenging for women to access financial services. Additionally, the lack of affordable and easily accessible banking options in rural areas and informal settlements further exacerbates the problem.

Financial illiteracy: Limited financial literacy and digital skills are the barriers for women in accessing financial services. Women may lack awareness and understanding of basic financial concepts, such as savings, loans, and investments. Women having lower levels of digital literacy and limited access to smartphones, internet connectivity, and digital platforms, which are essential for utilizing digital financial services.

Lack of collateral and credit history: Women in Delhi NCR often face challenges in accessing credit due to the lack of collateral or credit history. Traditional lending practices rely heavily on tangible assets as collateral, which many women may not possess. Additionally, the absence of a credit history or documentation in their name further restricts their access to loans and other credit facilities.

Security and safety concerns: Women's safety concerns can also act as a barrier to financial inclusion. Many women feel unsafe traveling long distances to visit bank branches, especially in areas with inadequate infrastructure or high crime rates. Safety concerns may discourage women from engaging with formal financial institutions and push them towards informal and unreliable financial options.

Addressing these barriers is crucial for promoting financial inclusion among women in Delhi NCR. It requires a comprehensive approach that includes targeted financial literacy programs, digital skills training, tailored financial products and services, and policy interventions to address gender biases and enhance women's economic empowerment.

CHAPTER-5

CONCLUSION

5.1 Conclusion

In conclusion, digital financial services have played a crucial role in promoting financial inclusion, particularly during the COVID-19 pandemic, and have had a significant impact on women in Delhi NCR. These services have provided women with greater access to financial tools and resources, empowering them to take control of their finances and participate more actively in the economy.

The COVID-19 pandemic has disrupted traditional modes of banking and financial transactions, making digital financial services even more essential. Women in Delhi NCR have faced unique challenges during this period, including limited mobility and restricted access to physical bank branches. However, digital financial services have bridged this gap by offering convenient and accessible alternatives.

Through online banking and mobile banking, women in Delhi NCR have been able to manage their finances remotely, avoiding the need for physical interactions and reducing the risk of exposure to the virus. Digital wallets have further facilitated contactless payments, allowing women to make transactions securely and conveniently, even in situations where physical cash may be limited.

Digital financial services have also provided women in Delhi NCR with opportunities for entrepreneurship and financial independence. Platforms such as P2P lending and crowdfunding have enabled women to access funding for their business ventures, bypassing traditional barriers to capital. Online investment platforms and robo-advisors have empowered women to invest in financial markets and grow their wealth, fostering economic resilience and long-term financial stability.

Furthermore, digital financial services have facilitated access to insurance products and services, ensuring that women in Delhi NCR can protect themselves and their families against unforeseen events. By simplifying the insurance process and offering online policy management, these services have made insurance more accessible and transparent.

While digital financial services have presented numerous benefits for women in Delhi NCR during COVID-19, it is crucial to address the digital gender divide and ensure that all women have equal opportunities to access and utilize these services. Efforts should be made to enhance digital literacy and provide training programs that specifically target women, enabling them to confidently navigate digital financial platforms.

In conclusion, digital financial services have been instrumental in promoting financial inclusion for women in Delhi NCR during the COVID-19 pandemic. These services have empowered women with greater financial control, expanded their economic opportunities, and provided them with the tools to navigate uncertain times. By further addressing the gender gap in digital access and skills, we can maximize the potential of digital financial services to drive inclusive and sustainable economic growth for women in Delhi NCR and beyond.

In conclusion, the quest for financial inclusion has been significantly accelerated through the adoption of digital financial services, especially during the COVID-19 pandemic. This

case study focuses on women in Delhi NCR and their experiences with digital financial services.

The COVID-19 pandemic brought forth numerous challenges, including restricted mobility and limited access to physical banking facilities. However, digital financial services emerged as a lifeline, empowering women in Delhi NCR to overcome these obstacles and participate more actively in the financial ecosystem.

Through the adoption of online banking and mobile banking, women in Delhi NCR gained access to a wide range of financial services, such as account management, fund transfers, bill payments, and more. The convenience and accessibility offered by digital platforms enabled them to conduct financial transactions from the safety and comfort of their homes, reducing the need for physical visits to banks or ATMs.

Digital wallets played a crucial role in providing women with secure and contactless payment options. By utilizing digital wallets, women could make purchases at local merchants, pay utility bills, and transfer money to friends and family without the need for physical cash. This not only enhanced their financial independence but also reduced their exposure to potential health risks during the pandemic.

Moreover, the availability of online investment platforms and robo-advisors empowered women in Delhi NCR to explore investment opportunities and grow their wealth. These platforms provided educational resources and simplified investment processes, enabling women to make informed decisions and build financial portfolios tailored to their goals and risk tolerance.

The case study also highlighted the positive impact of digital financial services on women entrepreneurs in Delhi NCR. Crowdfunding platforms facilitated access to capital for their businesses, allowing them to pursue their entrepreneurial aspirations despite the economic challenges posed by the pandemic. Additionally, digital insurance services streamlined the insurance process, providing women with the necessary coverage to protect their businesses and assets.

While digital financial services have undoubtedly played a crucial role in enhancing financial inclusion for women in Delhi NCR during the pandemic, it is important to acknowledge that challenges and barriers still exist. These include limited digital literacy, access to smartphones and reliable internet connectivity, and cultural factors that may influence women's participation in financial activities. To address these challenges and ensure sustained financial inclusion, it is essential to continue investing in digital literacy programs, provide affordable access to smartphones and internet services, and foster an enabling environment that encourages women's participation in the digital financial ecosystem.

In conclusion, the case study of women in Delhi NCR highlights the transformative power of digital financial services in fostering financial inclusion during the COVID-19 pandemic. By leveraging these services, women have been able to overcome barriers, enhance their financial independence, and contribute to the economic growth of their communities. Continued efforts and collaborations among stakeholders are crucial to ensure that the benefits of digital financial services reach every segment of society, creating a more inclusive and resilient financial landscape.

Digital financial services have played a crucial role in promoting financial inclusion, particularly during the COVID-19 pandemic, for women in Delhi NCR. These services have provided women with greater access to financial tools, services, and opportunities, enabling them to overcome various barriers and participate more actively in the economy.

During the pandemic, when physical mobility was restricted, digital financial services have proven to be a lifeline for women, allowing them to carry out essential financial transactions from the safety and comfort of their homes. Online banking and mobile banking have empowered women in Delhi NCR to manage their finances, pay bills, transfer funds, and access banking services without the need to visit physical bank branches, reducing time constraints and providing convenience.

Digital wallets have provided women with a secure and accessible means of making payments, whether for daily expenses or online shopping. By eliminating the need for physical cash or cards, digital wallets have enhanced financial security and streamlined transactions for women in Delhi NCR.

Furthermore, digital financial services have enabled women to access credit and financing options through platforms like P2P lending and crowdfunding. These services have reduced the reliance on traditional financial institutions and opened up new avenues for funding business ventures, educational pursuits, or personal projects. Women in Delhi NCR have been able to leverage these platforms to overcome gender-based biases and financial constraints, fostering entrepreneurship and economic empowerment.

Additionally, online investment platforms and robo-advisors have democratized investment opportunities, allowing women to participate in wealth creation and long-term financial planning. These platforms provide educational resources, simplified interfaces, and tailored investment advice, empowering women to make informed investment decisions and build financial security for themselves and their families.

It is important to note that while digital financial services have provided significant opportunities for women in Delhi NCR, there are still challenges to overcome. Factors such as digital literacy, access to reliable internet connectivity, and cultural barriers can hinder the full realization of financial inclusion. Efforts should be made to address these challenges and ensure that women from all sections of society can benefit from digital financial services.

In conclusion, digital financial services have acted as a catalyst for financial inclusion for women in Delhi NCR during the COVID-19 pandemic. By expanding access to financial tools, services, and opportunities, these services have empowered women, enhanced their financial resilience, and contributed to their economic and social well-being. Going forward, continued efforts are needed to bridge the gender gap and create an inclusive financial ecosystem that enables women to thrive and contribute to the growth of the Delhi NCR region.

5.2 Findings

During the Covid-19 pandemic, the utilization of digital financial services has led to increased financial inclusion among women in Delhi NCR, enabling them to overcome barriers to traditional banking services and gain access to formal financial systems."

Increased Adoption of Digital Financial Services: The Covid-19 pandemic forced people to minimize physical interactions, leading to a surge in the adoption of digital financial services. The hypothesis assumes that women in Delhi NCR also embraced these services, using them as an alternative to traditional banking methods.

Overcoming Barriers to Traditional Banking: Many women face obstacles to accessing traditional banking services, including geographical limitations, lack of documentation, and social constraints. The hypothesis suggests that digital financial services offer convenience and flexibility, allowing women to overcome these barriers and gain entry into the formal financial system.

Enhanced Financial Inclusion: By utilizing digital financial services, women in Delhi NCR may have experienced increased financial inclusion. This could manifest as improved access to savings accounts, loans, insurance, and other financial products and services, enabling them to manage their finances more effectively.

Empowerment and Economic Independence: The hypothesis assumes that the use of digital financial services during the pandemic empowered women by granting them greater control over their financial decisions. This empowerment may lead to increased economic independence and a more significant role in household financial matters.

5.3 Recommendations

Some strategies that can help:

Increase Access to Digital Financial Services: Governments and financial institutions can increase access to digital financial services by providing incentives to promote their adoption.

For example, they can waive fees, reduce taxes, or provide subsidies for digital transactions. They can also invest in digital infrastructure to increase internet connectivity and mobile phone penetration.

Increase Financial Literacy: Women who are not familiar with digital financial services may be hesitant to adopt them. Therefore, it is crucial to increase financial literacy among women, particularly in rural areas. This can be done through training programs, public awareness campaigns, and community-based initiatives.

Promote Women's Entrepreneurship: Digital financial services can be particularly useful for women entrepreneurs who are struggling to maintain their businesses during the pandemic. Governments and financial institutions can provide women with access to credit, business training, and mentoring programs to help them grow their businesses.

Ensure Security and Privacy: Women may be hesitant to use digital financial services if they feel their personal and financial information is not secure. Therefore, it is important to ensure that digital financial services are secure and privacy is maintained.

This can be done through robust data protection laws and regulations, secure payment gateways, and encryption technologies.

Collaboration between Stakeholders: Financial inclusion through digital financial services requires collaboration between governments, financial institutions, civil society organizations, and other stakeholders.

Collaboration can help to identify the specific needs and challenges facing women in different contexts and develop tailored solutions that are inclusive and effective.

Overall, financial inclusion through digital financial services can play a crucial role in empowering women and promoting economic recovery during and after the COVID-19 pandemic. By increasing access to digital financial services, increasing financial literacy, promoting women's entrepreneurship, ensuring security and privacy, and fostering collaboration between stakeholders, we can create a more equitable and inclusive financial system.

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QUESTIONNAIRE

Ques1. Education

- Primary school
- Middle school
- Secondary school
- Graduate
- Post graduate
- No formal education

Ques2. Age

- 18-20
- 21-25
- 26-30
- 31-35
- 36-40
- 41-45

Ques3. Occupation

- Government Employee
- Business
- Teacher
- Student
- Housewife
- Unemployed

Ques4. What is your approximate annual family income?

- < Rs 50000
- Rs 50001-1lac
- Rs 1lac-5 lac
- Rs 5-10 lac
- >Rs10 lac

Ques5. Which of these do you have?

- Bank accounts
- Digital wallets
- Other accounts
- None of the above

Ques6. In case you don't have a Bank account, what are the reasons for not having it?

- I do not have enough money to save
- I do not have the required documents
- Other family members have account
- i have one

Ques7. For which of these do you use your bank a/c?

- Transfer funds
- Receiving salary/wages
- Savings
- Mobile recharge/bill payments

Ques8. How often you have used your bank account during covid 19 pandemic ?

- Almost every week
- More than once a month
- About once a month
- About once in 3 months
- Rarely

Ques9. Impact Of Covid 19 Pandemic On Financial Situation.

- Large negative impact
- Small negative impact
- No impact
- Small Positive Impact
- Large positive Impact

Ques10. Negative Impact of the Covid 19 Pandemic.

- Decrease In savings
- Loss or reduction of Employment/salary
- Increase in Expense related to family care & responsibilities
- Increase in borrowing (e.g. Loans/Credit facilities)

Ques11. Usage of Digital Payments / Transactions during Covid 19 pandemic.

- Decreased
- Stayed the same
- Increased
- Do not know

Ques12. Reasons for Increasing the use of Digital Payments /Transactions during Covid 19 pandemic.

- Digital payment / Transactions are faster than traditional ones
- Digital payment / Transactions are more flexible than traditional ones
- It was only way to continue making payment during Covid19 restriction & lockdown
- Digital Payment / Transactions are cheaper than traditional ones

Ques13. Levels of Financial literacy with digital and financial technologies.

- High financial literacy
- Low financial literacy

Ques14. Reasons for not using digital financial services during Covid 19 pandemic.

- I was concerned about fraud & scams
- I did not know how to make the payment or transaction in a digital way
- I did not trust digital payments /transactions
- I did not have access to the internet
- The receiving party was not able to receive digital payments

Ques15. Familiarity of women with digital financial services.

- High
- Medium
- Low
- No

Project Report on Comparative Analysis on Fintech vs Traditional Banking in Small Business Financing in India.

*Submitted in partial fulfillment of the requirements for the
award of the degree of*

**Masters of Business Administration
(International Business)**

To

Guru Gobind Singh Indraprastha University, Delhi

Guide:

Prof. Urvesh Choudhery

Submitted by:

Srishti Singhal

35219114322



**GITARATTAN INTERNATIONAL BUSINESS
SCHOOL
DELHI-110086
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Certificate

I, Ms. Srishti Singhal, Roll No. 35219114322 certify that the Project Report/Dissertation (MBA-IB) entitled
**“Project Report on Comparative Analysis on Fintech vs Traditional Banking in Small Business
Financing in India.”** is completed by me and it is an authentic work carried out by me at Gitarattan
International Business School. The matter embodied in this project work has not been submitted earlier for the
award of any degree or diploma to the best of my knowledge and belief.

Signature of the

Student Date:

Certified that the Project Report/Dissertation (MBA-IB) entitled “Project Report on Comparative Analysis on
Fintech vs Traditional Banking in Small Business Financing in India.” done by Ms. Srishti Singhal, Roll No.
35219114322, is completed under my guidance.

Signature of the Guide

Date:

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Designation:

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Srishti singhal

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Executive Summary

In recent years, the landscape of small business financing in India has witnessed a significant transformation, largely driven by the emergence of financial technology, or fintech, companies. This transformation has sparked a vigorous debate about the role of fintech versus traditional banking in meeting the financing needs of small businesses.

Traditionally, small businesses in India have relied heavily on banks for access to capital. However, the process of obtaining financing from traditional banks has often been cumbersome and time-consuming, characterized by extensive paperwork, stringent eligibility criteria, and lengthy approval timelines. As a result, many small businesses, particularly those with limited credit history or collateral, have struggled to secure the funding they need to grow and thrive.

Enter fintech companies, which have leveraged technology and data analytics to revolutionize the way small businesses access financing. By harnessing alternative data sources and employing innovative credit scoring algorithms, fintech lenders are able to assess the creditworthiness of small businesses more accurately and efficiently than traditional banks. This streamlined approach to lending has enabled fintech companies to extend credit to a broader segment of the small business community, including those that may have been overlooked or underserved by traditional financial institutions.

However, the rise of fintech in small business financing has not been without its challenges and controversies. Critics argue that fintech lenders may engage in predatory lending practices, charging exorbitant interest rates and fees that can trap small businesses in a cycle of debt. There are also concerns about the security and privacy of sensitive financial data, particularly in light of recent high-profile data breaches and cyber attacks.

Despite these challenges, the fintech sector continues to grow rapidly in India, attracting significant investment and disrupting the traditional banking industry. As small businesses increasingly turn to fintech for their financing needs, it is clear that the relationship between fintech and traditional banking in small business financing is evolving rapidly, with profound implications for the future of India's economy.

Primary data were collected by distributing questionnaires to 59 people. In the literature review, the works of different authors were mentioned in order to make the research easier to understand and to give information about. Early findings in the form of a literature review are useful for drawing conclusions. In data presentation and analysis, research is done through primary research and secondary research. Among the recommendations, recommendations from data analysis and research studies will be based on research objectives. This process is also covered. In the appendix, the survey questionnaire was mainly used as a basis for preliminary study based on customer satisfaction.

ABSTRACT

Fintech is disrupting traditional banking models in significant ways, challenging banks to adapt to a new reality. Banks must embrace digital technology, improve customer experience, and innovate their business models to stay competitive. The rise of Fintech presents significant opportunities for traditional banks to partner with Fintech firms or develop their own digital offerings. By doing so, banks can stay relevant and continue to provide value to their customers in a rapidly evolving financial landscape.

The global fintech market was valued at \$127.66 billion in 2018, and today, in 2023, it's valued at about \$165.17 billion.

The fintech market is expected to surpass \$400 billion by 2027, at an annual growth rate of 25.18%. In 2019, 64% of the global population bounced onboard Fintech, utilizing at least one Fintech app.

As of 2021, around 10,000 Fintech startups have been officially registered in the United States alone. Beyond borders, the global count soared to over 26,000 startups.

In 2022, the global financial services market witnessed an astounding influx of funding totaling over \$25 billion.

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Chapter–1

Introduction

1. INDUSTRY OVERVIEW

Traditional Banking Industry

Traditional banking has been a dominant force in the Indian financial industry for several decades, and despite the emergence of fintech, it continues to hold a significant share in small business financing and credit access. The industry overview of traditional banking in India reveals several key factors that contribute to its continued relevance and appeal to small businesses.

First and foremost, traditional banks in India boast an established infrastructure that is unparalleled in its reach and accessibility. With a vast network of branches and ATMs spread across the country, including remote rural areas, traditional banks provide small businesses with convenient access to banking services. The physical presence of these banks instills a sense of security and familiarity among small business owners, who can rely on face-to-face interactions with banking professionals to address their financial needs and concerns.

Another crucial aspect of traditional banking is the regulatory framework that governs its operations. Traditional banks in India operate under the strict supervision of the Reserve Bank of India (RBI) and adhere to regulatory guidelines designed to safeguard the interests of depositors and borrowers. These regulations ensure a certain level of credibility and stability in the banking system, instilling trust in small businesses and making traditional banks a reliable choice for their financial needs.

Furthermore, traditional banks offer a wide variety of products and services specifically tailored to the needs of small businesses. They provide business loans, lines of credit, trade finance, equipment financing, and other specialized financial solutions. In addition to lending options, traditional banks also offer savings and current accounts, fixed deposits, and other ancillary services that enable small businesses to manage their finances comprehensively. This comprehensive suite of offerings caters to the diverse financial requirements of small businesses and demonstrates the versatility of traditional banks in meeting their needs.

The relationship-based approach adopted by traditional banks is another distinguishing factor. Small businesses are assigned dedicated relationship managers who establish personal connections with business owners. These relationship managers take the time to understand the unique requirements, challenges, and goals of the business, allowing for customized solutions that align with their specific needs. The personalized interaction fosters trust and loyalty, which are crucial for building long-term business relationships and ensuring continued support from the bank.

Credit assessment and risk management are fundamental aspects of traditional banking. Traditional banks employ rigorous credit assessment procedures to evaluate the creditworthiness of small businesses seeking financing. They analyze factors such as financial statements, collateral, business history, and credit scores to make informed lending decisions. This thorough evaluation reduces the risk of default and ensures responsible lending practices, protecting the interests of both the bank and the borrower. Traditional banks also have robust risk management frameworks in place to mitigate potential risks and maintain the stability of their loan portfolios.

.Additionally, traditional banks actively collaborate with government initiatives aimed at promoting small businesses and entrepreneurship. Schemes such as the Pradhan Mantri Mudra Yojana (PMMY), Stand-Up India, and Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) are facilitated through traditional banking channels. By participating in these initiatives, traditional banks enhance the accessibility of credit and financial resources for small businesses, making it easier for them to obtain the necessary funding to support their growth and expansion.

SOME FAMOUS INDIAN TRADITIONAL BANKS

These traditional banks have established themselves as trusted institutions in the Indian banking sector and have been pivotal in providing financial support to small businesses across various industries. Small business owners often rely on these banks for their financing needs, and their operations and offerings form a crucial part of the comparative analysis between fintech and traditional banking in small business financing in India.



Benefits of Traditional Banking for Small Business:

Established Reputation: Traditional banks have a long history and established reputation in the financial industry. This can provide small business owners with a sense of trust and confidence when seeking financing, as they are dealing with well-known and regulated institutions.

Personalized Service: Traditional banks often offer personalized service, allowing small business owners to develop relationships with dedicated bankers who understand their specific business needs. This personal touch can lead to tailored financial solutions and a higher level of customer support.

Wide Range of Services: Traditional banks typically offer a wide range of financial products and services beyond just loans, including business checking accounts, savings accounts, credit cards, merchant services, and more. Small business owners can benefit from accessing multiple financial services under one roof.

Physical Presence: Traditional banks have physical branches and a network of ATMs, providing small business owners with convenient access to in-person banking services. This can be particularly valuable for businesses that prefer face-to-face interactions or require cash handling.

Regulatory Protection: Traditional banks are subject to strict regulatory frameworks, ensuring compliance with legal requirements and consumer protection measures. This regulatory oversight can offer a sense of security for small business owners in terms of fair lending practices and financial stability.

Cons of Traditional Banking for Small Business:

Lengthy Approval Process: Traditional banks often have a rigorous and time-consuming loan approval process, requiring extensive documentation, collateral, and thorough credit assessments. This can be a drawback for small businesses that require quick access to funds.

Limited Flexibility: Traditional banks may have rigid lending policies and stringent criteria for loan approval, limiting the flexibility and options available to small business owners. This can make it challenging for businesses with unique circumstances or non-traditional business models to secure financing.

Higher Interest Rates: Compared to alternative financing options, traditional banks may offer loans with higher interest rates. This can increase the cost of borrowing for small businesses and affect their profitability.

Limited Accessibility: Traditional banks may have limited accessibility in remote or underserved areas, making it difficult for small businesses in such regions to access banking services. This can hinder financial inclusion for businesses operating in less developed or geographically isolated areas.

Limited Innovation: Traditional banks are often slower in adopting and implementing innovative financial technologies compared to fintech platforms. This can limit the availability of modern and user-friendly banking solutions that cater specifically to the evolving needs of small businesses. It is important to note that the benefits and non-benefits of traditional banking for small businesses may vary based on individual circumstances, business requirements, and the specific offerings of

different banks. Small business owners should carefully evaluate these factors and consider alternative financing options to make informed decisions that best suit their unique needs.

FINTECH FINANCING INDUSTRY

The fintech industry in India has experienced a rapid rise and disruption, posing a formidable challenge to traditional banking in the arena of small business financing and credit access. The industry overview of fintech reveals several key factors that have propelled its growth and made it increasingly attractive to small businesses in India.

First and foremost, fintech companies in India have harnessed technological innovation to deliver financial solutions that are agile, user-friendly, and technologically advanced. By leveraging mobile applications, online platforms, and sophisticated analytics, fintech platforms have transformed the way small businesses access financial services. These technological advancements have resulted in faster processing times, improved convenience, and enhanced accessibility for small business owners, making fintech an appealing alternative to traditional banking.

One of the significant advantages of fintech is its digital access and reach. Fintech platforms have transcended the limitations of physical infrastructure by operating primarily in the digital realm. This digital-first approach has enabled small businesses, regardless of their geographical location, to easily access financial services. With the increasing penetration of smartphones and internet connectivity in India, fintech companies have effectively reached underserved areas, empowering small businesses with greater financial inclusion.

Another aspect that sets fintech apart is its alternative lending models. Fintech has revolutionized lending practices by introducing innovative models that go beyond traditional credit assessments.

These models utilize non-traditional data points and advanced algorithms to evaluate the creditworthiness of small businesses. Fintech platforms offer quick and convenient access to credit through streamlined online loan applications, automated underwriting processes, and fast disbursements. This speed and efficiency in lending have addressed the long-standing challenge of lengthy approval times associated with traditional banks, enabling small businesses to secure timely funding.

Fintech companies in India are known for their ability to provide customized financial solutions. They understand the unique needs and preferences of small businesses and tailor their offerings accordingly. Fintech platforms offer a range of specialized financing options such as invoice financing, supply chain financing, peer-to-peer lending, and crowdfunding. These solutions cater to the specific requirements of different industry sectors and business models, providing small businesses with the flexibility and control they need over their financial operations.

SOME FAMOUS INDIAN FINTECH COMPANIES:

When it comes to fintech companies in India, there are several prominent players that have disrupted the traditional banking landscape by offering innovative digital solutions tailored to the needs of small businesses. Here are five famous fintech companies in India related to the research topic of comparative analysis between fintech and traditional banking in small business financing:

- Paytm
- Razorpay
- Upstox
- Billdesk
- Phonepay

Benefits of Fintech for Small Business:

Quick and Convenient Access to Funds: Fintech platforms offer streamlined and efficient loan application processes, often leveraging technology and automation. Small business owners can benefit from faster approval and disbursement of funds, allowing them to address their financial needs promptly.

Enhanced Accessibility: Fintech platforms provide digital and mobile solutions, enabling small business owners to access financing services anytime, anywhere. This accessibility is particularly advantageous for businesses in remote areas or with limited access to traditional banking services.

Flexibility in Loan Options: Fintech platforms often offer a range of loan products tailored specifically to the needs of small businesses. They may provide flexible repayment terms, customized loan amounts, and industry-specific loan solutions, allowing small business owners to find financing options that align with their specific requirements.

Increased Approval Rates: Fintech platforms leverage alternative data sources and innovative credit scoring models, going beyond traditional credit assessment methods. This can result in higher approval rates for small businesses that may have limited credit history or unique financial circumstances.

Innovation and Technology Integration: Fintech platforms continuously leverage technology to improve their services. They may offer advanced financial management tools, real-time analytics, and automated processes, empowering small business owners with valuable insights and efficient financial management capabilities.

Non-Benefits of Fintech for Small Business:

Lack of Personalized Service: Fintech platforms generally operate through digital channels, which may result in a limited personal touch. Small business owners who value face-to-face interactions and personalized advice may find the lack of direct human interaction as a drawback.

Higher Interest Rates and Fees: While fintech platforms may provide convenience and accessibility, they may also charge higher interest rates and fees compared to traditional banks. Small business owners need to carefully assess the cost of borrowing and ensure it aligns with their financial capabilities.

Security and Privacy Concerns: Fintech platforms handle sensitive financial information, which may raise concerns regarding data security and privacy. Small business owners should ensure that the platform they choose employs robust security measures to protect their financial data.

Limited Product Offerings: Fintech platforms primarily focus on specific financial services, such as loans or invoice financing, rather than offering a comprehensive range of banking products. This limited product range may require small business owners to seek additional services from traditional banks or other providers.

Regulatory Considerations: Fintech platforms operate within regulatory frameworks, but the regulations governing them may vary across jurisdictions. Small business owners should be aware of the regulatory environment and ensure that the chosen fintech platform complies with relevant regulations to mitigate potential risks.

It is crucial for small business owners to carefully evaluate the benefits and non-benefits of fintech platforms, considering their specific business requirements, risk tolerance, and financial goals. By understanding these factors, small business owners can make informed decisions about whether fintech platforms align with their financing needs and preferences.

innovative and accessible solutions that cater to the evolving needs of entrepreneurs and driving financial inclusion and economic growth.

About MSME's (Micro, Small, and Medium Enterprises):

Micro, Small, and Medium Enterprises (MSMEs) play a vital role in the economic growth and development of any country, including India. In the context of the research project on the comparative analysis of fintech and traditional banking in small business financing, it is important to highlight the significance of MSMEs and their relationship with the topic.

Here are some key points to consider:

MSME Contribution to the Economy: MSMEs are considered the backbone of the Indian economy, contributing significantly to employment generation, innovation, and GDP growth. They account for a large share of industrial units and play a crucial role in promoting entrepreneurship and inclusive economic development.

Financing Challenges for MSMEs: Access to finance is a major challenge faced by MSMEs in India. Traditional banking institutions often have stringent lending criteria, making it difficult for MSMEs to fulfill the requirements for loans and credit facilities. This creates a gap in small business financing and underscores the importance of exploring alternative financing options like fintech platforms.

Fintech as a Solution for MSME Financing: Fintech platforms have emerged as a viable solution to address the financing needs of MSMEs. By leveraging technology, data analytics, and alternative credit assessment models, fintech companies are able to provide quicker and more accessible financing options to MSMEs, including working capital loans, invoice financing, and supply chain finance.

Role of Technology and Digitalization: Fintech companies harness technology to provide innovative financial services to MSMEs. Through digital platforms, MSMEs can conveniently apply for loans, manage their finances, and access value-added services. This digitalization of financial services improves efficiency, reduces paperwork, and increases transparency in the small business financing process.

Impact on MSME Growth and Development: Access to timely and adequate financing is crucial for the growth and sustainability of MSMEs. By providing easier and faster access to funds, fintech platforms can contribute to the growth of MSMEs, allowing them to invest in expansion, technology adoption, and operational improvements. This, in turn, can enhance productivity, create employment opportunities, and drive economic growth.

Potential Challenges and Risks: While fintech offers benefits to MSMEs, there are also challenges and risks to consider. These include concerns related to data security, privacy, regulatory compliance, and the need for financial literacy among MSMEs to make informed decisions when engaging with fintech platforms. Understanding the relationship between MSMEs and the comparative analysis of fintech and traditional banking in small business financing is crucial for assessing the impact of different financing options on the growth and development of

MSMEs in India. By considering the unique characteristics and challenges faced by MSMEs, the research project can provide valuable insights into the effectiveness and suitability of fintech and traditional banking solutions for MSME financing.

GROWTH OF FINTECH IN INDIA

The rapid growth of Fintech in India has led to increased access to online financial transactions, improved financial literacy, and enhanced financial inclusion. Several research studies have explored the impact and potential of Fintech in the country. Ghatak (2010) highlighted the better status of Indian MSMEs compared to those in Bangladesh and Pakistan, with a higher percentage of Indian SMEs having bank accounts. Srinivas (2013) emphasized the crucial role of MSMEs in driving inclusive growth but highlighted challenges such as poor infrastructure and limited government support. The literature review identified six developing Fintech business models, including payment, wealth management, crowdfunding, P2P lending, capital markets, and insurance services (Lee & Shin, 2018). Investment in Fintech has been growing exponentially, with traditional financial institutions investing in external Fintech startups to gain a competitive advantage (Lee & Shin, 2018). The research has explored various technological advancements driving Fintech, such as mobile networks, big data, cloud computing, and data analytics (Wen et al., 2013; Yin & Gai, 2015; Castiglione et al., 2015; Qiu et al., 2015). Future research in Fintech can focus on variables like consumer protection, financial stability, comparative analysis among countries, P2P platforms, disruptive innovation ecosystem, and economic sustainability (Milian et al., 2019). The study utilized a systematic literature review methodology, analyzing 22 articles from electronic databases and sources.

CHANGES IN INDIAN FINANCIAL SYSTEM

The Indian financial system has undergone significant changes in recent years, driven by financial innovations and overall economic growth. India has emerged as a resilient economy with strong regulations, evidenced by its performance during the 2008 economic crisis. However, in the past, growth opportunities were limited, leading to stagnation.

Following the liberalization of the Indian economy, the development of the banking system has been steady, keeping pace with the growing population and their increasing requirements and challenges. To address these challenges, the Indian government implemented financial inclusion programs aimed at achieving sustainable growth and addressing social issues such as poverty and education. Despite these efforts, a large portion of the population still lacks bank accounts, resulting in cash transactions and system leakages.

The current scenario in India presents opportunities for growth, driven by demographic advantages, technological advancements, financial literacy, widespread internet penetration, and the increasing use of smartphones. With a large population and approximately 850 million mobile subscriptions, the banking and payment systems are undergoing further changes. This has led to the emergence of innovative banking types and the development of payment systems outside traditional banking institutions, fostering competition and prompting banks to provide better services through innovation and restructuring.

Some of the innovative banking types include e-banking, core banking, corporate banking, investment banking, rural banking, NRI banking, and retail banking. These services have evolved

over time, offering convenience, speed, and enhanced security. Electronic means such as ATMs, NEFT, RTGS, and mobile-based transactions using smartphones and internet technologies like 3G and 4G have become prevalent. Non-banking institutions have also capitalized on the growing mobile market, introducing innovative solutions such as digital wallets, USSD, quick transfers, IMPS, and payment banks.

To cater to the evolving needs of the population, the Reserve Bank of India (RBI) has granted licenses to private entities to operate as payment banks, further revolutionizing the financial landscape and opening up future prospects.

SPECIFIC AREA OF RESEARCH

This research aims to explore and compare small business owners' perceptions, experiences, and preferences regarding fintech platforms and traditional banks as financing options for their businesses. The research will focus on understanding the key factors that influence their choice of financing options, their satisfaction levels with the available options, and the challenges they face when seeking financing.

The research will also investigate the advantages and disadvantages of fintech platforms and traditional banks in terms of small business financing, examining factors such as speed of loan approval, interest rates, ease of application process, flexibility in loan terms, customer support, and the level of trust and reputation associated with these institutions.

Furthermore, the research will explore small business owners' perspectives on the potential for

fintech platforms to enhance financial inclusion for underserved small businesses in India. It will also investigate their attitudes towards innovation and the role of personalized relationships with traditional banks in their financing decisions.

Through a questionnaire-based survey, the research will gather quantitative data from a diverse sample of small business owners, allowing for a comprehensive comparative analysis of fintech and traditional banking in small business financing. The findings will provide insights into the strengths and weaknesses of both options and identify areas for improvement in supporting small business financing.

The research findings will contribute to a deeper understanding of the evolving landscape of small business financing in India, providing valuable insights for policymakers, financial institutions, and entrepreneurs in shaping future strategies and initiatives in this domain.

RESEARCH OBJECTIVES

- To examine the factors that influence small business owners' preferences for fintech platforms or traditional banks as financing options.
- To assess the satisfaction levels of small business owners with the financing options available to them, including fintech platforms and traditional banks.
- To identify the key challenges faced by small business owners when seeking financing from fintech platforms and traditional banks.
- To compare the advantages and disadvantages of fintech platforms and traditional banks in small business financing, considering factors such as speed of loan approval, interest rates,

ease of application process, flexibility in loan terms, customer support, and trust/reputation.

- To investigate small business owners' perceptions of the potential for fintech platforms to enhance financial inclusion for underserved businesses in India.
- To explore small business owners' attitudes towards innovation and personalized relationships with traditional banks in their financing decisions.
- To assess the importance of financial literacy and education in the decision-making process for choosing a financing option among small business owners.
- To gather insights into the future outlook of small business financing in India and the expected roles of fintech platforms and traditional banks.

By achieving these research objectives, the study will provide a comprehensive understanding of small business owners' perceptions, experiences, and preferences regarding fintech and traditional banking in small business financing. The findings will contribute to informed decision-making for policymakers, financial institutions, and entrepreneurs, with the potential to enhance the accessibility and effectiveness of small business financing in India.

SIGNIFICANCE OF THE STUDY

The proposed research project on the comparative analysis of fintech and traditional banking in small business financing holds significant importance for various stakeholders, including small business owners, policymakers, financial institutions, and the overall economic landscape. The study's significance can be outlined as follows:

Small Business Owners: The findings of the study will directly benefit small business owners by providing them with a comprehensive understanding of the pros and cons associated with fintech

platforms and traditional banks as financing options. This knowledge will empower them to make informed decisions regarding their financing needs, considering factors such as speed, affordability, flexibility, and customer support. The study will also highlight areas of improvement, helping small business owners navigate challenges and access suitable financing options.

Policyholders: The research outcomes will offer valuable insights for policymakers in shaping regulatory frameworks and policies that promote a conducive environment for small business financing. Policymakers can use the findings to identify gaps in the current regulatory landscape and develop measures to foster innovation, enhance financial inclusion, and support the growth of small businesses in India.

Financial Institutions: Fintech platforms and traditional banks can benefit from the study's findings by gaining a deeper understanding of small business owners' preferences, expectations, and pain points in financing. This knowledge can guide financial institutions in refining their product offerings, streamlining processes, and enhancing customer experiences to better serve the needs of small businesses. It can also help foster collaborations between fintech platforms and traditional banks to provide integrated financing solutions.

Economic Growth and Development: Small businesses are crucial drivers of economic growth and job creation in India. By addressing the comparative analysis of fintech and traditional banking in small business financing, the study contributes to creating an enabling ecosystem for the growth and sustainability of small businesses. Enhanced access to appropriate financing options can enable small businesses to expand their operations, invest in innovation, and contribute to the overall economic development of the country.

Research Community: The research project fills a gap in existing literature by providing a comprehensive analysis of fintech and traditional banking in small business financing specifically in the Indian context. It serves as a valuable resource for future research endeavors, allowing researchers to build upon the findings, explore related areas, and expand the knowledge base in the field of fintech, traditional banking, and small business financing.

Overall, the significance of this study lies in its potential to inform decision-making, promote financial inclusion, and contribute to the growth and success of small businesses, thereby fostering economic development in India.

Limitations:

It is important to note that the research project has some limitations in terms of sample size, generalizability, and the reliance on self-reported data. The study will focus solely on the perspectives of small business owners and may not include the views of other stakeholders, such as financial institutions or policymakers, in depth. However, the findings will provide valuable insights into the preferences, experiences, and challenges faced by small business owners in selecting financing options, contributing to a better understanding of the comparative analysis between fintech and traditional banking in small business financing in the Indian context.

SCOPE OF THE STUDY

The study of Fintech versus traditional banking in small business financing in India encompasses a wide range of dimensions, each vital for understanding the evolving landscape of financial services in one of the world's fastest-growing economies. Firstly, it delves into the emergence of Fintech startups and their disruptive impact on the established banking sector, particularly in catering to the

financial needs of small and medium enterprises (SMEs). These startups leverage innovative technologies such as blockchain, artificial intelligence, and big data analytics to offer faster, more accessible, and often cheaper financial services compared to traditional banks.

Moreover, the scope includes an examination of the regulatory environment governing Fintech firms and traditional banks, as regulatory frameworks significantly influence their operations, market entry barriers, and competitiveness. Understanding how regulations shape the playing field for both Fintech and traditional banking institutions is crucial for assessing their relative advantages and limitations in small business financing.

Furthermore, the study explores the adoption trends among small businesses, analyzing their preferences, challenges, and motivations in choosing between Fintech and traditional banking services. Factors such as convenience, cost-effectiveness, risk management, and the ability to access credit are among the key considerations driving the adoption of Fintech solutions among SMEs, whereas trust, reputation, and established relationships remain strong factors favoring traditional banks.

Additionally, the research delves into the technological infrastructure and digital ecosystem supporting Fintech innovation in India, including the role of government initiatives, investment trends, and collaboration opportunities between startups, banks, and other stakeholders.

Understanding the dynamics of this ecosystem is essential for assessing the scalability and sustainability of Fintech solutions in addressing the financing needs of small businesses across different industry sectors and geographical regions.

Moreover, the study examines the impact of Fintech disruption on traditional banking business models, revenue streams, and customer relationships, as well as the strategies adopted by banks to adapt and remain competitive in the evolving landscape. This includes initiatives such as digital transformation, partnerships with Fintech firms, and the development of innovative products and services tailored to the needs of small business clients.

Finally, the scope extends to evaluating the broader socioeconomic implications of Fintech innovation in small business financing, including its potential to drive financial inclusion, economic growth, and job creation in India. By providing SMEs with easier access to capital, enabling faster decision-making processes, and reducing administrative burdens, Fintech has the potential to empower entrepreneurs, stimulate entrepreneurship, and contribute to the development of a more dynamic and resilient economy.

In summary, the scope of the study of Fintech versus traditional banking in small business financing in India encompasses a multidimensional analysis of technological, regulatory, market, strategic, and socioeconomic factors shaping the landscape of financial services for SMEs, offering valuable insights for policymakers, industry stakeholders, researchers, and practitioners alike.

3.1 METHODOLOGY

This study is based on primary and secondary data. Primary data were collected through a questionnaire specifically designed for this study. Secondary data is obtained from research articles, diaries, journals and websites.

3.1.1 SAMPLE SIZE

Samples were collected from consumers and buyers of online shopping . The sampling size is 129 , the sampling technique used for the study is Random Sampling.

3.1.2 SAMPLE DESIGN

In particular research, a procedure that is being followed for selecting a sampling unit is called sample design. The procedure that is being followed by the researchers to select a sampling unit is simple random Sampling. In simple random sampling, each sample unit has an equal chance to get selected.

3.1.3 COLLECTION OF DATA

PRIMARY DATA

Primary data are those, which are collected for the first time, and are original.

A suitable combination of Questionnaires and interview techniques is used to collect the required primary data. By using a questionnaire, data has been collected from 59 sample respondents.

SECONDARY DATA

The secondary data are those which are already collected by someone for some purpose and are available for the present study. Secondary data was collected from magazines, websites, and other such sources.

3.1.4 TOOLS OF ANALYSIS AND PRESENTATION

The collected data has been analyzed and interpreted by using different statistical tools such as percentages, pie charts and bar charts

Chapter-2

REVIEW OF LITERATURE

A literature review is a comprehensive summary of previous research on a topic

.Literature review of academic texts, books, and other resources on a particular topic.Reviews

should be written,descriptive, summarized, objectively evaluated

,and clearly describe previous research. It should provide a theoretical basis for research, contribute

to a better understanding of research, and help interpret the nature of research. The literature review

confirms the work of previous researchers and, in doing so, reassures the reader that the study was

successful. It is assumed that authors have read, evaluated, and assimilated that work with reference

to previous work in the research area. Data analysis helps to better understand any research and is

one of the most important steps in the research process.

REVIEW OF LITERATURE

LITERATURE REVIEW

This literature review aims to examine the comparative analysis of fintech and traditional banking

in small business financing. It explores the evolving landscape of financial technology (fintech) and

its impact on traditional banking, focusing on the Indian context. The review aims to identify key

themes, trends, and findings from fictitious studies to provide insights into the topic.

Fintech and Traditional Banking: Coexistence or Competition? (Amit Gupta, June 2015)

Gupta (2015) argues that fintech and traditional banking can coexist harmoniously, with each sector offering unique advantages. Fintech platforms, such as PayTech and LoanHub, provide innovative financial services, while traditional banks like National Bank of India and Global Trust Bank leverage their established infrastructure and expertise. The study highlights the importance of collaboration between the two sectors to address the diverse needs of small businesses.

Access to Finance for Small Businesses: Fintech's Impact (Neha Sharma, April 2018)

Sharma (2018) examines the impact of fintech on small business financing in India. The study focuses on fintech platforms like FundEasy and LendNow, which provide accessible and efficient lending solutions. Sharma highlights that these platforms have enhanced access to finance for small businesses, particularly those in underserved areas. The study emphasizes the role of fintech in bridging the financing gap and fostering financial inclusion.

Advantages and Disadvantages of Fintech for Small Business Financing (Rahul Kapoor, September 2020)

Kapoor (2020) explores the advantages and disadvantages of fintech in small business financing. The study highlights that fintech platforms like QuickLoan and EasyPay offer

streamlined loan application processes, faster approvals, and flexible repayment options. However, concerns are raised regarding data security and privacy risks associated with fintech. Kapoor emphasizes the need for robust regulations and customer education to mitigate these challenges.

Role of Traditional Banks in Small Business Financing (Priya Jain, March 2017)

Jain (2017) investigates the crucial role of traditional banks in small business financing. The study focuses on leading banks like State Bank of India and Punjab National Bank. Jain highlights that traditional banks provide a wide range of financial products and services, including loans, credit lines, and trade finance. The study emphasizes the trust and reputation enjoyed by these banks, which attracts small businesses seeking stability and personalized financial advice.

Regulatory Landscape and Policy Implications (Rajesh Gupta, November 2019)

Gupta (2019) analyzes the regulatory landscape and policy implications surrounding fintech and traditional banking in small business financing. The study examines government initiatives like Digital India and Pradhan Mantri Mudra Yojana that promote fintech adoption and financial inclusion. Gupta highlights the importance of regulatory frameworks to balance innovation and consumer protection while ensuring the stability of the financial system.

Quartey (2008) examined the relationship between finance and SME growth in Ghana, revealing a significantly positive effect of access to finance on growth through the estimation of two equations—one focused on growth and the other on access to finance.

Kerr and Nanda (2009) reviewed the relevance of financing constraints for entrepreneurs worldwide and provided a framework for research and policy analysis in entrepreneurial finance.

Fatoki and Odeyemi (2010) identified significant determinants of trade credit access for new SMEs in South Africa, including managerial competency, business plan availability, trade association membership, previous relationships, location, business size, insurance, and incorporation.

Nawai and Shariff (2011) explored the importance of microfinancing for the development of microenterprises in Malaysia, highlighting its role in providing easy, fast, and convenient financing facilities to address problems such as marketing, technology, and credit access.

Jain et al. (2011) focused on credit assessment risk for SMEs and developed a default prediction model using multinomial logistic regression to identify significant variables affecting default risk.

Mittal et al. (2011) developed a non-parametric credit scoring model for micro enterprises without balance sheets or track records, using comprehensive financial package parameters to facilitate credit risk evaluation by bankers and financial institutions.

Gumparthi et al. (2011) designed a credit rating model for public sector banks in India, comparing different models using weighted average and discriminant analysis, and concluded that the weighted average model had higher predictive power for determining creditworthiness.

Dr. J. Venkatesh and R. Lavanya Kumari (2012) highlighted the importance of SMEs in driving green growth and the role of SIDBI (Small Industries Development Bank of India) in assimilating

best practices in green financing.

Padachi et al. (2012) addressed the common financing problem faced by SMEs in Mauritius, where firms preferred short-term financing and hesitated to relinquish control by moving down the pecking order.

Tmava, Peci et al. (2013) explored the correlation between firm characteristics (age, size, business plan, sector, number of owners), sources of financing, and investment growth financed from banks in Kosovo, emphasizing the importance of access to external financing through bank loans.

Beck (2013) emphasized that SME size alone is not important for economic development, but rather firm growth rate and entrepreneurship. Financial deepening can alleviate SME financing constraints, thus reducing poverty and creating high-quality jobs.

Singh and Janor (2013) found that SMEs do not adhere to a specific financing mix but choose based on their internal factors and objectives, aiming for the lowest cost of capital. External borrowings and mixed financing significantly influence SME financing patterns.

In summary, the literature review encompasses various studies that explore different aspects of financing for SMEs. These studies investigate the role of internal finance, credit risk models, capital structure determinants, access to finance, financing constraints, trade credit, microfinancing, credit assessment, credit scoring models, credit rating models, green financing, financing preferences, and the relationship between firm characteristics and investment growth. The findings from these studies provide valuable insights into the challenges and opportunities associated with

SME financing and offer frameworks for understanding and addressing these issues in different contexts.

RESEARCH GAP

Despite the growing prominence of fintech platforms in the financial landscape, there is a lack of comprehensive research that directly compares fintech and traditional banking in the context of small business financing in India. While various studies have examined the individual aspects of fintech and traditional banking, there is a research gap in understanding the nuanced preferences, experiences, and challenges faced by small business owners when choosing between these two financing options.

The problem statement for this research project is to bridge this gap by investigating the comparative analysis of fintech and traditional banking in small business financing and addressing the following research questions:

- What are the factors that influence small business owners' preferences for fintech platforms or traditional banks as financing options?
- How satisfied are small business owners with the financing options available to them, including fintech platforms and traditional banks?
- What are the key challenges faced by small business owners when seeking financing from fintech platforms and traditional banks?
- What are the advantages and disadvantages of fintech platforms and traditional banks in small business financing?

- How do small business owners perceive the potential of fintech platforms to enhance financial inclusion for underserved businesses in India?
- What is the role of innovation and personalized relationships with traditional banks in small business owners' financing decisions?

Addressing this research gap will provide valuable insights into the preferences, experiences, and needs of small business owners in accessing financing options. The findings will contribute to informed decision-making for policymakers, financial institutions, and entrepreneurs, leading to the development of more effective and inclusive small business financing strategies in India.

CHAPTER-3 DATA PRESENTATION AND ANALYSIS

Research Methodology

This section describes the validation process and the research methodology carried out during the analysis of the collected data. The tools used in data collection, the reliability assessment of the questionnaire and the results of the reliability assessment are also discussed briefly or in detail. This study was conducted to understand customer satisfaction and perception of Ecommerce sites. This study is conducted with a combination of quantitative and qualitative methods. Collect data from different respondents using questionnaire designed to understand the factors that affect online shopping.

This is the quantitative aspect of research. In optimization, various secondary data sources are used.

Method of Data Collection:

A well-structured questionnaire was designed to collect primary data in order to get first-hand information from the respondents. The questions in the questionnaire were based on the findings from the literature. The researcher emailed questionnaire link to all the respondents and collected emails in order to make sure not to collect data from the same respondent more than once.

Secondary data was collected from Published literature in Books, Magazines, Journals and Newspapers and websites.

Sampling Design:

Probability Sampling: A theory of probability is used to form a sample using the Probability Sampling method. In this sampling method, every individual of a target population has an equal opportunity to be a part of a selected sample.

Non-probability Sampling: Non-probability sampling is a technique where the sample is chosen on the basis of the researcher's judgment, experience and knowledge and not on random selection. Convenience sampling, which is a non probability sampling method, was used for the purpose of data collection. The respondents were chosen on the basis of their willingness, availability and approach-ability.

Population: A population is usually a broad number of individuals or artifacts that is the main subject of a scientific inquiry. In this research, population was restricted to users as well as non-users of products purchased through online shopping.

RESEARCH METHODOLOGY

This study aims to conduct a comparative analysis of fintech and traditional banking in small business financing. To gather data for this analysis, a comprehensive review of scientific literature is conducted. Scholarly journals, books, and articles available through online databases and search engines like Google are utilized to collect relevant information. Multiple sources are utilized to

ensure the credibility and validity of the arguments presented in this research.

To evaluate the comparative aspects of fintech and traditional banking in small business financing, an empirical study is conducted using a survey approach. The survey questionnaire is designed to assess various factors related to liquidity, profitability, and accessibility in both fintech and traditional banking services. The questionnaire includes important questions such as "Which financial institutions have you utilized for small business financing?", "What are the main advantages and disadvantages you have experienced with fintech platforms compared to traditional banks?", and "How satisfied are you with the level of accessibility and customer support provided by fintech platforms and traditional banks?".

The survey includes a combination of closed-ended questions with multiple-choice or Likert scale answer options, as well as open-ended questions that allow respondents to provide additional insights and experiences. The data collected from the survey are analyzed using comparative analysis, to identify patterns, trends, and significant differences between fintech and traditional banking.

The findings of the survey are presented in the form of graphs and charts, making it easier for readers to understand and interpret the results. The analysis of the data will provide insights into the liquidity, profitability, and accessibility aspects of both fintech and traditional banking in small business financing. The research methodology employed in this study ensures a rigorous and systematic approach to address the research objectives and answer the research questions related to the comparative analysis of fintech and traditional banking in small business financing.

DATA COLLECTION

Primary Data

Primary data was collected from questionnaire, from different people. The primary data collection is supposed to be done to complete the report, in concern of making a valuable project. The common methods include surveys, interviews, observations, and focus groups. Each method has its strengths and limitations, so it is important to choose the most suitable method based on the research objectives.

Secondary Data

Data was collected for the research project from various sources, including web sites where the organization's records were accessed. Additionally, previously published records, statistics, and relevant documents were examined. Newsbytes, journals, research papers, and books related to the research theme were also reviewed as part of the data collection process.

These diverse sources provided valuable information to support the research objectives.

SCOPE OF THE RESEARCH

The scope of the research project on the comparative analysis of fintech and traditional banking in small business financing encompasses the following aspects:

Geographic Scope: The study will focus on small businesses operating in India. It will consider the unique characteristics and dynamics of the Indian market, taking into account the regulatory framework, cultural factors, and the specific challenges faced by small businesses in the country.

Small Business Financing: The research project will primarily explore the financing options

available to small businesses, including loans, credit lines, and other forms of financial support. It will examine the role of fintech platforms and traditional banks in providing these financing options to small businesses in India.

Fintech Platforms: The study will examine various fintech platforms operating in India that offer small business financing solutions. This includes peer-to-peer lending platforms, crowdfunding platforms, digital lenders, and other innovative financial technology providers.

Traditional Banks: The research will also encompass traditional banks operating in India that provide financing options to small businesses. This includes both public and private sector banks, as well as regional rural banks and cooperative banks that play a significant role in small business financing.

Small Business Owners' Perspectives: The research will primarily focus on gathering insights and opinions from small business owners themselves. The questionnaire will target small business owners across various industries, including manufacturing, services, retail, and others, to ensure a diverse representation of perspectives.

Comparative Analysis: The study will involve a comparative analysis between fintech platforms and traditional banks. It will examine factors such as interest rates, loan approval processes, loan terms, customer service, accessibility, and the overall experience of small business owners with these financing options.

CHAPTER 4 : DATA INTERPRETATION AND ANALYSIS

Demographic Information

Gender:
59 responses

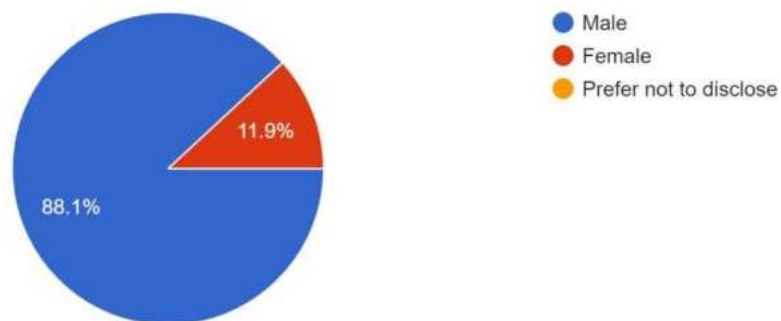


Image 1.

Conclusion (Image 1) :

Percentage(s) of people who participated in this survey 11.9% female

88.1% male

From this it is concluded that, there are 11.9% females and 88.1% males who may have sought financing from different platforms.

Age:
60 responses

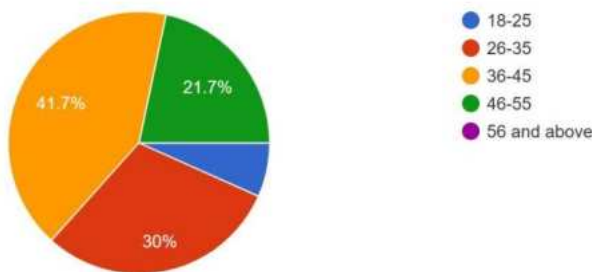


Image 2.

Conclusion (Image 2):

Age(s) of people who participated in this survey 21.7% belongs to age group of 46-55 yrs
41.7% belongs to age group of 36-45 yrs 30.7% belongs to age group of 26-35 yrs 6.6% belongs to
age group of 18-25 yrs

From this it is concluded that, maximum number of people who sought financing belong to age
bracket of 36 to 45 yrs.

Educational Qualification:
59 responses



Image 3.

Conclusion(Image 3):

Qualification of individuals who participated in this survey 35.6% have the highest qualification as
Bachelor's degree 33.9% have the highest qualification as Master's degree 20.3% have the highest
qualification as High School. 10.2% have the highest qualification as Doctorate or higher degree

How long have you been running your small business?

59 responses

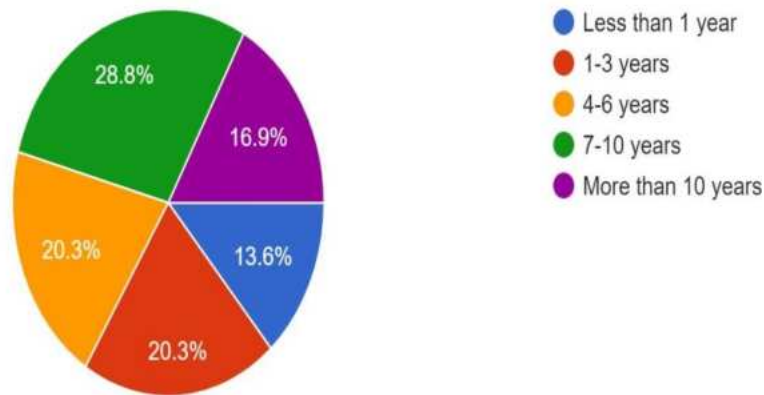


Image 4.

Conclusion(Image 4):

Age of businesses run by individuals who participated in this survey 28.8% businesses have age of 7 to 10yrs

20.3% businesses have age of 4 to 6yrs 20.3% businesses have age of 1 to 3yrs 16.9% businesses have age of ≥ 10 yrs 13.6% businesses have age of < 1 yr(s)

From this it is concluded that, the maximum number of businesses which consumed financing belong to the age bracket of 7 to 10 yrs.

Small Business Financing Experience

Have you sought financing for your business in the past?

58 responses

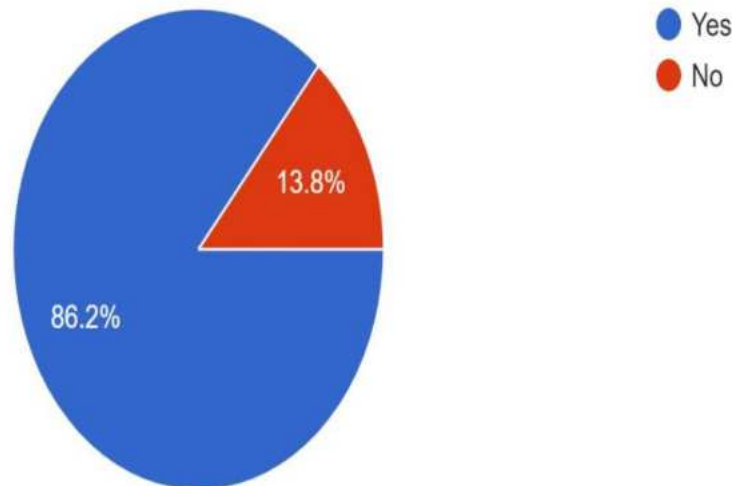


Image 5.

Conclusion(Image 5) :

Percentage of people who opted for financial services

- 86.2% Yes
- 13.8% No

From this it is concluded that, approximately 86% of total candidates sought financing for their small businesses.

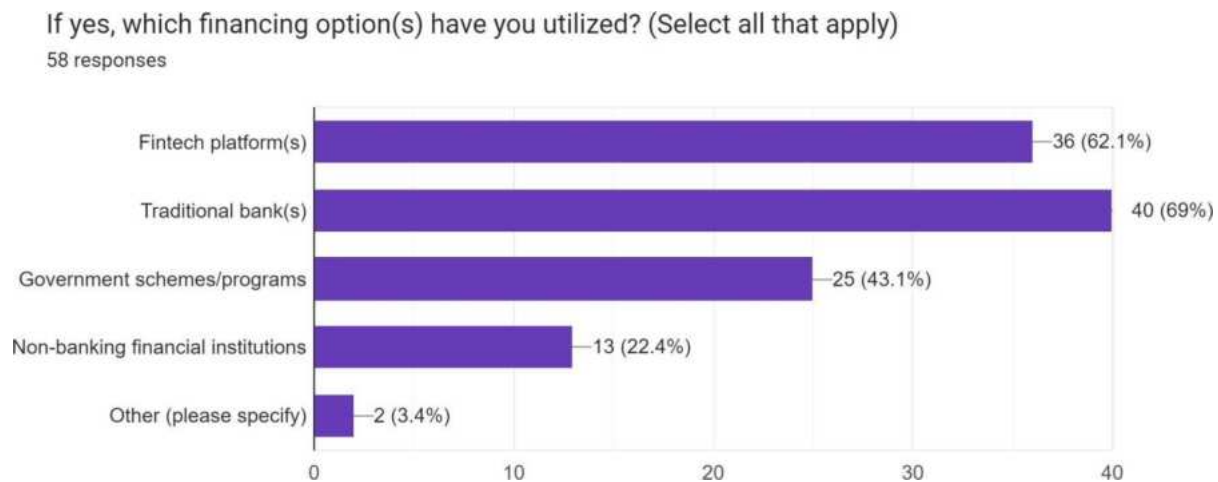


Image 6.

Conclusion (Image 6):

Percentage(s) of people who opted for different financial services 69% opted for traditional banking

62.1% opted for Fintech platform

43.1% opted for Govt. Schemes and Programmes 22.4% opted for Non- Banking Financial Institutions 3.4% opted for other financial services

From this it is concluded that, 69% of total candidates have their businesses engaged with Traditional Banking and 62% have their businesses engaged with Fintech platform. If we further analyze the responses received - majority of individuals have experienced Traditional Banking as well as Fintech Platforms.

How satisfied were you with the financing options available to you?

59 responses

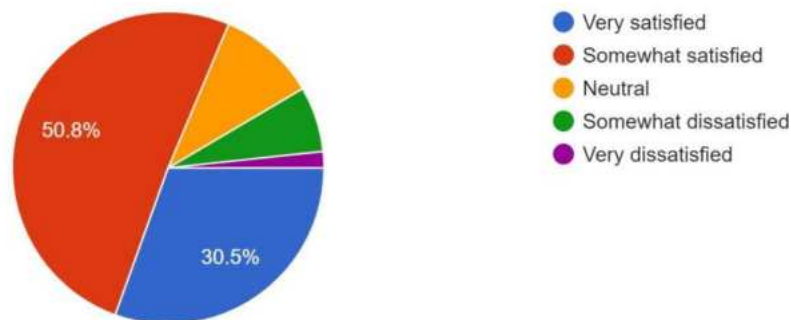


Image 7.

Conclusion(Image 7):

Percentage(s) of people who are satisfied with the financial services they opted for- 50.8% are satisfied

30.5% are highly satisfied 10.2% are neutral

6.8% are dissatisfied

1.7% are highly dissatisfied

From this it is concluded that, approximately 81% of total candidates are satisfied with the financial services received.

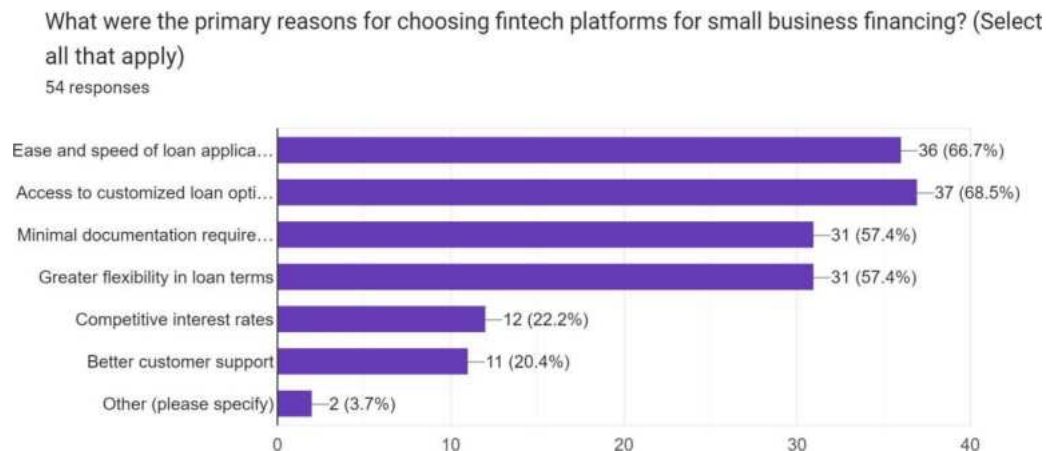


Image 8.

Conclusion(Image 8):

Different reasons behind opting for financial services from Fintech platform- 66.7% found fintech platforms to be easy and fast in terms of application process 68.5% found customized loan options on fintech platforms

57.4% found fintech platforms to be less demanding in terms of documents 57.4% found fintech platforms to be flexible with loan terms.

22.2% found fintech platforms which provides competitive interest rates 20.4% found fintech platforms having better customer support

From this it is concluded that, majority of survey groups found fintech platforms beneficial in terms of time, efforts, complexity and flexibility throughout their loan journey.

What were the primary reasons for choosing traditional banks for small business financing? (Select all that apply)

55 responses

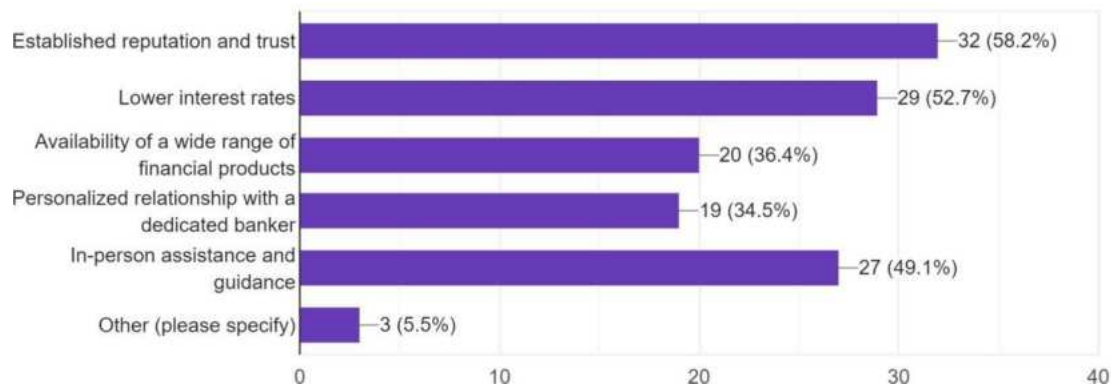


Image 9.

Conclusion(Image 9):

Different reasons behind opting for financial services from Traditional Banking- 58.2% found traditional banking to be trustworthy.

52.7% found traditional banking beneficial because it offers loans at lower interest rates. 49.1% found traditional banking beneficial because it provides in-person support.

36.4% found traditional banking beneficial because it provides other financial benefits while lending loans.

34.5% found traditional banking beneficial because it provides a dedicated banker.

From this it is concluded that, majority of survey groups found traditional banking beneficial in terms of trust, in-person support and lower interest rates.

In your experience, how easy was it to obtain financing from fintech platforms compared to traditional banks?

58 responses

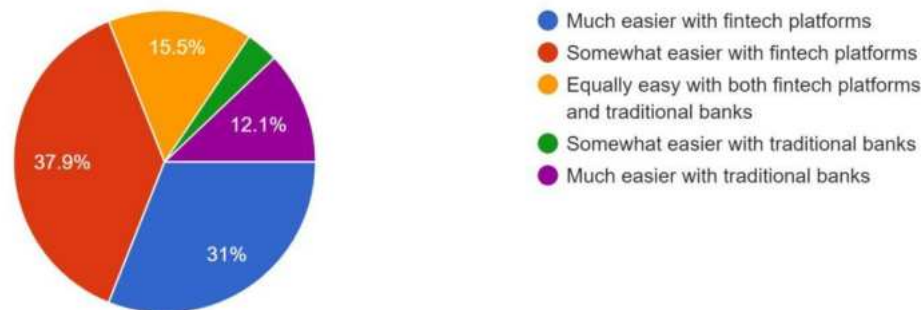


Image 10.

Conclusion(Image 10):

Levels of encouragement experienced by individuals who opted for fintech platforms and traditional banking-

37.9% found fintech platforms to be a bit easier compared to traditional banking 31% found fintech platforms to be a very easy compared to traditional banking 15.5% found fintech platforms and traditional banking to be equally effortless 12.1% found traditional banking a bit easy compared to fintech platforms.

3.4% found comfort in traditional banking compared to fintech platforms.

From this it is concluded that, majority of participants found fintech platforms to be more accessible and feasible.

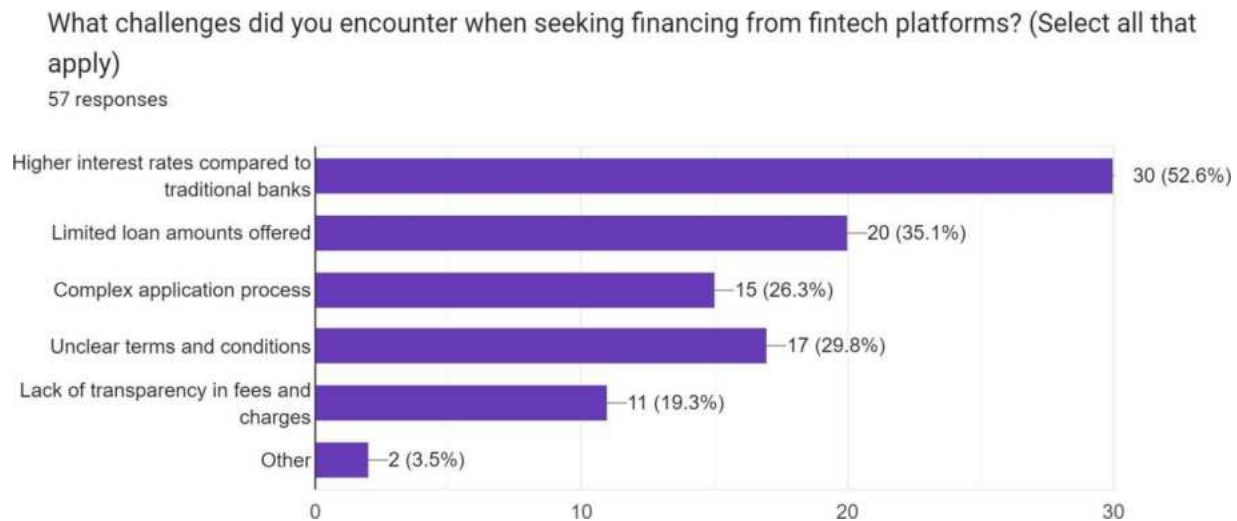


Image 11.

Conclusion (Image 11) :

Types of challenges experienced by individuals who opted for or explored fintech platforms -

52.6% experienced higher interest rates.

35.1% were offered limited loan amounts. 29.8% did not find clear terms and conditions.

26.3% found fintech platforms to be complicated in terms of application process. 19.3%

experienced hidden charges at Fintech Platforms.

From this it is concluded that, the majority of participants found fintech platforms to be providing limited loan amounts at higher interest rates compared to other financial services.

What challenges did you encounter when seeking financing from traditional banks? (Select all that apply)

58 responses

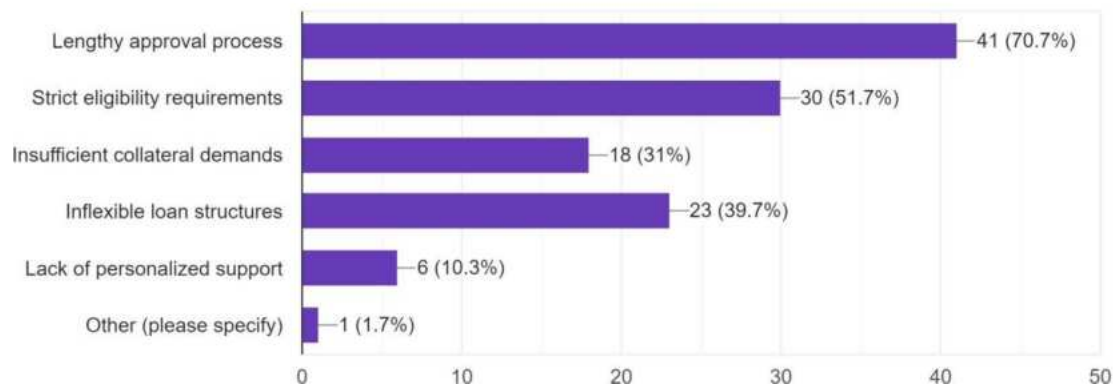


Image 12.

Conclusion(Image 12):

Types of challenges experienced by individuals who opted for or explored traditional banking -

70.7% experienced lengthy approvals.

51.7% experienced strict eligibility requirements. 31% experienced insufficient collateral demands.

39.7% experienced inflexible loan structures.

10.3% experienced lack of personalized support.

From this it is concluded that, the majority of participants found traditional banking to be lengthy in terms of approval and inflexible in terms of eligibilities.

Which financing option do you prefer for your small business?

59 responses

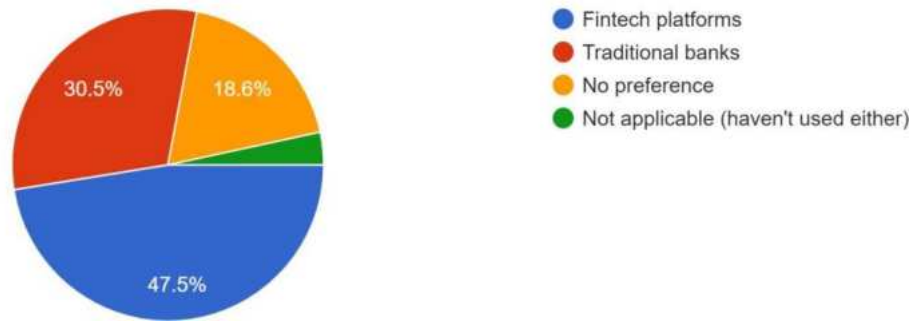


Image 13.

Conclusion(Image 13):

Preferences of individuals among different types of financial services - 47.5% supports Fintech Platforms

30.5% supports Traditional Banks 18.6% have no such preferences

3.4% haven't used any financial services.

From this it is concluded that, the majority of participants prefer Fintech platforms.

What factors influence your preference for fintech platforms or traditional banks? (Select all that apply)

59 responses

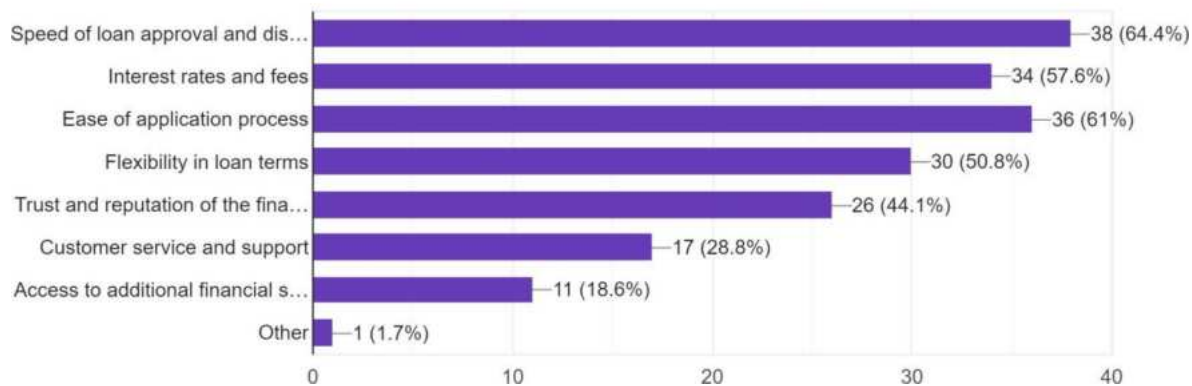


Image 14.

Conclusion(Image 14):

Different factors affecting preferences in financial services among participants - 64.4% seek for speedy loan approvals and distribution

61% seek for favorable interest rates and fees 57.6% seek for easy application process 50.8% seek for flexibility in loan terms

44.1% seek for trust and reputation of financial institutions 28.8% seek for reliable customer services

18.6% seek for loans with access to other financial benefits.

From this it is concluded that, the majority of participants seek for financial services with speedy loan approvals, speedy distributions, flexibility and easy application process.

How important is it for you to have a personalized relationship with a dedicated banker when seeking financing for your small business?

59 responses

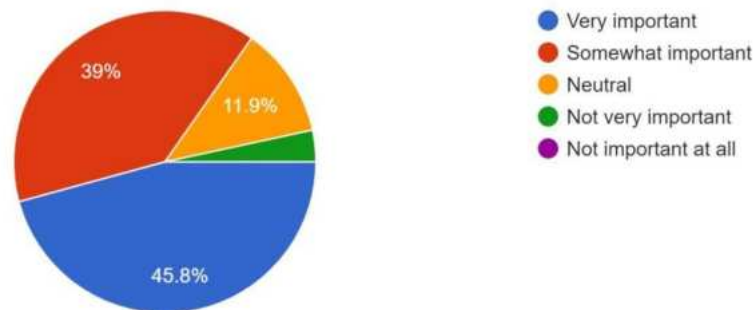


Image 15.

Conclusion(Image 15):

Importance of personalized relationship with banker -

45.8% find it very important to have a in-person guidance while opting for any financial service.

39% find it somewhat important to have a in-person guidance while opting for any financial service.

11.9% do not specifically look for in-person guidance while opting for any financial service. 3.4% do not find in-person guidance important.

From this it is concluded that, the majority of participants seek for in-person guidance while opting for any financial services.

Do you believe fintech platforms are more innovative in their approach to small business financing compared to traditional banks?

59 responses

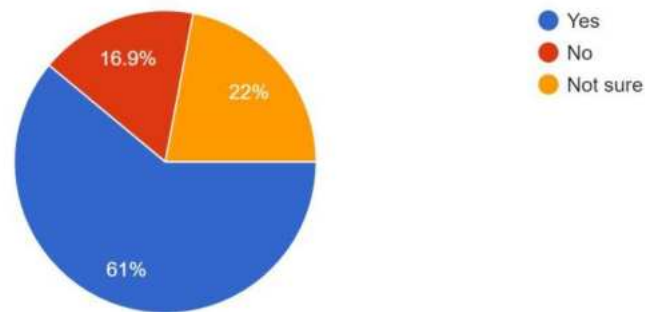


Image 16.

Conclusion(Image 16) :

Are fintech platforms better if compared to traditional banks for small businesses? 61% find fintech platforms to be more innovative.

22% are not really sure on which services are better and innovative. 16.9% do not find fintech platforms as innovative.

From this it is concluded that, the majority of participants find fintech platforms to be more beneficial and innovative.

How likely are you to consider utilizing fintech platforms or traditional banks for future financing needs?

59 responses

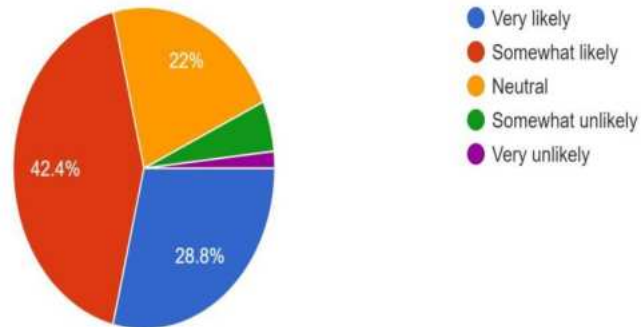


Image 17

Conclusion(Image 17.) :

Levels of future utilization of fintech platforms or traditional banks. 42.4% will opt for one or more financial services in future

28.2% may opt for one or more financial services in future

22% are not sure of opting for one or more financial services in future 5.1% may not opt for one or more financial services in future

1.7% won't opt for one or more financial services in future

From this it is concluded that, the majority of participants will be opting for fintech platforms or traditional banking for future financing needs.

How do you perceive the impact of fintech platforms on financial inclusion for underserved small businesses in India?

59 responses

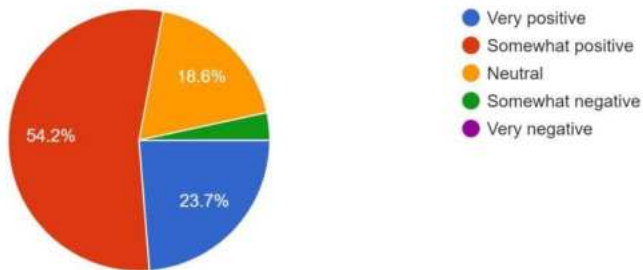


Image 18.

Conclusion (Image 18) :

Impact of fintech platforms on small businesses in terms of finances- 54.2% think of a little positive impact on small businesses

23.7% think of a high positive impact on small businesses 18.6% perceive neutral impact on small businesses

3.4% perceive negative impact on small businesses

From this it is concluded that, the majority of participants perceive fintech platforms as a positive impact.

If you have not utilized fintech platforms or traditional banks for small business financing, what are the reasons for not doing so? (Select all that apply)

31 responses

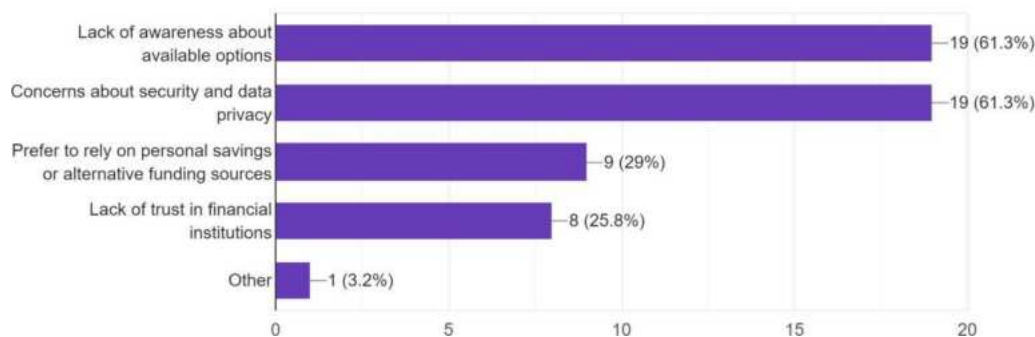


Image 19.

Conclusion (Image 19):

Reasons behind not utilizing fintech platforms or traditional banks- 61.3% less awareness about available options for financial services

61.3% do not find these services reliable in terms for data security and privacy 29% prefer to rely on personal savings or other financial sources.

25.8% perceive lack of trust in these services

From this it is concluded that, the majority of participants have lack of awareness and reliability towards fintech platforms or traditional banking.

How familiar are you with the concept of alternative lending platforms, such as peer-to-peer lending or crowdfunding, for small business financing?

56 responses

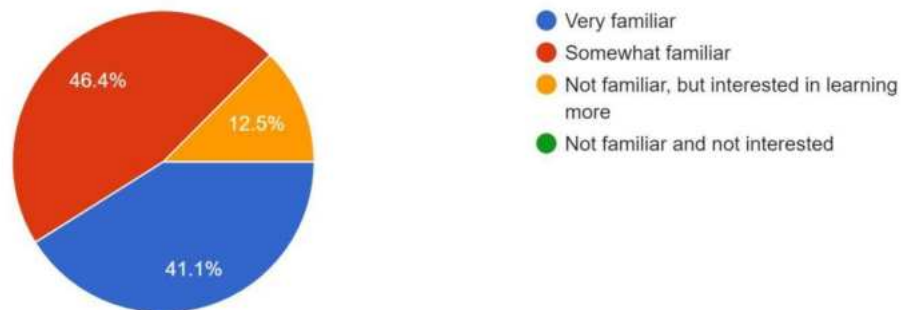


Image 20.

Conclusion(Image 20):

Awareness of alternative lending platforms-

46.4% are somewhat aware of other lending platforms. 41.1% are highly aware of other lending platforms.

18.6% are not aware of other lending platforms.

From this it is concluded that, the majority of participants are aware of other lending platforms like peer to peer, crowdfunding for small businesses.

What are the main criteria you consider when choosing a financing option for your small business?
(Select all that apply)

58 responses

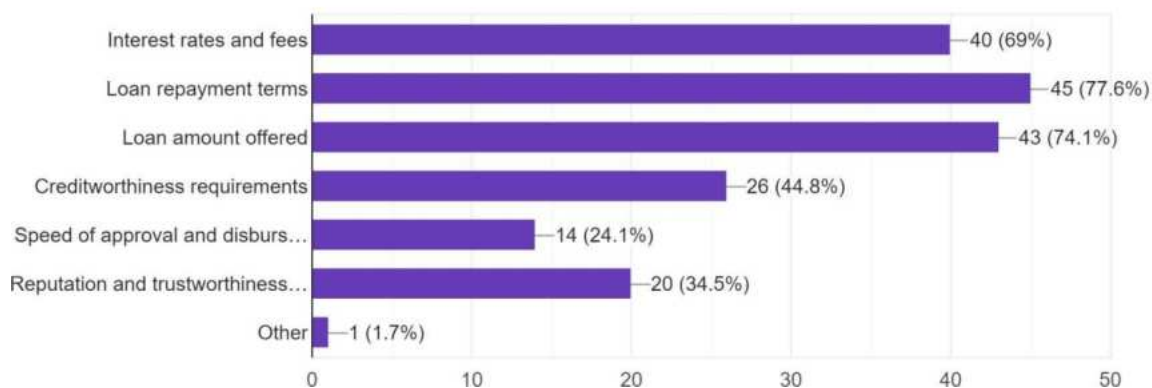


Image 21.

Conclusion(Image 21):

Criteria considered while opting for financial services- 77.6% consider loan repayment terms.

74.1% consider loan amounts offered. 69% consider interest rates and fees.

44.8% consider creditworthiness.

34.5% consider the reputation and trust of financial institutions. 24.1% consider speedy approval processes and load distribution.

From this it is concluded that, the majority of participants seek loan repayment terms, loan amounts offered and interest rates & fees.

How satisfied are you with the level of financial support and guidance provided by fintech platforms or traditional banks in managing the financial aspects of your small business?

59 responses

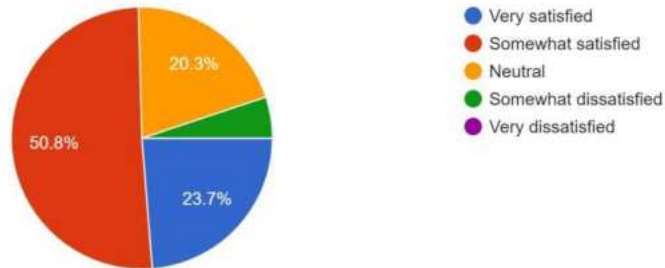


Image 22.

Conclusion(Image 22):

Satisfaction provided by financial services like fintech or traditional banks to small businesses-

50.8% are somewhat satisfied.

23.7% are highly satisfied. 20.3% are neutral.

5.1% are not so satisfied.

From this it is concluded that, the majority of participants are satisfied with the financial services they opted for their small business.

How likely are you to recommend fintech platforms or traditional banks as financing options to other small business owners?

59 responses

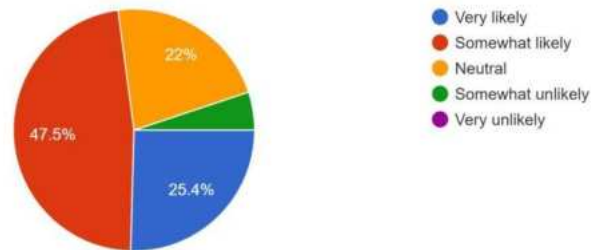


Image 23.

Conclusion(Image 23):

Recommendation scale for fintech platforms or traditional banks provided by participants-

47.5% slightly recommend fintech platforms/traditional banks. 25.4% highly recommend fintech platforms/traditional banks. 22% are neutral.

5.1% do not recommend fintech platforms/traditional banks.

From this it is concluded that, based on the financial services opted, the majority of participants recommend fintech platforms or traditional banks for small business.

CHAPTER 5 : FINDINGS & RESULTS

The majority of participants preferred fintech platforms over traditional banks for small business financing due to their innovative and accessible nature.

- Participants found fintech platforms beneficial for their ease of use, fast application processes, and customized loan options.
- Traditional banks were favored for their trustworthiness, lower interest rates, and in-person support.
- Challenges with fintech platforms included higher interest rates, limited loan amounts, and complicated application processes.
- Challenges with traditional banks included lengthy approvals, strict eligibility requirements, and inflexible loan structures.
- Speedy loan approvals, favorable interest rates, and an easy application process were key factors influencing participants' preferences.
- Personalized relationships with bankers were deemed important by participants when seeking financial services.
- Fintech platforms were perceived as more innovative compared to traditional banks.

The majority of participants expressed satisfaction with the financial services they received.

Overall, participants showed a higher inclination towards fintech platforms for small business financing, considering their benefits and convenience

DISCUSSION

The findings suggest a growing preference for fintech platforms among small business owners for their innovative and user-friendly nature. This trend is expected to continue as technology advances and more fintech solutions become available.

Traditional banks may need to adapt and enhance their offerings to compete with the convenience and flexibility offered by fintech platforms. They could explore partnerships or develop their own digital platforms to attract small business customers.

It is crucial for fintech platforms to address the challenges highlighted by participants, such as higher interest rates and limited loan amounts. By providing more competitive rates and expanding their lending capabilities, they can further establish themselves as reliable and accessible financing options.

Trust and data security remain significant concerns for participants when considering fintech platforms. Companies in the industry should prioritize robust security measures, transparent data policies, and effective communication to alleviate these concerns and build trust among potential customers.

As awareness of alternative lending platforms increases, it is important for small business owners to explore various options and understand the specific benefits and limitations associated with each. Education and information sharing initiatives can play a vital role in helping entrepreneurs make informed decisions about their financing needs.

The importance of personalized relationships with bankers should not be underestimated, as many participants expressed a desire for in-person guidance. Traditional banks can leverage this preference by providing excellent customer service and personalized assistance alongside their digital offerings.

Continuous improvement and innovation are key for both fintech platforms and traditional banks. By actively addressing customer feedback, streamlining processes, and introducing new features, these institutions can better cater to the evolving needs of small businesses and maintain a competitive edge.

As more small business owners seek financing for growth and expansion, the demand for both fintech platforms and traditional banks is expected to increase. It will be essential for these institutions to continually assess and improve their services to meet the evolving needs of entrepreneurs.

Collaboration between fintech platforms and traditional banks could lead to hybrid solutions that combine the strengths of both approaches. This collaboration could offer small business owners a wider range of options and increased access to capital. The impact of fintech platforms on small businesses will likely continue to evolve. Ongoing research and monitoring of their effects on various industries and sectors will provide valuable insights for policymakers, regulators, and financial institutions to ensure a balanced and supportive ecosystem for small business financing.

CONCLUSION AND RECOMMENDATION

Conclusion:

The survey findings indicate a growing preference for fintech platforms among small business owners, driven by factors such as convenience, speed, and flexibility. However, traditional banks still hold an important position due to trust, lower interest rates, and personalized support. Both fintech platforms and traditional banks need to address challenges and continue innovating to meet the evolving needs of small businesses.

Recommendation:

Based on the survey results, it is recommended that fintech platforms focus on enhancing transparency, reducing interest rates, and expanding loan offerings to provide better value to small business owners. Traditional banks should embrace digital transformation while maintaining their strengths in personalized support and lower interest rates. Collaboration between the two can lead to hybrid solutions that offer the best of both worlds. Moreover, policymakers and regulators should closely monitor the impact of fintech platforms on small businesses and ensure a supportive environment for their growth.

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APPENDIX

Research Questionnaire: Comparative Analysis of Fintech and Traditional Banking in Small Business Financing

Please answer the following questions based on your experiences and opinions as a small business owner. Your responses will remain confidential and anonymous.

Section 1: Demographic Information

Gender:

Male

Female

Prefer not to disclose

Age:

18-25

26-35

36-45

46-55

56 and above

Educational Qualification:

High School

Bachelor's Degree

Master's Degree

Doctorate or Higher

Other (please specify)

How long have you been running your small business?

Less than 1 year

1-3 years

4-6 years

7-10 years

More than 10 years

Section 2: Small Business Financing Experience

1. Have you sought financing for your business in the past?

a) Yes

b) No

2. If yes, which financing option(s) have you utilized? (Select all that apply)

a) Fintech platform(s)

b) Traditional bank(s)

c) Government schemes/programs

d) Non-banking financial institutions

e) Other (please specify)

3. How satisfied were you with the financing options available to you?

a) Very satisfied

b) Somewhat satisfied

c) Neutral

d) Somewhat dissatisfied

e) Very dissatisfied

4. What were the primary reasons for choosing fintech platforms for small business financing? (Select all that apply)

a) Ease and speed of loan application

b) Access to customized loan options

c) Minimal documentation requirements

d) Greater flexibility in loan terms

e) Competitive interest rates

f) Better customer support

g) Other (please specify)

5. What were the primary reasons for choosing traditional banks for small business financing? (Select all that apply)

a) Established reputation and trust

b) Lower interest rates

c) Availability of a wide range of financial products

d) Personalized relationship with a dedicated banker

e) In-person assistance and guidance

f) Other (please specify)

6. In your experience, how easy was it to obtain financing from fintech platforms compared to traditional banks?

- a) Much easier with fintech platforms
- b) Somewhat easier with fintech platforms
- c) Equally easy with both fintech platforms and traditional banks
- d) Somewhat easier with traditional banks
- e) Much easier with traditional banks

7. What challenges did you encounter when seeking financing from fintech platforms?

(Select all that apply)

- a) Higher interest rates compared to traditional banks
- b) Limited loan amounts offered
- c) Complex application process
- d) Unclear terms and conditions
- e) Lack of transparency in fees and charges
- f) Other (please specify)

8. What challenges did you encounter when seeking financing from traditional banks?

(Select all that apply)

- a) Lengthy approval process
- b) Strict eligibility requirements
- c) Insufficient collateral demands
- d) Inflexible loan structures
- e) Lack of personalized support
- f) Other (please specify)

Section 3: Preferences and Future Outlook

9. Which financing option do you prefer for your small business?

- a) Fintech platforms
- b) Traditional banks
- c) No preference
- d) Not applicable (haven't used either)

10. What factors influence your preference for fintech platforms or traditional banks?

(Select all that apply)

- a) Speed of loan approval and disbursement
- b) Interest rates and fees
- c) Ease of application process
- d) Flexibility in loan terms
- e) Trust and reputation of the financial institution
- f) Customer service and support
- g) Access to additional financial services
- h) Other (please specify)

11. How important is it for you to have a personalized relationship with a dedicated banker when seeking financing for your small business?

- a) Very important
- b) Somewhat important
- c) Neutral
- d) Not very important
- e) Not important at all

12. Do you believe fintech platforms are more innovative in their approach to small business financing compared to traditional banks?

- a) Yes
- b) No
- c) Not sure

13. How likely are you to consider utilizing fintech platforms or traditional banks for future financing needs?

- a) Very likely
- b) Somewhat likely
- c) Neutral
- d) Somewhat unlikely
- e) Very unlikely

14. How do you perceive the impact of fintech platforms on financial inclusion for underserved small businesses in India?

- a) Very positive
- b) Somewhat positive
- c) Neutral
- d) Somewhat negative
- e) Very negative

15. If you have not utilized fintech platforms or traditional banks for small business financing, what are the reasons for not doing so? (Select all that apply)

- a) Lack of awareness about available options
- b) Concerns about security and data privacy
- c) Prefer to rely on personal savings or alternative funding sources
- d) Lack of trust in financial institutions
- e) Other (please specify)

16. How familiar are you with the concept of alternative lending platforms, such as peer-to-peer lending or crowdfunding, for small business financing?

- a) Very familiar
- b) Somewhat familiar
- c) Not familiar, but interested in learning more
- e) Not familiar and not interested

17. What are the main criteria you consider when choosing a financing option for your small business? (Select all that apply)

- a) Interest rates and fees
- b) Loan repayment terms
- c) Loan amount offered
- d) Creditworthiness requirements
- e) Speed of approval and disbursement
- f) Reputation and trustworthiness of the lender
- g) Other (please specify)

18. How satisfied are you with the level of financial support and guidance provided by fintech platforms or traditional banks in managing the financial aspects of your small business?

- a) Very satisfied
- b) Somewhat satisfied
- c) Neutral
- d) Somewhat dissatisfied
- e) Very dissatisfied

19. How likely are you to recommend fintech platforms or traditional banks as financing options to other small business owners?

- a) Very likely
- b) Somewhat likely
- c) Neutral
- d) Somewhat unlikely
- e) Very unlikely

ANALYSIS OF INVESTMENT BANKING OPERATIONS

*Submitted in partial fulfillment
of the requirements for the award of
the Master degree in*

MASTER OF BUSINESS ADMINISTRATION

To

Guru Gobind Singh Indraprastha University, Delhi

Guide:
Dr. Urvesh Chaudhery
Professor

Submitted by:
Priyanka Singhal
35319114322



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Batch (2022-2024)

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CERTIFICATE

I, Ms. Priyanka Singhal, Roll No. 35319114322 certify that the Project Dissertation Report (MIB 204) entitled “Analysis of Investment Banking operations” is completed by me and it is an authentic work Carried out by me at Gitarattan International Business School. The matter embodied in this Minor project work has not been submitted earlier for the award of any degree or diploma to the best of my knowledge and belief.

Signature of the student

Date: 02-05-2024

Certified that the Minor Dissertation Report (MIB 204) entitled “FDI and Economic Development Of India” done by Ms. Priyanka Singhal, Roll No. 35319114322, is completed under my guidance.

Signature of the Guide

Date: 02-05-2024

Name of Guide: Dr. Urvesh

Chaudhery

Designation: Professor

Gitarattan International

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Countersigned

Director/Minor Project Coordinator

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Regards,
Priyanka Singhal
35319114322

EXECUTIVE SUMMARY

Investment has different meanings in finance and economics. In Finance investment is putting money into something with the expectation of gain that upon thorough analysis has a high degree of security of principle, as well as security of return, within an expected period of time. In contrast, putting money into something with an expectation of gain without thorough analysis, without security of principal, and without security of return is speculation or gambling.

Investment is related to saving or deferring consumption. Investment is involved in many areas of the economy, such as business management and finance whether for households, firms, or governments.

To avoid speculation an investment must be either directly backed by the pledge of sufficient collateral or insured by sufficient assets pledged by a third party. A thoroughly analyzed loan of money backed by collateral with greater immediate value than the loan amount may be considered an investment. A financial instrument that is insured by the pledge of assets from a third party, such as a deposit in a financial institution insured by a government agency may be considered an investment. Promoters of and news sources that report on speculative financial transactions such as stocks, mutual funds, real estate, oil and gas leases, commodities, and futures often inaccurately or misleadingly describe speculative schemes as investment. Investment: thorough analysis and security Speculation: analysis and some risk Gambling: lack of analysis and lack of safety.

Investment banks help companies and governments raise money by issuing and selling securities in the capital markets (both equity and debt). A majority of investment banks also offer strategic advisory services for mergers, acquisitions, divestiture or other financial services for clients, such as the trading of derivatives, fixed income, foreign exchange, commodity, and equity securities. Trading securities for cash or securities (i.e., facilitating transactions, market-making), or the promotion of securities (i.e. underwriting, research, etc.) is referred to as the "sell side".

CHAPTER 1

INTRODUCTION

1.1 OVERVIEW OF INVESTMENT BANKING :



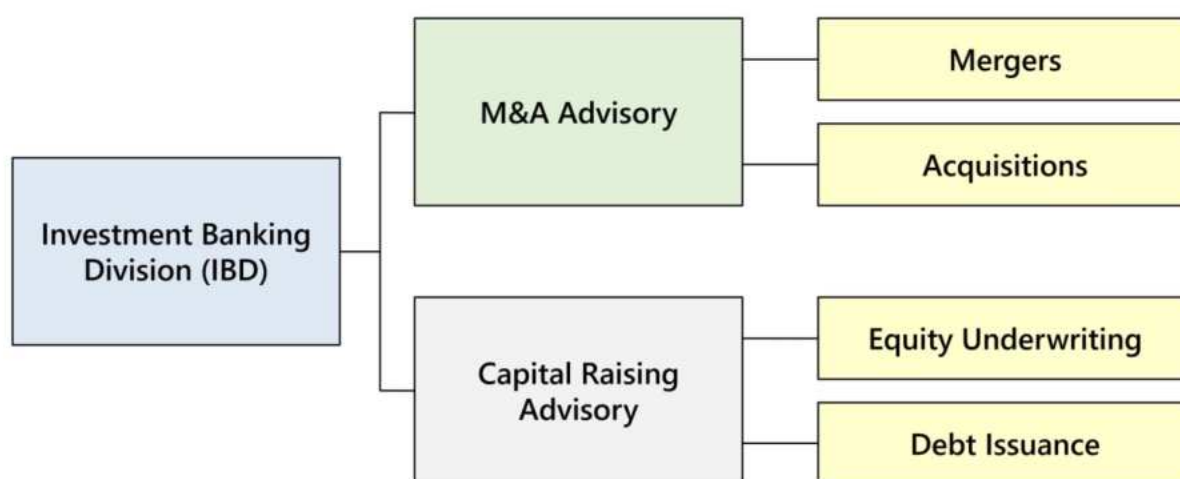
Investment banking is the division of a bank or financial institution that serves governments, corporations, and institutions by providing underwriting (capital raising) and mergers and acquisitions (M&A) advisory services. Investment banks act as intermediaries between investors (who have money to invest) and corporations (who require capital to grow and run their businesses).

As previously stated, the two primary platforms of institutional intermediation for capital flows in the economy are banking and financial institutions on the one hand, and the capital market on the other. As a result, investment banks could be defined as financial firms that act as alternatives to banks in the intermediation of resource allocation. However, such a conclusion would be unjust, as it would constrain investment banking to a relatively narrow scope of activity in today's high-finance environment. Investment banking has evolved over the decades, fuelled by evolution and recent technical advancements, to meet the needs of the finance community, and has therefore become one of the liveliest and fascinating segments of financial services.

Investment bankers have always had celebrity status, but they have also paid a price for their undue flamboyance. To continue from the previous point, 'investment banking is what investment banks do,' as John F. Marshall and M.E. Ellis put it. This description can be

defined in terms of how investment banks have changed in their functions over time, as well as how history and regulatory action have affected that evolution. Much of today's investment banking owes its origins to the financial industry in the United States, and as a result, American investment banks have dominated both the American and European markets. As a result, the phrase "investment banking" is arguably of American origin. Because they limited themselves to capital market intermediation until US investment banks reached the UK, their UK equivalents were dubbed "merchant banks."

1.2 Evolution of Investment Banking



The phrase "investment bank" has no clear meaning, but it refers to financial institutions that have expanded their position beyond trading as merchants to funding the trade and commercial operations of others, particularly in the international market place. Investment banks have preserved this strong international flavour and frequently have offices in many different countries, particularly in the major financial hubs, for many years.

Investment banking is one of the most globally oriented sectors, and as a result, it is always pushed to adapt to new developments and innovations in the global financial markets. Many people have predicted that all investment banking goods and services will become commoditized throughout the industry's history. Trading know-how in new markets leads to the creation of new goods with larger profits. However, because these are

seldom trademarked or copyrighted, they are frequently copied by other institutions, reducing trading margins.

Trading bonds and equities for clients, for example, has become a commodities industry, but structuring and trading derivatives is extremely profitable. Each OTC contract must be unique, and complicated pay-off and risk profiles may be involved. Listed option contracts are traded on major exchanges and have become virtually as commoditized as regular equities securities products.

For example, trading bonds and equities for customers has become a commodities business, while structuring and trading derivatives is enormously profitable. Each OTC contract must be one-of-a-kind, with intricate pay-off and risk profiles. Listed option contracts are traded on major exchanges and have become almost as commoditized as traditional equity instruments.

Vertical Integration

Another trend in Investment Banking at the dawn of the 21st century has been the vertical integration of debt securitization. Previously, investment banks had assisted lenders in raising more lending funds and having the ability to offer longer term fixed interest rates by converting the lenders' outstanding loans into bonds. For example, a mortgage lender would make a house loan, and then use the investment bank to sell bonds to fund the debt. The money from the sale of the bonds can be used to make new loans, while the lenders accept loan payments and passes the payments on to the bondholders. This process is called securitization.

Lenders, on the other hand, have begun to securitize their own debts, particularly in the field of home loans. As a result of this, and out of worry that it will continue, several Investment Banks have shifted their concentration to become lenders, issuing loans with the intention of securitizing them. In reality, many Investment Banks lend at loss leader interest rates in the commercial mortgage market in order to profit from securitizing the loans, making them a very attractive financing alternative for commercial property owners and developers.

Business Portfolio of Investment Bank

Investment banks manage a considerable amount of fund-based business in the capital market on their own, as well as a non-fund service portfolio that they provide to customers. However, depending on the regulatory constraints in each country's operating environment, these various sectors are handled either on the same balance sheet or through subsidiaries and affiliates. All of these operations are broken down into three categories: stock market activity, debt market activity, and merger and acquisition (M&A) activity. Furthermore, according to the market's structure, there is a segmentation based on whether a specific investment bank is a subsidiary of a banking parent or a stand-alone pure investment bank. The graph depicts a broad range of global investment activity.

Investment banking, it should be noted, comprises a wide range of capital market- related companies and services, as well as having a considerable financial exposure to the capital market. Investment banks are distinguished from pure merchant banks by their ability to provide customers with fund-based services, despite the fact that they derive a large portion of their revenue from non-fund-based activities. Investment banks in the US capital market underwrite or acquire issues outright and then offer them to individual investors, assuming considerable financial risk from client corporations. Aside from being such enormous financial powerhouses, global investment banks play a significant role as institutional investors in trading and have significant capital market securities holdings. The worldwide mergers and acquisitions

Industry is enormous, with yearly revenues in the trillions of dollars. In this expanding section of the financial consulting market, investment banks play a leading advisory role. They also participate as investors in management buy-outs and management buy- ins. When investment banks handle private equity funds, they may also represent their investors in buy-out transactions.

Loan products make up a large element of the debt market business portfolio for universal banks like Citigroup and UBS Warburg. Pure investment banks, such as Goldman Sachs, Merrill Lynch, and Morgan Stanley Dean Witter, do not have a commercial banking division and so do

not provide lending services. Aside from the major corporations, each nation has a slew of additional domestic players, including mid-sized investment banks that specialise in local markets or specific product sectors. Some investment banks in the overseas markets also specialize in niche segments such as –management of hedge funds, bullion trade, commodity hedges, real estate and other exotic markets.

Investment Banking Functions and Operations

An investment bank is like a middleman between investor and issuer and helps clients raise money through debt and equity offerings.

IPOs (Initial Public Offerings)

- Companies hire investment banks to issue IPOs and raise capital.
- Investment banks assist in underwriting, setting offer prices, and creating a market for the stock.

Mergers and Acquisitions (M&A)

- Investment banks facilitate M&A deals between companies.
- They play critical roles in valuing companies, strategising the merger process, and raising funds for M&A transactions.

Risk Management

- Investment banks help manage financial risks like currency, loans, and liquidity.
- They identify loss areas and control credit risks for effective risk management.

Example of Investment Banking:

Suppose that Pete's Paints Co., a chain supplying paints and other hardware, wants to go public. Pete, the owner, gets in touch with José, an investment banker working for a larger investment banking firm. Pete and José strike a deal wherein José (on behalf of his firm) agrees to buy 100,000 shares of Pete's Paints for the company's IPO at the price of \$24 per share, a price at which the investment bank's analysts arrived after careful consideration.

The investment bank pays \$2.4 million for the 100,000 shares and, after filing the appropriate paperwork, begins selling the stock for \$26 per share. However, the investment bank is unable to sell more than 20% of the shares at this price and is forced to reduce the price to \$23 per share to sell the remaining shares.

For the IPO deal with Pete's Paints, then, the investment bank has made \$2.36 million $[(20,000 \times \$26) + (80,000 \times \$23) = \$520,000 + \$1,840,000 = \$2,360,000]$. In other words, José's firm has lost \$40,000 on the deal because it overvalued Pete's Paints.

Investment banks often will compete with one another to secure IPO projects, which can force them to increase the price they are willing to pay to secure the deal with the company that is going public. If competition is particularly fierce, this can lead to a substantial blow to the investment bank's bottom line. Most often, however, there will be more than one investment bank underwriting securities in this way, rather than just one. While this means that each investment bank has less to gain, it also means that each one will have reduced risk.

Key Players in Investment Banking

Key players in investment banking include investment banks, corporate clients, institutional investors, retail investors, regulatory authorities, private equity firms, hedge funds, venture capital firms, law firms, and rating agencies. They collaborate to facilitate financial transactions and provide strategic advisory services in the industry.

1.3 Core Investment Banking Services

1. Mergers and Acquisitions (M&A)

M&A, an integral facet of investment banking services, revolves around the convergence of companies through multifaceted transactions encompassing acquisitions, mergers, divestitures, and joint ventures. Investment banks play a pivotal role in guiding clients through these intricate deals.

These financial institutions undertake comprehensive valuation analyses, meticulously identify potential targets or buyers, adeptly negotiate agreements, and astutely oversee the entire process

to ensure seamless execution. The realm of Mergers and Acquisitions demands intricate understanding, financial finesse, and astute strategizing. Investment bankers leverage their expertise to craft advantageous deals, optimize synergies, and mitigate risks for their clients. Delving into the intricacies of M&A, investment banks facilitate strategic decisions that reshape industries and redefine business landscapes. By offering insights, market intelligence, and transactional prowess, they empower clients to navigate the complex terrain of M&A with confidence.

Find out more about mergers and acquisitions [here](#).

2. Capital Markets and Fundraising

In investment banking services, companies receive valuable assistance in raising capital through diverse avenues, such as issuing stocks, bonds, and other financial instruments. Investment banks excel in structuring these offerings, setting optimal pricing, and identifying suitable investors.

Additionally, investment banks play a crucial role in facilitating secondary market transactions, enabling the smooth buying and selling of securities on stock exchanges. This is why investment bankers who specialize in capital markets and fundraising are highly coveted by companies worldwide.

Fundraising is crucial for both governments and private companies when they are in need of funds or a stable cash flow for various projects or for future endeavors. Investment bankers are also essential for guiding companies in investing in other companies or external projects.

3. Financial Modeling

Financial modelling is a core aspect of investment banking services, involving the creation of detailed numerical representations of a company's financial performance. Investment banks utilise these models to forecast future financial scenarios, analyse investment opportunities, and assess the potential impact of various strategies and decisions.

Financial models encompass a range of elements, including revenue projections, expense forecasts, cash flow analysis, and scenario simulations. Investment banks employ advanced software and tools to build and manipulate these models, allowing them to make informed recommendations to clients.

Financial modelling also helps in simulating business scenarios or probable profit and loss based on different financial decisions or combinations of business decisions.

Find out more about financial modelling [here](#).

4. Valuation and Investment Analysis

Valuation and investment analysis stand as cornerstones within the realm of investment banking services. These practices involve the meticulous assessment of assets, companies, and investment opportunities to determine their intrinsic worth and potential for generating returns.

Investment banks employ various methodologies for valuation such as discounted cash flow (DCF) analysis, comparable company analysis (comps), precedent transaction analysis, and asset-based valuation. Through these methods, investment professionals scrutinize financial data, market trends, and industry benchmarks to arrive at accurate and well-founded valuations.

Analyzing investments is essential for businesses and governments to find out if a certain business or financial investment can cause future losses, thus being able to help organizations avoid financial loss or achieve profitability.

Find out more about investment analysis and valuation methods such as DCF valuation [here](#).

Other Essential Investment Banking Services

- **Corporate Finance and Advisory Services**

Investment banks deliver specialized financial counsel to corporations concerning corporate restructuring, capital allocation, financial risk management, and broader financial strategies. These tailor-made services cater to each client's unique requirements and frequently entail in-depth financial analysis and extensive market research.

To excel in this field, consider pursuing investment banking training and certification for comprehensive expertise.

- **Underwriting and Securities Offerings**

Investment banks offer underwriting services for companies launching new securities like stocks or bonds. Underwriting involves selling these securities to investors, with the investment bank bearing the financial risk.

- **Financial Restructuring and Debt Advisory**

Financial restructuring involves a carefully planned strategic overhaul of a company's capital structure and operations to tackle economic difficulties and avoid bankruptcy.

The main goal is to maximize the efficient utilization of financial resources and improve the company's financial health.

This multifaceted process includes various essential components:

- Debt restructuring
- Equity infusion
- Asset sales and divestitures
- Cost-cutting measures
- Business reorganization

Investment Banking Process and Transactions

➤ Deal Lifecycle in Investment Banking

Investment bankers begin by identifying potential opportunities and establishing client relationships. Deal origination methods include networking, referrals, market research, and leveraging industry expertise.

➤ Due Diligence and Deal Structuring

After securing the mandate, investment banks conduct comprehensive due diligence on the client's business, financials, and market position. It aids in structuring the deal appropriately, determining suitable financial instruments, pricing, and transaction terms.

➤ Negotiations and Closing Processes

Investment bankers initiate negotiations with potential buyers, sellers, or investors, finding common ground on price and deal specifics. Once a consensus is reached, the deal is executed through legal agreements and contracts.

➤ Post-Deal Integration and Management

After closing the deal, investment bankers may assist with post-merger integration (M&A) or ongoing management of issued financial instruments. Post-deal integration ensures a seamless transition and maximizes transaction benefits.

Throughout the deal lifecycle, investment bankers offer clients strategic guidance, financial expertise, and market insights. They collaborate with stakeholders, including legal teams, regulators, and financial institutions, ensuring compliance with relevant laws and regulations. To gain expertise in Investment Banking fundamentals, consider enrolling in comprehensive training and banking course

Investment Banking Technology and Digital Transformation

Fintech Innovations in Investment Banking

Fintech has revolutionised investment banking with online platforms for capital raising, peer-to-peer lending, and alternative finance solutions. These disruptions provide faster, more efficient, cost-effective financial services, challenging traditional models for investors and businesses.

Automation and Artificial Intelligence (AI) in Operations

Automation and AI technologies have brought remarkable improvements to investment banking operations. Tasks like data entry, trade settlements, and reconciliation have been streamlined with [Robotic Process Automation \(RPA\)](#), leading to faster processing and reduced errors. AI-powered algorithms assist in trading, portfolio management, and risk assessment, empowering data-driven decision-making.

Blockchain and Distributed Ledger Technology in Investment Banking

The transformative potential of blockchain technology has been recognised in investment banking, particularly in transaction settlement and post-trade operations.

By offering secure and transparent record-keeping through decentralised and immutable ledgers, blockchain minimises the need for intermediaries and enhances trust between parties. It enables faster and more efficient securities settlement while lowering the risk of fraud.

Data Analytics and Machine Learning Applications

Investment banks have embraced data analytics and machine learning to gain deeper insights into market trends, customer behaviour, and risk management. The analysis of big data aids in informed investment decisions, optimising trading strategies, and offering personalised services to clients.

Among other critical applications, machine learning algorithms are instrumental in credit risk assessment, fraud detection, and portfolio optimisation.

Investment Banking in Different Sectors

Investment banking is vital across diverse industries, facilitating crucial financial activities and providing strategic advice.

Here is a brief overview of its significance in specific sectors:

Investment Banking in Technology and Startups

In this dynamic sector, investment banks support startups and tech companies with capital raising, mergers, acquisitions, and strategic advisory services, empowering innovation and growth.

Investment Banking in Real Estate and Infrastructure

Investment banks enable real estate developers, investors, and [infrastructure firms to raise funds](#), structure deals, and execute transactions for projects, driving progress and development.

Investment Banking in Healthcare and Pharmaceuticals

In the healthcare industry, investment banking aids pharmaceutical, biotech, and medical device companies with IPOs, mergers, licensing deals, and partnerships, fostering advancements in medical research.

Investment Banking in Energy and Utilities

For energy companies, investment banks provide financial services, including project finance, M&A, and capital raising, supporting the growth and expansion of renewable energy initiatives and traditional utility operations, thus [contributing to sustainable energy development](#) and meeting global energy demands.

Investment Banking in Consumer Goods and Retail

Investment banks in consumer goods and retail provide financial services, including M&A, IPOs, and strategic advisory, supporting business growth and competitiveness in this sector.

Investment Banking Regulatory Environment

Role of Regulatory Authorities in Investment Banking

Governmental organizations, known as regulatory bodies, uphold the laws and ordinances that apply to investment banks and other financial organizations. They are responsible for encouraging transparency, safeguarding customers and investors, and stopping systemic hazards in the financial system. The SEC in the US and the FCA in the UK are two examples.

Compliance and Legal Considerations

Investment banks must adhere to various regulations covering securities offerings, disclosure requirements, trading practices, [anti-money laundering](#) (AML) measures, and data protection. Dedicated compliance departments within investment banks ensure strict adherence to these regulations and internal policies. Non-compliance may lead to penalties, fines, and damage to the bank's reputation.

Basel III and Capital Adequacy Requirements

Basel III represents a set of international banking regulations formulated by the Basel Committee on Banking Supervision. It aims to enhance banks' resilience by strengthening risk management and raising capital adequacy requirements.

These regulations establish minimum capital standards, including shared equity, Tier 1 capital, Tier 1 capital, and total capital, to ensure banks possess sufficient money to withstand financial shocks and maintain stability.

Market Regulations and Risk Management

Investment banking activities are subject to regulations covering market manipulations, insider trading, and the use of complex financial instruments like derivatives.

Investment banks must implement robust risk management practices encompassing credit, market, operational, and liquidity risks to ensure compliance.

1.4 SIGNIFICANCE OF INVESTMENT BANKING IN GLOBAL FINANCIAL SYSTEM :

Investment banking plays a crucial role in the global financial system, serving as a bridge between corporations, governments, institutional investors, and financial markets. Here are some key reasons why investment banking is important:

1. Capital Raising:

- Investment banks facilitate the raising of capital for corporations and governments through various channels such as initial public offerings (IPOs), debt issuance (bonds, loans), and private placements.
- By connecting issuers with investors, investment banks enable businesses to fund their operations, expand their businesses, and undertake strategic initiatives.

2. Mergers and Acquisitions (M&A):

- Investment banks advise companies on mergers, acquisitions, divestitures, and other corporate restructuring activities.
- They provide valuation expertise, negotiate deal terms, structure transactions, and facilitate the execution of M&A deals.
- M&A activities help companies achieve strategic objectives such as market expansion, synergies realization, and shareholder value creation.

3. Advisory Services:

- Investment banks offer a wide range of advisory services to clients, including strategic consulting, financial restructuring, and risk management advice.
- They provide insights and expertise to help clients navigate complex financial decisions and optimize their capital structure.

4. Market Making and Trading:

- Investment banks act as market makers in financial markets, providing liquidity by buying and selling securities on behalf of clients.
- They facilitate trading activities in equities, fixed income securities, derivatives, and other financial instruments, contributing to price discovery and efficient capital allocation.

5. Asset Management:

- Many investment banks have asset management divisions that offer portfolio management services to institutional investors, high-net-worth individuals, and retail clients.
- Asset management activities involve managing investment portfolios, providing investment advice, and generating returns for clients.

6. Risk Management:

- Investment banks play a critical role in managing financial risks for their clients, including market risk, credit risk, liquidity risk, and operational risk.
- Through hedging strategies, derivatives trading, and risk mitigation techniques, they help clients minimize exposure to adverse market conditions and protect their financial assets.

7. Economic Growth and Development:

- Investment banking contributes to economic growth by facilitating capital formation, job creation, and entrepreneurship.
- By providing financing to businesses and governments, investment banks support infrastructure development, innovation, and job opportunities, thereby stimulating economic activity.

8. Global Financial Intermediation:

- Investment banks operate on a global scale, connecting investors and borrowers across different regions and markets.
- They facilitate cross-border capital flows, international trade, and foreign investment, fostering financial integration and globalization.

The objectives of a study project on investment banking analysis could encompass a range of aims, depending on the specific focus and scope of the research. Here are some potential objectives for such a project:

1.5 OBJECTIVE OF PROJECT :

1. To Analyze Investment Banking Operations
2. To Understand the Role of Investment Banking
3. To Evaluate Market Trends and Dynamics
4. To Assess Financial Performance
5. To Explore Strategic Positioning and Competitive Landscape
6. To Examine Regulatory Environment
7. To Identify Future Trends and Opportunities
8. To Contribute to Academic and Professional Knowledge

1.6 RESEARCH METHODOLOGY

Methodology is the systematic, theoretical analysis of the methods applied to a field of study. It comprises the theoretical analysis of the body of methods and principles associated with a branch of knowledge. Typically, it encompasses concepts such as Paradigm, theoretical model, phases and quantitative or qualitative techniques. This chapter aims to understand the research methodology establishing a frame of evaluation and revaluation of primary and secondary research.

Primary data

Primary data represent data originated for the specific purpose of the study, with its research questions. The methods vary on how Authors and Researchers conduct an experiment, survey or study, but, in general, it uses a particular scientific method.

Secondary data

Secondary data are data that have been previously collected or gathered for other purposes than the aim of the academic article's study. This type of data is already available, in different forms, from a variety of sources.

Secondary data collection could lead to Internal or External secondary data research.

- Internal secondary data research - particularly related to a company or organization, internal sources (such as sales data, financial data, operations-related data, etc.) can be easily attained and re-purposed to explore research questions about different aspects.
- secondary data research- represents a study that uses existing data on a certain research subject from government statistics, published market research reports from different organizations, international agencies (such as IMF, World Bank, etc.), and so on. The data collected and studied for this project is the Secondary Data.

CHAPTER 2

LITERATURE REVIEW

Investment products and banking services are two key areas of financial services that have grown in popularity in recent years. Investment products are financial instruments that provide a return on investment, such as mutual funds, insurance products, and savings schemes. Banking services, on the other hand, are financial services that provide support for everyday financial transactions, such as loans, credit cards, and account types. HDFC has a wide range of investment products and banking services that cater to the diverse needs of its customers, easily accessible and the affordability vary depending upon the product or service and the income of the customer, according to the research.

Several researchers have looked at this problem from various angles. A few of the publications on this topic are reviewed. Jindal and Hasrat's empirical study titled "Customer Awareness and Preferences for HDFC Bank's Digital Banking" highlights how changing consumer habits and a competitive market are compelling banks to upgrade their technology on a daily basis to maintain profitability. As a result, the banking industry is increasingly focused on rapidly upgrading its products and services to keep up with market transformations. While banks are not typically known for their agility, the industry has introduced innovative methods of banking to make it as hassle-free as possible and stay competitive. (Hasrat, 2016).

In their case study titled "Assessing Customer Satisfaction in the Banking Sector: A Study of HDFC Bank Ltd.", Raj and Bansal highlight the significant impact of product and service evaluation on customer satisfaction. Within the banking industry, customers evaluate service features such as pricing, personnel friendliness, and product/service customization. As service is the primary product offered by service providers such as HDFC Bank Ltd., the quality of service is often judged based on price. However, this may not necessarily be an accurate representation of service quality within the sector, particularly as price is just one aspect of the overall product and service offering. (Bansal, January 10, 2019).

In their 2011 study, Naveen Kumar and V.K. Gangal investigated the satisfaction of customers in new-generation banks and highlighted the fast-growing expectations of customers in the Indian banking industry. New customers demand the best services at reasonable prices. The study found that most Indian banks have limited diversity in the products and services they offer. Consequently, in a competitive industry, banks must focus on implementing strategic measures to satisfy customers and retain as many of them as possible.

In 2008, Rueangthanakiet Pairot provided a definition of customer satisfaction as being the ability of a company to meet the business, emotional, and psychological requirements of its customers. Nevertheless, due to differences in attitudes and experiences, customers may have varying levels of satisfaction with the company. The importance attributed by customers to different aspects of the product or service also influences their level of satisfaction. Measuring customer satisfaction enables an organization to identify the critical factors that contribute to satisfaction or dissatisfaction and gain insight into what drives customer satisfaction during a service encounter

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In 2011, Desta conducted a study that involved evaluating and gauging the perception of banking service quality among customers of an SBI branch. The study also investigated the correlation between service quality, customer satisfaction, and positive word-of-mouth. The findings revealed that the bank customers' expectations were not adequately met, and the most significant discrepancy was observed in the reliability aspect.

In 2012, Maya Basant Lohani conducted a study that investigated service quality in several banks, utilizing the SERVQUAL scale developed by Parasuraman et al. (1988) to measure service quality across five dimensions. The findings indicated that there was a minor perceptual gap between the banks in terms of overall service quality. The study also observed that banks tend to prioritize tangible factors such as computerization and physical facilities to attract customers.

In their 2016 study, Rajgopal Subashini and Velmurugan Gopalasamy elucidated the notion of customer satisfaction within the banking industry. With private and public banks playing a

pivotal role in providing a plethora of intermediate banking services to both rural and urban customers, maintaining customer loyalty and retention has become crucial.

However, the study observed that some banks neglect the significance of their clients.

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IJCRT2303811 International Journal of Creative Research Thoughts (IJCRT) www.ijcrt.org
g877 Service quality gap analysis in Indian banks by Raj Alok Kumar examine the service quality gaps in the products and services offered by India's leading public and private sector banks, namely SBI and HDFC Bank. Furthermore, the study identify the shortcomings of specific banks, enabling them to comprehend their strengths and weaknesses and implement measures to enhance efficiency and effectiveness. Trends and Progress Made By Indian Banks in Adoption of Technology:

A case study of HDFC Bank. This study examines the progress and trends of Indian banks in embracing technology, given the increasing reliance on technological advancements. Several parameters, such as the deployment of Automated Teller Machines, the issuance of Debit and Credit Cards, as well as the use of NEFT, RTGS, and mobile banking for outward debits and inward credits have been analyzed. (Dr. Katoch Rupinder 11 oct 2019).

In their 2012 study, Nirmaljeet Virk and Prabhjot Kaur Mahal investigated customer satisfaction in both public and private banks in India. The study found that private bank managers establish stronger personal relationships with their customers compared to public bank managers. This factor significantly impacts customer satisfaction levels.

CHAPTER 3

DATA ANALYSIS AND PRESENTATIONS

3.1 Anatomy of Some Leading Indian Investment Banks

1. ICICI Securities Ltd. (I-Sec).

I-Sec is a part of the ICICI group whose parent company is the ICICI Bank which till recently was a financial institution that converted itself into a universal bank by its merger with its own commercial bank, the ICICI Bank in 2003. I-Sec, which was initially a joint venture with J.P. Morgan of the US, became fully owned by ICICI after J.P. Morgan exited from the business.

I-Sec is a full-service investment bank that provides services across all the segments spanning –debt market, equity market, derivatives and corporate advisory services. It has support services in research and broking. The advisory business focuses on merger and acquisitions, cross border acquisitions, equity and bidding for a number of reputed companies. The equity business offers research, sales and execution services to institutional investors in the secondary market and capital market related services such as execution of public offerings, structuring and regulatory and legal documentation services.

In order to assist/provide corporate clients and institutional investors with investment banking services in the USA. I-Sec set up two US based subsidiaries namely ICICI Securities Holding Inc and ICICI Securities Inc. ICICI Securities Inc registered itself with the National Association of Security Dealers Inc as a broker-dealer, empowering it to engage in a variety of securities transactions in the US market.

ICICI Brokerage Services Limited, a member of the National Stock Exchange of India Limited, is the domestic broking subsidiary of I-Sec's distribution and secondary market services are handled by the broking company.

2. DSP Merrill Lynch Ltd.

Originally incorporated as DSP Financial Consultants Ltd, its name was changed to DSP Merrill Lynch (DSP-ML) in 1996 following its conversion into a joint venture with Merrill Lynch of USA, a leading international capital raising financial management and advisory company. Merrill Lynch has a 40% equity stake in DSP-

ML. DSP-ML is a part of the DSP group which has been in the securities and brokerage business for 130 years in the Indian market, thus pre-dating even the Bombay Stock Exchange.

DSP-ML is a leading full-service Investment Bank that provides services across debt market, equity market and corporate advisory segments. It also provides services to private customers on equity and debt products and wealth management. It has a full-fledged research team serving the needs of both its institutional and retail clients. The company is among the major players on proprietary account in the debt and equity markets and is also a registered primary dealer in government securities.

The functional divisions at DSP-ML consist of the –Investment Banking Group, the Equity Sales Group, the Equity Trading and Dealing Group, Debt Sales Group, the Mergers and Acquisitions Group, the Research Group and the Private Client Group. The investment banking group generates equity and debt products emerging from IPOs, secondary issues and debt market issues as well as private placements. It is also a leading underwriter in both equity and debt products. These products are distributed through the equity sales group and the debt sales group. Both the marketing groups serve a cross section of institutional clients, other non-institutional clients such as trusts and investment companies, retail clients and overseas investors. The sales groups also distribute apart from their own products, the products emerging from other entities such as DSP Merrill Lynch Mutual Fund and other mutual funds. The sales groups are supported by a national distribution network of approximately 8000 sub-brokers and alliance partners.

The trading and dealing groups support the broking activity in equities and the primary dealership activities in the debt market. DSP-ML, is one of the largest institutional broking firms in India. It is a founding member of The Stock Exchange, Mumbai (BSE) and is an active member of the National Stock Exchange (NSE) of India in both the equity segment and the wholesale debt market segment. It is an accredited primary dealer with the RBI and an active participant in the Government Securities/Treasury bill markets. As a primary

dealer, it makes a market for debt securities by offering to buy and sell quotes. These quotes are also available on wire services like Reuters, Crisil Market wire, Bloomberg and Dow Jones Newswires.

The mergers and acquisitions advisory has been structured as a separate specialist group that offers their clients financial advice and assistance in restructuring, divestitures, acquisitions, de-mergers, spin-offs, joint ventures, privatization and takeover defence mechanisms. The research group offers products such as –sectoral reports, company reports and special theme analyses, daily, weekly and monthly market views as well as specific policy forecasts. The private client group offers depository, broking and investment advisory services to high-net-worth individuals, professionals and promoters of business groups, corporate executives, trusts and private companies. In 1996, the DSP group floated a separate equity broking company called DSP Securities Ltd. which is a member of the BSE.

3. JM Morgan Stanley Pvt. Ltd.

JM Morgan Stanley (JMMS) is a joint venture between the JM Financial Group and Morgan Stanley Dean Witter of the USA. In 1997, Morgan Stanley which was established in New York in 1935, had acquired Dean Witter, an investment bank founded in 1924 in San Francisco. JM Morgan Stanley commenced operations in April 1999. However, the association of the two partners is limited only to the investment banking area. Both of them have separate asset management companies in India which run independent of mutual fund businesses.

Unlike DSP-ML and I-Sec which have an integrated structure, the JM Group has separate companies handling various components of the capital market business. The core functions of investment banking are performed by JMMS. This company focuses on capital raising, mergers and acquisitions, private equity and advisory work for Indian corporations in both the international and domestic capital markets. The function of distribution and marketing securities is handled by two of its wholly owned subsidiaries – JM Morgan Stanley Retail Services Pvt. Ltd. (JMRS) and JM Morgan Stanley Fixed Income Securities Pvt. Ltd. (JMFI). JMRS provides equity distribution services for

primary market products, mutual funds, equity sales and marketing support for the group broking activity and wealth management and portfolio management services to high-net-worth individuals. JMFI offers similar services in fixed income (debt) securities. A third company, JM Morgan Stanley Securities Pvt. Ltd. handles all the broking operations for the group and provides services to institutional clients and others. It also provides research support for both FII and Indian institutional clients.

4. SBI Capital Markets Ltd

Founded in 1986 as a hive-off of the SBI Merchant Banking division, SBI Capital Markets Ltd. (SBI Caps) is amongst the oldest players in the Indian capital market. It is a full-service investment bank that provides investment, advisory and financial services. In 2001, SBI Caps started its sales and distribution activity along with equity and debt broking services.

SBI Caps provides services across the following spectrum:

- **Mergers and Acquisitions:** This group provides advisory services with regard to disinvestment of the government, valuations, mergers and acquisitions in the corporate sector, financial and business restructuring and other areas.
- **Project advisory and structure finance:** It is arguably one of the leading groups in the company that provides services such as restructuring and privatization advisory for public utilities, policy advisory to Central and State Governments, regulatory bodies and government departments and organizations, project structuring and advisory to the private sector and arranging finance for such projects. SBI Caps has been a major player in governmental work and in the infrastructure sector. The project advisory services consist of handholding from the concept to commissioning stage involving project structuring, contract structuring, financial modeling, preparation of information memorandum, syndication of debt and equity and assistance in documentation and financial closure. Other services include appraisals for green-field and brown-field projects, techno economic appraisal from banks and financial institutions for establishing the viability of corporate restructuring plans, and vetting of contracts, loan documents, project documentation etc.

- **Capital market:** This group provides merchant banking services in connection with public issues, rights issues and public offers for buybacks and open offers. It also advises clients on the private placements, ADR and GDR issues and overseas bond issues by the SBI.
- **Treasury and Investments:** This group deals with the proprietary investment of the company in the equity, debt and money markets. Resource mobilization and management is also undertaken by this group.
- **Broking of Equity and Debt:** SBI Caps is a registered broker and a member of the NSE in the equity and wholesale debt segments and is also a member in the equity segment. The broking group caters to the secondary market needs of financial institutions, FIIs, mutual funds, banks, other corporates, high net worth individuals, non-resident investors and retail investors. The company commenced wholesale debt market broking in 2001. The company expects to have a strong presence in institutional broking. The company plans to open a derivative trading desk soon.
- **Sales and Distribution of equity and mutual fund products:** SBI Caps has been a leading mobilizer of funds both for public offers and private placements.
- **Research:** This group provides the research support for in-house departments and for institutional clients. Besides regular updates on companies and industries, the research group brings out India Strategy, Debt Market Review and Daily Debt Market review which are circulated to SBI Caps investment banking and broking clients.

In its annual report for the year ending March 31, 2002, SBI Caps reported that it has two business segments –(a) Fee based segment providing merchant banking and advisory services like issue management, underwriting, arranger, project advisory and structured finance. (b) Fund based segment which undertakes deployment of funds in leasing, hire purchase and securities dealing. However, as a result of SEBI directives, fresh lending under leasing and hire-purchase was stopped from 1st July 1998.

5. **Kotak Mahindra Capital Company**

Born in 1995 as part of a corporate reorganization as an unlimited company. The Kotak Mahindra Capital Company (KMCC), is the investment banking entity belonging to the Kotak Mahindra Group. It is a strategic joint venture between Kotak Mahindra Bank Limited (KMBL) and the Goldman Sachs Group LLP of USA. KMCC is a full-service investment bank whose core business centres on equity issuances and fixed income securities, mergers and acquisitions and advisory services. As an investment bank, KMCC is registered with SEBI and is also registered as a non-banking financial company with RBI. It is also an active member of the association of Merchant Bankers of India (AMBI). KMCC has two wholly owned subsidiaries –

(a) Kotak Mahindra (UK) Limited, which is registered with the Securities and Futures Association, UK and regulated by the Financial Services Authority, UK and

(b) Kotak Mahindra Inc based in USA, which is registered with the Securities and Exchange Commission, USA. KMCC is the first Indian investment bank to have sought such regulations in USA and UK. A third company called Kotak Mahindra (International) Limited., based in Mauritius provides distribution and other client services to non-resident investors.

In KMCC, the Equity Capital Markets group focuses on structuring and executing diverse equity financing transactions in the public and private markets for corporates, banks, financial institutions and the Government. Products include initial public offerings (IPOs), rights offerings, convertible offerings, private placements and private equity for unlisted and listed companies. In the advisory business, the Structured Finance (Project Finance & Advisory Business) Group provides expertise in various vertical segments in the infrastructure sector including power, oil, gas, ports, automobiles, steel & metals and hotels by offering structured finance solutions to clients. The Fixed Income Securities Group at KMCC advises PSUs, Government companies, financial institutions, banks and corporates on raising capital by way of public or private placement of debt. KMCC is credited with innovating on some bond structures in the Indian market. The advisory group on mergers and acquisitions provides complete solutions on strategy formulation identification of targets or buyers, valuation, negotiations and bidding, capital structuring, transaction

structuring, assistance in legal documentation and acquisition financing strategies and implementation.

KMCC is supported in its functions by Kotak Securities Ltd, a broking firm incorporated in 1995 that is also a joint venture with Goldman Sachs which handles all the broking, distribution and research business of the group. Kotak Securities is a member of the debt segment of the NSE and is also a member of the National Stock Exchange Members Association. Kotak Securities offers services to investors, financial institutions, mutual funds, religious and charitable trusts, insurance companies, etc. The institutional business division has a comprehensive research cell with sectoral analysts covering all the major areas of the Indian economy. In the international arena, it provides brokerage services on the Indian securities to institutional and other investors who are based outside India. Due to its overseas presence, the company has marketing interests in Indian GDR and ADR issues as well.

The research products brought out by Kotak Securities include:

- For the institutional clients, a product called AKSESS, which primarily covers secondary market broking. It caters to the needs of foreign and Indian institutional investors in Indian equities (both local shares and GDRs).
- The Daily Forex Monitor which tracks the Indian and international foreign exchange markets and opines on currency strategies on a daily basis.
- The Weekly Money Market Update which gives the details of the developments in markets and provides a short-term interest rate view along with indicative pricing for Triple A credits.
- The CURRENCY WATCH captures the monthly developments in the Indian foreign exchange markets, analyses the key influencing issues, assess future outlook and also recommends hedging strategies.
- Monthly FINSEC and FINSEC Focus.

Kotak Securities is also a registered primary dealer with the RBI in the government securities market. As a primary dealer, the company acts as a market maker and also

provides two-way quotes, acts as retailer and marketing agent, provides underwriting support on government securities issues and participates in auctions held by the RBI.

Besides, the above companies, the Kotak Group includes the Kotak Mahindra Bank which was formerly a non-banking finance company that has recently been converted into a bank, the Kotak Mahindra Mutual Fund which is managed by the Kotak Mahindra Asset Management Co. Ltd and the OM Kotak Life Insurance, which is a joint venture with Old Mutual Plc of UK and the Kotak Mahindra Venture Capital Co. which manages the private equity fund of the group.

3.2 GLOBAL INDUSTRY STRUCTURE

The investment banking industry on a global scale is oligopolistic in nature ranging from the global lenders (known as ‘Global Bulge Group’) to ‘Pure’ investment banks and ‘Boutique’ investment banks. The bulge group consisting of eight investment banks has a global presence and these firms dominate the league tables in key business segments. The top ten global firms in terms of their fee billings as in following table:-

Banks	% of Total
Merrill Lynch	9.0
Goldman Sachs	7.5
Credit Suisse First Boston	7.2
Salomon Smith Barney (Citigroup)	6.7
Morgan Stanley	6.3
J. P. Morgan	5.5
UBS Warburg	4.6
Lehman Brothers	3.6
Deutsche Bank	3.5
Bank of America	2.4

TABLE NO .3.1

3.3 Market Share of Global Investment Banks

Within the listing given in the table referred to above are the top ‘Pure’ investment banks, i.e. which do not have commercial banking connections, which are Merrill Lynch, Goldman Sachs and Morgan Stanley Dean Witter; Listed therein are also the leading European Universal banks that are called so due to their role in both commercial and investment banking. The five leading universal banks in the world and their important group affiliates are listed in the table below.

Citigroup (US)	CSFB (Swiss)	Deutsche (German)	J. P. Morgan (US)	UBS Warburg (Swiss)
Citibank	CSFB	Deutsche Bank	J.P. Morgan Chase	UBS Warburg
Salmon Smith Barney (Investment Bank)	Donaldson, Lufkin & Jenrette	Morgan Grenfell	Chemical Bank (merged)	Dillon Read
Schroder's	Pershing	Alex Brown	Beacon Group	Paine Webber

		Bankers Trust	Robert Fleming	Philips & Drew
			Hambre cht & Quist	Swiss Bank (merged)

TABLE NO 3.2

3.4 INVESTMENT BANKING LEAGUE TABLES

➤ Worldwide mergers and acquisitions:-

		2023 M&A	2024 M&A
		VOLUME IN \$Mn	VOLUME IN \$Mn
Goldman Sachs	\$	534,833	\$ 565,614
Morgan Stanley	\$	498,198	\$ 476,622
JP Morgan	\$	411,884	\$ 452,532
Citigroup	\$	409,737	\$ 277,773
Credit Suisse	\$	382,889	\$ 353,800
Barclays	\$	380,991	\$ 385,139
Deutsche Bank	\$	374,679	\$ 233,687
Bank of America	\$	307,396	\$ 313,899
All Others	\$	1,617,128	\$ 1,417,773
Totals	\$	2,230,000	\$ 2,270,000

Source: Company data

3.5 DEPARTMENTS IN INVESTMENT BANKING

- 1) **Corporate Finance:** Assists corporate clients to raise capital to finance their operations and expansionary plans. Teams evaluate the needs of the clients and assess the inclination of various capital Market.
- 2) **Derivatives:** Work with large clients who are exposed to risk of price fluctuations in certain markets to structure products in order to ease these risks.
- 3) **Mergers & Acquisitions (M&A):** One of the most revered departments in I-banking. M&A provides advisory to companies in varying industries who wish to acquire other companies or divest current assets.
- 4) **Private Client Services (PCS):** Also known as Wealth Management. PCS builds relationships and networks with high net-worth individuals and helps clients manage their financial portfolios.
- 5) **Public Finance:** Mainly deals with securities issued by governments. These securities often have unique features and structured tax implications and require substantial legal and public administration cooperation.
- 6) **Retail:** Purchases and sells stocks, bonds, derivatives and other financial instruments on behalf of small, individual clients.
- 7) **Sales & Trading :** Make trades in securities for the primary and secondary markets for currencies, stocks, bonds, derivatives, futures, commodities, asset-backed treasuries etc on behalf of institutional clients (mutual and pension funds), individual investors and for the banks themselves.

3.6 DATA ANALYSIS IN DIFFERENT SECTOR

Analyzing data in investment banking across different sectors involves leveraging various data sources and analytical techniques to gain insights into market trends, industry performance, and investment opportunities. Here's how data analytics can be applied in different sectors within investment banking:

1. Equity Research and Trading:

- **Data Sources:** Market data feeds, financial statements, company filings, news sentiment analysis.

- Analytics: Statistical analysis, machine learning algorithms for predictive modeling, technical analysis for stock price forecasting.
- Objective: Identify undervalued or overvalued stocks, analyze market trends, and make informed investment decisions.

2. Debt Capital Markets:

- Data Sources: Bond market data, interest rate trends, credit ratings, economic indicators.
- Analytics: Yield curve analysis, credit risk modeling, scenario analysis for bond issuance.
- Objective: Assess creditworthiness, determine optimal pricing for bond offerings, and evaluate market demand for debt securities.

3. Mergers and Acquisitions (M&A):

- Data Sources: Financial statements, transaction data, industry benchmarks, regulatory filings.
- Analytics: Valuation techniques (DCF, comparable company analysis), merger arbitrage strategies, synergy analysis.
- Objective: Evaluate potential M&A targets, estimate deal value, assess strategic fit, and optimize deal structure.

4. Sector-Specific Analysis:

- Data Sources: Industry reports, market research data, consumer behavior data, supply chain data.
- Analytics: Market segmentation analysis, trend forecasting, competitive benchmarking.
- Objective: Understand industry dynamics, identify growth opportunities, and assess competitive positioning within specific sectors such as technology, healthcare, energy, etc.

5. Asset Management:

- Data Sources: Portfolio holdings data, market performance data, macroeconomic indicators.
- Analytics: Portfolio optimization, risk-adjusted return analysis, factor-based modeling.

- Objective: Construct diversified investment portfolios, manage risk exposure, and generate alpha for clients.

6. Risk Management:

- Data Sources: Market data, trading activity data, counterparty exposure data, regulatory requirements.
- Analytics: Value-at-Risk (VaR) modeling, stress testing, scenario analysis, Monte Carlo simulations.
- Objective: Quantify and mitigate market risk, credit risk, operational risk, and compliance risk.

7. Regulatory Compliance:

- Data Sources: Regulatory filings, transaction data, audit trails, customer data.
- Analytics: Compliance monitoring algorithms, anomaly detection, transaction surveillance.
- Objective: Ensure adherence to regulatory requirements, detect and prevent financial misconduct or fraudulent activities.

3.7 Types of Investment Bank in India

With the country's ongoing development activities as well as the economy's liberalization, industry and trade demand finances for expansion that are greater than those accessible from institutions. As a result, monies must be collected from the capital market, and investment bankers are required to assist in the mobilization of funds. This element has contributed to the country's consistent expansion in investment banking. The Securities and Exchange Board of India (SEBI) Act was created by the Indian government in 1992 to regulate the market and prevent unfair trading activities on the stock exchange. SEBI fully defined investment banking and established rules and regulations for investment bankers for the first time.

On the basis of capital adequacy, SEBI divided investment bankers into four categories:

Category – I :

The capital adequacy requirement for category-I investment bankers in that net worth should not be less than Rs. 1-crore. The bankers should be allowed to :

- a) Carry on any activity of the issue management which will in turn consist of preparation of prospectus and other information relating to the issue, determining financial structure, tie up of financial, financiers and final allotment and refund of the subscription.
- b) Act as adviser, Consultant, manager, underwriter, portfolio manager.

Category – II :

The minimum capital adequacy requirement is a net worth of Rs.50 lakhs. The category-II investment banker is allowed to act only as an adviser, consultant, Co-manager, underwriter and portfolio manager.

Category – III :

The Investment banker should have a minimum net worth of Rs.20 lakhs to meet the capital adequacy requirement. The permissible activities are to act as underwriter, adviser and consultant to an issue.

Category – IV :

No capital adequacy requirement has been specified for category-IV investment banker. The Investment banker is only allowed to act as an advisor or consultant to an issue.

Categor y	Minimum Amount
I	Rs1 Crore

II	Rs 50 Lakhs
III	Rs20 Lakhs
IV	NIL

It is evident from the above that according to the central Government, the role of investment banker is restricted to activities related to the capital market.

However investment banking cannot be restricted to the above descriptions and cover a wide range of activities which are fund based non-fund based financial and investment services encompassing both capital as well as money market activities in domestic as well as international financial markets.

3.8 Investment Banking Regulation in India

The capital markets have become the primary focus of investment banking in the country. Since 1991, when the Indian economy was deregulated, various new industries were available for private investment, creating an opportunity for private funding. The need for this type of banking was not being addressed by either commercial banks or financial institutions, resulting in a significant vacuum that needed to be filled. This void might be filled through capital markets or a variety of financial products, indicating that the diverse services provided by an investment bank had a lot of potential. The year 1992 marked the beginning of a new era in equity share pricing: free market pricing. Investment bankers, in particular, have been given more responsibilities in determining the issue price and premium, if any, to be paid.

Investment bankers had a limited involvement in this area under the CCI system. Their function was largely concerned with obtaining CCI certifications and guaranteeing the success of capital offerings through their marketing initiatives.

There were also no rules regarding disclosure. The accuracy of the material presented in the prospectus and letter of offer was rarely held accountable by investment bankers. However, since SEBI issued extensive rules for free market pricing, a code of conduct for investment bankers, and other regulations, the role of investment bankers has grown significantly.

The opening up of the Indian capital market in 1992, which allowed financial institutions to invest in both primary and secondary markets, as well as allowing Indian enterprises to directly access global capital markets through foreign currency offerings, was a watershed moment in the country's history. As a result, the overall inflow of foreign money through various channels grew. Though Indian investment bankers initially played just a supporting role because practically all foreign currency issues were managed by foreign investment bankers, they may play a larger role in the future due to their increased engagement as managers/lead managers.

Because of the numerous incentives granted to them, foreign direct investment (FDI) and investment by non-resident Indians (NRIs) have increased significantly. They want investment bankers' assistance in advising them on their investment in India. Furthermore, expanding Indian corporations' participation in joint ventures abroad necessitates the use of investment bankers' expertise. The notion of a debt market has started to function in India for the first time, thanks to the NSE and OTCEI. Experts believe that a significant percentage of the expected capital issue might be funded using debt instruments. Investment bankers will have a lot of opportunities as the debt market develops.

Non-convertible debentures with detachable warrants, cumulative convertible preference shares, zero coupon bonds, deep discount bonds, triple option bonds, floating rate bonds, secured premium notes, auction rate bonds, and other financial instruments have recently been introduced to the Indian capital market. The role of investment bankers as market makers for these products has been expanded as a result of this. SEBI (Securities and Exchange Board of India) has issued rules to guarantee that fair business practices are followed in Indian markets.

The following are the SEBI guidelines for investment bankers –

1. Authorization :

Any person or body proposing to engage in the business of investment banking would need authorized by the Securities and Exchange Board of India (SEBI) in their prescribed format. This will also apply to those presently engaged in investment banking activity, including as managers, consultants, or advisers to issue of management, which inter-alias will consist of preparation of prospectus.

2. Authorized activities :

1. Issue & other information relating to the issues, determining final other information relating to the issue, determining financing structure, tie-up of financiers & final allotment & for refund of subscription
2. Corporate advisory services relating to the issue
3. Underwriting
4. Portfolio management services
5. Managers, consultant or adviser in the issue

3. Authorization Criteria :

All investment bankers are expected to perfume with high standards of integrity & fairness in all their dealings. A code of conduct for investment bankers will be prescribed by SEBI . Within this context, SEBI's authorization criteria would take into account mainly the following –

1. Professional competence
2. Personnel, their adequacy & quality, & other infrastructure
3. Capital adequacy
4. Past track record, experience, general reputation & fairness in all their transaction

4. Terms of authorization :

1. All investment bankers, including the existing ones, must obtain the authorization from SEBI within three months from the issue of these guidelines. SEBI may extend this period at its discretion by a maximum of three more months.
2. All investment bankers must have a minimum net worth of RS 1 crore.
3. The authorization will be for an initial period of 3 years
4. SEBI may collect from the investment bankers an initial authorization fee, an annual fee & a renewal fee
5. All issues must be managed by at least one authorized banker functioning as the sole or lead manager. Ordinarily not more than two investment bankers should be associated as lead managers, advisers or consultants to a public issue
6. The specific responsibilities of each lead manager must be submitted to SEBI prior to the issue
7. While directors, promoters & every person who authorizes the issue of prospectus shall bear full responsibility for the contents of the prospectus, investment bankers shall be responsible for the contents of prospectus & reasonableness of the views expressed therein
8. Lead managers/investment bankers would be responsible for ensuring timely refunds and allotment of securities to the investors.
9. The investment banker shall make available to SEBI such information, documents, returns as may be prescribed & called for.
10. SEBI shall prepare & prescribe a code of conduct for investment bankers which they should adhere to.
11. The involvement of investment bankers in an issue should continue at least till the completion of essential follow-up steps, which must include the listing of the instrument, dispatch of certificates
12. SEBI may suspend/cancel the authorization of investment bankers for a suitable duration in case of violations of the guidelines.

Organizational setup of Investment Bankers in India

In India, a common organizational set up of investment bankers to operate is in the form of division of India foreign banks and financial institutions, subsidiary companies established by bankers like SBI, Canara Bank, Punjab National Bank, Bank of India, etc. Some firms

are also organized by financial and technical consultants and professionals. Securities and Exchange Board of India has divided the investment bankers into four categories based on their capital adequacy. Each category is authorized to perform certain functions. From the point of organizational set up, India's Investment banking organizations can be categorized into four groups on the basis of their linkage with parent activity. They are :

(a) Institutional Base :

Here Investment banks function as an independent wing or as subsidiary of various private, Central Governments, and State Government financial institutions. Most of the financial institutions in India are in public sector and therefore such set up plays a role on the lines of governmental priorities and policies.

(b) Banker Base :

These investment bankers function as division/subsidiary of banking organization. The parent banks are either nationalized commercial banks, private sector banks or the foreign banks operating in India. These organization have brought professionalism in investment banking sector and they help their parent organization to make a presence in capital market.

(c) Broker Base :

In the recent past, there has been an inflow of qualified and professionally skilled brokers in various Stock Exchange of India. These brokers undertake investment banking related operations also like providing investment and portfolio management services.

(d) Private Base :

These investment banking firms originated in the private sector. These organization are the outcome of opportunities and scope in investment banking business and they are providing skill oriented specialized services to their independently or through some collaboration with their Indian counterparts. Private sector investment banking firms have come up either as sole proprietorship, partnership, private limited or public limited companies. Many of these firms were in existence for quite some times before they added a new activity in the form of investment banking services by opening few divisions on lines of commercial banks and All India Financial Institutions.

CHAPTER – 4

SUMMARY & CONCLUSIONS

Given the potential for investment banking in India, the sector as a whole appears to have a bright future. Many more pure investment banks and advising businesses might switch to full-service investment banks, broadening the market and improving service delivery efficiency. Furthermore, the technology and market innovations that are changing the capital market, as described, will offer an additional boost to investment banking's growth. Better regulatory oversight and tougher enforcement of market intermediary codes of conduct would guarantee that higher-quality issuers enter the market and that current issuers adhere to higher corporate governance standards. All of these changes would, in the long term, offer a fair return to investors and re-establish investor support.

Need for Investment Banking in India

Development activities across the country have exerted excess demand on the sources of money for ever increasing industries and commerce, leaving a rising imbalance between supply and demand of investible funds unbridged. The All-India Financial Institution (AIFI) has run out of resources in order to service the ever-increasing demand for cash from corporate sector businesses. In such conditions, business sectors had no choice but to use the capital market to satisfy their long-term financial needs by issuing capital in the form of equity shares and debentures.

The increased demand for funds created pressure on the capital market, encouraging commercial banks, stock brokers, and financial consulting firms to enter the sector of investment banking and participate in the expanding capital market. As a result, all commercial banks in India, both public and private sector, as well as international banks, have started investment banking operations and are competing in this industry.

Need for investment banking is felt in the wake of huge public savings lying untapped. Investment bankers can play highly significant role in mobilizing funds of savers to investible channels assuring promising returns on investment and thus can assist in meeting the widening demand for investible funds for economic activity.

With growth private and public sectors would be able to raise required amount of funds annually from the capital market to meet the growing requirement for funds for establishment for funds for establishing new enterprises undertaking expansion, modernization, diversification of the existing enterprises. This reinforces the need for a vigorous role to be played by investment banking.

In view of multitude of enactments rules and regulations, guidelines and offshoot press release instructions brought out by the government from time-to-time imposing statutory obligations upon the corporate sectors to comply with all those requirements prescribed therein the need of a skilled agency existed which could provide counselling in these matters in a package form. Investment bankers with their skills updated units and advise them on such requirements to be enactments viz. Companies Act, Income tax Act, Foreign Exchange Management Act, and Securities Contracts (Regulation) Act, SEBI Act and various corporate laws and regulations.

Investment Bank advise the investors of the incentives available in the form of tax reliefs, other statutory relaxations, good return on investment and capital appreciation in such investment to motivation them to invest their savings in securities of the corporate sector. Thus investment banks help industries and trade to raise funds and the investors to invest their saved money in sound and healthy concerns with confidence, safety and expectations for higher yields. Finance is the backbone of business activities. Investment Banks make available finance for business enterprises acting as intermediaries between them raising demand for funds and the supplies of funds besides rendering various other services.

The following are some of the reasons why specialist investment banks have a crucial role to play in India :

- Growing industrial and increase of technologically advanced industries.
- Need for encouragement of small and medium industrialists, who require specialist services.
- Growing complexity in rules and procedures of the government.
- Need to develop backward areas and states which require different criteria.
- Exploring the possibility of joint venture abroad and foreign markets.

- Promoting the role of new issue marketing mobilizing savings from the public. Steps for Setting up Investment Banks :

1. Formation of the business organization.
2. Adoption of a viable business plan.
3. Seeking SEBI registration as an investment banker.
4. Essentials for commencement of business.

Growth of Investment Banking in India

Investment banking activities in India originated in 1969 with the investment banking division set up by the Grindlay's Bank, the largest foreign bank in the country, at that time. The main service offered to the corporate enterprises by the investment bank included management of public issues and financial consultancy. Other foreign banks like Citibank, Chartered Bank also assumed the investment banking activity in India.

State Bank of India started investment banking in 1973 followed by ICICI in 1974. Both emerged as leaders in investment banking with significant business during the period of 1974-1985 in comparison to foreign banks. Mid-seventies witnessed a growth of investment bank organizations in the country with various commercial banks, financial institutions, broker firms entering into the field of investment banking.

The growth in investment banking business during the early seventies was due to Foreign Exchange Regulation Act, 1973 (FERA) where in a large number of foreign companies operating in India were required to dilute their foreign holding in order to continue business in the country. This resulted in expansion of capital markets providing enough in India economy opened new doors for investment banking business to enter in the diversified area of activities, but at the same time this has brought competition in the investment banking sector. This sector has traditionally been dominated by financial institution, banks and their subsidiaries. Now, various private sector investment bankers have emerged and some of them are having international reputations.

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