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# VIVA IMR INTERNATIONAL JOURNAL OF MANAGEMENT

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# INDEX

<b>S.No.</b>	<b>Name</b>	<b>Topic</b>
1	Dr. Pooja Ramchandani	A Study On The Impact Of DTH (Direct To Home) On The Local Cable Operator's Business Network
2	Dr. Shobha Menon & Prof. Vinay Prabhu	Overcoming Resistance To Change
3	Prof. Lalit Patil	Consumer Buying Behavior In Digital Era
4	Dr. Vipul Saxena	Talent Management Is As Critical As Capital Investment
5	Prof. Hardeep Kaur Banga	Understanding Tax Liability Of Limited Liability Partnership
6	Prof. Anjalli Vachhani	A Descriptive Study Of Impact Of Mobile Marketing On Consumer Behavior In India

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Dr. Hiresih Luhar, Dr. Arti Sharma

## **From The Editor's Desk**

We are happy to announce the publication of the first issue of the journal, "VIVA IMR International Journal Of Management" This is an Bi- annual journal with an ISSN No.( ) The goal of this journal is to broaden the knowledge of business professionals and academicians by promoting access and provide valuable insight to business related information, search and ideas.

Gradually more and more people are required to perform their work within a management context. This means that it is mandatory for people to have knowledge and experiences in wide arena of management ranging from virtual organization with international colleagues or customers to Indian managers or professionals. Hence organizations need efficiency and effectiveness to manage people.

The current issue of this journal contains six papers selected from collection of innumerable research paper which were submitted nationally and internationally by academicians and corporate professionals and research scholars. The readers of VIVA IMR. IJM are requested to go through the contents of the journal and help us in improving the standard of the publication by offering suggestions based on their critical review and observations.

Dr. Hiresh Luhar.

Editor - in - Chief

# **A Study On The Impact Of DTH (Direct To Home) On The Local Cable Operator's Business Network**

Dr. Pooja H. Ramchandani,

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H.R. College of Commerce and Economics

## **Abstract:**

*The journey of Indian Television industry has been quite interesting and has witnessed exponential growth. Liberalization in 1991 opened the Indian television market which started with one channel i.e., Doordarshan. Today, the number has increased close to 800+ channels and still counting. There was a huge leakage in tax revenues to the Government due to unaccounted or under reported subscribers in the cable distribution especially with the growing demand for cable from subscribers. In order to curb the leakage, Telecom Regulatory Authority of India (TRAI) in 2012 issued a mandate to digitize the entire Indian cable TV distribution in a phase-wise manner. Hence, arrived the set top boxes in order to digitize the cable market. The research paper attempts to analyse the impact of DTH cables can take over the businesses of Digital Cables in near future and to analyze the differences between DTH and Digital Cables.*

**Keywords: Local cable operators, Digital Cable, Direct to Home (DTH) network.**

• **INTRODUCTION :** Introduction of Set top boxes was considered as the second biggest game changer in the Indian television market as there was a shift in power and monopoly from Local Cable Operators ( LCO's) to Multi-System Cable Operators (MSO's). Simultaneously, emerging as a competition to the cable players there was strengthening of Direct to Home (DTH) players in the TV distribution industry. As far as the Indian Television industry is concerned, the digitization process will make the local cable operators more responsible instead of the current practice of under-declaring the number of subscribers and thus, profiting at the broadcasters' expense. Also, it will lead to consolidation in the industry as small-scale cable operators may not have the finances in order to purchase the equipments required to beam digital cable signals. In other words, it can be said that it is not only another choice for Indian consumers, but it also leads to the cable operators becoming more of an organized business rather than an unorganized one. Already, Multi-System Operators (MSO's) .i.e. large cable operators such as DEN Networks and Hathway - have brought many of the smaller operators under their fold, which thereby leads to business consolidation. Also, a more organized cable industry means more tax collections for the Government too. The digitization process will consist of four phases which starts with the digitization of four key metros - Mumbai, Delhi, Kolkata and Chennai in March 2012 . In the second phase aimed at covering the rest of the country by December 31, 2014. This means,

now people have some form of set-top box (STB) sitting along with their television in order to access channels as the former analogue cable networks will be banned starting with the top four metro cities. This could be in two forms- either an STB linked to the dish antenna of a DTH operator or an STB linked to existing cable wires by a digital cable operator.

• **OBJECTIVES OF STUDY :**

- 1 . To analyse the impact of DTH cables can take over the businesses of Digital Cables in near future.
- 2 . To analyze the differences between DTH and Digital Cables

• **HYPOTHESIS OF THE STUDY:**

H1: DTH service provides better services than the local digital cables.

• **RESEARCH METHODOLOGY :**

This research has been conducted using secondary data from various online sites in order to study the possibilities that DTH cables might take over the businesses of Digital Cables in near future as well as to understand the major differences between the two.

**REVIEW OF LITERATURE :**

According to the latest Confederation of Indian Industry (CII) - PricewaterhouseCoopers report on the media and entertainment sector in India published on 20th September 2014, a gradual acceleration in pay TV (television) penetration will drive major growth for the television sector in five years, aided by the digitization of cable TV in India. According to the report, TV penetration in India is 60 percent which much lower than in developed countries where it is greater than 90 percent. Hence, there is considerable amount of potential to increase the number of TV households in India. Pay TV penetration among TV-owning households is expected to increase steadily in five years, driving the growth in television sector. As of 2013, India had 129 million TV-owning households, out of which 64 million were analogue cable TV subscribers and 30 million had digital cables whereas DTH subscribers were up to 35 million. According to projections in the CII P wC report, 2017 onwards, it was expected that DTH would grow from million 56 in 2017 to 64 million in 2018 while digital cable subscribers would go up from 85 million in 2017 to 90 million in 2018. Analogue cable subscribers' base has been expected to crash down to about 5 million by 2018, which was primarily led by cable TV digitization plans of the Government of India. The report indicates that digital cable subscribers are expected to grow at CAGR of 25 per cent to reach about 90 million in 2018. DTH subscription pie is expected to witness growth of 13 per cent during the period from 2013 - 2018. Chief Operating Officer (COO) at Dish TV India Ltd, Salil Kapoor, believes that although the digitization process will definitely help improve the quality of content offered by MSO's and local cable operators; DTH operators already have a substantial lead



over them in that department. Add to the fact that the back end work required on the part of the cable operators for implementing the process is huge and will take a lot of time. DTH operators have a large customer base and are well established and positioned in the Indian market. In terms of services, we are already providing high definition (HD) channels to our viewers. We also offer additional services like a Job portal and a financial portal. Ravi Singh, Vice-President of Cable Operators and Distributors Association of Mumbai said that we can provide all interactive services that a DTH operator offers. Moreover, you get to see local events like Satsang sessions or exhibitions or even festival coverage including Ganesh 4 Chaturthi and Janmashtami in Mumbai. In addition, local operators can provide up to 1,000 channels if required but as of now, DTH operators are nowhere close to that number. According to Rajnish Dixit, General Secretary and spokesperson of Bihar Cable Operators Association, digital cable TV definitely has the upper hand. Local cable operators can also tie up with local retailers and offer additional facilities like shopping-via-television. For example, if a viewer in Patna wants to buy products from a local retail outlet (like Big Bazaar); he/she can view the retailer's catalogue on TV and order the goods accordingly. The product/s will be delivered at the doorstep and the customer can pay cash on delivery.

• **ARE DIGITAL CABLES BETTER THAN DTH CABLES?** : The following table indicates some of the major differences between Digital Cables and DTH Cable services.

<b>SR. NO</b>	<b>DIGITAL CABLE SERVICE</b>	<b>DTH CABLE SERVICE</b>
1	Prompt service once a complaint is lodged.	Service can take from 1 to 7 days.
2	Fixed price of membership.	Flexible membership options.
3	Transmission remains same all year.	Transmission problems during rainy season.
4	Can offer localized content.	Localized content not available.
5	No dish antenna required.	Dish antenna installation required.
6	Direct interaction with operator available.	Have to contact customer care.
7	Mode of payment not flexible.	Flexible mode of payment available.

\*SOURCE - <http://techcircle.vccircle.com/2011/11/11/digital-cable-tv-versus-dth-which-one-to-go-for-why/>

Apart from the aspects mentioned in the table above, certain other factors that help to differentiate between Digital Cables and DTH cable services are:

**1 . Economical :**

a) Set Top Box :

5 Set top boxes of most of the leading DTH companies' costs approximately around Rs 1600/- including installation charges whereas the set top box of a cable TV would approximately cost around Rs 800/- to Rs 1000/- including installation charges.

b) Packages:

Most of the DTH companies have their cheapest base packages starting from Rs 150 for South Indian packs and Rs 200 onwards for the rest of India which does not include all channels. On the other hand, the cable operators charge only Rs 100/- for their cheapest base packs as soon as CAS (Conditional Access System) came into effect and now they charge a nominal rate of Rs 200 to Rs 250 for all the channels which varies in different areas.

## **2 . Disruptions :**

The comparison of DTH vs. Digital Cable TV would be incomplete without discussing the issues that cause disruptions. The various issues causing disruptions are:

a) Due to bad weather :

One of the most severe drawbacks of DTH services are that signals don't reach the set top box and pictures go off when there is slight to heavy rainfall in your area or even in very cloudy conditions. However, there is no such drawback in Digital Cable connection.

b) Due to power cut-off :

In case of DTH services, even if there is power cut-off in a particular area then also people will be able to watch TV if they have a personal generator or inverter as the DTH service providers beams pictures 24/7. Whereas the pictures in Cable TV happen to fade off when there is power cut-off in a particular area most of the time. However, this may vary from place to place.

## **3 . Management of Packages :**

All the DTH operators have 24/7 customer care and their own websites which gives the 6 customers a clear idea of the package rates and various channels included. DTH subscribers can also manage their own DTH account. Apart from this, they can drop/ add/ change a channel or package anytime as per their will. On the other hand, the cable TV operators lack this robust infrastructure. Most of the cable operators do not even have a 24/7 customer care or a proper website till date.

**4 . Quality :** Quality is another inevitable point in this comparison between Digital Cable TV and DTH cable services.

a) Set top box :

The set top box of the DTH companies comes with a 1 year warranty and the quality of both the firmware and hardware is very good. The set top boxes of the cable TV operators also comes with a year warranty, but however are not of such a good quality as that of DTH service providers.

b) Video/Audio: Both DTH and Digital Cable TV have more or less the same picture and the sound quality. However, DTH can be said to be a little bit ahead in the race.

### **5 . Service :**

Most of the DTH companies provide quick services and responses to customer problems and grievances. They have 24/7 customer care to help their customers during any time of the day or night and address most of the problems within 24hrs of filing the complaint. However, the quality and effectiveness of services and response time varies from one DTH company to another. On the other hand, the cable TV operators do not have 24/7 customer care and therefore, operate in an unorganized system. In case of cable operators, the quality of service and response time varies from place to place.

### **6 . Portability :**

The DTH companies provide relocation services all over India. In case one decides to make a shift from one place to the other, they need not buy a new set top box or any accessories of their DTH. This is a very useful feature especially, for people who have a transferable job. However, the cable TV operators do not provide any such services and one may even have to buy a new set top box for their new place.

### **7 . Payment :**

As DTH is a prepaid service, one can choose not to recharge their account if they are out of station. This is another useful feature for people who mostly have to stay out for work or other purposes. Whereas, when using a Cable TV subscribers have to pay irrespective of the fact that they were at home or some other place.

### **8. Regional channels :**

As compared to Cable TV, DTH provides much less regional channels. But one can watch their own regional channels even if you don't reside in their own state. So this is beneficial feature for those who stay away from their native place. On the other hand, Cable TV operators provide many more regional channels. But if there is a person who doesn't stay in their native place then unfortunately they won't get much of their own regional channels as cable operators mostly beam the local regional channels.

### **9 . Pause/ Record/ Rewind live TV :**

DTH companies provide pause/ record/ rewind live TV services at no extra cost to the subscribers. One just needs to buy a set top box with storage capacity, which is a bit costly as compared to the normal one. However, Cable TV operators are yet to introduce such services. As per the Set Top Box Seeding status of phase II

released by Government, DTH players in India could grab only about 30% of the market share whereas the rest remained with the Cable MSO's. Hence, slow adoption rates of the DTH in India can be observed. Therefore, although DTH services offer many advantages as compared to Digital Cable TV's; it is highly unlikely that DTH service providers will overpower Digital Cable TV's in the Indian Television Industry.

#### **FINDINGS:**

The major research findings based on the study prove the hypothesis that DTH service providers provide better services as compared to digital or local cable operators which are as follows:

- a) DTH set top boxes are costlier, but have got offers for cheaper packages.
- b) DTH services do not get disrupted more often due to power failures and weather conditions.
- c) DTH operators are providing 24/7 customer support services.
- d) The audio/video quality of DTH service providers is much better as compared to local cable operators.
- e) DTH operators provide portability within a country, allows gap recharge of packages which saves cost for the consumer, beams varied regional channels.
- f) DTH set top boxes provide the services such as pause/record and rewind favourite programs.

#### **• RECOMMENDATIONS :**

Although Multi-System Operators are busy increasing their customer base and ramping up their market share, they also need to come up with ways in which they can increase their Average Revenue Per User and increase profits. Cable Multi-System Operators can:

- 1 . Analyze the consumption patterns of the customers and customize the offers and packages as per their preferences.
- 2 . Target the high value customers and provide them with personalized offers and plans to suit their requirements.
- 3 . Provide small bundles and various attractive top-up offers in the rural market so as to increase the consumption in rural markets.

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## Overcoming Resistance to change

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### **Abstract:-**

Organizational change has been around as long as there have been organizations. In the modern business environment, characterized by high level of uncertainty, dynamism and turbulence, change is the only constant (Cummings & Worley, 2009). Even in the most stable organizations, change is necessary just to keep the level of stability. The most successful organizations and people are those that focus on doing whatever it takes to adapt to the changing conditions.

**Keywords:-** Organizational change, Resistance, Employees

### **Introduction**

Resistance to change is a natural phenomenon. People are afraid that any change will be potentially disruptive and will only make things worse. Employees fear change because it threatens their needs for security, social interaction, status, competence and self-esteem. It is for these reasons that people show an unwillingness to accept change.

Resistance to change is expressed in the form of behaviors that attempt to delay, discredit or prevent the implementation of change. People try to protect themselves from the effects of change through actions such as complaints, remaining absent, deliberately going slow and sabotage. Resistance to change is usually across the board. White-collar and blue-collar workers change.

Individuals differ widely in the way they react to change. Some people focus only on the positive aspects (benefits) while others see only the costs. Some react with fear despite the change being for the better while others respond initially with enthusiasm but later are shrouded with doubts.

The need to understand the effect of resistance has increased significantly in private industries and government organizations over the last decade because of globalization, fast-changing markets and economic developments (Piderit, 2000). An important implication of resistance to change is that it has significant effect on employees' organizational commitment, job satisfaction and intention to leave the organization. This in

turn can undermine organizational change (Oreg, 2006; Van den Heuvel & Schalk, 2009). Therefore, organizations that evaluate resistance to change may provide an important point of reference to understand the variables that support organizational change through positive organizational behavior better (Del Val & Fuentes, 2003).

## **LITERATURE REVIEW**

### **Resistance To Change**

In 1948, Coch and French published their seminal work “Overcoming Resistance to Change,” the first known study that specifically investigated why people resist change and how resistance can be addressed (Dent & Goldberg, 1999).

In their classic study, Coch and French (1948) examined the question “why do people resist change so strongly?” In order to measure this, they conceptualized resistance to change as a dichotomous behavioral variable. Desirable/compliant behaviors were interpreted as nonresistant, and non-desirable behaviors were interpreted as resistant - employees were either compliant or resistant. Coch and French (1948) then devoted a considerable portion of their discussion to employee participation (e.g., group planning meetings) as a suggested means for preventing resistance to change. This 1948 study has had great influence on many subsequent discussions of change implementation problems, as indicated by the number of articles that cite it.

Oreg (2007) after an exhaustive review of literature in the field concluded that sources of resistance are derived from an individual’s personality. Oreg (2003) conceptualized resistance to change as an individual's dispositional inclination to resist changes. Oreg identified a four-facet structure to the disposition of resistance to change - routine seeking, emotional reaction to imposed change, short-term focus, and cognitive rigidity.

Routine seeking includes reluctance to give up old habits and preference for low levels of stimulation and novelty. Emotional reaction to imposed change includes reluctance to lose control and lack of psychological resilience. Cognitive rigidity refers to “the tendency of an individual not to change” (Schultz & Searleman, 2002, p. 166). In contrast to rational resistance, which can be overcome through an explanation of benefits, cognitive rigidity is more like irrational resistance when people are unwilling to change simply because they don’t like change ( deJager, 2001). Short-term focus refers to the notion that resistance to change is known to occur even when individuals know that the change will benefit them. For example, the extra effort and attention required during the initial stages of change to learn new behaviors and address old habits and routines requires patience and a focus on the long-term benefits. Intolerance for the adjustment period in the short term can lead to increased resistance to change ( Oreg, 2003). Oreg found that individuals who were dispositionally inclined to resist changes were more distraught by the change and reported an increased difficulty to work effectively.

## **Psychological capital**

Psychological capital is an outcome of positive psychology's renewed focus on studying what is right about people. Organizational behavior researchers applied positive psychological research to the workplace. Fred Luthans (Luthans, 2002a, 2000b) pioneered the positive approach in organizational behavior by mapping out positive organizational behavior (POB), with its focus on building human strengths at work rather than only managing weaknesses.

Positive Organizational Behavior is defined as “the study and application of positively oriented human resource strengths and psychological capacities that can be measured, developed, and effectively managed for performance improvement in today's workplace” (Luthans, 2002b, p. 59) . The comprehensive definition of PsyCap (Luthans et al. 2007) is: an individual's positive psychological state of development that is characterized by: (1) having confidence (self-efficacy) to take on and put in the necessary effort to succeed at challenging tasks; (2) making a positive attribution (optimism) about succeeding now and in the future; (3) persevering toward goals and, when necessary, redirecting paths to goals (hope) in order to succeed; and (4) when beset by problems and adversity, sustaining and bouncing back and even beyond (resiliency) to attain success. (Luthans et al., 2007: 3)

PsyCap is state-like and therefore open to development. Many personality traits have been found to relate to performance in the workplace. PsyCap is a set of malleable and 13 developmental states that have been demonstrated to significantly increase through relatively brief (1-3 hour), highly focused microinterventions (Luthans et al., 2006a).

## **Organizational Trust**

There has been an explosion of interest in the topic of trust over the last two decades. Perhaps this sudden and intensive interest was the result of a series of aggressive, bottom-line driven approaches to organizational restructuring that is understood as business process reengineering. More recently, there were a number of well-publicized corporate scandals, such as corporate theft at Enron and illicit document shredding at Arthur Andersen (Forbes, 2008). The literature emerging from this research focus is extensive, varied and complex and covers many layers of analysis. Trust between managers and employees has an effect on how an organization adapts to the need for change; the way this change is operationalized can influence the quality of trust within an organization (Bruhn, 2002; Kotter & Schlesinger, 1979; Lines, Selart, Espedal, & Johansen, 2005 ; Poppo, Zheng Zhou, & Ryu, 2008; Ring & Van de Ven, 1992; Rosell & Yankelovich, 2003 ; Zak & Knack, 2001). The literature on capacity for change identifies eight dimensions required for the successful implementation of organizational change strategies. Two of these, trust in leadership and trusting followers, clearly highlight the importance of trust as a change enabler (Judge, Bowler, & Douglas, 2006).



## **Resistance to change and Psychological capital**

Beal, Stavros and Cole (2013) found resistance to change had a negative correlation with PsyCap. They found a positive relationship between PsyCap and organizational citizenship behavior in the context of organizational change. The authors suggest that organization leaders should increase positive organizational behavior by managing PsyCap and its four positive psychological capacities (hope, optimism, self-efficacy and resilience). Secondly, the authors identified resistance to change as a moderator of PsyCap's effect on OCB. The results suggest that high levels of PsyCap can rise above the moderating effects of resistance to change. Consequently, organization leaders should try to reduce resistance and increase the resources organizations need to effect positive organizational change.

**Resistance to change and organizational trust** Research has found strong relation between trust in management and employee attitudes toward change. Martin (1998) found that employees who trust their management are more likely to react positively to changes in organizational direction. Rousseau and Tijoriwala (1999) found that high trust creates extensive acceptance levels for complex organizational change. Similarly, management credibility, which is based on past honest relations, also increases positive employee responses to change (Kramer, 1996). In terms of a relationship between trust in management and attitudes to change, Kanter and Mirvis (1989) found that when employees do not trust the motives of senior management, they behave cynically. Trust may decrease the level of uncertainty and eliminate speculations and fears in the work environment. All of these studies identify trust as a core factor in the process when employees evaluate features of organizational change.

## **THE PRESENT STUDY AIM OF THE STUDY T**

he objective of the present study was to investigate the influence of organizational trust and psychological capital on resistance to change.

## **SPECIFIC OBJECTIVES**

The specific objectives of the study were:

- (1) To study the influence of psychological capital on resistance to change.
- (2) To study the impact of organizational trust on resistance to change.

## **METHODOLOGY**

### **Sample Selection**

The sample for the study consisted of 35 office employees in a mid-sized pharmaceutical company in the city of Mumbai. 53 questionnaires were distributed among the employees. 37 employees returned the duly filled

questionnaires. The responses of 2 participants were rejected as the respondents had either not filled up the questionnaires fully or had not filled them correctly. 15 The findings and conclusions in this study are based on the responses of 25 male and 10 female employees. The average age of the participants in the study was 37 years.

### **Measuring Tools**

The following psychometric instruments were used for the study:

**(1) Resistance to Change Scale:** The 'Resistance to Change Scale' was developed by Shaul Oreg. The scale is designed to measure an individual's dispositional inclination to resist changes.

The 'Resistance to Change Scale' is a 18-item scale that measures the major four underlying factors that result in a disposition to resist change. The four factors are: (a) Routine Seeking, (b) Emotional Reaction to Imposed Change, (c) Short-Term Focus, and (d) Cognitive Rigidity. These factors reflect the behavioral, affective, and cognitive aspects of resistance to change, respectively. The participants in the study had to check on each statement, indicating the extent to which he agreed or disagreed with the statement (on a 5-point scale). The higher the score, stronger is the resistance to change. The reliability coefficient alpha (Cronbach's) of the scale is 0.92. The scale has demonstrated good convergent, discriminant, concurrent and predictive validities.

**(2) Psychological Capital Questionnaire (PCQ):** PsyCap was measured with the PCQ-24 questionnaire which was developed by Luthans et al. The reliability and validity of the PCQ-24 questionnaire have been demonstrated in previous research.. The PCQ-24 questionnaire consists of four dimensions: self-efficacy, hope, resilience and optimism. The total scale consists of 24 items, and each of the four dimensions is measured by six items. Each of the items is scored on a Likert scale in which 1 indicates strongly disagree and 5 indicates strongly agree. All questions ask the participants how they feel "rightnow." Higher values indicate higher levels of experienced PsyCap.

**(3) Organizational Trust Scale:** The authors administered the 7-item organizational trust scale used by Robinson (1996). Participants responded on a five-point Likert-type scale with anchors ranging from "strongly disagree" to "strongly agree". Coefficient alpha for the scale is 0.87.

### **Hypotheses**

Based on past research findings, the following two hypotheses were proposed and tested:

H1: An increase in psychological capital reduces resistance to change.

H2: An increase in organizational trust reduces resistance to change.

### **RESULTS**

Table 1: The role of "Psychological capital" and "Organizational trust" on "Resistance to change"

analysis I		2				
dependent Variable:	.425	180				
psychological capital			27	.425	.696	110
dependent Variable:						
resistance to change						
analysis II						
dependent Variable:	.239	057	99			
organizational Trust				.239	.412	674
dependent Variable:						
resistance to change						

In order to test the influence of psychological capital and organizational trust on resistance multiple regression analysis was conducted.

The first regression analysis was conducted between psychological capital and resistance to change. It was found that psychological capital had a significant negative contribution on the prediction of resistance to change. ( $f = -0.425$ ,  $p=.0110$ ). The results demonstrated support for H1.

A second regression analysis was conducted between organizational trust and resistance to change. The regression analysis revealed that organizational trust had no significant contribution on the prediction of resistance to change. The findings, thus, do not support H2.

## DISCUSSION

Over the last few decades, several studies have focused on understanding and predicting employee reaction to organizational change (Morgan & Zeffane, 2003; Oreg & Sverdluk, 2011; Foster, 2010; Dent & Goldberg, 1999; Bovey & Hede, 2001). Many change efforts fail due to underestimating the importance of the individual differences during organizational change.

The present study investigated the impact of employee psychological capital and their organizational resistance to change. It was found that there was a significant and negative relationship between psychological capital and resistance to change. Individuals with high psychological capital will display less resistance to change. This is consistent with Peterson et al.'s study (2011), who noted that psychological capital is considered critical to motivation, cognitive processing, striving for success and the resulting performance in the workplace. Avey et al. (2008) found that employees' positive psychological capital is important for combating negative attitudes (i.e., cynicism and deviance). These attitudes (i.e., cynicism and deviance) are

usually negatively associated with organizational change and affected employees' adaptation to new working conditions.

There was no significant influence of organizational on resistance to change. Trust in organization was not enough to reduce employee resistance to organization change. This is contrary to the empirical evidence on the effects of trust on organizational change. Several empirical studies showed a strong and negative relationship between trust in organization and resistance to change (Stanley et. al., 2005; Oreg, 2006; Holoviak, 1999) and the important role of trust in organization during organizational change efforts (Cashman, 1998).

### **Significance of the Study**

Resistance to change does not happen in a vacuum. Low psychological capital of the employees can be a major obstacle in the process of organizational change. Increasing the psychological capital of the employees could be an effective strategy for overcoming resistance to change. Organizations can use enhanced psychological capital to increase positive outcomes and reduce resistance to organizational change. While organizational trust is important for change to succeed in organizations. However, organizational trust by itself has limited impact in overcoming resistance to change.

### **Limitations of the Study**

An important limitation is common source bias, in which researchers use the same sample to gather data on both independent and dependent variables. This method of obtaining data may result in common source bias and lead to inflated relationships (Podsakoff, MacKenzie, Lee & Podsakoff, 2003). The prescribed approach to reducing common source bias is to obtain predictor measurements from one observer and measurements of outcomes from another (or use separate occasions for measuring). The authors did not use these methods because of resource constraints about the ability to issue several surveys and use several observers. However, one should note that data from distinct observers or measurement occasions might distort the prediction estimates as much as common source variance does (Kammeyer-Muller, Steel & Rubenstein, 2010).

The study examined the effects of psychological capital and organizational trust on resistance to change in the context of only one organization. Research with different sample compositions and bigger sample sizes should be conducted to better understand the contribution of psychological capital and organizational trust on resistance to change.

### **Future Research**

There is a large body of work which has explored the various dimensions relating to change in organizations. A number of individual and organizational antecedents of change have been investigated and studied.

However, there are relatively few studies that examine the mediating and moderating effects of a combination of personal and organizational factors on attitude towards change. Hence, there exists enormous scope for future research in this direction. Ultimately, a better understanding of the nature and reasons for resistance to change could help change agents improve the change and facilitate its implementation resulting in improved outcomes for the organization.

## **CONCLUSIONS**

This study studied the influence of psychological capital and organizational trust on resistance to change in a private pharmaceutical organization setting. The study found that while psychological capital contributed significantly to overcoming resistance to change. This was not the case with organizational trust.

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## “Consumer Buying Behavior In Digital Era”

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### **Abstract:**

Indian population is broadly divided into Urban and Rural part. Urban population is growing at a very faster rate. According to World Bank, urban population was 32.37% in India in 2014. According to Barclay's report, irony is that the urban areas may contribute around 75% to India's GDP by 2020. The major reason for this is government's policies of developing infrastructure and allied services and a dramatic advancement in Information Technology. The focus can be concentrated on Information Technology. HTC, a Taiwanese handset manufacturer launched smartphone in India in 2009. The smartphone market in India grew 23% in Q1 of 2016 with over 220 million users. With this scenario, digital marketing is also popularizing in India. Asia pacific region is expected to become a leader in e-commerce by 2018 with India as a major contributor. Online retail sales in India shoots up to 17.5 billion USD in 2016 from 2.3 billion USD in 2012. This is a clear indication that Indian customers are likely to incline towards digital purchase. By 2017 around 42 million digital buyers are expected in India, which is just around 65% of internet users! This shows that there is a wide scope for digital marketing in India in near future. Amazon has launched its first online shopping website junglee.com in India in 2012, which was just for prices comparison and not to purchase items directly online. The number of online shopping sites in India has increased rapidly over a period past of 5 years. Customers prefer buying products online as the products will be directly delivered to their doorsteps, and the buying process is also very easy- just few clicks away! Another major reason of online purchase is comparison of prices with other sellers and getting best buying prices.

Though there is a long road ahead for e-tailing in India, but its rapid growth rate will definitely change the future of buying behavior of Indian customers. This paper will be putting some light on the buying behavior of the consumer through a collection and analysis of primary data and also with reference to some secondary data.



( *Key Words: Infrastructure & Allied Services, Digital Marketing, Online Retailer, Digital purchase*)

### **Introduction:**

Consumers change from year to year; it might be slight variation, it might be huge. Today, they are more accessed to information than ever before. Buying behavior of consumers is highly determined by their environment, motivation and information they have about a product / service. It has significantly changed due to the use of digital technology.

In today's digital era, the use of internet has increased tremendously. Today internet has become a most favorite channel to communicate, find entertainment, to buy and sell products and many more other activities. In year 2015, internet users were 27% of the total population of India which is expected to increase to about 55% by end of year 2016. This increase within one year is almost more than 100% and even expected to grow at a much faster rate by 2020.

With the availability of faster communication options using World Wide Web services, ecommerce is acting as an intermediary between the manufacturers / service providers and end users. According to industry body of Internet and Mobile Association of India (IMAI), ecommerce in India is expected to double by end of year 2016 as compared to last 2 years. Social media penetration is one of the most influential factors which are popularizing online purchase as there are 62.8 million Facebook users in India, which are representing around 68% population of internet users.

### **Review of literature:**

Online shopping is a process where buyers buy products online. Marketers are also using various innovative marketing strategies to promote their products and services. Online shopping is common in many developed as well as in developing countries apart from India. Although an internet connection is required for online shopping, one can even use leased internet services and place a purchase order online. Apart from internet users, e-commerce still has a major scope in India as a considerable chunk of population is not yet using internet services. While buying products online, consumers shows a particular type of behavior, which can be tapped by online retailers and grow their business further.

Some of the top online shopping sites in India are : Flipkart, Amazon, Snapdeal, Homeshop 18, Jabong, Myntra, Jungle, e-bay, Yepme, Shopclues and many more. Many past research studies in this regards have been done. The results of these studies are interesting to have a look at them. As per past studies, gender, marital status, household income, education, age etc. are some of the factors which affect online purchase decision.

Many past researchers found the same factors affecting online shopping behavior of consumers, not only in India but also thought globe. Apart from these factors, there are some of the stimulating factors to online purchase such as - price discounts, convenience, variety, product comparison, price comparison etc. In case of youth, social media is acting as one of the influencing factors for online purchase decision. This Paper will try to highlight some factors that influence the buying decision as well as the buying pattern of online buyers.

Over the past few decades the internet has developed into a vast global market place for the exchange of goods and services in the world. In many countries the internet has been adopted as an important medium, offering a wide assortment of products with 24 hours availability and wide area coverage.

### Objectives of the Study:

- To study Consumer buying behavior towards digital purchase.
- To study factors which affects consumer's online purchase decision.
- To study relevance between various factors affecting online purchase pattern.

### Research Methodology:

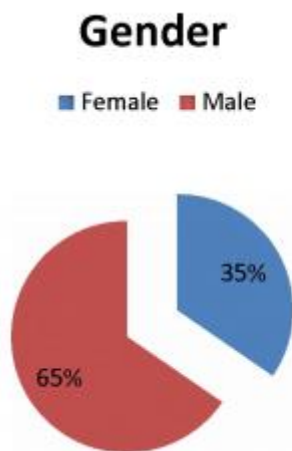
The research work is based on the empirical observations and primary data collected through 25 survey. In order to achieve the objectives of the study, primary data is collected through a 'structured non-disguised' questionnaire. A pilot study was conducted with 20 samples to pretest the questionnaire and required changes are made in the questionnaire accordingly. Sample was drawn with the help of 'Deliberate Sampling Method' to specifically cover youth respondents.

Sample size : 162

Sampling Universe: Vasai-Virar Municipal Corporation Region

In this paper, the collected data is represented graphically using pie-charts and the interpretations are made after studying the data distribution pattern.

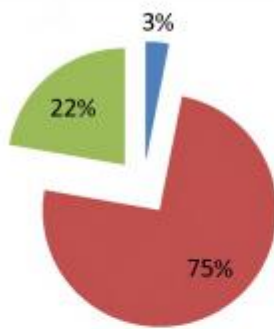
### Analysis of Study:



ata was collected from 162 respondents, 2 which 65% are males and 35% are females. Out of which only 2 females and 3 males responded that they do not purchase product online. This clearly shows the penetration of online purchase habit of youth.

## Age Group

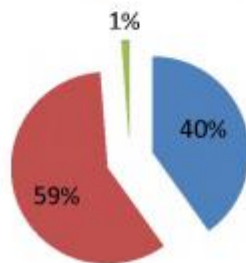
■ Below 18 Years ■ 18 to 35 Years ■ 35 to 60 Years



5% of the total respondent's age is between 18 to 35 years. 22% are between 5 to 60 years. This indicates the majority of youth.

## Marital Status

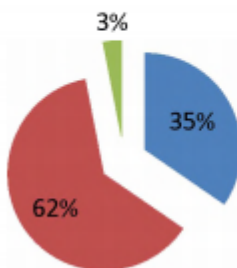
■ Married ■ Unmarried ■ Other



Out of total respondents, 40% are unmarried and 59% are married. Respective of the marital status, 97% responded that they are purchasing products and services online. This shows that marital status is not a factor that affects online purchase decision of customers.

## Graduation Type

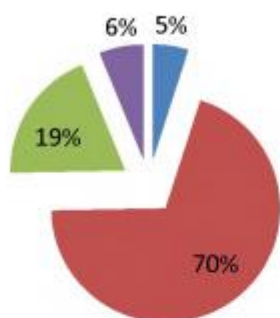
■ Graduate ■ Post Graduate ■ Other



Since deliberate sampling technique was used for sampling, data is collected majorly from youth. 35% of them are graduate and 62% post graduate.

## Job Type

■ Home Makers ■ Salaried ■ Self-employed ■ Student



Majority of the respondents are salaried (70%), 19% are self-employed, 6% are still studying and 5% are homemakers- mostly the females. Being earning or non-earning, 70% of total respondents are online buyers.

## Average Monthly income

■ Less than rupees 15,000 ■ Between 15,000 to 30,000  
■ Between 30,000 to 50,000 ■ Above 50,000



Average monthly income of respondents is mostly varying between rupees 15,000 to rupees 30,000 as shown in adjacent pie chart. Though this average monthly income does not affect the online purchase decision, but it surely affects the frequency of purchase and spending behind this purchase.

## Using Internet Services

■ Yes ■ No

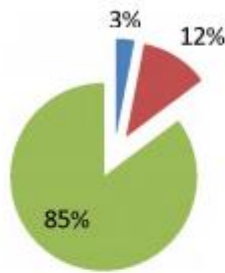
0%



In today's digital world- the respondent whether being a male or female, being married or unmarried, earning or non-earning- 100% of the respondents uses internet services.

## Devices Used to Access Internet

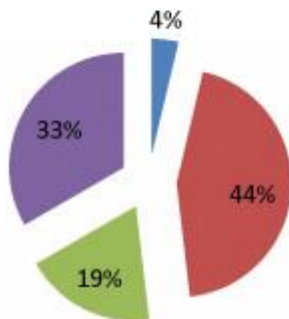
■ Desktop PC ■ Laptop ■ Smartphone



5% respondents are using smartphones to access internet. This technology (smartphones) which is being developed in telecommunication sector is acting as a catalyst to online purchase.

## Type of Data Pack Used

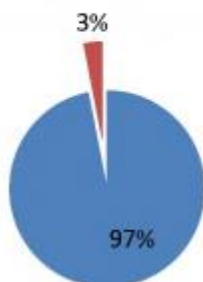
■ 2-G Data ■ 3-G Data ■ 4-G Data ■ Wi-fi



Only 4% respondents are using 2-G data packs. Rest 96% is using high-speed data access packages like 3-G, 4-G and Wi-fi. This high-speed access of internet provides online buyers easy access of shopping websites as well as hurdle free online payments.

## Online Purchase

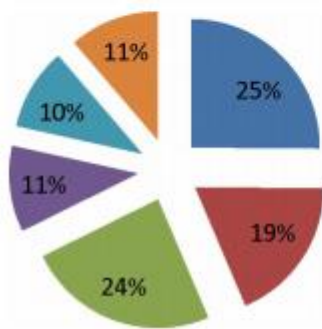
■ Yes ■ No



97% responded that they are purchasing products and services online.

## Factors Influencing Online Purchase

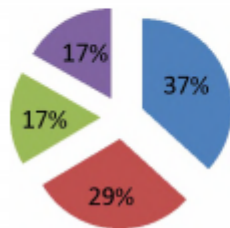
- Ease & Convenience of Shopping
- Time Saving
- Discounts
- Comparison of Prices
- Variety
- Cash on Delivery



early 24% respondents are attracted towards online purchase because of discounts on selling prices. Another influencing factors are- ease of shopping (25%) and time-saving (19%). The other factors which decides the behavior of online buyers are- comparison of prices, variety, cash on delivery etc.

## Preferred Shopping Website

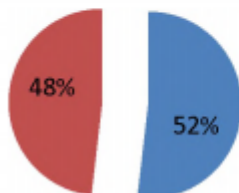
- Flipkart
- Amazon
- Snapdeal
- Other



The shopping preferences towards online shopping websites are as follows: Flipkart (37%), Amazon (29%), Snapdeal (17%) and others (17%)

## Online Purchase Through

- Mobile App
- Website

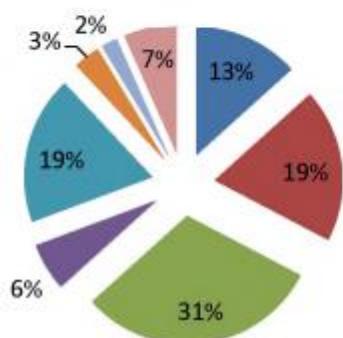


52% of the respondents have installed online sellers App in their smartphones. Sellers can easily reach to their end users and promote their products and services in today's digital era.



## Preferred Product Category

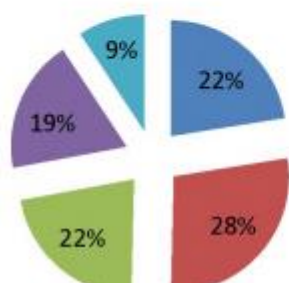
- Home Appliances
- Apparel
- Mobile, Laptops, Electronics Goods
- Books & CD
- Travel (Ticket & Hotel Booking etc.)
- Grocery
- Jewellery
- Other



respondents are majorly buying laptops and smartphones (31%) and home appliances (13%) online. Other favorite category is apparel (19%) and travel (19%). There is less purchase of books, jewellery, grocery etc.

## Notifications of Offers

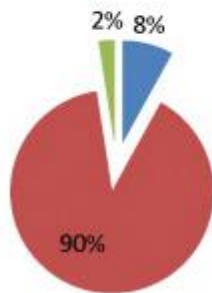
- Through Friends
- Mobile App Notifications
- Social Media
- TV Commercials
- Print Ad & Others



buyers are notified by seller through mobile Apps they have installed in their smartphones (22%). But the most influencing factor here is social networking and through friends (44%). This indicates that increased use of internet as well as social media is influencing buying behavior of online buyer.

## Satisfaction Level in Online Purchase & After Sales Service

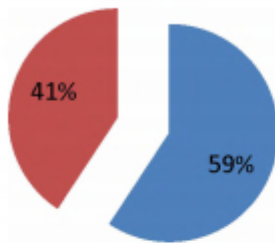
■ Highly Satisfied ■ Satisfied ■ Dissatisfied



90% online buyers are satisfied whereas 8% are highly satisfied with online purchase and after sales service by online seller. This clearly indicates the success of online business and scope to further develop online purchase habits of customers in digital era.

## Fear in Online Transaction

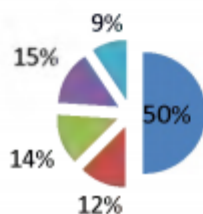
■ Yes ■ No



Although 97% responded that they purchase online, 59% of them have registered a fear in their mind while transacting online.

## Reason of Fear

■ Difference Between Product Shown & Delivered  
 ■ Leakage of Personal Information  
 ■ Leakage of Monetary Transaction Credentials  
 ■ Fraud in Purchase  
 ■ Non-delivery of Product



The major fear in the consumer's mind during online purchase is the difference between the product shown on website and the delivered one. The major reason for this fear could be various terms and conditions of seller. The other reasons responded are shown in the adjacent pie chart.

### Findings:

Though there are certain issues related to security in the online transactions and some problems with delivery and transaction process, customers are likely to continue buying products and services online in future. The



results obtained have shown that majority of respondents (97%) are in favour of online shopping and 3% are not in favour. Increased use of internet and social media are increasing online purchase. Customers are more inclined towards buying mobiles, laptops, electronics goods, travelling tickets, hotel bookings, apparel. Less preference is given to products like books, CDs, jewelry, grocery etc.

**Conclusion:**

The proposed study is descriptive and made its attempt to understand the behavior of Consumer towards online shopping. The data analysis has given clear indication of increasing significance of online buying of the consumers. The ease and convenience of shopping and the discounts available has made shopping convenient for consumers buying online. The majority of consumers buying online are youngsters and the majority of goods and services demanded are laptops, mobile phones, electronic goods and booking of travelling tickets and hotels. The major fear in the consumer's mind during online purchase is the difference between the product shown on website and the delivered one. By improving after sales service, providing more secured payment options, timely delivery of products can boost the online shopping of consumers. Since the study shows that people are more likely to buy products and services online, there is much scope for the online sellers to grab customers who are not yet using internet services.

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Indian Journal of Marketing Management

Business World

## **Talent management is as critical as Capital Investment**

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### **Abstract:**

Talent management is a key HR function consisting of Planning, hiring, developing and retaining the talent in any organisation to ensure that the required talent pool is available to sustain the existing business, grow the business, strategic business decisions e.g Joint ventures, merger & acquisitions, setting new SBU.

In pre 1950 Era, organisations used to consider and treat talent as “worker/servant” and work culture was restricted to obey the order given by the promoter/manager. With the industrial globalisation and consumerism becoming the reality of business scenario, same worker/servant transformed into talent and been accepted as key role player in business form & performance at any stage of business.

In the present day organisations have ful-fledged and well geared up HR department which is tasked with Talent management. Talent management is one of the key KRA of HR teams in the organisations. HR teams are tasked with hiring goals with strict time lines and also keeping attrition within control limits.

**Purpose :** Purpose of this study is to understand the journey of evolution of Talent management from a basic “Worker/Servant” status to “Talent” and its importance in the organisation.

**Key-words :** Talent management, Job satisfaction, Employee engagement, Organisational performance.

### **Introduction**

As global market becoming cut throat competitive the Industry has realised importance of acquiring and retaining talent best suited for its business goals. In the recent decades, Industry has started including Manpower factors in all its strategic capital investment decisions such as JV venture, Mergers & Acquisitions and setting up new SBU.

The Industry has escalated their HR department more aggressively geared up for understanding & undertaking Manpower due diligence and acquisition and retention to meet newer business challenges. In order to undertake such tasks HR departments are lead by strong & seasoned HR leader with astute strategic bent of mind, and HR departments have exclusive Talent Management team. These Talent management teams have their goals aligned with capital investment goals.

The Talent management teams are given hiring targets and retention targets to ensure that any given time organisation is manned by desired skilled manpower to meet the organisational challenges and goals.

The HR leaders have their eyes on Talent need targets as critical goals for their teams. In meeting such targets the HR leaders regularly interact with business leaders and top management to cast their Talent planning & strategies aligned with the business goals. Such exercise is undertaken and concluded by Oct-Dec of each year keeping enough open room to re align with the changing needs of business goals due to various variable factors turning unfavourable / hostile.

### **Literature Review**

Frynas, Millahi & Pigman.,(2006); Karim ,( 2006); Barsade& Donald, (2007) suggested that Business ventures and organizations should evolve their own pool of talent as per growing their needs to match demanding global business environment.

Arporn (2008) opined organisations must grow their human capital stock with the global needs, in terms of improving their performance and working style.

Schon & Ian, (2009) in their publication “The global war for talent” stated that global changes in market scenario has induce demand and competition in acquiring & retaining talent globally and advised talent management as challenging goal of organizational development.

Richard et. al. (2011) alerted the organisations for immediate need of talent management challenges and need of strong and robust Human Resource for success of an organization.

(Inkson, 2008 & Rousseau, 2001) referred a shift in the power relationship between employers and employees and stated that gradually, organizations are accepting consumerist a key reason for talent management a new business challenge.

(Huang & Tansley, 2012) stated that majority of publications on talent management do not offer a formal definition of their central concept.

(Lewis & Heckman, 2006) not many organizations have a talent management system in place.

Iles, Preece, & Chuai, 2010; Tansley, 2011) unanimously summed up that talent management add value over all the HRM strategies & practices.

Ashton & Morton (2009) Talent management includes managing demand & supply and continuous flow of talent in an organisation.

### **Need for Talent Management : strategic perspectives**

Though beginning from the very first step every business venture need talent management to achieve financial goals & growth but as at the inception stage most start-ups management have other business challenges as their priorities than man power management without realising it one of the key need for the business success.

However growing organisations do understand this need and include Talent management as one of their key strategic goals for growth.

Following are key strategic perspective for talent management:

#### **a. Process orientation**

Most Organisations have well realised that days of person driven organisation are over, now the market is so competitive that need every business activity to be undertaken by employee with specific competencies for the role. All the business process strictly demand suitably qualified and armed with required behavioural competency for the role.

#### **b. Cultural need**

This perspective suggests that every organisation has its work culture customised to the management style and market challenges. Hence, most organisations in addition to technical skills and behaviroal competency also look for attitude as team member and team leader.

#### **c. Competitive edge**

In fierce competitive market, organisation's have one of the key challenge is continuous flow of talent pool to meet the growth plan and also market needs. Hence, organisations through its Talent management group hire, develop and retain sufficient talent for current, future and contingent competitive needs of the market.

#### **d. Human Resource Planning perspective**

Most organisations over the period have realised the importance of man power planning for twofold objective; 1. To have sufficient talent availability at all the times; 2. To have right person 36 for the right job with right attitude. This process ensure continuous supply of desired human resource.

#### **e. Change management need perspective**

As organisation grows, at every new level it attains unless there is a continuous process of developing the existing manpower or inducting fresh talent in the system, at every stage of growth big lot of existing man power becomes redundant due to pace gap. Hence, to meet the newer challenges organisation goes through "Change management process" which need induction of new leaders and also developing potential employees as leaders.

### **Drivers for Talent Management**

Based on various perspective discussed above following factors are identified as Drivers for Talent Management :

- a. Attracting new Talent
- b. Hiring Talent
- c. Deploying right existing & new Talent
- d. Developing existing & new Talent
- e. Re-appropriation of existing talent
- f. Rationalisation of Talent pool
- g. Motivating Talent pool : Job satisfaction, Appropriate Compensation & benefits
- h. Engaging Talent pool
- i. Managing redundant Talent
- j. Maintaining controlled & healthy attrition
- k. Retaining desired Talent
- l. Succession planning

### **Employee engagement a key to Talent Management**

In roller - coaster journey of global Industrial development saw changing scenario of management perspective and accordingly change in Management strategy which began from Quality of product/service as Customer satisfaction to Customer satisfaction in terms of quality, post-sale services, value added services and lastly as Customer delight etc to transformation of management perspective to Employee satisfaction in terms of job satisfaction, growth 37 opportunity, financial growth etc.

Finally, in the current business scenario Industrial growth journey reached a level where Industry accepted that managing Human capital is as costly & critical as decision and process of Capital investment and need great care in handling as it has direct impact on the employee performance, which ultimately affect organisational performance.

### **Talent management Best Practices**

Considering current business challenges at global level Talent management has become very critical & costly function for almost all the ambitious Organisations and accordingly they have included Talent management

in key priority strategic decisions and HR leaders as team member of Business Strategic Group of the Organisation.

As most of the Talent Management Strategies focus on balancing Organisational talent needs and need for satisfied lot of desired talent pool, following Talent management strategies can be universally applicable :

- a. Recruitment & Induction Practices
- b. Supportive Top Management Team
- c. Talent Evaluation & Succession Planning Practices
- d. Performance Management Practices
- e. Compensation & Benefit Practices
- f. Organisational Leadership Development Culture
- g. Role based customised Leadership Development practices
- h. Talent management ROI analysis Practices

### **Conclusion**

Over the years due to changed business scenario globally, Talent management has evolved as key business strategic decision & functions as it has been proved that it is the desired talent which directly impacts Organisational performance.

Talent management includes activities/initiatives to Attracting, Inducting, Deploying, Developing, Assessing, Motivating, Satisfying existing and new talent pool.

Out of the key talent management strategies Employee Engagement plays vital role in ensuring the desired talent at any time & continuous flow of talent focusing on their performance aligned 38 to organisational goals.

All ambitious organisations across the world have made sustained efforts to develop vibrant HR department to ensure a vibrant organisation armed with Talent with desired technical and behavioural competencies, apt attitude and potential for development & career growth.

As employee performance directly impacts organisational performance; Talent management is considered as costly & critical investment as Capital investment for any organisation.

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## Understanding Tax Liability of Limited Liability Partnership

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### Abstract :

Taxing issues of a LLP in India are cleared by equating it to a partnership firm on the lines of UK and Singapore structure. LLP is taxable at the rate of 30%. In case of Direct Taxes the burden is directly on the payer. This ensures that the business-related choice between using a LLP or a partnership is not warped by levying taxing criteria, writes Ravi Agrawal. The tax formula/slab does not act as a deterrent against this form of business organization, he says.

The amended definition of 'firm', 'partner' and 'partnership', under the Income Tax Act is as under: For a firm to be assessed as a firm under the Income Tax Act, it has to satisfy the criteria laid down under the income tax Act. The LLP is evidenced by an instrument i.e. there is a written LLP Agreement. The individual shares of the partners are undoubtedly specified in the deed. A certified copy of the LLP Agreement must accompany the return of income of the previous year in which the partnership was formed. The remuneration paid to a working partner must be authorized.

**Keywords :** Tax, LLP, Partnership, Formula, Income, Act.

### Introduction

The actual profit for any business entity is what remains after disbursement of tax liability under the taxation laws. As the name suggests, Income Tax is a tax on income and it is one of the forms of the Direct taxes. The Direct taxes mainly comprises of income-tax which is paid out of the profits of the business entity while the Indirect taxes like excise, custom, service taxes etc. are passed on to the customers.

Just like the taxation concerns of company and partnership are not addressed in the Companies Act, 1956 and the Indian Partnership Act, 1932 respectively; likewise, it was predestined that the LLP Act would be silent on the issue of tax implications for a LLP. The taxation matters of all individuals and business entities are dealt with under the Income Tax Act, 1961. The taxation issues of a LLP in India are cleared by equating it to a partnership firm on the lines of UK and Singapore structure. As per the Union Budget 2009-10, LLP is treated as a firm as defined under the Income Tax Act, 1961 for the purpose of taxation meaning thereby that LLP is conferred the same position as that of a traditional partnership (as under the Indian Partnership Act, 1932). By following the flow-through system for taxation matters, the tax formula/slab does not act as a deterrent against this form of business organization. It implies that LLP, like a partnership firm, will pay tax on its profits after deduction of business expenditure, salaries and interest paid to partners. Partners will then be taxed on their salary and interest receipts; whereas share in profits is exempt and it would not be included in computing the total income in terms of the provisions of Section 10 of the Income Tax Act, 1961. The LLP is taxable at the rate of 30%.

In case of Direct Taxes the burden is directly on the payer.

Accordingly, all the provisions relating to taxation of traditional partnership firms would apply mutatis mutandis to LLPs. This ensures that the business-related choice between using a LLP or a partnership is not



warped by levying taxing taxation criteria. Sections 182 to 189 under Chapter XVI of the Income Tax Act, 1961 provide for the assessment of firms and their partners. Among them Section 182 prescribes the manner in which registered firms are to be assessed to tax; Section 183 makes similar provision in the case of unregistered firms, and since certain concessions are permitted to the assesseees in the case of registered firms (registered with the Income Tax Act and not under the Indian Partnership Act), the registration of firms with the Income Tax Authorities assumes significance. Sections 184 and 185 provide for the registration of partnership firms with the Income Tax Authorities. The amended definition of 'firm', 'partner' and 'partnership', under the Income Tax Act is as under:

1) Firms shall have the meaning assigned to it in the India Partnership Act, 1932 and shall include a LLP as defined in the LLP Act.

2) Partner shall have the meaning assigned to it in the Indian Partnership Act, 1932 and shall include:

- Any person, being a minor has been admitted to the benefits of partnership; and
- A partner of a LLP as defined in the LLP Act.

3) Partnership shall have the meaning assigned to it in the Indian Partnership Act, 1932 and shall include a LLP as defined in the LLP Act.

### **Criteria under Income Tax Act, 1961**

Owing to the tasks shouldered on the designated partner, the designated partner is required to sign the income tax return of a LLP or where for any reason such designated partner is not able to sign the return, any partner will sign it. For a LLP to be assessed as a firm under the Income Tax Act, it has to satisfy the criteria laid down under the Income Tax Act:

I. The LLP is evidenced by an instrument i.e. there is a written LLP Agreement.

II. The individual shares of the partners are undoubtedly specified in the deed.

III. A certified copy of the LLP Agreement must accompany the return of income of the LLP of the previous year in which the partnership was formed.

IV. If during a previous year, a change takes place in the constitution of the LLP or in the profit sharing ratio of the partners, a certified copy of the revised LLP Agreement shall be submitted along with the return of income of the previous years in question.

V. There should not be any failure on the part of the LLP while attending to notices given by the Income Tax Officer for completion of the assessment of the LLP.

### **Deductions**

The LLP can claim the following deductions:

I. Interest paid to partners, provided such interest is authorized by the LLP Agreement.

II. Any salary, bonus, commission, or remuneration (by whatever name called) to a partner will be allowed as a deduction if it is paid to a working partner who is an individual.

III. The remuneration paid to such working partner must be authorized by the LLP Agreement and the amount of remuneration must not exceed the given limits.

### **Tax Benefits**

A few tax benefits that a LLP structure enjoys above a company include the following:

- i. 10% exemption is given in case of surcharge.
- ii. Tax payment is lower than a private limited company.
- iii. Tax will be imposed only on 40% of the income since the firm would be allowed to pay 60% to the partners as remuneration. So there will be no double taxation of the income.
- iv. Further there is no precondition to fill DDT.
- v. Deemed dividend under Section 2 (22) (e) need not be paid.
- vi. No carry forward or set off under Section 79 in case of major change of ownership.
- vii. Share of profits at the hands of the partners of the LLP is exempt from tax.

The Central Board of Direct Taxes announced on July 1, 2011 that all the individuals, HUFs and Partnership Firms who are liable to get their accounts audited under the Income Tax Act, 1961 will have to file their Income-Tax return online compulsorily using Digital Signature and LLPs are covered under this notification.

### **Alternate Minimum Tax on the Limited Liability Partnerships**

A new Chapter XII-BA titled 'Special Provisions relating to certain LLP's has been introduced in the Income Tax Act w.e.f April 01, 2012 in order to preserve the tax base vis-a - vis profitlinked deductions. This Chapter will apply in relation to the assessment year 2012- 13 and subsequent years. Under this Chapter, LLPs are now subject to Alternate Minimum Tax (AMT) at 18.5%, on the lines with MAT as imposed on the companies.

### **Comparison between MAT and AMT**

The following table makes the comparison between MAT and AMT:

Sr. No.	Basis of Divergence	MAT	MT
	<b>Applicability</b>	MAT is applicable to Companies.	MT is applicable to LLPs.
	<b>Relevant Chapter and Section</b>	Chapter XII-B, Section 115JB.	Chapter XII-BA, Section 115JC.
	<b>Tax on</b>	Taxable on Book Profits.	Taxable on Adjusted Total Income.
	<b>Source of Tax</b>	Companies are required to pay MAT on book profits if the income tax payable on the total income, computed under the Income Tax Act, is less than MAT.	Where the regular income tax payable for a previous year by a LLP is less than AMT payable for such previous year, Adjusted Total Income shall be deemed to be the total income of the LLP for such previous year and LLP will be able to pay income tax on such Adjusted total income.
	<b>Tax Rate</b>	MAT Rate - 18% + surcharge @ 5% if book profit exceeds Rs. 1 crore + Education Cess @ 3% <b>Effective Rate including surcharge) 19.5%.</b>	MT Rate - 18.5% + Education Cess @ 3% <b>Effective rate 19.05%</b> surcharge is not applicable to LLPs).
	<b>Tax Credit (Credit for Tax)</b>	MAT paying companies can claim the credit for 10 assessment years starting from the year in which the credit becomes allowable.	MT paying LLPs can claim credit for 10 assessment years starting from the year in which the credit becomes allowable.
	<b>Exemption</b>	Companies are liable to pay MAT on income exempt under Section 10(38) and 10(34).	LLPs are not liable to pay AMT on income exempt from tax.

### Conclusion

As no such tax is levied on the other form of business organizations like partnership firms, sole proprietorship, association of persons, etc., it is analyzed that the introduction of the AMT on LLPs may be perceived as a disadvantage to the LLP business form, the LLP nevertheless remains an attractive business form due to its inherent flexible structure along with the exemption from DDT.

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# **A Descriptive Study of Impact of Mobile Marketing on Consumer behavior in India.**

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## **Abstract:**

Mobile marketing is the collaborating multichannel promotion of products or services for mobile phones and devices, smartphones and networks. Mobile marketing is marketing on a mobile device, such as a smart phone. Mobile marketing provide customers with time and location sensitive, personalized information that promotes goods, services and ideas. Some mobile marketing is similar to advertising delivered over other electronic channels such as text, graphic and voice messages. SMS messaging is currently the most common delivery channel for mobile marketing. Search engine marketing is the second-most common channel, followed by display-based campaigns. This qualitative research attempts to describe the concept and types of Mobile Marketing and to evaluate the impact of Mobile marketing on consumers' behavior in India.

**Key words:** Mobile Marketing, Consumer behavior, Impact

## **Introduction:**

Mobile marketing is marketing that takes place via mobile devices such as smart phones, tablets or PDAs. Mobile marketing makes usage of features of modern mobile technology such as location services to modify marketing campaigns based on a customer's location or frequently visited places. Mobile marketing is a way in which technology can promote personalized goods or services to a user who is constantly connected to a network via their mobile device.

Mobile marketing may include promotions sent through SMS text messaging, MMS multimedia messaging, through downloaded apps using push notifications, through in-app or in-game marketing, through mobile web sites, or by using a mobile device to scan QR codes. Proximity systems and location based services can alert users based on geographic location or proximity to a service provider. Mobile marketing is similar to electronic advertising and uses text, graphics and voice messages.

As per Morgan Stanley Research, number of mobile device users globally has increased from 1100 million in 2007 to 1700 million users in 2015. In India, E-Marketer estimates that mobile is a small but growing component of digital advertising. The preceding forecast for total media, digital and mobile internet ad spending around the world pegged mobile spending in India at \$173.2 million in 2015, set to double to \$346.5 million by the end of this year. That will amount to 29.5% of digital ad spending, or 4.9% of total media budgets.

By 2019, advertisers in India will be spending much more on mobile placements— \$1.32 billion. That will account for a majority of all digital ad spending (60.9%), and 15.5% of total media advertising in India. Former research has found that mobile marketers in India are focused on display and social ads, though their attention is expected to shift in the coming years.

## **Objectives of the study:**

1. To study the concept of Mobile marketing in India.

2. To evaluate the impact of Mobile marketing on consumers' behavior in India.

### **Methodology:**

The study is qualitative and descriptive in nature and for the purpose of the present study; mainly secondary data have been used. The required secondary data were collected from the e-journals on different websites, research papers, various reports and newspaper articles published online.

### **TYPES OF MOBILE MARKETING:**

#### **SMS MARKETING**

47 Marketing through cellphones' SMS (Short Message Service) became more and more popular in the early 2000s in Europe and some parts of Asia. Over the past few years SMS marketing has become a legitimate advertising channel in some parts of the world. This is because unlike email over the public internet, the carriers who police their own networks have set strategies and best practices for the mobile media industry (including mobile advertising). The IAB (Interactive Advertising Bureau) and the Mobile Marketing Association (MMA), as well, have established guidelines and are evangelizing the use of the mobile channel for marketers. Mobile marketing via SMS has expanded rapidly in Europe and Asia as a new channel to reach the consumer. Over the past few years mobile short codes have been increasingly widespread as a new channel to converse to the mobile consumer.

Brands have begun to treat the mobile short code as a mobile domain name allowing the consumer to text message the brand at an event, in store and off any traditional media. Besides short codes, inbound SMS can be received on long numbers (international number format, e.g. +44 7624 805000 or US number format, e.g. 757 772 8555), which can be used in place of short codes or premium-rated short messages for SMS reception in several applications, such as product promotions and campaigns. Furthermore, long numbers are non-premium inbound numbers.

One crucial principle for provisioning is that the consumer opts into the service. The mobile operators demand a double opt in from the consumer and the ability for the consumer to opt out of the service at any time by sending the word STOP via SMS.

#### **MMS MARKETING**

MMS mobile marketing can comprehend a timed slideshow of images, text, audio and video. This mobile content is delivered via MMS (Multimedia Message Service). Nearly all new phones produced with a color screen are capable of sending and receiving standard MMS message. Brands are able to both send (mobile terminated) and receive (mobile originated) rich content through MMS A2P (application-to-person) mobile networks to mobile subscribers. In some networks, brands are also able to sponsor messages that are sent P2P (person-to-person). Good instances of mobile-originated MMS marketing crusades are Motorola's ongoing campaigns at House of Blues venues, where the brand allows the consumer to direct their 48 mobile photos to the LED board in real-time as well as blog their images online.

#### **PUSH NOTIFICATIONS**

Push notifications were first familiarized to smartphones by Apple with the Push Notification Service in 2009. For Android devices, Google developed Android Cloud to Messaging or C2DM in 2010. Google replaced this service with Google Cloud Messaging in 2013, universally referred to as GCM, Google Cloud Messaging served as C2DM's successor, making enhancements to authentication and delivery, new API endpoints and messaging parameters, and the exclusion of restrictions on API send-rates and message sizes. It is a message that pops up on a mobile device. It is the transfer of information from a software application to a computing device without any appeal from the client or the user. They look like SMS notifications but they are reached

only to the users who have installed the app. The specifications vary for IOS and android users. SMS and push notifications can be part of a well-developed inbound mobile marketing strategy.

### APP-BASED MARKETING

With the increasingly pervasive use of smartphones, app usage has also significantly augmented. Therefore, mobile marketers have increasingly taken benefit of smartphone apps as a marketing resource. Marketers will aim to increase the visibility of an app in a store, which will in turn help in getting more downloads. By improving the placement of the app usage, marketers can guarantee a significant number of increases in download. This allows for direct engagement, payment, and targeted advertising.

The current upsurge of progression and growth highly depends upon the wise use of technology and Mobile App Development is one such technology that is benefiting various companies in order to maximize their profits. In the past couple of years the usage of mobile phones has increased at an astonishing rate. Most of the companies have slowly but surely acknowledged the potential that Mobile App possess in order to increase the collaboration between a company and its target customers.

### BLUETOOTH

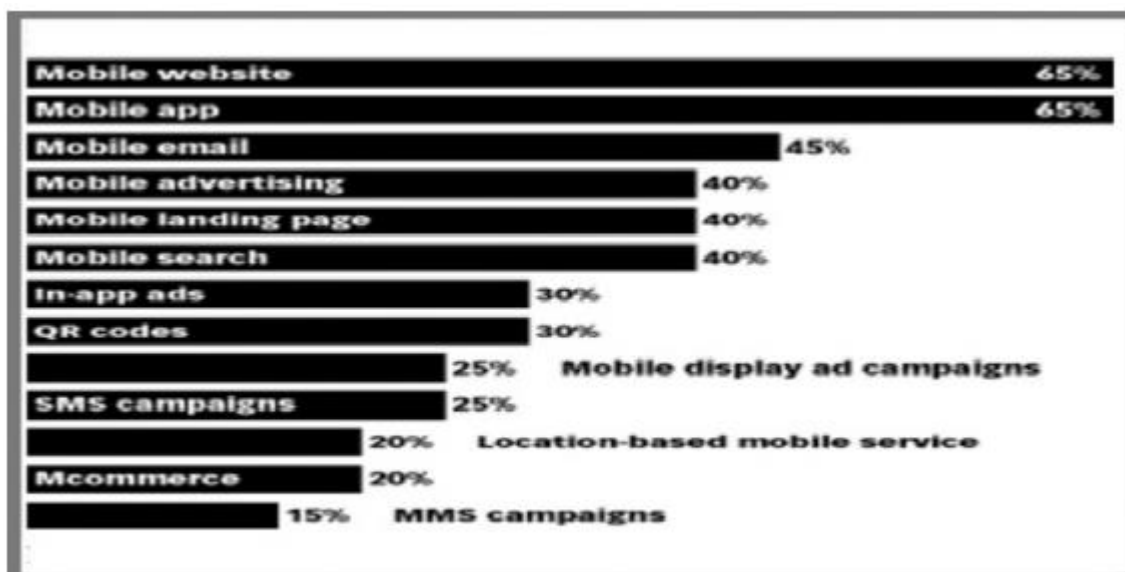
Bluetooth technology is a global wireless standard enabling, convenient, secure connectivity for 49 an expanding range of devices and services. Created by Ericsson in 1994, Bluetooth wireless technology was originally conceived as a wireless alternative to RS-232 data cables.

The use of Bluetooth gained traction around 2003. Most of the businesses offer "hotspot" systems which consist of some kind of content-management system with a Bluetooth distribution function. This technology has the advantages that it is permission-based, has higher transfer speeds and is a radio-based technology and thus can neither be metered nor billed. The likely earliest device built for mobile marketing via Bluetooth was the context tag of the Ambie Sense project (2001-2004). More recently Tata Motors conducted one of the biggest Bluetooth marketing campaigns in India for its brand the Sumo Grande.

### Key findings:

### USAGE OF MOBILE MARKETING IN INDIA

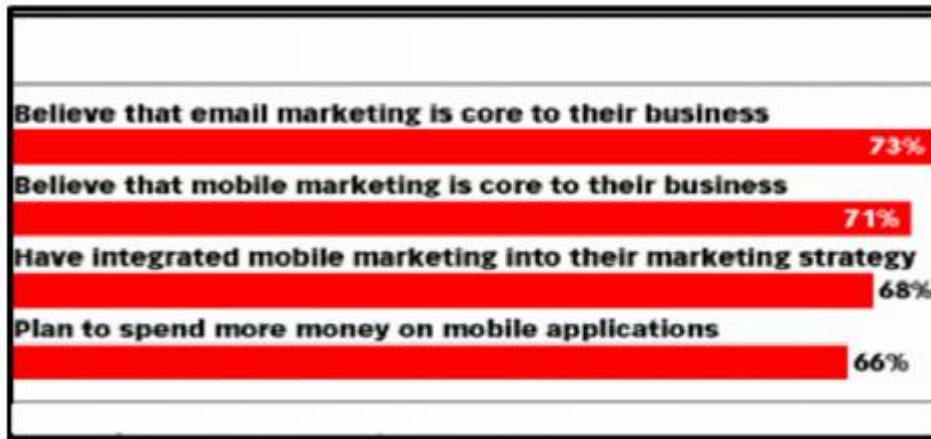
**Figure 1:** Mobile Marketing Tactics Used by B2B Marketers Worldwide, May 2015 (% of respondents)



Source: Regalix, 'State of B2B Mobile Marketing 2015,' June 9, 2015 [www.eMarketer.com](http://www.eMarketer.com)

**Figure 2:**

**Attitudes toward Mobile Marketing among Digital Marketers in India, Sep 2015 (% of respondents)**



Source: eMart Solutions, 'Channel Loyalty Study 2015: Building and Nurturing Channel Relationships,' Oct 29, 2015

As seen in the figure 2 Research advocates that marketers in India see mobile as a key part of their marketing effort. According to E Mart Solutions, 71% of digital marketers in India— including channel partners and brand managers—trust that mobile marketing is central to their business. Approximately as many (68%) said they have integrated mobile into their overall marketing strategy.

### **IMPACT OF MOBILE MARKETING**

The Consumer Decision-Making Process consists of five steps which are:

- 1. Need recognition**
- 2. Information search**
- 3. Evaluations of alternatives**
- 4. Purchase behavior**
- 5. Post-purchase behavior**

**Figure 3:**

Effects of Mobile Marketing on Consumer Decision Making Process



Source: <http://erenkocyigit.com/effects-mobile-marketing-consumer-decision-making-process/>



## **1) Effects of Mobile Marketing on Need Recognition Stage:**

The decision-making process for each consumer starts when consumers comprehend that they have a need for something. Need recognition befalls when a consumer is confronted with a difference between an actual and desired state. This is a vital stage for marketers because marketers can construct some of their campaigns in order to create this imbalance by seeking to create a need and make consumers search out and buy a product or service.

Marketers try to create an imbalance/consumer need because they want to create a want. How a want is created? It is created by marketing efforts that lead consumers to recognize that they have an unfulfilled need. Within these marketing efforts, thanks to mobile technology mobile marketing became one of the most important tools for marketers.

Mobile technology allows marketers to connect with their customers anywhere and anytime whether they are at work, in a store, or surfing the web. In addition to that; mobile technology also helps marketers to deliver their offerings to their customers by customizing the offers based on the needs of their customers. Therefore, mobile marketing messages can act as external cues that help consumers to recognize a need, triggering a decision-making process that might result in a purchase.

In need recognition stage marketers' job is to position their product or service as a solution to a problem or a need that a consumer may be encountering.

For instance, a push notification received on a mobile device for an upcoming special day accompanied by a list of recommended gifts, and discount offers can motivate the recipient to start the buying process for a gift.

## **2) Effects of Mobile Marketing on Information Search Stage:**

After the consumer has established a want or a need, the next thing he or she will do is start an information search regarding different alternatives that he/she can purchase to satisfy his/her need. Information search can be done internally or externally. An internal information search consists of utilizing information from memory, such as past experiences with the product and/or service. An external information search is a process of utilizing information from outside environment such as family and friends, public resources, radio, TV ads, digital and mobile ads.

Within these channels, mobile marketing became one of the most important tools for marketers to impact on information search stage. Mobile technology offers the convenience of accessing and sharing information, that's why mobile marketing tools are very crucial to marketers.

### **Importance of Mobile Technology on Information Search Stage:**

Mobile services can allow access to all types of information regarding products and services especially with the help of mobile internet.

Within information search stage, marketers may reach their target audience via various mobile marketing tools such as mobile search ads, location-based ads, mobile display ads, and so forth.

Compared to other communication channels like radio, TV, and print; Mobile technology offers the convenience of accessing and sharing information, that's why mobile marketing tools are very crucial to marketers who are interested in making an impact on consumers' information search stage. Therefore, mobile marketing tools can be very effective if they are used in relevant mobile channels in order to reach consumers who are penetrating information by aiming to fulfill their needs. Using appropriate mobile marketing actions might result in a purchase.

### **Information Search Stage Use Cases and Actionable Insights for Marketers:**

In the information search stage, marketers' job is to appear in front of their customers in the 53 right time, at the right place.

At this stage;

1. Mobile search ads (such as click to locate ads, text ads and product listings ads)
2. In-App Popups (popups triggered by user actions within an app; especially important for mobile app marketers)
3. Location-Based Campaigns (campaigns prepared for customers when they are in a specific location)
4. Mobile display ads (especially using re-marketing technology by targeting people who are searching for a specific type of products) can be used to impact consumers' decisions at this stage

For instance, when a consumer is searching 'men shoes' within an app and at that moment if an in-app popup discount regarding men shoes appear that may direct this consumer to purchase.

### **3) Effects of Mobile Marketing in Alternatives Stage:**

After consumers have recognized a need, they conduct an information research and then create a final decision set called evoked set. At this point in order to make a final decision, they evaluate the alternatives. While giving a final decision consumers take into consideration the different attributions of the product or service such as quality, price and location. Like need recognition and information search stages at the alternative evaluation stage, mobile technology also differs from other mediums. First of all, mobile devices and mobile services enable consumers to evaluate alternatives even when they are at physical stores. Mobile devices and mobile services can help consumers enjoy the best of both physical and online worlds by combining the benefits of in-store and online shopping environments.

### **Importance of Mobile Technology on Evaluation of Alternatives Stage:**

Traditional physical shopping environments have restrictions, such as the number of product alternatives available and the difficulty of comparing the product alternatives. The online 54 shopping environment has its own limitations, such as the inability to touch, feel, or try products. Mobile Technology enables consumers to experience best features of offline and online shopping environments at the same time. For combining online and offline shopping experiences, many consumers have started to choose use smartphones in physical stores while they are shopping. That makes smartphones very important medium for both online and offline marketers. Therefore, mobile marketing tools can be very effective if they are used in relevant mobile channels in order to reach consumers who are evaluating alternatives. Using appropriate mobile marketing actions might result in a purchase.

At this stage;

1. Mobile search ads (in order to appear in the search results when a consumer is searching for specific products)
2. Location-Based Campaigns (especially by using beacon technology marketers may reach their customers when their customers are in their physical stores)
3. Mobile display ads (especially using re-marketing technology by targeting people who are searching specific type of products)
4. Mobile App Daily Bulletins (sending consumer's price discounts who already put a product in their baskets but leave without purchase) can be used to impact consumers' decisions at this stage.

#### **4) Effects of Mobile Marketing on Purchase Stage:**

After evaluating alternatives, consumers give a final decision and purchase product/service they decide. The purchase decision is already affected by previous decision-making process stages but still marketers have a chance to have an impact on the consumers who are already at the purchase stage. Regarding this stage, marketers can make their products available to their consumers and they can also be sure to make the purchase process easy and enjoyable for the consumer.

At the purchase stage mobile technology plays an important role for marketers. For instance mobile services can improve the consumer shopping experience at the purchase stage by making the product ordering, purchasing and payment more convenient. All of these improvements may provide consumers to save time and money.

#### **Importance of Mobile Technology on Purchase Stage:**

Marketers who use their consumers' by gone behaviors have a better chance to have an impact on the purchase stage. That is because most of the consumers move to purchase stage by leaving traces such as conducting a search, adding a product to the basket and leaving it or commenting on a product page.

In purchase stage, a marketer's job is to make their products available to their consumers and being sure to make the purchase process easy and enjoyable for his/her consumers.

At this stage;

1. Mobile Wallet (Mobile devices can be used as digital wallets; consumers can make the payment by transferring the funds electronically)
2. Location-Based Campaigns (Consumers at the purchase stage can also be notified on the availability of a sales promotion on a nearby item)
3. Interactive Push Notifications (especially mobile app marketers might send interactive push notifications to the users at the purchase stage and get their payment immediately)
4. Triggered Campaigns (sending notifications to the customers who leave their basket without purchase) can be used to impact consumers' decisions at this stage.

#### **5) Effects of Mobile Marketing on Post-Purchase Stage:**

After a consumer makes a decision he/she expects satisfaction to occur from his/ her decision. If the product /service do not meet his/her requirements, then disappointment might occur. At this point, the marketer may lose the chance to make this customer a loyal user. That's why savvy marketers make sure that their consumer is completely satisfied and does not develop any negative post-purchase feelings.

Likewise, mobile technology plays an important role for marketers at the post - purchase stage.

Mobile services can advance post-purchase customer service experiences. For instance, consumers can receive updates on the order status for items purchased. Moreover, Customer support can be enhanced by delivering more interactive content (e.g., images, video), to consumers regardless of their location.

#### **Importance of Mobile Technology on Post-Purchase Stage:**

The use of mobile services can progress supposed benefits (convenience, savings, and instant communication) and reduced perceived risks (performance risks, financial risks, time risks) for consumers and that may lead to more acceptable post-purchase experiences for consumers. Cognitive dissonance is the inner tension that a consumer experiences after recognizing an inconsistency between behavior, value and opinions. Marketers

can prevent cognitive dissonance by using mobile marketing tools such as following up the customers via push notifications and sending them promotions and free trials. In post-purchase stage, a marketer's job is to provide consumers after sale service as well as providing consumers extra benefits such as discounts and free trials.

At this stage;

1. Interactive Push Notifications (especially mobile app marketers might send interactive push notifications to the users just after the purchase stage and get their feedback immediately)
2. In-App Popups (popups triggered after consumer makes a purchase, it can be used to give info regarding customer service)
3. Triggered Campaigns (sending notifications to the customers who already make a purchase and giving them extra benefits) can be used to impact consumers' decisions at this stage.

### **Conclusion:**

It can be concluded from the research that mobile phones now have a much greater diffusion in common man's life and can act as a very significant tool for the marketers and a stand for the mobile marketing communications. The marketers now have an opportunity to reach newer markets and customer target segments, where it was really difficult and affluent to carry on effective marketing activities. It is reaching much deeper in the Indian population where a PC/laptop has never reached. Companies should focus more on one to one marketing so as to target the right class of customers, upsurge sales and generating brand awareness. All efforts should be taken so as to involve the customer in a much better way and for this the limiting 57 factors and barriers are needed to be identified and detached and minimized.

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