

# INDIA'S YES TO MEGA REFORMS: ISSUES, CHALLENGES AND IMPLICATIONS



## Editors

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Prof. (Dr.) Sheela Bhargava  
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**INSTITUTE OF INFORMATION TECHNOLOGY AND MANAGEMENT**

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## **PREFACE**

Indian economy is going through mega reforms nearly in every sector. It is important to review the recent reforms and understand their implications for the economy as well as for the people of the country. Research has an important role in this reviewing process. It helps to identify the recent trends and their impact on the country's present and future situation.

Research has been a core subject of the management courses primarily BBA and MBA. The concept of research is useful in various domains of life whether it be a marketing research or a clinical research. It is a pervasive phenomenon. Thus, there is a strong need for the undergraduate and postgraduate students to understand the different facets of the research and become able to carry out a research in practical terms.

The seminar was held on 24 March 2018 at IITM. It gave a platform for the students to present their research in front of the academia and research fraternity. Students from different colleges participated in the event and presented their research papers on the mega reforms in India.

The event marked the initiatives of students for carrying out research activities in the form of research papers. The reforms that Indian economy is witnessing including social reforms, taxation reforms, marketing reforms and economic reforms; constituted the core themes of the paper presentation.

It brings immense pleasure to launch this e-book as the proceedings of the symposium where the mega reforms of the Indian economy were discussed. The event is significant as it is dealing with the current issues of the Indian economy. The institute aims to carry out such activities in the near future.

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# **A Study on Banking Sector Frauds in India**

Ms. Pratishta Verma<sup>1</sup>, Dr. Sunitha Ravi<sup>2</sup>

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## ***Abstract***

*An efficient and good banking system is the prime requirement for the smooth functioning of the economy. Indian banking sector since its inception has experienced rapid growth and also faced many challenges. The Indian banking sector suffers from numerous challenges in the field of corporate governance, ethical practices and financial sector reforms. The society expects transparency, accountability, fairness and trustworthiness from banks and hence banks hold a greater responsibility towards the society. In the interest of every individual and society as a whole, banks must control and manage the frauds. The study mainly focused on the major frauds in the Indian banking sector for a period of 2014-15 to 2016-17. Recent scams have proved that banks are vulnerable to many risks including misappropriation of funds, scams, frauds etc.*

**Keywords:** Banking sector, Banking System, Frauds.

## **1. Introduction**

RBI, the Controller of Bank in India, defines frauds as, “A deliberate act of omission or commission by any person, carried out in the course of a banking transaction or in the book of accounts maintained manually or under computer system in banks, resulting into wrongful gain to any person for a temporary period or otherwise, with or without any monetary loss to the bank”. A private investigation firm, Pinkerton, which has a vast experience of working with many public sector and private banks concluded that the most popular modus operandi for such frauds include making sure the involvement of some bank officials, forgery of papers, using same or wrong collateral for obtaining different loans, fake KYC documents floating new firms while hiding old ones, fictitious assets and beefing up of transactions to banking transactions etc.

Former RBI Chairperson, Prof Charan Singh, at the IIM-B, says: “So long as there is money, the greed to obtain it in whichever possible way cannot be abolished from the system. But the Government and the banks need to take utmost care and install a full proof system to minimize such frauds. There is a need of complete overhauling of the system that should include periodic transfers of all employees and also making top management and directors liable.

## 2. Objectives of the Study:

- To Study the Recent Banking Sector frauds in India.
- To Study the Number of Frauds, Staff involvement and cheque/debit card/credit card related fraud cases in banks for a period of 2014-15 to 2016-17.

**3. Data Collection:** Secondary data was used in the study.

## 4. Literature Review

A questionnaire-based survey in 2012-13 conducted by Bhasin and Madan among 345 bank employees to know their perception towards bank frauds and evaluate the factors that influence such frauds. They concluded that poor employment practices, lack of effective training, overburdened staff, weak internal control system and low compliance levels on the part of bank managers and other staff are responsible for such frauds.

Another study was performed by Khanna and Arora (n.d.), to investigate the reasons of banks frauds and implementation of preventive security controls in Indian banking industry. The results of their study indicate that lack of training, overburdened staff, competition, low compliance reasons for banks frauds.

Singh et al. (n.d.) points out that big fraud are not so easy to commit without the involvement of bank officials with borrowers, their chartered accountants or advocates. The recent massive scam of Punjab National Bank has also shown the active involvement of employees of the bank in multiple frauds.

All the above studies clearly indicate that frauds are becoming very common in the banking industry and the warning bell is ringing loud and clear that a really good and technically strong system is required to prevent such frauds. RBI and top management of the banks are required to keep a vigilant eye on the whole banking system as well as employees

## 5. Data Analysis and Interpretation

**Table No.1: India- Non-performing loans as percent of all bank loans**

Year	%
2008	2.45
2011	2.67
2012	3.37

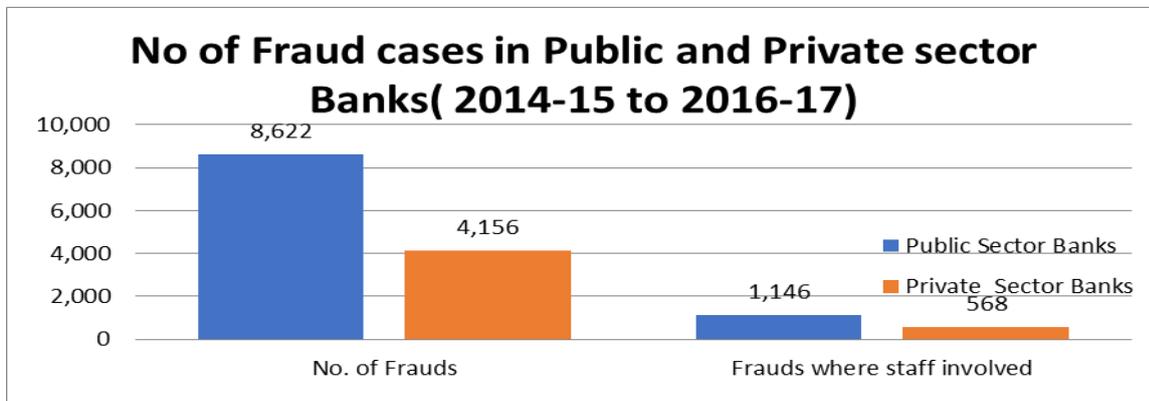
2013	4.03
2014	4.35
2015	5.88
2016	9.19

Source: World Bank (International Monetary Fund, Global Financial Stability Report.)

The above table depicts data for India from 2008 to 2016. The average value for India during that period was 4.56 percent with a *minimum of 2.45 percent in 2008* and a *maximum of 9.19 percent in 2016*. See the [global rankings](#) for that indicator or use the [country comparator](#) to compare trends over time. The percent non-performing loans in India reflect the health of the banking system. A higher percent of such loans shows that banks have difficulty collecting interest and principal on their credits. That may lead to fewer profits for the banks in India and, possibly, bank closures.

**Table No. 2: No of fraud cases (Private sector banks and public sector banks)**

	No. of Frauds	Frauds where staff involved
Public Sector Banks	8,622	1,146
Private Sector Banks	4,156	568



**Figure No. 1: No of Fraud cases (Private sector Banks and Public Sector Banks)**

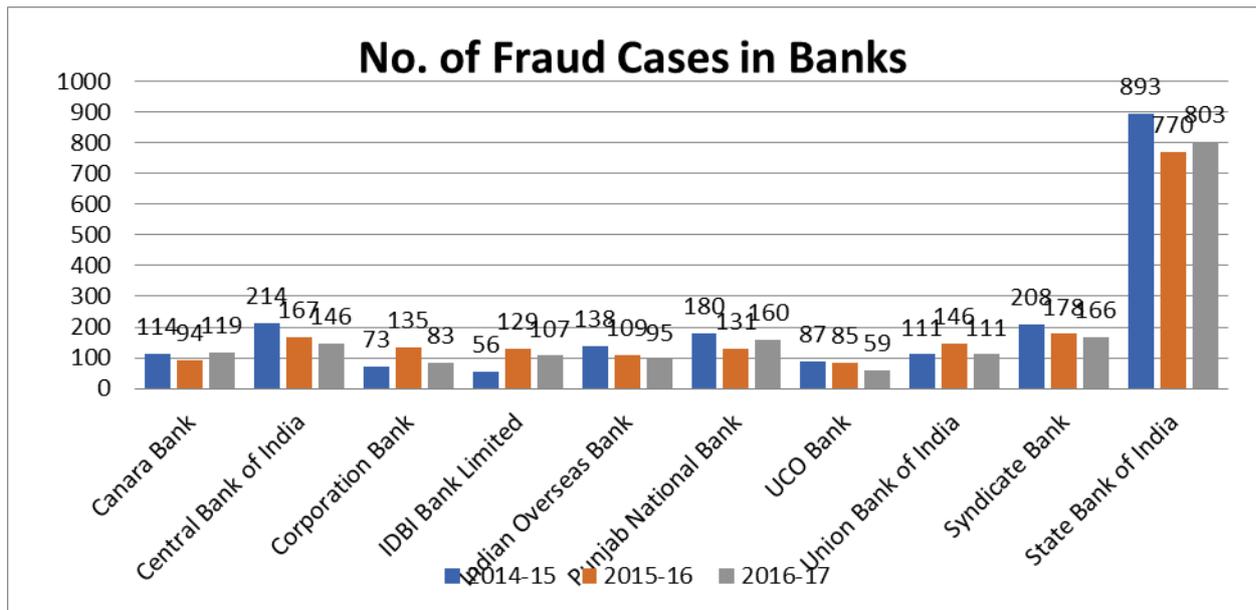
Source: 17,504 Cases of Bank Fraud Reported Between 2013-2017: RBI Data

As per the data by the government in the Lok Sabha, a total of 12,778 cases of fraud were reported in all scheduled commercial banks in the 3 years between 2014-15 and 2016-17. The public Sector banks reported 8622 cases while the private sector banks reported 4156 cases. The involvement of staff was reported in more than 13% of the fraud cases.

**Table No.3: No. of fraud cases in banks (2014-15 to 2016-17)**

Bank Name	No. of Fraud cases in Banks( 2014-15 to 2016-17)		
	2014-15	2015-16	2016-17
Allahabad Bank	47	23	60
Andhra Bank	52	44	64
Bank of Baroda	303	255	224
Bank of India	131	156	162
Bank of Maharashtra	50	45	75
Canara Bank	114	94	119
Central Bank of India	214	167	146
Corporation Bank	73	135	83
Dena Bank	41	21	43
IDBI Bank Limited	56	129	107
Indian Bank	95	87	79
Indian Overseas Bank	138	109	95
Oriental Bank of Commerce	127	114	56
Punjab & Sind Bank	30	12	16
Punjab National Bank	180	131	160
UCO Bank	87	85	59
Union Bank of India	111	146	111
United Bank of India	128	67	30
Syndicate Bank	208	178	166
State Bank of India	893	770	803
Vijaya Bank	35	21	58

Source: government of India ministry of finance department of financial services Lok Sabha  
...PDF164.100.47.190 › annex



**Figure no.2. No. of Fraud cases in Banks**

Source: 17,504 Cases of Bank Frauds Reported Between 2013-2017: RBI Data - The Quint

Most of the fraud cases during the period between 2014-15 and 2016-17 were reported in the State Bank of India. Four Public Sector banks reported more than 500 cases and 15 banks reported more than 200 fraud cases each. Punjab & Sind Bank reported less than 100 fraud cases.

**Table No.4:** Employees Involvement in cases of Frauds and corrupt practices

Name of the Bank	2015 (Jan-Dec)	2016 (Jan-Dec)	2017 (Jan-Mar)
State Bank of India	888	547	103
State Bank of Hyderabad	67	78	48
State Bank of Mysore	36	17	4
State Bank of Patiala	26	38	4
State Bank of Travancore	98	129	45
State Bank of Bikaner	11	12	5
Bank of Baroda	21	39	9
Allahabad Bank	121	76	7
Bank of India	19	20	0
Bank of Maharashtra	0	33	9
Canara Bank	28	39	4
Dena Bank	85	39	9

Indian Bank	15	34	7
Indian Overseas Bank	245	160	44
Central Bank of India	248	130	28
Union Bank of India	125	72	17
Punjab National Bank	115	58	11
United Bank of India	73	42	26
UCO Bank	78	53	7
Syndicate Bank	92	105	0
Andhra Bank	119	84	16
Corporation Bank	10	28	9
Oriental Bank of Commerce	77	74	27
Punjab & Sind Bank	43	27	3
Vijaya Bank	10	4	0
BharatiyaMahila Bank	0	0	0
IDBI Bank	98	56	16

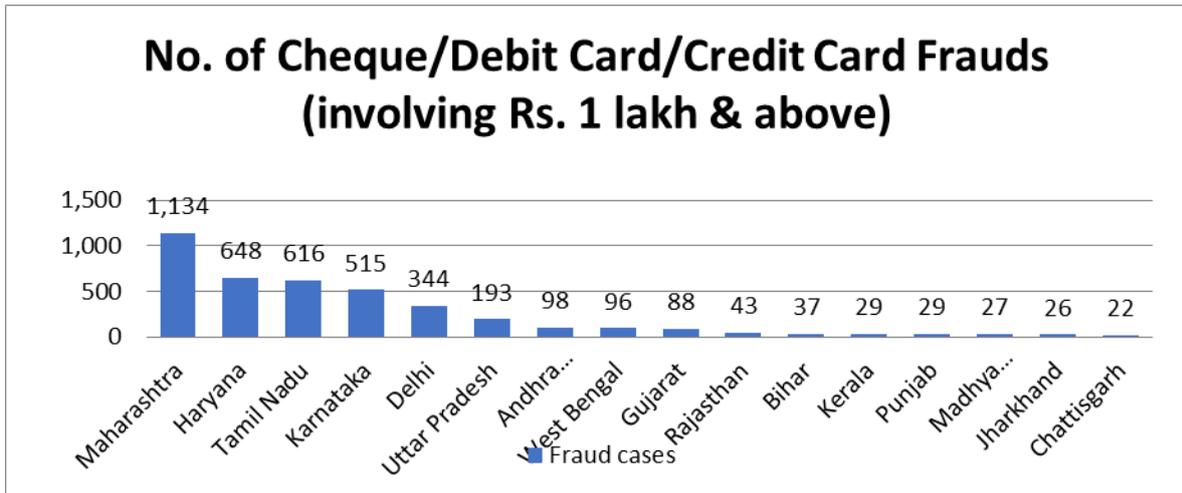
Source: Government of India, Ministry of Finance, Department of Financial Services, Lok Sabha { [financialservices.gov.in](http://financialservices.gov.in)(2014)}

**Table No.5:** Number of Cheque/ Debit Card/ Credit Card Frauds (involving Rs. 1 lakh & above from (2014-15 to 2016-17)

State	Fraud cases	Total Amount in Rs lakh
Maharashtra	1,134	6,021
Haryana	648	3,285
Tamil Nadu	616	1,709
Karnataka	515	2,117
Delhi	344	1,796
Uttar Pradesh	193	875
Andhra Pradesh	98	433
West Bengal	96	374
Gujarat	88	634
Rajasthan	43	525
Bihar	37	438
Kerala	29	109

Punjab	29	228
Madhya Pradesh	27	211
Jharkhand	26	165
Chattisgarh	22	167

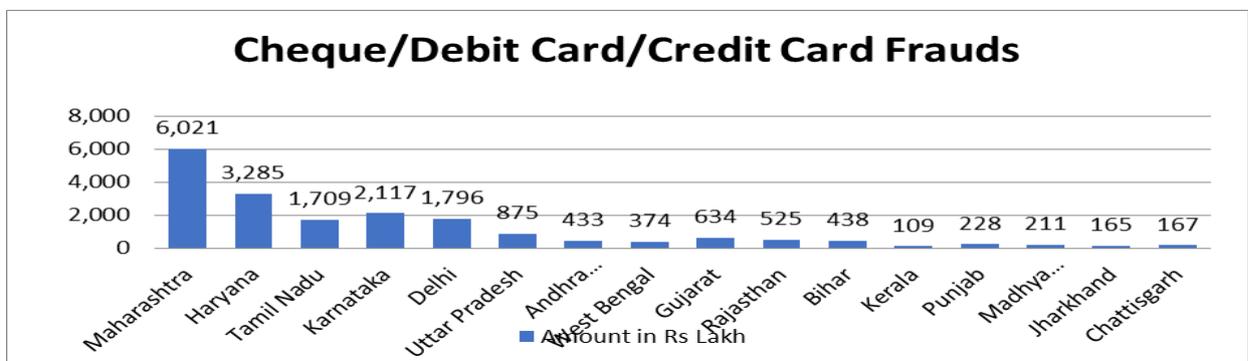
Source: Government of India, Ministry of Finance, Department of Financial Services, Lok Sabha financialservices.gov.in(2014)



**Figure no.3:** Number of Cheque/ Debit Card/ Credit Card Frauds (involving Rs. 1 lakh & above from (2014-15 to 2016-17)

**Source:** factly.in (More than 12000 cases of Bank Fraud detected in the last 3 years)

Table No.3 depicts that more than 4000 cases of Cheque/Debit Card/Credit Card related fraud cases, each involving an amount of Rs one lakh and above have been reported by the banks between 2014-15 and 2016-17. Report also shows that Maharashtra has 1134 cases of Cheque/ Debit Card/ Credit Card Frauds (involving Rs. 1 lakh & above. Karnataka, Haryana & Tamil Nadu have more than 500 cases of such frauds.



**Figure no.4:** Cheque/ Debit Card/ Credit Card Frauds (involving Rs. 1 lakh & above from (2014-15 to 2016-17) Amount in Rs Lakh

**Source:** [livemint.com](http://livemint.com) (Over 25,800 online banking fraud cases reported in 2017: Govt)

## **7. Recent Banking sector Frauds in India**

In 2011, Central Bureau of Investigation revealed that executives of banks such as OBC, IDBI and Bank of Maharashtra created almost 10,000 fictitious accounts and loans worth Rs 1500 Crores were transferred.

In 2014, Mumbai Police filed 9 FIRs against many public sector related to fraud to the tune of Rs 700 Crores. Also Electrotherm India, defaulted Rs 436 crores to the Central Bank. Bipin Vohra, a Kolkata based industrialist also defrauded the Central Bank of India by receiving a loan of Rs 1400 Crores using forged documents. Another scam that took place in 2014 was that of Vijay Mallya who was declared a wilful defaulter by Union Bank of India following which other banks such SBI and PNB followed suit.

In 2015, another fraud that took place in Central Bank of India which suffered a loss amounting to Rs 200 Crores which involved the employees of Jain Infra projects. In the same year employees of various banks defrauded the system to the tune of Rs 60 billion in a foreign exchange scam involving Hongkong Corporation.

In 2016, Syndicate Bank fraud was one of the biggest banking frauds, where almost 380 accounts were opened by four people, who defrauded the bank of Rs 10 billion using fake cheques, LoUs and LIC policies.

In 2017, Mallya's scam, which involved defunct Kingfisher Airlines has become one the most notorious frauds in banking sector. The total amount has risen to Rs 9.5 billion or Rs 9,500 Crores to IDBI and other bank branches. Because of this, Vijay Mallya fled the country in 2016 and presently residing in UK. CBI and other Government agencies are seeking Mallya's extradition at the country's Westminster Court. Another case that raised eye brows during the same period years involved Deccan Chronicle Holdings for causing a loss of Rs 11.61 billion; CBI registered FIR against five PSBs and six charge sheets were filed against the company. Another case that raised eye brows during the same period years involved Deccan Chronicle Holdings for causing a loss of Rs 11.61 billion.

Nilesh Parekh, a promoter of Shree Ganesh Jewelry House, a Kolkata business tycoon was arrested by CBI in 2017 at Mumbai Airport for causing a loss of Rs 22.23 billion to at least 20 banks. He defrauded banks by diverting loan money via shell companies in Hong Kong,

Singapore, and the UAE. In this case, CBI filed a case against the Director of Logistic Company based in Surat and Bank of Maharashtra's former zonal head. Winsome Diamonds, India's second largest corporate defaulter - came under the CBI scanner in the same year.

In 2018, the fresh bank fraud to the tune of Rs 11,450 crore involving diamond merchant Nirav Modi. It has come to light that the company, in connivance with employees of PNB, some of them are now retired, got at least 150 Letter of Undertakings (LoUs), allowing Nirav Modi Group to defraud the bank and many other banks who gave loans to him. An Indian Express report says that in addition to the Rs 11,450 crore, Modi also defrauded 17 other banks of Rs 3,000 crore.

## **6. Conclusion:**

Since the time money came into existence banking systems have been with us. Banks are treated as guards of crores but owner of none. They are simply the custodians of people's money. It is the trust of the people in the banking system that induce them to deposit their hard earned money with the banks because a normal belief is that bank provides a safe place for money and valuables. It is really painful to see the involvement of those people in such scams which were given the responsibility to safeguard the public money. It is more painful to see that big business tycoons who are having net worth of billions and trillions are instrumental in these frauds. A country where a small farmer or a trader cannot get even a small rebate on the interest; the big shots like Vijay Mallya and Nirav Modi fled the country putting the country to a huge loss and even our Government machinery could hardly do anything. Borrower as well as bank employees need to belief that the purest form of money is hard earned money and the authority should make strict laws including huge punishment to willful defaulters. No one in the country should be allowed to run away with public money.

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# Consumer Perception for Environment Friendly Packaging Products: An Empirical Investigation

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## ***Abstract***

***Purpose-*** Objective was to examine the influence of environment-friendly packaging used in products on purchasing decision of consumers.

***Research Methodology-*** Respondents were selected by using convenience sampling method. 100 respondents from Panipat area were interviewed. A structured questionnaire to know the consumers' purchasing behavior for environment-friendly packaged products was designed. Statistical tools like frequency distribution, mean and percentage were used to analyze data.

***Findings:*** From the results it is apparent that majority of the respondents have indicated favorable intentions for environment-friendly packaging when it comes to purchasing products. Respondents have indicated that they are ready to buy environment-friendly packaged products at some higher prices. Availability of environment-friendly packaged products is another issue which force consumers to buy products in conventional packaging.

***Implications-*** Majority of the respondents had strong purchasing intention for environment-friendly packaged products. Effect of environment-logical packaging on purchasing decision depicts that, consumers' perceive a significant influence of nature of packaging used on their buying decisions. So manufacturers and retailers should be motivated for wide spread usage of environment-friendly packaging in their products for conservation of environment.

***Keywords:*** Consumer behavior, environment-friendly, purchasing behavior

## **1. Introduction**

As people are becoming cautious and aware about the human activities consequences on the climate, it has been become evident for the organizations to adopt innovative techniques of doing business, which can help to conserve the consistently deteriorating environment. Due to this increased awareness consumers are looking for the companies adopting environment friendly technologies. Various government agencies, non-government organizations and local environmentalists are increasing awareness of society actions impact on environment, that's why environment conservation has become an important global phenomenon (Brown, 2008).

This resulting rise and awareness among consumers for environment conservation and protection (Montoro et al., 2006) is encouraging companies to accept that they are the active members of the global society and responsible for their activities causing environmental degradation, which in turn inspiring current managers to adopt corporate environmentalism (Banerjee et al., 1995).

The resulting rise in environmentalism among consumers (Montoro et al., 2006) is driving mankind, businesses and organizations to realize that they are members of the wider community and need to pay attention for negative consequences of industry activities on environment (Banerjee et al., 1995). While, concerns of consumers' towards environmentalism have moved into mainstream marketing, from a marketing perspective it would be relevant to investigate how consumers make choices about green products (D'Souza et al., 2006).

According to Social marketing literature, green consumer behaviour is seen as a form of ethically oriented consumer behaviour that is motivated not only for satisfaction of consumers' own personal needs, but also for their concern towards the welfare of society in general (Diamantopoulos et al., 2003). Ramanaiah and Sharpe (1997) found that psychographic variables utilized in the definition of the ecological consumer profile obtained very significant relationships among these variables. The pervasive environmental problems in India are creating air pollution, water pollution in the majority of rivers, water shortage throughout the country and ocean pollution; majority of them are due to non-biodegradable solid and toxic waste generated by human beings. Uncollected wastes cause blockages which result in flooding and insanitary condition. Environmental marketing can be referred as various marketing activities concerned with scanning of green marketing environment, identifying eco-friendly sensitive customers and studying needs and motivation towards the designing, pricing, promoting and distributing products that have minimum damaging impact on the environment.

## **2. Literature Review**

As it widely known that consumers have become more concerned about the environment and this issues has find a significant place in the marketing practices of the corporate, it has become essential to ascertain how consumers form their choices for products and their relative effects on the environment. Consumers receive primary information about any products either through media advertisement or the information provided by the manufacturer on product labels (Wessells et al., 1999).

Recent reports indicates that consumers strongly support actions of society and organization for environmental conservation, there is still a lot of uncertainty regarding what the consumers are ready to do and ready to pay the price to improve the environment. Marketers have found that consumers despite their inclination for environmental friendly practices, are extremely price sensitive when it comes to buy eco-friendly packaged products (Mandese, 1991).

Previous studies (Amyx et al., 1994; Kinnear et al., 1974) showed evident correlation between favorable attitudes towards environmental friendly products and positive purchase decisions or intentions. As well as, negative attitudes will discourage consumers, which results in a non-purchase decision or intention (McCarty and Shrum, 1994). For the study of consumers' attitudes toward environmental friendly products, the two terms like "importance" and "inconvenience" are most extensively examined and are included in the green marketing literature (Amyx et al., 1994; Kinnear et al., 1974).

Perceived importance with respect to the environment as "the degree to which one expresses concern about ecological issues" is defined by Amyx et al. (1994). For example, if a person feels that recycling is important for the long-term benefit of the society, but at the same time he or she may also feel that it is personally inconvenient. According to the previous studies (Kinnear et al., 1974; McCarty and Shrum, 1994), the negative perceptions of consumers contribution to respond towards the environmental concerns seems largely the main reason for consumers' failure to protect the environment. By the implication of the concept of low self-efficacy and the notion of perceived consumer effectiveness of the degree consumer feels that he or she can make some efforts in improving the quality of the environment (Antil, 1978; Berger and Corbin, 1992; Ellen et al., 1991). Therefore, it is likely to assume that willingness of an individual to purchase eco-friendly products is influenced because of his or her attitude towards the severity of ecological problems.

According to Laroche et al. (1996), the environmental knowledge of the individual plays a multifaceted role in influencing his or her behavior and with the subject of this knowledge action strategies could be taken and attitudes and intentions could be shaped through the belief system. In addition, this allows us to consider the practical aspects of the knowledge variable which provides outlines of the important leverage points whereby marketers and agencies can influence pro-environmental behavior.

Most consumers would like to make rational choices in the situations which are concerned about the purchase of eco-friendly products, that's why they want enough information and to

become knowledgeable about environmental problems and issues so that they would be able to form an opinionative or attitudinal view in order to choose or purchase according to their intentions. As Laroche et al. (2001) pointed out, that to educated consumer is seen as an appropriate method for increasing perceived convenience and establishing credibility in terms of being environmental friendly. It has been found to be correlated with some attitudes & behavior towards the environment and eco-friendly packaged products (Laroche et al., 1996).

**Objective:**

1. To study environmentally conscious consumers purchasing behavior regarding eco-friendly packaged products.
2. To provide suggestions to marketers for promoting usage of eco-friendly packaged products among consumers.

**3. Research Methodology**

**Sampling and Data Collection**

The present study is based on empirical analysis of influence of eco-friendly packaging of products on consumers’ purchasing behavior. A total of 125 questionnaires were distributed in Panipat area. 100 questionnaire were found fit for the data analysis, which leads to final sample size of 100.

**Questionnaire formulation**

A pool of 43 simple understandable statements relating to examine consumers’ perception for eco-friendly packaged products were constructed, out of which 14 statements has been taken for the current study.

**Table1: Statements utilized in the current study are as follows**

<b>Statements</b>
I would purchase a product in a biodegradable/recyclable package rather than purchasing a similar product in a non-biodegradable/non-recyclable package.
I would be willing to purchase some products (now being purchased in smaller sizes) in larger packages with less frequency if it leads to environmental conservation.
I would purchase a product with an untraditional package design (for example, round where most are square) if it meant creating less solid waste.
Before buying, I make sure that packaging of product I buy is labeled as eco-friendly or made from recyclable or organic material.
I hesitate to change my well tried brand/shop just because packaging used by other brands/shops is eco-friendly in nature.
Whenever possible, I purchase beverages, milk and oil in reusable bottles/containers.
Non availability of eco-friendly or recyclable packaging of products in retail stores forces me to purchase products in plastic packages.
Before buying, I observe the nature of packaging and I don’t mind rejecting the product

even if the product is lavishly packed.
If the product is eco-friendly labeled, this information changes my choice of purchase for that product.
I strictly take tea/coffee/beverages in glass /paper cups in public places.
I do not buy products which have excessive packaging.
Prices of eco-friendly packaged products are supposed to be higher?

1. How much extra price are you willing to pay for eco-friendly packaged products?
2. Who should share the remaining extra cost of eco-friendly packaging?

**Table 2: Demographic Profile of the Respondents:**

Demographics		Frequency	Proportion of the sample (%)
Gender	Male	60	60.0
	Female	40	40.0
	Total	100	100.0
Age	Up to 25 YEARS	50	50.0
	26-30 YEARS	16	16.0
	31-35 YEARS	16	16.0
	Above 35 YEARS	18	18.0
	Total	50	50.0
Education	UP TO 12TH	32	32.0
	GRADUATION	28	28.0
	P.G.	40	40.0
	Total	100	100.0
Income per month	UP TO 20,000	12	12.0
	20,000-30,000	6	6.0
	30,000-40,000	14	14.0
	40,000-50,000	18	18.0
	50,000-60,000	18	18.0
	ABOVE 60,000	32	32.0
	Total	100	100.0
Occupation	GOVT. EMPLOYEE	18	18.0
	PRIVATE EMPLOYEE	30	30.0
	BUSINESS	12	12.0
	ANY OTHER	40	40.0
	Total	100	100.0

(Source: Primary data)

Demographic profile of respondents was analyzed using frequency distribution. Total sample size is 100. Table 1 shows the demographic profile of the respondents.

### Statistical Techniques

Statistical tools like frequency distribution, mean and percentage were used to analyze data with the help of SPSS V. 20.

**Table 1: I would purchase a product in a biodegradable/recyclable package rather than purchasing a similar product in a non-biodegradable/non-recyclable package.**

	Frequency	Percent
SD	6	6.0
D	6	6.0
N	20	20.0
A	44	44.0
SA	24	24.0
Total	100	100.0

Source: Primary Data

Table 1 depicts that majority of the respondents (64 percent) are ready to purchase a product in a biodegradable/recyclable package rather than purchasing a similar product in a non-biodegradable/non-recyclable package, whereas very few number of respondents (12 percent) indicated that they are not ready to purchase a product in a biodegradable/recyclable package rather than purchasing a similar product in a non-biodegradable/non-recyclable package. Remaining one fifth of the respondents (20 percent) has indicated neutral response when it comes to purchase a product in a biodegradable/recyclable package rather than purchasing a similar product in a non-biodegradable/non-recyclable package.

**Table 2: I would be willing to purchase some products (now being purchased in smaller sizes) in larger packages with less frequency if it leads to environmental conservation.**

	Frequency	Percent
SD	4	4.0
D	26	26.0
N	28	28.0
A	32	32.0
SA	10	10.0
Total	100	100.0

Source: Primary Data

Table 2 depicts that majority of the respondents (42 percent) are ready to purchase some products (now being purchased in smaller sizes) in larger packages with less frequency if it leads to environmental conservation ,whereas very few number of respondents (30 percent) indicated that they are not ready to purchase some products (now being purchased in smaller sizes) in larger packages with less frequency if it leads to environmental conservation and Remaining of the respondents (28percent) found to be neutral to purchase some products (now being purchased in smaller sizes) in larger packages with less frequency if it leads to environmental conservation .

**Table 3: I would purchase a product with an untraditional package design (for example, round where most are square) if it meant creating less solid waste.**

	Frequency	Percent
SD	2	2.0
D	12	12.0
N	28	28.0
A	46	46.0
SA	12	12.0
Total	100	100.0

Source: Primary Data

Table 3 depicts that majority of the respondents (58 percent) are ready to purchase a product with an untraditional package design (for example, round where most are square) if it meant creating less solid waste and very few number of respondents (14 percent) indicated that they are not ready to purchase a product with an untraditional package design (for example, round where most are square) if it meant creating less solid waste. Remaining respondents (28 percent) have indicated neutral response when it comes to purchase a product with an untraditional package design (for example, round where most are square) if it meant creating less solid waste.

**Table 4: Before buying, I make sure that packaging of product I buy is labeled as eco-friendly or made from recyclable or organic material.**

	Frequency	Percent
SD	4	4.0
D	16	16.0
N	30	30.0
A	30	30.0
SA	20	20.0
Total	100	100.0

Source: Primary Data

Table 4 depicts that majority of the respondents (50 percent) make sure that packaging of product they buy is labeled as eco-friendly or made from recyclable or organic material.

Whereas very few number of respondents (20 percent) make sure that packaging of product they buy is labeled as eco-friendly or made from recyclable or organic material. Remaining (30 percent) respondents have indicated neutral response when it comes to make sure that packaging of product they buy is labeled as eco-friendly or made from recyclable or organic material.

**Table 5: I hesitate to change my well tried brand/shop just because packaging used by other brands/shops is eco-friendly in nature**

	Frequency	Percent
SD	4	4.0
D	32	32.0
N	32	32.0
A	20	20.0
SA	12	12.0
Total	100	100.0

Source: Primary Data

Table 5 depicts that majority of the respondents (32percent) are hesitate to change their brand/shop just because packaging used by other brands/shops is eco-friendly in nature. Whereas some of the respondents (32 percent) are not hesitating to change their brand/shop just because packaging used by other brands/shops is eco-friendly in nature. Remaining (32 percent) respondents have indicated neutral response when it comes to change their brand shop just because packaging used by other brands/shops is eco-friendly in nature.

**Table 6: Whenever possible, I purchase beverages, milk and oil in reusable bottles/containers.**

	Frequency	Percent
SD	0	0
D	8	8.0
N	22	22.0
A	48	48.0
SA	22	22.0
Total	100	100.0

Source: Primary Data

Table 6 depicts that majority of the respondents (70 percent) purchase beverages, milk and oil in reusable bottles/containers .whereas very few numbers of respondents (8 percent) indicated that whenever possible, they do not purchase beverages, milk and oil in reusable bottles/containers. Remaining of (22 percent) of the respondents have indicated neutral response about the purchase of beverages, milk and oil in reusable bottles/containers.

**Table 7: Non availability of eco-friendly or recyclable packaging of products in retail stores forces me to purchase products in plastic packages.**

	Frequency	Percent
SD	8	8.0
D	16	16.0
N	18	18.0
A	50	50.0
SA	8	8.0

Total	100	100.0
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Source: Primary Data

Table 7 depicts that majority of the respondents (58 percent) are forced to purchase products in plastic packages because of non-availability of eco-friendly or recyclable packaging of products in retail stores. Whereas very few numbers of respondents (24 percent) have indicated that they are not forced to purchase products in plastic packages because of non-availability of eco-friendly or recyclable packaging of products in retail stores. Remaining (18 percent) respondents have indicated neutral response when it comes to purchase products in plastic packages because of non-availability of eco-friendly or recyclable packaging of products in retail stores.

**Table 8 Before buying, I observe the nature of packaging and I don't mind rejecting the product even if the product is lavishly packed.**

	Frequency	Percent
SD	8	8.0
D	10	10.0
N	40	40.0
A	30	30.0
SA	12	12.0
Total	100	100.0

Source: Primary Data

Table 8 depicts that majority of the respondents (42 percent) observe that the nature of packaging and don't mind rejecting the product even if the product is lavishly packed. Whereas very few number of respondents (18 percent) indicated that they do not observe that the nature of packaging and don't mind rejecting the product even if the product is lavishly packed. Remaining (40percent) respondents indicated neutral response when it comes to observe the nature of packaging and they don't mind rejecting the product even if the product is lavishly packed.

**Table 9: If the product is eco-friendly labeled, this information changes my choice of purchase for that product.**

	Frequency	Percent
SD	6	6.0
D	12	12.0
N	16	16.0
A	54	54.0
SA	12	12.0
Total	100	100.0

Source: Primary Data

Table 9 depicts that majority of the respondents (66 percent) changes their choice of purchase for that product if the product is eco-friendly labeled. Whereas very few numbers of respondents (18 percent) indicated that if the product is eco-friendly labeled, this information changes their choice of purchase for that product. Remaining (16 percent) have indicated neutral response when the product is eco-friendly labeled; this information changes their choice of purchase for that product.

**Table 10: I strictly take tea/coffee/beverages in glass /paper cups in public places.**

	Frequency	Percent
SD	4	4.0
D	10	10.0
N	22	22.0
A	52	52.0
SA	12	12.0
Total	100	100.0

Source: Primary Data

Table 10 depicts majority of the respondents (64 percent) strictly take tea/coffee/beverages in glass /paper cups in public places. Whereas very few number of respondents (14 percent) not take tea/coffee/beverages in glass /paper cups in public places. Remaining (22 percent) respondents have indicated neutral response when it comes to take tea/coffee/beverages in glass /paper cups in public places.

**Table 11: I do not buy products which have excessive packaging.**

	Frequency	Percent
SD	2	2.0
D	10	10.0
N	54	54.0
A	28	28.0
SA	6	6.0
Total	100	100.0

Source: Primary Data

Table 11 depicts that majority of respondents (34 percent) do not buy products which have excessive packaging. Whereas, very few of respondents (12 percent) buy products which have excessive packaging. Remaining (54 percent) respondents have indicated neutral response when it comes to not buying products which have excessive packaging.

**Table 12: Prices of eco-friendly packaged products are supposed to be higher?**

	Frequency	Percent
SD	8	8.0
D	16	16.0

N	14	14.0
A	36	36.0
SA	26	26.0
Total	100	100.0

Source: Primary Data

Table 12 depicts that majority of the respondents (62 percent) agree that Prices of eco-friendly packaged products are supposed to be higher. Whereas (24 percent) of the respondents which is very few do not agree that prices of eco-friendly packaged products are supposed to be higher. Remaining (14 percent) respondents have indicated neutral response when it comes about prices of eco-friendly packaged products are supposed to be higher

**Table 13: Are you willing to pay more for eco-friendly packaged products?**

	Frequency	Percent
YES	88	88.0
NO	12	12.0
Total	100	100.0

Source: Primary Data

Table 13 depicts that majority of the respondents (88 percent) are ready to pay more for eco-friendly packaged products. Whereas (12 percent) respondents are not ready to pay more for eco-friendly packaged products.

**Table 14: How much extra price are you willing to pay for eco-friendly packaged products?**

	Frequency	Percent
5-10 percent	60	60.0
10-15 percent	22	22.0
15-20 percent	16	16.0
20-25 percent	2	2.0
Total	100	100.0

Source: Primary Data

Table 14 depicts that majority (60 percent) of the respondents are ready to pay 5-10 percent extra amount of money for eco-friendly packaged products and one fifth (22 percent) of respondents are ready to pay 10-15 percent. Very few respondents (16 percent) have agreed to share the extra burden of eco-friendly packaging up to 20 percent.

#### **4. Summary of Findings and Discussion:**

Results indicate that majority of the consumers are ready to buy eco-friendly packaged products and prefer to purchase products if packaging of products is eco-friendly or made from recyclable or organic material. Consumers have indicated their willingness to buy

products in larger packets and in untraditional package design with less frequency if it leads to environmental conservation by producing lesser solid waste. Most of the consumers indicated that they would not hesitate to change their well-tried brands/products if other products/brands would offer quality at par having environment friendly packaging.

Majority of the consumers have indicated that whenever possible, they purchase beverages, milk and oil in reusable bottles/containers and only purchase products in plastic packages when eco-friendly or recyclable packaged products are not available in retail store. Most of the consumers have indicated that they would not hesitate to reject products having excessive packaging even if the product is lavishly packed and indicated that prices of eco-friendly or recyclable packaged products are generally supposed to be higher. When it comes to pay extra amount for eco-friendly or recyclable packaging majority of consumers are ready to pay more for these products and ready to share up to 15 percent proportion increase in cost of product.

## **5. Conclusion: Making a Difference**

The ecological crisis is due to the present marketing and consuming behavior which encouraged over consumption and life style of dependence on goods those results into environmental catastrophe. Individual action is a way to begin to make a difference. One way of understanding individual initiatives to reduce over consumption is by adopting refuse, reduce, reuse, repair and recycle. It is best to refuse plastic carry bags and instead use own cloth bag. Less demand for plastic bags would mean less production and finally less-non biodegradable waste. Reduce over consumption of goods and services as much as one can.

## **6. Managerial Implications**

The critical role of marketing will be its ability to identify and develop consumption choices for society that meets its current needs without sacrificing the ability to meet its future needs i.e. the marketing is not only to look for green products which do not damage the environment but also to develop such products and services that will improve the deteriorating condition of the environment. Therefore, a new approach of marketing ought to be evolved which should aim at serving the material wants of consumption through an ever increasing volume of goods without any attempt to use too much of resources on already overdrawn environmental resources.

Here are some suggestions for marketers for promoting usage of eco-friendly packaged products among consumers

- Making availability of environmentally friendly packages with many choices in the market must be considered. It is a potential business opportunity to business houses.
- New technology can be promoted to manufacture environmentally friendly packages such as bio-degradable plastics.

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# **A Study on Issues and Challenges of Implementation of Corporate Social Responsibility**

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## ***Abstract***

*Movement aimed at encouraging companies to be more aware of the impact of their business on the rest of society, including their own stakeholders and the environment. Corporate social responsibility (CSR) is a business approach that contributes to sustainable development by delivering economic, social and environmental benefits for all stakeholders*

*CSR is a concept with many definitions and practices. The way it is understood and implemented differs greatly for each company and country. Moreover, CSR is a very broad concept that addresses many and various topics such as human rights, corporate governance, health and safety, environmental effects, working conditions and contribution to economic development. The purpose of CSR is to drive change towards sustainability. Although some companies may achieve remarkable efforts with unique CSR initiatives, it is difficult to be on the forefront on all aspects of CSR. Considering this, the example below provides good practices on one aspect of CSR – environmental sustainability. The practical implementation of CSR is faced with a lot of issues and challenges. This paper attempts to discuss the issues and challenges for practical implementation of CSR and steps taken to overcome the issues.*

**Keywords:** *Corporate Social Responsibility, Sustainable development, Issues, Challenges*

## **1. Introduction**

Corporate Social Responsibility is a concept, which has become dominant in business reporting. Every corporation has a policy concerning CSR and produces a report annually detailing its activity. And of course each of us claims to be able to recognize corporate activity which is socially responsible and activity which is not socially responsible. There are two interesting points about this: firstly we do not necessarily agree with each other about what is socially responsible; and although we claim to recognize what it is or is not when we are asked to define it then we find this impossibly difficult. Thus the number of different definitions is huge and in this paper we will look at some of these.

Section 135 of the Companies Act provides the threshold limit for applicability of the CSR to a Company i.e. (a) net worth of the company to be Rs 500 crore or more; (b) turnover of the company to be Rs 1000 crore or more; (c) net profit of the company to be Rs 5 crore or more. Further as per the CSR Rules, the provisions of CSR are not only applicable to Indian companies, but also applicable to branch and project offices of a foreign company in India.

Every qualifying company requires spending of at least 2% of its average net profit for the immediately preceding 3 financial years on CSR activities. Further, the qualifying company will be required to constitute a committee (CSR Committee) of the Board of Directors (Board) consisting of 3 or more directors. The CSR Committee shall formulate and recommend to the board, a policy which shall indicate the activities to be undertaken (CSR Policy); recommend the amount of expenditure to be incurred on the activities referred and monitor the CSR Policy of the company. The board shall take into account the recommendations made by the CSR committee and approve the CSR Policy of the company.

## **2. Objectives of the Study:**

- To understand the concept of Corporate Social Responsibility
- To study the issues and challenges for implementation of CSR
- To discuss the steps need to be taken to overcome the issues of CSR

## **3. Applicability of CSR in India**

This definition of CSR assumes significance as it allows companies to engage in projects or programs relating to activities enlisted under the Schedule. Flexibility is also permitted to the companies by allowing them to choose their preferred CSR engagements that are in conformity with the CSR policy.

## **4. Activities under CSR**

The activities that can be done by the company to achieve its CSR obligations include eradicating extreme hunger and poverty, promotion of education, promoting gender equality and empowering women, reducing child mortality and improving maternal health, combating human immunodeficiency virus, acquired, immune deficiency syndrome, malaria and other diseases, ensuring environmental sustainability, employment enhancing vocational skills, social business projects, contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government or the State Governments for socio-economic development and relief and funds for the welfare of the Scheduled Castes, the Scheduled

Tribes, other backward classes, minorities and women and such other matters as may be prescribed.

## **5. Outlook of Companies Towards CSR**

Many companies think that corporate social responsibility is a peripheral issue for their business and customer satisfaction more important for them. They imagine that customer satisfaction is now only about price and service, but they fail to point out on important changes that are taking place worldwide that could blow the business out of the water. The change is named as social responsibility, which is an opportunity for the business. The practical implementation of CSR is faced with a lot of issues and challenges.

## **6. Issues and Challenges for implementation of CSR**

Firstly, in the past, governments have relied on legislation and regulation to deliver social and environmental objectives in the business sector. Shrinking government resources, coupled with a distrust of regulations, has led to the exploration of voluntary and non-regulatory initiatives instead. Secondly, there is a lack of consensus amongst local agencies regarding CSR projects. This lack of consensus often results in duplication of activities by corporate houses in areas of their intervention. This results in a competitive spirit between local implementing agencies rather than building collaborative approaches on issues. This factor limits company's abilities to undertake impact assessment of their initiatives from time to time. Thirdly, there is a lack of interest of the local community in participating and contributing to CSR activities of companies. This is largely attributable to the fact that there exists little or no knowledge about CSR within the local communities as no serious efforts have been made to spread awareness about CSR and instill confidence in the local communities about such initiatives. The situation is further aggravated by a lack of communication between the company and the community at the grassroots.

Fourthly, it is also reported that there is non-availability of well-organized nongovernmental organizations in remote and rural areas that can assess and identify real needs of the community and work along with companies to ensure successful implementation of CSR activities. This also builds the case for investing in local communities by way of building their capacities to undertake development projects at local levels. Fifthly, there are no clear cut statutory guidelines or policy directives to give a definitive direction to CSR initiatives of companies. It is found that the scale of CSR initiatives of companies should depend upon their business size and profile. In other words, the bigger the company, the bigger is its CSR

program. Sixthly, the role of media in highlighting good cases of successful CSR initiatives is welcomed as it spreads good stories and sensitizes the local population about various ongoing CSR initiatives of companies. This apparent influence of gaining visibility and branding exercise often leads many nongovernmental organizations to involve themselves in event-based programs; in the process, they often miss out on meaningful grassroots interventions.

Seventhly, there is evidence that the ethical conduct of companies exerts a growing influence on the purchasing decisions of customers. In a recent survey by Environics International, more than one in five consumers reported having either rewarded or punished companies based on their perceived social performance. Eighthly, investors are changing the way they assess companies' performance, and are making decisions based on criteria that include ethical concerns. The Social Investment Forum reports that in the US in 1999, there was more than \$2 trillion worth of assets invested in portfolios that used screens linked to the environment and social responsibility. A separate survey by Environics International revealed that more than a quarter of share-owning Americans took into account ethical considerations when buying and selling stocks. Ninthly, employees are increasingly looking beyond pay checks and benefits, and seeking out employers whose philosophies and operating practices match their own principles. In order to hire and retain skilled employees, companies are being forced to improve working conditions.

In order to crystal gaze the future of CSR in India and take time bound steps to mainstream it, the recommendations of the survey are firm indications of the existing state of affairs in the CSR domain; they correspondingly call for necessary and appropriate steps to be initiated to put CSR on firmer ground. Keeping in view the broad results of the survey, the following recommendations are listed for serious consideration by all concerned stakeholders for their effective operationalization to deepen CSR in the company's core business and to build collaborative relationships and effective networks with all involved.

## **7. Steps to overcome the issues and challenges of CSR**

In order to overcome the issues and challenges of CSR, certain steps need to be taken. Firstly, it is found that there is a need for creation of awareness about CSR amongst the general public to make CSR initiatives more effective. This awareness generation can be taken up by various stakeholders including the media to highlight the good work done by corporate houses in this area. This will bring about effective changes in the approach and attitude of the public towards CSR initiatives undertaken by corporate houses. This effort will also motivate

other corporate houses to join the league and play an effective role in addressing issues such as access to education, health care and livelihood opportunities for a large number of people in India through their innovative CSR practices. Thus, the social justice agenda of the day would be fulfilled more meaningfully. Secondly, it is noted that partnerships between all stakeholders including the private sector, employees, local communities, the Government and society in general are either not effective or not effectively operational at the grassroots level in the CSR domain. This scenario often creates barriers in implementing CSR initiatives. Appropriate steps should be undertaken to address the issue of building effective bridges amongst all important stakeholders for the successful implementation of CSR initiatives. As a result, a long term and sustainable perspective on CSR activities should be built into the existing and future strategies of all stakeholders involved in CSR initiatives.

Thirdly, companies involved in CSR implement projects in the areas of health, education, environment, livelihood, disaster management and women empowerment, to mention a few. In many such contexts, it's noticed that companies end up duplicating each other's efforts on similar projects in the same geographical locations. This creates problems and induces a competitive spirit amongst companies. Considering the diverse issues and different contexts that exist currently in the CSR domain, the companies involved in CSR activities urgently consider pooling their efforts into building a national alliance for corporate social responsibility. This alliance, representing various industry interests, should take up broad development agenda and provide high value services to the poor and the underprivileged. Over the years, the alliance would grow into a special purpose vehicle (SPV) and work closely with stakeholders to raise the level and quality of CSR interventions. Fourthly, corporate houses and non-governmental organizations should actively consider pooling their resources and building synergies to implement best CSR practices to scale up projects and innovate to reach out to more beneficiaries. This will increase the impact of their initiatives on the lives of the common people. After all, both corporate houses and non-governmental organizations stand to serve the people through their respective projects and initiatives. The scaling up and sustainability of CSR projects need to be safeguarded at all costs for their efficiency and efficacy.

Fifthly, many CSR initiatives and programs are taken up in urban areas and localities. As a result, the impact of such projects does not reach the needy and the poor in the rural areas. This does not mean that there are no poor and needy in urban India; they too equally suffer from want of basic facilities and services. While focusing on urban areas, the companies

should also actively consider their interventions in rural areas on education, health, girl child and child labor as this will directly benefit rural people. After all, more than 70 per cent people still reside in rural India. Sixthly, the Government should consider rewarding and recognizing corporate houses and their partner non-governmental organizations implementing projects that effectively cover the poor and the underprivileged.

Seventhly, CSR as a subject or discipline should be made compulsory at business schools and in colleges and universities to sensitize students about social and development issues and the role of CSR in helping corporate houses strike a judicious balance between their business and societal concerns. Such an approach will encourage and motivate young minds, prepare them face future development challenges and help them work towards finding more innovative solutions to the concerns of the needy and the poor. The involvement of professionals from the corporate sector, non-governmental organizations and business schools would be key in ensuring youth participation in civic issues. Eighthly, many corporate houses in the country that are directly involved in various CSR initiatives. These companies continue to decide their own projects depending on a number of parameters. These efforts are driven purely by the company's operational perspectives and ease of implementation of their CSR projects. As there are a number of companies involved in CSR activities, an accreditation mechanism should be put in place for companies through an independent agency for mainstreaming and institutionalizing CSR in the main business framework of the companies.

Ninthly, the role and efforts of the private sector in taking development agenda forward with focus on education, health, environment, livelihood, women empowerment, disaster management to mention a few have been visible and effective. Some innovative models are also available of private sector interventions in these areas. In order to push the development agenda in a mission mode, the realistic and operational models of engagement between all three important stakeholders – the Government, the non-governmental organizations and the private sector – are jointly explored and addressed.

## **8. Current Scenario of CSR in India**

India has gone further than any other country. In 2013, it enacted Section 135 of the Indian Companies Act prescribing a mandatory “CSR spend of 2% of average net profits ... during the three immediately preceding financial years” for all companies meeting specified financial thresholds. In other words, companies “having net worth of rupees five billion or more, or turnover of rupees ten billion or more or a net profit of rupees fifty million or more

during any financial year” have to ensure that they spend 2% of average net profits made during the three preceding years on CSR activities.

In order to assess the effectiveness of this unique experiment in mandating CSR spending and disclosure, we studied the reporting practices of the four largest banks by market capitalization in India compared with banks from Australia, China, and Japan where there is no such law. In order to do so, we assessed annual and CSR reports of our sample of companies from 2012, one year before the law was passed.

Indian banks did not have CSR reports before 2012. The CSR committees formed by the banks function in the spirit of the law within defined targets, monitoring CSR spend, and reporting reasons for shortfalls in spending.

Amid the Indian banks evaluated, only the State Bank of India (SBI) disclosed its CSR spend prior to the promulgation of the new Companies Act; all banks disclosed this spend from 2013.

Despite the new law mandating a CSR spend of 2% of pre-tax profit for corporations of this size, only ICICI Bank met the target in 2014. But it fell to 1.9% in 2016. Kotak Mahindra Bank reported a CSR spend of less than 0.69% of pre-tax profits in 2016.

In spite of not meeting the targeted CSR spend, none of the banks reported any fines or proceedings for breaching the law.

During this period (2012-2016), Australian banks had the highest disclosures, followed by Japan, China and India. There’s a marginal difference in Indian bank disclosures after the new law was passed in 2013. But these differences may well be due to the different cultures and other non-market factors at play.

## **9. Time for Reforms in CSR Policy of India**

Our analysis shows that the law in its current form is failing to promote CSR activity. Its poor design and lack of clear obligations, set in a milieu of poor law enforcement, is also not generating an ethical obligation to obey the law in spirit.

Our findings are of value to policy makers and suggest it’s time to reform laws – to socialize corporations and CEOs in terms of their legal obligations and the benefits of CSR activity, to design enforcement mechanisms and to generate ethical behavior.

India's legal provisions contain vague language and permit a high degree of self-interpretation that undermines legislative intent. For example, it allows banks to list "staff training in fire safety" as part of CSR even though this should be a strictly mandatory workplace safety activity.

## **10. Conclusion**

Indian banks' annual and CSR reports do not show a major shift in the nature of disclosures after 2013. The law is perhaps purely expressive as the provision stipulates minimal penalties for non-compliance and relies on a comply-or-explain philosophy. This exacerbates the lack of ethical obligation to obey laws in India where there's a level of high corruption, low levels of public confidence, weak institutions, low levels of development and education, among other such issues.

The provisions also appear to be formulated based on a traditional understanding that top management is solely responsible for ethical behavior and CSR activity, without making the connection between the company and its stakeholders. There is no explanation for how the CSR provision fits within the wider ambit of a corporation's role and purpose, the duties expected of its directors or the information it is expected to disclose.

Until such time that the law is made more precise and backed up by effective enforcement and penalties for non-compliance, it will not promote CSR or make companies engage more with stakeholders. Section 135 is merely a stealth tax and will impose unnecessary compliance burdens.

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# **Blogging: the Future of Marketing in Digital Era**

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## ***Abstract***

*Blogging is something related to a person's personal blog where he/she can share their views, ideas, thoughts and emotions. It is a place to express about yourself to the world. It is anything you would like to say but for us let's assume that a blog is your own website that you are going to update on an ongoing basis. In present paper, we have highlighted the types of blogs trending these days. Further, it has been discussed how blogging can prove to be an effective tool for marketing to professionals in this digitized era.*

**Keywords:** *Blogging, Digital Marketing, Internet, Websites.*

## **1. Introduction**

Here are a couple of Blogging Definitions according to Different Authors:

“The main journalistic model that really tackles instead of only adventures the genuine just nature of the web. It's another medium at last finding an extraordinary voice”.  
**(Andrew Sullivan, 2012)**

“Collection of posts- short, informal, sometimes controversial, and sometimes deeply personal- with the freshest information at the top”. **(Meg Hourihan, 2017)**

The person who maintains a blog is known as a blogger and the activity of keeping a blog is known as blogging (Minayev, 2017). People have a big misconception about that blog and website are same. However, the blog can be a website but Website can't be a blog.

## **2. Types of Blog**

The blogging is not only one specific type. There are around eight types of blogging that an individual or company are doing in the market to earn money online (Mijatovic, 2017). So, let's discuss the types of blogging an individual or a company can do:

### **a) Personal Blog**

*When the blogging begins.* The first type of blogging has appeared as the online diary blogging. These were individuals who needed to take their day by day diary online to share

their encounters, sentiments, and innermost thoughts with an audience. Now the question is what the person writes on the personal blog. The answer is everything, Some will focus on a particular interest, such as a hobby. Some will center on something they are enthusiastic about, similar to governmental issues. Some will center on a reason, similar to their battle with growth and there are some more (Mijatovic, 2017). In a survey conducted by a UK based firm, some successful bloggers were revealed and these are (Singh, 2015).

- i) Sliceoffme
- ii) Life etc.
- iii) Thoughts of a crooked mind
- iv) Life of Srish
- v) The purple notebook

#### **b) Business Blog**

Business blogger is those bloggers who work for a business. The ultimate aim of the business blogger is to gain more exposure, traffic, and ultimately customers for their business. Not at all like the individual blogger, is their composition less centered on themselves and more centered on their business and their industry. A business blogger will expound on the themes that will pull in their optimal clients (Mijatovic, 2017). Some of successful Business Blogs (Teachout, 2013) are:

- i) Mashable
- ii) Fast company
- iii) Forbes: Entrepreneur
- iv) Tech Crunch
- v) VentureBeat

#### **c) Professional Blog**

The professional blogger is that blogger who earns money by blogging. In other words, their carrier aim is to earn money through blogging efforts. Professional bloggers use many of monetization strategies to achieve this goal, including selling of display ads, selling of products, affiliate marketing, earning commission through the sale of someone else product or promoting someone product for a commission (Mijatovic, 2017). Some Professional bloggers (Porterfield, 2011) are:

- i) Wistia
- ii) Evernote
- iii) MOZ
- iv) REI
- v) First Round Review

**d) Reverse Blog**

The reverse blog is the new type of blog, in this blog instead of the owner creating content the content is supplied by the public. These blogs are also known as “Guest Host Blog”. Despite the fact, the Guest host blog contains content from the guest writers, the owner should also write a post of his or her own. In fact, every blogger should look for blogs in their field of interest, where he or she can become a guest blogger. This will improve his/her knowledge about their niche and as well as it will help them to gather the audience for their blog as well (Mijatovic, 2017). Some examples of reverse blogs are:

- i) Wikipedia
- ii) Shoutmeloud
- iii) Forbes
- iv) Techkingpro
- v) Minds

**e) Affiliate Blogs**

Affiliate blogs are those blogs who generate affiliate marketing commission. Instead of selling their own product they rate and write a review about the others products. The main goal of the affiliate blogger is to encourage the visitor to purchase that product using their blogger affiliate links, which allows earning commission specified by the Product distributor or owner (Mijatovic, 2017). Some affiliate blogs (Costill, 2015) are:

- i) Pat Flynn
- ii) John Chow
- iii) Shoe money
- iv) Matthew Woodward
- v) Luke Peer Fly

#### **f) Media Blogs**

Media blog can be of any type for example if you are a video blogger then you are a Vlogger, if you create links from other websites then you have a link log and much more are there. If you are posting sketches or pictures then you have art blog or photo blog. This type of blog is famous among youngsters. They are recording their playing games and then uploading on their sites for others games lovers or for the other members to learn something new (Mijatovic, 2017). Some media blogger (Jenkins, 2017) are:

- i) Peg Fitzpatrick
- ii) AgoraPulse
- iii) Buffer Social
- iv) Dustn.tv
- v) Mike Gingerich

#### **g) Freelancer Blogs**

Freelancer blogger is those who are paid for providing services, for example writing content for other business, making a website, optimization of their sites etc. If you are looking for getting pay for your content writing services then have experience in blogging and go for freelancing blogging. Freelancer bloggers writes on the topic that is given by the client or sometimes in exceptional cases they have to choose it by yourself, but the content should match the expectation of the client (Mijatovic, 2017). Some best freelancer blogs (Mcelwee, 2015):

- i) Freelancers Union
- ii) Millo
- iii) Fizzle
- iv) Paul Jarvis
- v) The Freelance Report

#### **h) Niche Blogs**

These kinds of blogger only contain specific interest instead of focusing on the broader topic, niche blogs are very specific. With niche blogging, you can easily focus more on the particular topics thus the marketing research made easy. It's easy to find out strength and weakness of that niche and write about the things you know best. You can easily convert your

niche blog passion into the small business, you just have the full knowledge of the niche that you are working (Mijatovic, 2017). Usually, niche blogs have all the information about the specific niche that is the blog all about, also with the affiliate links and advertisement of some sort. In some cases, the main motive of the niche blogger is to invite the reader into visiting another website which may then attempt to sell the reader product or services (Louie, 2015). There are many types of niche blogs:

- i) How to Make Money
- ii) Personal Finance
- iii) Health and Fitness
- iv) Food
- v) Beauty and fashion
- vi) Lifestyle
- vii) Personal development

These are some popular niche blogs that are in trending. So, if the person has any interest in any field, he/she can easily start blogging in that particular niche.

### **3. Blogging as a Marketing Profession**

The marketing is the process of reaching your audience i.e. target market through the use of blog (Duermyer, 2017). In today's world you are being marketed from everywhere you go you are being marketed in the form of one or another, you are not away from marketing even for one second. From morning to night you are covered with thousands of marketing messages every day. Marketing is something that affects you about something even if you are not necessarily conscious of it.

### **4. Pros of Blog Marketing**

**Inexpensive to start and run-** The blogging is approximately free of cost, in the initial stage you don't need huge investment or the specialized knowledge as there are many free platform available for blogging such as, Blogger, WIX and WordPress (Duermyer, 2017).

**Easy to use-** Most of the blogging platform offer drag and drop facility to their website builder which means you can create a professional website with just some clicks. You don't even need to hire a professional web developer you can do all by you (Duermyer, 2017).

**Effective way to have new and returning traffic-** you have plenty of ways to attract customers to return or view your site again and again or to grab new viewers by giving offers, tips and updated new content. Which give them a reason to return your site and giving them opportunity to buy the special offer (Duermyer, 2017).

**Improves search engine ranking-**The another plus point of blog marketing that is improvement in search engine ranking which will also help's in grabbing new customers for your business. However, Google is continuously looking to find the new and popular content in the web. So that everyone can reach it (Duermyer, 2017).

**Allows you to show off your expertise-**Now a days, people who are doing business never miss a chance to show off in front of their competitors. With the blog you can show that you are an expert, providing tips and other valuable information to their customers (Duermyer, 2017).

**Connect with your market-**While most of the business uses social media advertising to interact with their customers to gain more market share through maintain good public relation. This gives you an opportunity to build trust and rapport in the mind of current and as well as future customers (Duermyer, 2017).

## **5. Cons of Blog marketing**

As every good thing has some side effect or some negative point, blog marketing also comes with some cons.

**Time consuming-**Creating new content for your readers, updating the previous one and maintain the blog can take significant amount of time. As every problem has a solution this also has one, you can hire the freelancer and content writer can help (Duermyer, 2017).

**Need a constant stream of ideas-**As you know being innovative is the key to success. Along with the time, having something new in your blog is the biggest challenge many bloggers face. To overcome this problem you can enhance your skills and then only you are able to enhance your customers (Duermyer, 2017).

**It can take time to see results-**The blogging is the game of patience, if you have patience you have everything but if you lose patience then you lost everything. The internet is full of people so sometimes getting people your blog can take time (Duermyer, 2017).

**It needs to be marketed too-**You are using your blog to market your business but your blog also has to be marketed to grab the customer's attention which means you have to find and set your target market and entice them to your blog (Duermyer, 2017).

## **6. Monetizing Platforms for Bloggers**

If your blog gets 10,000 monthly visits then you can easily make some extra money with the plenty of monetizing platforms that are available for the bloggers such as Blog Mint, Google AdSense, Media.net, and Ad Server, there are plenty of them (Patel, 2017) . With these platforms you can easily make decent amount of Money. Here is the List below of best of them.

**Google AdSense-**As everyone has heard about Google AdSense once in a life and if not then most probably Google. So, in our list of best Monetizing platforms we have Google AdSense it comes with smooth and simpler interface, you can easily manage your ads with just one click, no coding required in Google AdSense. The network is based on the Pay-Per-Click, but the fact is the ads are tailored in such a way to your individual readers to look more effective. It is free and has no downtime complaint issue (Thomas, 2016).

**Flipkart Affiliates-**It is also the free platform that is available worldwide so, that everyone can earn money through Affiliates. Basically, it is something that when you sell any product from your affiliate link you will get the desired commission of that sale. You can also place widgets and banner on your blog to attract more customers (Thomas, 2016).

**CJ-**Another best affiliate network, commonly known as Commission Junction. This platform further divided into two sections i.e. whether you want to show your ads or products or you want to earn commission through sales of the products. CJ also has quick link building tools that you can use to generate affiliate links of the products in some seconds (Thomas, 2016).

**POP up Ads-**This is another great ad network for small publishers who don't have the decent traffic because their minimum traffic requirement is 0. They allow all types of blogging including the adult sites. It is also easy to use because of its auto withdrawal feature, once you have been reached to minimum pay-out option it will automatically withdraw the payment in your desired account (Siva, 2018)

**Blog Mint-**The platform which provides sponsored content for the website. In simple terms, the producer or the organization will pay the blog owner (you) to show their article on your blog. You can also sign up to blog mint with your G-mails which means if you are not having

any website or blog you can create an account and then sell the sponsored posts further to someone else blog, it is the easiest and convenient platform which blogger can use to monetize their blog.

## **7. Strategies to be implemented in Future**

After starting a blog or website you should definitely know what steps you should take or what strategies you should implement to make your blog or business beyond your thinking. You might share your content on social media sites like Facebook and Twitter but sometimes this method not much use as it seems to be. You should take some action to expand or grow your blog to reach new customers.

**Guest Blogging-**On our list, the first and foremost important point is guest blogging as blogging becomes a trend. You should look for the opportunities that are available in the market such as someone is looking for the content writer or Guest blogger. So, you can write content for them and make a relationship with other bloggers in your field this will also help in increasing sales and reaching new customers (Jervis, 2016).

**Make a blog marketing plan-** The blog marketing plan is necessary just as the blog. A proper blog marketing plan should be made like which audience you are going to target, what your blog is all about such as tips and tricks, news, products or something else, moving further you should also set the days like on which day you will update content and on which day you will share the content (Duermyer, 2017).

**Fill your blog ASAP-** Your readers are your customers so, whenever you are presenting yourself in front of your readers you should come up with the huge content or in case of product, you should have different variations of that product that you are selling. The reader shouldn't think that this blog doesn't have anything instead of 2-3 articles, your blog should be filled with content as soon as possible (Duermyer, 2017).

**Reply to comments-** Don't forget to reply the comments thinking of that they are useless something the comment is the most useful way to grab the audience because you get directly contacted by the customers. Also delete the spam comment that is having negative effects on your blog (Duermyer, 2017).

**Use your blog to encourage email signups-**The great way of holding your audience through email subscription. People who love reading your blog should be updated with your new

content, to do this offer them an email subscription. So that whenever you publish new content it will reach to your audience (Duermyer, 2017).

**Social Media-** The social media doesn't mean sharing content on Facebook groups. It simply means that finding your target audience and grab them through social media marketing, don't ever settle for only Facebook you have more 60+ social bookmarking sites where you can grab your target audience.

## **8. Conclusion: Does your Blog have a Strategy?**

“I have seen many bloggers who are struggling to make their blog as Brand Name but they fail to do that because they don't have the proper blog strategy that they can apply on the blog. It's painful to hear that even working for months and year people didn't see any result this happen all because of Strategy. If you are planning to start a new blog or already running one make sure that you have proper strategy management for your Blog” (Ramsay, 2017). A successful blog can place your business at the top but only when it is done correctly with proper strategy. You have to do research, device a plan and the most important to keep it updated (Hammiss, 2015).

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# Bit Coin and Its Acceptance: Findings from Empirical Survey

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## ***Abstract***

*In an era of technological advancement when the entire world talking about the internet of things whereby we are expected to have connectivity between anything and everything, the currency cannot be left behind. In this direct a major stake has been taken by Bit coin which is a crypto currency and a decentralized Monetary System. In January 2009, Bit coin Network came into existence and was released as Open Source Algorithm. Basically, it is a virtual currency having no intrinsic value of its own, not attached or controlled by any government and is not tied to gold or any other precious metal. The network is Peer – Peer and the transactions take place between the users directly. These transactions are recorded in a block chain and are open to public. In totality in the year 2012, 21 million of bit coins are capitalized out of which only 16 million are mined.*

*In the present paper, a survey of 50 students has been conducted. The questions were asked that described the acceptability of Bit Coin among the users. The paper also highlights the factors for the adoption of bit coin as a digital monetary system. The opinions were also gathered on the acceptability of bit coin over next 5 years and expansion of usage of bit coin in coming years.*

***Keywords: Bit Coin, Crypto currency, Decentralized Monetary System, Networking***

## **1. Introduction**

In January 2009, Bit coin network came into existence whose protocol was released in 2008 after Satoshi Nakamoto mined the genesis block and released as a open source software in January3, 2009. The aim to introduce Bit coin is to bring a digital currency which is not controlled or attached by any government. The legal status of bit coin varies substantially from country to country and is still undefined or changing in many of them. The fear and alarm amongst the state agencies is on two grounds: 1. Threat to traditional control over money supply. 2. Threat to the economy and potential cyber risks. The usage of bit coin by

criminals for illicit activities attracted the attention of legislative bodies, law enforcement and media.

Bit coins are created as a reward for the process known as mining. Mining is a decentralized computational process that serves following purposes:

1. Verify if transactions are valid
2. Bundle transactions in a block
3. Select the header of the most recent block and insert it into the new block hash
4. Solve the proof of work problem
5. When the solution is found, the new block is added to the local block chain and propagated to the network ( *Andreas M. Antonopoulos (April 2014)*)

As in the mining process most complex problem has to be solved by miners probably known as Secure Hash Algorithm 256 Bit (SHA256) through Brute Force for which they also get rewards as bit coin. The input of any size is converted into output of fixed size and the input combinations are guessed by computers through brute force. Brute force is basically time consuming and resource consuming too but the computers specially designed to solve SHA256 take 10 minutes to solve the problem.

There were between 2.9 million and 5.8 million unique users using a crypto currency wallet. The number of users has grown significantly since 2013, when there were 300,000 to 1.3 million users. (*Andreas M. Antonopoulos (April 2014)*)

## **2. Literature Review**

A number of research papers and articles provide a detailed insight about the role of Bit coin and its implications:

### **Beer and B.Weber (2014):**

He touches upon the role of Bit coin in the payment system as well as the monetary system. He describes the basic functionality of Bit coin and how it operates from a technology standpoint.

He highlighted the opinions of the Regulators and the governments especially European Banking Authority and other regulators in European countries like Austria, Italy and France.

### **John Oliver (2015):**

He discussed virtual currency, an innovation from the high-tech world, which allows people in the U.S. and the rest of the world to send money instantly without banks, credit card companies or other financial intermediaries. He states about how Venture Capitalist is

investing millions in Bit coin-related companies like coin base inc. opened a bit coin trading system(bit coin exchange) with more than \$100 million. He also stated that the companies operating as a Virtual Currency Exchange does not have appropriate license to operate.

**Casey M. J. and Vigna (2015):**

They conclude the traditional banking transactions v/s crypto currency transactions.

They talked about investors as Netscape founder Marc Andreessen and LinkedIn founder Reid Hoffman putting millions of dollars into bit coin-related projects in the US, including the New York Stock Exchange.

**Misha (2015):**

She commented that bit coin and block chain technology pose some novel regulatory and legal issues. Her paper examines how government agencies and courts have attempted to keep society safe from bit coin and block chain user.

She stated the existing and the potential uses of Bit coin including the negative aspects of Bit coin like Black Markets and Tax evasion.

**DeVries P. D. (2016):**

The present paper considered the various dynamics associated with the working of Bitcoin as the first and most popular crypto currency. The study unfolded various aspects related to financial payment systems, crypto currency and traditional fiat currency. The functional aspects related to crypto currencies with reference to fiat currency were also highlighted. The study included a SWOT analysis of Bit coin in order to analyze the innate composition, risk and benefits involved in its implementation. The study further explored some of the recent events and movements that could influence Bit coin's contribution to a swing in economic paradigms.

**Alexander D'Alfonso A.D., Langer P., Vandelis Z. (2016):**

The present paper made a comparative analysis of Bitcoin and Ethereum as two highly disruptive Crypto currencies. It was asserted that these currencies can leverage blockchain technologies and thus, bring a revolutionary change in the secondary sector. The paper included the similarities and differences between these currencies on the quantitative basis. The papers further proceeded with the historical performances of each and extrapolated these values to form a five -year projection.

Further, conversations with industry professionals were conducted and result analysis was done to ascertain the variance and investment ratio. The findings showed that the appropriate investment ratio to be 69:31 for Bit coin and Ethereum respectively. It was analyzed that Bit

coin offered a higher expected value as compared to Ethereum, but its value is subject to volatility and speculative nature of crypto currencies.

#### **Nakamoto (not mentioned)**

An attempt was made to introduce a system for electronic transactions with zero reliance on trust. A peer-to-peer network using proof-of-work was utilized in order to keep public history of transactions on record. It was asserted that such attempt would help in making the network strong and operationally sound. It was opined that such electronic cash system would help in strengthening the networking between nodes, network system and would help in accepting the proof-of-work chain as proof of what happened during the processing. Thus the model considered the networking and operational aspects related to functioning of Bit coin.

#### **Berentsen A. and Schär F. (2018).**

The present paper discusses the emergence of crypto currencies and block chain technology. The paper further proceeded with the emphasis on Bit coin, its implementations and alternative crypto assets. The paper included the original idea and inspiration of crypto currencies, and block chain technology. Further, the mode of operation and possible applications of crypto currencies and block chain technology were discussed. The paper advocated the implementation of Bit coin on account of wide range of interesting applications and benefits involved in its implementation.

### **3. Research Methodology**

This paper is based on both primary as well as secondary data. For primary data, in all 60 respondents were approached, but the responses could be obtained from 50 respondents. For this purpose a survey was conducted in form of questionnaire. For secondary data, the information was retrieved via internet and research papers.

#### **Objectives of the Paper**

The objectives of the study are as follows:

1. To study the concept of bit coin
2. To analyze the acceptability of Bit Coin among the masses.
3. To understand the factors that is responsible for adoption of bit coin as a digital monetary system.
4. To ascertain the opinions regarding the acceptability and growth of bit coin over next 5 years.

## INDIA'S POSITION

The RBI has so far issued three notifications pertaining to bit coin and other virtual currencies (VC). In all these, starting December 2013, the RBI has cautioned users, holders and traders on the risk of these currencies and clarified that it has not given any license or authorization to any entity or company to operate such schemes. Other than cautioning the public, the RBI hasn't taken any regulatory stance on virtual currencies yet.

Meanwhile, Securities exchange Board of India on 20 December 2017 said that if bit coin is considered as a commodity derivative then SEBI might regulate it. Though there are still no clear regulations or proper jurisdiction, the income tax department is clear that tax has to be paid on all crypto currency transactions. (Source: The Law Library of Congress, Global Legal Research Center, January 2014)

## 4. Data Analysis

### 1. Age of the Respondent

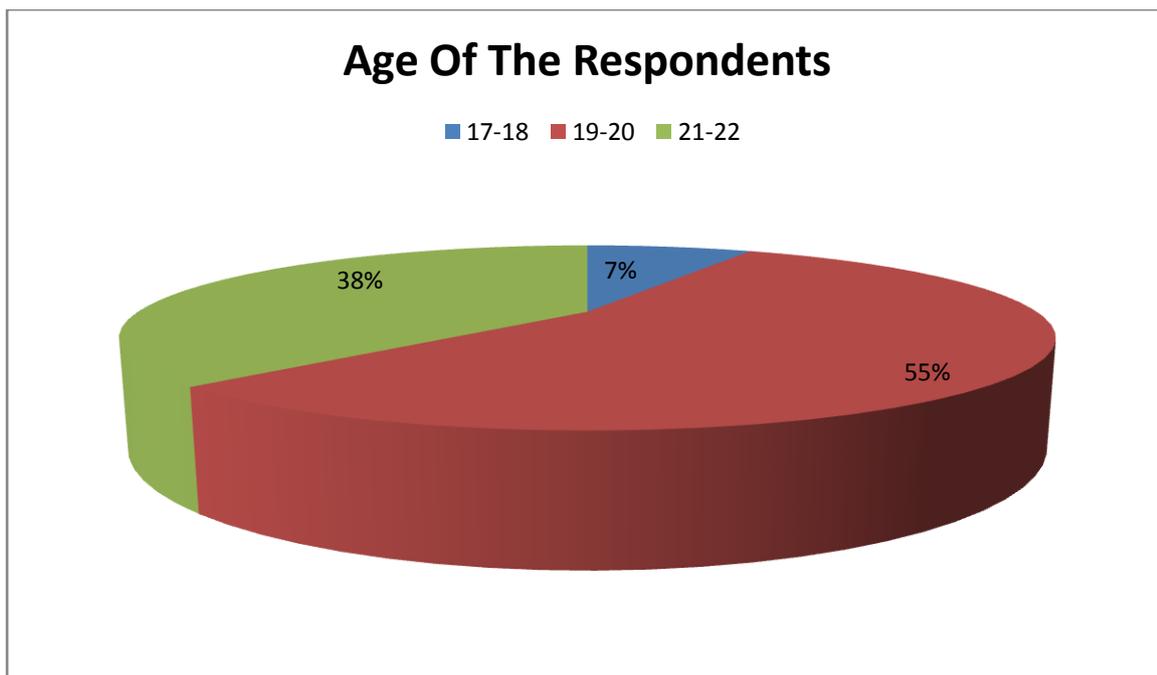


FIGURE 1

The total respondents were 50. Among the total respondents, 7 per cent are in the age group of less than and equal to 18, 55 per cent are in the group of 19-20, 38 per cent are in the age group of 21-22 years. So it can be said that majority of the respondents in the survey belongs to the age group 19-20.

## 2. Gender of the Respondent

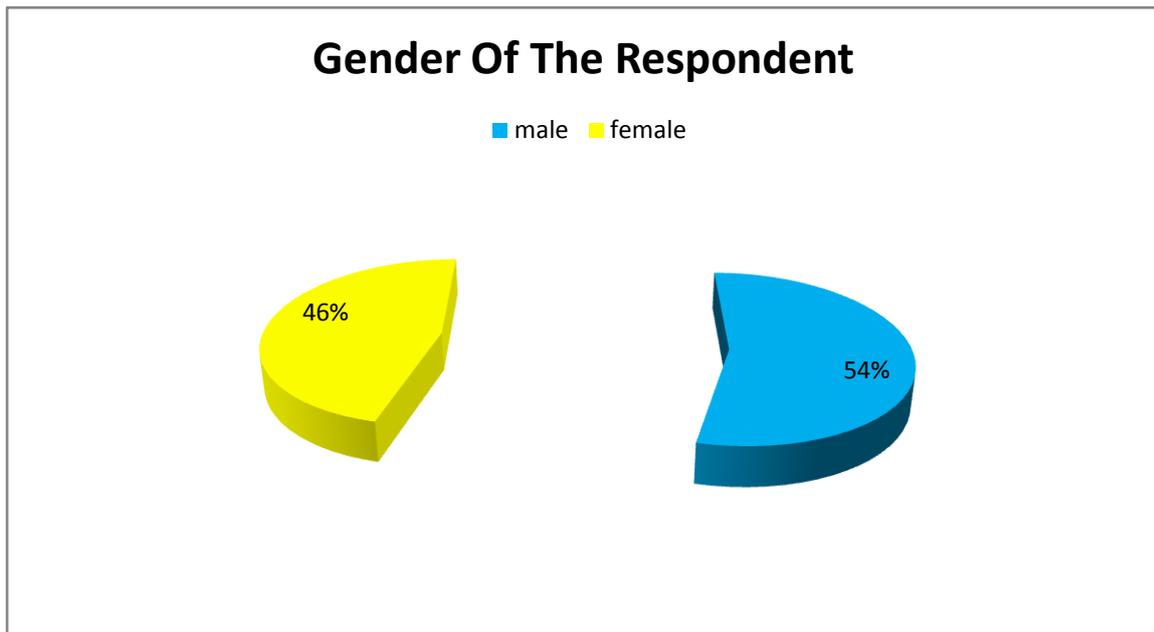


FIGURE 2

The pie chart above shows the gender composition of the respondents in the total sample taken for the study. In the total sample of 50 people, 54 per cent are males representing majority of the respondents and 46 per cent corresponds to female population. This may be an indication of the fact that the majority of the respondents that were approached were males.

## 3. Education Qualification of the Respondents

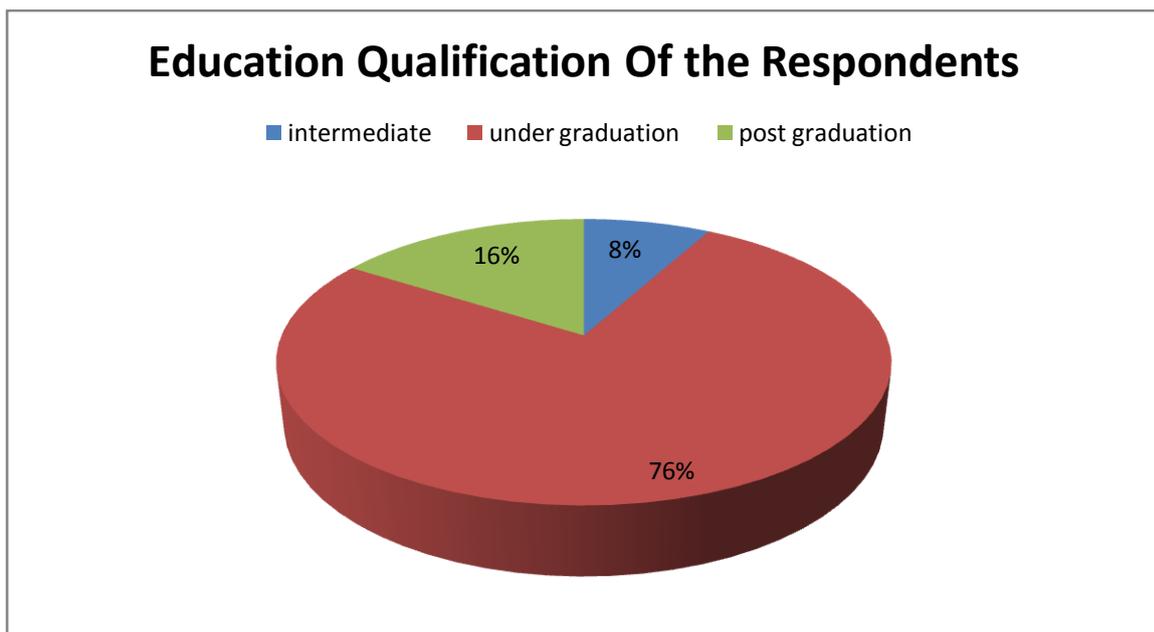


FIGURE 3

The pie chart above shows the educational qualification of the respondents. It shows that majority of the respondents are post graduates representing 76 per cent of the sample, 16 per cent are U.G. and Only 8 per cent have completed their study till intermediate level.

#### 4. Courses pursuing presently by Respondents

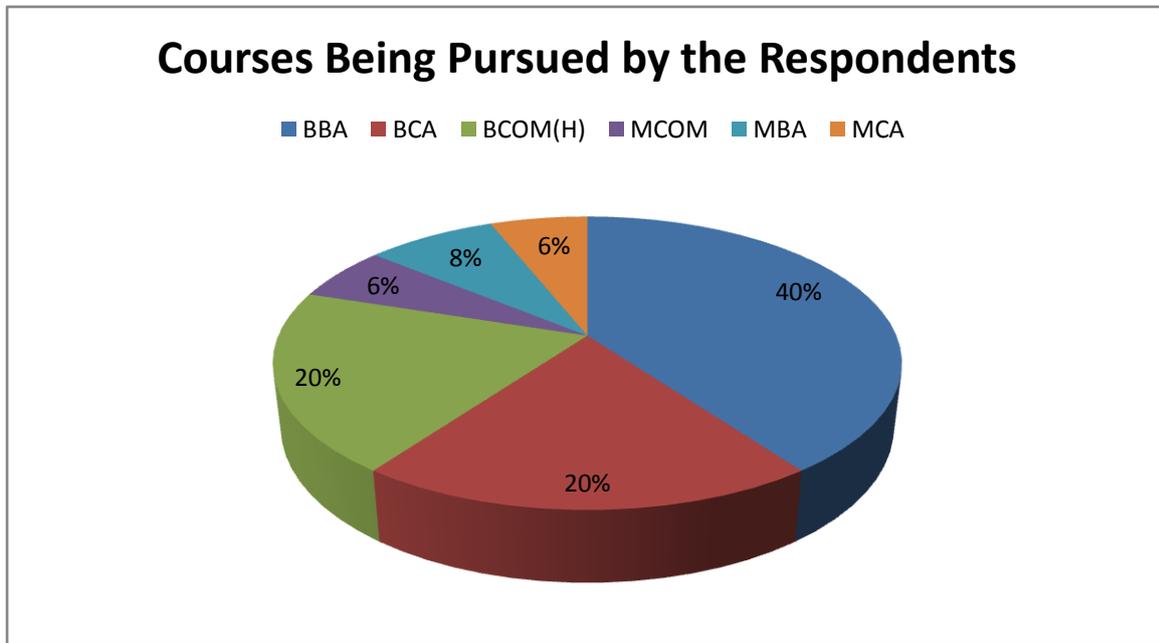


FIGURE 4

This pie chart shows the occupations of the people that were participants in the questionnaire. As you can see majority of the students belongs to BBA course so more responses are of those 40 per cent of the students who belongs to BBA course and the least responses are of MCA and MCOM students. It reveals that most of the students in our survey belong to BBA course.

#### 5. Acceptance of Bit coin Over Next 5 Years

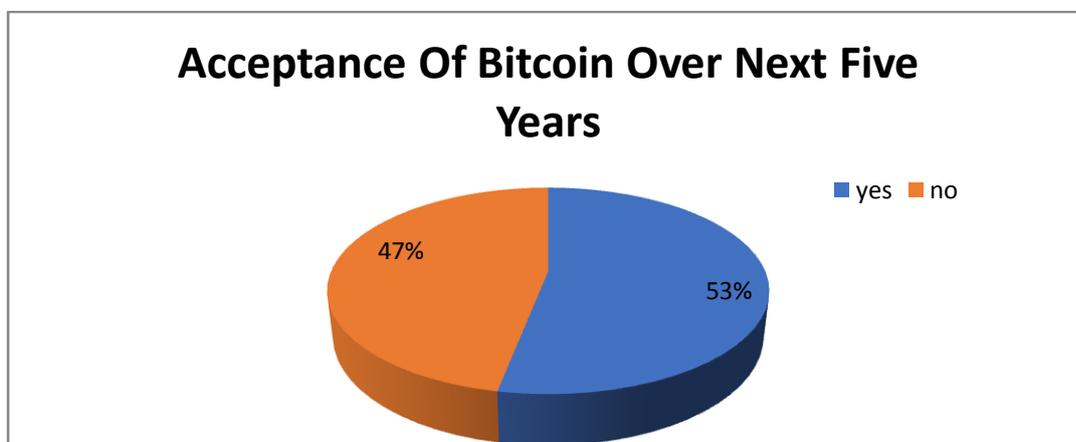


FIGURE 5

From the above pie chart and the survey, we analysed that 53% of people were of the view that bitcoin may be widely accepted over the next 5 years but 47% of people thought that the current prevailing currency will prevail and lead. It means these respondents didn't think that bitcoin would be widely accepted by others over next 5 years. Since, the majority of the respondents are in favour of acceptability of Bit Coin. It reveals that chances of bitcoin to be accepted in future will be more.

### 6. Opinion Of The Growth Of Bitcoin

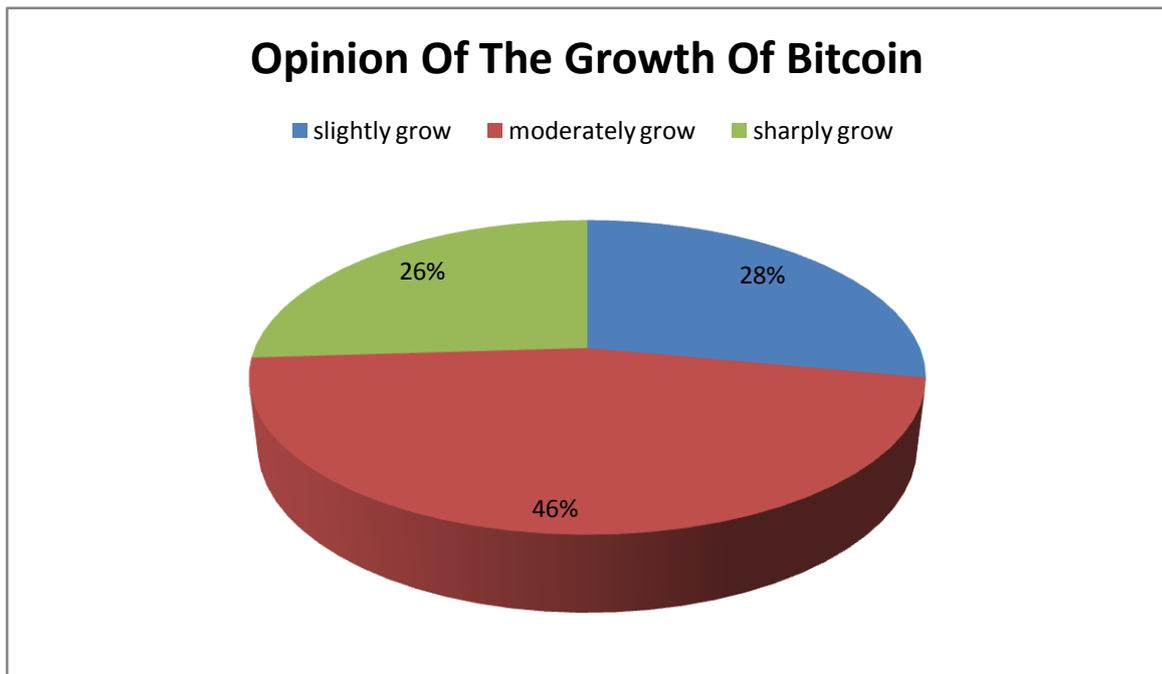


FIGURE 6

From the above pie chart it is stated that 28% of people think that use of bit coin will slightly grow and only 26% of people thinks that there will be a sharp rise in the use of bit coin over next 5 years. It reveals that there is difficulty in knowing exactly whether the use of bit coin will rise or not, 46 per cent of people voted for moderate growth of bit coin in future.

## 7. Redundancy of Bit coin

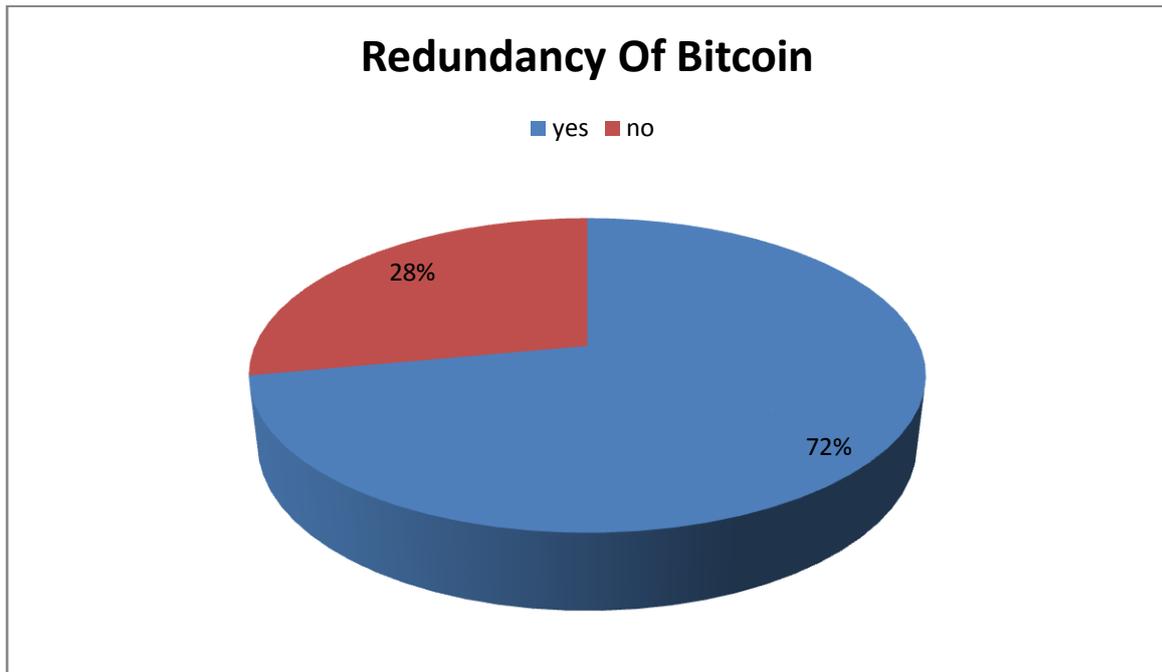


FIGURE 7

From the survey, we have conducted we conclude that 72% of the people are in favor of the decision government may take a decision of redundancy of virtual currency over the next 5 year and 28 % people are against of the government to take the decision of redundancy of virtual currency over the next 5 years.

## 8. Purchase and Sale of Bit coin

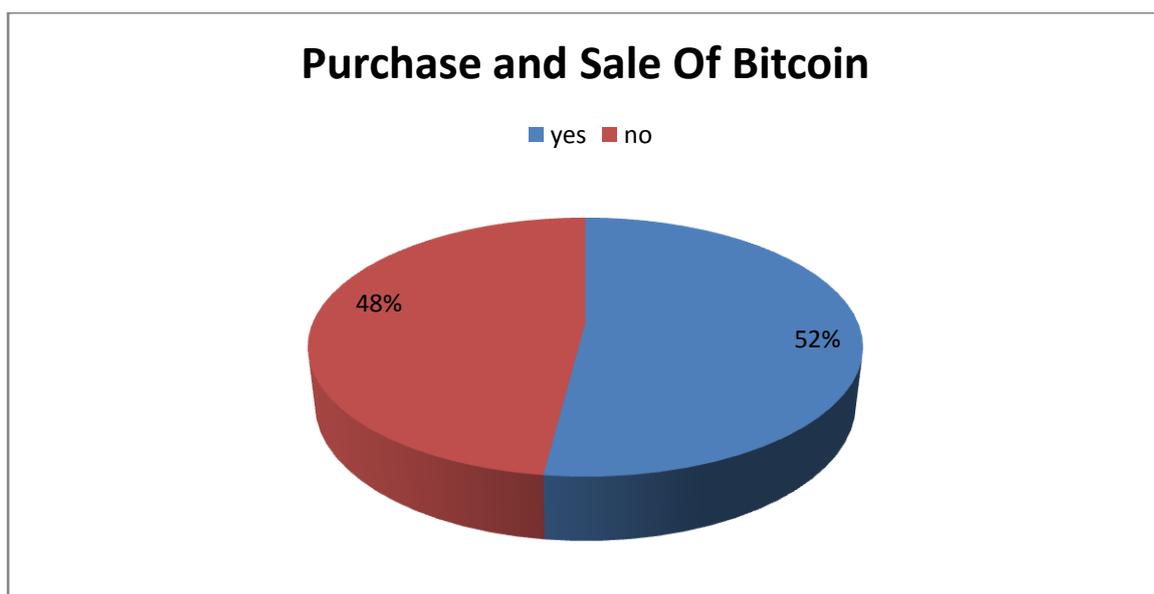


FIGURE 8

From the survey we have conducted about the government to continue to allow purchase and sale of bit coin free of VAT and sales tax 52% of people voted in the favor and the rest 48% of the people voted in against the future decision of the government to continue purchase and sale of bit coin. It reveals that maximum number of people wants the government to take decision of purchase and sale of bit coin without value added tax and sales tax.

### 9. Factors leading to Awareness of Bit coin

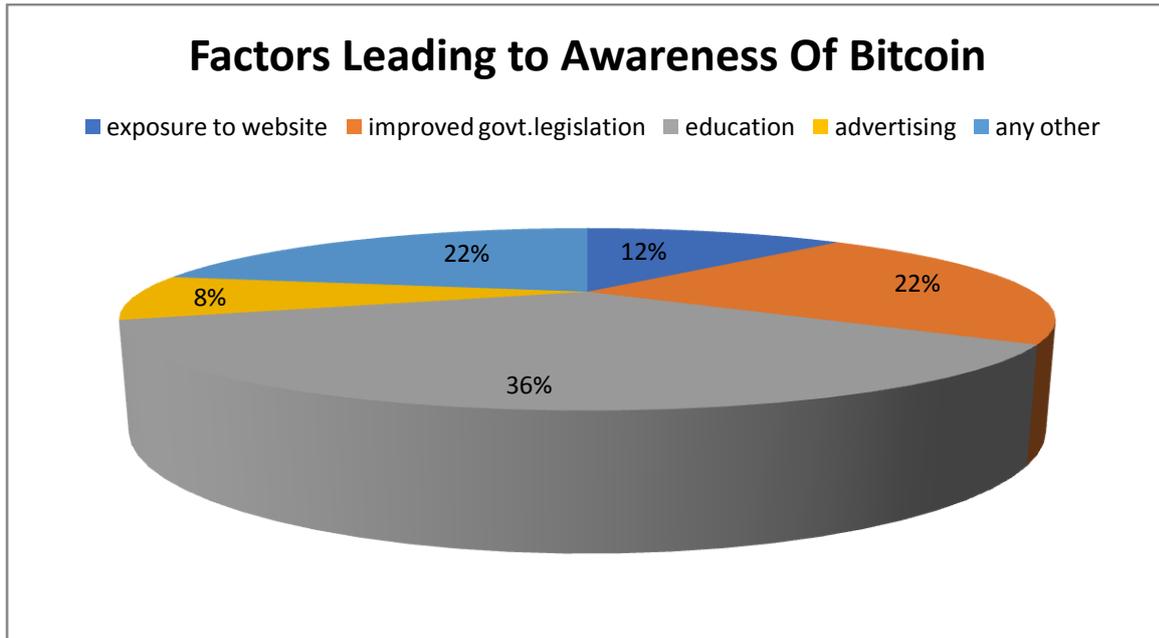


FIGURE 9

From the survey we have conducted we observe that 36% of people consider “education about bit coin “ as an important factor for the adoption of bit coin as a digital monetary system .22% of people consider “ improved government legislation” and “any other” factors each as important for adoption of bit coin .12% of people consider “exposure to website with bit coin at checkout” as the most important component. Only 8% of people consider advertising of bit coin as an important factor. It reveals that people believe that the better knowledge you have, the better you do. In short, majority of people considered knowledge as the most important factor behind the adoption of bit coin.

## 10. Implementation of Bit coin: favor vs. against

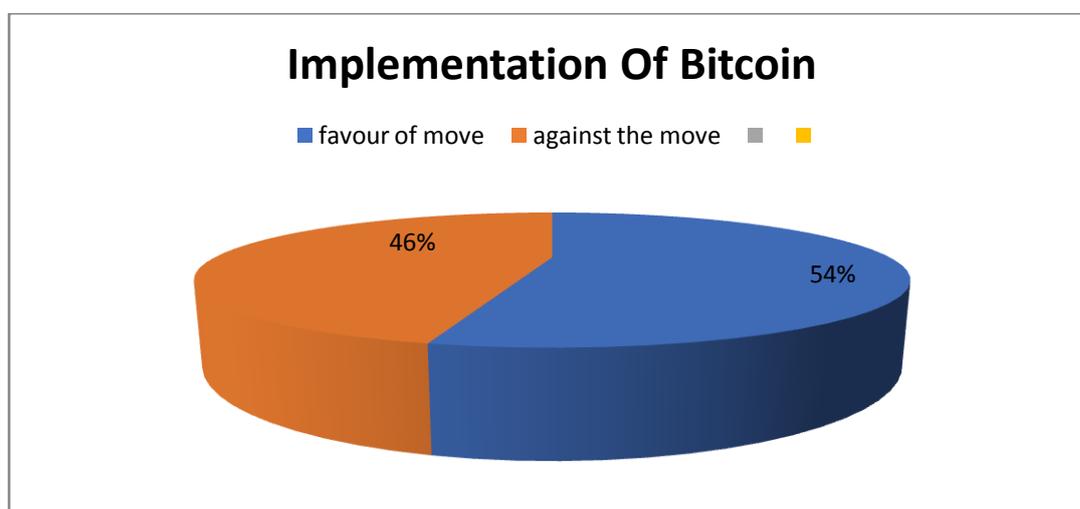


FIGURE 10

In the survey when the respondents were asked regarding their opinion whether they are in favor of against the move. It was ascertained that 54% of people were in favor of the move and 46 % of people were against the move.

## 5. Conclusion

Bit coin is the beginning of something great, a currency without a government, something necessary and imperative. Bit coin is Cash with Wings. Like the Internet, it will change the way people interact and do business around the world. Bit Coin is actually an exploit against network complexity, not financial networks, or computer networks, or social networks they are Networks themselves.

The research and the journey that we took to produce this research paper have led us to learn about bit coin and its underlying block chain technology .it is difficult to speculate accurately whether bit coin will continue to grow in its usage and receive interest and financial support for the further development. The survey we had conducted declares that 28% of the people thinks that use of bit coin will slightly grow while 46% of people thinks that it will moderately grow 26% of people thinks that there will be sharp rise in the use of bit coin over next 5 year.

## 6. Suggestions

Bit coins have become the global leads in the financial world. Earning in crypto currency is not very hard part, though you just have work bit hard and be patient. The real key to success in crypto currency is knowledge the more you have the better you go. Block chain technology, which powers the entire Bit coin ecosystem, can be used to make certain aspects of a business transparent. For example, company Bit coin wallets can be made public to give everyone a view of funds flowing in and going out. Additionally, more transparency could make it easier for potential investors to estimate what the revenue forecast would look like for the company in question..

Spending part of the new investment funds on marketing is essential, but that doesn't mean the odds of success are increasing. While it is important to advertise a Bit coin company to digital currency enthusiasts, there is a bigger market to tackle as well.

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# **Digitization Reforms in Indian Economy through Cashless Transaction System: A Study on Readiness of Indian Economy for Cashless Society**

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## ***Abstract***

*India is facing lots of economic tribulations due to black money and counterfeit currency on which taxes have not been paid. In order to control such state of affairs, transformation in policy was enacted by the Government of India on 8<sup>th</sup> November 2016. Now, Cashless Transaction System is subsequently growing, and people are demanded to move from cash to Cashless Society. Thus, the prime objective of this paper will be to examine whether current approach of CTS in India is conducive to adapt the possible instruments of cashless society or not. The study will also indicate how electronic system of payment has great implications in cashless economy. The study will also explore the futuristic prospects of cashless programs and its impact on economic growth in India. This study will be exclusively secondary in nature. The paper will also endow with possible suggestions that will facilitate the forthcoming policy.*

**Keywords:** CTS, Cashless Society, Demonetization, Economy, E-payment, Digitization

## **1. Introduction:**

As India is a cash-dependent economy. It has cash to GDP ratio, at 11 per cent, is much higher than other countries. India has always been a cash dominant economy. Financial technology companies in the payment services sector are upbeat that demonetization will also mean a big digital push for India. Some of them have even seen a spurt in business in the wake of the demonetization announcement. Seen against the setting up of the Unified Payment Interface (UPI) in August 2016 and the reported plans of the Government to prohibit cash transactions involving Rs. 500,000 or more, there are reasons to be hopeful that India will leapfrog to much lower dependency on cash over the next five years (Chelladurai,

Sornaganesh 2016). The main yardstick to evaluate the success of demonetization will be the resultant fiscal gain accruing to the RBI and, hence, to the Government.

## **2. Research Methodology**

The paper is a result of conceptual study which utilized secondary sources of data collection. A number of researches and government data have been referred to while developing the theoretical framework of the paper and making conceptual analysis. Basic objective of the research paper is to examine the readiness of Indian economy for Cashless Transaction System (CTS).

## **3. Significance of Digitization in Indian Economy**

Digitization is imperative in all the facets of economy. Especially after the demonetization, it has been re-emphasized that cashless economy is needed to reduce the taxes that are charged by government due to lack of funds in government bodies. Cashless India is important because it will decrease the tax avoidance and the money laundering cases subsequently resulting the benefit for customers. Digitization reforms are expected to help the Indian economy in major areas which are briefly explained below:

- **Removal of currency notes**

The main importance of cashless economy is the removal of currency notes and coins is likely to be the biggest monetary reform since the inception of the former itself. and the banks are likely to be in favor of a cashless society as it saves them the cost of printing inspecting, storing and guarding 'paper' money costs also include the security and labor's involvement in processing and transporting cash maintaining ATMs and regulating the amount of cash accusation also, a cashless economy could restricts criminals such as drug dealers and people involved in possible doing business.

- **Corruption**

It would be mark an end to bribery and other such corrupt motives as authorities would be able to track virtually all transactions, tax crimes would also stop. Cashless economy remove the "zero nominal found" as a constraint on counter cyclical monetary policy. According to a study by Wolman, countries could save above 1% of their GDP annually by straitening over to 'electronic' currencies.

- **Cashless Transaction System**

According to [upiapppayment.com](http://upiapppayment.com) “Cashless transaction is a transaction where any kind of payment/fund is transferred or received without using the physical cash or notes. According to Reserve Bank of India, every mode of cashless fund transfer or transaction using cards or mobile phones as ‘prepaid payment instrument.

### **Requirements for an Effective Cashless Transaction System (CTS)**

A cashless India would bring about several methods and portals or payment and receipt like Paytm and others that could be used for the tiniest of purchase (without any hassles for change), be it at a vegetable vendor or for your laundry. We thrive in a digitally globalized era, and hence, we must advance towards and embrace this positive and advantageous evolutionary change. Other than convenience and accessibility of digital means of monetary exchange, a cashless India will infuse a transparency into the system on the political, economic, social, legal and the educational front. Incomes, funds, taxes, loans, debits and credits would all be secure, yet visible and devoid of any black money, or embezzling or any other fraud or hoax. This would inevitably lead to a progressing and an economically blemish-less India.

- **Environment protection**

A cashless nation would also promote and lead to the conservation of the environment as trees would neither be felled to produce paper notes, nor would there be note making factories that emit gaseous waste that would add on to the pollution caused by the country. Furthermore, the counterfeiting of notes would come to a complete stop. A cashless approach would prove to be a true evolution for India.

- **Helpful in tax collection**

It is expected to reduce the avoidance of tax. India, being a cash dependent economy is subject to the risk of tax avoidance and non-payments. Hence, cashless transaction system is expected to move the economy from cash to cashless, which in turn would help in reducing tax avoidance.

- **Transparency**

There will be greater efficiency in welfare Programmes as money is wired directly into the accounts of recipients. Thus once money is transferred directly into a beneficiary’s bank

account, the entire process becomes transparent. Payments can be easily traced and collected, and corruption will automatically drop, so people will no longer have to pay to collect what is rightfully theirs.

- **Hygiene factors**

Soiled, tobacco stained notes full of germs are a norm in India. There are many such incidents in our life where we knowingly or unknowingly give and take germs in the form of rupee notes. This could be avoided if we move towards Cashless economy. In a cashless economy there will be no problem of soiled notes or counterfeit currency.

- **Reduce space and cost of ATMs**

Reduced costs of operating ATMs. Speed and satisfaction of operations for customers, no delays and queues, no interactions with bank staff required. A Moody's report pegged the impact of electronic transactions to 0.8% increase in GDP for emerging markets and 0.3% increase for developed markets because of increased velocity of money

- **More development**

An increased use of credit cards instead of cash would primarily enable a more detailed record of all the transactions which take place in the society, allowing more transparency in business operations and money transfers will eventually have chain effect improvement in credit access and financial inclusion, which will benefit the growth of SMEs in the medium/long run. Reduce tax avoidance and money laundering thanks to the higher traceability of all the transactions. The increased use of credit cards will definitely reduce the amount of cash that people will carry and as a consequence, reduce the risk and the cost associated with that.

#### **4. Is India ready for Cashless Economy: The Challenges Ahead**

Though cashless transactions have increased these days, right now India cannot completely become a cashless economy considering its high proportion of digital illiteracy and cash transactions. But Indian Government is working towards increasing the share of cashless transactions, which is a good thing for any economy. There are challenges for cashless economy as every reform has some pros and cons. There are more than a few challenges to the proposed cashless system such as people still rely on the idea of money being 'physically'

realizable for some psychological reason 'paper' money is revered more than 'plastic' money or 'digital' money . Cash keeps a check on people's spending habits.

- **Risk and security threats**

Anything that's technological comes with a baggage of risks and security threats very high and unbreakable degrees of security would be needed as to deterrent to hackers and cyber criminals.

- **Demographical problems**

The idea of cashless society won't be readily among a certain section of are demographics while a user friendly model might not necessarily requires consumer to be tech-scary there would still be some sort of digital awareness required to understand the working of a society with no cash .

- **New model adaptation**

people who have grows up and lived through times when a substitute for cash wasn't even thought of might face some difficulty in adjusting to a world without currency notes . All the exiting cash in the world cannot be removed or deemed 'abandoned' at one go also when it comes to money reassurance is the thing that matters the mot for a complete switch-over to the new monetary model, the voluminous amount of cash presently circulating in the market would have to be converted into an equivalent members of 'digital' points.

- **Illiteracy**

Developing economies have an added challenges in the form of high levels of illiteracy among the masses. For example: in India itself, there are large sections of rural population who haven't alone owning a bank account. The only way they recognize money is through currency notes and coins an ideal cashes economy should look to incorporate all the benefits of a digital monetary system and find societies to the afore mentioned challenges in order to achieve wide acceptance among the people who earn spend and consume.

- **Private sector**

India is a cash-dependent economy. Its cash to GDP ratio, at 11 per cent India uses too much cash for transactions. The ratio of cash to gross domestic product is one of the highest in the world—12.42% in 2014, compared with 9.47% in China or 4% in Brazil, Close to 98 per cent

of all consumer payments are made in cash(Desai, Agarwal, and Ahya, 2017). Financial technology companies in the payment services sector are upbeat that demonetization will also mean a big digital push for India. Some of them have even seen huge impact in business in the wake of the demonetization announcement. It can be seen against the setting up of the Unified Payment Interface (UPI) in August previous year and reported plans of the Government to prohibit cash transactions involving Rs. 500,000 or more (Desai, Agarwal, and Ahya, 2017). The main yardstick to evaluate the success of demonetization will be the resultant fiscal gain accruing to the RBI.

According to Investopedia, “Demonetization is the act of stripping a currency unit of its status as legal tender. Demonetization is necessary whenever there is a change of national currency. The old unit of currency must be retired and replaced with a new currency unit”.

- **Poor networking**

Only 53 percent of the population has access to a bank account according to the World Bank. India still has an inadequate telecom network, which fails to reach the most remote parts and the total number of smart phone users are less (Kaul & Mathur, 2017). Security is a huge issue as the country is still reeling from a massive leak of debit card data that hit at least 3.2 million debit card holders.

Perhaps the biggest factor that will lead to the failure of this cashless movement is that nearly 40 percent of Indians can't read or write. The writing on the wall is clear for India - Demonetization has failed (Gupta, 2016).

## **5. Conclusion**

There are many challenges faced by citizens due to demonetization. It is a good move which has been projected as an action to reduce black money and have a large impact on India. It is an indication from the center that are needed to move on and use technology. However, the execution should have been better. Printing of enough currency and recitation of ATMs could have been facilitated with more research and recommendation of an expert at the idea stage itself while bureaucrats do a great job in administration of the country but they lack in subject matter expertise giving such a technically challenging problem to bureaucrats is not right thing .

The currency to GDP ratio is high in inches if this round of demonetization pushes society towards more digital transactions it will be district gain

The cashless transaction system reaching its growth day by day as soon as the market become globalized and the growth of banking sector more and more the peoples moves from cash to cashless system the cashless system is not only requirement but also a need of today's society

All the online market basically depends on cashless transaction system the cashless transaction system the cash transaction is not only safer than the cash transection but is less time consuming and not trouble of carrying cash and trouble of wear and tear like paper money it also helps in second of the all transactions done. So, it is without doubt said that future transaction system is cashless system.

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# Bit Coin: Findings from Survey of College Students

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## ***Abstract***

*In an era of technological advancement when the entire world talking about the internet of things whereby we are expected to have connectivity between anything and everything, the currency cannot be left behind. In this direct a major stake has been taken by Bit coin which is a crypto currency and a decentralized Monetary System. In January 2009, Bit coin Network came into existence and was released as Open Source Algorithm. Basically, it is a virtual currency having no intrinsic value of its own, not attached or controlled by any government and is not tied to gold or any other precious metal. The network is Peer – Peer and the transactions take place between the users directly. These transactions are recorded in a block chain and are open to public. In totality in the year 2012, 21 million of bit coins are capitalized out of which only 16 million are mined.*

*In the present paper, a survey of 50 students has been conducted. The questions were asked that described the acceptability of Bit Coin among the users. The paper also highlights the factors for the adoption of bit coin as a digital monetary system. The opinions were also gathered on the acceptability of bit coin over next 5 years and expansion of usage of bit coin in coming years.*

***Keywords: Bit Coin, Crypto currency, Decentralized Monetary System, Networking***

## **1. Introduction**

In January 2009, Bit coin network came into existence whose protocol was released in 2008 after Satoshi Nakamoto mined the genesis block and released as a open source software in January<sup>3</sup>, 2009. The aim to introduce Bit coin is to bring a digital currency which is not controlled or attached by any government. The legal status of bit coin varies substantially from country to country and is still undefined or changing in many of them. The fear and alarm amongst the state agencies is on two grounds: 1. Threat to traditional control over money supply.

2. Threat to the economy and potential cyber risks. The usage of bit coin by criminals for illicit activities attracted the attention of legislative bodies, law enforcement and media.

Bit coins are created as a reward for the process known as mining. Mining is a decentralized computational process that serves following purposes:

6. Verify if transactions are valid
7. Bundle transactions in a block
8. Select the header of the most recent block and insert it into the new block hash
9. Solve the proof of work problem
10. When the solution is found, the new block is added to the local block chain and propagated to the network ( *Andreas M. Antonopoulos (April 2014)*)

As in the mining process most complex problem has to be solved by miners probably known as Secure Hash Algorithm 256 Bit (SHA256) through Brute Force for which they also get rewards as bit coin. The input of any size is converted into output of fixed size and the input combinations are guessed by computers through brute force. Brute force is basically time consuming and resource consuming too but the computers specially designed to solve SHA256 take 10 minutes to solve the problem.

There were between 2.9 million and 5.8 million unique users using a crypto currency wallet. The number of users has grown significantly since 2013, when there were 300,000 to 1.3 million users. (*Andreas M. Antonopoulos (April 2014)*)

## **2. Literature Review:**

A number of research papers and articles provide a detailed insight about the role of Bit coin and its implications.

### **John Oliver (2015):**

He discussed virtual currency, an innovation from the high-tech world, which allows people in the U.S. and the rest of the world to send money instantly without banks, credit card companies or other financial intermediaries. He states about how Venture Capitalist is investing millions in Bit coin-related companies like coin base inc. opened a bit coin trading system(bit coin exchange) with more than \$100 million. He also stated that the companies operating as a Virtual Currency Exchange does not have appropriate license to operate.

### **Casey M. J. and Vigna (2015, JAN 23):**

They conclude the traditional banking transactions v/s crypto currency transactions.

They talked about investors as Netscape founder Marc Andreessen and LinkedIn founder Reid Hoffman putting millions of dollars into bit coin-related projects in the US, including the New York Stock Exchange.

**Misha (July2015):**

She commented that bit coin and block chain technology pose some novel regulatory and legal issues. Her paper examines how government agencies and courts have attempted to keep society safe from bit coin and block chain user.

She stated the existing and the potential uses of Bit coin including the negative aspects of Bit coin like Black Markets and Tax evasion.

**C. Beer and B.Weber (2014):**

He touches upon the role of Bit coin in the payment system as well as the monetary system.

He describes the basic functionality of Bit coin and how it operates from a technology standpoint.

He highlighted the opinions of the Regulators and the governments especially European Banking Authority and other regulators in European countries like Austria, Italy and France.

**3. Research Methodology**

This paper is based on both primary as well as secondary data. For primary data, in all 60 respondents were approached, but the responses could be obtained from 50 respondents. For this purpose a survey was conducted in form of questionnaire. For secondary data, the information was retrieved via internet and research papers.

**Objective of the Paper**

The objectives of the study are as follows:

5. To study the concept of bit coin
6. To analyze the acceptability of Bit Coin among the masses.
7. To understand the factors that is responsible for adoption of bit coin as a digital monetary system.
8. To ascertain the opinions regarding the acceptability and growth of bit coin over next 5 years.

**4. India's Position**

The RBI has so far issued three notifications pertaining to bit coin and other virtual currencies (VC). In all these, starting December 2013, the RBI has cautioned users, holders and traders on the risk of these currencies and clarified that it has not given any license or authorization to any entity or company to operate such schemes. Other than cautioning the public, the RBI hasn't taken any regulatory stance on virtual currencies yet.

Meanwhile, Securities exchange Board of India on 20 December 2017 said that if bit coin is considered as a commodity derivative then SEBI might regulate it. Though there are still no

clear regulations or proper jurisdiction, the income tax department is clear that tax has to be paid on all crypto currency transactions. (Source: The Law Library of Congress, Global Legal Research Center, January 2014)

## 5. Data Analysis

### 2. Age of the Respondent

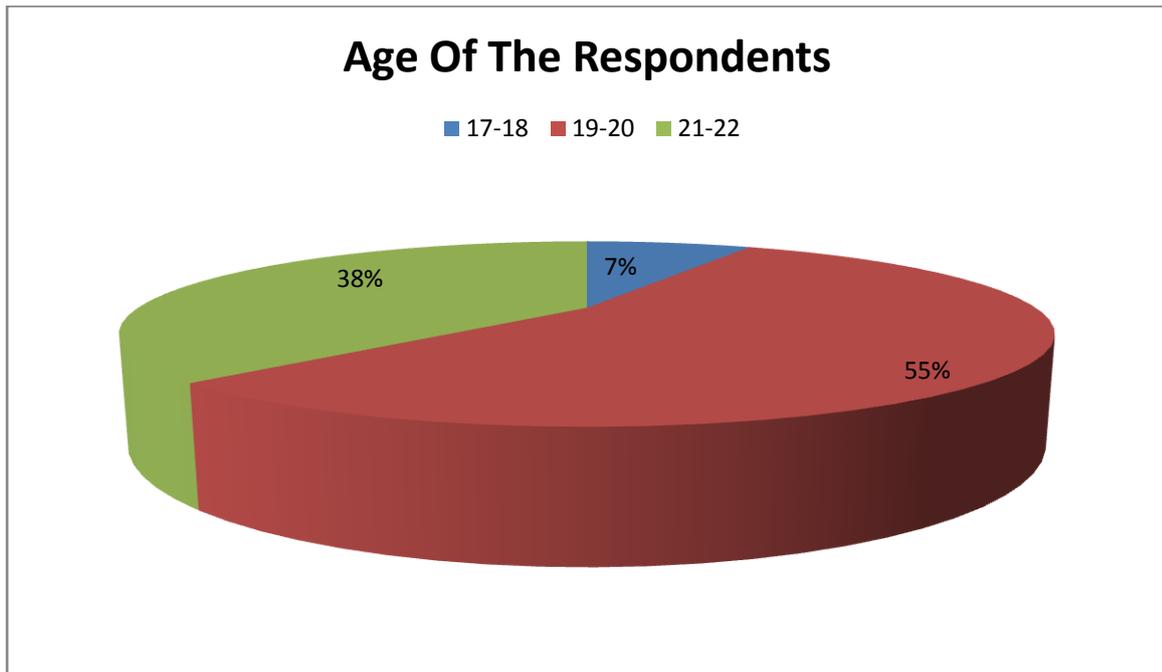


FIGURE 1

The total respondents were 50. Among the total respondents, 7 per cent are in the age group of less than and equal to 18, 55 per cent are in the group of 19-20, 38 per cent are in the age group of 21-22 years. So it can be said that majority of the respondents in the survey belongs to the age group 19-20.

## 2. Gender of the Respondent

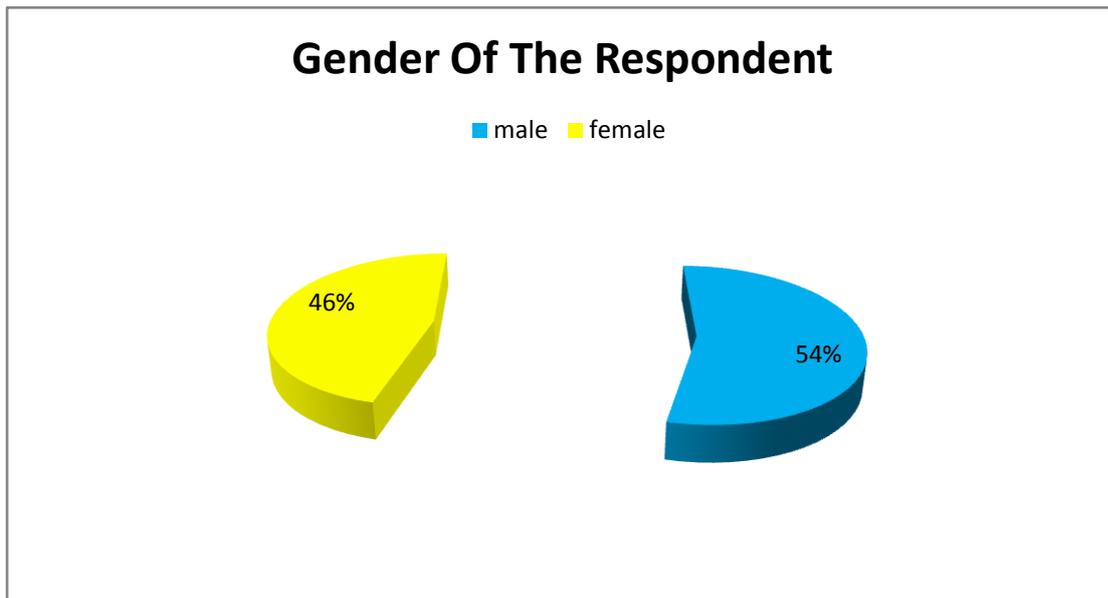


FIGURE 2

The pie chart above shows the gender composition of the respondents in the total sample taken for the study. In the total sample of 50 people, 54 per cent are males representing majority of the respondents and 46 per cent corresponds to female population. This may be an indication of the fact that the majority of the respondents that were approached were males.

## 3. Education Qualification of the Respondents

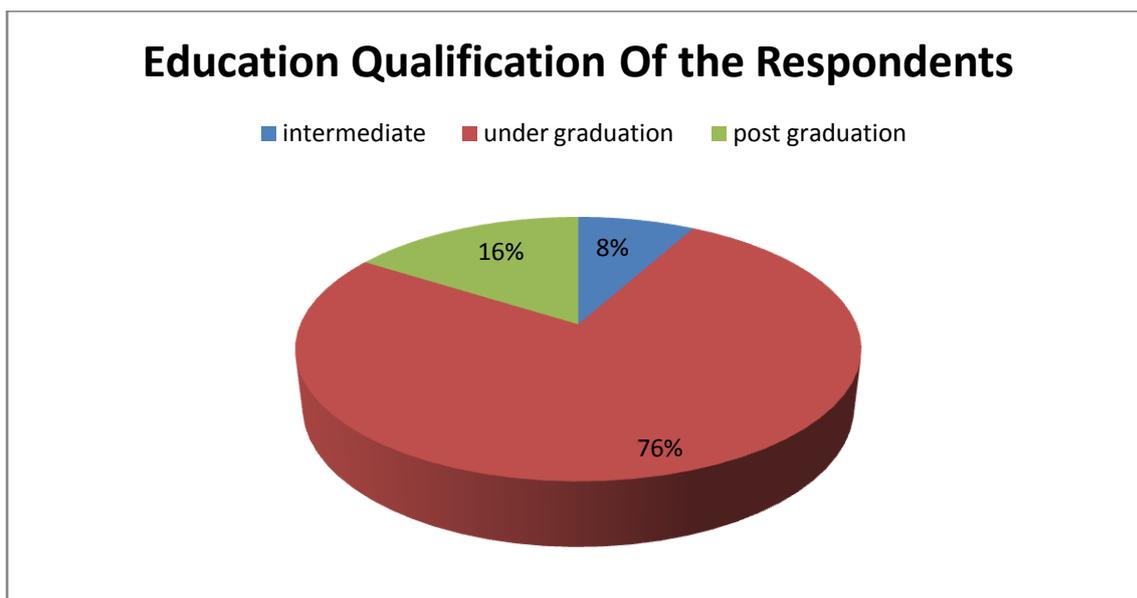


FIGURE 3

The pie chart above shows the educational qualification of the respondents. It shows that majority of the respondents are post graduates representing 76 per cent of the sample, 16 per cent are U.G. and Only 8 per cent have completed their study till intermediate level.

#### 4. Courses pursuing presently by Respondents

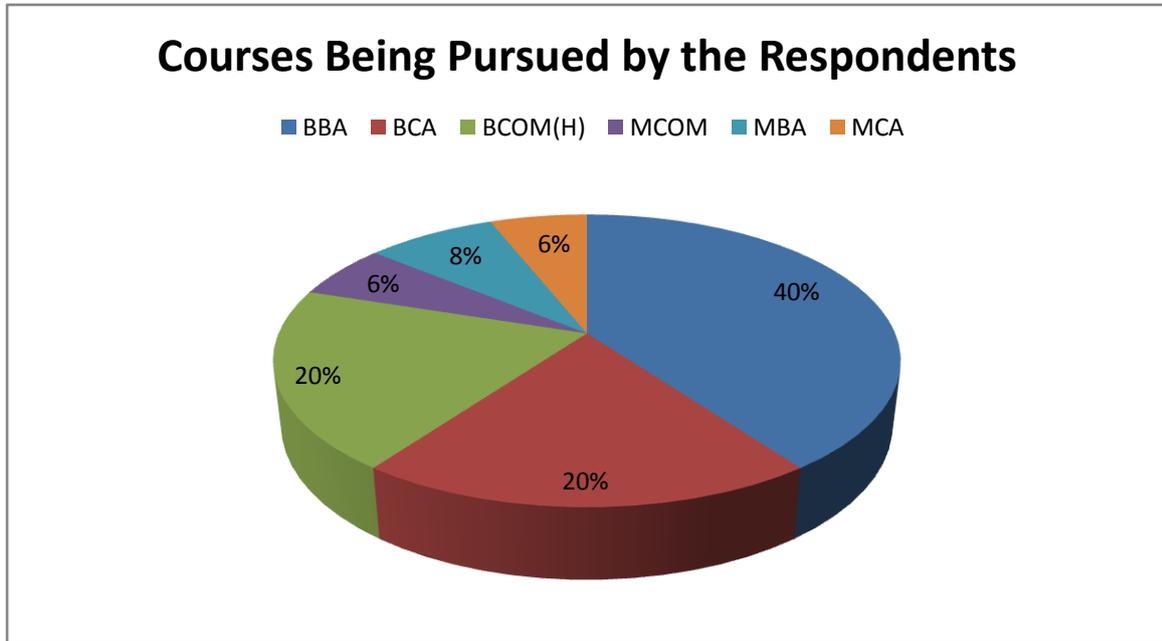


FIGURE 4

This pie chart shows the occupations of the people that were participants in the questionnaire. As you can see majority of the students belongs to BBA course so more responses are of those 40 per cent of the students who belongs to BBA course and the least responses are of MCA and MCOM students. It reveals that most of the students in our survey belong to BBA course.

## 5. Acceptance of Bit coin Over Next 5 Years

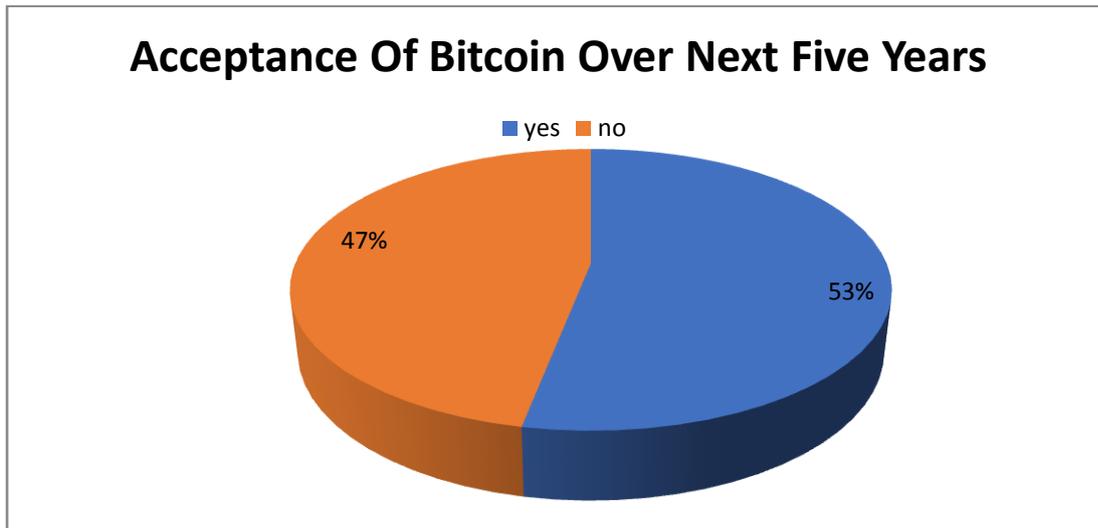


FIGURE 5

FROM the above pie chart and the survey ,we analysed that 53% of people were of the view that bitcoin may be widely accepted over the next 5 years but 47 % of people thought that the current prevailing currency will prevail and lead. It means these respondents didn't think that bitcoin would be widely accepted by others over next 5 years. Since, the majority of the respondents are in favour of acceptability of Bit Coin. It reveals that chances of bitcoin to be accepted in future will be more.

## 6.Opinion Of The Growth Of Bitcoin

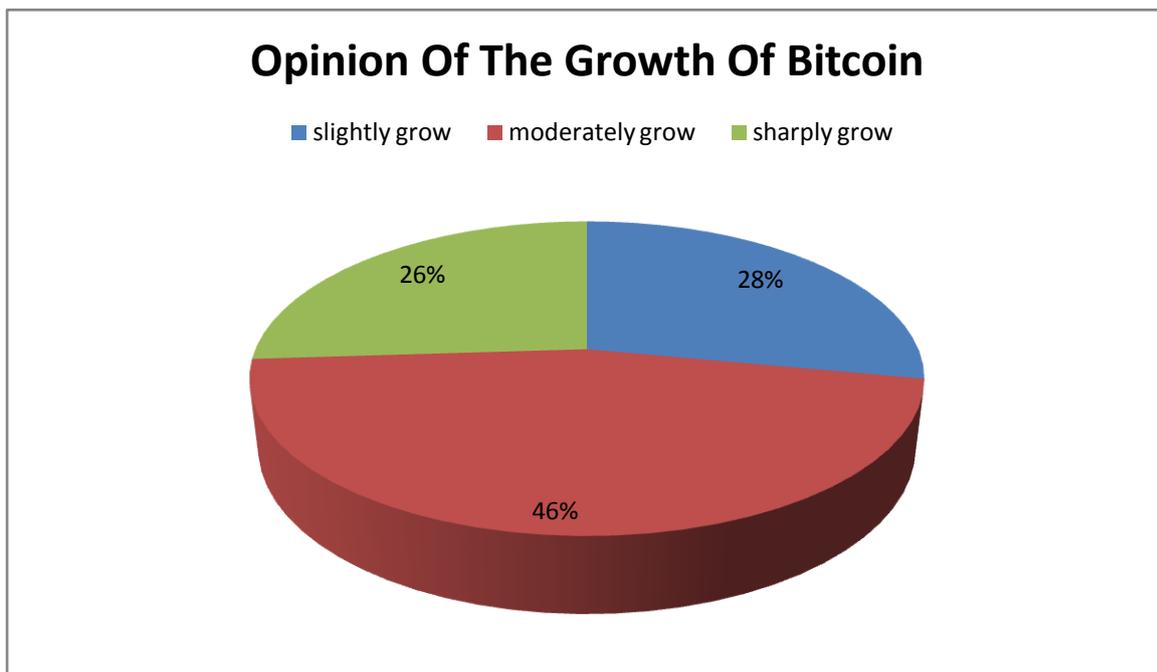


FIGURE 6

From the above pie chart it is stated that 28% of people think that use of bit coin will slightly grow and only 26% of people thinks that there will be a sharp rise in the use of bit coin over next 5 years. It reveals that there is difficulty in knowing exactly whether the use of bit coin will rise or not, 46 per cent of people voted for moderate growth of bit coin in future.

### 7. Redundancy of Bit coin

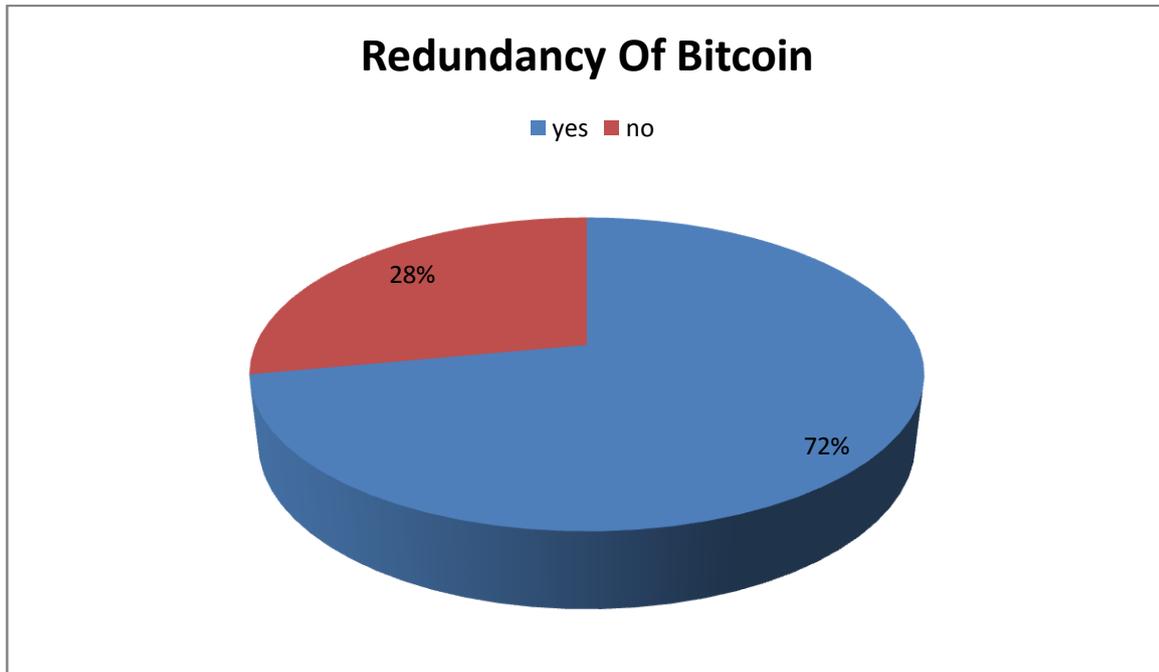


FIGURE 7

From the survey, we have conducted we conclude that 72% of the people are in favor of the decision government may take a decision of redundancy of virtual currency over the next 5 year and 28 % people are against of the government to take the decision of redundancy of virtual currency over the next 5 years.

## 8. Purchase and Sale of Bit coin

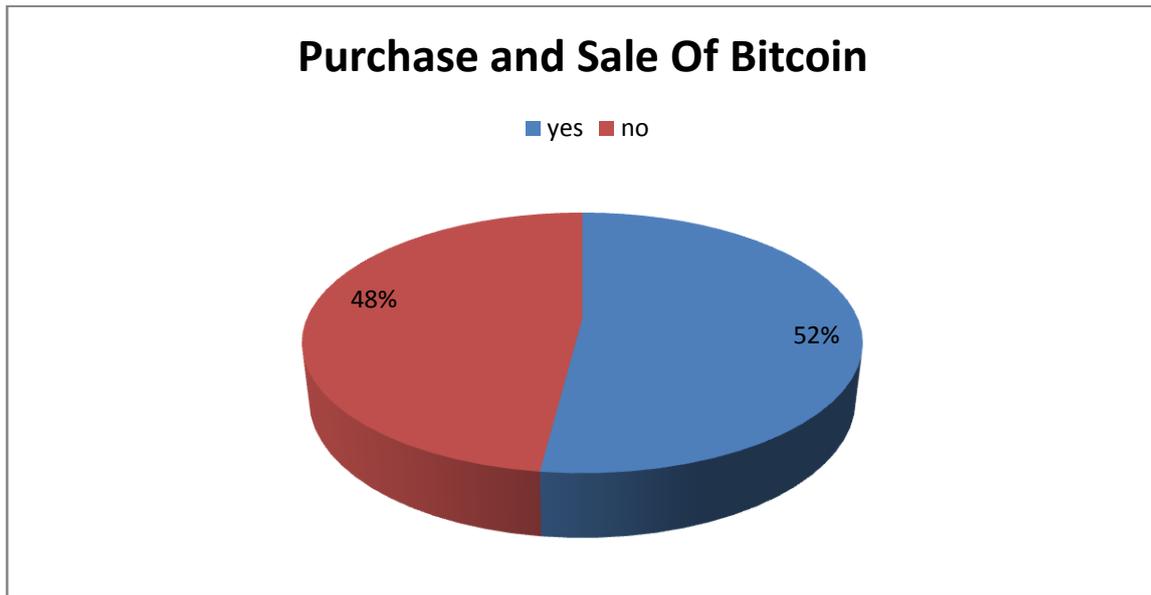


FIGURE 8

From the survey we have conducted about the government to continue to allow purchase and sale of bit coin free of VAT and sales tax 52% of people voted in the favor and the rest 48% of the people voted in against the future decision of the government to continue purchase and sale of bit coin. It reveals that maximum number of people wants the government to take decision of purchase and sale of bit coin without value added tax and sales tax.

## 9. Factors behind The Adoption of Bit coin

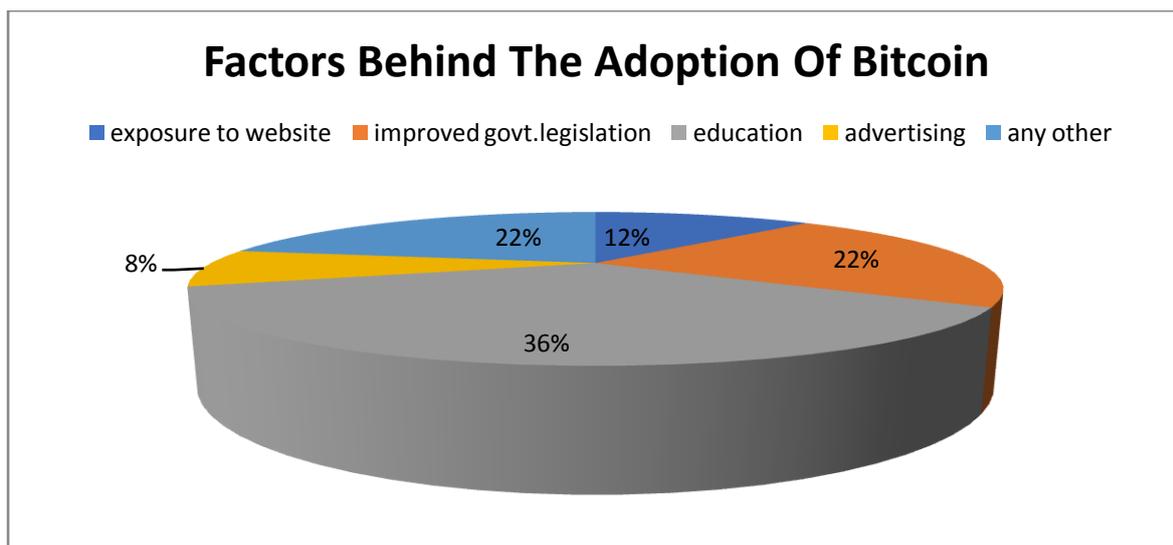


FIGURE 9

From the survey we have conducted we observe that 36% of people consider “education about bit coin“ as an important factor for the adoption of bit coin as a digital monetary system .22% of people consider “ improved government legislation” and “any other” factors each as important for adoption of bit coin .12% of people consider “exposure to website with bit coin at checkout” as the most important component. Only 8% of people consider advertising of bit coin as an important factor. It reveals that people believe that the better knowledge you have, the better you do. In short, majority of people considered knowledge as the most important factor behind the adoption of bit coin.

### 10. Implementation of Bit coin: favor vs. against

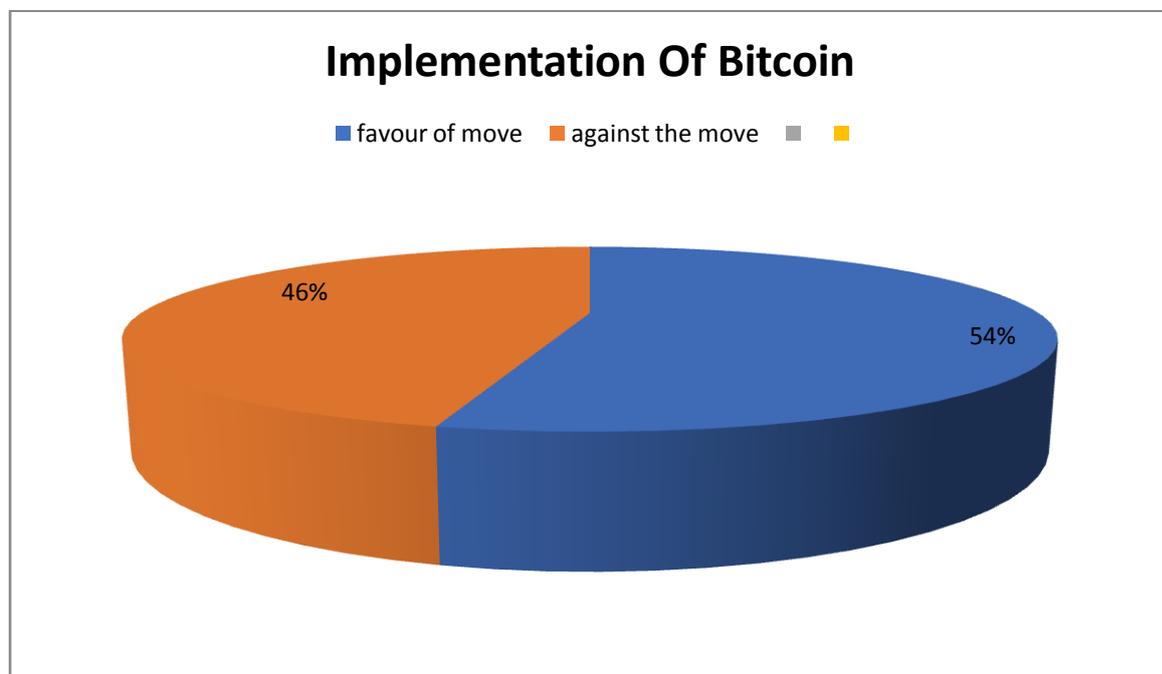


FIGURE 10

In the survey when the respondents were asked regarding their opinion whether they are in favor of against the move. It was ascertained that 54% of people were in favor of the move and 46 % of people were against the move.

## 6. Conclusion

Bit coin is the beginning of something great, a currency without a government, something necessary and imperative. Bit coin is Cash with Wings. Like the Internet, it will change the way people interact and do business around the world. Bit Coin is actually an exploit against

network complexity, not financial networks, or computer networks, or social networks they are networks themselves.

The research and the journey that we took to produce this research paper have led us to learn about bit coin and its underlying block chain technology .it is difficult to speculate accurately whether bit coin will continue to grow in its usage and receive interest and financial support for the further development. The survey we had conducted declares that 28% of the people thinks that use of bit coin will slightly grow while 46% of people thinks that it will moderately grow 26% of people thinks that there will be sharp rise in the use of bit coin over next 5 years.

## **7. Suggestions**

Bit coins have become the global leads in the financial world. Earning in crypto currency is not very hard part, though you just have work bit hard and be patient. The real key to success in crypto currency is knowledge the more you have the better you go. Block chain technology, which powers the entire Bit coin ecosystem, can be used to make certain aspects of a business transparent. For example, company Bit coin wallets can be made public to give everyone a view of funds flowing in and going out. Additionally, more transparency could make it easier for potential investors to estimate what the revenue forecast would look like for the company in question..

Spending part of the new investment funds on marketing is essential, but that doesn't mean the odds of success are increasing. While it is important to advertise a Bit coin company to digital currency enthusiasts, there is a bigger market to tackle as well.

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# **Business Sustainability: Principles and Challenges Faced in achieving Sustainable Development Goals**

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## ***Abstract***

*World have limited resources that have to be shared in sustainable way so that it fulfills present requirements and can be shared among future generation as well. A business will be sustainable only if it is operating in such a way that it will be accountable for the environmental effects. Most of the entrepreneurs are becoming sustainable with their innovative business ideas. In fact, working with sustainability will bring more opportunity hike in their market share, and also increase investors' value. The present study will highlight various challenges pertaining to 'sustainable business'. It will also endeavor on how it should conduct its associations and various parameters of sustainability in the global economy. The research design is descriptive in nature. For structuring unbeaten sustainable business, it is essential to have organized ideas or models that will fundamentally change the paradigm. Different strategies and techniques used for sustainable business practices shall also be conferred in this paper. Major limitations of the study would be lack of time and other resources. Available literatures would be reviewed for assistance.*

**Keywords:** *Business Practices, Business Sustainability, Challenges, Conservation, Profitability Resources, Sustainable Development.*

## **1. Introduction**

The world in which our business runs is changing at fast pace. We live with scarce resources, and face almost every day with different worldwide challenges like climatic change, violence, terrorism, corruption, etc. having many adverse impacts on our life. Due to lot of involvement in economic activities and political interface from West to East, mushrooms the problem for having sustainable economy. Population explosion and economic recession become catalyst to make it more complex. Therefore, it is essential that we must safeguard our natural resources to have a sustainable economy. Challenges are multifaceted and interrelated, its only human being that can ensure that our impact on the world should be positive. Thus, we should espouse sustainable practices for preserving our environment and creating jobs in this

regard. However it will be promising only if governments, customers, and other key stakeholders will work closely for smooth conduct of the business. Although it is very important to understand that sustainability issues are not only green issues but it is multifaceted and also need sustainable measure in financial, economic, industrial, social and legal aspects.

The major problem to setup sustainable business is that conventional people don't find it economically and ecologically practical. They find it more difficult to compete cost-effectively all over the world, if they are function as per the regulations that demands environmental and social integrity. In fact, to a certain extent, the greatest power of sustainability is that it control costs by using optimum utilization of scarce raw materials and other resources. Thus, Sustainability is deliberately important for all firms to work in long run. However, it is imperative to emphasize that sustainable development cannot be proficient in isolation. It can only be accomplished when every individual in the economy will participate in such a fashion so that they are capable to fulfill today's needs without compromising the ability of their future generations.

## **2. Objectives**

The main objective of the research is to study various challenges pertaining to sustainable business; also to understand various parameters of sustainability in the global economy. The objective is also being to explore fundamental changes required in the ideas or models with which businesses should be are organized. Different innovative strategies used to have sustainable business practices shall also be discussed in this paper.

## **3. Research Methodology**

The research design is descriptive in nature as present study describes challenges and parameter pertaining to sustainable business. Secondary sources of data is used to collect information from various government and non-government publications, similar studies conducted in the field, internet sites and various other publications like The Economic Times etc.

## **4. Review of Literature**

According to **V.K. Saraswat, Member NITI Aayog**, mentioned in his address in international conference on Sustainable Biofuel 2018, that only collective initiative of all participating countries can cultivate sustainable development by promoting clean energy

revolution. He also mentioned that different nations should exchange their experience and share best sustainable practices for further development.

According to **India Economic Summit**, World Economic Forum, Two major problems India is facing to work on track of sustainability is, Indians have unsustainable lifestyle due to huge gap in patterns of production and consumption and due to population explosion, and resources are shrinking. In spite of these challenges, India is a cognizant country to show leadership in combating climate change and meeting the Sustainable Developmental Goals (SDGs), as is reflected in many of its developmental schemes.

According to **Voluntary National Review Report (2017)** by UN High level Political Forum on Implementation of Sustainable Development Goals, India has one of the least improvident economies and have been frequently supported by many stakeholders for their cooperation and collaboration and put efforts to achieve climate change mitigation, and environmental sustainability. It became possible only through different policy measures, exchange of ideas between nations, and taking vital steps like adhering Paris agreement adopting energy-efficiency measures.

According to Froschheiser (2013), only the ability of a company can devise and execute win - win strategies to achieve long term success. Nation should have and put effort to make great leaders for such change. When it comes to achieve sustainability, company would be more profitable and secure on a permanent basis. Companies should formulate a plan with the ability of savvy leaders to implement their strategies to move their companies forward.”

According to the book, ‘Business strategy for Sustainable Development: Leadership and Accountability’, Traditional organizations believe that earning profit is the only aim of any business. However, new firms recognize a broader social role in conducting a business. New entrepreneurs are bringing balance between narrow self-interest and more actions taken for the welfare of society. Due to financial constraints, Companies gradually face the need to have a tradeoff regarding what they would ‘like’ to do and what they ‘must’ do. However, it depends entirely on intention, to operate a business within a healthy environment and economy. For that developing countries will provide the best opportunities for expanding markets to grow globally with sustainable economies.

According to the above studies, it can be interpreted that economic growth is not only possible at the expense of the environment and society. However, we need to adopt some sustainable measures in the business world.

### **Sustainable Development**

According to IISD (International Institute for Sustainable development), Sustainable development is development that meet the needs of the present without compromising the ability of future generations. to meet their own needs. The term “sustainable development” became more recognized after the Rio Summit, 1992 which is also popular as Earth Summit. The main aim is to prioritized different global environmental issues and improved upon first International step taken towards conservation of environment i.e (UNHE) United Nations Conference on the Human Environment, Stockholm in 1972. There are many definitions of the term “sustainable development”, but it is most widely popular as “Our Common Future”.

### **Sustainable Business**

**Sustainable business**, which is also popular as green **business**, is an enterprise that has minimal negative impact on the environment, at local and global scale. Businesses supporting sustainable development formulate their strategies and actions that meet the needs of the company and its stakeholders in the present while protecting and enhancing the natural and human resources that will be requires in future.

Broadly Sustainable business has two aspects: Strong and Weak Sustainability approach. Businesses having strong sustainability formulate every action in such a manner which contributes toward a sustainable society. It regulates those environment concerns that cannot be duplicated by humans like ozone layer. Businesses contribute not to deplete ozone layer have strong sustainability.

Whereas, Businesses having weak sustainability considers environmental and social issues as well while expanding over the financial bottom line (Willard, 2002). This is also known as Triple bottom line. We can replace or duplicate natural materials and services with manufactured goods and services.

Sustainability is becoming alarming notion for a successful business globally. For a sustainable business, profit is the incentive for meeting the needs of the society in the present whereas economic viability is the incentive for meeting the needs of people in the future (Muhamad, 2016). In order to be economically viable, a business should not deplete the productivity of its natural and human resources. Besides, a business must also continue to

earn sufficiently well in the present, if it wants to maintain its productivity in the society for long term.

### **Sustainability and Environment**

This section of the paper deals with relationship between sustainable business and natural environment. For production process, in order to make finished goods or semi-finished goods, organizations extract resources from environment and afterward dispose all material wastes back into it. Even organization belongs to service sectors like financial, legal, and other information-based service providers, are eventually dependent upon supportive tangible processes like producing, mining, and manufacturing. So we can say that “everything is interconnected”. Three subsequent ecological principles i.e. holism, diversity, and interdependence are basic assumptions about ecosystems and how they function (Ikerd, 2013).

Our environment is not only comprises of physical and organic constituents, but there is a great connection with human beings and their organizations. For economic activity industry extracts resources from the environment or dispose back have severe environmental impacts that affect the entire ecosystem which eventually influences the long run feasibility of the concerns. The relationship between operational businesses and biological environment must be balanced, and it's only possible when the productivity of the environment and the profitability of the business will be maintained. For such noble cause leaders of sustainable business must obey their responsibility towards the environment not just for their own sake, but also for the sake of their companies.

### **Principle of Sustainable Business**

According to Sinner (1994), value, efficiency, and Sovereignty are the fundamental principles of sustainable business. Economic value play significant role in sustainable business, which is based on scarcity of resources, which means the quantity demanded of a particular resource is relatively more than the quantity supplied. Sustainable businesses must produce those products and services that are scarce and thus can fetch economic value.

As far as economic efficiency is concerned, it's a measure of the economic value generated in relation to its economic costs. Efficiency can be achieved by selecting the best among the available alternative resources required in production process. It can be confer that optimum allocation of resources will lead to efficient production process. Every Sustainable business must make efficient use of scarce natural, physical, financial and human resources in order to be successful.

The principle of sovereignty is often ignored in comparison to value and efficiency. However, it is equally important. Without sovereignty, both the industry as well as separate business concerns cannot function successfully. Independent top level management must have lot of alternative options available and ample information on how to use it.

### **Sustainable Business Practices**

After understanding the contribution of sustainable development for conservation of environment, most of the businessmen are implementing sustainable practices with their business plan. They have understood that it's only initiative and contribution by individual organization can solve such serious problem of the economy. Through sustainability, business concerns can not only increase their market share and investors' value but gradually will also help to protect our environment.

To implement sustainable businesses practices, traditional ideas or models used by firms should be fundamentally updated. The need of the hour is that we must change those processes and the business must function as per principles of sustainable business rather than the approach towards earning profits. There are different strategies used by companies to become sustainable:

#### **Internal Equity**

To work on the principle of sustainable development, sustainable practices must starts with the top level management of organization. For changing organization's work culture, internal consistency or internal equity should be incorporated. Internal equity is the degree to which an organization's positions are ordered hierarchically. There should be congruence between organization's strategic and business objectives (Milkovich and Newman, 1993). Thus, the relative pay differences between job will reflect each job's unique value to the employing organization when the system is internally equitable. A high degree of internal equity should promote a sense of equity and fairness among organization members and thus encourage cooperation and organizational citizenship behaviors.

#### **Set Objectives and Goals**

Setting up where an organization wants to go is essential. It can be done by formulating mission and goal of the objectives, principles and operating methods of a company. Sustainable statements should be formulated and distributed to all employees. If member of staffs know that performance will be evaluated and appraised as per the stated objectives, the mission will be taken sincerely.

### **Assessment of Performance**

By measuring performance, organization can compare output with the standards. Achievable performance standards should be communicated with available mode of communication to measure its progress in achieving sustainable financial, environmental and social objectives. By setting standards organization can measure growth of the business, and accordingly assess its success or failure, organizations can strengthen their obligations to the stated mission. Environmental and social audits can also help to evaluate a sustainable business.

### **Engraving in-house waste through pollution preventive measures**

In order to reduce internal waste, top management should take suggestions from employees of different department by forming teams. Management should guide them to formulate their strategies to have sustainable code of conduct to perform environmentally better. For constant working, top management should provide appropriate support with sufficient funds. It is always better to commence such initiative by setting simple attainable goals, and gradually goals can become more definite. A simple example can be internal wastage can be reduced by asking all employees to bring their own tea/coffee mugs rather than using disposable cups, repair staff can be asked for using eco-friendly cleaning products rather than chemical based products, and can also asked them to use bathroom tissue paper and towels made up from recycled thread.

### **Educate Employees about Economic, Environmental and Social Trends**

Spreading information is important among number of workers who want to perform in a superior way; but for this they need a better insight of latest fashion and practical solutions. Knowledgeable member of staff will be in a better position to promote company goals. Books, articles, videotapes, and the occasional guest lecturers can be beneficial in this aspect.

### **Medium of Exchange of Information**

Usual staffs conferences, regular bulletins, available managers and an in-built newssheets can help maintain a medium of exchange of information. Discussion and new ideas can be generated through centrally paced bulletin boards or proposal boxes.

### **Integrity towards publics**

Corporate have some social responsibility towards Society. By working on track of sustainable practices, organization can gain public credibility, consumer fidelity, and stakeholder's confidence (Lozano, 2013).

### **Generating Sustainable Development Annual Report**

Annual reports are the best means of showcasing transparent information in public. One of the best promotions for a company can be preparation of annual report, highlighting

developments made towards improving balance between environment, workplace and societal welfare. Such reports can go a long way in revealing a company's commitment towards sustainable environment by underlining ecological safeguard and social accountability.

### **Sincere and Accessible Public Terms and Relations**

Sustainable practices should not only be limited to internal affairs of organization even though it can be accessible to public. Terms and relations can be stronger by communicating adequate information to people who are interested in assisting company sustainable objective like consumers, stakeholders, the press and local public. Organizations may provide toll-free numbers to public to get information for the same.

### **A Pledge to Societal Developmental Attempts**

Organizations that are not directly contributing in sustainable practices can also contribute towards the society by the donating money/cheque to local charities, NGO, Cooperative societies etc. that are working for sustainable development.

### **Challenges Ahead**

Good business decision making, is an issue for all stakeholders including investors, shareholders and customers, all of whom are placing increased scrutiny on business and product sustainability. Organization may face different challenges to meet sustainable objectives.

**Strategic Challenge:** On a primary level, modern societal fulfillments provide a strategic challenge for organizations wanting to operate their business on sustainable model. Sustainable model should be environment and social sensitive. According to Raderbauer (2011), strategic challenge represents an assurance by top management that moves beyond compliance and competent to evade risks and minimize costs. To face strategic challenge, sustainability strategy of the company needs to grown-up to a sustainable level from narrow ego-centric pursuits of market control. Moreover, management needs to be the proficient of managing both short and long-term strategic perspective concurrently.

**Operational Challenge:** Amalgamating the sustainability into operations and processes across the value chain is one of realistic challenge to meet competitive advantage. Sustainable business goals can only be achieved by balancing corresponding economic resources; with required skills set to meet new sustainable opportunities beyond internal organizational boundaries. Organization should prepare a prototype of sustainable operational model including different of pillars like supply and demand chain, budding technology and new regulatory requirements. Optimum association of upstream and downstream value chain

partners with external parties like non-governmental organizations can help the organization to meet sustainable objectives.

**Financial Challenge:** One of the great challenges facing corporate sustainability programs is in securing adequate long-term funding. As organizations increasingly view their business operations through the strategic lens of sustainability, many will find their programs should deliver measurable returns in the long-run. The companies can manage sustainable business practices by creating more value for their stakeholders with support of superior environmental and social performance but it is actually possible with financial support. Financial component can attract new customers and retain committed employees and loyal customers. According to book “Business Strategy for Sustainable Development: Leadership and Accountability” to combat financial risk, three parts of sustainability could be structured as environmental capital, social capital and economic capital. None part of the capital can’t be sustainable by itself. Therefore, the sustainability of the business depends on the contribution of each of environmental, social and economic interacting sustainability dimensions. Sustainability is achieved only if the business succeeds in getting economic efficiency, social equity and environment preservation.

**Compliance Challenge:** To meet sustainable objective, organization may perform internal audits to put pressure to adhere to better standards of practice by monitoring compliance with environmental policies and legislation. Internal environmental audit is a practical way to monitor with teams of experts like engineers, auditors and scientists who acquired necessary knowledge and experience in auditing. The main objective of compliance is to facilitate management control of environmental practices and to access company policies to meet sustainable regulatory requirements.

## **5. Conclusion**

At the end, we can say that sustainability is the only path for advancement with conservation of resources. Organizations are gradually shifting their measures into sustainability. It provides them opportunities to gain competitive advantages by bringing innovation. Although numbers of challenges are making uncertain and complex which restrict them from taking the initial steps to implement sustainability programs. They should couple their operational practices towards sustainability. There should be a transparent regulatory framework to devise business judgment that has long-term impacts on sustainability. Moreover, companies should have better understanding of how to build an appropriate sustainable business model. However, the private sector must move continuously ahead with both individual and

cooperative initiatives that support sustainability framework. It is clear that more needs to be done to encourage businesses to embrace sustainability, and governments can help business to make it so.

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# Digital India: Challenges & Opportunities

I dream of a digital India where the world looks to India for the next big idea  
- Narendra Modi (2015)

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## *Abstract*

*Digital India is the beginning of digital revolution. It is a dream which is created by the Government of India to ensure that government services are made available to citizens electronically, even in remote areas, by improving online infrastructure and by increasing Internet connectivity. The main vision of Digital India initiative is to 'transform India into a digitally empowered society and knowledge economy'. The initiative aims at enabling Indian masses to get engaged in the innovative processes which will help in upliftment of economy and will pave its way to move forward. But on the implementation front, it is indeed a great challenge. There are many roadblocks in the way of its successful implementation like digital illiteracy, low internet speed, lack of proper coordination among departments, poor infrastructure, issues pertaining to taxation etc. These challenges need to be addressed in order to realize the full potential of this programme. This paper attempts to highlight the different challenges faced by the Digital India Programme. It describes the different opportunities of the programme for the people of India.*

*Key Words- Digital, Implementation, Opportunities, Roadblocks, Revolution*

## **1. Introduction**

All over the world, technologies of information and communication proceeds to accelerate at an incredible speed. Digitalization is one of the most fundamental period of transformation we have ever witnessed (Dua, 2017). Digital India, a revolutionary programme, was launched on 1<sup>st</sup> July 2015 by the Prime Minister of India, Sh. Narendra Modi, with an aim of improving digital literacy and connecting rural areas with high-speed internet networks. The

vision of this programme is to transform India into a digitally empowered society and knowledge economy. It is one of the biggest step taken by the Government of India to motivate the citizens of the country and connect Indian economy to knowledge savvy world (Modi, 2015).

## **2. Literature Review**

A number of research papers and articles provide a detailed insight about the role of digital India and the implications of this project in India.

Gupta and Arora (2015) studied the impact of digital India project on India's rural sector. The study found that many schemes have been launched in digital India to boost agriculture sector and entrepreneurship development in rural areas. Digital India programme has also set the stage for empowerment of rural Indian women.

Midha (2016) concluded that digital India is a great plan to develop India for knowledge future, but its improper implementation due to inaccessibility and inflexibility to requisite can lead to its failure. So we Indians should work together to shape the knowledge economy.

Sharma (2016) commented, "These transforms the lives of people in many ways and will empower the society in a better manner. The Digital India Programme, an initiative of honourable Prime Minister Mr. Narendra Modi, will transpire new development in every sector. The motive behind the concept is to build participative, transparent and responsive system."

Petare (2015) concluded Digital Technologies which include Cloud Computing and Mobile Applications have emerged as catalysts for rapid economic growth and citizen empowerment across the globe. Digital technologies are being increasingly used by us in everyday lives from retail stores to government offices.

Sengjan (2017) said, "Everywhere you go today, in the private or the public sector, work is dependent on computers. People are posting jobs online and people are applying for jobs online. Computers have become an extremely important part of our daily lives today, and that is the reason I encourage my students to learn computers."

Chandrasekhar (2016) concluded that Digital India is a huge opportunity for transformation in India in sectors like IT, communication and automation of knowledge work. Important steps will be needed in this transformation process.

Sharma (2015) said, “The National e-Governance plan approved in 2006 has made a steady progress through Mission Mode projects and Core ICT infrastructure, but more thrust is needed to ensure effective performance.”

### **3. Research Methodology**

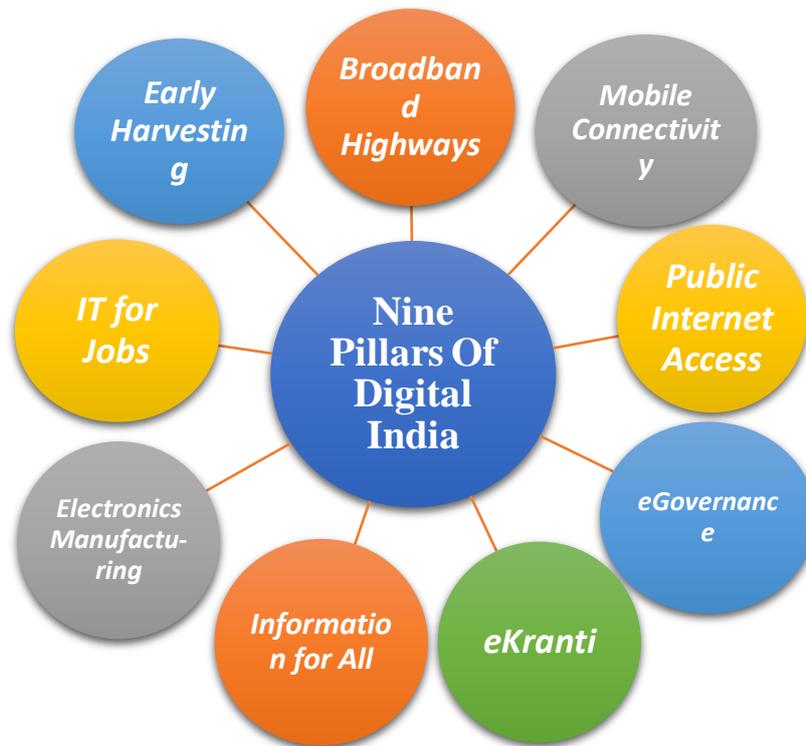
The paper is based on the secondary data and the information is retrieved from the internet via various research papers, articles and government websites.

#### **Objectives of the Paper**

1. To study the concept of digital India programme.
2. To study the opportunities of the programme for Indian Masses.
3. To study the various challenges faced by the Digital India Programme in its implementation.
4. To find out practical solutions and innovative ideas regarding the successful implementation of the programme.

### **4. Nine Pillars of Digital India Programme**

The Government of India hopes to achieve growth on multiple fronts with the Digital India Programme. Specifically, Timane (2015) identified the following target ‘Nine Pillars of the Digital India’ that were identified as being:-



**Figure 1: Representation of Nine Pillars of Digital India**

**Source: Author**

### 1. Broadband Highways

The objective of this pillar is to cover 2,50,000 village Panchayats under National Optical Fibre Network (NOFN) by December 2016. Nationwide internet infrastructure (NII) would incorporate the network and cloud infrastructure in the country to provide high speed internet connectivity and cloud platform to various government departments up to the panchayat level in the villages.

### 2. Universal Access to Mobile Connectivity

The objective of this pillar is to amplify network penetration and to provide mobile connectivity to 44000 villages by 2018 with investment of Rs 16000.

### 3. Public Internet Access Programme

To each and every gram panchayat, One Common Service Centre (CSC) would be provided and 1,50,000 Post Offices are put forward to be converted into multi service centers.

### 4. e Governance–Reforming Government through Technology

In e Governance, IT would be used to deliver the government services more effectively. There would be a better coordination in services and platforms-UIDAI, Payment Gateway, Mobile Seva platform, Public redressal etc., through IT. All information would be made available in electronic form.

#### 5. E-Kranti: Electronic delivery of services

E-Kranti includes technology for education, technology for health, technology for planning, technology for farmers, technology for security, technology for financial inclusion and technology for justice.

#### 6. Information for all

Information for all includes online hosting of information & document. Government pro-actively engages through social media and web based platform to inform citizens about MyGov.in and 2 way communications between citizens and government and online messaging to citizens on special occasions/Programmes.

#### 7. Electronics Manufacturing

The government is focusing on zero imports of electronics by 2020 through local manufacturing of items such as smart energy meters, micro ATMs, mobile, consumer and medical electronics. Government is also taking several steps to promote manufacturing and investment in electronics sector by providing clarity on taxation, incentives skill development etc.

#### 8. IT for Jobs

The main objective of this pillar is to train 10 million people in towns and villages for IT sector jobs in five years. It also aims to provide training to three lakh service delivery agents as part of skill development to run viable businesses delivering IT services. It also focuses on training of five lakh Rural Workforce on Telecom and Telecom related services and setting up of BPOs in each North-eastern state.

#### 9. Early Harvesting Programmes

In Early Harvesting Programmes, the Indian government plans to install Wi-Fi facilities in all universities across the country. All books will be converted into e books. Email is the primary mode of communication within the government.

### **5. Status of Digital Services Deployed under Digital India**

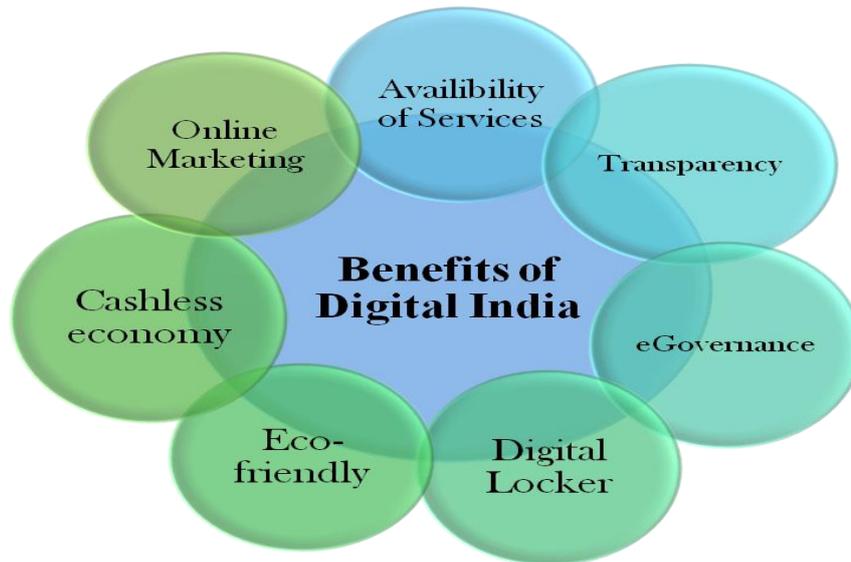
The second most important component of Digital India, after Infrastructure, is Digital services. By now, the Indian Government has taken various steps for implementing these services for the Indian masses. Some services like MyGov and DigiLocker had witnessed high adoption rates by the citizens, but several other services are lagging behind as they are less user friendly and difficult to use. Here are some of the services (Assocham-Deloitte, 2015) :-

Table 1 : Status of Services Deployed under Digital India

Services	Description	Status
eSign	eSign service allows us to do digital signatures with the help from our Aadhar information	- Implemented and deployed - Used for online business documents and tax returns.
MyGov App	It is an innovative engagement mobile application where citizens directly engage with the government by channelizing their ideas, comments, etc.	Service is rolled out with about 5,00,000 downloads till date
DigiLocker	DigiLocker is a platform for issuance and verification of documents & certificates on a public cloud.	Over 1 million downloads till date
Swachh Bharat Abhiyaan App	This app came after launching the Swachh Bharat campaign. It is used by the people and government Organisations	- Available on Play store - Over 500 thousand downloads
Wifi Hotspots	The government plans to install wifi routers in public places	31,518 hotspots till date
UDAAN	It is an initiative to address the needs of the educated employed in Jammu & Kashmir	10,555 J&K youth joined UDAAN till July 2017, out of which 4984 youths are placed.
SARANSH	A CBSE initiative, Saransh is a tool for comprehensive self-review and analysis for CBSE affiliated schools and parents	Deployed and active
eHealth	It provides effective, timely medical services	- Hospital management system - Customer service using internet
E-Education	It provides high-tech education in remote places and urban areas using smartphones, apps and internet services.	India's online education market is to grow to USD 1.96 billion and around 9.6 million users in 2021 from USD 247 million and around 1.6 million users in 2016

Source: <https://www2.deloitte.com>, <http://www.digitalindia.gov.in/rural>

## 6. Benefits of Digital India Programme



**Figure 2: Representation of the Benefits Digital India**  
Source: Author

Digital India programme is the beginning of digital revolution. It is a big initiative to empower people of the country. The main benefits of this programme are:-

1. Availability of Services - The Digital India mission would make all the government services available to the Indian masses through common service delivery outlets. With this, there will be an inclusive growth by providing access to healthcare, education and government services to all the citizens of the country.
2. Transparency- The transparency level increase as all the data would be made online which can be accessed by all the citizens of the country.
3. E-Governance – E-Governance will help in reducing corruption and getting things done quickly.
4. Digital locker - Digital locker facility will help citizen to digitally store their important documents like Pan card, passport, mark sheets, etc. which help in getting things done easily. For example, whenever we need to open an account, we will give official details of our digital locker, where the bank can verify our documents. Thus, it will be more convenient for the citizens as a lot of time will be saved by not standing in long queues.
5. Eco-Friendly - It will greatly reduce paper work and documentations.

6. Cashless economy - With demonetization in effect in the country, Digital India will promote cashless transactions and more and more people will be aware of it.

7. Online Marketing - It can help small businesses to expand as people can use online tools.

### Challenges Faced by Digital India

More than three years has been passed since Digital India mission has been announced but it is facing multiple challenges in successful implementation. Few of the challenges are :-



**Figure 3: Representation of Challenges faced by Digital India**

**Source: Author**

1. Digital Illiteracy - Digital illiteracy is the biggest challenge in the success of Digital India programme. Low digital literacy is a key hindrance in adaptation of latest technologies. The latest report concludes that India had 36.74 crore (367.46 million) Internet subscribers in September 2016. Making Digital India scheme known and creating awareness among common masses about its benefits is also a great challenge. (akamai.com, 2016)

2. Connectivity - It is a tremendous task to have connectivity with each and every village, town and city in India. Connecting 2,50,000 Gram Panchayats through National Optical Fiber is not an easy task. Till now 1,44,430 km of optic fiber has been laid (ASSOCHOM-Deloitte report, 2016).

3. Stringent Taxation and Regulatory Policies - According to ASSOCHOM-Deloitte report, the issue pertaining to taxation and regulatory guidelines has proved to road block in realizing the vision of Digital India. Some of the common policy hurdles include lack of clarity in FDI policies have impacted the growth of ecommerce (ASSOCHOM-Deloitte report, 2016).
4. Poor Privatization - The private participation in government projects in India is poor because of long and complex regulatory processes.
5. Delayed Infrastructural Development - The biggest challenge faced by Digital India programme is slow and delayed infrastructure development. India's digital infrastructure is comprehensively inadequate to tackle growing increase in digital transactions. India needs over 80 lakh hotspots as against the availability of about 31000 hotspot at present to reach global level, according to ASSOCHOM-Deloitte report (2016).
6. Mobile Connectivity - Many request proposals issued by government are not picked up by competent private sector organizations since they are not commercially viable. Currently over 55000 villages remain deprived of mobile connectivity because providing mobile connectivity in such locations is not commercially viable for service providers (ASSOCHAM Deloitte report, 2016).
7. Language Barrier - India has 1600 languages and dialects. Non availability of digital services in local languages is a great barrier in digital literacy.
8. Cyber Security Issues -Security issues are one of the most critical challenges faced by stakeholders of the digital payment ecosystem. With more and more users preferring digital payments, the chances of getting exposed to cybersecurity risks like online fraud, information theft, and malware or virus attacks are also increasing. Lack of awareness and poor digital payment ecosystem are some of the many prime reasons that have led to an increase in cyber-attacks.
9. Low Internet Speed - A key component under this vision is high speed of internet as a core utility to facilitate online delivery of various services. India has low internet speed. According to first quarter 2017 Akamai report on internet speed, the average internet speed in India is 6492 Kbps.

## **7. Suggestions**

Digital India campaign can't be successful on its own. Policy changes are needed to make digital India a reality. Few of the suggestions are : –

1. To make this programme successful, a massive awareness programme should be conducted. There is pressing need to educate and inform the citizens, especially in rural and remote areas, about the benefits of internet services to increase the growth of internet usage.
2. Manufacturing content is not government's strength. This mission needs content and service partnerships with telecom companies and other firms.
3. PPP models should be analyzed for sustainable development of digital infrastructure.
4. Private sector should be encouraged for development of last mile infrastructure in rural and remote areas. To encourage private sector, there must be favorable taxation policies, quicker clearance of projects.
5. The success of digital India project depends upon maximum connectivity with minimum cyber security risks. For this we need a strong anti-cybercrime team which maintains the database and protects it round the clock.
6. Cyber security courses should be introduced at graduation level.
7. There is need for effective participation of various departments and demanding commitment and efforts. Various policies in different areas should support this goal.

## **8. Conclusion**

The vision of digital India is grand. It is a huge step towards building a truly empowered nation. A digitally connected India can help in improving social and economic conditions of people through development of non-agricultural economic activities apart from providing education, health and financial services. If successful, it will transform citizen access to multimedia information, content and services. However, the goal is still far away since most of the nine pillars of digital India mission are facing serious challenges in implementation. It is imperative that focused persistent attention must be given to each and every pillar so that this program does not end up in a failure. We all know that overall growth and development can be realized through supporting and enhancing element such as literacy, basic infrastructure, overall business environment regulatory environment, etc. The government continues its regime of internet filtering and the authorities have stepped up surveillance

online and put pressure on internet service providers to collude in the filtering and blocking of content which may be perfectly legitimate. Further, security should be the most important area at all level of operation for the digitally empowered knowledge economy of the country.

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# Demonetization and its Impact on Various Sectors

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## *Abstract*

*Almost a year ago, Our Prime Minister Mr. Narendra Modi announced the scrapping of high-value currency notes i.e. 500 and 1000 notes which amounted to 86% of the currency in circulation. The demonetization of currency notes was supposed to be an attack on black money, counterfeiting of the banknotes which were allegedly used to fund terrorism. It also served as a broader push to promote digitization and non-cash payments. However, the impact of currency-scrapping exercise were, quite severe, at least in the short term, which disrupted ordinary life across the country for several weeks. The hardest-hit was caused to rural areas, where access to banking and the internet are quite low.*

*The opinions of great economic experts, financial economists and intellectual politicians are considered here. This study will help us to know about the positive and negative impact of note ban decision, taken by Indian Government. This study is purely based on secondary data collected from newspapers, websites from internet and research papers.*

**Keywords:** Counterfeiting, Currency-Scrapping, Demonetization, Digitizing.

## **1. Introduction**

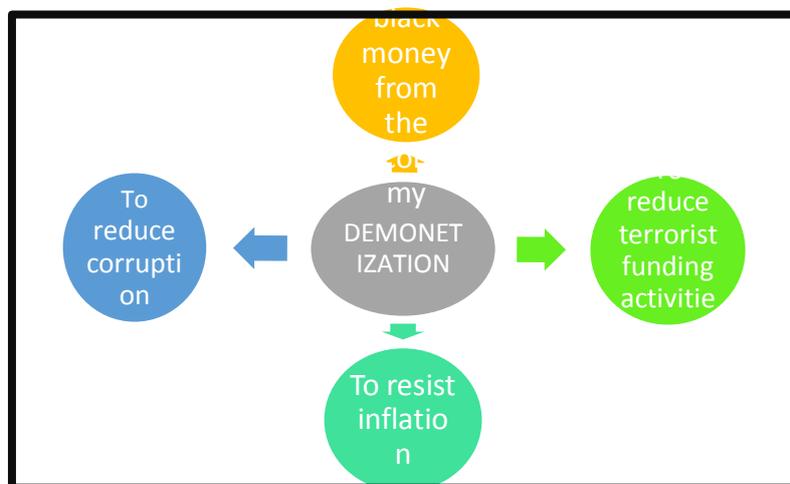
The act of changing the existing currency in another form is demonetization. The old units should be retired and replaced by new currency. In other words, demonetization means either introducing new notes or coins of the same currency or fully replacing the old currency with new currency. An important term which is remonetization, in which forms of payment is restored as legal tender. In November 2016, The Indian government demonetized Rs. 500 and Rs. 1000 currency notes. Currency notes, these two biggest denominated notes accounted for 86% of the currency supply (Hari G.R., 2016). The government's main objectives of note ban was, to eradicate counterfeit currency, resist tax evasion, destroy the black money, and terrorist financing activities, resisting inflation, resist corruption and to

encourage the country towards the cashless economy (Hari G.R., 2016). This decision was taken by government for welfare of the nation, many questions arises such as, Would note ban decision actually eradicate the black money, if does then at what extent black money will come out? What should be the impact of this decision on Indian economy? The present study is a step towards making analysis of the same (Hari G.R., 2016).

## 2. Concept of Demonetization

When a currency note of a particular denomination ceases to be a legal tender it is termed as demonetization. But since our government is replacing the old Rs 500 notes with newer ones and doing away with the Rs 1,000 notes, it would be more appropriate to call the move as 'scrapping' or 'phasing out' of certain currency notes (Times of India, 2017). This move was initiated in order to attain four objectives wise eradication of black money, reduction of corruption to reduce terrorist activities and to resist inflation.

### Objectives of Demonetization



Source: Compiled from Basu (2017)

## 3. Research Methodology

Research methodology is the process used to collect information and data for the purpose of making decisions. The methodology may include publication research, interviews, surveys and other research techniques, and could include both present and historical information.

This study is purely based on secondary data collected from newspapers, websites and research work.

### **Objectives of the study**

1. To study the concept of demonetization
2. To gain insights into India's past experience of demonetization and its impact on Indian economy
3. To know the impact of demonetization on various sector.
4. To assess suggestive measures against demonetization.
5. To analyze the opinions of various experts and economists.

## **4. India's Past Experience with Demonetization**

Prior to last week's announcement by Prime Minister Narendra Modi that high denomination notes would stop being legal tender from 9th November, there were two similar instances in India.

The first instance was in 1946 and the second in 1978 when an ordinance was promulgated to phase out notes with denomination of Rs 1,000, Rs 5,000 and Rs 10,000.

There is hardly any data on this. So, one is overtly reliant on RBI's first history volume. The idea seems to have come from the colonial master Britain where 10 Pound notes were called back.

In Jan 1978, currency worth INR 1.46 billion (1.7% of total notes in circulation) was demonetized. Of this INR 1.0 billion (or 68%) was tendered back. In 1978 the value of demonetization was very small (only 0.1% of GDP).

However, the 2016 demonetization efforts cover 86% of the total currency in circulation (11% of GDP).

## **5. The Impact of The Past Demonetization Exercise Was As Follows:**

Table: 1

Variables	Impact
Deposit Growth	Rose Sharply

Currency in Circulation	Moderately available
SLR Security	Sharp increase in investments in government banks.
Credit Growth	Initially subdued but started picking up after four months (by may 1978)
GDP Growth	No major impact as high denominations notes which were cancelled only accounted for 0.1% of GDP

Source: Hari G.R. (2016-17)

## 6. Experts and Economists views about Demonetization in India

Table: 2

S.No.	Expert/Economist's Name	Opinions
1	Amartya Sen (Leading economist; Noble Laureate; recipient of the Bharat Ratna) (2016)	Asserted that millions of innocent people have deprived from their money and being suffered to get their own money back.
2	Dr. Manmohan Singh (Former Prime minister)	Demonetization is an organized loot, the way the scheme has been implemented will harm the agriculture sector In India, also harm the small scale industry and informal sectors of the economy.
3	Arun Jaitley (Current finance minister of India, Senior advocate, Delhi High Court)	It is good for economy, Indian banks were facing NPA problem since last many years, now banks will have more money to lend for many sectors of economy.
5	Arvind Virmani (Leading economist, Former India's representative at IMF, former	Demonetisation is a useful technique to solve the problem of black money, but it needs a deeper study to check the effectiveness of

	chief economic advisor, GOI)	demonetization.
6	Kaushik Basu (leading economist, senior vice president and chief economist at the world bank)	The government of India has made a policy who deposit money beyond the limit of 250000 have to pay huge penalty.
7	Arun Shouriee (Former economist at the world bank , recipient of the Padma Bhushan and union minister)	this note ban policy made by present Indian government is not a poke on black money because owner of black money converted their money into tangible and intangible assets.
8	Surjit Bhalla (chairman, Oxus Investments, a Delhi based economic research/ advisory firm, former professor at Delhi school of Economics, previously worked at World bank)	A courageous step, and the credit goes to our prime minister Narendra Modi. If this step would be successful the it will be biggest reform in India. this policy will silently create money for the Economy.
9	P. Chidambaram (Former finance minister of India)	Decision of demonetization by Narendra Modi is a foolish step that have derailed the Indian economy. the center should have admitted that it had made a mistake to scrap high value currency notes.

Source: Compiled From SSRG International Journal of Economic and Management studies, 2017

### **7. Impact Assessment: What economic survey (2016) says?**

The Economic Survey rightly called demonization as a regime shift. If we make a retrospective analysis, following are the main impacts of demonetization.

## Positive Impacts

Positive impact of Demonetization		
Enhanced tax compliance	Boosts in Digital payments	Black money reduction

**Source: Economic Survey (2016)**

1. Demonetization has strengthened tax administrative measures, it has fortified the tax administrators' tools, interventions and interactions with the tax payers by producing greater compliance. This initiative of demonetization has tackled black money in both direct and indirect ways. A minimum of 1.56 lakh people was expected to be added to the income tax net under the Operation Clean Money. Thus, it has helped to add more people to the tax net. According to a Parliamentary information, more than 11.4 lakh permanent account numbers (PANs) were deleted or de-activated because they were cases of multiple PANs.

2. Enhanced Tax Compliance: One of the chief demerits of India's direct tax system – poor compliance, was addressed through demonetization. Once savings, payments, income flows and other transactions are digitalized and recorded, it will give way to a better compliant society. Cashless and digital transaction society is the infrastructural foundation of a compliant society.

3. Demonetization has boosted digital payments: Popularization of digital payment methods, instruments and institutions prove that demonetization has facilitated digital transactions. It has created an inseparable link between demonetization and digitalization of transactions. POS machines, and use of card based payments are very popular now compared to the pre-demonetization period. Online payments have become common among the more sophisticated groups.

## Negative Impacts

Negative impact of Demonetization		
Huge cost of printing new currency	Inconvenience to public	Lower profit for RBI

**Source: Economic Survey (2016)**

1. There was a lot of inconvenience caused to the common people who ran to nearby banks to exchange the Rs 500 and 1,000 currency notes. It was very difficult for more than half of the population who are not well versed with card transaction. This move had a deep impact on the lower-working sections of the society who were dependent on cash payments. Jan-Dhan schemes, UPI/Digital payment methods are still in the growing stage. It will be a long time before rural India moves to completely cashless transactions.

2. RBI incurred a total expenditure of Rs 7,965crore on printing currency notes in year 2016-17, which was more than double the Rs 3,420crore spent in year before that. The rise in price of printing could be attributed to printing of new currency notes during demonetization. The upsurge in the expenditure during the year was on account of change in the production plan of printing presses due to the introduction of new design notes in higher denominations as well as the requirement of larger volume of notes for replacement of the demonetized currency.

3. Demonetization was one of the main reasons for Reserve Bank of India's lower-than usual profits. The government too received a lesser dividend from the central bank as compared to what it received in the previous financial year. RBI transferred a meager Rs 30,659crore as dividend to the government.

## **8. Impact Of Demonetization On Various Sectors: HARI G.R. , 2016**

The sectors which were majorly impacted by demonetization includes retail sector followed by agriculture sector, real estate, construction, gems & jewelers, tourism & hospitality and automobiles sector. (The survey results of Research Bureau of PHD chambers (2016) reflected the following impact on different sectors which is as follows):

**1. Retail:** The major impact of demonetization is seen on the retail sector since 88% of people engaged in retail trade said that cash crunch is leading to low consumer demand of their products ultimately causing fall in their sales, since Indian retail segment generates a lot of cash transactions. The impact was comparatively higher on the small traders and the unorganized retailing segment.

**2. Agriculture:** Majority of the people (81%) responded that agriculture was impacted majorly since sale, transport, marketing and distribution of ready produce to wholesale centers or mandis, is dominantly cash-dependent. Further, it has been reported that disruptions, breaks in the supply chains, increased wastage of perishables have severely impacted the sector. The marginal farmers who sell their products on day to day basis to the mandis and directly to the consumers have been impacted.

**3. Real Estate:** Majority of the people (77%) in the real estate business says that demonetization has finished their businesses as cash is always a major component of their transaction. Like the other sectors, small real estate developers are severely impacted because of very high involvement of cash as a component of payment in real estate deals.

**4. Construction:** Construction sector was impacted as most of the people (74%) argues that demonetization has led to lower collections in the form of customer advances, as projects in early stages of construction are mostly dependent on these advances for construction progress and debt servicing. The demonetization drive has majorly impacted the fate of the unskilled workforce in the construction sector as the sector absorbs maximum of the unskilled workforce after the agriculture sector. And these workers are working majorly on the daily wages in many of the construction activities in the country.

**5. Gems & Jewellery:** Impact of demonetization on Gems & Jewellery sector is quiet high since cash payment is the significant mode of payment for purchasing jewellery by the substantial portion of the customers. 65% have been affected. The sector is impacted because people are not able to fulfill their daily needs it is estimated that the domestic demand for gems and jewellery is expected to be muted in the near to medium term with the smaller jewellery retailers in the unorganized sector being the most impacted.

**6. Tourism and hospitality and wellness:** According to (61%) public the tourism sector is highly affected as consume a major part of their undeclared income on luxuries. Hence, customers become incapable to spend more due to lack of available currency, the tourism industry, as a result is suffering the most. Wherein the unorganized inventory of hotels is mostly impacted. Additionally, the leisure sector hotels and restaurants segment are facing impact on account of the discretionary nature of spending by customers here and the substantially larger base of cash transactions that occur in its when compared to main stream business hotels. Further, the restaurants are facing a slow growth on account of the reduced cash available and the usage of high cash spending in restaurants.

**7. Automobiles:** Automobiles sector, as reported by 52% respondents, is impacted majorly by demonetization. Demand of two wheeler vehicles sees the major decline than luxury cars or four wheelers as cash is to be the primary method of transaction to be used in the purchase of two wheeler vehicles. In automobile industry, another segment which faces effects of demonetization is the used car industry. Here, many car dealers have reported decrease in sales which happened suddenly. Mode of payment is not regulated exactly as this industry is unorganized.

**8. Banking:** The Indian banking system is very wide which consists of public sector banks (26), private sector banks (25), foreign banks (43), regional rural banks (56), urban cooperative banks (1589) and rural cooperative banks (93550), also in addition to cooperative credit institutions. Indian banking industry, witnessed the role out of innovative banking models like payments and small finance banks, recently. The central bank granted approval to 11 payments bank and 10 small finance bank in FY 2015-16.

Table: 3

 PRO's	 CON's
Increased share of savings moving to banks; high CASA ratio (lower cost of funds)	Negative from credit growth perspective and asset quality challenges(banks with higher SME exposure)
Government's move to remove higher value bank notes from circulation would lead to a surge in deposits, allowing lenders to eventually lower cost to service.	Reduction in deposit interest rate due to high liquidity

Source: Hari G.R.( 2016)

**9. Consumption:** Indian consumer segment is broadly segregated into urban and rural markets and is attracting marketers from across the world. The sector comprises of a huge middle class, relatively large affluent class and a small economically disadvantaged class, with spending anticipated to more than double by 2025. India stood 2<sup>nd</sup> among all nations in the global consumer confidence index with a score of 128 points for the quarter ending June 2016, after Philippines (132).

TABLE: 4

 PRO's	 CON's
Consumer staples: the move should benefit organized retail and hamper the market for local counterfeit goods.	Consumer durables: Sales likely to be hampered overshoot-term, especially sales through unorganized channels as cash purchases (70-75% of the overall sales) take a hit.
Consumer durables: sales through online retail should pick up relatively.	Consumer staples: need based demand and small purchase tickets, the impact on demand would be muted.

Source: Hari G.R. (2016)

**10. NBFC & Finance:** There are 11,842 Non-Banking Financial Companies (NBFCs) registered with the Reserve Bank of India out of which a lion's share of 98% are non-deposit accepting with the balance 2% being deposit accepting NBFCs. Since November 2014, 200 non-deposit accepting NBFCs having asset size of Rs 5 bn and above have been classified as systemically important. The major NBFCs in India have their relative specializations, for e.g. HDFC (mortgage loans), Mahindra Finance (agricultural loans), Power Finance Corporation (power financier) & Shriram Transport Finance (auto Loans)

TABLE: 5

 PRO's	 CON's
Gold Finance: Positive in medium term – Near term disbursements to get hit as high cash dealing; However, 75% of gold lending is from un-organised segment which will gradually shift to organized players.	Housing Finance: Negative: LAP/developer loans may see increased delinquencies ; underlying demand slowdown to affect credit Growth.
Micro finance: Positive in medium term-	Auto Finance: Negative: 60- 70%

70% transactions done in cash; Near term disbursements/collections to get hit.	transactions are done in cash; resale values likely to come down for vehicles; Asset quality issues to worsen
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Source: Hari G.R. ( 2016)

## 9. Conclusion

To combat with black money and corruption in India, demonetization is a great effort taken by Indian government. A bold decision taken by our government. The main purpose of demonetization is to eradicate the black money and reduce corruption. Indian Government found success to some extent in this great move. Most of the black money has been crushed. On the other hand this sudden act of demonetization undertaken by the government is a large shock to the economy. The impact of the shock in the medium-term is a function of how much of the currency will be replaced at the end of the replacement process and the extent to which currency in circulation is extinguished. While it has been argued that the cash that would be extinguished would be “black money” and hence, should be rightfully extinguished to set right the perverse incentive structure in the economy, this argument is based on the impressions rather than the facts. While the facts are not available to anybody, it would be foolhardy to argue that this is the only possibility. Demonetization has created so many hurdles for the citizens of India. People have faced so many problems due to this like standing in long queues outside banks to get their money replaced. People have problems of less consumption of good due to the lack of cash liquidity. Several businesses have been disrupted due to the lack cash liquidity. All economists, analyst’s and even general public are making so many assumptions about the future of demonetization and its effect on the economy, but we can this note on nothing but hope to see our economy as a better one in near future

## 10. Suggestive Measures

1. The government should print more and smaller denominations notes Rs 50 and Rs 100 notes so that there should be sufficient circulation of money in the market.
2. Government needs to ensure that sufficient quantity of money is being transported to banks and ATM’s in both rural as well as in urban areas on time.

3. Sectors such as construction and small and medium scale enterprises (SME's) which are cash driven, should be facilitated with expanded cash limits for the sake of payment of salaries of their daily wage and contractual workers.
4. For spreading digital literacy across all sections of the nation, government should set up digital literacy booths outside banks majorly in rural areas.
5. Enhance in the limits of removal of service tax charged while making payments through credit cards and debit cards up to Rs 2,000 in a single transaction is good move by government for the transformation from cash transactions to digital payments, however the limit should be increased to Rs 10,000.
6. Daily cash withdrawal limit from banks should also be increased to Rs 10,000 so that the people are not coming and standing in long queues again and again.
7. Incentivize RTGS (Real Time Gross Settlement) and NEFT (National Electronic Funds Transfer) under the ambit of digital transfers so that more and more people adopt the available facility and are less dependent on cash transactions.

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# **Information Technology Reforms in Banking: Changing the outlook of Indian Banking Sector for 2020**

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## ***Abstract***

*The nationalization of banks in India, this part has been developing without leaps and ricochets and taking into account the requirements of different portions of the general public. As of now, the banking sector has been making quick straights by utilizing data innovation as a stage and attempting to scale higher statures. An attempt has been made in this paper to examine the relationship of technology, information technology with banking sector. The current paper situates the recent trends that are going on the banking sector like block chain, automation, data analytics mobile banking and the challenges faced by the banking sector. In addition to this paper will assist the reader to know the challenges opportunities and banking sector in India by 2020*

**Keywords:** *Banking Sector, Block chain, Automation, Information Technology and Banking,*

## **1. Introduction**

The conventional functioning of banking was defined and limited to obtain deposit and to grant loan and advances. But now it has changed and known as innovative banking. The recent banking sector has entered with a lot of initiatives that direct to offer better services. Banking environment has become highly competitive today and in order to survive and grow in the changing environment, banks are moving towards technology up gradation which is seen as the main element in developing flexibilities in the structure that would help the banks to respond quickly. Only Technological up gradation can help the bank to grow and will prove as cost-effective.

Technology has revitalized the banking sector, with the globalization of technology banking sector, has undergone the change in leaps and bounds. It has changed the way of working in the banking system. Technological innovation and inventions have made the life of people easier in the banking system, like 24X7 transactions, easy access. Nowadays Indian banking system is a prospering industry, it's primarily centered on technology innovations banks made to utilize technology to offer quality and services with high speed to their client. Now the entire banks have started providing services like ATM, Credit Cards, Debit Cards, Mobile Banking, Internet Banking, etc. But Net Banking made it a simple way for clients to do their transactions from different places. In 2020 India's banking system will be fifth biggest banking.

Indian banking system has developed because of IT revolution if there would not be IT revolution the banking system couldn't be so efficient and cost-effective due to information technology and internet, banking has become strong in India. The bank which utilized the right innovation to supply convenient data will see efficiency increment and thereby pick up a competitive edge. To compete in an economy which is opening up, it is basic for the Indian Banks to observe the most recent innovation and alter it to suit their environment. Information technology offers a chance for banks to construct new systems that address a wide extent of client needs including many that may not be possible.

IT refers processing, saving and transmitting the data and for this, it uses various electronic gadgets like mobile computers fax etc. Because of informational technology so many transactions can be recorded in seconds. The days are gone when one has to wait in queue for entry in the passbook now it's the time for automation and due to computers software transactions can be printed in seconds.

Information Technology enables sophisticated product development, better market infrastructure, implementation of reliable techniques for control of risks and helps the financial intermediaries to reach geographically distant and diversified markets. The Internet has significantly influenced delivery channels of the banks. The Internet has emerged as an important medium for delivery of banking products and services

## **2. Market Size of Indian Banking System**

Banks play a major role in economic development of developing countries. Economic development includes various investments in other sectors of the economy. Bank perform agency service for their customer and helps in economic development. Through banks, only all the transactions are done it is the major component for all the transactions like for saving withdrawal and help in the flow of money in the economy and also arrange a foreign exchange in business. Indian banking system constitutes of 27 public sector banks, 26 private sector banks, 46 foreign banks, 56 regional rural banks, 1,574 urban cooperative banks and 93,913 rural cooperative banks, in addition to cooperative credit institutions. In this public sector banks control more than 70% managing account framework resources, giving a little share for private banks. Banks are too empowering their clients to oversee their funds and utilizing it through mobiles. As RBI grants more features like unlimited fund transfer between wallets and bank account, mobile wallets are expected to become strong players on ecosystem even now banks has its own apps for customer for their convenience The unorganized retail sector in India has huge untapped potential for adopting digital mode of payments, as 63 percent of the retailers are interested in using digital payments like mobile and card payments, as per a report by Centre for Digital Financial Inclusion (CDFI) .

## **3. Recent Shift in Banking Sector**

Banking is now not only about depositing and withdrawing money physically its more than that now it has completely restructured it includes insurance, mutual funds not only this, it has changed the scope of operations but also the way of working .Traditional banking was all in physical format but now the world has changed and the banking sector has also changed so below are the points which tell us about the recent trends in banking sector:

- 1. E BANKING and digitalization** : Due to increasing internet and mobile penetration in India there is major change in the field of transactions of banking system, during the demonetization time digital or internet banking consumption and uses has grown tremendously The move towards web managing an account is fueled by the changing

progression in India. By 2020 the average age of India will be 29 years and this youthful purchaser base is web sharp and needs real-time online data. Clients are looking for convenient and simple processes and easy engagement. Credit card Debit card and their consumption have increased tremendously. Even everyone is moving towards cashless economy and today generation is using debit cards and credit cards for their transactions rather keeping cash with them even the banks are promoting digital banking . Debit card credit cards and various fund transfer methods are the foundation of E banking which ensure customer easy access and convenient

**Example:** State bank of India has made it compulsory to have a debit card and they had started depositing money with help of debit card only. This action has make the transaction system more easy, secure and convenient as now no depositing slips are required.

2. **Fintech Services:** FinTech implies Financial Technology, i.e. giving financial services by making utilization advanced technology . FinTech is a new industry that uses technology to improve activities in finance. The use of smartphones for mobile banking, investing services and crypto currency are examples of technologies aiming to make financial services more accessible to the general public.
3. **Banking By Mobile phones :** Post demonetization many banks has started providing mobile banking facilities to make banking convenient. Now every bank has its own app for performing transactions this is done to increase customer engagement. Plus to promote mobile banking through apps bank provide certain discount and cash back on transactions by using their wallet and apps.
4. **Payment wallets:** In the recent past years there is tremendous increase in the development of payment wallets Digital Wallets allow an individual to make electronic transactions using a smartphone. Awareness and use of E-wallet's increased post demonetization in India. It is indeed one step towards „less cash“ economy.
5. **Robotics and Automation** The more recent trend which is shaping banking sector is robotics and automation . Roberts and automation is reducing human element . As they can perform repetitive job and does the work more accurately and properly . Gone were the days when you were required to stand for queue for entry in passbook ,

Now you have automated machine for passbook entry you just need to paste a barcode chit on your passbook and then you can use that machine.

Some of the banks using AI and robotics technology

a) Kumbakonam based City Union Bank propelled India's first banking robot Lakshmi which is controlled by AI in Nov 2016. All the nonexclusive inquiries are addressed so anyone might hear while delicate data relating to the client is shown on robot's screen.

b) ICICI sent software robots in its more than 200 business forms in 2016. These product robots have lessened the reaction time to clients by upto 60% and expanded precision to 100%

c) HDFC propelled Intelligent Robotic Assistant (IRA) in one of its Mumbai branches. This IRA directs the clients towards different keeping money activities inside the branch.

d) DIGI Bank – India's first portable just computerized bank DIGI Bank by DBS Bank – Singapore biggest bank and a main bank in Asia, has ended up being a development in the field of AI empowered saving money benefits in India. DBS propelled India's first portable just bank in 2016 – DIGI Bank. Not at all like customary banks it is totally paper-less, signature-less and branchless bank. It's the main virtual bank fueled by AI where client verification is finished utilizing Aadhaar card.

**6. Data Analytics and Business Intelligence** : Big data analytics by its name explained that there are large data that are needed to be analysed.

Indian banks have a huge number of clients. The information of these clients is put away in the database. Recovering the information in significant way turns into a mind boggling process the same number of times the information gathered is disorderly. Enormous Data Analytics helps in settling this issue. The data analytics gives the bank bits of knowledge into individual propensities for its clients, enabling it to advance offers in like manner. Finance and Banking form the largest sector being served by analytics in India. Of the total revenue earned by analytics industry in India, 35% or \$575 million comes from Finance and Banking.

Following below are the banks which use data analytics

- a) HDFC To get a complete picture of the customer
- b) ICICI Bank To reduce credit losses
- c) AXIS bank For Customer Intelligence and Risk Management

## **7) Block Chain**

The working of Bitcoin depends on Block chain innovation. Bitcoin is computerized cash that enables the client to perform distributed exchanges without the assistance of an outsider, for example, banks. A blockchain is an information structure that is utilized to make a computerized record of exchanges and offer it among a conveyed system of PCs. The hidden guideline utilized is cryptography, wherein every member of the system is permitted to control the recordsecurity without the requirement for a focal expert. Primechain Technologies has made a Block chain for banks to investigate, construct and execute block chain arrangements in different regions of keeping the money. In excess of 20 banks, one being SBI, are individuals and are looking for the benefits offered by this start up.

8) **TeleBanking:** Tele Banking encourages the client to do whole noncashbanking related relying upon the phone. Under this device Automatic Voice Recorder is utilized for less difficult questions and exchanges. For entangled questions and exchanges, kept an eye on telephone terminals are utilized.

## **4. Challenges for Banking Sector**

### **1. Losses in Rural Branches:**

The majority of the country branches are running at a loss in view of high overheads and prevalence of the trade framework in many parts of rustic India.

### **2. Large Over-Dues:**

The small branches of business banks are currently looked with another problem a lot of late advances to farmers. The decision of the previous National Front Government to forgo all advances to farmers up to the estimation of Rs. 10,000 crores has added to the plight of such banks.

### **3. Non-Performing Assets:**

The business banks at exhibit don't have any apparatus to guarantee that their loans and advances are, in fact , going into beneficial use in the large public interest. Because of a high extent of non-performing resources or exceptional because of banks from borrowers they are bringing about enormous misfortunes. A large portion of them are additionally unfit to keep up capital sufficiency proportion.

#### **4. Competition from Non-Banking Financial Institution:**

To the extent deposit mobilisation is concerned, commercial banks have been confronting solid difficulties from non-banking financial intermediaries, for example, mutual funds, housing finance corporations, leasing and investment companies. Every one of these institutions compete closely with commercial banks in attracting public deposits and offer higher rates of interest than are paid by commercial banks.

#### **5. Competition with Foreign Banks:**

Foreign banks and the smaller private sector banks have registered higher increment in deposits. One reason is that non-nationalized banks offer better client benefit. This makes the feeling that a diversion of deposits from the nationalised banks to other banks has probably taken place.

#### **6. Gap between Promise and Performance:**

One major shortcoming of the bank in India is its inability to maintain the desired credit pattern and fill in credit gaps in different sectors. Despite the fact that there has been a reorientation of bank targets, the bank staff has remained practically static and the bank methods and practices have kept on staying old and antiquated. The post-nationalization period has seen a widening gap amongst performance and promise. The fundamental reason is the disappointment of the bank staff to value the new work theory and new social objectives.

#### **7. Bureaucratization:**

Another issue looked by the banks is bureaucratization of the banking system. The smooth working of banks has been hampered by red tapism, long postponements, absence of activity and inability to take quick decisions.

#### **8. Political Pressures:**

The smooth working of banks has also been hampered by developing political pressures from the Centre and the States. Nationalized banks frequently confront bunches of challenges because of different political pressure that are made in the selection of personnel and give of advances to specific parties without thinking about their financial soundness.

#### **9. Customer Convenience and satisfaction**

Today, in Banking sector managing clients are more esteem situated in their administrations since they have elective options in it. So that every single bank need to take think about satisfying clients fulfilment

## 5. Opportunities for Banking Sector

Where there are challenges there are opportunities. Even India is going and developing countries with the passing of time India is developing by day by day similarly there are tremendous opportunities with the banking sector and they are as follows:

- 1. Increasing rural income and demand for Banking Sector :** The real annual disposable household income in rural India is forecasted to grow at a CAGR of 3.6 percent over the next 15 years The Indian agriculture, forestry & fishing sector has grown at a fast pace, clocking a CAGR of 8.13 percent over FY09- FY161 Rising incomes are expected to enhance the need for banking services in rural areas and therefore drive growth of the sector. Programmes like MNREGA have helped in increasing rural income, which was further aided by the recent Jan DhanYojana.
- 2. Valuable Customers:** Great client administrations are the best brand diplomat for any bank for developing its business. Each engagement with the client is a chance to build up a client confidence in the bank. While expanding rivalry, client administrations have turned into the spine for judging the execution of banks.
- 3. Differentiated Product:** Apart from traditional banking services, Indian Banks must adopt some product innovation so that they can compete in gamut of competition .
- 4. Expansion :** Expansion of branch size in order to increase market share is another opportunity to combat competitors. Therefore Indian nationalized and commercial banks must spread their wings towards global markets as some of them have already done it.
- 5. Internet banking :** increasing penetration of internet in India is a huge advantage and banking sector has huge advantage in terms of clients and providing services to the clients more devices needed to be used for security purpose and it's an opportunity for the banking sector to grow through internet

## 6. Future of Banking Sector by 2020 in INDIA

With domestic and international competition brewing up banks got to shift their focus to 'cost' which is able to be determined by revenue minus profit. Banks got to specialize in value -savings to survive in future. the expansion of banking within the returning years is probably going to be a lot of qualitative than quantitative, supported the projections created within the "India Vision 2020" prepared by the Planning Commission and the Draft 10th Plan, the report forecasts that the pace of growth within the balance-sheets of banks is

probably going to decelerate. On the liability aspect, there's seemingly to be massive additions to capital base and reserves because the reliance on borrowed funds will increase, the pace of deposit growth could abate. On the quality aspect, the pace of growth in each advances and investments is forecast to weaken. On the growing influence globalization on the Indian banking system we'd see variety of global banks taking massive stakes and management over banking entities within the country. The pressure on banks to set to satisfy demanding prudent capital adequacy norms that Asian nation is getting in with alternative countries will impact on economic process of Indian banking. A number of the Indian banks can also emerge international players. Consolidation may additionally happen through strategic alliances or partnerships covering specific areas of business like credit cards, insurance etc.

The ability to measure the risks and take applicable position are going to be the key to productive banking within the rising situation. Risk management must trickle down from the company workplace to branches. As audit and supervision shifts to a risk-based approach rather than transaction oriented, the risk awareness levels of line functionaries also will have to increase. Also banks to deal with issues relating to 'reputational risk' to maintain a high degree of public confidence for raising capital and other resources. With the advent of new technologies the conventional definition of banking might undergo changes. The sector will see the emergence of new players doing financial intermediation. Changes could be expected in the delivery channel for small borrowers, agriculturists and unorganized sectors also. The expected integration of various intermediaries in the financial system would require a strong regulatory framework. Development of best practices could evolve better through self-regulation rather than based on regulatory prescriptions. For instance, to enlist the confidence of the global investors and international market players, the banks will have to adopt the best global practices of financial accounting and reporting. It is expected that banks would migrate to global accounting standards smoothly, although it would mean greater disclosure and tighter norms. The first phase of banking reforms was born out of panic. The second phase can be implemented from a position of strength and confidence in a compressed time-frame.

### **Action point arising out of Vision**

1. Banks will have to adopt global standards in capital adequacy, income recognition and provisioning norms.

2. Risk management setup in banks will need to be strengthened. Benchmark standards could be evolved.
3. Payment and settlement systems will have to be strengthened to ensure transfer of funds on real time basis eliminating risks associated with transactions and settlement process.
4. Regulatory set up will have to be strengthened, in line with the requirements of a market-led integrated financial system.
5. Banks will have to adopt best global practices, systems and procedures.
6. Banks may have to evaluate on an ongoing basis, internally, the need to effect structural changes in the organization. This will include capital restructuring through mergers/acquisitions and other measures in the best business interests. IBA and NABARD may have to play a suitable role in this regard.
7. There should be constant and continual up gradation of technology in the banks, benefitting both the customer and the banks. Banks may enter into partnership among themselves for reaping maximum benefits, through consultations and coordination with reputed IT companies.
8. The skills of bank staff should be upgraded continuously through training. In this regard, the banks may have to look at the existing training modules and effect necessary changes, wherever required. Seminar and conferences on all relevant and emerging issues should be encouraged.
9. Banks will have to set up Research and Market Intelligence units within the organization, so as to remain innovative, to ensure customer satisfaction and to keep abreast of market developments. Banks will have to interact constantly with the industry bodies, trade associations, farming community, academic/research institutions and initiate studies, pilot projects etc. for evolving better financial models.

### **Trends that are Going to Shape Banking Sector**

The confidence about Indian financial development predicts well for Indian banks. There are, in any case, challenges in holding gainfulness and development in the following decade. The business needs to satisfy elevated standards from a few quarters. This paper features ten noteworthy patterns that will shape Indian saving money over one decade from now. The ten noteworthy patterns to look out for are:

1. Retail Banking will be hugely profit by the Indian statistic profit. Home loans to develop quickly and will cross Rs 40 trillion by 2020.
2. Quick aggregation of money and wealth in rich family units will drive wealth management to 10X size.
3. "The Next Billion" consumer section will rise as the biggest in numbers and will highlight the interest for minimal effort for low cost banking solutions
4. Branches and ATMs should grow 2X and 5X separately to serve the tremendous expansion to bankable populace. Minimal effort branch coordinate with littler measured branches will be embraced.
5. Mobile banking will grow up with boundless access to web on versatile.
6. Banks will receive CRM and information warehousing significantly to diminish client securing costs and enhance chance administration.
7. Edges will see descending weight both on retail and corporate managing an account prodding banks to produce more expenses and enhance working effectiveness.
8. Banks will find the significance of the SME section for benefit and development and new models to serve SME fragment beneficially will be found.
9. Speculation managing an account will grow 10X, driven by request from corporate for exchange support and capital market get to.
10. Framework obligation will outperform Rs 45 trillion — half of which will be on bank's books. It will touch the ALM furthest reaches of banks and will require a huge update of banks' hazard administration frameworks.

## **7. Conclusion**

Banking sector in India is changing tremendously and Information technology has played a major role in this change. It has changed the working of bank completely, it has simple the work of employees and at the same it has make the transaction system more secured .Mobile bank and internet banking are going to make indoor in the banking sector in the near future. Even though IT systems are complex and sophisticated but they are “energy guzzlers”. Hence, the future for banking sector is going to make rapid straights in near future. Retail Banking will be hugely profit by the Indian statistic profit. Home loans to develop quick and will cross

Rs 40 trillion by 2020. The Next Billion consumer section will rise as the biggest in numbers and will highlight the interest for minimal effort for low cost banking solutions. Branches and ATMs should grow 2X and 5X separately to serve the tremendous expansion to bankable populace. Minimal effort branch coordinate with littler measured branches will be embraced.

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# **A Study of Employer Branding**

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## ***Abstract***

*Everybody is seeking for good jobs. Employment is first concern for the society now a days. Working in a reputed institution has become a status symbol as well. As we are choosing any product by checking their credibility through the brand image they are having, in the same way people are seeking for jobs in the organizations having good brand image in the market. Employer brand is the image which helps the organization in attracting good talent in the market. After liberalization in 1991 and subsequent economic reforms, Indian companies has understood the concept of employer branding and started investing for the same so that they can beat national and international competition and also can grow in world market. Employer brand is something which confirms that the organization is good to work for. The purpose of this paper is to develop a conceptual background, factors of employer branding and also to discuss the policies which makes the organization good to work for. The study can be useful for employers to update the policies for increasing their employer brand image.*

***Keywords: Employment, Liberalization, Credibility, Employer Brand***

## **1. Introduction:**

Organizations must recognize that cultivating a strong employer brand is mandatory to hire talented professionals and workers in today's modern and competitive era. In India, professionals and business services created 574000 jobs nationwide and hit the record low of 2.3 percentages in 2016. Attracting good talent depends upon the HR card of the organization which in turn completely based upon employer branding. There is strong demand for top talent and unfortunately the talent pool is shrinking which indicates that the talented candidates are having more choices to opt from. Promotion of employer brand has become very vital for the survival and profitability of business in today's competitive economic environment. Demand of goods and services are based upon customer's choice which can be best served by the professional people by identifying the exact demand and tailoring the product accordingly. This is the fact which necessitates the retention of good professionals. Not only to the customers but also to the employees, every company should provide value proposition which is a sum total of culture, organization values, structure, management support, grievance handling, relationship with superior and subordinate, infrastructure, etc. As brands acts like good differentiator for customers to choose items from a list, in the same

way employer branding is also a single differentiator for professionals to choose the organization to serve among a number of organizations in the competitive hub of industries. Employer branding is a long term vision that encompasses the rules, regulations, policies, practices and systems in the organizations, which also helps to state various expectations of employer from employee and also state the expectations of employees from the employer.

### **Conceptual Background:**

Employer Branding is the process of promoting a company, or an organization, as the employer of choice to a desired target group, one which a company needs and wants to recruit and retain. The process facilitates the company's ability in attracting, recruiting and retaining ideal employees- referred to as top talent recruitment- and helps secure the achievement of the company's business plan. Employer branding is a process whereas Employer Brand is the identity of a company as an employer of choice.

The term "Employer Brand" was first publicly introduced to a management audience in 1990, and defined by Simon Barrow, chairman of People in Business, and Tim Ambler, Senior Fellow of London Business School, in the journal of Brand management in December, 1996. This academic paper was first published attempt to "test the application of brand management techniques to human resource management". Simon Barrow and Tim Ambler defined Employer Brand as "the package of functional, economic and psychological benefits provided by employment, and identified with the employing company.

Organizations can follow 9 step model for creating a strong employer brand and to attract more and more talent from the market. This 9 steps model includes following steps:

1. Understand your Business needs: As every strategy in the business starts with the objective setting or need identification, in the same way to create a strong brand among the market an employer need to reconcile the business need that what is the objective. It may be best talent, cheaper talent, quick hiring, temporary hiring or some other criteria.
2. Define your Target Group: when the employer is done with the need identification, the next step is to decide about the spending for attracting the new talent or to retain and develop existing talent.
3. Understand your Target group: identification of Target group succeed to understanding about the motivators, needs, preferences and other aspects of the Target group.

4. Optimize your Employer Value Proposition: Internal and external communication should create and transfer the same value to the target group which should be attractive, true, credible, and sustainable and differentiated in long term.
5. Select KPIs and set Objective: the objective of the employer must be aligned with the strength of the Employer.
6. Define Optimal Communication Mix: The Promotional tools must be decided according to the reach of the target group and must be integrated with each other.
7. Create Annual Plan: All the planning aspect should be done related to what, when, who and how.
8. Develop Communication Ideas: One should define various ways or channels to convey the best part of the employer.
9. Execute and Follow-up: Finally the planning must be executed with regular and continuous feedback and corrective actions must be taken where needed to bring success in creating Employer Branding.

## **2. Literature Review:**

Babconava and Babcan, in 2010, executed a study to relate the Employer Branding and competitiveness among the other competitors in the market. At that time it was observed that there was no such strategy employers were adopting. The concept of Employer Branding started and most of the employers were in a planning to formulate some strategies to work upon the Employer Branding so that they can attract more and more talent.

Chitramani and Deepa, in 2013, presented a case study of Employer Branding of IT companies in India. The case study method was adopted to study various initiatives taken by selected IT companies of India to build strong Employer Brand among the people. Only three companies TCS, Infosys, and Wipro was taken under study and it was found that for last five years the trend of CSR activities has increased to build the Brand and to stand out from other competitors in the market.

Khanolkar, in 2014, conducted a study to know about the attitude of Generation Y towards Employer Branding and to analyze the impact of Branding on Generation Y. The study also aimed to know about the satisfaction and commitment of Generation Y due to Employer Branding. The data was collected from a mix of employees of different industries in India and it was found that the satisfaction and commitment of Generation Y is majorly influenced by

Supportive environment, prestige of organization, stylish infrastructure and also through trust among colleagues whereas the commitment is highly directed by supportive environment.

Gupta (2014) conducted a research with the objective to explore about the role, need, benefits, and impact of Employer Branding and he analyzed the past records of the trends in India regarding Employer Branding. It was founded that the graduate students of B-Schools are having strong preferences for FMCG sector and within the FMCG sectors, HUL is having maximum Brand value among the fresh talent of the country. High degree of independence in working was found to be most influencing factor for the graduates while choosing the organization to work as today's generation is innovative and creative and do not prefer to work under the boundations. To utilize the talent of modern generation, organizations need to bring more flexibility in the system.

Wahba and Elmanadily (2015), studied Employer Branding and its impact on Employee behavior and Attitude with special reference to Pharmaceutical industry in Egypt. The whole data was collected from different managerial level employees of 9 companies of same sector in Egypt. It was observed that Employer Branding affects the loyalty factor strongly in positive manner. Higher branding of the employer decreases the turnover and increases employee retention. It also contributes to the employee satisfaction, and affinity.

### 3. Data Review:

Rank	Company Name	Industry	Total Employees
1	Intuit India	Information Technology	948
2	American Express India	Financial Services & Insurance	11,748
3	Google India Pvt. Ltd.	Information Technology	1,863
4	Lemon Tree Hotels Ltd.	Hospitality	3,492
5	SAP Labs India Pvt. Ltd.	Information Technology	6,489
6	Adobe Systems India Pvt. Ltd.	Information Technology	4,875
7	NetApp India Pvt. Ltd.	Information Technology	1,536
8	Teleperformance India	Information Technology	8,302
9	Pitney Bowes Software India Pvt. Ltd.	Information Technology	660

10	DHL Express (India) Pvt. Ltd.	Transportation	2,402
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**Source: Great Place to Work®, 2018**

#### **4. Findings & Conclusion:**

Through the present study it is found that the employees are more conscious for the job satisfaction rather than joining a job for the salary only. Salary can never be ignored but apart from salary, people are looking for brand name, prestige of the organization, job security, freedom to work, supportive environment, etc. Intuit India got the first preference which was earlier with Google by the people and factors for preference are creativity, independence to work, learning environment, and job security. Google was at first rank in 2016 and now in 2017 is at 3<sup>rd</sup> rank in the ranking of best employer by Economic Times Report.

#### **5. Recommendation & Suggestions:**

- Employers should focus more on benefits apart from salary while designing the compensation package.
- Employee retention policy should be implemented in the organization for the retention and attraction of talent.
- Today people are more innovative and creative and also prefer to work with authority. So to manage such talented people and to utilize their competencies, employer should give some independence to work and also allow for experimentation.
- Growth opportunities should also be provided to every employee at every level according to the skills and training sessions should also be organized for the upliftment of employees.
- In today's scenario, no one should ignore CSR activities as through CSR, employer can create positive image among the public. CSR should be included under policy so that regular working can be executed.

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