Contents

Modinomics

India has regained the same "stable" outlook like its fellow BRICS countries i.e., Brazil, China, South Africa and Russia after a gap of two years as all the three major global rating agencies upgraded the outlook from negative to "stable". Ever since the inception of Narendra Modi's government four months ago, the confidence of foreign investors has returned to India and assuring to stimulate investments, boost economic growth and a hope to bring back the shine to Indian rupee. Due to this positivity and optimism towards the overall economic development through minimum government and maximum governance, Sensex recorded all-time high this year and bond markets are also on the path of comeback. In the first quarter of FY 2014-15, Indian economy recorded an annualized growth of 5.7 percent after suffering a setback of economic growth of below 5 percent for nearly two years.

Sino-Indian relationship has been branded by Modi as "INCH that is 'India-China'; towards MILES - 'millennium of exceptional synergy'. China's plans to invest around US $500 billion overseas in the next five years, a share of which is expected to find India's way. Modi also redefined FDI - First Develop India. India was projected as an elephant for long compared to the Chinese dragon and Asian tigers but that is changing with the government's ambitious branding campaign to make India a manufacturing hub. Launched on 25th September, the 'Make in India' campaign seeks to replace the stately and steady elephant with a lion exuding power and vitality.

Modi made it abundantly clear to top American corporations that his government's policy on attracting investment will not be driven by concessions and sops but by providing the right business environment as the world was looking at Asia as a hub for setting up projects. "Industrialists do not come because of incentive schemes... We need to create development and growth-oriented environment... Investors first look at security of their investment, later growth and then profit. Modi told global investors that they should not look at India merely as a large market. Instead, he said they should invest in the country to create jobs, which will increase the purchasing power and expand the market by increasing the size of the middle class.

Dr A Srihari Krishna
Consulting Editor

Guidelines for Authors

Auroras Journal of Management (AJM) invites original papers from scholars, academicians and practitioners pertaining to management, business, and organizational issues. AJM also welcomes articles dealing with the social, economic and political factors that influence the business and industry. Papers, based on theoretical or empirical research or experience, should illustrate the practical applicability and/ or policy implications of work described.

The Editorial Board offers the following guidelines which are to be followed while contributing papers for publication in AJM:

Manuscript

The Author should send three copies of the final manuscript. The text should be double-spaced on A4 size paper with one-inch margins all around. The Author's name should not appear anywhere on the body of the manuscript to facilitate the blind review process. The Author may send a hardcopy of the manuscript to Aurora's Business School or e-mail the MS Word Document at ajm@absi.edu.in. The manuscripts should be submitted in triplicate and should have been proof-read by the Author(s) before submission.

The paper should accompany the following on separate sheets (1) An executive summary of about 500 words along with five key words, and (2) A brief biographical sketch (60-80) words of the Author describing current designation and affiliation, specialization, number of books and articles in refereed journals, and membership on editorial boards and companies, etc. along with their contact information.

AJM has the following features:

- l Research Articles which present emerging issues and ideas that call for action or rethinking by managers, administrators and policy makers in organizations. Recommended length of the article should be limited to 7,500 words.
- Book Reviews which covers reviews of contemporary and classical books on Management.
- Articles on with social, economic and political issues which deal with the analysis and resolution of managerial and academic issues based on analytical, empirical or case research/ studies/ illustrations.

Headings/Sub-Headings

The manuscript should not contain more than 2-3 headings. It is suggested that lengthy and verbose headings and sub-headings should be avoided.

Acronyms, Quotes and Language

Acronyms should be expanded when used for the first time in the text. Subsequently, acronyms can be used and should be written in capitals only. Quotes taken from books, research papers and articles should be reproduced without any change. British English is recommended as compared to American English. Keeping the diversity of the readers in mind, it is suggested that technical terminologies should be explained in detail while complicated jargons may be avoided.

Tables, Numbers and Percentages

All tables, charts, and graphs should be given on separate sheets with titles. Wherever necessary, the source should be indicated at the bottom. Number and complexity of such exhibits should be as low as possible. All figures should be indicated in million and billion. All graphs should be in black and not in colour. The terms 'and' and 'percentage' should not be denoted by their symbols (& and %). Instead the complete word must be used. All figures/numbers <10, mentioned in the text, should be written only in words.

Notes and References

The notes and references shall be presented at the end of the text, with notes preceding the list of references. Both, the notes and references should be numbered in their order of appearance in the text.

Endnotes, italics, and quotation marks should be kept to the minimum.
References should be complete in all respects:
(a) The reference for journals shall be given as :
Hannan M T and Freeman J (1977), "The Population Ecology of Organizations", American Journal of Sociology, Vol.82, No.5,pp.929-964
(b) The reference for books shall be be given as :
Hooda R P (1998), Indian Securities Market, Excel Books, New Delhi.

Copyright

Wherever copyrighted material is used, the Authors should be accurate in reproduction and obtain permission from copyright holders, if necessary. Articles published in Aurora's Journal of Management should not be reproduced or reprinted in any form, either in full or in part, without prior written permission from the Editor.

Review Process

The Editorial Board will share the manuscript with two or more referees for their opinion regarding the suitability of the papers/articles for publication. The review process usually takes about 3 months. Aurora's Journal of Management reserves the right of making editorial amendments in the final draft of the manuscript to suit the journal's requirements and reserves the right to reject articles. Rejected articles will not be returned to the Author. Instead, only a formal communication of the decision will be conveyed.

Electronic Copy

The Author is advised to send an electronic version of the manuscript in MS Word once the paper is accepted for publication.

Proofs

Correspondence and proofs for correction will be sent to the first Author unless otherwise indicated.

Reprints

The Author is entitled to receive 25 reprints free of charge.

ACHIEVING RESULTS THROUGH TALENT DEVELOPMENT - A STRATEGIC APPROACH

Prof. Raghu Naga Prabhakar Kalepu

Abstract

In the present era of knowledge economy, talent development is becoming imperative in the fast changing organizations both in private and public sectors. To achieve organizational goals, it is needed to craft effective talent development programs to bridge gaps between actual and desired performance of employees in the organizations. This article aims to underscore the need for talent development in fast developing organizations and to discuss a strategic model that would identify the employee talent gaps and trends in talent development to bridge the talent gaps to enable the organizations to achieve competitive advantage.

Key words: Talent development, Human Resource Development, Training, Learning.

Introduction:

Presence of desired skills, abilities, and up-to-date knowledge with employees leads to high productivity and quality necessary for attainment of organizational goals. Talented human resources are required for the success of organizations in emerging and rapidly growing markets or to sustain themselves in this competitive world. But there is a significant gap between knowledge acquired by people from their academics and practical knowledge required to perform jobs effectively in organizations. To bridge the talent gaps and to perform jobs effectively, firms have been conducting talent development programs involving the HR experts.

Talent Development:

Talent Development (TD), an integral part of Human Resource Development, is the process of systematic and planned activities designed by an organization to develop employees' skills and abilities in order to achieve and maintain competitive advantage for current and future requirements. TD is also defined as "the systematic pursuit by talentees, over a significant period of time, of a structured program of activities aimed at a specific excellence goal" (Gagné, 2009) . It is well established that there are signi?cant advantages to be gained from an internal development approach and that organizations need to acquire and develop industry and ?rm speci?c knowledge and skills (Lepak and Snell, 1999) in order to be competitive.

Talent development represents an important component of the overall talent management process (Novations, 2009 , Cappelli, 2009). Talent development includes components such as training and development, career development and management and organizational development. The Human Resource Development (HRD) is a vast concept comprising of four basic components i.e. personal development, professional development, performance administration or management and organization development. Here personal and professional development concentrates on growth and development of the employees while performance administration and organizational development place more emphasis on effectiveness of the organization . Apart from these components, HRD covers motivation of employees, maintenance of human resources etc.

Talent Development - Earlier Studies
To understand the recent trends in the talent development, it is helpful to recount the history relating to this field. The concept has been revolving around the HRD. The roots of HRD are itself traced to the eighteenth century wherein it all started in the form of apprenticeship training programs, vocational education programs and factory schools that were geared to train and enhance technical skills of their employees. These were considered as noble thoughts followed by reputed industries. The first documented factory school was located at Hoe and Company, a New York manufacturer of printing presses. It was followed by the General Electric and Baldwin Locomotive in 1901, International Harvester in 1907 . Further, Ford, Western Electric, Goodyear, and National Cash Register adopted this concept. Training programs for semiskilled and unskilled workers were introduced by Henry Ford in 1913. Hawthorne Studies of the 1930s' that lead to the HRM advocated humane working conditions and human behavior on the job.

In the public sector, Training Within Industry (TWI) was established by the U.S. Federal Government to coordinate training programs across defense-related industries. During the 1960s and 1970s, expert trainers recognized that their role extended beyond the classroom training. Several national conferences were organized by the American Society for Training and Development (ASTD) in late 1970s and early 1980s on this rapidly expanding profession. As a result, the ASTD approved the term 'HRD' to cover the growth and change in this field . Further, from 1990s till date, efforts are being continuously made to strengthen the strategic role of HRD in developing practices, programs and policies that facilitate achievement of organizational goals .

Three Levels of Needs Analysis
A number of studies have been conducted by various HR researchers to identify discrepancy or gap between employees actual and expected performance through the 'three levels of needs analysis'. The three levels of need analysis are strategic/organizational analysis, task analysis, and person analysis. These analyses laid the basis for the process of talent development in later years.

Level	What is measured
1. Strategic/Organizational	Where is training needed and in what conditions will the training be conducted?
2. Task	What must be done to perform the job effectively?
3. Person	Who should be trained? What kind of training do they need?

Source: Jon M. Werner, Randy L. DeSimone (2007),
Human Resource Development

Organizational analysis includes goals, objectives, rewards, planning, delegation and control, and communication systems. According to Irwin Goldstein, organizational analysis reveals organizational goals, resources, climate and environmental constraints including the legal, social, political, and economic issues faced by the organization . It also analyses organizational training needs to achieve organizational objectives in the changing business world.

Task analysis, also called as operations analysis, is a systematic collection of data about a specific job or group of jobs to determine 'what are the aspects in which an employee should be trained to achieve optimal performance'. Task analysis reveals desired standards to perform tasks effectively. It includes standards of performance, how tasks should be performed, and the knowledge, skills, abilities and other characteristics.

Person analysis determines the training needs of the individual employee. A person's knowledge, skills and abilities needs in the organization may be known from performance appraisal data, observation, work sampling, interviews, questionnaires, tests on job knowledge, skills and achievements, attitude surveys, checklists or training progress charts, rating scales, critical incidents, diaries containing individual employee records details of his/her job, devised situations like role play, case study, conference leadership, training sessions, business games and in-baskets, diagnostic rating, assessment centers, coaching and management by objective or work planning and review systems. Once major gaps in the performance of employees are identified by the organizations, it is desirable to bridge the same to sustain in this highly competitive and rapidly changing markets.

A NEW PARADIGM - GRGMR : A STRATEGIC APPROACH
The strategic HRD approach starts with the Goals to Roles to Gaps to Maps and finally leads to Results (GRGMR). The GRGMR model is developed by the consulting team of SIFY Learning Services, located at Chennai, India, in order to fill employee learning and development gaps in the organizations in order to achieve organizational strategic goals in the highly competitive world.

The following is the Sify's proprietary consulting methodology from inception to fulfillment.

Figure 1: SIFY's proprietary consulting methodology GRGMR© right from inception to actual fulfillment:

Source: NHRD Network Journal

The strategic GRGMR model is to identify strategic business goals, understanding the target roles through audience profiles, identifying the goals in respect of job tasks, performance issues in job tasks, gaps in existing training programs. Further, this model maps the gaps by identifying learning needs and recommends solutions in training modes, curriculum, technology, building a plan for implementation, evaluating usability on a periodic basis and measures the results to know whether the talent gaps are plugged. Thus, in the fast changing competitive environment, the strategic GRGMR model supported by qualitative and quantitative evidences is very useful to identify and recognize employee talent gaps in the organization and for devising the ways to bridge the talent gaps to achieve strategic goals and objectives of the enterprises.

TRENDS IN TALENT DEVELOPMENT

Many developments have taken place in the field of talent development to improve employee skills and performance consistent with organizational needs. Following are a few of the more popular on-the-job and off-the-job methods for talent development.

1. **Job Rotation**: Moving employees horizontally intra and internally will expand their skills, knowledge or abilities.
2. **Assistant-to positions**: Employees sometimes are made to work under successful manager, often in different areas of the organization. Working as staff assistants or serving on special duties under the supervision of expert managers is done in order to gain abilities and experience to perform various duties independently and also prepare employees for duties of the next higher levels.
3. **Committee Assignment:** Allow the employee to participate and share information in decision-making, to learn by observing others, and to examine specific organizational problems. These assignments provide opportunities for the employees' growth.

4. **Lecture courses and seminars**: The classical approach to talent development revolves around formal lecture courses and seminars arranged in lecture halls that facilitate direct contact between the trainer and the trainee. These methods facilitate the employees to gain knowledge as well as conceptual and analytical abilities. The recent advances in technology made it possible for a more effective use of traditional methods. Companies are providing lectures and seminars through distance learning mode to their employees by offering printed materials or CD/DVDs. Some companies are offering online lectures and seminars to enhance their employee skills via internet. Over the past few years, employees have been taking continuing education courses online or have been attending class room lectures to advance their skills, knowledge, and abilities in relation to their current job or future opportunities.

5. **Simulation**: Simulation is a popular training technique for employee development. Simulation is a form of an artificial environment that attempts to closely mirror an actual condition. Most popularly used simulations include case studies, role play and decision games.

6. **Out-door Training:** A new trend in employee development is outdoor training. The major focus of this training is to teach the importance of working together, which take a shape as a team . Out-door training involves mountain climbing, surviving a week in jungle, car race, paintball games, etc. that promote team effort bonding and team building. The following table gives data on what percent of companies frequently use various talent development methods based on respondents' perceptions as to what extent they used these methods "always," "often," "selection," or "never." The figures shown here are for those who reported using each method "always" or "often."

Table 2: Per cent of organizations making frequent use of various training methods and Media

Sl.No.	Methods	Percent
1.	Instructor-led Classroom programs	91
2.	Self-Study (Web-based)	44
3.	Job-based performance support	44
4.	Public seminars	42
5.	Case studies	40
6.	Role plays	35
7.	Games or Simulations (Non-Computer-based)	25
8.	Self-study (Non-Computer-based)	23
9.	Virtual classroom with instructor	21
10.	Games or Simulations (Computer-based)	10
11.	Experiential programs	06
12.	Virtual reality programs	03
Sl.No.	Media	Percent
1.	Workbooks/Manuals	79
2.	Internet/Intranet/Extranet	63
3.	CD-ROM/DVD/Diskettes	55
4.	Videotapes	52
5.	Teleconferencing	24
6.	Videoconferencing	23
7.	Satellite/Broadcast TV	12
8.	Audiocassettes	04

Source: Industry Report (2003), Training

Even today, still the classical system is dominating. The data presented in table 2 reveals that the instructor-led classroom programs occupy the first position with a per cent of 91 compared to that of the modern training methods which are varied from 3 per cent to 44 per cent. In the case of media, work books/manuals are one of the concept of classical system dominated the other modern techniques with percentage of 79. The modern media concepts having huge variations varied from 4 per cent to 63 per cent. However, the gap between the classical and modern technology in terms of media is smaller when compared to that of training methods.

CONCLUSION

In the highly competitive industrial world, every organization needs well qualified, properly trained and highly experienced employees well adjusted to organization's environment to carryout and achieve organizations' strategic goals. Today, jobs and organizations are ever changing and have become more complex. The importance of employee learning and development are identified as the basic factors for promotion of person and organizational talent development. Organizations continuously need to identify and determine what skills its employees require, how to build the talents internally or to get readymade talents from the talent markets with the help of 'Three levels of needs analysis (i.e. organizational, task and person analysis) or by using strategic human resource development models. It is possible to bridge the gap between actual and desired performance of employees with the help of on-the job and off-the job methods for talent development by involving HR professionals along with competent personalities on the subject/activity/exercise to achieve competitive advantage in the fast changing business world.

The author is Professor, Department of Management, Aurora's P.G. College, Moosarambagh, Hyderabad and can be reached at prabhakalepu@gmail.com.

REFERENCES:

1   Gagné, F. (2009). Building gifts into talents: detailed overview of the DMGT 2.0. In B. MacFarlane & T. Stambaugh (Eds.), Leading change in gifted education: The festschrift of Dr. Joyce Van Tassel Baska (pp. 61-80). Waco, TX: Prufrock Press.

2   Lepak, D.P. and Snell, S.A. (1999), "The human resource architecture: toward a theory of human capital allocation and development", The Academy of Management Review, Vol. 24 No. 1, pp. 31-48.

3   Novations (2009), Talent Development Issues Study, Novations Group, Long Island, NY, pp. 1-2.

4   Cappelli, P. (2009), "Talent on demand: managing talent in an age of uncertainty", Strategic Direction, Vol. 25 No. 3.

5   Caruso Shirley (2013), "The four basic sections of Human resource development", eAdulteducation. www.eadulteducation.org.

6   Pace, R.W., Smith, P. C., & Mills, G.E. (1991), "Human resource development", Englewood Cliffs, NJ: Prentice Hall.

7   Steinmetz (1976), Supra note 5.

8   Miller (1987), Supra note 7.

9   Jon M. Werner & Randy L. DeSimone (2007), "Human Resource Development", Thomson South-Western Indian edition, 4th ed.

10   Gilley, J. W., & Maycunich, A, (1998), "Strategically integrated HRD: Partnering to maximize organizational performance". Reading, MA: Perseus Books; Grieves, J. (2003), "Strategic human resource development", Thousand Oaks, CA: Sage; Yorks, L. (2005), "Strategic human resource development", Mason, OH: South-Western.

11   McGehee, W., & Thayer, P. W. (1961), "Training in business and industry", New York: Wiley.

12   Goldstein, I. L. (1986), "Training in organizations: Needs assessment, development, and evaluation", Pacific Grove, CA: Brooks-Cole, 2nd ed.

13   Moore, M. L., & Dutton, P. (1978), "Training needs analysis: Review and critique", Academy of Management Review, 3rd ed..

14   Thejaswini Unni (2009), "Addressing challenges in a learning organization - A consultant's hat", NHRD Network Journal, Jan 2009, Vol. 2, issue 4.

15   Dolezalek, H. (2003), "Pretending to Learn: Training Professionals are using Games and Simulations in complex ways to help employees understand business concepts an uncover millions in cost savings", Training (July-August 2003).

16   Kelly, T. & Olson, W. (2000), "The advisability of Outdoor Training: Caveat Emptor," Review of Business (Spring-Summer 2000).

Marketing Strategies in Insurance Industry-
A Study on Select Insurance Companies in AP

Prof. Sarath Garimella

Abstract

The Indian Insurance Industry is rapidly evolving and is faster growing sector contributing 7 percent of the country's GDP. The sector has seen 8.6 percent growth in the financial year 2012-13. With growing dynamics of metro living in India, there is a increased need for all individuals to get insured. With the increased economic pressure worldwide and downtrend in financial markets, it's very important for insurance companies to match their offers, services and marketing mix elements that match the customer expectations. Given the context, Life insurance industry is presently undergoing a change from tax saving product to financial protection product for the customer.

The past related reviews are basically relating to marketing strategies, its current impacts, customers awareness towards new polices, insurance penetration, insurance perception, buying behavior towards LIC, opportunities and challenges in LIC, case study, operations of LIC, comparison with other countries, channels of distribution, potential growth in insurance, reforms adopted by LIC, consumer preference in insurance industry, attitude of policyholders to its life insurance company services and its contribution towards the development of an economy.

However, the present study aims to understand the current marketing strategies adopted by the leading life insurance companies in public and private sectors and its effectiveness in terms of building trust among the customers. The study also focused on identifying those critical factors that customers consider while choosing the life insurance company and specific products. Further, the study also delved into the promotional methods practiced by the insurance companies under study. Finally, an emphasis was made on the overall satisfaction level of customers in terms of service quality, product features to build a loyalty and brand recall.

Keywords
Insurance, Risk Management, Marketing Strategies, Consumer Preferences.

Introduction
Risk is the probability of occurrence of a negative event. Future is neither a replay of the past nor it can be predicted with certainty. As risk is all pervasive none can escape from a risky situation. The basic human trait is to be averse to the idea of taking risks. There is always an urge to minimize the risks and provide protection against possible failure. The risk includes fire, the perils of sea, death, accidents and burglary.

Any risk may be insured against at a premium commensurate with the risk involved. Thus collective bearing of risk is insurance that provides reasonable degree of security and assurance that insured will be protected in the event of a calamity or failure of any sort. Every human being whether he does good deeds or bad in this life time has to die one day. Despite knowing this harsh reality, insurance companies agree to compensate their customers on the happening of this definite event in future. While we know that everyone will die one day what we do not know is when we will die. Insurance companies look at historical mortality rates and bet on this indefinite event while underwriting a policy.

Insurance has become an integral aspect in everyone's life today. It is a written contract of insurance that offers protection against future loss. The life insurance generally helps to insure the life of people. A definite compensation is provided by the insurer to the insured person. The non-life insurance provides financial support to people or companies and helps them to overcome the losses. It is also a well established fact that insurance is a product which is always sold and never bought. This is because the one who pays premium on his own life cannot be the beneficiary. Against this backdrop, marketing of insurance products can be very tricky indeed.

Marketing Mix

Marketing professionals and specialist use many tactics to attract and retain their customers. These activities comprise of different concepts, the most important one being the marketing mix. Marketing mix is the combination of marketing activities that an organization engages in so as to best meet the needs of its targeted market. Insurance business deals in selling services and therefore adequate thought should go into the creation of an appropriate marketing mix. There are two concepts for marketing mix: 4Ps

and 7Ps. It is essential to balance the 4Ps or the 7Ps of the marketing mix. The concept of 4Ps has been long used for the product industry while the latter has emerged as a successful proposition for the services industry. The marketing mix includes sub-mixes of the 7 P's of marketing i.e. the product, its price, place, promotion, people, process & physical attraction. The above mentioned 7 P's can be used for marketing of insurance products, in the following manner:
Product:

It must provide value to a customer but does not have to be tangible at the same time. Basically, it involves introducing new products or improvising the existing products. A product means what we produce. If we produce goods, it means tangible product & when we produce & generate services, it means intangible service product. A product is both what a seller has to sell & buyer has to buy. So, insurance companies sell services & services are their products. Apart from life insurance as product, customer not only buys product but also services in the form of assistance & advice of agent. It is natural that customers expect reasonable returns for their investments & insurance companies want to maximize their profitability. Hence while deciding the product mix services or schemes should be motivational.

Price:

Pricing must be competitive and must entail profit. The pricing strategy can comprise discounts, offers and the like. The pricing of insurance products not only affects the sales volume and profitability but also influences the perceived quality in the minds of the consumers. There are several different methods for pricing insurance, based on the insurance marketer's corporate objectives. They are the survival approach, the sales maximization approach, and the profit maximization approach.

To determine the insurance premium, marketers consider various factors such as mortality rate, investment earnings, and expenses, in addition to the individual risk profile based on age, health, etc., and the time period/ frequency of payment. In insurance business the pricing decisions are concerned with:

* The premium charged against policies;
* The interest charged for defaulting the payment of premium & credit facility; and
* Commission charged for underwriting & consultancy activities.

The pricing decisions may be high or low keeping in view the level or standard of customers or the policyholders. Mainly, pricing of insurance is in the form of premium rates. The three main factors used for determining the premium rates under a life insurance plan are mortality, expense & interest. The pricing of insurance is in form of premium rates. The three main factors for determining the premium rates under life insurance plan are:

Mortality: Average death rates in a particular area.

Expenses: The cost of processing, commission to agents, registration is all incorporated into the cost of installments & premium sum & forms the integral part of pricing strategy.

Interest: The rate of interest is one of the major factors which determine people's willingness to invest in insurance. People would not be willing to put their funds to invest in insurance business if the interest rates provided by other financial instruments are higher than the perceived returns from the insurance premiums.

Place:

It refers to the place where the customers can buy the product and how the product reaches out to that place. This is done through different channels, like Internet, wholesalers and retailers. This component of marketing mix is related to two important facets: Managing the insurance personnel; and locating a branch. The management of insurance personal should be done in such a way that gap between the services promises-services offered is bridged over. In a majority of service generating organizations, such a gap is found existent which has been instrumental in making down the image problem.

The insurance personnel if not managed properly would make all efforts insensitive. They are required to be given adequate incentives to show their excellence. They should be provided intensive trainings to focus mainly on behavioral management. Another important dimension to the place mix is related to the location of insurance branches. While locating branches, branch manager needs to consider the number of factors such as smooth accessibility, availability of infrastructural facilities and management of branch offices and premises. Thus, place management of insurance premises needs a new vision, distinct approach & an innovative style. The branch managers need professional excellence to make place decisions productive.

Promotion:

It includes the various ways of communicating to the customers of what the company has to offer. It is about communicating about the benefits of using a particular product or service rather than just talking about its features. The insurance services depend on effective promotional measures, so as to create impulsive buying. Promotion comprises of advertising & other publicity tactics. The promotion is a fight not only for market share, but also for mind share. The insurance services depend on effective promotional measures, so as to create impulsive buying. Promotion comprises of advertising & other publicity tactics. Due attention should be given in selecting the promotional tools. Personnel should be given adequate training for creating impulsive buying.

People:

People refer to the customers, employees, management and everybody else involved in it. It is essential for everyone to realize that the reputation of the brand that you are involved with is in the people's hands. Understanding the customer better allows designing appropriate products. Being a service industry which involves a high level of people interaction, it is very important to use this resource efficiently in order to satisfy customers. Training, development & strong relationships with intermediaries are the key areas to be kept under consideration.

Process:

It refers to the methods and process of providing a service and is hence essential to have a thorough knowledge on whether the services are helpful to the customers, if they are provided in time, if the customers are informed about the services and many such things. The process should be customer friendly in insurance industry.

The speed and accuracy of payment is of immense importance. The processing method should be easy and convenient to the customers. Installment schemes should be streamlined to cater to the ever growing demands of the customers. Information technology (IT) and data warehousing will smoothen the process flow. IT will help in servicing the large number of customers efficiently and bring down overheads. Technology can either complement or supplement the channels of distribution cost effectively. It also helps to improve customer service levels & helps to find out profitability & potential of various customers product segments.

Physical evidence:

It refers to the experience of using a product or service. When a service goes out to the customer, it is essential that you help him see what he is buying or not. For example - brochures, pamphlets etc serve this purpose.

Evidence is a key element of success for all insurance companies. Physical evidence can be provided to insurance customers in the form of policy certificate and premium payment receipts. The office building, the ambience, the service personnel etc. of the insurance company and their logo and brand name in advertisements also add to the physical evidence. To reach a profitable mass of customers, then new distribution avenues & alliances will be necessary. Initially, insurance was looked upon as a complex product with a high advice & service component. Buyers prefer a face to face interaction & they place a high premium on brand names & reliability.

Marketing strategy is the basic approach that the business units will use to achieve its objectives, and it consists of broad decisions on target markets, market positioning and mix, and marketing expenditure levels. As the insurance services sector has become more competitive, players need to consider ways of developing relationships with their existing customers in order to defend their position. Strategic dimension of marketing should focus on the direction that an organization would take in relation to a specific market or set of markets in order to achieve a specified set of objectives. Every insurer must recognize that its "strategic posture" depends partly on the competitive environment, partly on its allocation of marketing resources. The components of marketing strategies cut across: pricing, personal selling, advertising, word-of-mouth, institutional image, quality control, and marketing orientation.

Objectives of study

i.   To examine the perception of insured towards insurance products & services.
ii. To study the extent of marketing strategies adopted by the insurance companies in terms of creating awareness among the customers on the products and services offered by them.
iii. To ascertain different promotional methods used by insurance companies, post liberalization of insurance market to private players.
iv. To study the impact of IT on customer support, service and satisfaction.
v.   To analyze the gap between customer expectation and customer perception across selected life insurance companies.
vi. To study the factors which influence the customers to choose Government owned insurance company over the private owned insurance company or vice-a-versa.

Hypotheses:

* H1: There is an impact of service quality and product features on the overall marketing strategies adopted by the companies:
  * H1a: Professional sales force to address the issues and to recommend the suitable products has an impact while selecting a life insurance policy.
  * OH1b: Quality of service in terms of online payments, policy monitoring facilities, Query handling online etc has an impact while selecting a life insurance policy.
  * H1c: Company trustworthiness and company brand value has positive impact on the while customer choosing the policy.
  * H1d. Fastness in processing the application and retrieving the data related to existing policy has impact on the while selecting the insurance company by the customers.
* H2. Promotional methods that are adopted by the Life insurance companies have an impact on the marketing strategies adopted by the companies.
  * H2a.Advertisements in print and electronic media has direct impact on the marketing strategies adopted by the insurance companies.
  * H2b. Social media campaigns have impact on the marketing strategies adopted by the companies.
  * H2c. expert opinion and telesales has impact on marketing strategies adopted by the companies.
* H3: After sale service has an impact while selecting the life insurance product
  * H3a. Service quality of call center in terms of addressing the issues of policy holders has impact while selecting the Life Insurance Company.
  * H3b. Easy, approachable and online premium payment facility has an impact while selecting the life insurance company.
  * H3c. Branch network and approachability of branch staff has an impact while selecting the life insurance company.
* H4: Efficiency of Sources used by Life insurance companies in terms of creating awareness and to get new prospects has an impact on customers buying behavior
  * H4a. Email campaigns and natural sources of agent/advisors have an impact on customers buying behavior.
  * H4b. Social media campaigns on importance of life insurance and new product launches has an impact on customers buying behavior.
* H5: Agent/Advisors motivational factors have impact on the overall marketing strategies adopted by the insurance companies.
  * H5a.Financial benefits to Agent/advisors have impact on over marketing strategies adopted by the life insurance companies.
  * H5b.Welfare measures and assistance in lead generation has impact on over marketing strategies adopted by the life insurance companies.
* H6.Infuential factors like Tax benefits, Investments, Savings has impact on selecting the life insurance policy by the customers.
* H7. Professional qualities of agent/advisors have impact on selecting the life insurance policy by the customers.

Research Design

The research design used for the study includes descriptive, causal and analytical studies. The descriptive study describes the demographic characteristics and purchase patterns of the sample at four major cities in Andhra Pradesh. The causal study focuses on establishing the causal relationships between customer usage patterns and marketing strategies used by life insurance companies. The analytical study identifies the critical factors of marketing mix elements on strategy of companies in study and also measure the impact of marketing strategy on customer satisfaction and on customer future purchase behavior in the selected cities.

Population

The study is undertaken on customers and agents of two life insurance companies namely, Life Insurance Corporation of India (public limited) and ICICI Prudential Life Insurance company (Private limited) across four major cities in Andhra Pradesh.

Sampling Plan

Convenient sampling method was used based on volume of business, top two companies were selected for study, one from public sector and other from private sector.

✷ Public sector: Life Insurance Corporation of India (LICI)
✷ Private sector: ICICI Prudential Life Insurance Company (ICICI Pru)

Firstly, total sample of 500 respondents (customers) with different age groups and different product categories who bought from two different companies, namely LICI (271) and ICICI Pru (229) have been selected. Secondly, a sample of 50 respondents (agents/ advisors) with different demographic features, different locations, and who belong to the two companies selected for study, viz., LICI (30) and ICICI Pru (20).

Product Mix or Major Product categories:

The insurance products that were considered for the study s are broadly categorized in to 7 categories based on the nature of the policy, risk coverage.

1   Endowment Plans

2   Term Plans

3   Whole Life Plans

4   ULIPs (Unit Linked Insurance Plans)

5   Pension Plans

6   Single Premium Plans

7   Child Plan

8   Others

Data Collection: Primary Data:

An exploratory quantitative (for the survey questionnaire) research methodology was employed. Separate set of questionnaires were prepared for 500 customers and 50 agents to examine the behavioral, perception levels of insured towards insurance and the products & services offered by the insurance companies in urban areas. The questionnaire was divided into 4 sections, in the first section information related to different socioeconomic and demographic criteria like income, age, profession, education and number of policies bought by the each customer etc. In the Second section respondents were asked for the opinion about insurance products and services. In the Third section, questions were asked to evaluate the parameters on service quality (on 5 point likert scale anchored at "strongly agree" and "strongly disagree"). In the Fourth section customers were asked to rate the public sector and private sector insurance companies.

Secondary Data:

The secondary data was collected from the annual reports of the companies, journals, books, magazines, IRDA portal etc.

Statistical Techniques:

Following statistical methods were employed to arrive at the conclusions in the present investigation.

Descriptive Analysis: Descriptive analysis was used to find out the gap between various service quality dimensions. Measure of central tendency, standard deviation etc was worked out to study the nature and distribution of scores on various variables.

Cronbach Alpha: The reliability of the data was examined by running reliability test. For various set of important associated factors used in the questionnaire, values of coefficient alpha (Cronbach's alpha) were obtained.

Cronbach Alpha Test results

Company Name	α- Value	Internal Consistency
ICICI Pru Life	α =0.94	Excellent
LIC	α =0.96	Excellent

The responses given by the customers of two insurance company's poses excellent internal consistency with alpha values 0.94 & 0.96 respectively, it indicates collected data is more accurate and reliable. The finding made out of this data represents the true picture about level of satisfaction, influential factors to buy insurance plans, source of information, best medium to promote insurance products and the services rendered by the insurance company.

Correlation analysis: The relationship between various service quality dimensions, and between the dependent and independent variables, was analyzed by correlation analysis.

Chi-Square Test: Null Hypothesis (H0) and Alternative Hypothesis to test the association of the responses of the customers of two insurance companies namely ICICI and LIC in terms of factor/factors which leads to buy the insurance plans.

Findings and Conclusions

The two life insurance companies studied in various cities of Andhra Pradesh are providing their customers with a personalized, close communication advising/brokerage relationship for insurance products. Both companies seek to fulfill the following benefits that are important to their customers.

* Selection - The ability to offer a wide selection of insurance products.
* Knowledgeable staff - This benefit is very important to the insurance brokerage business as the interaction between staff and the customer is what both companies are truly offering.
* Customer service - Customer's expectations must be exceeded so that the good word of mouth will spread fast. Both companies seem to be appreciating this.

Customers are utilizing the services offered by the insurance companies in terms of ease of purchase, online premium payment options, and risk coverage, etc. by their respective insurance service provider. Both the insurance companies researched have a strong sales force to understand the unique needs of customers and suggest the right insurance product as per their exact client needs. Customers are driven by the following prime factors in making an informed buying decision with respect to the life insurance plans:

Tax benefits: Deduction is available under Section 80C of Income Tax Act, 1961 for the premium paid on life insurance policies with a maximum annual ceiling of Rs. 1,00,000, irrespective of the gross total income (subject to fulfillment of certain conditions). So respondents feel insurance is best instrument to not only to save the tax and it will give life security, saving and the guaranteed returns on traditional plans. With the chi squire (statistical test) results we infer that this factor is statistically significant.

Investments: Respondents feel that insurance is best available investment tool which will ease the concerns in terms of future risk to settle liabilities because of risks arising out of death. Maturity benefits from the insurance plans will make them to have the same life style as they are currently leading. The above factor is statistically significant based on the results of chi squire results of responses given by the customers of two different insurance companies' - one in public and the other in private sector.

Guaranteed returns: Traditional plans like endowment plans, money back plans, etc. will give guaranteed returns at the time of maturity along with the accumulated bonus. The above factor is statistically significant based on the results of chi squire results of responses given by the customers of two insurance companies.

Customer's ratings on the company - ICICI

Parameter	1	%	2	%	3	%	4	%	5
History of company(legacy)	24	10.48	47	20.52	77	33.62	56	24.45	25
expertise staff	22	9.61	57	24.89	75	32.75	45	19.65	30
Claim settlement process	26	11.35	49	21.4	52	22.71	59	25.76	43
Ease of policy purchase	20	8.73	51	22.27	78	34.06	51	22.27	29
Brand	12	5.24	63	27.51	73	31.88	50	21.83	31
Support of branch staff	15	6.55	53	23.14	68	29.69	58	25.33	35
Ambiance of the office	19	8.3	64	27.95	70	30.57	51	22.27	25
Policy features and uniqueness in terms of features with other insurance companies	26	11.35	44	19.21	78	34.06	51	22.27	30
Number of branches	17	7.42	61	26.64	74	32.31	52	22.71	25
Online facilities (professional website, online payment facility, policy monitoring facilities, etc)	25	10.92	60	26.2	67	29.26	52	22.71	25
Ambiance of the office	19	8.3	60	26.2	72	31.44	49	21.4	29
Approach in explanation of policy features	26	11.35	45	19.65	73	31.88	52	22.71	33
Professional sales force	19	8.3	64	27.95	70	30.57	51	22.27	25
Online facilities (online payments, policy monitoring facilities, Query handling online etc…..)	12	5.24	63	27.51	73	31.88	50	21.83	31

Therefore mentioned results fairly correlate with responses given by the agents/advisors. Hence, it is abundantly clear that the above factors are the prime factors for customers to buy life insurance plans). Prospects choose the insurance company and its varied products because of the advertisements in print & electronic media.

Customer's ratings on the company - LIC

Parameter	1	%	2	%	3	%	4	%	5	%
History of company(legacy)	0	0	143	52.77	121	44.65	1	0.37	6	2.21
expertise staff	1	0.37	125	46.13	136	50.18	2	0.74	7	2.58
Claim settlement process	0	0	118	43.54	144	53.14	5	1.85	4	1.48
Ease of policy purchase	2	0.74	128	47.23	138	50.92	1	0.37	2	0.74
Brand	0	0	110	40.59	153	56.46	3	1.11	5	1.85
Support of branch staff	0	0	138	50.92	124	45.76	6	2.21	3	1.11
Ambiance of the office	2	0.74	128	47.23	132	48.71	4	1.48	5	1.85
Policy features and uniqueness in terms of features with other insurance companies	1	0.37	125	46.13	135	49.82	4	1.48	6	2.21
Number of branches	1	0.37	136	50.18	126	46.49	6	2.21	2	0.74
Online facilities (professional website, online payment facility, policy monitoring facilities, etc)	2	0.74	122	45.02	139	51.29	5	1.85	3	1.11
Ambiance of the office	1	0.37	112	41.33	149	54.98	4	1.48	5	1.85
Approach in explanation of policy features	1	0.37	130	47.97	132	48.71	4	1.48	4	1.48
Professional sales force	0	0	143	52.77	121	44.65	1	0.37	6	2.21
Online facilities (online payments, policy monitoring facilities, Query handling online etc…..)	0	0	138	50.92	124	45.76	6	2.21	3	1.11

This seems to be the most effective and it creates desired impact on the minds of the prospects. As per respondents rating, recommendations of the advisor/agents, CAs, investment bankers, and insurance corporate brokers influenced them to buy the life insurance products. There is considerable influence of family members and friends which leads to buying of life insurance products by the respondents. Respondents agree that advice of telecallers had also been an influential factor to buy the life insurance products.

Type of policies promoted by the Agent/Advisors

Sl. No	Type of policies	1	%	2	%	3	%	4	%	5	%
1	Endowment policy	9	18	9	18	18	36	10	20	4	8
2	Term policy	10	20	8	16	8	16	10	20	14	28
3	Whole life policy	6	12	18	36	12	24	11	22	3	6
4	ULIP	7	14	10	20	13	26	9	18	11	22
5	Pension policy	6	12	10	20	19	38	10	20	5	10
6	Single premium	9	18	8	16	11	22	9	18	13	26
7	Child plan	6	12	11	22	20	40	12	24	1	2
8	Others	8	16	7	14	13	26	12	24	10	20

1. Mostly 2. Often 3. Sometimes 4. Rarely 5. Never

Facilities provided by the life insurance companies in terms of ease/convenience in premium payments have gone a long way in enhancing the satisfaction level of respondents. Policyholders seem to be highly valuing these facilities as significant number of customers have insured more than the threshold maximum (i.e., over Rs. 1,00,000). Majority of respondents rated good and they are satisfied with services provided by the call centers of insurance companies in terms of accessibility, ease of use, waiting time, providing required information for the customers in a systematic way. Very insignificant number of respondents is dissatisfied with the employee's capability of handling queries.

Agent/Advisors rating on the influential factors to buy Insurance Plans

Sl. No	Reasons	1	%	2	%	3	%	4	%	5	%
1	Tax benefits	23	46	17	34	5	10	3	6	2	4
2	Loan obligation	10	20	9	18	10	20	8	16	13	26
3	Life security	14	28	8	16	13	26	10	20	5	10
4	Persuasion of Agent	5	10	7	14	21	42	9	18	8	16
5	Savings	11	22	9	18	12	24	12	24	6	12
6	Investment	14	28	23	46	7	14	4	8	2	4
7	Risk Coverage	8	16	7	14	9	18	19	38	7	14
8	Companies trust worthiness	7	14	9	18	17	34	9	18	8	16
9	Advice of friend or family member	4	8	8	16	23	46	7	14	8	16
10	Services offered	3	6	7	14	25	50	10	20	5	10
11	Ease of purchase	2	4	5	10	21	42	16	32	6	12
12	Sales promotion offers	8	16	9	18	11	22	11	22	11	22
13	Companies brand value	3	6	5	10	19	38	16	32	7	14
14	Ease of premium payment	2	4	4	8	25	50	11	22	8	16
15	Ease of processing the policy document	3	6	5	10	27	54	8	16	7	14
16	Number of branch offices/ sales points and their location	1	2	7	14	23	46	13	26	6	12
17	Ambiance of the office	2	4	6	12	12	24	16	32	14	28
18	complete explanation of policies(true picture)	10	20	17	34	9	18	9	18	5	10
19	Professional sales force	6	12	5	10	14	28	16	32	9	18
20	Online facilities (professional website, online payment facility, policy monitoring facilities, etc)	4	8	12	24	19	38	7	14	8	16
21	Low premium rate	3	6	7	14	18	36	15	30	7	14
22	Add on benefits(like accident insurance, free health check up, etc)	9	18	23	46	9	18	6	12	3	6
23	Any other(please specify)	7	14	8	16	17	34	12	24	6	12

1. Very strong 2. Strong 3. Neutral 4. Weak 5. Very weak

Majority of respondents felt that approachability and branch network is extremely good and they believe that branch offices are very much accessible to get required information. Companies are adopting good communication mediums to provide information to the customers on the offers and new product launches. In terms of premium payment reminders, life insurance companies are adopting good mechanisms (like emails, physical mails, SMS alerts, voice mails, tele-calling, etc) to inform the customers well in advance to avoid default. Customers seem to prefer the following in exercising their choice of an insurance company in the same order: company history, office ambience, online facilities, and professional sales force. Respondents rated poor in terms of claim settlement process and uniqueness in terms of features of insurance products in comparison to the other insurance companies.

Agent/Advisor rating on the promotional methods used by the company

Sl. No	Promotional methods	1	%	2	%	3	%	4	%	5	%
1	Traditional Advertisements (Electronic, paper, hoardings, etc)	11	22	23	46	7	14	6	12	3	6
2	Digital Marketing (social networking, online ads, email campaign etc)	10	20	21	42	9	18	6	12	4	8
3	Professional Sales force	9	18	17	34	10	20	9	18	5	10
4	Promotional offers (discounts, free add on policies, etc)	11	22	10	20	10	20	11	22	8	16
5	Road shows(stalls, canopies, etc)	6	12	9	18	19	38	9	18	7	14
6	Any other (please specify)	8	16	17	34	13	26	7	14	5	10

1.Mostly 2. Often 3. Sometime 4.Rarely 5. Never

Respondents feel that healthy competition exists between the lone public sector giant LIC and privately owned insurance companies. This is buttressed by the fact that over 400 life insurance plans were rolled out by the industry in this calendar year alone. Respondents feel that healthy competition exists between LIC and privately owned insurance companies. This is buttressed by the fact that over 400 life insurance plans were rolled out by the industry in this calendar year alone.

Agents/Advisors feel that modern customers are more tech savvy and seem to be hooked to the social and professional networks. Frontline insurance companies seem to leverage this during their media planning phase as social media campaigns are fairly successful. This is complementing the traditional channels of print & electronic media.

Major driver of incremental business from existing customers can be expected by insurance companies if they can provide assistance in terms of premium payments, informing the customer about new features and new products/policies and other commercial benefits that customers will get along with the life coverage. Agents/Advisors feel that training & development programs, better commission structure, and further assistance from the branch staff in getting new leads will motivate them to stretch and generate additional business.

Customers feel more comfortable talking to those agents/advisors with sound financial knowledge to understand the needs of customers; problem solving skills to answer the queries of the customers; and clarity of product/features to clearly explain the benefits of insurance plans over other competing financial instruments in getting new business. Agents/Advisors believe that insurance companies have sound market intelligence in rolling out products that in line with the exact needs of the customers. Insurance companies take utmost care in designing the products as per changing needs of customers and also time the product launches as per the needs of the customers.

Suggestions to Insurance Agents/Advisors:

Insurance companies should start selling value rather than competing on price. Agents/Advisors should focus on the following at the time of pitching to the prospects:

Focus on promoting process:

When shoppers come to you for a quote they're only focused on one thing - the price. It's your job to make them recognize and internalize the fact that they're making a decision about more than just how large a cheque they're going to write every month. Explain the claims process and how your agency helps/ guide customers through it as smoothly as possible. Use a specific example (success stories of clients) of how your process helped a previous client have a better experience. Find every way possible to talk about claims - it's the best way to get people thinking outside the price box.

Sell Value not the price:

When you find out what kind of car, home, motorcycle, etc. the prospect owns, ask them: "What made you choose that one?" It's very rare that someone responds with, "It was the cheapest." Instead, they'll say, "It had the best crash test ratings" or "It's is in a really great neighborhood with amazing schools" or "After all these years of working hard, I deserve a few nice things". An expensive insurance policy is certainly not as cool as a brand-new Harley but getting prospects to answer this question aloud will remind them that they don't make every purchasing decision on price alone and you will activate the part of their brain that makes more value-oriented decisions.

Connect with the customers experiences:

What's the worst car accident you've ever witnessed? When the prospect re-lives that in his mind he would care about anything but saving 15% off his car insurance. Of course, this example is geared toward auto insurance, but you could adapt it for life insurance.

Communicate effectively with customers:

During your sales conversation, ask your prospect how they like to communicate with companies they do business with. Do they prefer to use the phone, send emails, snail mails, meet face-to-face, online accounts, text messages? Once you understand how they like to communicate, it'll be a lot easier to frame the benefits of your agency around that. Make sure your prospect knows that you'll be there to communicate with them in the way that fits their life. Don't brag about your mobile app if the prospect doesn't have a smart phone and don't oversell the convenience of visiting the office if your prospect is more of an "I'll do it online" type of person.

Educate your prospects:

No matter what your prospects tell you, most of them don't understand how insurance works. If you can explain it to them in a way that makes sense without being condescending you're already providing an incredible amount of value! When clients see how well you understand insurance they'll feel more comfortable about the decisions you're guiding them to make and they'll feel more confident you'll be a positive resource in the event of a claim. Experts don't just spit out a bunch of terminology. The mark of a real expert is the ability to explain a subject to anyone regardless of age, background, or education. Don't lecture; ask questions and engage.

Detail the fringe benefits:

When you identify discounts your prospect qualifies for, take time to explain how much money each discount saves, why they qualify, and why the carriers of risk offer that discount. People love discounts, and when they see how well you understand discounts they'll trust that you're getting them all the discounts they're entitled to and will see the value in buying through an agent like you. Explain to prospects that you regularly check their policy to make sure they're getting every discount they deserve.

Talk about your experience:

If you've been in insurance for a while, find ways to get this point across to every prospect. One way to do this is by identifying something that your prospect is very experienced in to make a comparison. If you're brand-new, that's okay too. You can reference the combined experience of all your co-workers. "In our agency, we have over 30 years combined experience in insurance."

Exhibit professionalism as an agent:

A lot of people assume buying through an agent is more expensive. Explain to prospects that agents are field underwriters who allow insurance companies to provide more accurate rates for every risk. There is more room for fraud when people get insurance through a website and that makes the honest people pay more. A good agent who understands rating criteria and discounts can be a real asset when it comes to getting the cheapest price. Make sure your prospects know this. Agents will always have a better understanding of the customer's requirement as they interacted with them in person, got a feel of their lifestyle and the very purpose of having a certain insurance policy.

Display your Licenses and Certifications to build trust:

Most people have no idea how hard it is just to get licensed to sell insurance. They also have no idea how many hours of continuing education you're required to keep up with and some of the advanced designations have taken you years to achieve! Just find a way to work it into the conversation naturally.

The author is Director (Academics) at ISTTM, Gachibowli, Hyderabad and can be reached at sarath03@gmail.com

REFERENCES

* Philip Kotler, (2000, 2002 and 2008). Marketing Management. Prentice Hall of India.

* Lovelock, C. H. & Writz J., (2003). Services Marketing. Prentice Hall of India.

* Lovelock, C. H. (2010). Services Marketing. Pearson Education.

* Narayanan, H. (.2010). Indian Insurance A Profile. Jaico Publications.

* L.M.Bhole & Jitendra Mahakud, (2009). Financial Institutions and Markets (Fifth ed). Tata McGraw-Hill.

* BCG Study (2010). Retrieved on 4, April, 2011. www.bcg.com.

* Berekson, L.L. (1971). Birth order, anxiety, affiliation and purchase of life insurance.

* Journal of Risk and Insurance, 1972, 39, 93-108.

* Showers, Vince E. & Joyce A. Shotick (1994). The Effects of Household Characteristics on Demand for

Insurance: A Tobit Analysis, The Journal of Risk and Insurance, Vol. 61, No.3, 492-502.

* Baek, E. & DeVancy, S.A. (2005). Human Capital Bequest Motive Risk and The Purchase of Life Insurance, Journal of Personal Finance, 4 (2) 62-84.

* Ferber, R., & Lee, L.C. (1999). Acquisition and accumulation of life insurance in early married life. Journal of Risk and Insurance, 47, 132-152.

* Bernheim, B.D., Berstein, S. & Gokhale Saving and Life Insurance holding at Bostan University-A Uiique Case Study.

* Burnett, John J. & Bruce A. Palmer, (1984). Examining Life Insurance Ownership through Demographic and Psychographic Characteristics, The Journal of Risk and Insurance, Vol. 51, No. 3, 453-467. Chapr 3: Consumer Behaviour In Life Insurance 183

* Bernheim, B.D., Berstein, S., Gokhale, J., & Kotlikoff, L.J. (2006). Saving and life insurance holdings at Boston university- A unique case study. National Institute Economic Review, 198, 75.

* Burnett, John J. & Bruce A. Palmer, (1984). Examining Life Insurance Ownership through Demographic and Psychographic Characteristics, The Journal of Risk and Insurance, Vol. 51, No. 3, 453-467.

* Gandolfi, Anna Sachko & Laurence Miners, (1996). Gender-Based Differences in Life Insurance Ownership, The Journal of Risk and Insurance, Vol. 63, No. 4, 683-693.

* Ferber, R. & Lee, L.C., (1999). Acquisition and accumulation of life insurance in early married life. Journal of Risk and Insurance, 47, 132-152.

* Burnett, John J. & Bruce A. Palmer, (1984). Examining Life Insurance Ownership through Demographic and Psychographic Characteristics, The Journal of Risk and Insurance, Vol. 51, No. 3, 453-467.

* Baek, E. & DeVancy, S.A., (2005). Human Capital Bequest Motive Risk and The Purchase of Life Insurance, Journal of Personal Finance, 4 (2) 62-84.

* Baek, E. & DeVancy, S.A., (2005). Human Capital Bequest Motive Risk and The Purchase of Life Insurance, Journal of Personal Finance, 4 (2) 62-84.

* Anderson, D.R. & Nevin, J.R., (1975) Determinants of Young marrieds life insurance purchasing behaviour: an empirical investigation, Journal of Risk and Insurance, 42, 375-387.

* Anderson, D.R. & Nevin, J.R. (1975) Determinants of Young marrieds life insurance purchasing behaviour: an empirical investigation, Journal of Risk and Insurance, 42, 375-387.

* Burnett, John J. & Bruce A. Palmer, (1984). Examining Life Insurance Ownership through Demographic

and Psychographic Characteristics, The Journal of Risk and Insurance, Vol. 51, No. 3, 453-467.

❋   Duker, J.M. (1969). Expenditure for life insurance among working wife-families,

❋   Journal of Risk and Insurance, 36, 525-533.

❋   Baek, E. & DeVancy, S.A., (2005). Human Capital Bequest Motive Risk and The Purchase of Life Insur-
     ance, Journal of Personal Finance, 4 (2) 62-84. Chapter 3: Consumer Behaviour In Life Insurance 184

❋   Baek, E. & DeVancy, S.A., (2005). Human Capital Bequest Motive Risk and The Purchase of Life Insur-
     ance, Journal of Personal Finance, 4 (2) 62-84.

❋   Kunreuther, H. (1979). An experimental study of insurance decisions. Journal of Risk and Insurance
     (Vol. 46, No.4;pp 603-618).

❋   Jha, R N, Obsession With Death, The Economic Times, 1999, October, 13.

❋   Hasanbanu, S. & Nagajoyhi, R S, (2007). A Study of Insurance Prespective in Uthamapalayamtaluk,
     Indian Journal of Marketing, May Edition, pp 10-16.

❋   Duker, Jacob M., (1969). Expenditure for Life Insurance Buying Strategies, Journal of Risk and Insur-
     ance, Vol. 36, 525-533.

❋   RNCOS Releases 'Emerging Rural Insurance Market in India' Report 2006 -2008.

❋   Bhat Ramesh & Jain Nishant (2006-2007). Factoring affecting the Demand for Health Insurance in a
     Micro Insurance Scheme, IIMA Working Papers 2006-07.

FOREIGN EXCHANGE EVALUATION: DOLLAR Vs RUPEE

M.Madhavi
Principal, APGC-Ramanthapur

Introduction:

Foreign exchange dates back to ancient times, when traders first began exchanging coins from different countries. However, the foreign exchange if self is the newest of the financial markets. In the last decade, the foreign exchange has undergone dramatic transformations. The Bretton Woods Agreement of 1944 which linked the volume of currency with Gold standards remained intact until 1970. In 1971, the Bretton Woods Agreement was first tested due to uncontrollable currency rate fluctuations. Trading volume has increased rapidly over time, especially after exchange rates were allowed to float freely in 1971. By 1973, the gold standard was abandoned by President Richard Nixon, and currencies were finally allowed to float freely. Thereafter, the foreign exchange market quickly established itself as the financial market. Before the year 1998, the foreign exchange market was only available to larger entities trading currencies for commercial and investment purposes through banks, now online currency trading platforms and the internet allow smaller financial institutions and retail investors also to access a similar level of liquidity along with major foreign exchange banks, by offering a gateway to the primary market.

FOREX refers to Foreign Currency Exchange Market in which over 4,600 International Banks and millions of small and large speculators participate worldwide. Every day, this worldwide market exchanges more than $1.7 trillion in different currencies. With the current growth rate the market is projected to grow to more than $1.9 trillion per day by the year end 2014. With such volume, one can assume that the forex market is extremely volatile, changing at a moment's notice, depending on conditions operating within that country.

Need for the Study

The buying and selling of foreign currency and other debt instruments by businesses, individuals and governments happens in the foreign exchange market. Apart from being very competitive, this market is also the largest and most liquid market throughout the world and India is no exception to that. It constantly undergoes changes and innovations, which may either be beneficial to a country or expose them to greater risks. Keeping in view, the importance of Foreign Exchange management, especially with the leading currency of the world, the US Dollar there is a need to understand the current trends, hence the present study.

Scope of the Study

Exchange rate affects trading relationships between two nations. The exchange rate of the currency determines the real return of the portfolio that holds the bulk of its investment. The exchange rate influences purchasing power of income and capital gains derived from returns, income factors such as interest rates, inflation and even capital gains from domestic securities. Even though there are many foreign currencies, the US Dollar is the leading currency and studying all the currencies at a time becomes a tedious task for the researcher. So, the fluctuations of Rupee with US Dollar is made.

Objectives

✦   To study the importance of exchange rate fluctuation.

✦   To know the impact of rupee depreciation on the economy.

✦   To study and analyze various reasons which impact the Indian currency Market.

Literature Review

Collier and Davis (1985) studied the practices of currency risk management by U.K. multi-national companies. The findings revealed that there is a degree of centralized control of group currency risk management and that formal exposure management policies existed. There was active management of currency transactions risk. The preference was for risk-averse policies, in that automatic policies of closeout were applied.

Batten, Metlor and Wan (1992) focused on foreign exchange risk management practice and product usage of large Australia-based firms. The results indicated that, of the 72 firms covered by the Study, 70% of the firms traded their foreign exchange exposures, acting as foreign exchange risk bearers, in an attempt to optimize company returns. Transaction exposure emerged   as the most relevant exposure. Jesswein et al, (1993) in their study on use of derivatives by U.S. corporations, categorizes foreign exchange risk management products under three generations: Forward contracts belonging to the First Generation; Futures, Options, Futures-Options, Warranties and Swaps are Second Generation; and Range, Compound Options, Synthetic Products and Foreign Exchange being Third Generation. The findings of the Study showed that the use of the third generation products was generally less than that of the second-generation products, which was, in turn, less than the use of the first generation products. The size of the company, but was significant related to the company's degree of international involvement.

Phillips (1995) in his study focused on derivative securities and derivative contracts found that organizations of all sizes faced financial risk exposures, indicating a valuable opportunity for using risk management tools. The treasury professionals exhibited selectivity in their use of derivatives for risk management.

Howton and Perfect (1998) in their study examines the pattern of use of derivatives by a large number of U.S. firms and indicated that 60% of firms used some type of derivatives contract and only 36% of the randomly selected firms used derivatives. In both samples, over 90% of the interest rate contracts were swaps, while futures and forward contracts comprised over 80% of currency contracts.

Hentschel and Kothari (2000) identify firms that use derivatives. They compare the risk exposure of derivative users to that of non users. They find economically small differences in equity return volatility between derivative users and nonusers. They also find that currency hedging has little effect on the currency exposure of firms' equity, even though derivatives use ranges from 0.6% to 64.2% of the firm's assets.

Booth, Kaen and Koveos, 1982 observed that a number of empirical studies (e.g. Booth, Kaen and Koveos, 1982; Cheung, 1993; Batten and Ellis 1996) employ the rescaled range statistical procedure, originally developed by Hurst (1951), to identify long-term return anomalies in currency markets. However, Fama (1998) argues that this type of anomaly may be sensitive to the method employed and will tend to disappear when alternative approaches are used.

Global Scenario

Globally, the foreign exchange market is of huge size with daily average turnover of $ 5.3 trillion, as per the Bank of International Settlement (BIS). While rupee trades account for just about 1 per cent of the global market with a daily average turnover of just about $ 53 billion, nearly half of these trades take place outside India and in jurisdictions outside the direct regulatory supervision of regulators like the RBI and the SEBI. However, the daily turnover of rupee trades stands at about $ 53 billion (accounting for a one per cent global market share), which includes $ 50 billion worth trades in the rupee-US dollar transactions.

A huge volume of rupee trades outside India was already a problem area and the latest global regulatory probe into the possible forex market manipulations have now added to the concerns of the Indian regulators, a senior official said, while adding that they would extend all possible support to the global regulatory authorities.

Those looking into the matter mainly include Swiss Financial Market Supervisory Authority FINMA, UK's Financial Conduct Authority (FCA), as also other regulators in Europe and the US, while they are also approaching Indian regulators like Sebi and RBI for the worldwide probe. Besides the financial sector regulators, competition watchdogs in Switzerland and some other countries are also looking into the matter to probe any possible cartelisation among the banks to manipulate the foreign exchange markets. The UK accounts for the largest share of 40.9 per cent in the global forex markets, followed by the US at 18.9 per cent, Singapore at 5.7 per cent, Japan at 5.6 per cent, Hong Kong at 4.1 per cent and Switzerland at 3.2 per cent. While India's share is only 0.5 per cent, the rupee figures among the 20 most traded foreign currencies globally.

While a widening current account deficit (CAD) and fears of capital outflows have been cited as majors reasons for the Indian rupee's recent depreciation, it is believed that speculation in the non-deliverable currency forwards (NDF) market has also pushed down the currency. Indian market regulator, the Securities and Exchange Board of India (SEBI) is already looking into possible manipulations in currency derivatives, which are forward value contracts for pairs of two currencies including rupee and dollar.

It was suspected that brokers and traders were indulging in unathorised trading of foreign exchange in the spot forex market. These issued were red-flagged to the Reserve Bank of India (RBI). While it is the RBI that mainly regulates the forex market, currency derivatives come under Sebi's jurisdictions and they are traded on the stock exchanges.

From a recent high of 53.80 in April-end, rupee slipped down to a life-time low of 68.85 in August-end compounding problems for an economy that last fiscal grew at its slowest pace in a decade and whose 80 per cent oil needs are imported. This downward spiral necessitated a series of actions by the banking regulator RBI, markets watchdog Sebi and the Finance Ministry to support the battered rupee. Helped by these steps, the rupee has gained some lost ground to trade at around 61-62 levels.

Types of Exchange Rate Flucutation
In simple words, exchange rate means how much one currency is worth in terms of another
currency. For e.g., If one can buy $ 1 with Rs. 61, the exchange rate of the two currencies would
be $1 = Rs. 61 The two types of exchange rate are:
i) Fixed, and
ii) Floating.

Some countries have fixed exchange rate systems while some have floating. As the name
suggests, the fixed exchange rate doesn't fluctuate because of government intervention. The floating exchange rate on the other hand keeps on changing continuously just likes the stock market. Thus the government intervention is almost negligible.

In India, there is a Floating Exchange Rate System which means that the Indian government
intervenes only if the exchange rate seems to go out of hand by increasing or reducing the money supply as the situation demands.

Two very commonly used terminologies are:
i) Rupee Appreciation, and
ii) Rupee Depreciation (instead of using the word 'currency' the word 'rupee' is being used for the Indian context and explain the fluctuation with respect to dollar).

When rupee is said to be appreciating it means that Indian currency is gaining strength and its value is increasing with respect to dollar. However, when rupee depreciates it means the same is getting weaker &

its value is falling with respect to dollar. Following example explains the same in a simplified manner:

Suppose, currently, the exchange rate is Rs. 61 = $1,
Let say 10 months later, either of the following two cases can happen:

Case1: The exchange rate is say Rs. 53 = $1. This means rupee has appreciated or gotten
strong by approx 11% and one would be paying less to for a dollar.

Case2: The exchange rate is at Rs. 62 = $1. This means rupee has depreciated or gotten weaker by approx 11% and one end up paying more for a dollar.
Rupee's appreciation or depreciation against the dollar depends on the change in demand and supply for both the currencies. If the demand for rupee is comparatively high, rupee appreciates; if low, it depreciates.

Factors Driving the Demand for a Currency
Many factors affect the demand and price of a currency. The most significant factors are laid down here under.

1   Interest Rate: A demand for a currency is hugely dependent on the interest rate differential between two countries. A country like India where int. rate is around 7-8% experiences greater capital inflow as investors get better return than what they might get in US. (With Interest rates of 2-3%). This results into rupee appreciation.

2   Inflation Rate: The demand for a country'sgoods & services by the foreign buyers would be more if the inflation rate is lower in thatcountry compared to other countries. Higher demand for goods & services would mean higherdemand for that currency resulting in the appreciation of that currency. For instance if India'sinflation rate is lower than that of Zimbabwe then the demand for our goods, services andcurrency would be higher than that for Zimbabwe's.

3   Export-Import: If a country is exporting more than its imports from other countries, then this would mean higher demand for that currency, causing appreciation of that currency against others.

4   Trading in currencies in the Forex market: The exchange rate fluctuates minute by minute because of speculative trading in the Forex market.

Though trading in Forex market causes fluctuations in the exchange rate, over a period the change is backed by the fundamental factors like the growth potential in the economy, interest rate differential and the inflation rate existing in different countries. In a manage floating exchange rate system like India the government purchases rupee in exchange for the foreign currency to increase money supply in the economy which leads to depreciation of the home currency. Conversely, it purchases foreign currency in exchange for rupee to reduce the money supply in the economy leading to appreciation of the home currency

The Impact of Rupee Depreciation on the Economy

The persistent decline in rupee is a cause of concern. Depreciation leads to imports becoming costlier which is a worry for India as it meets most of its oil demand via imports. Apart from oil, prices of other imported commodities like metals, gold etc will also rise pushing overall inflation higher. Even if prices of global oil and commodities decline, the Indian consumers might not benefit as depreciation will negate the impact. The depreciating rupee will add further pressure on the overall domestic inflation and since India is structurally an import intensive country, as reflected in the high and persistent current account deficits month after month, the domestic costs will rise on account of rupee depreciation. Exchange rate risk also drives away foreign investors which in turn depreciates the local currency. Indian Rupee is currently caught in this vicious cycle; it will have to find a stable level to regain investors' confidence. The depreciating rupee has serious effects on the external debt figures of the nation. The total external debt has increased by Rs. 2186.8 billion to Rs 16384.9 billion by the end of November .

Exchange rate affects trading relationships between two nations. Some of the principal factors that cause fluctuations in exchange rate between two countries are inflation, interest rates, current account deficits, public debt, trading terms, political stability and economic performance.

Lower inflation leads to a rising currency value and higher inflation sees depreciation of currency. Higher interest rates attract foreign capital and cause the exchange rate to rise and lower interest rates decrease exchange rates.

Current account deficit shows the country is spending more on foreign trade than it is earning and there is an excess demand for foreign currency which lowers the country's exchange rate.

A large public debt encourages inflation which in turn will affect exchange rate. Increasing terms of trade i.e. the price of a country's exports rises by a greater rate than its imports, increases the currency's value. Political instability and weak economic performance cause loss of confidence in a currency and hence its devaluation.

The following table presents the values of rupee against US Dollar from Feb, 2013 to Jan, 2014.

MONTH	OPENING	CLOSING
FEB 2013	53.16	54.37
MAR 2013	54.9	54.52
APR 2013	54.28	53.68
MAY 2013	53.65	55.78
JUNE 2013	56.66	59.52
JULY 2013	59.38	60.77
AUG 2013	60.45	65.71
SEP 2013	65.71	62.58
OCT 2013	62.46	61.61
NOV 2013	61.84	62.39
DEC 2013	62.39	61.92
JAN 2014	62.31	61.45

The graph presents the data of the above table through a line indicating the trend of the value of rupee.

In the month of January, February, March, April, May value of rupee constantly fluctuating in 53-56 .In the month of June, July , August value of rupee was increases from 56-66 where it reaches maximum in august at the value of 68. In the month of October, November, December the value of rupee decrease from rupees 62 -61 .

Factors Influencing the Indian Currency Market

Even though many factors influence the currency market and thus the exchange rates, the most significant factors are;

1. **Change of Interest Rates**: The value of the currency of any country depends on the interest rate of that country. In case of upward movement of interest rate in the United States, the US Dollar (USD) appreciates against other currencies as well as against the Indian Rupee (INR). Any change of interest rate by the Federal Reserve Bank of New York (FED) through the Federal Open Market Committee (FOMC) has a great impact on the currency market. In the recent past there have been instances of rate hikes by the FED, as a result of which the USD had appreciated against major international currencies as well as the Indian Rupee. Even an expectation of change of interest rate has a great impact on currency market. Whenever there is any such expectation, the market reacts sharply. The possibility of changes in interest rate is a speculative move, and the market reacts only for a short period of time. The market generally discounts some portion of such expectations well in advance, before they actually happen.

2. **Inflow of Foreign Funds**: The exchange rate depends on demand and supply of currency. Strong economic fundamentals and good ratings by international rating agencies have boosted foreign investors' confidence in the Indian market. Huge foreign investments have already come to India, while big investments through Foreign Institutional Investors (FIIs) and Foreign Direct Investment (FDI) are expected in the near future. In the last couple of months, substantial foreign funds have been infused into the Indian market. Since most of these have been in the form of USD, the supply of USD against the Indian Rupee became high, and it depreciated against the Rupee. On the other hand, at the time when FIIs wanted to withdraw funds from the market, the demand for USD in the Indian market became high, and it appreciated against the Rupee.

   During the last one to one-and-a-half years, the Indian rupee has shown a tendency to appreciate due to a huge inflow of foreign funds in the Indian market by FIIs or through FDIs in the form of External Commercial Borrowings (ECB) and Foreign Currency Convertible Bonds (FCCBs). A direct relationship may be drawn between the USD-INR exchange rate and the BSE index. Considering all other factors to be constant, whenever overseas FIIs buy shares from the Indian market, there is an upward movement of the BSE index. At the same time, due to inflow of foreign funds (foreign investors have USD to sell-they will buy INR to invest in Indian market against USD) in the Indian market, the supply of USD increases in the market and it depreciates against INR, or INR appreciates against USD. On the other hand, if there is any negative flow of funds by FIIs, there would be a downward movement of the BSE index, and consequently USD would appreciate against INR.

3. **Price of Oil**: A large portion of India's import payment is mainly for payment of oil. Internationally, crude prices are named as BRENT, NYMEX, and Dubai Crude. Whenever there is any hike in the oil price per barrel, the Indian Rupee depreciates against the US Dollar. As such, the Indian Government buys more USD against INR to honor the import liability, resulting in heavy demand for USD. Consequently, the Indian rupee depreciates against USD. The Indian currency market largely depends on the price of Dubai Crude. It is observed that USD appreciates at the end of the month when compared to other days of the month, primarily because of the month-end demand of USD in the wake of payment for imported oil. However, today's market is mature enough, with players of foreign exchange covering themselves against this type of expected fluctuations in the market. Whenever FIIs book profits by selling their shares, the BSE index falls, and at the same time INR depreciates against the USD. On April 12, 2006, the BSE index fell by more than 300 points due to heavy selling by FIIs, and on the same day the crude price also shot up to around USD70 per barrel. The Indian Rupee depreciated by 45-50 paise on the same day, owing to the impact of these two important factors.

4. Comments from political leaders and top bureaucrats do influence the market, but this is very short-term. It is quite common in India, particularly when it comes to comments from political leaders or the Governor of the Reserve Bank of India (RBI).

5. The economic data or surveys released by various national and international agencies, including FED, RBI, Moody's, etc. can influence market sentiments and lead to movement in exchange rates. Some data from the US, such as Non-Form Payroll, Jobless Claim, US trade deficit and GDP growth rate are known to influence the currency market. In the last week of May 2006, the Non-Form Payroll data (monthly data generally released on the first Friday of the month) was released by the US Department of Labor, and it was weaker than market expectations. As a result, the Euro became stronger against the USD, from 1.2739 to 1.2953 between 26 May and 5 June 2006. Annual economic review, RBI credit policy, monetary policy, etc. also strongly influence the currency market. Understanding, interpretation and correlation of different data are important to gain a thorough understanding of the exchange rate movement by any corporate. Any mistake in the interpretation of data released could cause heavy loss to an organization.

6. The RBI, which regulates the Indian currency market, does intervene whenever it feels it is required to stabilize the market, or to keep market volatility under control. It is the responsibility of the RBI to keep the exchange rate unaffected at a time of volatility in the foreign currency market. It has been observed that RBI intervenes in the currency market whenever there is any abnormal movement in the exchange rate, either upward or downward. The RBI buys foreign currency (USD) to depreciate the domestic currency, and sells foreign currency when the domestic currency depreciates abnormally. Sometimes the RBI does not intervene at all. In April and May 2006, the Indian Rupee depreciated heavily in the wake of the fall of the BSE Index, but the RBI did not intervene, much as previously the Indian Rupee had appreciated (in January and February 2006) to such a level that it needed to be depreciated solely by market forces.

CONCLUSION

Depreciation and appreciation in rupee is not a permanent phenomenon but it is due to various reasons. An attempt has been made in this study to detail those factors which influence the fluctuation in Indian rupee against dollar. Here six major factors have been identified to be specific to rupee fluctuation. To be more comprehensive one also has to study the other factors influencing the currency exchange rates.

The author is Principal, Aurora's PG College, Ramanthapur, Hyderabad.

BIBLIOGRAPHY

Donald R Cooper, Pamela S Schindler. Business Research Method, 9th Edition. Tata McGraw Hill

David A.Aker, V.Kumar, George S.Day(2003) Marketing Research. Jhon Wiley & Sons

Ken Black. Bussiness Statisitics for contemporary decision making, 4th Edition. Wiley & Sons (Asia) Pvt, Ltd

D'Angelo Buendio, Nadia Meljoum. (2006) The importance of managing Corporate Identity. Lulea University of Technology Master's Thesis

ICFAI Treasury Management: US Current Account Deficit;December 2006.

Monthly Reports of RBI, Mar- Nov, 2013

Online Ref:

☞   www.rbi.org

☞   www.bseindia.com

☞   www.forexindia.org

☞   www.centrumdirecdltd.com

☞   www.blog.forexcycle.com-dailyforexanalysis

IMPACT OF INFORMATION ON CONSUMER BUYING BEHAVIOUR OF COSMETICS

Dr T.Suchitra Rani

Abstract

The buying behavior of consumer is influenced by cultural, social, personal factors and informational factor in the purchase of personal care products. When the theory and reality of buying behavior is understood the marketer will be able to deliver the right product to the consumers. This study is designed to explore only the different informational factors influencing the purchase decision of personal care products. The informational factors considered under the study are advertising (television, radio, newspaper, magazines, direct mail, internet, hoardings), sales promotion (trying free samples, product display), publicity/public relations (consumer reports), and personal selling (retailers, sales persons).It is identified that advertising is the major source of influence in the purchase decision of all the personal care products viz., beauty soaps, face wash, fairness creams, shampoo, henna, hair oil, kajal, eye liner and nail paint in Hyderabad, Secunderabad and Mumbai cities.

Introduction

Belch and Belch defined promotion as "the coordination of all seller initiated efforts to set up channels of information and persuasion in order to sell goods and services or promote an idea." While implicit communication occurs through the various elements of the marketing mix, most of an organization's communications with the marketplace take place as part of a carefully planned and controlled promotional program. The basic tools used to accomplish an organization's communication objectives are often referred to as the promotional mix. The promotional mix includes four elements: advertising, sales promotion, publicity/public relations, and personal selling.

At the marketing communications level, Duncan and Moriarty note that all information (messages) should be delivered and received on a platform of execution and strategic consistency in order to create coherent perceptions among customers and other stakeholders. This requires integration of various marketing communication messages and functions of various promotional facilitators such as ad agencies, public relations firms, sales promotion specialists, package design firms, direct-response specialists, and interactive agencies. The informational influence is based on the desire to make informed decisions and optimize the choice.

Review of Literature

Kelman (1961) suggested that an individual would accept an influence that improves one's knowledge and ability to cope with the environment. The goal is to communicate with one voice, look, and image across all marketing communication functions and to identify and position the company and/or the brand in a consistent manner. Tarang Vaish (2006) inferred that the most recalled brands were found to be Lakmé, Revlon, L'Oreal, Maybelline and Garnier in Hyderabad. The advertisement recall was high for TV commercials as compared to print ads. Of late companies are realizing that communicating effectively with customers and other stakeholders involves more than traditional marketing communications tools. Many marketers, as well as advertising agencies, are embracing the IMC (Integrated Marketing Communications) approach and adopting total communication solutions to create and sustain relationships between companies or brands and their customers. Some academics and practitioners have questioned whether the IMC movement is just another management fad. However, the IMC approach is proving to be a permanent change that offers significant value to marketers in the rapidly changing communications environment in the new millennium. In one study Nandagopal and Chinnaiyan (2003) observed that major source of brand awareness is the word of mouth followed by advertisements.

Objectives of the Study

1. To identify the informational factors influencing the purchase decisions of personal care products

HYPOTHESIS

1. H0 Purchase decision of personal care products is independent of customers' informational factors.

METHODOLOGY

It is an empirical study based on both, primary and secondary data. The methodology includes sample design, analysis of data and the same are detailed below.

Sample Design

The present study is a sample study based on empirical data. The study is carried out by applying a survey method. Data for the study was collected from female visitors of different super markets, malls and specialty stores from twin cities of Hyderabad & Secunderabad and Mumbai. The primary data was collected from 971 female respondents: 500 responses of Twin cities and 471 of Mumbai. Out of these 971, only 914 were considered for the purpose of analysis as these were complete and usable in all respects.

Analysis of Data

Tools such as percentages, averages, chi-square test are used for analysis of the data.

Informational Factors and Personal Care Products

Like any other product, personal care products also use various communication tools to reach their target audience. The various sources of information broadly available for communication are advertising (television, radio, newspaper, magazines, direct mail, internet, hoardings), sales promotion (trying free samples, product display), publicity/public relations (consumer reports), and personal selling (retailers, sales persons).Theoretically different sources of information influences the purchase behavior of the consumers towards personal care products.

Informational Factors and Beauty Soap

The three products that are considered for the study under the skin care are beauty soaps, face wash and fairness creams. The data pertaining to use of beauty soaps by the respondents are presented in Table 1 and 2.

Table -1

Informational Factors and Beauty Soap: Hyderabad

Beauty Soap	Beauty Soap Brand			Total	'p' Value
	Popular Brands of Soaps	Premium Brands of Soaps	Economy Brands of Soaps		
Advertising	*46.9% (219)*	31.5% (147)	1.1% (5)	79.4% (371)	0.000
Sales Promotion	2.6% (12)	0.6% (3)	0.9% (4)	4.1% (19)	
Publicity	4.1% (19)	1.9% (9)	0	6.0% (28)	
Personal Selling	4.7% (22)	4.9% (23)	0.9% (4)	10.5% (49)	
Total	**58.2% (272)**	39.0% (182)	2.8% (13)	100% (467)	

Source: Primary Data

From an analysis of Table 1, it is observed that 46.9 per cent (219) of the respondents use popular brands of beauty soaps and their purchase is influenced by advertising; however advertising is again the most influencing factor in purchase of premium brands of soaps (31.5 per cent) (147) in Hyderabad. On the other hand, it is found that economy brands of beauty soaps are not influenced by publicity. 58.2 per cent (272) of the respondents use popular brands of beauty soaps, followed by users of premium brands of beauty soaps (39 per cent) (182). Economy brands of beauty soaps are preferred by less number of respondents, i.e., 2.8 per cent (13) in Hyderabad.

Therefore, it may be inferred based on the above analysis, at 5 per cent level of significance for 6 df that there is a significant influence of informational factors on purchase decision of beauty soap brands as 'p' value is 0.000.

Table -2

Informational Factors and Beauty Soap: Mumbai

Beauty Soap	Beauty Soap Brand			Total	'p' Value
	Popular Brands of Soaps	Premium Brands of Soaps	Economy Brands of Soaps		
Advertising	*46.8% (209)*	33.3% (149)	5.1% (23)	85.2% (381)	
Sales Promotion	2.0% (9)	0.2% (1)	0.7% (3)	2.9% (13)	
Publicity	2.5% (11)	0.2% (1)	0	2.7% (12)	0.003
Personal selling	6.3% (28)	2.0% (9)	0.9% (4)	9.2% (41)	
Total	**57.5% (257)**	35.8% (160)	6.7% (30)	100% (447)	

Source: Primary Data

An examination of the data presented in Table 2 reveals that 46.8 per cent (209) of the respondents are users of popular brands of soaps and are influenced by advertising. Similarly advertising is found to be influencing the purchase decision of premium brands of soaps as well (33.3 per cent 149). On the other hand, it is found that economy brands of beauty soaps are not influenced by publicity in Mumbai. 57.5 per cent (257) of the respondents use popular brands of beauty soaps, followed by users of premium brands of beauty soaps, which is 35.8 per cent (160) and economy brands of beauty soaps, which is 6.7 per cent (30) in Mumbai.

To conclude, it may be said with 'p' value (0.003) at 5 per cent level of significance for 6 df that there is a significant influence of informational sources on the brands of beauty soaps purchased in Mumbai.
A comparative analysis of tables'1 and 2 indicates that most of the respondents preferred using popular brands of beauty soaps, however there is marginal difference between both cities. 58.2 per cent (272) of the respondents use popular brands of beauty soaps in Hyderabad, while 57.5 per cent (257) of the respondents use popular brands of beauty soaps in Mumbai. Therefore, it may be concluded that there is a significant influence of informational sources on purchase decision of beauty soap brands in Hyderabad ('p' value is 0.000) and in Mumbai ('p' value is 0.002).

Informational Factors and Face Wash

The particulars relating to various informational factors to reach target audience and their influences on purchase decision of face wash are presented in Table 3 and 4.

Table - 3

Informational Factors and FaceWash: Hyderabad

FaceWash	FaceWash Brand			Total	'p' Value
	Upper End FaceWash Brands	Middle End FaceWash Brands	Lower End FaceWash Brands		
Advertising	11% (29)	**52.5% (137)**	13.4% (35)	77% (201)	0.104
Sales Promotion	1.1% (3)	5% (13)	0	6.1% (16)	
Publicity	0	5.0% (13)	0.4% (1)	11.5% (14)	
Personal Selling	1.5% (4)	6.1% (16)	3.8% (10)	11.5% (30)	
Total	13.8% (36)	**68.6% (179)**	17.6% (46)	100% (261)	

Source: Primary Data

It is observed from analysis of Table 3 that 52.5 per cent (137) of respondents are influenced by advertise-ments to purchase middle end face wash brands; 13.8 per cent (36) are influenced by advertisement to purchase lower end face wash brands; 11 per cent (29) to purchase upper end face wash brands. However, it is observed that purchase of lower end face wash brands is not influenced by sales promotion and similarly purchase of upper end face wash brands is not influenced by publicity at all. To sum up, 68.6 per cent (179) of the respondents use middle end face wash brands, followed by users of lower end face wash brands, i.e. 17.6 per cent (46) and upper end face wash brands, i.e. 13.8 per cent (36) in Hyderabad.

Hence, in conclusion it may be said that informational factors have no influence on purchase decision of face wash. This finds a support in 'p' value (0.104) at 5 per cent level of significance for 8 df.

Table -4

Informational Factors and FaceWash: Mumbai

FaceWash	FaceWash Brand			Total	'p' Value
	Upper End FaceWash Brands	Middle End FaceWash Brands	Lower End FaceWash Brands		
Advertising	16.2% (57)	*63.6% (224)*	6.8% (24)	86.6% (305)	0.160
Sales Promotion	1.4% (5)	4.8% (17)	0.3% (1)	6.5% (23)	
Personal Selling	1.7% (6)	3.7% (13)	1.4% (5)	6.8% (24)	
Total	19.3% (68)	**72.2% (254)**	8.5% (30)	100% (352)	

Source: Primary Data

From an analysis of Table 4, it is observed that the advertising influences 63.6 per cent (224) of respondents to purchase middle end face wash brands. Similarly, advertising influences16.2 per cent (57) of respondents to purchase upper end face wash brands and 6.8 per cent (24) respondent to use lower end face wash brands in Mumbai. 72.2 per cent (254) of the respondents use middle end face wash brands, followed by users of upper end face wash brands, which is 19.3 per cent (68) and lower end face wash brands, which is 8.5 per cent (30) in Mumbai.

From the above analysis, it may be concluded that there is no relationship between informational factors and brands of face wash purchased. This finds a support in 'p' value (0.160) at 5 per cent level of significance for 4 df.

A comparison between Hyderabad & Secunderabad and Mumbai demonstrates that middle end face wash brands are used by (68.6 per cent) of respondents in Hyderabad and (72.2 per cent) of respondents in Mumbai. Therefore, it is concluded that informational factors have no influence on the purchase decision of face wash brands in Hyderabad ('p' value is 0.104) and in Mumbai ('p' value is 0.160).

Informational Factors and Fairness Cream

An attempt is made to understand the informational factors and their influence on purchase decision of fairness cream brands. The particulars relating to the same are presented in Table 5 and 6.

An attempt is made to understand the informational factors and their influence on purchase decision of fairness cream brands. The particulars relating to the same are presented in Table 5 and 6.

Table -5
Informational Factors and Fairness Cream: Hyderabad

Fairness Cream	Fairness Cream Brand			Total	'*p*' Value
	Upper End Fairness cream Brands	Middle End Fairness cream Brands	Lower End Fairness cream Brands		
Advertising	5.3% (18)	***55.9% (190)***	12.4% (42)	73.5% (250)	0.006
Sales Promotion	2.1% (7)	4.7% (16)	1.5% (5)	8.2% (28)	
Publicity	0.6% (2)	6.8% (23)	0.6% (2)	7.9% (27)	
Sales Persons	1.8% (6)	5.6% (19)	2.9% (10)	10.3% (35)	
Total	9.7% (33)	**72.9% (248)**	17.4% (59)	100% (340)	

Source: Primary Data

An analysis of Table 5 reveals that advertising influences 55.9 per cent (190) of respondents to purchase middle end fairness creams brands, 12.4 per cent (42) of respondents to purchase lower end fairness cream brands and 5.2 per cent (18) of respondents to purchase upper end fairness cream brands in Hyderabad. In contrast, it is found that purchase of lower end brands of fairness creams is influenced by publicity to the extent of 0.6 per cent (2). 72.9 per cent (248) of respondents use middle end fairness creams brands, followed by users of lower end fairness creams brands which is 17.4 per cent (59), and upper end fairness cream brands (9.7 per cent) (33) in Hyderabad.

The foregoing analysis leads us to the conclusion there is a significant influence of informational factors on purchase decision of fairness cream brands from 'p' value (0.006) at 5 per cent level of significance for 6 df.

Table -6
Informational Factors and Fairness Cream: Mumbai

Fairness Cream	Fairness Cream Brand			Total	'p' Value
	Upper End Fairness Brands	Middle End Fairness Brands	Lower End Fairness Brands		
Advertising	15.9% (39)	*55.7% (137)*	10.2% (25)	81.7% (201)	
Sales Promotion	0.8% (2)	3.3% (8)	0.8% (2)	4.9% (12)	
Publicity	0.4% (1)	2.0% (5)	0	2.4% (6)	0.780
Personal Selling	1.6% (4)	6.9% (17)	2.4% (6)	11.0% (27)	
Total	18.7% (46)	**67.9% (167)**	13.4% (33)	100% (246)	

Source: Primary Data

From an analysis of data presented in Table 6, it is evident that 55.7 per cent (137) of respondents are influenced by advertising to purchase middle end fairness creams brands. Similarly, 15.9 per cent (39) of respondents are influenced by advertising to purchase upper end fairness cream brands and 10.2 per cent (25) of respondents to purchase lower end fairness creams in Mumbai. Further, it is found that purchase of lower end brands of fairness creams is influenced by publicity to the extent of 0.6 per cent (2). 67.9 per cent (167) of the respondents use middle end fairness cream brands, followed by users of upper end fairness creams brands, which is 18.7 per cent (46) and lower end face wash brands, which is 13.4 per cent (33). To conclude, it may be said that purchase decision of fairness creams is independent of informational factors with 'p' value at (0.780) at 5 per cent level of significance for 6 df.

A comparative analysis of both the cities selected for the study reveals that middle end fairness cream brands are used by (72.9 per cent) of respondents in Hyderabad and (67.9 per cent) of respondents in Mumbai, with a marginal difference in number of users. Therefore, it may be inferred that there is significant influence of informational factors on purchase decision of fairness creams in Hyderabad ('p' value is 0.006), while there is no significant influence of informational factors on the purchase decision of fairness creams in Mumbai ('p' value is 0.780).

Informational Factors and Shampoo

In the hair care category, shampoo was one of the products considered for the study. An enquiry was made into informational factors and their influence on the purchase decision of shampoo and analysis of the same is presented in Tables 7 and 8.

Table - 7
Informational Factors and Shampoo: Hyderabad

Shampoo	Shampoo Brand			Total	'p' Value
	Premium Brands of Shampoos	Popular Brands of Shampoos	Economy Brands of Shampoos		
Advertising	12.0% (56)	*57.0% (266)*	8.4% (39)	77.3% (361)	
Sales Promotion	2.4% (11)	7.9% (37)	0.6% (3)	10.9% (51)	
Publicity	0.4% (2)	1.9% (9)	1.7% (8)	4.1% (19)	0.000
Personal Selling	1.1% (5)	4.1% (19)	2.6% (12)	7.7% (36)	
Total	15.8%(74)	**70.9%(331)**	13.3% (62)	100% (467)	

Source: Primary Data

An analysis of Table 7 reveals that the major source of informational influence is advertising as it is found that 57.0 per cent (266) of respondents purchases popular brands of shampoo. Similarly advertising influenced 12 per cent (56) of respondents who purchased premium brands of shampoos and 8.4 per cent (39) of respondents to purchase economy brands of shampoos in Hyderabad. Contrastingly, it is found that purchase of economy brands of shampoo is influenced by sales promotion to the extent of 0.6 per cent (3). 70.9 per cent (331) of respondents use popular brands of shampoos, followed by users of premium brands of shampoos, which is 15.8 per cent (74) and economy brands of shampoos, which is 13.3 per cent (62) in Hyderabad.

Hence, it is concluded from the above analysis that that there is a significant influence of informational factors on purchase decision of shampoo brands as 'p' value is 0.000 at 5 per cent level of significance for 6 df indicates.

Table - 8

Informational Factors and Shampoo: Mumbai

Shampoo	Shampoo Brand			Total	'p' Value
	Premium Brands of Shampoos	Popular Brands of Shampoos	Economy Brands of Shampoos		
Advertising	19.9% (89)	*50.8% (227)*	5.1% (23)	75.8% (339)	0.000
Sales Promotion	2.5% (11)	8.1% (36)	0.4% (2)	11% (49)	
Publicity	1.1% (5)	2% (9)	0.4% (2)	3.6% (16)	
Personal Selling	4% (18)	3.4% (15)	2.2% (10)	9.6% (43)	
Total	27.5% (123)	**64.2% (287)**	8.3% (37)	100% (447)	

Source: Primary Data

A closer examination of Table 8 indicates that the major source of information influence is advertising, 50.8 per cent (227) of respondents are influenced to purchase popular brands of shampoo, 19.9 per cent (89) of respondents to purchase premium brands of shampoos and 5.1 per cent (23) of respondents to purchase of economy brands of shampoos in Hyderabad. Further, it is found that purchase decision of economy brands of shampoo is influenced by sales promotion (0.4 per cent) and publicity (0.4 per cent). 64.2 per cent (287) of the respondents use popular brands of shampoos, followed by premium brands of shampoos, which is 27.5 per cent (123) and economy brands of shampoos, which is 8.3 per cent (37) in Mumbai.

The above analysis warrants a conclusion that informational factors have significant influence on purchase decision of shampoo brands as 'p' value is 0.000 at 5 per cent level of significance for 6 df.

A comparison between Hyderabad and Mumbai reveals that popular brands of shampoo are used by 70.9 per cent of respondents in Hyderabad and 64.2 per cent of respondents in Mumbai. Therefore, it is concluded that informational factors influence purchase decision of shampoo brands in Hyderabad and Mumbai as 'p' values for both the cities are 0.000.

Informational Factors and Henna

The second product considered under hair care category is henna. The particulars relating to informational factors and their influence on the purchase decision of henna are presented in Table 9 and 10.

Table -9

Informational factors and Henna: Hyderabad

Henna	Henna Brand		Total	'p' Value
	Popular Brands of Henna	Economy Brands of Henna		
Advertising	*46% (87)*	11.6% (22)	57.7% (109)	0.213
Sales Promotion	11.6% (22)	2.1% (4)	13.8% (26)	
Publicity	10.6% (20)	1.1% (2)	11.6% (22)	
Personal Selling	11.6% (22)	5.3% (10)	16.9% (32)	
Total	**79.9% (151)**	20.1% (38)	100% (189)	

Source: Primary Data

From analysis of Table 9 it is evident that advertising is the major source of informational influence as 46 per cent (87) of respondents are influenced by advertisement to purchase popular brands of henna, followed by 11.6 per cent (22) of respondents to purchase economy brands of henna in Hyderabad. Further, it is found that purchase of economy brands of henna is influenced by publicity to the extent of 1.1 per cent (2). 79.9 per cent (151) of the respondents use popular brands of henna, followed by users of economy of henna (20.1 per cent 38.)

Therefore, it may be concluded that there is no influence of informational factors and purchase decision of henna brands. This finds a support in 'p' value (0.213) at 5 per cent level of significance for 2 df.

Table -10

Informational Factors and Henna: Mumbai

Henna	Henna Brand		Total	'p' Value
	Popular Brands of Henna	Economy Brands of Henna		
Advertising	17.2% (11)	*21.9% (14)*	39.1% (25)	0.065
Sales Promotion	0	15.6% (10)	15.6% (10)	
Publicity	1.6% (1)	4.7% (3)	6.3% (4)	
Personal Selling	17.2% (11)	21.9% (14)	39.1% (25)	
Total	35.9% (23)	**64.1% (41)**	100% (64)	

Source: Primary Data

A closer analysis of Table 10 reveals that 21.9 per cent (14) of respondents are influenced by advertising to purchase economy brands of henna, followed by 17.2 per cent (11) of respondents to purchase of popular brands of henna in Mumbai. Further, it was found that sales promotion has no influence on purchase of popular brands of henna. 64.1 per cent (417) of the respondents use economy brands of henna, followed by users of popular brands of henna 35.9 per cent (23) in Mumbai.

Therefore, it may be concluded that purchase decision of henna brands is no dependent on informational factors. This finding is well supported by 'p' value (0.065) at 5 per cent level of significance for 3 df implying that purchase decision of henna brands is not dependent on informational factors.

However, a comparative analysis between Hyderabad and Mumbai, reveals that popular brands of henna are used by (39.2 per cent) of respondents in Hyderabad, while in Mumbai economy brands of henna are mostly used (42.2 per cent) of respondents.All in all, it is inferred that there is a no significant influence of informational sources on purchase decision of henna brands in Hyderabad and in Mumbai (as 'p' value for Hyderabad is 0.213 and for Mumbai the 'p' value is 0.065.)

Informational Factors and Hair Oil

The third product considered for the study in the hair care category is hair oil. In order to understand the influence of informational factors on purchase decision vis-a-vis hair oil brands an enquiry was made and the results of the same are presented in Table 11 to 12.

Table - 11
Informational Factors and Hair Oil: Hyderabad

Hair oil	Hair Oil Brand			Total	'p' Value
	Premium Brands of Hair Oil	Popular Brands of Hair Oil	Economy Brands of Hair Oil		
Advertising	2.0% (9)	*57.0% (261)*	3.9% (18)	62.9 (288)	
Sales Promotion	1.3% (6)	7.6% (35)	2.4% (11)	11.4% (52)	
Publicity	0.4% (2)	8.3% (38)	2.0% (9)	10.7% (49)	0.000
Personal Selling	0.4% (2)	12.4% (57)	2.2% (10)	15.1% (69)	
Total	4.1% (19)	**85.4% (391)**	10.5% (48)	100% (458)	

Source: Primary Data

A close look at Table 11 reveals that the major source of information influence is advertising, with 57 per cent (261) of respondents are influenced by advertisement to purchase popular brands of hair oil,

followed by personal selling, 12.4 per cent (57) of respondents to purchase popular brands of hair oil in Hyderabad. 85.4 per cent (391) of the respondents use popular brands of hair oil, followed by users of economy brands of hair oil, which is 10.5 per cent (48) and 4.1 per cent (19) of respondents use premium brands of hair oil in Hyderabad. Therefore, it may be said that there is a significant influence of informational factors on purchase decision of hair oil as the 'p' value is 0.000 at 5 per cent level of significance for 6 df.

Table - 12
Informational Factors and Hair Oil: Mumbai

Hair oil	Hair Oil Brand			Total	'*p*' Value
	Premium Brands of Hair Oil	Popular Brands of Hair Oil	Economy Brands of Hair Oil		
Advertising	4.5% (20)	*73.3% (324)*	2.9% (13)	80.8% (357)	0.104
Sales Promotion	1.4% (6)	5.0% (22)	0.2% (1)	6.6% (29)	
Publicity	0.5% (2)	4.3% (19)	0	4.8% (21)	
Personal Selling	0.7% (3)	7% (31)	0.2% (1)	7.9% (35)	
Total	7% (31)	**89.6% (396)**	3.4% (15)	100% (442)	

Source: Primary Data

It is observed from analysis of Table 12 that advertising influenced 73.3 per cent (324) of respondents to purchase popular brands of hair oil, followed by personal selling influencing 4.3 per cent (19) of respondents in purchase of popular brands of hair oil in Mumbai. Contrastingly, it is found that publicity has no influence on purchase decision of economy brands of hair oil. 89.6 per cent (396) of the respondents use popular brands of hair oil, followed by 7 per cent (31) of respondents who use premium brands and 3.4 per cent of respondents who use economy brands in Mumbai.

Therefore, we are guided to conclude that informational sources have no influence on purchase decision of hair oil. This is well corroborated by 'p' value (0.104) at 5 per cent level of significance for 6 df.

Results of comparison between the two selected cities indicated that popular brands of hair oil are used by 85.4 per cent of respondents in Hyderabad and by 89.6 per cent of respondents in Mumbai. Further, it was found that advertising as a major source of influence is well complemented by personal selling in influencing the purchase of hair oil. Therefore, it is concluded that informational sources have influence on purchase decision of hair oil brands in Hyderabad ('p' value is 0.025), while there is no influence of informational factors on purchase decision of hair oil brands in Mumbai also ('p' value is 0.104).

Informational Factors and Kajal

The products considered under the eye care category are kajal and eye liner. An attempt is made to understand the relationship between informational factors and Kajal brands. The results related to this aspect are presented in Table13 and 14.

Table -13
Informational Factors and Kajal: Hyderabad

Kajal	Kajal Brand			Total	'*p*' Value
	Popular Brands of Kajal	Premium Brands of Kajal	Economy Brands of Kajal		
Advertising	17.5% (48)	***47.1% (129)***	3.6% (10)	68.2% (187)	
Sales Promotion	1.8% (5)	5.5% (15)	1.1% (3)	8.4% (23)	
Publicity	2.9% (8)	7.7% (21)	0	10.6% (29)	0.031
Personal Selling	6.2% (17)	6.6.% (18)	0	12.8% (35)	
Total	28.5% (78)	**66.8% (183)**	4.7% (13)	100% (274)	

Source: Primary Data

From analysis of Table 13, it is observed that advertising is major source of information influence, 47.1 per cent (129) of respondents are influenced by advertisement to purchase premium brands of kajal. Similarly advertisement influences 17.5 per cent (48) of respondents to purchase popular brands of kajal in Hyderabad. On the contrary, it is found that publicity and personal selling have no influence on purchase decision of economy brands of kajal. Further, 66.8 per cent (183) of the respondents use premium brands of kajal, followed by 38.5 per cent (78) of respondents who use popular brands and 4.7 per cent (13) of respondents who use economy brands.

Therefore, it may be said that there is no influence of informational factors on purchase decision of kajal brands as 183 out of 274 respondents use premium brands of Kajal. However, 'p' value (0.031) at 5 per cent level is significant implying that informational factors have influence on purchase decision of kajal brands.

Table - 14
Informational Factors and Kajal: Mumbai

Kajal	Kajal Brand			Total	'p' Value
	Popular Brands of Kajal	Premium Brands of Kajal	Economy Brands of Kajal		
Advertising	**49.6% (121)**	12.3% (30)	12.3% (30)	74.2% (181)	0.000
Sales Promotion	1.6% (4)	0	5.7% (14)	7.4% (18)	
Publicity	3.3% (8)	0	1.6% (4)	4.9% (12)	
Personal Selling	9.0% (22)	2.5% (6)	2.0% (5)	13.5% (33)	
Total	**63.5% (155)**	14.8% (36)	21.7% (53)	100% (244)	

Source: Primary Data

An analysis of Table 14 reveals that the major source of informational influence is advertising, 49.6 per cent (121) of respondents are influenced by advertisement to purchase popular brands of kajal, 12.3 per cent (30) of respondents are influenced by advertisement to purchase premium brands and 12.3 per cent (30) of respondents to purchase of economy brands of kajal. In contrast, it is found that publicity and personal selling have no influence on purchase decision of premium brands of hair oil. A large majority of the respondents i.e., 63.5 per cent (155) of respondents use popular brands of kajal, followed by 21.7 per cent of respondents who use economy brands and 14.8 per cent (36) of respondents who use premium brands in Mumbai.

Based on the foregoing analysis, it may be concluded with 'p' value (0.000) at 5 per cent level of significance for 6 df that informational factors influence the purchase decision of kajal brands in Mumbai.
A comparative study of Hyderabad & Secunderabad and Mumbai vis-a-vis indicated that 66.8 per cent of respondents use premium brands of kajal brands in Hyderabad, while in Mumbai, 63.5 per cent of respondents use popular brands of kajal. Therefore, it is concluded that there is a significant influence of informational factors on purchase decision of kajal brands. ('p' value for Hyderabad is 0.031 and for Mumbai it is 0.000.

Informational Factors and Eye Liner
Eye liner is the second product considered for the study under the eye care category. The particulars relating to informational factors and their influence on purchase decision of eye liner brands are presented in Table 15 to 16.

Table -15

Informational Factors and Eye Liner: Hyderabad

Eye Liner	Eye Liner Brand		Total	'p' Value
	Premium Brands of Eye Liners	Popular Brands of Eye Liners		
Advertising	7.0% (14)	*56.5% (113)*	63.5% (127)	
Sales Promotion	1.0% (2)	5.5% (11)	6.5% (13)	0.036
Publicity	1.0% (2)	5.0% (10)	6.0% (12)	
Personal Selling	7.0% (14)	17.0% (34)	24.0% (48)	
Total	16.0% (32)	**84.0% (168)**	100% (200)	

Source: Primary Data

An examination of the data furnished in Table 15 exhibits that the major source of informational influence is advertising, 56.5 per cent (113) of respondents are influenced by advertisement to purchase popular brands of eye liner. The second major influencing factor is personal selling and 17 per cent (34) of respondents are influenced by personal selling to purchase premium brands of eye liners. 84 per cent (168) of respondents use popular brands of eye liners, followed by 16 per cent (32) of respondents, who are users of premium brands in Hyderabad. From the above analysis, it may be inferred that informational factors influence the purchase decision of eye liners as 'p' value is 0.036 at 5 per cent level of significance for 3 df.

Table -16

Informational Factors and Eye Liner: Mumbai

Eye Liner	Eye Liner Brand		Total	'p' Value
	Premium Brands of Eye Liners	Popular Brands of Eye Liners		
Advertising	8.3% (20)	*69.8% (169)*	78.1% (189)	
Sales Promotion	0.4% (1)	4.1% (10)	4.5% (11)	0.781
Publicity	0.4% (1)	2.9% (7)	3.3% (8)	
Personal Selling	0.8% (2)	13.2% (32)	14.0% (34)	
Total	9.9% (24)	**90.1% (218)**	100% (242)	

Source: Primary Data

An analysis of data presented in Table 16 reveals that advertising influences 69.8 per cent (169) of respondents to purchase popular brands of eye liner. Further, it indicates that personal selling influences

13.2 per cent (32) of respondents to purchase premium brands of eye liners. 90.1 per cent (218) of the respondents use popular brands of eye liners, followed by 9.9 per cent (24) using premium brands of eye liners in Mumbai.

To sum up, it may be said that informational factors have no influence on purchase decision of eye liner brands. This is well supported by chi-square test results. ('p' value is 0.781 at 5 per cent level of significance for 3 df).

On a comparison between Hyderabad & Secunderabad and Mumbai, it was found that popular brands of eye liners are used by 84 per cent of respondents in Hyderabad as well as 90.1 per cent in Mumbai. Therefore, it may be inferred that informational factors have no influence on the purchase decision of eye liner brands in Hyderabad and in Mumbai ('p' value for Hyderabad is 0.205 and for Mumbai it is 0.781).

Informational Factors and Nail Paint

An attempt is made to understand the influence of informational factors on purchase decision of nail paint brands. The results related to this aspect are presented in Table17 and 18.

Table -17
Informational Factors and Nail Paint: Hyderabad

Nail Paint	Nail Paint Brand			Total	'*p*' Value
	Upper End Brands of Nail Paint	Middle end Brands of Nail Paint	Lower End Brands of Nail Paint		
Advertising	16.4% (51)	*29.9% (93)*	*30.5% (95)*	76.8% (239)	
Sales Promotion	0.6% (2)	3.2% (10)	4.2% (13)	8.0% (25)	
Publicity	0	1.9% (6)	2.6% (8)	4.5%(14)	0.178
Personal Selling	1.0% (3)	4.8% (15)	4.8% (15)	10.6% (33)	
Total	18.0% (56)	*39.9% (124)*	*42.1% (131)*	100% (311)	

Source: Primary Data

A close look at Table 17 reveals that advertising is the major source of information, 30.5 per cent (95) of respondents are influenced by advertisements leading to purchase of lower end brands of nail paint. Similarly, advertisement influenced the purchase decision of middle end brands (29.9 per cent) (93) of respondents and purchase decision of upper end brands (16.4 per cent) (51) of respondents in Hyderabad. 42.1 per cent (131) of respondents use lower end brands of nail paint and18 per cent (56) use upper end brands of nail paints.

Based on the analysis presented above it may be said that there is no influence of informational factors on purchase decision of nail paint as 131 out of 311 respondents use lower end brands of nail paints. This finds support in 'p' value (0.178) at 5 per cent level of significance for 6 df.

Table - 18
Informational Factors and Nail Paint: Mumbai

Nail Paint	Nail Paint Brand			Total	'p' Value
	Upper End Brands of Nail Paint	Middle end Brands of Nail Paint	Lower End Brands of Nail Paint		
Advertising	12.4% (46)	*55.8% (207)*	11.3% (42)	79.5% (295)	
Sales Promotion	0	4.3% (16)	3% (11)	7.3% (27)	
Publicity	1.3% (5)	0.8% (3)	0.5% (2)	2.7% (10)	0.000
Personal Selling	1.1% (4)	6.7% (25)	2.7% (10)	10.5% (39)	
Total	14.8% (55)	**67.7% (251)**	17.5% (65)	100% (371)	

Source: Primary Data

An analysis of Table 18, reveals that advertising influences 55.8 per cent (207) of respondents to purchase middle end brands of nail paint and 12.4 per cent (46) of respondents to purchase upper end brands and 11.3 per cent (42) of respondents to purchase lower end brands. 67.7 per cent (251) of respondents use middle end brands, 17.5 per cent (65) of respondents use lower end brands of nail paint and 14.8 per cent (55) of respondents use upper end brands of nail paints.

On the basis of the above analysis, it may be concluded that there is a significant influence of informational factors on purchase decision of nail paint brands as'p' value is 0.000 at 5 per cent level of significance for 6 df.

A comparison between Hyderabad & Secunderabad and Mumbai cities revealed that middle end brands of nail paints are used by 42.1 per cent of respondents in Hyderabad and by 67.7 per cent of respondents in Mumbai. Therefore, it is concluded that informational factors have no influence on the purchase decision of nail paint brands in Hyderabad. ('p' value is 0.178), while informational factors have significant influence on purchase decision of nail paint brands in Mumbai ('p' value is 0.000).

Informational Factors and Personal Care Products

In order to understand the association between informational factors and purchase decision relating to personal care products, it was hypothesized that 'the purchase decision of personal care products is independent of customers' informational factors'. Hence; for further analysis the above hypothesis is sub-divided into:

Ho : 'Purchase decision of beauty soap is independent of customers' informational factors,'

Ho : 'Purchase decision of face wash is independent of customers' informational factors,'

Ho : 'Purchase decision of fairness creams is independent of customers' informational factors,'

Ho : 'Purchase decision of shampoo is independent of customers' informational factors,'

Ho : 'Purchase decision of henna is independent of customers' informational factors,'

Ho : 'Purchase decision of hair oil is independent of customers' informational factors,'

Ho : 'Purchase decision of kajal is independent of customers' informational factors,'

Ho : 'Purchase decision of eye liner is dependent on customers' informational factors' and

Ho : 'Purchase decision of nail paint is independent of customers' informational factors'.

The detailed analysis of the same is presented in Table 19.

Table - 19
Informational Factors and Personal Care Products: Hyderabad and Mumbai

Product Categories		Hypothesis	Hyderabad	Mumbai
Beauty Soaps	H**o**:	Purchase decision of beauty soaps is independent of customers' informational factors	Rejected 0.000	Rejected 0.003
	H**1**:	Purchase decision of beauty soaps is dependent on customers' informational factors		
FaceWash	H**o**:	H**o**: Purchase decision of face wash is independent of customers' informational factors	_Accepted_ 0.104	_Accepted_ 0.160
	H**1**:	Purchase decision of face wash is dependent on customers' informational factors		
Fairness Creams	H**o**:	H**o**: Purchase decision of fairness creams is independent of customers' informational factors	Rejected 0.006	_Accepted_ 0.780
	H**1**:	Purchase decision of fairness creams is dependent on customers' informational factors		
Shampoo	H**o**:	H**o**: Purchase decision of shampoo is independent of customers' informational factors	Rejected 0.000	Rejected 0.000
	H**1**:	H**o**: Purchase decision of shampoo is dependent on customers' informational factors		
Henna	H**o**:	Purchase decision of henna is independent of customers' informational factors	_Accepted_ 0.213	_Accepted_ 0.065
	H**1**:	Purchase decision of henna is dependent on customers' informational factors		

Hair oil	H**o**:	Purchase decision of hair oil is independent of customers' informational factors	Rejected 0.000	_Accepted_ 0.104
	H**1**:	Purchase decision of hair oil is dependent on customers' informational factors		
Kajal	H**o**:	Purchase decision of kajal is independent of customers' informational factors	Rejected 0.031	Rejected 0.000
	H**1**:	Purchase decision of kajal is dependent on customers' informational factors		
Eye Liner	H**o**:	Purchase decision of eye liner is independent of customers' informational factors	Rejected 0.036	_Accepted_ 0.781
	H**1**:	Purchase decision of eye liner is dependent on customers' informational factors		
Nail Paint	H**o**:	Purchase decision of nail paint is independent of customers' informational factors	_Accepted_ 0.178	Rejected 0.000
	H**1**:	Purchase decision of nail paint is dependent on customers' informational factors		

A closer analysis of Table 19 reveals that informational factors have no influence on purchase decision of personal care products in Hyderabad and Mumbai. Therefore, it is inferred that there is a significant influence of informational factors on purchase decision of beauty soap, fairness cream, shampoo, hair oil, kajal and eye liner in Hyderabad. Therefore, the null hypothesis is not accepted since the purchase decision of personal care products is dependent on informational factors. In other words, informational factors like advertising, sales promotion, publicity and personal selling have no influence on purchase decision of personal care products i.e., beauty soaps, fairness creams, shampoo, hair oil, kajal and eye liner in Hyderabad. It was also found that there is no significant influence of informational factors in the purchase of categories of face wash, henna, nail paint in Hyderabad. Therefore, the null hypothesis is accepted since the purchase decision of personal care products is not dependent on informational factors. In other words informational factors like advertising, sales promotion, publicity and personal selling have no influence in the purchase of categories of personal care products i.e., face wash, henna, nail paint of Hyderabad.

In fine, it is inferred that there is a significant influence of informational factors on purchase decision of beauty soap, shampoo and nail paint kajal in Mumbai. Therefore, the null hypothesis is not accepted since the purchase decision of personal care products is dependent on informational factors. In other words informational factors like advertising, sales promotion, publicity and personal selling have no influence in the purchase of categories of personal care products i.e., beauty soaps, shampoo, kajal and nail paint in Mumbai. It is also found that there is no significant influence of informational factors on purchase decision of face wash, fairness creams, hair oil, henna and eye liner.

Therefore, the null hypothesis is accepted since the purchase decision of personal care products is not dependent on informational factors. In other words informational factors like advertising, sales promotion, publicity and personal selling have no influence in the purchase of categories of personal care products i.e., face wash, fairness creams, hair oil, henna and eye liner in Mumbai.

Second Informational Source

From the analysis it was found that in the purchase of all the nine personal care products, advertising was the first informational source. Now an attempt is made to consolidate the list of second informational source that influences the purchase decision of personal care products. The results of the same are presented in Table 20.

Table 20
Second Informational Source: Hyderabad and Mumbai

Personal care Products	Category	City	Second Informational Source
Beauty Soaps	Premium Soaps Category 4.9% (23)	Hyderabad	Personal Selling
	Popular Brands of Soaps 6.3% (28)	Mumbai	
Face Wash	Middle End Face Wash 6.1% (16)	Hyderabad	Personal Selling
	Middle End Face Wash 3.7% (13)	Mumbai	
Fairness Creams	Middle End Fairness Creams 6.8% (23)	Hyderabad	Publicity
	Middle End Fairness Creams 6.9% (17)	Mumbai	Personal Selling
Shampoos	Popular Shampoo Category 7.9% (37)	Hyderabad	Sales Promotion
	Popular Shampoo Category8.1% (36)	Mumbai	
Henna	Popular Brands of Henna 11.6% (22)	Hyderabad	Sales Promotion And Personal Selling
	Economy Brands of Henna 21.9% (14)	Mumbai	Personal Selling

Hair Oil	Popular Hair Oil Category 12.4% (57)	Hyderabad	Personal Selling
	Popular Hair Oil Category 7.0% (31)	Mumbai	
Kajal	Premium Kajal Category 7.7% (21)	Hyderabad	Publicity
	Popular Brands of Kajal 9.0% (22)	Mumbai	Personal Selling
Eye Liner	Popular Brands of Eye Liners 17.0% (34)	Hyderabad	Personal Selling
	Popular Brands of Eye Liners 13.2% (32)	Mumbai	
Nail Paint	Middle and Lower End Nail Paint4.8% (15)	Hyderabad	Personal Selling
	Middle and End Nail Paint 6.7% (25)	Mumbai	

From the analysis of Table 20 it is evident that the second source of information is personal selling in the purchase decision of beauty soaps, face wash, henna, hair oil, eye liner and nail paints in Hyderabad and Mumbai. It was found that publicity influenced the purchased decision of fairness creams and kajal in Hyderabad, while personal selling influenced the purchase decision of fairness creams in Mumbai. Sales promotion was found to be the second source of information in the purchase decision of shampoos.

SUGGESTIONS

1. Along with television advertising, other informational factors like POP, retailers, newspapers and magazines should be used to promote the skin care products like beauty soaps, fairness cream and face wash as there will be a greater reach and result in positive sales figures.

2. In the case of hair care products like shampoo, henna and hair oil along with television advertising, if retailers are encouraged to push the products or if free samples are distributed there is a greater chance of acceptance by the consumer.

3. With reference to eye care products like kajal and eye liner, along with television advertising if point of purchase is utilized to display the product, it will attract more consumers. In a similar way, retailers should advocate the brand and promotion through women oriented magazines should be considered as another option.

4. In the case of nail paint, along with television advertising the others sources to be considered are magazines, free samples and direct mail for product promotion.

The author is an Assistant Professor at Amity Global Business School, Banajara Hills, Hyderabad. She can be reached at thisissuchitra@gmail.com

REFERENCES

1. Anuj Puri, 'A Positive New Year,' Retail Biz, Feb.2007, pp. 22-23.

2. Barbara Wold, 'Luring Customers,' Retail Biz, Dec 2005, pp. 30-31.

3. Bearden, W. O., and Etzel M. J. 'Reference group influence on product and brand purchase Decisions'. Journal of Consumer Research, 1982 Vol. 9, pp.183-194.

4. Kelman H. C. (1961). 'Processes of opinion change,' Public Opinions Quarterly,Vol. 25, pp. 57-78.

5. Lessig, V., Parker, and Park, C. W. (1978). 'Promotional Perspectives of Reference Group Influence: Advertising Implications'. Journal of Advertising, 7(2), pp. 41-47.

6. Mani M Nagasubranmanian, 'Success Mix,' Retail Biz, Feb. 2006, pp. 32-34.

7. Nandagopal R and Chinnaiyan P, 'Brand Preference of Toilet Soap in Rural Tamil Nadu,' Indian Economic Panorama, Vol.13 No. 2 July 2003 pp 24-27.

8. Nandagopal R and Chinnaiyan P, 'Brand Preference of Soft Drinks in Rural Tamil Nadu,' Indian Journal of Marketing, Vol.33, No.1, January, 2003. pp 14-17.

9. Surender Gnanaolivu, 'Visual Appeal,' Retail Biz, May 2006, pp. 11-12.

10. Tarang Vaish, 'Cosmetic Buying Behaviour in India,' The ICFAI Journal of Consumer Behaviour, June 2006, Archives.

11. http://hercules.gcsu.edu/~jyang/Publications/Marketing-SAM-06.pdf

Call for Papers

Auroras Journal of Management (a quarterly publication of the Aurora's Business School, Hyderabad, India, is a journal addressed to managers in the industry, the government and non-profit organizations. It aims at disseminating the results of research studies that are of relevance to their jobs and capable of being applied at their work-place. AJM provides a combination of scholarly research papers and papers that are conceptual and application-oriented. It does not confine itself to any one functional area, but invites articles relating to all areas of management, marketing, finance, organizational behavior, and human resources, operations, etc. The journal also features articles on various sectors like industry, agriculture, banking, international trade, urban and rural development, public systems, and information systems cutting across functions.

Auroras Journal of Management welcomes high quality papers on management, business, and organizational issues both from academicians and practitioners. Papers based on theoretical/ empirical research/ experience should satisfy the criteria for good quality research and show the practical applicability and/or policy implications of their conclusions. All articles are first screened at the Editor's level, and those considered of sufficiently high quality are double blind refereed by reviewers who ensure a high standard of academic rigor in all the articles.

Authors can submit their contribution for consideration under any of these features:

* Research Articles which present emerging issues and ideas that call for action or rethinking by managers, administrators and policy makers in organizations. Recommended length of the article,not exceeding 7,500 words.
* Book Reviews which covers reviews of contemporary and classical books on management.
* Articles on social, economic and political issues which deal with the analysis and resolution of
* managerial and academic issues based on analytical, empirical or case research/ studies/ illustrations.

Please send your articles to:
Editor
Auroras Journal of Management
Aurora's Business School
Chikkadapally
Hyderabad- 500 020. India
You may also mail
your papers/articles to ajm@absi.edu.in

Guidelines for Submission of Book Reviews in AJM

The following is the suggested format for authors:

* Length: 3500- 5000 words or 10-12 Pages

* Paper Title should be brief

* All authors' Title (e.g. Dr, Mr, Mrs, etc.) & Name, Affiliation, Email etc

* Abstract (not more than 250 words) and Keywords

* Introduction / Background / Objective

* Literature Review

* Methodology, Findings, Analysis & Discussion

* Conclusion, Limitations and Recommendations

* References - Harvard or APA Style is required.

* Tables, figures, etc. in their appropriate location in the paper (if applicable)

* Margins: 1 inch or 2.5 cm.

* Font: Times New, 12 points

Spacing: 1.5 between lines and 2 between paragraphs

Aurora's Journal of Managament Advertisement Form

We wish to advertise in Aurora's Journal of Management for 1 year (4 issues) in... ....Location in Black & White/Colour.

Name...
Address...
....
....
City.. Pin.................... Country...................................
Email Address...

Two copies of the journal along with the bill will be sent soon after publication. Aurora's Journal of Management accepts corporate and product advertisements. Please send a camera-ready-copy of your advertisement material (size approximately 18.2cmsx24.5cms along with the demand draft in favor of Aurora's Business School, Hyderabad.

....
Signature

Advertisement Rates			
Location	1year	2year	3year
B/W (Inside Page)	15,000 (4 issues)	27,000 (8 issues)	50,000 (12 issues)
Colour (Inside Back Cover)	28,000 (4 issues)	46,000 (8 issues)	71,000 (12 copies)
Single insertion (1 issue) Rs. 8,000			