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Contents

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Manuscripts are invited from researchers, academicians and professionals for publication consideration for its January 2017 issue. The journal publishes both empirical and conceptual research.

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a. The title of the article should be bold, centered and typed in capital letters in a 14 point Times New Roman Font.

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c. All manuscripts must be accompanied by a brief abstract. Abstract including key words must not exceed 250 words. It should be in fully justified and italicized text. It should highlight research background, methodology; major finding(s) and conclusion in brief. Authors must mention 4-6 keywords. Key words should be listed alphabetically, separated by commas, and full stop at the end.

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Last date for submission of manuscripts is 30th November 2016

Kind regards,

Editor

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Leadership Strategies of Market Sustainability Through Competitive Intelligence

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Winning is all about staying ahead. The world recognizes only the winners. In this era of globalization, firms are striving hard to sustain and maintain their position. Today, if the leaders of the organizations have to sustain, they need to compete with their rivals. And to compete, they need to outline strategies based on the competitor's actions and reactions and plan in a futuristic style taking into account all the favorable and unfavorable conditions: political, social, economical and environmental considerations.

Competitive intelligence is worth up to $50 mn per year to our company. That is a combination of revenues gained and revenues 'not lost' to competitive activity. I believe in Competitive Intelligence, our senior managers believe in it, and together we have created a corporate culture that supports it.

- **Robert** E Flynn, Former CEO and Chairman, NutraSweet

The term 'Competitive Intelligence' (CI) was coined in the mid-1970s when techniques used in political intelligence started to be used for commercial purposes. In more recent years, CI has become a viable and necessary process that is accessible by many and it is important for an enterprise to have it in order to protect its organizational information and reputation. It came into existence due to the high demand for information. It basically involves initial gathering of information about your competitors in an ethical manner throughout the course of business and later analyzing that information to help the organization understand the competitive scenario and predict the future of business. CI is important for all large, medium and small businesses who compete for market share as their decision makers need to know the competitive landscape in order to develop solid strategies.

The process of CI begins by first identifying the important types of competitive information required and finding the best sources of this information. Then there is the process of collecting information from respective fields (i.e., through sales force, suppliers, market research, trade associations, websites, trade fairs, etc.) and also from published data (like Government publications, speeches, articles, news bulletin, advertisements, clippings). It then checks the information for validity and reliability, interprets it, and organizes it in n appropriate manner, and finally, sends the key information to relevant decision makers and responds to inquiries from managers about competitors.

Sun Tzu, the great Chinese military strategist wrote in his book *The* Art *of War, which* in the 21st century may be viewed as barbaric but is very relevant today to both military commanders and business leaders looking at how to win against competitors: "If you are ignorant of both your enemy and yourself, then you are a fool and certain to be defeated in every battle. If you know yourself, but not your enemy, for every battle won, you will suffer a loss. If you know your enemy and yourself, you will win every battle."

Knowing Your Competitors

From the industry point of view, there are two types of competitors: real and perceived. They are:

- Those set of organizations who offer the same product or service now e.g., Nike versus Adidas and Reebok.
- Those set of organizations who offer jar products or services now e.g., Nike versus Bata in India.
- Those set of organizations that could offer the same or similar products or services in the future e.g., Bausch & Lomb versus Johnson & Johnson.
- Those set of organizations that could remove the need for a product or service.

The firms must first identify and analyze their competitors; assess their objectives, strategies, strengths and weaknesses; and select their key competitors whom they need to avoid or attack. (Figure 1)

By knowing their competitors, they may be able to:

- predict their next moves,
- exploit their weaknesses, and
- undermine their strengths.

Monitoring Competitors

After having identified the competitors, the firms should then develop competitive marketing strategies that enable them to strongly position themselves against the competitors thereby giving them the greatest possible competitive advantage. (Figure 2)

Today, customers are knowledgeable and very well know the differences between companies—their good points and bad points. They know that company A is cheaper than company B and that company C has a better after-sales service.

For success, any organization will need to deal with customers, suppliers, employees, and others. In almost all such cases, there will also be other organizations offering similar products to similar customers. These other organizations are competitors, whose motto is the same—to grow, make money and succeed. Effectively, the organizations are at war

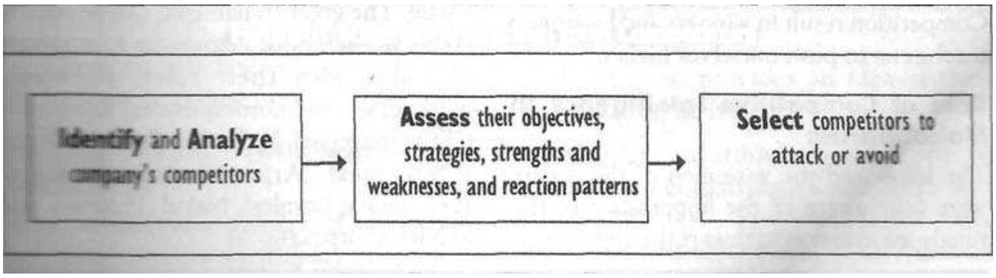

Figure I: Steps in Analyzing Your Competitors

—fighting to gain the same resource and territory: the customer. And like in a war, it is necessary to understand the enemy (your competitor): how he thinks; what are his pros and cons; where can he be assailed; where the risk of attack is too great, etc.

And just like in a war, the competitor will have secrets that can make a difference between profit and loss, expansion, merger, acquisition or bankruptcy for the business. Identifying these secrets is thus crucial for an organization's survival.

Living beings are competitive by nature and is the genetic code of survival. It brings out the best in all of us and drives us to win. Competition result in winners and losers and teaches us to push ourselves higher.

Role of Competitive Intelligence Mahabharata

The kings and the *wise* men of those days were fully aware of the importance of the timely information to thwart the evil designs of the enemies. Secret agents were the eyes and ears of the rulers. In the devastating 18-day Mahabharata war, the emissaries and the secret agents of Pandavas and Kauravas were specially activated during the period of war preparations to collect information on war tactics and strategies of the rivals. The Pandavas managed to hoodwink the Kauravas on many occasions. Krishna, a brilliant war strategist, raised a band of reliable agents of his own who directly reported to him on various subjects. A well-organized intelligence service is required even more today.

Knowledge, strategy intelligence, skills, commitment and restraint of ego are weapons that will help in winning any mammoth battle. The great Indian epic can be used to compare each of the Pandavas to managers of today with their roles, strengths, weaknesses and consequences. Krishna as CEO (Strategist), Yudhishtir (Values), Bhima (outcomes), Arjun (Learning),, Karna (Legitimacy, loyalty), Nakul (process), and Sahdev (purpose).

Sources of Competitors' Information

- Information can come from a variety of sources, both within and outside the organization.

Sales Representatives deal with customers on a daily basis—and they hear what the competitors have been doing, what they are doing and plan to do. They are the organization's combat soldiers—who can forewarn the management about impending enemy campaigns. For capturing tactical information and the market's reaction to your company's new products and services or your competitor's—there is nothing comparable to your sales force. Who has a better incentive to know about your competition than the sales force, -hose livelihood depends on 'knowing better' to make the sale. The contract negotiators, proposal managers, subcontract managers, systems engineers, investor relations, advertising, and public relations, analyst relations, purchasing and legal staffs, they all interact with salespeople and your customers, and can be a rich resource of competitive data.

- Purchase Department may find out that a supplier is also supplying to a competitor.
- Market Research provides feedback on the customer's perspective.
- Information can also be found on the Internet itself—most companies are now advertising their services which can be used for competitor research.
- Trade Fairs are another place for source of information.

These are just few examples of where information can come from.

Moving from Information to Intelligence

When working executives say that they have too many reports to prepare, too much information to go through before making a crucial decision, they're making the mistake of confusing information with intelligence. What they intend to mean is that they have too much information and not enough intelligence. Intelligence and not information, is what managers need to make decisions.

Intelligence is what enables a firm to lead its industry and competitors and to significantly differentiate itself from its competitors. It enables the firm to change the rules of the game. For example, Toyota's Just-in-Time (JIT) production system. Using JIT, Toyota has moved ahead of its American rivals who entered the industry much earlier.

Therefore, having gone through the press, searched the Internet, spoken to the sales force, customers, suppliers, distributors, visits to the trade fairs and all, there should now be a large pile of data in front of you on your competitors, which unfortunately could be repetitious/redundant, out of date/ expired, wrong or inaccurate, misleading, or incomplete. However, each piece can help build up the complete picture. And even if some pieces are missing, you can often get a good idea of what the real picture actually is—even if other pieces are damaged and not all remaining pieces fit perfectly. For example:

- the company report can provide an idea of a company's health and standing— which will be enhanced by information from trade suppliers, trade press articles;
- Patents provide an idea of their R&D activity;
- Trade press provides an idea of their marketing activity.

All this information needs to be collated—highlighting all the links and commonalities. The relevance and importance of each piece of information needs to be interpreted and analyzed—on its own and in conjunction with other information. This is where information starts to become intelligence.

After having identified what competitors are doing or can do, it is time to attack which can vicious at times, especially when two competitors have been slogging it out for years like Pepsi versus Coca-Cola, P&G versus Unilever. Tracking your competitors is the only way to make sure you are thwarting threats, taking advantage of opportunities, marketing effectively, and, ultimately, winning in the marketplace, within the law.

CI is the interpretation of gathered information into intelligence and analysis of that information. It is just not a department in an organization, but it is a culture that sets a group of people working in the organization to work proactively in an environment where no single person knows all the answers, but everyone contributes in finding the solution and achieving a consensus for action. It is the process of developing actionable foresight regarding competitive dynamics and non-market factors that can be used to enhance competitive advantage. Only by developing actionable implications does a CI program have the opportunity to create a competitive advantage and truly deliver value.

New firms come seemingly out of nowhere, pre-empting existing companies with different technologies or approaches they never saw coming. Often a company in an adjacent area will change its positioning to try and address your market, or a new startup may emerge in a related area. You need to create a master list of your key competitors and make sure *you keep* this list up-to-date.

In complex environment, successful firms do not simply find a success formula a set of competencies and capitalize on them. Successful firms are those that are dynamic and non-linear and can continually discover competitive opportunities. CI is the critical driver of information that will allow a firm to adapt pre-emptively to the future environment.

Whether you are in Sales, Marketing, Operations, Manufacturing, Finance or, HR, or are the CEO of a company, CI will help you to:

- ♦ Act rather than react.
- ♦ Anticipate competitors' research and development strategies.
- ♦ Assist in New Product Launch, New Technology or a Potential Business partner.
- ♦ Avoid blind spots by focusing on the business and industry landscape.
- ♦ Enhance early warning and forecasting of competitive threats.
- ♦ Improve planning and decision making.
- ♦ Learn about your competitors' corporate and business strategies.
- ♦ Learn which of your products are most likely to succeed or fail in the market place and why.
- ♦ Learn why your competitor is really winning or losing deals.
- ♦ Manage and reduce risk.
- ♦ Make knowledge profitable and avoid information overload.
- • Understand how four competitors position themselves in sales and more importantly how they position themselves to your customers and prospects—against you.

Competitor's intelligence needs to be evaluated and communicated to all who need to make decisions based on what customers, suppliers, or other companies in the market are doing or are likely to do. And in today's world, that usually means everybody. The worker in the factory needs to know why production processes have changed from what was always done if he is to believe in management.

What is and What is not Competitive Intelligence

People mistake CI as cloak and dagger techniques, espionage, spying, and/or secret government agency that spy on people or handle criminals. It is neither haphazard nor unfocused, neither a database of endless information nor does a mere investment in expensive information technology constitutes a CI process. It is not a product, but an organizational tool designed to serve several key roles including early warning of opportunities and threats, decision making support, competitor monitoring and assessment, and strategic planning support.

CI can either build or destroy an organization. It involves constant monitoring of every facet of an organization's internal and external environment, keeping all elements and influences under observation, looking out for changeability and attending to challenges, providing key action pointers for decision making, continuously reviewing conditions and executing counteractive measures against undesirable information incursion. It includes: early warning alerts, market audits, industry audits, customer profiles, competitor profiles, technology profiles, supplier profiles, competitive benchmarking, innovation audit, development audit and its application focuses on: cost management, sales management, business development, checkmating competitors profits and sales, improving organizational agility, brand evolution, winning price wars, overcoming performance barriers, alliance development, business modeling, technology assessment, new venture development, business opportunities assessment, business risk assessment, satisfaction surveys, crafting strategy, environmental scanning, competitive talent development, strategic course-plotting, acquisition and prevention of acquisition, mergers, organizational development, product positioning, knowledge management, exploitation and protection of intellectual property, counterintelligence, information security, supply chain analysis and management, boosting customer relationship management through monitoring programs, day-to-day decision making, and monitoring competitors' strategies, plans, programs, projects, actions and due diligence.

It is therefore important to properly assess your business environment for threats and opportunities yet ensuring that your company's information is protected. A visit to the trade fair can give a host of information regarding your competitor pertaining to his next surprise attack or any other special announcement which could be very crucial for your organization. CI is not a bad thing if the managers can use it to gain a competitive edge. Scanning the environment for external threats and opportunities can help an organization build a strategic edge over their competitors and prevent them from prying.

Role of Leaders in Competitive Intelligence

The role of leaders in competitive intelligence is decision making which is a process aspect of CI. This process aspect requires understanding new developments in the industry, the behavior and capabilities of the competitors, and those essential characteristics necessary to gain competitive advantage over their competitors.

The idea of being able to see three, five or ten years into the future would be invaluable. Group on did not exist three years ago. No one heard about Face book five years ago. Ten years ago Yahoo was the leading search engine. Look at the mobile industry—each and every organization uses CI to gather information on their competitors— Reliance, Nokia, LG, Samsung, MTNL, BSNL, Apple, name any, all of them competing with one another.

In a fast-moving competitive environ-merit, stale information produces stale ideas. The information provided is timely and relevant, enabling them to stay a step ahead of the competition, drive growth, and boost profits.

Leader's Winning Strategies through Competitive Intelligence

Most industries have one company that is acknowledged as the market leader. The leader may or may not be admired or respected, but other companies acknowledge its dominance. Such a company is an orientation point for competitors: a company to either challenge, imitates, or avoid. Some of the best-known market leaders are General Motors (autos), Kodak (photography), IBM (computers), Xerox (copying), P&G (consumer packaged goods), McDonald's (fast food) and Gillette (razor blades). Dominant firms want to remain number one. They specifically study competitor's weaknesses and often launch surprise attacks on competitor's positions. They base their marketing strategies on the logic of both consumer wants and competitor's positions.

It is obvious that to remain competitive, the corporate marketing strategy must aim to create and retain a satisfied customer. This is possible only when the company adds value to the customer. When this happens, the company gets a premium on its products or emerges as the market leader.

A leader can outperform the competition in the following ways:

- **Cost:** By providing low-cost operations (e.g., Big Bazaar, Wal-Mart, Maruti).
- **Quality**: High performance design, consistent quality (e.g., Mercedez).

♦ Time: Fast delivery time, on-time delivery, development speed (e.g.,

♦ Flexibility**':** Customization (e.g., Dell).

Being Competitive: **Bill Gates Way**

Competitiveness starts and ends with Bill Gates at the top**.** The rest just flows from there. Microsoft's competency is adjustment. They have a systemic process for staying on top: a process *to* identify blind spots—spots that exists in Microsoft's strategies and their rivals. Microsoft practices Early Warning Intelligence by identifying the holes or blind spots in their own offerings and practices and they also practice proactive intelligence by identifying those blind spots in their rivals. And when there's a leader like Bill Gates who says "I have lost less curiosity than the average adult, 'you know the process of identifying them and fixing them is sanctioned directly from the top.

Being Competitive: The Xerox way: Tracking your competencies is the only way to make sure you are thwarting threats, taking advantage of opportunities, marketing effectively, and, ultimately, winning in the marketplace.

At Xerox, they have a competitive hotline for their salespeople to phone in competitive information. They use their sales force to identify when the competition is located, who are their potential customers, what industries they are in, what applications they have, and even why they bought from the competition.

Few years back they received competitive information indicating that a competitor was planning for the first time, to offer service on Xerox products. One of their competitor's service representatives told one of their (Xerox) service technicians that he was being trained to service Xerox products.

Xerox service representative went to his manager and that information was passed on through the channel to the CI group. "They verified the information with about three additional clues, one of which was rather obvious—an ad the competitor had placed in the classifieds for people with Xerox product experience. This allowed Xerox to announce a counterstrategy as the competitor was about to announce its new service strategy

Judith M Vezmar. Vice-President, US Customer Operations. Xerox Corporation (Competitive Intelligence at Xerox) quotes

"We have immediate feedback from our field organizations as to what the competition is actually doing in the marketplace versus what we might read in the newspapers that they're going to do."

Being Competitive: The J&J Way

At Johnson & Johnson, their intelligence comes through interaction with their customers and through their field forces. They capture information on their competitors, as well as information on what's happening in the industry and try to use it to their advantage. They collect CI information in many ways; especially their sales and marketing people are a big resource. They have incentive programs for people that help them gather and find useful bits of information which they can use in their competitive analysis.

Being Competitive: The Kodak Way

The CI network in Kodak has business intelligence, technical intelligence, and manufacturing intelligence who work together as one entity to serve the organization. Within the organization, each intelligence group reports to different areas, and each maintains a separate budget, reporting structure, and charter. However, when time demands, the intelligence groups converge operationally based on projects or issues depicted at the center of the chart. The intelligence professionals at Kodak leverage the CI network of experts from different functions to locate intelligence information present throughout the corporation. The CI function at Kodak hosts 'road shows' whereby they travel to different Kodak locations throughout the world and educate employees with pictures and hands-on demonstrations about CI themes. The intent of the road shows is to convey information about the competitive landscape to employees in the outer reaches of the company.

Being Competitive: The IBM Way

The CI function in IBM is to understand competitors' key strengths, weaknesses, the implications of their actions, and to anticipate their next move. At IBM, there are various key executive personnel heading cross-functional teams, and each team is responsible for keeping up-to-date information on a specific key competitor. These teams are responsible for transferring lessons learned regarding their specific competitor to those who need the information.

Winning Strategies

Social Networking: The New Mantra for Market Leadership

There is nothing that is not available on the net. Consumers exchange a lot of information on the social networks and it makes a lot of sense to visit them—they may be talking about your competitors or even your own organization or product, how it rates to their expectation and so on. This information can provide an insight into the organization to see how good or bad they are doing in business and what are the unseen threats which the competitor is posing. Partnering CI with social media broadens the horizons of the CI function for inclusion of additional tactical and strategic information. A survey done by

Hoovers (a Dun & Bradstreet Company) in 2009 found that 75% of respondents did not use social media for CI. There is a lot of information that exists on the web and who else can supply information about your products—your own very customers. If the firms are not using social media networks, they are losing a lot more than they can imagine. For example Avaya made a $250,000 deal by using Twitter for seeking a simple request for information. Getting a firsthand feedback was never so easy. Companies are designing feedback system online which enable a customer to relate his experiences with the related product or service—this gives an opportunity to not only take corrective measures but also to dwarf the possible threats.

Visit Your Competitors Website

First of all look at the home page of the competitors' website to ensure the changes or up gradation to the way they describe their products and services. Examine minutely how they highlight different features or benefits and how do they position themselves. Occasionally, you may learn a lot even from the slight alteration your competitors make on their home page.

Check Who They are Hiring and Firing

Keep a track on the managerial team and job posting pages on your rivals' websites. Try to know the additions and deletions in the names made by the competitors in their management team. This way you can come to know whether your competitors have lost their VP-sales or VP-HR, hardly any press release is made about such events.

Visit the Trade Shows Your Competitors Participate in

Trade shows often take a big chunk out of a company's marketing budget**,** so it is important to know which shows your competitors participate in. There is no other place where you can find all the companies in one industry gathered in a convenient location, with all their offerings on display. Prior to the show**,** study the exhibitors list. Identify which companies you already know, and make special note of any new names. Create a "hit list" of companies that you absolutely have to see. Of course you'll want to visit your major competitors—but don't be myopic. It is important to pay careful attention to any unfamiliar exhibitors, even if they are only tangentially related to your industry. Regularly review the events page on their websites and maintain a database with names, dates and locations of the shows that your competitors plan to be at. You can then see which ones you might want to sign up for. If you spot one of them at a new show, you might ask yourself, "Why are they exhibiting at this defense-related show?" It might be an indicator—an early warning of a new market they are entering—perhaps one that you should consider as well.

Expand the Total Market

The leader looks for new users, new uses and more usage of its products.

New Users or Untapped Market Segments: Acquiring newcomers—more are welcome. Which company does not want to expand and have a large customer base? How long can you keep on servicing the existing clients? What if one by one they slip out or move? By the time you reach that state of realization, your competitor would already have them. E.g., Moov, a pain reliever for joint pain and lower backaches, initially targeted women and now they are targeting male customers.

New Uses: E.g., Cereals are being promoted as snacks to increase the use of frequency, over and above the breakfast. Cadbury encourages consumers to celebrate festivals and moments of joy with its chocolates, for which they have come out with a brand named 'Celebrations'.

More Usage: E.g., P&G advises its users that Head &. Shoulders shampoo is more effective with two applications instead of one per shampoo.

Attack Weakness, Avoid Strength

Attacking your competitor's weak points is a much more effective and efficient use of your resources than attacking its strength.

Description: Avoiding strengths and attacking weakness achieves the maximum return for the least expenditure of resources in the shortest possible time, thereby maximizing profits.

Move Swiftly to Overcome Your Competition

Speed is the essence. You should take advantage of your competitor's unpreparedness; take unexpected routes, come out with some unique features and strike so that your competitor is caught unaware. If you are slow, you are extinct. To survive and prosper in this dynamic and fast moving era, a company must move with relentless speed.

Analyze Competitor's Costs, Prices and Offers

The firm should first consider the nearest competitor's price. If the firm's offer contains features not offered by the nearest competitor, their worth to the customer should be evaluated and added to the competitor's price. If the competitor's offer contains some features not offered by the firm, their worth to the customer should be evaluated and subtracted from the firm's price. Now the firm can decide whether it can charge more, the same, or less than the competitor.

Attacking Weaknesses	Attacking Strengths
• Leverages your company's resources • Shortens the road to victory • Increases the value of your victory	• Wastes resources • Makes the road longer • Decreases or throws away your victory

Any organization can compete on product, price, place, promotion, package or for that matter people, all of which are short-term achievements, but to win in the long' term, they have to think differently.

Conclusion

There is a famous story that goes around: the story of a rabbit. This rabbit (product) was enrolled in a rabbit school (market). Like all rabbits (products) it could hop very well but could not swim. At the exams (during the launch), the rabbit got high marks in hopping, but failed in swimming. The parents (organization) were concerned. They said, "Forget about hopping. You are good at it anyway (Strength). Concentrate on swimming (Weakness)." They sent the rabbit for tuitions in swimming (production). And guess what happened? The rabbit forgot how to hop! As for swimming, have you ever seen a rabbit swim? While it is important for the organizations to know what they are not good at, they must also cherish what they are good at. That is because it is only their strengths that can give them the energy to correct their weaknesses.

To stay ahead of competitors, companies must find new ways to deliver the kind of innovation and value that have made the brand so powerful in the past. It will have to act more like a fresh, young start-up company than like an aging market leader, constantly rekindling its meaning to customers. To succeed and to win, there has to be something unique about it. No matter what the entire automobile industry has to offer, Maruti still remains the undisputed leader in terms of service centers network. What can Hyundai do to counterattack this situation: follow the Xerox story?

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Financial literacy as pre-requisite for inclusive economic policy: Issues and Challenges

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Financial literacy is an important input for economic growth and economic development. It can contribute to a decrease of financial exclusion risks. Due to lack of economic and financial literacy, large sections of the society are far away from the benefits of economic policy. It reduces the chances of participation of these people in the mainstream of the economic activities. For having fair and equal opportunities resulting into inclusive economic policy, financial literacy is a must. Thus, the present paper emphasis on financial literacy as a pre-requisite for inclusive economic policy

Introduction

The initial idea of economic development was linked with economic growth. It was believe that economic development is synonym to economic development. However, with the change in understanding the concept of economic development, it is now believe that economic development has wider and broader term. It covers variety of indicators and parameters. It includes social change and development. When if a society grow economically it means it has also develop socially and economically. The uneven sharing of opportunities, unequal distribution of wealth and denied to participate in mainstream economy often is not indicated rightly when one think of economic growth. On the contrary, the idea of economic development is more boarder and comprehensive to include social and economic prudence. Social and economic prudence indicates social change and transformation.

In developing countries, often it is noticed that process of economic growth is taking place at a rapid rate then social and economic transformation and development. There are some pocket of economic which grow faster than others and some sections are advancing at the rate which is much higher than others. These results in paradoxical situation. Though economic growth is high, development rate is low.

The principle reason for this mismatch between rate of economic growth and economic development is absence of fair and equal opportunities of development for want of desire level of financial literacy and economic literacy and refusal to offer development an inclusive network of economic policy. In this present paper the authors has study financial literacy as a factor of inclusive economic policy.

Statement of the problem

Financial literacy is a concept in its nascent state in developing region. There are a certain sections of the society that are not yet provided with financial literacy which hamper chances of participation in the mainstream of economy. Due to want of economic and financial inclusion, major section of the society such as household, illiterate people, poor people, women, workers in informal sector does not avail of economic policy. In this paper the authors has justify for developing a sound financial literacy to eliminate such evils resulting to economic exploitations.

The paper stresses on developing financial literacy as prerequisite for developing a sound economic policy. Hence the title of the paper is “Financial literacy as pre-requisite for inclusive economic policy: Challenges before policy maker”.

Relevance of the study

Economic democracy, financial literacy and free and fair opportunities to participate in various economic activities are the three essential inputs for even and sustainable economic development. People often presumed that political democracy provides equal and fair opportunity rights to all citizens. However, this is a half truth. Political freedom is incomplete unless and until the citizens are provided with economic and financial freedom. Economic freedom cannot be given if people are illiterate and does not know about their rights, duties and basic understanding of economic activities.

The concept of market, profits, economic policy and functioning of different institutions is a prerequisite for effective participation in economic system. Therefore, the real requirement of economic development happens to be possession of required level of economic prudence and financial literacy. This paper emphasis on financial literacy as a basic input for promoting a sustainable economic policy.

Working definition

- ***Financial literacy:*** Financial literacy is defined as the knowledge of financial matter. It refers to the set of skills and knowledge that helps an individual in effective utilization of their financial resources.
- ***Inclusive growth:*** Inclusive growth means economic growth resulting into equal and fair employment opportunities and helps in reducing poverty. It means even the economically weaker section of the society avail the benefits of economic policy.
- ***Economic policy:*** Economic policy is the actions taken by the government which influence its economy. It includes both fiscal policy and monetary policy.
- ***Financial inclusion:*** Financial inclusion is the delivery of financial services by the financial institutions to each and every sections of the society, even the disadvantaged and low-income groups.

Objectives of the study

1. To understand the concept of various dimension of financial literacy.
2. To evaluate various features of financial literacy.
3. To established the relationship between financial literacy and sustainable inclusive economic development.
4. To indentify the barriers in implementation of economic inclusive development.
5. To suggest measures to develop an appropriate inclusive economic policy through promotion of financial literacy.

Premises

1. It is believe that financial literacy is the most essential prerequisite for establishing economic equality, equity and to provide fair and equal opportunities of the development.
2. The most important barriers in effective implementation of economic policy and program is absent of desire level of financial literacy.

Review of literature

The book titled ***"Overview of Financial Inclusion and Micro Credit"*** by ***D.T. Pai*** gives an overview of financial literacy and micro finance and challenges ahead for the benefit of students, communities and young bankers. The book also highlights the financial literacy and policy initiatives taken in developed and under-developed countries and their experience.

Carpena, Cole, Shapiro and ***Zia's*** research paper titled ***"Unpacking the casual chain of Financial Literacy"*** analyse the impact of financial literacy on three distinct dimensions of financial knowledge. The paper found that financial literacy does not immediately enables individuals to discern costs and rewards that require high numeracy skills, but it does significantly improve basic awareness of financial choices, attitudes towards financial decisions.

"The economic importance of financial literacy: Theory and evidence" by ***Annamaria Lusardi*** and ***Olivia Mitchell*** undertakes an assessment of a rapidly growing body of economic research on financial literacy. It also examine how much people knows about financial literacy and identified the least financially savvy population subgroup. The authors also highlight the impact of financial literacy on economic decision making.

The research article ***"The case for financial literacy in developing countries"*** discusses the importance of financial literacy for consumers in developing countries, especially in the context of the current global financial crisis. It also highlight how leading international organization are working together to strengthen financial literacy through the developing world.

DISCUSSION

1. **Financial Literacy: Concept and Dimensions**

   The process of economic development is the result of three basic ingredients. These are: proper channelization of resources, appropriate system of capital mobilization and desire economic prudence.

The economic development occur as a result of financial literacy. Educating people regarding economic and financial happening is very important and crucial input for developing a sense of economic choices and behaviour. These require financial literacy.

RBI has considered 5 different facets of financial literacy. These are:

i. To provide counselling through face-to-face interaction.
ii. Educate people in rural, urban and semi-urban areas regarding different financial product and services.
iii. Informing people as to the various advantages of various banking and financial services available through formal channel.
iv. To provide appropriate restructuring plan for borrowers and helps them to address their financial difficulties through formal financial channel.
v. To develop right awareness regarding financial planning, economically prudent choice making and awareness regarding various banking and financial services available in the country.

The term Financial Literacy is defined by different experts and organizations. Some of them are as follows:

i. The National Financial Educators Council defines financial literacy as: "Possessing the skills and knowledge on financial matters to confidently take effective action that best fulfils an individual's personal, family and global community goals."
ii. The Government Accountability Office defines financial literacy as: "The ability to make informed judgements and to take effective actions regarding the current and future use and management of money. It includes the ability o understand financial choices, plan for the future, spend wisely and management the challenges associated with life events such as a job loss, saving for retirement, or paying for a child's education."
iii. Financial literacy is an active process, in which communicating information is only the beginning: empowering consumers to take action to improve their financial well-being is the ultimate goal.

   All these definitions either directly or indirectly refer to a state of changing economic environment.

   The five dimensions of financial literacy is shown by the following diagram:

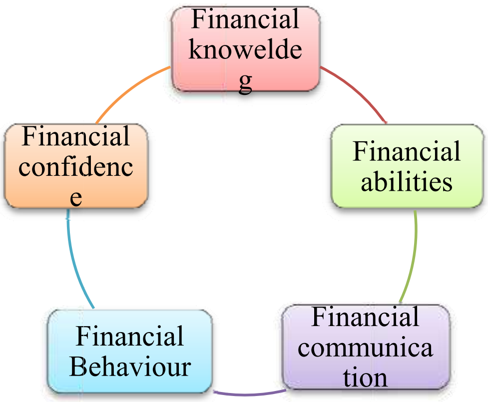

Figure 1: Dimensions of Financial Literacy

Unless and until a right awareness is created about financial knowledge, ability to apply financial literacy and creating awareness among consumers about appropriateness of financial decision, financial literacy cannot be rightly develop.

2. Evaluating features of Financial Literacy

The term literacy indicates the ability to read, write and understand. The term financial literacy can be further elaborated on the same line. Different terminologies are used to indicate different concept of financial literacy such as financial capabilities, financial knowledge, financial education, financial competence and economic literacy.

However, the term financial literacy includes ability to read, analyse, manage and communicate about personal financial condition that effect materialistic well-being (for a person) (Chen & Volpe 1998; Vitt et al., 2000; Cude et al., Huston, 2010; Cude, 2010). In the word of Kim financial literacy means "basic knowledge necessary for people to survive in the modern society", which will help judicious utility available resources and make appropriate financial choices.

In the word of Bowen it is the capability to understand key financial concepts necessary to function in the normal course of the society. Whereas some other experts like Emmons considered financial literacy as ability to manage the situation of cah and payments, knowledge about opening a saving account and obtaining a credit, basic understanding of health and life insurance, ability to compare offers and plan for future financial well-being throughout the whole life.

Thus we come to some features of financial literacy based on the discussion made above regarding the concept of financial literacy:

i. Financial literacy deals with the ability to make appropriate and economically judgement and judicious approach to make choices.
ii. It deals with the concept of person to use available funds and maximise use of economic and financial resources.
iii. It helps to compare various alternatives and choice and evaluate them on some standard norms of selection.
iv. Financial literacy helps to protect the interest of individual, prevent economic fraud and crimes, motivate people to think in a judicious manner and help to avoid economic conflict, exploitation and dissatisfaction.

3. Financial Literacy and sustainable Inclusive Economic development

How economic development take place is a question that cannot be answer unless and until one can understand the concept and composed of society. No society can grow with resources alone. It required a strong sense of rationality, openness and a sense of judicious resource utilization. There should be a right understanding of the concept of risk and measure to reduce it. It is true risk cannot be eliminated in totality. However, management is possible to minimise it. It requires right understanding of the analysis of resources. When people understand what risk means, what are the nature of different hazard and what are their implication on the well-being then only they can take proper financial decision. The process of financial planning depends heavily on the kind and quality of knowledge about finance and economy that prevail in the society. Poor people and economically weaker section of the society and women are negligible resources and people who are away from mainstream of economic as well s unemployed people and senior citizens all require right understanding of financial knowledge. From this point of view one of the economic advancement is presenting an appropriate financial literacy.

A society cannot address its core social financial aspects if the members of the society do not understand the economic implication of their decision. Financial literacy provides this basic economic knowledge and inculcates minimum financial prudence which every citizen should posses. From this point of view the essential prerequisite of economic development is possession of basic financial literacy.

The relationship between financial literacy and economic development can be established through with the help of the following arguments:

a) Economic development is just not physical change in the society and achievement of certain economic target. Economic development indicates total advancement of people on certain economic indicator. Without having sound and healthy participation the idea of economic development cannot be established.
b) Economic development is bringing in the transformation of society through participation of all the segment of the society. Without understanding the economic aspect, people cannot participate in the process of development.
c) Financial literacy is developing a sense of rational behaviour and cultivating inclination towards materialistic well-being. Thus, it becomes a basic requirement of economic development.

4. **Identifying barriers in promoting financial literacy**
   It is often argue that financial literacy is essential for total economic improvement of the society. However, the facts available often indicates that a major section of the society remain away from the mainstream financial activities. It is often true in developing and under-developed countries that a small section of the society avails all the benefits of economic policy and a larger section remained neglected and avails from peripherical network of economic policy. This is mainly because of absence of desire financial literacy among people and want of right attitude of economic and financial aspect.
   The main reason for having low financial literacy level can be enlisted as follows:
   a) There is a strong dominant of religious domain, ideas and ideology that prevent people from participation in materialistic activities.
   b) Lack of appropriate education of financial, economic and market conditions.
   c) Misunderstanding and misconception regarding money and market.
   d) An erroneous presumption that profit making is an evilest activity and philanthropy means undertaking economic activities at a loss.
   e) Absence of appropriate institutional network for promotion of financial literacy is also an important reason.
   f) Failure of the government to cultivate a sense of rationality and economic prudence to enhance the quality of economic well-being are also the factor responsible for low level of financial literacy.
5. **Measures to improve inclusive economic policy through promotion of financial literacy**
   The above discussion comes to a conclusion that it is essential to develop financial literacy which is a basic requirement for development of inclusive economic policy. A few important measures for promotion of financial literacy which will help in improving general understanding of people about economic happening, economic institutions, market mechanism, role and functions of money can be rightly developed.
   These measures are:
   i. Developing an idea that materialistic well being is essential for socio-economic development.
   ii. Developing a sense of prudence about market mechanism and economic activities through right awareness about economic happening.
   iii. Designing a suitable curriculum of financial education for socially neglected, illiterate and economically backward classes of the society.
   iv. Designing rational and economic inclusive policy giving opportunities to neglected section of the society.
   v. Enhancing network of formal financial institution to participate in various economic activities.
   vi. Helping people to acquire opportunities of economic well-being through mainstream economic activities.
   vii. Association with financial institution and development of pro-people means of economic transaction.
   viii. Encouraging NGOs and academic institutions to designing financial literacy curriculum that spread the knowledge of economic activities in various socially neglected sections.

Implication of the study

The present paper highlights certain important issues related to financial literacy. In this paper the authors has argued that financial literacy is important and essential input for socio-economic transformation. Financial literacy is useful to minimise the gap between economically advancement and economically challenges section of the society. Financial literacy can help the socially neglected section to avail appropriate opportunities or advantages of economic policy. Financial education can develop a sense of economic prudence, rational inclination towards materialistic well being.

Conclusion

The above paper thus emphasis on development of financial literacy as necessary life skills. Financial literacy education is one of the important measures to improve the personal network of individual, their understanding of market and overall level of participation in various economic activities. Without developing a sound financial literature program the gap between economically advancement and economically challenges section of the society cannot be minimised. The growing inequality and equity are the evils which are the results of absence of right knowledge of financial happening. When we promote the right sense of financial literacy these evils can be cure to large extent, which will turn to be a first step towards development of economic policy.

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Poverty Reduction and Agricultural Production in India: A State Wise Analysis

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Literature has consistently attributed a special role of agriculture growth and productivity in poverty reduction. Because of its special features viz. concentration of poor in this sector, the large size of its growth linkages to other sectors and positive externalities from assuring food security and reducing food price, agriculture has played a central role in promoting pro-poor growth. The present study attempts to examine the agricultural production across the Indian states during pre reform and post reform periods. The economic reforms initiated in the year 1991 have put the Indian economy on a higher growth path through a consistent higher growth of service sector in the post-reform period. But at the same time agriculture sector has been in a low growth trap in recent years. Agriculture growth rates in terms of annual compound growth rates have fairly declined in all the states in the post-reform period as compared to those in the pre-reform period. The agriculture growth performance of the economically poor states has particularly been very disappointing. This poor growth performance of many states and specifically of poor states will have serious consequences for the large number of people in rural areas as they mainly depend on agriculture for their income and livelihoods.

Keywords: Poverty, Agriculture, Productivity, Compound Annual Growth Rate, Reforms.

1. Introduction:

Agriculture, in most developing economics, is the core sector providing livelihoods to a significant proportion of the population, especially in rural areas. Since this sector faces the largest brunt of underemployment, unemployment, and poverty, a growing agriculture and allied sector is expected to contribute vastly to overall growth and poverty alleviation. Increasing the productive capacity of agriculture through higher land productivity and labour productivity has been an important goal in developing countries. It has been suggested that due to limited scope for expansion of arable land there is a need to increase yields to their technically highest levels through appropriate investment in basic infrastructure, human development, and research and extension services. India which is an agro-based economy with large majority of people lives in rural areas. The economic reforms initiated in the year 1991 have put Indian economy on a higher growth path but it has not made any profound positive impact on the growth of agricultural production. The momentum created by the Green-revolution in the food grains production during 1970s in India has slowed down in recent years. This has largely due to the failure of the government to take post-reforms period. The majority of farmers in India are too poor to undertake, on their own, the level of investment required to raise the agricultural productivities and realize their full potential. In the wake of agricultural land increasingly being devoted to cash and horticultural crops, and decline in the yields of food grains in major food grains producing states, it is very likely that its price will sharply rise in the coming years and will adversely affect the poor in rural areas of India.

In India also, agriculture plays an important role in terms of its contribution to GDP and income and employment provided to a large number of people particularly in rural areas. Over 60 percent population is dependent on agriculture for their livelihoods. There has been a consistent decline in the growth of agriculture sector since 1990 onwards as compared to the 1980s. Agriculture which accounted for more than 30 per cent of total GDP in the beginning of reforms failed to maintain its pre-reform growth or keep pace with growth in the non-agricultural sector, (Chand, 2005). On the contrary, it witnessed a sharp decline in growth after the mid-1990. This happened despite the fact that agricultural productivity in most of the states was quite low and there was a lot of scope and potential for the growth of agricultural output. Right from the Ninth Five-year Plan (1996-97 to 2001-02) onwards, India has been targeting a more than 4 per cent growth rate in Indian agriculture, but the actual growth rate has not turned out to be even half of this target. The poor performance of agriculture against the background of an impressive growth of the overall economy is having serious implications. Firstly, it is causing wide disparities between income in agriculture and non-agriculture. The slow growth of agriculture would not have caused an increase in disparities, if there was a commensurate decline in population dependent on agriculture. But this is not happening and the population dependent on agriculture is increasing. Secondly, as more than 50 percent of the workforce and about same proportion of the total population of the country depends on agriculture for income and livelihood, slow growth in agriculture is putting them in distress. The GDP of agriculture increased annually at the rate of more than 3 per cent during the 1980s which was considered a reasonably satisfactory performance of the sector. During 1991, the country initiated economic reforms aimed at far-reaching changes in regulations, fiscal policy, trade policy, exchange rate, and role of market forces, private sector participation in economic activities, and government controls and interventions in market. The agricultural sector was not targeted directly by the reforms for a couple of years, but it was affected indirectly by changes in exchange rate, export liberalization and terms of trade resulting from protection to industry. There have also been wide disparities in agriculture growth across different states in India during the last few decades. Most of the states recorded decline in agriculture growth rate. Some states like Bihar, Orissa, Madhya Pradesh and West Bengal which are also poor states of India registered even negative growth rates in agriculture production in the post-reforms period. This poor and varying growth performance of different states are due to use of varying level of agriculture inputs and techniques. This poor growth performance of many states and specifically of poor states will have serious consequences for the large number of people in rural areas as they mainly depend on agriculture for their income and livelihoods. The paper is organized as follows: section1 presents general introduction about the study, Objectives of the studies, Sources of data and Methodology; Section 2 discusses the agriculture development and poverty alleviation a review; Section3 examines the state wise growth rate in food grain production and section4 concludes the discussion with policy implications.

Objectives:

1. To examine the trends in the growth of agricultural production in India over the pre reform and post reform period (1980-2012);
2. To examine the inter-state variation, if any, in agriculture growth in India;
3. To analyze the factors that affects the agriculture growth;
4. To suggest ways for a sustained agriculture growth in India.

Sources of Data and Methodology:

Study is based on the analysis of state wise data from 14 major states. The states covered are Andhra Pradesh, Bihar, Gujarat, Haryana, Karnataka, Kerala, Madhya Pradesh, Maharashtra, Orissa, Punjab, Rajasthan, Tamil Nadu, Uttar Pradesh, and West Bengal. The newly created states like Chhattisgarh, Jharkhand and Uttarakhand have not been included as separate states since area, output and yield data for these states and their respective are not available prior to 2000. The study covers the period from 1980 to 2012. The study is based on secondary data. The secondary data have collected from Annual Reports, Journals, Books, Government Records, and Internet Sources. The major sources of secondary data the publications of Government of India such as Economic Survey, of various year publications of Central Statistical Organization (CSO), websites of the following organizations: the Reserve Bank of India (RBI, www.rbi.org.in). Statistical techniques like percentages, averages and Annual Growth Rate are also used in this paper The information on production at the state level is compiled by the Directorate of Economics and Statistics, Ministry of Agriculture (MOA), New Delhi.

Compound Annual Growth Rate (CAGR):

The percentage annual compound growth rates have been calculated by first regressing the natural logarithm of production of food grains (non-food grain) on time as fallows

$$\text{Ln (TAP)} = \beta_1 + \beta_2 t + u$$

Where, TAP = Total agriculture production (food grains & non–food grains) in million tones, t = year

And then using the following formulae

$$r = [\text{anti Ln } (\beta 2)-1] \times 100$$

Where, r = annul compound growth rate (%)

2. Agriculture Development and Poverty Alleviation: A Review

The classical economists viewed economic development as process of relocating factors of production, especially labour, from an agricultural sector characterized by low productivity to a modern industrial sector with higher productivity. The contribution of agriculture to development was passive (Lewis, 1954). In 1960s it was recognized that traditional agriculture could be transformed rapidly into a modern sector through the adoption of science-based technology, thereby making a large contribution to overall growth. Economists explicitly identified the strong growth linkages and multiplier effects of agricultural growth to the nonagricultural sectors. Agriculture has strong, direct forward linkages to agricultural processing and backward linkages to input-supply industries (Johnston and Mellor, 1961). Theodore Schultz, at the time of accepting Nobel Prize in Economics in 1979, stated that "Most of the people in the world are poor, so if we knew the economics of being poor we would know much of the economics that really matters. Most of the world's poor people earn their living from agriculture, so if we knew the economics of agriculture we would know much of the economics of being poor" (Shultz, 1979).In the decade of 1980s and 1990s many economists focused on the role of agriculture in rural development and recognized that agricultural productivity growth stimulates rural nonfarm growth, especially where infrastructure and the investment climate are already in place (Barnes and Binswanger, 1986; Hazell and Haggblade, 1991). Agriculture growth reduces poverty through direct impact on income and employment and indirect impact through growth linkages. The most important pro-poor linkage is generated by the effects of increased agriculture productivity on food prices (Timmer, 1997). Higher productivity results in decline of food prices of staples which benefit the poor, since poor spend a higher share of their income on staple food. The increase in income of farmers and farm workers has spillover effects on non-farm sector. Most of the studies assessing the impact of agriculture productivity on poverty find higher elasticity estimates of poverty reduction with respect productivity. Thirtle et al. (2003), in a cross-country study estimated that a 1 percent increase in agricultural yields reduces the number of poor people by 0.72 percent in Africa and by 0.48 percent in Asia**.** Datta and Ravallion (1998) estimated the elasticity of poverty reduction in India with respect to agricultural value added per hectare at 0.4 percent in the short run through direct impacts on farm incomes, and 1.9 percent in the long run, when the indirect effects of lower food prices and wage earnings are included. They demonstrated that growth in the agricultural sector is a key determinant of poverty alleviation in India. They showed that rural growth contributes to urban poverty alleviation but urban growth appears to have no affect on rural poverty. Moreover, agriculture productivity has positive impact on HDI. Raising agriculture yield by 1% is associated with 0.12% increase in HDI (Thirtle et. al. 2001). Research has also revealed that yield growth contributes to poverty alleviation and even the poorest benefit from productivity gains. However the distribution of poverty in the total population remained largely unchanged (Ravallion and Datt, 1996). "History suggests the necessity of productivity increases in smallholder agriculture. Except for a handful of city-states, there are virtually no examples of mass poverty reduction that did not start with sharp rises in employment and self-employment income due to higher productivity in small family farms" (Jayne et al., 2010).

3. Poverty and Food Grains Production: State-Wise Analysis:

It would not be untrue to say that poverty is related to everything else and everything else is related to poverty. Besides other things, poverty is a major cause for slow growth of agriculture. The incidence of poverty is highest among the land less-laborers and small and marginal farmers in India. Poverty in rural areas depends directly or indirectly on agricultural growth for their livelihoods. Therefore, low agricultural growth leads to low income and employment of the rural people in general and the rural poor in particular. Rise in food prices due to low agricultural growth further erodes the low purchasing power of the poor. Thus, there is a two-way relationship between poverty and agricultural production-poverty leads to low investment in agriculture which causes low agricultural production and low agricultural production leads to low income and employment on one hand and rise in food prices on the other which causes poor to remain as poor for a long time. India continues to be under the grip of poverty even after six decades of its Independence. About 301.72 million people were below poverty line out of which 220.92 million were alone in rural areas OF India in 2004-05. Nearly 72 percent of total people living below the poverty line are in rural areas, Rural poverty ratios across states in India show a declining trend during 1973-74 to 2004-05. But, the rate of reduction in rural poverty ratio during 1973-74 to 2004-05 has been very slow and varies from state to state. The rural poverty ratios are relatively higher in populous states like Bihar, Uttar Pradesh, Madhya Pradesh, Orissa, Maharashtra and West Bengal.

The present study, the growth of agricultural production has been analyzed in terms of the amount of total agriculture production (food grains and non-food grains) produced by various states during 1980-81 to 2011-12. To look into the variations and the rate of change in total agriculture production of fourteen major states, the annual compound growth rates of production calculated for the three different periods: Period-I= Pre-reform (1980-81 to1990-91) Period; Period-II= Post-reform (1991-92 to 2002-03) Period and Period-III= Post-reform (2003-04 to 2011-12) Period. These growth rates in all the three periods have been shown in table 1 as well as in fig .1, fig.2 and fig.3 respectively.

Table- 1: COMPOUND ANNUAL GROWTH RATE (CAGR) OF STATE-WISE TOTAL FOOD GRAIN PRODUCTION IN INDIA

	STATE	Period-I	Period-II	Period-III
1	Andhra Pradesh	0.9	1.51	4.16
2	Bihar	4.39	-0.2	3.17
3	Gujarat	1.51	1.81	4.17
4	Haryana	4.49	1.81	3.97
5	Himachal Pradesh	4.49	1.81	-1.11
6	Karnataka	3.97	2.94	23.66
7	Madhya Pradesh	3.66	-2.17	2.63
8	Maharashtra	2.12	2.12	3.22
9	Orissa	1.91	-4.49	-0.13
10	Punjab	4.18	1.91	1.69
11	Rajasthan	3.04	0	3.29
12	Tamil Nadu	3.76	1.51	7.28
13	U.P	3.66	0.9	2.42
14	West Bengal	4.39	3.04	-0.47
15	All India	5.13	1.61	2.66

Period-I= Pre-reform (1980-81 to1990-91) Period Period-II= Post-reform (1991-92 to 2002-03) Period Period-III= Post-reform (2003-04 to 2011-12) Period

Table 1 shows the growth rates of total agriculture production in fourteen major states and also at the all India level during 1980-81 to 2011-12. Table reveals that the growth rates of agriculture production were not uniform but varied considerably across the states in India in whole periods. Andhra Pradesh recorded as low as 0.9 percent and both Haryana and Himachal Pradesh recorded as high as 4.49 percent annual compound growth rates in the pre-reform period (Period-I= Pre-reform (1980-81 to1990-91) Period). But no state registered a negative growth rate during the pre-reform period. The all India growth rate was 5.13 percent which was fairly satisfactory. These growth rates of agriculture production for all the states declined sharply in the post-reform period (Period-II= Post-reform (1991-92 to 2002-03) Period) except for Andhra Pradesh and Gujarat which have recorded an increase in the post-reform period-II as compared to that in the pre-reform period (Period-I= Pre-reform (1980-81 to1990-91) Period). Among these states the three large and economically poor states viz., Bihar, Madhya Pradesh and Orissa all registered negative agriculture growth rates and Rajasthan registered no growth at all. As a result, the all India agriculture growth rate declined from 5.13 percent during pre-reform period to only 1.61 percent during post-reform period-II. It is a matter of great concern for the policymakers that in this optimistic scenario, the agricultural sector faced a deceleration in its growth rates of aggregate yield.

Fig.1

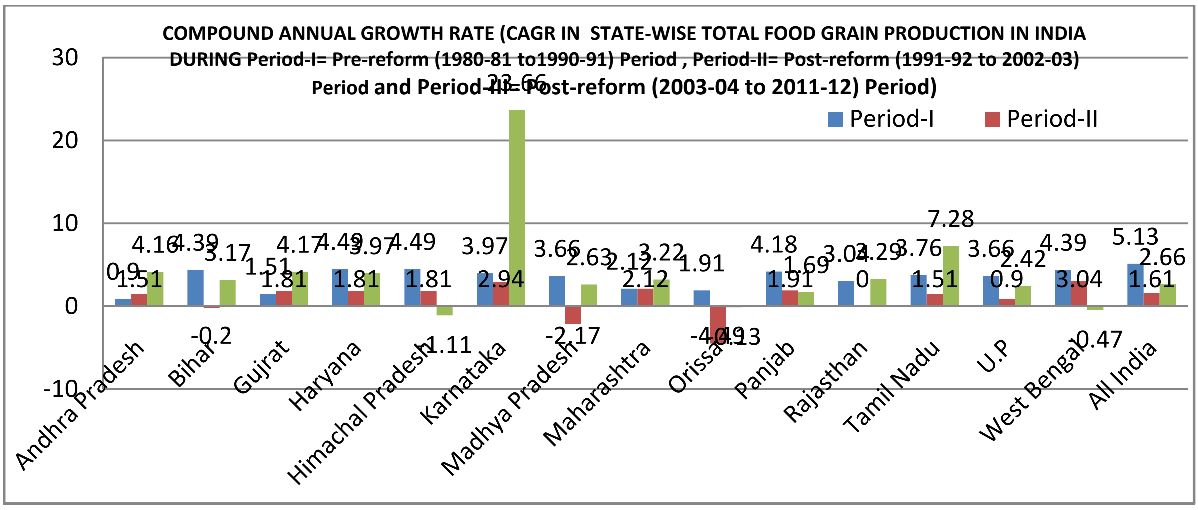


Fig.2

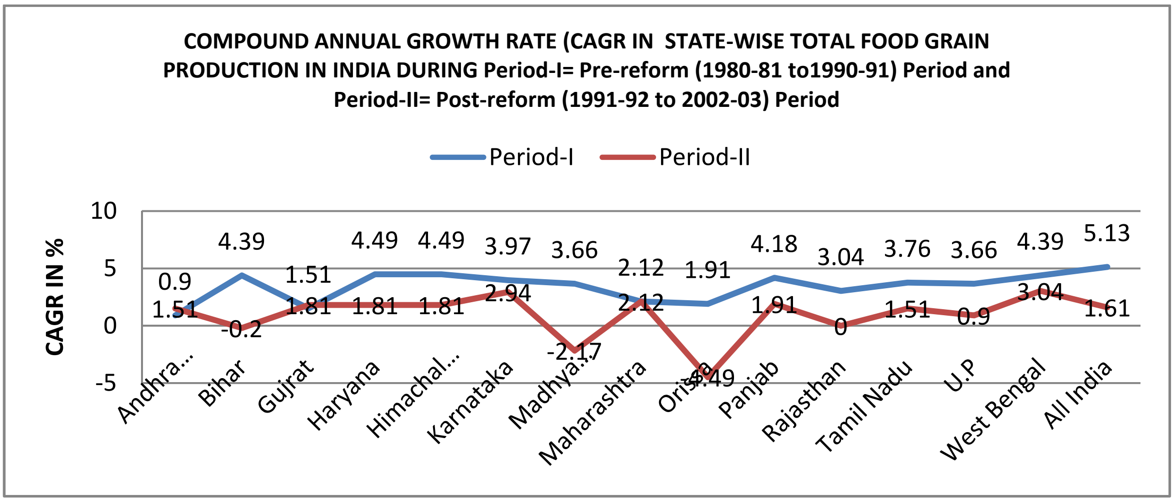
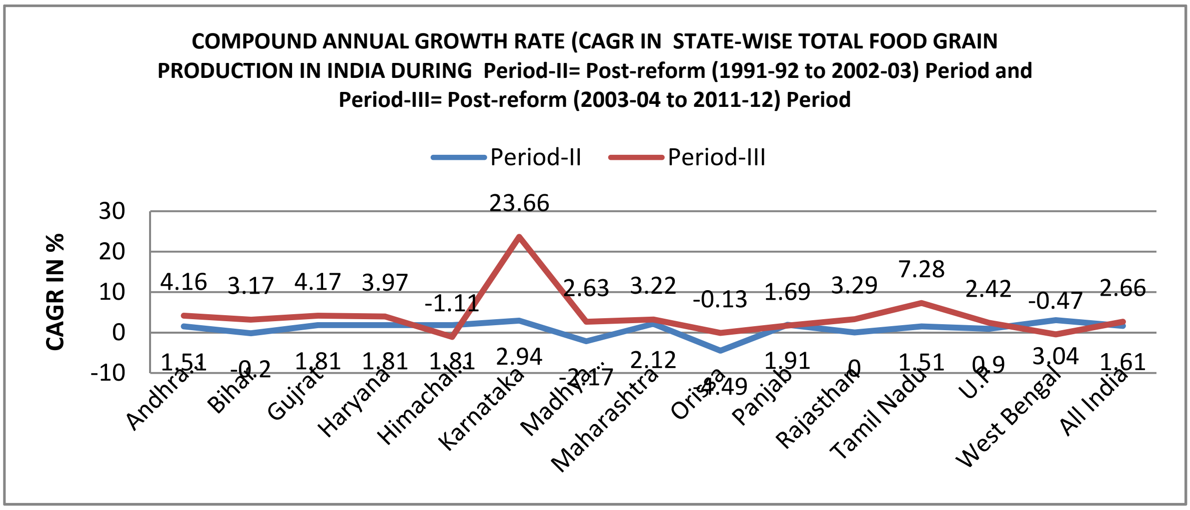


Fig.3



A more serious matter is that agricultural workers who constitute about 58 per cent of the total work-force are facing deceleration in their productivity and income levels as well as distress during the post-reform period. There are different reasons for slowdown of growth in different states. The decline in public investment in irrigation and water management, and in scientific research has adversely affected the profitability of farmers in all parts of India. Kumar (2011) has noted that economic reforms launched in the early 1990s did not have a favorable impact on the agriculture sector in India, because economic reforms neglected investment in infrastructure development and institutional changes in the agriculture sector, and that the slowdown in agricultural growth after the mid 1990s was attributed to (i) declining public investment in agriculture; (ii) deteriorating terms of trade for agriculture; (iii) no expansion of agricultural markets and irrigation in underdeveloped areas; and (iv) slow dissemination of improved technologies. However, there is definite growth recovery in food grain production during period-III (Period-III= Post-reform (2003-04 to 2011-12) Period) in comparison to period-II(fig.3).Table-1 and fig.3 reveal that the compound annual growth rate (CAGR) of food grain production at all India level increased from 1.61 per cent in period-II to 2.66 per cent in period-III. This period recorded higher compound annual growth rate in food grain production for all the states except Himachal Pradesh, Orissa and West Bengal, which registered negative growth rate. It is clearly discernible (from Table 1 , Fig .1, Fig.2 and Fig.3) that in the post reforms era compound annual growth rate of food grain production decelerated in period-II but it has recovered in period-III in most of the states. It seems that the recovery in food grain production in different states of India is the culmination of new programmes like National Food Security Mission and Rashtriya Krishi Vikas Yojana (RKVY) introduced during the Eleventh Five Year Plan.

4. **Conclusion and Suggestions:**

The production of food grains in India has slowed down in the post-reform period as compared to that in the pre-reform period. The decline in the growth rate of area devoted to food grains and yields of its components particularly of wheat which has been main contributor to the growth of food grains production has conditioned this slow down in the production of food grains. Decrease in public investment as a percentage of GDP on agriculture, slow rate of decline in rural poverty, application of low doses of fertilizers in the states with high incidence of poverty, slow growth in cropping intensity due to lack of irrigation facility aggravated by ground water depletion, and land degradation are some major factors which have been weakening the sustainable food grains production in India. The faulty agricultural subsidy structure has led to over-exploitation of ground water and salinity of soil. The rural poverty and low agricultural growth rate are interlinked and one leads to others.

The growth rate analysis shows that the growth rate performance in agriculture for the states has been better in 80s as compared to 90s. It means that the economic reforms initiated in the year 1991 have put Indian economy on a higher growth path but it has not made any profound positive impact on the growth of agricultural production. There have also been wide disparities in agriculture growth across different states in India during the last two and half decades. Most of the states recorded decline in agriculture growth rate. Some states like Bihar, Orissa and Madhya Pradesh which are also poor states of India registered even negative growth rates in agriculture production in the post-reforms period. This poor and varying growth performance of different states are due to use of varying level of agriculture inputs and techniques. The main reasons for deceleration and stagnation in agricultural output in the 90s are a slowdown in growth of fertilizer use, irrigation, and energy in some cases, stagnation or even a decline in other cases. Particularly, the economically poor states have witnessed a slowdown in growth of fertilizer use, irrigation and energy in agriculture.

Addressing income disparities requires a comprehensive approach that pursues multiple pathways out of poverty- shifting to high value agriculture, decentralizing nonfarm economic activity to rural areas, and providing assistance to help move people out of agriculture. Doing this calls for innovative policy initiatives and strong political commitment. The response to better price incentives depends on public investments in marker infrastructure, institutions, and support services. But the quality of public spending is often low and needs improvement. To mobilize political support for better use of public expenditure in agriculture, an initial step is greater public disclosure and transparency of budget allocation, and analysis of impacts. Therefore, simultaneous efforts are required on several fronts to revive the agricultural growth. These include (a) stepping up investment and using suitable institutional mechanism to exploit irrigation potential that exists in most of the states ; (b) increasing power supply to this sector; (c) promoting fertilizer use by expanding the distribution network and improving credit facilities for farmers; and (d) establishing competitive seed markets; (e) improvement in terms of trade for agriculture ; (f) measures to mitigate the risk in farming; (g) and giving incentives to farmers for facilitating the adoption of high-value crops for production.

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PROBLEMS & PROSPECTS OF E-RETAILING IN INDIA

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Online retail is the fastest growing channel globally. The online channel is expected to grow at a much faster rate vis-a-vis more established channels, as it is expected to account for 10.1% of overall retail sales in 2018, up from 6.5% in 2013, and 3.5% in 2008.The Indian online retail market has had a dream run in recent years when it comes to transaction value. However significant challenges still remain. These challenges are expected to drive consolidation in the market. If provided with the right regulatory enablers and economic conditions playing out favorably, the online market opportunity could be substantially higher. It remains to be seen as to how the current establishment views the online retail market opportunity which could be a potential market discontinuity in the India consumption story. Tremendous changing paramedics of today's consumer buying behavior got an edge by the introduction of internet media. Internet serving acts as a unique platform for retailing industry to grow and broadening target markets, enhancing customer base, extending product line, being cost effective, increasing consumer communication and delivering customize services. Continuous changing life-style and over busy schedules helped developing a 24 hours X 7 days hassle free internet shopping window. Even rural areas are registering huge online purchase on online retail portals like Naptol.com, e-bay.in, snapdeal.com etc. The paper attempts to identify the present as well as future prospects of E-retailing in general and in particular.

Key Words-E-Retailing, Cash on delivery, Online-Retailing, Consumer satisfaction & tail Items

(1) INTRODUCTION

India has an internet user base of about 375 million (30% of population) as of Q2 of 2015. Despite being the second largest user base in world, only behind China (650 million, 48% of population), the penetration of e-commerce is low compared to markets like the United States (266 M, 84%), or France (54 M, 81%), but is growing at an unprecedented rate, adding around 6 million new entrants every month. The industry consensus is that growth is at an inflection point. In India, cash on delivery is the most preferred payment method, accumulating 75% of the e-retail activities. Demand for international consumer products (including tail items) is growing much faster than in-country supply from authorized distributors and e-commerce offerings. As of Q1 2015, six Indian e-commerce companies have managed to achieve billion-dollar valuations. Namely, Flipkart, Snapdeal, InMobi, Quikr, Ola Cabs and Paytm Shopping online is about to explode. Retailers of all types are expanding product offerings, adding in-store pickup, free shipping and experimenting with social media. It's getting harder to tell pure play Internet retailers from the bricks and mortar shops with online portals, and all of them are reinventing how we'll shop online in the future. Be it via a mobile device, tablet computer, in-store kiosk or computer, the lines are blurring and the result will be both good and bad for consumers. With rapid growth of the Internet and globalization of market, the retail sector has become an increasingly competitive and dynamic business environment. Business and marketing activities are affected by the invent of Internet technologies and the Internet is revolutionizing commerce, marketing, retailing, shopping and advertising activities of products and services. The rapid revolution witnessed by the retail industry due to the web based model of E-Retailing spreading its wings developing from embryo to a full fledge platform for proper selling activity .Now a day's E-Retailing is not only restricted to metros but have entered 2-3 tire cities. The places where people are aware of brands and products there E-Retailing is the first door to both E-Retailer and online customers, and only this but rural areas are registering huge online purchase on online retail portals like Naptool.com, e-bay.in,snapdeal.com all registering between 40-60% sales from these areas. This Electronic retail model is the subset of E-Commerce activity. E-Retail accounts for about 10% of the total E-Commerce market. People having lesser time in urban India are giving phase to the E-Retailing in the country. Around 2.5 billion internet users have played a great role in making the E-Retail platform grow and broadening target markets, enhancing customer base, extending product line, being cost effective, increasing consumer communication and delivering customize services. With all added advantages E-Retailing is lacking on few of the vital areas of shopping experiences such as personal touch, increasing chance of cyber crime, lack of bargaining options. Despite of all this E-Retailing in India is rising to new heights and spreading in every possible aspect. Cyber security and few vital points kept in mind for the sustainable growth and development of E-Retailing format in India.

(2) Objectives of the Study:

1. To study the driving forces for growth of the e-Retailing.
2. To study challenges before e-Retailing in India
3. To study Advantages & disadvantages of E-retailing in India

(3) Research Methodology

This paper purely depends on secondary data. To collect the statistical data we have used various sources like annual report, research articles from e-journals, reference books, research articles from news papers and off-line journals and sources from Internet etc.

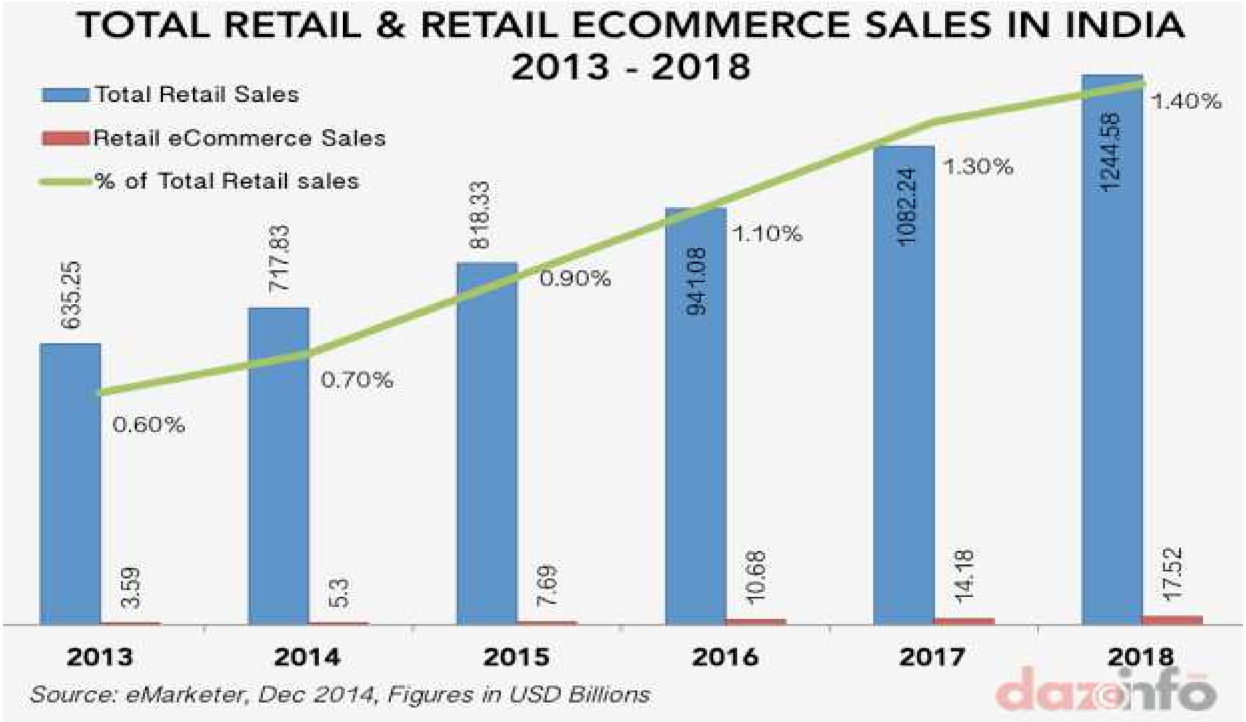
Research Design: Exploratory
Type of data: Secondary data
Sources of data: Books, Journals, Magazines, Internet, etc.

(4) Driving Forces of E-Retailing in India

The key global e-Retailing drivers includes, increasing broadband penetration Expansion in e-Retailing services is closely correlated with an increase in broadband penetration. Continuing growth in broadband uptake, as well as faster connection speeds, provides support for growth at internet companies. Continuing increased broadband penetration will remain a key factor in the ability of e-Retailers to acquire market share at the expense of general retailers.

(a) Better technology = Better services

Increased internet connectivity and lower costs of computer processing power are making the mechanics of conducting an e-Retailing business easier. The advent of sophisticated software and supporting hardware has allowed e-Retailers to study consumer behavior more efficiently, facilitating targeted sales and increased product cross-selling. This gives e-Retailers a major and increasing competitive advantage compared to their B&M competitors. Extensive product search, instant product comparison, wide scope of brand selection, easy transacting, and free shipment and flexible sale return policies (within 1-3 weeks time) are more petals of this service flower



(b) Convenience

Buying online is more convenient for many people than shopping at a physical store because they can buy from home and typically place orders anytime, without the restriction of store hours. Online convenience is how quickly a customer can complete a purchase. An easy-to-navigate web store, a simple buying process, and efficient ordering system add to e-tail convenience.

(c) Customer Interaction

E-Retailers work to improve the online experience with product information, guides, ratings and recommendations that replace what customers get from retail associates in traditional brick-and-mortar retail stores. Personalized accounts, histories, profiles, recommended items and other customized interaction tools have contributed to a high level of customer satisfaction in online buying experiences, according to the website DMS Retail.

(d) Inventory Efficiency

Companies are often able to offer more products for sale on their websites than they can hold in store, and inventory management is typically less expensive for online retailers, says DMS Retail. Large retailers can present a wider variety and assortment online without store size limitations. Online retailers do not have to invest large amounts of capital to buy prime real estate locations and maintain stock rooms. Some do not even manage inventory, instead operating as resellers for vendors that ship directly to customers.

(e) Global Marketplace

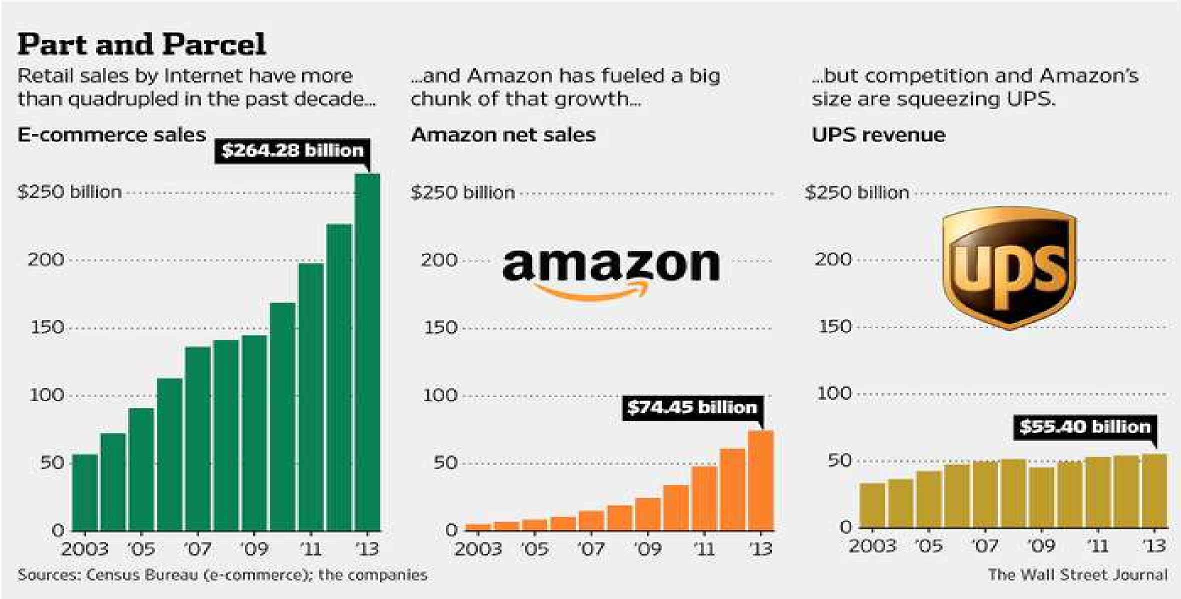
Consumers can shop at a company's web store and make purchases from virtually anywhere with Internet access. The Internet is a boundary-less technology that has given businesses the opportunity to sell products beyond local or domestic borders that are limitations in the physical retail world.

(f) Increased Product diversity

With e-Retailers better understanding customer requirements, online shopping has responded by providing greater diversity of products and services, include more specific, niche offerings. In the case of a number of very small specialist markets, regarded as either too small or specific for traditional retail outlet viability, the development of online e-Retailing has improved their commercial feasibility, increasing the range of products available online.

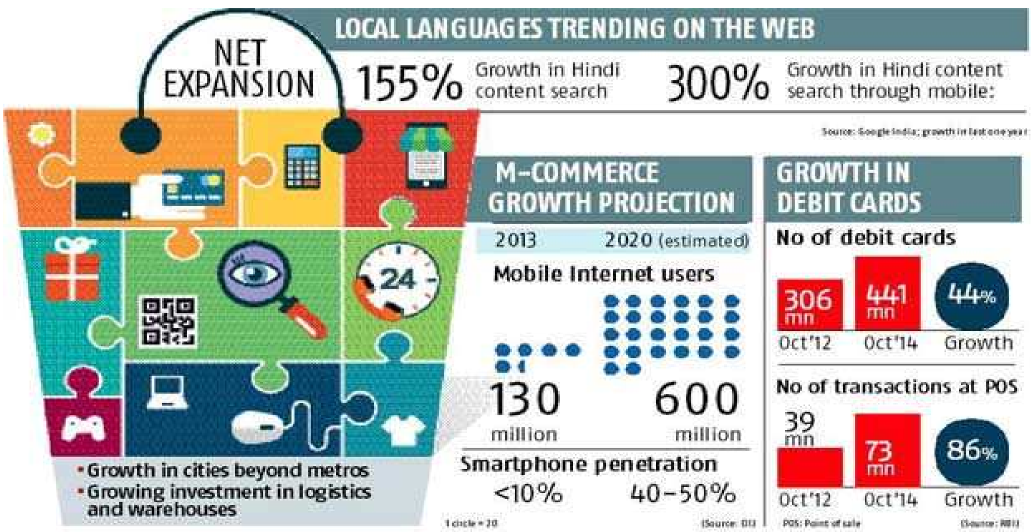
(g) More Confidence in Payment Option

Another crucial driver has been improvements in processing payments for transactions. For example, Amazon allows payment using either credit cards or electronic funds transfer. e-Bay has implemented PayPal, through which shoppers run a personal online account, enabling them to shop online without disclosing their financial details to retailers. Credit card providers have made advances in security, and increasing consumer familiarity has also improved confidence.



(h) Reducing the Mark-Up

Majority of Intermediaries are feeling the pinch from manufacturers as the Internet threatens, dis-intermediation channel networks allowing the manufacturers to sell direct to the consumers. It is possible to enjoy the cost advantages of direct selling while still maintaining an effective and economic customer service without passing the expense for either on to the consumer. Such a business model sounds too good to be true yet its configuration is simple. The manufacturer initiates a web strategy allowing it to sell direct to the customer reducing the incremental mark-up at intermediate levels.



(5) ADAVANTAGES AND DISADVANTAGES OF E-RETAILERS

E-Commerce Advantages for Customers

- **Convenience.** Every product is at the tip of your fingers on the internet, literally. Type in the product you are looking for into your favorite search engine and every option will appear in a well organized list in a matter of seconds.
- **Time saving.** With e-commerce there is no driving in circles while looking and digging in hopes of finding what you need. Stores online offer their full line as well as use warehouses instead of store fronts—products are easy to locate and can be delivered to your door in just days.
- **Options, options, options!** Without driving from store to store the consumer can easily compare and contrast products. See who offers the best pricing and have more options to choose from. While a physical store has limited space, the same store on the internet will have full stock.
- **Easy to compare.** Side by side comparisons are readily available and easy to do. When products are placed online, they come with all the specifics, and they *want* you to compare them with others, know they have the best options and come back for more!
- **Easy to find reviews.** Because the competition is high, companies online want you to look at other consumer reviews. Good and bad reviews are on every site, not only can you see if the product is liked, you can also see the reasons behind the thumbs up or down.
- **Coupons and deals.** With every online business wanting you, more and more coupons and deals can't be avoided, which are totally great for customers. With major sites that act as department store, you may find items up to 80% off! Take advantage of the competition and find the best price available.

E-Commerce Advantages for Businesses

- **Increasing customer base.** The customer base is every business's main concern, online or off. When online, a business doesn't have to worry about getting the best property in town, people from around the world have access to their products and can come back at anytime.
- **Rise in sales.** By not managing a storefront, any business will have more sales online with a higher profit margin. They can redistribute money to make the consumer shopping experience faster and more efficient. While being available to international markets, more products will sell.
- **24/7, 365 days.** If it's snowing and the roads are closed, or it's too hot and humid to even step outside in the summer, or a holiday that every store in town closes, your online business is open for consumers 24/7 every day of the year. The doors never close and profits will keep rising.
- **Expand business reach.** A great tool on the internet is…translation! A business online does not have to make a site for every language. With the right marketing, every consumer around the globe can find the business site, products and information without leaving home.
- **Recurring payments made easy.** With a little research, every business can set up recurring payments. Find the provider that best suits your needs and billing will be done in a consistent manner; payments will be received in the same way.
- **Instant transactions.** With e-commerce there is no more waiting for the check to clear, or a 30-day wait for certain other types of payment. Transactions are cleared immediately or at most two to three days for the money to clear through the banking system.

E-Commerce Disadvantages for Customers

- **Privacy and security.** Before making instant transactions online, be sure to check the sites certificates of security. While it may be easy and convenient to shop, no one wants their personal information to be stolen. While many sites are reputable, always do your research for those with less than sufficient security.

- **Quality.** While e-commerce makes everything easily accessible, a consumer cannot actually touch products until they are delivered to the door. It is important to view the return policy before buying. Always make sure returning goods is an option.
- **Hidden costs.** When making purchases, the consumer is aware of the product cost, shipping, handling and possible taxes. Be advised: there may be hidden fees that won't show up on your purchasing bill but will show up on your form of payment. Extra handling fees may occur, especially with international purchases.
- **Delay in receiving goods.** Although delivery of products is often quicker than expected, be prepared for delays. A snow storm in one place may throw off the shipping system across the board. There is also a chance that your product may be lost or delivered to the wrong address.
- **Need access to internet.** Internet access is not free, and if you are using free wifi, there is the chance of information theft over an unsecure site. If you are wearing of your public library, or cannot afford the internet or computer at home, it may be best to shop locally.
- **Lack of personal interaction.** While the rules and regulations of each e-commerce business is laid out for you to read, there is a lot to read and it may be confusing when it comes to the legalities. With large or important orders, there is no one you can talk to face to face when you have questions and concerns.

E-Commerce Disadvantages for Businesses

- **Security issues.** While businesses make great efforts to keep themselves and the consumer safe, there are people out there that will break every firewall possible to get the information they want. We have all seen recently how the biggest and most renown business can be hacked online.
- **Credit card issues.** Many credit card businesses will take the side of the consumer when there is dispute about billing—they want to keep their clients, too. This can lead to a loss for e-commerce business when goods have already been delivered and the payment is refunded back to the consumer.
- **Extra expense and expertise for e-commerce infrastructure.** To be sure an online business is running correctly, money will have to be invested. As an owner, you need to know transactions are being handled properly and products are represented in the most truthful way. To make sure you get what you need, you will have to hire a professional to tie up any loose ends.
- **Needs for expanded reverse logistics.** The infrastructure of an online business must be on point. This will be another cost to the business because money will need to be invested to ensure proper handling of all aspects of buying and selling, especially with disgruntled consumers that want more than a refund.
- **Sufficient internet service.** Although it seems that everyone is now on the internet all the time, there are still areas in which network bandwidth can cause issues. Before setting up an e-commerce business, be sure your area can handle the telecommunication bandwidth you will need to run effectively.
- **Constant upkeep.** When a business has started as e-commerce, they must be ready to make changes to stay compatible. While technology grows, the systems that support your business must be kept up to date or replaced if needed. There may be additional overhead in order to keep data bases and applications running.

6. Challenges before E-retailing in India

The growth of ecommerce volumes in India is attracting the attention of players around the globe. India, the second most populous country in the world, is home to 1.2 billion people. But India is far from being a bed of roses. Here are the top 8 challenges that ecommerce businesses face in India.

Indian customers return much of the merchandise they purchase online.

Ecommerce in India has many first time buyers. This means that they have not yet made up their mind about what to expect from ecommerce websites. As a result, buyers sometimes fall prey to hard sell. But by the time the product is delivered, they demonstrate remorse and return the goods. Though consumer remorse is a global problem, it is all the more prevalent in a country like India, where much of the growth comes from new buyers.

Cash on delivery is the preferred payment mode.

Low credit card penetration and low trust in online transactions has led to cash on delivery being the preferred payment option in India. Unlike electronic payments, manual cash collection is laborious, risky, and expensive.

Payment gateways have a high failure rate.

As if the preference for cash on delivery was not bad enough, Indian payment gateways have an unusually high failure rate by global standards. Ecommerce companies using Indian payment gateways are losing out on business, as several customers do not reattempt payment after a transaction fails.

Internet penetration is low.

Internet penetration in India is still a small fraction of what you would find in several western countries. On top of that, the quality of connectivity is poor in several regions. But both these problems are fast disappearing. The day is not far when connectivity issues would not feature in a list of challenges to ecommerce in India.

Feature phones still rule the roost.

Though the total number of mobile phone users in India is very high, a significant majority still use feature phones, not smart phones. So, for all practical purposes this consumer group is unable to make ecommerce purchases on the move. Though we are still a couple of years away from the scales tipping in favor of smart phones, the rapid downward spiral in the price of entry-level smart phones is an encouraging sign. I expect that the next few quarters will witness announcements of new smart phones in India at the $30-40 price point. That should spur growth in Smartphone ownership.

Postal addresses are not standardized.

If you place an online order in India, you will quite likely get a call from the logistics company to ask you about your exact location. Clearly your address is not enough. This is because there is little standardization in the way postal addresses are written. Last mile issues add to ecommerce logistics problems.

Logistics is a problem in thousands of Indian towns.

The logistics challenge in India is not just about the lack of standardization in postal addresses. Given the large size of the country, there are thousands of towns that are not easily accessible. Metropolitan cities and other major urban centers have a fairly robust logistics infrastructure. But since the real charm of the Indian market lies in its large population, absence of seamless access to a significant proportion of prospective customers is a dampener..

Overfunded competitors are driving up cost of customer acquisition.

The vibrancy in the Indian startup ecosystem over the past couple of years has channeled a lot of investment into the ecommerce sector. The long-term prospects for ecommerce companies are so exciting that some investors are willing to spend irrationally high amounts of money to acquire market share today. Naturally the Indian consumer is spoiled for choice. However, this trend has reversed as investors are getting worried about slipping further down a slippery slope, and I expect more rational behavior in 2014.

(7) CONCLUSION

Consumers are always hungry for modern ways of shopping. Indian retail sector is growing fast and its employment potential is growing fast. The retail scene is changing really fast. Retaining the e-customer is a tough challenge. The internet customer is very hard to predict and is different from the normal customer. The current growth in e-Retailing was driven by start-ups, and backed by venture capital and entrepreneurship. While the Indian e-Retailing market is yet to achieve a steady state, these initial entrants have succeeded in capturing the imagination of a sizeable consuming class. These have also acted as a catalyst in the creation of an ecosystem necessary for the growth of e-Retailing. E-Retailing is an integrator of technology, logistics, and infrastructure, and creates a relatively efficient marketplace for vendors and consumers. At present, the Indian e-Retailing market is limited by its incapability to play the role of an efficient integrator-Retailing possesses the potency to create new capabilities which India needs and offer viable employment to Indian youth over the next decade. It has the prowess to act as a catalyst and support the growth of new skills and industries. The future of electronic retail is indeed the future of retail. However, electronic shopping will transcend the mere transaction and become a pillar of daily virtual activities. On-line purchasing activities will be only a part of a new e-lifestyle. It is the transition and acceptance of the virtual world as part our concrete world that will allow e-shopping to conquer the retail consumer market. Electronic shopping will be faster and cheaper. It will be a time-liberator. The retail power of the Internet will be the catalyst of a new e-lifestyle age that will enable people to be more social, recreational, and fulfilled.

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Recent Trend of Rural marketing strategies in Bihar- A comprehensive study

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India is a country of villages, the rural population is 68.84% in India and 88.70% in Bihar, there are 6, 40,867 Villages in India and 44,874 villages in Bihar.
In this paper we try to investigate the marketing strategies of rural market in Bihar as well try our level best to show how .rural India is going to become a biggest market of the world in the near future and it is transforming like anything in this dynamic world. Rural marketing is a visit to the 75 crores people residing in the villages of India where they have hope, aspirations, needs and potential. In the present scenario, rural markets have acquired significantrole in countries like China and India which leads to overall growth of economy in coming years which has resulted from substantial increase in purchasing power of rural communities. With the advent of green revolution in India, rural areas areconsuming a huge variety of industrial and urban manufactured goods which leads tospecial marketing strategy which is known as rural marketing. Therefore, we can say that as environment of rural markets keeps on changing, its market profile is also going to be change and people are changing themselves. So, the companies areapplying several models and strategies to be a winner in rural market in Bihar.

Key words: Demographic Profile, Rural Market, Rural Branding, Marketing Strategies, Future Challenges,TRMI.

Introduction:

India is a vast country having an area of 3.3 million sq.k.m and villages housing two third of its people earning one fourth of the national income. There are about 47000 rural haats in India and 4,993 rural haats in Bihar .The rural share in both FMCG and durable categories has grown beyond 50% from 25% in eighties .The fact on rural market bloom have filled the news. Villages are desperate for appropriate services at affordable cost from education to market access from telecom to health care, from financial intermediation to entertainment but the non-availability of such services linked to the lack of perceived opportunities in rural areas.

The Indian economy has seen consistent overall growth in recent years especially in ruralareas. With improved communication network gave a huge fillip to the rural economy and income, resulting in higher penetration as well as increased consumption rate. The purchasing power of the rural communities has grown significantly due to improvement in agriculture productivity. The Indian rural market, with its vast size and demand base does offer great opportunities' to markets. More than ¾ of the consumers lives in ruralareas from which half of the national income is generated. So, there is a need to tappedrural market if companies want to be surviving in today's dynamic world.

Defining Rural Area:

According to census of India 2011 "the rural market has been defined as a place where the population is not more than 5000, the density of population is not more than 400 per square kilometer and at least 75% of the male working population is engaged in agriculture."

According to Reserve Bank of India,-"location with population up to 10000 will be considered as rural and 10000 to 100000. It is defined as a group of people who are traditionalists, rooted in land and who generally resist change. So, According to Census of India (2001) defines rural area as which comprises following:

- Minimum population of 5000,
- At least 75% of male workforce engaged in non-agricultural activities,
- Density of population over 400 per sq.km.

Another simple definition of Rural Area would be "It will represent a community in rural area with a population of 2500 to 30,000."

Rural marketing is similar as simply marketing. Rural marketing differs only in terms of buyers here as they have different perceptions so target market consists of customers living in rural areas. Thus rural marketing is application of marketing fundamentals {concepts, principles, theories etc} to rural marketers.

So we can say that it require the understanding of rural complexities. Indian agriculture industry has been growing at a tremendous pace in the last few decades. The rural areas are consuming a large number of industrial and urban manufactured products. This has designed a new way for understanding a new process which is called RURAL MARKETING.

Meaning of Rural Marketing

According to The National Commission on Agriculture, "Rural marketing is a process of developing, pricing, promoting and distributing rural specific goods and services leading to desired exchange with rural customers to satisfy their needs and wants, and also to achieve organisational objectives."

According to Jha, rural marketing is a typical process and contribution of rural and marketing is being used in different ways that have gained more and more importance in the available markets.

Size of Rural Market in India

- According to the Census of India village with clear surveyed boundaries not having a municipality, corporation or board defined the size of rural market as follows:
- Density of population not more than 400 per Sq.km
- 75% of the male working population engaged in agriculture activities.
- There are 6, 38,000 villages in the country of these 0.5% has a population about10,000
- 2% have population between 5,000 and 10,000 around 50% has a population lessthan 200.
- The FMCG and consumer durable companies, any territory that has more than 20,000 &50,000 population respectively in rural market so for them it is not ruralIndia which is rural.
- According to the census of India 2001, there are more than 4000 towns in thecountry. It has classified them into 6 categories around 400 class-I to towns with 1,00,000 population.
- 498 class-II towns with 50,000-99,999 population,
- 1368 class-III towns with 20,000-50,000 population,
- 1560 class –IV towns with 10,000-19,999 population
- It is mainly the class-II & class-III towns that markets term as rural.

Demographical Details of Indian Rural Market

- Rural Population is 68.84% in India and 88.70% in Bihar.
- About 285 millions live in urban India where as 742 millions reside in rural areas.
- There are 6, 40,867 Villages in India and 44,874 villages in Bihar (according 2011census)
- The No. of middle income & high income households in rural India is expected togrow from 46 million to 59 millions.
- Size of rural market is estimated to be 42 millions household and rural market has been growing at 5 times the growth of the urban market.

- Increase in agricultural productivity leading to growth of rural disposable income.
- Our nation is classified in around 450 districts & approx. 6, 30,000 village which can be stored in different parameters such as literacy level, accessibility income levels, distance from nearest town etc.
- The rural market accounts for 1/2 of the total market for TVs sets, fans pressure cookers, bicycle's, washing soap, tea salt & tooth powder, what is more, the rural market for FMCG product is growing much faster than the urban market.
- Twenty years hence, the 2011 census shows that only 4.6 per cent of India's population has ownership of all four assets - television, computer/laptop, scooter/car and telephone/ mobile phone.
- While the limiting asset is computer with only 9.5 per cent ownership, 21 per cent owns a scooter and 63 per cent owns a phone.
- And while roughly 30 per cent of India's population lives below the poverty line, 17.8 per cent owns none of the specified assets in the census chart.
- Then, which is the rising middle-class, and which of these middle classes do Rahul Gandhi and Narendra Modi refer to in their promises of the future?
- While there is the so-called affluent belt from Himachal Pradesh through Punjab, Haryana and UP in the north, and a chunk of Kerala, Tamil Nadu and Andhra in the south, in Chandigarh, the most affluent state in terms of ownership, this is true for only 28.6 per cent of households.
- In contrast, a poverty belt starts from the tribal belt of North-West India, which includes the Central India Tribal Belt, parts of Bihar, Orissa and the North-East. Moreover, inequality is rising both between and within affluent and poor states, for instance, in Maharashtra and Bihar.
- The great Indian growth story is not trickling down. So, are we the 4.6 per cent? The 17.8 per cent? The 21 per cent? Or the 63 per cent? Are you the middle-class that the political class is trying to woo?
-

PARADIGM

Many comprehensive theories/models have been developed within the field of consumer behavior (HARWARD and SHETH 1969; NICOSIA 1966). Models have also been developed for specific context, such as for family decision making and information processing. These theories have played an important role by detailing how various factor influence consumer behavior. An extensive review of literature reveals that there is no simple framework that lends itself to a comprehensive study of consumer behavior. The paradigm proposed four sequential stages to represent the purchase and consumption processes. These four stages are named as **Access, Buying behavior, Consumption characteristics and Disposal.**

STAGES OF THE PARADIGM

The four stages are briefly described below:-

ACCESS

The first step is to provide access to the product/services for consumer within rural areas. Access pertains to physical access as well as the economic access. BUYING BEHAVIOR

This stage encompasses all factors impacting decision making and choice within a rural area. Example of these factors includes perception, attitude and consumer responses such as brand royalties.

CONSUMER CHARACTERISTICS

The specific products/services that are purchased and consumed may be different in each area. The cultural orientation and serial class distribution will determine consumption pattern within a culture.

DISPOSAL

Many rural areas are becoming more environmentally conscious and are moving away from throw away products. Hence marketers need to design systems to facilitate the safe disposal, recycling, resale of products. They also meet their social responsibilities especially in relation to public safety and environmental pollution.

APPLICATION OF PARADIGM

The paradigm offers a general framework to understand consumer behavior within any rural market. Secondly, in order to understand the broadest possible range of consumer behavior within any culture, the paradigm encompasses all aspects of purchases and consumption within a simple framework. Third, the four stages are arranged in a hierarchical fashion from the consumer's viewpoint. There can be no buying behavior unless products and services can be accessed and there can be no consumption unless there is buying behavior etc. This approach also gives the marketer a systematic way to prioritize the marketing folk within a country, access issues should be considered first and disposal issues should be considered last. Note that this does not imply that disposal issues are any less important than access buying behavior or consumption issues since all four steps must ultimately be addressed. The added paradigm encourages managers to examine each stage from multiple perspective and is therefore consistent with the cross functional approach.

Present Status of Rural Marketing in Bihar

In Bihar the concept of rural marketing environment is complex which is changing continuously. So, the marketing organization who wants to target rural market should foresee and adopt strategies to change in requirements in the market... An adaptive organization can stand competition or have a modest growth. An organization which makes its effective marketing plans and its own strategies in a creative way and creates opportunities in the market with change in the dynamic environment is proves to be profitable for them. Therefore, in India there are numerous factors which affect the consumer behaviour: Rural market for rural entrepreneurs will need improved services for users to facilitate marketing of the local produce, creating an element of market security for the growers. It can also produce effective credit, marketing links. Rural Banks may be encouraged to provide mobile banks to clusters on haat days. NGOs and local lead bank also need to evolve close partnership to work in partnership for several DRDA Programmes;

Environment of the Consumer

In India, the environment or the surroundings in which the consumer lives has a very strong influence on the buyer behaviour. i.e. electrification,water supply effects demand for durables.

Geographic Influence

The geographic location in which the rural consumer is located also affects the thought process of the consumer buying behaviour. For instance, villages in south India accept technology quicker than in other parts of India. Thus, HMT sells more winding watches in the north while they sell more quartz watches in the south.

Influence of Occupation

As we know occupation is the main source of income for any individual living in this society which is same applicable in rural areas i.e. the land owners and service can buy more of category2 & category3 durables than agricultural labourers.

Place Of Purchase

Company's need to access the products to rural consumers which mostly influence the purchase decision of any rural consumer. So, an organisation needs to develop various shops where retailers will give better services.

Creative Use of Product

The study of product and provides indicators to the company on the need for education and also for new product ideas. E.g.:- Godrej hair dye being used as a pain to the color horns of ox. Washing machine being used for making lassie.

Brand Preference and Loyalty

The people in rural market will not give preference for brand products but they give importance for loyalty of the product. i.e., 80% of the saleis branded items in 16 product category.

Marketing Strategies for Rural Market

Rural Market Segmentation

As these are the above factors which leads to influencing the behavior of rural consumer which requires a lot of efforts from company point of view to make rural consumer more satisfy. In response to this, now a days organization are begin to focus on segmenting the market as describe as follows:

Demographic Factors

Demographic factors are most significant factors which are taken into detailed consideration for market segmentation of consumer goods and fast moving consumer goods (FMCG). In case of rural marketing i.e. to sell goods in rural areas, demography profile of consumers is came into the picture. Some of the segmentations are as below.

Occupational Segmentation (or) Sociological Segmentation

This segmentation is based on economy vice categorization which reflects the purchasing power of a farmer which includes:

- Artisans, farm laborers
- Small farmers
- Tenant farmers
- Medium level farmers

- Large farmers
- Very large farmers, zamindars

Artisans And Others

This covers carpenters, blacksmiths, handy-crafts, people are unemployed.

Tenant Farmers

Working on rented land to share the crops with owners of the land.

Small Farmers

Who own small farms are jointly owned farms for getting food.

Medium level farmers

Who own small farms are jointly owned farms for getting food.

Large Farmers (or) Rich Farmers

Who have large lands and all local leaders they spend types in urban areas and doing other occupation.

Very Large Farmers, Land Lords (or) Zamindars

Zamindars, rich money lenders and business men who own big size lands and maintainlarge size farm labour. Normally they spend time in nearby urban areas with politicians. From the above the small farmers and tenant farmers will struggle for basic needs but the medium level farmers struggle for comforts. But the large farmers will not struggle forbasic needs and comforts.

So the marketers target only large farmers and very large for segmenting the market. Apart from this, there is another type of segmentation which would be sometime appliedby companies which is known as TRMI–Segmentation.

Thomson Rural Market Index (TRMI) Segmentation

Hindustan Thomson associates ltd developed a guide to market segmentation for an organisation in 1972 and which was revised it in 1986. They collected data in 335 districts based on 26 variables finally they arrived on 10 selected variables having strongco-relation with rural market potential.

- Agricultural labourers
- Gross cropped area
- Gross irrigated area
- Area under non-food crops
- pump sets.
- Fertilisers consumption
- Tractors
- Rural credit (udhar)
- Rural deposits & village electrified.

Based on these factors, the districts are classified as A, B, C, and D&E. Which are inorder of high potential market to low potential market.

Rural Branding

Branding is a practice of giving specified name which helps to creates individuality in the product and it can be easily recognised from rival product in the market. So , the term brand is broadly applied to all identifying such as trade names, trademarks trade symbols etc… e.g.:- Pepsi, lifebuoy are brand names it is recognisable by sight normally ,the rural consumer likes to stick to brands that give value for money. Some of the brand names that have created lasting impact on rural consumers are as follows:

- Every day batteries: - Battery with cat as a symbol
- Lifebuoy
- Asian paints mascot
- Dabur Chawan Prash
- Parle
- Tiger
- Parachute
- Amul
- Sudha
- Zandubalm
- Tata salt
- Nirma
- Textile & Footwear: - Remonds, banarsi, rupa, liberty.

Rural Market Research

As we above analysed rural market behave most differently from urban markets from past years but now it has a potential to capture it up to a large extent. So, many marketers have tried to market their products in rural areas but only Just a hand full of sum only has succeeded. Therefore there is a need to strong insight into rural consumer behaviour and sensitivity to their values and beliefs is essential to upgrade the rural market research not just gathering data but analyzing them and linking the findings to promoting their products. Rural communication campaigns communications for rural markets calls for a different kind of outlook. These have to be developed in the regional languages and set in the local culture for easier acceptance and reach to the customers. Besides mass and outdoor media rural extravaganza (cultures) like temple, festival, melas, and other events where the villagers come together can be used for promotions.

Rural Events

In the rural context, one of the best ways to capture the attention of the audience is through event management. Since rural areas have limited venues for entertainment, conducting an event in rural areas can bring a good response.

Rural Direct Marketing Campaigns

Direct marketing is one of the most powerful and reliable way to meet the target customers and build product awareness as well as promotion. The success of any direct marketing campaigns depends on the fieldworkers and their sensitivity and emotional connectivity to rural markets.

Data Base Creation And Management

Marketing branding and promotional activities in rural context can be highly effective and thereafter have to create a database of prospects in order to capture rural market. This data is essential for marketers to reach their target accurately and helps marketing plan and communication strategies.

Product Strategies In Rural Market

Product strategies used by companies in rural markets are given below:

Types of products	Description of the product
Sturdy products	Durable , heavier , long lasting
Designing products	Developments of new products
Small –unit packaging product	Use of small container or packet means sachets Products
Utility products	More usable products

Table 1

Sturdy Products

Most of the rural consumers believe that heavier the item, higher the power and durability, they prefer tough and long lasting product. e.g bullet motor cycle continuous to be popular in villages; royal Enfield sells about 65% of two wheelers in semi urban and rural areas; ambassador cars continuous to be popular in rural areas.

Designing Products

a. The company's can come out with new products or promote existing products to suit field conditions in rural areas shown with examples as follows :
b. L.G electronics came out with a unique product for rural market. It launched sampoorna India's first T.V with a Devanagari script on screen display.
c. Voltas has introduced a refrigerator for rural areas direct cold technology keeps the refrigerator cold for several hours in case of long power cut.
d. Nokia's basic model is dust resistant and has a mini torch light for using in rural areas.
e. Samsung launched android phone for rural people.

Small Unit Packing

a. It has been used for money consume products. Small units packing provide an opportunity for the consumers to try the product and help the company to reach consumers like daily wage earners.
b. Ponds has gain market share over the past few years, focusing on rural market ant it has introduced 20grams talcum powder. Cavin kare studied rural buyer behaviour and introduced chik shampoo in small sachet of 4ml at a low price of50ps.
c. Bathing soaps for Rs. 5: Lux, Santoor, Lifebuoy. Weights of these bathing bars vary from 30 to 40 gm, but the price point is identical.
d. Detergent bars for Rs. 5: Wheel Activ (190 g), Rin (significantly different weight, at 115 g.)
e. Tea & coffee powder for Rs. 5: Brooke Bond Red Label, Tata Tea, Bru, Nescafe. Tea is also available in Re 1 and Rs. 2 sachets.
f. Rasna is now available in sachet pack priced at 1rupee each and one sachet will make 2 glasses of soft drink
g. Godrej Sara lee has single coiled sachet of goodnight coil for rural Products

Utility Products

a. The rural people are concerned with the utility of the items rather than appearance or show.
b. Philips has introduced free power radio RL117 priced at 995/- for the first time in India. The radio requires no external batteries or electricity for operation.

c. HMT watches are popular for utility value.

Challenges of Rural Market

All these above described are strategies which normally used by the marketers to capturea large share of rural market in order to get significant profits for a company at large.

Inspite of this there are some challenges exist in our Indian economy which are faced by companies while implementing these strategies that can be explained as follows :

Under Developed People

As we know our rural society is found by tradition, old customs, practices etc. The impact of modern science & technology has made very less impact of the old beliefs are still continuing.

Under Developed Market

In spite of provision of credit facilities by govt. of India, yet rural markets are not developing so much because of inadequate banking & credit facilities. Therefore, rural market needs banks to enable remittance, to transact on credit basis and to obtainedcredit support from the bank. At present every 48th village in India only has bank.

Poor or Improper Communication Facilities

Most villages even today largely depends on telegrams and phones for their communication which requires print media and visual media [Television cinema] etc reaches only about 20% of rural Indians.

Many Languages

India is a country of many languages. Language becomes a barrier in effective communication in the marketing efforts. The languages vary from state to state, place to place, district to district there are now 18 schedule national languages and every 3kilometere change the local tongue.

Vastness & Unevenly Spread

Rural market consists of approximately 75 cores rural consumers spread across approximately 6, 38,365 villages. Despite the urban migration, the rural areas continue to be the place of living for a vast majority Indians.

Low per Capital Income

This is one of the most crucial challenges which is faced by most of farmers who has small lands and many villages are brought prone, this result in low per capita income of rural consumers which in turns result in low consumption pattern as compared to the urban population. So, we can say that this proves to be challenge for a marketer to decide about quantities, frequency of distributions, package size etc… due to the low per capitaincome of the rural people.

Poor Infrastructure Facilities

Infrastructural facilities like roads, ware houses, powers etc are inadequate in rural areas. Infrastructural cost are very high and impact adversely in the rural marketactivities.

Seasonal Demand

Rural economic is seasonal, rural people have two seasonal namely khariff & Rabi. Villages have money mostly in these seasons. As village income is seasonal, demands are also.

Conclusion:

From above analysis, it clearly indicates that a vast market emerged in the rural sector in Bihar, The rural market is very large as compare to the urban market as well as it is more challenging market. The rural consumer wants those products which are long lasting easy to use and available on cheaper price. The income level of rural consumers is not as high as the income level of urban consumers that is why they prefer low price products. It is right the profit margin is very low in FMCG products but at the same time the market size is much larger in rural areas.

So, the rural market has untapped potential, but it is different from the urban market. So it requires the different marketing strategies and marketer has to be successful in the rural market. While current consumption is restricted to essentials in the packaged category, it would not be long before consumer durables start making inroads. I think next century will certainly witness the entry of personal products in the rural areas which makes Bihar's largest consumer society in the India.

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Impact of Adaption of E-Commerce Technology –A Review of An Indian Inclination

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This work seeks to analyze if there is an impact from the adoption of technology used for online transactions, starting from the theories of adoption of electronic commerce as well as the strategies that companies choose to develop a competitive advantage, the models on economic interactions, the barriers on the part of companies to be included in the electronic marketplace, Indian data are revised in recent years to review the trend that has been e-commerce and exploratory.

Keywords: Adoption, e-commerce, strategies, Indian Scenario.

1. Introduction

E-commerce transactions are digital channels, which in many cases include data exchange for transactions between businesses or consumers. Within the e-commerce there are different types of models which are named according to the actors involved in them, either consumers, corporations or government, should be analyzed that although the relationship between companies is showing increased volume of trade is very interesting to review the models formed from these relationships. To see how e-commerce behaves in India is attractive because it has only begun to take important and forecast to grow in the coming years. While some authors note that electronic commerce provides benefits to firms, but Mata, Fuerst and Barney (1995) argue that although the literature agrees that IT resources alone do not produce competitive advantage, produce business value when combined and coordinated with other organizational and environmental resources. Retailers are facing a kind of increasingly demanding and better formed that access to consumer brand from different channels, from waiting for a completely homogeneous purchase experience: speed, convenience and customization are undoubtedly attributes expected by consumers in these interactions with the brand. It is to analyze whether to adopt e-commerce is an advantage.

2. Theoretical framework

Alongside the institutional theory, Tornatzky and Fleischer (1990) discuss the framework TOE which is one of the theories that guide most frequently used in the investigation of technology adoption. It identifies three types of factors that affect the adoption of technology innovation: technological context organizational context, for example, the size, the complexity of management structures, communication processes, the availability of slack resources, and context the environment, e.g., industry characteristics and market structure, IT infrastructure, government regulation). All these are under TOE because it is a well-defined framework. It is also consistent with the theory of diffusion of innovations Rogers (1993). Institutional theory suggests that organizations face pressures to conform widely to the practices and policies that are considered legitimate in their institutional settings. In the work of DiMaggio and Powell (1983), to do so may deny them the resources and social support to be competitive. The TOE framework is used to study the diffusion of innovations of various system information, including technical tasks, supporting business administration and information system innovations integrated into the core business (Swanson, 1994). Internal technological resources such as infrastructure, expertise, time developer and user are significant for success is the adoption (Lancioni, Smith and Schau, 2003). There is evidence in the literature that various technological, organizational and environmental factors distinguish adopters of e-commerce for non-adopters and influence the extent to which firms adopt these technologies. Some firms are unwilling to commit the resources to participate in online markets, while others devote their resources to establish the necessary processes to participate in the online business, according to Grewal, Comer and Metha (2001). A theory that has been widely used in the adoption of innovation and the adoption of e-commerce literature is the resource-based theory. Sila (2013) tells that the resource-based theory argues that firms are heterogeneous resources that enable them to achieve a competitive advantage and superior long-term performance. In an important context for companies to prepare their strategies and practices to adapt to different cultures, legal frameworks, geographic regions and industry structures context. However, research often focuses on "general theories" and puts relatively little attention to the boundary conditions, and to direct and moderate the influence of contextual variables (Hofstede, 1993).

3. E-Commerce

Some authors like Laudon and Traver (2013), and Owens (2006) define electronic commerce such as transactions and activities that occur in the WEB. More formally, digitally enabled commercial transactions between two or more organizations and individuals. Commercial transactions involve the exchange of value across organizational or individual borders in exchange for goods and services. Exchange value is important for understanding the limits of e-commerce as Figueroa, Hernandez, Gonzalez and Arrieta (2013). E-commerce allows to understand how companies have developed in recent years and the adoption of electronic commerce to their procedures have grown significantly to improve their conditions regarding presence in the international market and break down barriers and reduce costs by removing intermediaries in the value chain. The literature on electronic commerce reveals that the adoption of electronic commerce potentially brings significant benefits to SMEs as support and Argoneto Renna (2010).

The composition of electronic commerce has remained fairly constant over the past 10 years. E-commerce is dominated by business-to-business (B2B) sales which are often handled through electronic data interchange (EDI). Approximately 90% of the value of e-commerce is B2B. Social networks and participatory web are also used increasingly to market and sell products online in a way that is best suited to individual users. Electronic commerce is present in economic life before the proliferation of the Internet. It must be noted that within the e-commerce it has developed mechanisms to that information technology is there to accelerate as it has a strong presence when doing business that is in real time. This means that it can give extremes on the planet since by reducing intermediaries; it has a direct relationship between businesses and consumers. Therefore, transaction costs are reduced and allow entering a global market to offer and demand for goods and services, these characteristics that differentiate the traditional e-commerce.

Porter (2001) speaks of the internet architecture, along with other improvements in software architecture and development tools, has become a much more powerful tool for the strategy as these help differentiate companies with presence in e-commerce. If the same products may well have a clear differentiation this can be how the products are offered by web development and offline treatment, which it refers to all sales processes that have to do with the customer after transaction. To obtain these benefits, however, companies need to stop their rush to adopt generic "out of the box" packaged applications and instead tailor their deployment of Internet technology strategies for their particular applications. Although it remains difficult to customize packaged applications, the inherent difficulty of the task contributes to the sustainability of the resulting competitive advantage. Small businesses have both greater need for resources and an increased risk of appropriation of their own resources and are challenged to compete and collaborate with companies that often have more resources, power and broader social networks (Klijn, Reuer, Buckley, and Glaister, 2010).

Sales of consumer goods to the general public via the Internet, also known as Retail Internet has generated through e-commerce websites and through pure operated by retailers based store on sales sites. Sales data are attributed to the country where the consumer is based, rather than is attributed where the retailer is based.

4. Barriers of e-commerce

According to the UNCTAD, it is reviews that there are a number of factors that can restrict commerce, and divided in to three groups of economic, socio-political and cognitive barriers. Among the economic obstacles include the inadequacy of ICT infrastructure and its use, lack of reliability and the high cost of electricity supply, the limited use of credit cards, the lack of purchasing power and the low level of development of financial systems. Among other socio-political obstacles include weak legal and regulatory frameworks, cultural preferences through personal contact and trust of society exclusively in cash. Finally, there are also a number of cognitive obstacles, including low levels of computer literacy and understanding and knowledge of e-commerce, both among consumers and among businesses.

5. Models E-commerce

Kumar, Raghavan, Rajagopalan and Tomkins (1999) help to conceptualize ideas, business models as a new organization which speaks of the constancy of the elements that guarantee competition, also involves an investment in the traditional value chain. Definition of customer-focused value, many aspects focus on customer preferences, through highly flexible processes, the client receives the new valuation by the speed of care, personalization and relationship between quality and price. Models on electronic commerce as Tapscott gives the concept of business-web as a business model whose support is the network and which encompass a need to carry out environment. Timmers model that focuses on the value chain the company promoting its products and services and the most tangible consumer benefits are lower prices and greater variety best information convenience. The Timmers model has been widely used for the subjects of "Bussines web" to measure the relationships between companies and consumers.

A) Business-to-Consumer (B2C) E-commerce

It is best known type of electronic commerce where business presence in online sales reaches consumers. This includes the purchase of goods and services retail products and content online, although according to data of international organizations is relatively small. It has grown exponentially and has extensive international presence by Laudon and Traver (2013). There are seven business models for B2C such as portals, online stores, content providers, brokers' transaction creators market, service providers and community providers.

B) Business-to-Business (B2B).

The model of business to business (B2B) e-commerce is based on transactions made by companies with other companies and it is the model that represents the largest volume of electronic commerce and this poses to Laudon and Traver (2013) a size potentially huge. There are two main business models used in the arena: Net B2B Marketplace, including e-distributors, e-procurement, trade and industry consortia and private industrial networks, including networks of individual companies and whole networks the industry. Helgueros (2010) considers the full range of actions that can occur in two organizations, such as purchasing, vendor management, payment management, procurement, and tasks as service and support. This method accounts for 80% of e-commerce in recent years. Some advantages of this type of electronic commerce are reducing transaction costs and reducing time.

C) Consumer-to-consumer (C2C)

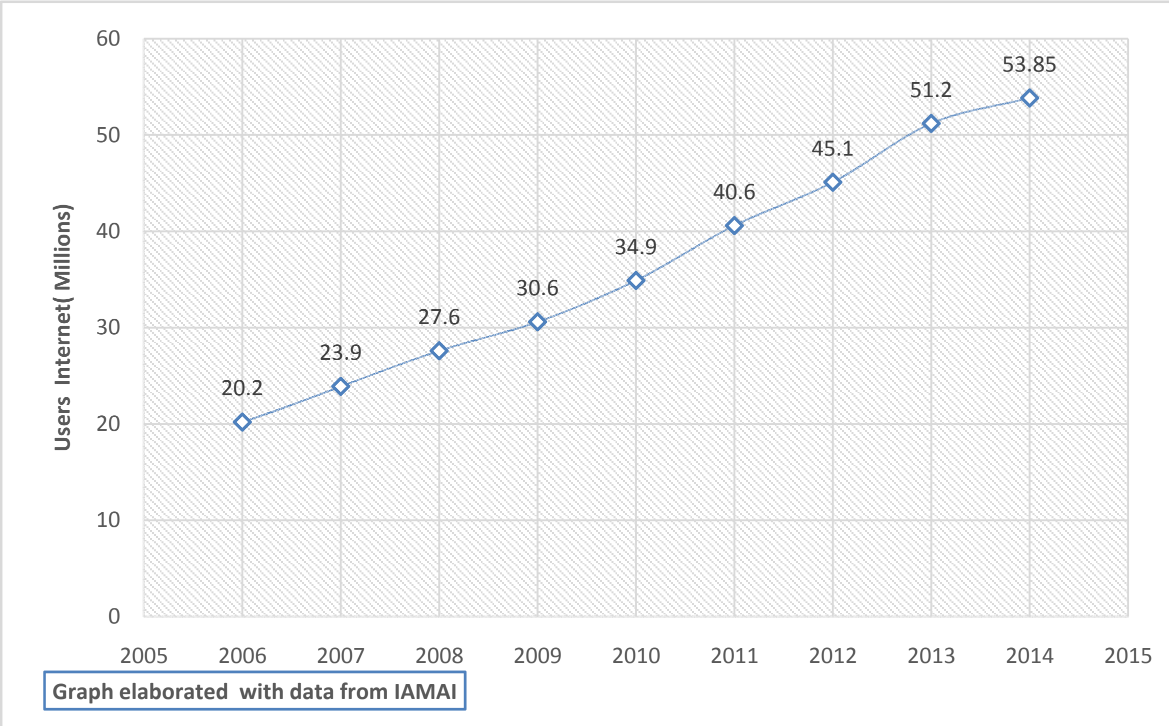
This type of e-commerce consumers speaks of selling to other consumers usually for online sales through auctions as a first consumer electronic market places or using search engines to easily display a catalog of goods or services

6) Electronic commerce in India

E-commerce is changing the economy and how business is done these days. It obliges e-commerce companies to find new ways to expand markets where they compete to attract and retain customers by adapting products and services to their needs, and restructure their business processes to deliver products and services more efficiently and effectively.

In this section based on data IAMAI, it will be established how it behaves in Indian e-commerce in recent years analyzing the number of users, how Indians spend in the electronic market and their preferences. Based on data from the IAMAI in India, it has had significant growth in the number of internet users as shown in Figure 1, of which 37% have made at least one purchase online at year. Internet users are an important data because they are potential consumers in electronic commerce which have certain barriers to online shopping, such as how access to a computer, internet access, and access to a credit card. Internet users in the event India must remember that as far as Internet providers are subject to a strong oligopoly who's most important is the TELMEX Company.

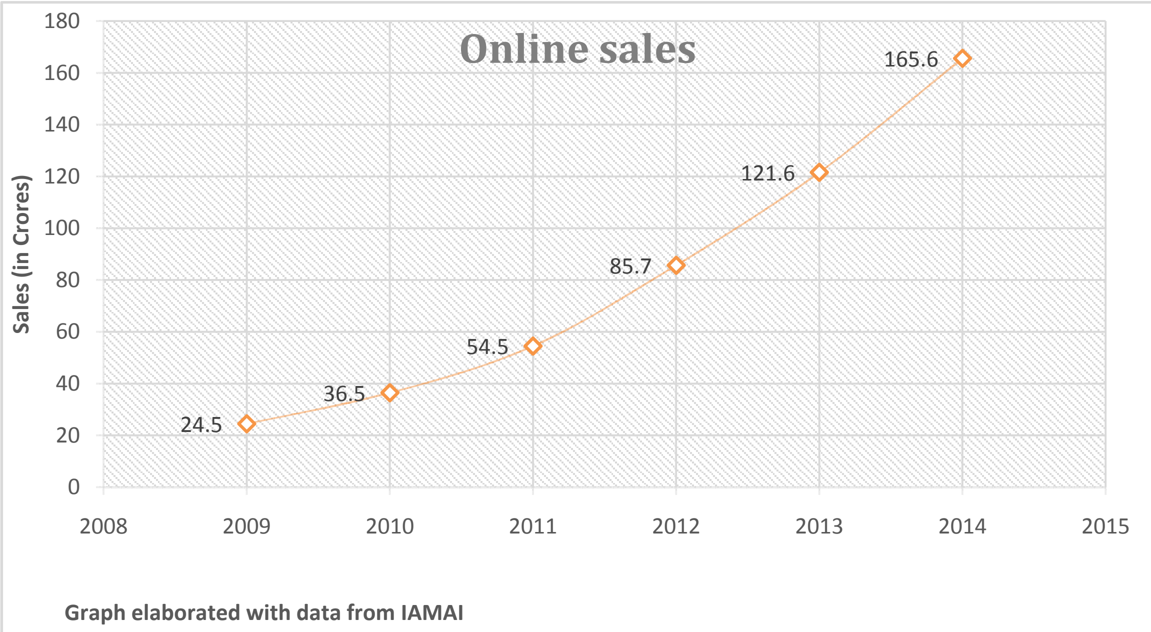
Figure 1: Year Wise Trend of Internet users in India



Source: Authors' Elaborations from data of IAMAI (2015).

Internet sales as shown in Figure 2 show that for the year 2014 amounted to 165.6 crores represented 36% increase over the 2013 and expected in 2015 reach 180 crores, which represents a large increase in relation to the volume of e-commerce to GDP in the last six years for the Indian economy. It is clear to say that the growth of electronic commerce has but grown significantly. This will be increased in a smaller volume over time because this growth will depend on how much will break the barriers of electronic commerce by businesses and consumers. Among the most relevant data for electronic commerce must be 97% of the people who have made purchases online, would continue again. Thereby the user experience is positive in recent years and increased at constant rate. The internet users, as well as India has worked in the legal aspect and regulations in order to provide internet security to Internet users who wish to make purchases, thereby giving credibility to electronic commerce through institutional measures such as quality seal IAMAI (Internet and Mobile Association of India) that gives prestige to the companies that own and at the same time gives certainty to the consumer.

Figure 2: Year Wise Sales Trend by Internet in India



Source: Authors' Elaborations; data from the IAMAI (2015).

New knowledge and skills need to be acquired or developed by companies that enter into e-commerce to successfully enter new electronic markets ranging from cultural differences, the type of institutions which are sought through agreements to regulate cross-border transactions by email to regulate certain aspects of the companies which should work on bringing international rules, and new agents that appear today in e-commerce in the form of intermediaries in electronic commerce markets. The strategic research should be done to have the best decisions around how to enter this electronic market and how to have a presence that may be relevant to SMEs.

Some firms are unwilling to commit the resources to participate in online markets, while others devote their resources to establish the necessary processes to participate in the online business (Sila, 2013). But today there are more companies that innovate in the field of internet to start making e-commerce while they are still few compared to other countries, India is in a good time to tip its perception of sales to online channels. The corporate strategy is formulated with the highest administrative levels of the organization and the action plan of a diversified company that covers all levels of its multi business model. According to Moreno (2014), the strategy should consider several points as seen in industry what its scope will be, to find the most profitable places and see how it uses its resources to expected results and even how it should invest. David (2003) states that the implementation of strategies is the implementation of the results obtained in the process of formulating and implementing a plan should know how the business works and there must be motivated staff that shares the vision of the company. I can count at any time adapting to a change in the way of implementation.

Indian consumers are choosing in higher proportion to make their credit card payments at the few choices they have to do so by branch payments, online payments (PayPal) or in stores, This leads to certain Internet users cannot acquire products online because they do not have a credit card, and this limits them to grow sales at certain points because they should expect an increase in options for payments by companies. Within Indian consumers, companies are seeking to adopt strategies as the plus they can offer in terms of promotions, such as from reducing costs implied in the electronic commerce of the base price that the consumer appreciates in the market. Companies can reduce costs and offer some kind of promotion as discounts, free shipping, and months without interests, gifts, rebates, and other. Having companies with online sales or the ability to buy or sell products or services is critical for the advancement of e-commerce, which helped small businesses to be more competitive and thus to be postulated to become traders worldwide.

The role of electronic commerce in the internationalization of enterprises and the use of ICT in the same, in which the information is a pillar of the economy, is the reason why firms investment in technology. Considering the integration of companies in their adoption of e-commerce, an important point is the one which seeks to remove certain intermediaries between the company and the consumer, the presence of SMEs in the Internet as marketing and the huge advantage that comes with the firm position of internet users in certain regions (catchment customers) to recognize the advantages achieved by having direct communication with consumers to try to go removing information as symmetries by the pre-sales though the online chats that make sales.

An analysis of production and distribution capacities of companies which are unable to compete in volume with transnational firms, but they can win certain niches in the search of market and leverage its advantages in the process of innovation. These processes must be more authentic as there is no real way for both companies and users who are more demanding on the electronic market. As their cognitive level increases, according to this, information allows to compare and review reputations of sellers (Free market), choose based on what offer Internet suppliers in the same product and gain access to international markets and have more options. Although there are no further developments to diminish both costs for international purchases making more accessible to the consumer, who may have also more options.

7. Model of Porter's Five Forces

The forces of Porter (1980) are the threat of new entrants, rivalry among existing firms, the threat of substitutes, bargaining power of suppliers, and the bargaining power of buyers. This model applied to electronic commerce can give a great application to electronic commerce. From this can be analyzed some important concepts of electronic commerce using the model as a basis.

A. The bargaining power of buyers
B. The bargaining power of suppliers
C. The threat of new entrants
D. The threat of substitute products.

Within the model of Porter (1980) luring electronic commerce bargaining power for both suppliers and buyers increases in high volume, because both are destroying some information barriers which allow the consumer or firm to check prices and compare that type of product who want to buy. But, there is within the certain information asymmetries that having a virtual market consumers, do not have the product in their hands and using digital references, they can observe but this does not assure that their expectations and reality is spliced at the moment of receiving their products. Although opportunism is present, international agencies have started working their rules as institutions seeking that consumers are protected in cross-border transactions and thus avoid being scammed by a salesman who is outside their country. This is to remember that e-commerce breaks geographical barriers to buy in the European Union and which are sent to Latin America. So, these countries must draw certain criteria for trust in internet shopping that does not have a low due to mistrust.

The threat of new entrants is latent because although having an advantage as a sales channel online, competitors do not have major constraint to enter because the entry costs are low in terms of internet presence. But many companies manage to differentiate their sales channels making each time more personalized and investing in information technologies. While moving to electronic level, competitors have minimal barriers to entry if it is very different the investment on web development and infrastructure to send their products to much of the world. The threat of substitutes is more likely due to the great deal out there in e-commerce. This can foster electronic commerce and consumers to be able to compare prices in real time and also with a single click can be comparing products that seem related. Thus, not only compare prices between brands but also between products that can replace the first choice of consumers. With these volumes of information there are asymmetries of information to compare decrease rapidly. The rivalry between the actors is more dynamic as consumers may be in the website 24 hours a day as internet breaks the time barriers of purchasing with the option to buy in the hands of the consumer. While competitors may also view on real-time prices of competitors is not as tangible who sells more at first glance, despite the price to the consumer looking for more skills in his suppliers such as delivery times, reputation, quality of service and sales after-sales care.

8. Concluding Observations

Electronic commerce has grown considerably in the way organizations conduct their transactions and global negotiations. Costs for using this technology also are reducing while developing the ability to reach more customers worldwide. It is also included that India still has some issues such as lack of infrastructure to further increase the possibilities of companies to include electronic commerce in their activities. It is necessary to invest in technology to further exploit electronic commerce and look how it can close the gap between companies in the aspect of development and innovation since although it has grown, electronic commerce could take even more relevance in the coming years since it must take into account that India has a structure with large percentage of companies belonging to SMEs which although not a marked limitation, it should work a little harder to introduce e-commerce. Some advantages of e-commerce are the speed to purchase products or information; convenience, for example, for the purchase, payment, collection or refund of items, and personalization in each of these interactions (González, 2015). Within Indian consumers, companies are seeking to adopt strategies as the plus they can offer in terms of promotions based on price from reducing costs of electronic commerce that the consumer appreciates. In the market, companies can reduce costs and offer some kind of promotion as discounts, free shipping, months interest, gifts, rebates, other. Porter's model can be exploited further as the dynamics of certain aspects must remain static for the evaluation and the dynamics of electronic commerce. Sometimes the analysis may not be as useful after certain periods of time and apply to certain industry to be addressed. Since deficiency of the model is that it can only study the industry and not a specific business. As for the chances of e-commerce behavior positively continue to be a determining factor that companies consider as a strategy to adopt e-commerce and web development platforms and offline logistics system-wide for sales.

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Value Crisis in Indian Higher Education: Issues and Suggestions

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Growth and development of any country depends on its youth. Higher education play crucial role for development of nations. India is the country of youth but, unfortunately due to value crisis, number of youth are involving various types of violence, social evils and lack of respect towards world around them. People who become great statesmen, players or business entrepreneurs have certain things in common. They are all wakeful about their surroundings. They all know how to use best of what they have. They all believe in hard work and in doing things which are good for the society Creation of such values in our youth is the end product of value Education. Recent values crisis in our youth has revived concern for value education in India. This study mainly focuses the causes of value crisis among our youths and attempts made to make education value oriented. The concerted efforts of all formal and non-formal educational agencies are needed very much in this emerging aspect. How to develop and promote values among youths for better citizenship of nations.

Keywords: Values, Value Crisis and Value Education.

Introduction

The Indian higher education scenario does not indeed to present a pleasant picture. The situation of education is highly different according to regions, economic status, social position etc. yet there is global convergence of some evil trends that serves an early warning signal. There has been a decline of the overall quality of the national education, public system mainly in schools in terms of contents and their ability to give the taste to learn and discover. "Education without values as useful as it is, seems rather to make a man more clever devil" (C S Lewis). Values Education and Quality Teaching are cohering. Values Education without Quality Teaching is an oxymoron, of course, but Quality Teaching without Values Education has the potential to suffer from the missing link that promises to strengthen and complete it. In India the education system is driving children crazy as they have only time for schooling and doing their homework. This leads to weakness in terms of capability of adaptation to the real world, socialization, personal development like playing games etc. There is a trend of growing inadequacy between competences taught and skills required traditional pedagogy and new culture, schools management and current life styles. So, education for values is an unending but thrilling quest for the best to come for emancipation of man. It paves avenues divergent as well as convergent for efflorescence of the learner to the fullest possible extent. It enables him to synchronize all the essence and excellence desirable for advancement of learning and March of man towards Truth, Goodness and Beauty. This is more challenging because we have old national education system which is hard to be reform and adapted and our resistance to be continuously trained and updating our courses. What is it that can be done to save millions of young people caught in an educational trap? The answer will depend on our understanding of the ills of the present system. It should be understood that the present crisis in higher education in Indian cities is a crisis of values.

What is Value?

Value is a semantically loaded word. The term 'Value' has different connotations; depending upon the context in which it is used. Value may mean guiding principles, ideals, standards, Morals, ethics and worth. Values are regarded desirable, important and held in high esteem by a particular society in which a person lives. Values are like the rail that keeps a train on the track and help it move smoothly, quickly and with direction.

What Is Value Education?

The recent term `value education' is preferred to the traditional approaches such as moral education, religious education, social and character education, moral and spiritual education.

Value Education, as it is generally used, refers to a wide gamut of learning and activities ranging from training in physical health, mental hygiene, etiquette and manners, appropriate social behavior, civic rights and duties to aesthetic and even religious training. To some, value education is simply a matter of developing appropriate behavior and habits involving inculcation of certain virtues and habits. In opposition to such a conception, it is pointed out that value education has an essentially cognitive component in it and that this should not be ignored. There are three basic institutions that influence value education – the home, the religious institution and the school. Value Based Teachings and Education is a field, the first teacher in which is the mother. It is the mother who tends to lend the first lessons and it is on her that rests the foundation laying responsibility. What is right, what is wrong, what is true, what is false, what is respectable and noble and what is not – it is the mother who imparts these lessons. Never tell a lie— never the mother should make the child learn that she would never scold him if her child tells the truth even if the child had done some wrong.

Emphasizing the role of education in moral development John Dewey (1950) remarked that aim of education is growth or development both intellectual and moral. Ethical and psychological principles can aid the school in the greatest of all reconstruction, the building of a free and powerful character. Only knowledge of the order of connection of the stages in psychological development can ensure this. Education is the work of supplying the conditions, which will ensure the psychological function to mature in the finest and fullest manner.

Albert Bandra, a Social learning theorist and an exponent of observational learning considers imitation as the important determinant of morality. Televised aggressions elicit aggressive behavior while disciplined; restrained actions in visual media like TV elicit constructive behavior. The content of communication media serves as the sources of values. Teachers and parents acts as models for children to cultivate socially desirable behavioral patterns. Education must teach a person what life is and what its goal is. It must purify the heart and clarify the vision. It must promote virtues to raise the moral, spiritual and social standards of the educated. The problem and failure of managements is all because of prejudices, biases, subjectivity- all this is taken care by being appreciative of the prepositions of spirituality as taught by our great philosophers.

Issues related to Value Crisis

The problem of declining values is multidimensional arising out of combination of major social forces such as globalization, materialism, consumerism, commercialization of education, threats to humanity due to climatic changes, environmental degradation, violence, and terrorism. These have led to insecurities, individualistic life styles, and acceleration of desires, misuse of science and technology, pessimisms, sense of alienation and other negative consequences. We hear it all around, that children in India are going astray. Children indulge in crime, violence in school and outside. Mass media has senselessly gripped our children, and assaults them with information, views and prejudice in a manner that young minds can hardly discern or judge. While the questioning attitude and critical thinking needs to be encouraged in children, we find that many young people and students treat teachers with disrespect and question out of arrogance and see it as a way of questioning authority. Drug abuse, irresponsible sexual behavior, vandalism, commercialization, stealing, cheating, confusion between heroes and celebrities as role model are witnessed more often than ever before. In a general sense, parents, schools and public feel that our youth have lost qualities of civility, respect and responsibility. There is in fact a public call for education and action because of the degeneration of our cultural ethos. Educationists and public alike have voiced concern about moral degradation, about crime, violence in the streets and in the media, lack of discipline in schools.

Looking at the present scenario of our society and the role of the youth in it, one thing is quite obvious to discern, and that is the distorted conception of values among the youth and their consequent response or reaction to the certain circumstances in life. According to Oxford Advance Learner's Dictionary the meaning of value is the quality of being useful or important. However, taking its meaning in the context of leading a life it may refer to possessing certain norms and standards in the execution of our life's situation and proceedings. If fostering values is considered in the context of moral development, it is viewed as a multidimensional and continuous process leading to the state where the individual is able to understand, imbibe and act according to universal moral principles, which he accepts in relation to the larger society. It includes thinking and behaving morally which is characterized by the existence or rational choice. A person with values is not only a person who does the right thing but also one who does it for the right reason. And if values are comprehended in the terms of ethos or ethics, according to Aristotle it was positioning of oneself humanely, a way of living in the world fundamentally for achieving happiness. Values constitute an ethical skeleton only when an individual integrates these standards into everything he does to such an extent that he feels consciously able to govern his own life.

However, the way they are practiced in the present set up, the inching dominance of cultural degradation and deterioration of values loom large before the society. The projection of these values in society, to greater extent, relies upon their having been acquired in the schools. It is always believed that schools are the first and foremost abodes to inculcate the values in the children which they exercise in society afterwards. This means that our education system plays an indispensable role in this respect. The solidarity of our education system insures the solidarity in the fostering of certain values in a child. Whatever a child learns at the school becomes his life's determining factor. Though home is the very preliminary place to nurture certain values in a child but it is the school where a child is exposed to a virtual society or a society in miniature giving him encouraging ambiance to learn and experiment simultaneously.

On the one hand the youth determine the progress, growth and development of the country, and represent nation's futuristic cultural projection and promises, on the other hand, the values or the so called values the youth seem to have with them suggested that they are getting increasingly inclined towards violence and social evils. They are more arrogant, snob, aggressive, devoid of all the respect for the school and for the teachers. Seeing the acts of violence committed by young people all around us, we wonder if the parents and teachers have forgotten their duties towards present youth. They are expected to teach the youngsters as to how to deal with various situations in life. But from the behavior of our youth, it can be inferred that they have not been properly taught the lessons on social living in their childhood. Otherwise, teenagers cannot become cold blooded murderers or the rapists or throw acid on other person's face. These crimes are increasing day by day by our present youth. This confirms that the parents and teachers today are neglecting the important duties of embedding social values in our teenagers. Increasing number of sexual violence at this level, and their distraction to the infatuation and complexities of their age also leaves a question on the kind of education they are imparted. As the students lose all their faith in the school system and in teachers, they get more conscious about their individuality. They are swayed by modern ways, caring little to the means to attain their ends. They aim only at the end results.

The role of internet and media also contributes in this regard negatively. Watching exotic and erotic advertisement or an easy access to porn movies cast a negative influence on their psyche. They are hardly able to restrain themselves from the glamour of the world, and indulge in vices like drug addiction, liquor consumption, pre-mature attraction towards the opposite sex, juvenile crimes and sex-abuse etc. Depression, early age pregnancy, and the consequent abortion are all the ill consequences of the loss of values at this level. The impulse to lead the life in their own way makes them react aggressively at everything they are suggested. They expect everyone to move in accordance with their whims and fancies, and in the case of denial over-reaction is the only result on their part.

With the rapid increase of globalization and modernization the teacher-student relation has also reached a level of professionalism. The students hardly bother to pay their teachers any respect. Actually gone are the days when there used to be a kind of rapport between them. Students reflected the strong relationship cherished with their teachers. The way they executed their lives manifested clearly the inculcation of values during their learning process.

Moreover, the collective result of all these above said factors and status of values in the youth and their subsequent handling of their lives in society shows clearly that to some extent even social foundation and familial set-up also exposes the youth to the degradation of values. There was a time when social life seemed to be a familial life with contentment in abundance. Life skills like sharing, comradeship, companionship, social well-being, inclusion of others in their lives, coping life's ordeals with courage and a sense of cherishing the life with all its odds and evens were the principles of people's life. But presently the society seems to be devoid of those life skills which could make them bear life's complications boldly.

The blame also goes to parents. Carried away by their blind love for their children, they blindly accept whatever their children do without bothering to correct them. Parents are, inadvertently, neglecting their responsibility of developing right attitudes and behavior in their children. In the past, family was the first place where children learnt about the culture and traditions of their nation through stories about great sages, saints and heroes of the past. Today, the only worry of the parents is to prepare their children for entry into some reputed school in their area. Moreover on the one hand, the growing tendency to live apart owing to the lack of provisions in the surroundings, and getting infatuated towards the glamour of the world on the other, has betrayed the little hope of the need to feel the justification of the so called 'values' at all. Ideological differences between them and the grown-ups in dealing with the life's situations widen the breach even more. The grown-ups do not want to lower themselves to the level of the youth. The youth seem to keep themselves covered with the sheet of modernity, and as such feel protesting when they are suggested anything

The statement of T. D. Jakes is very much relevant in this regard when he opines, "There are no college courses to build up self-esteem or high school or elementary school. If you don't get those values at an early age, nurtured in your home, you don't get them."

Now the question arises how this crisis can be curtailed. The possible answer is sure to be found in the problems only. The abode of nurturing those skills and values is undoubtedly the school and the entire educational system. Concern for value education is also increasing in recent years as a result of crisis of values that our society is currently experiencing. The issue has been projected as one of the national priority in the nation's education.

The National Education Policy 1986 declares that the growing concern over the erosion of essential values and increasing cynicism in society has brought to focus the need for readjustment in the curriculum in order to make the education a forceful tool for the cultivation of social and moral values. The National Curriculum Framework for School Education 2000, (NCERT) observed that schools can and must strive to restore and sustain the universal and eternal values oriented towards the unity and integration of the people their moral and spiritual growth enable them to realize the treasure within.

The inculcation of values in the youth is the end product of value education which builds character, influences their decision making in life, and helps them grow by building healthy relationships in society. People who become great statesmen, sports persons or business entrepreneurs have certain things in common. They are all vigilant about their surroundings, and possess high values, and contrive their lives by following certain norms and principle. The school curriculum has to contain components that communicate essential values in their totality. This revival of internet in value education in recent years in our country appears to have arisen from the growing realization that the complexity of Indian society with a heterogeneous population belonging to diverse culture, religions and creed preludes the provision for religious education and this situation can be met by introduction of education in values.

Values education is an important aspect of living well. It involves taking life seriously but not without humour in order to find meaning in life. Historically, religion has played a primary role in reminding people of the importance of finding meaning in life. Some religions, such as Christianity, Judaism and Islam, tell us that finding meaning in this life depends upon understanding another kind of life that will follow after death. Other religions, such as Buddhism, tell us that we can escape suffering defined as a lack of meaning by finding meaning in every moment of life. Meaning in life can also be acquired through careful investigation of the problems that we humans face and the values that we can come to share through such investigation. Values are most visible in what people do. If you want to know what it is that you value, carefully examine how you live now. Of course, most people have aspirational values, too. These are the values that we think should be found in our actions but currently are not. Think about the valuing of good health and fitness. Many of us would say that we value good health but then do things that do not accord with that value. We eat too much and don't do enough physical activity. So when we carefully examine what we do and try to justify it in terms of our values, we are drawn inevitably to our aspirational valuing of good health rather than the lived values of gluttony and laziness. Values education is more than simply listing our aspirational values, identifying our lived values and noting points of discord between them. It involves putting both kinds to the test. We can test our values in discussion with others, employing the actions of thinking, reasoning and evaluating to arrive at expressions of rational commitment that can then be further tested in everyday activity.

The teacher has the most pivotal role to play in the pursuit and promotion of human values. India and all over the world, it is accepted that the future will be the product of what is being done in the present day schools. This depends largely on the competence as well as dedication of teachers. Value education starts not with the students but with the teacher. If the students have to be taught values, first the teacher has to be taught values. If the teacher is not sound in himself, how can he teach others? He would be like a blind man leading other blind men. Even academically he should have sound and correct knowledge. If a teacher, who is otherwise, gives wrong information to his students, he is spoiling the students, and theses students when they themselves become teachers, in their own turn further spoil the students. Thus, a chain reaction of wrong knowledge is established and we can see that a wrong teacher can harm not only his immediate students but he can harm generations. So, top priority should be given to the appointment of right teachers.

Suggestions for promoting and developing values among youths

Values Education is known internationally by a number of names, including Moral Education, Character Education and Ethics Education. Each variant has a slightly different meaning, pointing to one or other distinctive emphasis. Overriding these differences, however, is a common theme born of a growing belief that entering into the world of personal and societal values is a legitimate and increasingly important role for teachers and schools to play. International research into teaching and schooling effects is overturning earlier beliefs that values were exclusively the preserve of families and religious bodies and that school therefore functioned best in values-neutral mode. The National Framework presents a vision for Values Education in Australian schools and identifies nine core values and a process for having schools and their communities engage them in formal, whole school Values Education programs. The nine values for Australian Schooling that are articulated in the framework include:

1. **Care and Compassion:** Care for self and others
2. **Doing Your Best:** Seek to accomplish something worthy and admirable, try hard, and pursue excellence
3. **Fair Go:** Pursue and protect the common good where all people are treated fairly for a just society
4. **Freedom:** Enjoy all the rights and privileges of world citizenship free from unnecessary interference or control, and stand up for the rights of others
5. **Honesty and Trustworthiness:** Be honest, sincere and seek the truth
6. **Integrity:** Act in accordance with principles of moral and ethical conducts; ensure consistency between words and deeds
7. **Respect:** Treat others with consideration and regard, respect another person's point of view
8. **Responsibility:** Be accountable for one's own actions, resolve differences in constructive, non violent and peaceful ways, contribute to society and to civic life, take care of the environment
9. **Understanding, Tolerance and Inclusion:** Be aware of others and their cultures, accept diversity within a democratic society, being included and including others

Conclusion

To conclude this can be safely said that as a general rule value orientation is integral to all stages of upbringing, formal education, interaction between individuals and social groups. Values are thus inseparable from life of the individual. It permeates the whole life, since education is an essential requirement, the aims of education, content and methodology is viewed in terms of value development. Values and development are used interchangeably. Human development cannot be conceived in the absence of values. In this regard an educational institute should not be just confined to teaching and learning but it should be considered as a place where consciousness is aroused and illumined; soul is purified and strengthened. It is the place where the seeds of discipline, devotion and commitment are planted and fostered with deliberate efforts. A constructive companionship between teachers and students has to be developed.

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Principles of Effectual Entrepreneurship from the Book Titled: "Effectual Entrepreneurship"---A Review

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Introduction:

Authors Stuart Read, Saras Sarasvathy, Nick Dew, Robert Wiltbank and Anne-Valerie Ohisson in the first part of the book have discussed the common misconceptions about Entrepreneurship and also explained the terms, 'Causation' and 'Effectuation' with suitable illustrations. (A review of these, in a Research Paper written by me has been published in 'Golden Research Thoughts', August 2015 issue, Vol.5/Issue2).

In the second part of the book they list and explain the systematic principles which expert entrepreneurs apply as they create their own roadmaps. Some of these principles are discussed in this paper.

The bird-in-hand principle:

This principle highlights the rule, "start with what you have" or "start with your means". What does this mean? It simply means that one should focus on what one has rather than on whether the idea is good or whether one will be successful or not. The authors say every human being is blessed with three categories of means viz. 'who am I', 'what do I know' and 'whom I know'. These are further explained for e.g. who am I would mean the traits, abilities and attributes of the entrepreneur. What he knows would include his education, experience and expertise and whom he knows would refer to his social network. This would represent his pool of resources. On the basis of this pool of resources that the effectual entrepreneur has, he begins planning several possible courses of action. These action plans are also co-determined by stake holders who contribute funds and set sub-goals.

All this is contrast to the Casual approach where goals are set first and then the resources which will help achieve these goals are worked upon. The accumulation of resources then becomes a prominent goal. The question that arises here is why should the expert entrepreneur be mean-driven rather than goal-driven? This does not mean that effectual/expert entrepreneurs have no goals. It only implies that these entrepreneurs would prefer to change goals than pursue resources over which they have no control. Besides, these entrepreneurs get the following advantages if they are means-driven and not goal-driven:

- They do not have to chase investors.
- There is no wait for a great opportunity/ or perfect set of resources.
- They work through their own strength.
- Good stakeholders today want to help shape goals rather than just provide funds. Such investors prefer means driven projects.
- Entrepreneurs would in the process make best and creative use of their resources.
- Chances of creating opportunities that would fit their calibre would be more.
- Maybe entrepreneurs increase the chances of failures by relying on their resources alone. But they can recover faster since the building is on their strength. Besides, these failures can provide them valuable lessons and they can learn from them.

In this principle, the authors highlight the fact that each individual has some competitive advantage over the others. This is not realized and seen as an opportunity by the individual. Analyzing what makes one unique could be a good premise to begin with. Similarly what one knows is also unique, as each person's life experiences and mindset is different. Two different people, therefore, at the same starting point in the same environment generate different ideas and ventures. And lastly, one must know and work on one's social network. One of the greatest assets of an entrepreneur is the people he knows. Expert entrepreneurs build firms by building on their networks. They add other's means to their own means. They capitalize on learning from interactions with the people they know or are linked to. Many times one learns more from the people one knows less than from the people one knows more like family and friends. A combination of the two can connect one to anyone who can provide means to create something truly novel.

The Affordable Loss Principle: Risk Little, Fail Cheap:
This principle states that an expert entrepreneur should risk little so that even if he fails, he can afford the loss. For this the entrepreneur will have to make a comparative study of the two or more options available to him for arriving at a decision of choosing the opportunity that has little risk. Following are some ways /questions which will help him think on these lines and arrive at a decision:

- Which is the bigger opportunity?
- What is the Net Present Value (NPV) of each opportunity?
- What would one invest personally in each opportunity?
- What is the downside risk of each opportunity?

It is difficult to calculate the size of different opportunities. One can calculate what one might lose with relation to everything that one has put to risk.
NPV can be calculated by creating a spreadsheet. Product cost, cost of overheads when deducted from the forecasted demand will give the predicted opportunity value.
It is again difficult to calculate the personal investment in each opportunity which includes investment in different resources by an individual. Resources could be as under

- Wealth commitment
- Time commitment
- Reputation commitment and
- Individual commitment

These are difficult to measure and the assessments are also highly subjective and personal in nature. The downside risk of each opportunity can be calculated with relation to uncertainties. Let's take an e.g. of an entrepreneur choosing the venture capital option for financing his project.
Now let us assume that the entrepreneur confronts some problems like there is no market for his product/service and the venture capitalist pulls out or there is a market but the venture capitalist takes total charge of the firm or the entrepreneur and the venture capitalist do not see eye to eye or the market just allows the entrepreneur to break even and the organisation falls in the category of the 'living dead'.
On the other hand let us assume that the entrepreneur chooses the option of working with his father's friend and not with a venture capitalist. Let us also assume some problems that can crop up in this case too. Maybe the entrepreneur does not meet a deadline and the father's friend becomes unhappy or defective goods are delivered or a competitor captures the market or a solution costs the entrepreneur twice as much as he estimated.
In each of the above examples one needs to analyse which is worse and why? Which of these is within the entrepreneur's control?
The answer is simple. NPV is a useful decision making tool because of its sensitivity to uncertainties. But it has to be used very carefully in entrepreneurial situations. Research has shown that expert entrepreneurs prefer plunging into new ventures using predictable loss methods to NPV approach. This is because the former is based on things known to them and they can control them. But the later i.e. NPV is based on predictions they cannot trust and control.

Financing: Bootstrap the Venture Principle

Tall boots normally have a loop or handle at the top known as 'bootstrap'. One uses one's fingers or a tool to pull the boots on from the strap. Bootstrapping helps pull boots up. Bootstrap as a metaphor, means bettering oneself by one's own efforts. Bootstrapping in business, would mean starting a business without external help or control. Bootstrap venture principle, therefore, looks at start-up financing. It talks about how an entrepreneur can bootstrap his venture without taking external funding or on taking as little as possible. The basic assumption here is that when an entrepreneur starts his own business, cash in has to somehow be greater than or equal to cash out.

Bootstrapping offers a better fit for most businesses because of the reduced risk. However, before an entrepreneur goes in for money, he must ask himself the following questions:

- When is the money needed?
- How much is needed?
- Is the full amount required at one time?
- Can I identify three points in time when money will be required?
- Can I prioritize them, putting them in the order of urgency?

This principle lays down a type of roadmap that starts with questions relating to the quantum of money required at which time it is required, etc (as above)and continues with the following aspects/questions:

- When does cash flow into the business?
- Does it come when important bills have to be paid?
- Can I create three ideas for moving the cash inflow forward in time?
- Similarly it asks the entrepreneur whether he can come up with three ideas for m0020oving the expense back in time.

The basic, principle applied is that the cash inflow should be regularized so that dependency on external finance is nil or reduced.

It seems to underline some timeless rules of new venture bootstrapping:

- Never buy what you can rent.
- Never rent what you can barter for.
- Never barter for what you can borrow.
- Never borrow what you can get for free.

Worldmaking: Understand Transformation Principle:

As discussed in the first principle, an expert entrepreneur must pool his resources by taking a stock of his means. He can then utilise these means for making something valuable, actionable …maybe a new product, service, venture or even a new market. Expert entrepreneurs adopt a unique set of decision-making strategies. They are very creative and are, therefore, able to transform situations into opportunities. This principle talks about transformation. It highlights the point that an entrepreneur does not have to invent something from nothing. Instead, transform something or several somethings into something else. Expert entrepreneurs with transformational processes produce more new market ideas than those who search and select for an existing opportunity. Some of the transformation methods that these entrepreneurs use are as under:

- **Deleting/Supplementing** type in which something is added or subtracted to something existing for new results.
- **Composing/Decomposing**, the existing material is reorgansied by decomposing and recomposing it.
- **Exaptation** deals with transforming existing artifacts and putting them to new uses.
- **Re-weighing** type increases and decreases the emphasis of features of a product or market e.g. Volvo emphasizes the safety features of its cars, BMW has increased its emphasis on the 'Driver Appeal'.
- **Manipulation** type involves inverting, twisting, turning an idea or artifact inside out.
- **Deformation d**eliberately deforms the original idea or concept.
- **Localisation/regionalization/globalization** type changes the scope of the market by proposing smaller or larger markets.
- **Adhoc associating** works on earlier experience/memory. It associates the current venture with a previous problem or opportunity.
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Thus one of the guiding principles of expert entrepreneurs is transformation. The effectual entrepreneurs improve research and development which in turn enhances project performance. Their commitment transforms an idea into a good idea.

The Crazy Quilt Principle: Form Partnerships:

The first action in business always involves a partner. It could be a supplier who could provide something an entrepreneur needs or a customer who would be interested in the offer. In the case of casual partnership, partners are selected to fit a given goal. On the other hand in effectual partnership it is the partners that create the venture. The venture does not dictate partnerships like in the casual entrepreneurship case. Effectual logic involves negotiating with any or all stakeholders who are willing to make actual commitments to the project.

The authors here give a very interesting example of a patchwork quilt and a puzzle to distinguish between the two types of entrepreneurship. They say the patchwork quilt differs from solving a jigsaw puzzle in the following three ways:

- The quilter has wider latitude than the puzzle solver in putting together the pattern. Even the patches from the basket can be randomly selected and put in a way that is pleasing and meaningful. On the other hand a puzzle has a single solution.
- Large quilting projects are usually communal. A quilter works with others who bring their own baskets of patches along with their tastes and talents. The quilter decides with whom he will work.
- The quilt has to be pleasing, meaningful, useful and valuable.

Effectual entrepreneurship can be compared to a patchwork quilt. In effectual logic, like the quilter, the entrepreneur works in collaboration with people who bring their own ideas and means. And together they contribute to the project.

Entrepreneurs begin their journey by taking stock of their means i.e. their traits, attributes, abilities, knowledge, skills and social contacts. What they then create depends on what they have and what they need. It is because of this partnerships are important to them. They start reaching out to people to obtain advice and other inputs. The people with whom they interact could be potential stakeholders. As these entrepreneurs find people who want to participate in the effort to build something, they move towards obtaining actual commitments from them. Each stakeholder brings new means into the venture. Effectual entrepreneurs do not choose stakeholders on the basis of venture goals or preselected ventures. They allow the stakeholders to make actual commitments towards actively participating in shaping the enterprise. What these entrepreneurs look for is a concrete, rational commitment in co-creating an idea with them.

The Lemonade Principle: Leverage surprise

This principle underlines the idea that contingencies can mark important turning points in the history of a venture. It epitomizes the lemonade principle, “When life gives you lemons, make lemonade.” It tries to say that in life and in entrepreneurship one would do well to acknowledge and accept accidental events. Instead of looking at the unexpected as a problem, it can be looked at as a building block or a resource for a new venture.

Traditional entrepreneurship models reflect intense planning to achieve pre set goals. These models do give a lot of benefits but they make you avoid/overlook or even adapt surprises. Sometimes every surprise is treated as a problem and one misses out on the opportunities that surprises bring. Exactly opposite is the approach of expert entrepreneurs. The unexpected event does not mean loss of control but an opportunity to exercise control over an emerging situation that points in a new direction. Surprises are, therefore, used as inputs by these entrepreneurs into new ventures.

The Lemonade principle emphasizes the fact that advantage must be taken of the unexpected that may occur during the new venture creation process. It tries to say that one must be an optimist and not a pessimist because, in the words of Winston Churchill, “A pessimist sees the difficulty in every opportunity; an optimist sees the opportunity in every difficulty.”

The principle also talks of leveraging the contingencies which means that contingencies do not automatically shape the future direction but how one can put them to maximum use. Expert entrepreneurs follow the principle of leveraging contingencies.

The Principle of Ownership and Control: Managing Investors

This principle talks about thinking beyond ownership. The expected connection between ownership and control is clear. If one owns more than half of the company, one controls it from day to day operations to shaping it overall. But this does not always happen. The venture capitalists establish decision rights with the entrepreneur. E.g. they may negotiate specific rights on when the venture can raise subsequent funds or how the assets of the firm will be distributed at the time of liquidation etc.

The principle also talks about what ownership actually buys. The authors explain that it actually gives residual claims. This is because the owner gets anything of value that remains only after all contractual rights and obligations are met. E.g. if the firm liquidates, first the creditors, debt-holders, preferred shareholders and others who have specific rights get first and then the common shareholders. The question that then arises is when and how does an entrepreneur use equity. Does he try to hold as much equity as possible? The answer is a simple no. The expert entrepreneur has the expertise of deciding what role the equity has to play in the venture. He himself selects the stakeholders and instead of worrying about other things, he focuses on the commitments that they make. He understands the fact that just as all rectangles are not squares, all control is not complete control. Ownership is connected to control but is not control. The owners many times sub contract the control to agents i.e. to C.E.O, etc. Another example that can be cited here is that of the lenders. These lenders do not have any ownership of the venture but they control the venture significantly by directing the use of cash in the organisation.

Expert entrepreneurs are wise in deciding the share of ownership. They sit down with the stakeholders and mutually agree on the contribution of skill and other factors that will be required to make the venture successful. They attempt to share ownership with talented people and make them work as partners and providers of great resources. They understand that sharing ownership wisely would generate more cash in the venture rather than hoarding it.

Thus, this principle highlights the idea that control does not equal ownership. Control can be obtained without ownership. Control rights can be allotted very categorically to different aspects of the venture undertaken. Partnerships with various stakeholders like investors, employees, board members, customers and even lawyers must be structured. A detailed study of what each party values must be undertaken. The level of risk and the appropriate amount of control and provisions for ownership and liquidity must be made. It is, therefore very important to realise that the spirit on both sides of the agreement is more important than the actual agreement.

Business Plans and Business Models: Make Pitches

Business Plan is one of the most taught aspects of entrepreneurship. This principle highlights the importance of substance over form in a business plan. Substance is important because business plan is mainly a marketing tool. Like in marketing communication, the entrepreneur must know his audience and the objectives that have to be achieved. The audience here would be any resource provider viz. lenders, private investors, potential employees, board members, customers, suppliers etc. Each audience has different information needs and the substance has to be planned to address the desires of the audience. However, though a Business Plan is very important in the Causation Approach, the idea seems contradictory in the Effectual Approach. This is because an Effectual Business Plan is not a Plan. It is just a Communication Tool which is written again and again as the venture develops. It is written differently for different stakeholders. The effectual entrepreneurs in their communication seem to confess or clarify that the objective is not to follow the Plan but to co-create value for everyone involved.

The principle also highlights some aspects of a Business Plan. It says no entrepreneur talks about the negative possibilities or about risk management in a Business Plan. It is a general belief that the graphs of a venture should go up and to the right like a hockey stick. In doing so, the entrepreneurs leave the risks to the imagination of the stakeholder.

E.g. the authors say that many times the worst scenario business are acceptable to the stakeholders because they may be bad in the short term but not in the long term.

An entrepreneur should think through the Murphy Law Plan which says, "Whatever can go wrong, will and tends to do so at precisely the worst moment."
An entrepreneur's Murphy Law Plan may not look good. But it will help him get more resources and the opportunity to work on managing risks. In the process he can also identify bottlenecks.
In conclusion it may be said that there cannot be one type of a Business Plan. This is because one size does not fit all. Different Business Plans are prepared for different purposes. However, they all need to be persuasive and not focused on an entrepreneur's divine prediction. If the entrepreneur does it right then he will learn about his venture as he creates different versions of his Business Plan.

Venture Identity: Build Brand Principle
This principle talks about the new entrepreneur who enters the branded business world. Names like Apple, Toyota, Nokia, Coca Cola etc. may give him a feeling that he is entering the business world with nothing but an idea. It says an entrepreneur should not enter feeling he does not have something but with a feeling that he has something i.e. an identity of his own. It helps set up a foundation for what his brand will be in future. It also explains that Venture Identity is the 'Persona' of a corporation designed for attaining business objectives. It further says that Venture Identity is not a brand. It is also not a logo. It is the philosophy, values, norms and personality of the firm. Brand and logo are only parts of a venture's identity.
It further gives steps for 'Identity Action Plan'.
Step 1: Articulate Your Identity:
The entrepreneur must give the philosophy, valuable norms, and personality of the firm that will inspire customers, employees and partners to work with his firm. The entrepreneur must ask himself the questions with relation to why he started the business. Why the co-founders joined him, why would the customers buy from him? And why would the partners want to work with him? All this would help an entrepreneur to understand what his firm stands for.
Step 2: Assess Your Current Actions:
The entrepreneur must assess the firm's actions to confirm whether they are in sync with the identity he wants to create.
Step 3: Put Your Corporate Identity to Work:
The entrepreneur should make an effort to find out whether his customers are also enthusiastic about the venture identity he is creating. This will help him ensure that he is establishing an identity which is looked upon by his customers.
He should also find out how the identity is making him different from his competitors. He must build partnerships with those who share his values. He must social network and share his values. He must find out whether the press and analyst community relate to his identity and if yes then are they willing to disseminate his message. He must add new products/markets and explore areas in which the created identity will give him a competitive edge over the others.
Thus, an entrepreneur must endeavour and create this identity in his day to day work till it gives greater and greater advantages and becomes his asset for overcoming all challenges.

The Pilot-on—the- Plane Principle: Apply Non predictive Control
The principle says prediction allows certain degree of control but in a stable environment. However, this principle highlights control in entrepreneurial situations…the control useful in uncertain environmental conditions. The control exercised, either shapes the environment or the entrepreneur. It also states that everything is not controllable and so the entrepreneur controls what he can. In effectual control techniques an entrepreneur prefers to work with elements that have a good amount of contingency. On the other hand in casual control techniques an entrepreneur prefers to work with elements that have low or no contingency.
The principle discusses about what control is and why it is exercised. It says control is as old as mankind. Every human has an innate desire to control. People feel motivated to see themselves in control of the events in their lives. Controlling reduces stress levels and develops self esteem. Loss of control causes helplessness and depression. This is because one likes to be one's own boss.

The Principle also gives the following ‘Take Away’

- Perceive and Select what is controllable:
- Control and influence what is possible
- Prediction should be done when it is more useful than control.
- Heighten the controllability by working on controllable factors.

It also says ‘Action’ is what enables entrepreneurs to exert control on things that would otherwise be impossible to predict. Entrepreneurs assume the power of human action to control processes and outcome. Effectuators do not see themselves as risk takers defying odds but as active agents who directly intervene in the world.