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Marketing Management: Understanding the Ever-changing Landscape

Edited by:

Dr. Moumita Poddar

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Dr. Moumita Poddar

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ISBN: 978-81-943524-1-9

First published in India in 2019 by Exceller Open



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Editorial

I am glad to introduce the edited book, **'Marketing Management: Understanding the Ever-changing Landscape'** which focuses on several practical applications of marketing orientation, techniques and methods employed in the ever-changing marketing landscape of the time. The book is spread across five chapters and its wide-ranging scope allows considerable insight into the marketing strategies of different social, political and corporate organisations.

Compiling a book discussing the present-day marketing scenario has been a thrilling task. The opening chapter '*Recent trends of Advertisement Sector in India*' looks into the most persuasive nature of contemporary advertisement of business and brands in India and explores how this new type of business communications influence consumer behaviour, facilitating the economy like India. '*An Analytical Study on the Influence of Demographic Variables and Factors of Expectation in College Life on the Prospective Student Aspirants during Selection and Choice of Private Engineering Colleges*' studies the impact of moderating and demographic variables influencing students and aspirants to select, make choice and then enroll in a private engineering college. Another chapter, '*Does the Chrono Type of a Consumer Impact Their Impulse Buying Tendency? - An Indian E-Retail Perspective*' seeks to study the irrational behavioural factors impacting consumers decision, therefore dividing buyers on the basis of their buying nature. '*Online Consumer Behaviour: An overview*' runs an investigation into people's internet-related activities in the modern marketing contexts. The last chapter '*The Hierarchical Linkage Paradigm: A Structural or Organizational Diffusion?*' attempts to explain the hurdle faced by "cashless de-monetization" with concentration on Indian Gems and Jewellery industry.

Understanding marketing scenario is relevant not only to marketing students and researchers but also to common people, making anyone the intended audience of the book. I sincerely hope that the content of this volume will enrich the readers.

- Dr. Moumita Poddar, Editor

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Recent Trends of Advertisement Sector in India

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Abstract:

Advertising is the means of informing as well as influencing the general public to buy a product or services through visual or oral messages. A product or service is advertised to create awareness in the minds of potential buyers through various advertising mediums such as Newspaper, Magazines, Television, Radio, Posters, Hoardings, Billboard and in recent time internet and web advertising. It is a promotional activity for marketing a commodity. In the present day world of mass production and distribution, advertising serves as a powerful tool in the marketing process. Advertising is used for communicating business information to the present and prospective customers. It usually provides information about the advertising firm, its product qualities, place of availability etc. The effectiveness of an advertising message depends to a large extent on its visual contents. The advertiser must locate an appeal, theme, idea or a unique selling proposition. An advertising appeal refers to the approach used by an advertiser to attract the attention or interest of the consumer and influence their feelings towards the product, service or idea. Through the use of different kinds of appeals, advertising attempts to persuade and influence.

Advertising is a form of communicating information, in persuasive purposes for products (goods, services and ideas) by acknowledged sponsors through numerous media. Albert Lakert, also known as the father of advertising, defined advertising as "salesmanship in print, driven by a reason why." Advertising is directly related to the groups of people, rather than to individuals and therefore, it is a non-personal or mass communication. This paper attempts to study the role of advertisement in Business Communication and relationship between both of these variables. It also highlights the growth of advertisement sector in India and its sector wise contribution through secondary data.

Keywords: Hoardings, selling proposition, influence

1. Introduction

India is a growing economy, providing huge opportunities for the growth of various industries. Though the global media and entertainment industry is showing slow growth rate in 2017, India is expected to be one the opportunistic market to show rising trends against the global trend. The advertising industry is one of the most important sectors of the media and entertainment industry. Indian government provides remarkable support to the advertising industry. India is the 2nd fastest growing advertising market in Asia, with an expected contribution to GDP in 2018 to reach 0.45%. Advertising expenditure is growing in India and in 2018 it is expected to grow by 12.5%. Internet advertising revenue share in the total advertising revenue has grown from 8% in 2013 to 14% in 2017, expected to reach USD 1.5 billion by 2018. The improving market sentiments, RBI policies and the opening of newly licensed banks in India are giving ample space for advertising expenditure in the financial sector. Further, 'Digital India' policy by the government is expected to outperform in coming years with the support of Google and thus drive the growth of the advertising industry. Goldstein Research analyst forecast that the India Advertising Industry is set to reach USD 54.39 billion by 2024 growing at a CAGR of 26.30% over the forecast period (2017-2025). What connects advertising and marketing are 4Ps of marketing mix: Products, Pricing, Places and Promotion. The final goal of marketing is to earn a profit for the firm by consummating the exchange of products or services with those customers who need or want them. Moreover, the role of advertising is to promote - to inform, persuade, and remind groups of customers, or markets, about the need-satisfying value of the company's goods and services.

1.1. History and the Business of Advertising

The history of advertising can be traced to ancient civilizations. It became a major force in capitalist economies in the mid-19th century, based primarily on newspapers and magazines. In the 20th century, advertising grew rapidly with new technologies such as direct mail, radio, television, the internet and mobile devices.

There has been a long tradition of advertising in India since the first newspapers published in India in the 19th Century carried advertising. The first advertising agency was established in 1905, B. Datram and Company, followed by The India-Advertising Company in 1907, the Calcutta Advertising agency in 1909, S.H.Bensen in 1928, J. Walter Thompson Associates through its Indian associate, Hindustan Thompson Associates in 1929 etc. Advertising expenditure in the 1950s was estimated at \$US 300,000. Under the more socialist political environment of the 1960s and 1970s there was little incentive for companies to advertise because advertising was not tax deductible. In the 1970s there was a 58% growth in the number of registered agencies from 106 in 1969 to 168 in 1979, and this included a growth in Indian agencies. The first advertising appeared on state television in 1976.

- # 1936- Indian Broadcasting Company becomes All India Radio (AIR)
- # 1978 -First television commercial seen
- # 1990-Marks the beginning of new medium Internet
- # 1991- First India-targeted satellite channel, Zee TV starts broadcast

1.1.1. The Business

The four distinct groups in advertising business are advertisers, agencies, suppliers and the media. Advertisers are companies that advertise by sponsoring for themselves and their products. Advertising agencies are organizations that organize advertising plans and other promotional tools for advertisers. Suppliers are people and organizations that assist both advertisers and agencies in the preparation of advertising materials, such as photography, illustration, printing, and production.

1.2. The AIDA Process in Advertising

AIDA is an acronym that stands for Attention, Interest, Desire and Action. The AIDA model is widely used in marketing and advertising to describe the steps or stages that occur from the time when a consumer first becomes aware of a product or brand through to when the consumer trials a product or makes a purchase decision.

Several advertising formulas are in existence today but one of the most commonly used is the acronym AIDA — Attention, Interest, Desire and Action. This refers to specific techniques necessary to implement when creating an ad. Correctly combine these four components in an ad campaign, and you can accomplish your advertising and marketing objectives with proper communication process.

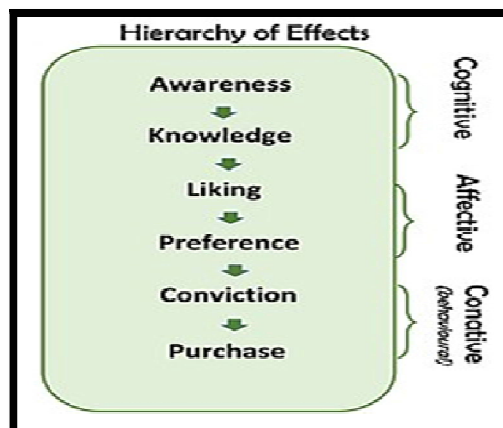


Figure 1: Hierarchy of Effects (AIDA)

2. Research Methodology

The present study is of analytical nature and makes use of secondary data. The relevant secondary data are collected from various publications of Government of India; ASCI (Advertisement Standard Council of India) IBEF India Brand equity Foundation, statista, mediamana websites, etc. The reference period is restricted from 2001 to 2017.

2.1. Objectives of Study

- To study the concept and growth of advertisement in India.
- To study and analysis the recent trends of advertising markets worldwide.
- To study the sector wise growth of Mass media/advertisement in India. (secondary data)

3. Advertising Industry in India - Statistics & Facts

Asia Pacific is the second largest regional advertising market in the world with projections to maintain this position in the coming years. Advertising spending in the region reached a total of 158.3 billion U.S. dollars in 2015, and is forecast to increase to about 235.5 billion U.S. dollars by 2020. The growth in the region is mainly driven by China, the world's second largest ad market, and India, one of the fastest growing advertising markets in Asia. The ad market in India is forecast to increase by 2.84 billion U.S. dollars between 2015 and 2018; this is the fifth largest ad expenditure growth in the world during this time period. Fast moving consumer goods, automobile and e-commerce are the most advertised industries in India.

Traditional mediums, such as television and print, are still popular amongst advertisers in India. In 2015, print had the highest advertising revenue in India, while TV's revenue figures closed the year shortly behind. TV and print were by far the strongest advertising media in India, as each medium is expected to account for about 37 percent of all advertising spending in India by 2017, taking the lead as the two most important mediums for advertisers in the country. Newspaper advertising spending in India is forecast to add up to an estimate of 3.25 billion U.S. dollars in 2016. Physical out-of-home advertising is also an important platform in the Indian ad market. The medium is projected to maintain revenue of 24.5 billion U.S. dollars up until 2020. While physical out-of-home advertising is expected to remain the same in the coming years, digital out-of-home advertising in the country is forecast to consistently grow, with projections to grow from about 10 billion U.S. dollars in 2015 to 18.5 billion U.S. dollars by 2020.

3.1. Growth of advertisement Sector in India

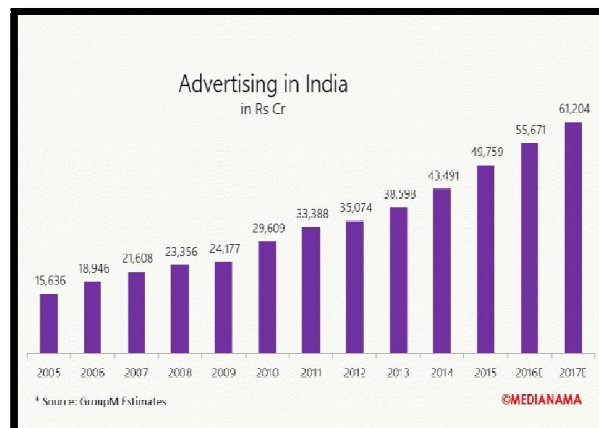


Figure 2: Advertising in India
Source: Group M Estimates Medianama

Spending on internet advertising has been consistently rising in India since 2006, when only 39 million U.S. dollars were spent on internet advertising. Internet advertising spending in India is estimated to pass the 700 million U.S. dollars mark for the first time in 2016. Despite this aggressive growth, internet's share of the total ad market in India is rather timid; the medium is projected to hold about 14 percent of ad market share in the country by 2017. Search advertising is the most popular ad format in India, accounting for about 30 percent of the total digital ad spending in India as of 2015. Social, display, video and mobile held from 16 to 18 percent of the market share each in that particular year.

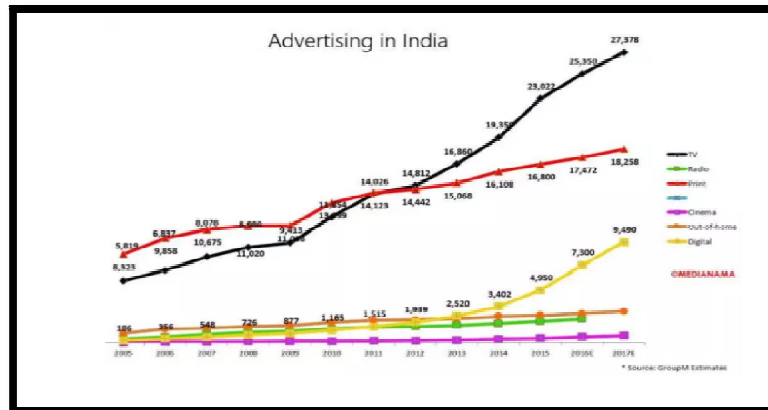


Figure 3 : Advertising in India
Source: Group M Estimates Medianama

Advertising spends in India are expected to grow around 10% year on year to Rs 61,204 crores, according to media buying agency Group M. This is effectively a slowdown in growth from the 15.5% which it had predicted last year, and later ended up being a growth of 11.9%.

3.2. Largest Advertising Markets Worldwide in 2019

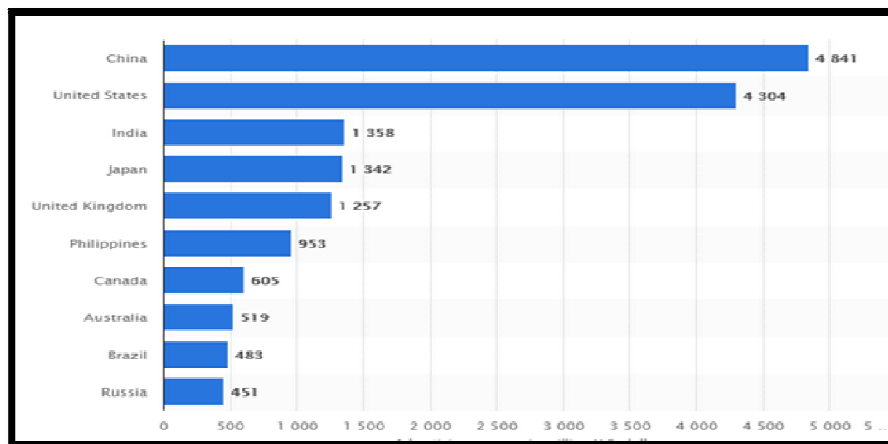


Figure 4: Largest Advertising Markets Worldwide in 2019
Source: www.Statista.Com

This statistic provides information on the largest advertising markets in 2019. The source projected that Japan would be the fourth largest contributor to the global advertising market investments, with spending of 1.34 billion U.S. dollars that year. In total, it is projected that global advertising spending will reach 19 billion U.S. dollars in 2019.

Recent Trends of Advertisement Sector in India

3.3. Media Advertising Spending in BRIC Countries from 2014 to 2022

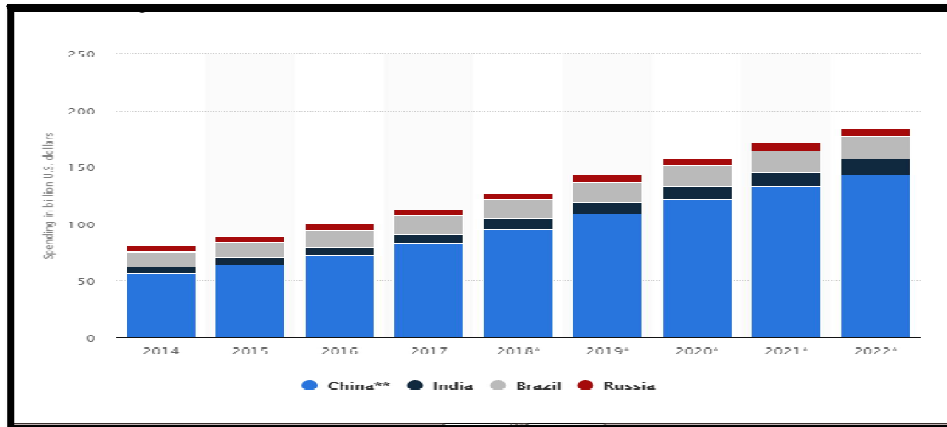


Figure 5: Media Advertising Spending in BRIC Countries from 2014 to 2022

Source: www.statista.com

The graph shows the total media advertising spending in BRIC countries from 2014 to 2022. China's ad spending was expected to reach 95.7 billion U.S. dollars in 2018, up from 56.7 billion in 2014.

4. Relationship between Advertising as a Communication Strategy

Advertising is a communication strategy designed to convince consumers to buy a company's products. Persuasive communication involves getting attention, generating interest, creating a desire for change and encouraging action. Advertising is important for driving revenue and profit growth. Small businesses can use persuasive advertising in one-on-one settings and through traditional media channels, including print, television and the Internet.

Communication is a process of sharing ideas, thoughts or feelings with other people or it can also be simplified as a process of sending and receiving messages. The process of communication involves the combination of some essential elements for the achievement of goals in an organization or a company.

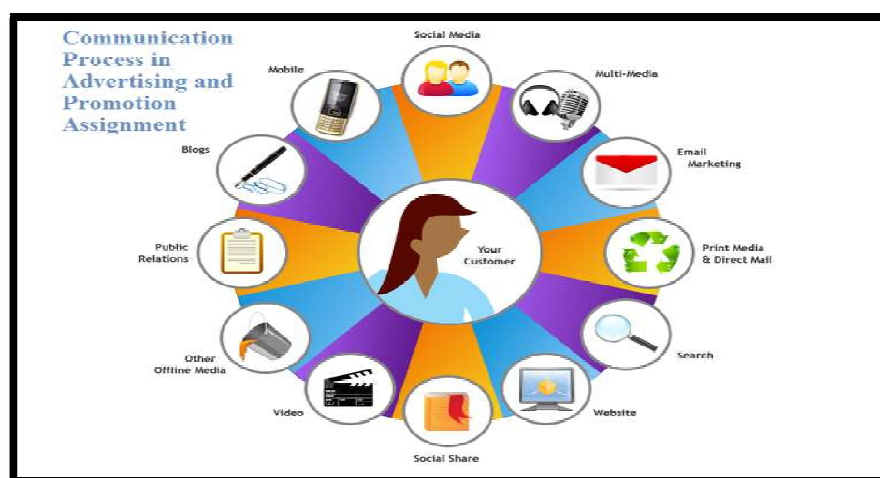


Figure 6: Communication Process & Advertisement

5. Advertisement in India

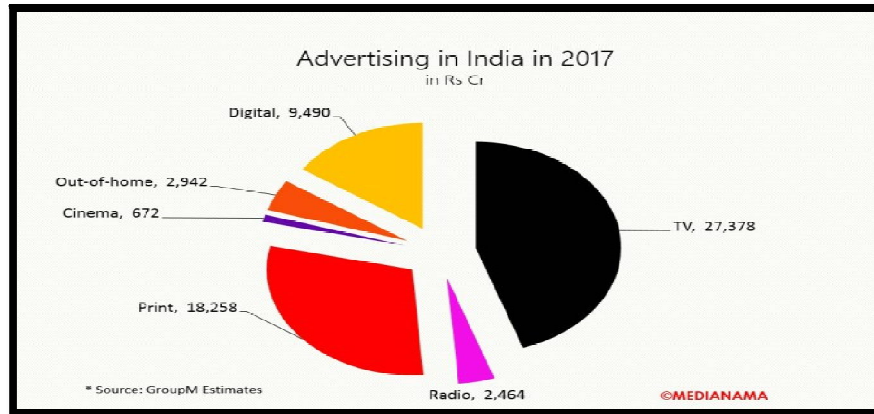


Figure 7: Advertisement in India
Source: Group M Estimates Medianama

In 2017, there is a noticeable expected increase in the share of digital advertising, which is expected to account for 15.5% of total ad spends in 2017, at around Rs 9490 crores, as compared with Rs 7300 crores last year. Digital is the third highest category of advertising spends, albeit lagging far behind TV (Rs 27,378 crore, 44.7% of total) and Print (Rs 18258 crores, 29.8% of total). Note that this year, GroupM hasn't carved out Magazines as a separate category: last year it had predicted that Magazine advertising would decline for the third consecutive year, down by 14.8%, to around 1% of total advertising spends; it's not unimaginable to believe that Magazines would have dropped below 1% this year. Sectors that are contributing to this positive trajectory include Auto, Media and e-Wallets. In addition Government and Political parties will increase spending with elections in several states this year.

5.1. Sector Wise Contribution

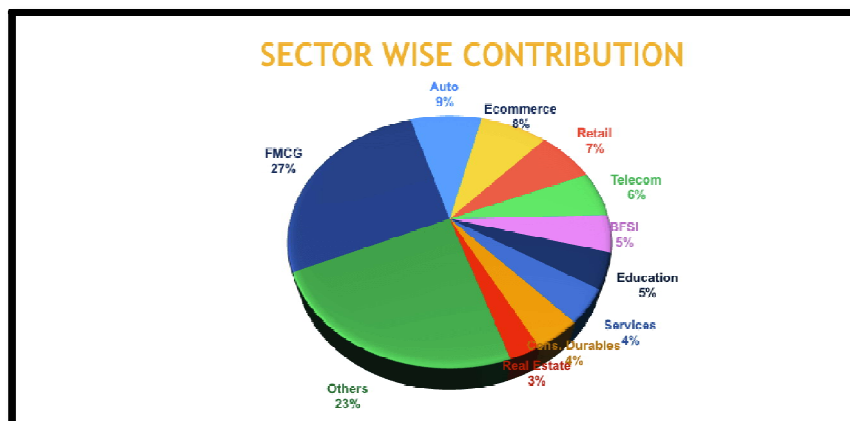


Figure 8: Sector Wise Contribution

5.1.1. Segment Wise Charts

5.1.1.1. Digital

Digital advertising is expected to continue growing the fastest, with an expected 30% growth in 2017, compared to 47% in 2016 and 45% in 2015. Group M expects video advertising to be the biggest growth driver. E-Wallets are expected to drive growth as well. Mobile advertising is expected to be 70% of AdEx.

Recent Trends of Advertisement Sector in India

5.2. Growth of Digital Advertisement in India

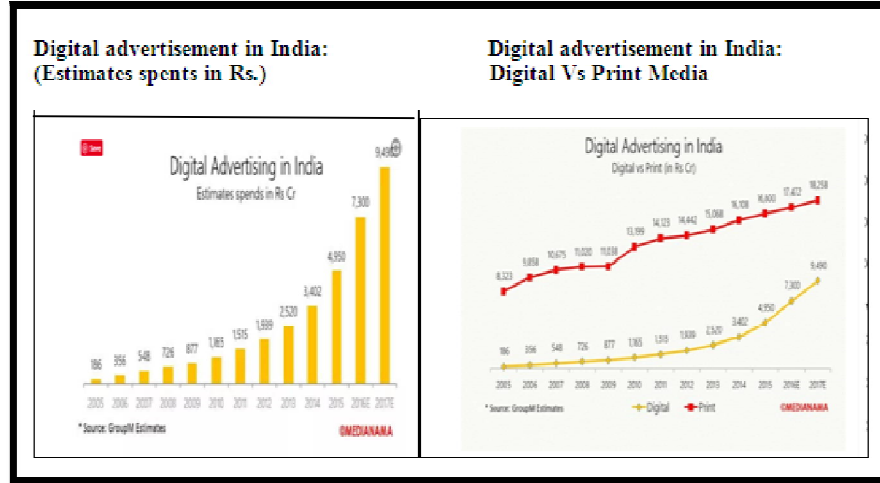


Figure 9: Digital Advertisement

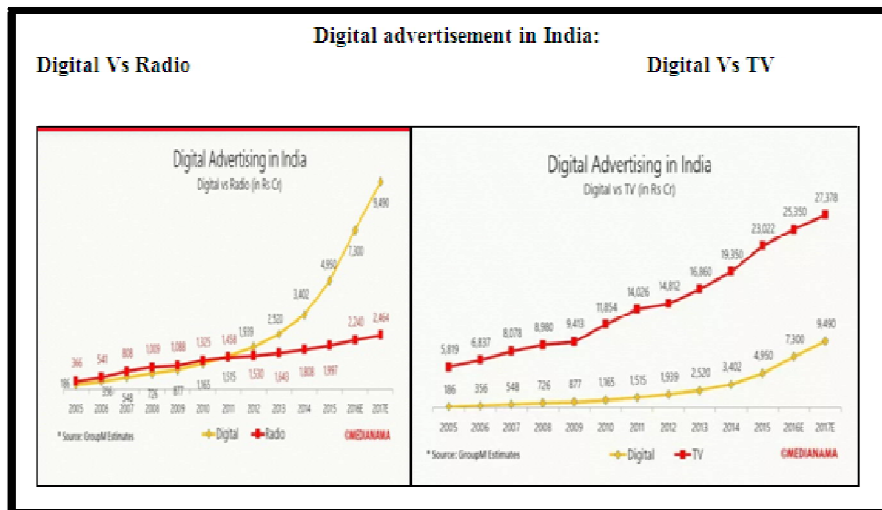


Figure 10: Comparisons with Digital Advertisement
Source: Group M Estimates Medianama

5.3. Television

Television is expected to grow at a marginally slower pace of 8% compared with 10.11% in 2016, even though there is growth. Television will continue to account for a majority share of advertising spends in India, at 44.7%, but it's worth noting that this is a declining share, at least over the last two years

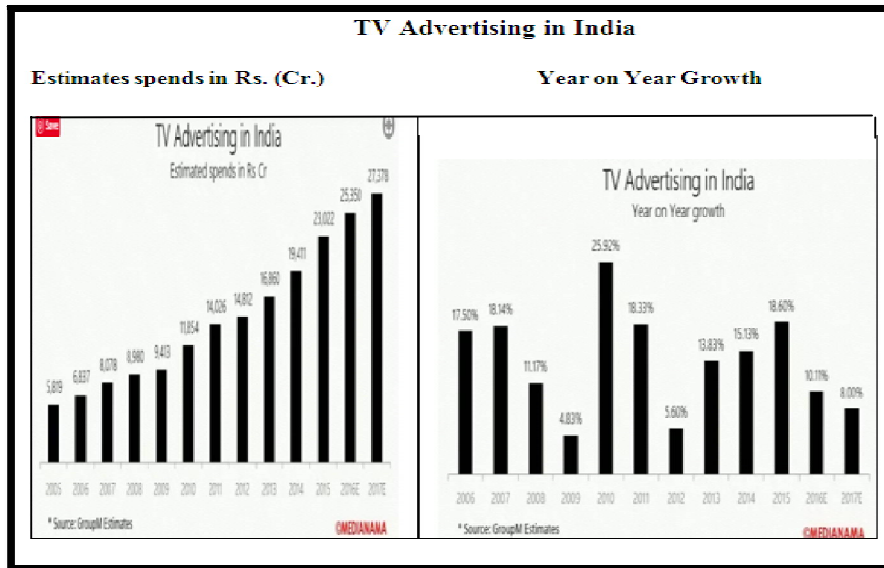


Figure 11: TV Advertising in India
Source: Group M Estimates Medianama

5.4. Print (Newspapers and Magazines)

Newspaper advertising is expected to grow by 4.5% in 2016, a marginal improvement over the last year, where it grew 4%. It's important to remember that TV and Print operate on a much larger scale than digital, so overall growth might be more, even if percentage growth may be lower, owing to the baseline effect. An increase in ad spends is expected from Government, Media and Auto

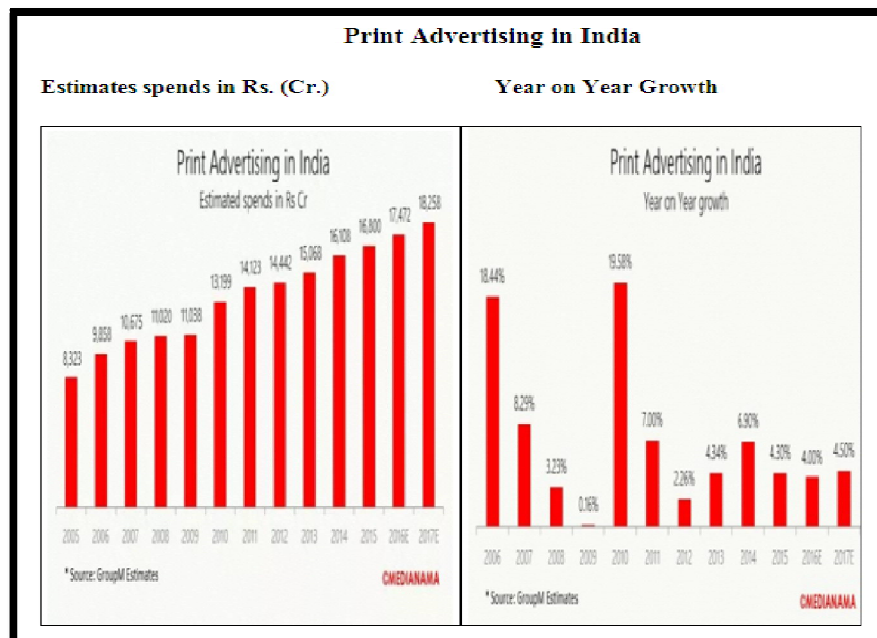


Figure 12: Print Advertising in India
Source: Group M Estimates Medianama

5.5. Share of Mobile in Digital Advertising Spending in India from 2015 to 2021

This statistic represents the share of mobile as part of digital advertisement spending from 2015 to 2021. Mobile advertising accounted for roughly 27 percent of digital advertising spending in India in 2016 and was projected to reach close to 62 percent in 2021.

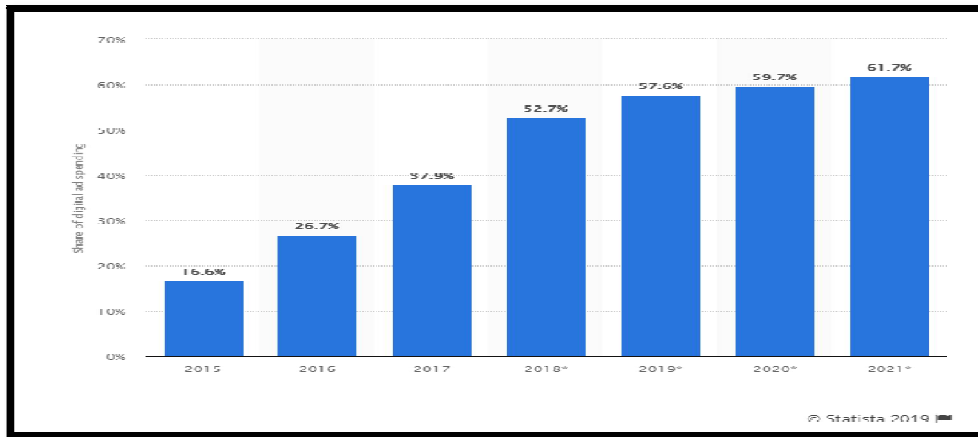


Figure 13: Share of Mobile in Digital Advertising Spending

6. Conclusion

It can be concluded that the implementation of the message theories differs significantly in different types of advertising practices such as print, television, outdoor and web. This is an important finding for advertising professionals because it shows that the implementation of message theories largely depends on the type and form of different advertising practices. Asia Pacific is the second largest regional advertising market in the world with projections to maintain this position in the coming years. Advertising spending in the region reached a total of 158.3 billion U.S. dollars in 2015, and is forecast to increase to about 235.5 billion U.S. dollars by 2020. The growth in the region is mainly driven by China, the world's second largest ad market, and India, one of the fastest growing advertising markets in Asia. Fast moving consumer goods, automobile and e-commerce are the most advertised industries in India. The major marketing communication objectives are creating brand awareness; defining a satisfying needs for the product and encourage action from targeted audience. As India is one of the fastest growing advertising markets in Asia, the ad market in India is forecast to increase by 2.84 billion U.S. dollars between 2015 and 2018; this is the fifth largest ad expenditure growth in the world during this time period.

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An Analytical Study on the Influence of Demographic Variables and Factors of Expectation in College Life on the Prospective Student Aspirants during Selection and Choice of Private Engineering Colleges

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Abstract:

The decision to enroll in a higher education institution is extremely important because during these years one's future career is being built. Therefore, when making a decision regarding the future, individuals evaluate several alternatives offered by the institutions.

Prospective students always try to seek proper and accurate information about the institution intended for taking admission. Different Demographic variables and factors of general expectation in college life have definite impact and relation to the decision making process, choice of the institution and similar other related matters which have direct connection with the selection of HEI by the prospective student.

With its central role in society encounters, higher education fosters mutual understanding and helps to build global networks for the future. At constant time, cross-border flows of concepts, students and others including developments in data and communication technology are dynamically setting for educational activity.

This implies each augmented collaboration and competition between countries and establishments on a world scale.

Thereby, the purpose of this paper is to analyse and study the impact of these so called moderating and demographic factors that influence students and young adult aspirants to select, make choice and then enrol in a private engineering college.

Keywords: *Students' Enrolment, Demographic factors, Young Adult Aspirants, Selection or choice of private engineering college, general expectation of college life*

1. Introduction

In the recent years there has been a massive growth in the number of private engineering colleges in West Bengal. So, as a result of that the scenario of the technical education sector has also changed with newer provisions and techniques to cater to the needs and requirements of the sector.

Due to the huge number of private engineering colleges the number of students successfully passing out every year is also very large in number. But, due to various economic and industrial reasons there is a huge crunch in the number of jobs available for those students and they are facing a very adverse situation just at the beginning of their career which needs a proper evaluation of the demographic and factors of college life expectations to convert this into a positive outlook for all concerned.

There is another drawback which is also having a very adverse effect on the quality of academics delivered to the students. This can be said as less number of properly educated and trained faculty are available for teaching the students and quality of learning process is being compromised. Recently, the colleges are trying to overcome this issue and trying to cope up to the expectations of the aspirants and students.

Again many students are going out of West Bengal for technical and as well as management studies in case of higher education for pursuing the Graduate level and Post-Graduate level degrees and courses. They are getting better faculties for teaching, well-built infrastructure and also placement after completing the course which are having all the required amenities for the students. They are giving good campus placements in various leading companies. Every year a large number of aspiring students are going there to seek their future career irrespective of the cost of study. But, likewise, some of the private engineering colleges are performing well in Kolkata region and fulfilling the expectations of the students as well and so they have been able to retain the inflow of new admission of students considering different demographic background and varied levels of expectations from the aspirants.

However, at the same time many private engineering colleges of Kolkata region are getting closed down due to lack of students and aspirants are finding alternatives outside the state and at the same time some are coming here from other states as well to take admission in some of the colleges to pursue different engineering subjects. Here, the parents are ready to give more money if they get quality education for their children. If the private engineering colleges of Kolkata region can come up with real new offerings and structures then students would not go out and will pursue their higher studies and degrees in their own state, West Bengal. So, a study on the various Demographic variables and factors of general expectation of the college life and their consecutive outcomes can give more emphasis on the matter.

Consumer behaviour can be affected by several factors. You can easily notice the difference between the buying decisions and consumer behaviour of two different people from different economic groups. A person with high level income makes big ticket purchases whereas one from lower economic strata makes small ticket purchases. These factors are evident at the surface. However, there are several factors affecting buying decisions and consumer behaviour. Some of these differences are easily noticeable whereas the others might be a little difficult to observe.

In the recent years there has been a massive growth in the number of private engineering colleges in West Bengal. So, as a result of that the scenario of the technical education sector has also changed with newer provisions and techniques to cater to the needs and requirements of the sector. Due to the huge number of private engineering colleges the number of students successfully passing out every year is also very large in number. But, due to various economic and industrial reasons there is a huge crunch in the number of jobs available for those students and they are facing a very adverse situation just at the beginning of their career which needs a proper evaluation of the demographic and factors of college life expectations to convert this into a positive outlook for all concerned.

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This paper focuses on four important demographic factors and the effect they have on consumer behaviour of the prospective students. These factors are age, gender, income and education.

1.1. Age

Age is an important demographic factor that affects consumer behaviour of prospective students and aspirants. As people grow, their needs change. Similar changes return to their shopping for deciding patterns. With age, our health desires modification so do several alternative desires. Age brings changes to people's lifestyle and with it their needs and personal values are also affected. When people are young, they spend more on their lifestyle needs from fun and movies to fashion. As they age, their expenses on these things shrink. Elderly individuals largely stay in-door but their health connected expenses could rise. In this way, age becomes one of the fundamental demographic factors affecting consumer behaviour and buying decisions.

Age does not just affect buying behaviour, it is also an important factor affecting market segmentation and marketing strategy. Marketers segment their target market on the basis of age. There are several products that are marketed only to the millennial. Similarly, there are product meant for the older and that meet the wants of individuals past their middle ages. Lifestyle gadgets and magazines are mostly marketed to the youth or the millennial generation. Since the taste of this generation is vastly different and they are more digitally inclined; this affects not just the choice of marketing strategy but also the marketing channels used to market to them.

People's selection of brands and product begin ever-changing as they age. A young man's choices can be vastly different from the elderly since age brings changes that affect our flavour. An older person could have a lot of serious selections and can be less fun amative than once he was young. Chocolates are meant for kids and young people. Their consumption among the elderly is much lower. Age determines many things and after we retire our consumption patterns additionally modification in step with the modification in financial gain. Elderly individuals are less digitally inclined and so their consumption of digital product may be lower.

1.2. Gender

Between male and feminine sexes, many things area unit completely different and these variations conjointly have an effect on their shopping for decisions. The two sexes have different needs in terms of fashion and lifestyle. So, their consumer behaviour in these two areas can be vastly different. It is mainly the difference in needs that lead to differing choices. However, there are several areas where consumption patterns can be similar too like in terms of food and fun. The same movies and same aliment whole could charm to each the sexes. The same is true about technological gadgets too. However, there are still several products in the market which are meant for either of the sexes not each. Decision making patterns can also vary between the 2 sexes. The homemakers are less likely to be involved in impulse buying. So many advertisements that you daily come across are directed at either of the sexes. From beer adverts to the grooming products, the same adverts do not appeal to both the sexes. In most of the households, it is the women that influence most of the product choices.

1.3. Income

Income is a very important factor that affects the buying decisions and consumer behaviour of people. Across completely different financial gain levels, the difference in product choices and buying patterns can easily be marked. A person in the middle class makes his buying decisions based on utility. However, somebody from the socio-economic class would need vogue, design and special features while making a purchase. The channels for the marketing of luxury items are different from those for the ordinary ones. Luxury items are mostly marketed through luxury magazines. The level of financial gain determines what reasonably merchandise somebody often purchases. A customer with higher income can pay a lot of on luxury or modus vivendi things. People with higher disposable income also spend more on vacations and tours. Customer service and after sales support also become important factors when it comes to big ticket purchases.

1.4. Education

Education affects how people view things around them. It affects the extent of discretion they use whereas creating purchases. In this era, education has also become the determinant of social class and the easiest method to climb up in the society. The more educated a person is, the higher the level of discretion he will employ in making purchases. People's preferences can change with education. Every customer is well informed in this era. However, the more educated ones take more time before deciding a purchase. Education affects variety of things as well as the style you wear and also the programs you watch. It affects even your choice of stationary and the magazines you are reading. It is why same ads do not work with all customers. Highly educated customers look for information and do not rely on ads alone. They question the information served before them. If observed carefully, education's effect can easily be seen on consumer behaviour. An educated client would weigh his choices rigorously before going for a sale.

2. Objectives of the Study

- To understand the impact or influence of Moderating Variable – General expectation of the college life on the young adult and student aspirants while selecting the private engineering colleges through a study and analysis of the primary data.
- To understand the impact or influence of Demographic Variables (Age, Gender, Income and Education) on the young adult and student aspirants while selecting the private engineering colleges through a study and analysis of the primary data.

3. Review of Literature

- Researchers have found that gender has a strong impact on the college selection process specifically during the time of admission. (Shank & Beasley, 1998)
- Socio-economic status (income) of a student's family can play a vital role in a student's college choice with tuition increases occurring in many institutions (Cabrera & La Nasa, 2000; Hurtado, Inkelas, Briggs, & Rhee, 1997).
- Varying student demographic factors such as age, gender, and socio-economic status have an influence on the college application and enrolment choices (Horvat, 1996; Hurtado, Inkelas, Briggs, & Rhee, 1997; Kim, 2004; King, 1999; Perun, 1982; Trent, Owens Nicholson, Eatman, Burke, Daugherty, & Norman, 2001).
- Understanding the importance of the age and gender is imperative for the institution to find ways to counteract what could be deemed an unappealing issue for a specific demographic group (Horvat, 1996; Perun, 1982).
- The significance of institutional characteristics, such as location and choice of academic majors, is impacted by gender in the college decision making process (Shank & Beasley, 1998).
- The amount of money (income) that is needed to attend the college becomes one of the more influential factors in the decision making process of the prospective student (Kim, 2004).

An Analytical Study on the Influence of Demographic Variables and Factors of Expectation in College Life on the Prospective Student Aspirants during Selection and Choice of Private Engineering Colleges

- Educational background and interest is often a defining factor in access to college and the ability to have multiple options for picking an institution (Cabrera & La Nasa, 2000).
- Data-driven through education influences the decision making based on research on promotional materials is vital to an institution sending a positive message to influence students to attend the institution (Maringe, 2006).
- Typically, larger institutions communicate to students about more educational and social opportunities available on campus (Hite & Yearwood, 2001).
- Broekemier and Seshadri (1999) also found that family income had a vital role in the college choice process.

4. Data Collection

Primary Data has been collected from young adult aspirants and students of the private engineering colleges of Kolkata region by using a structured questionnaire.

- Sample Size : 600 respondents
- Sampling Methods : Stratified Random Sampling
- Type of data : Cross-sectional respondent
- Location : Engineering Colleges/Institutes of Kolkata region.

5. Methodology

- Factor Analysis has been done to find the factor and also to test whether any other new variables emerge or not.
- Data collected has been transferred to SPSS and thereby; Correlation, Regression, and ANOVA has been performed.

6. Data Analysis and Interpretation

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.706
Bartlett's Test of Sphericity	Approx. Chi-Square	12201.785
	df	136
	Sig.	.000

Table 1

Communalities		
	Initial	Extraction
Future Job Prospects	1.000	.240
Future Earnings Prospects	1.000	.195
Feeling of Higher Status	1.000	.507
Improved Language Skills	1.000	.368
Hostels (Boys & Girls)	1.000	.249
Dining Hall	1.000	.320
Canteen	1.000	.599
Ragging Free Campus	1.000	.146
Green Eco-Friendly Campus	1.000	.278
In-Campus Book Store	1.000	.631
Sports Facilities	1.000	.751
Multi-Gym Facilities	1.000	.666
Student Associations/Organizations/Societies	1.000	.631
Student Activities/Fest/Cultural Program	1.000	.461
Movie Plaza	1.000	.081
Cafeteria	1.000	.233
Parlours	1.000	.109

Extraction Method: Principal Component Analysis.

Table 2: Extraction Method: Principal Component Analysis

Component	Total Variance Explained								
	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	6.466	38.037	38.037	6.466	38.037	38.037	5.350	31.469	31.469
2	3.812	22.424	60.461	3.812	22.424	60.461	4.929	28.993	60.461
3	1.790	10.529	70.990						
4	1.413	8.311	79.300						
5	1.083	6.372	85.673						
6	.712	4.189	89.862						
7	.475	2.795	92.656						
8	.326	1.920	94.577						
9	.248	1.460	96.037						
10	.187	1.088	97.135						
11	.131	.770	97.905						
12	.100	.590	98.495						
13	.080	.473	98.968						
14	.063	.372	99.340						
15	.047	.279	99.618						
16	.036	.210	99.828						
17	.029	.172	100.000						

Extraction Method: Principal Component Analysis.

Table 3

An Analytical Study on the Influence of Demographic Variables and Factors of Expectation in College Life on the Prospective Student Aspirants during Selection and Choice of Private Engineering Colleges

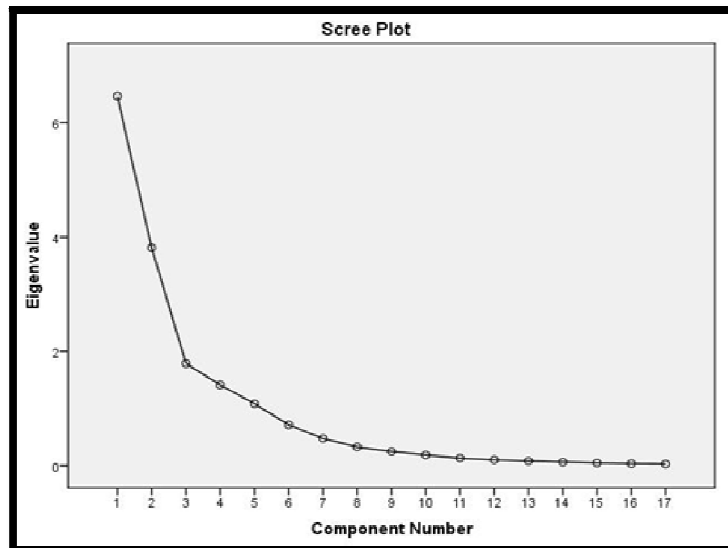


Figure 1

	Component	
	1	2
Future Job Prospects	.490	-.403
Future Earnings Prospects	.442	-.393
Feeling of Higher Status	.712	.347
Improved Language Skills	.606	.316
Hostels (Boys & Girls)	.499	-.554
Dining Hall	.566	-.516
Canteen	.774	-.444
Ragging Free Campus	.382	-.586
Green Eco-Friendly Campus	.527	-.570
In-Campus Book Store	.795	-.162
Sports Facilities	.867	.200
Multi-Gym Facilities	.816	.288
Student Associations/Organizations/Societies	.795	.158
Student Activities/Fest/Cultural Program	.679	.237
Movie Plaza	.284	.736
Cafeteria	.483	.725
Parlours	.330	.734

Extraction Method: Principal Component Analysis.
a. 2 components extracted.

Table 4

	Component	
	1	2
Future Job Prospects	.625	.114
Future Earnings Prospects	.781	.285
Feeling of Higher Status	.767	.198
Improved Language Skills	.666	.153
Hostels (Boys & Girls)	.021	.745
Dining Hall	.096	.759
Canteen	.301	.840
Ragging Free Campus	-.089	.693
Green Eco-Friendly Campus	.032	.776
In-Campus Book Store	.500	.639
Sports Facilities	.290	.810
Multi-Gym Facilities	.108	.810
Student Associations/Organizations/Societies	.708	.395
Student Activities/Fest/Cultural Program	.371	.860
Movie Plaza	.394	.976
Cafeteria	.238	.839
Parlours	.427	.844

Extraction Method: Principal Component Analysis.
Rotation Method: Varimax with Kaiser Normalization.^a

a. Rotation converged in 3 iterations.

Table 5

6.1. Extracts from Factor Analysis of “Expectation of College Life” (Moderating Variable)

KMO value is .706 and p-value of Bartlett's Test of Sphericity which proves correlation matrix is not identical.

Scree plot and variance explained (Approximately 61%) shows appropriateness of two factors. As per nature of variables two factors are Future Prospects and Infrastructure.

6.1.1. Regression of the “Expectation of College Life” (Moderating Variable)

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	.120 ^a	.314	.211	.760217962	.014	4.323	2	591	.014	.776

a. Predictors: (Constant), Infrastructure, FutureProspects
b. Dependent Variable: OverallRank

Table 6

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	4.996	2	2.498	4.323	.014 ^b
	Residual	341.557	591	.578		
	Total	346.554	593			

a. Dependent Variable: OverallRank
b. Predictors: (Constant), Infrastructure, FutureProspects

Table 7

An Analytical Study on the Influence of Demographic Variables and Factors of Expectation in College Life on the Prospective Student Aspirants during Selection and Choice of Private Engineering Colleges

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	3.442	.031		110.216	.000		
	FutureProspects	.024	.023	.043	1.042	.298	.999	1.001
	Infrastructure	-.086	.031	-.113	-2.777	.006	.999	1.001

a. Dependent Variable: OverallRank

Table 8

Model	Dimension	Eigenvalue	Condition Index	Variance Proportions		
				(Constant)	FutureProspect s	Infrastructure
1	1	1.057	1.000	.34	.45	.15
	2	.996	1.030	.26	.00	.74
	3	.947	1.056	.39	.55	.12

a. Dependent Variable: OverallRank

Table 9

	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	3.29321885	3.66814065	3.44276094	.091791652	594
Residual	-1.668140650	1.706781030	.000000000	.758934893	594
Std. Predicted Value	-1.629	2.455	.000	1.000	594
Std. Residual	-2.194	2.245	.000	.998	594

a. Dependent Variable: OverallRank

Table 10

6.2. Extracts from Linear Regression of "Expectation of College Life" (Moderating Variable)

Now, while discussing about the effect of moderating variable that whether it has enhanced the cause and effect relationship between Independent and Dependent variables thereby the **linear** regression has been performed. Here the traditional method has been used by not using PROCESS Macro. The output has shown change in R-square as well as Adjusted R-square both of which have increased. Moreover the overall significance of the model has increased which is validating the effect of Moderator on the relationship of Independent and Dependent variable. Another Interesting fact is that degree of multi co-linearity has been reduced to a significant level. From previous output of regression analysis only Infrastructure is statistically significant hence only this variable has been considered for moderating effect not future prospects.

Case Processing Summary						
	Cases					
	Included		Excluded		Total	
	N	Percent	N	Percent	N	Percent
Give an overall rank to your institute/ college on a scale of - 1 to 5 * Age	600	100.0%	0	0.0%	600	100.0%
Give an overall rank to your institute/ college on a scale of - 1 to 5 * Gender	600	100.0%	0	0.0%	600	100.0%
Give an overall rank to your institute/ college on a scale of - 1 to 5 * Monthly Family Income (in Rs.)	600	100.0%	0	0.0%	600	100.0%
Give an overall rank to your institute/ college on a scale of - 1 to 5 * Rating of Institute/ College as per MAKAUT (WBUT)	600	100.0%	0	0.0%	600	100.0%

Table 11

Give an overall rank to your institute/ college on a scale of - 1 to 5 * Age			
Age	Mean	N	Std. Deviation
19.0	3.500	22	.6726
20.0	3.680	75	.8408
21.0	3.407	189	.7843
22.0	3.373	249	.7079
23.0	3.400	55	.7841
24.0	3.857	7	.8997
25.0	4.333	3	.5774
Total	3.440	600	.7642

Table 12

ANOVA Table						
		Sum of Squares	df	Mean Square	F	Sig.
Give an overall rank to your institute/ college on a scale of - 1 to 5 * Age	Between Groups (Combined)	9.402	6	1.567	2.729	.013
	Within Groups	340.438	593	.574		
	Total	349.840	599			

Table 13

Give an overall rank to your institute/ college on a scale of - 1 to 5 * Gender			
Gender	Mean	N	Std. Deviation
FEMALE	3.425	160	.7895
MALE	3.445	440	.7557
Total	3.440	600	.7642

Table 14

An Analytical Study on the Influence of Demographic Variables and Factors of Expectation in College Life on the Prospective Student Aspirants during Selection and Choice of Private Engineering Colleges

ANOVA Table							
			Sum of Squares	df	Mean Square	F	Sig.
Give an overall rank to your institute/ college on a scale of - 1 to 5 * Gender	Between Groups	(Combined)	.049	1	.049	.084	.772
	Within Groups		349.791	598	.585		
	Total		349.840	599			

Table 15

Give an overall rank to your institute/ college on a scale of - 1 to 5			
Monthly Family Income (in Rs.)	Mean	N	Std. Deviation
50000 to 100000	3.507	369	.7806
Above 100000	3.207	121	.7519
Below 50000	3.473	110	.6733
Total	3.440	600	.7642

Table 16

ANOVA Table							
			Sum of Squares	df	Mean Square	F	Sig.
Give an overall rank to your institute/ college on a scale of - 1 to 5 * Monthly Family Income (in Rs.)	Between Groups	(Combined)	8.354	2	4.177	7.302	.001
	Within Groups		341.486	597	.572		
	Total		349.840	599			

Table 17

Give an overall rank to your institute/ college on a scale of - 1 to 5			
Rating of Institute/ College as per MAKAUT (WBUT)	Mean	N	Std. Deviation
A	3.409	127	.9116
A-	3.151	179	.5555
A+	3.689	45	.7331
AA	3.560	168	.7479
AA+	3.481	54	.7458
AAA	4.259	27	.4466
Total	3.440	600	.7642

Table 18

		Sum of Squares	df	Mean Square	F	Sig.
Give an overall rank to your institute/ college on a scale of - 1 to 5 * Rating of Institute/ College as per MAKAUT (WBUT)	Between Groups (Combined)	38.488	5	7.698	14.686	.000
	Within Groups	311.352	594	.524		
	Total	349.840	599			

Table 19

6.3. Extracts from the Demographic Analysis

During the execution of the demographic analysis it has been observed that;

- By the means of Gender classification there are 440 Male and 160 Female respondents who consist out of the total of 600 respondents taken for the purpose of the analysis.
- Family Income is one of the most vital matters which has also been considered here and by analysing the available collected data it has been also pointed out that out of the total 600 respondents; In the Demographic Analysis, it has been seen that, gender has no significance but on the other hand; Age and Monthly Family Income have significant effect on the choice made by the young adults or aspirants. Both these fields have shown a significant value of less than .05 in the analysis of the ANOVA table.

7. Findings

7.1. "Expectation of College Life" (Moderating Variable)

- KMO value is 0.706 and p-value of Bartlett's Test of Sphericity which proves correlation matrix is not identical.
- Scree plot and variance explained (Approximately 61%) shows appropriateness of two factors.
- As per nature of variables two factors are Future Prospects and Infrastructure.
- The output has shown change in R-square as well as Adjusted R-square both of which have increased. Moreover the overall significance of the model has increased which is validating the effect of Moderator on the relationship of Independent and Dependent variable.
- Another interesting fact is that degree of multi co-linearity has been reduced to a significant level.
- From previous output of regression analysis only Infrastructure is statistically significant hence only this variable has been considered for moderating effect not future prospects.

7.2. Demographic Variables

- In Gender classification there are 440 Male and 160 Female respondents who consist out of the total of 600 respondents taken for the purpose of the analysis.
- Family Income is one of the most vital matter which has also been considered here and by analysing the available collected data it has been also pointed out significantly.
- In the Demographic Analysis, it has been seen that, gender has no significance but on the other hand; Age and Monthly Family Income have significant effect on the choice made by the young adults or aspirants. Both these fields have shown a significant value of less than .05 in the analysis of the ANOVA table.

8. Conclusion

This paper demonstrates the how choice of students and aspirants are dependent on the various demographic variables and general expectation of the college life as perceived by them. These factors and variables provide an explanation on the interplay in the decision making process and as a predictor of the

choice made by the young adults and prospective students while selecting a private engineering college during the time of admission.

Consumer behaviour of the prospective students and aspirants are affected by several factors, chief among them being age, sex, income and education. While our preferences change with age and level of education, sex and income also affect our product choices and decision making patterns.

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Does the Chrono Type of a Consumer Impact Their Impulse Buying Tendency? - An Indian E-Retail Perspective

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Abstract:

Since time immemorial, academicians and economists believed that man (or a consumer) was completely rational. But that theory is being turned over on its head nowadays. Nowadays, researchers are slowly but steadily focusing on the irrational behavioural factors impacting consumers. Compulsive behaviour and Impulsive behaviour are the two main tendencies comprising irrational consumer behaviour. The various studies on these topics are becoming more and more relevant nowadays with the ever-changing psyche of the modern consumer. Impulse buying is the purchase behaviour when a consumer purchases without pre-planning or intention to purchase a particular product, item or service. The customer is induced to purchase based on various factors like promotional schemes, price discounts or even emotional feelings and / or physical stimuli. Another behavioural characteristic that is becoming quite apparent nowadays is the chronotype. Chronotype is the attitudinal representation of behavioural characteristic related to circadian rhythms of various physical processes. What that means is that there are some who are morning people – those who like to wake up and start their day early. While there are some night people – those who like to sleep late and find themselves more productive during the latter half of the day through the night. Consumers also display this contrast depending on the difference in temperature as well as the hormonal changes in their body based on different temperature peaks. This paper aims to test the relationship amongst different chronotype groups and their impulse based purchase behaviour. Five different hypotheses were developed to analyse the association between chronotype and impulse based purchase behaviour depending on the time of the day. The study was carried out through a survey questionnaire which was modelled after reviewing multiple academic articles. A total of 261 responses were received through Google forms. Data analysis was conducted through a statistical model and multiple regression analyses were run on the collected data. The study provided multiple implications for marketers and managers, mainly the optimal time in a day which is the most convenient for impulse based purchases of different age groups as well as the optimal advertisement type to place for impulse purchases based on the specific time of the day. The results provided directions to the flexibility needed in product placement, marketing strategies as well as advertisement depending on the time and part of the day.

Keywords: *Impulsive buying behaviour, impulse, chronotype, irrational consumer behaviour*

1. Introduction

Nowadays, consumers are becoming more and more selective regarding their choice or products. It is becoming more imperative that marketers not only focus on the traditional consumer behaviour theories to acquire, convert and retain consumers but also employ these behavioural studies in their marketing and promotional strategies. Studies on impulse buying behaviour are gathering steam worldwide. Another peculiar behavioural aspect with the modern consumers is their chronotype. Chronotype is the attitudinal representation of behavioural characteristic related to circadian rhythms of various physical processes. What that means is that there exists, broadly, two types of people. There are some who are morning people – those who like to wake up and start their day early. While there are some

night people – those who like to sleep late and find themselves more productive during the latter half of the day through the night. Consumers also display this contrast depending on the difference in temperature as well as the hormonal changes in their body based on different temperature peaks. These have been classified as the morning types being the early birds while the evening/night types being the night owls. The main purpose of this paper is to analyse the impulsive buying patterns of different chronotype consumers. This would in turn help e-retail companies to target consumers based on their type as well as the type of the day and make them purchase more products impulsively. Numerous researchers have emphasised on the basis of moods, emotions as well as felt urges to buy (Gardner & Rook, 1988), (Hausman, 2000) & (Verplanken, Herabadi, Perry, & Silvera, 2005). The studies analysed many factors that pertained to impulse purchases. Impulse buyers usually experience many feelings like the feeling of lost control, feeling ecstatic after a purchase, feeling guilty due to extravagant spending etc. It was found that emotion is a very potent influence on impulse based buyers as compared to buyers who are non-impulse based (Weinberg & Wolfgang, 1982).

All the studies verify the occurrence of these factors but none of them actually analyse the reason why these occur and if there is any relation with the chronotype groups at different time of the day. This paper tries to elaborate the existing studies and literature on analysing the different state of moods for each chronotype post impulse based purchases. This paper also investigates the level of feeling guilty after an impulse based product purchase (Blackwell, Miniard, & Engel, 2006). This paper then investigates the aspect of advertising and its impact on different chronotype based on their optimal and sub-optimal time of the day while purchasing based on impulsive behaviour. Product involvement either high or low also has impact on the advertisement strategies (Petty & Cacioppo, 1981). The study tries to explore how and what type of advertisement will be effective to influence consumers in impulse purchases. Studies have established the relationship between promotion discounts and impulse buying (Abratt & Goodney, 1990). The study also contributes to the academia on the synergy amongst impulsive buying behaviour and discounts as well as chronotypes.

2. Problem Statement

This study analyses the impulsive buying behaviour of consumers based on the time of the day when they are most alert and active or the least active and alert. The thesis also aimed to provide insight on the impulsive buying behavioural patterns of the early riser's vs late sleepers.

The problem statement is as follows:

“To study the effectiveness of impulsive buying-based products placement depending on different time of the day and how different stimulus impact different consumers to buy more products based on impulsiveness.”

The study tries to analyse this by instituting a relationship by studying the impulsive consumer buying behaviour of different chronotypes.

3. Research Question

To respond to the problem statement, the paper formulated and answered the following:

- Does there exist a synergy amongst different chronotypes and impulsive purchase behaviour?
- Do different chronotypes display impulsive buying behaviour on individually contrasting time of the day as compared to one another?
- Do promotional strategies like discounts and advertisements influence different chronotypes differently?
- Do promotional strategies like discounts and advertisements influence different chronotypes during different time of the day when they buy impulsively?
- Do different chronotypes impulsively buy high and / or low involvement products during different time of the day?
- Do different chronotypes display different level of feeling guilt post impulse buying a product?

4. Literature Review

Chronotype usually concerns itself with the waking up and sleeping times of different individuals. Broadly, they can be classified as either the early bird individuals as well as night owl individuals. They usually have different peak times of alertness during different times of the day. The early bird type individuals are more and more active as well as alert during the wee hours of the day i.e. towards morning while the night owls are individuals who are more efficient during the latter half of the day or night time. The Internal variations between the different levels of diurnals amongst individuals cause these two types of chronotype to occur (Hornik J. , 1988). Both the two types of chronotype individuals have their own and different arousal level peaks at different times of the day. Therefore, early risers are more energetic and efficient during the morning and afternoon while night owl individuals are more efficient and effective during the evening and the night (Thayer, Takahashi, & Pauli, 1988). Body temperature peaks as well as cortisol hormonal level peaks also determine the different arousal levels amongst the chronotypes (Horne & Ostberg, 1976), (Bailey & Heitkemper, 2001). Morningness as well as Eveningness is the alternate names for early risers (birds) and late sleepers (owls) according to their chronotype.

In a study it was found that consumers showcased a more detailed information processing capability during the optimum hour or time in the day according to their individual chronotypes (Yoon, 1997). Another researcher found that the circadian rhythm of individual chronotypes also influenced the recall of advertisements based on their optimum time in a day (Hornik & Miniero, 2009) (Hornik, Ofir, & Shaanasatchi, 2010).

The concept of impulsive buying behaviour has been redefined and researched throughout the 20th century. Initially, impulsive buying behaviour was only thought of to be only limited to unplanned purchases (Clover, 1950). But then onwards, studies found that there exist different types of impulsive buying tendency – “Pure impulse buy, Reminder Impulse Buy, Suggestion impulse buy as well as Planned impulse buy” (Stern, 1962). These different types of impulsive buying tendency are influenced by price discounts, promotional events as well as advertisements. Later on, further aspects were introduced including the sudden as well as spontaneous urges to buy, psychological disequilibrium, internal psychological conflict and the reduction in cognition while purchasing a product impulsively as well as purchasing impulsively without regards of any consequences (Rook & Hoch, 1985).

A study showed that the different level of involvement whether high or low also has its impact on advertisements (Petty & Cacioppo, 1981). There also exists a relationship amongst the variety seeking consumer behaviour of the chronotype individuals and the hour of the day. (Roehm Jr & Roehm, 2004). Researchers are also focusing lately on the impulsive buying behaviour that consumers show case during online purchases. Online buying has been getting traction in today’s e-retail world. A study researched that there exists a relationship amongst online impulse purchases as well as the product that is being purchased as well as the impulsive purchase is influenced by state of mind and feelings (Madhavaram & Laverie, 2004)

5. Hypothesis

The hypotheses developed for this study are as follows:

- H1: There exists a negative relation between chronotype as well as the time of the day of the impulse purchase
- H2: There exists an interrelation between advertisements and the day of the time positively moderated by chronotype
- H3: There exists an interrelation between discounts offered and the day of the time positively moderated by chronotype
- H4: There exists an interrelation between a consumers’ product involvement and the day of the time positively moderated by chronotype

- H5: There exists an interrelation between a consumers' feeling of guilt as well as the day of the time negatively moderated by chronotype

6. Conceptual Framework

The conceptual framework model is as shown as below:

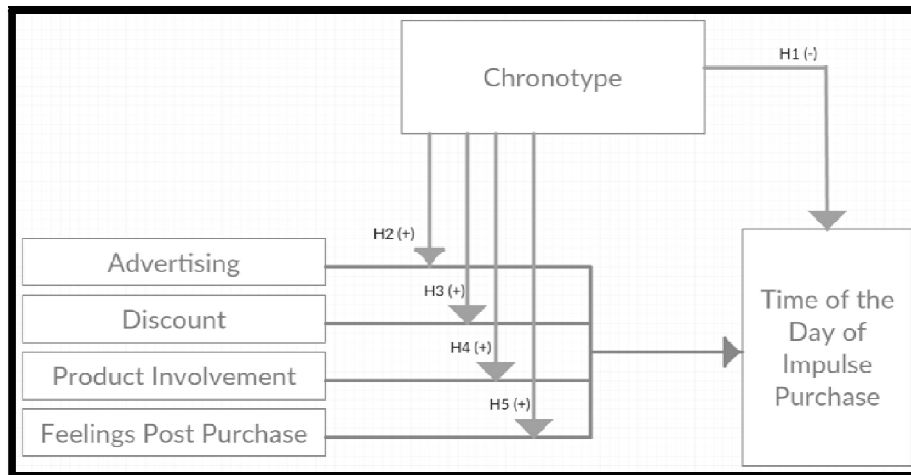


Figure 1: Conceptual Framework

7. Research Methodology

A total of 310 prospective respondents were contacted and Google forms were sent to them. Out of the 310, 261 completed and valid responses were received which were considered for the study. Initially, a pilot survey was administered to 20 prospective participants to verify the questionnaire for inconsistencies, to find the average time taken to complete the questionnaire as well as for their feedback on the overall questionnaire. Out of the 261 respondents, 136 participants were male which was 52.10% approx. while there were 125 females which was approximately 47.90%. The survey was conducted through the use of Google Forms. For impulsive purchase behaviour, the impulsivity scale was used (Ridgeway, Kinney, & Monroe, 2008). While for the chronotype, the study employed the Reduced Morning Type and Evening type questionnaire developed by (Adan & Helena, 1991) based on a previous questionnaire developed by (Horne & Ostberg, 1976). The study employed a snowball based non-probability sampling method. The survey questionnaire was made of questions based on five-point Likert scale.

8. Data Findings and Analysis

Analysing the data, the study found that there does exist a positive interrelation amongst the chronotypes as well as the time of the day when the impulse products get purchased. It was found that more than 45.90% of early risers conduct impulse based purchases during the morning hours and the early afternoon hours while compared to the late sleepers who were at 35.11% approximately during those particular hours of the day. Although conversely, during the late afternoon hours as well as the evening and night hours the late sleepers amounted to approximately 64.89% purchasers while the morning chronotypes amounted to approximately 54.10%. The maximum mean of impact of advertisement on consumers during the evening and night is of the late sleepers while the maximum mean of impact of advertisement during the early morning and early afternoon is of the early riser chronotype consumers. Conversely, the minimum mean of the impact of advertisement for the night timers was during the late morning and early afternoon while the minimum mean of the impact of

advertisement for the morning chronotypes was surprisingly the late afternoons. It is quite evident by the analysis that the early risers are more impacted by advertisements during the early part of the day while the late sleepers are more impacted by advertisements during the latter part of the day. The early risers tend to ascertain more importance to the offering of discount than that of the late sleepers. Although, the late risers tend to have the late evenings more while the early risers tend to have a maximum peak during the late mornings as regard to the impact of discounts on their impulse based purchases. Early risers showed lesser product involvement during the evenings and night (51.11) as compared to the mornings and early afternoons (53.86) while the late sleepers showed more inclination towards product involvement during the evenings and night (57.32) as compared to the mornings and early afternoons (51.11). It was also evident that different chronotype individuals do exert different variations of post purchase feelings while purchasing impulsively. Feeling happy after an impulse based purchase was higher in the late sleeper types (64.50%) as compared to the early risers (45.97%). Early risers (41.21%) felt neither happy nor guilty during the impulse purchases as compared to the late sleepers (24.39%). Also, it was found that the late risers (55.65%) did not feel any guilt after an impulse purchase as compared to the early risers (37.75%).

9. Conclusion

The study analysed the data based on the pre-developed hypotheses and made multiple conclusions. There was evidence that chronotype individuals are more impacted to purchase impulsively depending on their optimum time of the day. Statistically speaking, this is truer for the late sleepers (10% of alpha value) as compared to the early risers. The data also showed that chronotypes made a bigger impact on the interrelation between advertisement and impulsive purchases.

Also, discount plays a very important role for the chronotypes in purchasing impulsively depending on the time of the day. There is also evidence that depending on their optimal times of the day, the product involvement is high in different chronotypes. The guilt feeling level was also found to be low for the impulse purchases amongst different chronotypes based on their optimal times of the day.

10. Managerial Implications

As evident from the analysis of the data, it was found that there exists a positive relation between impulse purchases as well as the chronicity based on their individual time of the day. The study also found the younger age tend to be more of a late sleeper hence online marketers could look to place their products towards the evenings and the nights to get a higher probability of impulse purchases from that chronotype. Similarly, when the online marketers target the older age group, they can place their product towards the morning and afternoon to induce impulse purchases. In other words, marketers could place their products in different times of the day based on the age of their target markets.

It was found that the early risers did not have any significant impacts as compared to the late sleepers depending on the discounts, advertising, the level of product involvement or even the level of guilt to induce impulsive purchases. Although it is sure that patterns are different for the different types of chronotypes which can shed more light on these factors. Early risers have shown more impetus towards the impact of advertisement depending on their optimal time of the day. Therefore, online marketers should focus on advertising their impulsive products accordingly.

The late sleepers usually give importance to discounts hence the online marketers should target their market with discounts depending on their optimal time of the day. Online marketers also need to understand the levels of product involvement shown by the different chronotypes according to their optimal times of the day and strategize accordingly to push the sales of their impulse products.

11. Limitations and Future Implications

The researchers in this study felt that in order to better model the understanding of chronotypes impact on impulse buying behaviour, participants need to be better selected based on clear differentiation between young people who are late sleepers as well as older people who are early risers. The respondents in this study were quite spread across all age groups. There were some who did not properly identify to the either groups. The researchers also felt that the original questionnaire on Morning types and evening types (Horne & Ostberg, 1976) should have been utilised as compared to the one used (Adan & Helena, 1991). However, that questionnaire has 19 items as compared to the 5-item questionnaire used in this study which would in turn be quite lengthy in comparison.

Also, this study generalised impulsive buying behaviour. But impulsive buying behaviour is much more than that (DuttaGupta & Poddar, 2018). This study also did not take into account price as a parameter for the chronotypes to purchase impulsively. Also, to effectively analyse the responses based on impulsive purchase is not optimal in such scenarios. Future researches could focus on a field study or interviews rather than the survey method for deeper analysis. The chronotypes used in this study was only two i.e. the early risers and the late sleepers. Future studies could focus on the four new types of chronotype namely the lion, the dolphin, the wolf and the bear (Lebowitz, 2019). Also the recency of the impulse purchases amongst the respondents needs to be of focus as well.

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Online Consumer Behavior: An overview

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Abstract:

Online consumer behaviour is getting more and more importance every day. It refers to internet related activity associated with the consumption of goods, services and information (Freiden.J. et al. 1998; Hofacker, C. F, 1999). Online consumer behaviour is of great interest of consumer theorists who wish to test how far the traditional consumer behaviour models and concepts are applicable to online consumption. Much of the online consumer behavioural study is based on how much time a consumer spend on internet, what they purchase or demographic specification of the consumer. Demographics can be used to describe, explain and understand e-consumer behaviour. On this regard, consumer attitude can predict and explain consumer behaviour to some extent. The present study is based on measuring a component of consumer attitude, viz, consumer perception towards e-tailing. This study can contribute to both online consumer theory and marketing practices. Consumer perception can lead to conceptualize e-consumer attitude which in turn can lead towards predicting e-consumer behaviour. Also it can help managers to design marketing strategies to appeal to consumers who are not involved in e-tailing practices till date. It is identified from the study, that the consumers' attitude towards technology itself as the single most important determinants of online shopping.

So, before trying to understand the e-consumer attitude and hence e-consumer behaviour, the first and foremost step is to understand why people don't use internet for online shopping purpose.

Keywords: *Online consumer behaviour, e-consumer, online buyer, consumer attitude, consumer analytics, online shopping, consumer perception*

1. Introduction

The online shopping is gaining much popularity across the world especially in India. Since it provides consumer more information and choices to compare product and price, more choice, convenience, easier to find anything online (Peppard, J., et al., 1998), internet shopping has been widely accepted as a way of purchasing products and services. It has become a more popular means in the Internet world (Bourlakis et al., 2008).

According to the recent studies, there is a drastic shift of customers from brick and mortar stores to online purchases (Raghunath, C., 2015). Maintaining and increasing the benefits from the Internet to all segments of society continues to be an important public policy goal (Scott Morton, Zettelmeyer and Silva-Risso, 2001).

Veronika, S. (2015) mentioned that only 20 % of all online purchases are planned, the remaining 80 % are impulsive, based on emotions. The result shows that, motives in each age group are the same and marketers do not have to select motives of online shopping according to age of respondents. According to the research of Gemius agency (2009), the biggest motivation for an online customer is price (34 %) and in the second places there are time savings and comfort (24 %). The third place is taken by product quality with 17 %. The motive specified in the next place, pleasant leisure time activity (14 %), implicitly also shopping enjoyment, is opposite to the motives of those who save time here.

2. Consumer Analytics

IAMAI Report (2014) revealed that, Lack of Knowledge of Internet, Lack of Means (or infrastructure) and Beliefs (the Opinions held by the non-users) are the main reasons among non users behind non-accessing the internet.

The reasons of non-using of the internet is as under:

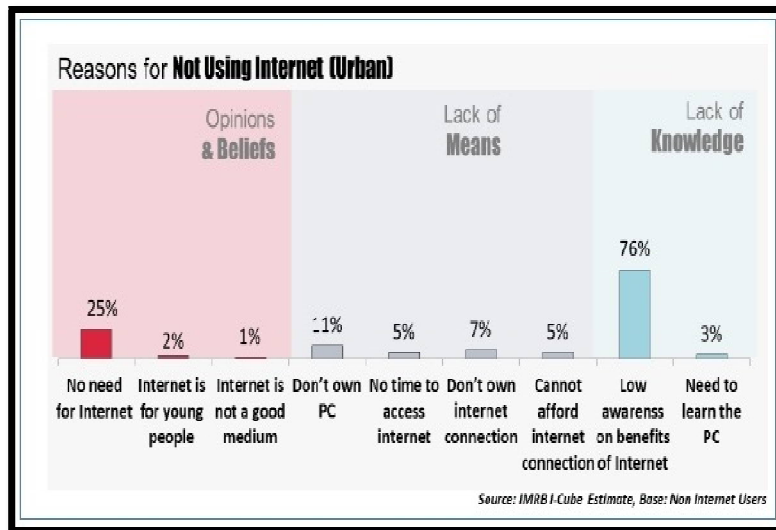


Figure 1: Reasons of Urban Population for Not Using Internet in India

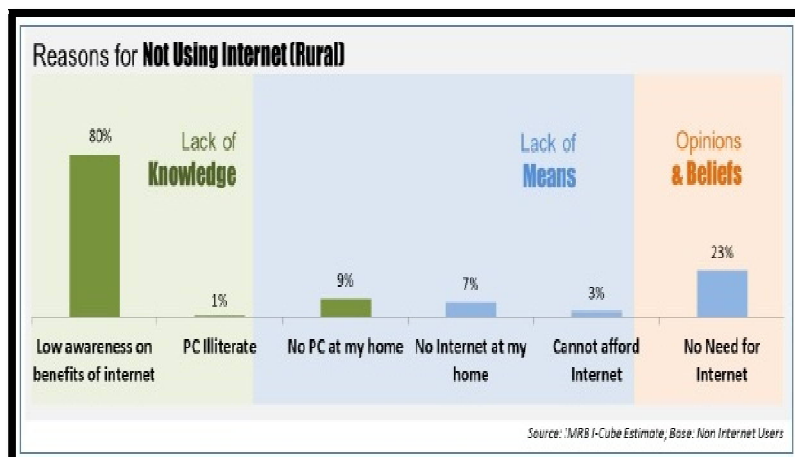


Figure 2: Reasons of Rural Population for Not Using Internet in India

The report says “Lack awareness of benefits of internet” is the main category of reasons for not using Internet among the non-users in Urban India. 76% of the non-users of Internet in Urban India are not aware of internet followed by 3% who need to learn PC. In Rural India, 80% of the non-users of internet are unaware of the benefit of internet. 23% of the non-users in Rural India still foresee that there is no need for accessing the Internet. 9% don’t have internet connection as they don’t have a PC at home. Internet penetration in rural India can only be made possible once the people are made aware of the benefits of internet.” (Strauss.J et al., 2009)

3. Online Consumer Types

Nonusers of internet can be classified into several groups. Four segments of nonusers are identified in a research conducted in USA (Lenhart. A. et al., 2003). They are:

3.1. Net Evaders

They don't think that internet is a good use of time and they don't think that they want it. Approximately they are 8% among non internet users.

3.2. Net Dropouts

They tried the internet and later stopped using it. They don't want to like it, found it expensive and had content concerns or technological difficulties. They are approximately 17% among non-users.

3.3. Truly Unconnected

They are from low income with little education. They are afraid of computer crime or can't afford it may be due to lack of internet accessing device or internet connection and also find it too complicated. They are found to be approximate 69% among non internet users.

3.4. Intermittent Users

They are sometime online but leave it for extended periods due to technological problems, scared about potential online crime, high cost or just don't think that they need it.

Strauss, J. et al. (2009) categorized the main online consumer activities by some general outcomes: connect, create, enjoy, learn and trade. Each outcome represents a marketing opportunity for e-savvy marketers. "Connect" refers to internet allows consumers to interact with each other or with businesses in two-way communication basis. "Create" refers to profile creation, uploading pictures and content creation by the consumer before getting connected. "Enjoy" refers to the consumers using internet to enjoy entertainment. This segment of consumers is the fastest growing in number. "Learn" group of consumers refers to the consumers access information to learn things online such as news, facts, driving directions, travel information, jobs etc over the internet. "Trade" group of consumers engage themselves to shop, buy or conduct other transaction-oriented activities online.

All kind of online exchange occurs under technological context, social and cultural context and legal contexts. Beyond these social or cultural trends, individuals vary in their online behavior. Some of this variance is based on differences in characteristics, such as demographics and attitudes. Internet users tend to have a more positive attitude toward technology and be more accustomed with the usage of computers. Gender is found to affect attitude towards the use of internet and age and ethnicity can also affect internet usage. (Strauss, J. et al., 2009)

4. Online Consumer Behavior: The Socio-Technical Phenomenon

Studying online consumer behavior is quite critical because it is a complicated socio-technical phenomenon and involves too many factors (Khan, A., 2015). The study of e-consumer behaviour is gaining importance due to the proliferation of online shopping (Dennis et al. (2009); Harris and Dennis (2007).

Economic models show that there is often a transfer of consumer surplus (i.e., the difference between the "price paid" and the "willing to pay" price) from consumers who purchase a high-priced product to those who buy a low-priced bargain in the same product category (Aron, Sundararajan and Viswanathan, 2006). Lower-income consumers stand to benefit the most from this transfer of consumer surplus because in a strange irony it has been created for them by their higher-income counterparts. For the public policy implications, the focus can be on designing communication strategies that can help lower-income consumers realize the same benefits of e-commerce as their higher-income counterparts. These campaigns may be implemented by nonprofit Agencies.

Consumer oriented research has examined psychological characteristics (Hoffman and Novak 1996; Novak et al., 2000; Wolfinbarger and Gilly, 2002), demographics (Brown et al., 2003; Korgaonkar and Wolin, 1999), perceptions of risks and benefits (Bhatnagar and Ghose, 2004; Kolsaker et al., 2004), shopping motivation (Childers et al. 2001; Johnson et al. 2007; Wolfinbarger and Gilly, 2002), and shopping orientation (Jayawardhena et al., 2007; Swaminathan et al., 1999). The technology approach has examined technical specifications of an online store (Zhou et al., 2007), including interface, design and navigation (Zhang and Von Dran, 2002); payment (Torksadeth and Dhillon, 2002; Liao and Cheung, 2002); information (Palmer, 2002; McKinney et al., 2002); intention to use (Chen and Hitt, 2002); and ease of use (Devaraj et al., 2002; Stern and Stafford, 2006).

5. Online Consumer Behavior: Belief, Attitude and Intention

Many researchers have focused on belief–attitude–intention theories, on online shopping such as the theory of reasoned action (Ajzen and Fishbein, 1980), theory of planned behavior (Ajzen, 1991), and the technology acceptance model (Davis, 1993). The typical findings from these studies are that consumers' beliefs relating to the perceived risk of e-shopping, the perceived usefulness, ease of use, and trust in the related Web technology influence online purchase intentions.

The focus of the above studies has been on the factors that influence the consumer decision to adopt online shopping either in conjunction with or as an alternative to traditional retail shopping.

Haugtvedt et al., (2005), analyzed that if consumers' experience with online shopping leads to the development of more trust and less aversion to closing the sale online, then offline firms need to be aware of the perceived advantages of online.

According to a 2008 report on "Online Shopping" from Pew Internet & American Life Project, the top three beliefs that consumers have about online shopping relate to saving time, finding a low price, and obtaining the best product fit, i.e., the match between product attributes and consumer needs (Horriagan, 2008).

In his paper, "Effect of Consumer Beliefs on Online Purchase Behavior: The Influence of Demographic Characteristics and Consumption Values", Punj, G., 2011, investigated about how the content of beliefs relating to the phenomenon of interest (i.e., online shopping), rather than beliefs about the technology itself (i.e., perceived usefulness, ease of use) influences intentions and behavior. The findings of the empirical study show that the consumer beliefs about online shopping Saves Time and Helps Find Best Product Fit have a direct effect on Online Shopper, as well as an indirect effect when considered in combination with consumer characteristics and consumption values, while the consumer belief Saves Money only has a direct effect.

The findings of the paper indicate that the belief structures of higher income online shoppers relate to the time-savings features of Web-based shopping environment to a greater extent than lower-income consumers. The belief structures of online shoppers with more education relate to the potential these environments offer in finding products that best match needs to a greater extent than shoppers with less education. For higher-income online shoppers with more education, two different belief structures are discernible. One group appears to have beliefs that mainly relate to the time savings aspect of online shopping, while the other group has beliefs that relate to the ability to find hard-to-find products on the Internet. Neither group seems to focus on the money savings aspect of online shopping, possibly because they value their time and finding products that best match their needs. The research result also shows that there are three different belief structures among lower-income, less educated online shoppers, those who believe that online shopping saves time, those who believe it saves money or helps find products that best match needs, and those who believe it does neither. Consumer beliefs can be related with either the benefits of online search or the costs of online search or both. (Punj, G., 2011)

Khan, A. (2015), mentioned that, the retail managers should sway consumers through different platforms like social networking sites, ads, promotions, online only discounts etc. to let people cross the threshold and start buying because Indian consumers are still comfortable with brick and mortar format as they appreciate friendly approach of salesman and social element of shopping, which has been found as

important element in shopping. (Khan, A., 2015) also suggested that the Indian retailers need to make website user- friendly and less intriguing that can encourage online consumers to spend time exploring the site and comparing prices online, provide detail product information and member discounts. The results of the study also suggest that after-sales operations like, dispute settling and delivery, should be carried out promptly and quickly so that it can build faith in the system on consumers' mind. During the process of purchasing, online agents can help customers and can simplify the purchasing procedure to give a feeling of friendliness of salesman or can demonstrate the purchasing procedure through clear text, images or examples. Second, because of perceived financial risk on consumers' mind, retailers should introduce a mechanism that would improve safety and privacy to motivate people to buy online. Customers are suggested in the study not to worry about losing their financial details and their credit card information as Secure Sockets Layer (SSL) protocol for payment pages can secure the web page from disclosure of credit card information. The study results also suggested reducing consumers' worries and unsurerity about delivery of their orders (non-delivery risk) by providing certain certificate from authorities and governmental organizations to assure customers that the retailer is rendering the job legally, so customers can buy from them with more confidence and will not be worried about the delivery of their orders anymore.

Hoffman et. al. (1996) indicated that interactivity is the key distinguishing feature between marketing communication on the Internet and traditional mass media. The level of uncertainty surrounding the online purchasing process influences consumers' perceptions regarding the perceived risks (Bhatnagar et al., 2000).

In their research paper Dennis, C. (2009) proposed a basic e-consumer model which argues that functional considerations influence attitudes to an e-retailer which in turn influence intentions to shop with the e-retailer and then finally actual e-retail activity, including shopping and continued loyalty behavior.

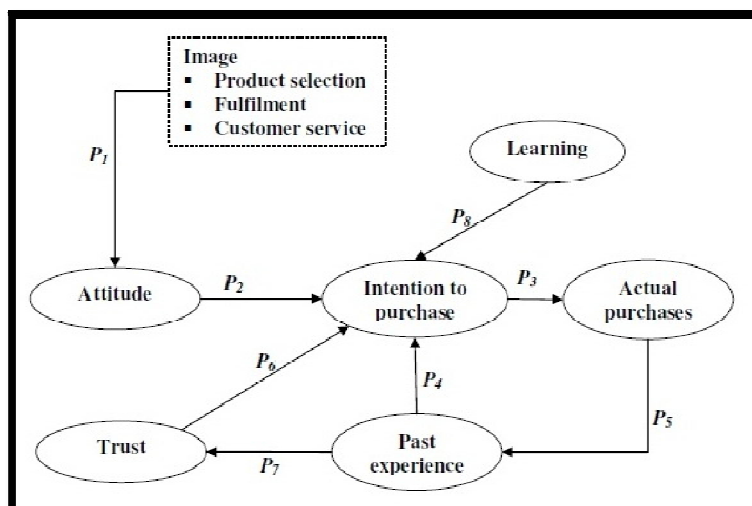


Figure 3: The Basic Model
Source: Dennis .C (2009)

They also mentioned that there are external influence of Consumer traits (Gender, Education, Age, Income etc), Web atmospherics, Navigation, Social Factors, Emotional states, E-Interactivity and some Situational Factors on e-consumer behavioral attitudes. Their enhanced model is as under:

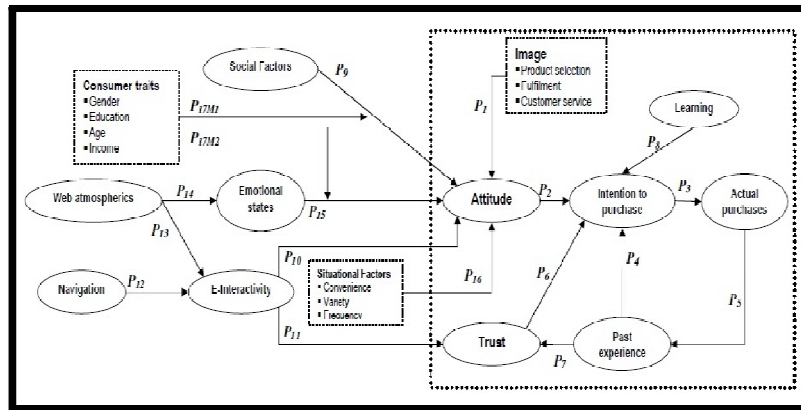


Figure 4: The Enhanced Model
Source: Dennis .C, 2009

Veronica, S. (2013), identified the effect of online environment and the specifics of online buyer behavior are:

Internet Environment	Internet users can find objective and subjective information about the products and companies easier than ever. Online companies compete not only to each other but also with potential online customer (positive and negative references, internet communities, social networks and social media etc.). Social media provides an interactive communication between its users. With social media, the marketing activities had to be reformulated.
Modern forms of marketing activities	Traditional marketing forms are not in the Internet environment effective. With the development of e-commerce, new marketing activities had to be created – marketing on social networks and media, viral marketing, online word-of-mouth and buzz marketing, online interactive communication. Online potential shoppers are interested in only the marketing activities that can offer for them the value added (online games and competitions, community identifying with products and company, online sharing etc.).
Internet Community	Internet users discuss about their life style about products and companies, find detail information about them. Opinion of internet community (in social media, discussion forums i.e.) influence the final online buying decision process. The internet company in its marketing has to join the internet community and manage the online communication.
Subject of online Shopping	Online shoppers buy the most – with electronics and techniques, books, tickets or clothes and cosmetics. The online buying of food is at the moment the rarity (during the time it is expected the increasing of online buying of goods). The expectation is that the common buying will move the online environment. Standardized products such as books, CDs and tickets are more likely to be purchased online. Because quality uncertainty in such products is very low, and no physical help is required (Grewal et al., 2002).
Demographic structure of online shoppers	Today, online shoppers are the most often between 18 and 40 years and come from the middle-income class. There are differences in online behaviour between the “Facebook generation” and generation that lived most of their lives without online communication. The older online generation (up to 50) is increasing – the companies have to focus on them.
Approach a motives to the online shopping	The main motives to the online shopping are lower costs, comfort of shopping (nonstop and everywhere), saving time and buying of non-traditional and exclusive goods. The another motives can be the increasing trends of online shopping in general or changing life styles on consumers. The question is if these motives are dependent on social status and role, age, education or income of online shoppers. Older generation find and try the product on traditional market, after that they do online shopping. Younger generation make the all buying decision-making process online.

Table 1: Specifics of Online Buyer Behavior

Also the author explained the process of online buyer behavior (in online retailing) through the following figure that involves the main factors influencing the whole process

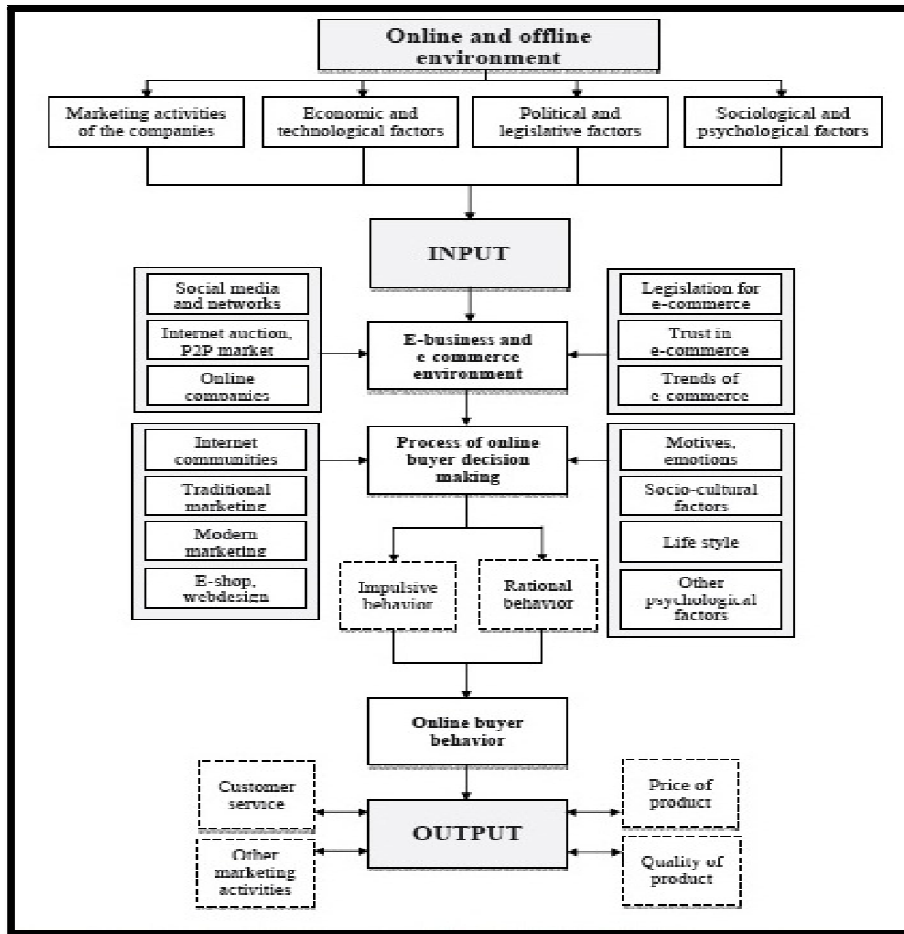


Figure 5: the Process of Online Buyer Behavior

Source: Veronica. S (2013)

The process model respects the global aspects of online and offline behavior (economic, political, legislative, marketing activities of companies, technological, psychological and sociological factors). With the input of the process, it is needed to respect the e-business and e-commerce environment that is influenced by its trends, legislation and consumer trust. This environment is specified according to type and form of online retailing (P2P market and social media and social networks, online companies (B2C) or internet auctions (C2C). according to the study, the online buyer decision making process is influenced by the two groups of factors – external factors (that come from the sellers and internet communities) and internal factor (like motives, emotions, socio-cultural and other psychological factors). The online buyer decision-making process can be impulsive and rational. Finally, the process ends up with the online buying. The output of this process has an impact on price and quality of the offered products in online and offline environment, customer service and other marketing activities. It is clear that online buyer behavior has very similar features like the ones in the area of the whole market (demographic, psychological, sociological factors).

Another model about online buyer behavior illustrates the following figure that describes of context of information behavior and buyer-supplier relationship.

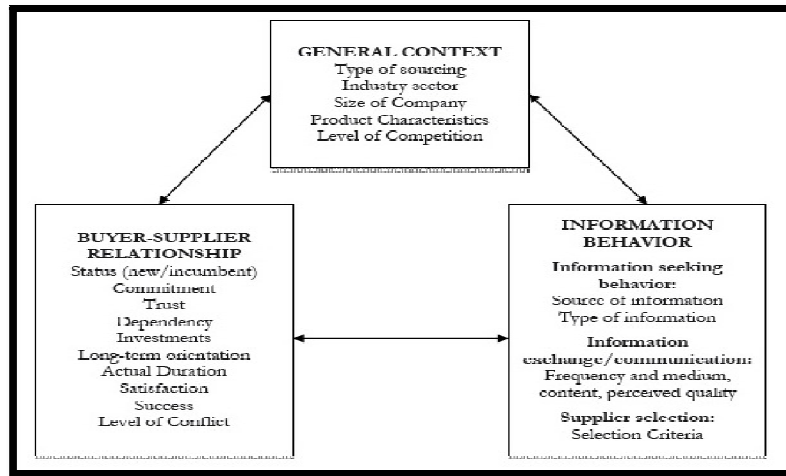


Figure 6: Conceptual Framework – General Context, Information Behavior and Buyer-Supplier Relationship
 Source: Lösch, 2007

Kamarulzaman, Y. (2011), conducted his research with consumers who were residing in the UK and have already had experience in shopping from the Internet. According to the researcher, focusing on the actual consumers' shopping experience and not their shopping intention, this approach is proposed to give more advantages in identifying consumers' drivers. The study found that most of the influences given by the respondents of using e-shopping are consistent with attributes suggested by Rogers' (1995) Diffusion of Innovation Theory. The five dimensions of relative advantage, complexity, compatibility, observability and trialability as proposed by Rogers (1995) are considered to be the main driving forces for consumers in adopting a new innovation. The research also found that E-shoppers are becoming more price sensitive, while trust and strong brand name are gaining more attention from e-shoppers.

In their study Javadi et al. (2012), used a model to examine the impact of perceived risks, infrastructural variables and return policy on attitude toward online shopping behavior and subjective norms, perceived behavioral control, domain specific innovativeness and attitude on online shopping behavior. This study identified that financial risks and non-delivery risk negatively affected attitude towards online shopping. They concluded that domain specific innovativeness and subjective norms positively affect online shopping behavior. In addition to this, they concluded that, attitude toward online shopping positively affect online shopping behavior of consumers.

Keisidou et al. (2011) examined Consumer's attitude while making online purchase in the context of different product types. Many factors were selected to be analyzed, which are Personal Innovativeness of Information Technology (PIIT), Self-efficacy, Perceived security, Privacy, Product involvement and how they affect consumer attitude towards online shopping. PIIT, perceived security and product involvement found to have an effect on the attitude towards online shopping.

6. Online Consumer Behavior: The Consumer Perception

Jun et al. (2011), found that there were relationships between the perceived usability, perceived security, and perceived privacy, perceived after-sales service, perceived marketing mix, perceived reputation and consumers' attitude to adopting online shopping in China. However, only marketing mix and reputation were significantly influence consumers' attitude to adopt online shopping.

Burkolter et al.(2011), *pleaded about the* need for research differentiating online consumer behavior for a range of product categories. In this research a survey is conducted for nine different product categories for online information search and online shopping as well as socio-demographic and individual variables in Germany. Results showed significant differences in online information search as well as shopping regarding gender, status of employment, and education.

Salehi (2012), mentioned that variables namely *appearance, quick loading, security, sitemap* and *validity* influence consumers towards online shopping and security is found to be the factor that contributes most towards online shopping.

According to (Kapoor, 2012), the factors that influence consumers are marketing efforts, socio-cultural influences, psychological factors, personal questions, post decision behavior, and experience.

45BVGFTTR

7. Conclusion

Online shopping is getting more and more popularity and despite being a developing country, India has shown a commendable increase in the e-commerce industry in the last few years, thereby hitting the market with a boom. Though the Indian online market is far behind the US and the China, it is growing at a fast pace. (www.pwc.in)

The Indian retail industry is presently one of the world's top five retail markets in terms of economic value and the industry is experiencing exponential growth, with retail development taking place not just in major cities and metros, but also in smaller towns. (Burman, D. et al., 2015).

Online shopping has become a trend in India nowadays. The Key drivers for Indian e-commerce have found to be the increasing availability of broadband Internet and 3G/4G penetration, growth of living standards, availability of much wider product range, busy lifestyles and lack of time for offline shopping, increased usage of online categorized sites and Evolution of the online marketplace model with websites like eBay, Flipkart, Snapdeal, etc. The reasons behind the increasing number of adoption of online service use to the introduction of attractive websites, user friendly interface, big online stores with new products/services, easy payment methods (i.e. secure pay online via gateways like paytm or cash-on-delivery), customized easy selection option for items based on size, color, price, etc. (<http://www.iamwire.com/2014/07/e-commerce-in-india-past-present-future/27805>, 2017)

Online shopping has been shown to provide more satisfaction to modern consumers seeking convenience and speed (Yu, T.K. et al, 2007). On the other hand, some consumers still feel uncomfortable to buy online. Lack of trust, for instance, seems to be the major reason that impedes consumers to buy online. Katawetawaraks, C. et al. (2011), researched on factors that motivate and influence consumers in online shopping decision making process. He also provided an overview of online shopping decision process by comparing the offline and online decision making.

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The Hierarchical Linkage Paradigm: A Structural or Organizational Diffusion?

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Abstract:

In this paper, I attempt to detect: why complete “cash-less de-monetized” transactions in India are hard to realize. For this, my paper attempts to capture the inherent organizational linkage paradigm allowing formality and informality in the market thereby detecting why complete digital payment in India is difficult to assess. Rather, the study tries to unfold a few facets in the context of the “grey” localization of informal industries and services inheriting a formal-informal linkage, thereby addressing cut of production orders and job-cuts in a “spiral” from informal to the formal counterpart due to the existence of the formal-informal marketing network model. The incorporation becomes further intensified within the realm of diversified heterogeneity in production with increased volume of informal “industrial districts” in India functions with a hierarchical “Bottom of the Pyramid” structure within the economy. The study is based upon Indian Gems and Jewellery industry due to its intensified formal-informal organizational linkage. The micro-level field surveys, sampling design and data analysis of the study is based on the standard model approach to avoid spatial homogeneity. What is true for analysing formal marketing network in academic research and policy level may be quite differentiated in exploration of existing marketing network(s) of the informal sector due to its diversified characteristics and inherent linkages with the formal sector. The present paper is a mere effort to outreach such less explored informal marketing networks(s) in the theoretical framework of academic incorporation.

Keywords: *Informal sector, cluster, location, mobility, marketing network*

1. Introduction

In the present paper, my effort is to detect the contributory economic factors explaining the phenomenon of shrinking formal sector of the economy at present along with the huge volume of joblessness in the “grey” informal localized economy in India. The attempt here is to accrue the changing nature of the Formal-Informal linkage paradigm, especially after globalization, there by intensifying the present realm of cut of production orders and job-cuts allowing formal-informal organizational network operating in the market covering diversified heterogeneity of the informal localized economy working together with the formal one. To infer this within a theoretical realm, the present paper consciously captures a single industry, viz. Indian Gems and Jewellery industry, due to its high formal-informal linkage to show the direct influences of the issues like demonetization in order to make more precise comments keeping in mind the in-depth insights of the industry in my academic researchers in past few years. What is proper for analysing formal marketing network in educational research and policy level may be utterly different in exploration of current marketing network(s) of the informal sector because its diverse characteristics are inherently linked up with the formal sector. The present paper is a humble effort to outreach such less explored informal marketing network(s) in the theoretical framework of academic incorporation.

2. Literature Review

In the definitional aspect, the informal sector is distinguished from the formal economy regarding all the income-generating activities that operate outside the regulatory framework of the state [Castells & Portes, 1989; De Soto, 1989; Harding & Jenkins, 1989; Feige, 1990]. With all these, the major definitional debates on the informal sector were rather resolved over two decades ago. Since the early 1990s, however, the debates have been started regarding the theoretical boundary between formal and informal sector in many activities – hence the issue of formal-informal linkage analysis appeared into the framework.

Three major alternative schools of thought appeared into the frame to confine the issue of linkage: the dualism, the structuralism and the legalism. The dualist school considered the aspect of the informal sector workers distinct and separated from the formal ones [Sethuraman, 1976; Tokman, 1978]. The structuralism emphasized upon the linkage between the formal and sub-ordinated informal ones in order to lower the input costs by the formal economy [Moser 1978; Portes, Castells & Benton 1989]. The legalist school, however, has focused on the relationship between informal production units with the formal regulatory framework [De Soto, 1998]. Over the successive years, the three major concepts enhanced the field of enquiry of the informal economy considering its tremendous growth [Chen, 2012].

3. Research Methodology

The logical argumentation of the study is based upon literature support, case studies conducted and primary survey results. The survey process is exhaustive. The survey is based on qualitative purposive sampling with semi-structured questionnaire and indirect interview method. The micro-level field studies, sampling design and data analysis procedure are based upon the standard model approach. The implication is that the selection of any sampling window does not depend on data availability (or non-availability), hence avoids spatial homogeneity. However, the spatial distribution of sample units is cross-sectional, given and known. Sometimes an ethnographic study has been approached due to data non-availability and data non-responses in the sample survey area under the purview of the study.

4. Formal-Informal Operational Linkage: The Theoretical Perspective

The hierarchical “Bottom of the Pyramid” structure after globalization has caused a paradigm shift in location literature through the revival of the discussion on location, after 1960s, with the rise of “alliance capitalism” [Dunning (1998)] from analyzing a mere organizational behavior of the firms as was in the 1970s. In the spectrum “alliance capitalism” considering formal-informal linkage paradigm, the informal sector producing units (even small in operational units) have to compete with the formal sector firms producing similar products or services in a world-wide competitive market environment. The significance of the informal production units is further intensified in generating employment opportunities in large volume following hierarchical chains in production allowing horizontal (spatial) and vertical (hierarchical) informal labour market segmentation.

In the process, the formal sector performs as the purchasers of intermediate and/or semi-finished products from the informal firms through out-sourcing of work orders allowing several intermediaries to operate within the existing production chain. For instance, in the Gems and Jewellery industry, producers of Bowbazar in Central Kolkata may out-source work orders to Domjur in the Howrah district, thereby purchasing semi-finished products from the informal producers of Domjur, and then giving a finishing touch in Bowbazar with appropriate branding-labeling-packaging.

This particular hierarchical structure in operation may be provided a marketing network modelling considering five counterparts of it.

- The model starts with the Own account operators who are those informal producers exchanging products and labour services with the competitive formal sector through their networks with independent own account units with “pure” or “open” market exchanges [Chen2006].
- Some informal enterprises (including some own account operators) produce goods within a Value chain in production through sub-contracting, putting-out and out-sourcing with some other informal firms. The terms and conditions of the transactions are controlled by the lead firms in the model (mostly formal units).The volume of this value chain has simply increased after globalization.
- Some informal Sub-sectors, including own account operators, operate through domestic chains in which producers directly collect production orders from the lead firm (usually the formal production units).
- The informal Contractors/Intermediaries collect production orders from the formal (even from informal) firms, produce without direct competition with the formal sector producers over price, out-source the production orders to the informal sector producers, and simultaneously provide service to the formal and informal sector by forming a formal-informal linkage. This they do to ensure work-orders to the informal producers and timely-delivery of finished/semi-finished product to the formal sector firms particularly at the time of their heavy work load.
- Then there are Formal Labour who operates in formal units with better work conditions and coverage of effective social security benefits collect work-orders for the informal sector operators and collect their semi-finished products to deliver them to the formal sector producersⁱ. The working conditions of the formal labourers are distinguished with that of the informal labourers and given special significance in several literatures in the era after globalization particularly due to the ever-increasing volume of the informal sector workers.

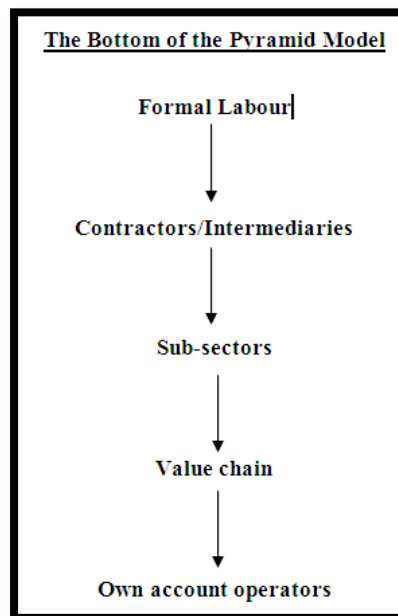


Figure 1

5. The Informal Institutions to Control Labour and Skill: The Analytical Purview to Reconcile the Theoretical Perspective

Actually, a large part of payment appears in liquid cash mode at the “Bottom of the Pyramid” of the structure that actually conveys significant arrays to the “relay” functions acting in a multiplier effect. This impedes lack of out-sourced orders from the “Tops” of the “Pyramid” to the small informal operators at the “Bottom” of the “Pyramid” due to their suddenly faced liquidity crunch immediately after

demonetization. The lack of work-orders from the formal and/or informal sector producers to the small informal petty operators simply intensifies the situation in an adverse manner.

Apart from cash payment, the informal industrial organizations often attribute some informal institutional framework in order to address exploitative contract system and tied-labour kind of relationships in the existing informal labour market structures. An experiment may be cited from the "Loss-Wage Model" of the Indian Gems and Jewellery industry, as per the analysis of the primary survey results reconciled in the theoretical perspective. In this, it may be well approached that the informal workers of the industry are eligible to claim small bits of gold particles (not gold dust) that come-off as small chips while working with raw gold there by getting an access to a share of costly raw material (physical capital).ⁱⁱ The workers claims it a natural right over the collected gold particles. This loss of raw material for the producer (which cannot be prevented) is a gain for the worker of the industry in the form of a compensation for the low money wages paid to him.ⁱⁱⁱ The accumulation of the gold particles by the workers simply reduced due to lack of work orders.^{iv} A dual share of labour and capital by the labour-cum-entrepreneur emancipates an arrangement of an informal mode of social security within an informal industrial set up.

Until a labour is not skilled enough to earn this wage-in-kind, he remains tied within the same industrial location without any opportunity to migrate to other spatial location of the industry thereby initiating a tied-labour kind of relationships and also preventing inter-firm transfer of skill and labour. Such a tie-up form of labour without much flow of (skill) labour becomes possible even in the free-flow globalization regime. This unique cash-less mode of payment acts as an invisible mechanism to keep labour tied to a particular firm within the industry to ensure continuation of the growth of the industry – which was the reverse one after demonetization. Further, the countervailing force of spatial reverse "network" migration from destination to origin due to job-cuts with reduced work orders at destination created a "pool" of job-less workers in a particular geographical space at the origin^{vi}, thereby influencing growth of the industry in an adverse manner^{vii}.

6. A Crunch in Privately-initiated Informal Localization

What is crucial here is that many of the informal operators are operating in informal localization that follows suit the previously mentioned "Bottom of the Pyramid" structure^{viii}. Any random shock as provided by the event of demonetization and digitalization in "cash-less" payment system (and supply of "less-cash" also due to liquidity crunch) appeared to be sufficient enough to transfer a harsh and negative contribution to the functioning of the "Bottom of the Pyramid". To Scitovsky^{ix} (1954), this promotes adverse influences to firm's production function by negative execution of "pure" external economies of scale consistent with imperfect competition and some market power*within a concentrated privately initiated informal industrial organization set up[Becattini (1989, 1990)]^{xii} within localized "industrial districts"^{xii}. The negative incorporation of the two factors is that of execution of negative economies of scale and knowledge spillover that adversely affected concentration of firms within informal localizations.

A circular causation^{xiii} of all these provided maximum individual interaction in the informal industrial periphery from the industrial "core" with well-established social capital network^{xiv} - that acted in an adverse manner. Rather, the functioning of the "spread effects" accrued from the "core" of the localization that impeded negative influences to the process of eventual development of the peripheries through multiplier effect on their employment and output and a "relay" function appeared there to function through the hierarchy of the "Bottom of the Pyramid" structure, thereby started to impede significant "arrays" to the formal counterpart in the next 2-3 years after demonetization. The growth of the negative incentives of the informal "localized" producers has made significant negative arrays to the spatial production patterns that have incorporated negative influences to the growth of the informal economy and also the formal economy.

7. The Concluding Remarks

The Formal-Informal linkage paradigm working in the hierarchical “Bottom of the Pyramid” structure of industrial organization since globalization with increasing volume of out-sourcing, putting-out and sub-contracting has imbedded shrink of the formal sector growth in an adverse manner in the simultaneous line of horizontal shrink of informal localization including job-cut in India. For a successful policy orientation, this structural organization has to be captured appropriately – otherwise, the very linkage inherent within may simply worsen the present scenario of the economy including the formal counterpart along with the informality.

8. End Notes

- i. Ref: King, 1974; Breman, 1976 Bose, 1978; Bienfield, 1975; Weeks, 1975; Breman, 1977; Papola, 1978; Tokman, 1978; and Peattie, 1980; John Harriss, 1990; S. V. Sethuraman, 1992; Breman, 1996; Levenson and Maloney, 1998; Ranis and Stewart 1999; Harriss-White and Gupta, 2001; Maloney, 2004; Kanbur and Guha-Khasnobis, 2006; Devey et al, 2006; Marjit and Maity, 2006; Chen, 2006; Perry et al, 2007; Pieters et al 2010; Breman, 2010; Meagher, 2013.
- ii. This is a natural loss of 4-6 per cent of the gold particles which occur in carving out intricate designs or making thin wire out of gold with the help of tools.
- iii. The loss of raw material in kind for the producer and gain in wage for the worker is commonly termed as ‘loss-wage’ and is not declared or announced openly.
- iv. While the cash wage remains within the range of Rs. 5,000-6,000 per month, a skilled worker additionally earns an equal or more money through this unique mode of payment made in terms of a proportion of the expensive raw material.
- v. Migration “networks” are defined as sets of interpersonal ties that connect migrants, former migrants, and non-migrants at the origin and at destination through bonds of kinship, friendship and shared community.
- vi. To the revised version of the Central Place Theory of Walter Christaller (1933) by August Losch (1944, 1954), the spatial economy of the region then tend to be dominated by a central primal city, the hinterland of which owes to be characterized by smaller settlements and alternating areas of industrial concentration and dispersion.
- vii. Several researchers have shown, by using “labour frontiers”, that migration tends to decrease only at later stages of the development process of any region and the region is transmitted from net labour exporters to net labour importers (Bohning, 1994; Rotte et al, 1997; Olesen, 2002).
- viii. To examine the issue informality and its localization in any particular industry, the search for its literature support may be searched from the literature of Alfred Marshall (1890, 1892) in his “industrial district” concept with spatial concentration of small and medium enterprises – though the analysis of location started much before than Marshall with ‘monocentric city model’ of Von Thunen (1826) [Von Thunen’s “Der Isolierte Staat in Beziehung auf Landschaft und Nationalökonomie”].
- ix. To Scitovsky (1954), incorporation of imperfect competition initiates internal economies of scale that implies market power. Scitovsky distinguishes between “pure” (technological) and “pecuniary” external economies. The former affects firm’s production function (e.g. Marshallian “information spillover”).
- x. The Christaller model of central place is, however, inductive rather than deductive one in the sense that the model is primarily based on observations rather than exploration of any schema constructed from first principles. To Parr (2002), the Loschian approach is completely deductive and a microeconomic foundation has been approached to understand the urban system. It shows that industrial concentration and urbanization may arise independently of local peculiarity and particularity.

- xi. In the Big Push theory (Rosenstein-Rodan, 1943), the solution to the insufficient size of the local market is referred to a co-ordinated (government-led) expansion of investment - hence big push enters into. This enables firms to reap the benefits of economies of scale effect, thereby promoting industrialization of a backward region. Without such a big push, the backward periphery cannot catch up with the core.
- xii. The term 'agglomeration' of firms refers to decline in average costs in production as more production occurs within a specified geographic area [Anas, Arnott and Small 1998]. In other words, the term relies strongly on increasing returns to scale, considering internal and external economies of scale. Cluster of enterprises is a geographical concentration of micro, small, medium and large enterprises producing same or similar type of goods and services. As referred by Brulhart (1998), while concentration analyzes location across space of a few well-defined sectors, agglomeration analyzes location across space for a larger part of economic activity, and specialization deals with share of a particular location in specific industry in comparison to share of other locations in that industry.
- xiii. In 1957, Gunnar Myrdal introduced the concept of circular or cumulative causation. In this, once a region (or country) takes lead in the process of economic development, positive external economies of scale in the region (or country) appears there – which ensures that the location will become an attractive place to invest and more attractive location for the labourers to work. The existence of strong localized spillovers leads to the establishment of a core in the region with large market and a periphery [Dicken and Lloyd 1990].
- xiv. Social capital is social organizations (such as trust, norms, reciprocity, co-ordination, interactions belongingness and networks) between producers and workers that facilitate better co-ordinated actions among themselves.

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ISBN 978-81-943524-1-9



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