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## Marketing

Highlights

- The Marketing Interface
- Reactions to a Price Increase
- Green Marketing Practices
- Regulated Agricultural Marketing

Discovering Thoughts, Inventing Future

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# Small and Medium Scale Enterprises (SMES) in Nigeria the Marketing Interface

By Ayozie Daniel Ogechukwu, Dr. Jacob.S. Oboreh, Dr. Umukoro. F & Ayozie Victoria Uche
*Delta State University, Nigeria*

*Abstract-* A business whether small or big, simple of complex, private or public is created to provide competitive prices. Business in Nigeria, has been classified as small, medium and large. In both the developed and developing countries, the government is turning to small and medium scale industries, as a means of economic development and a veritable means of solving problems. It is also a seedbed of innovations, inventions and employment. Presently in Nigeria, SMEs assist in promoting the growth of the country's economy, hence all the levels of government at different times has policies which promote the growth and sustenance of SMEs. Small scale industry orientation is part of the Nigerian history. Evidence abound in the communities of what successes our great grand parents, made of their respective trading concerns, yam barns, cottage industries, and the likes.

*Keywords: SMES, marketing, business, needs, wants, products.*

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# Small and Medium Scale Enterprises (SMES) in Nigeria the Marketing Interface

Ayozie Daniel Ogechukwu [α], Dr. Jacob.S. Oboreh [σ], Dr. Umukoro. F [ρ] & Ayozie Victoria Uche [ω]

*Abstract-* A business whether small or big, simple of complex, private or public is created to provide competitive prices. Business in Nigeria, has been classified as small, medium and large. In both the developed and developing countries, the government is turning to small and medium scale industries, as a means of economic development and a veritable means of solving problems. It is also a seedbed of innovations, inventions and employment. Presently in Nigeria, SMEs assist in promoting the growth of the country's economy, hence all the levels of government at different times has policies which promote the growth and sustenance of SMEs. Small scale industry orientation is part of the Nigerian history. Evidence abound in the communities of what successes our great grand parents, made of their respective trading concerns, yam barns, cottage industries, and the likes.

This paper identifies the historical development and orientation of SMEs in Nigeria, tackles the operational definition and scope, describes the role of the Nigerian government as a participant, regulator and facilitator, both legally and politically in the growth of SMEs. It identifies the marketing problems of SMEs in Nigeria, the provision and enactment of beneficial and supportive laws, the provision of infrastructural facilities, constant man-power and development, direct financial assistance and the establishment of finance institutions to support SMEs. It identifies the roles of SMEs in Nigeria's development and growth. It concludes by clearly specifying the role of marketing to the survival of SMEs in Nigeria, and Advances relevant recommendations. For SMEs to survive marketing practice and principles must be given prominence.This paper will use the secondary data and sure empirical data collected from research studies in SME development in Nigeria.

*Keywords: SMES, marketing, business, needs, wants, products.*

## I. Introduction

A business whether small or big, simple or complex, private or public, etc is created to provide competitive prices. Business in Nigeria has been classified as small, medium and large. However, a small scale industry can be explained by the criteria of project costs, capital, number of employees, sales volume, annual business turnover and the financial strenght. The federal and state ministries of Industry and Commerce have adopted the criterion of value of installed fixed capital to determine what a small scale industry is, in this respect, the value has varied from N60,000 in 1972, N159,000 in 1975, N250.000 in 1979, N500,000 in 1986, to a fixed investment of not more than N2,000,000 in 1992 and N5,000,000 in 2003 and beyond. This figures is exclusive of land and building and subject to government determination and the prevailing objectives of public policy. In the wake of SFEM, and SAP, this value has now been reviewed and subsequently, increased to five million naira. Since this happened, there may be a need to classify the small scale industry into MICRO and SUPER MICRO business, with a view to providing adequate incentives and protection for the former.

In the meantime, any business or enterprise below the upper limit of N250,000 and whose annual turnover exceeds that of a cottage industry currently put at N5,000 per annum is a small scale industry. The National Directorate of Employment (NDE) concept of a small scale industry has been fixed to a maximum of N35,000.

## II. Historical Development and Orientation of Small Scale Industry in Nigeria

Small scale industry orientation is part and parcel of Nigeria. Evidence abound in our respective communities of what successes our great grand parents made of their respective trading concerns, yam barns, iron smelting, farming, cottage industries and the likes. So the secret behind their success of a self reliant strategy does not lie in any particular political philosophy, so much as in the people's attitude to enterprise and if the right incentive is adequate enough to make risk worthy ventures and decisions worth taking.

Back home in Nigeria, the respective government policies accorded and gave priority to the country's small scale enterprises. This has been in recognition that they constitute the fountain head of vitality for the National economy, and consequently their problems have been viewed as those of the nation, by virtue of their number, diversity, penetration in all sectors of production and marketing contribution to employment and to the prosperity of the particular areas in which they operate.

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In concrete terms, small scale industries constitute a greater percentage of all registered companies in Nigeria, and they have been in existence for a quite long time. Majority of the small scale industries developed from cottage industries to small enterprises and from small scale, to medium and large scale enterprises.

## III. Pre-Independence Historical Development(before 1960)

Prior to Nigerian Independence, the business climate was almost totally dominated by the Colonial and other European Multinational companies like United African Company (UAC), GB Olivant, Lever Brothers Company, Patterson Zechonics, Leventis, and many others. These companies primarily engaged in bringing into Nigeria finished goods from their parent companies overseas. These companies have vast business experience and strong capital base, and dominated the Nigerian economy. The government of those days encouraged them to become stronger by giving incentives as favourable traffis and tax concessions.

Towards the tail end of the 1950s, the Nigerian Industrial Development Bank (NIDB) was established to assist potential entrepreneurs to get involved in Agriculture, exploration of natural resources, Commerce and Industrial production. That period and the early 1960s saw the massive increase in import into the Nigerian market, while the Nigerian economy became largely dominated by very few large foreign firms.

## IV. Post Independence (1965-1976)

A major/remarkable break through in small scale business came about through the indigenization Decree of 1972 and later in Nigeria Enterprises Promotion Act of 1977.

These were genuine attempts by the Federal Government to make sure that Nigerians play an active and worthwhile roles in the development of the economy. In its 1970-74 National Development Plan, the Federal Government gave special attention to the development of small scale industries particularly in rural areas. This was in recognition of the roles of small and medium scale industries, as the seedbeds and training grounds for entrepreneurship.

The cardinal point of the 1970 – 1974 development plan was;

1. Accelerating the pace of industrialization and dispersal of industries.
2. Generating substantial employment opportunities.
3. Promoting individual initiatives and entrepreneurship among the populace.
4. Assisting in the established of small scale industries.
5. Developing and increasing export trader, and
6. Complementing large scale industries.

## V. 1977 - 1989

Within this period, the government policy measures placed emphasis on the technological aspects of industrial development of small scale industries in Nigeria. Various tiers of government within this decade embarked on corrective measures to divert efforts towards the maximum exploitation of natural resources, and tried to discourage capital intensive mode of production in the light of the abundant resources available. In this regards, the industrial policy tried to focus its attention mainly on local resources utilization through various forms of incentives worked out by governments. Some of the basic policy strategy aimed at revitalizing the industrial sector included the following

- Encouragement in the use of more local materials in the industrial development activities.
- Encourage greater capacity utilization in Nigerian industries.

## VI. 1990 – and Beyond

The federal and state government have both contributed to the growth of small scale industries in Nigeria especially in the rural areas. In recent times, various fiscal and non-fiscal incentives have been established for investors and entrepreneurs in the small scale sectors of the economy. Of special mentioning was the strategy adopted by the federal government towards the training and motivation of the unemployed graduates, to be gainfully employed after graduation, referred to as the entrepreneurship development programmes.

To show its seriousness, the Federal Government through its educational agencies like the National Board for Technical Education (NBTE), the Nigerian University Commission (NUC), and the National Youths Service Corps (NYSC) programme give a directive that entrepreneurship development courses and programmes be incorporated into the curricular of tertiary institutions and in the NYSC programmes.

## VII. Definition of the Term: Small Scale Business

Small scale business, small scale industries and small scale entrepreneurship are used interchangeably to man a small scale industry firm. In Nigeria and worldwide, there seems to be no specific definition of small business. Different authors, scholars, and schools have different ideas as to the differences in capital outlay, number of employees, sales turnover, fixed capital investment, available plant and machinery, market share and the level of development. These features equally vary from one country to the other.

1. In Nigeria, the Third National Development plan defined a small scale business as a manufacturing establishment employing less than ten people, or



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whose investment in machinery and equipment does not exceed six hundred thousand naira.

2. The Federal Government Small Scale Industry Development Plan of 1980 defined a small scale business in Nigeria as any manufacturing process or service industry, with a capital not exceeding N150,000 in manufacturing and equipment alone.
3. The small scale industries association of Nigeria (1973) defined small scale business as those having investment (i.e. capital, land, building, and equipment of up to N60,000 pre-SAP Value) and employing not more than fifty persons.
4. The Federal Ministry of Industries defined it as those enterprises that cost not more than N500,000 (pre-SAP Value) including working capital to set up.
5. The Centre for Management Development (CMD) view of small industry in the policy proposal submitted to the federal government in 1982, defined small scale industry as, "a manufacturing processing, or servicing industry involved in a factory of production type of operation, employing up to 50 full-time workers.

Lastly, in the United States, the small business administration defines a small business as one that is independently owned and operated, and meets employment or sales standard developed by the agency. For most industries these standards are as follows.

(a) Manufacturing:- Number of employees range up to 1500, depending on the industry.
(b) Retailing:- Small, if annual sales or receipts are not over 2 million to 7.5million dollars.
(c) Wholesaling:- Small, if yearly sales are not over 9.5 to 22 million dollars
(d) Services:- Annual receipts not exceeding 2 million to 8 million dollars. Thus in general, the specific characteristics/criteria used in describing small scale business are;

1. the number of people/persons employed. It is usually a small business, because small number of people are employed.
2. Annual Business Turnover:- Because initial capital is low, then annual turnover will also be low.
3. Local operations:- For most small firms, the area of operation is local. The employees lives in the community in which the business is located.
4. The sales volume is minimal.
5. Financial strength is relatively minimal.
6. Managers are independent, and they are responsible only to themselves, or to the owners.
7. The managers are also the owners.
8. The owners of the business actually participate in all aspects of the management (i.e. the management of the enterprise is personalized)
9. They have relatively small market when compared to their industries.
10. The number of employees are relatively small, when compared to the biggest companies in a similar venture.
11. The capital is mainly supplied by an individual or small group of individuals/persons or shareholders.
12. They usually have one, but many have several shop locations all in the same city or metropolitan areas.

This also shows the same trend as in Nigeria, although the exchange value makes the financial criteria to be different.

There are many enterprises in Nigeria categorized as small business. Most of them are in the commercial sector and there is also a trend now towards the service industry hotels, restaurants, fast foods, etc.

## VIII. What is Marketing

What is marketing? Ask 30 experts and you will get 30 different answers. It indicates how interesting marketing is. A google search of the term marketing generates an outstanding 35. 4 million matches and the phrase marketing defined, yields a small but still spectacular 1.63 million matches. From this search it becomes apparent that the term marketing is vast and wide.

Successful companies rely on customers, retuning to repurchase. The goal off marketing is long term satisfaction, not short term deception. This view is reinforced by the writings of top management consultant Peter Drucker, who stated,

"Because the purpose of business is to create and keep customers, it has only two central functions – marketing and innovation. The basic function of marketing is to attracts and retain customers at a profit.

Marketing exists through exchanges. Exchange is the act of process of receiving something from someone by given something in return. The something could be a physical good, service, idea or money. Money facilitate exchanges so that people can concentrate on working at things they are good at, earn money (itself an exchange), and spend it on products which someone else has supplied (Jobber 2004).

The objective is for all parties in the exchange to feel satisfied. So each party exchanges something of less value than that which is received.

Building customer relationships based on customer value and satisfaction is at the very heart of modern marketing (Kotler and Armstrong 2004).

Kotler (1997) defines marketing as a social managerial process by which individuals and groups obtain what they need and want through creating, offering and exchanging products of value with others.

Malcolm H. B. McDonald (2001) defined marketing as a matching process between a company's capabilities and the wants of customers".



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The lesson simple is that all firms have a unique set of capabilities in the form of resources and management skills (McDonald 2001) which are not necessarily capable of taking advantage of all marketing opportunities as effectively hence as competitively as other firms. In summary, the matching process between a company's capabilities and customer wants is fundamental to commercial success.

Douglas K Hoffman et al (2005) defined it as "marketing is the process of planning and executing the conception, pricing, promotion and distribution of ideas, goods and services to create exchanges that satisfying individual and organizational goals". Marketing facilitates the exchange process by providing a variety of marketing activities that benefit customers, producers and channel intermediaries, namely wholesalers and retailers as explained.

"Marketing is the management process which identifies, anticipates and supplies customer requirements efficiently and profitably.

"Deciding what the customer wants, arranging to make it, distributing and selling it at a profits".

"Marketing perceives consumption as a democratic process, in which consumers have the right to select preferred candidates. They elect them by casting their money votes to those who supply the goods or services that satisfy their need". McDonald (1991).

"Marketing involves adjusting the whole activity of a business to the needs of the consumer or potential customer".

"Marketing is concerned with the idea of satisfying the needs of customers by means of the product and a whole cluster of things associated with creating, delivering and finally consuming it".

## IX. Marketing Problems of Small Business Enterprises

1. One of the major marketing problems facing small business enterprises in Nigeria is lack of understanding and the application of marketing concept. In a study conducted by Ogwo (1991), this was conspicuously exposed. Most Nigerian small business owners equate 'marketing' to 'selling' and this is reflected in their various dysfunctional business behaviour against customer satisfaction and good business and marking orientation. They lack the knowledge and skills of basic marketing ingredients – marketing research, market segmentation, and marketing planning and control. The outcome of this is poor quality products, unawareness of competition, poor promotion, poor distribution, and poor pricing methods. They are not marketing oriented and market-focused as a marketer is defined as someone who understands and applies marketing in order to create, build, and maintain beneficial relationships with target markets. Baker (1994) and Doyle (1985) identified lack of marketing orientation as the major factor for business failure.
2. Most Nigeria's small manufacturer, to an extent in the past, depend on imported equipments and raw materials for their operations. With the over-devaluation of naira, vis-à-vis other foreign currencies, they are not finding it easier to secure these items abroad. They therefore resort to poor locally produced alternatives. The result is usually poor quality products. This may be one of the factors responsible for the Nigerian consumers' unquenching appetite for imported goods, even though many of these foreign goods are equally of poor quality especially those coming from the Asian and Far East countries. Onwuchuruba (2001) point out that high quality raw materials are important in producing high quality product. With the increasing demand for imported goods in Nigeria, dubious local and foreign importers are dumping fake products which go further to frustrate small scale manufacturers and seriously affect the hard earned foreign exchange.
3. Besides, small-scale producers lack good quality control in their operations. In this respect, they rely mainly on replacing faulty products instead of developing good quality control system (Onwuchuruba 2001)
4. Only very few Nigerian small manufacturers are aware of the nature of competition facing them. They estimate their success only through sales revenue without considering also their market share. Even, some do not know their market segments on which to focus their operations.
5. Ayozie (1999) has emphasized the importance of good stockholding, transport, and distribution for enhancing commercial success. Many of our small manufacturers do have properly defined criteria for appointing their product distributors. They rely mainly on trust created through relationships between the owners of the companies and the distributors. These relationships are in form of fathers and mothers, brother and sisters, friends, in-laws and other emotional but not business criteria. This relationship often ends up in running the business down.
6. High costs of vehicles and poor roads are also affecting the operations of small manufacturers in their efforts to move finished products down to consumers in both rural and urban areas. They have a complex channel of distribution with many layers which go to push the prices of their products higher. Besides, small manufacturers pay little attention to the promotion of their products. Advertising and other methods of promotion are not adequately used. There is no other way of creating awareness of their innovations and stimulating consumers to



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action than promotion. Even, many of them do not participate in trade fairs and exhibitions. This also inhibits their growth and ability to compete with larger companies.

7. Marketing research is seldomnly used in determining what to produce, make and sell and in the pricing, promotion and distribution activities.
8. In a developing country like ours with low income and high level of poverty, a company that wants to succeed should offer its product at the price the consumers can bear. But often, small manufacturers set prices of their products arbitrarily without regard to the peculiar consumer characteristic in our environment. Since they do not have clearly defined criteria upon which to base their prices, they always seek to maximize profits at short runs without having a long-term view of their businesses.

## X. Nigerian Government Efforts in SME Development

That there is a kind o relationship between business and government is never a dispute. In Nigeria, it is imperative for business operators to understand that manner of relationship. This is because the type of relationship that exists between the government and business goes a long way to determine the existence, growth and development of the small scale business operator. The government is a super-body that exerts enormous power in a given nation state. By this implication, it has the capacity and ability to influence almost every institution under its jurisdiction for good.

In Nigeria, there is an implication of a mixture of command and market determined mechanism. Thence, it is often called mixed economy. The dictionary of economics defined mixed economy as an economy which contains elements of both a small, medium and large private sector, participation in business, as well as a group of large nationalized industries.

Specially, in these circumstances, the role of business is multi-dimensional and categorized as;

(a) Participatory role
(b) Regulatory role
(c) Facilatory role

## XI. Nigerian Government as a Participator

The Nigerian government is seen as a participator where it is actually involved in and control business enterprises by owning and managing such enterprise.

Government acts as a business regulator with the overall aim of helping to maintain a climate of confidence, sanity and to stimulate the activities of the enterprises, so that they can have the respect for the rule of competition. Obitayo (2001) identified some of usual justification for government regulatory activities in business including what they hope to achieve. They are;

1. To achieve an environment permitting the enterprise to exist in an atmosphere of stability and cooperation.
2. To fix and distribute public and social burden in a supportable and equitable manner, taking into consideration the differences in sizes of various enterprises and the economic activity of the country.
3. To protect the interest of the consumer against exploitative actions of business or specific measures against sub-standard or dangerous products.
4. Government control business as part of her fundamental responsibilities towards exercising her sovereign right on all activities within her jurisdiction the business inclusive.
5. Government control of business is durable because it is one of the methods by which government raises revenue, the revenue comes in the form of registration fee, excise duties, educational levies, taxes and tariffs.
6. Government control business as a way of ensuring that the economy is not dominated by foreigners.

Through appropriate and calculated control, government enlarge the propensity for greater indigenous participation in economic business activities. These act of governmental control in business activities come in various forms, of which the most popular and widely used is through the instrumentality of law. Relevant laws or decrees, edicts, and statutes are often used specifically to achieve a control or regulatory objectives. For instance, the following itemized laws and Acts among others, are targeted towards regulating business in Nigeria, with the twin objective of business and industrial development, and maintaining sanity among the business key players and operators.

1. Registration of Business Names Act 1961, No. 1
2. Trade Mark Act 1961, No. 29
3. Factories Act capt. 1966
4. Exchange Control Acts 1961, No. 16
5. Nigerian Standard Organisation Acts 1971, No. 36
6. Trade Union Act 1973, No 31
7. Pre-shipment inspection of import Act, 1978, No. 36
8. Import prohibition order in 10, 1979, etc.

Alawe Tijani (2004) also opined that the Bank of Industry was established by the Nigeria government in October 2001, as a result of the merger of the Nigerian Industrial Development Bank (NIDB), the Nigerian Bank for Commerce and Industry and the National Economic Reconstruction Fund (NERFUND). Its major aim is to provide necessary financial assistance and incentives for the establishment of large, media and mostly small scale projects, and the expansion and diversification of existing industries. It engages in fund mobilization, project appraisals, financing, implementation and investment activities.



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1. The Nigerian Agricultural Cooperative and Rural Development Bank (NACRDB) established in the year 2002, is a merger of the defunct Nigerian Agricultural and Cooperative Bank (NACB), People's Bank of Nigeria (PBN) and the Family Economic Advancement Programme (FEAP).
2. The federal government set up the Bank of Industry limited, in October 2001. It was one of the hallmarks of the President Olusegun Obasanjo democratic government. In merged the Nigerian Industrial Development bank (NIDB) the Nigerian Bank for Commerce and Industry (NBCI) and the National Economic Reconstruction Fund (NERFUND).
3. From 1996 till date many Community Banks (CBs) were established as self-sustaining financial institutions.
4. The Community Bank might be owned and managed by a group of communities or a community, for the main purpose of providing credit, deposit banking and other financial incentives to its members and the SMEs. They promote SMEs, and rural development by providing credit and deposit services, and the increase of the productive capacities of SMEs and rural people in industry and in agriculture. The Community Banks will at a later date in 2007 be converted to specialised Banks, all geared specifically for the growth and development of SMEs in Nigeria.
5. The Small and Medium Industries Equity Investment Scheme (SMIEIS) was set up on June 19, 2001 and launched in August 2001. It is the banker's committee initiative which requires banks to set aside 10% of their profit before TAX, for equity investment in small and medium scale enterprises. It's main target is in the areas of Agro-allied business, Information Technology and Telecommunication, Manufacturing, Services, Tourism, Leisure and Construction (Alawe 2004).

## XII. Nigerian Government as a Business Regulator

Governments all over the world do realize and recognize the indispensability of vibrant business sector to the overall development of the national economy. Most of the laws and regulatory measures are intrinsically meant to protect and assist business. In order words, the initial regulatory function is not intended to be a punitive measure, rather it is intended to maintain a healthy rivalry, maintain sanity and stability among business, to the overall advantage of the entire business sector.

Apart from the implied facilitatory importance of the regulatory function, government specifically in so many ways through demonstrated actions, beneficial investment policies, institutions capacity building, favourable economic and fiscal policies, protective business laws, and direct financial incentives, promote, encourage and support the growth, and development of SMEs in Nigeria. Government promote and assist business in Nigeria by:

## XIII. Provision and Enactment of Beneficial and Supportive Laws

1. The Nigeria Enterprises Promotion Act 1977, No. 3
2. Patent Right and Design Act 1979, No. 60
3. Custom Duties (dumped and subsided good Acts No. 9 of 1959)
4. Industrial Promotion Acts 1979, No. 40
5. Industrial Development Income Tax Acts 1971, No. 22

Tijani Alawe 2004, enumerated most of other recent facilities makes government a business regulator in Nigeria a;

1. The establishment of the Finance and Research Institutions in 2001, by the federal government. The research reports of these institutions are very useful to SMEs and business organizations, in their product choice decision, product development approach, product or service delivery strategies. These helps to increase business efficiency and effectiveness. The most noticeable of these institutions is the Raw Materials and Research Development Council (RMRDC).
2. The Nigerian Government Provision of Direct Financial Assistance to Small Business Organisation through, the establishment of specific financial and non-financial institutions, for example, the Nigerian Agricultural and Cooperative Bank, Bank of Industry (2001), the Nigerian National Mortgage Bank (NINAM Bank) which is a merger of the Federal Mortgage Bank of Nigeria (FMBN) and the Federal Mortgage Finance Limited (FMFL) in 2001. The non governmental micro credit institutions consists of finance companies and community banks, that venture into the funding of micro credit schemes for SMEs, rural women credit schemes, artisans credit schemes, and many others for small business people.
3. The small and medium industries equity investment scheme (SMIESIS) established on June 19 2001, which requires banks to set aside 10% of their Profit Before Tax fore equity investment in small and medium scale enterprises (SMEs).
4. Direct Financial assistance and even loans to SMEs, through a package of subsidized or discounted loan portfolio, such as the small scale industrial credit scheme, and the NERFUND Scheme.
5. The provision of manpower development support schemes. The government established various universities and polytechnics, to provide skilled manpower for the SMEs. It also set up specific manpower development and training institutions,



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such as the Centre for Management and Development, the Administrative Staff College of Nigeria (ASCON) and the Industrial Training Fund. The services and Research Findings of these manpower institutes are mainly used by the small scale business people and establishments.

6. The establishment of government intervention strategies in 2002. This is mostly direct and indirect. Alawe (2004), describes the direct policy as consisting of direct investment and the establishment of SMEs, promotion institutions or agencies (example technological development institutions, credit lending institutions, technical and management institutions) and the provision of infrastructural facilities such as industrial estates, nationalisation of foreign firms and the provision of incentives and subsidies for the promotion of small and medium scale companies. Indirect public policy includes the regulatory provision, encouraging savings and reinvestment, restricting imports of consumer goods, introduction of measures that protect SMEs and the provision of various incentives and inducements to small scale industries.
7. The provision of credit support schemes. The government through its agencies provides capital or loans on soft term basis to SMEs. In 1973, it established the Nigeria Bank for Commerce and Industry to provide soft term loans to small scale industries, it set up the National Economic Reconstruction Fund (NERFUND) in 1989 to pool funds from various sources for lending through commercial and merchant banks to small scale industries, in 1997, the Family Economic Advancement Programme (FEAP) was established as a micro credit scheme geared towards investment promotion, and poverty alleviation.
8. The government also set up most federal polytechnics in 1979, the Administrative and Staff College (ASCON) in 1973, the Centre for Management Development (CMD) in 1973, and the Nigerian Institute of Policy and Strategic Studies in Kuru Jos. It also set up the small scale industries and graduate employment programmes, which aims at encouraging participants, mainly young graduates to set up and own their small scale business. Recently the Nigerian Institute of Management (NIM) established a training programme in all the National Youth Service Corp orientation camp, aimed at inculcating in the Youths, the spirit of entrepreneurship. In the past there was the graduate job creation loan scheme, and the entrepreneurship development programme, managed and supervised by the National Directorate of Employment (NDE).
9. The establishment of industrial development centres and the industrial estate schemes, which facilitate industrialisation process and the clustering of firms for effective planning and provision of facilities

The Nigerian Enterprises Promotion Decree 1977 as amended by Acts 1987 has some definite, unambiguous declarations and postulations. It regulates and controls the ownership structure of Nigerians business. This Acts classify business in Nigeria into Schedule I, Schedule II and Schedule III.

The enterprises promotion decree has these unique benefits of :

1. The encouragement of Nigerian indigenous participation in business through appropriate delineation of those areas that are exclusively reserved for Nigerians alone.
2. It makes it possible for Nigerians business to enjoy adequate control especially from foreign incursions in expertise and skills.
3. It leads to a beneficially dilution of business ownership through joint participation of foreign and indigenous investors.
4. It encourages local acquisition of hitherto non-existent skills among business. The approach is straight forward, as it encourages co-operative approach where the skills are almost non-existent and
5. Lastly, it promotes the development and growth of business in Nigeria, as most investors take advantage of the decree to relaunch their investments or business packages.

## XIV. Provision of Infrastructural Facilities

Experts argue that the infrastructural facilities created by government helps in the growth of small scale business, by facilitating the acquisition of required inputs. These facilities are, the essential infrastructures that assist and promote investment and growth of the SMEs. Some of them are;

1. Provision of access roads;
2. Increased improvement in communication facilities like telephone, postal services, and other telecommunication facilities like internet and mobile phones.
3. Provision and expansion of electricity supply
4. Water expansion schemes to service industrial of business sites.
5. Construction of industrial layouts and estates;
6. Establishment and maintenance of an Export Processing Zone (EPZ)

The provision of all these facilities help the small scale business to expand, through quick movement of goods and services, expansion of markets for products, and leads to a relatively cheaper investment cost.



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## XV. Provision and Constant Manpower Development Support

With the establishment of various institutions, especially the universities and polytechnic, the government directly help in the provision of skilled manpower at every level of management for the economy and small scale business. Apart from the tertiary institutions, government also established and finances some specific manpower development and training institutions. Some of them are the Centre for Management and Development (CMD), the Administrative Staff College of Nigeria (ASCON) and the Industrial Training Fund. The product of these Institutions are extensively utilized by businesses. The hitherto problem of technical and management manpower requirement are drastically reduced.

## XVI. Establishment and Finance of Research Institutions

The government has assisted small scale business through the provision of some helpful research institutions. The research reports of these institutes are very useful to business organizations, not only in their product choice decision, but also in product development approach, product or service delivery strategies, thereby increasing business efficiency and effectiveness. The activities of Raw Materials and Research Development Council (RMRDC) is worthy of note. This council through its affiliated institutes conduct research into cheap sources and of alternative raw materials for various businesses. Its role has been so tremendous, as small businesses take advantage of some discoveries in the research report to boost and expand their operations, other research institutes include the Nigeria Industrial Opportunities Centre and the Investment Information and Promotion Centre.

## XVII. Provision of Direct Financial Assistance to Small Business Organisation

The Nigerian Government often gives direct financial assistance to business organization, some of the specific ways by which government gives financial assistance to small businesses are;

1. The establishment of specific financial institutions to serve a given or determined business factor for example the People Bank, Nigeria Agricultural and Cooperative Bank and the Bank for Commerce and Industry.
2. Direct financial assistance or loans to some business through a package of subsidized or discounted loan portfolio for example the NEBFUND Scheme and Small Scale Industrial Credit Scheme (SSICS).
3. The creation and sustenance of many development and finance institutions for the purpose of providing long term funding on a generous or beneficial condition to business enterprises. The Nigerian Industrial Development Bank, New Nigerian Development Company Limited, Peoples Bank of Nigeria Limited and the Northern Investment Limited were all established to support the growth of SMEs in Nigeria.

## XVIII. The National Directorate of Employment (NDE) as a Guide towards Enhancing Small Scale Industries in Nigeria

The National Directorate of Employment was set up by the Federal Government in November 1986, to work out strategies for dealing with the mass unemployment in the country, especially among school leavers, university, polytechnic and college of education graduates.

The NDE has articulated a number of programmes to give effect to government objectives of generating employment. The programmes can be broadly categorized as follows;

1. Small Scale Industries and graduate employment programme.
2. National Youth Employment and Vocational Skill Development Programme.
3. Special public work
4. Agricultural programme

The main thrust of the NDE's programme is to assist the applicants in setting up their own businesses in agriculture, and small scale industries, and to enable them employ additional hands in their establishments, thus helping to reduce the level of unemployment in Nigeria.

## XIX. The Role of Small Scale Industry in Nigeria Development

Small scale industries have a lot of important contributions to make to the economic development of the country. Shokan, (1997) enumerated some of them as follows:

The provision of employment amongst the youth so innovative areas marketing for goods and services which are offered for sales. A lot of youths, retired workers and out of school graduates, are now gainfully employed, thereby reducing the unemployment rate, and its attendants social complication of armed robbery and white collar crimes.

It helps to bring about new goods and services and supply the needs of large industries, who have to rely on the small scale operators for business success. It satisfies the convenience of consumers at any given time, with the availability of products.



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They represent the overwhelming majority of industrial capacity in developing countries. A fact confirmed by Ajayi (1977), Ayozie, Daniel O, et al (1997) and Onwuchruba (2001), where it was postulated that presenting small scale business in Nigeria constitute over 80 percent of all registered companies, occupying positions in agro based and allied industries, rubber based, leather shoes industries, chemical, electronics, general merchandising, restaurants, dress making, hair dress making, cane-chairs, leather products, pomade and toiletries, animal feeds and husbandry, printing, are mostly SMEs.

They promote the development of indigenous manpower as well as increasing local participation in the manufacturing sector.

Small scale acts as a check towards rural migration by the planned and systematic development of rural areas. The much talked about urban migration is reduced by the introduction of small scale industries in rural area, and the provision of facilities to support those SMEs.

The activities of small business firms have resulted in the mobilization of the resources of the environment and thereby improving on the standard of living of the population.

They contribute to the development of the labour market by absorbing an ever growing supply of goods, services and labour. In doing this, they have sufficiently helped to curtail the rising unemployment in Nigeria.

They have accounted for a large percentage of all businesses and a favourable percentage of the nation's gross national product. This fact is more relevant in the developed countries of Great Britain, United State where a proper accounting system is kept.

Other noticeable impacts are its contribution to the development of indigenous entrepreneurship. Mention is being made of the Dantatas, Fajemirokuns, Igbinedions, Ekene Dili Chukwus, Ilodibes, Dankabos, Dangotes, Adenuga and the Amazuss of Nigeria. These are successful entrepreneurs.

Its contribution to the mobilization of domestic savings and utilization of local resources is also a noticeable factor. They serve as good agent for the disposal of industrial products and some services, and have contributed immensely to the production of raw materials in the form of semi-processed goods for use by bigger industries.

It is a base for the development of appropriate technology and provides a veritable ground for skilled, unskilled and semi-skilled workers. It has provided productive self-employment to a number of educated and less educated young men and women coming out of schools, colleges, polytechnic, and universities.

Ayozie (2001) specifically mentioned the role of SMEs in the accelerated industrial development, by enlarging the supply of entrepreneurs and the enlarging of small and medium enterprise sector, which offers better potential for employment generation and wider dispersal of industrial ownership.

It has assisted in improving the performance of small industries by enlarging the supply of carefully selected, trained and well rounded entrepreneurs, and diversifying sources of entrepreneurship and business ownership.

In Nigeria, Scholar have enumerated that the entrepreneur viz a viz the small scale business person is the most critical factors in the economic development of any Natlon. Entrepreneur organizes, and utilizes the various factors of production and finally sets productive machinery in action towards overall economic development. Consequently, the availability of the small scale industry is therefore the undisputed precondition for economic growth.

## XX. The Economic and Social Importance of SMES in Nigeria

- Small scale industries generate employment for a lot of Nigerians. A lot of unemployed people and youths, have found employment in small scale industries. A lot of small retail shops, cottages, restaurants, poultry farms, and telecommunication/telephone shops have been established and managed profitably by Nigerians who would have been unemployed till date. The entrepreneurs have in turn provided jobs for other Nigerians, who serves as support, technical and administrative staffs for them.
- It has encouraged self employment for many youths both in the rural and urban areas. The spirit of successful entrepreneurship has taken over the mind of Nigerians, who believe in themselves and in the goal of self employment, instead relying on government jobs. In the telephone retail and rental jobs, a lot of youths and Nigerians have remained self employed. Their businesses have expanded to the level of employing some other unemployed people.
- Through the establishment of manpower development support schemes, and their involvement in the training and retraining of entrepreneurs, small scale industries have provided a pool of potential entrepreneurs and business people who are well equipped to start and successfully manage industries. Whether small or large, not only in Nigeria, but overseas. Successful business people in Nigeria like Aliko Dangote, the Ibrus, Mike Adenuga, Illodigwe and Dantata started as SMES, before the growth of their various businesses into conglomerates.
- It has reduced the dependence on government and large firms on salaried employment. This is evidenced from the liberalisation policy of the



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established to provide support staff and employment for Nigerians. (For example, MTN, GLOBACOM, CELTEL and many private universities).

- Small scale industries have stimulated rural development and the achievement of a meaningful level of broad economic and rural development. To reduce the migration from rural to the urban centres, some infrastructural facilities which promoted small scale industries were provided in the rural areas, such as the provision of access road, increased improvement in communication facilities like telephone, postal services and the internet facilities, construction of industrial layouts and estates, and the provision of electricity and water expansion schemes.
- It has uplifted the dignity of labour. There is the spirit of "ME TOO", can do it attitude. People deriving joy in working for themselves and seeing their businesses grow and mature to conglomerates and deriving joy in being a source of employment to other Nigerians.
- It has upgraded the social status of Nigerian youths, by showcasing them as very successful entrepreneurs and operators of small scale industries. This is evidenced in the many success stories of small scale industries as recorded by the print and electronic media houses.

## XXI. Special Causes of Small Scale Enterprisess Failure in Nigeria

- There is the insufficient capital outlay. There is lack of capital or inadequate capital to buy the stocks and equipment. Securing of loans from the banks and Financial Institutions takes time an in most cases are only existing on paper. Many banks require the satisfaction of many conditionalities before loans are granted, and the small scale industries find it difficult to secure such loans facilities.
- There is also the use of obsolete business methods, and equipments, as a means of maintaining stocks and inventory. These old methods do not tally with modern business procedures. Most business ideas are things inherited from parents, and most of the ideas die with the originators. Some are not scientific in nature and cannot be assessed easily. There is also the lack of credit control, as money could be brought in and taken out of the business easily for personnel and not for business purposes.
- There is the absence of business planning. Planning is done by rule of thumb, and haphazardly too. This makes it difficult to detect and understand the predictable and unpredictable market changes. The non-existence of actual planning strategies makes it difficult to stand the changing, dynamic and very unpredictable economic and business conditions. There is also the failure to maintain plan for emergencies, and the failure to anticipate and plan for the financial demands and needs of the small-scale industries. These problem retards the growth and development of SMEs in Nigeria.
- Coupled with the above problems is that of low motivation, and lack of confidence. Most entrepreneurs believe they cannot make it, in the face of competition by the bigger companies. The desire and motivation to succeed is reduced because of the existence of these conglomerates.
- Most entrepreneurs are even undecided about the type of business to set up and there is lack necessary business ideas for the entrepreneurs..
- Some small scale operators are undecided on how to finance their business and where to source for the funds.

Other obstacles and causes of small scale business as enumerated by Alawe 2004, includes socio-cultural obstacles which includes the lack of entrepreneurship culture and education, Nigeria's social system limits opportunities for creative activities, and the limiting role of most relying beliefs which bars admission to initiatives and entrepreneurships. They preach perseverance, rather than risk taking, aggressiveness, necessary for business. Others includes technological backwardness of Nigeria which leads to labour and inefficiency, political instability occasioned by civil unrests, political sabotage, coup detats, local and youth restiveness, thuggery, and armed robbery. All these create insecurity in the minds of entrepreneurs. Some managerial problems as opined by Alawe (2004) includes the absence of strategic management skills and attitudes, the inability to respond to threatening environmental conditions, lack of clearly defined objectives, lack of delegation, inability to select appropriate equipments and resources, and the faulty design, implementation and evaluation by small scale businesses, and their entrepreneurs.

## XXII. Conclusion and Recommendations

As initially mentioned, the secret behind the success of self-reliant strategy is mainly in peoples positive attitudes to enterprise, and in the extent to which the right incentive is adequate enough to make risks worth taking, rather than in any particular political philosophy. In the early stages of Japan's Industrialization, her economy was dominated by a large number of small scale enterprises, who drew their strength not from an abundance of capital, but rather from her vast supply of labour, and the abundant advantages of small scale industries. Nigeria and Nigerians need to learn and follow Japan's footsteps.

The activities of modern marketing, covers marketing research, market segmentation, marketing



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information systems, marketing planning and control , and other issues relating to product, price, promotion, and distribution. These activities are not properly handled in many Nigerian small business enterprises.

One of the major advantages of marketing is that, when correctly used, subjective values may be added to a product. The consumer then perceives it as superior to that of competitors. Consequently, profit margins may be increased. But as noted already, poor quality, unawareness of competition, poor promotion, poor distribution, and poor pricing methods tend to be the major failings of small-scale manufacturers in Nigeria. The production of generic products is often considered acceptable and economical by these small business enterprises (Onwuchuruba 2001)

The adoption and application of marketing concept is one sure way by which small business enterprises can grow and secure for themselves places in the 21st century commerce and industry. But marketing skills and knowledge are teachable, and can only be acquired through training and experience. Unfortunately, many small scale entrepreneurs lack the necessary time and funds to embark on such training. We therefore suggest that the government should assist them through organizing regular marketing workshops and seminars through the State branches of Manufacturing Associations of Nigeria and the State Chambers of Commerce and Industries. (Onwuchuruba 2001).

Once feasible target markets with good growth and profit potentials have been selected, marketing strategies and actions should follow. The two major advantages possessed by small business enterprises in this respect are their closeness to customers and flexibility. Also, the two common mistakes here are attempting to offer too wide a range of products and trying to compete in large markets where their size can place them at greater disadvantage compared to large companies. Changanti (1983) reveals that small business enterprises can perform better by carving a niche in the market place.

- They should also consider the various product variables like quality, features, styles, brand names, and marks. Many large companies such as the Unilevers Nigeria Plc, Nigerian Breweries Plc, Cadbury Nig Plc, to mention a few, have demonstrated the great value of brand name and mark. Branding helps to create exceptional value in the eyes of consumers provided the company's products meet needs better than competitors. That is what marketing is all about.
- The small-scale manufacturer should also use price and quality assortment, convenience, service, and other elements of the marketing mix to promote the right image for their companies and products.
- Distribution in small business enterprises may be a problem due to many layers existing in the channels. But once at diagnosis stage, accurate and complete limitations in the marketing environment have been identified and assessed, appropriate distribution strategies can be formulated. (Baker 1994)
- The governments are also advised to assist the small scale producers by improving infrastructural facilities and environmental infrastructures such as road network, water, electricity, and communication. Inefficiencies in these areas create additional costs to small-scale manufacturers, and limits their growth.
- After building a strong marketing base at domestic market, it is important that small business enterprises consider exporting their products abroad especially within the West African sub-region. This can help them secure much-needed foreign exchange for importing necessary equipments and raw material as supplements to locally developed ones. Through this, the quality of their products can be improved and thus place them at a better position to compete effectively in both domestic and international markets.

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# Regulated Agricultural Marketing Systemfor Economic Development of Jajpur District in Orissa(India)- An Empirical Analysis

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REGULATEDAGRICULTURALMARKETINGSYSTEMFORECONOMICDEVELOPMENTOFJAJPURDISTRICTINORISSAINDIA-ANEMPIRICALANALYSIS

*Strictly as per the compliance and regulations of:*

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# Regulated Agricultural Marketing System for Economic Development of Jajpur District in Orissa(India)- An Empirical Analysis

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*Abstract-* Agriculture has played a key role in the process of socio-economic development of our country. Agriculture has all along been the most crucial sector of the Indian economy and even today agriculture and allied activities make the single largest attribution to Gross Domestic product accounting for nearly one fourth of the total. In Odisha, both Agriculture and Animal Husbandry provides employment directly or indirectly to around 65 per cent of the total workforce. It is ironic that Indian agriculture sector is moving in a reverse direction different from that of the non-agriculture sections. This tendency has been earmarked in the country throwing the responsibility to the agriculture market set ups failure to provide incentives to the former for more production and to stay on profession. The state Odisha comes under such tragic scenario. The economic development of the state logs behind the other states of India. This not only impressed to conduct a survey but also to evaluate the role of agricultural marketing for the development of rural economy of the district and the steps taken by state government in agricultural marketing.Also to assess the regulated agricultural knowledge based marketing system. Finally, the study gives some suggestions for the improvement of efficiency and transparency in the marketing of agricultural produce.

*Keywords: regulated market committee(RMC), e-agriculture, agricultural knowledge based marketing systems (AKMS), orissa state agricultural marketing board (OSAM),analysis & analysis of variance (anova).*

## I. Introduction

Agriculture is the backbone of any developing economy like India. Because majority of the population depends directly or indirectly on it. Since many decades, it occupies a place of pride in India. Agriculture has played a key role in the process of socio-economic development of our country. The sector accounts for about 33 per cent of the Gross Domestic product and almost two thirds of the population depends on this sector for survival. It accounts for 8.56 per cent of India exports. About 43 per cent of India's geographical area is used for agricultural activity. This sector works in concert with other sectors to produce faster growth, reduce poverty and sustain the environment. Agriculture has all along been the most crucial sector of the Indian economy and even today agriculture and allied activities make the single largest attribution to Gross Domestic product accounting for nearly one fourth of the total. In Odisha, both Agriculture and Animal Husbandry contributed 22.46 per cent of the Net Domestic product of the State in 2012-2013 and provided employment directly or indirectly to around 65 per cent of the total workforce.

Kuzmets classifies the contributions made by agriculture to economic growth as (1) product contribution (2) Market contribution (3) Factor contribution and (4) Foreign Exchange Contribution. Odisha is primarily an agrarian economy. In the state, Agriculture has been proved as the dominant sector and about 73 per cent of total main workers are engaged in agriculture. Being a state of villages, about 87 per cent of total population lives in rural areas [1].

## II. Relevance of the Study

This is a study of broad agricultural marketing in the economic development in Orissa with a special reference to Jajpur district during the period 2004 to 2012. The significant of agricultural sector in Orissa economy has grown considerably. For reaching changes have taken place in agricultural economy of the country. Not only there has been growth and diversification in the agricultural marketing complex but the structure of agricultural marketing structure has become more balanced. As Owens and shaw very apply pointed out Agricultural Development is first of all a human problem, not a technical problem. If all the farmers have access to production inputs, the financial system, the market and agricultural knowledge then they can improve the state of agriculture. But most of farmers lack access to a market system and thus lack both the resources and the incentives to modernize their production methods." So it has been realised that marketing of agricultural produce is essential to provide an incentive to the farmers and to improve their standard of living. It is a matter of greater interest not only to the farmers but to the consumers and the middlemen also. The National Commission on Agriculture, in 1976, admits the needs for agricultural marketing in the country [2-3].

It is ironic that Indian agriculture sector is moving in a reverse direction different from that of the

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non-agriculture sections. This tendency has been earmarked in the country throwing the responsibility to the agriculture market set ups failure to provide incentives to the former for more production and to stay on profession. In our state, Odisha comes under such tragic scenario and so also the economic development of the state logs behind the other states of India. This not only impressed to conduct a survey but also to find out the causes and suitable measures to eradicate the problem [4-5].

*a) Objectives of this thesis*

Gravity of the problem and its pervasive significance in the economy of the state, Odisha in general and Jajpur district in particular to have induced in the plan of the present study.The research study is proposed to be undertaken keeping in view the following objectives.

1. To evaluate the role of agricultural marketing for the development of rural economy of the district and the steps taken by state government in agricultural marketing.
2. To assess the regulated agricultural knowledge based marketing system.
3. To give some suggestions for the improvement of efficiency and transparency in the marketing of agricultural produce.

## III. Scope of the Study

The proposed study as purely analytical and empirical in character is based on both primary and secondary data. Besides descriptive survey method can also be adopted for the study. As the targeted area is confined to Jajpur district and the district consists of 10 blocks such as Barchana, Bari, Binijharpur, Dangadi, Dasarathpur, Dharmasala, Jajpur, Korei, Rasulpur and Sukinda which are covered under the study to explain the standard of living situation of the farmers residing in these areas. As all the blocks are not convenient to go for the detailed survey, so as to convenient point of view, purposive sampling method can be justified to fulfill the aims and objectives of the research study[6].

## IV. Nature and Source of Data

The study is based on the data collected from various primary and secondary sources. In the course of analyzing the issues, the primary data are collected through two sets of questionnaires and one set of interview schedule were developed to obtain data from the producer farmers, consumers and officials associated with the agricultural marketing activities. Potential surveys and techno-economic survey have also been consulted. The study has also been made from the published magazines like District statistical Abstract (A Govt. of Odisha Publication) and Economic Review etc.Apart from this, relevant informationhas been collected from the publis hed and unpublished sources of certain government and non-government organisations. Basically, the secondary data were collected from the official records and publication of Director of Agriculture, Department of Economics and Statistics, Orissa Agricultural Statistics, other publications and websites. In dealing with the issues relating to the problems, prospects and impact of agricultural marketing in Orissa and the economic development of the Jajpur district an extensive survey is made upon a few selected rural markets of the district[7-9].

## V. Research Methodology

Data will be tested and analysed through the computer based statistical techniques like co-relations and multiple regression. Statistical tools like average, co-efficient of variation, multiple regressions, analysis of Variance (ANOVA) are applied to examine the result. The data analysis and interpretation is undertaken mostly with the help of computer based statistical empirical analysis.

Independent variables

| | |
|---|---|
| Area (F2) | No. of villages (F3) |
| Population (F4) | Commodity (F5) |
| Livestock (F6) | Transportation (F7) |
| Traders (F8) | Infrastructure Facilities (F9) |
| Income (F10) | Expenditure (F11) |
| Savings (F12) | |

*Dependent Variable* – Distance from district Head Quarter (F1)

The linear regression technique is employed to know whether Distance from District Head Quarters is dependent on what independent variables and find out if there is a significant relationship between distance and other independent variables giving raise to the coefficient of determination value.But, in the present study all the variables are considered as dependent and independent variable and the inferences are drawn accordingly.The form of equation is given below linear model

$$F1=C0+C2F2+C3F3+C4F4+C5F5+C6F6+C7F7+8F8+C9F9+C10F10+C11F11+C12F12$$

*Karl Pearson's Coefficient of Correlation*

Correlation in statistics refers to relationship between any two, or more variables. Two variables are said to be correlated if with a change in the value of one variable there arises a change in the value of another variable.

i) that there is linear relationship between the two variables;
ii) that the two variables are casually related which means that one of the variables is independent and the other one is dependent; and



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iii) a large number of independent causes are operating in both variables so as to produce a normal distribution.

There are different methods of studying correlation between any two or more series. But for measuring the correlation between any two variables i.e. simple correlation, Karl Pearson's co-efficient method is used.

Karl Pearson's Coefficient of Correlation (r) =

$$\frac{N\sum XY - \sum X.\sum Y}{\sqrt{N\sum X^2 - (\sum X)^2}.\sqrt{N\sum Y^2 - (\sum Y)^2}}$$

X = given, or reduced values of the first variable
Y = given, or reduced value of the second variable, and
N = number of pairs of observations of X and Y.

The value of 'r' lies between ± 1.

Positive value of 'r' indicates positive correlation between two variables, changes in both the variables take place in same direction, whereas negative values of 'r' indicates a negative correlation i.e. changes in the two variables taking place in opposite direction. A zero value of 'r' indicates that there is no association between two variables.

## VI. Hypothesis

The marketing sector of perishable agriculture commodities good is a highly unorganized sector. There exists no definite system for trading of perishable commodities. The strategy evolved as the outcome of the study may not be general. The study was conducted based on the following assumptions.

1. Price realization for the perishable agriculture commodities is having a direct correlation with the unorganized nature of the farmers in the sector.
2. Hesitancy expected from the part of fruit and vegetable traders in associating with farmer markets.
3. Success rate of marketing systems in perishable agriculture commodities has a direct correlation with the transparency in the management system.
4. Participatory decision making improves the efficiency and transparency of the rural markets.

The scope of the study is very wide. The present study focuses on the agricultural business, agricultural marketers, and marketing channel strategy in the study area. This study will be helpful for the marketers, traders, agents, producers of agriculture, researchers and the most important the consumers. The study provides detail understanding and analysis of various aspects of agricultural distribution.

*a) The student's t-test of the null hypothesis*

A t-test is any statistical hypothesis test in which the test statistic follows a Student's t distribution if the null hypothesis is supported. It can be used to determine if two sets of data are significantly different from each other, and is most commonly applied when the test statistic would follow a normal distribution if the value of a scaling term in the test statistic were known.

We compute the t-statistic for each Ci ,which follows t-distribution with (n-1) degrees of freedom.The null hypothesis is Ci = 0.

if < t (tabulated), we accept the null hypothesis i.e. we accept that is not significant.

if > t (tabulated), we reject the null hypothesis and we accept the alternative one. i.e. is statistically significant. Thus, greater the value of the stronger the evidence that Ci is statistically significant.

## VII. Analysis of Variance Test

In the analysis, the total variations are split into explained and unexplained variation. This suggests that one can compute an analysis of variance type of table for analysis.

An F-test is any statistical test in which the test statistic has an F-distribution under the null hypothesis. It is most often used when comparing statistical models that have been fitted to a data set, in order to identify the model that best fits the population from which the data were sampled.The ANOVA F-test can be used to assess whether any of the treatments is on average superior, or inferior, to the others versus the null hypothesis that all four treatments yield the same mean response.

*F-statistic is computed as*

$$F = \frac{\text{Mean sum of square of explained sum square}}{\text{Mean sum of square of residual sum square}}$$

The null hypothesis Ho is Ci = 0

if calculated F > tabulated F with (k-1) and (n-k) degrees of freedom with chosen level of significance we reject the null hypothesis and accept that the data is significant.

If calculated F < tabulated F, then we accept the null hypothesis and conclude that data is not significant.

*Goodness of Fit ($R^2$)*

In statistics, the coefficient of determination, denoted $R^2$ and pronounced R squared, indicates how well data points fit a line or curve. It is a statistic used in the context of statistical models whose main purpose is either the prediction of future outcomes or the testing of hypotheses, on the basis of other related information. It provides a measure of how well observed outcomes are replicated by the model, as the proportion of total variation of outcomes.R2 is a statistic that will give some information about the goodness of fit of a model. In regression, the R2 coefficient of determination is a statistical measure of how well the regression line approximates the real data points. An $R^2$ of 1 indicates that the regression line perfectly fits the data.

$$R^2 = \frac{\text{var iations explained}}{\text{var iations required to explain}} = \frac{\hat{B}^2 \sum X_i^2}{\sum Y_i^2}$$



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$$= \frac{\sum Y_i^2 - \sum e_i^2}{\sum Y_i^2} = 1 - \frac{\sum e_i^2}{\sum Y_i^2}$$

## VIII. Analysis of Variance Table for Two-way Anova

In statistics, the two-way analysis of variance (ANOVA) test is an extension of the one-way ANOVA test that examines the influence of different categorical independent variables on one dependent variable. While the one-way ANOVA measures the significant effect of one independent variable (IV), the two-way ANOVA is used when there are more than one IV and multiple observations for each IV. The two-way ANOVA can not only determine the main effect of contributions of each IV but also identifies if there is a significant interaction effect between the IVs.

*Table 1 :* Analysis of variance Table for Two-way Anova

| Source of variation | Sum of squares(SS) | Degrees of freedom (d.f.) | Mean square (MS) | F-ratio |
|---|---|---|---|---|
| Between columns treatment | $\sum \frac{(T_j)^2}{n_j} - \frac{(T)^2}{n}$ | (c – 1) | SS between columns / (c - 1) | MS between columns / MS residual |
| Between rows treatment | $\sum \frac{(T_i)^2}{n_i} - \frac{(T)^2}{n}$ | (r – 1) | SS between rows / (r - 1) | MS between rows / MS residual |
| Residential or error | Total SS – (SS between columns + SS between rows) | (c-1)(r-1) | MS residual / (c – 1) (r – 1) | |
| Total | $\sum X_{ij}^2 - \frac{(T)^2}{n}$ | (c, r -1) | | |

*Where, the total value of individual item (or their coded values as the case may be) in all the samples and call it T.*

The collected data have been classified and tabulated according to their specific characteristics relevant for the study. Comparative method and experimental method of analysis are also to be adopted in this study by taking interviews from the various persons. However, a meaningful and valid study has been made based on the statistical reliable collected data.

## IX. Multiple Regression Analysis

Multiple regressionsis the extension of simple regression to take the account the effect of more than one independent variables on the dependent variables. It is a technique to investigate the effect on 'dependent variable' of several variables combine and individually. It begins with the simple correlation matrix and enters into regression of the independent variables most highly correlated with the dependent variables. This technique has been applied to analysethe determinants of agricultural markets and find out its role in the economic development of the district.

### *a) Limitations of the study*

The study is confined with the following aspects due to paucity of time and limitations of resources.

1. The study is confirmed with only one district i.e. Jajpur district out of 30 districts in the state, Odisha.
2. The study covers only the agricultural producers, users and tradesmen linked thereto. The problems of marketing of agricultural community are identified.
3. As the district covers almost all rural areas, so the study focuses only the marketing situations that are prevalent in these rural areas as well.
4. The study focused only the economic development in one side and neglected the socio-cultural activities of farmers in other side.

## X. Agricultural Marketing System in Odisha

An efficient agricultural marketing system is imperative for development of agriculturesector of the state. In the context of global integration of markets, the importance of a market driven agricultural ecosystem is of significant importance. The Royal commission on Agriculture (1928) commented at length on the defects prevailing in the agricultural marketing sector and recommended that these can only be removed by the establishment of such markets that would confer immense scope for the cultivating classes in India. Accordingly, most of the States took steps for



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enactment of their Agricultural produce Marketing and Regulation Acts. Market Regulation Scheme in our State came into force after the enactment of Orissa Agril. Produce Markets Act 1956 and the Rules made thereunder in 1958. There were only 15 Market Committees during 2nd FYP which have now gone up to 65. A separate Directorate of Agricultural Marketing was established in 1996.Orissa State Agricultural Marketing Board is the apex Agricultural Marketing Institution in the state responsible for creation of marketing infrastructure, and for exercisingsupervision and control over the Regulated Market Committees of the state[10]. It was established in the year 1984 under the amended provisions of the Orissa Agricultural Produce Markets Act, 1956 (OAPM). The OSAM Board functions under the Chairmanship of the Minister, Cooperation. The OSAM Board receives funds from different sources like central assistance under thework plan and the RLTAP for establishment of new Market Yards, Krushak Bazaars and for development of existing market yards in the RMCs. The OSAM Board undertakesmassive extension activities like organizing farmers' awareness campaigns and exhibitions to educate the farmers on their rights and the marketing facilities available for them[12].

*a) Establishment af Regulated Market Committees (Rmcs) and Market Yards*

Under the provisions of the Orissa Agricultural Produce Market Act, 1956, Regulated Market Committees (RMCs) have been established in the State for regulation of buying and selling of agricultural produce. There are 65 R.M.Cs covering 55 Revenue Sub-Divisions of the State. The Chairman of the R.M.Cs are Collectors/ A.D.Ms/ Sub-Collectors[13-15].

*b) Markets and Market Yards*

Across the 65 RMCs in the state at present, there are 428 market yards in the State, which include 53 Principal Market Yards, the rest being sub-market yards. Besides, there are 567 temporary market yards for Paddy Procurement. Out of 314 Blocks, 111 Blocks do not have any reulated market. Now under the award of the 13thFinance Commission, markets are being set up in these uncovered blocks. The RMCs are making efforts to upgrade the facilities in the existing market yards and the Gram Panchayat markets under their control and efforts are also being made to establish new market yards[16-19].

*c) Regulated Market Committee (RMCS)*

Under the provisions of the Orissa Agricultural Produce Markets Act, 1956, 65 RMCs have been established in the State for regulation of purchase and sale of agricultural produce. Of these 65 RMCs, 61 RMCs are having elected Committees while election in 3 RMCs is sub-judice and one newly constituted RMC is having a nominated Committee. OSAM Board is the sole authority and controlling body of all the RMCs. Committee works as a facilitator between the farmers and the procuring agencies[20-21]. The following facilities are provided in a market yard.

1. Market Yard
2. Weigh Bridge
3. Meeting of Farmer & Agencies
4. Godown for Storage (if not sold)
5. Cold Storage for perishable items

*d) Revenue Sources of RMCS*

1. RMC is a revenue earning body and it earns its revenue by charging 1% (2% for paddy) of the transaction amount for providing these above mentioned facilities.
2. RMC also earn its revenue from the check gates, by charging 1% of the way bill value from the traders carrying notified produces.

*e) Work Flow of Buying and Selling at RMCS*

The work flow of buying and selling of paddy at the RMCs is as follows:

1. A farmer with FIC arrives at the market yard of the RMC with his produce
2. Agencies like OCSC, FCI, MARKFED, NAFED etc.arrive for procuring those produce from the farmers.
3. Empanelled Millers arrives to take the produce for processing and storage.
4. RMC agents carry out their quality checks of the produce like weight verification, grading of the produce, moisture measurement etc.
5. After the quality check is done the price is decided as per the grade of the produce and the procurement agency pay the farmer through cheque.
6. The miller produces the transit pass or the form IV while passing through the RMCs owned check gates and no market fee is charged from them.

*f) Regulated Market Committee Functions*

The main objective of the RMCs is to ensure payment of fair price to the agriculturist.

1. An RMC works as a facilitator between the farmers and the procuring agencies. It facilitates both the party by providing facilities.
2. RMC is a revenue earning body and it earns its revenue by charging 2% of the transaction amount for providing these above mentioned facilities.
3. It also earn its revenue from the check gates, by charging 1% of the way bill value from the traders carrying notified produces.
4. To achieve an efficient system of buying and selling of agricultural commodities,
5. To provide for regulation of agricultural produce markets.
6. Conducting open auction or close tender method for sales of agricultural produce to ensure a fair and



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competitive price for the produce and prevent the cheating of farmers by market functionaries.

7. Issuing license to all the market functionaries including traders
8. Collecting market fees which are calculated on the basis of value of volume of a commodity bought and sold in the markets. Sometimes it may be based oncartload or truckload.
9. Disputes arising between producer seller and traders by reason of the quality of the producer, accounts and deductions of unauthorized charges are solved by the sub-committee of the market committee this avoid the legal complications and unnecessary expenditure.
10. Market charges are clearly defined and specified.
11. Market practices are regulated and undesirable activities are brought under control.
12. Correct weighment is ensured by periodical inspection and verification of scales and weights.
13. Suitable arrangements for the settlement of disputes is provided.
14. Reliable and up to date market news is made available to the farmers.
15. Suitable quality standards and standard terms for buying and selling are conveniently enforced.
16. Reliable statistics of arrivals, stocks, prices are maintained.
17. Other facilities like shades for the sale of produce, space for parking carts, drinking water facilities and cisterns of cattle, rest houses, grading and warehousing facilities are provided.
18. Open auction method is strictly followed.
19. Propaganda for agricultural improvement is more conveniently carried out.
20. Maintenance and improvement of the markets and its buildings.
21. Maintenance of standards of weights and measures.
22. Payment of interests of loans.

*g) Agricultural Marketing in Jajpur District*

Orissa, a State in the Union of India is a classic land of paradoxes. Rich in history andgeography, the State is today the poorest one in thecountry. Jajpur District is located in the eastern region of the state. The district has an area of 2899sqkms. Physiographically, the district may be divided into two physical regions. These regions are (1) the eastern alluvial plains and (b) the north western hilly terrains. The district is washed by many rivers like the Brahmani, the Baitarani, the Birupa, the Kharasrota, the Kelua, the Budha, the Kani and the Genguti[22-24].Odisha is essentially an agricultural economy. Agriculture remains the main occupation of large majority of Odisha people. It provides livelihood support to a large section of its population. So Agricultural development is the crux of overall development of the economy of the State. But at present agriculture suffers from many problems. Both agriculture and agriculturists will develop when farmers will get fair price for the produce. That is why agricultural marketing is an important part of the agrarian sector. Agricultural Marketing System plays dual role in the economic development of the State, Odisha whose resources are primarily agriculture[25-27].

To understanding the agricultural marketing system of the districti.e the aspects include agricultural products produced by the farmers, their marketable surplus, types of agricultural market found in the district, marketing facilities available, problems faced by the farmers and benefits received by the consumers. Government's interference and protection of interest of producers and consumers and the role of marketing co-operatives and regulated markets with reference to two agriculturally developed blocks of the state namely Jajpur and Rasulpur have been explained to elaborate the present scenario of agricultural marketing in this district. Odisha in general and in Jajpur district in particular. The farmers are forced with distress sale to honors their debt obligation. Though the state is blessed with several rivers and availability other related facilities that are meant for growing more agricultural production and productivity, still need is inevitable to improve the economic standard of the producer farmers. Presently conducted survey reveals that most of the agri-populated areas are not well-connected with the markets or mandies consequently creating the stumbling blocks in transporting the produce from the place of production to the place of consumption. Now present construction of roads in the rural areas of the district is not sufficient to meet the requirements of better transportation. Some roads are there where are so poor which became unusable in the rainy season. The presence of superfluous middlemen brings down to the rate of return to the producers spacious market yards are not available to the farmers for demonstrating their products freely to the consumers. The products are usually displayed on the roads of NHS which creates obstacles in the movement of vehicles and causes a number of accidents. The farmers are ignorant about market information. Being ignorant, they are heavily exploded by the middlemen and financial initiatives in several ways. Besides these constraints, other challenges make them handicapped in developing their profession [28].

*h) Agricultural Knowledge Based Marketing Systems (AKMS),*

Agricultural Knowledge Systems (AKMS), considering in particular developments in institutional frameworks, public and private roles and partnerships, regulatory frameworks conducive to innovation, the adoption of innovations and technology transfers, and



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the responsiveness of AKMS to broader policy objectives. The conference demonstrated a wide diversity of approaches to AKMS, with each responding to different agro-economic, social and institutional challenges, and each with a different history. Most strikingly, all of these approaches are currently evolving from a linear AKMS to more integrated innovation systems. The question is whether these developments will successfully address the challenges identified at this conference —namely, those arising at the nexus of food security and climate change. Some speakers have emphasised public approaches, while others emphasised private. Many talked about co-development and networks, including the speakers who focused on biotechnology, and several speakers mentioned the importance of local traditional knowledge. Finally, many emphasised the shift taking place from research and development (R&D) to innovation in products and processes [29].

- Promote the development of knowledge in Science and Technology (S&T) laboratories.
- e-Agriculture service for accelerating agricultural development and living standards of farmers.
- Promote knowledge applications in agriculture and industry.
- Promote the use of knowledge capabilities in making government an effective, transparent and accountable service provider to the citizen and promote widespread sharing of knowledge to maximise public benefit.

*i) Functional Analysis of Regulated Agricultural Markets*

The performance of agricultural marketing systems in developing countries has often been poor and government intervention has not been very successful. This is the right time to explain the weak impact of many interventions in agricultural marketing by public authorities. The methodologies applied in agricultural marketing analysis are not adequate or have not been applied with sufficient rigor, thereby leading to poor understanding of the problems and opportunities and resulting in incorrect recommendations for change. Further the public agricultural marketing research methodologies provide a correct view of the market havenot been concerned enough with the interactions between marketing systems and agricultural development. Agribusiness industries face a stiff competition originating mainly from trade barrier's removal and the rapidly changing marketing environment. Therefore, certain need has been identified towards the development and proper utilization of updated market research tools and methodologies in the field of agricultural marketing. The aim of this study is to show the usefulness of multi-criteria approach in analyzing consumer's preference data and its ability to support new product development processes by agricultural firms. Several methodological issues in agricultural marketing are then presented through a state-of-the art survey. Then, the study develops a consumer-based methodology to support product development decisions where the key-role is played to determine the preference model which explains a single consumer's ranking; a decision support system summarizes the analysis on the whole set of interviewed consumers to prescribe the `ideal' profile of a new product and to simulate its penetration strategy into the market. Results from the application of the methodology to a survey data base collected from various sources are presented.

To know the impact of agriculturalmarketing, consumer and producerstrategy for variables such as Distance from district Head Quarter (F1), Area (F2), No. of villages (F3), Population (F4), Commodity (F5), Livestock (F6),Transportation (F7), Traders (F8), Infrastructure Facilities (F9), Income (F10), Expenditure (F11) and Savings (F12) for the data collected the linear regression techniques is implemented using Statistical Package for Social Science (SPSS), which estimates the co-efficient of the linear equation involving one or more independent variables that best predicts the value of the dependent variable.

*j) Multiple Regression Analysis in Case of Regulated Agricultural Market*

i. *Distance from District Headquarter*

If Distance from district Head Quarter (F1) is considered as the dependable variable and Area (F2), No. of villages (F3), Population (F4), Commodity (F5), Live stock (F6), Transportation (F7), Traders (F8), Infrastructure Facilities (F9), Income (F10), Expenditure (F11) and Savings (F12) as independent variables. The linear regression technique is employed to know whether Distance from District Head Quarters is dependent on what independent variables and find out if there is a significant relationship between distance and other independent variables giving raise to the coefficient of determination value. It is found that R2 equals to 0.292 and this R2 value is significant. The regression to predict Savings (F12) is relevant from the coefficient table. So, it is evident from the coefficient table that constant, Savings (F12) has significant relationship with the Distance (F1).



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*Regression:*

Variables Entered/Removed

| Variables Entered | Variables Removed | Method |
|---|---|---|
| F12, F4, F2, F7, F5, F8, F3, F9, F10, F6, F11 | . | Enter |

a All requested variables entered.
b Dependent Variable: F1

Model Summary

| R | R Square | Adjusted R Square | Std. Error of the Estimate |
|---|---|---|---|
| .540 | .292 | -.098 | 67.95 |

a Predictors: (Constant), F12, F4, F2, F7, F5, F8, F3, F9, F10, F6, F11

*Anova*

| | Sum of Squares | Mean Square | F |
|---|---|---|---|
| Regression | 38014.705 | 3455.882 | .749 |
| Residual | 92332.170 | 4616.608 | |
| Total | 130346.875 | | |

a Predictors: (Constant), F12, F4, F2, F7, F5, F8, F3, F9, F10, F6, F11
b Dependent Variable: F1

*Coefficients*

| Variables | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
|---|---|---|---|---|---|
| | B | Std. Error | Beta | | |
| (Constant) | 58.540 | 42.517 | | 1.377 | .184 |
| F2 | -9.007 | .003 | -.062 | -.282 | .781 |
| F3 | -.543 | 2.172 | -.070 | -.250 | .805 |
| F4 | 2.160 | .001 | .051 | .190 | .852 |
| F5 | 4.477 | .004 | .299 | 1.079 | .293 |
| F6 | -2.846 | .000 | -.064 | -.084 | .934 |
| F7 | -2.586 | 2.290 | -.321 | -1.129 | .272 |
| F8 | -6.301 | .093 | -.275 | -.680 | .504 |
| F9 | 6.727 | 4.028 | .735 | 1.670 | .110 |
| F10 | -1.282 | .000 | -.196 | -.390 | .701 |
| F11 | -1.942 | .000 | -.512 | -.424 | .676 |
| F12 | 7.929 | .000 | .437 | .264 | .795 |

a Dependent Variable: F1

Hence, from the coefficient table we understand that from F2, F3, F4, F5, F6, F7, F8, F9, F10, F11 and F12 only constant and F12 (Savings) has an impact on Distance. So, savings will be impacted when there is a change in distance.

ii. *Area*

If Area (F2) is considered as the dependable variable and Distance (F1), No. of villages (F3), Population (F4), Commodity (F5), Livestock (F6), Transportation (F7), Traders (F8), Infrastructure Facilities (F9), Income (F10), Expenditure (F11) and Savings (F12) as independent variables. The linear regression technique is employed to know whether Area is dependent on what independent variables and find out if there is a significant relationship between area and other independent variables giving raise to the coefficient of determination value. It is found that R2 equals to 0.280 and this R2 value is significant. The regression to predict Expenditure (F11) is relevant from the coefficient table. So, it is evident from the coefficient table that constant, Expenditure (F11) has significant relationship with the Area (F2).



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*Regression:*

Variables Entered/Removed

| Variables Entered | Variables Removed | Method |
|---|---|---|
| F1, F10, F7, F4, F11, F5, F3, F8, F9, F6, F12 | . | Enter |

a All requested variables entered.
b Dependent Variable: F2

Model Summary

| R | R Square | Adjusted R Square | Std. Error of the Estimate |
|---|---|---|---|
| .529 | .280 | -.115 | 4741.54 |

a Predictors: (Constant), F1, F10, F7, F4, F11, F5, F3, F8, F9, F6, F12

*Anova*

| | Sum of Squares | Mean Square | F |
|---|---|---|---|
| Regression | 38014.705 | 3455.882 | .749 |
| Residual | 92332.170 | 4616.608 | |
| Total | 130346.875 | | |

a Predictors: (Constant), F1, F10, F7, F4, F11, F5, F3, F8, F9, F6, F12
b Dependent Variable: F2

*Coefficients*

| Variables | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
|---|---|---|---|---|---|
| | B | Std. Error | Beta | | |
| (Constant) | 7045.785 | 2674.937 | | 2.634 | .016 |
| F3 | 162.229 | 147.397 | .303 | 1.101 | .284 |
| F4 | -4.374 | .079 | -.149 | -.554 | .586 |
| F5 | -4.973 | .298 | -.048 | -.167 | .869 |
| F6 | 3.185 | .023 | 1.039 | 1.408 | .175 |
| F7 | 165.460 | 160.649 | .297 | 1.030 | .315 |
| F8 | -3.885 | 6.483 | -.245 | -.599 | .556 |
| F9 | -282.435 | 293.320 | -.446 | -.963 | .347 |
| F10 | -1.823 | .002 | -.403 | -.804 | .431 |



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| | | | | | |
|---|---|---|---|---|---|
| F11 | 3.194 | .031 | 1.215 | 1.020 | .320 |
| F12 | -1.487 | .021 | -1.184 | -.717 | .482 |
| F1 | -4.386 | 15.573 | -.063 | -.282 | .781 |

a Dependent Variable: F2

Hence, from the coefficient table we understand that from F1, F3, F4, F5, F6, F7, F8, F9, F10, F11 and F12 only constant and F11 (Expenditure) has an impact on Area. So, expenditure will be impacted when there is a change in area.

iii. *No. of villages*

If No. of villages (F3) is considered as the dependable variable and Distance (F1), Area (F2), Population (F4), Commodity (F5), Livestock (F6), Transportation (F7), Traders (F8), Infrastructure Facilities (F9), Income (F10), Expenditure (F11) and Savings (F12) as independent variables. The linear regression technique is employed to know whether No. of villages is dependent on what independent variables and find out if there is a significant relationship between no. of villages and other independent variables giving raise to the coefficient of determination value. It is found that R2 equals to 0.553 and this R2 value is significant. The regression to predict Savings (F12) is relevant from the coefficient table. So, it is evident from the coefficient table that constant, Savings (F12) has significant relationship with the No. of villages (F3).

Variables Entered/Removed

| Variables Entered | Variables Removed | Method |
|---|---|---|
| F2, F9, F5, F1, F4, F7, F8, F11, F10, F6, F12 | . | Enter |

a All requested variables entered.
b Dependent Variable: F3

Model Summary

| R | R Square | Adjusted R Square | Std. Error of the Estimate |
|---|---|---|---|
| .744 | .553 | .307 | 6.98 |

a Predictors: (Constant), F2, F9, F5, F1, F4, F7, F8, F11, F10, F6, F12

*Anova*

| | Sum of Squares | Mean Square | F |
|---|---|---|---|
| Regression | 1207.161 | 109.742 | 2.249 |
| Residual | 975.714 | 48.786 | |
| Total | 2182.875 | | |

a Predictors: (Constant), F2, F9, F5, F1, F4, F7, F8, F11, F10, F6, F12
b Dependent Variable: F3

*Coefficients*

| Variables | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
|---|---|---|---|---|---|
| | B | Std. Error | Beta | | |
| (Constant) | -1.446 | 4.562 | | -.317 | .755 |
| F4 | 1.983 | .000 | .361 | 1.827 | .083 |
| F5 | 4.933 | .000 | .254 | 1.162 | .259 |
| F6 | -4.541 | .000 | -.793 | -1.358 | .190 |
| F7 | 9.400 | .242 | .090 | .389 | .702 |
| F8 | 5.735 | .010 | .193 | .600 | .555 |
| F9 | .455 | .430 | .384 | 1.058 | .303 |



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| | | | | | |
|---|---|---|---|---|---|
| F10 | 2.531 | .000 | .299 | .756 | .458 |
| F11 | -4.408 | .000 | -.897 | -.953 | .352 |
| F12 | 2.336 | .000 | .995 | .766 | .453 |
| F1 | -5.742 | .023 | -.044 | -.250 | .805 |
| F2 | 3.520 | .000 | .188 | 1.101 | .284 |

a Dependent Variable: F3

Hence, from the coefficient table we understand that from F1, F2, F4, F5, F6, F7, F8, F9, F10, F11 and F12 only constant and F12 (Savings) has an impact on No. of villages. So, savings will be impacted when there is a change in no. of villages.

iv. *Population*

If Population (F4) is considered as the dependable variable and Distance (F1), Area (F2), No. of villages (F3), Commodity (F5), Live stock (F6), Transportation (F7), Traders (F8), Infrastructure Facilities (F9), Income (F10), Expenditure (F11) and Savings (F12) as independent variables. The linear regression technique is employed to know whether Population is dependent on what independent variables and find out if there is a significant relationship between population and other independent variables giving raise to the coefficient of determination value. It is found that R2 equals to 0.510 and this R2 value is significant. The regression to predict Expenditure (F11) is relevant from the coefficient table followed by Livestock (F6). So, it is evident from the coefficient table that constant, Expenditure (F11) and Livestock (F6) has significant relationship with the Population (F4).

Variables Entered/Removed

| Variables Entered | Variables Removed | Method |
|---|---|---|
| F3, F1, F11, F2, F6, F7, F5, F8, F10, F9, F12 | . | Enter |

a All requested variables entered.
b Dependent Variable: F4

Model Summary

| R | R Square | Adjusted R Square | Std. Error of the Estimate |
|---|---|---|---|
| .714 | .510 | .241 | 13324.65 |

a Predictors: (Constant), F3, F1, F11, F2, F6, F7, F5, F8, F10, F9, F12

*Anova*

| | Sum of Squares | Mean Square | F |
|---|---|---|---|
| Regression | 3699315751.922 | 336301431.993 | 1.894 |
| Residual | 3550924861.953 | 177546243.098 | |
| Total | 7250240613.875 | | |

a Predictors: (Constant), F3, F1, F11, F2, F6, F7, F5, F8, F10, F9, F12
b Dependent Variable: F4

*Coefficients*

| Variables | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
|---|---|---|---|---|---|
| | B | Std. Error | Beta | | |
| (Constant) | 2704.902 | 8703.046 | | .311 | .759 |
| F5 | .500 | .829 | .142 | .604 | .553 |
| F6 | 6.317 | .065 | .605 | .970 | .344 |
| F7 | 110.039 | 462.618 | .058 | .238 | .814 |
| F8 | .789 | 18.381 | .015 | .043 | .966 |
| F9 | -218.673 | 841.758 | -.101 | -.260 | .798 |
| F10 | 7.585 | .006 | .492 | 1.214 | .239 |
| F11 | .134 | .085 | 1.501 | 1.579 | .130 |



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| | | | | | |
|---|---|---|---|---|---|
| F12 | -9.241 | .055 | -2.160 | -1.671 | .110 |
| F1 | 8.305 | 43.812 | .035 | .190 | .852 |
| F2 | -.345 | .624 | -.101 | -.554 | .586 |
| F3 | 721.620 | 394.878 | .396 | 1.827 | .083 |

a Dependent Variable: F4

Hence, from the coefficient table we understand that from F1, F2, F3, F5, F6, F7, F8, F9, F10, F11 and F12 constant and F11 (Expenditure) has an impact on Population followed by F6 (Livestock). So, expenditure and livestock will be impacted when there is a change in population.

v. *Commodity*

If Commodity (F5) is considered as the dependable variable and Distance (F1), Area (F2), No. of villages (F3), Population (F4), Live-stock (F6), Transportation (F7), Traders (F8), Infrastructure Facilities (F9), Income (F10), Expenditure (F11) and Savings (F12) as independent variables. The linear regression technique is employed to know whether Commodity is dependent on what independent variables and find out if there is a significant relationship between commodity and other independent variables giving raise to the coefficient of determination value. It is found that R2 equals to 0.563 and this R2 value is significant. The regression to predict Traders (F8)is relevant from the coefficient table. So, it is evident from the coefficient table that constant, Traders (F8) has significant relationship with the Commodity (F5).

Variables Entered/Removed

| Variables Entered | Variables Removed | Method |
|---|---|---|
| F4, F11, F1, F2, F7, F8, F3, F10, F9, F6, F12 | . | Enter |

a All requested variables entered.
b Dependent Variable: F5

Model Summary

| R | R Square | Adjusted R Square | Std. Error of the Estimate |
|---|---|---|---|
| .751 | .563 | .323 | 3560.86 |

a Predictors: (Constant), F4, F11, F1, F2, F7, F8, F3, F10, F9, F6, F12

*Anova*

| | Sum of Squares | Mean Square | F |
|---|---|---|---|
| Regression | 327342006.671 | 29758364.243 | 2.347 |
| Residual | 253594295.329 | 12679714.766 | |
| Total | 580936302.000 | | |

a Predictors: (Constant), F4, F11, F1, F2, F7, F8, F3, F10, F9, F6, F12
b Dependent Variable: F5

*Coefficients*

| Variables | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
|---|---|---|---|---|---|
| | B | Std. Error | Beta | | |
| (Constant) | -2841.264 | 2243.163 | | -1.267 | .220 |
| F6 | -5.195 | .018 | -.176 | -.292 | .773 |
| F7 | 124.209 | 120.648 | .231 | 1.030 | .316 |
| F8 | 6.668 | 4.681 | .436 | 1.425 | .170 |
| F9 | 120.636 | 223.709 | .198 | .539 | .596 |
| F10 | -8.824 | .002 | -.202 | -.513 | .613 |
| F11 | 7.635 | .024 | .301 | .317 | .754 |
| F12 | -8.009 | .016 | -.661 | -.511 | .615 |
| F1 | 12.297 | 11.391 | .184 | 1.079 | .293 |
| F2 | -2.804 | .168 | -.029 | -.167 | .869 |
| F3 | 128.214 | 110.333 | .249 | 1.162 | .259 |
| F4 | 3.574 | .059 | .126 | .604 | .553 |

a Dependent Variable: F5



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Hence, from the coefficient table we understand that from F1, F2, F3, F4, F6, F7, F8, F9, F10, F11 and F12 constant and F8 (Traders) has an impact on Commodity (F5). So, Commodity will be impacted when there is a change in Traders.

vi. *Livestock*

If Live-stock (F6) is considered as the dependable variable and Distance (F1), Area (F2), No. of villages (F3), Population (F4), Commodity (F5), Transportation (F7), Traders (F8), Infrastructure Facilities (F9), Income (F10), Expenditure (F11) and Savings (F12) as independent variables. The linear regression technique is employed to know whether Livestock is dependent on what independent variables and find out if there is a significant relationship between livestock and other independent variables giving raise to the coefficient of determination value. It is found that R2 equals to 0.940 and this R2 value is significant. The regression to predict Savings (F12) is relevant from the coefficient table. So, it is evident from the coefficient table that constant, Savings (F12) has significant relationship with the Livestock (F6).

Variables Entered/Removed

| Variables Entered | Variables Removed | Method |
|---|---|---|
| F5, F2, F10, F1, F4, F7, F11, F3, F8, F9, F12 | . | Enter |

a All requested variables entered.
b Dependent Variable: F6

Model Summary

| R | R Square | Adjusted R Square | Std. Error of the Estimate |
|---|---|---|---|
| .969 | .940 | .907 | 44695.64 |

a Predictors: (Constant), F5, F2, F10, F1, F4, F7, F11, F3, F8, F9, F12

*Anova*

| | Sum of Squares | Mean Square | F |
|---|---|---|---|
| Regression | 624926635914.345 | 56811512355.850 | 28.438 |
| Residual | 39953998531.874 | 1997699926.594 | |
| Total | 664880634446.219 | | |

a Predictors: (Constant), F5, F2, F10, F1, F4, F7, F11, F3, F8, F9, F12
b Dependent Variable: F6

*Coefficients*

| Variables | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
|---|---|---|---|---|---|
| | B | Std. Error | Beta | | |
| (Constant) | -64913.811 | 25409.936 | | -2.555 | .019 |
| F7 | 2168.525 | 1476.390 | .119 | 1.469 | .157 |
| F8 | 179.462 | 46.815 | .347 | 3.833 | .001 |
| F9 | 2595.330 | 2768.138 | .126 | .938 | .360 |
| F10 | 8.389 | .022 | .057 | .388 | .702 |
| F11 | -1.001 | .204 | -1.168 | -4.917 | .000 |
| F12 | .596 | .147 | 1.454 | 4.066 | .001 |
| F1 | -12.314 | 147.066 | -.005 | -.084 | .934 |
| F2 | 2.830 | 2.011 | .087 | 1.408 | .175 |
| F3 | -1859.457 | 1369.140 | -.107 | -1.358 | .190 |
| F4 | .711 | .733 | .074 | .970 | .344 |
| F5 | -.818 | 2.801 | -.024 | -.292 | .773 |

a Dependent Variable: F6

Hence, from the coefficient table we understand that from F1, F2, F3, F4, F5, F7, F8, F9, F10, F11 and F12 constant and F12 (Savings) has an impact on Livestock (F6). So, Savings will be impacted when there is a change in Livestock.

vii. *Transportation*

If Transportation (F7) is considered as the dependable variable and Distance (F1), Area (F2), No. of villages (F3), Population (F4), Commodity (F5), Live-stock (F6), Traders (F8), Infrastructure Facilities (F9),



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Income (F10), Expenditure (F11) and Savings (F12) as independent variables. The linear regression technique is employed to know whether Transportation is dependent on what independent variables and find out if there is a significant relationship between transportation and other independent variables giving raise to the coefficient of determination value. It is found that R2 equals to 0.589 and this R2 value is significant. The regression to predict Expenditure (F11) followed by Livestock (F6) is relevant from the coefficient table. So, it is evident from the coefficient table that constant, Expenditure (F11) followed by Livestock (F6) has significant relationship with the Transportation (F7).

Variables Entered/Removed

| Variables Entered | Variables Removed | Method |
|---|---|---|
| F6, F2, F5, F1, F11, F4, F3, F8, F9, F10, F12 | . | Enter |

a All requested variables entered.
b Dependent Variable: F7

Model Summary

| R | R Square | Adjusted R Square | Std. Error of the Estimate |
|---|---|---|---|
| .767 | .589 | .363 | 6.43 |

a Predictors: (Constant), F6, F2, F5, F1, F11, F4, F3, F8, F9, F10, F12

*Anova*

| | Sum of Squares | Mean Square | F |
|---|---|---|---|
| Regression | 1184.964 | 107.724 | 2.604 |
| Residual | 827.255 | 41.363 | |
| Total | 2012.219 | | |

a Predictors: (Constant), F6, F2, F5, F1, F11, F4, F3, F8, F9, F10, F12
b Dependent Variable: F7

*Coefficients*

| Variables | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
|---|---|---|---|---|---|
| | B | Std. Error | Beta | | |
| (Constant) | 3.343 | 4.144 | | .807 | .429 |
| F8 | -1.0 | .008 | -.499 | -1.715 | .102 |
| F9 | .762 | .370 | .670 | 2.060 | .053 |
| F10 | 7.441 | .000 | .092 | .239 | .814 |
| F11 | 4.296 | .000 | .911 | 1.011 | .324 |
| F12 | -3.622 | .000 | -1.607 | -1.326 | .200 |
| F1 | -2.317 | .021 | -.186 | -1.129 | .272 |
| F2 | 3.044 | .000 | .170 | 1.030 | .315 |
| F3 | 7.969 | .205 | .083 | .389 | .702 |
| F4 | 2.564 | .000 | .049 | .238 | .814 |
| F5 | 4.052 | .000 | .218 | 1.030 | .316 |
| F6 | 4.490 | .000 | .816 | 1.469 | .157 |

a Dependent Variable: F7

Hence, from the coefficient table we understand that from F1, F2, F3, F4, F5, F6, F8, F9, F10, F11 and F12 constant and Expenditure (F11) followed by Livestock (F6) has an impact on Transportation (F7). So, Expenditure followed by livestock will be impacted when there is a change in Transportation.

viii. *Traders*

If Traders (F8) is considered as the dependable variable and Distance (F1), Area (F2), No. of villages (F3), Population (F4), Commodity (F5), Live-stock (F6), Transportation (F7), Infrastructure Facilities (F9), Income (F10), Expenditure (F11) and Savings (F12) as



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independent variables. The linear regression technique is employed to know whether Traders is dependent on what independent variables and find out if there is a significant relationship between traders and other independent variables giving raise to the coefficient of determination value. It is found that R2 equals to 0.788 and this R2 value is significant. The regression to predict Livestock (F6) followed by Expenditure (F11) is relevant from the coefficient table. So, it is evident from the coefficient table that constant, Livestock (F6) followed by Expenditure (F11) has significant relationship with the Traders (F8).

Variables Entered/Removed

| Variables Entered | Variables Removed | Method |
|---|---|---|
| F7, F11, F1, F4, F2, F6, F5, F3, F10, F9, F12 | . | Enter |

a All requested variables entered.
b Dependent Variable: F8

Model Summary

| R | R Square | Adjusted R Square | Std. Error of the Estimate |
|---|---|---|---|
| .888 | .788 | .672 | 162.09 |

a Predictors: (Constant), F7, F11, F1, F4, F2, F6, F5, F3, F10, F9, F12

*Anova*

| | Sum of Squares | Mean Square | F |
|---|---|---|---|
| Regression | 1956824.002 | 177893.091 | 6.771 |
| Residual | 525435.967 | 26271.798 | |
| Total | 2482259.969 | | |

a Predictors: (Constant), F7, F11, F1, F4, F2, F6, F5, F3, F10, F9, F12
b Dependent Variable: F8

*Coefficients*

| Variables | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
|---|---|---|---|---|---|
| | B | Std. Error | Beta | | |
| (Constant) | 215.303 | 94.574 | | 2.277 | .034 |
| F9 | 1.620 | 10.250 | .041 | .158 | .876 |
| F10 | 5.107 | .000 | .179 | .655 | .520 |
| F11 | 1.927 | .001 | 1.164 | 1.909 | .071 |
| F12 | -1.206 | .001 | -1.524 | -1.812 | .085 |
| F1 | -.359 | .527 | -.082 | -.680 | .504 |
| F2 | -4.539 | .008 | -.072 | -.599 | .556 |
| F3 | 3.088 | 5.143 | .092 | .600 | .555 |
| F4 | 1.168 | .003 | .006 | .043 | .966 |
| F5 | 1.382 | .010 | .211 | 1.425 | .170 |
| F6 | 2.360 | .001 | 1.221 | 3.833 | .001 |
| F7 | -9.022 | 5.262 | -.257 | -1.715 | .102 |

a Dependent Variable: F8

Hence, from the coefficient table we understand that from F1, F2, F3, F4, F5, F6, F7, F9, F10, F11 and F12 constant and Livestock (F6) followed by Expenditure (F11) has an impact on Traders (F8). So, Livestock followed by Expenditure will be impacted when there is a change in Traders.

ix. *Infrastructure Facilities*

If Infrastructure Facilities (F9) is considered as the dependable variable and Distance (F1), Area (F2), No. of villages (F3), Population (F4), Commodity (F5), Live-stock (F6), Transportation (F7), Traders (F8), Income (F10), Expenditure (F11) and Savings (F12) as independent variables. The linear regression technique is employed to know whether Infrastructure Facilities is dependent on what independent variables and find out if there is a significant relationship between Infrastructure Facilities and other independent variables giving raise to the coefficient of determination value. It is found that R2 equals to 0.840 and this R2 value is significant. The



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regression to predict Savings (F12)is relevant from the coefficient table. So, it is evident from the coefficient table that constant, Savings (F12) has significant relationship with the Infrastructure Facilities (F9).

Variables Entered/Removed

| Variables Entered | Variables Removed | Method |
|---|---|---|
| F8, F2, F1, F11, F7, F4, F5, F3, F10, F6, F12 | . | Enter |

a All requested variables entered.
b Dependent Variable: F9

Model Summary

| R | R Square | Adjusted R Square | Std. Error of the Estimate |
|---|---|---|---|
| .916 | .840 | .751 | 3.53 |

a Predictors: (Constant), F8, F2, F1, F11, F7, F4, F5, F3, F10, F6, F12

*Anova*

| | Sum of Squares | Mean Square | F |
|---|---|---|---|
| Regression | 1307.737 | 118.885 | 9.521 |
| Residual | 249.732 | 12.487 | |
| Total | 1557.469 | | |

a Predictors: (Constant), F8, F2, F1, F11, F7, F4, F5, F3, F10, F6, F12
b Dependent Variable: F9

*Coefficients*

| Variables | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
|---|---|---|---|---|---|
| | B | Std. Error | Beta | | |
| (Constant) | 4.668 | 2.065 | | 2.261 | .035 |
| F10 | -1.978 | .000 | -.277 | -1.193 | .247 |
| F11 | -5.985 | .000 | -.144 | -.251 | .805 |
| F12 | 1.612 | .000 | .813 | 1.058 | .303 |
| F1 | 1.820 | .011 | .166 | 1.670 | .110 |
| F2 | -1.569 | .000 | -.099 | -.963 | .347 |
| F3 | .116 | .110 | .138 | 1.058 | .303 |
| F4 | -1.538 | .000 | -.033 | -.260 | .798 |
| F5 | 1.188 | .000 | .073 | .539 | .596 |
| F6 | 1.622 | .000 | .335 | .938 | .360 |
| F7 | .230 | .112 | .261 | 2.060 | .053 |
| F8 | 7.700 | .005 | .031 | .158 | .876 |

a Dependent Variable: F9

Hence, from the coefficient table we understand that from F1, F2, F3, F4, F5, F6, F7, F8, F10, F11 and F12 constant and Savings (F12) has an impact on Infrastructure facilities (F9). So, savings will be impacted when there is a change in infrastructure facilities.

x. *Income*

If Income (F10) is considered as the dependable variable and Distance (F1), Area (F2), No. of villages (F3), Population (F4), Commodity (F5), Live-stock (F6), Transportation (F7), Traders (F8), Infrastructure Facilities (F9), Expenditure (F11) and Savings (F12) as independent variables. The linear regression technique is employed to know whether Income is dependent on what independent variables and find out if there is a significant relationship between Income and other independent variables giving raise to the coefficient of determination value. It is found that R2 equals to 0.861 and this R2 value is significant. The regression to predict Savings (F12) is relevant from the coefficient table. So, it is evident from the coefficient table that constant, Savings (F12) has significant relationship with the Income (F10).



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Variables Entered/Removed

| Variables Entered | Variables Removed | Method |
|---|---|---|
| F9, F2, F5, F1, F4, F7, F3, F8, F11, F6, F12 | . | Enter |

a All requested variables entered.
b Dependent Variable: F10

Model Summary

| R | R Square | Adjusted R Square | Std. Error of the Estimate |
|---|---|---|---|
| .928 | .861 | .784 | 460292.35 |

a Predictors: (Constant), F9, F2, F5, F1, F4, F7, F3, F8, F11, F6, F12

*Anova*

| | Sum of Squares | Mean Square | F |
|---|---|---|---|
| Regression | 26232383764224.290 | 2384762160384.027 | 11.256 |
| Residual | 4237380884022.589 | 211869044201.129 | |
| Total | 30469764648246.880 | | |

a Predictors: (Constant), F9, F2, F5, F1, F4, F7, F3, F8, F11, F6, F12
b Dependent Variable: F10

Coefficients

| Variables | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
|---|---|---|---|---|---|
| | B | Std. Error | Beta | | |
| (Constant) | 253169.256 | 296002.149 | | .855 | .403 |
| F11 | -4.750 | 2.930 | -.819 | -1.621 | .121 |
| F12 | 4.312 | 1.797 | 1.555 | 2.399 | .026 |
| F1 | -588.566 | 1509.079 | -.038 | -.390 | .701 |
| F2 | -17.177 | 21.364 | -.078 | -.804 | .431 |
| F3 | 10990.123 | 14529.397 | .093 | .756 | .458 |
| F4 | 9.051 | 7.455 | .140 | 1.214 | .239 |
| F5 | -14.745 | 28.716 | -.064 | -.513 | .613 |
| F6 | .890 | 2.294 | .131 | .388 | .702 |
| F7 | 3811.691 | 15980.752 | .031 | .239 | .814 |
| F8 | 411.827 | 628.287 | .118 | .655 | .520 |
| F9 | -33562.217 | 28143.637 | -.240 | -1.193 | .247 |

a Dependent Variable: F10

Hence, from the coefficient table we understand that from F1, F2, F3, F4, F5, F6, F7, F8, F9, F11 and F12 constant and Savings (F12) has an impact on Income (F10). So, savings will be impacted when there is a change in income.

xi. *Expenditure*

If Expenditure (F11) is considered as the dependable variable and Distance (F1), Area (F2), No. of villages (F3), Population (F4), Commodity (F5), Live-stock (F6), Transportation (F7), Traders (F8), Infrastructure Facilities (F9), Income (F10) and Savings (F12) as independent variables. The linear regression technique is employed to know whether Expenditure is dependent on what independent variables and find out if there is a significant relationship between Expenditure and other independent variables giving raise to the coefficient of determination value. It is found that R2 equals to 0.976 and this R2 value is significant. The regression to predict Savings (F12) is relevant from the coefficient table. So, it is evident from the coefficient table that constant, Savings (F12) has significant relationship with the Expenditure (F11).



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Variables Entered/Removed

| Variables Entered | Variables Removed | Method |
|---|---|---|
| F10, F1, F7, F2, F4, F5, F3, F8, F12, F9, F6 | . | Enter |

a All requested variables entered.
b Dependent Variable: F11

Model Summary

| R | R Square | Adjusted R Square | Std. Error of the Estimate |
|---|---|---|---|
| .988 | .976 | .963 | 33024.25 |

a Predictors: (Constant), F10, F1, F7, F2, F4, F5, F3, F8, F12, F9, F6

*Anova*

| | Sum of Squares | Mean Square | F |
|---|---|---|---|
| Regression | 883081417326.041 | 80280128847.822 | 73.611 |
| Residual | 21812025613.678 | 1090601280.684 | |
| Total | 904893442939.719 | | |

a Predictors: (Constant), F10, F1, F7, F2, F4, F5, F3, F8, F12, F9, F6
b Dependent Variable: F11

*Coefficients*

| Variables | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
|---|---|---|---|---|---|
| | B | Std. Error | Beta | | |
| (Constant) | -14838.913 | 21365.835 | | -.695 | .495 |
| F12 | .630 | .039 | 1.319 | 16.065 | .000 |
| F1 | -45.866 | 108.197 | -.017 | -.424 | .676 |
| F2 | 1.549 | 1.518 | .041 | 1.020 | .320 |
| F3 | -985.333 | 1034.023 | -.048 | -.953 | .352 |
| F4 | .825 | .523 | .074 | 1.579 | .130 |
| F5 | .657 | 2.069 | .017 | .317 | .754 |
| F6 | -.547 | .111 | -.469 | -4.917 | .000 |
| F7 | 1132.679 | 1119.906 | .053 | 1.011 | .324 |
| F8 | 80.005 | 41.900 | .133 | 1.909 | .071 |
| F9 | -522.771 | 2086.485 | -.022 | -.251 | .805 |
| F10 | -2.445 | .015 | -.142 | -1.621 | .121 |

a Dependent Variable: F11

Hence, from the coefficient table we understand that from F1, F2, F3, F4, F5, F6, F7, F8, F9, F11 and F12 constant and Savings (F12) has an impact on Income (F10). So, savings will be impacted when there is a change in expenditure.

xii. *Savings*

If Savings (F12) is considered as the dependable variable and Distance (F1), Area (F2), No. of villages (F3), Population (F4), Commodity (F5), Live-stock (F6), Transportation (F7), Traders (F8), Infrastructure Facilities (F9), Income (F10) and Expenditure (F11) as independent variables. The linear regression technique is employed to know whether Savings is dependent on what independent variables and find out if there is a significant relationship between Savings and other independent variables giving raise to the coefficient of determination value. It is found that R2 equals to 0.987 and this R2 value is significant. The regression to predict Expenditure (F11) is relevant from the coefficient table. So, it is evident from the coefficient table that constant, Expenditure (F11) has significant relationship with the Savings (F12).



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Variables Entered/Removed

| Variables Entered | Variables Removed | Method |
|---|---|---|
| F11, F4, F1, F2, F7, F8, F5, F3, F10, F9, F6 | . | Enter |

a All requested variables entered.
b Dependent Variable: F12

Model Summary

| R | R Square | Adjusted R Square | Std. Error of the Estimate |
|---|---|---|---|
| .994 | .987 | .980 | 50465.23 |

a Predictors: (Constant), F11, F4, F1, F2, F7, F8, F5, F3, F10, F9, F6

*Anova*

| | Sum of Squares | Mean Square | F |
|---|---|---|---|
| Regression | 3911263077277.507 | 355569370661.592 | 139.617 |
| Residual | 50934797210.493 | 2546739860.525 | |
| Total | 3962197874488.000 | | |

a Predictors: (Constant), F11, F4, F1, F2, F7, F8, F5, F3, F10, F9, F6
b Dependent Variable: F12

*Coefficients*

| Variables | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
|---|---|---|---|---|---|
| | B | Std. Error | Beta | | |
| (Constant) | 9373.973 | 32974.515 | | .284 | .779 |
| F1 | 43.741 | 165.791 | .008 | .264 | .795 |
| F2 | -1.684 | 2.350 | -.021 | -.717 | .482 |
| F3 | 1219.660 | 1592.404 | .029 | .766 | .453 |
| F4 | -1.326 | .793 | -.057 | -1.671 | .110 |
| F5 | -1.609 | 3.149 | -.019 | -.511 | .615 |
| F6 | .760 | .187 | .311 | 4.066 | .001 |
| F7 | -2229.850 | 1682.240 | -.050 | -1.326 | .200 |
| F8 | -116.926 | 64.524 | -.093 | -1.812 | .085 |
| F9 | 3287.990 | 3107.627 | .065 | 1.058 | .303 |
| F10 | 5.183 | .022 | .144 | 2.399 | .026 |
| F11 | 1.472 | .092 | .704 | 16.065 | .000 |

a Dependent Variable: F12

Hence, from the coefficient table we understand that from F1, F2, F3, F4, F5, F6, F7, F8, F9, F10 and F11 constant and Expenditure (F11) has an impact on Savings (F12). So, expenditure will be impacted when there is a change in savings.

*Consumer and Producer Correlation Coefficient Table based on regulated market*

| | F1 | F2 | F3 | F4 | F5 | F6 |
|---|---|---|---|---|---|---|
| F1 | 1.000 | -.179 | .079 | -.061 | .210* | -.115 |
| F2 | -.179 | 1.000 | .017 | -.037 | .043 | .173 |
| F3 | .079 | .017 | 1.000 | .052 | .340** | .269** |
| F4 | -.061 | -.037 | .052 | 1.000 | -.007 | .035 |
| F5 | .210* | .043 | .340** | -.007 | 1.000 | .287** |
| F6 | -.115 | .173 | .269** | .035 | .287** | 1.000 |
| F7 | -.322 | .134 | -.032 | .154 | .061 | .142 |
| F8 | -.107 | -.048 | -.014 | -.041 | .225* | .437** |
| F9 | .031 | .255* | .312** | .014 | .350** | .717** |
| F10 | -.130 | .393** | .189 | .143 | .211* | .498** |



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| | | | | | | |
|---|---|---|---|---|---|---|
| F11 | -.195 | .437** | .154 | .005 | .108 | .311** |
| F12 | .177 | .130 | .218* | .002 | .354** | .300** |

** Correlation is significant at the 0.05 level (2-tailed).*
*** Correlation is significant at the 0.01 level (2-tailed).*

| | F7 | F8 | F9 | F10 | F11 | F12 |
|---|---|---|---|---|---|---|
| F1 | -.322 | -.107 | .031 | -.130 | -.195 | .177 |
| F2 | .134 | -.048 | .255* | .393** | .437** | .130 |
| F3 | -.032 | -.014 | .312** | .189 | .154 | .218* |
| F4 | .154 | -.041 | .014 | .143 | .005 | .002 |
| F5 | .061 | .225* | .350** | .211* | .108 | .354** |
| F6 | .142 | .437** | .717** | .498** | .311** | .300** |
| F7 | 1.000 | 104 | -.060 | .027 | .096 | -.076 |
| F8 | .104 | 1.000 | .327** | .187 | .020 | .136 |
| F9 | -.060 | .327** | 1.000 | .652** | .428** | .583** |
| F10 | .027 | .187 | .652** | 1.000 | .872** | .662** |
| F11 | .096 | .020 | .428** | .872** | 1.000 | .345** |
| F12 | -.076 | .136 | .583** | .662** | .345** | 1.000 |

** Correlation is significant at the 0.05 level (2-tailed).*
*** Correlation is significant at the 0.01 level (2-tailed).*

Overall it is found that in case of regulated market the variable savings followed by expenditure and in case of unregulated market the variable income followed by expenditure has most significant contribution towards development of agricultural market for both the consumer and producer in the study area. So, financial status is the most important indicator for marketing systems in agriculturefound in the present study.

## XI. Summary and Conclusion

Market committees provide information through notice board of RMC at main market yard only and few RMCs uploading price information in AGMARKNET also. Majority of farmers depends on their peers for access of information related to marketing of produce. Many of the regulated wholesale markets have a principal market with large area and relatively better infrastructure and number of sub-yards attached to the principal market. The establishment of regulated markets has helped in creating orderly and transparent marketing conditions in primary assembling markets.

However, this does not mean that everything is fine in all the regulated markets of the district. The facilities created in market yards continue to be inadequate. The cleaning, grading and packaging of agril.produce before sale by the farmers have not been popularized by the market committees on a sufficient scale.The basic facilities viz., internal roads, boundary walls, electric light, loading and unloading facilities and weighing equipment's are available in more thaneighty percent of the markets. One can realign the policy set toward increasing agricultural innovation, helping producers to increase output via improved productivity, in response to clear growth in market demand.

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# "It is not what you Say that Matters, but how You Say it" Sing the Same old Song "Advertising and Integrated Marketing Communications (IMC) is Manipulative and Deceitful"

By Ayozie Daniel Ogechukwu, Ayozie Kingsley Ndubueze
& Ayozie Vicoria Uche

*Abstract-* "When we consider corporate morality we must conclude that no price is too high, for in the long run we have no alternative to ethical business behaviour" Fred. T. Aller.

*"If I were to name the deadliest subversive force within capitalism, the single greatest source of its waning morality …. I would without hesitation name "Advertising and Integrated Marketing Communication (IMC)". How else should one identify a force that debases language, drains thought and undoes dignity. (Heilbroner .R. (1981). are prone to scrutiny by those who are concerned about the methods marketers use to sell their products and services.*

*Keywords: ethics, ethical conducts, law, morality, integrated marketing communications, advertising and promotions.*

*GJMBR-E Classification : FOR Code:150304 JEL Code: M39*

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# "It is not what you Say that Matters, but how you Say it" Sing the Same Old Song "Advertising and Integrated Marketing Communications (IMC) is Manipulative and Deceitful"

## *Ethical Issues Involve in Integrated Marketing Communication in Nigeria*

Ayozie Daniel Ogechukwu[α], Ayozie Kingsley Ndubueze[σ] & Ayozie Victoria Uche[ρ]

*Abstract-* "When we consider corporate morality we must conclude that no price is too high, for in the long run we have no alternative to ethical business behaviour" Fred. T. Aller.

"If I were to name the deadliest subversive force within capitalism, the single greatest source of its waning morality …. I would without hesitation name "Advertising and Integrated Marketing Communication (IMC)". How else should one identify a force that debases language, drains thought and undoes dignity. (Heilbroner .R. (1981). are prone to scrutiny by those who are concerned about the methods marketers use to sell their products and services.

Proponents of advertising and IMC states that it is the life blood of business. That it provides consumers with information about products and services and encourages them to improve their standard of living. Advertising produces jobs and helps new companies enter the market place. Companies employ people who make the products and provide the services that advertising sells. Free market economic systems are based on competition which revolves around information, and nothing delivers information better and at less cost than advertising and integrated marketing communication (IMC) (Becch .E., Belch M.A. 1998).

Not every one is sold on the value of advertising. Critics argued that most advertising and IMC is more than information. It creates needs, faults consumers and mesmerizes them. It makes consumers to buy that they originally do not want or wish to buy. Adverts suggests that our bodies should be leaner, our faces younger and our utensils cleaner. They point to the sultry, scantily and muscular clad bodies used in it to sell everything from perfume to beer, and argues that advertising promotes materialism, instant gratification, insecurity and greed.

"Ethics also consists of certain rules and standards of conduct recognized as binding in a professional body or an Association.

This paper will define the concepts of law, ethics and morality, it will critically examine ethical issues in Advertising, public relations, targeting of integrated marketing commu nications efforts, public relations, sales promotions, personal selling, packaging and Telemarketing. It will also discuss the external constraints that influences the choice of product adverts and promotions and will provide practical examples and solutions and how to improve ethical conducts in Nigerian integrated marketing communications

*Keywords:* *ethics, ethical conducts, law, morality, integrated marketing communications, advertising and promotions.*

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## I. Intrdoction

An integrated marketing communications program is based on the foundation provided by the communications model. Some marketing scholars argue that the integrated communications (IMC) approach is a recent phenomenon. Others suggest that the name might be new, but the concept has been around for a long time. They note that the importance of effectively, coordinating all marketing functions and promotions activities has been described in marketing literature for many years (Hutton G. 1996).

Although IMC has been described in so many ways, the consensus is to first define marketing communications and then integrated marketing communication.

"Marketing Communications is the sharing of information concepts and meanings by the source and receiver about products and services and the organizations that sells them". (Stanley .B. 1993).

"It is the term indicating description or relevance to communication techniques used for marketing purposes' (Baker M.J. 1998).

While integrated marketing communications (IMC) is defined as

"IMC is the coordination and integration of all marketing communication tools, avenues, and sources within a company into a seamless program that maximizes the impact on consumers and other end users at a minimal cost" (Clow .K, Baack D. 2004).

This integration affects all of a company's marketing Channel, customer – focused and internally directed communications.

"IMC is the process of developing and implementing various forms off persuasive communications programs with customers and prospects over time. The goal of IMC is to influence or



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directly affect the behaviour of the selected communications audience. IMC considers all sources of brand or company contacts which a customer or prospect has with the product or service as potentially delivery channels for future messages. IMC makes use of all forms of communications which are relevant to the customer and prospects and to which they might be receptive. In sum the IMC process starts with the customer or prospect and then works back to determine and define the forms and methods through which persuasive communication programes should be developed" (Gilson .C., Berkman H.W 1980).

There is a need for synergy in IMC. All of the communication elements (eg Advertising, Sales Promotion, Public Relations, Personal Selling, Publicity and Event Marketing) must speak with a SINGLE VOICE. Coordination is very critical to achieving a strong and unified brand image and moving consumers taking action. The failure to closely coordinate all communications elements can result in duplicated efforts or contradictions. The marketing mix contains four basic elements of product, price, promotion and place (Kolter .P. 2004). Promotion is one of the four components and traditionally promotional activities includes, advertising, sales promotion (sales and trade promotion) direct marketing, public relations, personal selling and publicity in most cases.

There is a belief in IMC that successful communications requires building relationships between the brand and the customer. Relationship building is the key to modern marketing, and IMC is the key to relationship building. A relationship is an enduring link between a brand and consumer. It entails repeat purchases and loyalty.

## II. Maintaining and Fostering Ethical Marketing Communications

As alluded to throughout the preceding discussion, primary responsibilities for ethical behavior resides within each of us when placed in any of the various marketing communications roles. We can take the easy route and do those things that are most expedient, or we can pursue the moral high road and treat customers in the same honest fashion that we expect to be treated. In large part, it is a matter of our own personal integrity. Integrity is perhaps the pivotal concept of human nature. Although difficult to precisely define, integrity involves avoiding deceiving others of behaving purely in an expedent fashion. integrity is the quality of being morally good (Oxford Dictionary 2009)

## III. Ethical Issues Involved in Integrated Marketing Communication in Nigeria

Law is defined as the written and unwritten rules on human conduct derived from enactments, customs, and judicial precedents which are recognized as generally binding in a human community in the sense that the state enforces it directly on all members of the community through the imposition of appropriate sanctions. (Obeng .S. 1990).

Law is contrasted with other normative systems or recognized standards of behaviour such as ethics and morality, in that it differs in some respects.

"Morality refers to certain general standards of behaviour which is regarded by his/her community, as being virtuous or upright in character" (Obeng .S. 1990).

"Morals are beliefs or principles that individuals hold concerning what is right and what is wrong in a community or society. (Clow K.E and Baack D. 2004).

"Ethics consists of certain rules and standards of conduct recognized as binding in a professional body or association. Legal, marketing and advertising ethics are examples of rules which specify the duties the practitioners of the respective professions owe to themselves, to each other, and the general public in practicing their professions (Obeng. 1990).

Ethics are principles that serve as guidelines for bolt individuals and organizations". (Clow K.E, and Baack .D. 2004).

The concept of morality does not only differ in interpretation and application from culture to culture, but seems to have changed over the period of time within the same culture. With reference to the changes in the moral values over time in America, a study conducted by US News and World Report and the Guardian Newspaper in Nigeria showed that on certain subjects, American and Nigerians, have simply changed their minds about morality. For example, gambling used to be widely condemned. Now, even churches run Bingo and Baazar games, which are a form of gambling. Drinking alcohol also used to be widely condemned. Now over two-third of Nigerians or Americans do drink. Premarital sex was taboo. Today couples live together before marriage (live in lover couples). DeGoerge (1998) has defined ethics as, "a theory of morality which attempts to systematize moral judgements and establish and defend basic moral principles". As this definition suggests, moral principles and moral judgements are also subjective in nature and depend much upon the value system of the individual. But, how do you determine the validity of the value system of the individual or the judgement about his ethical behaviour. For example, lying in itself may be unethical, in some religions and acceptable in others as a means of entering heaven, but lying to save a life might become ethical. A terriost to a government may be an immoral criminal but to his own people he is a hero. Killing someone may be religiously unethical but war heroes are decorated on the basis of the number of 'enemies' they killed. Based upon these controversies. Chandan J.S (1990) asked a number of question relative to ethical behaviour. For example, if there a set standard



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against which the ethical standards can be measured" Or is there a situational code of ethics according to which the ethical merits of an activity can be evaluated? Is the evaluation of ethical and unethical conduct consistent among cultures and countries? Does it vary from individual to individual? Who decided what is right and what is wrong? Is it the individual, family, organization or the community?

As far as IMC, advertising and marketing ethics are concerned, the concept of right and wrong, fair and unfair, just and unjust, is reflected either by organizational policies or by social reactions to a given advertisement marketing communication or a marketing strategy. Kenneth E.C(2004) considers some of such issues as follows:

1. Suppose a firm is advertising for vegetable soup on television. Is it ethical to put small food seasoning like maggi or Royco at the bottom of the bowl of soup so that the soup will look thicker and tastier?.
2. A salesman for an electrical machine is anxious to sell his equipment. Is it ethical for him to offer a bribe to the purchasing agent as an inducement to buy? Suppose that instead of bribe, he gives some money out of his own commission, does it make the transaction ethical?

It is a very common practice among travel agents to give back a part of their commission to the customer so that the customer can save some money. Is this transaction unethical since nobody is hurt and everybody is happy, since the travel agent gave a part of his own commission back to the client out of his own free will? These controversial opinions make it extremely difficult to reach an agreement on a common and acceptable definition of the ethics and morality. Considering these conflicts (Baack 1988), Ayer has proposed a novel idea. He suggests that morals and ethics are just the personal viewpoints and "moral judgments are meaningless expressions of emotions". The concept of morality is personal in nature and only reflects a person's emotions. He called this view as "emotional theory". It proposes that if a person feels good about an act, then in his view, it is a moral act. For example, using loopholes to cheat on income tax may be immoral from societal point of view, but the person who is filling the income

Ethics are moral principles and value that govern the actions and decisions of an individual or group (Berkowitz E.N. 1992). An action may be within the law and still not ethical. A good examples of this involves target marketing. No laws restrict tobacco companies from targeting advertising and promotion of new brands to Nigeria Youths.

However given the high levels of lung cancer and smoking related illnesses among the Youths, many people would consider this as an unethical business practice.

Ethics in the context of this paper involves matters of right and wrong or moral conduct pertaining to any aspect of marketing communications in Nigeria. The specific ethical issues can be found in the code of conduct of the professional bodies that regulate and control some aspects of marketing communication in Nigeria. Specific references can be deducted from the Advertising Practitioners Council of Nigeria (APCON) code of conduct, and that of other professional bodies like the Nigerian Institute of Public Relations (NIPR), the National Institute of Marketing of Nigeria and the Nigeria Medical Association

For the purpose of this paper, ethics and morality are used interchangeably and considered synonymous with societal notions of honesty, honour, virtue and integrity in matters of integrated marketing communications conduct in Nigeria. Marketing and marketing communication are activities in which ethics and morals play key roles.

Some major ethical concerns regarding marketing programs generally are that;

- Marketing causes people to buy more than they can afford.
- Marketing increases the costs of goods and services
- Marketing perpetuates stereotyping of males, females and various ethnic minorities.
- Marketing creates offensive advertisements
- Marketing creates advertisements linked to bad habits and intimate object subjects.
- Marketing prepares deceptive and misleading advertisements
- Advertising of professional services is unethical.
- Advertising to children is unethical
- Sales people use too many deceptive practices.

Today's business ethics actually consist of a subset of major life values learned since birth. The values business people use to make decisions have been acquired through family, educational, and religious institutions. Ethical values are situation specific and time oriented. Nevertheless everyone must have an ethical base that applies to conduct in the business world and in personal life. One approach to developing a personal set of ethics is to examine the consequences of a particular act. Who is helped or hurt? (How long lasting is the consequences?) what actions produce the greatest good for the greatest number of people? A second approach stresses the importance of rules. Rules come in the form of customs, laws, professional standards and common sense.

Ethics is probably the most difficult concept to define. It is intangible to assess the idea of morality or the concept of right and wrong. "Nothing is good or bad but thinking makes it so" does not leave much grounds for a universal definition of what is ethically right



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and what is morally wrong. The concept many have some facets that are universal in nature, but much of it may be defined with reference to the values established by a particular society. Sex before marriage in Nigeria may largely be considered as immoral, while it is conceded as desirable in America and in England. Kissing is forbidden in the Indian films, but rape is a part of its story. Artificial birth control techniques may be a taboo in Catholic Christian societies, and may be mandatory in Russia, India and China. Thus ethical conduct is not easy to understand and the determination of ethical conduct is subjective and vague, varying among different cultures and different environmental conditions.

Ethical issues most be considered in all integrated marketing communication decisions. Advertising and promotion are areas where a lapse in ethical standards or judgement can result in actions that are highly visible and damaging to a company.

*a) Ethical Issues in Public Relations and Publicity*

Public Relations consists of all forms of planned communications, outward or inward between an organisation and its publics for the purpose of achieving specific objectives concerning mutual understanding (Jefkins .F. 1983, 1976).

It is a deliberate planned and sustained effort to establish and maintain mutual line of understanding between an organisation and its publics (BIPR in Jefkins .F. (1974).

Publicity, is any form of commercially significantly news item about an organization, goods, medium that is not paid for by the sponsor, it is news carried in the media by the Editor or Reporter, and which has significant news value (Ayozie 1992), PR is the establishment and maintenance of good image, good works well told and doing good and getting credit for it. Publicity, the one aspect of public relations that relates primarily to marketing communications, involves disseminating positive information about a company and its products. Because publicity is like advertising in that both are forms of mass communications, many of the same ethical issues apply.

PR is a distinctive management function which helps to establish and maintain mutual lines of communication, understanding acceptance and cooperation between an organization and its publics. It involves the management of problems or issues, helps management to keep informed on an responsive to public opinion, defines and emphasizes the responsibility of management to serve the public interest, helps management to keep abreast and effectively utilize change, serving as an early warming system, to help anticipate trends, and uses research and sound and ethical communication techniques as its principal tool (Kaelow .R.)

There have been a number of celebrated cases in recent years in which companies have been widely criticized for marketing unsafe products. The way firms confront negative publicity has important strategic as well as ethical ramifications. The primary ethical issue concerns whether firms confess to product shortcomings and acknowledge problems or, instead, attempt to cover up the problems.

The ethical issues were the initial denial by Phizer Pharmaceuticals that led to various court case in Nigeria over a long period of years. Consider the case of Phizer Pharmaceutical in Nigeria where many children died as a result of the Phizer children drugs. It took several court cases over many years before the company admitted its fault and agreed to pay compensation to the victims.

There is also the case of my PICKIN teething powder, which when used by mothers in Lagos state caused a lot of deaths among new born babies. The company initially denied, until NAFDAC decided to prosecute the company. The ethical issue is the denial of the company alleging that its product did not cause he death of new born Babies.

## IV. Market Targeting/Target Marketing Targeting to Children

Market targeting requires the evaluation and selection of one or more market segments to enter. Target marketing is the concentration of a firm's marketing effort on a clearly defined target market (Baker M.)

Market targeting (or targeting) consists of evaluating each market segment's attractiveness and selecting one or more market segments to enter (Amstrong/Kotler 2011).

According to widely accepted dictates of the marketing concept and sound marketing strategy, firms should direct their offerings at specific segments of customers rather than use a scatter or shotgun approach. Nonetheless, ethical dilemmas are sometimes involves when special products and corresponding marketing communications efforts are directed at particular segments. Especially open to ethical debate is the practice of targeting products and communications efforts at segments which, for various psychosocial and economic reasons, are vulnerable to marketing communications – such as children minors, minorities and adults physical with disabilities. Advertising and in-school marketing programs continuously urge kids to essential people desire various products and brands. Critics often contend that many of the products targeted to children are unnecessary and that the communications are exploitative.

## V. Ethical Issues in Personal Selling and Telemarketing

Personal selling is a concise effort on the part of the seller to induce a prospective buyer to purchase



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something that he had not originally decided to buy, even if he had thought of it favourably.

It is the personal and impersonal process of assisting or persuading a prospective customer to buy a commodity or service or to act a favourably upon an idea that has commercial significance to the seller.

Personal selling is something called the "last 3 feet" of the market function, because 3 feet is the approximate distance between the sales person and the customer on the retail sales floor as well as the distance across the desk from the sales representative to a prospective business customer (Clow .E.K. Baack D. 2004).

Telemarketing involves selling products and services by using the telephone to contact prospective customers.

Telemarketers use the telephone to make sales calls and presentations. Inbourd telemarketing occurs when employees only handle inbound calls, they do not make initial contacts instead they respond to telephone orders or inquiries. Outbound telemarketing means sales representatives call prospective customers or clients (Clow E.K., Baack Donald 2004).

Telemarketing is the use of telephone and call centers to attract prospects, sell to existing customers and provide service by taking orders and answering questions (Kotler and Keller 2009.)

The possibility for unethical behaviour is probably greater in personal selling, including telemarketing, than any other aspect of marketing communications. This is because much of personal selling occurs on a one-on-one basis in the privacy of a customer's office or via the telephone. It is easier under such circumstances, compared to the case of mass communications, to make unsubstantiated claims and undeliverable promises. In other words, a salesperson is in a position to say things that are not subjected to public scrutiny.

Each person's moral fibre is the primary determinant of how truthful she or he is behind a customer's closed doors or when delivering a sales pitch by telephone. Companies' penalty and reward structures also have some effect on sales people's ethical conduct, but it is most often a personal matter.

## VI. Ethical Issues in Packaging

Four aspects of packaging involve ethical issues(i) label information, (ii) packaging graphics (iii) packaging safety, and (iv) environmental implications of packaging.

Label information on packages can mislead consumers by providing exaggerated information or by unethically suggesting that product contains more of desired attributes or less of desired attributes that is actually the case. Packaging graphics are-unethical when the picture on a package is not a true representation of product contents (like when a children's toy is made to appear much bigger on the package than it actually is). Another case of unethical behaviour is when a store brand is packaged so that it looks virtually identical to a well-known national brand. Unsafe packaging problems are particularly acute with dangerous products that are unsafe for children and the package is not tamper-proof. Packaging information is misleading and unethical when it suggests environmental benefits that cannot be delivered. companies must endeavour to take not of the ethical issues and strive to minimized occurrence, and where it eventually happens, if is necessary to accept the faults, take conceptive measures and where necessary pay damages.

## VII. Ethical Issues in Sale Promotions

Sales promotion is the function of marketing which seeks to achieve given objectives by the adding of extrinsic tangible value to a product or service (AMA - American Marketing Association 1967).

It is a short time incentive means devices, methods, apart from personal selling, advertisement, public relations and publicity which stimulates demand for products and services (Kolter P. 2004).

It concerns the making of a featured offer to a defined customer group within a specific time limit.

Ethical considerations are involved in all areas of sales promotions, including manufacturer promotions directed at the trade (wholesalers and retailers) and to consumers.

Consumer-oriented sales promotions (including practices such as coupons, premium offers, rebates, sweepstakes,) are unethical when the sales promoter offers consumers a reward for their behavior that is never delivered. Sweepstakes and contest are potentially unethical when consumers think their odds of winning are much greater than they actually are.

As matter of balance, it is important to note that marketers are not the only ones guilty of unethical behavior in the area of sales promotion. Consumers also engage in untoward activities such as submitting coupons at the point of checkout for items not purchased or submitting phony rebate claims, and making false claims so as to win the prizes.

## VIII. Ethicalconsiderations in Advertising (Specific Details on Code of Conduct to be Found in Apcon Code of Conduct) Appendix Attached

One of the major problems in advertising and promotion is the lack of a clear and acceptable code of conduct. Advertising codes vary from country to country. Since the primary objectives of any advertiser is profit oriented, social concerns HAVE SIGNIFICANT IMPACT on the long- term economic environment of the advertiser. Advertising is primarily meant to influence the



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independent thinking of the consumer and change his behavior. In a way, advertising can be considered as a brain- washing catalyst, which is intended to manipulate the consumer into thinking that the advertised product is the best for him, and it does not matter much whether the consumer really needs the product or not. In that respect advertising can be considered manipulative with its accompanying social significance. On the other hand advertising is a major force in society, providing valuable service to its members as well, so that, it 'tends to help us understand the products, services and institutions that we encounter in our culture and provides us with some understanding of our relation to theme". However, it is the manipulative aspect of advertising that is considered the socially detrimental aspect. This manipulative aspect is responsible for leading consumers to purchase things they do not need or should not need. This, the critics contends, is the misallocation of economic resources.

In this regard advertising has a social responsibility to inform the people of various choices available and educate them about the superiority of a given product by putting forth hard facts about the characteristics of the product. Thus the consumers can freely decide for themselves as to which products to buy and which products to avoid. There are some areas of concern, where advertisers need to be more responsive to community needs. These areas are:

1. Advertising is considered to be an environmental pollutant. Most advertising is resented by people because it is simply too much to absorb. There are too many messages on the Radio and TV, too many billboards and many print Adverts, hence we have advertising clutters. It is too pervasive and too interfering in people's, personal lives. In that respect it is considered to pollute the mental environment. This is specially true about TV, Radio and Billboard Advertising

However, because of advertising's acknowledged economic and competitive role in a free enterprise economy, it is almost impossible to limit its role in the total marketing mix.

2. The issues of morals and tasks in advertising:- Since advertising is unavoidable, the same forms of it may become a burden on the consumer. Such advertising may be offensive, misleading and simply annoying. For example, some people who do not drink alcohol e.g. Christian/Muslims may consider all liquor advertising as morally offensive. Similarly, in some countries where prostitution is legal, prostitutes are permitted to advertise their services. In Nigeria, the U K or America, it would not only be illegal, but also morally offensive. Sex is considered to be such a private affair in India and Saudi Arabia and Northern Nigeria. All advertisement concerning feminine hygiene, deodorants are likely to be considered by majority of people as offensive and tasteless (eg NIVEA deodorant TV Advert in Nigeria)

On the other hand, the product itself may not be morally offensive, but its presentation may be tasteless. Too noisy commercials, overtly repetitive commercials and commercials that disrespect consumer intelligence are considered to be in bad taste. Even though some proponents of advertising argue that the advertising is directed towards the audience which is the average mass of people and not the chosen elite. Hence they advertise what they believe the audience wants to see and hear and they are willing to absorb the dissatisfaction of a few who may find some advertising below their expected standards of decency.

However, in spite of the cultural and educational level of the recipients of such advertisements, it still remains the responsibility and civic duty of the advertiser to truthfully and sincerely inform the consumer of the characteristics and qualities of a product and let the consumer make the decision about buying the product, rather than manipulating the consumer to believe in a product in order to buy it.

London is the first and the most common stop for all American, African and Asian tourists coming to England. A tourist walking on oxford street or knights bridge would find some stores with large signs saying "Going Out of Business Sale: 40% - 60% off. This would be a great temptation to buy some electronic fashion and House hold products. The tourist would be very happy thinking that he got a last minute bargain before the store closed for good. What the tourist does not know is that the "Going Out of Business Sale" has been on for the past 25 – 30 years, and he could get the same item cheaper at some more reputable stores. Is it ethical for the store to advertise falsely and lure the customers in such manner? Is it morally acceptable to mislead the client, as in this case, where the only favourable argument is that nobody forced the customer to buy the merchandise? To buy or not to buy was his/her and his/her choice alone, but his/her thinking was indeed manipulated into believing the advertisement and trusting the advertiser. At best, the ethics of such selling techniques are debatable.

According to Rahul Bhatnagar in Chandan J.S et al (1990) the objective of advertising is to change the personality traits of the consumers and effect the desired buying behaviour. It is a very strong stimulant and if effectively channeled, its full potency could be realized. "But is it channeled effectively? Is it employing fair means to change the personality traits of the consumers?" In general, is advertising useful or is it manipulative as discussed above?

The role of Advertising in a society is controversial and has sometimes resulted in attempts to restrict or ban advertising and other forms of promotion to certain groups or to certain products. A lot of



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Nigerian Youths are engaging in binge drinking and many on abuse alcohol. There are laws in Nigeria which tends to ban alcohol related advertising and promotions e.g there are specific restrictions banning sponsorship or support of any athletics, religious or Academic events of universities, polytechnics and colleges by any alcohol beverage company. Decisions to ban advertising of alcohol or tobacco involve very complex economic considerations and social issues. Some Nigerian companies have recognized the need to reduce alcohol abuse and drink driving particularly among the Youths, hence they have produced many Adverts designed to address this problems. The Adverts promote responsible behaviour among adults and youths of legal drinking age. Some companies with their promotions promote sexual permissiveness and objectify women in their Adverts; and this has brought a lot of criticisms of such product by women pressure groups. Many companies have been criticized for running adverts that are insensitive to certain segments of the society.

Based upon the accepted concept of ethics, any advertising that traverses the truth or uses questionable means would be considered unethical. The only thing that remains is about the relatively of ethics rather than the ethical absolutism. According to Lacznaiak, in Chandan J.S et al (1990) an action is relatively ethical if it is based upon either the theory of justice, which means protecting the interest of all involved or on a theory of utilitarianism which provides the greatest possible balance of values for all persons involved. The fact still remains that whether it is the "theory of justice" or the "theory of utilitarianism" it is not possible to satisfy all people. If the objective of advertising was simply to inform the people about the qualities of a product and give the complete freedom of choice, then certain ethical standards in advertising could be maintained. But the objective of advertising is to "persuade" people to buy the product and change their buying behaviour, then it might need some manipulative tactics to achieve such objectives. In that case, emphasis on psychological benefits, slightly exaggerated claims or ever puffery might be accepted by our society as ethically acceptable.

That is why products advertised as "best" or "most oftenly used" or "most often recommended by doctors" or "long lasting" etc. may be morally acceptable. But claims that are designed purposely to mislead and deceive the customer would be considered unethical. Some of these unethical practices are controlled by law in terms of "truth in advertising" laws. Undocumented false claims are prohibited by law. For example, a skin cream cannot be advertised in the form of, "your skin will look 20 years younger if you our use cream" unless such claims can be medically proven. To get around it, the advertisers might create a message rather than a claim, even though this promise also be considered as manipulative advertising. Advertising has been previously defined as "any paid form of non-personal presentation of ideas, goods or services by an identified sponsor (AMA 1969). This definition suggests that advertising is simply a "presentation" and the prospect is totally free to chose and decide. Some very specific general principles of Advertising by the Advertising practitioners council of Nigeria is added in the appendix (i) below as it explains on what is ethical or unethical in advertising.

In other words, in order to choose freely, a person must be free of external constraints that control or even influence the choice of one alternative over another. These outside controlling influences have been categorized by Tom Beauchamp in Ayozie .D. (2004) as follows:

1. Coercive influences that are always controlling.
2. Persuasive influences that are generally non-controlling.
3. Manipulative influences that are sometimes controlling.

These tactics are explained in more detail;

*a) Coercive Tactics*

Coercive tactics are relatively rare but often used in public advertising. It involves threatening negative sanctions to those who do not choose the dictated alternative. Most of the penal legislation requires coercive tactics while informing the public about laws. "Belt up", says one advertisement requiring passengers in the cars to fasten their seat belts. "It is the law" pay your taxes to the correct internal revenue office you can go to jail if you patronize the illegal offices This advertisement could be considered as using coercive influences, as the prospect is not free to choose whether to belt up or not, and he is threatened with negative consequences if he choose not to fasten his safety belt, which is against the expectations of the advertiser-which in this case is the government. Similarly, coercive techniques may also be used in merchandise marketing in controlled societies where the people's choices are controlled by the Government. But in a free enterprises system, coercion is neither successful nor desirable.

*b) Persuasive Influences*

On the other end of the continuum is persuasion which is a deliberate and successful attempt at bringing the prospect to your point of view. While coercion is considered ethically unacceptable, persuasion is an accepted technique specially if it is rational persuasion in which good and objective reasons are given to the prospect for accepting the desired outcome. On the other hand, irrational persuasion which plays on the emotions of the people rather than objective judgments, may be considered as manipulative and thus ethically unacceptable. For example, does a toothpaste e.g Dabur and Macleans really improve sex close-up appeal? Using the sex appeal angle could be considered irrational persuasion. Rational persuasion is defined by in Chandan J.S et at (1990) as follows'



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"Persuasion is rational so far so the persuasiveness lies in the substance of the argument rather than in the manner of presentation, the authority susceptible to suggestions from other".

This means that a favourable change in the prospects behaviour is brought about but by the strength of the argument and the merit of the reasons rather than the manner of presentation, or the style of the presenter. The basic idea in accepting rational persuasion as an ethical ploy is that the prospect fully understands and accepts the reasons given as good and just and makes the ultimate choice of his own free will. It is still not clear, however, what "good reason" means. Are these good reason measure against the utilitarian advantages of the chosen alternative or purely psychological and emotional advantages? Do good reasons have to be absolute or simply as perceived by the prospect? Secondly, it is also not clear as to why irrational persuasion must be considered ethically wrong. For example, if an advertiser persuades a person to buy a new car for his wife whom he loves very much, even when it is not necessary to buy her a new car, it could be considered irrational persuasion. But is it unethical for the advertiser to play on a man's love for his wife? This debate seems to be unending.

*c) Manipulative Influences*

Manipulation is a very area which includes a deliberate effort by the advertisers to deceive people. Manipulation is considered subtle coercion in so far as the presentation is such as to leave the prospect with no real choice. Manipulation, as defined by De George in Chandan J.S et at (1990) as; "playing on a person's will by trickery or by devious, unfair or insidious means". In more general terms, manipulation can be considered an attempt to get someone to believe in what is not correct and such belief would result in some form of harm to the deliver. For example, if a brand of toothpaste is advertised stating that it reduces cavities more than the brand of competitor, and this statement is backed a survey of dentists where figures conclusions of the survey are misleading and the claims being incorrect, then it would be considered a deliberate attempt to make the customer believe in what is not correct. Such a process would be categorized manipulative advertising.

Magazines and Newspapers in Nigeria are full of advertisements enticing people to lose weight fast by using some miracle drugs offered by the marketers or some miracle Healers. Some manipulative photographs of "before and after", appealing language of the message, emphasis on scientific breakthrough in the development of these drugs take full advantage of the readers' vulnerability. "Lose up to 20 kilogrammes a day" says one advertisement "Look 20 years in one week", says another advertisement for a herbal cream. Any rational buyer would know right away that these claims are false. Yet, millions of people buy these drugs and herbs and these creams with or no little effect. Some good luck charms which promise instant money, instant success on the job, instant success in love, are sold by the Advertisers in the print media and seen in smaller signboards. If people are so gullible, should we blame the advertisers for using these misleading techniques.

Advertising, really, is informational manipulation. Even if the claims of advertisers are correct, they are packed and presented to the public in such a manner so as to leave the person with now real choice. The appeal is emphatic, forceful and compassionate so that the person can no longer resist the temptation to buy the product, thus limiting his choices to only one alternative.

While manipulation is deception in presentation and incorrectness of claims, a more subtle form of manipulation is known as "low balling". Low balling involves inducing the person to buy a product by highlighting the most favourable aspects of the product and withholding the less favourable aspects until the prospect has made his decision to buy the product. (Ayozie D.O (2004) This technique could be considered as psychological manipulation rather than informational manipulation, but never the less, it is manipulation. For example, a customer sees an advertisement about a 'Sony" camera that he knows is too good to miss, wants to buy one. He has known of Sony cameras of being highly reliable and the advertised price appears to be very low. The prospective buyer makes a special trip to the store to buy it an the salesman tells him of all the benefits of owning a Sony camera and emphasizes the tempting price. The customer is most impressed and decides to buy it. Only then does the salesman inform him that the camera case will cost extra and so would the batteries, making it much more expensive than what he was willing to buy it for in the first place. Now the customer is too embarrassed to back out and is more or less compelled to buy the camera at the higher price. Thus once again, the customer's choice was not free due to lack of total information about the camera.

Some laws have been passed as seen in the APCON code of conduct attached as appendix i below that protect consumers from such false advertisements where the claims cannot be substantiated. Many grey areas remain where society has to play a major role in ensuring that advertising sticks to purely informational roles giving the prospect an intelligent and rational way of making choices. If consumers are misled or enticed into a choice by deception, then advertising is delinquent in its role based on ethical or moral justification.

## IX. How do we Improve Ethical Conduct in Nigeria

In order to improve the ethical climate of an ogranisation, a plan of action is called for and this plan



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can be categorized into two different levels and areas where each level has a significant contribution towards the formation of the entire ethical system. Some of these measures are contained in various advertising laws and many code of conducts of in Advertising and promotional related professions in Nigeria (i.e APCON, NIPR, NIMN, DMAN etc) These levels are;

*a) On an Individual or Personal Level*

What can the individual consumer in Nigeria do to protect himself from the effects of unethical and misleading advertising and IMC influences? It is necessary to understand, however, that all consumers do not react to the same stimulus in a similar manner. Hence, morally offensive advertisements must be so considered after an objective evaluation of the intent and content of the message. This means that the advertisement must be explicitly manipulative and the consumer morally and ethically balanced so as to be consciously aware of such intended manipulation. Based on this assessment, a consumer has a number of alternatives to choose from. these are;

1. If the consumer believes that the advertising has mislead or deceived him/her, he or she may stop buying the product and advise his friends likewise. Simply they will engage in consumer boycott of the product or services. If there are a sufficient number of people thinking in the same manner, then the advertiser would get the message and change the message to win back the loyalty of the consumers as it happened in the MTN's advert in "Mama, my wife born bom boy i.e. gave birth to a boy".
2. Write to the company. The consumer, individually or in consortium with other consumers or consumers groups may write to the company raising the issues in a specific manner. Most reputable companies and particular national ones would take such complaints seriously and take the necessary action in order to keep their goodwill and loyalty.
3. Write to a newspaper. Many newspapers and magazines have consumer-oriented columns and sections e.g PUNCH, the SUN and CHAMPION and if the company does not respond favourably directly, some newspapers will publicly take up the cause on behalf of the consumers.
4. See a lawyer about an individual group or a class action suit. This is an expensive and time-consuming route, but if the complaint is serious, this can be useful action. For example, If an advertisement is sexually explicit or has negative religious, personal or cultural undertones that it will have a negative effect upon children, a legal route can bring results. Similarly, if an advertisement is demeaning to women or an affront to certain religious beliefs, legal action may be desirable. Sometimes, just a letter from an legal practitioner or lawyer brings about the desired results.
5. File a complaint with the proper regulatory agency. There are several legal bodies which oversee the legality and decency of advertising messages. In Nigeria for example, a self-regulatory agency, such as APCON, NAFDAC, CBN, NIMN, DMAN, NIPR BON, NBC could assist in getting some action from the advertisers, if there is a justified reason for it.

*b) Organisational/ Company Level*

This is the most important level at which the management can play an important role in shaping the ethical climate of the organisation. Top management should play a strong ethical role model so as to see that sound ethics permeates through all levels of the organizational hierarchy. One way to achieve high standards of ethical conduct is to set goals that are objectively achievable, because setting too high goals might induce some employees to use unethical methods to achieve them. This specially true at the salesman's level. These ethical concepts must be clearly defined and communicated at all levels and the management must ensure that these concepts are respected and followed through responsibly.

Hence, if the top management establishes a policy of ethical conduct for all members of the organisation and enforces this policy then the best opportunity exists for proved ethical conduct in advertising and integrated marketing communication (IMC). In addition, within the framework of general organizational policies, the advertisers themselves should develop personal standards of ethical or professional conduct and abide by these norms. The development of a strong moral or professional code on the part of advertisers further strengthened by certain motivations which are both internal and environmental. Some of these motivations are;

1. *Civic responsibility:-* An advertiser is a part of the society around him and is presumably a respected member of the community. Any unethical advertising would be an adverse reflection on his integrity and credibility. Since it is not always possible to separate social life from business life, a conflict between the social role and business role would have a negative impact on the advertiser's civic role. Hence advertisers consider it their civic duty not to offend any segment of the community around them.
2. *Legal Obligations:-* In order to protect the defenseless consumer, some laws have been enacted which make it a criminal offence to deliberately mislead the consumer by false claims e.g consumer right protection laws and consumerism. The fear of punishment itself would act as a deterrent to most advertisers who would then abstain from untruthful or deceptive advertising. The advertiser would also like to be known as a law-abiding citizen which is a kind of motivation for ethical behaviour. APCON, NAFDAC AND the Nigerian Broadcasting commission



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enforces certain laws to protect the Nigerian consumer groups also assist in protective defenseless consumers.

3. *Profit motive:-* Most organisations are in business to make money over a long period of time. This money can only be made if consumers keep on buying their products. Thus no credible advertiser would want to mislead, deceive or offend consumers to point when they will stop buying the products. Someone in a position to make one sale and thereafter not care whether he ever gets the buyer's business again. Thus achieving maximum profit over the long run is a high motivation for any organisation to keep away from deception or misrepresentation.

*c) Self-Policing Activities*

Even though all these motivations are adequate in encouraging ethical standards among advertisers, there are some self-policing activities that further ensure that advertisers operate within the accepted code of conduct. These self-policing activities include;

*d) Writing And Blowing The Whistle On The Competitor*

If an advertiser does indulge in misleading, the competitor can either blow the whistle on him directly by pointing to these untruthful aspect in his own advertisement or complain about to the related regulatory body against the claims of the competitor.

## X. Conclusion and Summary

It is reach difficult to identify what is or not ethical conduct in integrated marketing communicating as it varies from country to country. Ethical values as situation specific and time oriented. Nevertheless everyone either in business, marketing and specifically in integrated marketing communications most have an ethical base that applies to conduct in the business world and in personal life morals and Ethical have been viewed as personal viewpoints and moral judgments are seen as meaningless expressions of emotions. Not minding the viewpoints, sound ethical and moral considerations is very relevant both for the IMC practitioner, the consumers and four business as an entity.

The debate still persists whether advertising simply influences the behaviuor or controls it. Authors have come to the defense of advertisers by proposing that "an advert influences more than controls an audience. Most often, advertising induces a desire for a particular product, given that the purchaser already has the basic desire. "Even if puffery and exaggerated claims can be considered manipulative, according to Levitt, (1969). "these efforts are not fundamentally different or as controversial as the efforts of artists, politicians, lecturers and editorial writers to manipulate ideas in the minds of citizens. "Hence such techniques which simply influence the buyer's behaviour are acceptable to society.

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# An Investigation of Consumer Buying Behavior for FMCG: An Empirical Study of Rural Haryana

By Sulekha & Dr. Kiran Mor
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*Abstract-* In India more than 72% population is living in villages and FMCG companies are famous in selling their products to the middleclass households, it means rural India is a profitable and potential market for FMCG producers. Rural consumers' incomes are rising and willing to buy the products which improve their lifestyle. Producers of FMCG have to craft their marketing strategies exclusively for rural consumers. In this process they need to understand the rural consumer buying behaviour which may differ geographically. The present study focuses on the understanding of rural consumer buying behavior for FMCG in Haryana. The study stresses on the factors which the purchasing of rural consumers. The study was conducted in four districts of Haryana namely panipat, jind, kuruksetra and gurgaon.

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# An Investigation of Consumer Buying Behavior for FMCG: An Empirical Study of Rural Haryana

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*Abstract-* In India more than 72% population is living in villages and FMCG companies are famous in selling their products to the middleclass households, it means rural India is a profitable and potential market for FMCG producers. Rural consumers' incomes are rising and willing to buy the products which improve their lifestyle. Producers of FMCG have to craft their marketing strategies exclusively for rural consumers. In this process they need to understand the rural consumer buying behaviour which may differ geographically. The present study focuses on the understanding of rural consumer buying behavior for FMCG in Haryana. The study stresses on the factors which the purchasing of rural consumers. The study was conducted in four districts of Haryana namely panipat, jind, kuruksetra and gurgaon. This paper tries to find out the key influencing factors of rural consumers' buying behaviour. Factor analysis was used to group 16 influencing factors of buying behaviour of rural consumers in Haryana. Samplesize was taken as 500 consumers from above stated districts of Haryana which covers almost every zone of Haryana. Adequacy of sample size was tested by KMO test in SPSS.

## I. Introduction

Fast moving consumers good (popularly known as FMCG) is the fourth largest sector in India and creating employments for more than 3 million people in India with $ 37 billion market size. FMCG industry is expected to grow over $ 43 billion by 2014. According to a study by Mc.Kinsey Global Institute, incomes in India are expected to grow three times over next two decades and India will become fifth largest consumer market by 2025. Now increased awareness and increasing income level of rural population making it as high opportunity market for FMCG. Around 72% population of India is still living in India and due to increased purchasing power rural consumers are ready to upgrade their lifestyle. This tendency is opening gates for FMCG producers to serve in rural market with deep penetration. Indian rural market is expected to grow With 800 million customers by the end of 2013.

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*Figure 1 :* Indian composition of consumer and showing BOP

The above picture shows that bottom of pyramid i.e. rural population has highest percentage which attracts the FMCG producers.

## II. Rural Market for Fmcg in Haryana

Different experts and organizations have varied views on what constitutes the term, 'rural'. Collins Cobuild Dictionary (2001) describes the word 'rural' as 'place far away from towns and cities'. A rural market broadly comprises of consumer markets, institutional markets and services (Dogra&Ghuman, 2008). According to Velayudhan (2002), rural marketing includes all those activities of assessing, stimulating and converting the rural purchasing power into an effective demand for specific products and with the aim of raising the standard of living. It is a two way marketing process of flow of goods and services from rural to urban areas and vice-versa (George & Mueller, 1955). Rural marketing is any marketing activity in which one dominant participant is from rural area (Kotler, et al., 2009).

Haryana is a developed state of north India and has big rural market. FMCG producers are now converting their eye from south to north. Rural consumers have different profile which may require different market mix.



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| Four "P" for rural consumers | Four "A" of rural consumers |
|---|---|
| Product | Acceptability |
| Price | Affordability |
| Place | Availability |
| Promotion | Awareness |

*Figure 2 :* Four "P" matched with four "A" of rural marketing

If FMCG companies make their strategies in such a way so that the above combination is matched properly then it will be a win- win engagement for both consumer and producer. Income is the main variable to in creating BOP but now PPP of rural consumer is increasing that make them able to upgrade their lifestyle and effect their purchasing.

## III. Review of Literature

New economic policy 1991 has changed the Indian marketing scenario due to its liberalization policies (Gopalaswamy, 1997). (Habeeb Ur Rahman, 2007) argued about rural market that it is still untapped for a number of products and now opening its door for FMCG. Rural population is different in their quality seeking and value for money attitude. They behave differently from urban consumer for the same product as stated by Anand&Krisana, 2008. (Blackweel,1977) analyzed that there are various factors which influence the behaviour of consumer and (Krishnamoorthy, 2008) stated that rural consumers are required to study for influencing factors of their behaviour for FMCG. Price, promotion, packaging, quality, brand name etc. influence the purchase of the rural consumers (Sarangapani& Mamatha,2008, Bhatt &Jaiswal, 1986, Pandey, 2005, Kumar & Madhvi,2008, Narang,2001). In 1994 Ying Zhao argued that retailers also play essential role in the purchase of FMCG of rural consumer.

The study of literature make it necessary to conduct the present study because it is clear from the review of literature that a lot of thing are to be find out about rural consumer behaviour. Rajan. R.V argued that a lot of space is unfilled in the sense of research in the rural consumer behaviour study from last two decades. After going through the literature it is clear that there is lot of scope of studies related to influencing factors of rural behaviour. The review of literature make it clear that there are very few studies conducted on influencing factors of rural behaviour for FMCG with special reference to Haryana. Some studies are there but all are of South India and there is a effect of geographical location on the purchasing of rural consumers (Sinha, 2008).

To fill this gap present study is an attempt to find out the influencing factors of rural consumers purchasing behaviour for FMCG in Haryana.

## IV. Objective

The main objective of the present stud y is to identify the factors responsible for buying behaviuor of rural consumers for FMCG in Haryana.

### a) *Research Methodology*

For this data has been collected through primary survey and for that structured questionnaire has been designed to get the responses of consumers. Likert's five point scale was used to get the exact responses of consumers which varies from strongly agree (5) to strongly disagree (1). A sample of 500 consumers was studied to get the answer of the question. The below formula was used to get the exact sample size

$$n = Z2(pq)N \div e2(N-1) + Z2(pq)$$

The sample size taken for study is more than the required according to the formula.

### b) *Sampling unit*

The rural customer or consumers of FMCG from rural population of Haryana was taken as sampling unit. Sample represents the rural Haryana which almost half of the total population of Haryana.

### c) *Reliability and validity of questionnaire*

A pilot study has been conducted to test the reliability and validity of questionnaire. For reliability croanbach α and for adequacy KMO test were applied. The questionnaire was reliable because α was more than 0 .75 which means that test was reliable.

### d) *Data sources*

Primary as well as secondary source of data collection were applied for the present study. Primary data was taken from survey and secondary was taken from books, websites of companies and articles on rural marketing and FMCG.

### e) *Tools & Techniques used*

A factor analysis was used to find out the factors influence the purchase of FMCG by rural consumers in Haryana.

## V. Test Results

The present study tried to find out the factors influencing the rural purchase of FMCG in Haryana. Twenty two variables were found which affect the purchase decision of rural consumers for FMCG .Twenty two variables were as:



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*Table 1 :* Variables influencing the purchasing decision of rural consumers for FMCG

| Sr. No. | Variable | Sr. No. | Variable |
|---|---|---|---|
| 1 | Price | 12 | Need |
| 2 | Promotions | 13 | Brand endorsement |
| 3 | Gender | 14 | Sales promotion |
| 4 | Packaging | 15 | Brand loyalty |
| 5 | Product Variety | 16 | Product as whole package |
| 6 | Value in Sense of Dignity | 17 | Brand awareness |
| 7 | Attitude and life style | 18 | Affordability |
| 8 | Quality | 19 | Retailer's Recommendation |
| 9 | Age | 20 | Income |
| 10 | Relationship Marketing | 21 | Extra benefits |
| 11 | Education | 22 | Product demonstration |

Then factor analysis was conducted to find out the factors influencing the purchase of rural consumers for FMCG.Barlette test and KMO test were also applied to know the applicability of factor analysis (Naresh. 2007). Barlette test value was 18297.23 and KMO test the adequacy of sample size which was 0.872 significantly large. Six factors were identified which were as:

*Table 2 :* Factors and variables included with factor loading

| Sr.No. | Factor | Variables included | Factor Loading |
|---|---|---|---|
| 1 | Product | Product as package | 0.915 |
| | | Quality | 0.895 |
| | | Product variety | 0.825 |
| 2 | Promotion | Promotions | 0.903 |
| | | Brand endorsement | 0.876 |
| | | Product Demonstration or Education | 0.812 |
| | | Sales promotion | |
| | | Relationship marketing | 0.809 |
| | | | 0.802 |
| 3 | Value | Price | 0.829 |
| | | Need | 0.818 |
| | | Affordability | 0.751 |
| | | Extra Benefits | 0.741 |
| 4 | Attitude | Packaging | 0.952 |
| | | Dignity | 0.914 |
| | | lifestyle | 0.875 |
| 5 | Interest | Retailer's Recommendation | 0.891 |
| | | Brand awareness | 0.843 |
| | | Brand loyalty | 0.822 |
| 6 | Demographics | Age | 0.968 |
| | | Gender | 0.954 |
| | | Income | 0.921 |
| | | Education | 0.897 |

These six factors were identified based on high loading in the rotation component matrix and similarity in the variables.



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*Table 3 :* Reliability Index

| Factor | Croanbach α | No. of variables included |
|---|---|---|
| Factor 1 (Product) | 0.859 | 3 |
| Factor 2 (Promotion) | 0.901 | 4 |
| Factor 3 (Value) | 0.773 | 4 |
| Factor 4 (Attitude) | 0.822 | 3 |
| Factor 5 (Interest) | 0.862 | 3 |
| Factor 6 (Demographics) | 0.796 | 4 |
| Overall reliability | 0.806 | 21 |



## VI. Analysis and Interpretation of Factors

*a) Factor1 (Product)*

Rural consumers want to have a product as a whole package whatever they want it must contain in a FMCG. As (Prahalad, 2005) proved quality as most influencing variable, again in the present study quality of FMCG proves to be an important influencing variable of rural purchase. Rural consumers also seek different variety in FMCG that may affect their product choice for FMCG.

*b) Factor 2(Promotion)*

Promotion or advertising come with highest factor loading which proves that in case of FMCG rural purchase are highly influenced by the advertisements. Rural consumers relate the product with the celebrity who endorses the product and it influences the product purchase in case of FMCG. FMCG marketers' tries to educate the rural population about their brand and product and it affect the sale as a result. Sales promotions and relationship marketing also play important role in influencing the rural purchase of FMCG as their factor loading are 0.809 and 0.802.

*c) Factor 3 (Value)*

In the present study it is shown that rural consumers are price sensitive and relates the purchase with need satisfaction. They give value to that product which is low priced, satisfy their need, have extra benefits and affordable for their pockets. The product which has maximum of these attributes is treated as most valuable product by rural consumers.

*d) Factor 4 (Attitude)*

The present study proved that rural consumer links their purchase with the attitude and lifestyle. Packaging is the first impression of a product and it affects the purchase of rural consumers. Rural consumers want to have those products which make them to feel dignified while purchasing and using the product. Rural consumers try to purchase the FMCG which improve the lifestyle and make them to feel in superior class.

*e) Factor 5 (Interest)*

It is common that a consumer will purchase that product in which he/she interested. Current study prove that retailer's recommendation in case of FMCG make the rural consumers interested to buy a product (Factor loading = 0.891). Brand awareness makes a consumer ready to purchase if it create the interest of consumer in that product. Brand loyalty is also affecting the purchase of FMCG because it is noticed that rural consumers repeat their purchase for same brand.

*f) Factor 6 (Demographics)*

A large literature is available which proves that demographics affect the purchase of FMCG. Current study is also supporting the same thing. Age is proved as the most influencing variable of rural consumer purchase of FMCG (factor loading = 0.968). Gender differences are also affecting the sale of FMCG in rural market. Income and education level of rural consumers are also playing significant role in their purchasing of FMCG.

## VII. Conclusion

Rural customers buy the FMCG through retailers in their villages.The present study proved that the retailers are aware of the fact that theircustomers listen to them; they are the one who can create their interest in product. It necessitate thatcompanies must educate rural retailers aboutmodern marketing principles for a betterperformance. As price influences rural purchase ofFMCG, it is recommended to pursue the low-pricestrategy in rural marketing. Attaining low price notonly requires low-cost manufacturing but alsoperforming various marketing activities such aspromotion and distribution in a cost effectivemanner. It is also recommended to promote goodson price plank. For rural customers, value formoney is very important when they purchased FMCG. The study revealed thatthe rural customers are not only price sensitive but also thinkabout quality, performance, reliability, brand andother critical aspects, it is recommended topromote FMCG in lines of rationality rather thanjust making low price appeals.Rural marketers should design innovativepromotional

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strategies for rural markets that canexpress messages in an easy way to the villagersand compatible with their education andunderstanding levels. Companies should offerFMCG in different varieties. Rural consumers are highly affected by their lifestyle and attitude. Rural marketing is highly influenced by celebrity endorsement and companies should take care of this and take that celebrity who is popular in rural areas.

In the end it is concluded that FMCG companies make such marketing strategies which create a favorable environment for rural consumers and help to understand them which product suit best to them. Special kind of marketing mix strategies are required for rural marketing which emphasize on low price along with low cost phenomena.

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# Green Marketing Practices and Customer Satisfaction: A Special Reference to Leather Goods

By S. Sivesan, S. Achchuthan & R.Umanakenan
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*Abstract- Purpose:* The main purpose of this study is to find out the impact of green marketing practices on customer satisfaction among the leather industries' customers.
*Methodology:* Primary and secondary data were used for this study. Primary data were collected through the questionnaire. Secondary data were collected from texts, journals and magazines. Further, the research design of this study is based on quantitative method. In this study the quantitative research was used to answer the research question as "what extent Green Marketing Practices influence on the Customer satisfaction in the Sri Lankan Context?"

*Keywords: green practices in product, green practices in price, green practices in place, green practices in promotion, customer satisfaction.*

*GJMBR-E Classification : FOR Code:150304 JEL Code: M39, L67*

GREENMARKETINGPRACTICESANDCUSTOMERSATISFACTIONASPECIALREFERENCETOLEATHERGOODS

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*Findings:* Based on the overall study, Green marketing practices are positively associated with customer satisfaction. And also, dimensions in the green marketing practices as green issues in product, price, promotion and place have the significant relationship with customer satisfaction. Meantime, green marketing practices has the significant impact on customer satisfaction

*Recommendation:* Organizations in the hyper competitive environment can utilize the promotional strategies to induce the customer attitudes in the green issues.

Originality/value: Although the model is the original and unique, it is based on established theories and models. It provides a well supported explanation of the green marketing to increase the customer satisfaction that should be a useful to manufactures and those who encourage and guide them.

*Keywords: green practices in product, green practices in price, green practices in place, green practices in promotion, customer satisfaction.*

## I. Back ground and Significance of the Study

Resources are limited and human wants are unlimited, it is important to the marketers to utilize the resources effectively and efficiently without having wastage (Nandini and Deshpande, 2011). In this context, green marketing and its influence on buyer behavior have the strategic role in the environmental management. Green marketing came into prominence in the late 1980s and early 1990s; it was first discussed much earlier. The American Marketing Association (AMA) held the first workshop on "Ecological Marketing" in 1975. The proceedings of this workshop resulted in one of the first books on green marketing entitled "Ecological Marketing (Akter, 2012). Many people believe that green marketing refers solely to the promotion or advertising of products with environmental characteristics, especially in his buying decision. Green marketing or environmental marketing refers to ecological products such as healthy food, Phosphate Free, Recyclable, Refillable Ozone friendly, and eco friendly. In general, green marketing is a much broader concept that can be applied to consumer goods, industrial goods and even services. Green marketing incorporates a broad range of activities, including product modification, changes to the production process, packaging changes, as well as modifying advertising (Akter, 2012). Further, the importance of Green Marketing can well be emphasized by stating the fact that majority of consumers in all the countries want to buy from environmentally responsible companies. Consumers say environmental consciousness is an important corporate priority – ranking behind good value, trustworthy, and cares about customers. Consumers expect green companies to engage in a broad set of actions, particularly reducing toxics, recycling and managing water. Many consumers prefer to spend more on green products, especially in developing economies ( Tiwari, Tripathi, Srivastava, yadav , 2011)

Green customer loyalty as the customer wanted to maintain a relation with an institute which involved environmental or green concerns, and committed to re buy or re-patronize a preferred product consistently in the future( Chang and Fong, 2010). In this way, recently environmental change issues in terms of climate changes came to the forefront. It is a threat to social, economic stability and sustainable human existence. There is no doubt that climate change affects the fundamental requirement for health – clean air, safe drinking water, sufficient green food and secured shelter. Third world countries like India, Sri Lanka, Bangladesh, and Pakistan etc can place good phenomena in climate change through adapting consumer attitude towards green marketing. Now a

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day, Consumers are very much sensitive in few factors. These factors are consumer's loyalty about green product, Global warming and environmental safety, quality of product, concern about extra price, Luxury and Environmental awareness. We must find an opportunity to enhance product's performance and strengthen our customer's loyalty to green product (Akter, 2012). Generally studies have focused on product quality, corporate image, customer satisfaction, and customer loyalty, but only some of them have explored about green innovation or environmental management aspects. Bhatnagar and Grewal (2002) pointed that, Green marketing is still in its infancy and a lot of research is to be done on green marketing to fully explore its potential. Therefore, it is important to empirically examine the green marketing strategies and its impact on customer satisfaction in the developing country like Sri Lanka.

## II. Research Problem

There is growing interest among the consumers all over the world regarding protection of environment. Green marketing is a marketing strategy that can help organization get more customers and make more money ( Nandini and Deshpande, 2011) . But only if they do it right. Generally, the green marketing provides more benefits to nations. Benefits such as, ensuring sustained long term growth along with profitability; saving money in the long term; helping companies market their products and services; keeping the environment aspects in mind; helping in accessing in mind; accessing the new markets and enjoying competitive advantage. Meantime, green marketing has to face challenges, such as , Green products require renewable and recycle material, which is costly; Requires a technology, which requires huge investment in research and development; Majority of the people are not aware of green products and their uses; Majority of the consumers are not willing to pay a premium on green products. Even though, the green marketing strategies provide the more strength to the people in the countries in the globalized level (Akter, 2012). Especially in Sri Lanka, the terms as green economy, sustainable development, and industrial pollution have already been taken as the policy issues in the environmental management by the Central Environment Authority. In Sri Lanka, The Central Environmental Authority (CEA) was established in August 1981 under the provision of the National Environmental Act No: 47 of 1980. The Ministry of Environment and Natural Resources (ME&NR) which was established in December 2001 has the overall responsibility in the affairs of the CEA with the objective of integrating environmental considerations in the development process of the country. The CEA was given wider regulatory powers under the National Environment (Amendment) Acts No: 56 of 1988 and No: 53 of 2000 ( Source as URL of the CEA).

In this context, this study focuses on the green marketing practices and customer satisfaction in the Jaffna district, Sri Lanka. In northern part of the Sri Lanka, Jaffna district, after the thirty year ethnic war especially in the post war context, the government focuses the Jaffna district as one of the emerging industrial districts. The infrastructure developments in terms of road, irrigation, electricity, telecommunication, port development, rail way development etc have already been planned and implemented. Meantime, these industrial activities should ensure the sustainable development in the country level. The policy makers and other authoritative bodies in the government should focus on the gap effectively. And also, the people in the country must have the better awareness of the eco friendly aspects to ensure the survival of the future generation. Further, this study focuses on the leather goods. Environmental considerations in production and product development are becoming of increasing importance in the leather industry due to legislative pressure, cost savings and emerging Green markets. In this way, New Marketing Concept as Green marketing has not been fully studied in the globalized level (Kleijn, Hansen, Huppes, McLaren, Pesonen, Steevels, & Wel , 1999). Therefore, the new paradigm as the Green Marketing should be studied in the customer's perspective, which will give the new insights to the marketing literature. Meantime, studies on green marketing are in the infancy level even in developed countries. Due to that, this study surely gives new strategic insights to the companies which market the consumer goods in the emerging district as the Jaffna in Sri Lanka.

*Research Question:*

What extent Green Marketing Practices influence on the Customer satisfaction in the Sri Lankan Context?

## III. Objectives of the Study

The ***Main objective*** of the study is to find out the impact of Green Marketing Practices on the Customer satisfaction

The ***Secondary Objectives*** are:

- To find out the significant correlation between green marketing practices and customer satisfaction
- To find out the significant mean difference in the customer satisfaction among personal demographic variables
- To suggest the companies providing leather products to adopt the green marketing strategies to enhance the customer satisfaction

## IV. Review of Literature

The green marketing has evolved over period of time. The evolution of green marketing has three phases. First phase was termed as "Ecological" green marketing, and during this period all marketing activities were concerned to help environment problems and



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provide remedies for environmental problems. Second phase was considered as the "Environmental" green Marketing and it focused on clean technology that involved designing of innovative new products, which take care of pollution and waste issues. Third Phase was "Sustainable" green marketing. It came into prominence in the late 1990s and early 2000. Green marketing involves developing and promoting products and services that satisfy customer want and need for quality, performance, Affordable price and convenience without having a detrimental input on environment (Nandini and Deshpande, 2011; Peattle , 2001).

Customer loyalty referred to the behavior of customers to maintain a relation with an institute through purchase of its products and services (Sirdeshmukh, Singh & Sabol, 2002). Loyalty was a deeply held commitment to re-buy or re-patronize a preferred product or service in the future (Oliver, 1999). In other words, loyalty can be viewed as the future behavior commitment to purchase a product or service, or the linkage with a firm on all occasions when other alternatives were possible. Generally Customer loyalty can be defined from a behavioral, attitudinal, or situational perspective (Chaudhuri and Holbrook, 2001). Behavioral loyalty was articulated as the purchase and usage behavior displayed by customers in their historical purchasing and use of a brand and the competing brands. Attitudinal loyalty was normally reflected by an emotional bond with a brand and strong customer preferences for the brand. Situational loyalty depended on the shopping and purchasing situation. Although, all three types of loyalty have a role to play in marketing, most firms would prefer customer loyalty to be attitudinal ( Chang and Fong, 2010; Velnampy & Sivesan, 2012 a; Velnampy & Sivesan, 2012 b ).

Rakhsha and Majidazar (2011) evaluated the effect of green marketing mix on satisfaction and loyalty of the customers and consumers of the East Azarbaijan Pegah Dairy Company located in Tabriz, Iran. It was concluded that green marketing mix has significant effect on consumer satisfaction. It was also concluded that consumers' satisfaction has significant effect on their loyalty. By considering the effect of green marketing mix upon consumers' and customers' satisfaction and the effect of such satisfaction upon their loyalty, it can be assumed that companies can create competitive advantage in their organization through taking steps in making the green marketing as the part of their overall marketing strategy.

Yazdanifard & Mercy (2011) have approached" The impact of Green Marketing on Customer satisfaction and Environmental safety". Green revolution, going green, environmental protection, sustainable life style, sustainable development, protecting our earth and many more has become a natural phenomenon in our everyday life. As a result, this paper can be used by researchers who need to find out the impact of green marketing on customer satisfaction and environmental safety. Further, Chang & Fong (2010) have examined the relationship between Green product quality, green corporate image, green customer satisfaction, and green customer loyalty. The empirical results show that (1) green product quality is positively associated with green customer satisfaction and green customer loyalty; (2) green corporate image is positively associated with green customer satisfaction and green customer loyalty; and (3) green customer satisfaction is positively associated with green customer loyalty. The results indicate that green product quality could bring about green customer satisfaction and green customer loyalty. Additionally, green corporate image contributes to green customer satisfaction and green customer loyalty.

Prakash (2002) has followed the study green marketing, public policy and managerial strategies. Green marketing subsumes greening products as well as greening firms. In addition to manipulating the 4Ps (product, price, place and promotion) of the traditional marketing mix, it requires a careful understanding of public policy processes. The mentioned paper focuses primarily on promoting products by employing claims about their environmental attributes or about firms that manufacture and/or sell them. Secondarily, it focuses on product and pricing issues. Drawing on multiple literatures, it examines issues such as what needs to be greened (products, systems or processes), why consumers purchase/do not purchase green products and how firms should think about information disclosure strategies on environmental claims.

Studies on the green marketing have focused mainly on developed countries. At the same time, developing countries have not been focused perfectly. Therefore, studies carried out in developing countries are very important and may reach different conclusions from those carried out in developed countries (Mercy, 2011). Therefore, it is important, to empirically examine the actual impact of green marketing on customer satisfaction. Such understanding or finding will help to manufactures, educators, customers and policy makers to enhance the environmental safety products and hence reduce the customer dissatisfaction.

## V. Conceptual Frame Work and Hypotheses Development

Based on the Literatures, the following conceptual model was constructed. This model of Green Marketing Practices introduces new constructs and uniquely combines them in specifying that the customer satisfaction is a function of green practices in product, price, promotion and place. In which, personal demographical factors were used as a moderating variables (Gender, Family income level, Age level and Destination)



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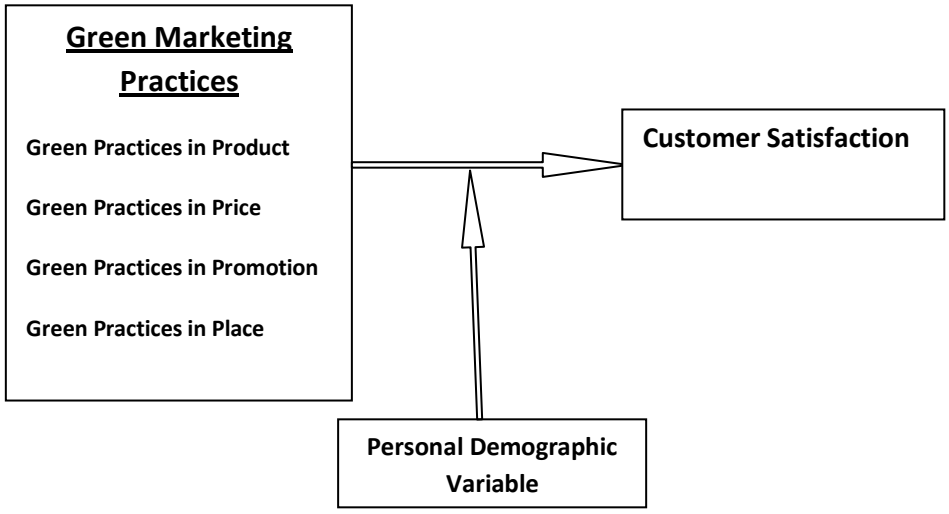


*Figure 1:* Conceptualization Model.

*Based on the above conceptual model, the following hypotheses have been developed.*

*H1:* There is a significant relationship between Green marketing practices and customer satisfaction.

*H1a:* There is a significant relationship between Green practices in product and customer satisfaction.

*H1b:* There is a significant relationship between Green practices in price and customer satisfaction.

*H1c:* There is a significant relationship between Green practices in promotion and customer satisfaction.

*H1d:* There is a significant relationship between Green practices in place and customer satisfaction.

*H2:* There is a significant impact of Green marketing practices on customer satisfaction.

*H2a:* There is a significant impact of Green practices in product on customer satisfaction.

*H2b:* There is a significant impact of Green practices in price on customer satisfaction.

*H2c:* There is a significant impact of Green practices in promotion on customer satisfaction.

*H2d:* There is a significant impact of Green practices in place on customer satisfaction.

*H3:* There is a significant mean difference in customer satisfaction among personal demographic variable.

## VI. Methodology

### a) Data Sources

Primary and secondary data were used for this study. Primary data were collected through the questionnaire. Secondary data were collected from texts, journals and magazines.

### b) Research Design

The research design of this study is based on quantitative method. In this study the quantitative research was used to answer the research question as "what extent Green Marketing Practices influence on the Customer satisfaction in the Sri Lankan Context?"

### c) Research Model

In this study, Customer Satisfaction is a function of the green issues in product, green issues in price, green issues in place, and green issues in promotion.

$$Y_i = \beta_o + \beta_1 X_{1i} + \beta_2 X_{2i} + \beta_3 X_{3i} + \beta_4 X_{4i} + \varepsilon_i$$

According to the above model, we can construct the new research model for the study.

$$CS = \beta o + \beta_1 p_1 + \beta_2 p_2 + \beta_3 p_3 + \beta 4\, p_4 + \varepsilon_i$$

Where:

CS = Dependent variable (Customer Satisfaction)

$\beta_o$ = Intercept

$\beta_1$ = Population slope

$\beta_2$ = Population slope

$\beta_3$ = Population slope

$\beta_4$ = Population slope

$p_1$ = Independent variable (Green Practices in product)

$p_2$ = Independent variable (Green Practices in price)

$p_3$ = Independent variable (Green Practices in place)

$p_4$ = Independent variable (Green Practices in promotion) and $\varepsilon i$ = Random Error

### d) Sampling frame work

The survey instrument in the form of close-ended questionnaire was developed for the purpose of collecting the main data for the study. The study was limited to customers of leather products in Jaffna, Sri Lanka. Therefore, judgmental sampling method was adopted to select respondents. And researchers have taken the details of the customers with the help of managers and retailers of the leather shops.



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Researchers have issued one hundred and thirty (130) questionnaires for selecting the respondent. Out of one hundred and thirty (130) questionnaires, one hundred and twenty six (126) was returned; the response rate was 97%. Then, Out of one hundred and twenty six (126), one hundred and twenty two (122) was used for the study purpose.

*e) Mode of Analysis*

In the quantitative approach, various statistical methods were employed to compare the data collected from the respondents. These methods included (1) descriptive statistics, which involved in collecting, summarizing and presenting data. This analysis has given the information for the data through the frequency distribution, central tendency, and the dispersion. (2) Inferential statistics, which involved in drawing conclusions about a population based only on sample data. It included multiple regression analysis, correlation analysis and f-test & t-test (Sivesan, & Achchuthan, 2013).

**Multiple Regression Analysis** was used to find out the significant impact of green marketing practices on customer satisfaction.

**Multiple correlation analysis** was used to find out the significant relationship between green marketing practices and customer satisfaction.

**F- test and t- test** were used to find out the significant mean difference in the customer satisfaction among personal demographic variables.

## VII. Results and Analysis

*f) Data Presentation*

*Table 1 :* Summary of Personal Demographic Variables

| Personal Demographic Variables | | No of Customers | % |
|---|---|---|---|
| Gender | Male | 56 | 45.9% |
| | Female | 66 | 54.1% |
| Total | | 122 | 100.0% |
| Native Place | Vaddamaradchchi | 42 | 34.4% |
| | Thenmaradchchi | 31 | 25.4% |
| | Jaffna Town | 36 | 29.5% |
| | Other Places | 13 | 10.7% |
| Total | | 122 | 100.0% |
| Monthly Income | Below 10000 | 64 | 52.5% |
| | 10000 - 20000 | 36 | 29.5% |
| | 20001-30000 | 18 | 14.8% |
| | 30001-50000 | 4 | 3.3% |
| Total | | 122 | 100.0% |
| Age Level | 15-25 | 83 | 68% |
| | 26-40 | 27 | 22.1% |
| | Above 40 | 12 | 9.8% |
| Total | | 122 | 100.0% |

According to the Table No 1, it can be seen that, the female are in the highest percentage in the gender wise as 54.1 %, comparing with male as 45.9 %. In the Native Place Distribution, the percentage of the customers in the Vadamarachchi, Thenmarachchi, Jaffan Town are in the same range approximately, respectively 34%, 25.4% & 29.5%. And also10.7 % of the customers is in the other place. In the income level, it can be seen that, the percentage of customers in the monthly income distribution, customers are mostly higher in the income level below 10000 as 52.5%. And also lower percentage is in the income level between 30001 and 50000 as 3.3%. Further, in the age level, it can be seen that, the percentage of the customers in the Age level distribution, customers are mostly higher in the age level between 15 and 25 as 68.0%. And also lower percentage is in the age level above 40 as 9.8%.

*g) Reliability*

The internal consistency of the research instrument should be tested by reliability analysis (Ndubisi, 2006). Nunnally (as cited in Ahsan et al., 2009) suggested that the minimum alpha of 0.6 sufficed for early stage of research. The cronbach's alpha in this study were all much higher than 0.6, the constructs were therefore deemed to have adequate reliability.



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*Table 2 :* Reliability estimates

| Item-Total Statistics | | | | |
|---|---|---|---|---|
| | Scale Mean if Item Deleted | Scale Variance if Item Deleted | Corrected Item-Total Correlation | Cronbach's Alpha if Item Deleted |
| Green Practices In Product | 13.4894 | 4.366 | .556 | .800 |
| Green Practices In Price | 13.3031 | 3.746 | .637 | .781 |
| Green Practices in Promotion | 12.9861 | 3.834 | .770 | .733 |
| Green Practices in Place | 13.0702 | 4.229 | .698 | .760 |
| Customer Satisfaction | 12.8335 | 5.120 | .427 | .829 |

*Source: Survey Data*

*h) Correlation Analysis*

Correlation analysis was carried out to identify the relationship between Green Marketing Practices and Customer Satisfaction. The following table reveals the association between Green Marketing Practices and Customer Satisfaction.

*Table 3 :* Correlation Analysis

| | | Green Issues In Product | Green Issue In Price | Green Issues in Promoton | Green issue in Place | Customer Satisfactin | Green Marketing |
|---|---|---|---|---|---|---|---|
| Green Issues In Product | Pearson Correlation | 1 | .460** | .534** | .434** | .314** | .738** |
| | Sig. (2-tailed) | | .000 | .000 | .000 | .000 | .000 |
| | N | 122 | 122 | 122 | 122 | 122 | 122 |
| Green Issue In Price | Pearson Correlation | .460** | 1 | .588** | .636** | .261** | .841** |
| | Sig. (2-tailed) | .000 | | .000 | .000 | .004 | .000 |
| | N | 122 | 122 | 122 | 122 | 122 | 122 |
| Green Issues in Promotion | Pearson Correlation | .534** | .588** | 1 | .686** | .508** | .854** |
| | Sig. (2-tailed) | .000 | .000 | | .000 | .000 | .000 |
| | N | 122 | 122 | 122 | 122 | 122 | 122 |
| Green issue in Place | Pearson Correlation | .434** | .636** | .686** | 1 | .324** | .832** |
| | Sig. (2-tailed) | .000 | .000 | .000 | | .000 | .000 |
| | N | 122 | 122 | 122 | 122 | 122 | 122 |
| Customer Satisfaction | Pearson Correlation | .314** | .261** | .508** | .324** | 1 | .427** |
| | Sig. (2-tailed) | .000 | .004 | .000 | .000 | | .000 |
| | N | 122 | 122 | 122 | 122 | 122 | 122 |
| Green | Pearson | .738** | .841** | .854** | .832** | .427** | 1 |
| Marketing | Correlation | | | 6 | | | |
| | Sig. (2-tailed) | .000 | .000 | .000 | .000 | .000 | |
| | N | 122 | 122 | 122 | 122 | 122 | 122 |

***. Correlation is significant at the 0.01 level (2-tailed).*

According to the Table No 3, in each cell of the correlation matrix, the Pearson's correlation coefficient, p- value for two tailed test of significance and the sample size have been mentioned. , from the output. Correlation coefficient between Green marketing Practices and Customer satisfaction is 0.427 and the p-value for two tailed test of significance is less than 0.01. From this table, researcher concludes that there is a significant relationship between Green marketing Practices and customer satisfaction. Furthermore, Green marketing issues in product, price, promotion & place have the significant relationship with customer satisfaction (Significant at 0.01 levels).

*i) Regression Analysis*

The purpose of regression analysis is to find out the significant impact or influence of independent variable on dependent variable (Ndubisi, 2006).In this study Green marketing practices is considered as independent variable or predictor variable, and the customer satisfaction is considered as dependent variable.



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*Table 4.1 :* Model Summary

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate | Durbin-Watson |
|---|---|---|---|---|---|
| 1 | .514[a] | .264 | .239 | .44522 | 1.638 |

*Table 4.2 :* ANOVA table in the Regression analysis

| Model | | Sum of Squares | df | Mean Square | F | Sig. |
|---|---|---|---|---|---|---|
| | Regression | 8.336 | 4 | 2.084 | 10.514 | .000[a] |
| | Residual | 23.192 | 117 | .198 | | |
| | Total | 31.528 | 121 | | | |

*Table 4.3 :* Coefficients table in the Regression analysis

| Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. | Collinearity Statistics | |
|---|---|---|---|---|---|---|---|---|
| | | B | Std. Error | Beta | | | Tolerance | VIF |
| | (Constant) | 2.279 | .246 | | 9.271 | .000 | | |
| | Green Issues In Product | .058 | .073 | .076 | .788 | .432 | .681 | 1.467 |
| | Green Issue In Price | -.041 | .069 | -.065 | -.594 | .554 | .533 | 1.878 |
| | Green Issues in Promotion | .391 | .089 | .524 | 4.404 | .000 | .444 | 2.255 |
| | Green issue in Place | -.023 | .099 | -.027 | -.231 | .817 | .446 | 2.242 |

*Sources: Survey Data*

According to the Table 4.1, Model Summary, Adjusted R square is 0.239. It means that, customer satisfaction has been influenced by the Green Marketing Practices by 24 percent. From the table 4.2, Anova table in the regression analysis, Significant P value is 0.000. It is less than the significant level 0.05. Therefore, we can conclude that 24 % of the impact is in the significant level. Further, From the Table 4.3, Coefficients table in the Regression analysis, Beta value between customer satisfaction and Green issues in promotion is 0.524. This is significant at 0.05 levels ($P < 0.05$). In contrast, the Beta value between Customer satisfaction and other predictor variables as Green issues in product, price & place is not in significant level ($P > 0.05$). Finally, In terms of the Multiple Regression analysis, we can come to the conclusion that the predictor power of the Green marketing practices is in the weakest level. The results of the regression analysis summarized in above tables show that Green marketing contributes significantly to customer satisfaction ($F= 10.514$; $P < 0.01$) and predicts 23.9 percent of the variation found. Green issue in promotion contributes significantly to customer satisfaction. And also customer satisfaction is not contributed significantly by Green issues in product, price & place .

In the Multi Collinearity Statistics, None of the tolerance level is < or equal to 1; and also VIF values are perfectly below 10. Thus the measures selected for assessing independent variable in this study do not reach levels indicate of multi-co linearity and also the acceptable Durbin Watson range is between 1.5 and 2.5 .In this analysis Durbin Watson value of 1.638, which is between the acceptable ranges, Show that there were no auto correlation problems in the data used in this research.

***Gender Vs Customer Satisfaction***

*Table 5 :* Results of Independent samples t test

| | | Levene's Test for Equality of Variances | | t-test for Equality of Means | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | F | Sig. | t | df | Sig. | Mean Difference | Std. Error Difference | 99% Confidence Interval of the Difference | |
| | | | | | | | | | Lower | Upper |
| Customer Satisfaction | Equal variances assumed | 1.54 | .21 | 1.2 | 108 | .225 | .14212 | .1165 | -.08896 | .373 |
| | Equal variances not assumed | | | 1.4 | 61.5 | .155 | .14212 | .0987 | -.05524 | .339 |



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*Table 6 :* Results of Group Statistics

| | Gender | N | Mean | Std. Deviation | Std. Error Mean |
|---|---|---|---|---|---|
| Customer Satisfaction | Male | 56 | 3.4821 | .60228 | .08048 |
| | Female | 66 | 3.6761 | .40071 | .04932 |

*Sources: Survey Data*

According to the Table 5 & 6 , Results of Independent samples t-test, there is no significant mean difference in Customer satisfaction between male and female customers (P >0.05).It means that both male and female customers have approximately same level of customer satisfaction respectively 3.4821 & 3.6761.

*k) Independent Sample one –way ANOVA test*

One- way ANOVA test can be used to find out the significant mean difference in customer satisfaction among monthly income level.

*Table 7 :* Results of Independent sample one –way ANOVA test

| Customer Satisfaction | | | | | |
|---|---|---|---|---|---|
| | Sum of Squares | df | Mean Square | F | Sig. |
| Between Groups | .447 | 3 | .149 | .566 | .639 |
| Within Groups | 31.081 | 118 | .263 | | |
| Total | 31.528 | 121 | | | |

*Source: Survey data*

According to the Table 7, Results of Independent sample one- way ANOVA test, there is no significant mean difference in Customer satisfaction across the customers who are in different income level, (F = 0.566, Sig = 0.639) and the significant level is greater than the 0.05 levels (P > 0.05) . It means that customers who are in below 10000; 10001-20000; 20001-30000; 30001-50000 and Above 50001 have the same level of Customer satisfaction approximately.

## VIII. Hypotheses Testing

The following table shows the hypotheses testing

*Table 8 :* Hypotheses Testing

| S.No | Hypotheses | Results | Tool |
|---|---|---|---|
| H1: | There is a significant relationship between Green Marketing practices and customer satisfaction. | Accepted | Correlation |
| H1a: | There is a significant relationship between Green practices in product and customer satisfaction | Accepted | Correlation |
| H1b: | There is a significant relationship between Green practices in price and customer satisfaction | Accepted | Correlation |
| H1c: | There is a significant relationship between Green practices in promotion and customer satisfaction. | Accepted | Correlation |
| H1d: | There is a significant relationship between Green practices in place and customer satisfaction. | Accepted | Correlation |
| H2 | There is a significant impact of Green Marketing practices on customer satisfaction. | Accepted | Regression |
| H2a: | There is a significant impact of Green practices in product on customer satisfaction. | Rejected | Regression |
| H2b: | There is a significant impact of Green practices in price on customer satisfaction. | Rejected | Regression |
| H2c: | There is a significant impact of Green practices in promotion on customer satisfaction. | Accepted | Regression |
| H2d: | There is a significant impact of Green practices in place on customer satisfaction. | Rejected | Regression |
| H3: | There is a significant mean difference in customer satisfaction among personal demographic variable. | Rejected | f-test & t-test |



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## IX. Conclusion

Based on the overall study, Green marketing practices are positively associated with customer satisfaction. And also, dimensions in the green marketing practices as green issues in product, price, promotion and place have the significant relationship with customer satisfaction. Meantime, green marketing practice has the significant impact on customer satisfaction. In contrast, dimensions in the green marketing practices as green issues in product, price, and place are not in the position to influence the customer satisfaction. According to the regression analysis, only the green issue in promotion has the significant impact on the customer satisfaction. Due to that, we are able to come to the facts that, organizations in the hyper competitive environment can utilize the promotional strategies to induce the customer attitudes in the green issues. Further, we conclude that companies can use ecolabeling of their product in communication; this will build trust that the product is greener and could differentiate themselves from other companies in the market.

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# Demographic Variables as Antecedents of Service Quality and Purchasing Intention Aspects in Retailing

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*Abstract-* This study is done to examine the perceived service quality and purchasing aspects in various retail stores. This study becomes an important study as it helps in examining the differences among many variables of perceived service quality and purchasing aspects in retailing across the various demographic profiles. This study was carried out in three states. These three states are Delhi, Haryana (Gurgaon & Faridabad) and U.P. (Noida & Ghaziabad). A total sample size of 600 customers was chosen from seven organized stores in these three states. Finally 540 responses were received from these states. It gave a response rate of 90% in total. The data was analyzed with the help of proper statistical tools like descriptive statistics, Mean and Kruskal-Wallis test with One Way ANOVA was used.

*Keywords: rsqs scale, service quality, demographic aspects, purchasing and recommending intentions.*

*GJMBR-E Classification : FOR Code:150304 JEL Code: M31, M30*

DEMOGRAPHICVARIABLESASANTECEDENTSOFSERVICEQUALITYANDPURCHASINGINTENTIONASPECTSINRETAILING

*Strictly as per the compliance and regulations of:*

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# Demographic Variables as Antecedents of Service Quality and Purchasing Intention Aspects in Retailing

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*Keywords: rsqs scale, service quality, demographic aspects, purchasing and recommending intentions.*

## I. Introduction

Retailing is a growing business in India. Nowadays organized retailing is growing at a rate of 18-20% per annum. It has become very important to provide good service quality for the growth of any retail store in our country. Customers are moving towards organized retail stores at a fast rate. It has become very important to understand the different aspects of service quality in retailing. The important aspects of services quality were identified and used in formulating the business strategies (Parasuraman, Zeithaml and Berry, 1985, 1988). As per the AT Kearney's report of Global Retail Development Index, India and Russia tops the list which was further followed by China, Vietnam and Ukraine. From the KPMG report, it was found that organized retail sector in India is going to grow at a higher rate than GDP growth rate of this country. The growth of organized stores is taking place in various formats like hypermarkets, supermarkets, specialty stores as well as through departmental stores. Malls have penetrated into Indian market and they are marching towards small towns in our country. Malls are providing a new way of shopping by providing food, entertainment and shopping at one place. The various organized stores which have penetrated in the Indian market are Big Bazaar, Pantaloon, Spencer's, Ebony, Westside, Vishal Mega-mart etc. Hence it becomes important to understand the aspects of service quality in retailing to meet the customers' expectation levels.

## II. Review of Literatures

From the review of literature, it is found that service quality aspects are very important in retailing. Retailers are finding out new ways for developing new products, process and technologies which increase the overall customer value (Morgan and Hunt, 1994 and Woodruf, 1997). Parasuraman, Zeithaml and Berry developed a scale which is known as SERVQUAL scale to understand the different aspects service quality in banking as well as in hospitality sector. On the same basis Dhabolkar, Thorpe and Rentz developed Retail Service quality scale for measuring the service quality aspects in retailing. This scale has been already tested and used in many countries like Canada, South Africa and many European countries. In India this scale was checked through its reliability and validity (Singh, Ajmer, 2012). The various aspects of Retail Service Quality Scale are having a significant impact on overall customer satisfaction to the customer (Singh, Ajmer, 2013). The aspects of retail service quality scale are showing a positive impact on the customer purchasing intentions of the products and services. The aspects of retail service quality scale are showing positive impact on recommending the products and services to the other customers as well as to family friends and relatives (Singh, Ajmer, 2012). The various aspects of perceived service quality are being perceived differently across different demographic variables like age, gender, income, education as well as profession etc. According to Hofstede the demographic aspects have a significant impact on perception of the customer's on various aspects of factors.

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## III. Research Methodology

This study was conducted in three states of India. These three states are Delhi, Haryana (Gurgaon & Faridabad) and U.P. (Noida & Ghaziabad). These areas are selected on the judgemental basis of the researcher as more and more organized stores are coming up in these areas. These three states like Delhi and in Haryana (Gurgaon & Faridabad) and U.P. (Noida & Ghaziabad) are showing maximum penetration of organized retail stores in northern state of India. Sample sizes of 600 customers are chosen from these three states and 200 customers from each state.

*a) Objectives of the Study*

This study is having two main objectives.

1. To explore the different demographic aspects necessary for retail stores in India.
2. To examine and to compare the perceived service quality variables across different demographic aspects.
3. To examine and to compare the overall customer satisfaction variable across different demographic aspects.
4. To examine and to compare the Purchasing variables across different demographic aspects.

*b) Hypotheses of the Study*

The following hypotheses are being formulated in the study.

1. There exists a significant difference among the different aspects of service quality across the various demographic aspects.
2. There exists a significant difference among the customer satisfaction across the various demographic aspects.
3. There exists a significant difference among the different Purchasing aspects across the various demographic aspects.

*c) Statistical Methods Used*

The data analysis was done with the help of descriptive statistics method as well as other statistical methods like Kruskal-Wallis test with one way ANOVA also being used in the study to tests the various hypotheses in the study. This test is applied as a non-parametric test to test the various hypotheses in the study.

## IV. Data Analysis & Data Interpretation

A total sample size of 600 customers was chosen for this study. It was further decided to choose 200 customers from Delhi, 200 customers from Haryana (Gurgaon &Faridabad) and 200 customers from U.P. (Noida & Ghaziabad). A total 540 filled-in complete questionnaire were collected. A response rate of (90%) was achieved.

*Table 1 :* Customers Responses

| S. No. | Sampling Area | Sample Size | No. of Customers Questionnaires Filled | Response Rate (%) |
|---|---|---|---|---|
| 1 | Delhi | 200 | 184 | 92% |
| 2 | Haryana (Gurgaon& Faridabad) | 200 | 180 | 90% |
| 3 | U.P. (Noida & Ghaziabad) | 200 | 176 | 88% |
| 4 | Total | 600 | 540 | 90% |

Hence from the customers a total of 90% response was achieved by collecting the 540 filled questionnaires from 600 customers in total.

*a) Profile of the Respondents Taken for the Study*

1) Respondents Profile

*Table 2*

| S. No. | Gender | No. of Respondents | Percentage (%) |
|---|---|---|---|
| 1 | Male | 343 | 63.51% |
| 2 | Female | 197 | 36.49% |
| 3 | Total | 540 | 100% |

From the table (4.1) out of 540 respondents, 343 respondents are male and 197 female. Hence we can say that more number of males is visiting for shopping in the outlet than females. So it becomes important for the retail stores to design more products in the retail stores which fit the requirement of male people in the stores.



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2) Education Level

*Table 3 :* Education Level

| S. No. | Education Level | No. of Respondents | Percentage (%) |
|---|---|---|---|
| 1 | None | Nil | Nil |
| 2 | Matriculation | 32 | 05.93% |
| 3 | Diploma Holders | 60 | 11.11% |
| 4 | Degree Holders | 206 | 38.15% |
| 5 | Master Degree | 200 | 37.03% |
| 6 | Ph.D | 14 | 2.60% |
| 7 | Others | 28 | 5.18% |
| 8 | Total | 540 | 100% |

From the table (4.2) it is found that out of total 540 respondents, 200 respondents are having a master degree, 206 respondents are graduates, 60 respondents are diploma holders, and 28 are having other courses. Hence from this we can conclude that educated category of customers are shopping from these outlets.

3) Monthly Income Category

*Table 4*

| S. No. | Monthly Income Category | No. of Respondents | Percentage (%) |
|---|---|---|---|
| 1 | Up-to- 15,000 | 84 | 15.55% |
| 2 | 15,001-to-30,000 | 162 | 30.00% |
| 3 | 30,001-to-45,000 | 118 | 21.85% |
| 4 | 45,001-to-60,000 | 60 | 11.12% |
| 5 | 60,001-to-75,000 | 42 | 07.78% |
| 6 | Above 75,000 | 74 | 13.70% |
| 7 | Total | 540 | 100% |

From the table (4.3) it is found that 162 respondents are having income between (15,001-to-30,000) per month, whereas 84 respondents belong to income group up-to-15,000 per month and 118 respondents belong to (30,001-to-45,000) income group. Rest of the 74 respondents are having an income above Rs. 75,000 per month and 42 respondents belong to income category between Rs. (60,001-to-75,000) and 60 respondents belong to (45,001-to-60,000) income group. From this we can analyze that the customers from all income groups are visiting to the organized retail stores for shopping. But from this analysis it was found that customers having income up-to 30,000 per month are more in number as compared to the customers having a large income group.

4) Marital Status

*Table 5*

| S. No. | Marital Status | No. of Respondents | Percentage (%) |
|---|---|---|---|
| 1 | Married | 324 | 60% |
| 2 | Single | 216 | 40% |
| 3 | Divorced | Nil | Nil |
| 4 | Total | 540 | 100% |

From the table (4.4), it is found that out of 540 respondents, 324 respondents are married and 216 respondents are single. Hence from this table we can analyze that more number of married customers are visiting to the organized retail stores for shopping purpose.

5) Which Profession you belong to?

*Table 6*

| S. No. | Type of Profession | No. of Respondents | Percentage (%) |
|---|---|---|---|
| 1 | Professional/Administrative | 240 | 44.45% |
| 2 | Academic | 50 | 09.25% |
| 3 | Student | 44 | 08.15% |
| 4 | Own Business | 100 | 18.52% |
| 5 | Others | 106 | 19.63% |
| 6 | Total | 540 | 100% |



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From the table (4.5), it is found that 240 respondents are in the professional and administrative type of profession, whereas 100 respondents are running their own business. Rest 50 respondents are academician and 44 are the students. Hence from this we can conclude that customers belonging to professional and administrative jobs and customers running their own business are more in number who are visiting to these retail outlets.

*Table 7*

6) Duration of dealing with the outlet

| S. No. | Number of Years | No. of Respondents | Percentage (%) |
|---|---|---|---|
| 1 | Less than one Year | 160 | 29.63% |
| 2 | 1-to-2 Years | 206 | 38.15% |
| 3 | 2-to-3 Years | 118 | 21.85% |
| 4 | 3-to-4 Years | 26 | 04.81% |

From the table (4.6), it is found that 160 respondents are shopping from last one year, whereas 206 respondents are visiting to the outlet for shopping from last two years. We can find from the table that 118 respondents are visiting to these outlets from last 3 years and 26 respondents are visiting to these outlets from last 4 years and 30 respondents for more than 4 years. Hence we can analyze from this table that more number of customers are visiting to these outlets from last two years.

*Table 8*

| Your Age | | | | |
|---|---|---|---|---|
| | Frequency | Percent | Valid Percent | Cumulative Percent |
| 20-to-25 years | 138 | 25.6 | 25.6 | 25.6 |
| 25-to-35 years | 230 | 42.6 | 42.6 | 68.1 |
| 35-to-45 years | 84 | 15.6 | 15.6 | 83.7 |
| Above 45 years | 88 | 16.3 | 16.3 | 100.0 |
| Total | 540 | 100.0 | 100.0 | |

From the table (4.7) it is found that out of the total 540 respondents, 230 respondents are belonging to age group between (25-to-35 years), 138 respondents between (20-to-25 years), whereas 84 respondents between (35-to-45 years) and 88 respondents are in the age category of above 45 years. Hence from this table we can analyze that young customers having age up-to-35 years are more rather than customers above 35 years.

*Table 9 :* Kruskal-Wallis test One Way ANOVAs: Service Quality, Customer Satisfaction and Behavioural Intentions to Demographic Variables

| Dimensions | Age | | Gender | | Education | | Income | | Marital Status | | Profession | | Duration | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | $X^2$ | Sig. | $X^2$ | Sig. | $X^2$ | Sig. | $X^2$ | Sig. | $X^2$ | Sig. | $X^2$ | Sig. | $X^2$ | Sig. |
| Physical Aspects | 1.358 | .715 | .255 | .614 | 9.588 | .143 | 3.279 | .657 | .166 | .684 | 2.393 | .664 | 11.213 | .024 |
| Reliability | 2.463 | .482 | .328 | .567 | 10.962 | .090 | 4.159 | .527 | .550 | .458 | 6.603 | .158 | 2.431 | .657 |
| Personal interaction | 5.686 | .128 | 1.398 | .237 | 3.225 | .780 | 3.012 | .698 | 2.146 | .143 | 5.821 | .213 | 3.830 | .429 |
| Problem solving | 9.852 | .020 | 3.601 | .058 | 3.617 | .728 | 2.975 | .704 | .774 | .379 | 3.962 | .411 | 4.833 | .305 |
| Policy | 3.063 | .382 | .141 | .708 | 7.209 | .302 | 13.875 | .016 | .020 | .888 | 2.486 | .647 | 1.051 | .902 |
| Service Quality | 3.913 | .271 | .297 | .586 | 5.818 | .444 | 2.690 | .748 | 1.032 | .310 | 9.194 | .056 | 5.021 | .285 |

From the above table 4.8, it is found that there exists a significant difference in the dimension of physical aspects of Retail Service Quality Scale being used in the study. The various demographic variables like age, gender, education, income, marital status, profession and duration of dealing with the store. From the above analysis it is found that there exists a significant difference in physical aspect dimension of the above scale being used in the duration of service being used by the customer. In the next dimension reliability, there exists no significant difference among the various demographic variables being used in the study. In the next dimension personal interaction also, there exist no significant difference among the various demographic



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variables being used in the study. In the dimensions of problem solving used in the retail service quality scale being used in the age and gender are showing a significant difference in the study. In case of policy dimension, different income groups are showing a significant difference in the scale. In the final in determining the overall service quality scale being used in the study, different professional groups shows a significant difference in the study. The professional groups are divided into many types like student, govt. employees, other professionals like doctors, engineers, architect etc. also being used in this study. From the analysis of the study, it was found that these groups showed a significant difference among the various groups being used in the study.

*Table 10 :* Kruskal-Wallis test One Way ANOVAs: Customer Satisfaction to Demographic Variables

| Dimensions | Age | | Gender | | Education | | Income | | Marital Status | | Profession | | Duration | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | $X^2$ | Sig. | $X^2$ | Sig. | $X^2$ | Sig. | $X^2$ | Sig. | $X^2$ | Sig. | $X^2$ | Sig. | $X^2$ | Sig. |
| Satisfaction | 8.024 | .046 | .973 | .324 | 7.659 | .264 | 7.511 | .185 | .695 | .404 | 3.668 | .453 | 2.573 | .632 |

This table 4.9 helps us to find out the significant difference among the different demographic variables in overall customer satisfaction across the different groups. From the above analysis it is found that there exists a significant difference among the different age groups designed in the study in the level of satisfaction of the customers. Hence from the above table we can say that there exists a significant difference in different age groups. In other demographic variables like gender, education, income, marital status, profession and duration of dealing with the outlet shows no significant difference across the various groups in the overall level of satisfaction.

*Table 11 :* Kruskal-Wallis test One Way ANOVAs: Purchasing Aspects to Demographic Variables

| Dimensions | Age | | Gender | | Education | | Income | | Marital Status | | Profession | | Duration | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | $X^2$ | Sig. | $X^2$ | Sig. | $X^2$ | Sig. | $X^2$ | Sig. | $X^2$ | Sig. | $X^2$ | Sig. | $X^2$ | Sig. |
| Overall Behavior | 13.462 | .004 | 1.083 | .298 | 9.331 | .156 | 10.393 | .065 | 1.292 | .256 | 8.532 | .074 | 5.721 | .221 |
| Recommend the outlet to customers | 7.976 | .047 | 2.141 | .143 | 5.772 | .449 | 5.194 | .393 | .944 | .331 | 3.645 | .456 | 5.896 | .207 |
| Encouraging friends & relatives to buy from this outlet | 7.753 | .051 | 5.636 | .018 | 3.284 | .772 | 3.269 | .659 | .154 | .695 | 2.788 | .594 | 5.747 | .219 |
| I would like to switch to another outlet that offers more benefits | 4.156 | .245 | 1.900 | .168 | 9.252 | .160 | 6.925 | .226 | 3.140 | .076 | 8.997 | .061 | 1.746 | .782 |
| Switching to another outlet if I experience problem with this outlet | 5.956 | .114 | .019 | .891 | 13.145 | .041 | 12.534 | .028 | 3.453 | .063 | 11.214 | .024 | 7.417 | .115 |
| continue with the outlet even if the outlet increases the prices of its products | 6.617 | .085 | .005 | .941 | 9.310 | .157 | 5.154 | .397 | .539 | .467 | 4.544 | .337 | 9.871 | .043 |



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| | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| I would complain if I experience a problem | 1.098 | .778 | 1.431 | .232 | 8.965 | .176 | 5.024 | .413 | 2.406 | .121 | 23.622 | .000 | 3.146 | .534 |

From the above table 4.10, it is found that there exists a significant difference in the overall behavior of the customers in different age groups across the various retail outlets. It was again found that in recommending the outlet to the other customers, there still exists a significant difference among the different age groups. In the next aspect of encouraging the friends and relatives for purchasing from the outlet, age and gender found a significant difference. In the next aspect which is concerned with switching to another outlet, when I feel a problem with this outlet, it was found that education, income and profession showed a significant difference across the different groups. The next aspect of staying with the outlet despite increasing the prices of the products, the duration of dealing showed a significant difference. The final aspect is complaining behavior in which the different profession showed a significant difference.

## V. Conclusions and Findings of the Study

To find out the relationship between service qualities, customer satisfaction, behavioural intentions and demographic variables Kruskal-Wallis-test is being performed. It is a non-parametric test designed to detect the differences among the populations that do not require any assumptions about the shape of the population's distributions. The main findings of the study are given below.

1) From the analysis it is analyzed that across the various age groups, there is a significant difference in the problem solving customer satisfaction and purchasing intentions. In purchasing intentions, it is found that there is a significant difference in encouraging the friends and relatives to purchase from this outlet. It is found no significant in other aspects of service quality, and behavioural intentions.
2) It is also analyzed from the table that in male and female there is a significant difference in the perception of problem solving and encouraging the friends and relatives to purchase from the outlet, whereas in other aspects of service quality and customer satisfaction no significant difference is found.
3) It is also analyzed from the table that there is a significant difference in the perception of the customer towards switching intentions to another outlet across the various education levels. In other aspects of service quality and customer satisfaction, it is found no significant across the various age groups.
4) As per the different income groups, there is a significant difference towards policy dimensions of service quality and switching intention to another outlet if a customer experiences a problem with this outlet. In the other aspects of service quality, customer satisfaction and behavioural intentions it is found no significant.
5) As per the marital status, it is analyzed from the table that there is no significant difference in various aspects of service quality, customer satisfaction and behavioural intentions.
6) It is also analyzed from the table that across the various professions there is a highly significant difference in complaining behaviour of the customer and further it is followed by the significant difference in the switching intention to another outlet and the overall perception of service quality across the various Professions.
7) From the table, it is found that there is a significant difference in Physical aspects and continue with the outlet even if the store increases the prices of its products.

## VI. Implications for the Managers

The main implications of the study for the managers are as given below.

1. It is found that age becomes an important factor in different aspects of quality, customer satisfaction as well as behavioural aspects in retail stores. So it becomes important for the marketer to design the products and service to fulfil the different age groups. By doing this it will be possible for the marketer to provide adequate level of service quality, customer satisfaction as well as purchasing in the store.
2. The another aspect of purchasing behavior is problem solving and it was found very important in recommending the outlets to friends and relatives for purchasing. So it becomes very important for the marketer to improve upon the aspects of problem solving which will contribute in improving the business performance of the company. Hence a marketer should improve upon problem solving aspects of the retail store for getting maximum sales.
3. Another important demographic variable is education. People behave differently with different



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level of education. From the study it is found that education level plays an important role in switching to other outlets. Hence to retain the customers with the same outlet, it becomes important for the marketer to serve the different levels of education with different products and services in the market. By doing this it will be possible for the marketer to retain them.

4. When a customer makes a complaint to the retailer, than it was found that profession plays a great role in complaining behavior as well as in switching to another outlet. As customer retention is an important aspect in retail store, so it becomes very important to deal with different profession groups in a different manner as per their requirements. It will lower the complaints rate and it will be helpful to retain the people with the same outlet. This will increase the sale of the retail store in future.
5. Another important aspect is physical aspects; it is a very important aspect in getting the loyalty of the customer with the same outlet. Hence marketer should focus on physical aspects of the retail store to retain the customers with the same store in more and more number.

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# Reactions to a Price Increase: What Makes it Seem Fair

By Sarah Maxwell, Verônica F. Mayer, Marcos G. Avila, Herman Diller & Hans H. Stamer

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*Abstract- Purpose* – This study intends to investigate if the Basic Fairness Model (Rutte and Messick 1995) is supported across cultures in Brazil, Germany and the United States. Design/methodology/approach - To test the model across cultures, structured focus groups were conducted in Germany, Brazil and the United States.

*Findings* - The Focus groups generally supported the basic fairness model, although with a few modifications and additions. Culture affects understandings of appropriate behavior.

*Research limitations/implications* - To a great extent, the difference in the Focus group participants' responses reflected the realities of their different environments. There are also no doubt differences in how different businesses operate. Such differences can lead to perceptual differences.

*Keywords: prices, consumers, fairness, culture paper type research paper*

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# Reactions to A Price Increase: What Makes it Seem Fair

Sarah Maxwell [α], Verônica F. Mayer [σ], Hans H. Stamer [ρ], Herman Diller [ω] & Marcos G. Avila [¥]

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*Practical implications* - Power affects the impact of different industries on price fairness judgments. When an industry is more powerful, as in the case of healthcare insurance, consumers are sensitized to fairness concerns. They are, however, reluctant to react because the alternatives are not good. The result may be capitulation: purchasing the product despite being angry. The result however, may also be explosive anger.

*Originality/value* - Despite the limitations of the research instruments, the Focus groups did provide clear support for the basic fairness model. How people react to unfairness appears to be universal.

*Keywords: prices, consumers, fairness, culture Paper type research paper*

## I. Introduction

Price fairness is of growing interest to marketing researchers (e.g., Bolton, Warlop and Alba 2003; Campbell 1999; Maxwell 2002; Xia, Monroe and Cox 2004, Mayer and Avila, 2011). It is also of obvious interest to managers since profit is a direct function of price, and being able to increase a price depends on whether the increase is perceived to be fair. Earlier research (Maxwell 1995) concluded that price increases will generally be considered unfair because they are detrimental to the consumer's utility, but seller's can make an increase seem fair by having a socially acceptable justification. This conclusion is depicted in the Basic Fairness Model of Rutte and Messick (1995).

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## II. Basic Fairness Model

The Rutte and Messick (1995) integrated model of fairness is a generalized model of how judgments of fairness are triggered and acted upon. The contention is that an adverse outcome causes a person to feel distress, which motivates a concern for fairness. If the action is judged fair, then the outcome is reevaluated and accepted. The recipient of the adverse outcome "may experience disappointment, but not injustice" (Rutte and Messick 1995, p. 242). In contrast, if the action is judged unfair, the person will feel intensified stress and will contemplated retaliatory actions.

The purpose of this study is to determine if the Basic Fairness Model (Rutte and Messick 1995) is supported across cultures in Brazil, Germany and the United States. Each of these countries is the largest economic power in their respective continents. Each has a different cultural and economic system. Corroborating evidence from all three would provide strong support for the model. Differences would suggest other factors that should be considered.

## III. Structured Focus Groups

To test the model across cultures, structured focus groups were conducted in Germany, Brazil and the United States. The focus group method was considered the most appropriate method to gain insights in customers' feelings and perceptions (Morgan 1996).

Four sessions were conducted in each country. There were between five and eight participants in each group, evenly divided between males and females. To maintain sampling equivalence, all groups were composed of business students. To minimize the problems of translation equivalence, each group was presented with the same structured set of short scenarios developed by Mayer and Avila (2004).

1. You learn that Service Company "X" has increased the price for its services by 20%.
2. How does that make you feel?
3. Does it make a difference that Company "X" says the reasons for the price increase were: [a.] cost increases by suppliers, [2.] a new salary agreement with employees.
4. A newspaper reports that the profits of Company "X" were very good last year and should increase in 2005. Does that make a difference?



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5. Another newspaper reports that Company "X" raised its prices after the government announced that it intends to set price controls on the kinds of services "X" offers.
6. An important economic analyst said on ABC yesterday that Company "X" increased prices together with all the other companies of the sector, an act that could be considered the forming of a cartel.
7. Company "X" was a health insurer.
8. Sorry… that's wrong. Company "X" was really a gym center.
9. Wrong again…Company "X" was actually a telecommunications provider.
10. All the focus group sessions were both videotaped and manually recorded. The following is a summary of the responses.

## IV. Focus Group Responses

*Outcome Evaluation:* There was consensus that a 20% increase is a large amount. In all three countries, the question of the base price was an issue: a 20% increase on 100 is a major concern; a 20% increase on 1 is minor.

*Brazil:* "My first impression is that a 20% increase is unfair." "Right off the bat, 20% seems quite high and unfair." "How much do I spend on this service? 20% of how much? Another R$10, for example, for an internet provider or a newspaper subscription is irrelevant."

*Germany:* "20% is a lot of money!" "I think this raise in prices of 20% is really high." "20% is too much!" "That's a raise of one-fifth! That's quite considerable." "Depends on the base price… an increase from 2€ to 2.40€ or 200€ to 240€."

*United States:* "20% is a ridiculous increase." "The 20% is what's upsetting me." "20% is a lot for an increase. It's a big percentage." "20% of what? I mean, if it's 20% of $1, I don't mind paying." "But if it's an expensive purchase, like clothing or shoes for $100, then I'd probably be much less likely to pay an extra 20%."

*Initial Distress:* The initial reaction to a 20% price increase in all three countries was obviously unpleasant surprise. The response ranged from annoyance to outrage.

*Brazil:* "My emotional feeling about the price increase is 'I'm getting screwed.' If it's an essential service, it's a total rip-off." "I feel cheated."

*Germany:* "I'd surely be annoyed." "My first reaction would still be an act of defiance and annoyance" "At first you are angry" "My first thought was that is outrageous."
United States: "I would be annoyed." "I wouldn't like it either." "I'm probably frustrated." "I'm not happy about it." "I'd feel like I'm being gouged." "It's probably wrong to gouge people."

*Direct Path to Retribution:* The Basic Fairness Model of Rutte and Messick (1995) depicts a fairness judgment as intervening between distress and the reaction to that distress. However, in the Focus groups, a possible direct path was suggested. Particularly with the German respondents, anger at the price increase appeared strong enough to lead them directly to thoughts of retribution.

*Germany:* "20% is too high no matter which reason is given." "I would leave immediately! I always choose the cheapest one." "I make the decision because of the price and not because of the reasons." "I think that most people do not care about the reasons." "I see that in my own family when there is a tax increase -- price increase, whatever -- the justification does not matter. They are simply annoyed." "They think it's unjust."

*Justification: Although* some respondents, particularly in Germany, were angry enough not even to consider whether the price increase was justified, others demonstrated an intense need for some sort of justification.

*Brazil:* "All this could be minimized if there were an explanation that could reduce that feeling of unfairness." "What is the reason?" "I stop and ask myself what the reason for the increase is this time." "I'd want an explanation from the company." "If they had a justification… perhaps I would accept it."

*Germany:* "They should tell us the reason." "Why did he do that? It raises interest." "I ask myself why. Why does he require 20% more now?" "I'd ask why the company has raised its prices." "That has to be justified." "I'm interested in the justification for the price increases." "If I understand the reason, I will be more disposed to pay."

*United States:* "My first reaction would be 'Why?'" "Why are they increasing their prices by 20%?" "I'd want to know a reason." "I think (a reason) helps to justify the price increases. When I know why the price has increased, I don't mind as much." "I'd look for more information first, then I'd make a decision."

The literature suggests two basic justifications for actions: Distributive Justice (Deutsch 1985) and Procedural Justice (Thibaut and Walker 1975). Distributional Justice pertains to the judged fairness of the outcome, which in this case is that the price has been increased by 20%. Procedural Justice pertains to the judged fairness of the process leading to that outcome.

*Distribution Justice is divided into two parts:* "Reciprocity" or "equity" applies to the equality of the exchange: "tit for tat" or "quid pro quo." "Equality" refers to the similarity of outputs for different people. The



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overriding justification for a price increase, according to the respondents in all focus groups, was equity: the equivalence of what they got in return for the money they had to give up. If the price was increased 20%, they wanted the service to improve 20%.

*Brazil:* "Whenever I see an increase, I think about having a benefit in return." "Has the company tried to offer me something more?" "People see that 20% increase as unfair because they don't see any improvement in the service."

*Germany:* "If you pay more, you would like to get better performance." "If there is a quality increase connected with the increase of prices, in this case you have a trade-off." "If the service would change, it would be OK." "I'd ask myself if the quality has changed or remained constant. If it has changed, a raise might be justified."

*United States:* "I'd want to know what I'm getting for the 20%." "If they raise the prices they should improve the service." "If you saw that they gave more value for your money, gave you more services, it would be justifiable."

The concern for equality of distribution has primarily been researched as it pertains to wages. At least in the focus groups, it did not seem to apply to consumer exchange. No one in Brazil and only one or two in Germany and the United States mentioned it.

*Germany:* "I know for example that she is paying less than I am. Until now I have not been too annoyed about paying a bit more than she does. I haven't really cared about it. Maybe I would if they increased."

*United States:* "It's just not right that someone who never goes (to a doctor) has to pay the same premiums as someone who goes all the time."

Procedural Justice pertains to the judged fairness of the process: is the method by which the price was determined a fair process? When a seller takes an action that is disadvantageous to the buyer, a reason is expected. One reason that has been recognized as a justification for a price increase is an increase in costs (Okun 1981; Kahneman, Knetsch and Thaler 1986). Recently, however, sellers have been under pressure to increase efficiency rather than to increase price. So, although increased prices are justified when uncontrollable costs like oil price increase, costs were not automatically accepted as a legitimate reason by Focus group participants. They wanted to know whether the company's competitors are also increasing their prices.

*Brazil:* "If it's because of costs, a situation where they have to raise prices, then the increase is fair." "If I hear that a company is increasing a price, but the competition isn't, then I see it as an injustice." "The feeling of unfairness is bigger if the company increases the price by itself. It's either being inefficient or unfair."

*Germany:* It has to be comprehensible why the rise in prices is taking place." "Especially external causes like government regulators or taxes are comprehensible." "If I can understand it, then it's not all that bad." "I'd also need more exact information." "It is important to have transparency to see the sense behind things."

*United States:* "I would understand why the cost goes up because of the suppliers; it's out of your hands sometimes." "I think its understandable if the price of a commodity increases, like coffee beans, for everyone to increase their prices. Or for airlines: if their fuel cost increased, then I'd be okay with the price increases."

In all three countries it appears that management today is held responsible for managing their suppliers. If suppliers' costs increase, management is expected either to find another supplier or to share the burden of the cost increase with their customers:

*Brazil:* "I'm more likely to think that the reasons they gave for the increase are more due to their inefficiency and that of the sector. Don't they have the means to absorb such costs?" "To be fair, for example, if the costs for the company have increased 10% and it is passing 5% on to me, then it's fair – the company is reducing its profit margin a bit and sharing the cost with me."

*Germany:* "You have to consider if (the price increase is) caused by inefficiencies or by a raise in resource prices." "Suppliers are always reason number one when it comes to a raise in prices. For the average consumer that is barely believable." "They should reduce their margin and share the burden."

*United States:* "I feel like that's their cost of business. Why are they necessarily passing the cost onto me? Have they taken steps to gain efficiencies on their end?" "I would think they should be a better negotiator with your suppliers if possible. I mean only to a certain extent they can do that."

An increase in employee wages is more acceptable reason for a price increase in Germany and the United States than in Brazil. This is understandable in Germany since the country is known for the social concern that underlies its economy. The reason in the United States may be that the Focus group participants themselves identified with employees

*Brazil:* "Fair reason? "New salary agreement? I doubt that it was over 6%. I really doubt it". "I´d question justifications like that. It doesn´t hold water. Too fuzzy. Has there been a strike? "Has there been any negotiations with the union? How much was personnel´s increase? 30%? 40%?"

*Germany:* "A wage settlement would be perfectly understandable." "Wage settlements are a very good thing in Germany. They secure working conditions and workers' rights." "This is better than having jobs shifted to other countries." "(A wage increase) is fairer



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than (a cost increase). It's more understandable knowing that the employees profit."

*United States:* "Definitely paying people more, giving them more benefits justifies (a price increase) for me." "I wouldn't mind the cost increase so much if it were in fact for legitimate reasons such that they do give more money to their employees." "If I'm going to pay more to fly because employees are actually going to get what they deserve, I think that's fine."

Self-Serving Bias to Fairness: As Messick and Sentis (1983) showed, fairness has a self-serving bias. For example, whether equity or equality is preferred depends on which rule will most benefit the individual. Whether a process is found procedurally fair depends on whether it is advantageous to the individual. The same bias was clear in all the respondents' view of fairness. First they asked themselves if the price increase affected them or not. If the price increase did not affect them, then most of them did not care, even if it adversely affected others.

*Brazil:* "If you (the company) had an increase from your suppliers, that's your problem. I don't have anything to do with it! Negotiate better! I'm not interested in that." "They may have had the cost of inputs increased, I don't care. I'm not satisfied with my own salary."

*Germany:* "I would ask whether this really concerns me. If I was not directly concerned, why should I be angry about it?" "It's not my problem if the service provider has problems with a cost increase of its suppliers." "As a consumer I am kind of selfish. I am a consumer and not a shareholder or associate of the company. I want to have lower prices or constant prices and I don't care if I make the profits of a company smaller because of this."

*United States:* "My first reaction would be that this (increase of costs) has nothing to do with me." "I think that the same thing goes for the salary agreement, it's not our problem as the consumer." "I'm mean, frankly, I don't really care about the reasons Company 'X' has listed; I just ask myself what am I getting in return. I mean you can come up with any reason you want, but I ultimately need to pay more money, so I'm going to ask what am I getting."

*Heightened Distress:* When the Focus group participants were given reasons for the price increase which they thought were unfair – reasons like increasing profits or increasing the price prior to government price controls – their emotional outburst ranged from increased annoyance to vituperation. The strength of this emotional outburst was clearly greater than that which had resulted from the price increase by itself.

*Brazil:* "Every reason presented before was nonsense. I think I'd get really annoyed." "Screw that!" "I'd get so pissed off! The company is obviously taking advantage of the situation." "The feeling of unfairness grows. I'm even more upset." "If you felt uneasy about it before, now you're really angry."

*Germany:* "There's no justification for this." "The companies think that customers would be so stupid." "I would react emotionally and definitely change suppliers." "I'd feel a little annoyed… well, extremely annoyed." "I would go overboard! It's brashness!" "That's not fair." "I would be so angry! Absolute brashness! Boldness on top!" "I'd distrust them. I would not accept that."

*United States:* "Personally I am really outraged." "I'm upset. I feel totally manipulated at this point." "I'd feel betrayed by the company." "You feel like you've lost trust to the company a little bit." "This smells of greed." "Price gouging." "As a consumer you feel basically disemboweled as a result of this."

*Reaction:* There are various actions consumers can take when a price increase is judged unfair. One is simply to do nothing as predicted by the Status Quo Bias (Samuelson and Zeckhauser 1988). Or they can complain or search for alternatives so they can switch suppliers. Brazilians appear to feel that complaining will have no impact. Germans also seem to search and switch more often than complain. Americans are more vocal in their complaints.

*Do nothing:* Participants in all three countries recognized that switching has a cost in both time and effort as well as risk. They also recognized the benefit of established relationships.

*Brazil:* "At first (with a price increase), they'll just use the phone less. Then, they'll forget. They'll get used to it. You'll have to swallow it and won't stop using it." "If you like the place, I think you won't leave." "Maybe I'd stick to it if it were close to my place, friends, etc." "Knowing people sometimes makes you stay."

*Germany:* "The question is how difficult is switching companies?" "I think that often you do not think about it too much and just accept things the way they are." "I believe that it is not only the reasons that are important, but also the relationship with this service company." "If you have a good relationship with your expert, more things work. If I have a good relationship, I'll maybe accept a price increase."

*United States:* "With products you get set in your ways. You expect prices to increase. So if it's a product I like, more than likely I'm going to keep buying it. Whether that upsets me or not, I'm still going to keep buying it." "There's a relationship." "I guess if you trust the person, then maybe that's worth more than a slight increase."

*Stop using:* Whether the participants would stop using a service due to a 20% price increase depended on how easy it is to stop.

*Brazil:* "(With a gym), it's easy - leave. Go walk on the beach." "I'd take up another type of [physical] activity."



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"If I can, I'll stop using the service." "I think that some people will go without health insurance just to avoid the price increase. They'll take the risk."

*Germany:* "I would cut back on consumption, if I can't avoid it completely." "It depends on the service. Is it a service that I can avoid? Or is it not possible to avoid because I've become too accustomed to it already. If it's a habit, you can't avoid it."

*United States:* "If you don't want to pay for a gym you can go to the park and just run. The gym is no priority." "Probably I wouldn't go as often for sure. I'm on budget." "I take fewer cabs (since cab fares increased); I take the subway more."

*Complain:* Americans tend to be a complaining society, but, strangely, making a complaint was not mentioned in any of the American Focus groups. The Brazilian groups, in contrast, made it clear that Brazilians have recently learned to complain. The Germans, on the other hand, felt that complaining was inappropriate. They believe that companies would not listen and would only be annoyed.

*Brazil:* "We (Brazilians) have gotten less tolerant, more demanding about the quality of services. Everything has to work OK." "When a problem comes up, the client complains sooner." "Even if you take a ride or reduce consumption, you're still angry. You'll keep on complaining."

*Germany:* "From my family nobody complained about (worsening of insurance quality) because it doesn't get you anywhere. I still know from others that some customers did complain and that the company was annoyed if there are always people calling and complaining." "When you call there, there's only this person who takes the call, but I feel you only get on their nerves." "I would call if there was a special department for complaints, otherwise it doesn't make sense to me calling just anyone and being angry with that person."

*Search:* Searching requires considerable effort, particularly when the purchase is a complex one like health insurance. All the Focus group participants at least claimed that they would search for alternatives when a price is increased 20%.

*Brazil:* "You can also look for a substitute; something else that'll do the trick." "You have to see if there is competition and if it has also raised its prices. Then you do research on the market." "You get pissed off, but look for something else."

*Germany:* "I'd search for alternatives." "Perhaps I wouldn't switch instantly, but I would look for alternatives." "What are the other companies doing?" "I think it's a jungle of rates. If I have enough time to look at it thoroughly, I would change to a better offer."

*United States:* "I guess that if the product's a commodity, you can try to find something else.""You'd look around for the same products and services now that information is so available to all of us. There's no product that's so unique that you cannot find anything else like it." "I'd do more research. It's hard to just react to that not knowing what the rest of the industry's doing."

*Power:* Power in the marketplace is determined by the availability of alternatives. Due to the number of alternatives, the three services – healthcare insurance, gyms, and mobile phone – were seen to have varying power, with healthcare insurance having the most and gyms having the least. The amount of power sensitized the consumers to issues of fairness. The Focus group participants in all countries objected particularly to monopolies because of the imbalance of power. They objected to having no choice of alternatives because then they were stuck. That made them madder.

*Brazil:* "Companies can negotiate with each other, and you as a consumer, you can bargain, but you have less bargaining power." "You feel like you're at the mercy of the government, the electric company and the regulating agency." "That's totally unfair. You don't have a choice." "I get madder when I don't have any choice." "I think it's unfair because to be without a health plan is critical in certain situations." "They're messing with very sensitive things: illness, old people. So there'll always be a feeling of injustice."

*Germany:* "If all companies increase their price, you are forced to accept that." "That is totally crazy! You cannot do anything! You have no power. You can say I accept or not use the service any more."

*United States:* ."I think with health insurance the price increases are less justified. With Starbucks, people have a choice, (but) people need health insurance." "In the case of a monopoly like the MTA (public transportation group), you're in kind of a lose-lose situation because you have no choice." "You feel you have no control and you're mad about it."

*Government Controls:* Participants from the three countries had very different feelings about the role of government in prices. In Brazil, the participants both counted on the government to control inflation and distrusted the government because of corruption. In Germany, after WWII, the country embraced the free market economy along with a fierce belief that the government should not interfere in prices. Participants from the United States were somewhere in between.

*Brazil:* "(Price increases are fair if) the government decided on a surcharge." "Increases based on such contracts are fair. They may not seem fair to the consumer, but they are foreseen in the contract made with the government." "The problem is that when the government gets involved it seems that you are being duped. It makes it much harder to believe that the increase is really needed."

*Germany:* "The government in general is not allowed to set prices. It would not be a free market



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economy." "I would rather accept high profits (than a price increase in anticipation of government price controls)." "I'd hate the government for (price controls) because I reject any price controls even if they are supposed to be for the consumers' sake." "Cartel controls do make sense, price controls do not."

United States: "What if there were price controls? What if the government was going to set the price on doing your hair?" "Then we need to write to the government because that's just something we can't have." "I wouldn't have any sort of opinion about it, to tell you the truth. I'd be like, 'Oh, price controls, government…' It wouldn't affect me in any way." "I hope that one day the government is going to put some control on these (healthcare insurance) prices because they increase from year to year consistently."

Trust in System: As with government control, Brazil and Germany are at opposite ends of the pole when it comes to trust in the economic system. Americans, again, are somewhere in the middle, although trust in business in the United States is at an all time low: 66% of respondents to a survey by Yankelovich (2004) believe that "if the opportunity arises, most businesses will take advantage of the public if they feel they are not likely to be found out." American´s trust in financial institutions and markets has dropped significantly since 2008 economic crisis. The Chicago Booth/Kellogg School Financial Trust Index (2012) finds that only 23 percent of Americans say they trust the country's financial system. Such cynicism is even more evident in Brazil where consumers start with a prior distrust of sellers' actions. When the possibility of a cartel was suggested, the Brazilian participants tended to believe it. The Germans did not.

Brazil: "You tend to think that the company is taking advantage of you right off the bat." "It's a conspiracy - everybody is against you." "They're lying!" "In this case (of a possible cartel), my feeling of unfairness is reduced...it's just a cruel world." "It's the same as hearing on the radio that a federal Representative has been accused of stealing, corruption. Do I get upset? Yes. Is it new? No." "In Brazil we have a lot of difficulty in judging that sort of thing. There's very little transparency in relation to investors or consumers. In more developed economies there are rules about the information passed on to people who are used to having these kinds of information. In Brazil we are too passive and we forget easily."

Germany: "It's pretty clear that there could be an agreement of some kind, but it could also be that costs have risen for all of them, for example because of their suppliers. Then it would be logical that everybody increases prices." "I would think it's because of a changed environment, not because of an agreement between companies." "But as a consumer, what can you do if all of them raise prices?" "I think we can be quite relaxed in Europe concerning this because our laws and regulations are quite strict. If something like this happens, the national and EU public authorities would be there right away and would check it. I personally would rely upon their evaluation." "I'd think twice about switching, even if a state company insured me. It's a matter of trust."

United States: "Being in the States, they're not allowed to have a cartel here. So I probably wouldn't care because I know that the governments going to back me up." "I would expect the government to do something." "I think I'd be suspicious of just about any of those (reasons for a price increase) if the raise was 20%. I'd feel like their cost increase is probably 8%, and they're using that to just go and jack up our prices to like 20%" "Sounds like a line they might be feeding you to try to pad their pockets." "They're not always doing what they say they're doing."

Satisfaction: Supporting the German's prior trust in the system is their prior satisfaction. This confirms research by Homburg, Hoyer and Koschate (2005) showing that satisfaction moderates the effect of judged unfairness. Brazilians, however, reported only dissatisfaction. The subject of satisfaction did not come up in any of the American groups.

Brazil: "The problem is that you're already dissatisfied with the service of this sector. "It upsets me more when I am already dissatisfied with the service: "I'm already paying too much for this awful service and on top of that it is going to go up?"

Germany: "If I'm satisfied, I would perhaps accept (a price increase)." "My satisfaction with the company is decisive. It's about how nice people are, how fair the company is. If I've had good experiences, I would not change." "When a certain satisfaction prevails, you overlook an increase."

## V. Managerial Implications and Applications

The Focus groups generally supported the basic fairness model of Rutte and Messick (1995), although with a few modifications and additions (see Figure 1). First, the reciprocal paths between "distress" and "judgment of fairness" have been dotted to indicate that in same cases, the path from "distress" may lead directly to "retribution." In addition, the influence of culture, power and trust have been incorporated.

Culture affects understandings of appropriate behavior. For example, Germans, a collectivist culture, think complaining only causes conflict; Brazilians, an emerging consumer society, take pride in their new-learned ability to complain. Part of a culture is the role of the government: what it is expected to do, what it is authorized to do. In this study, there was a stark contrast between the Germans trust in their government and the Brazilians lack of trust. Americans seemed to trust the government to step in when necessary.



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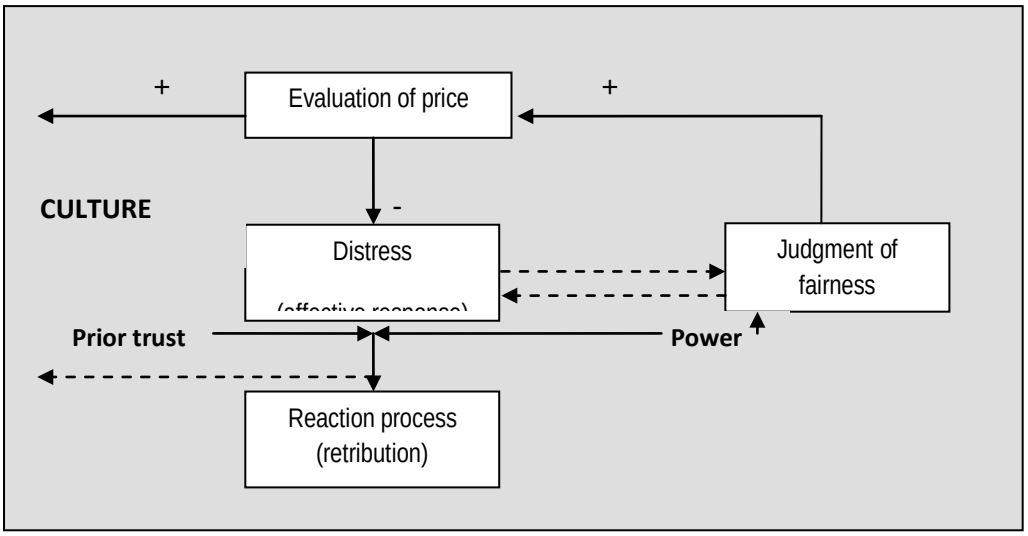
*Figure 1 :* Basic Fairness Model (Rutte & Messick 1995) Applied to Prices




Trust affects how information is interpreted. In low trust societies, consumers are prepared to think the worst. When consumers are satisfied with a service, however, they are prepared to give the seller the benefit of the doubt. When they have established a relationship with sellers, they develop trust even if they started with none. The positive effect of good relationships was apparent in all three countries.

Power affects the impact of different industries on price fairness judgments. When an industry is more powerful, as in the case of healthcare insurance, consumers are sensitized to fairness concerns. They are, however, reluctant to react because the alternatives are not good. The result may be capitulation: purchasing the product despite being angry as indicated by the dotted arrow. The result however, may also be explosive anger. This was demonstrated by the fury of consumers who were charged outrageous prices for gasoline after hurricane Katrina, in 2005, in the United States. Also, in Brazil, during severe landslides occurred in 2011 in Rio de Janeiro State, there were many angry consumers protesting in social networks about prices increases of essential items such as water and milk.

To a great extent, the difference in the Focus group participants' responses reflected the realities of their different environments. For example, in Brazil where inflation in past years has been in the double digits, may considered a 20% increase as not as high as it is considered in the United States and Germany.

Particularly in Germany where inflation of consumer goods is nearly negative, a 20% increase may well be perceived as exorbitant. There are also no doubt differences in how different businesses operate: gyms and mobile phones may be similar but not equivalent in different countries. Alternatives, for example, may be readily available in the United States but not in Brazil. Such differences can lead to perceptual differences. These potential differences are a limitation that has to be taken into consideration. Despite these limitations, the Focus groups did provide clear support for the basic fairness model. How people react to unfairness appears to be universal.

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The FARSB can go through standards of OARS. You can also play vital role if you have any suggestions so that proper amendment can take place to improve the same for the benefit of entire research community.

As FARSB, you will be given a renowned, secure and free professional email address with 100 GB of space e.g. johnhall@globaljournals.org. This will include Webmail, Spam Assassin, Email Forwarders,Auto-Responders, Email Delivery Route tracing, etc.

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The FARSB member is eligible to join as a paid peer reviewer at Global Journals Incorporation (USA) and can get remuneration of 15% of author fees, taken from the author of a respective paper. After reviewing 5 or more papers you can request to transfer the amount to your bank account.

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The ' MARSB ' title is accorded to a selected professional after the approval of the Editor-in-Chief / Editorial Board Members/Dean.

The “MARSB” is a dignified ornament which is accorded to a person’s name viz. Dr. John E. Hall, Ph.D., MARSB or William Walldroff, M.S., MARSB.

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As MARSB, you will be given a renowned, secure and free professional email address with 30 GB of space e.g. johnhall@globaljournals.org. This will include Webmail, Spam Assassin, Email Forwarders,Auto-Responders, Email Delivery Route tracing, etc.

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The MARSB member can apply for approval, grading and certification of standards of their educational and Institutional Degrees to Open Association of Research, Society U.S.A.

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It is mandatory to read all terms and conditions carefully.

# Auxiliary Memberships

## Institutional Fellow of Open Association of Research Society (USA)-OARS (USA)

Global Journals Incorporation (USA) is accredited by Open Association of Research Society, U.S.A (OARS) and in turn, affiliates research institutions as "Institutional Fellow of Open Association of Research Society" (IFOARS).

The "FARSC" is a dignified title which is accorded to a person's name viz. Dr. John E. Hall, Ph.D., FARSC or William Walldroff, M.S., FARSC.

The IFOARS institution is entitled to form a Board comprised of one Chairperson and three to five board members preferably from different streams. The Board will be recognized as "Institutional Board of Open Association of Research Society"-(IBOARS).

*The Institute will be entitled to following benefits:*

The IBOARS can initially review research papers of their institute and recommend them to publish with respective journal of Global Journals. It can also review the papers of other institutions after obtaining our consent. The second review will be done by peer reviewer of Global Journals Incorporation (USA) The Board is at liberty to appoint a peer reviewer with the approval of chairperson after consulting us.

The author fees of such paper may be waived off up to 40%.

The Global Journals Incorporation (USA) at its discretion can also refer double blind peer reviewed paper at their end to the board for the verification and to get recommendation for final stage of acceptance of publication.

The IBOARS can organize symposium/seminar/conference in their country on behalf of Global Journals Incorporation (USA)-OARS (USA). The terms and conditions can be discussed separately.

The Board can also play vital role by exploring and giving valuable suggestions regarding the Standards of "Open Association of Research Society, U.S.A (OARS)" so that proper amendment can take place for the benefit of entire research community. We shall provide details of particular standard only on receipt of request from the Board.

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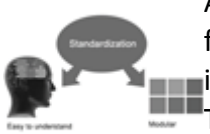
We shall provide you intimation regarding launching of e-version of journal of your stream time to time. This may be utilized in your library for the enrichment of knowledge of your students as well as it can also be helpful for the concerned faculty members.




After nomination of your institution as "Institutional Fellow" and constantly functioning successfully for one year, we can consider giving recognition to your institute to function as Regional/Zonal office on our behalf.
The board can also take up the additional allied activities for betterment after our consultation.

**The following entitlements are applicable to individual Fellows:**

Open Association of Research Society, U.S.A (OARS) By-laws states that an individual Fellow may use the designations as applicable, or the corresponding initials. The Credentials of individual Fellow and Associate designations signify that the individual has gained knowledge of the fundamental concepts. One is magnanimous and proficient in an expertise course covering the professional code of conduct, and follows recognized standards of practice.

Open Association of Research Society (US)/ Global Journals Incorporation (USA), as described in Corporate Statements, are educational, research publishing and professional membership organizations. Achieving our individual Fellow or Associate status is based mainly on meeting stated educational research requirements.

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- In addition to above, if one is single author, then entitled to 40% discount on publishing research paper and can get 10%discount if one is co-author or main author among group of authors.
- The Fellow can organize symposium/seminar/conference on behalf of Global Journals Incorporation (USA) and he/she can also attend the same organized by other institutes on behalf of Global Journals.
- The Fellow can become member of Editorial Board Member after completing 3yrs.
- The Fellow can earn 60% of sales proceeds from the sale of reference/review books/literature/publishing of research paper.
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- • This individual has learned the basic methods of applying those concepts and techniques to common challenging situations. This individual has further demonstrated an in–depth understanding of the application of suitable techniques to a particular area of research practice.

**Note :**

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- In future, if the board feels the necessity to change any board member, the same can be done with the consent of the chairperson along with anyone board member without our approval.
- In case, the chairperson needs to be replaced then consent of 2/3rd board members are required and they are also required to jointly pass the resolution copy of which should be sent to us. In such case, it will be compulsory to obtain our approval before replacement.
- In case of "Difference of Opinion [if any]" among the Board members, our decision will be final and binding to everyone. "

# Process of submission of Research Paper

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The paper should be in proper format. The format can be downloaded from first page of 'Author Guideline' Menu. The Author is expected to follow the general rules as mentioned in this menu. The paper should be written in MS-Word Format (*.DOC,*.DOCX).

The Author can submit the paper either online or offline. The authors should prefer online submission.Online Submission: There are three ways to submit your paper:

**(A) (I) First, register yourself using top right corner of Home page then Login. If you are already registered, then login using your username and password.**

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**(III) Click 'Submit Manuscript'. Fill required information and Upload the paper.**

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Page Size: 8.27" X 11'"

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- Top Margin: 0.75
- Bottom Margin: 0.75
- Font type of all text should be Swis 721 Lt BT.
- Paper Title should be of Font Size 24 with one Column section.
- Author Name in Font Size of 11 with one column as of Title.
- Abstract Font size of 9 Bold, "Abstract" word in Italic Bold.
- Main Text: Font size 10 with justified two columns section
- Two Column with Equal Column with of 3.38 and Gaping of .2
- First Character must be three lines Drop capped.
- Paragraph before Spacing of 1 pt and After of 0 pt.
- Line Spacing of 1 pt
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- Numbering of First Main Headings (Heading 1) must be in Roman Letters, Capital Letter, and Font Size of 10.
- Numbering of Second Main Headings (Heading 2) must be in Alphabets, Italic, and Font Size of 10.

**You can use your own standard format also.**
**Author Guidelines:**

1. General,

2. Ethical Guidelines,

3. Submission of Manuscripts,

4. Manuscript's Category,

5. Structure and Format of Manuscript,

6. After Acceptance.

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Before submitting your research paper, one is advised to go through the details as mentioned in following heads. It will be beneficial, while peer reviewer justify your paper for publication.

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2) Drafting the paper and revising it critically regarding important academic content.

3) Final approval of the version of the paper to be published.

All authors should have been credited according to their appropriate contribution in research activity and preparing paper. Contributors who do not match the criteria as authors may be mentioned under Acknowledgement.

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Manuscript submission is a systematic procedure and little preparation is required beyond having all parts of your manuscript in a given format and a computer with an Internet connection and a Web browser. Full help and instructions are provided on-screen. As an author, you will be prompted for login and manuscript details as Field of Paper and then to upload your manuscript file(s) according to the instructions.

To avoid postal delays, all transaction is preferred by e-mail. A finished manuscript submission is confirmed by e-mail immediately and your paper enters the editorial process with no postal delays. When a conclusion is made about the publication of your paper by our Editorial Board, revisions can be submitted online with the same procedure, with an occasion to view and respond to all comments.

Complete support for both authors and co-author is provided.

**4. MANUSCRIPT'S CATEGORY**

Based on potential and nature, the manuscript can be categorized under the following heads:

Original research paper: Such papers are reports of high-level significant original research work.

Review papers: These are concise, significant but helpful and decisive topics for young researchers.

Research articles: These are handled with small investigation and applications

Research letters: The letters are small and concise comments on previously published matters.

**5.STRUCTURE AND FORMAT OF MANUSCRIPT**

The recommended size of original research paper is less than seven thousand words, review papers fewer than seven thousands words also.Preparation of research paper or how to write research paper, are major hurdle, while writing manuscript. The research articles and research letters should be fewer than three thousand words, the structure original research paper; sometime review paper should be as follows:

**Papers**: These are reports of significant research (typically less than 7000 words equivalent, including tables, figures, references), and comprise:

(a)Title should be relevant and commensurate with the theme of the paper.

(b) A brief Summary, "Abstract" (less than 150 words) containing the major results and conclusions.

(c) Up to ten keywords, that precisely identifies the paper's subject, purpose, and focus.

(d) An Introduction, giving necessary background excluding subheadings; objectives must be clearly declared.

(e) Resources and techniques with sufficient complete experimental details (wherever possible by reference) to permit repetition; sources of information must be given and numerical methods must be specified by reference, unless non-standard.

(f) Results should be presented concisely, by well-designed tables and/or figures; the same data may not be used in both; suitable statistical data should be given. All data must be obtained with attention to numerical detail in the planning stage. As reproduced design has been recognized to be important to experiments for a considerable time, the Editor has decided that any paper that appears not to have adequate numerical treatments of the data will be returned un-refereed;

(g) Discussion should cover the implications and consequences, not just recapitulating the results; conclusions should be summarizing.

(h) Brief Acknowledgements.

(i) References in the proper form.

Authors should very cautiously consider the preparation of papers to ensure that they communicate efficiently. Papers are much more likely to be accepted, if they are cautiously designed and laid out, contain few or no errors, are summarizing, and be conventional to the approach and instructions. They will in addition, be published with much less delays than those that require much technical and editorial correction.

The Editorial Board reserves the right to make literary corrections and to make suggestions to improve briefness.

It is vital, that authors take care in submitting a manuscript that is written in simple language and adheres to published guidelines.

**Format**

*Language: The language of publication is UK English. Authors, for whom English is a second language, must have their manuscript efficiently edited by an English-speaking person before submission to make sure that, the English is of high excellence. It is preferable, that manuscripts should be professionally edited.*

Standard Usage, Abbreviations, and Units: Spelling and hyphenation should be conventional to The Concise Oxford English Dictionary. Statistics and measurements should at all times be given in figures, e.g. 16 min, except for when the number begins a sentence. When the number does not refer to a unit of measurement it should be spelt in full unless, it is 160 or greater.

Abbreviations supposed to be used carefully. The abbreviated name or expression is supposed to be cited in full at first usage, followed by the conventional abbreviation in parentheses.

Metric SI units are supposed to generally be used excluding where they conflict with current practice or are confusing. For illustration, 1.4 l rather than 1.4 × 10-3 m3, or 4 mm somewhat than 4 × 10-3 m. Chemical formula and solutions must identify the form used, e.g. anhydrous or hydrated, and the concentration must be in clearly defined units. Common species names should be followed by underlines at the first mention. For following use the generic name should be constricted to a single letter, if it is clear.

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*Abstract, used in Original Papers and Reviews:*

Optimizing Abstract for Search Engines

Many researchers searching for information online will use search engines such as Google, Yahoo or similar. By optimizing your paper for search engines, you will amplify the chance of someone finding it. This in turn will make it more likely to be viewed and/or cited in a further work. Global Journals Inc. (US) have compiled these guidelines to facilitate you to maximize the web-friendliness of the most public part of your paper.

Key Words

A major linchpin in research work for the writing research paper is the keyword search, which one will employ to find both library and Internet resources.

One must be persistent and creative in using keywords. An effective keyword search requires a strategy and planning a list of possible keywords and phrases to try.

Search engines for most searches, use Boolean searching, which is somewhat different from Internet searches. The Boolean search uses "operators," words (and, or, not, and near) that enable you to expand or narrow your affords. Tips for research paper while preparing research paper are very helpful guideline of research paper.

Choice of key words is first tool of tips to write research paper. Research paper writing is an art.A few tips for deciding as strategically as possible about keyword search:

- One should start brainstorming lists of possible keywords before even begin searching. Think about the most important concepts related to research work. Ask, "What words would a source have to include to be truly valuable in research paper?" Then consider synonyms for the important words.
- It may take the discovery of only one relevant paper to let steer in the right keyword direction because in most databases, the keywords under which a research paper is abstracted are listed with the paper.
- One should avoid outdated words.

Keywords are the key that opens a door to research work sources. Keyword searching is an art in which researcher's skills are bound to improve with experience and time.

Numerical Methods: Numerical methods used should be clear and, where appropriate, supported by references.

*Acknowledgements: Please make these as concise as possible.*

References

References follow the Harvard scheme of referencing. References in the text should cite the authors' names followed by the time of their publication, unless there are three or more authors when simply the first author's name is quoted followed by et al. unpublished work has to only be cited where necessary, and only in the text. Copies of references in press in other journals have to be supplied with submitted typescripts. It is necessary that all citations and references be carefully checked before submission, as mistakes or omissions will cause delays.

References to information on the World Wide Web can be given, but only if the information is available without charge to readers on an official site. Wikipedia and Similar websites are not allowed where anyone can change the information. Authors will be asked to make available electronic copies of the cited information for inclusion on the Global Journals Inc. (US) homepage at the judgment of the Editorial Board.

The Editorial Board and Global Journals Inc. (US) recommend that, citation of online-published papers and other material should be done via a DOI (digital object identifier). If an author cites anything, which does not have a DOI, they run the risk of the cited material not being noticeable.

The Editorial Board and Global Journals Inc. (US) recommend the use of a tool such as Reference Manager for reference management and formatting.

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*Tables: Tables should be few in number, cautiously designed, uncrowned, and include only essential data. Each must have an Arabic number, e.g. Table 4, a self-explanatory caption and be on a separate sheet. Vertical lines should not be used.*

*Figures: Figures are supposed to be submitted as separate files. Always take in a citation in the text for each figure using Arabic numbers, e.g. Fig. 4. Artwork must be submitted online in electronic form by e-mailing them.*

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Even though low quality images are sufficient for review purposes, print publication requires high quality images to prevent the final product being blurred or fuzzy. Submit (or e-mail) EPS (line art) or TIFF (halftone/photographs) files only. MS PowerPoint and Word Graphics are unsuitable for printed pictures. Do not use pixel-oriented software. Scans (TIFF only) should have a resolution of at least 350 dpi (halftone) or 700 to 1100 dpi (line drawings) in relation to the imitation size. Please give the data for figures in black and white or submit a Color Work Agreement Form. EPS files must be saved with fonts embedded (and with a TIFF preview, if possible).

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**6. AFTER ACCEPTANCE**

Upon approval of a paper for publication, the manuscript will be forwarded to the dean, who is responsible for the publication of the Global Journals Inc. (US).

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The corresponding author will receive an e-mail alert containing a link to a website or will be attached. A working e-mail address must therefore be provided for the related author.

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(Free of charge) from the following website:

www.adobe.com/products/acrobat/readstep2.html. This will facilitate the file to be opened, read on screen, and printed out in order for any corrections to be added. Further instructions will be sent with the proof.

Proofs must be returned to the dean at dean@globaljournals.org within three days of receipt.

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**6.4 Author Material Archive Policy**

Please note that if not specifically requested, publisher will dispose off hardcopy & electronic information submitted, after the two months of publication. If you require the return of any information submitted, please inform the Editorial Board or dean as soon as possible.

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You must strictly follow above Author Guidelines before submitting your paper or else we will not at all be responsible for any corrections in future in any of the way.

Before start writing a good quality Computer Science Research Paper, let us first understand what is Computer Science Research Paper? So, Computer Science Research Paper is the paper which is written by professionals or scientists who are associated to Computer Science and Information Technology, or doing research study in these areas. If you are novel to this field then you can consult about this field from your supervisor or guide.

## TECHNIQUES FOR WRITING A GOOD QUALITY RESEARCH PAPER:

**1. Choosing the topic:** In most cases, the topic is searched by the interest of author but it can be also suggested by the guides. You can have several topics and then you can judge that in which topic or subject you are finding yourself most comfortable. This can be done by asking several questions to yourself, like Will I be able to carry our search in this area? Will I find all necessary recourses to accomplish the search? Will I be able to find all information in this field area? If the answer of these types of questions will be "Yes" then you can choose that topic. In most of the cases, you may have to conduct the surveys and have to visit several places because this field is related to Computer Science and Information Technology. Also, you may have to do a lot of work to find all rise and falls regarding the various data of that subject. Sometimes, detailed information plays a vital role, instead of short information.

**2. Evaluators are human:** First thing to remember that evaluators are also human being. They are not only meant for rejecting a paper. They are here to evaluate your paper. So, present your Best.

**3. Think Like Evaluators:** If you are in a confusion or getting demotivated that your paper will be accepted by evaluators or not, then think and try to evaluate your paper like an Evaluator. Try to understand that what an evaluator wants in your research paper and automatically you will have your answer.

**4. Make blueprints of paper:** The outline is the plan or framework that will help you to arrange your thoughts. It will make your paper logical. But remember that all points of your outline must be related to the topic you have chosen.

**5. Ask your Guides:** If you are having any difficulty in your research, then do not hesitate to share your difficulty to your guide (if you have any). They will surely help you out and resolve your doubts. If you can't clarify what exactly you require for your work then ask the supervisor to help you with the alternative. He might also provide you the list of essential readings.

**6. Use of computer is recommended:** As you are doing research in the field of Computer Science, then this point is quite obvious.

**7. Use right software:** Always use good quality software packages. If you are not capable to judge good software then you can lose quality of your paper unknowingly. There are various software programs available to help you, which you can get through Internet.

**8. Use the Internet for help:** An excellent start for your paper can be by using the Google. It is an excellent search engine, where you can have your doubts resolved. You may also read some answers for the frequent question how to write my research paper or find model research paper. From the internet library you can download books. If you have all required books make important reading selecting and analyzing the specified information. Then put together research paper sketch out.

**9. Use and get big pictures:** Always use encyclopedias, Wikipedia to get pictures so that you can go into the depth.

**10. Bookmarks are useful:** When you read any book or magazine, you generally use bookmarks, right! It is a good habit, which helps to not to lose your continuity. You should always use bookmarks while searching on Internet also, which will make your search easier.

**11. Revise what you wrote:** When you write anything, always read it, summarize it and then finalize it.

**12. Make all efforts:** Make all efforts to mention what you are going to write in your paper. That means always have a good start. Try to mention everything in introduction, that what is the need of a particular research paper. Polish your work by good skill of writing and always give an evaluator, what he wants.

**13. Have backups:** When you are going to do any important thing like making research paper, you should always have backup copies of it either in your computer or in paper. This will help you to not to lose any of your important.

**14. Produce good diagrams of your own:** Always try to include good charts or diagrams in your paper to improve quality. Using several and unnecessary diagrams will degrade the quality of your paper by creating "hotchpotch." So always, try to make and include those diagrams, which are made by your own to improve readability and understandability of your paper.

**15. Use of direct quotes:** When you do research relevant to literature, history or current affairs then use of quotes become essential but if study is relevant to science then use of quotes is not preferable.

**16. Use proper verb tense:** Use proper verb tenses in your paper. Use past tense, to present those events that happened. Use present tense to indicate events that are going on. Use future tense to indicate future happening events. Use of improper and wrong tenses will confuse the evaluator. Avoid the sentences that are incomplete.

**17. Never use online paper:** If you are getting any paper on Internet, then never use it as your research paper because it might be possible that evaluator has already seen it or maybe it is outdated version.

**18. Pick a good study spot:** To do your research studies always try to pick a spot, which is quiet. Every spot is not for studies. Spot that suits you choose it and proceed further.

**19. Know what you know:** Always try to know, what you know by making objectives. Else, you will be confused and cannot achieve your target.

**20. Use good quality grammar:** Always use a good quality grammar and use words that will throw positive impact on evaluator. Use of good quality grammar does not mean to use tough words, that for each word the evaluator has to go through dictionary. Do not start sentence with a conjunction. Do not fragment sentences. Eliminate one-word sentences. Ignore passive voice. Do not ever use a big word when a diminutive one would suffice. Verbs have to be in agreement with their subjects. Prepositions are not expressions to finish sentences with. It is incorrect to ever divide an infinitive. Avoid clichés like the disease. Also, always shun irritating alliteration. Use language that is simple and straight forward. put together a neat summary.

**21. Arrangement of information:** Each section of the main body should start with an opening sentence and there should be a changeover at the end of the section. Give only valid and powerful arguments to your topic. You may also maintain your arguments with records.

**22. Never start in last minute:** Always start at right time and give enough time to research work. Leaving everything to the last minute will degrade your paper and spoil your work.

**23. Multitasking in research is not good:** Doing several things at the same time proves bad habit in case of research activity. Research is an area, where everything has a particular time slot. Divide your research work in parts and do particular part in particular time slot.

**24. Never copy others' work:** Never copy others' work and give it your name because if evaluator has seen it anywhere you will be in trouble.

**25. Take proper rest and food:** No matter how many hours you spend for your research activity, if you are not taking care of your health then all your efforts will be in vain. For a quality research, study is must, and this can be done by taking proper rest and food.

**26. Go for seminars:** Attend seminars if the topic is relevant to your research area. Utilize all your resources.

**27. Refresh your mind after intervals:** Try to give rest to your mind by listening to soft music or by sleeping in intervals. This will also improve your memory.

**28. Make colleagues:** Always try to make colleagues. No matter how sharper or intelligent you are, if you make colleagues you can have several ideas, which will be helpful for your research.

**29. Think technically:** Always think technically. If anything happens, then search its reasons, its benefits, and demerits.

**30. Think and then print:** When you will go to print your paper, notice that tables are not be split, headings are not detached from their descriptions, and page sequence is maintained.

**31. Adding unnecessary information:** Do not add unnecessary information, like, I have used MS Excel to draw graph. Do not add irrelevant and inappropriate material. These all will create superfluous. Foreign terminology and phrases are not apropos. One should NEVER take a broad view. Analogy in script is like feathers on a snake. Not at all use a large word when a very small one would be sufficient. Use words properly, regardless of how others use them. Remove quotations. Puns are for kids, not grunt readers. Amplification is a billion times of inferior quality than sarcasm.

**32. Never oversimplify everything:** To add material in your research paper, never go for oversimplification. This will definitely irritate the evaluator. Be more or less specific. Also too, by no means, ever use rhythmic redundancies. Contractions aren't essential and shouldn't be there used. Comparisons are as terrible as clichés. Give up ampersands and abbreviations, and so on. Remove commas, that are, not necessary. Parenthetical words however should be together with this in commas. Understatement is all the time the complete best way to put onward earth-shaking thoughts. Give a detailed literary review.

**33. Report concluded results:** Use concluded results. From raw data, filter the results and then conclude your studies based on measurements and observations taken. Significant figures and appropriate number of decimal places should be used. Parenthetical remarks are prohibitive. Proofread carefully at final stage. In the end give outline to your arguments. Spot out perspectives of further study of this subject. Justify your conclusion by at the bottom of them with sufficient justifications and examples.

**34. After conclusion:** Once you have concluded your research, the next most important step is to present your findings. Presentation is extremely important as it is the definite medium though which your research is going to be in print to the rest of the crowd. Care should be taken to categorize your thoughts well and present them in a logical and neat manner. A good quality research paper format is essential because it serves to highlight your research paper and bring to light all necessary aspects in your research.

## Informal Guidelines of Research Paper Writing

**Key points to remember:**

- Submit all work in its final form.
- Write your paper in the form, which is presented in the guidelines using the template.
- Please note the criterion for grading the final paper by peer-reviewers.

**Final Points:**

A purpose of organizing a research paper is to let people to interpret your effort selectively. The journal requires the following sections, submitted in the order listed, each section to start on a new page.

The introduction will be compiled from reference matter and will reflect the design processes or outline of basis that direct you to make study. As you will carry out the process of study, the method and process section will be constructed as like that. The result segment will show related statistics in nearly sequential order and will direct the reviewers next to the similar intellectual paths throughout the data that you took to carry out your study. The discussion section will provide understanding of the data and projections as to the implication of the results. The use of good quality references all through the paper will give the effort trustworthiness by representing an alertness of prior workings.

Writing a research paper is not an easy job no matter how trouble-free the actual research or concept. Practice, excellent preparation, and controlled record keeping are the only means to make straightforward the progression.

**General style:**

Specific editorial column necessities for compliance of a manuscript will always take over from directions in these general guidelines.

To make a paper clear

· Adhere to recommended page limits

Mistakes to evade

- Insertion a title at the foot of a page with the subsequent text on the next page
- Separating a table/chart or figure - impound each figure/table to a single page
- Submitting a manuscript with pages out of sequence

In every sections of your document

· Use standard writing style including articles ("a", "the," etc.)

· Keep on paying attention on the research topic of the paper

· Use paragraphs to split each significant point (excluding for the abstract)

· Align the primary line of each section

· Present your points in sound order

· Use present tense to report well accepted

· Use past tense to describe specific results

· Shun familiar wording, don't address the reviewer directly, and don't use slang, slang language, or superlatives

· Shun use of extra pictures - include only those figures essential to presenting results

**Title Page:**

Choose a revealing title. It should be short. It should not have non-standard acronyms or abbreviations. It should not exceed two printed lines. It should include the name(s) and address (es) of all authors.

**Abstract:**

The summary should be two hundred words or less. It should briefly and clearly explain the key findings reported in the manuscript--must have precise statistics. It should not have abnormal acronyms or abbreviations. It should be logical in itself. Shun citing references at this point.

An abstract is a brief distinct paragraph summary of finished work or work in development. In a minute or less a reviewer can be taught the foundation behind the study, common approach to the problem, relevant results, and significant conclusions or new questions.

Write your summary when your paper is completed because how can you write the summary of anything which is not yet written? Wealth of terminology is very essential in abstract. Yet, use comprehensive sentences and do not let go readability for briefness. You can maintain it succinct by phrasing sentences so that they provide more than lone rationale. The author can at this moment go straight to shortening the outcome. Sum up the study, with the subsequent elements in any summary. Try to maintain the initial two items to no more than one ruling each.

- Reason of the study - theory, overall issue, purpose
- Fundamental goal
- To the point depiction of the research
- Consequences, including definite statistics - if the consequences are quantitative in nature, account quantitative data; results of any numerical analysis should be reported
- Significant conclusions or questions that track from the research(es)

Approach:

- Single section, and succinct
- As a outline of job done, it is always written in past tense
- A conceptual should situate on its own, and not submit to any other part of the paper such as a form or table
- Center on shortening results - bound background information to a verdict or two, if completely necessary
- What you account in an conceptual must be regular with what you reported in the manuscript
- Exact spelling, clearness of sentences and phrases, and appropriate reporting of quantities (proper units, important statistics) are just as significant in an abstract as they are anywhere else

**Introduction:**

The **Introduction** should "introduce" the manuscript. The reviewer should be presented with sufficient background information to be capable to comprehend and calculate the purpose of your study without having to submit to other works. The basis for the study should be offered. Give most important references but shun difficult to make a comprehensive appraisal of the topic. In the introduction, describe the problem visibly. If the problem is not acknowledged in a logical, reasonable way, the reviewer will have no attention in your result. Speak in common terms about techniques used to explain the problem, if needed, but do not present any particulars about the protocols here. Following approach can create a valuable beginning:

- Explain the value (significance) of the study
- Shield the model - why did you employ this particular system or method? What is its compensation? You strength remark on its appropriateness from a abstract point of vision as well as point out sensible reasons for using it.
- Present a justification. Status your particular theory (es) or aim(s), and describe the logic that led you to choose them.
- Very for a short time explain the tentative propose and how it skilled the declared objectives.

Approach:

- Use past tense except for when referring to recognized facts. After all, the manuscript will be submitted after the entire job is done.
- Sort out your thoughts; manufacture one key point with every section. If you make the four points listed above, you will need a least of four paragraphs.

- Present surroundings information only as desirable in order hold up a situation. The reviewer does not desire to read the whole thing you know about a topic.
- Shape the theory/purpose specifically - do not take a broad view.
- As always, give awareness to spelling, simplicity and correctness of sentences and phrases.

**Procedures (Methods and Materials):**

This part is supposed to be the easiest to carve if you have good skills. A sound written Procedures segment allows a capable scientist to replacement your results. Present precise information about your supplies. The suppliers and clarity of reagents can be helpful bits of information. Present methods in sequential order but linked methodologies can be grouped as a segment. Be concise when relating the protocols. Attempt for the least amount of information that would permit another capable scientist to spare your outcome but be cautious that vital information is integrated. The use of subheadings is suggested and ought to be synchronized with the results section. When a technique is used that has been well described in another object, mention the specific item describing a way but draw the basic principle while stating the situation. The purpose is to text all particular resources and broad procedures, so that another person may use some or all of the methods in one more study or referee the scientific value of your work. It is not to be a step by step report of the whole thing you did, nor is a methods section a set of orders.

Materials:

- Explain materials individually only if the study is so complex that it saves liberty this way.
- Embrace particular materials, and any tools or provisions that are not frequently found in laboratories.
- Do not take in frequently found.
- If use of a definite type of tools.
- Materials may be reported in a part section or else they may be recognized along with your measures.

Methods:

- Report the method (not particulars of each process that engaged the same methodology)
- Describe the method entirely
- To be succinct, present methods under headings dedicated to specific dealings or groups of measures
- Simplify - details how procedures were completed not how they were exclusively performed on a particular day.
- If well known procedures were used, account the procedure by name, possibly with reference, and that's all.

Approach:

- It is embarrassed or not possible to use vigorous voice when documenting methods with no using first person, which would focus the reviewer's interest on the researcher rather than the job. As a result when script up the methods most authors use third person passive voice.
- Use standard style in this and in every other part of the paper - avoid familiar lists, and use full sentences.

What to keep away from

- Resources and methods are not a set of information.
- Skip all descriptive information and surroundings - save it for the argument.
- Leave out information that is immaterial to a third party.

**Results:**

The principle of a results segment is to present and demonstrate your conclusion. Create this part a entirely objective details of the outcome, and save all understanding for the discussion.

The page length of this segment is set by the sum and types of data to be reported. Carry on to be to the point, by means of statistics and tables, if suitable, to present consequences most efficiently.You must obviously differentiate material that would usually be incorporated in a study editorial from any unprocessed data or additional appendix matter that would not be available. In fact, such matter should not be submitted at all except requested by the instructor.

Content

- Sum up your conclusion in text and demonstrate them, if suitable, with figures and tables.
- In manuscript, explain each of your consequences, point the reader to remarks that are most appropriate.
- Present a background, such as by describing the question that was addressed by creation an exacting study.
- Explain results of control experiments and comprise remarks that are not accessible in a prescribed figure or table, if appropriate.
- Examine your data, then prepare the analyzed (transformed) data in the form of a figure (graph), table, or in manuscript form.

What to stay away from

- Do not discuss or infer your outcome, report surroundings information, or try to explain anything.
- Not at all, take in raw data or intermediate calculations in a research manuscript.
- Do not present the similar data more than once.
- Manuscript should complement any figures or tables, not duplicate the identical information.
- Never confuse figures with tables - there is a difference.

Approach

- As forever, use past tense when you submit to your results, and put the whole thing in a reasonable order.
- Put figures and tables, appropriately numbered, in order at the end of the report
- If you desire, you may place your figures and tables properly within the text of your results part.

Figures and tables

- If you put figures and tables at the end of the details, make certain that they are visibly distinguished from any attach appendix materials, such as raw facts
- Despite of position, each figure must be numbered one after the other and complete with subtitle
- In spite of position, each table must be titled, numbered one after the other and complete with heading
- All figure and table must be adequately complete that it could situate on its own, divide from text

**Discussion:**

The Discussion is expected the trickiest segment to write and describe. A lot of papers submitted for journal are discarded based on problems with the Discussion. There is no head of state for how long a argument should be. Position your understanding of the outcome visibly to lead the reviewer through your conclusions, and then finish the paper with a summing up of the implication of the study. The purpose here is to offer an understanding of your results and hold up for all of your conclusions, using facts from your research and generally accepted information, if suitable. The implication of result should be visibly described. Infer your data in the conversation in suitable depth. This means that when you clarify an observable fact you must explain mechanisms that may account for the observation. If your results vary from your prospect, make clear why that may have happened. If your results agree, then explain the theory that the proof supported. It is never suitable to just state that the data approved with prospect, and let it drop at that.

- Make a decision if each premise is supported, discarded, or if you cannot make a conclusion with assurance. Do not just dismiss a study or part of a study as "uncertain."
- Research papers are not acknowledged if the work is imperfect. Draw what conclusions you can based upon the results that you have, and take care of the study as a finished work
- You may propose future guidelines, such as how the experiment might be personalized to accomplish a new idea.
- Give details all of your remarks as much as possible, focus on mechanisms.
- Make a decision if the tentative design sufficiently addressed the theory, and whether or not it was correctly restricted.
- Try to present substitute explanations if sensible alternatives be present.
- One research will not counter an overall question, so maintain the large picture in mind, where do you go next? The best studies unlock new avenues of study. What questions remain?
- Recommendations for detailed papers will offer supplementary suggestions.

Approach:

- When you refer to information, differentiate data generated by your own studies from available information
- Submit to work done by specific persons (including you) in past tense.
- Submit to generally acknowledged facts and main beliefs in present tense.

## Administration Rules Listed Before Submitting Your Research Paper to Global Journals Inc. (US)

Please carefully note down following rules and regulation before submitting your Research Paper to Global Journals Inc. (US):

**Segment Draft and Final Research Paper:** You have to strictly follow the template of research paper. If it is not done your paper may get rejected.

- The **major constraint** is that you must independently make all content, tables, graphs, and facts that are offered in the paper. You must write each part of the paper wholly on your own. The Peer-reviewers need to identify your own perceptive of the concepts in your own terms. NEVER extract straight from any foundation, and never rephrase someone else's analysis.

- Do not give permission to anyone else to "PROOFREAD" your manuscript.

- Methods to avoid Plagiarism is applied by us on every paper, if found guilty, you will be blacklisted by all of our collaborated research groups, your institution will be informed for this and strict legal actions will be taken immediately.)
- To guard yourself and others from possible illegal use please do not permit anyone right to use to your paper and files.

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| Topics | Grades | | |
|---|---|---|---|
| | **A-B** | **C-D** | **E-F** |
| ***Abstract*** | Clear and concise with appropriate content, Correct format. 200 words or below | Unclear summary and no specific data, Incorrect form<br><br>Above 200 words | No specific data with ambiguous information<br><br>Above 250 words |
| ***Introduction*** | Containing all background details with clear goal and appropriate details, flow specification, no grammar and spelling mistake, well organized sentence and paragraph, reference cited | Unclear and confusing data, appropriate format, grammar and spelling errors with unorganized matter | Out of place depth and content, hazy format |
| ***Methods and Procedures*** | Clear and to the point with well arranged paragraph, precision and accuracy of facts and figures, well organized subheads | Difficult to comprehend with embarrassed text, too much explanation but completed | Incorrect and unorganized structure with hazy meaning |
| ***Result*** | Well organized, Clear and specific, Correct units with precision, correct data, well structuring of paragraph, no grammar and spelling mistake | Complete and embarrassed text, difficult to comprehend | Irregular format with wrong facts and figures |
| ***Discussion*** | Well organized, meaningful specification, sound conclusion, logical and concise explanation, highly structured paragraph reference cited | Wordy, unclear conclusion, spurious | Conclusion is not cited, unorganized, difficult to comprehend |
| ***References*** | Complete and correct format, well organized | Beside the point, Incomplete | Wrong format and structuring |

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