



**SONOPANT DANDEKAR ARTS, V.S. APTE COMMERCE
AND M.H. MEHTA SCIENCE COLLEGE, PALGHAR**

Department of Management Studies

PROJECT REPORT

Third Year Bachelor of Management Studies

Academic Year 2022-2023

Prepared by

**Department of Management Studies
Sonopant Dandekar Arts, V.S. Apte Commerce and
M.H. Mehta Science College, Palghar**

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Sonopant Dandekar Shikshan Mandali's
Sonopant Dandekar Arts,
V. S. Apte Commerce &
M. H. Mehta Science College, Palghar

Estb.: 14 August 1968

Dr. Kiran Save, Principal

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Ref No.:

Date : 01/04/2023

Notice

Department of Foundation Course (BMS)

This is to inform you that all the **Third Year Bachelor of Management Studies** students are required to submit the hard copy of your final project report on or before **13th April 2023**. All submissions should be made to the **BMS Department, BMS Building, Gound Floor** during office hours from 09.30 am to 02.00 pm. Ensure your report is properly.

S.S. Mishra
05/04/23

Dr. Shreya Mishra
HOD
Department of BMS

K. Save

Dr. Kiran J. Save
Principal

PRINCIPAL
Sonopant Dandekar Arts College,
V.S. Apte Commerce College &
M.H. Mehta Science College
PALGHAR (W.R.)
Dist. Palghar, Pin-401404

UNIVERSITY OF MUMBAI

No. UG/ 89 of 2018-19

CIRCULAR:-

Attention of the Principals of the affiliated Colleges and Directors of the recognized Institutions in Commerce & Management Faculty is invited to this office Circular No. UG/21 of 2016-17, dated 30th June, 2016 relating to syllabus of Bachelor of Management Studies (B.M.S.) degree course.

Their attention is also invited to University Circular No. UG/109 of 2016-17 dated 25th October, 2016 for F.Y.B.M.S. (Sem. I & II) and University Circular No. UG/261 of 2017-18 dated 23rd October, 2017 for S.Y. B.M.S. (Sem. III & IV) respectively.

They are hereby informed that the recommendations made by the Board of Studies in Business Management at its meeting held on 28th February, 2018 have been accepted by the Academic Council at its meeting held on 5th May, 2018 vide item No. 4.44 and that in accordance therewith, the revised syllabus as per the (CBCS) for the T.Y.B.M.S. (Sem. V & VI), has been brought into force with effect from the academic year 2018-19, accordingly. (The same is available on the University's website www.mu.ac.in).

MUMBAI – 400 032

27th July, 2018

To

The Principals of the affiliated Colleges and Directors of the recognized Institutions in Commerce & Management Faculty. (Circular No. UG/334 of 2017-18 dated 9th January, 2018.)

A.C./4.44/05/05/2018

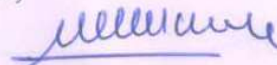
No. UG/ 89 -A of 2018

MUMBAI-400 032

27th July, 2018

Copy forwarded with Compliments for information to:-

- 1) The I/c Dean, Faculty of Commerce & Management,
- 2) The Director, Board of Examinations and Evaluation,
- 3) The Director, Board of Students Development,
- 4) The Professor-cum-Director, Institute of Distance and Open Learning (IDOL),
- 5) The Co-Ordinator, University Computerization Centre,


(Dr. Dinesh Kamble)
I/c REGISTRAR

University of Mumbai



**Revised Syllabus
and
Question Paper Pattern
of Courses
of
Bachelor of Management Studies
(BMS) Programme at
Third Year
*Semester V and VI***

**Under Choice Based Credit, Grading and
Semester System**

*(To be implemented from Academic Year- 2018-2019)
Board of Studies-in-Business Management, University of Mumbai*

Bachelor of Management Studies (BMS) Programme

Under Choice Based Credit, Grading and Semester System

TYBMS

(To be implemented from Academic Year- 2018-2019)

No. of Courses	Semester V	Credits	No. of Courses	Semester VI	Credits
1	Elective Courses (EC)		1	Elective Courses (EC)	
1,2,3 & 4	*Any four courses from the following list of the courses	12	1,2,3 & 4	**Any four courses from the following list of the courses	12
2	Core Course (CC)		2	Core Course (CC)	
5	Logistics & Supply Chain Management	04	5	Operation Research	04
3	Ability Enhancement Course (AEC)		3	Ability Enhancement Course (AEC)	
6	Corporate Communication & Public Relations	04	6	Project Work	04
Total Credits		20	Total Credits		20

✓ **Note:** Project work is considered as a special course involving application of knowledge in solving/analysing/exploring a real life situation/ difficult problem. Project work would be of 04 credits. A project work may be undertaken in any area of Elective Courses/ study area selected

*List of group of Elective Courses(EC) for Semester V (Any Four)			** List of group of Elective Courses(EC) for Semester VI (Any Four)		
Group A: Finance Electives					
1	Investment Analysis& Portfolio Management	1	International Finance	1	International Finance
2	Commodity & Derivatives Market	2	Innovative Financial Services	2	Innovative Financial Services
3	Wealth Management	3	Project Management	3	Project Management
4	Financial Accounting	4	Strategic Financial Management	4	Strategic Financial Management
5	Risk Management	5	Financing Rural Development	5	Financing Rural Development
6	Direct Taxes	6	Indirect Taxes	6	Indirect Taxes
Group B:Marketing Electives					
1	Services Marketing	1	Brand Management	1	Brand Management
2	E-Commerce & Digital Marketing	2	Retail Management	2	Retail Management
3	Sales & Distribution Management	3	International Marketing	3	International Marketing
4	Customer Relationship Management	4	Media Planning & Management	4	Media Planning & Management
5	Industrial Marketing	5	Sports Marketing	5	Sports Marketing
6	Strategic Marketing Management	6	Marketing of Non Profit Organisation	6	Marketing of Non Profit Organisation
Group C: Human Resource Electives					
1	Finance for HR Professionals & Compensation Management	1	HRM in Global Perspective	1	HRM in Global Perspective
2	Strategic Human Resource Management & HR Policies	2	Organisational Development	2	Organisational Development
3	Performance Management & Career Planning	3	HRM in Service Sector Management	3	HRM in Service Sector Management
4	Industrial Relations	4	Workforce Diversity	4	Workforce Diversity
5	Talent & Competency Management	5	Human Resource Accounting & Audit	5	Human Resource Accounting & Audit
6	Stress Management	6	Indian Ethos in Management	6	Indian Ethos in Management
Note: Group selected in Semester III will continue in Semester V &Semester VI					

Bachelor of Management Studies (BMS)
Programme
Under Choice Based Credit, Grading and Semester System
Course Structure

(To be implemented from Academic Year- 2018-2019)

Semester V

No. of Courses	Semester V	Credits
1	Elective Courses (EC)	
1,2,3 & 4	*Any four courses from the following list of the courses	12
2	Core Course (CC)	
5	Logistics & Supply Chain Management	04
3	Ability Enhancement Course (AEC)	
6	Corporate Communication & Public Relations	04
Total Credits		20

***List of group of Elective Courses(EC)for Semester V (Any Four)**

Group A: Finance Electives	
1	Investment Analysis & Portfolio Management
2	Commodity & Derivatives Market
3	Wealth Management
4	Financial Accounting
5	Risk Management
6	Direct Taxes
Group B:Marketing Electives	
1	Services Marketing
2	E-Commerce & Digital Marketing
3	Sales & Distribution Management
4	Customer Relationship Management
5	Industrial Marketing
6	Strategic Marketing Management
Group C: Human Resource Electives	
1	Finance for HR Professionals & Compensation Management
2	Strategic Human Resource Management & HR Policies
3	Performance Management & Career Planning
4	Industrial Relations
5	Talent & Competency Management
6	Stress Management

University of Mumbai



Bachelor of Management Studies Programme

Guidelines for Project Work

at

Third Year Semester VI

Under Choice Based Credit, Grading and
Semester System

(To be implemented from Academic Year 2018-2019)

Board of Studies-in-Business Management

Introduction

Inclusion of project work in the course curriculum of the Bachelor of Management Studies programme is one of the ambitious aspects in the programme structure. The main objective of inclusion of project work is to inculcate the element of research analyse and scientific temperament challenging the potential of learner as regards to his/ her eager to enquire and ability to interpret particular aspect of the study. It is expected that the guiding teacher should undertake the counselling sessions and make the awareness among the learners about the methodology of formulation, preparation and evaluation pattern of the project work.

- There are two modes of preparation of project work
 1. Project work based on research methodology in the study area
 2. Project work based on internship in the study area

Guidelines for preparation of Project Work

1. General guidelines for preparation of project work based on Research Methodology

- The project topic may be undertaken in any area of Elective Courses.
- Each of the learner has to undertake a Project individually under the supervision of a teacher-guide.
- The learner shall decide the topic and title which should be specific, clear and with definite scope in consultation with the teacher-guide concerned.
- University/college shall allot a guiding teacher for guidance to the students based on her / his specialization.
- The project report shall be prepared as per the broad guidelines given below:
 - Font type: Times New Roman
 - Font size: 12-For content, 14-for Title
 - Line Space : 1.5-for content and 1-for in table work
 - Paper Size: A4
 - Margin : in Left-1.5, Up-Down-Right-1
 - The Project Report shall be bounded.
 - The project report should be 80 to 100 pages

Format

1st page (Main Page)

Title of the problem of the Project

A Project Submitted to
University of Mumbai for partial completion of the degree of
Bachelor of Management Studies
Under the Faculty of Commerce

By

Name of the Learner

Under the Guidance of

Name of the Guiding Teacher

Name and address of the College

Month and Year

2nd Page

This page to be repeated on 2nd page (i.e. inside after main page)

On separate page

Index

Chapter No. 1 (sub point 1.1, 1.1.1, And so on)	Title of the Chapter	Page No.
Chapter No. 2	Title of the Chapter	
Chapter No. 3	Title of the Chapter	
Chapter No. 4	Title of the Chapter	
Chapter No. 5	Title of the Chapter	

List of tables, if any, with page numbers.

List of Graphs, if any, with page numbers.

List of Appendix, if any, with page numbers.

Abbreviations used:

Structure to be followed to maintain the uniformity in formulation and presentation of Project Work

(Model Structure of the Project Work)

- **Chapter No. 1: Introduction**

In this chapter Selection and relevance of the problem, historical background of the problem, brief profile of the study area, definition/s of related aspects, characteristics, different concepts pertaining to the problem etc can be incorporated by the learner.

- **Chapter No. 2: Research Methodology**

This chapter will include Objectives, Hypothesis, Scope of the study, limitations of the study, significance of the study, Selection of the problem, Sample size, Data collection, Tabulation of data, Techniques and tools to be used, etc can be incorporated by the learner.

- **Chapter No. 3: Literature Review**

This chapter will provide information about studies done on the respective issue. This would specify how the study undertaken is relevant and contribute for value addition in information/ knowledge/ application of study area which ultimately helps the learner to undertake further study on same issue.

- **Chapter No. 4: Data Analysis, Interpretation and Presentation**

This chapter is the core part of the study. The analysis pertaining to collected data will be done by the learner. The application of selected tools or techniques will be used to arrive at findings. In this, table of information's, presentation of graphs etc. can be provided with interpretation by the learner.

- **Chapter No. 5: Conclusions and Suggestions**

In this chapter of project work, findings of work will be covered and suggestion will be enlisted to validate the objectives and hypotheses.

Note: If required more chapters of data analysis can be added.

- **Bibliography**
- **Appendix**

On separate page

Name and address of the college

Certificate

This is to certify that Ms/Mr _____ has worked and duly completed her/his Project Work for the degree of Bachelor of Management Studies under the Faculty of Commerce in the subject of _____ and her/his project is entitled, “ _____ *Title of the Project* _____ ” under my supervision.

I further certify that the entire work has been done by the learner under my guidance and that no part of it has been submitted previously for any Degree or Diploma of any University.

It is her/ his own work and facts reported by her/his personal findings and investigations.



Name and Signature of
Guiding Teacher

Date of submission:

On separate page

Declaration by learner

I the undersigned Miss / Mr. _____ *Name of the learner* _____ here by, declare that the work embodied in this project work titled “ _____ *Title of the Project* _____ ”, forms my own contribution to the research work carried out under the guidance of _____ *Name of the guiding teacher* _____ is a result of my own research work and has not been previously submitted to any other University for any other Degree/ Diploma to this or any other University.

Wherever reference has been made to previous works of others, it has been clearly indicated as such and included in the bibliography.

I, here by further declare that all information of this document has been obtained and presented in accordance with academic rules and ethical conduct.

Name and Signature of the learner

Certified by

Name and signature of the Guiding Teacher

On separate page

Acknowledgment

(Model structure of the acknowledgement)

To list who all have helped me is difficult because they are so numerous and the depth is so enormous.

I would like to acknowledge the following as being idealistic channels and fresh dimensions in the completion of this project.

I take this opportunity to thank the **University of Mumbai** for giving me chance to do this project.

I would like to thank my **Principal**, _____ for providing the necessary facilities required for completion of this project.

I take this opportunity to thank our **Coordinator** _____, for her moral support and guidance.

I would also like to express my sincere gratitude towards my project guide _____ whose guidance and care made the project successful.

I would like to thank my **College Library**, for having provided various reference books and magazines related to my project.

Lastly, I would like to thank each and every person who directly or indirectly helped me in the completion of the project especially **my Parents and Peers** who supported me throughout my project.

2. Guidelines for Internship based project work

- Minimum 20 days/ 100 hours of Internship with an Organisation/ NGO/ Charitable Organisation/ Private firm.
- The theme of the internship should be based on any study area of the elective courses
- Experience Certificate is Mandatory
- A project report has to be brief in content and must include the following aspects:
 - **Executive Summary:**
A bird's eye view of your entire presentation has to be precisely offered under this category.
 - **Introduction on the Company:**
A Concise representation of company/ organization defining its scope, products/ services and its SWOT analysis.
 - **Statement and Objectives:**
The mission and vision of the organization need to be stated enshrining its broad strategies.
 - **Your Role in the Organisation during the internship:**
The key aspects handled, the department under which you were deployed and brief summary report duly acknowledged by the reporting head.
 - **Challenges:**
The challenges confronted while churning out theoretical knowledge into practical world.
 - **Conclusion:**
A brief overview of your experience and suggestions to bridge the gap between theory and practice.
- The project report based on internship shall be prepared as per the broad guidelines given below:
 - Font type: Times New Roman
 - Font size: 12-For content, 14-for Title
 - Line Space : 1.5-for content and 1-for in table work
 - Paper Size: A4
 - Margin : in Left-1.5, Up-Down-Right-1
 - The Project Report shall be bounded.
 - The project report should be of minimum 50 pages

Evaluation pattern of the project work

The Project Report shall be evaluated in two stages viz.	
• Evaluation of Project Report (Bound Copy)	60 Marks
▪ Introduction and other areas covered	20 Marks
▪ Research Methodology, Presentation, Analysis and interpretation of data	30 Marks
▪ Conclusion & Recommendations	10 Marks
• Conduct of Viva-voce	40 Marks
▪ In the course of Viva-voce, the questions may be asked such as importance / relevance of the study, objective of the study, methodology of the study/ mode of Enquiry (question responses)	10 Marks
▪ Ability to explain the analysis, findings, concluding observations, recommendation, limitations of the Study	20 Marks
▪ Overall Impression (including Communication Skill)	10 Marks

Note:

- *The guiding teacher along with the external evaluator appointed by the University/ College for the evaluation of project shall conduct the viva-voce examination as per the evaluation pattern*

Passing Standard

- Minimum of Grade E in the project component
- In case of failing in the project work, the same project can be revised for ATKT examination.
- Absence of student for viva voce: If any student fails to appear for the viva voce on the date and time fixed by the department such student shall appear for the viva voce on the date and time fixed by the Department, such student shall appear for the viva voce only along with students of the next batch.

**Sonopant Dandekar Arts, V.S. Apte Commerce and M.H. Mehta
Science College, Palghar**

Third Year Bachelor of Management Studies (Finance)

Sr. No	Roll No.	Name of the Student	Project Title
46	98002	Sonawane Vaibhav Nelachand	Banking system failures in developing and transition control
16	98004	Kolekar Digambar Damodar	Impact of FII's on Indian stock market
35	98008	Patil Dipesh Bhanudas	Study on virtual capital
54	98012	Yadav Ritu Dharmendar	A study of an inflow and outflow of reliance power
47	98013	Sopara Mustafa Murtaza	Consumer perception towards insurance sector
43	98014	Shaikh Muaaviya Nisar	Awareness of financial scheme in NSE and BSE
3	98015	Chorge Shruti Vijay	Insurance sector in India
31	98017	Palvi Subodh Bhaskar	Comparative study on housing loan services provided by the national bank
26	98019	Neve Aditya Sanjay	A study on initial public offer (IPO)
51	98021	Tiwari Pinky Rajesh	Analysis of cash flow and fund flow
22	98022	More Rutik Baraku	Rural finance in Indian economy
37	98023	Patil Vidnya Ghanshyam	Capital market in India
18	98025	Maurya Vivek Ravindra	Working capital management in Reliance
34	98028	Patel Astha Kalpeshkumar	Goods and service tax
32	98031	Pandey Ankita Mani	To studied the awareness and uses level on mode of payment customers
48	98032	Sukanee Itiksha Vijay	Indian banking system
45	98033	Singh Sakshi Anand	Venture capital financing in India
5	98034	Dalvi Sakshi Satish	Changing crude oil prices and its impact on Indian economy
49	98035	Thakur Jeet Dhiraj	Personal finance planning :- a study of budgeting, habits, and strategy among young adult
6	98039	Dhobi Isha Sunil	Frauds in insurance
8	98040	Gupta Rashmi Ashokbhai	Investment banking

30	98043	Pal Ankush Baburam	
21	98044	Meher Vidyesh Manohar	A study of increasing trend of Gold loan
19	98045	Meher Jagrut Jayesh	Home loan in India
7	98047	Epili Bharti Laxman	The role of financial statement in investment decision
33	98050	Pardhi Pranay Eknath	Indian banking system
29	98056	Padhye Jatin Nitin	A study on overview of Internet banking sector India economy
38	98057	Pawar Nayan Balkrishna	Study on Crisil Ltd
28	98061	Nirmal Aashish Ramlakhan	New trend of merchant banking in India
12	98063	Jaiswal Ankit Premchand	Top trend in banking and financial services
14	98067	Kadam Vibhuti Ketan	Ministry of micro small medium enterprises
36	98068	Patil Prathamesh Ashok	Study on Indian accounting standards
2	98075	Chafekar Chaitrali Rajendra	Demat account in angle broking
52	98076	Vaity Shruti Sunil	A study of cash management in SBI
23	98077	More Siddhant Rupesh	A study on plastic money
27	98078	Nikam Kirti Sunil	A study on mutual fund
17	98079	Mali Chandan Nagesh	Financial sector reforms,
4	98080	Dalvi Chris John	Analysis of bank fraud in India
24	98084	Mulay Nivedita Dinesh	Role and functions of RBI in India
9	98085	Gupta Sanjay Sadan	Corporate insurance policy
11	98086	Jain Naitik Mahendra	Micro finance
15	98090	Kerkar Ankit Sunil	Sources of finance
39	98091	Rajwadi Gaurav Anthony	Financial impact of Demonetisation
10	98094	Hudda Azim Amin	Cybercrime in banking system
25	98095	Nachan Alisha Zafar	Impact of COVID-19 on FDI
40	98096	Sambare Vishal Sunil	Indian banking system

20	98105	Meher Jidnesh Hemant	Analysis of automobile sector
53	98106	Yadav Kalpesh Suresh	Role of SEBI in mutual fund
13	98109	Jaiswar Karan Harishankar	Working capital management
42	98110	Shaikh Mohdabbas Saeed	--
41	98115	Saroj Saurav Satish	Security and portfolio management
55	98116	Yadav Sanjana Vinod	Rural finance in an Indian economy
44	98120	Singh Himanshu Brijesh	--
50	98121	Thakur Vishakha Santosh	Study of inventory management in Sujana metal products Ltd
1	98123	Bharati Harshavardhan Suresh	Role of SEBI Mutual funds

Third Year Bachelor of Management Studies (Marketing)

Sr. No	Roll. No.	Name of the Student	Project Title
26	98001	Thakur Nachiket Nilesh	Marketing innovation in Red Bull
15	98003	Nanal Saumitra Mahendra	A study on Dettol's marketing strategy of wet wipes
16	98005	Pandey Alka Shailendra	A study on consumers perception and satisfaction towards Himalaya products
31	98010	Yadav Kishan Lallan	Marketing strategies in Paytm and Google pay
8	98011	Gupta Anurag Gulabchand	A study on preference of youth towards foreign brand and Indian brand
20	98020	Pimple Shreya Pradip	A study on Mahindra and Mahindra Ltd marketing strategy
10	98024	Jadhav Yadnesh Satish	A study on comparative study of WhatsApp forces hike messenger
28	98026	Varma Ashishkumar Rajnarayan	Marketing strategies on Maybelline
27	98029	Valmiki Pranjal Vinod	Marketing strategies of flipkart in USA
4	98037	Dandge Aniket Gajanan	A study on marketing research of Gucci
2	98038	Bhone Shubham Rajendra	A study on product positioning of multi national fast food chain in India
1	98041	Awari Aamer Shaibaz	A study on changing trends in consumer buying behaviour towards with respect to online food delivery apps
29	98042	Varma Dhruv Jugalkishor	A study on marketing strategies and consumers perception on sanitary pad

17	98049	Pashte Priti Sudhakar	A study on marketing strategies of Tanishq
3	98051	Champaneri Kaushik Mahesh	A Study on TVS marketing
30	98052	Vishwakarma Roshan Rajnarayan	Study on Netflix, marketing, strategies and tactics
23	98058	Shinde Nandini Jitendra	Marketing strategies on hero electric bike
21	98065	Shah Vidya Naresh	A marketing strategies of Monginis
11	98066	Jain Siddhi Nandlal	A study on marketing strategies of Pizza Hut
25	98072	Tawade Susmit Mangesh	A study of online payment application India
6	98074	Gawad Samruddhi Hemant	A study on marketing strategy and success story of boat
14	98089	Mohite Esha Vinod	A study on marketing, tactics of lens cart
7	98097	Gupta Aditya Ramu	A study on e-commerce and its impact on entrepreneurs
18	98099	Patil Riddhi Sunil	A study on marketing, research and sales distribution of haldiram
19	98100	Patil Srushti Vishvanath	A study on marketing strategies of Naykaa
24	98102	Singh Sachin Satish	Internet marketing
22	98118	Shaikh Mo Arabi	Scope of E retailing in India
5	98119	Durgule Prathamesh Dinesh	A study on muscleblaze brand marketing
12	98122	Jha Abhishek Vinod	A study on marketing strategy with respect to force motors
13	98124	Mestry Bhargav Nandkumar	A study on brand management of BookMyShow
9	98125	Gupta Sachin Mantu	A study on consumers perception towards luxurious car

Third Year Bachelor of Management Studies (HR)

Sr. No	Roll. No.	Name of the Student	Project Title
1	98006	Jadhav Shivam Tukaram	Medical tourism
2	98007	Sehrawala Yusuf Saifuddin	Job absenteeism
3	98009	Gadhvi Chetna Laxmandan	Training and development
4	98016	Jadhav Harshal Ramesh	competency mapping in India

5	98018	Bendaga Sunil Subhash	workplace flexibility is essential for frontline first employee experience
6	98027	Kumbhare Roshan Chintaman	
7	98030	Abhay Tripathi	The employee motivation by the management
8	98036	Patel Ayesha Hasnain	A study on equal employment opportunity
9	98046	Arekar Dikshita Shyam	Performance appraisal effectiveness analysis
10	98048	Raut Archi Vilas	Employee retention in private sector
11	98053	Bari Saloni Dilip	Employee welfare facilities at Kunal houseware Pvt Ltd
12	98054	Prathamesh Tare	Work force diversity policy in MNC
13	98055	Jadhav Sumedh Anil	Health and safety measures of employee
14	98059	Girane Dipali Sharad	Compensation management
15	98060	Singh Chandani Nanhku	information technology industry
16	98062	Gupta Shivilal Manoharlal	Ethics and ethical issues in HRM
17	98064	Kakad Priyanshu Rajesh	Recruitment and selection
18	98069	Dhodi Rupali Anil	Human resource practices in hotel industry
19	98070	Shaikh Nawaz Raiyan	Impact of organizational climate on employee
20	98071	Bharadwaj Ranjana Ramlal	Stress management in an industry perspective
21	98073	Sah Sunny Kumar Shailendra	Human resources in media and entertainment industry- Netflix
22	98081	Kushwaha Renu Rajesh	Study on human resource
23	98082	Shah Parita Prakash	Participative management
24	98083	Raj M Surti	Psychology in HRM with importance of change management
25	98087	Isha Vaity	Study on training needs across different industries
26	98088	Meher Vanshita Sanjay	Employee satisfaction survey in JSW steel ltd
27	98092	Bhagat Pramila Ramashray	Recruitment & selection policies of reliance infrastructure
28	98093	Ansari Aman Fakharealam	Human issues in BPO and call center
29	98098	Priyanka Jagat Singh	Study of employees motivation in Chandan industry

30	98101	Swagatika Sutar	Total Quality Management
31	98103	Gupta Sakshi Ramvilas	Job design model of motivation
32	98104	Machhi Kaushik Kamlesh	Employee rights and responsibilities
33	98107	Khan Ayesha Hashmatulla	Employee attitudes towards organisation
34	98108	Joshi Mitali Dilip	Study of leadership style
35	98111	Nikki Verma	A Study of comparative telecommunication of Jio, Airtel, Bharti Airtel
36	98112	Patil Riddhi Kumar	A study on human resource management
37	98113	Khan Sahil Israr	The effects of employee motivation on employee
38	98114	Mohammad Sibatullah Arifullah	Importance of human resource management in promoting employees performance
39	98117	Sonkar Aeshvi Rajesh	A study of employee engagement

S.S.Mishra
05/04/23

Dr. Shreya Mishra
HOD
Department of BMS

K. Save

Dr. Kiran J. Save
Principal
PRINCIPAL
Sonopant Dandekar Arts College,
V.S. Apte Commerce College &
M.H. Mehta Science College
PALGHAR (W.R.)
Dist. Palghar, Pin-401404

Sonopant Dandekar Arts, V.S. Apte Commerce and M.H.

Mehta Science College, Palghar

T.Y.BMS (Finance) External Viva-voce Examination

Attendance Report

Date - 13th April, 2023

Time - 8 am to 10 am

Venue - Classroom - BMS 8

Sr.No.	Name of the Student	Signature
✓ 1	BHARATI HARSHAVARDHAN SURESH	<i>[Signature]</i>
✓ 2	CHAFEKAR CHAITRALI RAJENDRA	<i>[Signature]</i>
✓ 3	CHARGE SHRUTI VIJAY	<i>[Signature]</i>
✓ 4	DALVI CHRIS JOHN	<i>[Signature]</i>
✓ 5	DALVI SAKSHI SATISH	<i>[Signature]</i>
✓ 6	DHOBI ISHA SUNIL	<i>[Signature]</i>
✓ 7	EPILI BHARTI LAXMAN	<i>[Signature]</i>
✓ 8	GUPTA RASHMI ASHOKBHAI	<i>[Signature]</i>
✓ 9	GUPTA SANJAY SADAN	<i>[Signature]</i>
✓ 10	HUDDA AZIM AMIN	<i>[Signature]</i>
✓ 11	JAIN NAITIK MAHENDRA	<i>[Signature]</i>
✓ 12	JAISWAL ANKIT PREMCHAND	<i>[Signature]</i>
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✓ 15	KERKAR ANKIT SUNIL	<i>[Signature]</i>
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✓ 19	MEHER JAGRUT JAYESH	<i>[Signature]</i>
✓ 20	MEHER JIDNESH HEMANT	<i>[Signature]</i>
✓ 21	MEHER VIDYESH MANOHAR	<i>[Signature]</i>
✓ 22	MORE RUTIK BARAKU	<i>[Signature]</i>
✓ 23	MORE SIDDHANT RUPESH	<i>[Signature]</i>
24	MULAY NIVEDITA DINESH	<i>[Signature]</i>
✓ 25	NACHAN ALISHA ZAFAR	<i>[Signature]</i>
✓ 26	NEVE ADITYA SANJAY	<i>[Signature]</i>
✓ 27	NIKAM KIRTI SUNIL	<i>[Signature]</i>
✓ 28	NIRMAL AASHISH RAMLAKHAN	<i>[Signature]</i>
✓ 29	PADHYE JATIN NITIN	<i>[Signature]</i>
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✓ 31	PALVI SUBODH BHASKAR	<i>[Signature]</i>
✓ 32	PANDEY ANKITA MANI BHUSHAN	<i>[Signature]</i>
✓ 33	PARDHI PRANAY EKNATH	<i>[Signature]</i>
✓ 34	PATEL ASTHA KALPESHKUMAR	<i>[Signature]</i>
✓ 35	PATIL DIPESH BHANUDAS	<i>[Signature]</i>
✓ 36	PATIL PRATHAMESH ASHOK	<i>[Signature]</i>
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✓ 39	RAJWADI GAURAV ANTHONY	<i>[Signature]</i>
✓ 40	SAMBARE VISHAL SUNIL	<i>[Signature]</i>

[Signature]
Name and Signature of External Examiner

**Sonopant Dandekar Arts, V.S. Apte Commerce and M.H.
Mehta Science College, Palghar**
T.Y.BMS (Finance) & (Marketing) External Viva-voce Examination
Attendance Report

Date - 13th April, 2023

Time - 8 am to 10 am

Venue - Classroom - BMS 7

Sr.No.	Name of the Student	Signature
1	SAROJ SAURAV SATISH	Saurav
2	SHAIKH MOHDABBAS SAEED	Shaikh
3	SHAIKH MUAABIYA NISAR	Shaikh (Muanabiya) Nisar Shaikh
4	SINGH HIMANSHU BRIJESH	
5	SINGH SAKSHI ANAND	Sakshi
6	SONAWANE VAIBHAV NILACHAND	Vaibhav
7	SOPARA MUSTAFA MURTAZA	Murtaza
8	SUKANEE ITIKSHA VIJAY	Itiksha
9	THAKUR JEET DHIRAJ	Jeet
10	THAKUR VISHAKHA SANTOSH	Vishakha
11	TIWARI PINKY RAJESH KUMAR	Pinky
12	VAITY SHRUTI SUNIL	Shruti
13	YADAV KALPESH SURESH	Kalpesh
14	YADAV RITU DHARMENDRA	Ritu
15	YADAV SANJANA VINOD	Sanjana
16	AWARI AAMER SHAIBAZ	Aamer
17	BHONE SHUBHAM RAJENDRA	Shubham
18	CHAMPANERI KAUSHIK MAHESH	Kaushik
19	DANDGE ANIKET GAJANAN	Aniket
20	DURGULE PRATHAMESH DINESH	Prathamesh
21	GAWAD SAMRUDDHI HEMANT	Samruddhi
22	GUPTA ADITYA RAMU	Aditya
23	GUPTA ANURAG GULABCHAND	Anurag
24	GUPTA SACHIN MANTU	Sachin
25	JADHAV YADNESH SATISH	Yadnesh
26	JAIN SIDDHI NANDLAL	Siddhi
27	JHA ABHISHEKKUMAR VINOD	Abhishek
28	MESTRY BHARGAV NANDKUMAR	Bhargav
29	MOHITE ESHA VINOD	Esha
30	NANAL SAUMITRA MAHENDRA	Saumitra
31	PANDEY ALKA SHAILENDRA	Alka
32	PASHTE PRITI SUDHAKAR	Paste
33	PATIL RIDDHI SUNIL	Riddhi
34	PATIL SRUSHTI VISHVANATH	Srushti
35	PIMPLE SHREYA PRADIP	Shreya
36	SHAH VIDYA NARESH	Vidya
37	SHAIKH MO ARABI MO NASIB	Arabi
38	SHINDE NANDINI JITENDRA	Nandini
39	SHIRGAPUR RAJESH ANANDRAI	Rajesh
40	SINGH SACHIN SATISH	Sachin Singh

Kadambari Agaskar
Name and Signature of External Examiner

Agaskar

**Sonopant Dandekar Arts, V.S. Apte Commerce and M.H.
Mehta Science College, Palghar**

T.Y.BMS (Marketing) & (Human Resource) External Viva-voce Examination

Attendance Report

Date - 13th April, 2023

Time - 8 am to 10 am

Venue - Classroom - BMS 11

Sr.No.	Name of the Student	Signature
1	TAWADE SUSMIT MANGESH	
2	THAKUR NACHIKET NILESH	
3	VALMIKI PRANJAL VINOD	
4	VARMA ASHISHKUMAR RAJNARAYAN	
5	VARMA DHURV JUGALKISHOR	
6	VISHWAKARMA ROSHAN RAJNARAYAN	
7	YADAV KISHAN LALLAN	
8	ANSARI AMAN FAKHAREALAM	
9	AREKAR DIKSHITA SHYAM	
10	BARI SALONI DILIP	
11	BENDAGA SUNIL SUBHASH	
12	BHAGAT PRAMILA RAMASHRAY	
13	BHARADWAJ RANJANA RAMLAL	
14	DHODI RUPALI ANIL	
15	GADHVI CHETNA LAXMANDAN	
16	GIRANE DIPALI SHARAD	
17	GUPTA SAKSHI RAMVILAS	
18	GUPTA SHIVLAL MANOHARLAL	
19	JADHAV HARSHAL RAMESH	
20	JADHAV SHIVAM TUKARAM	
21	JADHAV SUMEDH ANIL	
22	JOSHI MITALI DILIP	
23	KAKAD PRIYANSHU RAJESH	
24	KHAN AYESHA HASHMATULLA	
25	KHAN SAHIL ISRAR	
26	KUMBHARE ROSHAN CHINTAMAN *	
27	KUSHWAHA RENU RAJESH	
28	MACHHI KAUSHIK KAMLESH	
29	MEHER VANSHITA SANJAY	
30	MOHAMMAD SIBATULLAH ARIFULLAH	
31	PATEL AYESHA HASNAIN	
32	PATIL RIDDHI KUMAR	
33	RAUT ARCHI VILAS	
34	SAH SUNNY KUMAR SHAILENDRA	
35	SEHRAWALA YUSUF SAIFUDDIN	
36	SHAH PARITA PRAKASH	
37	SHAIKH NAWAZ RAIYAN	
38	SINGH CHANDANI NANHCU	
39	PRIYANKA JAGAT SINGH	
40	SONKAR AESHVI RAJESH	
41	SURTI RAJ MUKESH	
42	SUTAR SWAGATIKA GANESH	
43	TARE PRATHAMESH DEEPAK	

*Valmiki
13/04/23*

44	TRIPATHI ABHAY ASHUTOSH	<i>Abhay</i>
45	VAITY ISHA SANDESH	<i>Isha</i>
46	VERMA NIKKI AJAY	<i>Nikki</i>

Kalawade,
13/04/23

Name and Signature of External Examiner

PROJECT REPORT
ON
**“A STUDY ON CHANGING TRENDS IN CONSUMER BUYING
BEHAVIOUR WITH RESPECT TO ONLINE FOOD DELIVERY APP.”**

SUBMITTED TO THE UNIVERSITY OF MUMBAI IN THE PARTIAL FULFILLMENT
OF THE DEGREE BACHELOR OF MANAGEMENT STUDIES.

SUBMITTED BY:
Aamer Awari

T.Y.BMS

ACADEMIC YEAR: 2022-23

PROJECT GUIDE:

PROF.SAILEE P. DAHANUKAR

MBA (Marketing)

SUBMITTED TO:
UNIVERSITY OF MUMBAI



SONOPANT DANDEKAR ARTS, V.S.APTE COMMERCE AND M.H.MEHTA COLLEGE, R.H.SAVE
INSTITUTE OF MANAGEMENT, PALGHAR DIST: PALGHAR PIN: 401404
UNIVERSITY OF MUMBAI

A PROJECT REPORT ON
A STUDY ON CHANGING TRENDS IN
CONSUMER BUYING BEHAVIOUR
WITH RESPECT TO ONLINE FOOD
DELIVERY APP



DECLARATION

I, **Aamer Awari**, A STUDENT OF SONOPANT DANDEKAR ARTS, V.S.APTE COMMERCE AND M.H.MEHTA SCIENCE COLLEGE, PALGHAR DIST:- PALGHAR, PIN:- 401 404 STUDYING IN T.Y.BMS HEREBY DECLARE THAT I HAVE COMPLETED THIS PROJECT ON **“A STUDY ON CHANGING TRENDS IN CONSUMER BUYING BEHAVIOUR WITH RESPECT TO ONLINE FOOD DELIVERY APP.”** DURING THE ACADEMIC YEAR 2022-23. THE INFORMATION SUBMITTED IS TRUE AND ORIGINAL TO THE BEST OF MY KNOWLEDGE.

DATE: 10th April 2023
PLACE: PALGHAR



SIGNATURE OF STUDENT

CERTIFICATE

I, PROF. SAILEE P. DAHANUKAR, HERE BY CERTIFY THAT **Aamer Awari** OF SONOPANT DANDEKAR ARTS, V.S.APTE COMMERCE AND M.H.MEHTA SCIENCE COLLEGE, PALGHAR DIST:- PALGHAR, PIN:- 401 404 OF T.Y.BMS HAS COMPLETED **HIS PROJECT ON “A STUDY ON CHANGING TRENDS IN CONSUMER BUYING BEHAVIOUR WITH RESPECT TO ONLINE FOOD DELIVERY APP.”** DURING THE ACADEMIC YEAR 2022-23. THE INFORMATION SUBMITTED IS TRUE AND ORIGINAL TO THE BEST OF MY KNOWLEDGE.



PROF. SAILEE P. DAHANUKAR

SIGNATURE OF PROJECT
GUIDE



SIGNATURE OF THE

PRINCIPAL OF THE COLLEGE



SIGNATURE OF CO-ORDINATOR



SIGNATURE OF

EXTERNAL EXAMINER

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If words are considered as a symbol of approval and token of appreciation then let the words play the heralding role expressing my gratitude. My successful completion of this project report involved more than just my desire to earn a valued degree working on this project has presented me with many insights and challenges.

I would like to thank the University of Mumbai for introducing bachelor of management studies 9 course, thereby giving its student a platform to abreast with changing business scenario, with the help of theory as a base and practical as a solution- I am also thankful to the management of S.D.S.M College of PALGHAR for making all the facilities available and espousing the cause of the research. I would like to thank our honourable principal Dr. Kiran Save

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Last but not the least; I would like to thank my parents & teachers for giving the best education and friends for their support and feelings without which this project would have not been possible. Many others without whose invaluable help and expert advice this project would not have been the same ought to be cited.

With the completion of my project entitled **“A STUDY ON CHANGING TRENDS IN CONSUMER BUYING BEHAVIOUR WITH RESPECT TO ONLINE FOOD DELIVERY APP.”**

-Aamer Awari.

EXECUTIVE SUMMARY

This project is based on changing trends in consumer buying with respect to online food delivery app. Online food delivery apps are the apps through which people order food and the representative ad that app delivers the food from the restaurant to the customer. The study includes various food delivery apps and the reason for increasing rate of online food ordering. I have also tried to explain the growth of food delivery apps and various benefits, and the analysis grid of Swiggy, Zomato and Scootsy.

The advent of the Internet, accompanied by the growth of related technologies, has created a significant impact on the lives of people around the globe. For marketers, one of the most significant impact has been the emergence of virtual stores that sell products and services online. Consumers can now purchase goods and services virtually anywhere, 24 hours a day, 7 days a week, without geographical and temporal boundaries.

While many marketers acknowledge the importance of using the Internet in their marketing mixes, little research has empirically tested the critical factors that influence an individual's decision when buying products or services online. Based on the gaps found in the literature, the purposes of this project studies are to understand the perception of Electronic Online Food Ordering. The major factor that inhibits those who have not ordered via an electronic channel (non-users) is a desire for interaction although technology anxiety is also a factor). Consumers' Perceptions of Online Ordering and how they use it or why they don't do so. My intention is to help restaurant operator's better design their electronic ordering channels. Non-vegetarian food, particularly kebabs, is far and away the most commonly ordered category. The single most important attribute of electronic ordering is orders accuracy. That is followed by convenience and ease of ordering. Despite the availability of the internet and phone apps, the most common ordering channel is still the telephone call. Electronic ordering is growing, though, as the users said they place a little over 38 percent of their orders on the restaurant's website or app. A chief implication is that restaurateurs must ensure that their ordering systems must give users perceptions of control and also be convenient. One other consideration is that customers who order food online prefers restaurants that offer home delivery.

INTRODUCTION

Food Ordering on the internet is conceptually different from other sources of ordering food, as the internet promotes a one to one communication between the seller and the end user with round the clock customer service. Technology has played a vital role in revolutionizing the food delivery service from phone-based to online ordering to satiate consumers' ever-changing demands, making its way to the top. Today, the business of Food delivery services is one of the fastest growing segments of e-commerce. The major difference between traditional and online Food Ordering is the extent of interaction between the consumer and the seller. E-Commerce has made the interactivity with the consumer effortless in the form of Helpline numbers and FAQ's. Through Helpline Numbers and FAQs, the consumer's questions on delivery, payment, product, policies and other customer concerns can be addressed effectively. As an enormous amount of people are gravitating towards the more intensive use of the Internet as the accessibility of technology, the availability of information, and the ability to interact through the Internet increase and evolve.

Consumers are now able to use the Internet for a variety of purposes such as research, communication, online banking, shopping, and even online food ordering. With such benefits, the Internet is promptly becoming the main method of communication and of conducting business effortlessly. The Internet has contributed to the changes in consumer preference as their dependence on technology has moved them to do everything on the internet including getting cooked meals delivered on their doorstep. Convenience is the biggest determinant to the consumers as the steps required to make an order is as simple as few clicks on mobile devices like Smartphone, tablets, or laptops. In a nutshell, modern and young consumers may be labelled as „lazy“ for depending on technology and convenience. In addition to that, the time taken for the food to be delivered serves as a good reason for consumers when they do not have plans on where and what to eat.

From the business point of view, owners would grab opportunities which are seen as a new source of revenue generation. Consumer preference is the main stimulating factor for business owners to indulge in online delivery services as to further satiate customer demands and needs. Online food delivery is particularly prescribed in countries that are still developing as technology and consumer preference are still modifying.

Online food ordering is the process of food delivery or take out from a local restaurant through a web page or an online Application. It is similar in many aspects to ordering consumer goods online.

A customer can choose their preferred restaurant, type of cuisine, delivery or pick – up and mode of payment. The payment is either by card (debit or credit) or cash, and a percentage is returned to the online food company. With individuals becoming increasingly busy, the service provided by online food delivery Apps allowing them to place their order and receive delivery within a matter of minutes, is a great advantage. In addition to this, the online environment offers an avenue for customers to satisfy their impulsive food cravings. Customers can have easy access to competitive service providers at competitive prices and at the same time they can also receive input from their peers through social media, which helps influence their ultimate purchase decision.

Definition

- 1) **According to Engel, Blackwell, and Mansard**, „consumer behaviour is the actions and decision processes of people who purchase goods and services for personal consumption“.
- 2) **According to Louden and Bitta**, „consumer behaviour is the decision process and physical activity, which individuals engage in when evaluating, acquiring, using or disposing of goods and services.“

Online food ordering is the process of ordering food from a website or other application. The product can be either ready-to-eat food (e.g., direct from a certified home-kitchen, restaurant, or a ghost kitchen) or food that has not been specially prepared for direction consumption (e.g., vegetables direct from a farm/garden, frozen meats. etc). Food delivery apps are a new rage, from restaurant owners making their own food ordering app for you to deliver food while sitting on your couch to services like Zomato, Food Panda, swiggy which act as a collaboration platform between the restaurants and clients. The origins of the online food industry go back to 1994 where the first online food order received was a pizza from Pizza Hut in 1994. And the first online food ordering service, was Worldwide Waiter (now known as Waiter.com), was founded in 1995. With a population of over 1.2 billion, India is undeniably one of the biggest consumer markets in the world today. 50% of this population fall under the age of 25, making India one of the countries with the youngest population in the world. Furthermore, it has been predicted that by the year 2025 the number of middle-class Indians will touch 550 million. Moreover, e-commerce has been expected to grow from US \$2.9 billion

in 2013 to a mammoth US\$100 billion by 2020, thereby making it the fastest growing e-commerce market in the world. With this backdrop it should be noted that a growing trend has been observed showing that a majority of the fast food demand occurs within the age group of 10 – 40 years. The recent rise in the number of productively employed young Indians in sectors such as IT services has resulted in an increase in the spending capacity of the individuals. According to statistics provided by the World Bank, there has been a 50% increase in the per capita income from 2006 till date. This growing Appetite and increased spending capability of young Indians has made the food industry an attractive and lucrative area in which to start a business. With this significant growth in the online food and restaurant service industry, it has been estimated that the Gross Merchandise Value of online food and restaurant industries would reach an estimated \$2.7 billion by the end of 2019, which is a significant leap from the \$300million in 2016. In addition to young Indians fuelling the growing demand for the services of online food delivery, the increase in dual income families in urban areas of India, where both parents work, is dramatically changing the way people live in subtle yet significant ways. The changes in routines, lifestyle and food habits have resulted in an increase in demand for easily accessible and good quality food. It has been estimated that almost 92% of nuclear families who seek out fast food or take out, as against preparing a meal at home, do so in order to save the time and energy. Also, the increasing the number of working women increasing, and the increase in the amount of disposable income has proved to be a key demand driver. With the coming of the 21st century, we have entered an “e” generation era. The Internet has generated a tremendous level of excitement through its involvement with all kinds of businesses starting from e-Commerce, eBusiness, eCRM, eSupplyChain, eMarketplace, ePayment, eEntertainment, eTicketing, eLearning, to eCitizenor eGovernment. The Internet has been widely used in many sales and marketing activities, from the collection of valuable data to the dissemination of information to different stakeholders, for example, information retrieval, product communication, sales tool, distribution channel, and as a customer support tool (Singh, Jayashankar and Singh 2001; Calles 2000; Sandberg 1998; Peterson, Balasubramanian and Bronnenberg 1997). The Internet has opened a window of opportunity to almost anyone because of its ability to make viable the conduct of business in cyberspace, or by connecting people worldwide without geographical limitations. Consumers can order goods and services virtually anywhere, 24 hours a day; 7 days a week without worrying about store hours, time zones, or traffic jams. The Internet has also provided new opportunities for marketers by offering them innovative ways to promote, communicate, and distribute products and information to their target consumers.

E-commerce has grown phenomenally in the past decade for a variety of reasons including changes in consumer lifestyles, technological advancements, increases in consumer income and education, and rapid financial development throughout the world. The use of the Internet as a shopping or purchasing vehicle has been growing at an impressive rate throughout the last decade. The tremendous growth of online sales and the unique functions of the Internet have drawn a great deal of attention from many companies rushing in to set up businesses over the Internet without knowing what factors actually motivate consumers to buy products or services online.

Many marketers agree that Internet marketing will definitely increase customer spending and loyalty to both online and offline products if it is executed properly.

This is due largely to the Internet's significant advantage of two-way communication and its ability to transmit information quickly and inexpensively when compared to other traditional mass media using solely one-way communication (Warrington, Abram & Caldwell 2000; Waldo 2000). The simultaneous and rapid rate of consumer adoption of personal computers and network systems have encouraged and pressured marketers to provide Internet retailing sites. Some researchers in fact predict that the need for physical stores could be eliminated in roughly four decades and replaced with electronic retailing (Cope 1996).

While many marketers acknowledge the importance of using the Internet in their marketing mixes, only a handful of researchers have studied what factors encourage or discourage consumers when buying products or services online. Despite the increasing popularity of the Internet, most knowledge of Internet marketing is based on anecdotes and experiential evidence from television, radio, popular press or magazines.

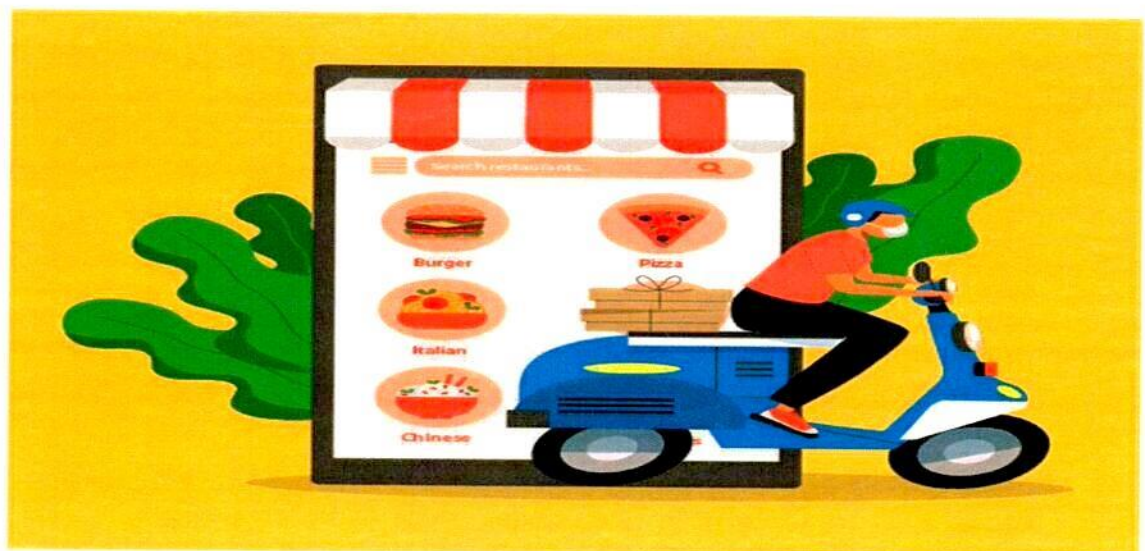
In summary, the benefits of using the Internet in marketing are enormous as they offer a huge opportunity for marketers to create innovative activities that have not previously been viable. However, marketers need to develop an insightful understanding of consumer behaviour when purchasing products online. This information will help marketing managers to plan their marketing mixes and offers to better meet customer's requirements. By doing so, companies will establish, maintain or increase customer satisfaction, build strong brand loyalty and ultimately, provide consumers with a solid rationale for continuing to buy the same brand. This study is thus significant as it is a preliminary attempt to identify factors and their relative strength in influencing consumer decision making when buying health foods online. The research problem and objectives of this study are addressed next.

Online food ordering system is a system to manage the business. The main point of developing this system is to help the customers to manage the business and help customers through online ordering and lunch reservation. The project is being developed because of the long queues that will be in the restaurant during lunch or dinner hours, one for purchasing tickets and one for collecting food.

With the new system, the customers would be able to order their food from the comfort of their offices, classrooms, hostels and anywhere outside the school campus without queuing. The system will cater for the disadvantages of the traditional method which is currently in place.

According to the studies, 50.8% of people order food delivery service because they do not prefer to cook, as it allows customers to have food delivered straight to their home or office in less than an hour. Despite the burgeoning internet boom in the present scenario, some of the consumers are still not participating in the online transaction. For various people, there are still worries with security and passing personal data over the Internet.

E-commerce development has made online food ordering services seamless for people who want to get food delivered at their doorstep. Although consumers continue to go out for the meals, consumers feel very convenient to order food online since it frees the customer from personally visiting the restaurants. In this study, our main focus was to analyze the perception of consumer towards online food ordering services. In order to understand what factors have played a dominant role to attract consumer.



CHALLENGES IN THE ONLINE FOOD DELIVERY BUSINESS

The main problem that results in the shutting down of online food delivery start-ups is that most of them are yet to touch the vital part of the value chain which is the FOOD itself. A report published by Takeout& Off-Premise states that 60% of customers feel that the taste of food ordered and consumed at a dine-in restaurant should be one and the same and 45% of customers want the same level of freshness.

Another underlying reason for the failure of many online food delivery start-ups is that they are carbon copies of one another, and completely lacking in innovation. In addition to this online food delivery service constantly face the following challenges:

- ✓ Lack of proper logistics control –timely delivery issues and shortage of delivery staff
- ✓ „On the fence“ attitude of customers i.e. lacking loyalty
- ✓ Inability to handle large volume of orders (both dine – in and take out)



GROWTH OF ONLINE FOOD DELIVERY IN INDIA

With the tremendous increase in the number of vehicles and the heavy population density leading to heavy traffic jams, which is seen in most of the Metropolitan such as Delhi, Mumbai, Kolkata and Chennai, a growing trend has been seen towards households preferring to use the services of online food delivery Apps rather than cooking at home. In a recent survey it was observed that more than 80% of food orders not only come out of the top 5 metropolitan cities in India, but specifically through online food delivery services. The “dining out” culture is now giving way to the “eating in” culture. Global food brands are now strengthening their relationship with food delivery service providers like Zomato and Swiggy. Recently, Café Coffee Day, India’s largest homegrown coffee shop chain launched a virtual restaurant which will cater to orders only through Uber. At present, India’s online food delivery market has been estimated to be valued at \$7billion. A large chunk of the market is occupied by Zomato and Swiggy who have a combined share of 80%.

Digital Food Application Service



Introduction

Online food ordering and delivery is a new type of business model in the current era of e-commerce and that leads to the start-ups of several online business. Online food ordering and delivery plays an important role in consumers, entrepreneurs, investors etc. Online food ordering and delivery is very successful because it bridges the gap between restaurants and consumers. It is a process where a customer will search for a restaurant and filter with the available items, cuisines and they deliver by an application in the mobile phone. Online food ordering and delivery system is depended on a mobile application and it works based on the location of the customer.

Swiggy is an application for food ordering and delivery. It is a Bangalore based company and is founded out by Rahul Jaimini, Sriharsha Majety, Nandan Redddy. Swiggy was mainly to provide a complete order and delivery solution to the urban foodies. It has an exclusive fleet of delivery personnel to pick up orders from restaurants and deliver it to customers. They provide customers with offers which will enable them to get frequent orders. Payments can be made through online as well as at the time of delivery. And they offer to their customers no minimum order policy. They make sure that the customers get their order on time for that delivery personnel's carry one order at a time.

IMPORTANCE OF THE STUDY

Generally, people consume food from hotels which takes a lot of time for its delivery. The time factor will be more in case of people going to restaurants and buy foods and cost will also be more. This study is conducted to study the consumer perception towards online food ordering Swiggy, how it bridges the gap between the consumer and the hotels. The factors influencing the consumers to buy through food ordering application Swiggy is also identified in the study and the satisfaction derived out of the food ordering applications Swiggy is also examined.

History

In 2013, the two founders, Nandan Reddy and Sriharsha Majety, designed an e-commerce website called Bundl to facilitate courier service and shipping within India. Bundl was halted, and was rebranded to enter the food delivery market. At the time, the food delivery sector was in turmoil as several notable start-up's, such as Foodpanda (later acquired by Ola Cabs), TinyOwl (later acquired by Zomato) and Ola Cafe (later closed) were struggling. Majety and Reddy approached Rahul Jaimini, formerly with Myntra, and founded Swiggy and parent holding company Bundl Technologies in 2014. The company built a dedicated delivery network and grew rapidly, primarily driven by the focus on logistics and locking in key resources. In May 2020, Swiggy laid off 1100 employees during the COVID-19 pandemic. In August 2020, the company launched their groceries delivery platform called InstaMart.

Investments and Acquisitions

In 2015, the company began attracting external investments. The first was a \$2 million investment from Accel and SAIF Partners, along with an additional investment from Norwest Venture Partners. The next year, Swiggy raised \$15 million from new and existing investors, including Bessemer Venture Partners and Harmony Partners.

In 2017, Naspers led an \$80 million funding round into Swiggy. Swiggy received \$100 million from China-based Meituan-Dianping and Naspers in 2018 and a string of investments boosted the company's valuation to over a \$1 billion. In February 2019, Swiggy acquired Bengaluru-based AI startup Kint.io. In April 2020, Swiggy received around \$43 million funding which valued the company at \$3.6 billion. Swiggy acquired Bangalore-based Asian food start-up 48East in 2017. Swiggy later acquired Mumbai-based Scootsy Logistics, a struggling food and fashion delivery service. It also went on to acquire a milk delivery start-up in Mumbai called SuprDaily in an all cash deal. In 2019, the company invested Rs 31 crore in Mumbai-based ready-to-eat food brand Fingerlix. Swiggy planned to transition Scootsy's partners, fleet and nudge consumers to its app and shut Scootsy by June-end 2020.

Zomato:



Introduction

Zomato is an Indian restaurant aggregator and food delivery start-up founded by Pankaj Chaddah and Deepinder Goyal in 2008. Zomato provides information, menus and user-reviews of restaurants as well as food delivery options from partner restaurants in select cities. Zomato also began grocery delivery amid the COVID-19 outbreak.¹ As of 2019, the service is available in 24 countries and in more than 10,000 cities

History

Zomato was founded as *Foodiebay* in 2008, and was renamed *Zomato* on 18 January 2010 as Zomato Media Pvt. Ltd. In 2011, Zomato expanded across India to Delhi NCR, Mumbai, Bangalore, Chennai, Pune and Kolkata. In 2012, the company expanded operations internationally in several countries, including the United Arab Emirates, Sri Lanka, Qatar, the United Kingdom, the Philippines,¹ and South Africa. In 2013, Zomato was launched in New Zealand, Turkey, Brazil and Indonesia, with its website and apps available in Turkish, Portuguese, Indonesian and English languages. In April 2014, Zomato launched its services in Portugal, which was followed by launches in Canada, Lebanon and Ireland in 2015.

In 2019, Zomato acquired Seattle-based food portal Urbanspoon, which led to the firm's entry into the United States and Australia. This U.S.-expansion brought Zomato into direct competition with similar models such as Yelp and Foursquare.

With the introduction of .xxx domains in 2011, Zomato also launched zomato.xxx, a site dedicated to food porn. In May 2012, it launched a print version of the website named "Citibank Zomato Restaurant Guide," in collaboration with Citibank, but it has since been discontinued.

Zomato had also made a name for itself for its prowess in digital marketing.

In February 2017, Zomato announced plans to launch Zomato Infrastructure services, a service to help restaurants expand their presence without incurring any fixed costs. In September 2017, Zomato claimed the company had "turned profitable" in all 24 countries where it operated and introduced a "zero-commission model" for partner restaurants. Towards the end of 2017, Zomato stopped accepting updates from its active users by not utilizing moderators to verify and make updates. Users of the app reported issues with new features to pay for orders.

Zomato narrowed down its losses by 34% to ₹389 crore for the financial year 2016–17, from ₹590.1 crore in the previous year 2015–16.

In September 2019, Zomato fired almost 10% of its workforce (540 people) tending to back-end activities like customer service, merchant and delivery partner support functions. In April 2020, due to rising demand for online groceries amid the COVID-19 pandemic, Zomato launched its grocery delivery services named Zomato Market in 80+ cities across India.

In April 2020, Zomato introduced Contactless Dining to get ready for a post-lockdown world. Through this initiative, the company aims to minimize customer contact with anything that someone else might have touched, by eliminating the use of high-touch elements such as the menu, ordering, and bill payments through bar codes or the app while the staff will wear masks.

In May 2020, Zomato further laid off 520 employees due to the COVID-19 pandemic. Despite the fact that demand for services delivering food from restaurants and takeaways surged, Zomato's nominal reasoning for needing cuts is that coronavirus will be followed by an economic downturn, which could hit orders. In August 2020, Zomato drew praise for introducing a period leave policy, allowing female employees to take up to 10 days' time off per year if they are unable to work due to menstrual cycle health effects. The policy applies to transgender employees as well.

Investments

Between 2010 and 2013, Zomato raised approximately US\$16.7 million from Info Edge India, giving Info Edge India a 57.9% stake in Zomato. In November 2013, it raised an additional US\$37 million from Sequoia Capital and Info Edge India.

In November 2014, Zomato completed another round of funding of US\$60 million at a post-money valuation of ~US\$660 million. This round of funding was being led jointly by Info Edge India and Vy Capital, with participation from Sequoia Capital.

While in April 2015, Info Edge India, Vy Capital and Sequoia Capital led another round of funding for US\$50 million. This was followed by another US\$60 million funding led by Temasek, a Singapore government-owned investment company, along with Vy Capital in September.

In October 2018, Zomato raised \$210 million from Alibaba's payment affiliate Ant Financial. Ant Financial received an ownership stake of over 10% of the company as part of the round, which valued Zomato at around \$2 billion. Zomato had also raised an additional \$150 million also from Ant Financial earlier in 2018.

In September 2020, Zomato raised \$62 million from Temasek, after previously committed capital from Ant Financial never came through.

In October 2020, as part of a Series J round of funding, Zomato raised \$52 million from Kora, a US-based Investment firm.

UberEats:



Introduction

Uber Eats is an American online food ordering and delivery platform launched by Uber in 2014 and based in San Francisco, California.

History

Uber Eats' parent company Uber was founded in 2009 by Garrett Camp and Travis Kalanick. The company began food delivery in August 2014 with the launch of the UberFRESH service in Santa Monica, California. In 2015, the platform was renamed to UberEATS and the ordering software was released as its own application, separate from the app for Uber rides. Its London operation opened in 2016.

In August 2018, Uber Eats changed its flat \$4.99 delivery fee to a rate that is determined by distances. The fee ranges from a \$2 minimum to an \$8 maximum. In the UK and Ireland, the delivery fee is based on the value of the order. In February 2019, Uber Eats announced that it would reduce its fee from 35 percent of the order's value to 30 percent. As part of its expansion into foreign markets, the

company announced its intention to open virtual restaurants in the UK. Sometimes called cloud restaurants or cloud kitchens, these are restaurant kitchens staffed to prepare and deliver food, either for existing brick-and-mortar restaurants wishing to move their delivery operations offsite, or for delivery-only restaurants with no walk-in or dining room service.

In November 2018, the company announced plans to triple its workforce in its European markets. As of November 2018, the company reported making food deliveries in 200 cities in 20 countries in EMEA markets.

In 2019, Uber Eats said it would deliver food to customers by drones from the Northern Hemisphere summer of 2019, and partnered with Apple on the release of the Apple Card. In July, Uber Eats began offering a dine-in option in certain cities that allowed customers to order food ahead of time and then eat in the restaurant.

In September 2019, Uber Eats said it would leave the South Korea market, with Reuters attributing this to the amount of competition for food delivery companies in Korea. In October, the company launched a pick-up option. On October 15, 2019, the company said it would deliver Burger King fast food throughout the United States.

On January 21, 2020, Zomato said it would acquire all of UberEats stock in India. As part of the deal, Uber would own 10% stake in Zomato and Zomato would gain all the users of Uber Eats in India. At the time of the deal, Zomato was valued at roughly \$3.55 billion.

On January 28, 2020 it was reported that Uber Eats no longer had exclusive delivery rights for McDonald's in the United Kingdom, as the fast food company had partnered with British-based food-delivery company Just Eat. The company had already lost its exclusive delivery rights with McDonald's in the United States the year before.

In March 2020, during the COVID-19 pandemic, Uber Eats saw a 30% rise in new customers, as people avoided social interaction for fear of contracting the virus.

On May 4, 2020 Uber Eats announced they were exiting the United Arab Emirates and that the service would now be through Dubai based vehicle for hire company Careem. The same report stated they were also exiting Saudi Arabia and Egypt.

By mid-2020, in the middle of the coronavirus pandemic where demand for services delivering food from restaurants and takeaways surged, it got even worse for Uber Eats, who announced plans to

let go around 20% of its workforce, some 5,400 roles. The company's nominal reasoning for needing cuts is that coronavirus will be followed by an economic downturn, which could hit orders

Operation

Users can read menus, reviews and ratings, order, and pay for food from participating restaurants using an application on the iOS or Android platforms, or through a web browser. Users are also able to tip for delivery. Payment is charged to a card on file with Uber. Meals are delivered by couriers using cars, scooters, bikes, or on foot.

Ratings and Reviews

As of 2020, Uber Eats' rating with the BBB is "NR" or "No Rating"

Allegations of monopolistic behavior

In April 2020, a group of New Yorkers sued Uber Eats along with DoorDash, GrubHub, Postmates, accusing them of using their market power monopolistically by only listing restaurants on their apps if the restaurant owners signed contracts which include clauses that require prices be the same for dine-in customers as for customers receiving delivery. The plaintiffs state that this arrangement increases the cost for dine-in customers, as they are required to subsidize the cost of delivery; and that the apps charge "exorbitant" fees, which range from 13% to 40% of revenue, while the average restaurant's profit ranges from 3% to 9% of revenue. The lawsuit seeks triple damages, including for overcharges, since April 14, 2016 for dine-in and delivery customers in the United States at restaurants using the defendants' delivery apps. The case is filed in the federal U.S. District Court, Southern District of New York as *Davitashvili v GrubHub Inc.*, 20-cv-3000. Although a number of preliminary documents in the case have now been filed, a trial date has not yet been set.

Foodpanda



Introduction

Foodpanda (stylized in lowercase as **foodpanda**) is an online food and grocery delivery platform brand owned by Delivery Hero, which is headquartered in Berlin, Germany and operates with 20 brands in about 50 countries across four continents. Foodpanda brand, currently used in Asia, Bulgaria and Romania, was acquired by Delivery Hero in December 2016.

History

In 2012, Lukas Nagel and Rico Wyder established Foodpanda in Singapore and later expanded in Malaysia, Indonesia, Thailand.

Foodpanda was launched in 2013 in Romania and in 2014 expanded in Hungary and Balkans.

In 2014, Foodpanda expanded its service into the Philippines Shortly after, global expansion of the Foodpanda business was led by Ralf Wenzel, Felix Plog and Ben Bauer.

From 2019 to 2020, foodpanda expanded in Myanmar, Cambodia and Laos.

Foodpanda was launched in Japan, in September 2020 covering 6 cities including Kobe, Yokohama, Nagoya, Sapporo, Fukuoka and Hiroshima and later Osaka and Kyoto.

South Asia

In February 2014, Foodpanda acquired its main rival in Pakistan, Eat Oye. It afterwards went through three management changes until 2019. In early 2015, the company made an all-stock purchase of TastyKhana.in, and the portal Just Eat India.

Cofounder Rohit Chadda stepped down from roles at the company in the middle of 2015. In the end of 2015, the company laid off around 300 employees in India. By 2016, none of the original managing directors or cofounders were present with the company. Also, at that time, there was a news expose alleging malpractice at foodpanda India, including non-payments to restaurants, and fake listings. Earlier that July, it was also revealed that the Singapore police raided their offices in the country for signs of malpractice concerning foreign interns. The company was based in Gurgaon at the time and active in 200 cities. By 2016, Rocket India was seeking a buyer for the company, listing relatively low prices such as \$10 to \$15 million.

Delivery Hero announced in December 2020 that it would take control of South Korea's biggest food delivery app, Woowa Brothers Corp., at a \$4 billion valuation.

Russia

In November 2016 the company sold its Delivery Club business in Russia to mail.ru for \$100 million. In December 2016, the Foodpanda group was acquired by the German competitor Delivery Hero. Also that year in December 2016, Foodpanda's once largest investor Rocket Internet sold Foodpanda to Delivery Hero. Foodpanda's business in India was acquired by Ola for all share deal on 11 December 2017,¹ for the price of \$40-\$50 million. Ola said it would invest around \$200 million additional funds in Foodpanda. On November 1 2017, Foodpanda re-branded from Orange to Pink with updated logo across all the countries. The rebrand follows its acquisition by tech giant Delivery Hero in December 2016, changing its brand colour from orange to pink. The company began offering discounts to increase usage, and at its peak, in August 2018 it had around 200,000 daily orders. That dropped to around 5,000 daily orders by the middle of 2019. Ola suspended Foodpanda India's food delivery business in the middle of 2019 and fired most of its 1,500 "food delivery executives." The Foodpanda brand was said to continue in-house brands or "cloud kitchens."¹ The cloud kitchen concept had started for the company when it had acquired the company Holachef in October 2018. In 2019, however, it only had three private label brands under its cloud kitchen business, among them FLRT and Great Khichd experiment.

PRESENT SECNARIO

With the coming of the 21st century, we have entered an “e” generation era. The Internet has generated a tremendous level of excitement through its involvement with all kinds of businesses starting from e-Commerce, eBusiness, eCRM, eSupplyChain, eMarketplace, ePayment, eEntertainment, eTicketing, eLearning, to eCitizenor eGovernement. The Internet has been widely used in many sales and marketing activities, from the collection of valuable data to the dissemination of information to different stakeholders, for example, information retrieval, product communication, sales tool, distribution channel, and as a customer support tool (Singh, Jayashankar and Singh 2001; Calles 2000; Sandberg 1998; Peterson, Balasubramanian and Bronnenberg 1997). The Internet has opened a window of opportunity to almost anyone because of its ability to make viable the conduct of business in cyberspace, or by connecting people worldwide without geographical limitations. Consumers can order goods and services virtually anywhere, 24 hours a day; 7 days a week without worrying about store hours, time zones, or traffic jams. The Internet has also provided new opportunities for marketers by offering them innovative ways to promote, communicate, and distribute products and information to their target consumers.

E-commerce has grown phenomenally in the past decade for a variety of reasons including changes in consumer lifestyles, technological advancements, increases in consumer income and education, and rapid financial development throughout the world. The use of the Internet as a shopping or purchasing vehicle has been growing at an impressive rate throughout the last decade. The tremendous growth of online sales and the unique functions of the Internet have drawn a great deal of attention from many companies rushing in to set up businesses over the Internet without knowing what factors actually motivate consumers to buy products or services online.

Many marketers agree that Internet marketing will definitely increase customer spending and loyalty to both online and offline products if it is executed properly.

This is due largely to the Internet’s significant advantage of two-way communication and its ability to transmit information quickly and inexpensively when compared to other traditional mass media using solely one-way communication (Warrington, Abram& Caldwell 2000; Waldo 2000). The simultaneous and rapid rate of consumer adoption of personal computers and network systems have encouraged and pressured marketers to provide Internet retailing sites. Some researchers in fact predict that the need for physical stores could be eliminated in roughly four decades and replaced with electronic retailing (Cope 1996).

SOURCE OF DATA COLLECTION

Primary Data

Primary data are information collected by a researcher specifically for a research assignment. In other words, primary data are information that a company must gather because no one has compiled and published the information in a forum accessible to the public. Companies generally take the time and allocate the resources required to gather primary data only when a question, issue or problem presents itself that is sufficiently important or unique that it warrants the expenditure necessary to gather the primary data. Primary data are original in nature and directly related to the issue or problem and current data. Primary data are the data which the researcher collect through various methods like interviews, surveys, questionnaires etc. The primary data have own advantages and disadvantages.

Advantages of primary data:

- In some primary data collection methods, there is no control over the data collection. Incomplete questionnaire always gives a negative impact on research.
- Trained persons are required for data collection. In experienced person in data collection may give inadequate data of the research.

Secondary Data

Particularly related to a company or organization, internal sources (such as sales data, financial data, operations-related data, etc.) can be easily attained and repurposed to explore research questions about different aspects. External secondary data research: Represents a study that uses existing data on a certain research subject from government statistics, published market research reports from different organizations, international agencies (such as IMF, World Bank, etc.), and so on. There are various advantages and disadvantages of using secondary data.

Advantages of Secondary Data:

- The primary advantage of secondary data is that it is cheaper and faster to access.
- Secondly, it provides a way to access the work of the best scholars all over the world.

SWOT ANALYSIS

Strengths of Food Delivery Service Business

Some of the **strengths** of food delivery business are as follows;

Experienced staff & Strong delivery system

If you have an excellent cook that can produce tastes in the final product, good packing, and delivery system. Then these are the plus points of your business. Since we are living in a time where everyone is busy and want convenience. If you provide quality food with good taste and timely delivery service, then people would prefer your product.

Well Recognized Brand

If your brand is well recognized because you have in the hotel and restaurant business for a long time, then it would benefit you when you launch your business online. People would immediately recognize your brand because they're familiar with prices and the taste of your products. They won't waste any more time exploring other options; they would place the order for delivery.

Cheaper Prices

If you are new in the market, then low prices would help you to attract price-conscious customers. Low prices mean that you have to do a lot of homework to find out the cheap suppliers, you won't be able to find them easily. Once you do, only then you would be able to offer your products at low prices. Otherwise, you won't be able to do it and you shouldn't offer cheap prices out of your pocket.

Fresh Food

We all prefer freshly cooked food. When an online service that offers fresh meals to its customers. Then it would attract the attention of many people, especially those who have tried other online services before. When you deliver the same service that you advertise, then it would give a lot of referrals.

Modified Menu

Your menu list shouldn't comprise of few products. The items on the menu should have a variety, so that people would have options to choose. A customized menu would give your brand a competitive

edge. People would be certain that it is your brand that offers a variety of products to its customers.

Weaknesses of Food Delivery Service Business

Some of the [internal weaknesses](#) of the food delivery business are as follows;

Limited Capital

Of course, starting an online takeaway and food delivery business is cheaper than building a real hotel. But it doesn't mean that it would be free. You would need capital for the advertisement, billboards, and online ads. Referral and word of mouth marketing are good, but it won't give you a lot of sales. You would need paid media tools to reach a bigger audience.

Costly Food

Food ingredients are becoming very costly, and after adding up the value-added cost. The final price of the product doesn't give you a much price competitive advantage. If your new brand offers the same food items with the same taste, then it'll be difficult for you to attract the price-conscious market. What you need is a cheaper supplier to offer lower prices to your targeted market.

High Turnover

A food delivery service is a kind of job that people usually don't do for the rest of their lives. Only part-timers and in-between-jobs people do such jobs. Whenever they get a better opportunity, they immediately leave the food delivery job. It is because of longer hours, tough routine, fewer wages, and risk of being exposed to all kinds of weather.

Lack of Trust among the Public

Online food offering store is a kind of business that people can't see the operations going on in the kitchen. Therefore, it becomes difficult for the public to trust the new stores where they can't be certain about the quality of the ingredients.

On the other hand, people have visited the well-recognized hotels and they have their kitchen and quality processes. When it comes to choices, they would always prefer the stores that they knew, rather than the new ones.

Opportunities for the Food Delivery Service Business

Some of the opportunities that food delivery business could advantage of are as follows;

Food Trucks and Wagons

Food trucks and wagons are a great option for the new online food delivery brands, because people have trust issues. When you introduce your products using the food trucks and meet people in person, then you would be able to minimize their trust issues. People know what kind of person you are, and see how you manage your kitchen.

Alliances with Bars

Bars and clubs offer only drinks if you make alliances with them to add an extra food service in their bars and clubs. Then you would be able to turn those bars into dinners. Extra service would make them attract new customers, and it would help you to increase sales.

Expansion across the Country

If you're already doing good business in one city, you have good reviews and enough capital. Then you should open up branches in the other cities as well. Use the satisfied customers' reviews in the [marketing campaign](#) of the other cities.

Since you already doing good business in one city, it is highly probable that you would easily new customers in the other cities across the country. Success multiplies with success, and you should keep on expanding.

Improved Customer Service

Neat and clean service is a type of quality that people admire and they want it in their meal. When you provide them the same quality food service that you advertise, then it would help to create goodwill. It is one of those characteristics that would make people choose your brand over competitors in the long term.

COVID-19

The [Coronavirus \(COVID-19\)](#) has turned out to be deadly to all kinds of public gathering hotels and restaurants. But it has also presented an opportunity for online food delivery businesses to continue to

grow and expand. Since people can't go out in public places, the only option for them is to order food online and get delivered at home.

Threats to Food Delivery Service Business

Some of the external threats that online food delivery business has to face are as follows;

Cheaper Prices of Competitors

If any of your competitors have found some cheap suppliers, and he is offering the same items at a lower price. Then it would be fatal for the life of your business unless you're offering some unique service and differentiating products. Otherwise, the cheap prices of your competitors would help them to attract most of the price-conscious market share. Either you should find the new cheap suppliers, or you should look for the ideas to differentiate your product.

Restriction on the Food Truck

Some states, countries, residential, and public places don't allow food trucks to openly sell food items. If you're a new brand, and your state doesn't allow you to openly sell food items using food trucks and wagons. Then it would be very difficult for you to connect with targeted customers.

Some people have trust issues in terms of food items, and you are unable to connect with them. It would take you a much longer time under such circumstances.

Contaminated Food

If somehow your food is contaminated and it makes people sick at once, then it is not something that you want. Because it would create negative marketing of your business and spread panic among the public. Even it happens at once; people won't order for the delivery of your food again. It doesn't matter how well established your brand it.

If it happens to a new brand, then it would mean the death of your business. For an older brand, they have to accept their mistake, apologize to the public, and pay medical bills of the affected people. Only then the public would accept their apology.

Economic Downturn

Economies across the world are going through a very rough period because of the current pandemic

circumstances. The unemployment rate is higher than ever. It means that people have less money to buy expensive food. People are barely feeding themselves to survive.

Competition

People don't have jobs and they are consuming their savings. The online takeaway and food delivery service market is comprised of many **competitors**. In such a competitive environment, it has become very difficult for online businesses to differentiate their products and offer low prices.



BCG MATRIX

The BCG Matrix for Online Food Delivery in India On a Growth Spree will help Online Food Delivery in India On a Growth Spree in implementing the business level strategies for its business units. The analysis will first identify where the strategic business units of Online Food Delivery in India On a Growth Spree fall within the BCG Matrix for Online Food Delivery in India On a Growth Spree.

Stars

- The financial services strategic business unit is a star in the BCG matrix of Online Food Delivery in India On a Growth Spree. It operates in a market that shows potential in the future. Online Food Delivery in India On a Growth Spree earns a significant amount of its income from this SBU. Online Food Delivery in India On a Growth Spree should vertically integrate by acquiring other firms in the supply chain. This will help it in earning more profits as this Strategic business unit has potential.
- The Number 1 brand Strategic business unit is a star in the BCG matrix of Online Food Delivery in India On a Growth Spree, and this is also the product that generates the greatest sales amongst its product portfolio. The potential within this market is also high as consumers are demanding this and similar types of products. Online Food Delivery in India On a Growth Spree should undergo a product development strategy for this SBU, where it develops innovative features on this product through research and development. This will help Online Food Delivery in India On a Growth Spree by attracting more customers and increases its sales.

Cash Cows

- The supplier management service strategic business unit is a cash cow in the BCG matrix of Online Food Delivery in India On a Growth Spree. This has been in operation for over decades and has earned Online Food Delivery in India On a Growth Spree a significant amount in revenue. The market share for Online Food Delivery in India On a Growth Spree is high, but the overall market is declining as companies manage their supplier themselves rather than outsourcing it. The recommended strategy for Online Food Delivery in India On a Growth Spree is to stop further investment in this business and keep operating this strategic businessunit as long as its profitable.

Question Marks

- The local foods strategic business unit is a question mark in the BCG matrix for Online Food Delivery in India On a Growth Spree. The recent trends within the market show that consumers are focusing more towards local foods. Therefore, this market is showing a high market growth rate. However, Online Food Delivery in India On a Growth Spree has a low market share in this segment. The recommended strategy for Online Food Delivery in India On a Growth Spree is to invest in research and development to come up with innovative features. This product development strategy will ensure that this strategic business unit turns into a cash cow and brings profits for the company in the future.

Dogs

- The plastic bags strategic business unit is a dog in the BCG matrix of Online Food Delivery in India On a Growth Spree. This strategic business unit has been in the loss for the last 5 years. It also operates in a market that is declining due to greater environmental concerns. The recommended strategy for Online Food Delivery in India On a Growth Spree is to divest this strategic business unit and minimize its losses.
- The artificially flavored products strategic business unit is a dog in the BCG matrix for Online Food Delivery in India On a Growth Spree. These products were launched recently, with the prediction that this segment would grow. However, with increasing health consciousness, people are now refraining from consumption of artificial flavors. The market is shrinking, and Online Food Delivery in India On a Growth Spree has no significant market share. The recommended strategy for Online Food Delivery in India On a Growth Spree is to call back this product

IMC TOOLS OF FOOD DELIVERY APP.

Integrated Marketing Communications is an integration of marketing tools such as advertising, online marketing, public relation, direct marketing, and sales promotion.

Promotional tools are effective when they work together rather than in isolation. The strategy behind IMC is to create a seamless experience for the customers.

It's essential for the organizations to promote its brand not only to the end-users but to compete with the competitors to stay in the market for the long run.

Promotion does not include just creating awareness amongst people about the product but also includes spreading the knowledge about its

Tools of Integrated Marketing Communications

1. **Advertising**
2. **Personal selling**
3. **Direct Marketing**
4. **Mobile Marketing**
5. **Social Media Marketing**
6. **Public Relations**
7. **Sales Promotion**
8. **Sponsorships**



Advertising

Advertising is the non-personal and paid form of communication. It is one of the most effective forms of communication where it reaches a mass audience at once within a short period of time.

It not only increases sales but also creates awareness among consumers. Marketers need to ensure that the right message should be delivered in the right manner to the consumers.

The various media used are print media, radio, billboards, television, etc.

Personal selling

Personal selling includes face to face interaction with the end-users with the motive of promoting the

product and convincing the buyer to purchase the product.

It is the most effective tool in IMC as a salesperson directly communicates with the buyer, resolves their issues on spot, improvise his pitch as per the need of the buyer, and focuses on building a long-term relationship with end-users.

Direct Marketing

It is the oldest form of communication where organizations directly communicate with end-users through emails, telephone, fax, text messages, catalog, brochure, and promotional letter.

Nowadays people buy more online, so marketers help consumers in the buying process by sending those catalogs and other marketing material which makes the process easier for consumers.

6 Essential Steps in Integrated Marketing Communication Process

Mobile Marketing

Mobile marketing involves communicating with customers through mobile by sending them a text message. It is the cheapest traditional means of promotion.

Social Media Marketing

It is one of the most powerful media where the promotion of the brand or business can be done through the social media channel. It is one of the low-cost promotional methods where a large number of users are targeted at once.

Public Relations

It is the practice of managing the relationship between an organization and the public.

It is a two-way communication where the public shares their feedback to the organization.

PR is done to create goodwill in the market and present the product of the company in the positive light.

Promotion can be done through press releases, public appearances, event sponsorships, news, etc.

Sales Promotion

Sales promotion is the short term incentives given to consumers to accelerate the sale.

It gives them a reason to buy the product by providing attractive offers like discount coupons, contests, premiums, samples, sweepstakes, price packs, low-cost financing deals, and rebates.

Sponsorships

It is a mixture of sales promotion and public relations. Sponsorships create brand loyalty and help in differentiating the product with competitors.

CELEBRITY ENDORSEMENT

Raise the memory point Raising people's memory points requires the use of stars that have some relevance to the product. There was an attempt to have three groups of people watch three different guitar advertising posters: the first one used Angelina Jolie with only a text description of the guitar product and the brand; the second one used an image of Elvis Presley holding a guitar plus product and brand text messages; the third one had no celebrity in the ad, only an image of the guitar and product and brand text messages. The conclusion is obvious that images with celebrities are more likely to be remembered, and only 15% of people can recall what product the Angelina Jolie ad is actually about. This indicates that celebrity endorsement can leave a deep impression on people to a certain extent. If this is added to the deliberate promotion of new media, the sales of the product can be imagined.

Improve exposure

To attract consumers' attention, celebrities are always more likely to attract attention. Based on the healthy image of sports stars and their high popularity and exposure to advertise their products, companies can establish a good corporate image, attract consumers' desire to consume, and gain huge commercial profits. Take the Tokyo Olympics in 2021 as an example. Because of the epidemic, unlike the audience in the past, the younger generation's way of watching the games can be simply summarized as follows: top hot search, posting pop-ups, panning for the same model, and entering the live room. The most existent interactive ways on the Internet, the Olympic Games also include all, and it is because of the widespread use of Internet media, to maximize the exposure of the product, which has data on the Tokyo Olympics brand marketing list about the food and beverage industry: Yan Zhi Wu, Red Bull, Coca-Cola, the three brands occupy the top three. About the Internet industry: Alibaba, Teng Xun, kuai Shou, Xiao hong shu, Pin Duo Duo, etc. are in the forefront.

Increase credibility

Being a public figure, especially some stars in professional fields (e.g., sports stars) can enhance the trust of potential users in a product or brand. Since 2011, Chinese sports brands have been facing frequent store closures, inventory backlogs and massive losses. In the process of looking for ways to reverse business difficulties and enhance brand value, people finally came up with a positive correlation between brand value and brand credit. When the weightlifting champion Chen Lijun's family was exposed to be poor at the 2021 Tokyo Olympic Games, many citizens called for sponsors' attention, and then Ping An Health Insurance promptly followed up and signed a contract with him. Chen Lijun thanked everyone for helping him find an endorsement, which was once on Weibo's hot search, increasing goodwill for the brand and enhancing the public's credibility of the brand



RESEARCH METHODOLOGY

Definition

William C. Emory, in his book „Business Research Methods“ defines Research Methodology as “Any organized enquiry designed and carried out to provide information for solving problems.”

V. Clover and H. Balsley defined it as “The process of systematically obtaining accurate answers to significant and pertinent questions by use of scientific method gathering and interpreting information.”

Statement of Problem:

Ignoring the user loyalty by giving the food online. The prices of the food get fluctuate due to the offers. Most of the food delivery businesses highly depend on the number of total orders on a daily basis. Setting up an online ordering gateway is one of the most challenging and costly elements that require a substantial amount of investment which could be a really difficult thing to manage for start-up or small online food Delivery Company.

Only a few restaurants have the order and deliver services and most of these restaurants that people like do not have the order and deliver services. So in the current system the customer calls and paces order and come eat at the restaurant or come pick up the order for him or herself and sometimes in this situation orders may take long to be processed especially when it is busy day and most customers may be annoyed by waiting or even lose their appetite which may lead to long queues and food processing taking a long time sometimes because most of the thing are done manually Customers who call in cannot really view the menu and sometimes it is difficult to explain some of the food items to the customer.

Hypothesis

(Statement of hypothesis)

1. H1- consumers prefer to order food online
2. H0- consumer don't prefer to buy food online
3. H1-consumers are satisfied with the online food buying
4. H2- consumers are not satisfied with online food buying

Objectives of Research:

- 1) To study the preference of consumer towards online food order.
- 2) To study reason behind changing preference.
- 3) To study satisfaction level of customers towards online food buying.
- 4) To study changing trends towards online food buying.

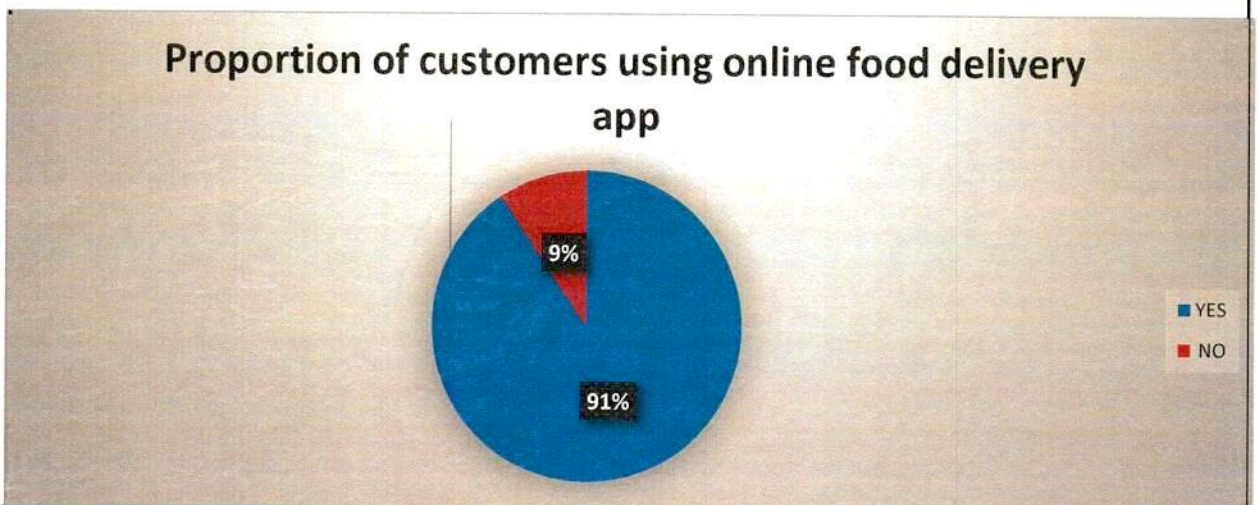
DATA ANALYSIS & INTERPRETATION

1. PEOPLE ORDER FOOD ONLINE.

Sr. No	Attributes.	No. of Respondent	% of Respondent
1.	Yes	48	91%
	No	5	9%

Table Showing the proportion of customers using online food delivery app

From the above table we can study that there are total 53 respondent to this study from which 48 respondent says that they use food delivery app the percentage comes to 91% and only 5 respondent says they don't use the service and their percentage is 9%.



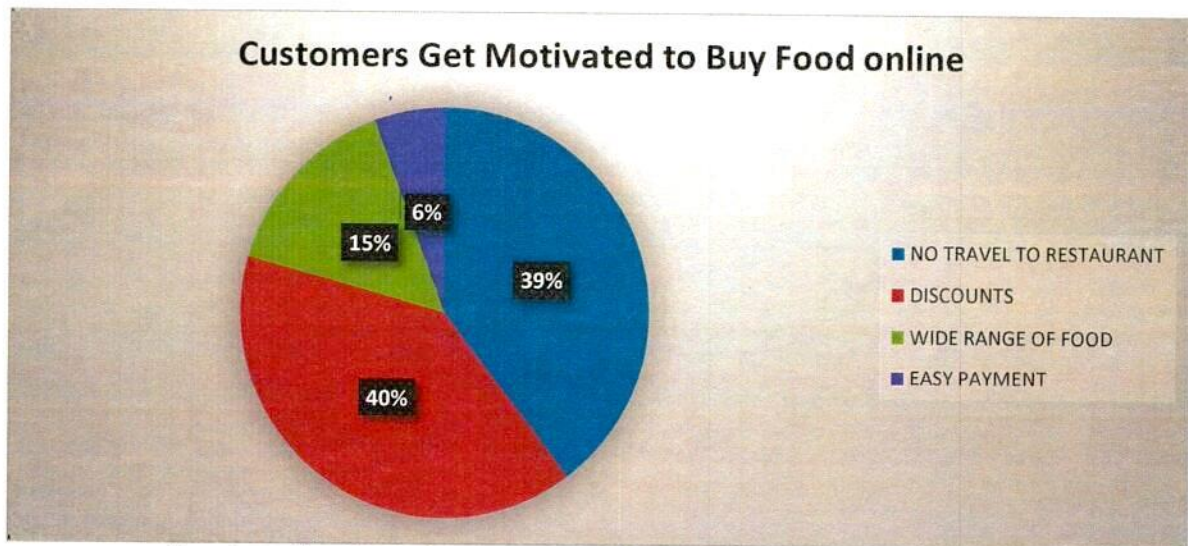
Based on the above chart we can study that 91% of customers order food online. While the 9% of the customers do not order food online. Most of the people or respondent order food online.

2. CUSTOMERS GET MOTIVATED TO BUY FOOD ONLINE.

Sr. No	Attributes	No. of Respondent	%of Respondent
2	No Travel to restaurant	21	39%
	Discounts	21	40%
	Wide range of food	8	15%
	Easy Payment	3	6%

Table Shows the customer get motivated to buy food online.

The above table shows that how the customers are motivated to buy food online. There are different attributes to this study they are no travel to restaurant 21 respondent agree to it the percentage comes to 39%, Discounts 21 respondent its percentage is 40%, Wide range of food 8 respondent agreed 15% Easy payment to this only 3 respondents agreed and its percentage comes to 6%.



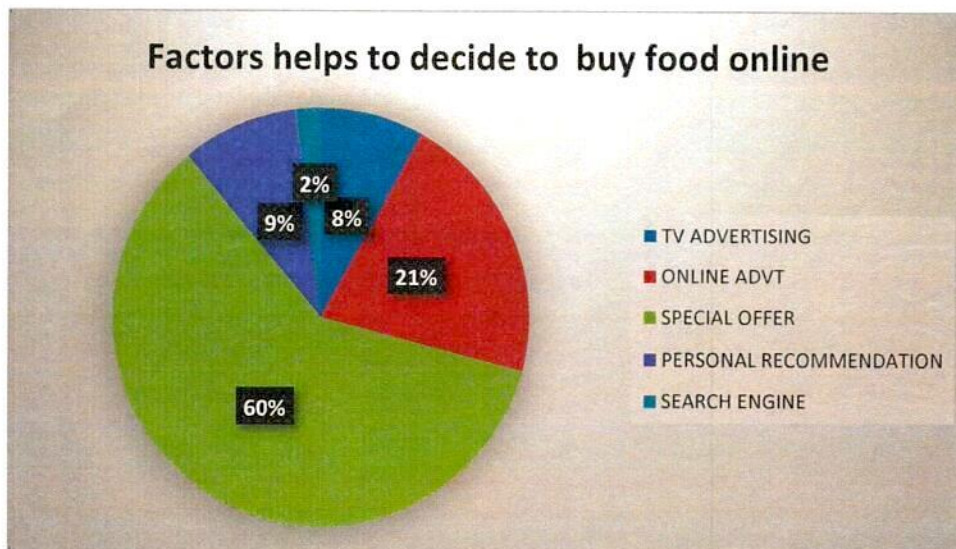
Based on the above chart we can study that 40% of the customers gets motivate to buy food online because of the discounts available on the food, 39% of them buy food online because there is no travel to restaurant, 15% because there is wide range of food, and 6% for easy payment. Respondent get motivates to buy food online when there is a lot of discounts given on the food, so they can have their favorite food in less money.

3. FACTORS HELPS TO DECIDE TO BUY FOOD ONLINE.

Sr. No	Attributes	No. of Respondent	% of Respondent
3	TV Advertising	4	8%
	Online Advertising	11	21%
	Special Offer	32	60%
	Personal Recommendation	5	9%
	Search Engine	1	2%

Table Shows the factors helps to decide to buy food online.

The above table shows that how different factors helps to decide to buy food online the number of respondents for the attributes are as follows TV advertising 4, Online Advertising 11, Special Offer 32, Personal Recommendation 5, Search Engine 1. Their percentages are 8%, 21%, 60% 9% and 1% respectively.



Based on the above chart we can study that 60% special offers on food delivery app is the major factor that decide to buy food online while 21% is online advertisement, 9% is personal recommendation, 8% is TV advertising and 2% is from search engine. Customer mostly order food online when there is special offer on the foods.

4. CUSTOMERS PREFER TO ORDER FOOD ONLINE.

Sr. No	Attributes	No. of Respondent	% of Respondent
4	Swiggy	18	34%
	Zomato	24	45%
	Nearby Hotel	11	21%

Table Shows Customer prefer to order food online.

The above table tells from where the customers prefer to buy food online Swiggy 18 respondent Zomato 24 and nearby hotel 11 their percentage are 34%, 45%, 21% respectively.



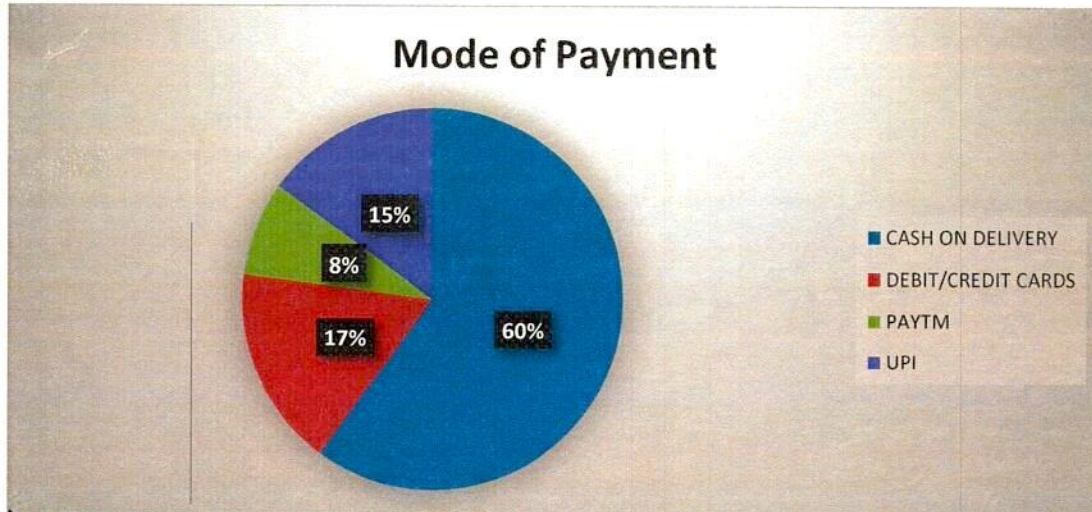
Based on the above chart we can study that 45% customers order food from Zomato is the most recently used app for food delivery, Swiggy is 34% and 21% from the nearby hotels. Respondent order food from nearby hotels rather than from the hotels they aren't aware of. They also prefer swiggy and Zomato to order their food online.

5. WAY OF PAYMENT.

Sr. No	Attributes	No. of Respondent	% of Respondent
5.	Cash on Delivery	32	60%
	Debit/Credit cards	9	17%
	Paytm	4	8%
	UPI	8	15%

Table Shows the mode of payment

The above table tells the way of payment of the customers Cash on delivery 32 respondent Debit/Credit cards 9, Paytm 4 and UPI 8 the percentage are 60%, 17% 8% 15% respectively. It shows that customers don't trust online payments. They rather prefer Cash on Delivery (COD).



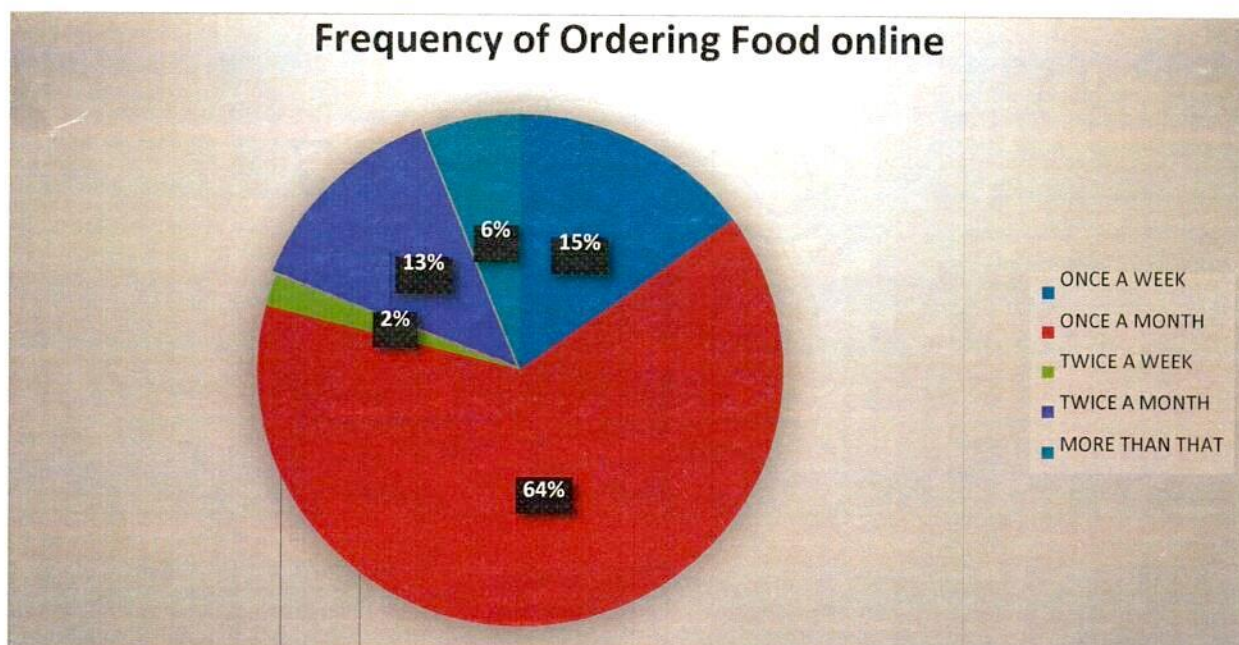
Based on the above chart we can study that cash on delivery and debit\credit card is the most used way for the payment for food ordered online 60%, 17% respectively whereas UPI is 15% and Paytm 8%. In today's modern still customers don't believe on online payment. Respondent prefer to Cash on delivery way of payment.

6. FREQUENCY OF ORDERING FOOD ONLINE.

Sr. No	Attributes	No. of Respondent	% of Respondent
6	Once a week	8	15%
	Once a month	34	64%
	Twice a week	1	2%
	Twice a month	7	13%
	More than that	3	6%

Table Shows the Frequency of ordering food online

The above table tells that the frequency of the customer when they order food online once a week 8 respondent, once a month 34 respondent, twice a week 1, twice a month 7 respondent more than that 3 respondents. The percentage of them are 15%, 64%, 2%, 13%, 6% respectively.



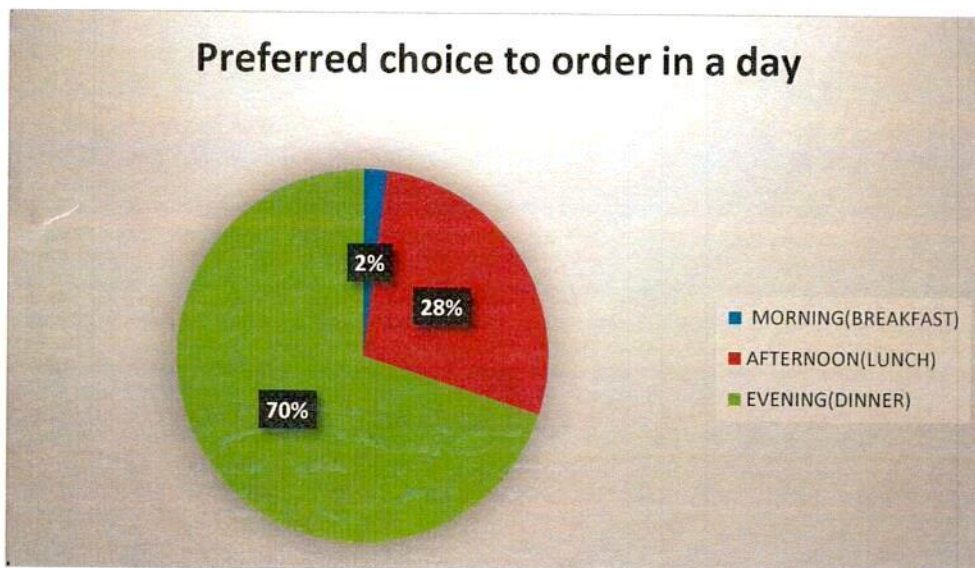
Based on the chart we can study that 64% customers order food online once in a month. While 15% order once a week, 13% twice a month, 2% twice a week and 6% more than that. Customers says their frequency of ordering food is once a month or once a week.

7. PREFERRED CHOICE WHEN CUSTOMERS WOULD MOST LIKELY USE A DELIVERY SERVICES.

Sr. No	Attributes	No of Respondent	%of Respondent
7	Morning	1	2%
	Afternoon	15	28%
	Evening	37	70%

Table Shows the preferred choice to order in a day

The above table tells that their first choices Morning 1 respondent, Afternoon 15 respondent, Evening 37 respondent their percentages are 2%, 28%, 70%.



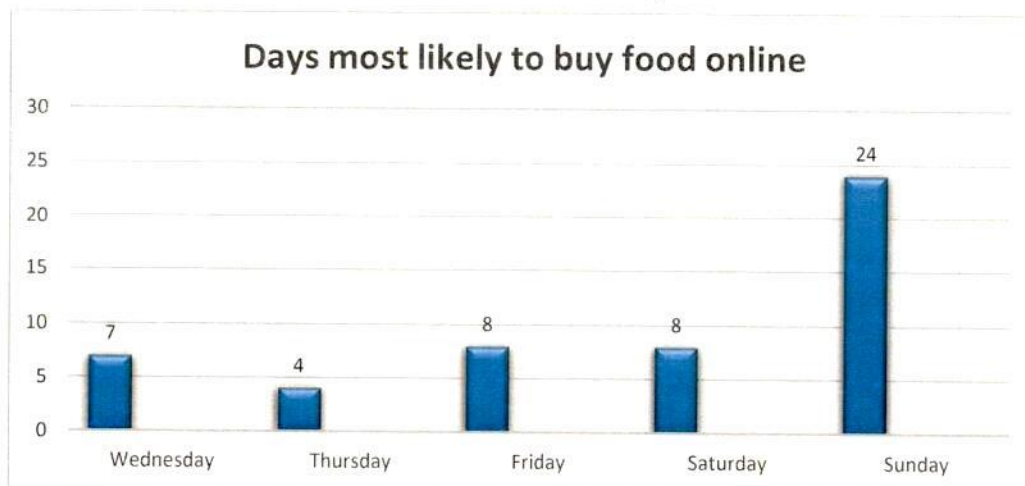
Based on the above chart 70% choose to order food online in evening, 28% prefer to order in the afternoon and only 2% customers order in the morning. Respondents prefer to order food online in the evening for the dinner rather than morning and afternoon.

8. THE DAYS CUSTOMERS ARE MOST LIKELY TO BUY FOOD ONLINE.

Sr. No	Attributes	No. of Respondent
8.	Wednesday	7
	Thursday	4
	Friday	8
	Saturday	8
	Sunday	24

Table Shows the days customers are most likely to buy food online.

The above table tells that which day of the week customers prefer to buy food online Wednesday 7 respondents prefer, Thursday 4 respondent, Friday 8, Saturday 8 and Sunday 24 respondent it is understood that customers usually prefer Weekends to prefer food online.



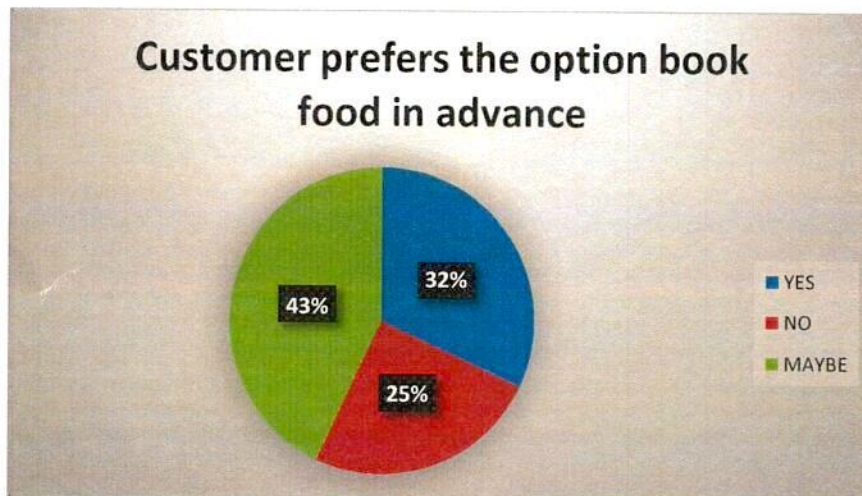
Based on the above chart we can study that 39% customers order food on Friday, 31% on Saturday, 26% on Wednesday and 4% on Thursday. Customers like to buy food online on the weekends rather than on the weekdays.

9. CUSTOMERS PREFERS THE OPTION BOOK FOOD IN ADVANCE FOR THE TIME SCHEDULED.

Sr. No	Attributes	No. of Respondent	%of Respondent
9.	Yes	17	32%
	No	13	25%
	May Be	23	43%

Table Shows customers prefers the option book food in advance for the time scheduled

The above table tells the option of book food advance for the scheduled their attributes are Yes 17 respondents agree to the book food in advance 13 respondent didn't agreed and 23 says maybe.



Based on the above chart we can study that 43% customers doubt on the option of order food in advance, 32% order in advance and 25% don't like the option of order food online. Customers prefer to order food on the spot they don't like the option of scheduled food in advance.

10. APPROXIMATE MONEY CUSTOMER SPEND ON ORDERING FOOD PER TIME.

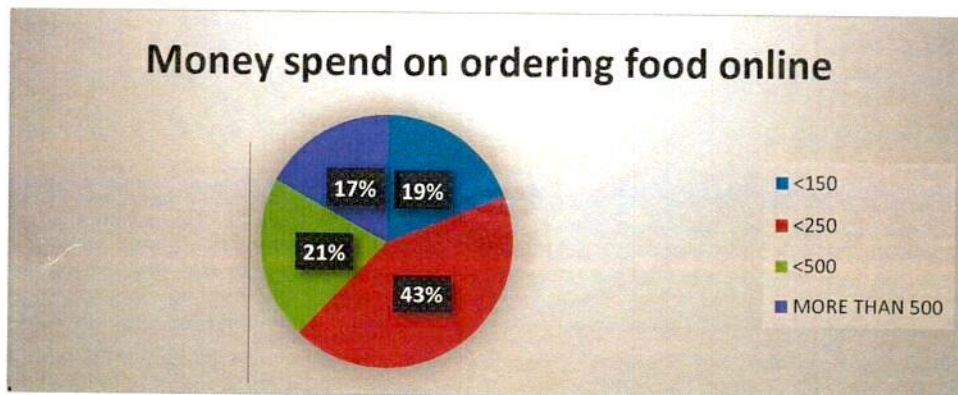
Sr. No	Attributes	No. of Respondent	% of Respondent
10	<150	10	19%
	<250	23	43%
	<500	11	21%
	More than 500	9	17%

Table Shows the money spend on ordering food online

The above table shows approximate money is spend on ordering food per time less than Rs150 number respondent is 10, less than Rs250 the respondent 23, less than 500 is 11 and more than 500 are

9. The percentage for them are as follows 19%, 43%, 21%, 17% respectively.

10. Based on the above chart we can study that 43% of customers spend less than 250 on ordering food online, 21% spend less than 500, 19% less than 150 and 17% more than 500. Customers don't spend much money on the online food ordering apps.



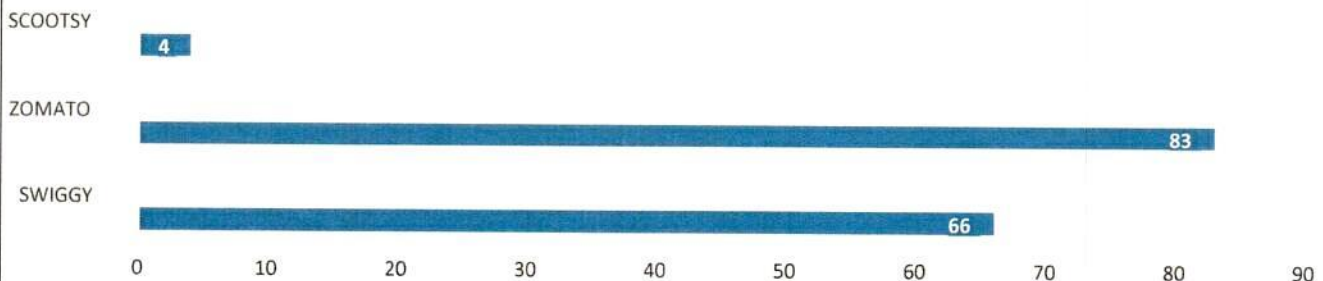
11. FOOD DELIVERING APPS CUSTOMERS PREFER TO BUY.

Sr. No	Attributes	No. of Respondent	% of Respondent
11.	Zomato	31	83%
	Scootsy	2	4%
	Swiggy	20	60%

Table Shows food delivering apps customers prefer to buy

The above tables show which is the most preferable app to order food online as there are many apps available in the market I have taken the well - known apps such as Zomato 31 as it's the best at their service, Scootsy 2 it is not been used by ma y then Swiggy it is the second best at their services. There services percentages are 83%, 4% 60% respectively.

Food delivering apps customer prefer to buy



Based on the above graph we can study that 83% of customers uses Zomato and 66% swiggy and only 4% uses Scootsy. Most of the customers prefer to use Zomato and then Swiggy because it is the only apps which had existed in the market compare to UberEats, Scootsy an all.

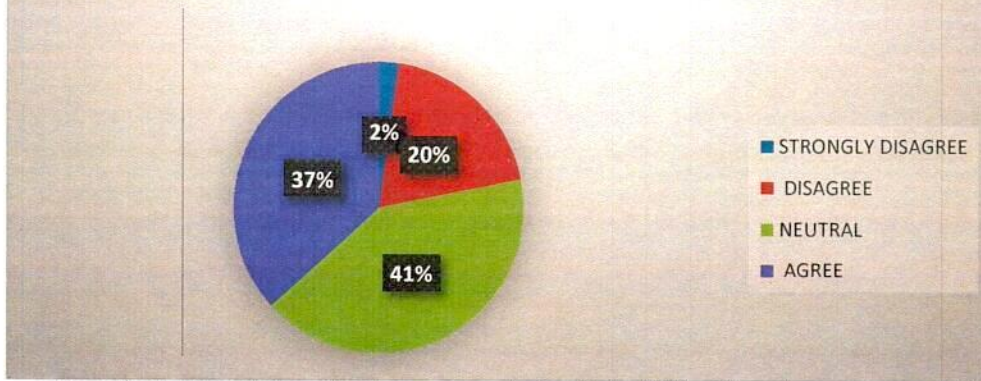
12. FOOD ORDERING SYSTEMS AFFECTS THE WAY OF DINNING TOGETHER.

Sr. No	Attributes	No. of Respondent	% of Respondent
12.	Strongly Disagree	1	2%
	Disagree	9	20%
	Neutral	24	41%
	Agree	19	37%

Table Shows food ordering systems affects the way of dinning together

From the above we can study that does the way of dinning together is affected from the online food delivery apps Strongly Disagree 1 respondent with 2%, Disagree 9 respondent with 20%, Neutral 24 respondent with 41%, and agree 19 respondents with 37%. Much customers don't agree with the way of dining is affecting through the online food delivery app.

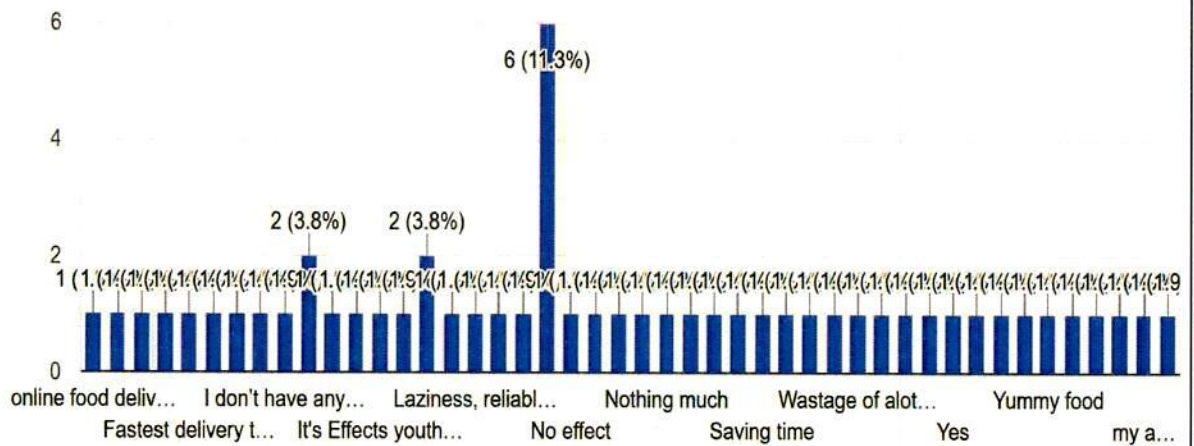
Food ordering systems affect the way of dining together



Based on the above chart we can study that 41% of customers responded neutral for the questions, 37% agree to it, 20% disagree and 2% strongly disagree. Customers don't get agreed to the point which says online food ordering apps doesn't affect the way of dining together.

WHAT EFFECTS HAVE ONLINE FOOD DELIVERY APPS HAD OVER YOUTH?

53 responses



Based on the above graph we can study that there many effects on the youth due to online food delivery apps like customers say they have become lazy, reliable, wastage of a lot food, and some say there are not affected on the yout

CONCLUSION

The changing urban lifestyle of the average Indian is dramatic enough to be favorable for the food-on-the-go and quick home delivery models to grow at higher rates. The ever-increasing population crowded metro cities and longer travel times are drivers for the convenient, ready-to eat and cheaper options of having food and groceries delivered at your doorstep. Companies that are aware of the huge potential for growth may venture straight in, but only the fittest will survive. Businesses who keep their value proposition and their brand active in consumer's minds, will take the biggest share of the Indian online food service pie. More than 50% of the food market is in the unorganized sector. However, this market is growing in leaps and bounds due to growing urbanization, increasing disposable income, working women and rapid increase in the use of smart phones. While new restaurants are coming up and technology being the need of the hour, India is dominating delivery market of the world. Investors realize that food is intrinsically has repeat business value and the business models are highly scalable and capital efficient. There has been a 150% growth in the online food delivery business in the last year. Most of the players attribute this growth to 3 factors: internet penetration, smartphone gaining the status of a necessity in life, and the restaurants being forced to explore delivery options to increase their business in the face of competition. The food delivery business also caters to the customers' expectations – wide choices of restaurants, ease of ordering, convenience of having the food delivered at home and reduced cost. The online food shopping has no doubt got massive popularity among the Indians, especially in urban areas. It is more popular among youngsters in the age group of 18-35 years. But the working class has more tendencies to order and spend more through online food shopping apps. Many factors like changes in lifestyle, an increase in income due to urbanization, business due to private jobs, more women coming to jobs, availability of high-speed internet, smart phones, etc play an important role. The future prospectus of online food shopping apps seems to be very excellent in the long run. In this growing complexity of the digital era, there is only one suggestion for the companies need to work upon to improve their customer services and innovative ideas. A satisfied customer can do wonder for the companies. But there is one problem arising due to online food shopping apps is an increase in the traffic as a number of two-wheelers are required to deliver the food at a time. There are also few cases, which exposed the hygienic concept of the ordered food. This problem has once raised serious concerns about the quality of the food

SUGGESTIONS AND RECOMMENDATION

- As professionals lack time to cook and since they have to get back on their busy lives, electronic food ordering should be made convenient for them using various gadgets.
- Restaurants operators should increase online ordering through simple addition of new distribution channels to attract the customers.
- As most of the customers use telephone and mobile phones to order food online, restaurant operators should encourage them by responding effectively to telephone calls that provide human interaction.
- Customers face a lot of challenges as the site is slow. Thus, the restaurant operators must know some techniques to place the order quickly and effectively.
- More and more customers should be encouraged to order food online as now-a-days it becomes difficult for an individual to go and place orders directly to the restaurants and also some customers are uncomfortable with the recent upcoming technology.

FINDINGS OF THE STUDY

- Users were significantly more likely to say that they would use or recommend online ordering food.
- Nearly 90 percent of the respondents found electronic food secured.
- Respondents were significantly more satisfied with online food ordering.
- Male respondents more likely than women to use or recommend online ordering food as most of them were working in the IT companies.
- Most of the respondents even today use telephone as the main source of communication to use electronic food ordering.
- Respondents between the ages of 31-35 years ordered electronic food more.
- The analysis found that there was lot of demand on cash on delivery

Questionnaires

1. Do you order food online?
 - a) Yes
 - b) No
2. What motivates you to buy food online?
 - a) No Travel to restaurant
 - b) Discounts
 - c) Wide range of food
 - d) Easy Payment
3. Which factors help you to decide to buy food online?
 - a) TV Advertising
 - b) Online Advertising
 - c) Special Offer
 - d) Personal Recommendation
 - e) Search Engine
4. From where do you order food online?
 - a) Swiggy
 - b) Zomato
 - c) Nearby Hotel
5. Way of payment?
 - a) Cash on Delivery
 - b) Debit/Credit cards
 - c) Paytm
 - d) UPI
6. How frequently you order food online?
 - a) Once a week
 - b) Once a month
 - c) Twice a week
 - d) Twice a month
 - e) More than that

7. Please tell us your first choice when you would most likely use a food delivery service?
- a) Morning
 - b) Afternoon
 - c) Evening
8. What day of the week would you most likely use the food app service?
- a) Wednesday
 - b) Thursday
 - c) Friday
 - d) Saturday
 - e) Sunday
9. Would you like the option book food in advance for the time scheduled?
- a) Yes
 - b) No
 - c) May Be
10. What is the approximately money you spend on ordering food per time?
- a) <150
 - b) <250
 - c) <500
 - d) More than 500

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PROJECT REPORT

ON

“A STUDY ON SCOPE OF E RETAILING IN INDIA”

**SUBMITTED TO THE UNIVERSITY OF MUMBAI IN THE PARTIAL
FULFILLMENT OF THE DEGREE BACHELOR OF MANAGEMENT
STUDIES.**

SUBMITTED BY:

ARBI N SHAIKH

T.Y.BMS

ACADEMIC YEAR: 2022-23

PROJECT GUIDE:

PROF. SEJAL V. PANCHAL

M.COM (Accountancy)

SUBMITTED TO:

UNIVERSITY OF MUMBAI



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PALGHAR PIN: 401404

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PALGHAR PIN: 401404

UNIVERSITY OF MUMBAI

DECLARATION

I, **ARBI N SHAIKH**, A STUDENT OF SONOPANT DANDEKAR ARTS, V.S.APTE COMMERCE AND M.H.MEHTA SCIENCE COLLEGE, PALGHAR DIST:- PALGHAR, PIN:- 401 404 STUDYING IN T.Y.BMS HEREBY DECLARE THAT I HAVE COMPLETED THIS PROJECT ON “**A STUDY ON SCOPE OF E RETAILING IN INDIA.**” DURING THE ACADEMIC YEAR 2022-23. THE INFORMATION SUBMITTED IS TRUE AND ORIGINAL TO THE BEST OF MY KNOWLEDGE.

DATE: 10th April 2023

PLACE: PALGHAR



SIGNATURE OF STUDENT

CERTIFICATE

I, SEJAL V. PANCHAL. DAHANUKAR, HEREBY CERTIFY THAT ARBI N SHAIKH OF SONOPANT DANDEKAR ARTS, V.S.APTE COMMERCE AND M.H.MEHTA SCIENCE COLLEGE, PALGHAR DIST:- PALGHAR, PIN:- 401 404 OF T.Y.BMS HAS COMPLETED HIS / ~~HER~~ PROJECT ON “**A STUDY ON SCOPE OF E RETAILING IN INDIA.**” DURING THE ACADEMIC YEAR 2022-23. THE INFORMATION SUBMITTED IS TRUE AND ORIGINAL TO THE BEST OF MY KNOWLEDGE.

Sejal V. Panchal

PROF. SEJAL V. PANCHAL
SIGNATURE OF PROJECT
GUIDE



K. J. Jave

SIGNATURE OF THE
PRINCIPAL OF THE COLLEGE

S. S. Mishra

SIGNATURE OF CO-ORDINATOR

Agash

SIGNATURE OF
EXTERNAL EXAMINER

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If words are considered as a symbol of approval and token of appreciation then let the words play the heralding role expressing my gratitude. My successful completion of this project report involved more than just my desire to earn a valued degree working on this project has presented me with many insights and challenges.

I would like to thank the University of Mumbai for introducing bachelor of management studies course, thereby giving its student a platform to abreast with changing business scenario, with the help of theory as a base and practical as a solution- I am also thankful to the management of S.D.S.M College of PALGHAR for making all the facilities available and espousing the cause of the research. I would like to thank our honourable principal Dr. Kiran Save

I would like to express my earnest gratitude to Prof sejal .v .panchalp for her superlative guidance and unflinching support throughout the project work. No development would have been feasible had it not been for their excellent supervision, constant encouragement and careful perusal, in completion of the project successfully.

Last but not the least; I would like to thank my parents & teachers for giving the best education and friends for their support and feelings without which this project would have not been possible. Many others without whose invaluable help and expert advice this project would not have been the same ought to be cited.

With the completion of my project entitled “**“SCOP OF E RETAILING IN INDIA.”**”

- ARBI N SHAIKH.

EXECUTIVE SUMMARY

Electronic retailing (E-tailing) is the sale of goods and services through the internet. E-tailing can include business-to-business (B2B) and business-to-consumer (B2C) sales of products and services.

E-tailing requires companies to tailor their business models to capture internet sales, which can include building out distribution channels such as warehouses, internet webpages, and product shipping centers.

Notably, strong distribution channels are critical to electronic retailing as these are the avenues that move the product to the customer.

Electronic retailing includes a broad range of companies and industries. However, there are similarities between most e-tailing companies that include an engaging website, online marketing strategy, efficient distribution of products or services, and customer data analytics.

E-Retailers need distribution networks that are prompt and efficient. Consumers cannot wait for long periods for the delivery of products or services. Transparency in business practices is also important, so consumers trust and stay loyal to a company.

INTRODUCTION

Retail scenario has been wearing new approach rapidly due to the revolution in field of information technology. IT enabled world has been changing market scenario by introducing new hi-tech technology rapidly by internet, maximizing uses of smart phones, tablet and new electronic equipment covered with new application and software. The fact is not denying that in IT enabled world a huge number of customers are consuming internet facilities and it become as a necessary need of life. Today is the era of globalization and customer is aware in respect to variety of products and bound within a particular pace to access products available anywhere in the world. Now he can go beyond the boundaries of any market area where he lives to access the things of his interest. *Corresponding author: "Dr. Vandana Pandey, Assistant Professor in Department of commerce at Sri Murli Manohar Town P. G. College, Ballia (U.P.), India. At kearney's 2013, global retail e-commerce index stated that India has unharnessed online retail potential. India has become a attractive destination for e-commerce due to a huge size of peoples are using internet and mobile internet facilities so growth prospect of online retail are high as well as growth opportunities there are threat which need to be considered.

Indian retail sector has received global attention in the last few years and is on the verge of a big revolution after the uprising in information technology sector and placed among the top five retail markets (PwC research, 2014). Continuous changes on account of economic reforms and consumer preferences have been observed as trigger of economic growth and multinational retailers preferring Indian market and manufacturers are identifying, redefining, evolving new retail formats. The fundamental drivers of organised retail sector growth are higher disposable income of middle-class consumers due to employment in MNC's, increasing number of working women, favourable demographics, changing lifestyles, growing size of urbanisation of economy, growth of the middle class segment with high potential for penetration into rural and urban markets, nuclear families in urban areas, easier consumer credit with low interest rates, rising internet penetration across the country, aggressive marketing by companies and changes in consumption pattern with high aspiration levels allowing them to spend more on new products and brands with their patronizing behaviour will provide a base for growth of retail sector. Young Indians are spending huge amount on apparel & footwear, fashion accessories, Cosmetics, electronics items especially smart phones, furniture, food, grocery, beverages, tour & travelling and etc. are playing the role of fuel in growth engine of retail sector. Some of the big players in Indian retail sector have been identified by author from various secondary sources includes Bharti Retail Limited, Aditya Birla Retail Limited, Reliance Retail Limited, Future Group (India) Limited, Infinity Retail Limited, Vishal Retail Limited, Spencer's Retail Limited, Tata Group, Piramyd Retail Limited, K Raheja Group. Furthermore the entry of global players like Wal-Mart, Metro, Carrefour and etc. will push the growth of the retail sector.

E-retailing is defined as the sale of goods or services through internet or other electronic channels to personnel or household use by consumer. The success of e-tailing depends on the effective web site design, effective shopping and prompt delivery, return and replacement process, period of filling out online orders form and speed of response time to e-customers queries (Zeithaml 2002). This is well-recognized fact that life in metropolitan and big cities in India is more challenging, as time wise consumers are getting poor and money wise becoming rich, so disposable income is reported to be on the rise and disposable time is on the decline due to the raising the employment in multinational corporations, increasing number of working women, work pressure and stress at working place, job timings at corporate sector, increase in nuclear families, urban traffic congestion, busy lifestyle and beyond this peoples are facing difficulties to find the time for offline shopping. Moreover increasing broadband internet with 4G and smart phones penetration, accessibility of internet across the country are changing the taste & preferences and shopping mode of Indian consumers, which increases the growth and share of e-retailing in Indian retail sector. The Indian youth, who is armed with smart phones, shopping likely to be different from what their parents have shopped from local stores & markets, hypermarket and malls. In the results of above facts e-retailing is giving a very stiff competition to organised and unorganised sector of retail with a strong consumer base and high potential of growth in future. The advent of e-payment, cash on delivery and easy exchange or return pattern, speedy delivery of products has also generates faith and patronage behaviour of consumer towards eshopping. Seeing huge potential in the e-retail market in India, the big players of the organised retail are also looking to expand their online presence.

internet retailing or e-Retailing. Information Technology revolution incredible speed at which information is transmitted and at which technology bears down on society, constantly providing new ways of communicating, of preserving and accessing knowledge, and of tracking persons and objects. These changes have brought with them tremendous opportunities to enhance older ways they open of doing business. When a main street store builds a website, up opportunities to expand their market. beyond geographical boundaries. The chances of losing sales from the physical shop are slight, but the potential increase sales through their website could be enormous.....(Tiernan, B.,2000.). E-Retailers have developed many innovative promotions to lure customers and there by growing the market. As one of the market trends, e-Retailing has been widely used in retail industry and growth is increasing day by day in today's scenario.

According to Turban (2006), e-Retailing is defined as retailing conducted online, over the internet. The vocabulary electronic retailing that used in internet discussions as early as 1995, the term look like an almost in evitable addition to e-mail, e-business and e-Commerce, etc. It started out way back in 1997 when Dell Computer got multimillion dollars orders on the website. E-Retailing is synonymous with business-to- consumer (B2C) transaction model of e-Commerce. eCommerce is the master field defining the e-Retailing operation. business over internet and e- Retailing E-Commerce is a huge domain on conducting a part of it. is

Electronic Commerce is more than just buying and selling products online. It also includes the entire online process of developing, marketing, selling, delivering, servicing and paying

for products and services. India has shown tremendous growth in the E-commerce segment. ECommerce has become an important tool for small and large businesses worldwide, not only to sell to customers, but also to engage them. Although the transition to online purchasing from traditional purchasing is taking a long time in Indian market due to less number of internet users because of the lack of internet facility and awareness among the general public. For traditional businesses, one research stated that information technology and crossborder e-commerce is a good opportunity for the rapid development and growth of enterprises.

Models of E-Retailing

There are several models for e-retailing and these include

- Specialized e-store ● Generalized e-store

- . E-mall

- Direct selling by the manufacturer ● Supplementary distribution channel

- E-broker

- E-services

Specialized e-stores

The first class of model what we mention in e-retailing was the specialized e-store and here you can distinguish between two different kinds of specialization: the more traditional specialization along product lines and specialization by function. When you have specialization by product line, essentially you have a store that decides to pick one particular product line, say books, flowers, ...travel), he often pays a premium, which is an extra amount for the convenience of booking the travel at the last minute. Now, this means that the air ticket is likely to cost much more than if he had purchased it some time before traveling and made use of different discounts or promotions.

The producers of the web site lastminute.com realized that there are groups of customers who

make these purchases at the last minute and feel some degree of angst at having to pay the premium for doing this shopping at the last minute. On the other hand, you will find that you may have sellers, e.g. airline companies, that have empty seats at the last minute which they are unable to fill. So, what lastminute.com does is bring together travelers who want to book at the last minute and an airline which has got spare capacity at the last minute, and allow the former to buy from the latter at the last minute. In this situation, the purchaser may get his airline t price.

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So, there is a win-win situation for both the purchaser and the seller. This is a unique kind of specialization. It is very difficult to do this unless one utilizes the internet to carry out this kind of specialization.

Generalized e-stores

The next category of e-retailing models that we intend to look at is generalized e-stores.

Generalized e-stores sell a large number of product lines rather than con-fining themselves to just

one or a very few product lines.

E-malls

The next e-retailing model we consider is the e-mall. In an e-mall, cyberspace is rented out to cyber e-stores that wish to sell their goods. This store could be a specialized or generalized e-store. So, several product lines can be present, in a single e-mall, However, unlike the generalized e-store which is under a single unified management, in an e-mall, each store is under its own management. E-mall management is responsible only for creating the cyber sites that can be rented and can

support services and marketing of the mall. It, thus, provides a web hosting service.

Several e-malls also provide software tools, which can be utilized by a prospective e-store to create and maintain its e-store. The advantage for an e-store is that it is grouped together with other stores

in a wellknown e-mall site and, therefore, is likely to pick up visitors to the mall,

Direct selling by the manufacturer

A number of manufacturers with well-known brand name products have chosen to use the internet to carry out direct selling via the internet. One of the best known here is Ford, which utilizes the internet to achieve direct selling but uses its dealer network to facilitate distribution and delivery. The other well-known examples are Cisco systems and Dell computers. Note that this approach permits mass customization to meet customer preferences. This direct selling by the manufacturer has an important disintermediation effect leading to reduced costs to the end customer and increased profitability to the manufacturer.

A note of caution is important here. By and large, this approach can be used by manufacturers of well-known brands of products because the customer already knows the product. Secondly, the manufacturer must have a thorough understanding of customer preferences, otherwise he has to rely on the customer knowledge of a retailer.

Brokers or intermediaries

This class of e-retailers is essentially an extension of the notion of a broker from the physical to

the cyber world. A broker is an intermediary who ● may take an order from a customer and pass it on to a supplier

● may put a customer with specific requirements in touch with a supplier who can meet those requirements

● may provide a service to a customer, such as a comparison between goods, with respect to particular criteria such as price, quality, etc.

Thus, brokers provide comparison shopping, order taking and fulfilment, and services to a customer. That is the reason why they are sometimes referred to as electronic intermediaries.

There are several different models for electronic brokers and these include: ● Brokers that provide a registration service with directory, search facilities e-payment facilities,

and security-related facilities. Any business can register with such an e-broker. ● Brokers that meet a certain requirement such as a fixed price.

● Brokers that provide comparison shopping between products. The last model i.e. E-services is

discussed in the next lecture.

Categories of E-commerce

Electronic commerce, a subset of e-business, is the purchasing, selling, and exchanging of goods and services over computer networks (such as the Internet) through which transactions or terms of sale are performed electronically. Electronic commerce emerged in the early 1990s, and its use has increased at a rapid rate. Today, the majority of companies have an online presence. In fact, having the ability to conduct business through the Internet has become a necessity. Everything from food and clothes to entertainment and furniture can be purchased online. Ecommerce can be broken into these major categories: B2B, B2C, C2B, and C2C.

B2B(Business-to-Business) Companies doing business with each other such

- as manufacturers selling to distributors and wholesalers selling to retailers. Pricing is based on quantity of order and is often negotiable,
- B2C(Business-to-Consumer) Businesses selling to the general public typically through catalogs utilizing shopping cart software in which a business sells products or services directly to consumers over the Internet. An example of a business to consumer e-commerce transaction would be an individual purchasing a pair of sneakers through Nike's website.

- C2B(Consumer-to-Business) A consumer posts his project with a set budget online and within hours companies review the consumer's requirements and bid on the project. The consumer reviews the bids and selects the company that will complete the project. Consumer to business electronic commerce involves consumers selling products or services to businesses. You've taken part in this form of e-commerce if you've ever completed a paid online survey where you've given your opinion about a product.
- C2C(Consumer-to-Consumer) There are many sites offering free classifieds, auctions, and forums where individuals can buy and sell thanks to online payment systems like PayPal where people can send and receive. money online with ease. consumer to consumer ecommerce, which is where consumers sell products to other consumers. An example would be one consumer selling something that he or she no longer needs eBay's auction service is a great example of where person-to-person transactions take place every day since 1995.
- Others are Business to Government(B2G and Mot 16/63commerce) It involves interaction between business and p. internet technologies, for the purpose of licensing and tax procedures and other government related opeartions. The size of B2G in e-commerce market is insignificant. E-commerce in India has seen tremendous growth in the recent years, especially, in the B2C segment, thriving on various advantages like convenience, time saving, easy comparison and feedback, availability of options and comparatively low prices, over the traditional business. (Franco & S, 2016). According to a research by Forrester, a leading global research and advisory firm, the ecommerce market in India was estimated to grow the fastest within the Asia-Pacific Region at a CAGR of over 57% between 2012-16. The report, titled "Asia Pacific Online Retail Forecast, 2011 To 2016," had been issued by Forrester Research Inc. Analyst Zia Daniell Wigder, with Steven Noble, Vikram Sehgal and Lily Varon. (Chanana & Goele, 2012). The recent surge in the number of online vendors, big as well as small, favourable demographics (currently, 75% of the internet users are in the age group of 15 to 34 years and thus, are more integrated to ecommerce), launch of 4G services and decline in the tariffs of data plans and prices of data cards/USB dongles, availability of low cost smart phones and the extension of internet and broadband to the remotest corners of the country, together herald innumerable prospects for the development of e-commerce in India

Challenges of E-commerce in India

E-Commerce, in spite of the opportunities it presents also has poses certain challenges which are sometimes too much to handle for start-ups:

- **E-Infrastructural Issues:** Internet is the backbone of e-commerce. Unfortunately, in India internet penetration is so far dismally low at 0.5 per cent of the population penetration of personal computer (PC) as low as 3.5 per thousand of population and penetration of telephone only 2.1 per cent of population, ecommerce is not easily reachable remains to the common man.
- **Branding & Marketing:** To get people to come on an e-Commerce site and make a purchase involves heavy cost due to branding and marketing. This cost is significant and can be brought down to cost per customer, if the volumes permit to do so. Experts say that the average figure for this metric in the current eCommerce ecosystem is between INR 500-1000 customer, which isn't sustainable for even medium sized companies, let alone early stage ones.
- **Declining Margins:** With the introduction of a large number of players in the already competitive e-commerce market, the customer is pampered by offering huge discounts, offers, taking returns etc. resulting in less margins.
- **Logistics & Supply Chain:** Logistics failure in any area can mean detrimental damage to a startup's future and can hurt the brand overall. Add to this the need for a guaranteed return policy. Getting this right is a challenge. Tax related issues: Tax rate system of Indian market is another factor for lesser growth rate of E-Commerce in India in comparison to other developed countries like USA and UK. In those countries, tax rate is uniform for all sectors whereas tax structure of India varies from sector to sector. This factor creates accounting problems for the Indian online business companies.
- **Touch and Feel:** Indian customers are more comfortable in buying products physically. Companies dealing with products like apparel, handicrafts, jewelry have to face challenges to sell their products as the buyers want to see and touch before they buy these stuffs.

SCENARIO OF GROWTH

In the terms of products, e-retailing provides a wide scope for shopping platform to Indian consumers. The online shopping pattern of consumers has categorised into electronics segment 34 per cent, apparels & accessories segment 30 per cent, books segment 15 per cent, beauty & personal segment 10 per cent, home & furnishing segment 6 per cent, health care products segment 3 per cent and baby products segment 2 per cent in India (PwC research, 2013). As the growth of e- retailing in last three years is concern, India ranked as first with 68 percent growth followed by China 23 per cent, United states of America 19 per cent and global average of growth is 16 per cent. As per the share of e-commerce market players in India is concern Flipkart including Myntra has 45 per cent market share followed by Snapdeal 26 per cent, Amazon India 12 per cent and Paytm 7 per cent. ASSOCHAM report (2015) revealed that the highest growth rate has observed in apparel & accessories segment almost 69.50 per cent over last year, followed by

electronic items segment by 62 percent, baby care products segment at 53 per cent, beauty & personal care products at 52 per cent and home & furnishings at 49 per cent. It was also revealed that Mumbai ranked first in online shopping followed by Delhi, Ahmedabad, Bangalore and Kolkata. Products such as consumer electronics, consumer appliances and media products are perceived to be less risky and projected to lead the growth of e-retailing in India, since consumer electronics and appliances have a product warranty with the manufacturer, consequently there is hardly any difference either buying from online or offline store. The Confederation of Indian Industry and Deloitte Touche Tohmatsu India reported that the business to business (B2B) segment of e-commerce is estimated to be more than double from \$300 billion in 2014 to \$700 billion in 2020, while business to consumer (B2C) segment will grow more than seven times from \$13.6 billion in 2014 to \$101.9 billion in 2020. The growth of B2C segment will be supported by online shoppers, from 20 million in 2013 is estimated to 220 million in 2020. But this growth will be driven by discounts on products to customers, which has helped them to increase the sale but other side may increase losses as well. The second driver of growth will be internet and smart phones penetration. In Every second, three new Indian experiences the internet at first time and by 2030 more than one billion out of them will be online. The proportion of 3G users among all internet users has improved substantially since 2013. About 28 per cent of the total 150 million mobile internet users in India had 3G connections in 2013, while in 2016; about 59 per cent of the estimated 371 million mobile internet users in India are expected to have 3G connections. India has the highest share of mobile based e-commerce sales (41 per cent), ahead of China 37 per cent and the United States of America 15 per cent. The report also estimates a significant growth in the digital payments segment, from \$20 billion in 2014 to \$115 billion. in 2018, though cash-on-delivery currently comprises 60 per cent of the overall transactions, ASSOCHAM report (2015) also discovered that almost 65 per cent of online shoppers are male as against 35 per cent female and 18-25 years of age group has been the fastest growing age segment, moreover as per mode of payment is concern 45 per cent of online consumers preferred cash on delivery followed by payment through debit card 21 per cent credit card 16 per cent, internet banking 10 per cent and only 7 per cent preferred cash cards, digital wallet and other modes of payment (ASSOCHAM report, 2015).

ROAD OF GROWTH

In present competitive scenario, online shopping is becoming the important part of Indian consumers. The key factors for significant growth of e-retailing in India are shopping at 24x7 with saving of time, extra efforts and money as compared to shopping from offline store. Eretailers do not required to maintain expensive showrooms in malls, posh areas, crowded locations and in organised markets, so what attract customer attention to go for online shopping are "best prices or best deals or bargains" and a wide variety and range of products available at low prices. Secondly customised payments options: cash on delivery (COD), digital wallet payment, payment through debit and credit card; net banking and etc. with safe transactions (one time password, security question) generate the trust of consumer in various payment modes. Third e-retailing market leaders in India such as

Flipkart, snapdeal, and amazon are providing the price comparison of products on online portal and offering a great assortment & variety of products for different segments of customers, so that shopper can choose the products which closely suit them.. Fourth important factor is quick and timely delivery of product at your door step. if product does not suit to consumer expectations or product is faulty than product is easily return or exchange. Even today online purchase of grocery items also prevailing in metropolitan cities and consumers get the delivery of grocery in few minutes, so imagine that how importantly Indian consumer is depends on online shopping. But on second side the significant drivers of growth in e-retailing includes increasing internet penetration, continues growth in broadband acceptance, fast connection speed, providing government support for growth to internet companies, smart phone penetration and dynamically engagement of internet users on various social media platforms are closely correlated with the growth of e-retailers over offline retailers, moreover revolution in the IT sector, arrival of sophisticated software and supporting hardware has endorsed ecommerce players to study consumer behaviour in more efficiently manner so that facilitates to sales and increased market share across the world. Social media networks such as Facebook is likely to progressively more and become the channel for sales of products, consumer acquisition and engagement. Make in India" initiative will also play a vital role for boost up Indian economy with e-retailing growth. Especially IT hardware & electronics, textiles & garments, leather & footwear, food processing, pharmaceuticals sectors will expand the product line and will offer variety of products at low price. The formation of smart cities across India in response to booming urban population will create huge potential and challenges as well for e-retailing.

There are certain essential components for an e-Retailing business to be successful. Before setting up an electronic storefront, one must consider these components well in advance.

The important essentials of e-Retailing are as:

- E-Catalog
- Search Engine
- Shopping Cart
- On line Customer sales person
- An order status Checking Facility
- Create Consumer Community

E-retailing Strategies

- Getting the customer information in the proper way.
- Target the right customers for the time being.
- Create and innovate an effective communication
- Strong logistic and supply chain management Right positioning in the right way

Essential factors for growth of E-Commerce in India (Raghunath & Panga,2013):

Replacement guarantee:

Should be Offers 30 day replacement guarantee to their customers.

Reach:

Enabling mobile-capable sites and supporting M-Commerce services.

Location based services:

Since customers these days are always on the move, promoting the right product at the right time and location becomes an integral aspect.

Multiple payment option:

standard credit cards, debit cards and bank payments option should be there.

Right content:

Getting the right content and targeting customers with crisp and relevant information is of utmost importance to users on the move.

Price comparison:

Providers offering instant price comparison are highly popular amongst the price conscious customers.

Quick Service:

Timely service provided by the company

Shipment option:

Low cost shipment should be there. The convenience of collecting orders post work while returning home should be there.

Legal challenges:

There should be legal requirement of generating invoices for online transactions.

Quality:

The product quality should be same as shown on the portal.

Convenience Factor:

Online retailers are moving towards enhancing the convenience factor and thus attracting the shoppers to use this channel. Moreover the growth of the mobile communication has led to the growth of the online retailing as people are more accessible to internet 24 x 7. Like in the case of purchasing from the physical market we have to wait for the shop to open and certainly we try to get our merchandise before the shop closes, but in case of online retailing there is no time limits involve all you need is a internet connection and money in your pocket to pay the price and every thing is at your door step.

Payment Mode:

As compare to the earlier days where we have to make the payment in advance and wait for our order for weeks, now we make the order first and make the payment when the goods are delivered to us, WatchKart.com, lenseKart.com, Flipkart.com, etc. are some of the examples.

Delivery:

For general type of products line DDV, CD, Goggles, books etc., are being delivered to the customer in 2 to 3 working days and the goods which are required to be produced like special print sarees, customized bags etc., are delivered within 5-6 working days. Moreover single unit of any product chosen by the customer can also be delivered transborder, which may not be possible to import in case of physical purchase.

Product Comparison:

Without having to move from one shop to other for comparing the benefits of the product, the shopper gets the benefit of comparing the features and cost analysis at one place. Most of the sites are providing this facility wherein shopper can choose the product which exactly suits him.

Cost and Time Saving:

A shopper saves a good amount of time and money by shopping online. In the metros and even in the smaller towns which are growing fast, the life of an average person has become very fast. He has very little time after his normal routine office schedule to go to the market and purchase even the daily need items.

Advantages of online retailing

The benefits of retailing online include:

- In many ways the access to market for entrepreneurs has never been easier. Online marketplaces such as eBay and Amazon allow anyone to set up a simple online shop and sell products within minutes. See selling through online marketplaces.

- **Reduced overheads-**

selling online can remove the need for expensive retail premises and customer-facing staff, allowing you to invest in better marketing and customer experience on your e-commerce site.

- **Potential for rapid growth-**

selling on the internet means traditional constraints to retail growth - eg finding and paying for larger - are not major factors. With a good digital marketing strategy and a plan a scale up order fulfilment systems, you can respond and boost growing sales. See planning for e-commerce

- **Widen your market/export-**

one major advantage over premises-based retailers is the ability expand your market beyond local customers very quickly. You may discover a strong demand for your products in other countries which you can respond to by targeted marketing, offering your website in a different language, or perhaps partnering with an overseas company. See basics of exporting

- **Customer intelligence –**

ability to use online marketing tools to target new customers and website analysis tools to gain insight into your customers' needs. For advice on improving your customer's on-site experience see measuring your online marketing

OBJECTIVES

The major objectives of the study include:

- To understand the online retail market in India and its impact on Indian retail.
- To analyse the opportunities for online retailing in India To study the major challenges for online retailers in India
- To explore the factors that amount to the growth of e- Retailing in India.
- To study the benefits business and challenges associated with the e-Retailing business setup in brif.
- To suggests positive recommendations for futuristic growth of e- Retailing in India.

Following are the specific objectives of present study:

1.Creating a better business environment

The use of ICT in e-Commerce and the establishment of an e-Commerce infrastructure helps to create a business-friendly environment by streamlining the interaction and improving the interface between government and business.

2.Customers online, not in line

This refers to the effective delivery of public goods and services to citizens accompanied by quick response with minimal direct intervention by a public official.

3.Strengthening capabilities by increasing public participation

As a major tool in building a tradition of transparency, e-Commerce can advance the fight against corruption.

4.Improving the productivity and efficiency of organizations

Re-engineering processes and procedures to cut red tape, facilitate delivery of services, increase productivity of the bureaucracy, and increase savings are benefits inherent in eCommerce

5.Simplifying the processes

ICT helps to re-engineer processes. It is not enough to deliver services efficiently and effectively by compressing the steps required to accomplish certain procedural requirements. The main objective is to simplify processes, change the traditional concept of business and thereby transform the relationship between business and citizens.

REVIEW OF LITERATURE

● **(Elizabeth & McGregor, 2000)** in their paper analysed the impact of e-commerce on consumers, public policy, business and education. A discussion of public policy initiatives, research questions and ideas for future research was given. **(Dasgupta & Sengupta, 2002)** in their paper examined the future and prospects of e-commerce in Indian Insurance Industry. **(Abhijit, 2013)** in his paper opined that e-commerce has unleashed yet another revolution, which is changing the way businesses buy and sell the products and services. New methodologies have evolved. The role of geographic distances in forming business relations is reduced. With the development of 3G and 4G wireless communication technologies, the internet economy will continue to grow robustly

● **(Raghunath & Panga, 2013)** concluded that initially, new internet users would be reluctant to conduct any kind of business online, citing security reasons as their main concern. In order to increase consumer adoption of e-services, the source of consumer confusion, apprehension and risk need to be identified, understood and elevated. E-Commerce provides tremendous opportunities in different areas but it requires careful application for consumer protection issues

● **(Madhukar Sarode, 2015)** in his paper concluded that e-commerce is future of shopping and gap has been reduced between manufacturer and consumer due to e-commerce. There is vast scope for e-commerce in India but due to weak cyber law, people are facing challenges in India.

● **(Saxena, 2015)** in her paper concluded that e-commerce plays a pivotal role in Indian society. It plays an important role in upgrading and developing the Indian economic system. It provides support to small and medium enterprises to flourish their business. E-commerce also faces some challenges like lack of cyber laws and lack of computer education etc. **(H. Ramchandani, 2016)** in her paper concluded that the retail e-commerce sales in 2015 as a percentage of total retail sales in India accounted for approximately.

0.9% of all retail sales in India. However this figure is expected to grow in near future and is estimated to reach 1.4% in 2018. E-Commerce has greatly impacted the business of physical retailers' especially small retailers. International e-retailers are giving a strong competition to domestic ones. However physical retailers still have a very good standing in the Indian market as Indian consumers generally like to inspect the goods before making any purchase.

● **Gupta (2014)** in her paper "E-Commerce: Role of e-commerce in today's business", presents a comprehensive definition of e-commerce while isolating it from e-business. The paper enlists the different e-commerce models i.e. B2B, B2C, B2G and C2C, narratively analysing the nitty gritty of each.

• **Rina (2016)** also elaborates the different applications of e-commerce in "Challenges and Future Scope of Ecommerce in India", at the same time, defining the degree to which they are operational in the country.

● **Gunasekaran, Marri, McGaughey, & Nebhwani (2002)** give a broad outlook of electronic commerce within organisational systems in "E-commerce and its impact on operations management", defining it with reference to e-trading and elaborating- how it has permeated every field of business. The paper identifies the revolutionary role played by earlier internet applications like e-mail and electronic data interchange and details the revolutionary changes brought by the internet technologies in manufacturing, marketing, purchasing, design, production, selling and distribution, warehousing and human resource management. Internet based technologies have enabled businesses to shorten development, purchase and procurement cycles, maintain upto date product and market information, significantly increase the speed of communications and increase the quality of customer relationships by facilitating close contact and constant communication. The paper studies in depth, the significance of web based technologies in different business operations, thus, improving their efficiency through effective B2B e-commerce.

● **Mishra & Kotkar(2015)** trace the timeline and development of B2C e-commerce in "A Study on Current Status of E-Commerce in India: A Comparative Analysis of Flipkart and Amazon with its inception in the mid 1990s through the advent of matrimonial and job portals. However, due to limited internet accessibility, weak online payment systems and lack of awareness, the progress was very slow. The Indian B2C e-commerce industry got a major boost in mid 2000s with the expansion of online services to travel and hotel bookings which continue to be major contributors even today.

• **Das & Ara(2015)** observe in "Growth of E-Commerce in India that though online travel and hotel bookings still control the lion's share of e-commerce market, their share has comparatively fallen over the years due to the recent augmentation and consequent rise of e-tailing services. There has been a tremendous surge in the volume of investment in this sector. With the e-commerce markets in the west reaching their saturation, investors see tremendous potential in the Indian market, in the light of which, many start ups have received funding from venture capitalists and private equity firms.

● China's Alibaba Group and affiliate Ant Financial became the largest shareholders of One97 Communications, the parent of Indian e-tailer Paytm, by investing \$680 million, in 2015 (Aulakh, 2015). To tap the potential of what it regards as "underdeveloped internet economy" of India, Japanese investment company and technology powerhouse Softbank invested \$627 million into online retailing marketplace Snapdeal and \$210 million in Ola cabs. (Mac, 2014). Similarly, New York firm Tiger Global Management has funded companies such as MakeMyTrip, Flipkart, Myntra and Quickr. The availability of funds has presented a favourable ecosystem and growth opportunities for big as well as small

companies. It has enabled local startups to survive in cut throat competition against foreign giants and has facilitated the penetration of e-commerce to every facet of human life; such that

the differentiation between e-commerce and traditional business is getting blurred. (Aggarwal, 2014). ● Through "Problems and Prospects of E-Commerce", Raghunath & Panga (2013) present a comprehensive analysis of various nuances of e-commerce while accentuating that, in present time every business activity, be it advertising, ordering, payment etc, can be performed in the digital ecosystem. The paper also enlists numerous points on the importance of e-commerce which are responsible for its development as the new convention. It has enabled the creation and exploitation of new business opportunities, at the same time increasing the say of customers in the development of new products and services. E-commerce has not only augmented the performance of internal business management, but, has also enabled better customer relationships by promoting a business model that is essentially based on information sharing. The accessibility of internet connectivity and other online tools herald a new revolution.

- SWOT analysis of e-commerce conducted by Awais & Samin (2012) highlights ubiquity, low operating cost, improved customer interaction and time saving as the unique strengths of e-commerce, but, at the same time accentuates upon the necessity for the firms to adapt themselves to the changing environment and innovate constantly to come up with better offerings for customers.

- With an increase in the number of players in the B2C segment, competition for the first position is set to intensify, making it imperative for the firms to enhance service quality and to invest in logistics, so as to derive benefits from increase in the disposable income of households, rise in internet subscriptions and infiltration of mobile commerce. (Das & Ara, 2015).

- In the face of rising competition, the survival of the firms will depend upon how efficiently they are able to bridge the existing gaps in e-commerce transactions. The ubiquitous nature of internet has enabled e-commerce to defy geographical boundaries and permeate different markets, so as to elicit demand from sub-urban and rural areas, after having successfully tapped its potential in metropolitan cities. In anticipation of increasing demand from Tier 2 and 3 cities, many e-commerce firms are undertaking efforts to widen their reach by investing in better infrastructure. In the light of growing number of websites, offering similar goods and services, greater significance is being attributed to Internet Marketing, which shall play an unparalleled role in audience acquisition for e-commerce websites, by displaying the advertisements on search engine result pages and other portals. Internet Marketing shall not only propel e-commerce but will also emerge as an important support tool to brick and mortar stores. (Gangeshwer, 2013).

• Apart from Internet Marketing, Deshmukh, Deshmukh & Thampi (2013) recognise another important development: m-commerce, which they identify as a subset of e-commerce.

"Transformation from Ecommerce to M-commerce in Indian Context" reviews the current and potential status of e-commerce and mcommerce in the Indian market, while projecting the latter as the potential future.

The paper discerns ubiquity, personalization, flexibility and immediacy as the singular advantages of m-commerce. The authors affirm the idea that smart phone penetration and rise in internet user base, mostly driven by youth, shall propel the growth of e-commerce.

Statistical data is used to emphasize that the infrastructure requisite for m-commerce development already exists, however, it is yet to be properly deployed. With mobile penetration providing a boost to digital downloads and enabling cheaper monetary transfers, the need of the hour is to enhance customer confidence by providing them assurance of safety and privacy, which shall accelerate movement towards a cashless economy. Despite innumerable prospects, the growth of e-commerce in India has not been upto its full potential due to certain challenges that inhibit the growth of firms. The growth of digital commerce in India is impeded by inadequate infrastructure, logistics failure, lack of tax uniformity and declining margins. In the face of intense competition, firms have to pamper the customers with huge discounts, everyday offers and liberal returns policy which proves detrimental to their profits

. As against the firms following inventory model, emarketplaces are more adversely affected by subsidies as they have to offer incentives to the seller for listing their products on the website in addition to the humungous discounts and wide range of offers to the customers. The increasing fulfillment costs (includes every cost incurred from the point an order is placed till the time its delivered to the customer.), lack of last mile connectivity in many sub-urban and rural areas and the rising reverse logistics also hinder the the growth of e-commerce firms by resulting in huge loss.(Rina, 2016).

PRESENT SCENARIO OF E-COMMERCE IN INDIA

E-Commerce in India is still in a growing stage, but it offer tremendous opportunities for developing countries like India. The e-commerce sector in India started their operations late nineties among business to business users (B2B). Business to Consumers (B2C) e-commerce started in 1996 in the form of matrimonial portals. The cost and the speed of internet was the limiting factor for their growth at that time. The first E-Commerce website in India was rediff.com, which was one of the most trafficked portals for both Indians and non-residents Indians. Last five years have seen a rise in the number of companies enabling e-commerce technologies and the internet in India. Major Indian portal sites have also shifted towards e-commerce instead of depending on advertisement revenues. Today E-Commerce has become an integral part of our society. There are websites providing any number of goods and services. These websites provide almost all categories of goods and services on a single site. These sites target the buyers of every possible product or service. These websites are known as Multi Product E-Commerce Sites. There are also Single Product E-Commerce Sites, which deal in specialised field only. Technology is changing the way of shopping. Out of the total internet users in India, 60% visit e-commerce sites. Favoured demographics and growing internet users' base helped in adding the growth. Growth shown by Indian players like Flipkart, India Times, Snapdeal etc. and huge investors' interest around these companies showed the immense potentials of the market.

FUTURE OF E-COMMERCE IN INDIA

India is developing rapidly and if development is to be measured, how can we ignore the role of e-commerce in it. The internet user base in India might still be a mere 100 million which is much less when compared to its penetration in the US or UK but it's surely expanding at an alarming rate. The number of new entrants in this sphere is escalating daily and with growth rate reaching its zenith it can be presumed that in years to come, customary retailers will feel the need to switch to online business. Insights into increasing demand for broadband services, rising standards of living, availability of wider product ranges, reduced prices and busy lifestyles reveal this fact more prominently thereby giving way to online deals on gift vouchers. Going by the statistics, the E commerce market in India was worth about \$2.5 billion in 2009. It rose to \$8.5 billion by 2011 thus depicting a definite surge in the last two years. According to a statement released by the Internet and Mobile Association of India (IAMAI), these figures would reach up to \$12 billion by 2012! To understand this scenario, we can divide Ecommerce into three broad categories which include physical services, physical goods and virtual goods. Another category that is gradually making its mark is the local commerce (couponing, yellow pages, classifieds etc.) which offers significant overlaps with E- commerce. The 1st category of physical services is definitely the major contributor which includes travel ticketing, jobs, matrimonia! and event management websites with travel sites accounting for 75% of all E-commerce industries! It provides attractive deals too (Ohidujjaman, Hasan, & Huda, 2013).

INDIA'S PROSPECTS IN COMMERCE

1. PROSPECTS IN E-OPPORTUNITY FOR RETAILERS:

A retailer can save his existence by linking his business with the on-line distribution. By doing so, they can make available much additional information about various things to the consumers, meet electronic orders and be in touch with the consumers all the time. Therefore, E-Commerce is a good opportunity.

2. OPPORTUNITY FOR WHOLE SALERS/DISTRIBUTER:

In the world of Ecommerce the existence of the wholesalers is at the greatest risk because the producer can easily ignore them and sell their goods to the retailers and the consumers. In such a situation those wholesalers can take advantage of E-Commerce who are capable of establishing contractors with reputed producers and linking their business with the on-line. 3. OPPORTUNITY FOR PRODUCERS: Producers can take advantages of e-commerce by linking themselves with on-line, by giving better information about their products to the other links in the business chain and by a having a brand identity.

4. OPPORTUNITY FOR PEOPLE:

As more people are getting linked with E-commerce, the demand for centre providing internet facility or cyber cafe is also increasing. Hence, the people who wish to take advantage of it can establish cyber and have their benefits

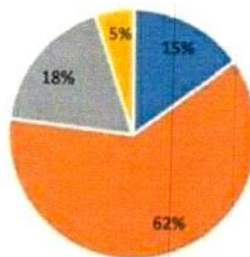
DATA ANALYSIS

Q.1 Age *

Options	Respondents	Percentage
Below 20 years	15	15%
20-30 years	62	62%
30-40 years	18	18%
Above 40 years	5	5%

Age

■ below 20 years ■ 20-30 years ■ 30-40 years ■ above 40 years



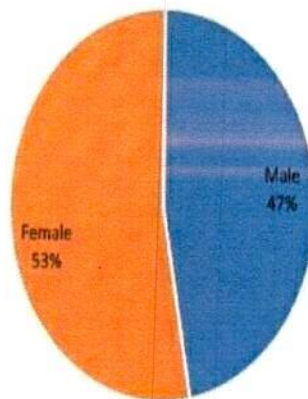
INTERPRETATION

Most of the respondents are between the age group of 20-30 years that is 62%. 15% are between the age group of below 20 years. 18% are between 30-40 years and 5% are above 40 years.

Q.2 Gender *

Options	Respondents	Percentage
Male	47	47%
Female	53	53%

Gender

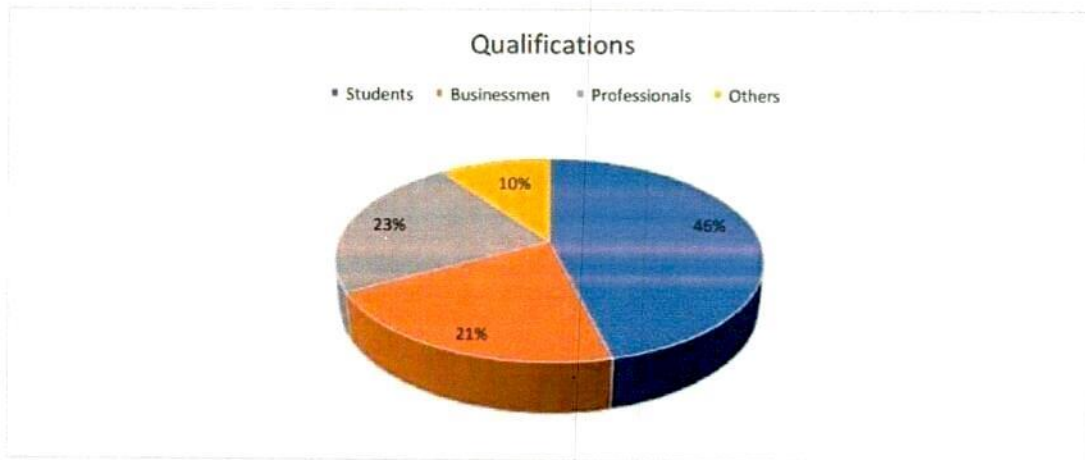


INTERPRETATION

53% of the respondents are females using e- retailing and 47% are males who are using e- retailing. It is thus seen that females are more interested in e- retailing as compared to male.

Q.3 Qualifications *

Options	Respondents	Percentage
Students	46	46%
Businessmen	21	21%
Professionals	23	23%
Others	10	10%



INTERPRETATION

The respondents were asked about their qualifications and the results are as follows:
46% are students, 21% businessmen, 23% professionals and 10% belong to other group.

Q.4 Occupation *

Options	Respondents	Percentage
Self-employed	15	15%
Employee	20	20%
House-wife	5	5%
Students	50	50%
Others	10	10%



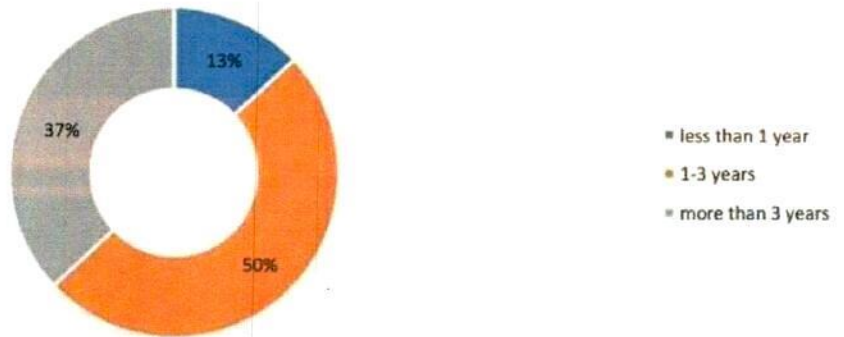
INTERPRETATION

The respondents were asked about their occupation and majority of the respondents are the students with 50%. 15% are self-employed, 20% are the employees. Remaining 5% are the house wife and 10% belong to other categories.

Q.5 For how many years are you using e-retailing? *

Options	Respondents	Percentage
Less than 1 year	13	13%
1-3 years	50	50%
More than 3 years	37	37%

No. of years using e-retailing

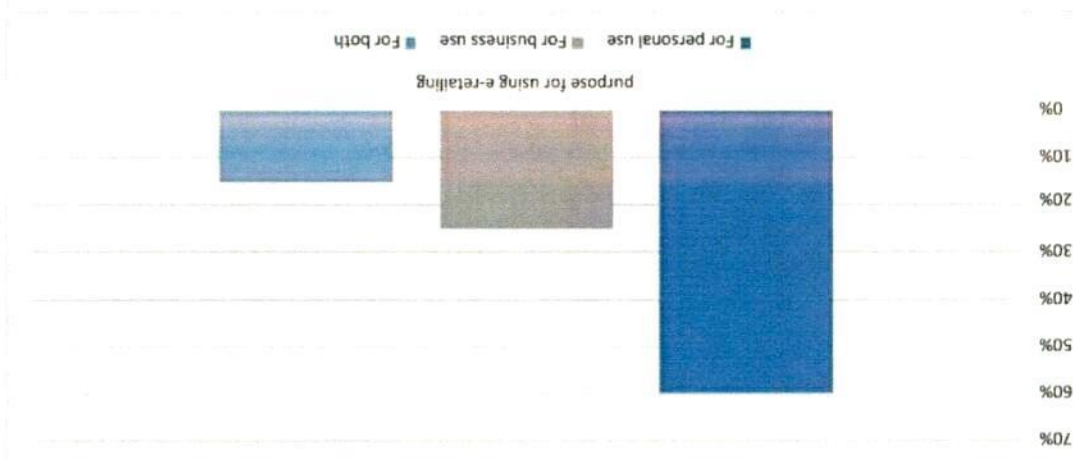


INTERPRETATION

Respondents are using e – retailing less than 1 year 13%,50% are using between 1 – 3 years and 37% are using e-retailing more than 3 years.

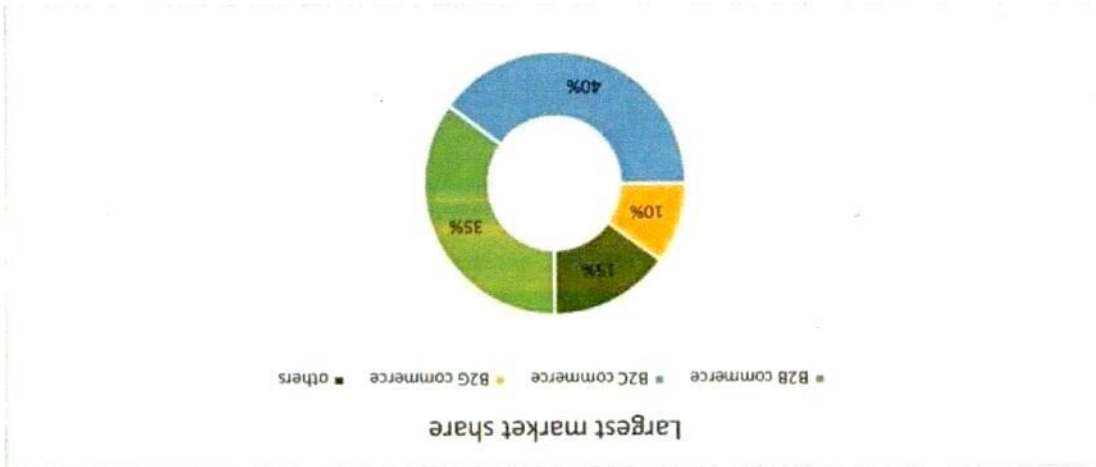
Q.6 For what purpose do you use e-retailing? *

Options		Respondents	Percentage
For personal use		60	60%
For business use		25	25%
For both personal and business use		15	15%



According to the respondents, the largest share has been assigned to B2C commerce with 40% then to B2B with 35% and remaining 25% are given to B2G commerce with 10% and others with 15%

INTERPRETATION



■ B2B commerce ■ B2C commerce ■ B2G commerce ■ others

Largest market share

Options	Respondents	Percentage
B2B commerce	35	35%
B2C commerce	40	40%
B2G commerce	10	10%
Others	15	15%

Q.7 From the various types of e-retailing, what according to you has the largest market share? *

Q8 According to you how is e-retailing helpful to the consumer in e-business domain? *

Options	Respondents	Percentage
Broadens consumer choice	48	48%
Encourages price transparency	12	12%
Fastens business process	26	26%
Don't know/Cannot say	14	14%



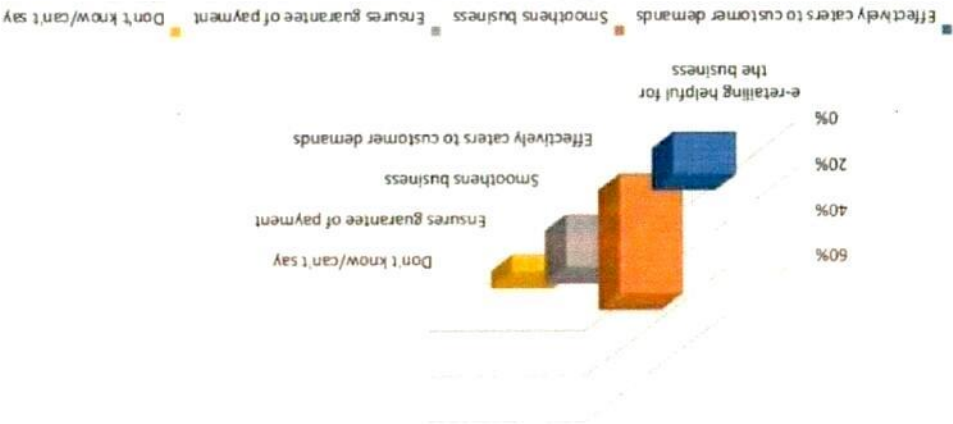
INTERPRETATION

According to the respondents, e-retailing is helpful to consumer in business domain in the following ways

- Broadens consumer choice (48%)
- Encourages price transparency(12%)
- Fastens business process(26%)
- Don't know/cannot say(14%)

Q.9 According to you how e-retailing is helpful for the business discourse? *

Options	Respondents	Percentage
Effectively caters to customer demands	18	18%
Smoothens business by creating customer and businessmen network	52	52%
Ensures guarantee of payment	23	23%
Don't know/cannot say	7	7%



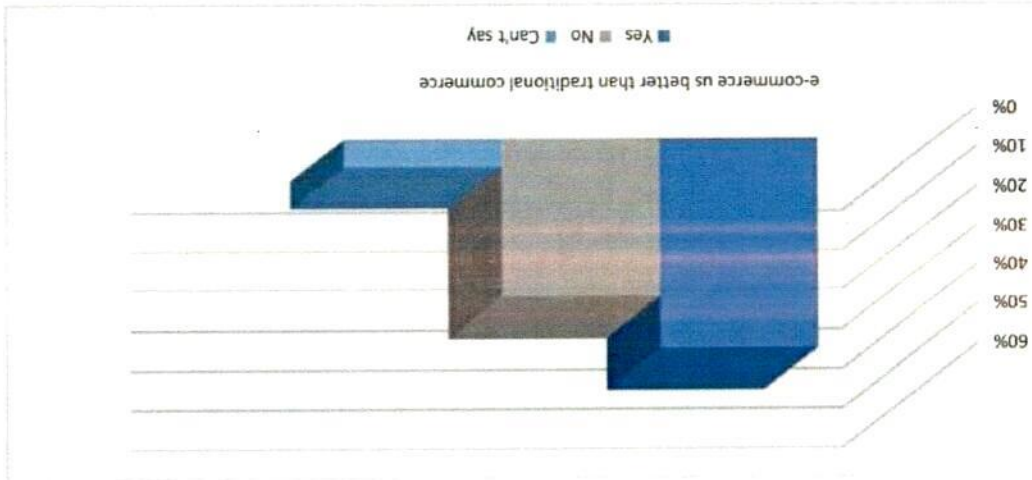
INTERPRETATION

According to respondents e-retailing is helpful for the business discourse in the following ways

- Effectively caters to customers demands(18%)
- Smoothens business by creating customer and businessmen network(52%)
- Ensures guarantee of payment(23%)
- Don't know/cannot say(7%)

53% of the respondents believe that e-commerce is better than traditional commerce and 40% of respondents feel that traditional commerce is better and rest 7% of the respondents can't say anything.

INTERPRETATION



Options	Respondents	Percentage
Yes	53	53%
No	40	40%
Can't say	7	7%

Q.10 e-commerce is better than traditional (manual) commerce. *

Challenges of E-Retailing

1. Unproven Business Models

In the formative years of dot-com era, most of the businesses on the Net were experiments in new areas and did not provide enduring sources of profit. This was the primary reason behind closing down of 90 per cent of the purely e-commerce companies in the beginning of this century. Today, dot-com businesses have matured a little. Still some of the businesses are at experimental level and do not guarantee regular revenue.

2. Requirement to Change Business Process

The process of procurement, storage and logistics in e-businesses is different from that in traditional brick-store businesses. The e-retail organization has to carefully redesign and integrate various processes to suit the new e-business. Traditional sections of departments and management hierarchy may pose hindrances and bottlenecks in the process of order processing and shipments, for example, the traditional business may require the goods to be present at the warehouse and inspected before being shipped to the customer, but in electronic retailing, shipping of goods from one place to another to a customer would not be possible. The retailer may appoint a local supplier at the city where the customer resides and instruct the supplier to deliver the goods. This would require by passing certain business rules and a lot of faith on the local supplier. It would require business confidence that the supplier would follow the instructions and deliver the same product in good quantity and perfect quality. Merchandise planning and demand analysis is also difficult in e-retailing, as compared to traditional retail businesses.

3. Channel Conflicts

Companies selling through the Internet as well as through brick stores may find their interest conflicting at many places. In electronic storefront orders, the goods directly reach the end-consumer and so the distributors and sellers may feel the threat to their existence. Most of the time, it is seen that retailers tend to reduce price over the Net. The sale at the brick store may store may drop because the retailer may tend to sell more through the Internet as a result of reduction of prices

4. Legal Issues

Proper laws have not yet evolved for Internet based transactions. Validity of e-mails, digital signatures and application of copyright laws is being checked by various government authorities. E-mail and digital signatures are now being recognized as valid for any legal purpose. Value Added Tax (VAT) is yet another area that creates problems. Taxes on goods and services are still an issue. Since the taxes are levied and shared by multiple government agencies at local, state or federal level, there are no clear rules to guide retailers on that. In e-retailing, the place of billing, the place of dispatch of goods and the place of delivery all differ. If these three places fall in different jurisdictions of governments, levy and submission of taxes would be a problem.

5. Security and Privacy

Security is one of the major challenges in the digital world. Despite a lot of security arrangements, such as passwords and firewalls, we come across the news of website hacking and data pilferages. The Internet being on public domain is more susceptible to unauthorized peeping. People are wary of divulging information regarding their credit cards and personal details on the Net because they can be misused. Cyber criminals have exploited the Internet weaknesses and have broken into computer systems, retrieving passwords and banking information. Security of payment gateway is a major concern, which has to be taken care of by the retailer by putting up proper security layers.

E-Retailers can be of Two Types

[1] Pure Play e-retailers such as Amazon, that emerged as the online bookseller. It is present only online and do not have any physical outlet for the customers. [2] Brick and click e-retailers such as Dell, that sells computers through the internet as well as the physical store front for the customers. Support Services in E-Retailing

The electronic retail business requires support services, as a prerequisite for successful operations. These services are required to support the business, online or offline, throughout the complete transaction-processing phases. The following are the essential support services:

Communication backbone Payment mechanism

● Order fulfillment

● Logistics

Advantages of E-Retailing

[Easy access to market

In many ways the access to market for entrepreneurs has never been easier. Online marketplaces such as eBay and Amazon allow anyone to set up a simple online shop and sell products within minutes. 121 Reduced overheads

Selling online can remove the need for expensive retail premises and customer-facing staff, allowing you to invest in better marketing and customer experience on your e-commerce site.

- Potential for rapid growth

Selling on the internet means traditional constraints to retail growth - eg finding and paying for larger - are not major factors. With a good digital marketing strategy and a plan a scale up order fulfillment systems, you can respond and boost growing sales.

- Widen your market / export

One major advantage over premises-based retailers is the ability to expand your market beyond local customers very quickly. You may discover a strong demand for your products in other countries which you can respond to by targeted marketing, offering your website in a different language, or perhaps partnering with an overseas company.

- Customer intelligence

Ability to use online marketing tools to target new customers and website analysis tools to gain insight into your customers' needs.

Disadvantage of E-Retailing

[1] Website costs

Planning, designing, creating, hosting, securing and maintaining a professional e-commerce website isn't cheap, especially if you expect large and growing sales volumes.

[2] Infrastructure costs

Even if you aren't paying the cost of customer-facing premises, you'll need to think about the costs of physical space for order fulfillment, warehousing goods, dealing with returns and staffing for these tasks.

1.31 Security and fraud

The growth of online retail market has attracted the attention of sophisticated criminal elements. The reputation of your business could be fatally damaged if you don't invest in the latest security systems to protect your website and transaction processes. 1.4) Legal issues
Getting to grips with e-commerce and the law can be a challenge and you'll need to be aware of, and plan to cope with, the additional customer rights which are attached to online sales.

[5] Advertising costs

While online marketing can be a very efficient way of getting the right customers to your products, it demands a generous budget. This is especially true if you are competing in a crowded sector or for popular keywords.

[6] Customer trust

It can be difficult to establish a trusted brand name, especially without a physical business with a track record and face-to-face interaction between customers and sales staff. You need to consider the costs or setting up a good customer service system as part of your online offering.

Retail electronic payments was around INR 33.8 lakh crore in 2013 compared with INR 50,000 crore in 2004. Credit card payments has grown seven times during this period and reached INR 1.2 lakh crore in 2013. In the case of Debit card transaction there was an increase in 15 times which is 25 around INR 74,300 crore in 2013. If we analyse the trend electronic transaction has increased during 2013 which forms 57% of banking transaction compared with 43% of paper transaction. There was an increase in registered internet banking

Increase in transaction by Debit cards, Credit cards, Net and mobile banking:

India is one of the markets which is witnessing growth in smart phone customers. In 2013, there were 51 million smart phone users in India which is expected to reach 104 million by 2014. But this forms about 10 per cent of the total mobile users currently. The availability of cheap smart phone can enhance the growth rate in future. Access to 3G and 2G mobile data networks and availability of cheap smart phones can enhance the customer transaction using mobiles. Most of the online retailers are developing their mobile applications to enhance the shopping experience. Amazon came up with their own 3D smart phone-"Fire phone" to enhance the mobile shopping experience of their customers. If we compare the mobile internet users we can observe increasing trend with respect to mobile internet users. According to 2015 projection, out of 300 million internet users 200 million users will be accessing internet using mobile phones which can enhance e-retailing opportunities in India.

Smart phone revolution and Mobile Internet:

According to Google, India now have around 200 million internet users which is expected to reach 500 million by 2018. Every year there is an estimated increase of 5 million internet users every month. One of the key factors contributed to the increase in internet users is the spread of broad band connectivity across the country. In 2013, the broad band connectivity is around 15.13 million. Government is talking initiatives to increase it by 214 million broad band connections by 2014. This will enhance the accessibility of internet for common people. Forrester's Asia pacific retail forecast predicts that online buyer population will reach 39 million by 2014 and 128 million by 2018 which can stimulate the growth of online retailing in India.

Increase in the number of Internet users and online buyers:

The current business environment in India has the potential to enhance the growth of the online retail in India. Some of the key factors that can contribute to the growth of online retail in India include

Opportunities in India.

Online retailers are moving towards enhancing the convenience factor and thus attracting the shoppers to use this channel. Moreover the growth of the mobile communication has led to the growth of the online retailing as people are more accessible to internet 24 x 7. Like in the case of purchasing from the physical market we have to wait for the shop to open and certainly we try to get our merchandise before the shop closes, but in case of online retailing there is no time limits involve all you need is a internet connection and money in your pocket to pay the price and every thing is at your door step.

Convenience Factor:

Annual disposable income in India is expected to increase at CAGR of 5.1% and expected to be USD 3823 by 2015. According to 2011 Census, the Urbanisation showed an exponential growth rate of 2.76%. We have around 337 million people who live in urban areas in 2011. The census data shows that the no of statutory towns increased at the rate of 6.37% during 2001-2011. There is steady increase of urban agglomerations at the June 8, Issue 1, 2019 Page No: 789 International Journal of Scientific Research and Review rate of 23.7% during this period. These trends can enhance the prospects of online retailers.

Rising disposable Income and Rapid Urbanisation:

users in India during 2013 which was around 35 % for public sector banks 25 % for private sector banks and 5% for foreign banks compared with 2012. But still Internet banking is emerging in India which witnessed a growth with 30 million users in 2013 compared 22.51 million users in 2012. From these trends we can conclude that Indian customers are gradually changing with respect to the way they do financial transactions. Credit, Debit cards and Net banking can facilitate quick and convenient transaction for customers which can augment the growth of e-retailing in India. With the emergence of secure transaction methods like two factor authentication. One Time Passwords (OTP) and payment gateways, consumer's preference to shop and do financial transactions online has increased. This can enhance online retailing because of enhanced security and easiness in doing the transaction. Some of the retailers are providing the facility of cash on delivery options (COD) to customers those who are sceptical about the secure transactions in online platforms. This forms more than 60% of the total e-commerce transaction in India. Banks and e-commerce sites are taking proactive steps in enhancing on-line transactions by addressing security and other issues with respect to online transactions.

Online consumers are goal-oriented shoppers. If they don't immediately find what they're looking for when they reach your site or landing page, they're gone in under 15 seconds

Visitors can disappear in 15 seconds or less:

When consumers search, they have multiple options available, and many use search to navigate the Web rather than type in or bookmark specific sites.

Competitors are just a click away:

In addition many of the web portals don't support all on-line modes of payments. There are high occurrence of failed payments and this if often a deterrent for clients to revisit the portal.

Issues concerning security and transaction frauds:

Lack of proper marketing and advertisement, inability to create a brand image, lack of proper usage of all possible on-line means like search engines, paid marketing, on-line ads, social networking, blogs etc to reach the customers. Inability of online retailers to drive the values a customer can derive by shopping on on-line channels.

Inability of on-line retail players to sway customers from offline mode to on-line retail channel:

As compare to the earlier days where we have to make the payment in advance and wait for our order for weeks, now we make the order first and make the payment when the goods are delivered to us, WatchKart.com, lense Kart.com, Flipkart.com, etc. are some of the examples. 3. Delivery: For general type of products like DDV, CD, Goggles, books etc., are being delivered to the customer in 2 to 3 working days and the goods which are required to be produced like special print sarees, customized bags etc., are delivered within 5-6 working days. Moreover single unit of any product chosen by the customer can also be delivered transborder, which may not be possible to import in case of physical purchase.

Payment Mode:

Shopping is a multistep process:

Online consumers love to browse. Many spend a fair bit of time visiting several sites just to gather information. They may also compare the offerings of several competitors before hitting the "buy now" button.

Time between initial visit and purchase has increased:

Increasingly financially challenged consumers may wait longer before buying.

Customers wait for merchants' best offer:

Having been seduced during the holiday season with free shipping and handling and other price-driven offers, consumers have been trained to wait for a special deal.

Research Methodology

(a) Coverage of the Study: This research paper is confined to study of Prospect of E-Retailing in India. (b) Source of Data: The study is based on secondary data collected through various books, business. Magazines, journals, newspapers, Internet web sites and research studies. (c) Data Analysis: Analysis of data and information collected from published sources were made keeping the Objectives of the study in mind

E-Retailing:

Internet is the next big thing that will change the trend of Business, which has been followed by Indians. Indian consumers are always said to have prior choice while purchasing any product with consideration of price and quality. In the era of technology, E-RETAILING has boomed in Indian consumer market by giving attractive prices or offers and even created more interest by offering cash and delivery Facility. We have seen huge growth in online retailing. Online marketing Websites like Flipkart have always been making more profits and giving competitions to the pioneer of the same field i.e. Ebay in India. From Clothing brand to Sweet mart, everyone is trying to enter into e-retailing to reach their targets, but consumers are not aware of the Fraud or mis-selling done by even popular E-retailers. We have unnoticed the problems which have been faced by consumer who orders through online and gets delivery of damaged or replica of it.

Top 10 E-Retailers in India

Flipkart, Ebay, Amazon, Mynta, Snapdeal, Home shop 18, Letsbuy, Naaptol and Vebhi

Offline shopping v/s online shopping: What

If he would have purchased same product in store or outlet? He can directly approach the store and demand for the new piece or repayment of his money. What now if he has ordered through online? He has to repack the same product, Give the courier charges, and wait for product to reach e-retailer, Process of refund takes place, some working days for initiation of refund and eventually he will get the cheque from the e-retailer in his name and it will take minimum a week for the cheque to get realized. So refund process will take at least 20 days. Consumer- winner or loser:

No matter E-shopping is cheaper than outlets but consumer will have to look other side of it. To save some money, individual is investing more money on same product. E retailing is always profitable for the company which is selling the product but not for the consumers who are purchasing it. Usually they are cheap because E companies don't need

any outlets or stores to run business, they even have cost cut for their manpower. All online retailers may not have same policy of returns but it is time consumption for one who purchases it. E shopping has been new trend for the consumer where they can get variety of products, which are not even available in the outlets or stores. E retailers are trying to attract the audience by giving offers and voucher. In store or outlets usually people get offers on seasons but in E-Retailing 365 days you have time to redeem it.

E-Retailing- Try at your own risk: E

Retailing is also considered as "Not so

safe for

transaction of business" where individual has to trust the website and give the bank details to process the order. There have been many cases, which ended in fraud online transactions and consumer has been cheated. Security is main concern for a buyer, so maximum transactions that

happen in e sites are Cash on delivery. It's a type of transaction, where buyer has to order the product and pay after receiving the same. Consumer feels that this is the best and secured way of purchasing through online. Reality is that once they receive the product they are not given the authority to open the parcel until they don't pay for it by. In this case,

What if product get damaged? Whether logistics are to be blamed or E retailer company? Logistics companies are third party companies, which are just transacting amount and goods between buyer and seller. They are not responsible for the delivery of the damaged product packed by the E-Retailers.

Logistics is main ingredient:

Logistics plays an important role in E-Retailing, analyzing this importance. Companies like Flipkart and Mytra has introduced their own Logistics to provide

direct transaction between them and the buyers. They don't have any third party logistics to deliver. This is how online E-Retailers are also gaining trust by providing own logistics operations where buyer can return the product if it is damaged. Within 24 hours reverse pickup will be done and refund will be initiated to the buyer. Online retailers are also generating revenue because of the logistics they are providing; now they need not pay or depend on third party for the delivery of order placed. Logistics Operations are under them. Even Sundays are WORKING for E-Retailers if they have their own logistics almost of the logistics companies are closed on Sunday.

E-Retailing creates a fantasy:

E-Retailing is just process of showing the picture of the product and sells it to the buyers. According to Government of India survey majority of the registered consumer complaints are on E selling sites because of their fake advertisements or sale of the fake products. Internet surfers usually come across many pop up ads that advertise fake rewards.

Where he/she end up clicking on the pop up and get cheated by paying some amount with the expectation they will get premium reward. This is easy way of cheating in online though it is not related to any E-Retailers companies as these are fake pop ups that appear on their website.

Consumers are always god:

Online buyers should not always purchase with excitement going with low price, individual should always analyze why it is offered in low price compared to stores and outlet. Buyers should always see that the online seller is registered and authorized before ordering for anything. Such cheating and fraud experiences are found less in popular E-Retailer sites because having good relation with their buyers is important for popular E-Retailers, So they provide value added services to their customers and also have system of receiving regular feedback from their customers.

E-retailing company is a logistic company too:

E-retailing is booming sector in India but also few things are yet stopping buyers to purchase it online. Reasons could be delay in products getting delivered or product not reaching them at all. As I mentioned that logistics plays an important role in E-Retailing buyer has to wait for his ordered product until it reaches his home. We need to understand no matter if company has dispatched the product from their warehouse through third party logistics; E-Retail Company has no authority of operations of that delivery. Third party will be delivering the product according to their timing, if it does not reach the buyer on time buyer may deny to receive the order. Tie up with third party logistics both company and buyer has to suffer if delivery gets delayed. Because of third party logistics, E-Retailer Company and Buyer have to pay amount for the transaction they do with each other. Companies like Blue Dart and First Flight are the third party logistics service provider for E retailing companies.

E-Retailers are only for Metro cities and urban cities consumer:

After experiencing this delay of third party logistics delivery Companies like Flipkart and Amazon took a step ahead and committed to their buyers that their shipment will reach them within a day, but only in Metro cities with their own logistics. Why only metro Politian city? Why not urban cities or towns included? What if one from rural place wants to purchase the product from online? He cannot order it because logistics does not exist in that rural place. This is how online retailing is booming in only cities but not in town or villages, as there is no Logistics services provided in small places.

India is resulting in increased cyber crimes and offence through the medium of e-commerce websites in India. Further cyber law awareness in India is also missing that is resulting in increased e-commerce frauds in India. In these circumstances, e-commerce website frauds, offences and crimes in India have increased a lot. While the legal requirements for undertaking e-commerce in India also involve compliance with other laws like contract law, Indian penal code, etc. Further, online shopping in India also involves compliance with the banking and financial norms applicable in India. For instance, take the example of PayPal in this regard. If PayPal has to allow online payments receipt and disbursements for its existing or proposed e-commerce activities, it has to take a license from Reserve Bank of India (RBI) in this regard. Further, cyber due diligence for PayPal and other online payment transferors in India is also required to be observed. IT Act 2000 is the sole cyber law of India. The cyber law of India mandates that the e-commerce entrepreneurs and owners must ensure cyber law due diligence in India. The cyber law due diligence for companies in India has already become very stringent and many foreign and Indian companies and websites have been prosecuted in India for non exercise of cyber due diligence

Lawmaker the savior:

What if you want to track your order? E-Retail Company issues you a consignment number to track your order, but to activate that consignment order you need to wait for 48 hours. Basically online shopping is set of process, which makes buyer anxious about receipt of their product. So buyer keeps on clicking on track space to check the status even after he knows that consignment number is going to activate after few hours. Few logistic service does not provide proper information of the delivery status nor do they notify that is out for delivery. If retailer has sent you proper product but delay in delivery dissatisfy you, you may blame E-Retailer

Excitement is tracking order:

9- E MODEL OF E-RETAILING

E-Retailing is part of e-commerce, a term that has gained immense popularity since the advent of internet revolution, throughout the world. While e-commerce usually stands for commercial transactions or interaction among the organizations and individuals virtually, e-retailing is focused primarily on selling of goods over the internet. These days, most of the conventional brick & mortar retailers, manufacturers and service providers have ventured into the field of e-retailing because of convenience and benefits offered. Considering the rising inflation and recession in most of the economies, it is very essential for the retailers to cut down their cost of operations and reduce the prices.

This to a large extent is possible if supply chains are streamlined and wastages or pilferages are minimized and stock-outs or excess stocks are reduced. While selling through virtual mode, retailers are able to tackle some of these concerns effectively. Though e-Retailing in India is growing steadily with the internet usage yet customers are still apprehensive of making purchases online. Besides, retailers despite numerous benefits are reluctant to adopt this mode totally. The present paper has strived to investigate the above factors and suggest suitable measures. It has covered following broad objectives;

To explore the factors contributing to the growth of e

Retailing in India

To find out the customer's online purchase preferences for products & services

To investigate the issues and challenges involved in e-Retailing

To recommend suitable strategies for the e-Retailers to tackle the issues involved Paper concludes with the proposed 9-E Model of e-Retailing that can be adopted by the firms for their growth and survival

To study the objectives undertaken and to conduct conclusive research, following methodology has been adopted.

Research Design
The primary data is descriptive in nature based on the questionnaire survey conducted during October-December, 2012, among 100 respondents.

Sample and Sampling Techniques

Simple Random sampling among the age group of 18-24 years in Delhi-NCR was conducted. The age group was selected because it is the most active group on the internet & social media and it is also open to the new ideas and risks. Undergraduate and post graduate students from colleges in North West Delhi were chosen to collect the responses

9- E MODEL

From the above conclusions, a 9-E model of e-Retailing has been proposed depicting the strategies that onlinetailers in India can incorporate for consistent growth and survival. (Refer Fig. 1). The said model is briefly described as follows;

Ethical:

Basis of every business has to be integrity and sincerity on the part of seller. To build trust and loyalty among customers, retailers have to imbibe ethical behaviour in their systems, employees as well as supply chain partners

Efficient:

Faster and safer deliveries, quick processing of order and resolution of customer's complaints would

establish the retailer as a reliable source of information and products. It should consistently be able to provide delightful experience to the buyers through its services

Easiness:

Since computing proficiency of customers may vary due to their literacy, age or the computing device, the retail sites should provide simple and hassle free purchase process with minimum steps and documentation. Customers may lose interest if they are required to fill too many fields and undergo various verification stages

Effective:

Communication should be clear and in different regional language options. The site should be interactive with stepwise navigation and video assistance. Complete product range giving details of price, quality,

material as well as comparative of few competitor's products may be provided

Endorsement:

Like any other product or service, e-retail brand also needs to be promoted well. Endorsement by celebrity, blogger or industry leader, certifying the quality services offered by the brand shall definitely assist in establishing that brand

□

Economize:

Cost optimization is very essential for any commercial entity. Firms must constantly search for functional areas and operations where costs can be considerably reduced. These could be in the packaging, delivery, payment processing, sourcing and warehousing, etc.

Engage:

It is very essential for the retailers to engage the habitual net surfers on their site and retain them through services catering to different demographic profiles and to those who may not necessarily be the immediate customers. These could be free games, music or video downloads, messaging, e-mails, blogs, etc.

Exclusive:

e-Retailer has to position itself as an exceptional brand in order to command premium pricing in at least some product categories. This can either be through selling premium and luxury brands only or by offering entirely unique buying experience to the customers. The website should be so designed in terms of colours, fonts, images, etc. so as to convey excellence

Educate:

Large proportion of potential e-shoppers are still apprehensive of buying online because they are not sure of quality, delivery, after sales services and confidentiality of the personal or financial information. It is very essential for the whole e-retailing industry to clarify the misinformation and doubts among the customers. They should also generate faith and confidence by, explaining the legal remedies available and informing about the contact details of concerned people / departments where complaints may be resolved by practicing the above mentioned strategies in their operations, e-retailers would most likely be able to develop loyal, satisfied and regular customers which in turn will help in building a good brand image

Sales & profitability

would increase as retail brand become popular among shoppers subsequently improving the market share as well as customer base. The whole industry would ultimately prosper as business of suppliers, logistic service providers and even the competitors may grow. With profits, the stakeholder wealth would increase further contributing to rewards, job stability and employee satisfaction

ONLINE RETAIL VS E-COMMERCE: WHAT'S THE DIFFERENCE?

According to Digital Commerce 360 estimates, consumers spent \$871 billion with online merchants in the US in 2021, up 14.2% from the previous year. With the industry slated to continue growing at 13.7% YoY until 2025, now is the perfect time for your small business to boost its digital presence.

As you start to explore this further, you'll come across a few words, such as online retail, D2C, and e-commerce. While these words are often used interchangeably, they are not the same. This article will tell you the difference between them.

What are online retail and e-commerce?

Online retail involves businesses that primarily focus on the B2C (business to consumer) sector. These businesses are trying to sell products to the end consumer.

D2C, or direct-to-consumer, is the most popular form of online retail today. It involves businesses that market and ship their products directly to the consumers. D2C lets brands control their brand image, access their customer data, and eliminate distributor costs.

In the D2C model, the consumer buys straight from the business, and the intermediary parties between the brand and consumer are bypassed. Firms that offer online retail aspire to provide the same customer experience to users as they are likely to experience in physical shops.

E-commerce, on the other hand, involves the buying of products and services from a seller online, not the brand itself. For example, Amazon is the largest online retailer that provides its customers with products from various companies. This means that you can explore and compare products by features and price online.

E-commerce platforms allow for participation from entities like small businesses, individuals, non-profit organizations, government bodies, and from retailers, manufacturers, wholesalers, and distributors. Choosing to do e-commerce can mean participating in the best online ecosystem for your business and gaining access to the most relevant insights for your company.

What are the various E-commerce models?

Before setting up your online store, you should know the difference between the six types of e-commerce models.

1) Business to Business

In this model, a business is providing a service to another business. For example, a logistics company utilizing a consulting firm's services. Here the consumer of the product or service is a business, not an individual user.

Any type of wholesale commerce is also considered a B2B model. This is because a business is selling products in bulk to another business, which then sells the products to consumers.

So, when setting up an online space for your business, which one would serve you better; an online retail store, or an e-commerce model? Let's look at the pros and cons of each.

What's better for your business?

A C2A e-commerce business model is one where consumers/users can interact with government bodies on an online medium, like a portal or app. For example, if a person wants to book an appointment at a passport-renewal facility, they would make use of such a service. Another example of this type of business model is filing for tax returns.

6) Consumer to Administration

A B2A model could be a government subscribing to an agrotech startup's services and then implementing them across their territory. So, essentially, a business provides a product or service to an administrative body. Another example of this is when a government body outsources the designing of its websites to a third-party organization.

5) Business to Administration

In this model, businesses can capitalize on their customer base by paying their customers to market on their behalf. For instance, a business whose customer segment overlaps with a social media influencer's reach can pay the individual to post content about its products or services. So, essentially, a consumer is selling their influencer marketing service to a business.

4) Consumer to Business

C2C is synonymous with C2B2C because the business acts as an intermediary between two consumers. Another example of this type of e-commerce model is eBay. eBay connects individuals who wish to sell used products to people willing to buy them second-hand.

C2C involves consumers on both ends, connected through a platform. For example, Poshmark is a site where one individual can sell something in their closet to another consumer. So, here, neither the buyer nor the seller is a business. An item is sold from one consumer to another consumer, made possible by the C2C platform.

3) Consumer to Consumer

Here, the end-user of the product is the customer of the company. An example of this type of model is a clothing store like H&M, or companies like Spotify and Netflix that provide subscription services to paying users.

2) Business to Consumer

Online retail is great for helping you keep a check on your customer experience, but it makes it expensive to attract new customers because of the low brand visibility.

On the other hand, one downside to online retail is the absence of an e-commerce safety net, so your business exists somewhat in isolation. Whereas, on an e-commerce platform, potential customers would see your products listed on the platform even if they had never heard of your brand before.

One other drawback of online retail is the considerable difficulty in achieving operational efficiency. For example, a company that conducts its business via e-commerce can cut costs at various parameters. One such parameter is employee salaries since the company no longer requires large teams to maintain an online retail site.

Advantages of e-commerce

Ultimately, e-commerce is usually the preferred choice for new businesses and consumers alike. Marketing your brand via platforms like Amazon and Facebook Marketplace allows you to start selling your products in a relatively short time because of the plug-and-play solution.

Moreover, with e-commerce, the barriers to entry are lower than for setting up online retail stores—since you need not pay for designing and maintaining the website, building payment integrations, and various other such costs.

Using known and secure providers also helps customers ensure that their payment details are safe. This leads to them favoring e-commerce solutions over standalone sites that use a relatively unknown payment gateway. If this sounds interesting, we encourage you to check out our various solutions. We have helped numerous companies with e-commerce payment processing integrations and engagement software.

FINDING

- The e-retailing (less frequently, e-Retailing, e-Tailing, etc.) is the concept of selling of retail goods using electronic media, in particular, the internet. The vocabulary of electronic retailing, that used in internet discussions as early as 1995, the term seems an almost inevitable addition to e-mail, e-business and e-commerce, etc. e-retailing is synonymous with business-to-consumer (B2C) transaction model of e-commerce. Although e-retailing is an independent business model with certain specific constituents like; trust model, electronic transaction process, etc, but in reality it is a subset of e-commerce by nature. E-Retailing stores sell online promotion only for goods that can be sold easily online, e.g.; Amazon did for Books & CDs, etc. The online retailing requires lots of displays and specification of products to make the viewers have a personal feel of the product and its quality as he gets while physically present in a shop.
- E-Retailing refers to retailing over the internet. Thus an e-Retailing is a B2C (Business to customer) business model that executes a transaction between a businessman and the final consumer. E-Retailers can be pure play businesses like amazon.com or businesses that have evolved from a legacy business such as tesco.com. The e-retailing is a subset of e-commerce. Thus, e-commerce is the master domain defining the e-retailing operation.

RECOMMENDATIONS

Now a days customer wants to save there time from any thing so they like to buy things online but due to security reasons they dont. So those companies who are in the field of E-Tailing they should make secure the transactions made by customer to win their faith.

As we all know that India is a developing country and she is getting better and better ever moment but still there are some fields where we are not as good as other countries like USA, Britain,France, Germany etc. but we try to use the same technology or facility over hear. We need to understand that things which are successfully working over there will not work with same quality and strength until Infrastructure for that service will not upto the mark in our country.

Still Indian customers are not aware about this kind of facility is available to them, they still like to buy things after visiting the shops. Companies which are in that business need to increase awareness among people by advertisement and customer should also be informed that how to purchase goods online.

► Generally customer complains that most of the companies are failed to provide products on time, they even not sure that whatever they ordered will surely reached to them. So Delivery time should be taken into consideration.

► If any complain registered by the customer then it should be solved within time and companies should try to find out quick way of solving the frauds complains. It will help company to win the faith of customers. > The process of online purchasing should be simple and easier for customer so that they can easily access or order whatever they want. So many customer do not buy products from internet although they know that they can buy it online and they have access too because they do not want to spend their time in finding the right product. They prefer to go to the market and buy it because they know where they found it.

E-Commerce has made the shopping easy. The E-Commerce Industry in India is growing rapidly despite many challenges. E-commerce industry is one of the largest growing industries in India at present. The sale of e-commerce industry is expected to grow by almost 4 times by 2021 than the sales of 2015. This unprecedented growth in E-Commerce is due to increase in smart phones and internet users, 3G/4G internet services, awareness in public, government initiative of digitalisation, advanced shipping and payment options, entry of foreign e-business players etc. Government should take steps to provide a proper legal framework so that hurdles in the growth of e-commerce are reduced to minimum.

- To make conducive environment because it is inevitable to create a sustainable environment mechanism for futuristic growth of e-Retailing in India.
- To capitalise on these growth trends we need to improve our physical infrastructure, policy framework and operational environment in our country
- To determine the value of e-commerce in the India retail sector.
- To investigate current trends and technological advancement and usage. Like they are growth in online sales, growth.
- To explore a possible strategy and approach to online retailing.
- To determine and clearly articulate the advantages and disadvantages of having an online e-retailing.
- Now a day's E-retailing is playing vital role in domestic and international, with this technology customers can register and communicate with business to order product and services and can pay from a credit card or debit card to the respective companies.

e-retailers should have change their business models and understand their consumers more with keep the fact in mind that consumers are the real Kings.

Indian retail sector is witnessing dynamic changes over the years. With a steady growth rate of 50-60% online retail can make significant contribution to retail industry and economy of our country. In modern scenario, e-Retailing or online shopping has become part and parcel of the people in India. The new wave of consumerism coupled with urbanization with paradigm shifts in the demographic and psychographic dynamics have driven consumers frequently to use retail website to search for product information and make a purchase of products. There are several things have been discussed start. to consider when e-retailing. This present paper makes an attempt to: deals with the challenges occurring in the retailing, opportunities in Indian scenario, the strategies that are being followed in present scenario in e-retailing. e-retailing in India can be a success at the same time we measure so many valuable things like

CONCLUSION

The Indian retail market is witnessing a revolution. India is witnessing a massive digital revolution. Ever since the increased penetration of mobile telephones and launch of 3G & 4G services has decreased the subscription rates. Internet has become an integral part of growing population being connected with family & friends through emails, ordering food, buying tickets, social networking sites. The current web-based models for e-tailing (retailing) are part of an early stage of rapid transformation, challenge, and opportunity in Indian retail market. The changing lifestyles of the country's urban and rural population have also led many people relying on the internet for their shopping needs. The convenience of shopping from the comfort of ones home and having a wide product assortment to choose from has brought about increased reliance on the online medium.

In rural India there is brand awareness but no availability of products and services is also adding to growth. Online retailing portals such as Flipkart.com, amazon.in, eBay.in, Snapdeal.com, etc., are registering anywhere between 40 and 60% of their sales from rural areas apart from the tier II and III cities. The penetration rate is quite low in comparison to other countries worldwide; however the number of users is significantly high, the present scenario of e-tailing opportunities, its market, the viabilities and trends, etc.

tailing in India has truly arrived, going by a recent report by the Internet and Mobile Association of India, e-commerce market in India reached USD 12.6 billion in 2013a 34% growth since 2009. In India, e-tailing has the potential to grow more than hundredfold in the next 9 years to reach a value of USD 76 billion by 2021. The country's growing Internet-habituated consumer base, which will comprise 180 million broadband users by 2020, along with a burgeoning class of mobile Internet users, will drive the e-tailing story. The study claims that the key reason for this disruptive growth lies in the fact that the market-enabling conditions and ecosystem creation for e-tailing will outpace the same for corporatized brick & mortar retail. The outlook seems optimistic given the rapid penetration of internet and mobile / smartphone usage in the country.

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Appendix - Questionnaire

A study on scope of e-retailing in India

Q.1 Age

• Below 20 yrs

• 20-30 yrs

• 30-40 years

• Above 40 yrs

Q.2 Gender

• Male

• Female

Q.3 "Qualifications"

• Students

• Businessmen

• Professionals Others

Q.4 Occupation

- B2B commerce

share?

Q.7 From the various types of e-retailing, what according to you has the largest market

- For both personal and business use

- For business use

- For personal use

Q.6 For what purpose do you use e-retailing?

- More than 3 year

- 1-3 year

- Less than 1 year

Q.5 For how many years are you using e-retailing? +

- Students Others

- House-wife

- Employee

- Self-employed

- B2C commerce
- B2G commerce
- Others

Q8 According to you how is e-retailing helpful to the consumer in e-business domain?"

- Broadens consumer choice
- Encourages price transparency
- Fastens business process
- Don't know/cannot say

Q.9 According to you how e-retailing is helpful for the business discourse?

- Effectively caters to customers demands Smoothens business by creating customer and businessmen network
- Ensures guarantee of payment Don't know/cannot say

Q.10 e-commerce is better than traditional (manual) commerce.

- Yes
- No
- Can't say

PROJECT REPORT

ON

**“IMPORTANCE OF HUMAN RESOURCES MANAGEMENT IN PROMOTING
EMPLOYEES PERFORMANCE”**

SUBMITTED TO THE UNIVERSITY OF MUMBAI IN THE PARTIAL FULFILLMENT
OF THE DEGREE BACHELOR OF MANAGEMENT STUDIES.

SUBMITTED BY:

MOHAMMAD SIBGAT ULLAH

T.Y.BMS

ACADEMIC YEAR: 2022-23

PROJECT GUIDE:

PROF. USHA KISHOR PAMALE

M.COM (management) M.A.(English Literature)

SUBMITTED TO:

UNIVERSITY OF MUMBAI



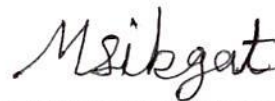
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DECLARATION

I, **MOHAMMAD SIBGAT ULLAH** , A STUDENT OF SONOPANT DANDEKAR ARTS, V.S.APTE COMMERCE AND M.H.MEHTA SCIENCE COLLEGE, PALGHAR DIST:- PALGHAR, PIN:- 401 404 STUDYING IN T.Y.BMS HEREBY DECLARE THAT I HAVE COMPLETED THIS PROJECT ON “**IMPORTANCE OF HUMAN RESOURCES MANAGEMENT IN PROMOTING EMPLOYEES PERFORMANCE.**” DURING THE ACADEMIC YEAR 2022-23. THE INFORMATION SUBMITTED IS TRUE AND ORIGINAL TO THE BEST OF MY KNOWLEDGE.

DATE: 12/4/23

PLACE: PALGHAR



SIGNATURE OF STUDENT

CERTIFICATE

I, PROF.USHA KISHOR PAMALE, HEREBY CERTIFY THAT **MOHAMMAD SIBGAT ULLAH** OF SONOPANT DANDEKAR ARTS, V.S.APTE COMMERCE AND M.H.MEHTA SCIENCE COLLEGE, PALGHAR DIST:- PALGHAR, PIN:- 401 404 OF T.Y.BMS HAS COMPLETED **HIS** PROJECT ON **“IMPORTANCE OF HUMAN RESOURCES MANAGEMENT IN PROMOTING EMPLOYEES PERFORMANCE.”**DURING THE ACADEMIC YEAR 2022-23. THE INFORMATION SUBMITTED IS TRUE AND ORIGINAL TO THE BEST OF MY KNOWLEDGE.

Usha KP

PROF. USHA K PAMALE

SIGNATURE OF PROJECT
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S.S.Mishra

SIGNATURE OF CO-ORDINATOR



K. J. Dave

SIGNATURE OF THE

PRINCIPAL OF THE COLLEGE

Vala...

SIGNATURE OF

EXTERNAL EXAMINER

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UNIVERSITY OF MUMBAI

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Last but not the least; I would like to thank my parents& teachers for giving the best education and friends for their support and feelings without which this project would have not been possible. Many others without whose invaluable help and expert advice this project would not have been the same ought to be cited.

With the completion of my project entitled “**IMPORTANCE OF HUMAN RESOURCES MANAGEMENT IN PROMOTING EMPLOYEES PERFORMANCE.**”

-MOHAMMAD SIBGAT ULLAH

EXECUTIVE SUMMARY

This study was carried out to ascertain the effect of performance of employees in organizations. The study used four variables which included; Employee motivation, Job design, Management style and Working conditions. The study seeks to benefit the Postal corporation management, HR consultants, scholars and trade unions. The study used descriptive research design and data was collected by use of questionnaires. The target population was respondents 200 from all the selected levels of management and these involved categories where respondents were selected using stratified random sampling techniques. The sample size was 100 respondents. The study findings were analysed and presented in form of charts, tables and graphs and through the use of qualitative and quantitative techniques. The study findings showed that employee motivation, job design, management style and working conditions have a positive relation with that of employee performance. Majority of the employees find it important that their superiors recognize them for a job well done. Most of the employees are not satisfied with their reward system. Majority of them indicated that they were not motivated by the challenges faced by their jobs. Most of the employees' jobs require high skills, and they are not routine as well. Their jobs are self-explanatory and they also give them the chance to arrange themselves. Also, employees are able to define their jobs. The organization has a clear division of responsibilities and their superiors motivate them to perform better with their clear information and direction. However, most of the employees are not engaged in the decision-making process and they are not encouraged to be innovative by the management. The management also does not practice proper ethics in their internal dealings within the organization.

CHAPTER-1 INTRODUCTION



Human resources as one of the resources in the organization play an important role in the successful achievement of organizational goals. In the development of human resources, the performance of an employee in a company is needed to achieve employee performance itself and also for the success of the company. Improving the performance of these employees is not only beneficial for the company, but also for the employees themselves. Because with good performance theoretically can achieve a better level of employee career development (Siahaan et al., 2016). Leadership style is one of the important factors that can affect the performance of employees in a company. Leadership style is the ability of a leader in directing, influencing, encouraging and controlling subordinates to be able to do work on their awareness and volunteering in achieving a certain goal. The success and failure of a company or organization is determined by leadership, an effective form of leadership will have an impact on the progress of the company or organization in facing the challenges and changes that occur. The nature of a leader is very influential in the style of leadership to determine the success of being a successful leader, and is determined by the personal abilities of the leader. Personal ability in question is the quality of a person with various traits, temperaments or characteristics inside (Geier, 2016). The consequences that might arise from the existence of a bad leadership style is a decrease in employee performance which will have an impact on the decline in the company's total performance. Many factors that affect employee performance include work motivation. Even if an employee has good operational ability if he or she has no motivation at work, the end result of the job is not satisfying. Seeing the importance of employees in the organization, employees need more serious attention to the tasks being done so This Journal is licensed under a Creative Commons Attribution 4.0 International License that organizational goals are achieved. With high work motivation, employees will work harder in carrying out their work. Conversely with low work motivation employees do not have the spirit of work, easily give up, and difficulties in completing their work (Harwiki, 2016). 5 0 0 Work discipline as an attitude of respect, respect, and obedience to applicable regulations both written and unwritten and able to carry it out, do not dodge the sanctions if it violates the duties and authority given to him. Work discipline is a form of employee self-control and regular implementation and shows the level of sincerity of the work team within an organization.

Good work discipline refers to the amount of a person's sense of responsibility towards the tasks assigned to him. Discipline that is not sourced from human conscience will result in a weak and not lasting discipline. The application of work discipline for employees aims to encourage employees to be willing and willing to follow various standards or rules that apply in a company, so that abuses of work can be overcome (Arenofsky, 2017). Good discipline will essentially grow and emanate from the results of human consciousness. Good discipline reflects the magnitude of a person's responsibility for the tasks assigned to him, this encourages work passion, morale, and the realization of organizational goals. Good discipline from employees will also show that the organization can maintain and maintain the loyalty and quality of its employees, from the discipline can also be known the performance value of its employees. In general, work discipline can be seen if employees come to the office regularly and on time, dress neatly in the workplace, use office equipment carefully, produce satisfying amounts and quality of work by following the work method.

STATEMENT OF THE PROBLEM

Most of the employees understand the procedures and policies of the organization. They are always in touch with their superiors and work well with their colleagues. However, majority of the employees do not take part in projects that benefiting the organization neither do they take part in solving problems in the organization. It was recommended that the management should find a way of motivating every employee for every employee is not the same. The management should engage the staff in the decisionmaking process

NEED & IMPORTANCE OF THE STUDY

The purpose of this study was to determine the leadership style, motivation, work discipline and employee performance at NOVA AGRI TECH LIMITED Hyderabad, motivation and work discipline styles on employee performance both simultaneously and partially. The research method used is survey research method. The type of data/information used is primary data with data collection techniques by observation, questionnaire and literature study. The research population is all employees of NOVA AGRI TECH LIMITED Hyderabad is people. Sampling technique is census method. The analytical tool used was with the help of SPSS Data analysis techniques were carried out using path analysis approach, correlation test, determination test, simultaneous test and partial test. Findings from the results of this study are leadership style, motivation, work discipline and employee performance of NOVA AGRI TECH LIMITED. HYDERABAD is in a pretty good category, so it still needs attention, improvement and improvement. Simultaneously the influence of leadership style, motivation and work discipline has a significant effect on employee performance.

OBJECTIVES OF THE STUDY

- To analyze the impact of office design if any on gender of employees' performance\
- To assess the effect of employees' health on their work performance.
- To establish the effect of employee motivation on employee performance in NOVA AGRI TECH LIMITED
- To assess the effect of job design on employee performance in NOVA AGRI TECH

SCOPE OF THE STUDY

This study the attitudes of employee toward the Employee performance I have selected few numbers of employees who can represent the whole employees of the company Partially only work discipline has a positive and significant effect on employee performance, while leadership and motivation styles do not significant influence employee performance, but have a positive impact on employee performance. Work discipline has the greatest influence on employee performance.

CHAPTER-2

RESEARCH METHODOLOGY



RESEARCH DESIGN

Research design refers to the framework of market research methods and techniques that are chosen by a researcher. The design that is chosen by the researchers allow them to utilise the methods that are suitable for the study and to set up their studies successfully in the future as well. The term research is composed of two words "re" & "search" which mean to search again, Research for new fact or to modify the existing fact. Research methodology is one of the important chapters which helps the researcher to do the research work in a systematic way.

HYPOTHESES FOR THE STUDY

Hypotheses: The development of hypotheses is based on the discussion of theories; thus the hypotheses are:

- Ha1: Job stress, motivation and communication have a simultaneous effect on the employees' performance.
- Ha2: Job stress, motivation and communication have a partial effect on employees' performance.

METHODS USED: Since it is not possible to collect feedback from all the employees working in the organization, a sample of 100 employees was selected for conducting the survey.

SOURCES OF DATA: Sample method is used for data collection. The types of data collected were-

- **Primary Data**
- **Secondary Data**

PRIMARY DATA: It is the data which is collected for once own research purpose. The primary data was collected through questionnaire & informal discussion & it is interpreted. The questions were framed so as to gain maximum firsthand knowledge from workers, which were analyzed in order to arrive at suitable conclusion.

SECONDARY DATA: Secondary data were collected from past records and manual of the company, books, internet etc. It is the data already collected, which is made available for reference purposes. In my research the secondary sources used are, various files and records maintained by organization, HR manual.

COLLECTION OF DATA: Both primary and secondary data were collected for the purpose of the research. Primary data was more useful in analyzing and finding out the drawbacks of industrial relation & disciplinary action system in the organization. Secondary data was useful in gathering information about the history & growth of the company, the industrial relation & disciplinary action system used in the former years in the organization & the revised system that is being followed today, financial position in recent years etc. Sampling Method for my research work.

Sample size: 100.

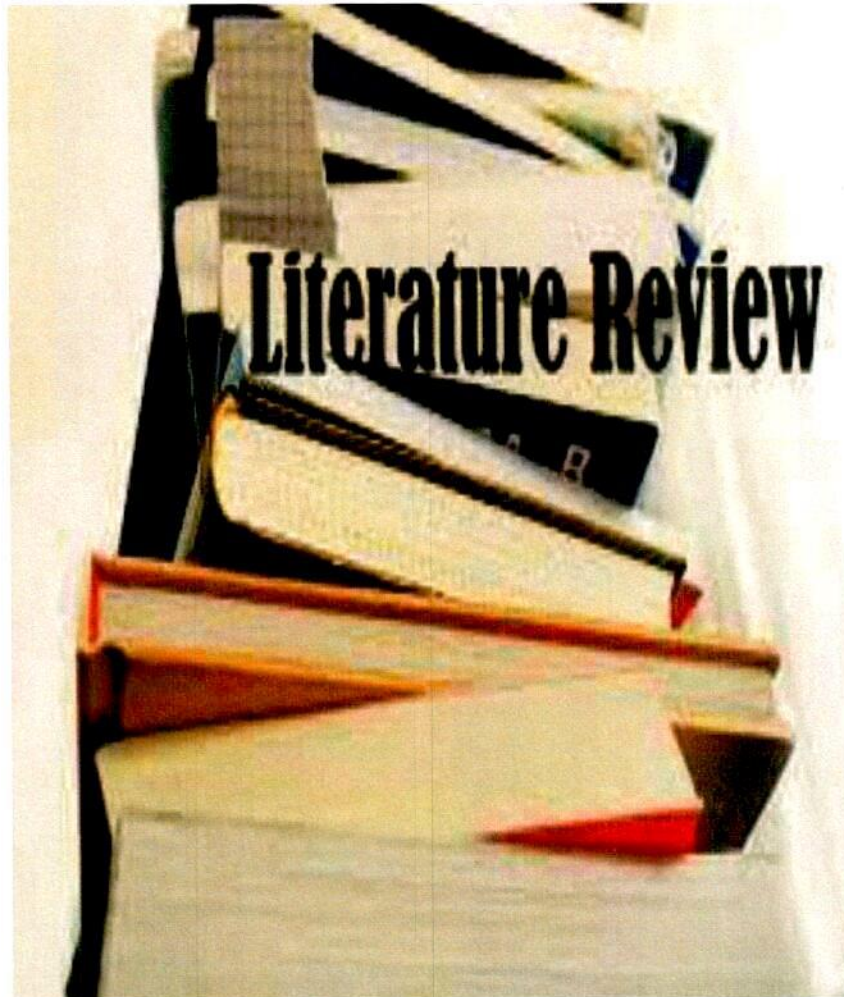
Data Analysis: Data analysis is represented by Pie Chart.

DATA INSTRUMENT: Questionnaire: Data were collected from workers who were working in three shifts by taking interviews and from employees working in administration, training and related departments.

LIMITATIONS OF THE STUDY

1. Employee feedback may not be 100% reliable and accurate
2. Sometimes, they may keep back information that may be detrimental to the image of the organization. Also some employees may fear their superiors and refrain from furnishing any negative data.
3. Since most of the lower cadre employees working in the organization are not wellversed in English, hence questions were discussed in local language with such persons and data was collected.
4. Since the time was limited, not all employees could be included in the survey.
5. A sample of 100 employees was selected for the purpose of conducting the survey and collecting relevant data.
6. All in all, the employees were very co-operative and helpful. In spite of their busy schedules they took time out to fill the questionnaires and provide me with additional inputs and information.

CHAPTER-3
REVIEW OF LITERATURE



REVIEW OF LITERATURE

3.1 INTRODCUTION: Management is an art science that regulates the process of utilizing human resources and other resources effectively and efficiently to achieve a particular goal. Management develops into one area of ,science called Human Resource Management. Human Resource Management is the science and art of management that focuses on human problems that have a major position in every company and organization. According to (Nasriyah et al., 2016) Human resource management is one of the fields of general management which includes aspects of planning, organizing, implementing and controlling.

Furthermore (Studer, 2016) states that human resource management is essentially the application of management specifically for human resources, so that it can be defined: Human resource management is the art of planning, organizing, directing, supervising human resource activities employees in order to achieve organizational goals. Of the several definitions above, it can be concluded that Human Resource Management is an organizational activity in an effort to obtain a reliable and qualified workforce through the process of planning, organizing, implementing and controlling so that the company's objectives are achieved.

According to (SHRM, 2016) Human Resource Planning that is done well will produce the following benefits: Top-level management has a better view of the dimensions of human resources from business decisions HR costs can be lowered because management can anticipate that imbalances require high costs or are not handled. More time is available to place talent because needs have been anticipated and identified before there are actual needs for these staff. There is a better opportunity to include members of protected groups in future growth plans to improve organizational diversity

According to Smith (2000), performance involves the identification of cause and effect relationships on which employment and labour policies are based or can be based and are a routine process that organizations use to evaluate their employees. It is a systematic assessment that is as objective as possible of an ongoing programme or policy, its design, implementation and results. Its aim is to appraise the relevance and fulfilment of objectives, efficiency, effectiveness, impact and sustainability. Omboi (2011) opined that although Employee performance itself is often a process that involves documentation and communication, the tendency in recent years has been to formalize the performance process, whereas in years past, an informal approach with very little record keeping sufficed, now more documentation is required. Performance management is actually a broad term that was initially used in the 1970s to depict a technology-science entrenched in application methods basically intended to assist the institutional managements to manage both results and behavior, which are the two vital aspects of what is commonly identified as performance (Homayounizadpanah and Baqerrkord, 2012). The effect of performance management practices on organizational performance and employee productivity is an important topic in the fields of human resource management and industrial relations. There is an increasing body of work that argues that the use of performance management practices that take into account comprehensive employee recruitment and selection procedures, employee involvement and training, can improve the knowledge, skills and abilities of an organizations employees while at the same time increase their motivation, reduce malingering and enhance the retention of quality employees as well as their productivity. Performance management therefore needs to be tested in any particular setting taking into consideration how individuals in any.

It is located at the Murtala Muhammed International Airport, (MMIA) Ikeja-Lagos. As a result of globalization, liberalization and completion, NACHO redefined its vision and mission statements.

For an performance system to be effective, employees must believe that they have an opportunity for meaningful input into the performance process (Weick, 2001). Such input may range from having the opportunity to challenge or rebut the evaluation one receives to judging one's own performance through self performance . Regardless of the nature of employee input, it is clear that giving employees a voice in their own performance s enhances the perceived fairness of the performance process, which, in turn, increases the likelihood that employees will accept the performance system as a legitimate and constructive means of gauging their performance contributions.

Organizations usually formalize part of the process by using a standard form.

Currently, many organisations are implementing or planning to implement, reward and/or recognition programmes believing that these will help bring about the desired cultural change. In some organisations, large amounts of money are being invested in these types of activities and some managers are required specifically to set aside a certain amount from their budgets for this purpose (Denning, 2001). This rationale is based on the assumption that these types of incentives will encourage employee loyalty, foster teamwork and ultimately facilitate the development of the desired culture that encourages and supports knowledge sharing. Others maintain that to encourage knowledge- sharing organisations should design reward and recognition systems that stimulate sharing of all kinds: goals, tasks, vision as well as knowledge (Wright, 2004). Even though there are many employee-related factors that have been examined in the literature regarding their impact on EP such as turnover, absenteeism (Hancock et al., 2013), this study focuses on proactivity, adaptability, intrinsic motivation, skill flexibility, commitment and skill level.

Employing people who have a variety of skills is a valuable asset for a firm, because it forms the basis for creating multiple alternatives to current or future job requirements. Wright and Snell (1998, pp. 764-765) define employees' skill flexibility as "the number of possible alternative ways, through which employees can apply their skills in their job"

“how employees with different skills can be repositioned to the proper places in a fast way.”

Bhattacharya et al. (2005) suggest that a firm can improve employees' skill flexibility through various processes, such as job rotation and cross-functional teams. These processes create unique skill combinations, exploitable by the firm and difficult to copy by competitors. Thus, claim that skill flexibility has the strongest direct and most visible impact on EP meaning that the higher the level of HR skill flexibility, the more likely it is that employees will demonstrate higher performance. Besides skill flexibility Noe et al. (2006) and Boxall and Purcell (2011) report that skill level is directly related to EP. Examining employees' intrinsic motivation, Boxall and Purcell (2011) indicate that it is related (and determine) EP. Moreover, Delaney and Huselid (1996) suggest that in order for firm performance to be improved through increased EP, firms should strengthen employee motivation.

Next, Crant (2000, p. 435) reports that research on proactivity “has not emerged as an integrated research stream in the organizational behavior literature. There is no single definition, theory, or measure driving this body of work.” Parker and Collins (2010, p. 634) define proactivity as “acting in anticipation of future (job-related) problems, needs, or changes,” while Parker and Collins (2010, p. 634) define proactivity as “controlling a situation by causing something to happen rather than waiting to respond to it after it happens.” Many researchers (Crant, 2000; Thompson, 2005; Grant and Ashford, 2008; Parker and Collins, 2010) argue that the level of employees' proactivity is linked to their performance. Thompson (2005) states that proactive employees perform more efficiently than those who have low proactivity. Overall, it has been observed that employees with high proactivity take the initiative, express their views, prevent future problems in their job environments, improve their ways of performing work and positively influence their peers (Parker and Collins, 2010). Moreover, another important factor affecting EP is adaptability (Pulakos et al., 2002;

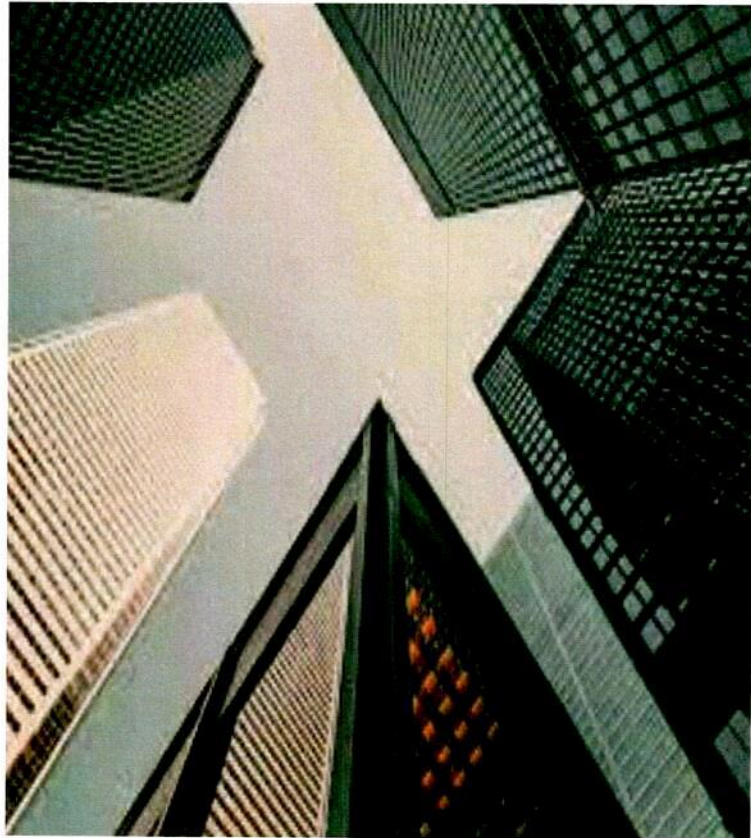
Griffin et al., 2007). Pulakos et al. (2002) state that if employees adapt easily to a new workplace (and/or new job requirements and needs), as well as to irregular situations, there may be a positive effect on their performances. In other words, employees with no particular difficulty to deal with different job requirements and environments may be more efficient than other employees (who find it difficult to apply new knowledge, skills and techniques to their jobs and, generally, do not effectively manage any changes in their jobs). Finally, it is argued that employee commitment, which consists of the three components (affective commitment, continuance commitment and normative commitment) is also related to EP. Chen and Francesco (2003) argue that the nature of the psychological status of each commitment factor varies from employee to employee. According to Chen and Francesco (2003), there is a positive relationship between affective commitment and EP, suggesting that, employees who feel that a firm's behaviour towards them is good (e.g. fair treatment, participation in decision making) may increase their levels of emotional commitment to the firm and, in turn, their performances may also improve. Further, employees with high continuance commitment feel a strong obligation to perform their jobs in such a way that is identified with the firm's goals, while employees with low continuance commitment feel no such obligation to support the firm's goals (Chen and Francesco, 2003). Meyer and Allen (1997) claim that there is a negative relationship between normative commitment and EP. They argue that this occurs because employees with a high degree of normative commitment are "trapped" in no-choice situations, such as remaining in the firm even if they do not want to. Thus, they perform their jobs passively and gradually their performance decreases (Meyer and Allen, 1997). However, Somers and Birnbaum (1998) report that normative commitment can be positively associated with EP (but at a low statistical significance).

RESEARCH GAP

A number of approaches have been highlighted in previous literature for identifying needs (Edmond & Noon 2001; Torrington et al. 2005). These are the problem-centred (performance gap) and profile comparison (changes and skills) approaches. Similarly, a number of approaches for analyzing training needs depending on either new or current employees have been pointed out by earlier studies (see e.g. Torrington et al. 2005, 390 – 392). The two most traditional approaches being the problem centered approach and the profile comparison approach. The problem centered approach focuses on any performance difficulties and the corporation analyses if the problems are due to insufficient skills, which then need to be developed if the problem is to be solved. Profile comparison approach on the other hand focuses on matching the competencies with the job filled, whether new position or existing position. Some changes in strategy and technology may also bring the need for new or additional details.

CHAPTER-4

COMPANY PROFILE



COMPANY PROFILE

About Nova,



Nova Agritech Limited, established in 2007, as a research based company with manufacturing facilities located in Hyderabad. The company has won several awards for technical innovation and outstanding performance in the Agri Inputs industry and has many firsts in the field of Bio Stimulants, Micronutrients and Organic Inputs. Through vibrant R&D efforts, our innovations has marked the rise of Nova Agritech Limited (NATL) from a small unit in 2007 to one of the most successful and reputed companies in the Agro input Industry now. A strong and passionate team in our organization with expertise in industry has capitalized the company to take forward the vision of management. This has led to the production of vital substitute products and cost-effective agrochemicals on a large scale and consequently to a strong, competitive national and international presence. And all this has been made possible by the vision and unwavering dedication and commitment of our Team. Work at Nova At Nova, we create opportunities by encouraging “idea leadership” and taking responsibility for decision making, by gaining experience in varied roles enabling adaptability in an ever-changing business environment. We create an environment that translates to meaningful work and real growth at every level, where hard work and a supportive team are key to achieving goals. Our collaborative work style offers the support you need to make an impact on our business, while simultaneously developing the career you want through your own efforts.

OUR VISION

Nova Agri tech's vision is to be a global leader in provision of comprehensive agriculture technology solutions while balancing the goals between food security and environment sustainability. The company aims to be recognized as one of the innovators in the segment and be an employer of choice.

OUR MISSION

Nova Agritech's mission is to provide a wide range of cutting edge agricut solutions through continued and organized research and focus towards quality and excellence, ultimately leading to an ecologically sustainable, nutritionally balanced and financially profitable farming community.

AWARDS

Best Entrepreneurship Award 2010 Award given by Veerabhadra Singh then Minister for Small & Medium Enterprises (MSME) in presence of Smt. Pratibha Patil (President of India), at function organized by Central Government at Vigyan Bhawan, New Delhi. The award given for the reason showing excellency in maintaining the Nova Agritech Pvt Ltd for the best practice and providing employment for so many educated and professional youngsters.

CORPORATE SOCIAL RESPONSIBILITY

Since our focus is on rural wellbeing, Nova AgriTech Limited has its own strong goal to eliminate blindness in its reach. As an initial step towards its objective, Nova group has started a Charitable trust namely YELURI CHARITABLE TRUST. The Yeluri Charitable Trust was established in the year 2011. We work in collaboration with The Andhra Pradesh State Blind Control and Shankar Nethralaya of Guntur District.

OBJECTIVES To create Prakasam District (State Andhra Pradesh) a blind free District Ensuring high quality eye care services and expansion to undeserved areas

Activities in eye camps:- 1) Identification of cataract surgery needy people Eye screening of the people of different age levels. The trust is conducting programs in the form of camps once in a month in strategic locations where doctors from reputed hospitals will attend and go through the process. After identification of patients with need for surgery, our team will take all the patients to Shankar Nethralaya- Guntur for cataract surgeries. After completion we take back the patients to their places at the expenses of the trust. Till date the trust has conducted 45 camps and 45,000 Cataract Surgeries.



PRODUCTS

- Wide Range of Products Nationwide
- orgsm
- Organic Fertilizers
- impsm
- IPM Products
- plansm
- Plant Nutrients
- biosm
- Bio Stimulants
- agrism
- Agri Plastics
- agrosm
- Agrochemicals



AGRICLINIC MAGAZINE AGRI CLINIC (TELUGU AGRICULTURAL MAGAZINE)

With an objective of providing information on best practices adopted, and other useful inputs to the farmers, a monthly magazine titled AGRI CLINIC has been launched. The editorial board headed by Managing Director securitizes and select the articles to be published for the magazine. The contributors of the articles include agri-scientist, farmers and general public. The magazine is completely in the local language i.e. Telugu so that it can be easily read and understood by the general public. A Telugu monthly magazine dedicated for transferring world class information and technology regarding upcoming trends and techniques in agri and agri related sectors It also identifies and recognizes farmers for their achievements in implementing self-developed techniques in obtaining better yields. It is a content of rich and information driven magazine with its unique style of presentation.

The magazine also provides up to date news on topical issues of national and international importance in Agriculture. The magazine also conducts analysis of important farming issues involving biotechnology, farm mechanization, crop protection, horticulture and Animal Husbandry, Food Processing, Agribusiness, Research and extension, High tech Agriculture etc. The magazine has a tremendous response in the farming society for the articles and issues that it relays and publication of achiever interviews in Agri and Agri related sectors. The articles in the magazine are such that they not only enthuse the farmers but also motivate them to practice eco-friendly organic farming in their farms. The multi colored magazine first of its kind, is circulated among and is useful to Farmers, Input dealers, Government officials, Agri industries, Agri Research and Academics, Extension workers, Bank and NGO' involved in rural development. It helps practitioners in upgrading their knowledge levels in the agricultural sector and addresses agricultural issues at State, National & International level by highlighting the problems and trends in Agriculture and rural development.

BOARD OF DIRECTORS

Mr. Kiran Kumar Atukuri

Managing Director

Mr. Kiran Kumar Atukuri

Managing Director

Mr. Sreekanth Yenigalla

Director - Marketing

Mr. Sreekanth Yenigalla

Director - Marketing

Mr. Basanth Nadella

Director - Technical

Mr. Basanth Nadella

Director - Technical

Mr . Malati Siripurapu

Executive

Mr. Malati Siripurapu

Executive

Mrs.Swapna Kandula

Independent

Mrs.Swapna Kandula

Independent

Mr . Srihari Rao Chaganti

Non-Executive

Mr. Srihari Rao Chaganti

Non-Executive

Mr . Kiran Kumar Adapa

Independent

Mr. Kiran Kumar Adapa

Independent Key Managing Team

Mrs.Bhargavi.K

CIN: U01119TG2007PLC053901	Company Name: NOVA AGRITECH LIMITED
Company Status: Active	RoC: RoC-Hyderabad
Registration Number: 53901	Company Category: Company limited by Shares
Company Sub Category: Non-govt company	Class of Company: Public
Date of Incorporation: 09 May 2007	Age of Company: 15 years, 4 month, 20 days
Activity : Growing of crops; market gardening; horticulture	

INDUSTRY PROFILE

India is an agrarian country with around 60% of its people depending directly or indirectly upon agriculture. Recent data shows that an average farm household makes around Rs 20,000 a year from agriculture. Therefore most of the agriculture households are in Debt. As per records average loan amount outstanding per household is above Rs 50,000.

The small and marginal farmer or "Annadata" faces multiple challenges including debt, drought, crop failure, and inability to access markets.

Our Model is designed to help farmers overcome these problems without subsidy.

Currently we are working with Groundnut farmers of Anantpur, Mango farmers of Chittoor and Red gram, Cotton, Soya farmers of Adilabad and Yavatmal. We have reached out to over 31,000 farmers at present and help them to cut costs, improve yields and significantly increase net incomes through value addition and better marketing. As we scale our activities we hope to help both farmers and consumers. We have launched the Change The Climate campaign in India. The aim is to tackle the effects of climate change, and help farmers restore biodiversity in farms while earning extra income.

Climate change is having an adverse effect on the people of India and its economy. A 2019 study by Stanford University showed that India's economy is 31 percent smaller than it would have been in the absence of global warming. At the forefront of these risks are farmers, in north Indian states such as Haryana and Punjab, crop yields will decline by 15 to 17 percent for every 2 degrees centigrade increase in temperature.

To combat some of these risks, the Indian Government aims to have around 33 percent of tree cover by 2030. At the end of 2019, tree cover stood at about 24 percent. Out of this, about 22 percent was from government-controlled forests, while around 2 percent came from agro-forestry - farming practices that incorporate trees among crops.

Our Change The Climate campaign aims to work towards making up for the remaining 9 percent of target forest cover and help farmers restore biodiversity in farms.

After detailed farm surveys, soil sampling and water testing, farmers are chosen and farms are readied for tree-planting. Tree species are chosen by scientists and progressive local farmers, while sowing and nurturing techniques follow scientific principles to ensure survival.

These trees will provide farmers with extra income, as well as restore biodiversity in their farms through a variety of trees -- timber, fruits, flower, herbs and shrubs. This extra income makes farmers resilient and more open to chemical-free farming, which is especially key to our work in Bhatinda, Punjab, which has been dubbed the cancer belt of India because of excessive chemical use.

Donors will have transparency through a QR code for each lot of 10,000 saplings. This QR includes GPS locations of farms, the plantation journey, quarterly monitoring reports and impact statistics on soil and carbon. For more information, follow our QR code links [here](#) and [here](#). Or watch our video below. India is one of the major players in the agriculture sector worldwide and it is the primary source of livelihood for about 58% of India's population. India has the world's largest cattle herd (buffaloes), largest area planted to wheat, rice, and cotton, and is the largest producer of milk, pulses, and spices in the world. It is the second-largest producer of fruit, vegetables, tea, farmed fish, cotton, sugarcane, wheat, rice, cotton, and sugar. Agriculture sector in India holds the record for second-largest agricultural land in the world generating employment for about half of the country's population. Thus, farmers become an integral part of the sector to provide us with means of sustenance.

Consumer spending in India will return to growth in 2021 post the pandemic-led contraction, expanding by as much as 6.6%. The Indian food industry is poised for huge growth, increasing its contribution to world food trade every year due to its immense potential for value addition, particularly within the food processing industry. The Indian food processing industry accounts for 32% of the country's total food market, one of the largest industries in India and is ranked fifth in terms of production, consumption, export and expected growth.

MARKET SIZE

According to Inc42, the Indian agricultural sector is predicted to increase to US\$ 24 billion by 2025. Indian food and grocery market is the world's sixth largest, with retail contributing 70% of the sales. As per the third advance estimates, foodgrain production in India is estimated to be 314.51 MT in FY 2021-22. Rapid population expansion in India is the main factor driving the industry. The rising income levels in rural and urban areas, which have contributed to an increase in the demand for agricultural products across the nation, provide additional support for this. In accordance with this, the market is being stimulated by the growing adoption of cutting-edge techniques including blockchain, artificial intelligence (AI), geographic information systems (GIS), drones, and remote sensing technologies, as well as the release of various e-farming applications.

In terms of exports, the sector has seen good growth in the past year.

In FY22 (until December 2021) –

Exports of marine products stood at US\$ 6.12 billion.

Exports of rice (Basmati and Non-Basmati) stood at US\$ 6.12 billion.

Buffalo meat exports stood at US\$ 2.51 billion.

Sugar exports stood at US\$ 2.78 billion.

Tea exports stood at US\$ 570.15 million.

Coffee exports stood at US\$ 719.95 million.

INVESTMENT

Some major investments and developments in agriculture are as follows:

According to the Department for Promotion of Industry and Internal Trade (DPIIT), the Indian food processing industry has cumulatively attracted Foreign Direct Investment (FDI) equity inflow of about US\$ 2.55 billion between April 2000-March 2022.

In 2022, the Government of India is planning to launch Kisan Drones for crop assessment, digitization of land records, spraying of insecticides and nutrients.

India's agricultural and processed food products exports stood at US\$ 5,987 million in the first quarter of FY 2022-23, up by 14% YoY.

In FY 2021-22, agriculture and allied products exports stood at US\$ 50.21 billion.

Gross Value Added by the agriculture and allied sector was 18.8% in FY 2021-22 (until 31 January, 2022)

Agriculture and allied activities recorded a growth rate of 3.9% in FY 2021-22 (until 31 January, 2022)

Consumer spending in India will return to growth in 2022 post the pandemic-led contraction, expanding by as much as 7%.

Private consumption expenditure (at constant prices) was estimated at Rs. 80.8 trillion (US\$ 1.08 trillion) in FY22 against Rs. 75.6 trillion (US\$ 1.01 trillion) in FY20.

The organic food segment in India is expected to grow at a CAGR of 10% during 2015-25 and is estimated to reach Rs. 75,000 crore (US\$ 10.73 billion) by 2025 from Rs. 2,700 crore (US\$ 386.32 million) in 2015.

The processed food market in India is expected to grow to Rs. 3,451,352.5 crore (US\$ 470 billion) by 2025, from Rs. 1,931,288.7 crore (US\$ 263 billion) in FY20 on the back of government initiatives such as planned infrastructure worth US\$ 1 trillion and Pradhan Mantri Kisan Sampada Yojna. The food processing industry employs about 1.77 million people. The sector allows 100% FDI under the automatic route.

From 2017 to 2020, India received ~US\$ 1 billion in agritech funding. With significant interest from the investors, India ranks third in terms of agritech funding and number of agritech start-ups. By 2025, Indian agritech companies are likely to witness investments worth US\$ 30-35 billion.

Nestle India will invest Rs. 700 crore (US\$ 100.16 million) in construction of its ninth factory in Gujarat.

GOVERNMENT INITIATIVES

Some of the recent major Government initiatives in the sector are as follows

In the Union Budget 2022-23:

Rs. 1.24 lakh crore (US\$ 15.9 billion) has been allocated to Department of Agriculture, Cooperation and Farmers' Welfare.

Rs. 8,514 crore (US\$ 1.1 billion) has been allocated to the Department of Agricultural Research and Education.

In July 2022, PM Formalisation of Micro food processing Enterprises (PMFME) scheme was launched for providing financial, technical and business support for setting up/ upgradation of micro food processing enterprises in the country with an outlay of Rs. 10,000 crore (US\$ 1.27 billion).

The Indian government is planning to launch Kisan Drones for crop assessment, digitization of land records, spraying of insecticides and nutrients.

NABARD will assist the creation of a blended capital fund with a focus on the agricultural start-up ecosystem which will be used to fund agriculture and rural enterprise startups that are related to the farm product value chain.

A network of 729 Krishi Vigyan Kendras has been established at the district level across the country to ensure that newer technologies such as improved variety seeds of crops, new breeds/ strains of livestock and fish, and improved production and protection technologies reach farmers.

In October 2021, the Union Minister of Home Affairs and Cooperation launched the 'Dairy Sahakar' scheme in Anand, Gujarat.

Ministry of Civil Aviation launched the Krishi UDAN 2.0 scheme in October 2021. The scheme proposes assistance and incentive for movement of agri-produce by air transport.

The Krishi UDAN 2.0 will be implemented at 53 airports across the country, largely focusing on Northeast and tribal regions, and is expected to benefit farmers, freight forwarders and airlines.

In October 2021, Agricultural and Processed Food Products Export Development Authority (APEDA) signed a Memorandum of Understanding (MoU) with ICAR-Central Citrus Research Institute (ICAR-CCRI), Nagpur, for boosting exports of citrus and its value-added products.

In October 2021, the Union Ministry of Agriculture and Farmers Welfare announced that 820,600 seed mini-kits will be distributed free of cost in 343 identified districts across 15 major producing states under a special programme. This programme is likely to boost production and productivity by speeding up the seed replacement rate and subsequently, help in increasing farmer's income.

In September 2021, Prime Minister Mr. Narendra Modi launched 35 crop varieties with special traits such as climate resilience and higher nutrient content.

Prime Minister of India launched the Pradhan Mantri Kisan Samman Nidhi Yojana (PMKisan) and transferred Rs. 2,021 crore (US\$ 284.48 million) to bank accounts of more than 10 million beneficiaries on February 24, 2019. As per the Union Budget 2021-22, Rs. 65,000 crore (US\$ 8.9 billion) was allocated to Pradhan Mantri Kisan Samman Nidhi (PMKisan).

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In September 2021, the Union Ministry of Agriculture and Farmers' Welfare signed five MoUs with CISCO, Ninjacart, Jio Platforms Limited, ITC Limited and NCDEX e-Markets limited.

It is classified as a public limited company and is located in Medak, Telangana. Its authorized share capital is INR 20.00 cr and the total paid-up capital is INR 13.04 cr.

Nova Agritech Limited's **operating revenues range is INR 100 cr - 500 cr** for the financial year ending on 31 March, 2021. Its **EBITDA has increased by 32.70 %** over the previous year. At the same time, its book networth has increased by 15.67 %. Other performance and liquidity ratios are available here.

Description: The company manufactures and distributes agricultural products such as supplies plant nutrition and protection products for specialty agricultural and horticultural.

Products & Services: supplies plant nutrition and protection products for specialty agricultural and horticultural.

Category: Manufacturer

The current status of Nova Agritech Limited is - Active.

The last reported AGM (Annual General Meeting) of Nova Agritech Limited, per our records, was held on 30 September, 2022. Also, as per our records, its last balance sheet was prepared for the period ending on 31 March, 2022.

Nova Agritech Limited has eight directors - Malathi Siripurapu, Sreekanth Yenigalla, and others.

The Corporate Identification Number (CIN) of Nova Agritech Limited is U01119TG2007PLC053901. The registered office of Nova Agritech Limited is at Sy.No.251/A/1., Singannaguda Village Mulugu Mandal, Siddipet, Medak, Telangana.

This MoU will have five pilot projects, which will help farmers make decisions on the kind of crops to grow, variety of seeds to use and best practices to adopt to maximise yield.

With a budget of US\$ 1.46 billion, the 'Production-Linked Incentive Scheme for Food Processing Industry (PLISFPI)' has been approved to develop global food manufacturing champions commensurate with India's natural resource endowment and to support Indian food brands in international markets.

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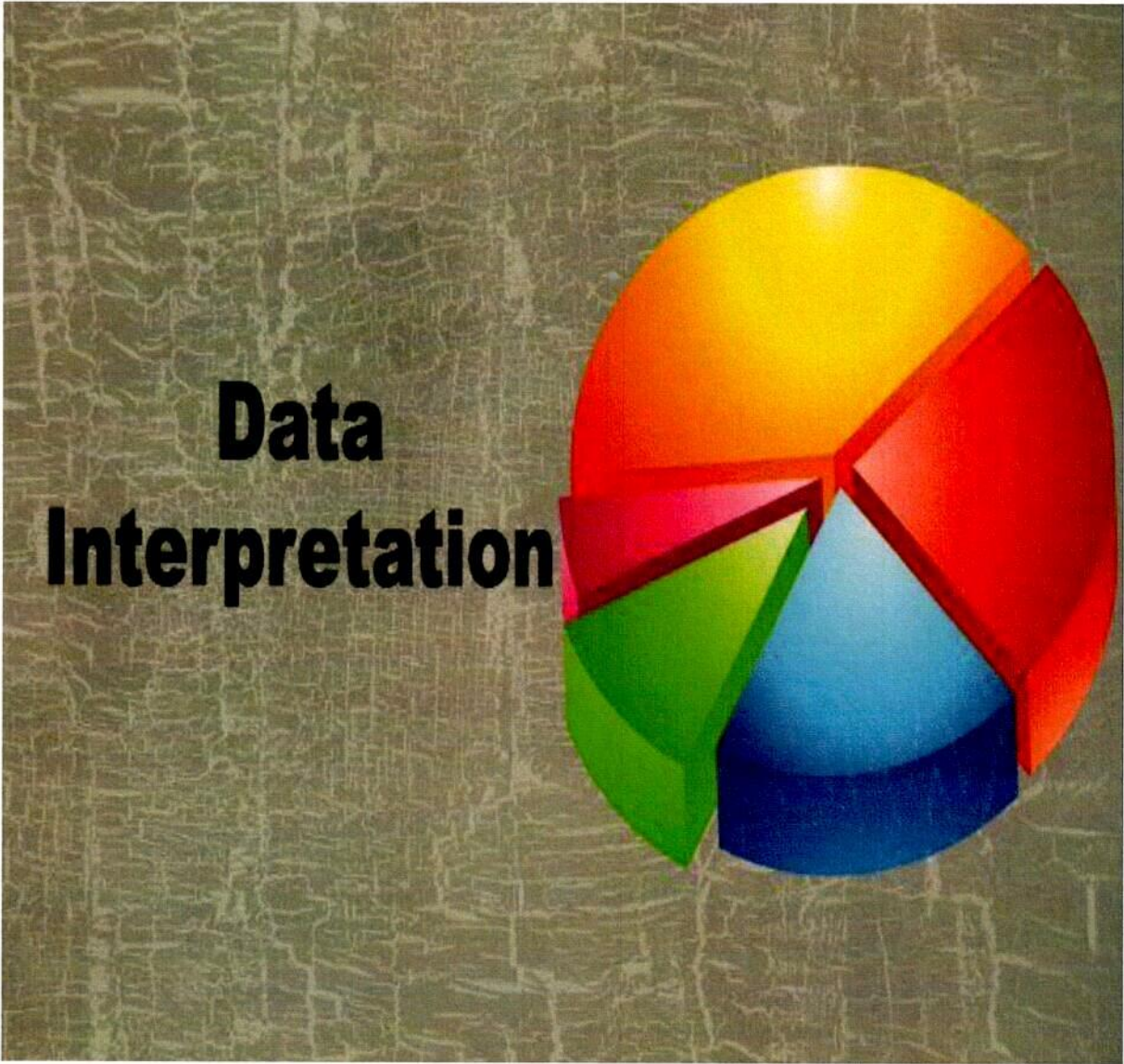
The Government of India has allowed 100% FDI in marketing of food products and in food product E-commerce under the automatic route

CHAPTER-5

DATA ANALYSIS AND INTERPRETATION



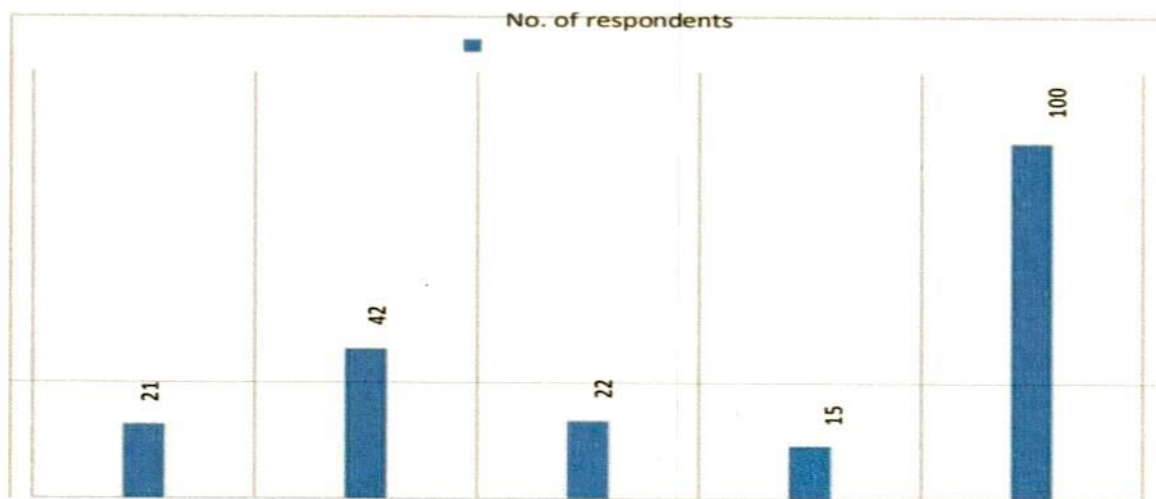
INTERPRETATION



DATA ANALYSIS AND INTERPRETATION

Table 5.1.1: Age of the respondents

S. No	Options	No. of Respondents	Percentage(%)
1	Below 25	21	21
2	25-35	42	42
3	36-40	22	22
4	41 and above	15	15
	Total	100	100

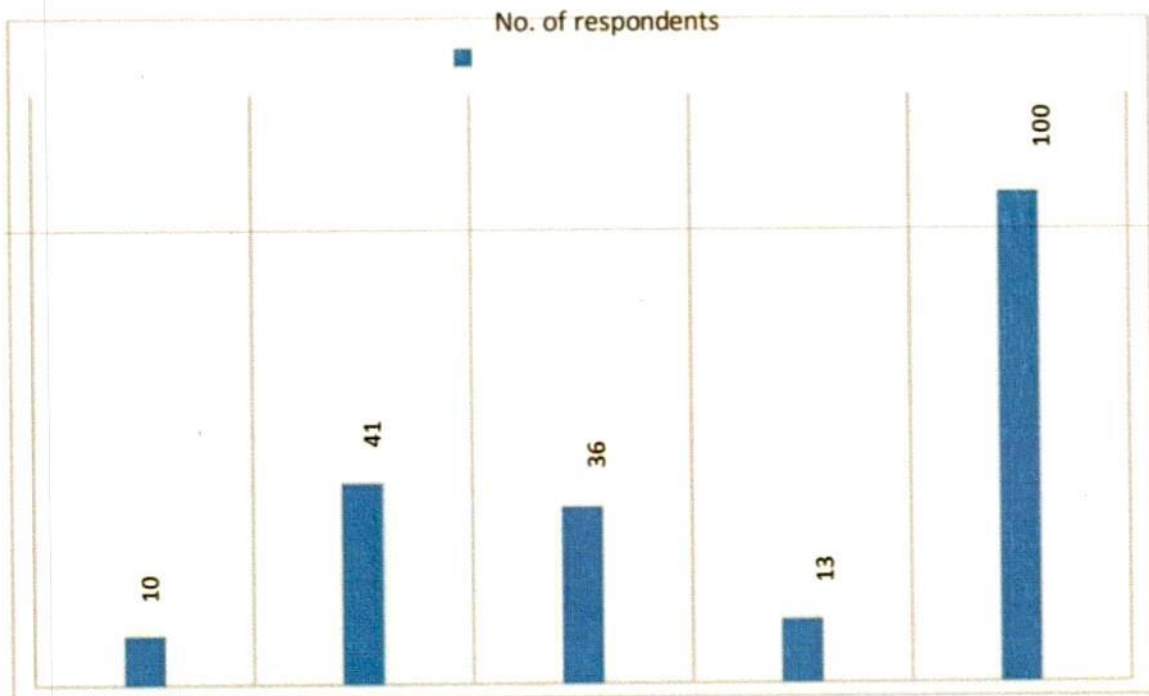


INTERPRETATION:

The above table inferred the age of the respondents. 58% of the employees fall under the age group of 25-30, 18% of the employees fall under 25, 14% of employees fall under 41 and above and 10% employees fall under the age group of 36-40.

Table 5.1.2: Experience of the respondents

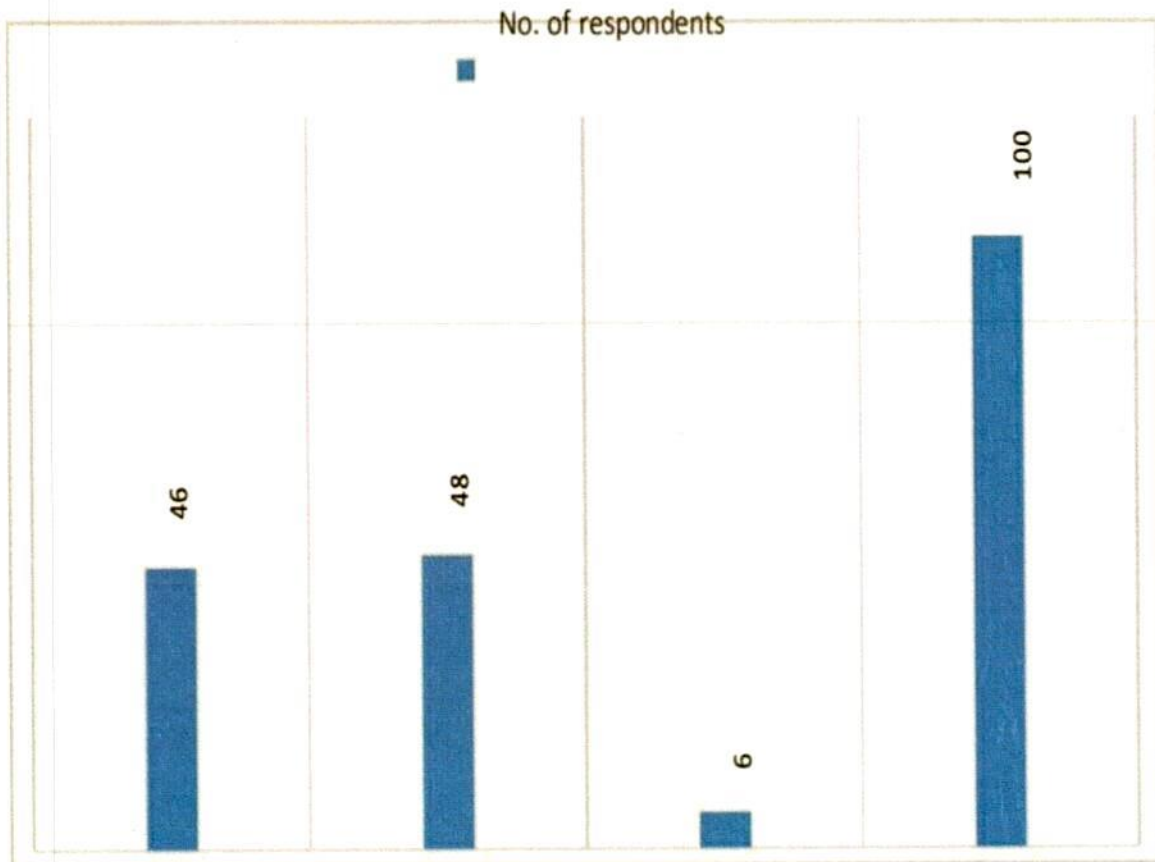
S.No	Options	No. of Respondents	Percentage(%)
1	Below 1 year	10	10
2	1-4 year	41	41
3	5-10 year	36	36
4	Above 10 years	13	13
	Total	100	100



INTERPRETATION: The above table shows the experience of the respondents. 50% of the employees have attained 1-4 year of experience, 26% of the employees have attained 5-10 experience, 16% of employees are have experience above 10 years and 8% of them are below 1 year.

Table 5.1.3 Education of the respondents:

S.No	Options	No. of respondents	Percentage(%)
1	UG	46	46
2	PG	48	48
3	Others	6	6
	Total	100	100

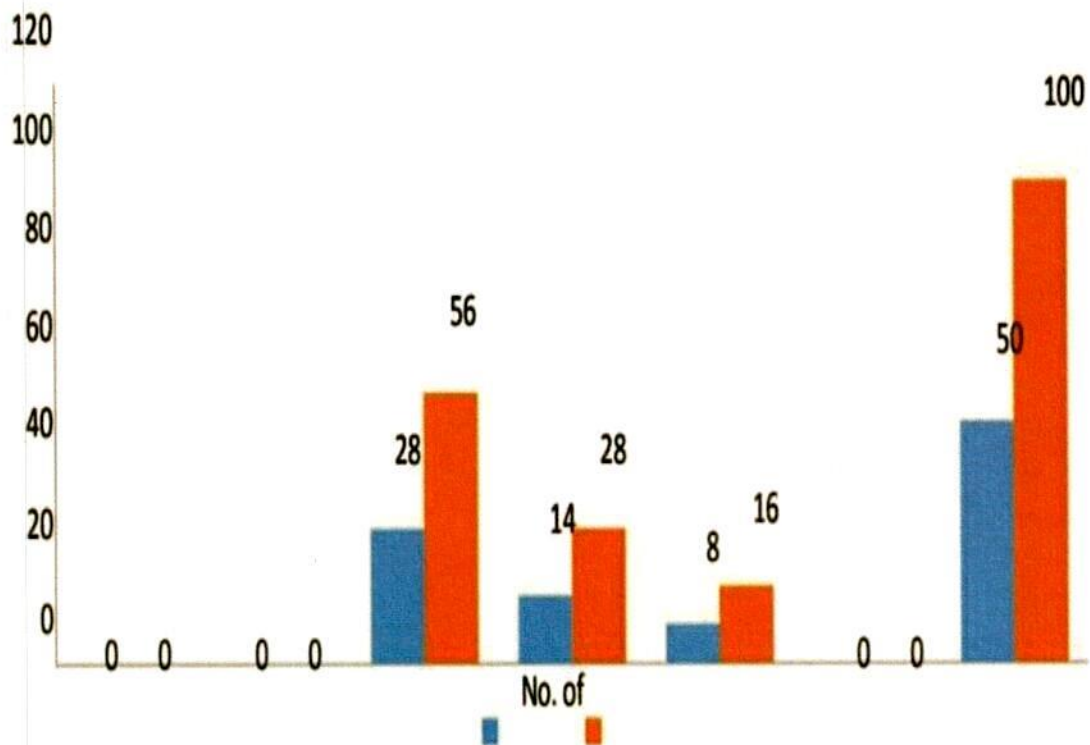


INTERPRETATION:

The above table inferred the education of the respondents. 48% of the respondents have completed PG, 46% of the respondents have completed UG, 6% of the respondents have not completed.

Table.5.1.4: Is financial incentives motivates more than non-financial?

Particulars	Respondents	Percentage
Strongly agree	0	0
Agree	56	56
Neither Agree nor Disagree	28	28
Strongly Disagree	16	16
Disagree	0	0
Total	100	100

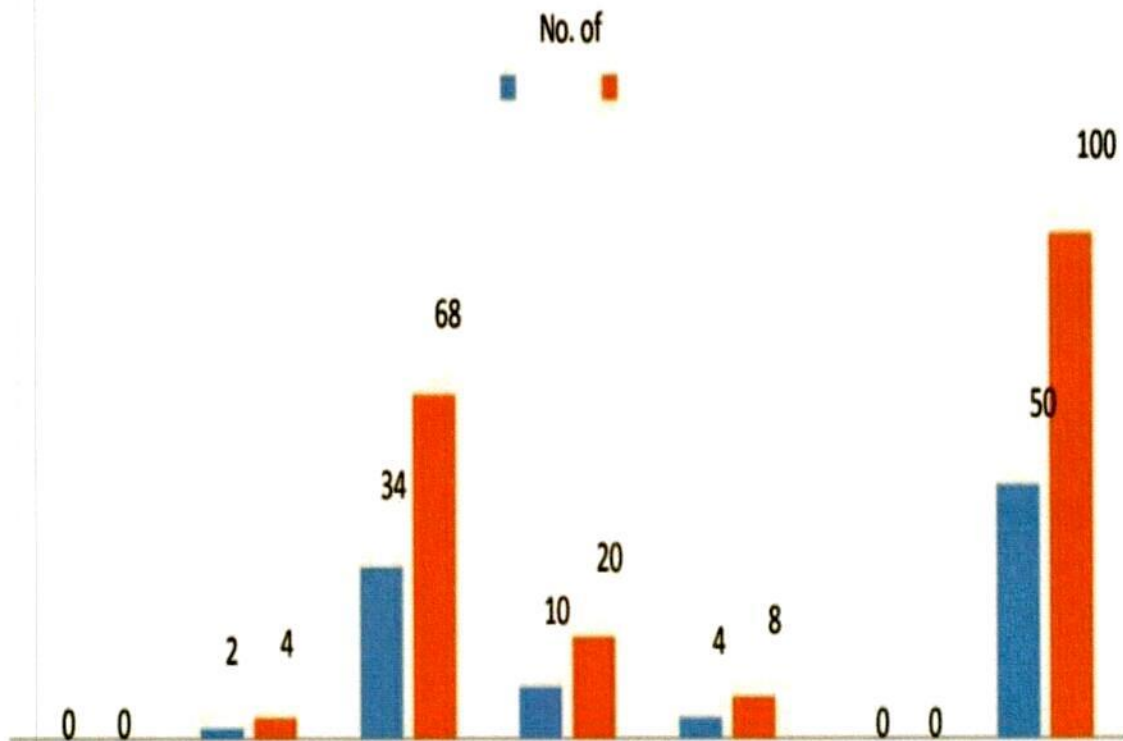


INTERPRETATION:

The above table shows about the types of incentives that motivates the employees financial or non-financial. 56% of the employees agree with it, 28% of the employees are neutral, 16% of them strongly disagree.

Table.5.1.5: Are They Satisfaction with regard to salary drawing at present?

Particulars	Respondents	Percentage
Strongly agree	8	8
Agree	68	68
Neither Agree nor Disagree	24	24
Strongly Disagree	0	0
Disagree	0	0
Total	100	100

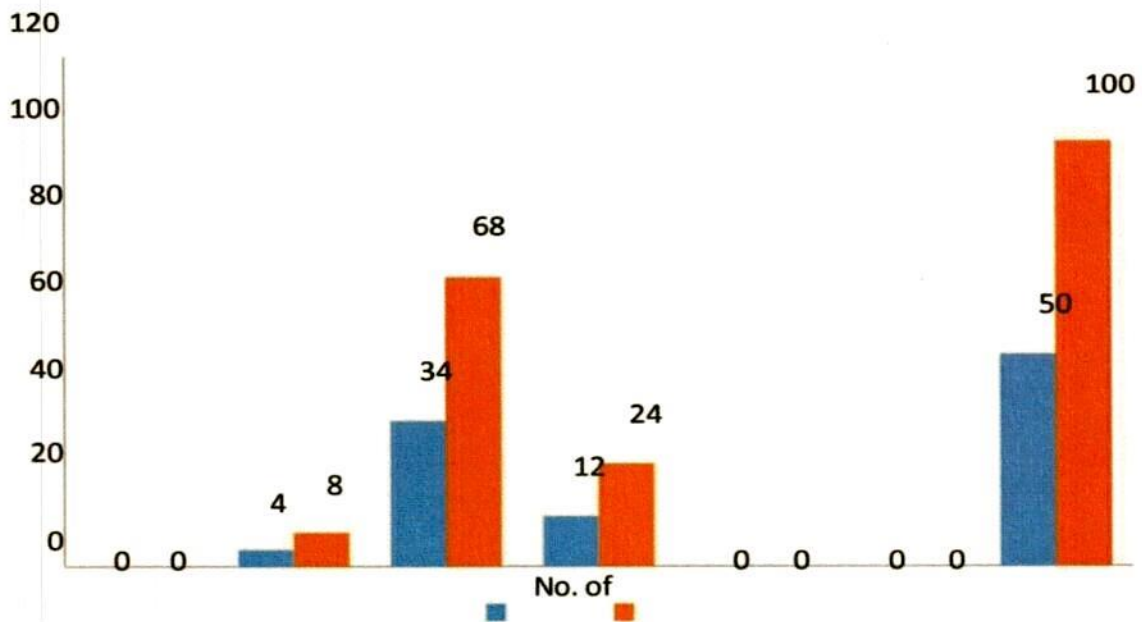


INTERPRETATION:

The above table shows about the level of satisfaction with regard to salary given to them. 68% of the employees agree with it, 20% of them are neutral, 8% strongly disagree and 4% of the employees strongly agree.

Table.5.1.6: Are They Satisfaction with regard to lunch breaks, rest breaks, and leaves provided?

Particulars	No. of Respondents	Percentage
Strongly agree	8	8
Agree	68	68
Neither Agree nor Disagree	24	24
Strongly Disagree	0	0
Disagree	0	0
Total	100	100

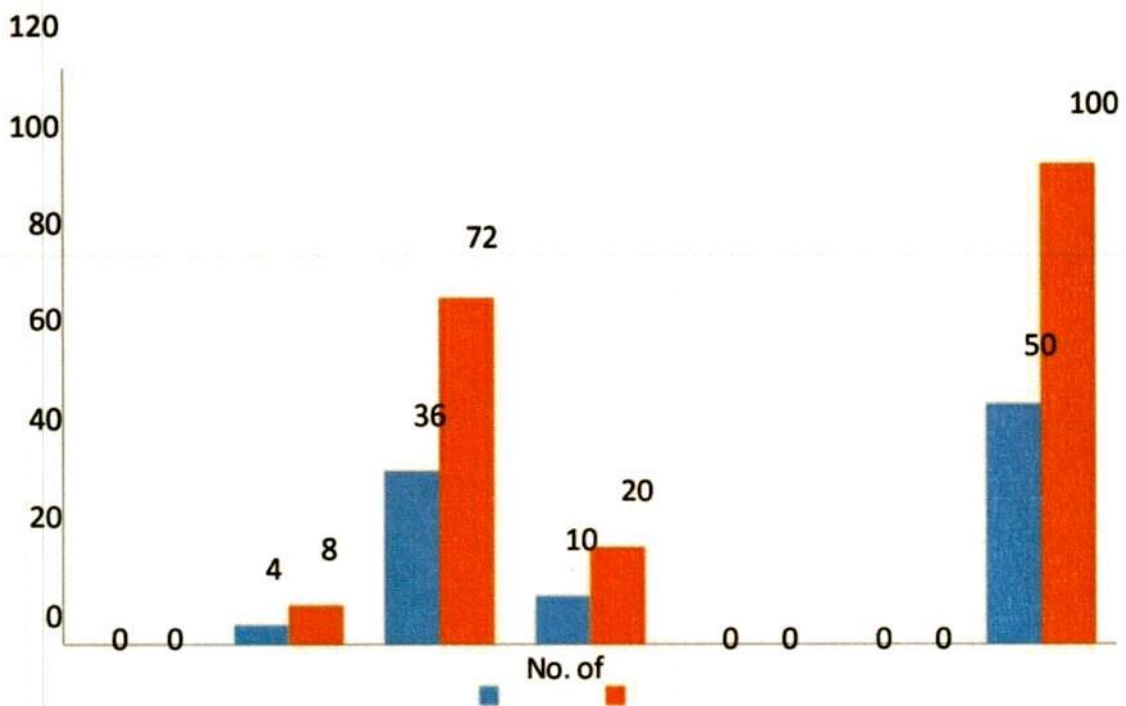


INTERPRETATION:

The above table shows about the satisfaction level of employee with their break timings. 68% of the employees agree with it, 24% of them are neutral and 8% of the employees strongly agree.

Table.5.1.7: are they good physical working conditions providing in the organization?

Particulars	No. of respondents	Percentage
Strongly agree	8	8
Agree	72	72
Neither Agree nor Disagree	20	20
Strongly Disagree	0	0
Disagree	0	0
Total	100	100

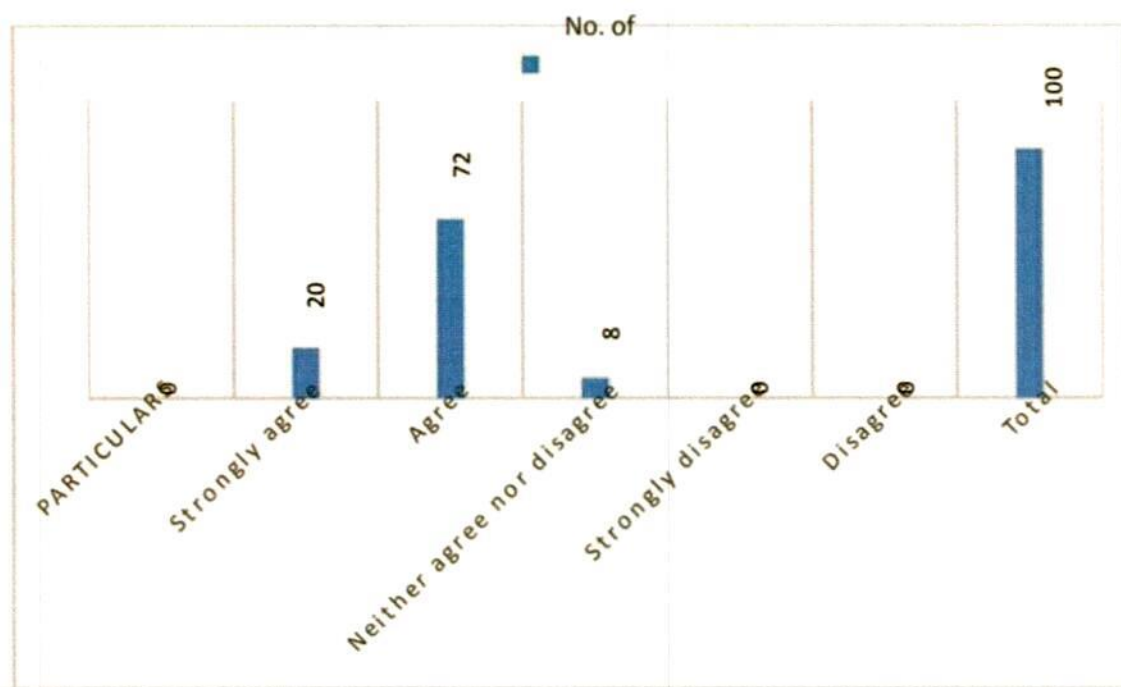


INTERPRETATION:

The above table shows the motivation level of the employees with regard to good working conditions of the organization. 72 % of the employees agree with it, 20% of them are neutral and 8% of the employees strongly agree.

Table.5.1.8: what are the Opinion of the employees with regard to job security?

Particulars	No. of respondents	Percentage
Strongly agree	20	20
Agree	72	72
Neither Agree nor Disagree	8	8
Strongly Disagree	0	0
Disagree	0	0
Total	100	100

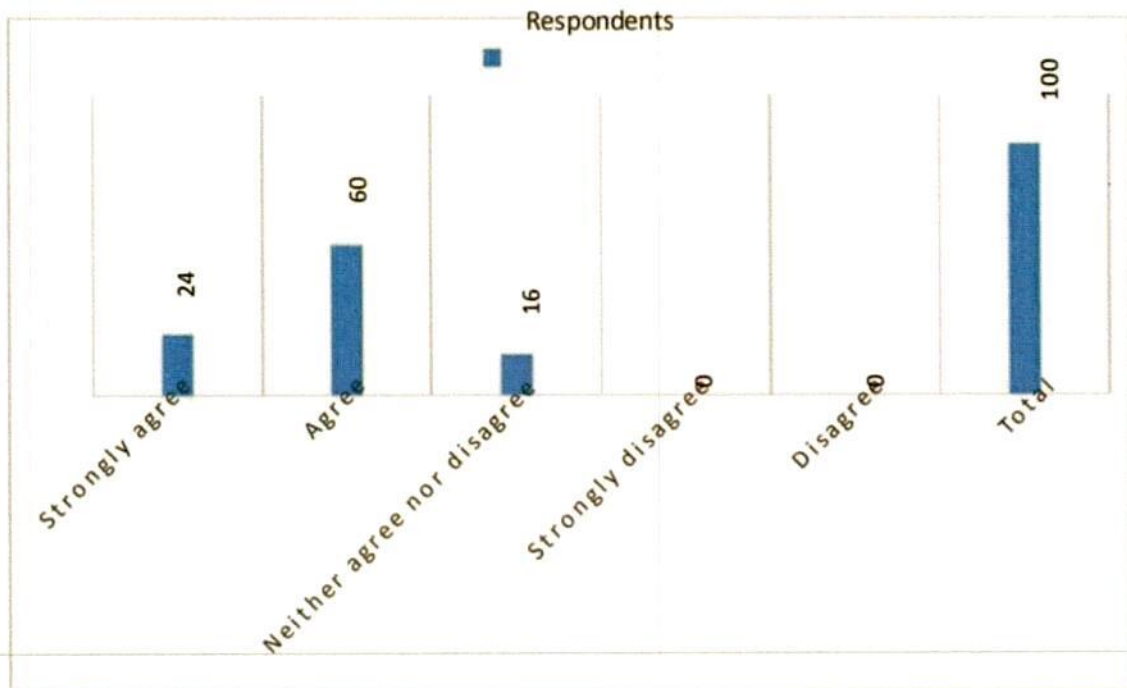


INTERPRETATION:

The above table shows the opinion of the respondents on job security. 72% of the employees agree with it, 8% of them are neutral and 20% of the employees strongly agree.

Table.5.1.9: Is Retirement benefits available are sufficient?

S. No.	Particulars	No. of respondents	Percentage
1	Strongly agree	24	24
2	Agree	60	60
3	Neither Agree nor Disagree	16	16
4	Strongly Disagree	0	0
5	Disagree	0	0
	Total	100	100

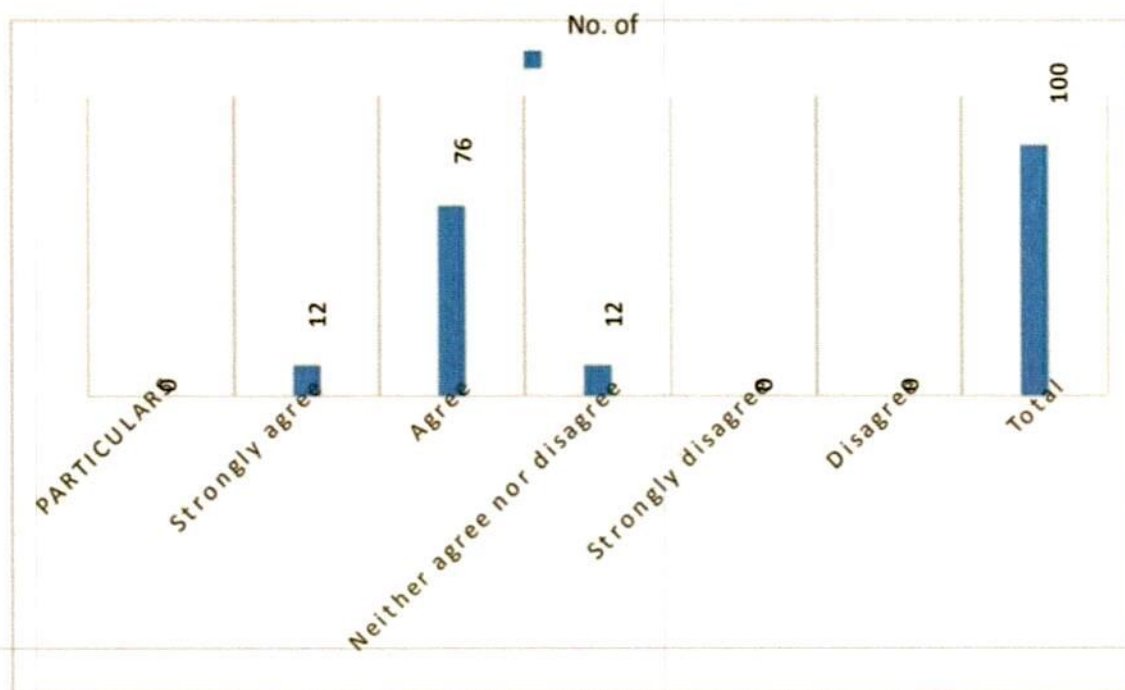


INTERPRETATION:

The above table shows the opinion regarding retirement benefits provided by organization. 60% of the employees agree with it, 16% of them are neutral and 24% of the employees strongly agree.

Table.5.1.10: How Visibility with top management?

Particulars	No. of respondents	Percentage
Strongly agree	12	12
Agree	76	76
Neither Agree nor Disagree	12	12
Strongly Disagree	0	0
Disagree	0	0
Total	100	100

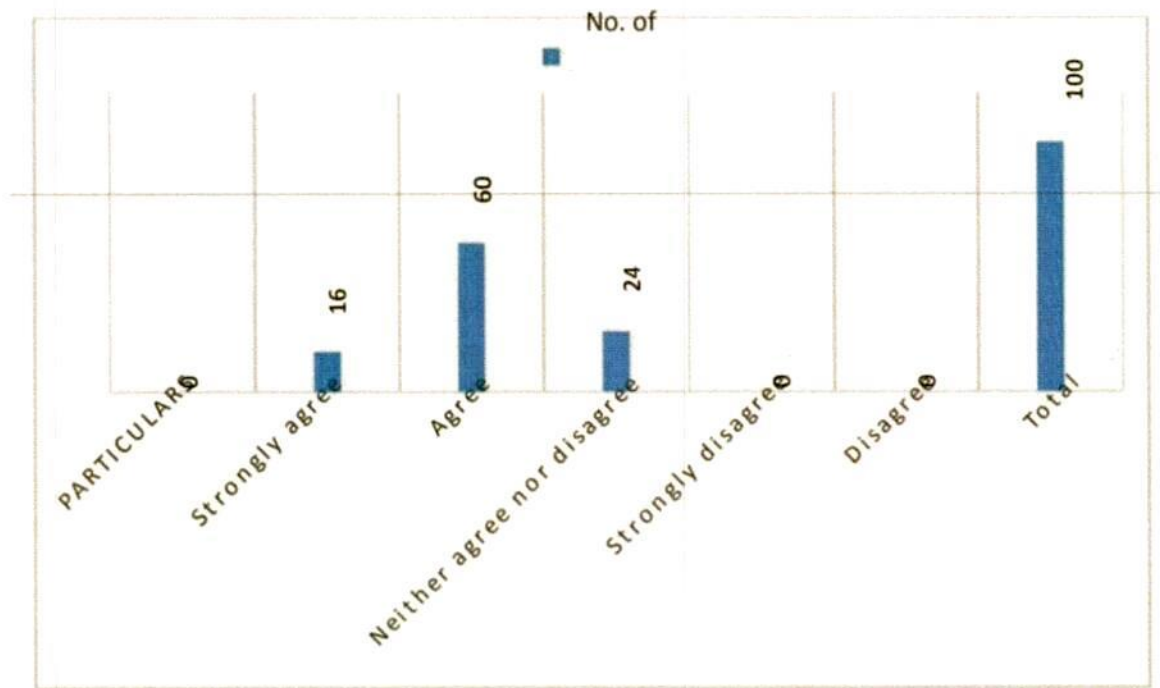


INTERPRETATION:

The above table shows the opinion of the employee's relationship with the top manager. 76% of the employees agree with it, 12% of them are neutral and 12% of the employees strongly agree.

Table.5.1.11: Are they showing superior recognizes the work done in the organization?

Particulars	No. of respondents	Percentage
Strongly agree	16	16
Agree	60	60
Neither Agree nor Disagree	24	24
Strongly Disagree	0	0
Disagree	0	0
Total	100	100

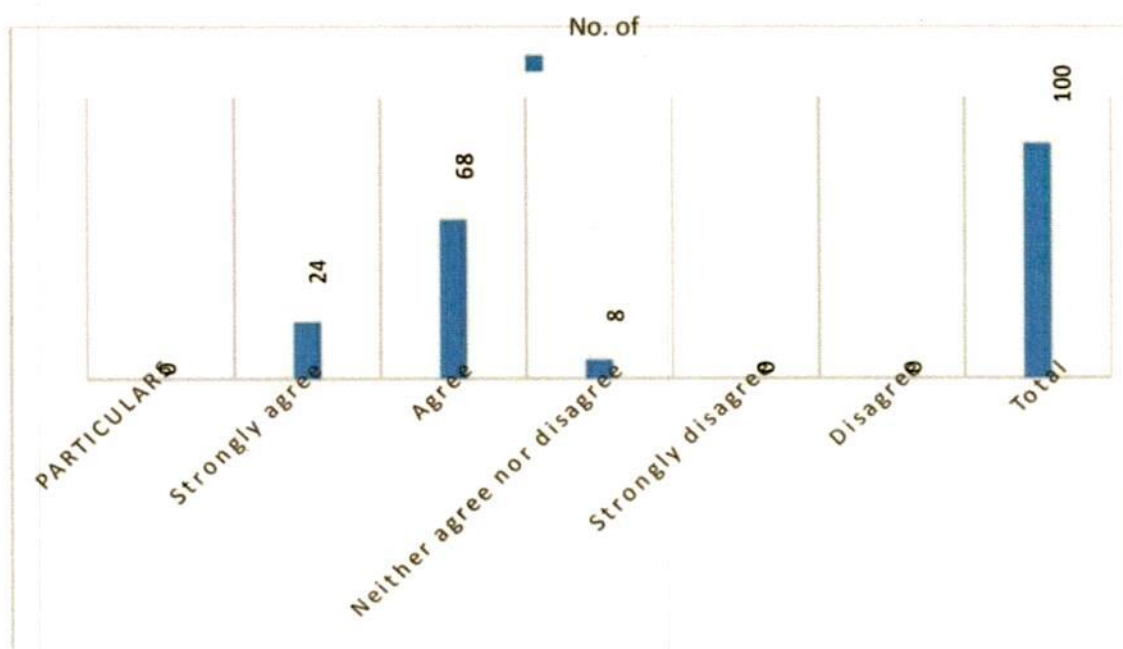


INTERPRETATION:

The above table shows opinion of the employee about the recognition of him from the superior. 60% of the employees agree with it, 24% of them are neutral and 16% of the employees strongly agree.

Table.5.1.12: Is showing the job gives good status in the organization?

Particulars	No. of respondents	Percentage
Strongly agree	24	24
Agree	68	68
Neither Agree nor Disagree	08	08
Strongly Disagree	0	0
Disagree	0	0
Total	100	100

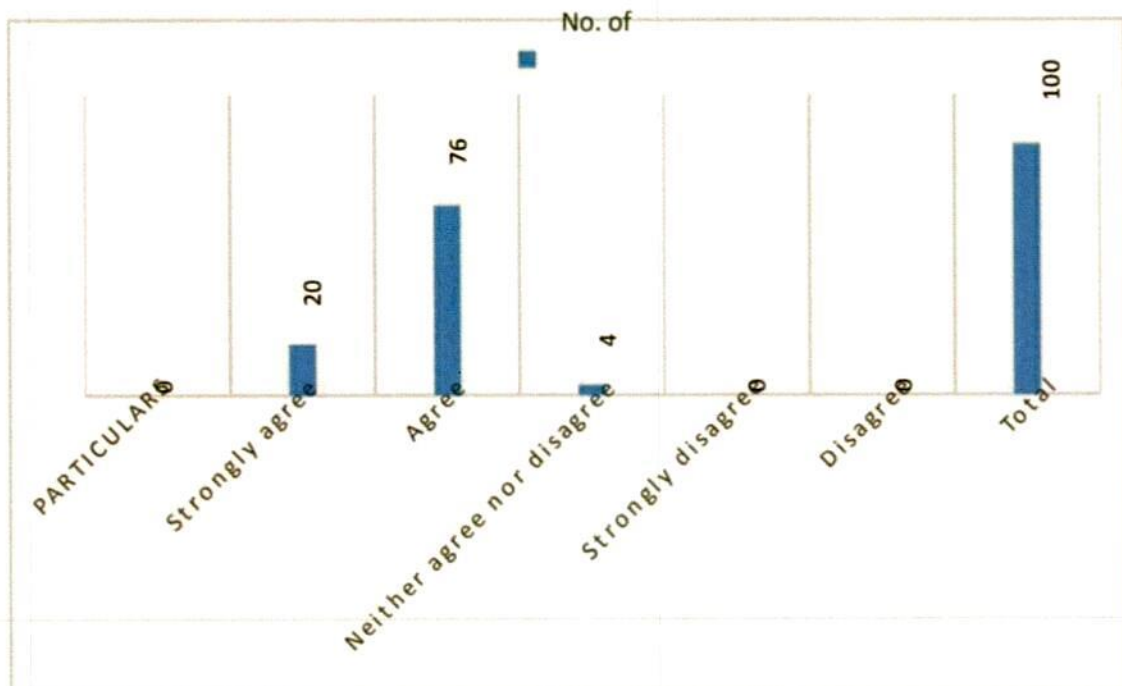


INTERPRETATION:

The above table shows the status the employee gets from the job. 68% of the employees agree with it, 8% of them are neutral and 24% of the employees strongly agree.

Table.5.1.13: Are They Satisfaction With Regards To Responsibility And Role In My Work?

Particulars	No. of respondents	Percentage
Strongly agree	20	20
Agree	76	76
Neither Agree nor Disagree	4	4
Strongly Disagree	0	0
Disagree	0	0
Total	100	100

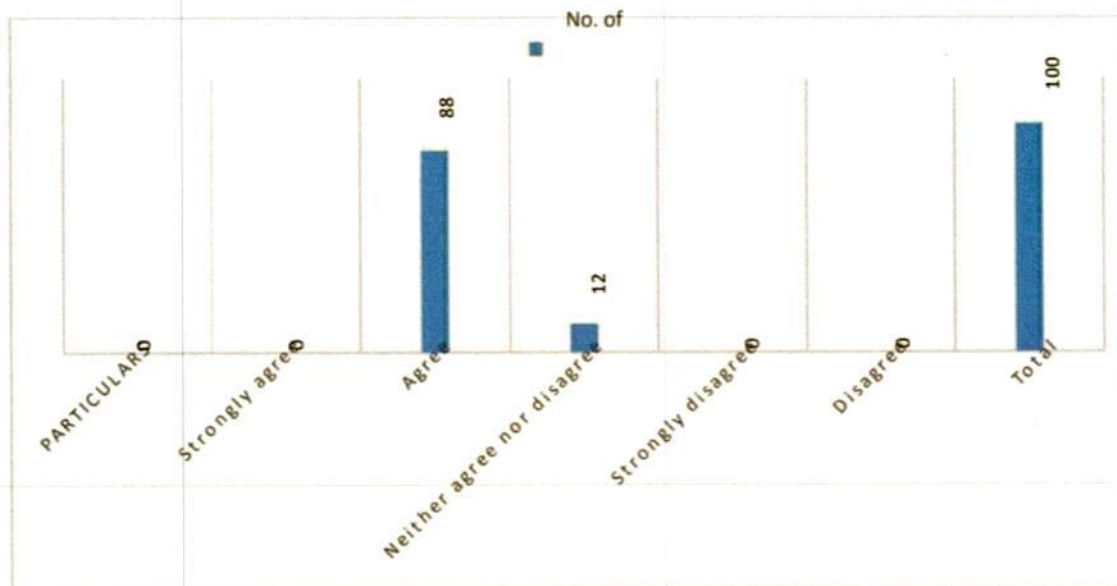


INTERPRETATION:

The above table shows the satisfaction of the employee with the responsibility and the role of his work. 76% of the employees agree with it, 4% of them are neutral and 20% of the employees strongly agree.

Table.5.1.14: How They Showing the quality of the relationships in the informal workgroup?

Particulars	No. of respondents	Percentage
Strongly agree	0	0
Agree	88	88
Neither Agree nor Disagree	12	12
Strongly Disagree	0	0
Disagree	0	0
Total	100	100

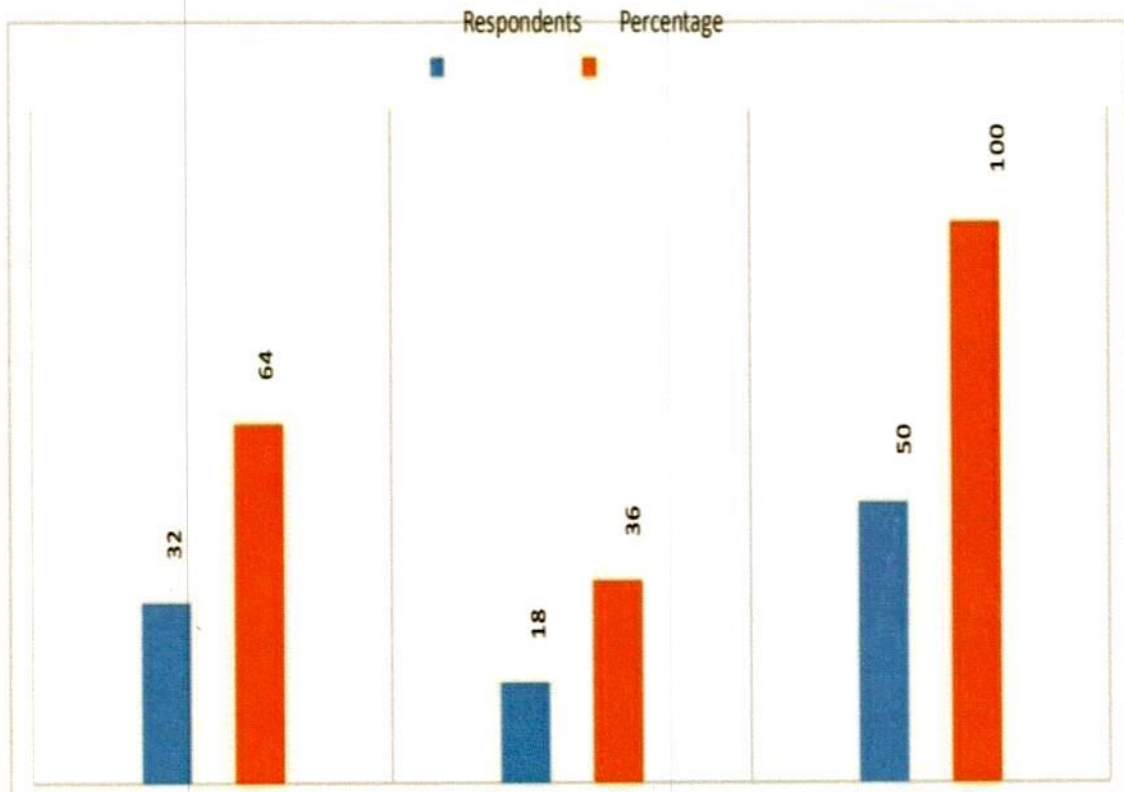


INTERPRETATION:

The above table shows the relationship in the informal work group. 88% of the employees agree with it, 12% of them are neutral.

Table5.1.15. Is the Employee performance process user friendly?

S.No	Particulars	Respondents	Percentage
1	Yes	32	64
2	No	18	36
	Total	50	100

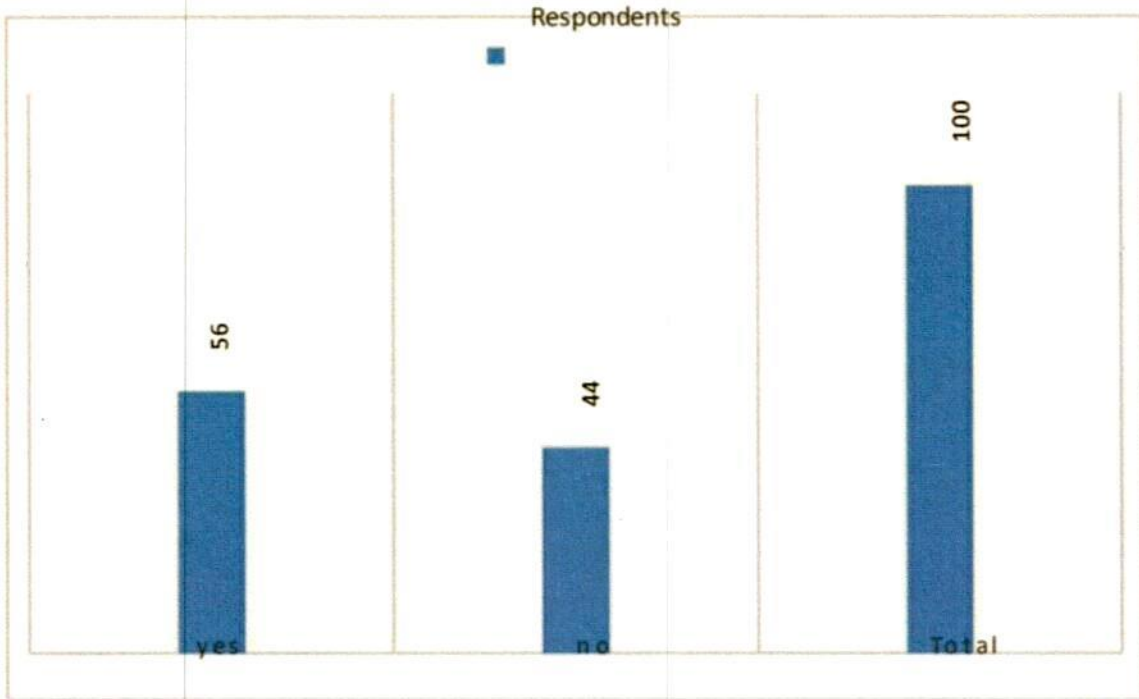


INTERPRETATION:

The above table shows Employee performance process 64% SAID user friendly.36% said that NO.

Table5.1.16 Is Employee performance conducted on time?

Particulars	Respondents	Percentage
Yes	56	56
No	44	44
Total	100	100

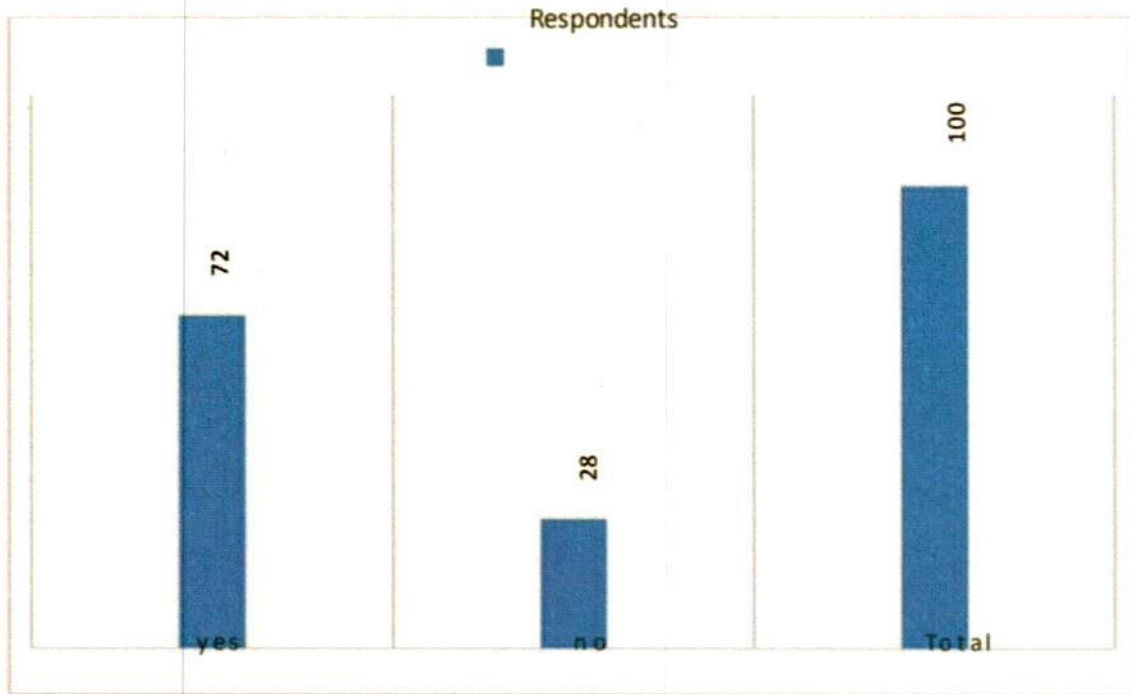


INTERPRETATION:

The above table shows Employee performance conducted on time 56% SAID yes. 28% said NO.

Table5.1.17. Does Employee performance process assess fairly?

Particulars	Respondents	Percentage
Yes	72	72
No	28	28
Total	100	100

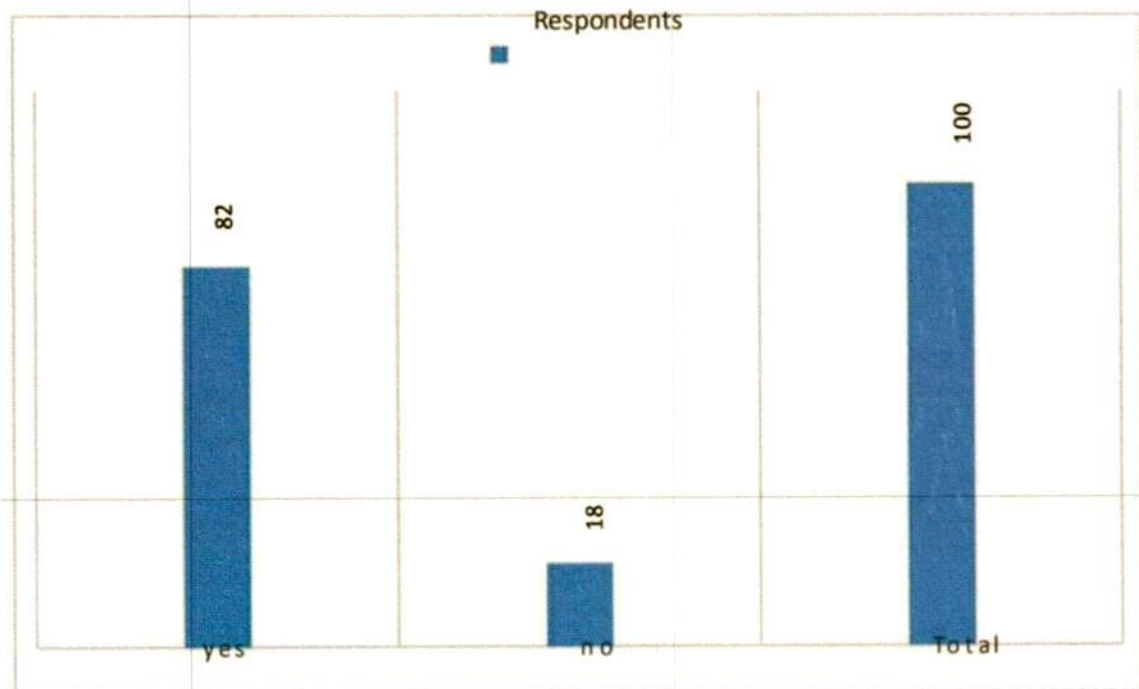


INTERPRETATION:

The above table shows Employee performance process assess fairly 72% SAID yes. 28% said NO.

Table5.1.18 Is Employee performance process is simple to understand?

Particulars	Respondents	Percentage
Yes	82	82
No	18	18
Total	100	100

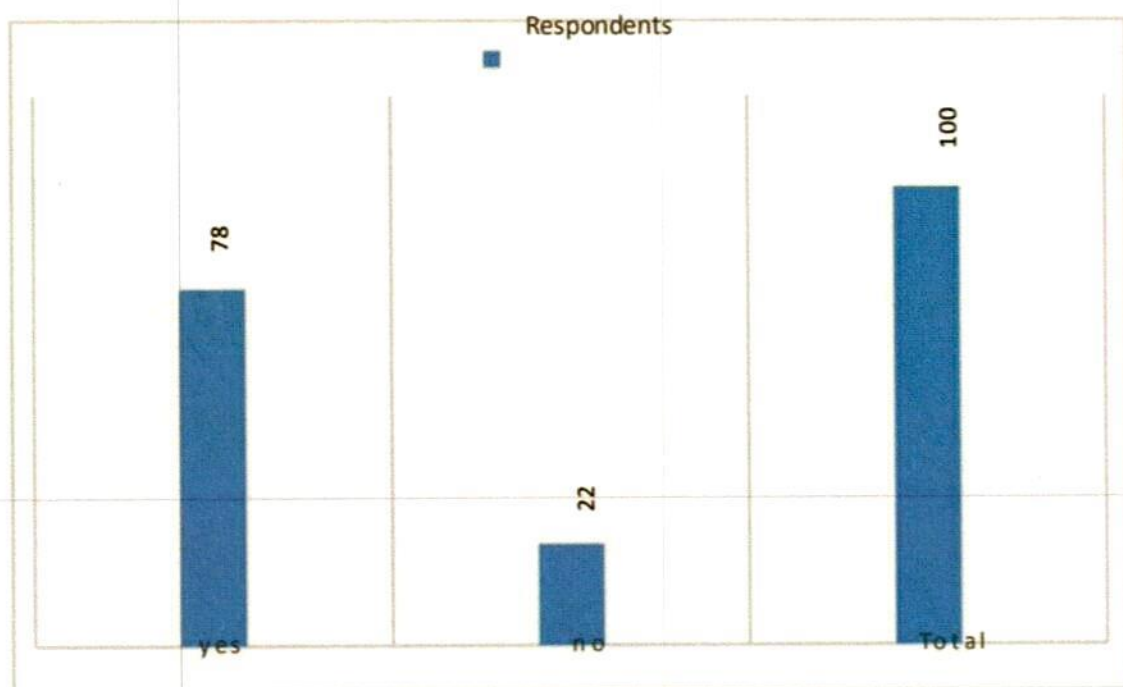


INTERPRETATION:

The above table shows Employee performance process is simple to understand 82% SAID yes.18% said NO.

Table5.1.19 Do you receive an orientation on how to conduct performance process?

Particulars	Respondents	Percentage
Yes	78	78
No	22	22
Total	100	100

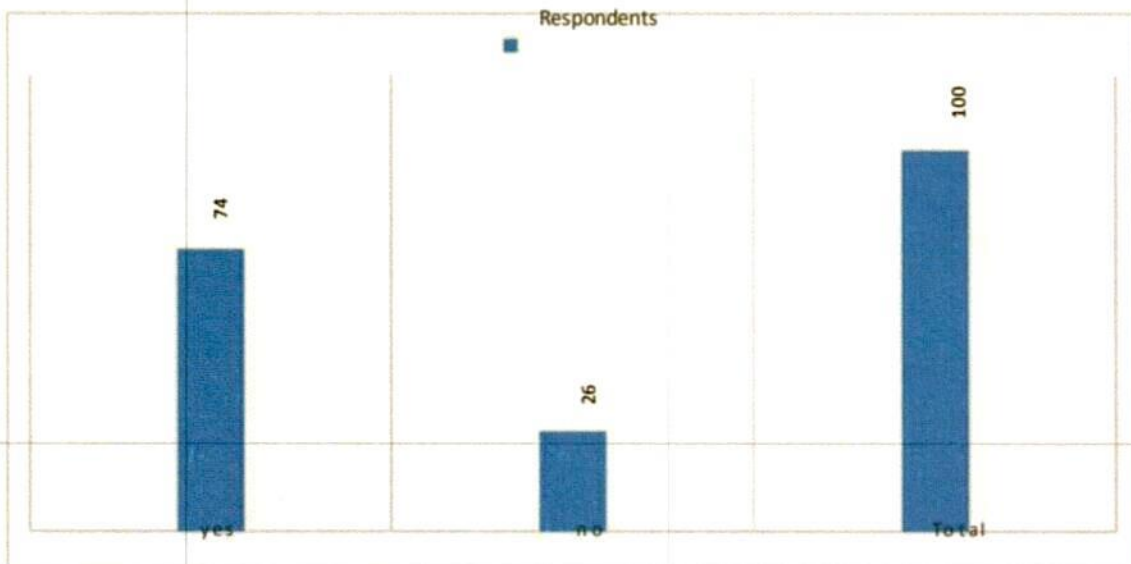


INTERPRETATION:

The Above Graph Shows its conduct performance process 78 % people said yes.

Table5.1.20. How much time is spent in preparing for feedback session?

Particulars	Respondents	Percentage
Yes	78	78
No	22	22
Total	100	100



INTERPRETATION:

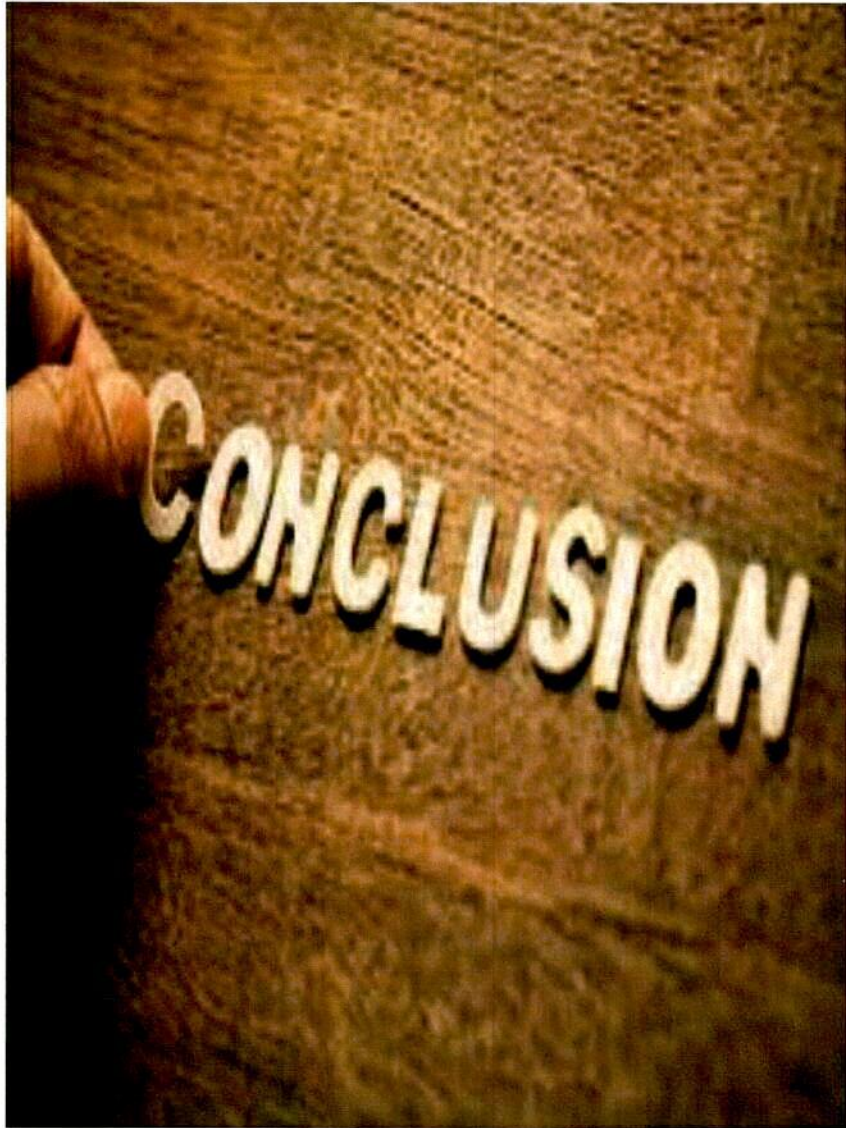
The Above Graph Shows Its Represents spent preparing for feedback session 74 said yes they can have spent.

CHAPTER-6

FINDINGS, SUGGESTIONS AND CONCLUSIONS



CONCLUSION



FINDING

- 50% of the employees have attained 1-4 year of experience, 26% of the employees have attained 5-10 years of experience, 16% of employees are have experience above 10 years and 8% of them are below 1 year.
- 48% of the respondents have completed PG, 46% of the respondents have completed UG, 6% of the respondents have not completed.
- I know types of incentives that motivates the employees financial or non-financial. 56% of the employees agree with it, 28% of the employees are neutral, 16% of them strongly disagree.
- 68% of the employees agree with it, 20% of them are neutral, 8% strongly disagree and 4% of the employees strongly agree.
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- 76% of the employees agree with it, 12% of them are neutral and 12% of the employees strongly agree.
- 60% of the employees agree with it, 24% of them are neutral and 16% of the employees strongly agree.
- 68% of the employees agree with it, 8% of them are neutral and 24% of the employees strongly agree.

Suggestions

In October 2021, the Union Ministry of Agriculture and Farmers Welfare announced that 820,600 seed mini-kits will be distributed free of cost in 343 identified districts across 15 major producing states under a special programme. This programme is likely to boost production and productivity by speeding up the seed replacement rate and subsequently, help in increasing farmer's income.

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Limited. This MoU will have five pilot projects, which will help farmers make decisions on the kind of crops to grow, variety of seeds to use and best practices to adopt to maximise yield.

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Under Pradhan Mantri Formalisation of Micro Food Processing Enterprises (PM FME), an outlay of Rs. 10,000 crore (US\$ 1.34 billion) over a period of five years from FY21 to FY25 has been sanctioned.

He first step of the employee performance management process is planning. You need to decide how you will manage each step of the process and how often you will conduct your performance appraisals. You need to set clear goals and design KPIs to measure the progress of each individual.

The best way to manage all this is by using an HR performance management program. The right software can help you create, measure and track your goals. You can use software to conduct surveys and collect feedback. You can also use tools to track how each employee's performance aligns with the company's overall vision. And then, with the feedback you collect, you can adjust workflows and create action plans to help employees reach their goals.

Ultimately, **the most important aspect of HR performance management is communication.** You need to hold regular appraisals with each and every employee to find out how they are doing. Regular check-ins will help you keep your finger on the pulse. For your employee performance management appraisals to be effective, though, you need to collect the right information when you meet with your employees.

With Factorial's free 360 review template you can quickly and easily evaluate what your employees are doing well and where there is room for improvement. Our template covers **all the important factors you need to analyze when you conduct your performance reviews.** This will provide you with the right feedback so that you can support your employees at each stage of their development, boosting the overall performance of your business.

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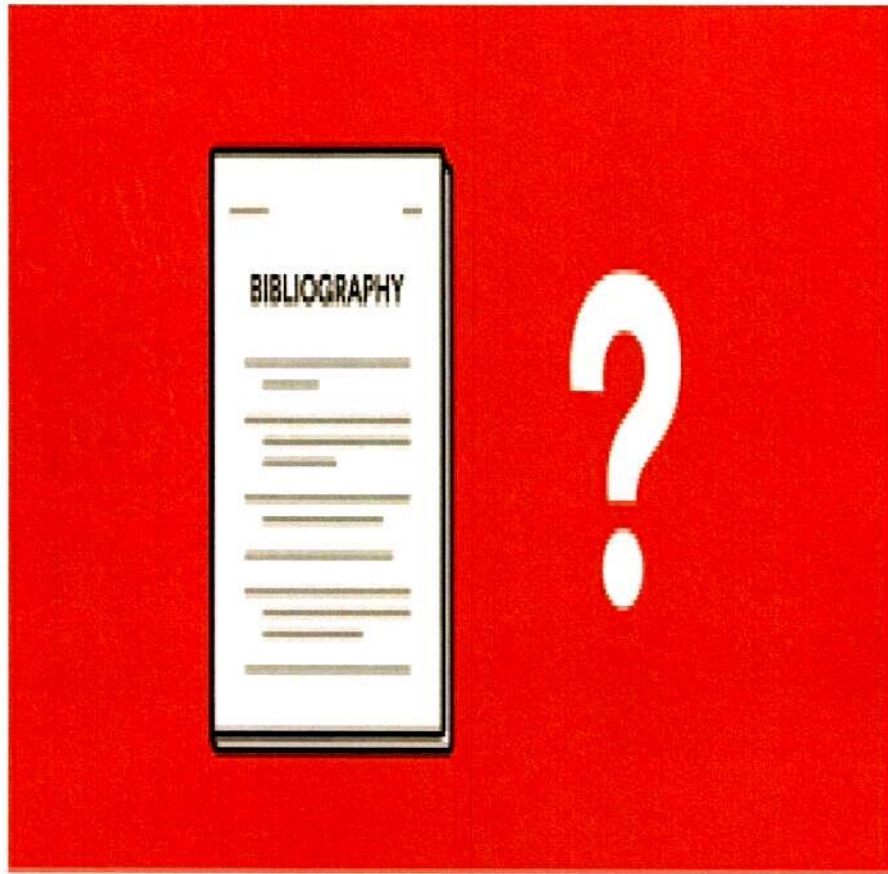
CONCLUSION

The study has used rigorous research methods to present some of the foremost empirical data in placing the extrapolative validity on the proposed dimensions of employee performance. The instrument has developed a measure of employee performance which was validated in the context of Indian manufacturing and service industries. There has been sparse empirical research carried out for developing a measure on employee performance.

We have tried to develop a tool on performance management through assimilating the literature available in the subject and by consulting domain experts. The accepted procedures for development of an instrument were followed. The article carries a number of implications and research directions for academicians and business practitioner for investigating the influence of employee performance on deriving HR effectiveness.

The prescribed framework offers an all inclusive understanding of the nature and subtleties of employee performance and the causes for enhancing employee performance. It is proposed that, HR managers and OB practitioners must use the insights from the explored factors to create and maintain a better work environment.

BIBLIOGRAPHY



BIBLIOGRAPHY

For successfully completing my project file. I have taken help from following:

WEBSITES:

- www.google.com
- www.youtube.com
- www.wikipedia.com
- www.chat.openai
- Google Images

BOOKS:

- The Essential HR Handbook by Sharon Armstrong and Barbara Mitchell.
- HR from the outside In six competencies for the future of Human Resources by Dave Ulrich, Jon Younger, Wayne Brocbank, Mike Ulrich.
- Human Resource Management by Garry Dessler.

QUESTIONNAIRE

“QUESTIONNAIRE on IMPORTANCE OF HUMAN RESOURCES MANAGEMENT IN PROMOTING EMPLOYEES PERFORMANCE .”

Respected Sir/ Madam,

I **MOHAMMAD SIBGAT ULLAH** am student of Under Graduate Degree in BMS, University of Mumbai, pursuing a research project on **“IMPORTANCE OF HUMAN RESOURCES MANAGEMENT IN PROMOTING EMPLOYEES PERFORMANCE”**.

I will grateful to you if you spare your valuable time & efforts with your valuable views on the subject of the research study.

- 1) Name (Optional) :
- 2) Age :

NOTE: Strongly Agreed (SA) Agreed (A)
 Strongly Disagreed (SD) Disagree (D)

S/N	STATEMENT	SA	A	D	SD
A	What is the impact of HRM practice on employees' performance in organization?				
1	Human resources management assist to increase employees' productivity through job analysis				
2	It assist employees to implement business strategies successfully through professional guidance				
3	Trainings are organized to improve cooperation and cordial relations among employees				
4	It provides opportunity for independent thinking and decision making				
5	It enhances employees' commitment				
B	How can HRM affect the employees' productivity and performance?				
6	It provides conducive environment for the employees				
7	It helps employees to recognize when assigned responsibility				
8	Human resources management recommends good welfare packages for employees				
9	Constant employees training improves performance and productivity				
10	Human resources management encourage personal development among				

	employees in an organization				
C	How are employees being motivated in an organization?				
11	Promotion serves as motivation in an organization				
12	Regular payment of salaries of employees motivate employees in an organization				
13	Encouragement of teamwork among employees motivate them to work effectively				
14	Sponsored training and workshop attendance motivate employees in an organization				
15	Attending frequent seminars serves as motivation to employees				
D	What is the extent to which performance would affect the implementation of various HRM practice?				
16	Availability of skilled workforce makes HRM project for the future expansion				
17	To enable HRM know which employee require training and development				
18	To determined redeployment due to the acquisition of higher qualification				
19	To determine redundancy level of employees				
20	Recommendation for promotion, upgrading and awards for deserving employees				

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PROJECT REPORT

ON

“Role and Functions of RBI in India”

**SUBMITTED TO THE UNIVERSITY OF MUMBAI IN THE PARTIAL
FULFILLMENT OF THE DEGREE BACHELOR OF MANAGEMENT STUDIES.**

SUBMITTED BY:

Nivedita Dinesh Mulay

T.Y.BMS

ACADEMIC YEAR: 2022-23

PROJECT GUIDE:

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SUBMITTED TO:

UNIVERSITY OF MUMBAI



**SONOPANT DANDEKAR ARTS, V.S. APTE COMMERCE AND M.H. MEHTA COLLEGE, R.H.
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UNIVERSITY OF MUMBAI**

DECLARATION

I, **Nivedita Dinesh Mulay**, A STUDENT OF SONOPANT DANDEKAR ARTS, V.S. APTE COMMERCE AND M.H. MEHTA SCIENCE COLLEGE, PALGHAR DIST: - PALGHAR, PIN: - 401 404 STUDYING IN T.Y.BMS HEREBY DECLARE THAT I HAVE COMPLETED THIS PROJECT ON “**Role and Functions of RBI in India.**” DURING THE ACADEMIC YEAR 2022-23. THE INFORMATION SUBMITTED IS TRUE AND ORIGINAL TO THE BEST OF MY KNOWLEDGE.

DATE: 11th April, 2023

PLACE: PALGHAR



SIGNATURE OF STUDENT

CERTIFICATE

I, DR. SHREYA MISHRA, HEREBY CERTIFY THAT **Nivedita Dinesh Mulay**, OF SONOPANT DANDEKAR ARTS, V.S. APTE COMMERCE AND M.H. MEHTA SCIENCE COLLEGE, PALGHAR DIST: - PALGHAR, PIN: - 401 404 OF T.Y.BMS HAS COMPLETED **HER** PROJECT ON “**Role and Functions of RBI in India.**” DURING THE ACADEMIC YEAR 2022-23. THE INFORMATION SUBMITTED IS TRUE AND ORIGINAL TO THE BEST OF MY KNOWLEDGE.

S.S.Mishra

DR. SHREYA MISHRA

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GUIDE



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If words are considered as a symbol of approval and token of appreciation, then let the words play the heralding role expressing my gratitude. My successful completion of this project report involved more than just my desire to earn a valued degree working on this project has presented me with many insights and challenges.

I would like to thank the University of Mumbai for introducing bachelor of management studies course, thereby giving its student a platform to abreast with changing business scenario, with the help of theory as a base and practical as a solution- I am also thankful to the management of S.D.S.M College of PALGHAR for making all the facilities available and espousing the cause of the research. I would like to thank our honorable principal Dr. Kiran Save

I would like to express my earnest gratitude to Dr. Shreya Mishra for her superlative guidance and unflinching support throughout the project work. No development would have been feasible had it not been for their excellent supervision, constant encouragement and careful perusal, in completion of the project successfully.

Last but not the least; I would like to thank my parents & teachers for giving the best education and friends for their support and feelings without which this project would have not been possible. Many others without whose invaluable help and expert advice this project would not have been the same ought to be cited.

With the completion of my project entitled "**Role and Functions of RBI in India.**"

Nivedita Dinesh Mulay

EXECUTIVE SUMMARY

The very purpose of undertaking this project is to understand the reasoning behind the introduction of the role and function of RBI.

After India's independence in 1947, the Reserve Bank was nationalized and given broader powers. The Reserve Bank of India has achieved transparency in its operations, especially in terms of evolving communication policy aimed at addressing a wide range of audiences. Notwithstanding the changing challenges of different regimes, the Reserve Bank has managed to evolve constructively on a continuous basis to cope with demands for stable macro-economic management and financial stability, while meeting the objectives of economic growth and development. As the economy becomes increasingly open and global, the role of the Reserve Bank will undergo further change and it will need to equip it for coping with these emerging challenges on a continuous basis.

The project "Role and Function of RBI" not only provides the concise information about role and function of RBI but also gives the knowledge about the role of RBI in various sectors. Monetary policies in India and Qualitative methods of credit control are also comprised in this project.

Research methodology used is data downloaded from internet.

INTRODUCTION



The Hilton Young Commission recommends establishment of a central bank for India.



RBI Act passed



RBI commission operations at Calcutta (now Kolkata) as a shareholders' bank



RBI's Central Office House in Mumbai (now Mumbai)



RBI established

The central bank of the country is the Reserve Bank of India (RBI). It is the most important banking institution in the banking structure of every country. It is the apex bank of a country. It is rightly treated as “lender of money market”. It guides and regulated the activities of all banks in the country. It occupies the important position in the monetary and banking structure of the country.

The first Central Bank established in the world is the Risk Bank of Sweden which was established in 1956. It is the oldest central bank in the world. Bank of England established in 1964 is treated as the first well organized Central Bank in the world. In different countries, Central Bank is known by different names like in U.S.A., it is Federal Reserve Bank, in UK, it is Bank of England, in India it is Reserve Bank of India [RBI]. The RBI is the apex body in the banking system of India. It is the supreme monetary authority in the country. It's only because of RBI's timely check on these banks which has made the Indian banking system sustainable even during the Global crisis. The Preamble of the RBI speaks about the basic functions of the bank. It deals with the issuing the bank notes and keeping reserve in order to secure monetary stability in the country. It also aims at operating and boosting up the currency and credit infrastructure of India.

The Reserve Bank of India serves as the central bank of India. The Reserve Bank of India was established in April 1935 with a share capital of Rs. 5 cores on the basis of the recommendations of the Hilton Young Commission. The share capital was divided into

shares of Rs. 100 each fully paid which was entirely owned by private shareholders in the beginning. The Government held shares of nominal value of Rs. 2,20,000.

Reserve Bank of India was nationalized on 1st January, 1949. A bank is called a Central bank because it occupies a vital position in the monetary and banking structure of the country in which it operates. The general superintendence and direction of the Bank is entrusted to Central Board of Directors of 20 members, the Governor and four Deputy Governors, one Government official from the Ministry of Finance, ten nominated Directors by the Government to give representation to important elements in the economic life of the country, and four nominated Directors by the Central Government to represent the four local Boards with the headquarters at Mumbai, Kolkata, Chennai and New Delhi. Local Boards consist of five members each Central Government appointed for a term of four years to represent territorial and economic interests and the interests of co-operative and indigenous banks. The Bank was constituted for the need of following:

- To regulate the issue of banknotes
- To maintain reserves with a view to securing monetary stability and
- To operate the credit and currency system of the country to its advantage.

It is generally owned and governed by the government. The main aim of central bank is to facilitate the function of commercial bank though it earns profit, but it is not main aim. RBI control the credit creation. Currency issued is legal tender money. It is a non-profit organization. It has no competition. It does not deal directly with the public.

The RBI plays an important part in the development strategy of the government. It is a member bank of the Asian Clearing Union. The general superintendence and direction of the RBI is entrusted with the 21-member-strong Central Board of Directors— the Governor (currently Raghu ram Rajang), four Deputy Governors, two Ministry representative, ten government-nominated directors to represent important elements from India's economy, and four directors to represent local boards headquartered at Mumbai, Kolkata, Chennai and New Delhi. Each of these local boards consists of five members who represent regional interests, as well as the interests of co-operative and indigenous banks. The bank is also active in promoting financial inclusion policy and is a leading member of the alliance.

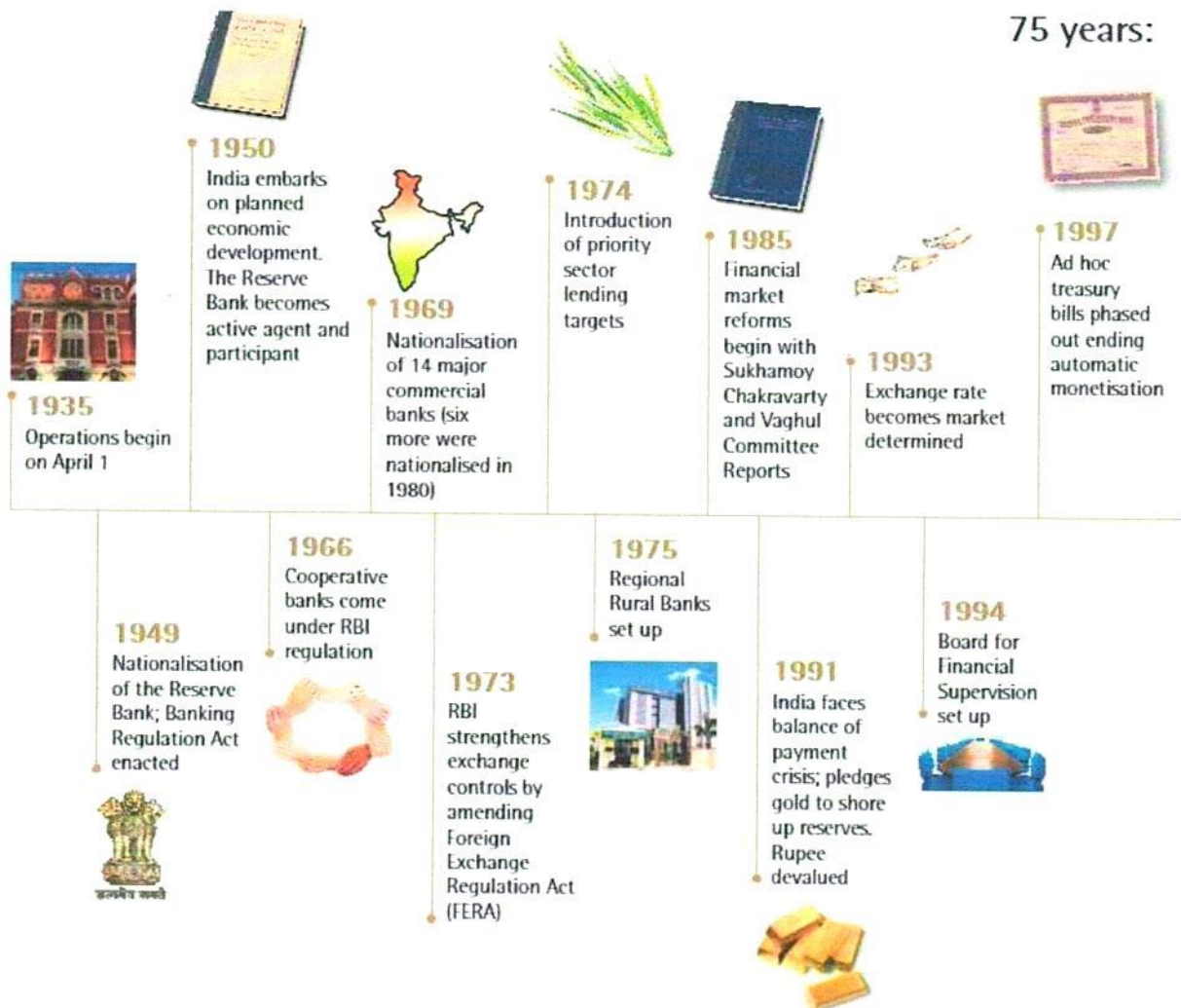
OBJECTIVES

The main objectives for establishment of RBI as the Central Bank of India were as follows:

- The main purpose is to get information about RBI in India.
- Get knowledge how to manage the monetary policy and credit system of the country.
- How our banking sector is process & RBI role in that?
- Collect information about role & function of RBI.
- Identifying which central bank is performing best in the world.

HISTORY OF RBI

75 years:



The Reserve Bank of India was established on April 1, 1935 in accordance with the provisions of the Reserve Bank of India Act, 1934. Though initially RBI was privately owned, it was nationalized in 1949. Its central office is in Mumbai where the Governor of RBI sits. RBI has 22 regional offices and most of them are located in state capitals. The Reserve Bank of India also has three fully owned subsidiaries: National Housing Bank (NHB), Deposit Insurance and Credit Guarantee Corporation of India (DICGC), Bharatiya Reserve Bank Note Mudra Private Limited (BRBNMPL).

The functions of Reserve Bank are governed by central board of directors. The board is appointed by the Government of India. The directors are nominated / appointed for a period of four years. As per the Reserve Bank of India Act there are Official Directors and Non-Official Directors. The Official Directors are appointed by the government and include Governor and Deputy Governors of RBI. There cannot be more than four Deputy Governors. Non-Official Directors are nominated by the government. These include ten Directors from various fields and one government official. Apart from these, there are four other Non-Official Directors, one each from four local boards in Mumbai, Kolkata, Chennai and New Delhi.



The board of industrial and financial reconstruction, the Indira Gandhi Institute of Development Research and the Security and Exchange Board of India investigated the national economy as a whole, and the security and exchange board proposed better methods for more effective markets and the protection of investor interests.

The central bank became the central player and increased its policies for a lot of tasks like interests, reserve ratio and visible deposits. The measure aimed at better economic development and had a huge effect on the company policy of the institutes. The bank lent money in selected sectors, like agri-business and small trade companies. The Bank began its operations by taking over from the Government the functions so far being performed by the Controller of Currency and from the Imperial Bank of India, the management of Government accounts and public debt. The existing currency offices at Calcutta, Bombay, Madras, Rangoon, Karachi, Lahore and Cawnpore (Kanpur) became branches of the Issue Department. Offices of the Banking Department were established in Calcutta, Bombay, Madras, Delhi and Rangoon.

nominates one Government official as a Director representing the Government, who is usually the Finance Secretary to the Government of India and remains on the Board 'during the pleasure of the Central Government'. The Reserve Bank Governor and a maximum of four Deputy Governors are also ex officio Directors on the Central Board

2. Local Boards

The Reserve Bank also has four Local Boards, constituted by the Central Government under the RBI Act, one each for the Western, Eastern, Northern and Southern areas of the country, which are located in Mumbai, Kolkata, New Delhi and Chennai. Each of these Boards has five members appointed by the central Government for a term of four years. These Boards represent territorial and economic interests of their respective areas, and advise the Central Board on matters, such as, issues relating to local cooperative and indigenous banks.

They also perform other functions that the Central Board may delegate to them.

3. Offices and Branches

The Reserve Bank has a network of offices and branches through which it discharges its responsibilities. The unit's operating in the four metros Mumbai, Kolkata, Delhi and Chennai — are known as offices, while the units located at other cities and towns are called branches. Currently, the Reserve Bank has its offices, including branches, at 27 locations in India. The offices and larger branches are headed by a senior officer in the rank of Chief General Manager, designated as Regional Director while smaller branches are headed by a senior officer in the rank of General Manager.

Administrative department of RBI:

In order to maintain smooth functioning,

RBI has established different administrative departments which are the part of its internal organization. These are as follows:

- I. Department of currency management.
- II. Department of banking supervision.

ORGANISATION



1. Central Board of Directors

The Central Board of Directors is at the top of the Reserve Bank's organizational structure. Appointed by the Government under the provisions of the Reserve Bank of India Act, 1934, the Central Board has the primary authority and responsibility for the oversight of the Reserve Bank. It delegates specific functions to the Local Boards and various committees.

The Governor is the Reserve Bank's chief executive. The Governor supervises and directs the affairs and business of the RBI. The management team also includes Deputy Governors and Executive Directors. The Central Government nominates fourteen Directors on the Central Board, including one Director each from the four Local Boards. The other ten Directors represent different sectors of the economy, such as, agriculture, industry, trade, and professions. All these appointments are made for a period of four years. The Government also

- III. Rural planning and credit department.
- IV. Department of banking operations and development.
- V. Exchange control department.
- VI. Secretary's department
- VII. . Industrial and export credit department
- VIII. Department of administration and personnel management
- IX. Department of Government and Bank accounts.
- X. Department of non-Banking supervision.
- XI. Internal debt management cell.
- XII. . Inspection department.
- XIII. Department of information and technology.

Other department:

Besides these above departments RBI has other departments such as premises department, press relation department, personnel policy department etc.

NATIONALIZATION OF RESERVE BANK OF INDIA

Initially, the RBI was established as shareholder's bank. Its share capital was Rs. 5 cores, divided into 5 lakhs fully paid up share of Rs. 100 each. Us of this, share of the nominal value of Rs. 2,20,000 (2200 shares) were allotted to the Central Government for disposal at par to the Directors of the Central Board of the Bank seeking to obtain the minimum share qualification. There maiming share capital was owned by the private individuals. Thus, the control on the policy of the RBI remained with the Government. The RBI is governed by the Central Board of Directors. The Governor and two Deputy-Governors are appointed by the Government and other members of the Governing Board are appointed by individual shareholders. In order to regulate and control monetary and credit policy of the country, the Government is empowered to supersede the central Board of Directors of the RBI if the Board fails to discharge its obligations cast upon it by the RBI Act.

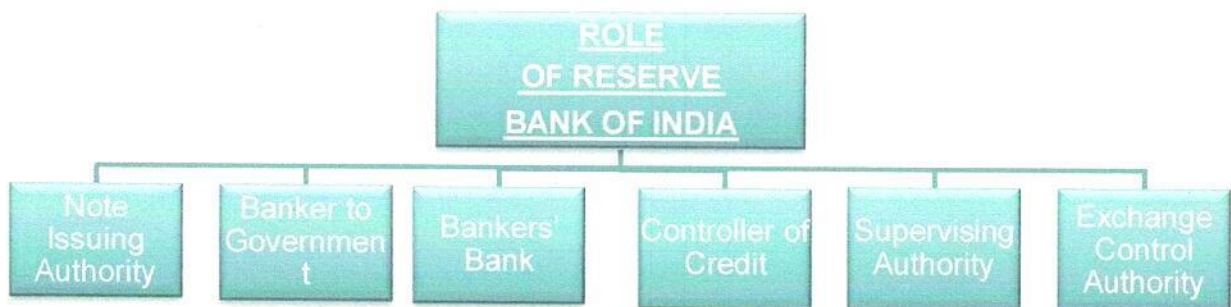
Nationalization is the process of taking a private industry or private assets into public ownership by a national government or state.^[1] Nationalization usually refers to private assets, but may also mean assets owned by lower levels of government, such as municipalities, being transferred to the public-sector to be operated and owned by the state. The opposite of nationalization is usually privatization or de-nationalization, but may also be municipalization. Industries that are usually subject to nationalization include transport, communications, energy, banking and natural resources. The demand for nationalization of RBI was started with the setting upon RBI. It was felt that RBI should be nationalized in tune with the changing national and international political and economic scenario.

Nationalization may occur with or without compensation to the former owners. Nationalized industries, charged with operating in the public interest, may be under strong political and social pressures to give much more attention to externalities. They may be obliged to operate some loss making activities where social benefits are clearly greater than social costs — for example, rural postal and transport services. As an instance, the United States Postal Service is guaranteed its nationalized status by the Constitution. The government has recognized these social obligations and, in some cases, provides subsidies for such non-commercial operations.

Some nationalizations take place when a government seizes property acquired illegally. The objective of its nationalization was stated, "To implement the Government's policy that the

Bank should function as state-owned institution and to meet the general desire that control of the government over the bank's activities should be extended to ensure greater co-ordination in the monetary economic and financial policies." In February, 1947, it was decided to nationalize RBI. Thus, the RBI was nationalized with the passing of the Reserve Bank of India (transfer to public ownership) Act in 1948. In terms of the Act, the entire share was transferred to the central Government on payment of compensation to the shareholders @ Rs. 118 and 62 paise per share of Rs.100. Thus since January 1, 1949, the reserve bank of India is functioning as a state owned and state controlled (nationalized) bank. The nationalization of the RBI was also justified by passing of the Banking Regulation Act,

ROLE OF RESERVE BANK OF INDIA

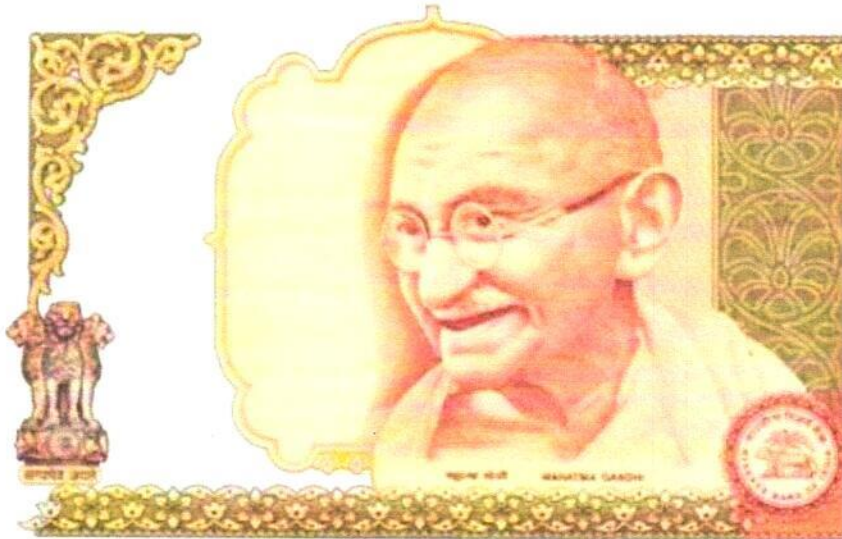


1. Note issuing authority:

The Reserve Bank of India enjoys monopoly in the issue of currency notes as central Bank of the country. All the currency notes except one-rupee note are issued by RBI. One rupee notes and all coins of small magnitude are issued by the Government of India and are circulated through the Reserve Bank of India. The RBI Act permits RBI to issue notes in the denominations of rupees 2, 5, 10, 20, 50, 100, 500, 1000, 5000, 10,000. Although the RBI had issued all these denominations, but at present notes of all denominations except 5,000 and 10,000 are being issued in circulation. The RBI has established a separate department for this purpose known as issuing department. The basis of note issue is minimum Reserve system.

The RBI has been issuing currency notes on the principle of banking system, in which cent per gold/precious metals reserves are not required. In this system RBI have to maintain a minimum reserve of Rs. 200 core as security against note issue. In which a minimum reserve of Rs. 115 core has been maintaining gold and remaining Rs. 85 core reserve in foreign securities. The value of gold reserve held by the issue department has not been less than Rs.

85 correct the time of an emergency. In the year of 2006-07 reserve bank has allotted Rs. 2020 core to security press for printing of notes and the number of units printed in this year stands at 1248.4 core



Denominations of coins and notes in circulation:

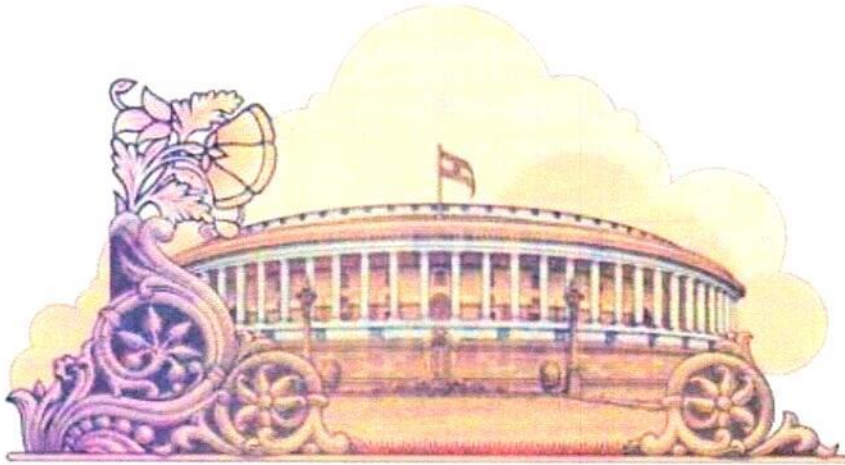
Coins in circulation: 50 paisa, 1, 2, 5 and 10 Rupee



Notes in circulation: Rs. 5, 10, 20, 50, 100, 500 and 1000



2. Banker to Government



The second important function of the Reserve Bank of India is to act as Government banker, agent and adviser. The Reserve Bank is agent of Central Government and of all State Governments in India excepting that of Jammu and Kashmir. The Reserve Bank has the obligation to transact Government business, viz. to keep the cash balances as deposits free of interest, to receive and to make payments on behalf of the Government and to carry out their exchange remittances and other banking operations.

The Reserve Bank of India helps the Government - both the Union and the States to float new loans and to manage public debt. The Bank makes ways and means advances to the Governments for 90 days. It makes loans and advances to the States and local authorities. It acts as adviser to the Government on all monetary and banking matters. It acts as the agent of the Government of India in the latter's dealings with the International Monetary Fund (IMF), the World Bank, and other international financial institutions. It advises the government on all financial matters such as loan operations, investments, agricultural and industrial finance, banking, planning, economic development, etc.

3. Bankers' Bank and Lender of the Last Resort

The Reserve Bank of India acts as the bankers' bank. According to the provisions of the Banking Companies Act of 1949, every scheduled bank was required to maintain with the Reserve Bank a cash balance equivalent to 5% of its demand liabilities and 2 per cent of its time liabilities in India. By an amendment of 1962, the distinction between demand and time liabilities was abolished and banks have been asked to keep cash reserves equal to 3 per cent of their aggregate deposit liabilities. The minimum cash requirements can be changed by the Reserve Bank of India.

The scheduled banks can borrow from the Reserve Bank of India on the basis of eligible securities or get financial accommodation in times of need or stringency by rediscounting bills of exchange. Since commercial banks can always expect the Reserve Bank of India to come to their help in times of banking crisis the Reserve Bank becomes not only the banker's bank but also the lender of the last resort.

The Reserve Bank of India is the controller of credit i.e. it has the power to influence the volume of credit created by banks in India. It can do so through changing the Bank rate or through open market operations. According to the Banking Regulation Act of 1949, the Reserve Bank of India can ask any particular bank or the whole banking system not to lend to particular groups or persons on the basis of certain types of securities. Since 1956, selective controls of credit are increasingly being used by the Reserve Bank.

The Reserve Bank of India is armed with many more powers to control the Indian money market. Every bank has to get a license from the Reserve Bank of India to do banking business within India, the license can be cancelled by the Reserve Bank if certain stipulated conditions are not fulfilled. Every bank will have to get the permission of the Reserve Bank before it can open a new branch. Each scheduled bank must send a weekly return to the Reserve Bank showing, in detail, its assets and liabilities. This power of the Bank to call for information is also intended to give it effective control of the credit system. The Reserve Bank has also the power to inspect the accounts of any commercial bank.

4. Controller of Credit



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As supreme banking authority in the country, the Reserve Bank of India, therefore, has the following powers:

- (a) It holds the cash reserves of all the scheduled banks.
- (b) It controls the credit operations of banks through quantitative and qualitative controls.
- (c) It controls the banking system through the system of licensing, inspection and calling for information.

(d) It acts as the lender of the last resort by providing rediscount facilities to scheduled banks.

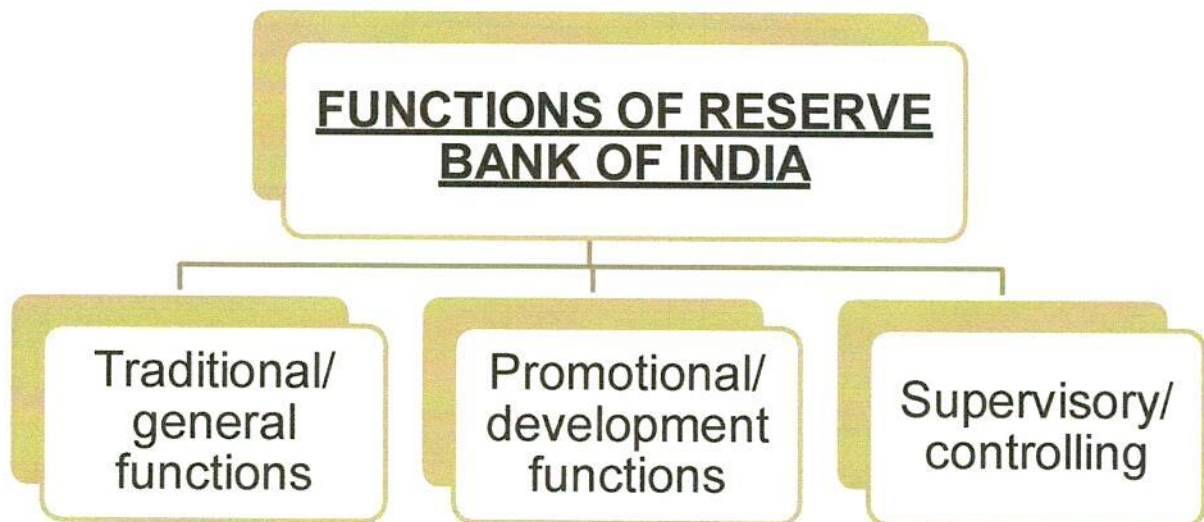
5. Supervising Authority

Supervising Authority Supervise and control commercial and co-operative banks. To issue the licenses for the establishments of new banks to issue licenses for setting up of bank branches to prescribe minimum requirements regarding paid-up capital and reserves, maintenance of cash and other liquid assets. to inspect the working of banks in India as well as abroad in respect of their Organizational set- up to conduct the investigations, from time to time, regarding irregularities, frauds, complaints, etc... To control methods of operations of banks, to control appointment, re-appointment, termination of appointment of the chairman and CEOs of Private sector banks. The supervisory functions of the RBI have helped a great deal in improving the standard of banking in India to develop on sound lines and to improve the methods of their operation.

6. Exchange Control Authority

Exchange Control Authority It manages the exchange rate between the Rupee and other currencies to negotiate with the monetary authorities and financial institutions like IMF, World Bank and Asian Development Bank. The RBI is the custodian of the country's foreign exchange reserves, and it is vested with the responsibility of managing the investment and utilization of the reserves in the most advantageous manner.

FUNCTIONS OF RESERVE BANK OF INDIA



A. Traditional functions

1. Issue of currency notes:

Under section 22 of the reserve bank of India act, the bank has the sole right to issue currency notes of all denominations except one rupee coins and notes. The Reserve Bank has a separate issue department which is entrusted with the issue of currency notes. All the currency issued must be backed by assets of equal value. The asset consists of gold coins and bullions, foreign securities, rupee coins and Government of India rupee security.

2. Banker to the government:

The RBI as a banker to the Central government as well as State governments. All the banking business of government is transacted by this bank. E.g. it receives and makes all payments on behalf of the government, remits its funds, buys and sells

foreign currencies for it and gives it advice on all banking matters. The RBI helps the government both Centre and state to float new loans and manage public debt. The bank makes ways and meets advances of the government.

3. Banker's bank and lender of the last resort:

The RBI acts as a banker to other banks. Banks are required to maintain a certain percentage of their deposits with RBI. RBI acts as a lender of last resort. It provides funds to bank when they fail to get it from other sources. It also acts as a clearinghouse. Through RBI, banks make inter-bank payments.

4. Controller of credit:

The RBI through its various quantitative and qualitative techniques regulates total supply of money and bank credit in the interest of economy. The RBI pumps in money during busy season and withdraws the money during stock season.

5. Exchange management and control:

The RBI is required to maintain the external value of the rupee. For this purpose, it functions as the custodian of the nation's foreign exchange reserves. It is obligatory for RBI to buy and sell currencies of all the members of IMF.

6. Collection and publication of data:

The RBI collects and compiles statistical information on banking and financial operations of the economy. 'The Reserve Bank of India Bulletin' is a monthly publication. It not only provides information, but also results of important studies and investigations conducted by Reserve Bank are given. 'The Report on Currency and Finance' is an annual publication. It provides review on various developments of economics and financial importance.

B. DEVELOPMENT AND PROMOTIONAL FUNCTIONS:

1. Provision of industrial finance:

The RBI promotes the establishment of specialized institution to meet long-term requirements of industries. It has played an important role in establishment of development banks such as IFCI, IDBI, ICICI, UTI etc.

2. Promotion of foreign trade:

The RBI has been offering special refinance facilities to banks to encourage them to provide larger credit for exports. It took initiative in establishing the Export-Import Bank of India (EXIM) to make funds available for imports and exports financing.

3. Provision of agricultural credit:

RBI has a special Agricultural Credit Department (ACD) which studies the problems of agricultural credit. For this, Regional Rural Banks, Co-operative, NABARD etc.

4. Promotion of commercial banking:

The RBI has done good work in the field of commercial banking. To inspire greater public confidence in bank deposits it is necessary to safeguard the interest of depositors. For this purpose, RBI has introduced various measures which are applicable to both commercial and co-operative banks.

5. PROMOTION OF REGIONAL DEVELOPMENT:

RBI encourages commercial banks and financial institutions to provide short term, medium term and long term finance to industries set up in backward areas. In this way, it promotes regional development.

6. Development of housing finance:

In 1988, RBI established National Housing Bank to provide house loans through commercial banks. For this, it has set up National Housing Credit Fund to support the activities of National Housing Bank.

7. Promotion of small scale industries and cottage industries:

RBI makes an attempt to develop SSIs and CIs. RBI issue directives to banks and that too at a lower rate of interest.

C. SUPERVISORY FUNCTIONS:

The reserve bank also performs many supervisory functions. It has authority to regulate and administer the entire banking and financial system. Some of its supervisory functions are given below:

1. Granting license to banks

The RBI grants license to banks for carrying its business. License is also given for opening extension counters, new barnacles, even to close down existing barnacles.

2. Bank Inspection:

The RBI grants license to banks working as per the directives and in a prudent manner without under risk. In addition to this it can ask for periodical information from banks on various components of assets and liabilities.

3. Control over NBFIs:

The Non-Bank Financial Institutions are not influenced by the working of a monetary policy. However, RBI has a right to issue directives to the NBFIs from time to time regarding their functioning.

4. Implementation of the Deposits Insurance Scheme:

The RBI has set up the Deposits Insurance Guarantee Corporation in order to protect the deposits of small depositors. All the bank deposits below Rs. One lakhs are insured with its corporation. The RBI work to implement the Deposit Insurance Scheme in case of a bank failure.

OTHER FUNCTIONS

The RBI performs following other functions:

(i) Agriculture Credit:

All matters relating to agriculture credit are looked after by RBI before the establishment of NABARD in 1982. Now all functions relating to agriculture and rural development are performed by NABARD.

(ii) Industrial Finance:

The RBI has contributed in the share capital of industrial finance institutions such as Industrial Finance Corporation of India, Industrial Development Bank of India, State Finance Corporations etc. Thus RBI indirectly contributes in the field of industrial finance.

(iii) Publication of Data:

The RBI publishes statistics regarding money, price, finance etc., in its periodicals. This provides valuable information for Govt., business and industries. This information is helpful to take decisions. The important publications of RBI are the Reserve Bank of India Annual Report, currency and finance, trends and progress of Banking etc. At present, there are more than 100 publications of RBI.

(iv) Banking Education and Training:

The RBI has been organizing various educations and training programmers for bank employees and officers. 'Banker Training College' Mumbai has been setup by RBI for the training of Bank officers. Other important training institutes such as "College of Agriculture Banking (Pune), Reserve Bank Staff Training College (Chennai) etc. had been setup by thereby. RBI had also setup regional training centers at Mumbai, Kolkata, Chennai and Delhi.

(v) Remitting Facility:

Reserve Bank provides remitting facilities to the central Government, state Government and semi-Government institutions free of cost. It also provides this facility to cooperative banks free of cost.

(v) Conversion of currency:

The RBI converts spoiled currency in to fresh currency. It also provides facilities to convert currency notes into small denominating coins.

(vi) To accept Deposits:

The RBI accepts deposits from Central and state Government's institution and individual persons without paying interest.

(vii) Transactions with international institutions:

All international economic transactions are being made through RBI. RBI opens its accounts in the central bank of member countries of IMF. It also deals with IMF, World Bank and other international financial institutions.

(viii) Transactions in precious metals:

In order to fulfill its obligations, RBI buys and sells precious metals, gold coins etc. RBI can borrow funds by mortgaging these precious metals.

(ix) Expansion of Banking facilities:

RBI has played an important role in expansion of banking facilities in the rural areas of the country. At the end of June, 2001, there are 65,931 bank branches are situated in country, out of which more than half of the branches are situated in rural areas. At the end of 2000, on an average there was an only one bank branch at a population of 5,000 in the country.

(x) Supply of Development Finance:

The RBI provides development finance for the different parts of the economy. It leads economic development of the country as a whole

ROLE OF RBI IN FINANCIAL SECTOR

A major function of the financial sector is to provide the framework for management of cash flow situation of different economic units such as individuals, corporate, government agencies, etc. In simple words, the income and expenditure pattern of individual economic units may not match at every point of time. In this scenario, each company still looks independent, and has its own customers, etc. In the other style, a bank would simply create its own brokerage division or insurance division and attempt to sell those products to its own existing customers, with incentives for combining all things with one company.

Financial sector helps bridging such gaps. In the process, the sector reallocates financial resources between deficit and surplus entities. Financial sector also facilitates management of various types of risks. Financial sector development takes place when financial instruments, markets, and intermediaries work together to reduce the costs of information, enforcement and transactions. A solid and well-functioning financial sector is a powerful engine behind economic growth. It generates local savings, which in turn lead to productive investments in local business. Furthermore, effective banks can channel international streams of private remittances.

Financial sector development also assists the growth of small and medium sized enterprises by giving them with access to finance. SMEs are typically labor intensive and create more jobs than large firms, which contributes significantly to economic development in emerging economies. The Global Financial Development Report, a new initiative by the World Bank, highlights issues that have come to the forefront after the crisis and presents policy recommendation to strengthen systems and avoid similar crisis in the future.

By gathering data and knowledge on financial development around the world, the GFDR report aims to put into spotlight issues of financial development and hopes to present analysis and expert views on current policy issues. A good measurement of financial development is crucial in evaluating the progress of financial sector development and understanding the corresponding impact on economic growth and poverty reduction.

However, in practice, it is difficult to measure financial development given the complexity and dimensions it encompasses. Empirical work done so far is usually based on standard quantitative indicators available for a longer time period for a broad range of countries. For instance, ratio of financial institutions' assets to GDP, ratio of liquid liabilities to GDP, and ratio of deposits to GDP.

For example, an economic unit may like to deploy its surplus fund for a short period of time and another economic unit may want to access funds for a longer period. Left to them, there would be no transfer of funds between these two units. But there are various mechanisms

through which the financial sector can assume certain risks and transform the maturity of the short-term surplus of one economic unit and meet the longer term funding requirements of the other. Again given the shortage of public information, individuals may not be able to evaluate investment decisions by individual corporate and might shy away from lending money to them. Financial intermediaries such as banks can, however, apprise and monitor corporate investment decisions and therefore, act as intermediaries between savers and investors.

ROLE OF RBI FOR EXIM BANK

Export-Import Bank of India is the premier export finance institution of the country, set up in 1982 under the Export-Import Bank of India Act 1981. Government of India launched the institution with a mandate, not just to enhance exports from India, but to integrate the country's foreign trade and investment with the overall economic growth. Since its inception, Exim Bank of India has been both a catalyst and a key player in the promotion of cross border trade and investment. Export finance and credit are the most important non-pricing techniques like quality, packaging and delivery to export more. Competition both for consumer and capital goods is getting intensified in world markets. There is now a buyers' market all over where the buyer dictates intensified terms not only in regard to price but also quality, packaging, delivery schedule and above all on appropriate credit terms. Credit is also partly asked for by overseas buyer on account of difficult money market position and also foreign exchange problems faced in many countries, particularly the developing world. The July 2013, Volume: 1 Issue: 7 123 buyer's (importer's) choice of supplier (exporter) is influenced by the credit offered by the latter. Export credit has become an important tool of export promotion in countries like India. Even the developed countries like United States, Germany and Japan are developing comprehensive systems and institutions for providing finance to their exporters.

NEED FOR THE STUDY

- To know the perception and consumption of exporters towards Exim bank finance and services.
- To analyse the role of EXIM in providing guarantee to exporters.
- To study the different types of credit facilities provided to exporters by bank.

ROLE OF RBI FOR NABARD

Agricultural credit is considered as one of the most basic input for conducting all agricultural development programmes. In India there is an immense need for proper agricultural credit as the economic condition of Indian farmers are very poor. From the very beginning the prime source of agricultural credit in India was money lenders. After independence the Govt. adopted the institutional credit approach through various agencies like co-operatives, commercial banks, regional rural banks etc. to provide adequate credit to farmers, at a cheaper rate of interest. Moreover, with growing modernization of agriculture during post-green revolution period the requirement of agricultural credit has increased further in recent years. Now a day the long term and short term credit needs of these institutions are also being met by National Bank for Agricultural and Rural Development (NABARD). It is the evolution of agricultural finance. It was established in the year 1982, with head office at Mumbai and 16 regional offices throughout the country. It has the objective of promoting the health and the strength of the credit institutions which are in the forefront of the delivery system namely, cooperatives, commercial banks and regional rural bank. It is, in brief, an institution for the purpose of refinance; with the complementary work of directing, inspecting and supervising the credit- flows for agricultural and rural development. The scope of the operations of NABARD is large indeed. Besides providing finance to credit institutions, it is providing innovations in regard to formulation of schemes, monitoring of implementation, evaluation of results and evolution of suitable supporting structures of all kinds of agricultural activities. It is performing the various functions assumed by it smoothly and efficiently. The outstanding refinance from NABARD by State Co-operative Banks, RRBs and State Governments was Rest. 6,857 crores as at end June 2001. Farm mechanisation got the highest amount of assistance and the second place went to minor irrigation. The rest of the amount was distributed for forestation/Plantations, Land Development, sheep-rearing, poultry farming, dairy farming etc. The National Bank has vigorously continued its efforts for promoting investments in the agricultural sector in the less developed/under banked states. U.P., Bihar, M.P., Rajasthan and Orissa in that order, have been the biggest beneficiaries. Thus NABARD is taking the necessary steps to revitalise and rejuvenate the rural economy of India by developing agriculture, small scale and cottage industries and trading activities in all possible ways.

ROLE OF RBI FOR IDBI

the Reserve Bank's statutory mandate is wide compared to that of other central banks, what really sets us apart is the key role the Reserve Bank has had in driving India's development agenda. Several national level programmes such as those for the flow of credit to the agriculture sector and for small and medium industries were initially designed and implemented by the Reserve Bank. The apex national institutions for agriculture credit (NABARD), industrial finance (IDBI) are offshoots of what were once departments within the Reserve Bank. The Reserve Bank has been at the forefront in nurturing institutions and developing financial markets in India – the money market, the foreign exchange market and the government securities market. Efforts in recent years have focussed on enhancing the depth, integrity, transparency and efficiency of these markets.

Current rate of interest

<u>Name of interest rate</u>	<u>country/region</u>	<u>current rate</u>	<u>direction</u>	<u>previous rate</u>	<u>change</u>
<u>American interest rate FED</u>	United States	0.250 %	↓	1.000 %	12-16-2008
<u>Australian interest rate RBA</u>	Australia	3.500 %	↓	3.750 %	06-05-2012
<u>British interest rate BoE</u>	Great Britain	0.500 %	↓	1.000 %	03-05-2009
<u>Chinese interest rate PBC</u>	China	6.310 %	↓	6.560 %	06-07-2012
<u>Danish interest rate National banked</u>	Denmark	0.450 %	↓	0.600 %	05-31-2012
<u>European interest rate ECB</u>	Europe	1.000 %	↓	1.250 %	12-08-2011
<u>Hungarian interest rate</u>	Hungary	7.000 %	↑	6.500 %	12-20-2011
<u>Indian interest rate RBI</u>	India	8.000 %	↓	8.500 %	04-17-2012
<u>Indonesian interest rate BI</u>	Indonesia	5.750 %	↓	6.000 %	02-09-2012
<u>Israeli interest rate BOI</u>	Israel	2.500 %	↓	2.750 %	01-23-2012
<u>Japanese interest rate Bo</u>	Japan	0.100 %	↓	0.100 %	10-05-2010
<u>Mexican interest rate Banxico</u>	Mexico	4.500 %	↓	4.750 %	07-17-2009
<u>New Zealand interest rate</u>	New Zealand	2.500 %	↓	3.000 %	03-10-2011
<u>Norwegian interest rate</u>	Norway	1.500 %	↓	1.750 %	03-14-2012
<u>Polish interest rate</u>	Poland	4.750 %	↑	4.500 %	05-09-2012
<u>Russian interest rate CBR</u>	Russia	8.000 %	↓	8.250 %	12-23-2011
<u>South African interest rate SARB</u>	South Africa	5.500 %	↓	6.000 %	11-19-2010
<u>Swiss interest rate SNB</u>	Switzerland	0.250 %	↓	0.500 %	03-12-2009

MONETARY POLICY

One of the most important functions of central banks is formulation and execution of monetary policy. In the Indian context, the basic functions of the Reserve Bank of India as enunciated in the Preamble to the RBI Act, 1934 are: “To regulate the issue of Bank notes and the keeping of reserves with a view securing monetary stability in India and generally to operate the currency and credit system of the country to its advantage.”

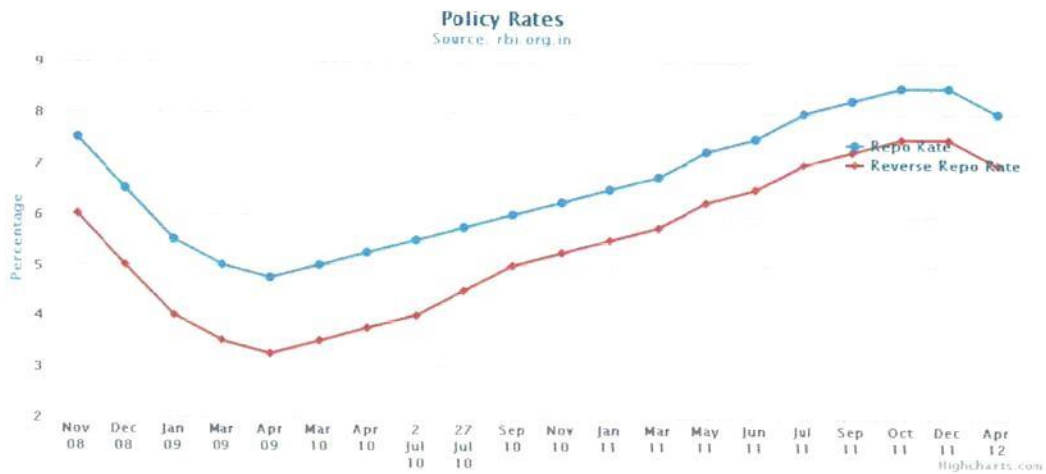
Thus, the Reserve Bank’s mandate for monetary policy flows from its monetary stability objective. Essentially, monetary policy deals with the use of various policy instruments for influencing the cost and availability of money in the economy. As macroeconomic conditions change, a central bank may change the choice of instruments in its monetary policy. The overall goal is to promote economic growth and ensure price stability. A macroeconomic policy tool used to influence interest rates, inflation, and credit availability through changes in the supply of money available in the economy. In India it is also called the Reserve Bank of India’s ‘Credit Policy’ as the stress is primarily on directing credit.

Monetary Policy in India

Over time, the objectives of monetary policy in India have evolved to include maintaining price stability, ensuring adequate flow of credit to productive sectors of the economy for supporting economic growth, and achieving financial stability. Based on its assessment of macroeconomic and financial conditions, the Reserve Bank takes the call on the stance of monetary policy and monetary measures. Its monetary policy statements reflect the changing

circumstances and priorities of the Reserve Bank and the thrust of policy measures for the future. Faced with multiple tasks and a complex mandate, the Reserve Bank
Emphasizes clear and structured communication for effective functioning of the monetary policy. Improving transparency in its decisions and actions is a constant Endeavour at the Reserve Bank.

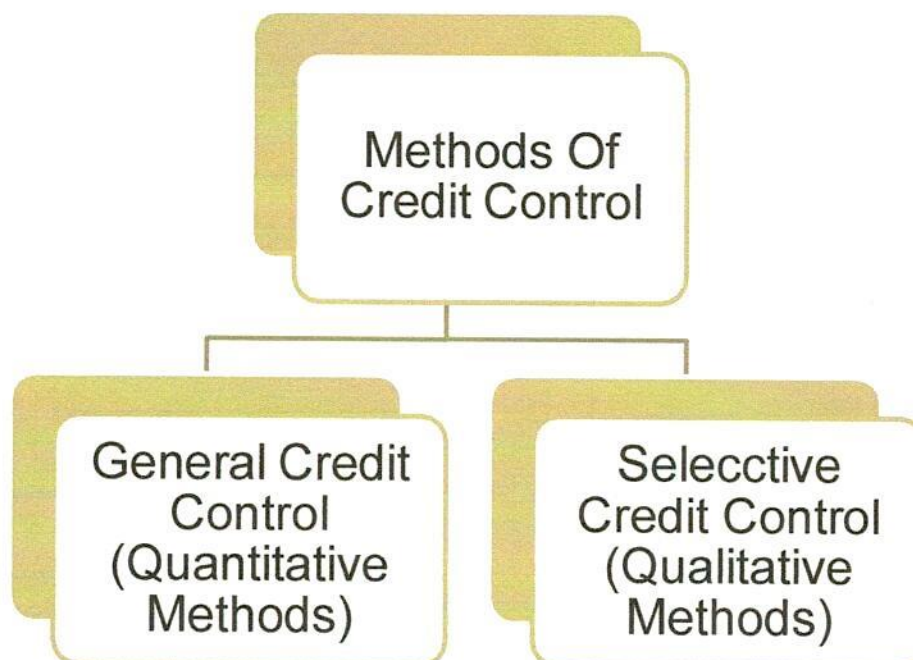
RBI Policy Rates Chart



MONETARY MANAGEMENT POLICY OF RESERVE BANK OF INDIA

Credit Control is considered to be an important function of Central bank in modern economy. The need for regulating credit is felt because credit has come to form an important source of economic development. According to Robertson, "Even though money has to be a source of so many blessings to mankind, it may also become, unless we control it, a source of confusion and peril". So it is essential to control the behavior of credit money for smooth functioning of the economy.

Credit control have various objectives such as: - price stabilization, economic stabilization, promotion of economic growth etc. They are:



A. QUANTITATIVE TOOLS OF CREDIT CONTROL: -

Quantitative control is concerned with controlling the total quantity of credit. It is also known as general credit control. It controls credit indirectly. These methods affect the lenders and not borrowers. These are as follows:

1. BANK RATE POLICY:

Bank rate is the rate of interest charged by the central bank to the commercial banks while advancing money against securities or by rediscounting eligible bills of commercial banks. When the bank rate is increased, the cost of borrowing from the central bank goes up. So commercial banks in turn charge higher rate of interest on loans sanctioned to cover up their increased cost. This brings down the demand for bank credit from the public as loans become costly. Thus when central bank aims at contraction of credit supply in the economy, it increases the bank rate and the reverse is done to increase the volume of credit supply. In other words, central bank adopts a tight money policy by increasing the bank rate to discourage borrowings, and to encourage borrowing it adopts cheap money policy by reducing bank rate. Bank Rate is the rate at which central bank grant loans to the commercial banks against the security of government and other approved first class securities.

According to section 49 of RBI Act, "Bank Rate is the standard rate on which RBI purchase or discount such exchange bills or commercial papers which can be purchased under this act. "Reserve Bank of India controls credit by affecting quantity and cost of credit money through its bank rate policy. According to dear monetary policy of RBI increases bank rate to decrease quantity of credit in the country. Increase in bank rate increases cost of credit i.e. increase interest rate and this will result in decrease in quantity of credit. Such a policy is usually adopted during inflation or depression to check general price level.

LIMITATIONS:

Success of bank rate policy depends on following factors:

1. There should be well-developed and organized money market.
2. There should be co-operation from commercial banks. i.e. when bank rate rises, commercial banks should also raise the rate of interest.

2. OPEN MARKET OPERATIONS (OMO):

OMO refers to purchase or sale of government securities, trade bills etc. by the central bank to people, banks and other financial institutions. Hence, the term 'Open Market Operations' is used. These operations will have both anti-inflationary and anti-deflationary effects. When the economy is faced with the inflationary pressures, the central bank would like the commercial banks to contract the supply of credit. To achieve this objective, the central bank would sell the Govt. securities to the commercial banks. The banks would transfer a part of their cash reserve to the central bank towards the payment for these securities. Consequently, the cash reserve with the commercial banks will be reduced. It would lead to a contraction in the credit creation power of the commercial banks. Similarly, open market operations can also be used as anti-deflationary measures.

OMO controls the credit creation power of the commercial banks during inflation or recession in the economy. During inflation, when central bank sells its securities in the open market, cash balance in the hands of the public or banks will be reduced. Reduction in cash reserves with banks will be reduced. Reduction in cash reserves with banks will raise the rate of interest and reduce their credit creation capacity.

Similarly, central bank purchases the securities during recession which increases the cash reserves with the banks and banks will be able to expand credit, which will decrease the rate of interest.

LIMITATIONS:

Although OMO is a widely accepted method of credit control it suffers from following limitations:

1. OMO is not successful in the absence of developed and well organized securities market.
2. Central bank of a country must possess unlimited stock of government securities; otherwise this policy will not operate successfully.
3. During economic and political uncertainties, businessmen do not want to take risk even if cheap credit is available. Hence OMO policy of central will not be effective. As compared to bank rate policy, OMO is direct and more effective instrument of credit control.

3. CASH RESERVE RATIO (CRR):

Cash Reserve Ratio (CRR) refers to proportion of the total deposits which banks have to keep with the central bank.

When the CRR is raised, cash reserves of commercial banks will reduce which in turn will reduce the lending capacity of banks. This will lead to decrease in the volume of credit creation by the banks. This policy is adopted during inflation.

In the opposite case, when CRR is reduced there will be increase in the volume of credit creation by the banks. This policy is adopted during recession. Hence higher The CRR, lower is the capacity of credit creation of banks and vice-versa.

RBI uses this tool to increase or decrease the reserve requirement depending on whether it wants to effect a decrease or an increase in the money supply. An increase in Cash Reserve Ratio (CRR) will make it mandatory on the part of the banks to hold a large proportion of their deposits in the form of deposits with the RBI. This will reduce the size of their deposits and they will lend less. This will in turn decrease the money supply.

LIMITATIONS:

This method suffers from following limitations:

1. This method is not very successful during recession because banks may like to keep extra reserves with them.
2. Frequent changes in CRR disturb the functioning of commercial banks.
3. Different banks differ in their financial strength. So, an increase in reserves may not affect larger banks but smaller banks are adversely affected.

These quantitative tools may either be used independently or in combination.

4. Statutory Liquidity Ratio (SLR):

Apart from the CRR, banks are required to maintain liquid assets in the form of gold, cash and approved securities. Higher liquidity ratio forces commercial banks to maintain a larger proportion of their resources in liquid form and thus reduces their capacity to grant loans and advances, thus it is an anti-inflationary impact. A higher liquidity ratio diverts the bank funds from loans and advances to investment in government and approved securities.

In well-developed economies, central banks use open market operations—buying and selling of eligible securities by central bank in the money market—to influence the volume of cash reserves with commercial banks and thus influence the volume of loans and advances they can make to the commercial and industrial sectors. In the open money market, government securities are traded at market related rates of interest. The RBI is resorting more to open market operations in the more recent years.

B. QUALITATIVE OR SELECTIVE CREDIT CONTROL (SCC):

Qualitative or SSC refers to control of credit in some directions only. It discriminates in favor of some essential activities. Credit is encouraged and provided at lower rate of interest as it is done in India for priority sector, and production of non-essential goods are discouraged. Under this method, following tools are used:

1. Change in margin requirements:

Margin refers to the difference between the market value of a security and the loan given. Suppose margin requirements are 40%. Then the loan advanced will be market price of a security minus margin. If the market price of a security is Rs. 1, 00,000 then loan sanctioned will be up to 60% i.e. up to Rs. 60,000 only. Hence Central bank may increase the margin to reduce the amount of credit that may be advanced by commercial banks and vice-versa. Margin fixed for different types of securities is different.

2. Consumer credit regulation:

Banks give credit to consumers to buy durable consumer goods like T.V., Car, and Scooters etc. Such credit can be controlled through initial payments and number of installments is reduced, the demand for consumer credit would be reduced and vice-versa.

3. Moral suasion:

It refers to request or appeal made by central bank to commercial banks to follow a particular line of action by way of calling meeting of the heads of commercial banks, letters, oral requests etc. to reduce their loans for speculation or for non-essential activities.

4. Control by directives:

Central bank issued directives (threat) written or oral to the commercial banks to follow certain line of action i.e. to avoid certain types of credit or to keep of credit or to keep their credit limits low in certain cases.

5. Direct action:

Central bank may resort to direct action against defaulting banks. It may refuse to rediscount the bills, if banks credit policy is not in accordance with the policies of the central bank or if their borrowings are in excess of their required cash reserves. Such, direct action has been taken by many central banks including RBI.

6. Rationing of credit:

Under this method central bank may fix a ceiling on loans and advances for commercial banks by way of rediscounting bills or it can fix the credit quota for each bank.

7. Publicity:

A central bank may adopt a wide- scale publicity campaign to enlighten the people and banks regarding a sound monetary policy to follows. This is done by publishing various periodicals relating to money market conditions, public finance etc.

• **LIMITATIONS OF QUALITATIVE CREDIT CONTROL:**

Through these methods can effectively control inflation in the economy but these suffer from following limitations:

1. Borrowers always do not depend on commercial banks for their credit. They may borrow from money lenders or through other sources.
2. In order to earn profit commercial banks sometimes sanction loans for unproductive and forbidden uses and may enter in their books under different headings.
3. It is difficult for commercial banks to ensure that the loans are actually used for the purpose for which they are actually sanctioned.

ROLE OF CENTRAL BANKS IN OVERSIGHT

Central banks are involved in payment and settlement systems as providers of Settlement assets, operators of the systems and also as users. One of the key tasks of central banks is to maintain public confidence in money and in the instruments and the systems used to transfer money. This would not be achieved if payment and settlement systems, which facilitate the exchange of money for goods, services and financial assets, are seen as inefficient, unreliable and prone to failures. Thus, as part of their public policy objectives, central banks, have involved themselves in the design and functioning of payment and settlement systems.

Payment and settlement systems are relevant to financial stability, as any failure of this vital infrastructure, could lead to broader financial and economic instability due to the large-values that are transacted by the SIPS and the erosion of public confidence in the event of failures in the retail payments segment. In an event of financial stress, market participants or central banks may wish to supply emergency liquidity to certain participants in a payment and settlement system in an attempt to encourage the orderly Settlement of transactions in the overall financial system. Additionally, central bank's role in payment systems frequently calls for cooperation and coordination of activities with other authorities such as banking supervisors and securities regulators to ensure smooth discharge of legal or other responsibilities essential for the payment system. Accordingly, the role of the central bank in discharging its oversight function is to assess the risks involved and in cooperation with relevant stake-holders put in place risk mitigation measures. It also ensures through oversight that the risks are not transmitted.

KEY HIGHLIGHTS

The following are the highlights of the Annual Monetary Policy for 2012-13 announced by the Reserve Bank of India (RBI) Governor D Subbarao on Tuesday:

- * Short term lending rate (repo) lowered by 0.50 per cent to 8 per cent.
- * Cash reserve ratio retained at 4.75 per cent.
- * GDP growth for 2012-13 projected at 7.3 per cent.
- * March-end, 2012-13 inflation expected at 6.5 per cent.
- * Bank rate cut by 0.50 pc to 9 per cent.
- * Deposit growth pegged at 16 per cent, credit growth at 17 per cent.
- * Upside risk to fiscal deficit target of 5.1 per cent.
- * Government borrowing may decrease credit flow to pvt sector.
- * Liquidity conditions moving towards comfort zone.
- * To issue final guidelines on Basel III by May 2012.
- * Tightens norms for lending against gold by NBFCs.

QUESTIONER

1. In other country measure central bank RBI play finest role in India?
2. RBI control rupee devaluation?
3. RBI performed monopoly in market?
4. Who is best governor of RBI?
5. Can RBI successful to control other under control bank?

CONCLUSION

The Reserve Bank of India has been actively engaged in policy action to minimize the impact of the global crisis on India. The policy response of the Reserve Bank has helped in keeping India's financial markets functioning in a normal manner and in arresting the growth moderation. The Reserve Bank will continue to maintain vigil, monitor domestic and global developments, and take swift and effective action to minimize the impact of the crisis and restore the economy to a high growth path consistent with price and financial stability.

Hence, this way RBI not only perform functions for which it is obliged but also carry on other acts for the development of economy as a whole and maintain sustainable growth controlling various factors affecting the same.