

AN EVALUATION OF HUMAN – TOURISM CLIMATIC COMFORT USING TCI IN DEZFUL REGION

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ABSTRACT

Current human bio-climatic investigations constitute as the basis for civil engineering, architectural design and tourists provisions in urban planning. The aim of this study is assess the climate for human comfort-tourism in greater Dezfulregion using index of TCI (Tourism climate index). To calculate theindex is used the climatic elements of temperature, precipitation, relative humidity, sunshine hours and wind speed. Then utilizingthe index, to evaluate of human - tourism climatic comfort, Dezful synoptic stations has been during the period (1993 to 2012). The results show thatstudy area during the year in terms of human bio climatic has veryhot to cold conditions. The results also indicate that the best conditions for tourism activities in Dezful region are October, November and March, while June, July, August and September are worstclimateforthetourists. Hence the evaluation of human comfort and human discomfort using the index in different climatic conditions, can be proportional with climatic characteristics be effective in tourism development planning, urban, architecture and etc.

KEYWORDS: Comfort, discomfort, TCI index, Dezfulregion.

INTRODUCTION

Today bio climatic researches are a foundation in urban planning, architecture and tourism development. Scientific studies have confirmed, in time, that the climate influences both the activities of all living beings and human society [1], although the relationships between its components are highly complex. The bioclimatic investigates, made over time, have confirmed that the subjective perception which the human body feels regardless of the environmental conditions [2] is the basis for the definition of the state of bioclimatic comfort or discomfort for whose that live in different climatic conditions that may best be quantitatively and qualitatively expressed by means of various bio meteorological/bioclimatic indices. Climatic parameters such as monthly means of maximum daily temperature, mean daily temperature, minimum daily relative humidity, mean daily relative humidity, total precipitation, total hours of sunshine, average wind speed and global radiation are accepted to be effective on bioclimatic comfort and recreation activities[3,4].Today knowledge optimal modelshuman bioclimatic comfort are use different models which most importantthoroughly documented in the literature:[5,6,7,8,9,10,11,12].Also other researchers have done investigate in this field including:[13,14,15,16].

From this point of view, the present study focuses on evaluating of Dezful climatic conditions utilizing synoptic station data and determining this region climate comfort months based on TCI index ,for this reason in this study to determine comfort months in Dezful region was used TCI index and the results of the analysis are recorded.

STUDY AREA

Dezful has two district (Markazi and Sardasht), its total area is approximately 4700 km² and is located in northern Khuzestan province between 32° 24' N and 48° 24' E. It is bounded by Lorestan province from north, MasjedSoleiman and Shushtar from east, Susa and Shushtar from south and Andimeshk from west.

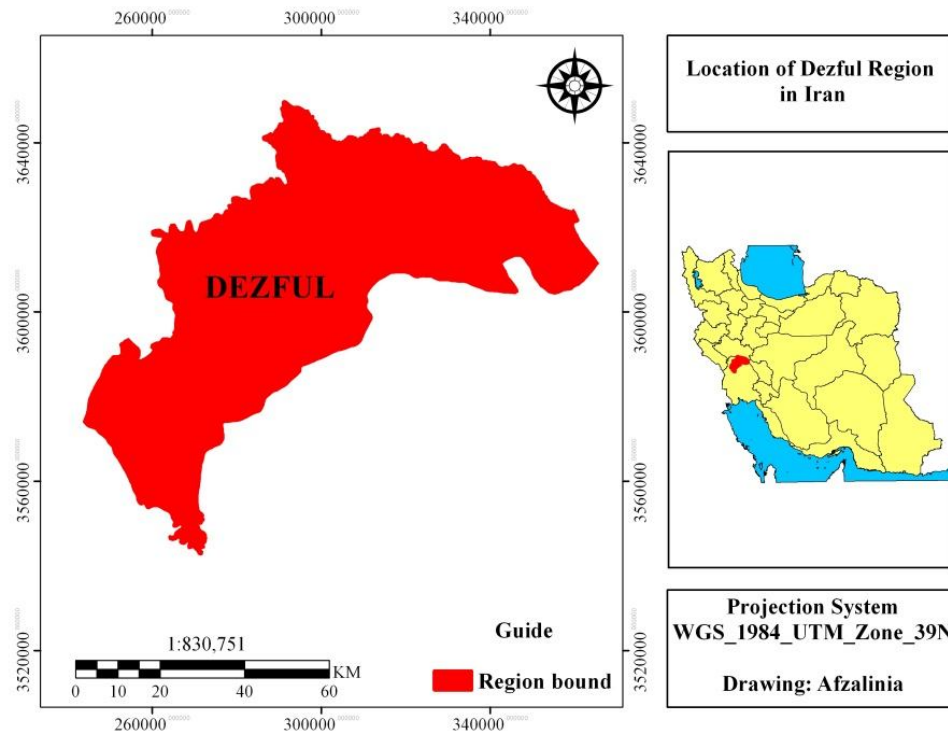


Fig 1. Location of Dezfulregion in Iran



Fig 2.Shevi water fall of Dezful



Fig 3.Old bridge of Dezful

MATERIALSAND METHODS

In this research, utilizing index of TCI in a period of 20 years (1993 - 2012) is taken as an assessment of the climate for human comfort-tourism in Dezful region. Climatic elements in this study are including: temperature, average maximum and minimum temperature, average maximum and minimum relative humidity, precipitation, speed and direction of wind.

RESEARCH FINDINGS

TCI index

TCI index is given by [6] with a combination of seven parameters, three of them alone and two as a bioclimatic combination (Eq. 1).

$$1: \quad TCI = 8 \cdot CID + 2 \cdot CIA + 4 \cdot R + 4 \cdot S + 2 \cdot W$$

Where, CID is daytime comfort index, consisting of the mean maximum air temperature (°C) and the mean minimum relative humidity (%), CIA the daily comfort index, consisting of the mean air temperature (°C) and the mean relative humidity (%), R the precipitation (mm), S the daily sunshine duration (h), W the mean wind speed (m/s). Contrary to other climate indices all the contributing parameters are assessed, each factor can reach 5 points, because of a weighting factor (a value for TCI of 100). Values ≥ 80 are excellent; values between 60

and 79 can be regarded as good to very good. Lower values (40 – 59) are acceptable, while values (< 40) imply bad conditions for tourism [17], [6].

Table 1. TCI index of Dezful region

Month	TCI
Jan	Acceptable and Good
Feb	Good
Mar	Very good
Apr	Good
May	Good
Jun	Marginal
Jul	Marginal
Aug	Marginal
Oct	Very Good
Nov	Excellent and very good
Dec	Acceptable

RESULTS AND DISCUSSION

The results (Table 1) indicated that in January climatic conditions has "Acceptable" comfort for tourists in East and Northeast of Dezful region but the climatic conditions is "Good" for tourists in the west and south of the region. Climatic conditions is "Good" in February that in terms of comfort climatic for tourists has "Very good" condition in March.

The results also showed that the climatic conditions are "Good" in April and May. Comfort climatic is "Marginal" for tourists in June, July, August and September months which is with arrival the autumn in October has "very good" climatic conditions in the region and this trend is during November in "excellent" conditions in Northeast and East and in the west and south is "very good" conditions. The results indicated that the December has "acceptable" climatic conditions. These findings are similar to the result of [18], [19].

CONCLUSION

Based on TCI index, October, November and March have been the best time in terms of tourism climate comfort in Dezful region, while June, July, August and September have the worst time for tourists. So the evaluations show that based on TCI index October, November and March are the best climate for tourism in the region.

The findings of this research can be as an applied model and in the form of an initial model in researches activities linked to ecotourism in the region and using necessary adjustments in urban planning, and consequently establish the necessary infrastructures by utilizing for strengthen of recreation services. That's why the results of this research, period mentioned has considered as the most attractive times for tourism

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AGENCY PROBLEMS AND SIMULTANEOUS DETERMINATION OF FINANCIAL VARIABLES : EVIDENCE FROM PAKISTAN

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ABSTRACT

Financial policies associated with dividend payout, insider shareholdings and capital structure decisions are related through each other and should be determined simultaneously. This research empirically inspects the influence of financial policy making on KSE registered Pakistani companies from an agency point of view with the help of a simultaneous system of models from the period 2005 to 2012. Four methods are considered to analyze the decision making process related to finance which are; debt ratio, insider shareholdings, dividend payout ratio and larger institutional shareholdings. Variables that are observed to have impact on financial choices are managerial ownership, leverage ratio, large institutional ownership, dividend payout ratio and fixed assets. Findings postulate that there is simultaneity in the financial choices as it is specified by the outcomes that strategies associated to capital structure are influenced by dividend payout ratio, large institutional ownership and fixed assets. Decisions associated to dividend payout ratio are influenced by factors like usage of debt, managerial shareholdings, institutional ownership, profitability and investment chances. Similarly policies related to ownership are influenced by debt level, dividend payout ratio, managerial and large institutional shareholdings and firm size. Overall outcomes empirically support the view that with the use of debt, managerial ownership, ownership by the large institutions, firms fixed assets, firm's profitability, and finally growth opportunities for firm's are vital monitoring devices to define the policies related to managerial holdings, dividend payout policies, use of leverage. The results divulge that; using debt, involving management and institutions in the ownership of the firms are treated as significant monitoring tools to control the agency related costs and problems and improved running of businesses.

Keywords: Dividend Policies, Ownership Policies, Leverage Policies, Financial Choices, System of Simultaneous models.

JEL Classification: G10, G11, G32, L21.

1. Introduction

Cost related to agency refers to observe directors actions and to make policies to force directors to chase stockholder's profit growth. Agency model advises that costs related to agency problems are function of different financial variables such as; capital structure, dividend payout, managerial and institutions participation in ownership. The cost related to agency problems and debt are also function of leverage of the firm. It is found that if there is higher level of leverage, there will be low level of agency cost due to great usefulness of external monitoring (Rozeff, 1986 & Easterbrook 1984). Literature related to corporate governance proposes significant association among corporate control and agency cost because all participants in a firm are negatively influenced by agency problems. So it is important to protect the rights of stakeholders and to minimize the cost related to agency issues and these issues rise because of separation of ownership and control (McKnight & Weir, 2009).

Berle and Means (1932) firstly presents the concept of agency problems and related theories and finds that directors of the businesses attempt to achieve their private goals in place of achieving shareholder objectives (maximizing stockholders value). Directors achieve individual goals by consuming surplus free cash in place of utilizing this free cash for the value maximization of stockholders (Jensen & Rubak, 1983). The agency problem can be resolved by enhancing portion of executive ownership in the firm that bring into line the interest of stockholders and directors (Jensen and Meckling, 1976). Many restrictions are useful in reducing the agency related problems; it can be using debt (Jensen, 1986), directors ownership in the firm (Jensen and Meckling, 1976) profit to stockholders (Rozeff, 1986) also outside equity owners (Shleifer & Vishny, 1986). The association among structure of capital, policies about dividend and structure of ownership discovered independently (Moyr, Chatfield, Sisneros, 1989) as well as simultaneously (Peterson & Benesh 1983, Jensen et al. 1992). This research emphasizes on discovering the connection among financial factors and agency problems

simultaneously. Easterbrook in 1984 found agency problems can be reduced with the help of dividends by forcing directors into equity market very often involving underwriters (which are monitor of the firms). Some researchers found positive association among insider ownership and level of leverage; also negative association is found among external shareholdings and leverage (Short, Keasy and Duxbury, 2002). Schooley & Barney (1994) define a function that explains that as the insider ownership rises so cost of agency problems also drop, but after entrenchment agency cost will increase. Chan and Lakonishok in 1993 found ownership of large institutions as vital tool to monitor manager decisions in large businesses. The institutional shareholdings, agency problems are adversely associated and ideal level of equity ownership by the institutions can't be reached by businesses (Crutchley et.al, 1999). Firms choose best level of shareholdings with minimal benefit and cost of holdings.

Smaller stockholders are unable to observe the actions of directors, institutional stockholders can achieve this job straightforwardly. Brickley et al. in 1998 also show that large institutional owners serves as a very useful monitoring device for reducing agency cost. As large shareholdings are able to collect information easily, also they are able to evade free rider issues and bring vital productive changes in strategy of firms (Shlefer and Vishny, 1986). Many factors fluctuates for business and due to these changes function of agency cost also changes which force variation in financial choice about directors ownership, level of leverage, level of dividends and level of large institutional shareholdings at the same time. This is the reason that it is vital to examine every financial choices simultaneously to decrease agency problems.

Agency problems in Pakistan are growing in firms due to rising business variation. Agency problems can disturb all participants in a range of practices, i.e.; directors can emphasize on their personal aims comparatively than maximizing the stockholders wealth, also directors can select an less beneficial opportunity for the purpose of investment. To protect the welfare of all participants by diminishing the agency costs associated with difference in owner and controller through diverse governance features (McKnight & Weir, 2009). Generally cost of agency issues for the business sector is large, so regulating and governing bodies recognize and put their emphasis on the implementation of SECP code of governance exercise and construct strong motivation structures in businesses. Emphasis of this research is on use of large institutional stockholders as alternate agency problems removal method and formation of solid competitive marketplaces for the directors for observing and business control as a mechanism to decrease the agency problems. This study inspects the relationship of financial choices and design of agency problems for a selected 267 Pakistani registered firms for the years 2005 to 2012. Pakistan facing problems in availability of data therefore limited valuable researches conducted in area of finance especially corporate governance and financial factors simultaneously. Cheema in 2003 endorse that firm's governance is playing an important part in performance of companies in Pakistan. In 2004 Mir & Nishat discovers the relation among control, firm performance and concluded useful as well as important linkage between various factors related to performance of the firm, operations and control of firms. Also in 2004 Shaheen & Nishat check the association among corporate governance and firms operations by using secondary data also data from primary sources. Mumtaz in 2004 claimed that SECP code of governance must be used as there is unique governance and control environment in case of KSE listed companies.

Rest of research is in the sequence as following. Second section delivers the methodology and techniques for the estimation of selected models in the research this section also defines measurement methods and sources of variables data utilized in this study. Third section afterward presents the analysis part also some important conclusions are offered. Fourth section summarizes the research and concluded the results.

2. Methodology

Many researchers argued in their studies about different environment related aspects like regulations related with governance, principles and legal effectiveness have strong impacts on financial factors related to governance as a result corporate governance is treated as exogenous factor, as Himmelberg in 2002 claim that financial factors are evidenced as exogenous and are evaluated by other variables and uses instrumental variables as a solution for this problem. Many researches also states that governance is endogenously determined like Coles et al. in 2008 and Weir et al. in 2002 too found alike results that when a model contains variables which are related to control and governance therefore such models can face the problem of endogeneity.

So it is significant to have emphasis on the problem of endogeneity as overlooking this problem can results inconsistent findings. Linck et al. in 2007 work with instrumental variables for controlling the issue of endogeneity. An alternative method to solve the issue of endogeneity is to use simultaneous equations. Like Coles et al. (2008) method, current study similarly uses simultaneous equation systems to check the effect of corporate governance on different financial variables, like policies related to dividend, capital structure policies and managerial ownership policies, from agency viewpoint of firms listed at KSE in Pakistan. In the

examination of policies related to financial variables numerous studies inspect this issue in the system of simultaneous model as other researchers do this (, McCabe (1979), Jalivand & Harries (1984), Noronha et al. (1996)). Thus the simultaneous system of equations stay used so debt equation, equation related to dividend and related to insider ownership in the system of models is established for this research.

For the analysis and to found the association of debt related variables (DT), insider holdings related variables (DOWN), dividend related variables (DVD) and institutional ownership related variables (LIN) with many parameters, four simultaneous equations are suggested as follows:

$$DT = f(DVD, DIOWN, LIN, W)$$

$$DVD = g(DT, DIOWN, LIN, X)$$

$$DOWN = h(DVD, DT, LIN, Y)$$

$$LIN = i(DVD, INSID, DT, Z)$$

Debt variable (DT), dividend variable (DVD), director shareholdings (DOWN), large institutional ownership (LIN) are dependent variables for simultaneous equations system. As each variable is also treated as independent in other models beside few other related variables in all models denoted thru vectors (W, X, Y, Z) in concerned model. So vector “W” specified in debt model contain agency related factors linked with agency costs of debt. And vector “Y” specified in the model of ownership comprise agency factors associated to managerial shareholding costs. Likewise vector “X” specified in dividend model contain agency factors related to dividend cost of agency. Similarly vector “Z” specified in institutional ownership model comprises agency factors related to institutional ownership costs. The detailed form of the simultaneous equations can be stated as:

$$DT_i = \alpha_i + \beta_{1i}DVD_i + \beta_{2i}DOWN_i + \beta_{3i}DOWN_i^2 + \beta_{4i}FRISK_i + \beta_{5i}FRISK_i^2 + \beta_{6i}PROF_i + \beta_{7i}RAD_i + \beta_{8i}FIXAST_i + \varepsilon_i \quad \dots\dots\dots (1)$$

$$DVD_i = \alpha_i + \beta_{1i}DT_i + \beta_{2i}DOWN_i + \beta_{3i}DOWN_i^2 + \beta_{4i}FRISK_i + \beta_{5i}FRISK_i^2 + \beta_{6i}PROF_i + \beta_{7i}GRH_i + \beta_{8i}INVES_i + \varepsilon_i \quad \dots\dots\dots (2)$$

$$DOWN_i = \alpha_i + \beta_{1i}DT_i + \beta_{2i}DVD_i + \beta_{3i}FRISK_i + \beta_{4i}FRISK_i^2 + \beta_{5i}RAD_i + \beta_{6i}SIZE_i + \varepsilon_i \quad \dots\dots\dots (3)$$

$$LIN_i = \alpha_i + \beta_{1i}DT_i + \beta_{2i}INSID_i + \beta_{3i}INSID_i^2 + \beta_{4i}PROF_i + \beta_{5i}DVD_i + \beta_{6i}RAD_i + \beta_{7i}SIZE_i + \varepsilon_i \quad \dots\dots\dots (4)$$

Where

DT = Long run ratio of debt

DVD = Ratio of dividend payment

INSID = Insider ownership

GRH = Sale growth in annual term

FIXAST = Total assets ratio to book assets in total

BRISK = Change in operating income

PROF = Operating income by total assets in ratio term

RAD = Advertising, research and development as fraction of assets in total

SIZE = Logarithm of assets in total

LIN = Large institutional ownership in percentage

LINDI = Large single ownership in percentage

INVES = Sum of investment on research and development and plant as a proportion of assets

Along with above design, this study also includes the variables of large stockholder monitoring for the analysis. Because of significant use of large owners as monitoring device new condition is analyzed by the addition of new factor in the simultaneous system of equations that is proportion of large single ownership (LINDI) in every model.

Current study discovers the simultaneous association concerning financial factors and agency issues for Karachi Stock Exchange registered Pakistani companies. The data used is in the panel form in this study and related

yearly observations for 267 companies registered at KSE is obtained from 2005 to 2012. This is era which was focused to improve and completely implement the Securities and Exchange Commission of Pakistan's code of corporate governance in business setting of Pakistan. From available companies list the registered investment firms, banking firms having unlike governance and monetary arrangement are not comprised in the list of sample firms. Thus a firm's panel consisting of "267" companies delivers a sample of "2136" annual observations for investigation.

Diverse sources was utilized in building key variables and data was collected from BSA report of firms registered on Karachi Stock Exchange (2003-2012) by SBP and annual reports of selected firms. Factors relevant to ownership and agency cost minimization variables like external shareholdings, institutional shareholding and director's shareholding were obtained from annual report of the selected firms. Required data for the factors like FIXAST, revenue, GRH and SIZ collected from different reports related to balance sheet items of firms. Similarly variables related to DT, DVD, BRISK, PROF and R&D was obtained from the items in the balance sheet part in annual report of finalized selected firms, accessed in the State Bank of Pakistan, KSE and SECP. Managerial shareholdings, institutional shareholdings, and individual shareholdings were obtained by utilizing information of report on shareholding pattrn of companies yearly documents through sample period for sample firms.

3. Descriptive Statistic and Regression Analysis

The outcomes of descriptive statics about factors utilized in current study are in Table one. Insider ownership is observed 9.1% as an average; ratio of dividend payout is observed 47.1%; usual institutional ownership is 18% and ratio of using debt is observed 19.3%.

Ordinary Least Square outcomes for simultaneous models and presented in Table two. This table two shows and explains every item for the result of four models in simultaneous system, model of debt, model of insider holdings, model of dividend payout and model of institutional shareholdings as defined in earlier part of study. Outcome for models of simultaneous variables demonstrates that director's shareholdings also dividend payout ratio are found to have no significant associated with the DT. Outcome also displays concluding DT and director's holdings adversely disturbs optimal level of dividend. However dividend ratio have no affect on the choice of debt as well as on insider shareholdings. Manager's shareholdings optimal level is disturb with debt adversely also managerial shareholdings disturbs optimal level of dividend adversely. FRISK also adversely and considerably associated with DT, DVD and INSID. Profitability found adversely linked to DT also positively associated with DVD. GRH and INVES is adversely associated with DVD that is akin to outcomes as found by Nornha et. al (1996).

Along with DVD, DT and INSID, LIN is too resolute simultaneously. DT has progressive influence on institutional shareholdings whereas DVD and INSID have destructive influence on institutional shareholdings. Institutional shareholdings has destructive influence on DT and insider shareholdings. So to decrease the agency problems institutional shareholdings is able to be used as an additional factor for director's shareholdings. A significant link is described among SIZE and managerial ownership that can support hypothesis that there are surplus insider shareholdings in the large companies and there is no wealth restriction on any one director due to greater proportion of possession in the firm.

SIZE and INSID has progressive association and PROF is adversely related to LIN. "Research and development and advertisement" factor (RAD) is absolutely related to institutional ownership.

3.1 Analysis of Lagged Variables

For the analysis of system of simultaneous equations in detail this study take in account the lagged terms of independent factors. The outcomes of simultaneous system of equations are offered in Table 3. As data is in panel form the lag impact of dependent factors can straightforwardly be inspected. Following four lag factors are incorporated in simultaneous system of equations, DT (-1), DVD (-1), INSID (-1) also LIN (-1). For debt model managerial shareholdings (INSID) as well as business fixed asset turns to negative. And a year earlier debt part has constructive and important impact on the present period. Additional remaining factors found same as before.

3.2 Debt Equation

In the equation related to debt insider shareholdings (INSID) and dividend payout ratio (DVD) are found adversely and significantly associated by debt it shows that insider shareholdings helps to involve in a lesser amount of debt, also insider ownership and dividend payout ratio together have impact on selection of leverage adversely. The outcomes agreed with the hypothesis developed by Friend and Lang in 1988, that is as insiders

shareholders have higher holdings then there are more chances for a smaller amount of diversification and gain more motivation to decrease financial risk. Similarly as companies have greater insider shareholdings then the agency problems related to debt seems to be greater as well as agency cost is also smaller because of the reason that currently managers are now greater and strictly associated with the owners instead of creditors. The coefficient constant of dividend in debt model is adversely affecting it means that businesses with greater dividend ratio emphasis on equity financing instead of debt financing.

Likewise Institutional shareholdings have certain significantly impact on the debt therefore Institutional shareholdings are not considered as alternate to debt by directors for decreasing the agency cost issues. The outcome for different other firm's related factors displays that firms risk (BRISK) clearly and significantly associated by debt. PROF and FIXAST are adversely associated by debt in addition lagged autoregressive factor DT (-1) is also important and constructive relation with the debt.

3.3 Dividend Equation

In the dividend equation Insider shareholdings (INSID) also debt (DT) are found significant and adversely associated by dividend payout ratio whereas greater institutional shareholdings (LIN) is positively associated however it is found insignificant. Analyzing the other business specific factors investment conditions (INVEST) and profitability conditions (PROF) are found positive and are associated with dividend (DVD) that means higher investment chances will lead to enhance the dividend payout ratio and a business will offer more dividends if profitability conditions of the company is improved. Whereas growth opportunities (GRH) are adversely associated with dividend payout ratio it means that with greater growth chances the dividend ratio will be reduced. Also insider shareholdings are adverse and are found significant, that also means businesses having greater insider shareholdings will face difficulties to decrease the agency problems through disbursing dividends, hence it plays significant part in determining the dividend payout policy of the firms.

The coefficient constant of debt variable is found negative that also shows that financial charges which are fixed are traded off by dividend payout ratio by the companies.

3.4 Insider Ownership Equation

In insider ownership model dividend payout ratio (DVD) is adversely but insignificantly associated with the managerial insider shareholdings (INSID). Also debt ratio is absolutely and significantly associated with managerial ownership. Whereas greater institutional shareholdings (LIN) are adversely associated with insider ownership (INSID). Firm's size positively associated with the insider shareholdings and also with the lag of insider shareholdings (INSID). These all results promote the opinion that directors have choice to control the policies related to financial affairs of the firms with the help of greater insider shareholdings.

3.5 Institutional Ownership Equation

In the institutional ownership model debt and managerial ownership are significantly and adversely associated with greater institutional shareholdings. It gives the idea that greater institutional ownership enforce companies to not involve greater ratio of debt which may lead companies to face greater risk. It is also found that research and development (RAD) is completely and significantly associated with greater institutional shareholdings which promote the idea about growth and value addition in the companies institutional ownership limit firm's directors to emphasis on R&D. The variable firm size is positively associated by institutional shareholdings.

The system of simultaneous models shows greater amount of descriptive power for the cross-sectional variables. From the obtained outcomes it is observed that choices of capital construction (debt), dividend ratio, managerial ownership and large institutional shareholdings are found simultaneous in the system. From the variables only dividend ratio is found to have no impact on the choice of inside ownership. However analysis also shows that insider shareholdings and financial choices are reliant and insider shareholdings (INSID) adversely effect on the company's dividend payout and leverage ratio polices. Also debt model outcomes displays that firms with high profitability uses fewer debt; dividend model displays that dividend payout ratio is finalized by companies at that point which authorities directors to have investment from internal sources. Therefore a company would define the dividend payout ratio and debt ratio related decisions in a way which can have benefits retaining the earnings. Also it can also be concluded that agency problems and bankruptcy problems also have impact on the financial choice as we found the coefficient of insider ownership, business risk, research and development and fixed assets in the simultaneous model.

4. Conclusion

This research examines the relationship between agency problems, financial factors, ownership and control factors and there characteristics, as the issue is not been earlier discovered empirically, so special emphasis has been employed on agency cost issues in listed firms at Karachi Stock Exchange. Current study tries to check the

influence of many financial factors; capital structure related items, dividend payout ratio related factors and insider shareholdings in a system of simultaneous equations from the aspect of agency cost related issues of registered firms for Pakistan. This research explores the probable relations among capital related policies, dividend payout policies, insider shareholdings policies and different other variables simultaneously for listed Pakistani companies; that have direct impact on the choices of companies associated to capital, insider shareholdings and institutional shareholdings and dividend payout policies.

The results from this research is found that there is simultaneity in the financial factors from the agency cost viewpoint is present in the selected Pakistani companies that leads to simultaneous determination finance related policies and decisions. The outcomes suggest that using debt, insider ownership, institutional ownership, fixed assets and opportunities for the growth are vital variables to define and select the dividend related policies, leverage related policies and insider ownership related strategies. The conclusions disclose that using debt, managerial shareholdings and institutional ownership are considered central monitoring tools for improved organizational and operational functions of the companies. This research pinpoints few key conclusions which have significant inferences for corporate controllers, directors, companies and stockholders of the companies. The findings have significant concerns from the point of view of capital cost and risk investors are facing to appeal investment. Findings also shows that for controlling the agency problems and improving the performance of the firms, there must be some reforms related to governance and that must be functional from overall perspective.

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THE EFFECT OF BRAND COMMUNITY ON BRAND IDENTIFICATION AND COMMITMENT

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ABSTRACT

During the recent years, brand management has been considered in correspondence with the management of the relationships within the brand community. For an efficient management of these relationships, organizations must develop brand community identification and brand community commitment. The aim of the present study is to investigate the effect of brand community on brand identification and commitment. The research model consists of the variables of brand community identification, brand community commitment, brand identification, and brand commitment. Research population includes the members of the customer club of the branches of Mellat Bank in Yazd Township, of which 180 acceptable samples were selected randomly. This study is an applied research using correlation method. Required data were collected using questionnaire and a survey method. In order to examine the model and the hypotheses, structural equations modeling has been used with the contribution of partial least squares method and Smart PLS. Findings of the study show that brand community identification has a significant effect on brand identification and correlates with brand community commitment. The relationship between brand identification and brand commitment has also been confirmed.

Keywords: Brand community identification, Brand community commitment, Brand identification, Brand commitment

INTRODUCTION

Brand is among the intangible assets of a company and is the source of the highest values. Today, brand is considered as an inseparable component of marketing strategy (Motameni & Shahrokhi, 1998) and brand marketing has become a central issue in trading. Companies with superior performance in various industries are moving toward maintaining the present customers and attracting their commitment because most markets are within their maturity step, competition is increasing, and customer attraction costs have significantly increased (Mazhari et al., 2012: 81). A powerful brand community can result in a crowd of loyal customers with commitment to the brand (Munniz & O'Guinn, 2001: 427).

Maintaining the customer and attracting his commitment are critical issues for trade survival. Today, in order to prevent customers' inclination towards the competitors, the managers should try more to understand customers' needs and demands so that they can meet their needs better and maintain long-term trading relations with them; Therefore, any method that can better accomplish these objectives will be considered (Chiu et al, 2005: 1681); This is why studying brand community with an emphasis on the final consumers has attracted scholars and marketers to itself within the several past years. Brand communities are relational networks between the brand and its members, and are potentially proposed when the brands are competing with other brands for creating and maintaining a relevant community (Samu et al., 2012: 1581).

A brand community is a community formed upon dependency to a product or a commercial logo. Recent advancements in fields of marketing, and the studies conducted on consumers' behavior are the result of the emphasis on the link between brand and cultural and individual identity. In explaining consumers' behavior, the concept of brand community has been concentrated on the relationships between the consumers. During the last decade, companies have observed consumers' increasing interest in brand community. Brand community is concept corresponding to the relationships between the consumers and the brand (such as the attitude toward brand, brand personality, brand image) (Zhou et al., 2012: 890). Consumers involved in the brand communities (customers clubs) show their loyalty and commitment to that brand in selecting and consuming it. They also try to communicate with other consumers of this brand and regard using the services of this brand among their important activities. Companies consider these communities as positive efforts. They know that investing on this issue results in stronger commitment to the brand. Johann et al. (2008) pointed out that in brand communities, there are some individuals who have extensive knowledge about the products and take part in discussions on the product, each of whom can help with solving the company's problems and producing ideas for new products (Shih, 2010: 323). During the recent years, brand management has been considered in correspondence with the management of the relationships within the brand community. For an efficient management of these

relationships, organizations must develop brand community identification and brand community commitment (zhou et al.,2012: 895). Not only the marketers try to increase their products sale, but also they try to establish a long-term loyalty and commitment to the brand among the consumers (Carlson, 2005: 38). Many marketers believe that within the current marketing environments, brand communities are more cost effective (Shih et al., 2010: 323). The effects of brand communities on marketing performance have been investigated before, but only a few studies have experimentally analyzed the effects of a brand community on brand relationships. With regard to the fact that brand communities and consumers' relations with brand work in different levels, we must understand how the consumers' relations with brand community are translated into their relations with the brand itself (such as brand identification and commitment). Therefore, the present research question is how brand community affects brand identification and brand commitment.

1. A review of the related literature

Brand

One of the best definitions of brand by Gardner and Levy (1955) describes brand as a complicated symbol including a wide range of ideas and features. Brand affects the customer not only through its rhythm (upon its meaning), but also through any factor that has been mixed with it over time and has been recognized by the society as a well known social entity. According to Stiffen King, a product is what produced in a factory, but brand is what the customer buys (Miller & Muir, 2004: 211-215). Brand gives the customer some clues of the main product and supports the producer against other producers trying to produce similar products. In a customer's view, brand can be defined as a set of experiences obtained from every relationship between the customer and the product or the factory (Ghodeswar et al, 2008: 4).

Brand Community

This term was first proposed by Albert Muniz and Thomas O'Guinn in a paper under the title of 'Brand Community' in the Journal of Consumers Studies. They presented a general definition of brand community and studied its roots in classical sociology and consumer's behavior. Brand community refers to "a limited (not geographically) academic community based on a structural set of social relationships among those who appreciate a brand" and is an academic concept because there is a product or a service under a brand in its center. Like other communities, brand communities have three features; common awareness, customs and traditions, and a feeling of moral responsibility. Members of a brand community are involved in formation of higher social structures of the brand and play a critical role in final heritage of the brand (Muniz & O'Guinn, 2001: 412).

Brand community is a very important factor in terms of brand special value and in respect with the process of marketing planning. During the recent years, brand communities have become one of the most encouraging changes in relational marketing (Storch, 2008: 1). Brand communities are resulted from the relationship between a consumer and a brand. Studies show that there are various reasons for joining to brand communities upon which members of these communities may have different motifs for joining to the community. Keller (2001, 2003) has concluded in brand literature that the relational level which the brand can obtain with its customers is marked with strengths and weaknesses; in a state of strong relation, consumers relating with the brand have a sense of commitment and feel that they are connected to the brand. Furthermore, the consumers experience strong relations with the brand and it makes them recommend it to others, have an emotional feeling to the brand, and consider themselves as a member of the brand community (Ouwensloot & Oderkerken-Schroder, 2008: 571).

Relationships between the brand community and brand identification and brand commitment

Brand community identification (BCI)

Brand community identification contains the power of connecting the consumer to the brand community and shows each individual's interpretation as a member of the brand community (for example, in research by Algesheimer et al (2005), brand community commitment has been discussed). Identification of a brand community makes the consumers reach an agreement on the norms, traditions, customs and goals (Chang et al, 2013: 3).

In studies by Mael and Ashforth (1992), community identification is defined as the individual's perception of his real or symbolic commitment to a given group, while Ellemers et al. (1999) have divided this variable into three components; cognitive (awareness of membership), assessment (positive or negative reasons for being a member of the group), and emotional component (commitment to the group) (Marzocchi et al., 2012: 3).

Brand Identification (BI)

Brand identification refers to a strong mental connection to, or the feeling of being integrated with the brand. People are identified via brands that reflex, reinforce and improve their identity. Identification is thought to be a

function of perceiving attractiveness of an entity (what is really thought of that entity) interpreted in accordance with its external image; for example, what the person believes that others think of him (Hughes, 2013: 6). In fact, brand identification is to assess consumers' cognitive links with the brand to explain themselves (Zhou et al, 2012: 893). Studies conducted by Fournier (1998) refer to the capabilities of the brand to convey information (such as values) on the consumers, and in researches by Escalas and Bettman (2003), brand identification is considered as a level of interpreting the brand and the concept of self-consuming. Since brand has a symbolic value (studies by Belk 1988 and Keller 1993), it can help the consumers define themselves (Albert et al, 2012: 2).

According to the studies by Algesheimer et al (2005), brand identification leads to brand community identification, and the reverse relationship has also been shown. (Algesheimer et al, 2005: 21). According to studies by Bagozzi & Dholakia (2006), brand community identification has a positive effect on brand identification. Findings of these two studies confirm the correlation between brand community identification and brand identification (Zhou et al, 2012: 891). Experiences and values obtained from a brand show that a brand community can improve consumers' cognition and attitude, and can increase their awareness through the brand (Ibid, 891). Therefore, the following hypothesis can be proposed:

H1: There is a significant relationship between brand community identification and brand identification.

Brand Community Commitment (BCC)

Brand community commitment (BCC) refers to the members' tendency to maintain their relations with the brand (Zhou et al, 2012: 893). Commitment refers to a clear promise or treaty between the members of a trade to maintain their relationships and can be defined as a tendency to keep on positive relations. In other words, brand community commitment is regarded as the members' feeling of belonging to the community and their emotional dependency and loyalty to the company. An individual can feel commitment (Jung et al, 2009: 525). Having common experiences and values, the members of the community are likely to maintain long-term relationship with the brand and commitment to the brand community. There is a strong bond between identification and commitment. Commitment to a company results from the consumers' identification of the company (Zhou et al, 2012: 891). Brand community identification can function as an important social mechanism containing users' active participative behavior, in which tangible elements are rarely observed. In other words, through this mechanism, an individual interprets himself as a member and consider himself as belonging to a community. Numerous studies such as the one by Algesheimer et al (2005) show that identifying of a group contains two components of self-cognition and emotional commitment (Tsai and Pai, 2012: 6).

Mathwick et al. (2008) state in their studies that applied and social values lead to brand community commitment. Brand community identification brings about social values due to the dependency formed on the base of common experiences of the brand. Brand community identification means that the community members purchase their popular brand, share their experiences about that brand, and consider consumption of that brand. Having common experiences and values, the members are likely to try to maintain long-term relationships with the brand (Zhou et al, 2012: 891). Therefore, the following hypothesis can be discussed:

H2: there is a significant relationship between brand community identification and brand community commitment.

Brand Commitment (BC)

Consumer's commitment to the brand shows mental or sensual affairs indicating the degree to which the brand is strongly confirmed as the only appropriate alternative in its category. According to studies by Ashforth et al. (2008), commitment through identification shows a positive attitude towards the brand, while the consumers and the brand are separated from each other. Brand commitment is also close to loyalty to the brand, but is different from it (Tuškej, Golob and Podnar, 2011: 2). Wan-Huggins et al. (1998) stated that there is a strong bond between identification and commitment (Zhou et al, 2012: 891).

Strong relationships between consumers and brands result from brand consumers' identification when their given needs are satisfied. Therefore, when there is an identification of the brand, ignoring the impact of the feeling toward the community, brand commitment will come to existence (Carlson et al., 2008: 286). According to Keh and Xie (2009), brand identification and brand commitment should be related to each other so that they both show a strong relationship between the consumer and the brand. Fullerton (2005) also states that brand commitment results from the consumer's identification through the brand (Albert et al., 2012: 3). Now the following hypothesis can be considered:

H3: there is a significant relationship between brand identification and brand commitment.

Numerous studies, such as those by Kim et al. (2008), the members' commitment to a brand community leads to brand commitment (Zhou et al, 2012: 891). Consumers with commitment to a brand community tend to buy the same brand frequently (Algesheimer et al., 2005: 24). Commitment-based participation and interaction with other members help with reinforcement of the brand consumers' experiences and values and lead to an increase in brand commitment (Zhou et al, 2012: 891). Therefore, the following hypothesis can also be considered:

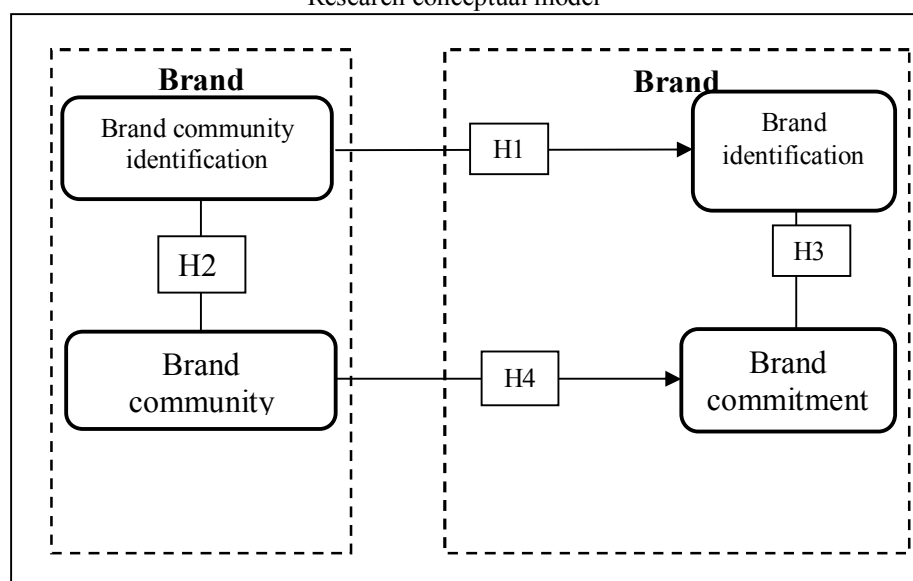
H4: there is a significant relationship between brand community commitment and brand commitment.

Figure 1 shows the conceptual model of the research.

1.1 Research conceptual model

The research conceptual model is as follows:

Figure 1.
Research conceptual model



RESEARCH METHODOLOGY

The research population consists of the members of the customers club of Mellat Bank and the sample includes 180 active members of this club from different branches of the bank in Yazd Township selected randomly. The study is an applied-correlation research. This study is a combination of library and field research. Related literature was compiled through library studies, and questionnaires were used for collecting data. The five-choice Likert spectrum was used in the questionnaire, where 5 = strongly agree and 1= strongly disagree. The validity of the questionnaire used in this research was confirmed by several experts of Mellat Bank and university professors. Also Cronbach's Alpha was used to determine the reliability of the questionnaire. To do this, a primary sample included 30 questionnaires in pretest. Then, having the data obtained, Cronbach's Alpha was calculated using SPSS 18. Table 1 presents the values of Cronbach's Alpha, the number of questions related to every variable, and the sources of the questions. Since the value of Cronbach's Alpha is greater than 0.7, the research reliability is acceptable.

Table1.
Reliability Test using calculation of Cronbach's alpha

Research Variables	Number of questions	Question sources	Cronbach's alpha
Brand community identification (BCI)	6	Zhou et al (2012)	0.774
Brand community commitment (BCC)	5		0.869
Brand identification (BI)	5		0.829
Brand commitment (BI)	3		0.705
Total questionnaire	19	-	0.895

3.1. Descriptive statistics of the members of the studied sample

From among the 340 studied members, 180 samples were randomly selected using Cochran Formula, of which 137 were men (76.11%) and 43 were women (23.89%). Also 28 members were single and 152 were married. The descriptive statistics of the 180 respondents is presented in Table 2. Demographic characteristics of the studied sample show that a good variety of members have been studied.

Table2.
Demographic characteristics of the sample

Demographic Variable	-	%	Demographic Variable	-	%
Gender	Male	76.1	Education	Upper diploma	42.28
	Female	23.9		Bachelor	51.01
Age	<25	9.44		Masters	6.04
	26-35	42.78		Ph.D	0.67
	36-45	28.33	Job Experience	<5 years	18.64
	46-55	19.44		6-10 years	24.86
Marital Status	Single	15.6		11-15 years	19.21
	Married	84.4		16-20 years	12.99
				>20 years	24.2

3.2. Analyses of the Hypotheses

In order to investigate the relationships between the variables of the study, confirmatory factor analysis and PLS technique have been applied using PLS Graph 2 Smart. In PLS technique, two models are tested. The external model is similar to the measuring model, and the internal model is similar to the structural model in structural equations models. The external model shows the operating loads of the observed variables.

External Model (Measuring Model)

In methodology of structural equations model, firstly it must be determined via aconfirmatory factor analysis (CFA) whether the signs selected for measuring the variables have sufficient accuracy or no. in this case if the operating load of each sign on its variable, t, is larger than 1.96, the sign is accurate enough to measure the latent variable. Also if the signs of the studied variables have a statistic, t, of smaller than 1.96, their accuracy is not acceptable and hence must be discarded from the process of analysis. In this research, face validity test done to examine the accuracy of the signs used to measure the variables shows that all signs have provided appropriate applied structures for measuring the studied aspects in the model. Table 3 presents the values of operating load for various items of each latent variable.

Table3.

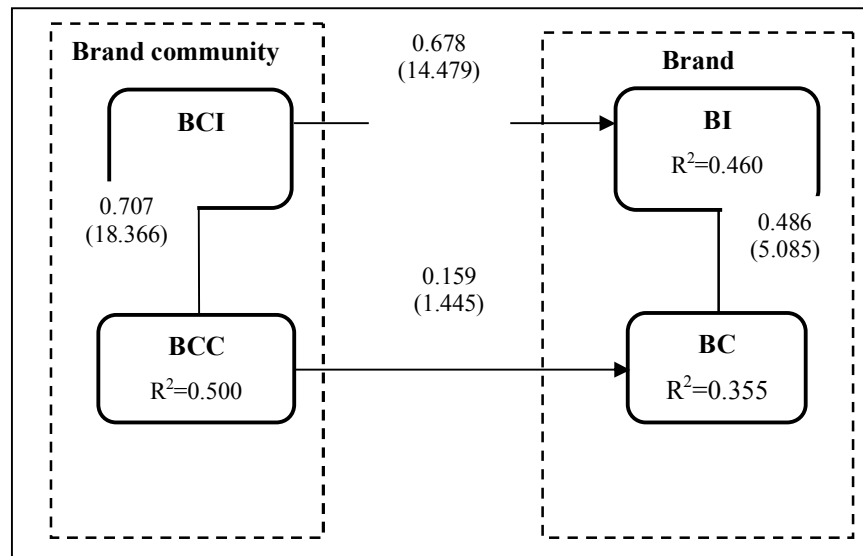
Confirmatory factor analysis and the external weights for signs of each variable
and investigation of AVE and reliability of the variables

Variable	Sign	Operating load	Standard error	t	Weight	AVE (> 0.5)	Composite Reliability (> 0.6)	Cronbach's alpha (> 0.7)	Coefficient of determination
brand community identification (BCI)	Q1	0.673	0.051	13.11 ₉	0.236	0.574	0.842	0.773	-
	Q2	0.583	0.071	8.159	0.197				
	Q3	0.761	0.037	20.51 ₅	0.239				
	Q4	0.806	0.024	32.69 ₅	0.295				
	Q5	0.581	0.068	8.543	0.223				
	Q6	0.696	0.040	17.25 ₅	0.250				
Brand community commitment (BCC)	Q7	0.706	0.047	14.77 ₇	0.194	0.657	0.905	0.869	0.4996
	Q8	0.843	0.022	38.08 ₉	0.255				
	Q9	0.867	0.017	49.43 ₄	0.284				
	Q10	0.794	0.030	26.16 ₄	0.236				
	Q11	0.834	0.024	34.11 ₀	0.253				
brand identification (BI)	Q12	0.832	0.024	34.61 ₃	0.301	0.609	0.886	0.838	0.4598
	Q13	0.774	0.042	18.13 ₉	0.241				
	Q14	0.795	0.036	22.02 ₀	0.259				
	Q15	0.809	0.032	24.77 ₄	0.243				
	Q16	0.682	0.047	14.37 ₇	0.232				
Brand commitment (BC)	Q17	0.536	0.143	3.748	0.180	0.572	0.714	0.705	0.3552
	Q18	0.917	0.044	20.53 ₇	0.824				
	Q19	0.534	0.143	3.720	0.274				

In structural equations model, in addition to face validity that is used to examine the significance of the signs selected for measuring the variable, diagnostic validity is also considered. This means that the signs of every variable must ultimately present an appropriate separation in respect with measurements of other variables of the model. Put in simpler word, every sign should only measure its own variable, and their combination must be such that all variables are well separated from each other. This process is determined using average variance extracted (AVE). AVE coefficients show what percentage of a structure or a variable of the model is described via a single sign. The structures or the variables of the model have an AVE value greater than the standard value, 0.5, introduced by Bagozzi and Yi (1998); therefore, this is concluded that the signs can appropriately describe the variables of the research model.

In measuring model, internal coordination of the model, or the reliability, is measured by calculating composite reliability. Reliability values are presented in Table 3. In this step and with regard to the end of variable refining phase and making sure of the accuracy of the signs in measuring the concepts and variables, we can get to analyze the hypotheses.

Figure 2.
Research final model



Internal Model (Structural Model)

Through the internal model, the hypotheses were examined and the path of the structural model was assessed. Every path is correspondent to one of the hypothesis of the model. Every hypothesis is tested through examination of the sign, measure, and statistical significance of the path coefficient, β , between the latent variable and the dependent variable. The greater the β coefficient, the more is the predictive effect of the latent variable on the dependent variable. By considering the results of analyses of the relationships between the independent and dependent variables, we can examine the significance of the effects between the variables using the corresponded coefficient. In order to examine the significance of the path coefficient, β , the significance of t-value should be considered for each path coefficient. Therefore, the Bootstrap method was used. To do so, the Bootstrap method was simulated in two states with 500 and 800 samples. The results show that in none of the two states a change occurred in significance of the parameters, and the results have good robustness. Table 4. presents the direct linear effects of the variables after using Bootstrap method.

Table4.
Linear effects between the research variables

Hypothesized path	β	Standard error	t	Bootstrap	
				800	500
BCC → BC	0.159	0.110	1.445	1.482	1.526
BCI → BCC	0.707	0.038	18.366	18.246	17.986
BCI → BI	0.678	0.046	14.479	13.967	14.412
BI → BC	0.486	0.095	5.085	5.107	5.110

With regard to the value of t-statistic in reliability level of 95% that is smaller than 1.96 for the path brand community commitment → brand commitment, it can be said that there is no significant relationship, but significant relationships are observed in other paths. Table 5. presents the results of testing the hypotheses.

Table5.
Results of testing hypotheses

Testing Hypotheses	t-statistic	Standard coefficient	Significant relationship
Between Brand community identification (BCI) and Brand identification (BI)	14.48	0.68	Yes
Between Brand community identification (BCI) and Brand community commitment (BCC)	18.37	0.71	Yes
Between Brand identification (BI) and Brand commitment (BC)	5.09	0.49	Yes
Between Brand community commitment (BCC) and Brand commitment (BC)	1.445	0.16	No

CONCLUSION AND RECOMMENDATIONS

With regard to the results of testing the hypotheses (Table 5.) and the studied population (customers club of Mellat Bank), it can be said that there is a significant relationship between identification of the customer club of Mellat Bank and Identification of Mellat Brand. In other words, the members of the club share their experiences of consuming the brand and its values, so that they are known via their brand. They are aware of their membership and the reasons and motifs for being a member. Through the membership, they try to reflect their identity, improve their attitude and knowledge, and increase people's familiarity with this brand. This result is in agreement with the studies by Algesheimer et al. (2005).

Also presence of a positive relationship between identification of the customers club of Mellat Bank and commitment to this club shows that by increasing brand community identification, brand community commitment is also increased. In other words, by their membership in Mellat club, the customers introduce themselves as a member of the club and as belonging to that club; therefore, they try to maintain long-term relationships with the brand. Also they are affected by the brand through sharing their experiences of various services of that brand. This result is in agreement with the studies by Tsai and Pai (2012) and Zhou et al. (2012). Examination of the third hypothesis shows that there is a significant relationship between identification of Mellat brand and commitment to this brand. The relationship is so strong that a customer selects the brand to form his identity and always tend to support this brand. According to Fullerton (2005), brand commitment results from brand identification by the customer (Albert et al., 2012: 3). In other words, by increasing brand identification, brand commitment is also increased. The result of this hypothesis is in accordance with the studies by Albert et al. (2012) and Zhou et al. (2012).

According to the obtained results, it is recommended to the managers of this bank to notice their customers' motifs to join the club and try to meet their demands and through the innovative services that have not been provided yet, try to encourage the customers. They should consider the role of the brand and customers commitment to it and concentrate on it in management of relations with customers, and employ appropriate strategies and plans to develop their relationships with loyal customers.

In banking industry if managers want to maintain their customers, they should not be afraid of experiencing new situations and taking the risk. They should try to convey full information to the customers without creating ambiguities in their minds. Managers should also follow the process of informing about new services through digital communicative channels and try to introduce their brand to the customers using attractive advertisements. Also the response service of Mellat should be responsive to the customers as online, and it should be tried to remove problems concerning internet traffic. In the case that the members of the club communicate with each other sharing their experiences taking advantage of facilities other than Mellat card, such as chatting halls, online games, and online shopping, the environment of the club will be more dynamic, and the customers are more inclined to be active. It is recommended to constantly introduce the active members on the site with their pictures. Paying particular attention to the customers with tendency towards investment and long-term saving accounts in Mellat Bank leads the customers to act for the advantage of all members of the club rather than following their own advantages only.

Although this study shows a fruitful research concerning brand, it highlights several issues calling for future research. It seems that conducting the same study in other communities concerning other brands can compensate the existing gap. Future results should also investigate other features of brand and community besides studying the effects of brand communities on brand identification and commitment. Regarding the researcher's necessity to report the findings to the customers club of Mellat Bank, achieving the results can improve the managers' insights in respect with the present situation, and can also draw more attention to activities to obtain an optimum situation. Furthermore, conducting applied studies with the intention of presenting a framework to develop brand communities in various industries can be regarded as interesting topics for future research.

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IMPACT OF ADVERTISEMENT MEDIA ON CUSTOMER PATRONAGE TO A RESTAURANT

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ABSTRACT

Indian cuisine is hot, spicy, flavoured with herbs, and offers many vegetarian and non-vegetarian options. Eating has long been central to the culture of India, as diet is linked to notions of purity and self-control. These days a lot of expenditure on advertisement is spent by restaurants to ensure customer patronage. This paper analyses the impact of five types of advertisement media i.e. newspaper, radio, pamphlet, sponsorship and social media on return patronage to a restaurant. A sample survey was conducted with a structured questionnaire. Data was collected through convenience sampling method from 100 respondents. The data has been analysed using factor analysis technique. The results of study shows that pamphlets and brochures have a higher impact on return patronage to a restaurant. The findings of the study can be helpful for restaurants to formulate better policies regarding advertisement.

Keywords: Restaurant, return patronage, advertisement, online advertising, pamphlet, sponsorship, radio advertisement, newspaper advertisement, social media.

INTRODUCTION

Indian cuisine is hot, spicy, flavoured with herbs, and offers many vegetarian and non-vegetarian options. Eating has long been central to the culture of India, as diet is linked to notions of purity and self-control. The cosmopolitan Indian is now eager to explore new tastes and absorbs global trends and is no longer limited by geographical or cultural boundaries. India has several thousand multi-cuisine eateries that dot the cities (Ramapuram and Batra). Fast food restaurants are popular because of its price, quick service and promotion that can influence customer's perceptions. Fast food restaurants that have become popular are Kentucky Fried Chicken (KFC), MC Donald's (McD), Subway, Pizza Hut, Dominos' and more (Haque). There is a movement towards trying out new and exotic foods, increasing interest in vegetarian items, as well as a growing use of spices, herbs, and hot peppers. Asian foods are getting more popular with cuisines from china, Thailand, and Japan in the lead (Bharat and Prema, 2004).

The growth in the restaurant industry over the past years can be attributed mainly to a change in the modern way of life. Consumers are nowadays experiencing an increasing scarcity of time. As a result, consumers prefer to eat out rather than to spend their scarce time cooking meals at home. This triggered a tendency to consume food away from home (Andaleeb & Conway, 2006).

Return patronage is the act or condition of going back to be a regular customer or client of a commercial establishment. There is an agreement among consumer researchers that loyal customers are essential for long term business success, and that repeat patronage is a fundamental marketing objective of any business (Ramapuram and Batra).

The Indian restaurant industry is worth Rs.75,000 crores and is growing at an annual rate of 7%. The industry is highly fragmented with 1.5 million eating outlets, of which a little more than 3,000 outlets form the organized segment. However, the organized segment is rapidly growing at an annual rate of 16%. Quick service segment is the clear winner in the eating out market with a growth rate of 21% (www.smergers.com). A report by National Restaurant Association of India (NRAI) and Technopak reveals that the size of the food services market in India is estimated at \$48 billion in 2013. This is projected to grow at a CAGR of 11 per cent over the next five years to reach \$78 billion by 2018 (www.thehindubusinessline.com). Hence, restaurants should focus not only on quality food and service but also to retain the level of satisfaction and like to delight the customer.

THEORETICAL BACKGROUND

Advertising has core competencies to become more effective because effective marketing communications have become an essential part of a firm's success in introducing and promoting products and services. Advertising can create a unique personality for a brand which is the key to sparking customer's desire. Finally, advertising can be used to reduce overall selling costs (Yeshin, 1998). For example, many companies are successful in creating their own brand loyalty because of their quality, taste and especially advertising

(Brierley, 2002). Advertising messages can become efficient if they follow several characteristics such as meaningfulness, distinctiveness and credibility. These characteristics can guarantee advertisers to capture customers to become loyal to their products. Influence can be a power affecting a person, thing or course of events, especially one that operates without any direct or apparent effort (Haque et al.).

Print media is one advertising technique that has been used by many companies to promote their products and services (Haque et al.). In the United States, there are 1745 daily and 7602 weekly newspapers and 64000 magazines, which have become quite successful (answer.com). Newspapers are the most popular print media among restaurants, is generally published once a day. Newspapers are also often used to distribute coupons to a wider audience whether as a part of the newspaper or special inserts. There are several areas in print media which have advantages as well as disadvantages when published in this context (Cathy and Powers, 2001). Print media such as newspapers or magazines delivers better advertising because a copy of print media advertising uses more than two people to receive information and gets in anywhere. So, a copy of print media creates a huge total number audience to receive information especially about advertisements. This happens because print media attracts more than two people to receive information. (Haque et al.)

Internet has become useful because it can change how people practice religion, how they date, how they decide on which movie to watch, how they spend their leisure time and how they work. Internet advertising is important in e-communication strategy that is been used by the company of firms (Haque et al., 2006). Social networking sites like Facebook have been increasingly used by people all over the world. Facebook, founded by Mark Zuckerberg (25) six years ago, now boasts over 350 million subscribers and is available in 70 languages, making it the third-largest most populous platform in the world¹. Advertising on Facebook has reached new heights. One of the most economical ways to advertise on this platform is with a new feature called “Boost Post”. Boosting allows a marketer to promote individual daily posts with a photo (www.7wavesmarketing.com).

Apart from newspapers, pamphlets and Facebook, another widely used medium of advertisement is radio. Radio is an ideal media for marketing fast moving consumer goods because it can reach wide targeted listener demographics in urban habitat. The broadcast of commercials on radio needs real feel orientation and voice is the single major determinant that draws the attention of listeners. Most studies did not consider radio and outdoor advertising as principal research agenda, despite their importance in business communication, consumer behavior and towards sale stimulation for retailers. However, the current study has considered radio as one of the advertising media to determine its impact on the return patronage to the restaurant.

This research focuses more on five types of advertising media utilized by fast food restaurants, that is, internet (Facebook), radio, newspapers, brochures and sponsorships. The impact of these five different media types on the return patronage of the customer has been studied as an effort to fill the research gap. This research would make a useful contribution to the fast food restaurant companies in India which would add a substantial value in the literature on consumers’ behavioral research. Also, this research would help managers to effectively implement advertising plan and managers can use the study as path to create advertising plan by viewing what target markets to reach, what to reach, what features and how to influence customers and more.

The overall objective of study is to investigate the impact of type of advertisement media on the return patronage of a customer to a restaurant. In other words, to examine which media type affects the return of the customer to the same restaurant.

REVIEW OF LITERATURE

Consumers are becoming increasingly interested in cuisine and visiting destinations for culinary experiences (Faulkner et al., 1990). A number a research studies have been a part of the literature. International researchers have investigated restaurant customer satisfaction and return patronage from various perspectives. Soriano (2002:1064) found that quality of food, service quality, cost and ambience were linked to return patronage in up-scale Spanish restaurants. In 2004, Iglesias and Guillén (2004) determined that perceived quality had a positive effect on customer satisfaction. In the same year, Sulek and Hensley (2004) found that food quality, a restaurant’s atmosphere and the fairness of the seating procedure had a significant effect on customer satisfaction. Their research identified only food as a significant contributor to customer return patronage (Moolman, 2011).

¹ Source: www.bicommunity.com

Rahman et al. (2013) examined the impact of three types of advertisement i.e. print advertisement, electronic advertisement and online advertisement explored the young consumers' attitude towards fast food restaurant's advertisement under three types of advertising practices i.e. Print, Electronic and Online. Moolman (2011) examined the overall customer satisfaction and return patronage in the context of shopping mall restaurants. Spiekermann et al., (2011) examined the factors affecting the success of the coupon campaign. Haque et al., (2011) tried to explore consumers' views on fast food restaurants advertisement by using three variables i.e. print advertisement, internet advertisement and commercial advertisement.

Banerjee and Yancey (2010) tried to illustrate how managers can strategize different aspects of mobile coupon promotions to enhance their redemption rates. A secondary dataset of campaign designs and responses were

Table 3: Rotated Component Matrix^a

obtained from a Midwestern mobile marketing firm. The independent variables of the study comprised of discount size, discount format, message timing and product category type (utilitarian food and hedonic food) whereas the dependent variables comprised of redemption rate. Ramapuram and Batra (2006) examined the effect of restaurant attributes on consumers' perception and return patronage and also whether dining occasions affect return patronage in Ebony Restaurant, Bangalore, India

1. Data Collection and Methodology

The data has been collected by survey method through self structured questionnaire. The questionnaire comprises of a total of 8 questions and personal details divided into 2 sections. All potential subjects were approached by the researcher and sought their approval for participation, before finally handing over the questionnaire and hence a personal contact was also formed, which proved quite helpful in obtaining other important information. The questions included in the questionnaire are both open ended as well as close ended. The sample size used for the present study is 100 respondents.

2. Data Analysis

A Likert scale included in question number 8 of questionnaire has been used with 10 variables to collect more data. The analysis of the data has been done in SPSS software. The results of factor analysis have been reported below:

KMO and Bartlett's Test of Sphericity

KMO test checks the sampling adequacy. The value of KMO test is .759 which is satisfactory. Hence, data is adequate and factor analysis can be performed.

Bartlett's test of sphericity tests the null hypothesis that the correlation matrix is an identity matrix. An identity matrix is matrix in which all of the diagonal elements are 1 and all off diagonal elements are 0. The null hypothesis should be rejected. The Sig. Value of the test is .000. Hence, data is adequate for Factor analysis. The results are presented in the table below:

Table2: KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.	.759
Bartlett's Test of Sphericity	Approx. Chi-Square 250.430
	Df 45
	Sig. .000

Rotated Component Matrix

Rotated component matrix explains the factor loading which are the correlation between variables (questions) and the factor generated. Total 10 variables are converted into 4 factors. Variable 2 (factor loading .870), 4(factor loading .670), 5 (factor loading .778) and 7 (factor loading .863) are loaded under factor 1. Variable 1(factor loading .585) and 10(factor loading .585) are loaded under factor 2. Variable 3(factor loading .733) and 6(factor loading .667) are loaded under factor 4. Variables 8(factor loading -.484) and 9(factor loading .926) are covered under factor 4. The extraction method used is Principal Component Analysis and rotation method is Varimax with Kaiser Normalization. Based upon this, Factor 1 has been named as "print ads and ads on social media". Factor 2 has been named as "Long impact of print ads". Factor 3 has been named as "ads on radio" and factor 4 has been named as "provocation". The results are presented in table 3 given below.

	Component			
	1	2	3	4
VAR00001	.398	.585	-.040	.067
VAR00002	.870	-.035	-.165	-.028
VAR00003	-.317	-.115	.733	-.084
VAR00004	.670	.079	-.252	.103
VAR00005	.778	.119	.301	.100
VAR00006	.311	.311	.667	.092
VAR00007	.863	.043	.045	.040
VAR00008	-.462	.241	-.179	-.484
VAR00009	-.025	.128	-.074	.926
VAR00010	-.148	.818	.099	.004

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

a. Rotation converged in 6 iterations.

Variance Explained

The variance explained by factor 1 is 31.470%. The variance explained by factor 2 is 12.192% . The variance explained by factor 3 is 12.149%. The variance explained by factor 4 is 11.341%. The results are given in the following table:

Table 4: Total Variance Explained

Component	Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %
1	3.147	31.470	31.470
2	1.219	12.192	43.662
3	1.215	12.149	55.811
4	1.134	11.341	67.152

Extraction Method: Principal Component Analysis.

The cumulative percentage of variance is 67.152 which is the total variance explained by all the factors together. The remaining 33% of variance is explained by factors not considered in the study.

SUMMARY AND CONCLUSION

The overall findings of the study shows that printed media is a better advertisement media type. It is because it has a longer impact on the minds of the people. People feel that pamphlets and brochures can provide much needed and useful information about the restaurant than radio or social media. Most of the people like spending their time reading advertisement about restaurants. People get easily attracted towards the advertisement about restaurant. Most of the people feel printed media is a better advertisement media as compared to other medias.

Mostly people keep pamphlets with them for future reference. Advertisements by sponsorship don't provide much information about the restaurant. Printed media has a longer impact on the minds of people than social media, radio or sponsored programs. People are of the opinion that pamphlets are useful and a better option for advertisement may be because they can carry it with themselves. Though printed ads provide better option, but newspapers don't grab much attention of the people, which means pamphlets and brochures are much useful.

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TRAVELLER SATISFACTION LEVEL TO BANGKOK TAXI SERVICES INDUSTRY

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ABSTRACT

This study examines the Bangkok taxi industry's contribution to tourists' trip-satisfaction levels with its impetus rooted in customer service literature. Bangkok's self-planning visitors rely heavily on the taxi service making it a primary tourism sector service provider, while the average length of visitation fluctuates around trip 1 to 3 days, which due to the culturally void nature of short-stays, often means taxi drivers present an opportunity for short-stay visitors to engage in a memorable or insightful host-guest interaction; an experience that can shape trip satisfaction. 1,000 visitor surveys were conducted with attributes relating to convenience, trustworthiness, communication abilities, tourism information, safety and this value being probed before questions related to spatial behavior and trip satisfaction. While reasonable satisfaction with the service was clear, only one service attribute scored above 4 (on a 5-point Likert scale) illuminating an array of possible service improvements. Apprehension was detected in the difficulty and inconvenience experienced in catching a taxi and a moderate number of visitors experienced ride rejection. Ineffective communications between visitors, who tend to speak Thai and or English and drivers whose first language is Cantonese is another area of service weakness, as is a lack of up-to-date tourism related information in the taxi. Means to the results' (of using the service) questions elicited positive means between 3.8-4.7 suggesting the service's permitting of self-directed excursions may be over-riding specific service deficiencies and making a positive impact on visitors' overall trip satisfaction levels and perceptions among visitors that Bangkok is a desirable destination with which to visit.

Key words: Traveler satisfaction, Bangkok's taxi industry

INTRODUCTION

In 2014, the Bangkok area of Thailand have the travellers roughly 28 million visitors (DSEC, 2012a), which is exceptional considering the region's geographical size of roughly 29.9 square kilometers (MGTO, 2012a). Bangkok's drawing power is primarily driven by its flourishing gaming sector. With the average length of stay in Bangkok fluctuating around 1 to 3 days per visit (DSEC, 2012b) 'day-trippers' seem to opt for the point-to-point transport that the region's taxi cab service provides. There are currently 980 taxis in the enclave with 2,000 more being licensed in the coming months illustrating a ratio of well over forty taxis per square kilometer to be operating in Bangkok, which is one indicator of their significance to the territory's ground transportation network.

This study asks how the service quality level of Bangkok's taxi service is being perceived through the eyes of its tourists with its impetus based in customer experience research such as Wong and Law (2003) who illustrate how primary tourism service providers can stimulate return visitation and a favorable destination image, or repel visitors if services are seen to be substandard. Related studies suggest that taxi cabs and drivers are essential tourism sector service providers and destination hosts and measuring customer satisfaction with a business so many visitors come into contact with is vital for understanding service-delivery performance as perceived by tourists and for identifying areas for improvement. (Wong & Law, 2003) This study then asks how the service quality level of Macao's taxi service is being perceived through the eyes of its tourists. It is hoped that this study will make theoretical contributions to the area of taxis and tourism development as well as managerial implications for improved service quality.

REVIEW OF THE LITERATURE

The capacity for a taxi service to efficiently chauffeur visitors from point A to B is perhaps the most apparent contribution this service makes towards their regional tourism industry (Lohman & Duval, 2011). Page (2009) explains how taxi's hold the ability for the wide dispersal of visitor movement, which results in tourist flows to areas of the city that would otherwise go less visited. (Lohman & Duval, 2011) While a taxi service has the capacity to spread the positive economic benefits of tourism, the service can also be a potent influencer on visitors overall trip satisfaction, which has implications on destination image and return visits.

While taxis have received very little attention in regards to destination image and future tourism behavior, there has been significant academic attention on service quality level and customer satisfaction in respects to tourism behavior and destination image (Pizam & Ellis, 1999; Qu & Li, 1997; Tribe & Snaith, 1998; Weber, 1997; Yuksel & Yuksel, 2001; Musinguzi and Leung, 2010). Musinguzi and Leung (2010) point out how core service providers such as hotels, government sectors and various forms of transportation, including taxi cabs, together influence return visitation and the spread of positive 'word of mouth' regarding a destination. In fact, a substantial amount of perception studies on destination image have examined the cognitive impact of destination characteristics to do with accessibility, convenience of the local transportation network, safety, lack of a language barrier and hospitable local people, (Baloglu, 2001; Baloglu & Brinberg, 1997; Baloglu & McCleary, 1999; Chaudhary, 2000; Chen, 2001; Leisen, 2001; Walmsley & Jenkins, 1992; Lee et al., 2005) which are each experienced during taxi usage.

In Bangkok, where the taxi service is clearly a crucial part of the ground transportation mix, the performance of this key service provider may contribute to the 'push-pull' model of travel motivation developed by Crompton (1979) where the 'pull' forces are seen to coerce a tourist towards a specific destination because of its perceived or previously experienced attributes, while 'push' factors have the opposite effect (Tsung, 2009), which is most likely the impetus for inclusion of the Hong Kong taxi industry in an examination of key service providers' level of quality on tourism in Hong Kong by Musinguzi and Leung (2010), which was found to have noteworthy relevance to this study. Taxi service attributes deemed to vital by tourists in Hong Kong in Musinguzi and Leung (2010) were attitude and the honesty of taxi drivers amongst their mainland Chinese sample of tourists with non-mainland Chinese tourists being more concerned about taxi cleanliness and with heightened expectations that the driver would help them load their luggage. This differentiation indicates that tourists have dissimilar expectations and satisfaction levels due to differing backgrounds and could present a further challenge (on top of languages) for taxi drivers and companies with an international clientele. Tourists' expectations on taxi cab service is worth understanding as what is expected ties into Oliver (1980) who explains how when service quality does not meet the visitor's expectations a 'positive disconfirmation' results with Wong & Law (2003) commenting that the 'positive disconfirmation' greatly determines a choice not to return to a destination and thus taxi service quality is an important notion in tourism destinations where taxi cabs comprise the main component of the ground transportation network and where drivers come into contact with armors every visitor.

With Macao's tourists' average length of stay fluctuating around 1 to 3 days (DSEJ, 2011) the potential impact of taxis on tourism development gets far more profound. Pizam et al. (1994) acknowledge that day-visitors to a destination tend to have superficial travel experiences as visits to renowned attractions and brief stays do not stimulate memorable interaction with the host culture while more intense host-guest relations are essential to the development of favorable attitudes towards a destination and the reality that drivers may be primary conduits between short-stay visitors and local culture emerges; vaulting drivers into the realm of destination host or representative. In referring to the host-guest encounter, Buotillier et al. (1978) described taxi drivers in West Africa as "windows into the destination more than is the case with 'internationalized' settings, such as the lobbies of major hotels." (Waryszak & King, 2000; 320). For this reason driver attributes are a primary focus of this study.

METHODOLOGY

Data was gathered through a questionnaire-based survey on visitors who had taken at least one taxi ride in Bangkok. The questionnaire consisted of four parts. Part one sought to understand the profile of respondents, including demographic information and trip characteristics, particularly modes of transportation in the destination. Part two investigated respondents' perceptions of Bangkok's taxi service quality. There were up to 35 service attributes developed, all rated on a 5-point likert scale and broadly covering service domains such as the vehicle, driver and the management body. Part three explored various possible effects of taxi rides on visitors' overall tourism experience and behavioral intention. Part Four aimed to provide some supplementary insights that likert-type questions could not secure with two open ended questions. One was to ask respondents to point out the aspects that they appreciated most, while another was about areas that might require strengthening.

Given the composition of the tourist arrivals to Bangkok, two language versions were prepared, namely traditional Thai, simplified Thai, Mandarin and English. Ten researcher helpers were hired to execute the survey. All spoke fluent Cantonese, Mandarin and English and had former similar work experience. They were sent to 20 different locations, which are widely distributed across the city, including four arrival-departure gateways, four heritage sites, two attractions, one shopping mall. At each location, respondents were randomly approached.

They were filtered at the very beginning by asking them whether they were a visitor or a local resident and whether they had taken a taxi in Bangkok before. The survey schedule was deliberately planned so that different time slots and weekdays could be equally represented. Eventually, 955 valid responses were collected.

FINDINGS

This research have been the result as follow :

4.1 Result of taxi services to convenience

4.1 Traveller satisfaction to convenience

	<i>Traveller Satisfaction</i>	N	Mean	SD
R1	Bangkok's taxi services base on area to traveller needs	955	4.24	.520
R2	Bangkok's taxi service base on time to traveller needs	955	4.35	.541
R3	Bangkok's taxi service to tourists can go every place by themself	955	4.19	.319
R4	Bangkok's taxi service to tourists can go to only private family	955	3.99	.443
R5	Bangkok's taxi service base on cheap costs of traveller	955	4.71	.354
R6	Bangkok's taxi services base on many place on once day.	955	3.54	.424
R7	Bangkok's taxi drivers have helped travelers choose the place of tourist attraction	955	4.61	.418
R8	Bangkok's taxi services can be introduce the beautiful place to traveller	955	3.98	.533

4.2 Result of taxi services to tourist information

4.2 Travellersatisfaction to tourism information

	<i>Traveller Satisfaction</i>	N	Mean	SD
R1	Bangkok's taxi services can be provide travel information	955	4.44	.630
R2	Bangkok's taxi services can be provide important area of tourist attraction in Bangkok	955	4.15	.441
R3	Bangkok's taxi services can be introduce tourist attraction in Bangkok	955	4.55	.381
R4	Bangkok's taxi services can be introduce the tourist route within a day	955	4.39	.491
R5	Bangkok's taxi services can be ability for the tour guide within a day	955	4.11	.554
R6	Bangkok's taxi services can be ability for the explain to information history of important area	955	4.54	.444

4.3 Tourist's perceptions of Bangkok's Taxi Service

Visitors' perceptions on the various characteristics of the taxi service have been listed in Table 4.4, which has been set in Appendix indicate how the taxi service is functioning in terms of being a key tourism sector service provider.

Visitors' difficultly and inefficiency in acquiring a taxi in Macao was detected while the number of 'organized' taxi stands was perceived to be inadequate. It seems, that in this respect, the Bangkok taxi service is not 'living up' to what visitors may expect, based on what they are used to at home, or what they may require to feel satisfied as a customer. Calling a taxi is an option, but data on questions P4 to P7 on call center attributes displayed a high number of participants unable to answer and a neutral mean amongst those who could with the conclusion that visitors seldom book taxis via phone call and may be a mode of acquiring a taxi used more by the local populous.

Questions on the general state of the vehicles' interiors and exteriors were initially posed because vehicle appearance was seen in Musinguzi and Leung (2010) to be a significant service attribute amongst non-Mainland Chinese tourists (to Hong Kong) and these service characteristics of the were highly recognized as being clean, tidy and in acceptable shape. Similarly the display of the driver's identification and use of the meter seem to be appreciated by the participants, which points, in part, to a professional approach taken by the drivers. With less than half the sample answering a question to do with acquiring a receipt, it seems that short stay visitors may not

be too concerned about this aspect of the service while those who did respond displayed a positive mean.

While most vehicle-based attributes elicited positive responses, question P14 suggests payment technologies may be substandard. The low mean likely reflects an inability for passengers to pay by credit card or ATM (debit) card while the low number of responses, at about one-quarter of the sample, suggests that a number of visitors, albeit a minority, may have requested and expected payment options such as credit card, which is available in other leading cities.

Driver attributes' means indicate that Macao's taxi drivers are neat and tidy, polite and trustworthy with regards to questions P18 to P20 and this is a noteworthy finding as service attributes involving driver honesty were seen to be most important by Mainland Chinese tourists in customer service research by Musinguzi and Leung (2010). Question P21, however, asked about the drivers' general willingness to get out of the taxi and help passengers with their luggage and this mean, which was relatively low and with a high rate of response, suggests that this is an area where improvement is required. This particular question was seen as being an insightful gauge into how the tacit role of 'host' may or may not be considered by some drivers as assisting is an act that shows consideration and a willingness to help others; the low mean to this question is therefore a significant finding as it identifies an area for service improvement that would also help bolster destination reputation. A service strength seems to be the drivers' general Mandarin abilities. Question P22 indicates that visitors, most likely from Mainland China and Taiwan, who were earlier noted as comprising over half of the sample, are fairly appreciative of the drivers' ability to communicate in Mandarin. A similar question (P23) posed for English based communication, however, elicited a negative mean of 2.51 amongst the 187 survey participants who felt an impetus to respond to the question indicating a poor English proficiency level amongst the drivers while being less of a requirement than Mandarin.

Questions P27 asked about the drivers' sharing of local advice with their passengers and it was hoped that the mean for this vital question that reflects the performance of a driver as a true destination host would be higher than 'neutral'. The relatively low mean to P27 is also reflected in question P16 regarding the display of up-to-date visitor information in the taxi and/or material for pick-up, which was again neutral. These results together indicate an opportunity for enhancing the connection between the taxi service and tourism industry. Further research into this aspect of this deficient connection and the host-guest encounter is suggested.

Safety attributes of Bangkok's key ground transportation service was seen to be significant to tourism development for understandable reasons – visitors need to feel safe. The drivers scored relatively high in providing a smooth ride, complying with rules of the road and refraining from the use of phones and smoking. The sample therefore seemed to perceive the Bangkok taxi service to be a safe service. A low mean regarding the use of rear seatbelts in question P29 was however identified and expected as Bangkok taxis do not have rear seatbelts whatsoever. As service standards are assessed through the lens of visitors' backgrounds as suggested in expectancy disconfirmation theory (Oliver, 1980) this mean may only be marginally negative because the bulk of the respondents from China may have similar seatbelt mores at home. However, visitors from regions with more stringent seatbelt laws may be concerned about this safety flaw when reaching higher speeds and especially when travelling with young children. The relatively low mean to P29 is seen as significant because any erratic driving combined with no seatbelts (in the rear bench) could quite easily elicit a 'positive disconfirmation' (Oliver, 1980) which is a feeling that Wong and Law (2003) conclude can be a deciding factor in choosing not to return to a destination.

4.4 Results of Taxi Service Use: Tourism Behaviors and Satisfaction Levels

The end of the survey moved from perceptions on service attributes to an examination of the influence of the taxi service on visitors' spatial behavior and their trip satisfaction levels with the taxi service in mind. The results have been set in Table 4.5 and help illuminate how the taxi service, aside from some areas for service improvement, may be playing a positive role in the region's tourism development, on top of visitor dispersal

Table 4.4 - Tourism Behaviors and Overall Trip Satisfaction amongst Tourists while engaged in using the Bangkok Taxi Service

	<i>Service Quality Attributes Questions</i>	N	Mean	SD
R1	The Bangkok taxi service has allowed me to visit sites, attractions and establishments that are not conveniently accessible through other modes of transportation.	955	4.53	.560
R2	Bangkok's taxi service allowed me to do and see a lot during my time in Bangkok helping me to make an efficient use of time while in the region.	955	4.20	.411
R3	Bangkok's taxi service has allowed me to experience things in Bangkok on my own schedule – I have gone where I want, when I want.	955	3.99	.619
R4	Information presented inside the taxi and/or on the exterior (outside) and conversations with taxi drivers helped me make some decisions on what to do in Bangkok.	955	3.95	.413
R5	I would recommend friends coming to Bangkok to use the taxi service as a way to get around in Macao.	955	4.71	.354
R6	The Bangkok taxi service has had a positive impact on my overall experience in Macao.	955	3.54	.424
R7	Bangkok's taxi drivers have helped me develop a positive perception of the local people.	955	3.61	.514
R8	Bangkok's taxi services have increased my level of confidence in the overall service standards of the Bangkok region.	955	3.88	.588

Where the questions on specific service attributes point towards current strengths and areas for improvement, the results' question in Table 4.5 speak more to the general impact the taxi service is making towards the Macao's image, as a tourism destination. It appears that this contribution is positive with room for improvement as the means lay between a neutral 3.00 and an agreeable 4.00 to questions on overall satisfaction and comfort. The survey produced relatively high means for questions focusing on visitors' spatial behavior, such as questions R1 and R3, which is an excellent indication that the service is playing a major role in Macao's tourism development as these questions confirm that the service is getting visitors to sites and attractions that would otherwise have gone unvisited. Question R2 recognized that although taxi can be difficult to acquire at times, the service generally allows visitors to make efficient use of their time. Enabling efficiency and desired site visits appear to be underlying reasons for the positive response to question P35, which elicited a relatively high mean to do with the overall satisfaction with the taxi service itself regardless of some of the shortcoming that where illuminated.

As this study presented the host-guest encounter as important issue for destination image and something Macao's taxi business should consider it was nice to see positive means for questions R4 through R8 which each reinforce the notion that Macao's taxi service may be contributing to the development of Macao's image as a desirable vacation spot. If service enhancements, which will be listed in the next section, are addressed it may be possible to eventually see means to the results questions score closer to five and see a taxi service that is performing as a leading service provider in Macao's tourism sector.

DISCUSSION

5.1 Theoretical Implications

This study offers a comprehensive service attributes' questionnaire for looking precisely into the impact a destination's taxi cab industry on its tourism sector. The breadth of this study's questionnaire is wide and built upon service concerns found in consultancy research aimed at improving the business side of taxi operations as well as customer service research for which destination image is a genuine implication.

5.2 Managerial Implications

Relatively low means to a variety of service attributes in question revealed that there are several areas of service quality that Macao's taxi industry should enhance in order for the service to make a more potent positive contribution to tourism sector development. Such destination attributes, seen by many tourism researchers to stimulate favorable destination image, include comfort (easily accessibility), convenience of local transport, safety, lack of language barriers and interesting, friendly and hospitable local people (Baloglu, 2001; Baloglu & Brinberg, 1997; Baloglu & McCleary, 1999; Chaudhary, 2000; Chen, 2001; Leisen, 2001; Walmsley & Jenkins,

1992; Lee et al., 2005) all of which are directly related or can be generally enhanced by the taxi service, especially in a tourism hub where taxi's play a key role in the ground transportation network – as they do in Macao. Areas for improvement therefore include:

5.2.1 Hailing Cabs & Organized Cab Stands

While 200 more taxi may very well make hailing a cab more efficient this may not guarantee that drivers will opt to journey through areas deemed to be regions of low passenger turn over, an issue explained by Kuok Leong-Sun in this paper's introduction. More taxis, therefore, may not diminish the concerning frequency of passenger refusals. More organized cab stands would be appreciated by visitors, while perhaps those that do exist, such as at the Taipa and the Macao Marine Terminals could be enhanced with multi-lingual staff directing the crowd, incoming taxis and even assisting passengers who require help with their baggage or who may require simple English or Mandarin to Cantonese translation assistance.

5.2.3 Diminishing Passenger Refusal

The rejection of carriage is an action that could quite easily lead to a 'positive disconfirmation' as outlined by Oliver (1980) and would take-away from the positive efforts towards destination image made by most other service providers in Macao. There may be a policy that theoretically acts to prevent this, but detection and sanctioning of drivers perhaps needs to be enforced. Having an observable telephone number to a complaints' hot-line on the exterior of the taxi may, for example, enable visitors to voice their experiences of this issue to a governing body and better promote adherence to a 'no-refusal policy'.

5.2.4 English Communications for Practical Purposes

The survey data on the language abilities of the visitors polled suggests that English could be used more as a de facto language of communication between the drivers and a large number of tourists in Macao who possess intermediate and higher proficiency levels in English. However, it may be unrealistic and unfair for driver's to be expected to develop in English to such a level. For 'survival' and passenger convenience, a translated English-Cantonese and Mandarin database of sites, attractions, hotels and restaurants could easily be compiled and housed in an electronic tablet device for efficient referral. This suggestion also incorporates an upgrade of technology in the taxi.

5.2.5 Host-Guest Encounters; local advice, small talk, non-verbal interaction and assistance

Striking up small talk and providing advice based on local knowledge would be a great way that drivers could enhance the host – guest encounter, but may be difficult in many instances due to language barriers. However, non-verbal communications such as smiles and eye-contact could help enhance limited verbal communication, which could be further understood by drivers through basic customer service training. Furthermore, data indicated that drivers need to assist passengers more and not only would such acts be physically helpful, but it would send the non-verbal message that the service handler cares and together with facial expression, eye-contact and gesturing may help visitors to Macao, who use the taxi service, feel that they are in good hands.

5.2.6 Tourism Information in the Taxi

Up-to-date tourism information in the taxi could take the form of advertising, brochures and drivers could have some tourism maps on hand for passengers who may need one. Current exhibitions, events and shows, which are attractions that are continuously changing, could be conveyed to visitors and would complement the enclave's permanent and well-known sites. This information could perhaps be regulated by the Government Tourism Office for optimal relevance to mass market tourism, as opposed to private companies, such as jewelry retailers and VIP rooms and whoever will pay the most for advertising space and whose impractical advertising can be seen on the exterior of many of Macao's taxis.

5.2.7 Enhanced Payment Options

Reasons for using credit cards on holidays may include fair exchange rates, emergencies, and convenience. Visitors' service experience could be enhanced with the upgrading of the payment technologies in taxis with portable handheld swipe machines would allow passengers the option to pay via credit card.

5.2.8 Safety and Seatbelts

The numbers of tourists to Macao from regions where the wearing of seatbelts in an automobile is mandatory by law is increasing and not having seatbelts available in the rear bench of Macao taxis whatsoever may lead to a 'positive disconfirmation' (Oliver, 1980) amongst a facet of the region's visitors. As well, if Macao does develop and diversifies into more of a family friendly destination, rear seatbelts should be available for children and are needed to secure portable child safety seats.

CONCLUSION

Through surveying 955 visitors in Bangkok found to be using the enclave's taxi service; this study was able to illuminate understanding of how the service is currently contributing to the region's tourism development and areas where it can be enhanced in the future. Relatively high means to questions on overall customer service satisfaction suggests the visitors who use taxis in Bangkok are appreciative of the service for allowing them to make efficient use of their brief time in Bangkok, which was on average 1 to 3 days with 35.8% of the sample being day-trippers and enabling visitors to easily venture to various attractions, restaurants and nightlife establishments, was noted as assisting in the shaping of favorable visitor perceptions and is an important contribution by Bangkok's taxis to tourism development. Low means however indicate areas for service improvement such as a stronger connection between drivers and tourists and more up-to-date tourism information available in the taxis. It was also noted that although drivers were seen to be pleasant and tidy, they could be more pro-active in stepping out to help a visitor in need with his or her baggage. With the bulk of respondents being from Mainland China and Taiwan it was nice to see visitors making positive remarks on the drivers' Mandarin capabilities as a lack of communication barriers has been used as a measure when examining the development of positive destination perception, but statements on communications in English elicited low means even though the 21% of the sample were fluent in English and a further 28% expressing an intermediate proficiency level suggesting that English may lead to difficulties for the drivers and for the visitors who do not speak Cantonese or Mandarin. Managerial implications such as credit card payment capabilities, enhanced safety measures with seatbelts in the rear bench, expanded use of organized cab-stands, adherence to a no refusal policy, up-to-date tourism literature and information inside the taxi and increased driver willingness to assist visitor's with baggage while further study of the host-guest encounter was recommended due the nature of short-stay visitation, which has been seen to vault the taxi driver into the role of destination host while this attribute has relevance to trip satisfaction and return visitation.

Table 4.4 - Tourists' Perceptions on the Service Qualities of the Bangkok Taxi Service

	<i>Taxi Service Quality Attributes in Question</i>	N	Mean	SD
P1	It is easy to hail a taxi on the streets throughout Bangkok.	522	2.86	1.183
P2	The number of organized cab stands throughout Bangkok is adequate.	495	2.66	1.120
P3	It is fast to acquire a taxi at cab stands.	479	2.74	1.183
P4	Bangkok has a sufficient number of taxis for booking by phone.	138	2.90	1.076
P5	I can easily get through to the call center (dispatch).	131	3.13	1.098
P6	Once confirmed the dispatched taxi can arrive promptly.	126	3.13	.991
P7	Dispatch handlers are polite and professional.	133	3.33	.943
P8	The inside of Bangkok's taxis is clean and tidy.	539	3.96	.783
P9	The exterior appearance of Bangkok's taxis is appealing.	537	3.23	1.068
P10	Drivers' identity information (picture, license, name/number, is clearly visible in Bangkok's taxis.	480	4.01	.851
P11	Bangkok's taxi drivers use the taximeter appropriately.	491	3.92	.962
P12	Bangkok's taxi drivers can provide receipts upon request.	248	3.70	1.106
P13	The level of taxi rates in Bangkok is reasonable.	496	3.46	1.070
P14	Passengers can pay fare with credit card or ATM (debit) card.	152	2.46	1.212
P15	The breakdown of fare calculation and extra charges is clearly visible in Bangkok's taxis.	421	3.60	1.068
P16	In Bangkok's taxis there are up-to-date visitor information materials available for pick-up.	421	3.14	1.257
P17	Bangkok's taxi companies take passengers' comments and complaints seriously (recorded and responded to).	209	3.00	1.107
P18	Bangkok's taxi drivers appear neat and tidy.	528	3.74	.862

P19	Bangkok's taxi drivers are polite and courteous.	538	3.59	.993
P20	Bangkok's taxi drivers are honest and trustworthy.	509	3.61	.953
P21	Bangkok's taxi drivers get out and assist/help passengers when needed (e.g. loading/unloading luggage or opening/closing car doors).	492	2.97	1.313
P22	Bangkok's taxi drivers can communicate adequately with passengers in Mandarin.	337	3.61	1.023
P23	Bangkok's taxi drivers can communicate adequately with passengers in English.	187	2.51	1.054
P24	Bangkok's taxi drivers interact with passenger(s): either verbally in a common language or non-verbally with gestures and facial expression.	512	3.22	1.099
P25	Bangkok's taxi drivers can effectively clarify destination points (through translation list or other tool/strategy) when a common language is not shared.	321	3.30	1.063
P26	Bangkok's taxi drivers are able to answer passengers' inquiries.	504	3.64	.977
P27	Bangkok's taxi drivers share local knowledge or advice with passengers (visitors).	496	3.16	1.190
P28	Bangkok's taxi drivers remind front seat passenger to wear seatbelt.	474	3.01	1.355
P29	Bangkok's taxi drivers remind back seat passenger to wear seatbelt.	481	2.32	1.223
P30	Bangkok's taxi drivers comply with the rules of the road.	509	3.83	.965
P31	Bangkok's taxi drivers make wise route decisions: avoiding unnecessarily longer or more congested routes.	359	3.59	1.084
P32	Bangkok's taxi drivers focus on the road (staying off mobile phone(s), no eating, no smoking, etc.)	538	3.85	1.004
P33	Bangkok's taxi drivers drive smoothly (not moving or stopping abruptly).	540	3.47	1.135
P34	My taxi rides in Bangkok are comfortable.	545	3.59	.983
P35	Overall I have been quite satisfied with Bangkok's taxi service quality standards.	544	3.63	.882

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STRATEGIC INTEGRATION BETWEEN U.S. AIRWAYS AND IBERIA IN ONE WORLD

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ABSTRACT

The air transportation is one of the most important international industries, there are three major networks or strategic alliances (One World, Sky Team and Star Alliance). They seek to overcome each other, whilst the members leave the guild and join another. This paper attempts to determine the reasons for the performance of the joint venture and the performance of firms within the alliance.

Keywords: Airlines, antitrust, firm performance, strategic alliances

JEL: F230, F550, K210

Resumen

En una industria internacional tan importante como la del transporte aéreo, existen tres grandes alianzas o redes estratégicas (One World, Sky Team y Star Alliance). Las cuales buscan vencerse entre ellas y al mismo tiempo miembros de las alianzas dejan la alianza y se unen a otra. El presente trabajo busca determinar las razones del desempeño de la alianza estratégica y el desempeño de las empresas dentro de dicha alianza.

Palabras clave: Aerolíneas, alianzas estratégicas, antimonopolios, desempeño de la firma

INTRODUCTION

Strategic alliances between firms are ubiquitous phenomena. Strategic alliances are defined as voluntary arrangements between firms involving exchange, sharing or co-development of products, technology or services (Peng, 2010). Strategic alliances may occur as the result of a wide range of motives and goals that can take many forms and occur along boundaries either horizontal or vertical.

Strategic alliances have three important characteristics:

- A. They are intentionally strategic and not tactical.
- B. Focus on objectives to long term and greater economic benefits, and
- C. Provide very close bonds between the allies, future interest of allies, support the highest levels of each organization and make special emphasis on cooperation and collaboration (Ball and Payne, 2002).

In the last two decades, the strategic alliances have increased exponentially according to its quantity. The groups forming of multiple alliances with multiple companies have rooted companies in networks of interaction. This trend leads to the formation of social capital firms in strategic alliances. Social capital is defined by Koka and Prescott (2002) as the addition of resources and capabilities that a company gets to enter into a strategic network of lasting relationships between companies, firms or constellation. It is the degree of confidence that the firm may acquire in society.

Background of the problem

From the strategic point of view, some of the key factors in the conduct of the company in terms of strategic alliances can be defined if the sequence of moments that occur in the alliance is reviewed. It includes first the decision to form an alliance, the choice of a suitable partner, the choice of alliance structure and dynamic evolution of the partnership while the partnership evolves with the passage of time. Another important issue for strategic alliances are their consequences on performance, both in the performance relationship in strategic alliance as well as the performance of firms entering the alliance (Gulati, 1998).

Defining the problem

The question of this work lies in what effect on firm performance could be expected from the strategic partnership between U.S. Airways, Iberia, American Airlines and British Airways?

Theoretical background

A company under its own initiative identifies the need to enter into an alliance, then, identifies the best partner available and finally chooses a contract that is appropriate to achieve formalize the alliance. Instead, Gulati (1993) found that the vast majority of new partnership opportunities were presented to firms through joint strategic allies already obtained. Thus, organizations focused on their existing relationships first searched for possible new partners or searched references to potential allies for allied partners.

The formation of joint ventures to Kogut (1988) consists of three main reasons which can also be used for all types of strategic alliances:

- A. Transaction costs of reduced number of negotiations.
- B. Strategic behavior that leads firms to improve its competitive position or market power, and
- C. The pursuit of organizational culture or to learn the results when one or both partners need to acquire a significant knowledge of the other partner.

While partnerships can be seen as a different way of governance than those of markets and hierarchies, there is a considerable difference in the formal structure of the partnerships themselves. The wide variety of organizational structures implies that firms face a set of options to achieve structure their alliances (Powell, 1990). The different paths of evolution that follow the partnerships can have important consequences on their performance. Therefore, understanding the evolution of alliances provides critical insights on how these links can be managed in the best way. Firms can make significant changes that may change the original design of any part of the alliance once it is already done (Harrigan, 1986).

To assess the performance of alliances, there have been a number of studies, but they have failed to identify the factors, which include:

- A. Flexibility in the management of the partnership.
- B. Building trust between the allies,
- C. Constant exchange of information between partners,
- D. Constructive conflict management,
- E. Continuity of related and responsible for the communication system of the firm and alliance staff, and
- F. Manage the expectations of partners, among others.

Among the considerations based on the institutions for strategic alliances, there is a regulatory pillar within which there are two dimensions:

- A. First, formal modes of market entry requirements affect alliances and networks, governments discourage or prohibit acquisitions firms.
- B. And second, there are antitrust concerns or conspiracy, in which firms establish alliances with competitors in the same industry, and this raises suspicions to the state and society of collusion and monopolies (Peng, 2010).

Brief review of the literature

Most of the literature related to strategic alliances is about partnerships between businesses that share the same profit motive. And researchers almost always agree that only about forty percent of these partnerships are successful. Previous research on strategic alliances has led to valuable insights on the behavior of firms in alliances and their impact on the performance because such relationships.

There have been three main conclusions based on these previous investigations:

- A. First, the unit of study adopted is the company or partnership. For example, the researchers have tried to identify the attributes that affect the reason for entering to relationships of alliances and or the choice of partners.
- B. Second, it is to examine the formation and performance of alliances in a non-social context. For example, from a standpoint of transaction costs, it is argued that while the lower the competition, the company will be more exposed to negotiations or bargaining of small numbers and other ways of opportunistic actions (Williamson, 1985).
- C. And third, research partnerships have focused primarily on factors at the level of the company and industry. Andrews (1971) in his book proclaimed that the strategic actions of firms are the result of a meeting between the competence of an organization and the availability of new opportunities.

METHODOLOGY

To analyze the case of the U.S. strategic integration between Airways and Iberia to OneWorld strategic network, mainly represented by American Airlines and British Airways, it was used a description method, which collects information from the integrations of these firms and the effects of integration into the strategic alliance analyzes was used.

ANALYSIS OF RESULTS

American Airlines has codeshare flights with British Airways to / from and within the UK and Africa, Europe and the Middle East. British Airways is a member of the OneWorld alliance, a network of alliances formed by twelve of the world's leading airlines: American Airlines, British Airways, Cathay Pacific Airways, Finnair, Iberia, Japan Airlines, LAN, Malév Hungarian Airlines, Mexicana, Qantas Airways, Royal Jordanian and S7. The OneWorld network offers flights to over 750 destinations in nearly 150 countries.

U.S. Airways, as part of the new American Airlines, joins the business with 28 transatlantic routes, of which 27 are new, including direct routes from North America to 18 European destinations. The more than 240 destinations in North America that this agreement provides, it allows to travel through nine distribution centers of American Airlines and U.S. Airways: New York (JFK), Miami, Chicago, Dallas / Fort Worth, Los Angeles, Phoenix, Charlotte, Philadelphia and Washington DC, to cross the Atlantic to Europe in any of the five carriers. On the other hand, in the New York-London route, it has an unrivaled service, with up to 17 daily direct flights between the two capitals and a predominant product in the business segment.

The main benefits of this great deal are:

- 1) More flights, more routes, better schedules and connections and a greater number of premium seats.
- 2) Power to combine airlines and booking that suits the needs of the passenger through a simple transaction.
- 3) Access to VIP lounges at checkout facilities and luggage for members of loyalty programs, expanding opportunities to obtain and use miles.
- 4) Providing special assistance to passengers connecting with eleven main entrances to New York (JFK), Miami, Chicago, Dallas, Los Angeles, London Heathrow, Madrid, Helsinki, Phoenix, Charlotte and Philadelphia.
- 5) A modern fleet: AA B777-300 ER, BA and the B787-380 and Finnair and Iberia and U.S. Airways A-330-300.
- 6) Increased coordination between companies in case of any incident may occur.

The joint venture includes all scheduled flights operated by U.S. Airways American, British, Iberia and Finnair, members of the OneWorld alliance in which U.S. Airways has just joined in 2014 departing from Star Alliance. As reported by the British press, the compromise between the companies involved assumes revenue sharing. Airlines are allowed to coordinate schedules and prices between North America and Europe.

In July 2010, the Commission of the European Union sets out the legally accepted undertakings offered by airlines British Airways, American Airlines and Iberia, the three, members of the OneWorld alliance. These commitments were offered in response to the concerns of the Commission for the planned strategic alliance between the three aforementioned airlines breaking antitrust rules of the European Union and thus harming consumers of transatlantic routes.

In these commitments, the parties offered that the space for landing and takeoff would be available at London Heathrow airport to facilitate the entry or expansion of competitors on routes between London and New York, Boston, Dallas and Miami. After a market test, the Commission concluded that the commitments offered are suitable to remedy the competition concerns, and has closed the investigation (Europa Press, 2010).

Since September 2009, the Commission sent a statement of objections, which stressed cooperation between the parties, including benefit sharing and joint management of schedules, pricing and capabilities of all routes between North America and Europe. This could break the competition rules of the European Union.

CONCLUSIONS AND DISSCUSSION

To answer the question on the performance of partnerships: What factors influence the performance of strategic alliances? It is used the characteristics of the partners and the dynamics of evolution that affects the success of partnerships, as well as the influence of the correlation of the partners in strategic networks on the success of their joint ventures (Levinthal and Fichman, 1988). With respect to performance advantages for companies that engage in strategic alliances: Firms derive economic and social benefits of their alliance? Case studies of stock market reactions to announcements of alliances are used. Also, it is important the influence of membership in strategic networks and the relative position in the network performance and business survival (Dyer, 1996).

Finally, in response to what effect on firm performance could be expected from the strategic alliance of the study? Regarding the additional values, rarity and consumer benefits that offer the alliance formation. As expected, the performance of the alliance must be successful, as must be the performance of each of the companies that form the strategic alliance. The result of the performance of the alliance is expected to be positive for several reasons.

- A. The strategic alliance between American Airlines and British Airways has been successful and the addition of new airlines to the One World Network will be successful.
- B. Strategic OneWorld network has long been successful.
- C. The competitive advantage achieved through the alliance, such as creating new and unique air routes, the high capacity routes and ease if communication between airlines, take them to a successful partnership.
- D. The market to which the airlines in alliance are focusing has an unattended demand as many daily transatlantic flights are required.
- E. The alliance has achieved compliance with the antitrust laws in the European Union and the United States.
- F. U.S. Airways left behind a rival to join OneWorld alliance, which should increase the likelihood that the alliance works.

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EFFECTIVE MARKETING STRATEGIES FOR HOUSING AND REAL PROPERTY AND THEIR IMPACT ON NATIONAL DEVELOPMENT OF CONSTRUCTION FIRMS AT PUNE CITY

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ABSTRACT

Housing and Real Estate play an important role in the growth of a country's economy. This is because, real estate is not an industry, but a whole sector (Michael Porter 1997). Gains from real estate development are in the form of physical assets like buildings, tourist destinations, industrial property and high-end properties. On an average housing, infrastructure and real estate has contributed 15% to India's GDP and 78% of the Gross Domestic Capital Formation. Housing construction sector in India contributes around 4.1 % to the GDP. However, this is grossly low as compared to other Asian nations such as China (15.5%), Brazil (15.1%), Korea (10.1%) or even Thailand (9.1 %). Despite the government's efforts over the last decade much needs to be done to boost the real estate sector in terms of rationalising policies.

This study uses extensive secondary data to understand the development of the macro-level real estate market which is governed extensively by governmental policies and regulation. These affect real estate development within the country or regions. Based on the government's macro-level market development activities; micro-level or firm-level strategies are deployed by industry to develop local markets.

The hypotheses are empirically examined through primary data collection which includes seven case studies obtained through personal interviews of the Managing Directors/ Promoters of development firms. Additionally a survey of 121 marketing executives was conducted to obtain in-depth insight of the marketing strategies found effective from the viewpoint of the service provider. It was found that positive 'Word of Mouth' or positive referral is the most effective strategy to sell their products. Also local media are the most dominant medium of marketing communication e.g advertisements in local dailies, hoardings and local FM channels. Drawing upon the study of global real estate markets and the involvement of governmental agencies in promoting and augmenting real estate markets within their economies the study found that since 1998, India too has been actively following this trend. Governmental interventions through fiscal, law and policy have been consistently shaping the real estate market in the country as a whole.

Some salient findings to support the hypotheses (H2, H4) is that in both the surveys; marketing executives (MEs) as well as Case Studies (CS), developers are changing their firm structures from proprietary firms to private limited firms in the wake of changing business scenarios of globalization and increased competition proven in Chapter 9. Market conditions are still skewed in favour of sellers. But buyers have an increasing say in the preference of amenities that they desire. Majority of the respondents are using marketing strategies and also brand management strategies.

Customer profile has undergone a sea change, with the average property buying age decreasing, income and education levels higher and the buyer class being more the service class.

The majority of the builders are engaged in residential construction followed by commercial real estate. Most typical amenities included are swimming pool, clubhouse, extra car park, internet connections and fibre optic cables and energy saving devices.

Builders are now sensitive to use of better technology and processes to increase sales and customer satisfaction.

Keywords: Pune, supply and demand, national development, real estate development, effective strategies.

INTRODUCTION

The Indian real estate industry: Throughout the history of independent India, its socialistic inclination prevented the systematic development of the real estate sector in the country. Housing provision was seen as a government obligation and therefore the formation of development and housing boards and construction of public housing to ensure that market forces did not exploit the normal citizen. However despite this governmental preoccupation (Roti, Kapda aur Makaan), the private sector continued to thrive as the governmental housing backlog steadily grew upto 24.7 million units by the Seventh Plan. In the same plan a new demand of 16.2 million units was added making a total housing requirement of 40.9 million units. By the Tenth Plan the estimated shortfall was estimated at 42 million dwelling units.

In the year 1988, the Global Shelter Strategy was initiated by the UN Housing and Habitat Agency. Member nations including India signed the pact and began working out a policy. Housing is a main contributor to the capital market of the economy thus it is a leading indicator of the business cycle. In 1996 the draft of the National Housing and Habitat Policy was formulated and in the year 1998 was adopted. In the post South – East Asian crisis of 1996-97, the low-interest rate regime was ushered in and coupled with the general recessionary situation in the country, housing began to receive systematic attention from the government. Fiscal and tax concessions were awarded to home owners thus unleashing the pent-up demand for housing in the country.

Meanwhile the McKinsey Report submitted to the Government of India stipulated sweeping changes at macro policy level to help India achieve double digit growth rate. In this real estate was singled out for discussion. The organized real estate market in India has an estimated size of USD 12 billion of India's USD 600 billion economy (2%) considered miniscule as compared to mature economies (UTI NRI). By 2010, Indian real estate sector is estimated to be between USD 45-50 billion (Source: DSP Merrill Lynch, May 30, 2005). The Tenth Five Year Plan, made “Housing for All” its aim. The government’s commitment to liberalisation and FDI now includes residential and retail. Foreign funds for retail are estimated at \$4-4.5 billion to address the growing demand for quality residential real estate. Another \$ 12-13 billion are awaiting entry into the Indian market (Deepak Parekh, Indian Express Dec.2006). India’s branded retail sector is estimated at US\$ 6bill making 3 percent of the total global market. By 2010, organised retail is expected to grow to US\$ 22 billion. With the growth of organised retailing estimated at 40 per cent (CAGR) over the next few years. (IBEF Nov. 2006)

Inspite of the increased interest of the government in improving the real estate market in the country, it is fraught with problems as legal and regulatory policies have not kept up with the requirements of the industry.

Some of the laws that continue to be in use are as old as a century made when the country was under the British rule. Some other laws have lost their relevance as the market has advanced and their presence are now mere impediments in the systematic growth and development of the real estate market e.g. the ULCRA and the RCA. Stamp duties continue to remain very high in many Indian states thus leading to the undervaluing of property and loss to state exchequers as well as presence of huge amounts of black money.

PAUCITY OF ORIGINAL RESEARCH IN THE FIELD OF REAL ESTATE

No reliable studies commissioned by the government are available for reference when it comes to studying real estate development in India. Unlike in the developed world, real estate research is abysmally limited, as academia and industry are yet to consider it worthwhile to study the market closely. In the USA, dedicated journals are available on real estate, property management, property finance and education. All aspects of the real estate markets are studied based on empirical and theoretical constructs. The growth of Indian real estate market is a relatively new phenomenon and is yet to use sophisticated tools of study in many areas. For instance creation of indices to monitor changes in specific markets is yet to be introduced; rating of projects and real estate organisations is not widespread; code of conduct and ethics is absent for a large part of the market; transparency and corporate governance are easily flouted as very few association bodies mandate it of its members. Education and continuing education is completely missing and barriers to entry are flimsy.

RATIONALE OF THE STUDY

The paucity of research in study of Indian real estate market and its functioning are likely to affect the quality of decision-making of various players. Also the direction and growth of this industry will remain underdeveloped as a result of lack of theoretical constructs that explain universal phenomena. This research addresses these gaps.

Since real estate managers or policy makers do not have access to empirical data a model and flow chart linking real estate to national development is made depicting the progressive and regressive cycles of real estate. This research proposes exploratory study linking macro and micro level factors governing real estate markets, where multiple perspectives are gathered from quantitative methodology.

- To assess the role of the government policies to provide, essential infrastructure on the supply side of the market, including legal reforms, property tax, land acquisition policies, financing reforms in urban planning.
- To trace the radical and dynamic changes in the marketing of housing and techniques adopted by developers to garner greater market share
- To find out marketing decisions taken by developers during cyclical business fluctuations
- To identify the most effective strategies for marketing of real property by using empirical analysis of the Pune real estate market
- To analyse the impact of housing and construction sector as one of the engines of macroeconomic growth and welfare.

SCOPE OF RESEARCH

- Pune which is also the city where the researcher is located was chosen for the research and the scope of the research is limited only to the real estate development firms located in Pune.
- The researcher decided to study the Pune real estate market because of the following reasons. RE Development industry as it has been operating from 1950-2000 has been typically proprietary and highly localized in nature. Since the end of the nineties decade significant changes begun to take place with the change in governmental policies on the one hand and the huge Non-Resident Indians investing in real estate in the country. This led to the active functioning of industry bodies such as Promoters and Builders Association of Pune (PBAP), Confederation of Real Estate Developers of India (CREDAI), Builders Association of India (BAI) etc. Pune as a city has emerged as the frontrunner and chief lobby with the government in matters related to real estate. The associations have made periodic representations to the Centre on policy matters and famous amongst them are the abolishing of the ULCRA, continuing the tax rebates under Section 80IB to developers, the IT rebate for individuals investing in home purchase and reduction of Stamp Duty in Maharashtra and some other states. Also the redefinition of the Slum Rehabilitation Act (SRA) and the redevelopment of defunct Mill lands in Mumbai etc. The associations have been active in introducing Codes of Conduct for its members and have worked proactively to introduce environmental norms like rainwater harvesting and solar heating for all properties announced post 2004.
- The development of Pune as an industrial and software hub is well known. Every year around more than 100,000 new people make Pune their city (ESR- PMC 2006) and growing @ 24% thus creating a demand for residential and commercial property. Every year 100, 000 new vehicles are added into the city (ESR- PMC, 2005) thus generating a huge demand for better road and commuting infrastructure. The population of Pune is young due to the influx of students and software professionals with huge spending capacity therefore the city requires enormous entertainment facilities to be developed. Pune's Kothrud is ranked as the fastest growing suburb in the country and Asia (virtual pune, Mar 2007). Pune falls under a 'cluster' belt. Clusters are geographic concentrations of interconnected companies and institutions in a particular field. Clusters foster innovation, better productivity, give better access to employees and suppliers, give access to specialized information thus improving the potential of a city or region. This has resulted in the growth of such industries as automobile manufacturing, electronics and software and education to be concentrated in the Pune region.

OBJECTIVES OF THE STUDY:

1. To identify the most effective strategies for marketing of real property by their results
2. To examine the effectiveness of various marketing strategies belonging to supply and demand sides, comparing them to industrially advanced nations
3. To find out the marketing decisions and policies during the periods of dynamic business fluctuations – ie. Boom and recessionary conditions.
4. To analyse the impact of housing and construction sector as one of the engines of macroeconomic growth and welfare.

5. To assess the supportive role of the government policies to provide, essential infrastructure on the supply side of the market, including legal reforms, property tax, land acquisition policies, financing at apex level, reforms in urban planning, schemes of special urban development authorities such as Chandigarh, DDA, World Bank development projects etc.
6. To trace dynamic changes in the marketing of housing, supply conditions, needs & preferences of modern consumers and techniques adopted by Indian construction business etc.

HYPOTHESIS

On the basis of previous discussion, the analysis of theoretical and empirical literature on market development of real estate following hypothesis can be framed to study the effect of interrelationship among the macroeconomic factors with firm level strategy adjustments. When supply side determinants are adequately cared for, firm level marketing strategies become more effective as customers are more able and willing to invest in real property. Based on these assumptions, the following hypotheses presented

H1: There is a positive relationship between government policy initiatives (supply side factors) and micro-level industry growth

More controls mean more supply side restrictions leading to a stunted market growth. The developer firms work with limited options and cease to be customer centric. The market resembles the “sellers” market. Obviously very little scope remains to apply marketing strategies in such a market where regulation is the prime driver and not customer needs. Thus the following hypothesis can be presented

H2: Market structures that were rigid, monopolistic and supply driven are now more flexible, demand driven, and competitive

Firms respond to competition by offering differentiated products and services. Innovation in product development is the key to their survival.

H3: Housing Finance companies and entry of banks into housing finance have led the growth in the Housing and real property and affected the preferences of consumers

House or real property purchase is typically financed through a housing finance agency due to its capital nature. Thus mortgage companies through its attractive credit terms and schemes attract consumers to opt for home equity purchase. With ready money at the disposal of the customer, she is in a position to dictate preferences to the developer. In such a market the developer must comply with the buyer requirements due to the seller's high holding costs.

H4: Firms use innovative marketing strategies to sell their inventory as a result of intense competition.

The developer studies the characteristics of the consumers and caters to changing housing needs. Shifts in the real property markets are driven by demographics – changes in personal/household income, education and occupational profiles and age of buying and selling of housing. Cohorts of property buyers add a considerable amount to the capital market in terms of their protracted installments towards repayment.

H5: Housing and real property being contributors to the capital market are well correlated to the business cycle

Property purchases are financed by long term mortgage payments committed by the mortgaging parties. Gains to mortgage companies of these protracted repayments are diverted to development activities undertaken by

government in infrastructure and other areas. Over 250 industries are dependent on real estate for survival and growth. Thus an increase and decrease in demand serve as early warning systems of the business cycle.

H6: Growth in housing and real estate construction boosts GDP due to its strong backward and forward linkages

H7: Shifts in the housing market are driven by demographic factors in personal/household income, education, occupational profile and age of buyers of housing

REVIEW OF LITERATURE

The post 1950's was the era of economic development programmes started by the newly freed colonial third world nations. The initiatives of Nobel Prize winner Gunnar Myrdal (1944, 56), to the development of affordable housing to urban poor and low middle income groups received wider attention throughout the Third World.

A book viz. "Housing and Economic Progress" authored by Llyod Rodwin, of Harvard University Press, 1961, provides studies aspects of housing business such as Income/Expenditure and Demand for Housing, supply of housing, building laws and limits, land values, return on capital and so on.

Myrdal (1968) and Streeton (1972) redefined the classical concept of 'capital' and included "Human Capital" investments in education, health and social goods. Myrdal (1964) liberalised Harrod- Domar's rigid concept and underlined the net incremental productivity of human capital by the improvement in the quality of living; e.g. better housing with sanitation.

Charles Abrams made pioneering studies in housing theory for the developing countries. Abrams suggested a 'self-help' programme linking saving-investment process, by offering government tenements on easy instalments of the payment of their prices. Burns (1977) pointed out the contribution of housing to the growth of the country's income and employment.

The developmental role of the housing market in metropolitan growth and national economy has been elaborately studied by Mahlon Strazheim, in his research study 'Role of the Housing Market in Metropolitan Development'.

The author of "Cities their Origin and Growth" Kingsley Davis (1973), has extensively studied the 20th century 'mechanised and dynamic cities'. The U.N.O. designated the year 1974 as the World Population Year. This brought together the globe spanning, a group of political leaders, consultants, planners, economists, administrators, architects, environmentalists, journalists and radical critics to discuss the problems that had arisen from recent hectic and unprecedented growth of the world's great urban agglomerations. 'Exploding Cities' was published under the and prominent contributors were John F.C. Turner a leading architect and sociologists Dr. Bryan Roberts and Dr. Barbara Ward.

Meanwhile, the World Bank took special interest, and published three key publications viz. Urbanisation (1972), Sites and Services projects (1974) and Housing (1975). A new approach to housing was given because more than 50% of families in the developing countries could not afford 'permanent construction'. From 1975 all over the world, housing was considered to be on the priority agenda of the welfare and socialist states, till the 1990s. Cedric Pugh, a noted international authority in advancing the theory of housing in the 1980s stated that the 'political economy' is the matter of using state power in generating and allocating resources in public policies. He laid emphasis on the complexity of 'theorising' housing in his book "Housing and Urbanisation" – A Study of India (1990) – by pointing out the need of simultaneous solutions to the problems of housing such as finance, architecture and construction expertise, proximity to workplace, amenities of education, health, medical care, market, recreational and cultural facilities.

In recent years i.e. post 1980s, Thatcherism, in U.K., Reaganomics in U.S. market economy regimes in advanced countries of Europe shifted from subsidised, low-rented, socialist and government housing towards the "Home- Ownership" concept supported by easy finance and tax concessions so as to fit into the new style of privatisation and decentralisation.

In the research paper viz. "Low Cost housing in Malaysia" authored by Tan Soo Hai, the core aspects of Demand and Supply of Housing, supply of low-cost housing based on ability to pay, manpower, building materials, bureaucratic and legal procedures, role of private developers in low cost housing, housing finance etc., have been thoroughly investigated. Similar case study viz. "New Towns in Singapore" authored by Thaker, Cheong and Tong gives appropriate strategy of "Public Housing Development" resorting to high-rise, high density development due to the key constraint of shortage of land (620 sq.kms) and a population of 24,00,000 in 1980. E.C. Pryor has made another case study of housing needs and urban development programme in Hong Kong.

In 1986, Dr. Lundqvist, in his published treatise viz. "the Housing Policy and Equality" had noted a welcome change in Government policies of providing income support instead of providing ready – made tenements.

Noted expert Jan Van Weesep in the conclusion of his book "Government and Housing Development" (1990), offers four distinct functions of housing viz. Shelter, privacy, location and investment and should be focussed upon while designing marketing plans of housing.

"Asian Housing – Overview" edited by Y.M.Yeung provides comprehensive study of Urbanisation in Asian countries with a special emphasis on problems of housing. Ghankari Parsa A.R. (1995) has published his research study viz. "An investigation into the process of change in property development industry in central Europe – post 1989"; has covered intensive study of development and globalization of real estate markets in Budapest, Prague and Warsaw by referring to various aspects of rationale for investment, factors influencing property development, development of real estate markets, legal reforms concerned with leasing and tenancy of real estate and so on.

Readings in Property Markets

Useful and interesting secondary data regarding 'property markets' was found in the following papers, books and abstracts.

In the abstract of a book written by Patrick Wilson and John Okuner (from School of Finance, Univ. of Technology, Sydney) having the title viz. "Evidence of Segmentation in domestic and international property markets", describing the risk and return trade-off of real estate portfolio management.

L.K. Hiang of the National University of Singapore has published another study of property market returns viz. "Property Market Returns" – The Singapore Evidence, which analyses the quarterly share price discount/premium of Singapore property companies in the period 1980 to 1994. using property stocks as proxy for direct property investments.

Y.C. Raymond from the University of Hong Kong has published a research paper on the relationship of Housing demand, Housing prices and Mortgage finance flows. He has proved that their interrelationship is direct; that means if the demand for housing rises, the housing prices also rise and mortgage finance flows tend to increase responding to housing prices.

G. Newell from the University of Western Sydney has assessed the relationship between the Hong Kong Property Company and commercial property market performance over 1984-94. His main finding was that property companies provided useful information about property market fundamentals; therefore property companies can suitably make liquidity and portfolio diversification. Gerald Brown from the Univ. of Salford, U.K. has published a research paper viz. "Buy–Sell Strategies in the Hong Kong Commercial Property Market" in which he has elaborated a successful strategy for the investment in property when commercial property market yield high and abnormal returns.

Li Ling Hin from the Univ. of Hong Kong has pointed out the main deficiencies in Chinese market viz. a) Difficulties in proper valuation of real estate asset and b) complications in the legal and official procedure effecting development of real estates.

In a very interesting book viz, "Profile of a Metropolis" by R. Mowitz and Dell Wright, published by Wayne State University Press, Detroit, gives an account of the famous "Detroit Plan which was made public on 18th Nov. 1946 by Mayor Edward Jeffries Jr. under his leadership one hundred acres of land northeast of the Central Business District, was acquired for the Urban Slum relocation for low-income families by the Federal Emergency Housing Corporation.

Another study "A model of housing prices and neighbourhood incomes" by Max Mentze, proves that there is inherent compartmentalization in the housing market on the basis of differences in the locations thus restricting free flow of information from one place to another.

McKinsey Report (2001), offers solutions related to property taxation, marketing of real estate, risk management in the construction industry to release the full growth potential of the Indian real estate industry.

A comprehensive research project has been published in a form of a book “Housing in India” (Cherunilam, Hegade), covering the various sources of housing finance available in India; comparative study of their operations and advantages, and guidelines for portfolio investment in real estate markets. Another equally useful research study of “Housing Finance for Low Income Groups” authored by N.O. Jorgensen has also been referred by the researcher.

“Housing – Enabling Markets to Work,” a World Bank policy paper with technical supplements, covers a concise studies in “Housing sector as a market”, “Housing Market Behaviour”, housing quality, quantity and prices”, Housing for urban poor”, “Housing and the Macroeconomy”, “Do’s and Don’ts in enabling housing markets to work”, “The role of the World Bank, “World Bank Housing Policy in 1970s and 1990s”; “World Bank’s special assistance to Urban Slum Improvement Schemes”, “Cost Efficiency of the building industry, innovative housing finance institutions, efficient tenure regularization programmes”, “Land and Housing Supply”; “Linkages between the housing Sector and the broader economy”, technology choice, taxes, subsidies for promoting rent-control, provision of infrastructure to the housing sector as a whole etc

As per Ninth and Tenth Five Year Plans the number of ‘habitable dwellings in 1997, in the country was approx. 15 crores (152.5 mill) for about 25 crores of the households. Housing shortage which was equal to 3.3 crores was around 20 %. To fulfill this shortage of investment of Rs. 2, 00, 000 crores was required (Devendra Mohan, Business India, 19 Aug., 2002). Experts in the Central Government have drafted the “National Housing and Habitat Policy 1998” based on the United Nation’s Habitat Policy. As per the estimates in the NHHP, 1998 housing shortage was estimated to be 2.3 crore dwellings.

A study of the Singapore development model allocates the most available area to housing (41%), followed by industrial development (19.7%) and then commercial RE development (4.1%). This research therefore accords more emphasis to housing and commercial real property development.

RESEARCH METHODOLOGY

The approach used in this research is both qualitative and quantitative. The research has been divided into two parts. In the first part qualitative methodology is used and quantitative methodology is used in the second part. The second part was further divided into an in depth study of 7 leading firms in Pune coupled with a survey of 121 marketing executives of over 50 development firms.

The first part deals with a thorough literature review on theories of housing and study of real estate market in India and globally to develop insight of the research objectives and gain understanding of the structure of real estate markets. Individual depth interviews were conducted on MDs and CEOs of select real estate development firms in Pune. Non random sampling particularly ‘judgment sampling method’ was used to collect the primary data for case studies, through personal interviews. Structured interview technique was used for this part of the study. 10 developers were approached and 7 completed the questionnaire. The response rate was 70%.

In case of the survey of Marketing Executives random sampling technique was used drawn from small, medium and large developers in the Pune and Pimpri-Chinchwad belt. 150 executives were approached, 121 responses were received. The response rate was around 81%.

Data Analysis and Salient Findings

Some salient findings to support the hypotheses (H2, H4) is that in both the surveys; marketing executives (MEs) as well as Case Studies (CS), developers are changing their firm structures from proprietary firms to private limited firms in the wake of changing business scenarios of globalization and increased competition proven in chapter 8.

Market Conditions

In case of case studies 86% of the owners felt that they were enjoying the Sellers' market advantage. 67% Marketing Executives felt that they were enjoying the sellers' market advantage. On the other hand when asked as regards the financing of the property purchase it was found that 79% of the respondents offered financing options in case of ME survey while 100% of the case study sample offered easy credit terms. Prima facie this seems contradictory because when ready funds are available the buyers tend to dictate terms. In this case the developers maintain that they continue to enjoy the sellers' market advantage. This dichotomy could be attributed to their ability of offering amenity based projects, and at the preferred location, thereby reducing the customers' ability to bargain. This proves hypotheses H2, H3.

In both the primary data when asked which stage the market was in 92% chose Boom Stage (ME) and 72% in case of case studies. This proves hypothesis H1, H3, and H5.

When asked which of the conditions they would prefer, 'supply after booking' instead of 'anticipated supply' a majority in both the surveys chose supply after booking 52% in case of ME survey and 42% in case of Case Studies (CS). This implies there is a change in the outlook of developers who now anticipate supply and offer ready possession option. This proves hypothesis H1, H3, and H5.

Use of Marketing Strategy in Business

57% agreed to the use of marketing strategy in case of case study survey, in case of ME survey 62% respondents agreed. This proves hypothesis H4, and H5.

The most effective of strategies listed are the use of CRM, word of mouth, customer satisfaction, product quality, and innovation, and brand building as found in case studies. This proves hypothesis H4 and H5.

Customer related findings

The typical customer of real estate in Pune has changed since 1999 with the average property buying age coming down to 35-45 yrs (32%) and 25-35 yrs (29%). The new buyers are mostly in the category of the professionals (ME+77%, CS- 54%), and 44 % are first time buyers (MEs). They are educated with most of the buyers being graduates (34%) or post graduates (32%) as found in the Marketing Executives survey. This proves hypothesis H7.

This corroborates well with the findings that most of the buyers are professionals and therefore their education levels are high.

The predominant class of buyers were the Double Earners With Kids (DEWKS- 39%), and the Double Income No Kids (32%), in the marketing survey. Once again this corroborates well with the above findings of customers being educated, in the relatively young category and both partners working. This proves hypothesis H7.

Product related findings

The majority of builders as seen in both the case studies as well as survey, are engaged in the residential construction (80%- ME) followed by shops and offices and commercial building construction (56%- ME). It can be concluded that the city's builders are engaged in catering to the demand of these two types of customers followed by agricultural farm plots and houses. This proves hypothesis H7.

The most typical amenities included are swimming pool (82%), clubhouse (77%), extra car park (72%), and landscaping, jogging track and rain- water harvesting (45-60%). In the commercial building type the most predominant feature included is adequate parking (46%) followed by Internet connections (39%) and fibre optic cable (26%). A significant percentage of respondents also opted for energy saving devices being included as an inclusive feature during the construction of the building this implies that in view of the changing lifestyles of the buyers of Pune metropolis, the need for residential amenities is growing. In case of commercial property the increased use of IT and IT enabled services call for specialized services from the developers. Commercial property developers have given maximum importance to adequate parking due to the norms of building codes that has provision of adequate parking as a prerequisite for all new commercial property development. This proves hypothesis H4.

Brand Strategies

86% of the case respondents agreed that brand management results in better business. A slim majority of the cases (57%) preferred to use the market leader strategy instead of the market follower strategy (CS).

In case of the marketing executives surveyed it was found that the most preferred strategy was that of company name (30%), followed by blanket branding strategy (20%). The above prove hypothesis H4.

Use of Technology and Processes

In case of the ME survey it was found that a slim majority of the builders had the technological processes in use such as mechanization, to save time and costs. A small percentage of the sample denied using technological processes (16%) altogether, while a significant portion (29%) admitted to only a partial use. It shows that most builders are either embracing technology for building or are atleast using some of the technological processes.

Case Study survey revealed an extensive use of construction equipment (47%). 43% of the sample agreed that these processes helped the firm save time, cost and efficiency. 29% felt that it improved time cost and quality while 14% each agreed to a reduction in time and cost and reduction in time and improvement in efficiency respectively. Thus the respondents agree that scientific and systematic processes to reduce the 'factory to market' of an average project. This proves hypothesis H4.

Salient Findings using SPSS Version 11 Software

Further to the analysis contained in the previous sections further statistical treatment to the data was undertaken to establish the extent of linkages that some factors exhibit in relation to others. Significant correlations were

noticed in the amenities provided and the customers' budget bracket. Another area is the pricing strategy and the use of specific sales promotion tools. Following are some of the significant findings

A. Customer Budget against Amenities provided

- I) *Less than Rs. 5 lakhs- Rs. 10 lakhs:* In this bracket it was found that landscaping had a correlation factor of 0.981 considered a very high correlation. Vermiculture also was found to have a high correlation with 0.844, this can be attributed to the compulsory inclusion of this amenity in projects launched after year 2005.
- II) *Rs. 5 lakhs- Rs. 10 lakhs:* In this bracket the highest correlation was found to be for the amenity of clubhouse.
- III) *Rs. 10 lakhs – Rs. 15 lakhs:* In this bracket it was found that extra car park displayed the highest correlation factor of 0.977 followed by vermiculture 0.969 and landscaping with 0.65.
- IV) *Rs. 15 lakhs – Rs. 20 lakhs:* Landscaping had the highest correlation factor of 0.903 followed by the 'any other' category which asked for amenities not listed in the questionnaire with a correlation factor (C.F) of 0.721. Library facility exhibited a C.F of 0.555.
- V) *Rs. 20 lakhs and above:* For properties in the budget of over Rs. 20 lakhs very high C.F of 0.93 was witnessed in Vermiculture amenity.

B. Pricing Strategy against particular type of Sales Promotion used

- I) *Going Rate Pricing:* In this type of strategy the highest C.F of 0.815 occurs in the use of cross promotion that is using one brand to sell another. Point of Purchase Displays was found to have a C.F of 0.763. In the construction sector Point of Purchase displays are found in site office layouts and builders' offices promoting various projects in an attractive manner. It can be inferred that sales promotion is mainly done through attractive site offices and POP displays to attract onsite customers. Also use of Discounts is employed quite often with C.F. of 0.711. Housing schemes are promoted with early bird discounts on rates etc.
 - II) *Mark- Up Pricing:* Contests had the highest C.F of 0.779 followed by Offers with a C.F of 0.676, followed by cross promotions 0.676. Point of Purchase had a correlation of 0.676. This indicates that in case of Mark-Up pricing many types of sales promotion techniques are employed.
 - III) *Value Pricing:* In this type of pricing strategy the highest correlation factor was witnessed in the use of cross promotions with 0.815 followed by POP displays 0.763 and lastly discounts 0.711.
- Other pricing strategies exhibited insignificant correlation results e.g. psychological pricing or perceived value pricing. This implies that in these types of pricing; choice of sales promotion tools is not affected. All the above prove hypothesis H7.

C. Turnover with Brand Strategy

I) *Decade of 1980 – 1990*: In this decade a high significant C.F. was noticed in the promoting overall Company Brand Strategy (0.667) vis a vis employing Project –wise strategy (0.384).

II) *Decade of 1991-2000*: In this decade a very interesting phenomenon is noticed, the highest C.F is seen in the Project-wise strategy followed by comparatively weak correlations in blanket brand strategy 0.211. It can be inferred that in the decade of the 1990s following the increase in demand for housing due to NRI buying, and post 1996 real estate crash, many new and small developers launched projects on various holdings. As this class of developers had no prior experience they preferred to project their projects and chose the project-wise strategy over the company brand name strategy.

IV) *2000 onwards*: Blanket branding strategies exhibit a higher correlation factor 0.568 as compared to project-wise strategies with 0.376. This implies that following the huge boom that has set in housing and real estate, companies that launched themselves in the previous decade are showing greater inclination to adopting blanket strategies as they are more professional and structured and do not fight shy of disclosing their firm names across a range of projects. All the above prove hypothesis H4.

Extent of Hypothesis Validation

1) Fully Proven through primary data

Subject	Hypotheses proved through primary data
Configuration of the firm	Findings validated H2 and H4
Qualification of promoter	H2
Benchmarking against foreign firms	H2, H4
Product extension	H1, H4
Geographical Market Coverage	H2
Location chosen in Pune (predominantly suburban)	H1, H3
Use of qualified staff & training	H2, H4
Credit facilitation	H3
Stage in business cycle	H5
Supply side problems in business attributed to governmental policies	H1
Use of scientific processes to reduce enquiry to purchase cycle time	H4
Customer class (Middle and above)	H7
Occupation – Professionals/Service	H7
Age - 25yrs- 45 yrs	H7
Psychographic characteristics	H3, H7

Maturity of customer (first time)	H3, H7
Education – graduates and above	H7
Product length and depth	H4
Amenities provided	H4, H7
Pricing strategy (going rate, value pricing)	H4, H7
HFC/Banks tie up	H3, H5, H7
Use of integrated marketing communication	H4, H7
Use of local media	H7
Use of sales promotion/personal selling	H4, H7
Use of marketing strategy for brand building	H2, H4
Use of channel intermediaries	H2
Use of technology	H4

2) Partially proven through primary data

Subject	Hypotheses proven through primary data
Market Condition (Sellers' or buyers' market)	Sellers' market partially thus proves H1, H3
Innovative Marketing strategies used intensively not admitted but directly.	H4
Booking after ready supply	H4
Effort to be market drivers instead of followers	H4

CONCLUSIONS

- 1) Effective strategies are required to favourably affect the supply and demand for real estate
- 2) Supply side strategies are affected most by government intervention in the areas of legal and regulatory environment, land use planning, monetary policy and taxation
- 3) Demand side strategies are mainly driven by consumers' willingness and ability to purchase property. Since 1999 interest rates on housing came down drastically fuelling a huge demand for property purchase.
- 4) Globally real estate interventions are a matter of close monitoring by governments because of the close linkages of real estate with the capital market of the economy. USA, Singapore, China, UK, Finland use active policies to boost real estate penetration.
- 5) At the micro level in Pune, buyers have become more amenity conscious and this is seen from the extent of amenities provided in relatively small budget homes. In case of commercial real estate fibre optic cables, internet and broadband and extra car park are the most preferred amenities.
- 6) Developers who have a good reputation and market standing are educated and/or possess professional qualifications.
- 7) Due to the rapid changes in the real estate market, the firm structures of these developers have undergone a change and are now private limited, partnerships or joint enterprises. However a percentage of the firms continue to remain private proprietorships.

- 8) Majority of the firms make planned use of marketing strategy to improve sales and market share.
- 9) Companies are not very savvy users of strategy as they do not employ the use of specialized strategists to improve sales and market share
- 10) Brand management is yet in its nascent stages as companies still not completely aware of using brand management
- 11) Major problems faced by developers is the governmental interference, unclear land titles, delays in plan passing
- 12) Future trends indicate that more lounge bars will be established in Pune. There will be a boom and competition in malls business, improvement in the quality of construction.
- 13) Developers have suggested changes in the working of the industry by governmental machinery. This is required to usher in more transparency and reduction of black money in the business.

Scope of future research

This research is pioneering and therefore opens several possibilities of future research in the areas of macro level market factors affecting micro-level real estate firm management. This research focused extensively on housing (residential real estate) and commercial property to a limited extent. Within the real estate arena there is further scope to work in other types of real estate such as office property, retail, softtech parks, tech parks, SEZs, agricultural property etc.

The study concentrated on understanding the effects of government policies on the industry and the changing consumer demography particularly since the year 1999. Further research can be done in understanding closely the effects of real estate on the capital markets; the impact of supply and demand volatility on real estate cycles; predicting real estate cycles for India; in depth studies on the consumer perception, behaviour and preferences at local, urban and suburban areas need to be researched.

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STUDENT AND YOUTH TRAVEL: MOTIVATION, NEED AND DECISION-MAKING PROCESS A CASE STUDY FROM VIETNAM

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ABSTRACT

Purpose – The purpose of this paper is to identify travelling patterns and motivational factors among university students. In addition, several determinants in tourism decision-making process are assessed in regard to their importance.

Design/Methodology/Approach – A mixed approach (focus group and survey) was employed. The data on which this paper is based was collected from 231 students of International School and University of Languages and International Studies (Hanoi, Vietnam) through a self-administered questionnaire.

Findings – Travelling patterns of students in terms of travelling frequency, time, average duration, spending, and companions are described. Besides, the result assesses the importance of push factors over pull factors in motivating the youth to travel. Finally, the findings show that young tourists concern safety level at the destination most; and transportation means, accommodation, and food provided by travel operators during the trip are the main factors affecting their choice of a tourism package.

Research Limitations/Implications – The main limitation of the research relates to sample size which is limited to 231 cases. Future works should make good this shortcoming by investigating a broader sample at different locations.

Practical Implications – In order to attract student-being travelers and make profits, travel agencies and service providers at tourism destinations need to understand their concerns, therefrom developing plans, both short-term and long-term, to meet their requirements.

Originality/Value – First, the result of this paper contributes to the existing literature of tourism industry. It provides a comprehensive understanding of youth tourism from which tourism-service providers are beneficial. However, tourism industry is affected by various factors, so further researches are needed to accurately assess the potential of the market for youth tourism.

Keywords – Youth travel, young tourists, travelling patterns of youth, travelling motivation, need for travel, sources of tourism information, tourism decision-making process.

INTRODUCTION

1. INTRODUCTION

Tourism is an important driver of economy and social development. Within tourism industry, youth travel accounts for an increasing portion of the market over years. “The youth” in this study refers directly to university or college students whose ages drop within the range of 18-24. The segment of those young travelers is recommended as a potential market segment because they have high purchasing power. Moreover, it is easy to touch those people because they are technologically aware and exposed to various media. This research is conducted to provide an understanding of travel motivation and need among the youth as well as to investigate their tourism decision-making process.

For the aim of this study, the following questions are addressed:

1. *What are the traveling patterns of the youth?*

The purpose of this research question is to discover how young people tour. Answer to this question will provide information about traveling patterns of the youth such as frequency, time, duration, average spending and companions.

2. *What are factors motivating the youth to travel?*

This research question determines the motivators which urge the young to go on a trip (i.e. escape, relaxation, education, novelty, relationship enhancement, destination’s attraction, and marketing).

3. What is the importance of factors affecting youth's tourism decision-making process?

The answers to this question help clear up queries about young tourists' concerns in choosing a suitable destination (i.e. infrastructure, distance, culture, climate, and environment), and a tour package (e.g. cost, accommodation, tour size, prestige of travel operator, etc.).

2. LITERATURE REVIEW

2.1. Maslow's need hierarchy

According to Maslow (1970), human needs can be divided into five levels, from physiological needs to the needs of safety, belongingness & love, esteem and self-actualization in that order of increasing importance (Fig. 1). Higher needs emerge only when lower needs have been satisfied. In other words, lower level dominates in case of conflict between different levels. Moreover, Maslow (1970) did discuss two other less-known sets of needs: the aesthetic need, and the need to know and understand. These two needs are more relevant in tourism context because people usually travel to enjoy beautiful objects as well as to learn about surrounding world.



Fig. 1: Maslow's need hierarchy

2.2. Travel career ladder (TCL)

In 1982, Perce did a research on travel experience and reported that younger tourists, in comparison with the older, put more weight on physiological needs than on love & belongingness needs and self-actualization needs. Based on Maslow's pyramid, he continued introducing his own model – Travel career ladder (TCL) (Pearce, 1988). The bottom-up order in the ladder is relaxation needs, safety/security needs, relationship needs, self-esteem & development needs, and fulfillment needs. According to Perce, travel motivation changes when travel experience changes. It means as an individual accumulates more travel experience, he/she seeks fulfillment of higher level of needs in the ladder. Just like job career, people may start at different levels in TCL. Then, some go upward, some stay motionless, or descend the ladder.

2.3. Push and pull theory

Push factor refers to the impulses that stem from the inner part of human-being and push them towards some action. In contrast, destination attributes which affect and pull tourists towards a certain direction form pull concept. By critically reviewing the literature, the researchers pointed out six common push factors (i.e. escape, relaxation, prestige, novelty, education & relationship enhancement) and four common pull factors (i.e. culture, safety, local environment & inexpensiveness) (Jamrozny and Uysal, 1994, Yoon and Uysal, 2005, Yuan and McDonald, 1990). In a research conducted by Guha (2009), novelty and escape from monotony of daily life are two most common traveling motivators.

The question concerning the importance of push and pull factors in provoking tourism is still controversial. Based on their way of thinking, researchers are divided into three main schools. Being a member of the first school, Pizam et al. (1979) **deny** the role of pull factor because "*they are just common sense explanations of a certain touristic activity*" and "*they should be eliminated from the study of true tourism motivation*". Other researchers in this group including Motinho (1987), Klenosky (2002), Nicolau and Mas (2006) consider push factor as the **only** motivational force. Researchers who think that **both** push and pull factors are travel motives but the latter plays **supporting role** for the former (Dann, 1981a, Crompton, 1979) make up the second class. The last group consists of researchers such as Mehmetoglu (2011) whose study concludes that the impacts of push and pull factors are **nearly equal**.

Push and pull concepts are the foundation for many theories. Given that potential travelers live in an anomic society, Dann (1977) believes that a push factor for travel lies in the desire to get away from boredom of everyday life. Crompton (1979) also suggested two layers of socio-psychological motivation. The first level initiates the desire to go travelling and the other facilitates destination selection process. This theory is similar to ones developed by Heckhausen (1980) and Dann (1981a).

2.4. Tourism decision-making process

One of the most concerned content in researches relating to tourism's behavior is the process of making decision on tourist destination. From their points of view, Schiffman and Kanuk (2000) believe that decision-making involves affective and cognitive behavior. A tourist who decides on tourist destination usually go through five phases, i.e. (1) need recognition, (2) information search, (3) estimation of alternatives, (4) purchase of tourism products/services, and (5) post-purchase evaluation (Djeri et al., 2007).

The decision-making process starts as a person recognizes a need for tourism. This need is motivated by either push factors (such as escape, relaxation...) or pull factors (e.g. attractiveness of a destination, advertisement...) or both. Once the need becomes a desire to go, the potential tourist commences seeking information. There is a variety of sources from which an individual can obtain tourism information, say books, journals, online database, friends and relatives, etc. With the fast growth of the Internet in recent decades, information searching is becoming easier and easier. Based upon the information in hand, a potential tourist estimates various options. In this third stage, criteria to evaluate alternatives are determined. Examples for criteria include cost, environment, infrastructure, etc. at the destination. In the fourth step, the final decision on tourist destination is made by a purchase of a tourism product or service. Besides, a traveler will have many other decisions to make during this phase. For example, he/she must answer the question "Which travel package will he choose and which criteria does he base on to make that choice?" The process ends with post-purchase evaluation. Usually after coming back home, the tourist assesses level of satisfaction. This level is an important determinant in the selection of next destination as well as travel agency. According to a survey conducted by Djeri et al. (2007) in Backa, 40% of respondents agree that their choice of the same travel agency is strongly influenced by quality of previous tourism package. It is important to note that not 100% of tourists traverse all five phases.

RESEARCH METHODOLOGY

Qualitative approach – Focus group

The qualitative approach utilized was focus group method. Focus group is necessary to obtain feedback and reach new insights towards the matters in hand. To help focus-group sessions go well, a questionnaire was prepared based on findings from previous academic studies.

The questionnaire had 4 questions. The session began with "How often do you travel?". The 2nd question – "What motivate you to go travelling?" – gives answer to the 2nd research question. Findings revealed by [Jamrozy and Uysal \(1994\)](#), [Yoon and Uysal \(2005\)](#), [Yuan and McDonald \(1990\)](#) was used as reference. The frame for answers included six reasons: escape, relaxation, novelty, education, relationship enhancement, and the destination's attractiveness. For example, questions such as "Do you make new friends during your trip?" determine whether relationship enhancement is a motivating factor behind the need to travel. The 3rd and 4th questions answer the 3rd research question. They were "What affect your choice of destination?" and "What do you concern about in choosing a suitable tourism package?".

Two focus group sessions were held. The first group consisted of 5 students from International School (Hanoi, Vietnam). The other gathered 5 students from various universities located in Hanoi. These 10 participants were asked questions in the prepared questionnaire and were encouraged to freely contribute new attributes so that the researcher could design a better questionnaire for survey. For example, one new reason for travelling had been discovered, that was marketing. Some students go travelling simply because they have seen an advertisement on the mass media.

Quantitative approach – Survey method

Using insights gained from focus groups, a survey questionnaire was designed and distributed to the selected sample. There are four sections in the self-administered questionnaire:

- Section A: General information about informants.
- Section B: Traveling habits of the youth in Hanoi.
- Section C: The factors motivating the youth in Hanoi to travel.
- Section D: Importance of factors affecting the youth's choices of destination and tourism package.

Section A required informants to answer questions about their gender and the year they are in at university. This section is necessary because it provides a description of respondents' profile.

In section B, six items were designed to discover the travelling habits of the youth. They were to determine respondents' frequency of travelling, time of travelling, average duration and spending per trip, and usual fellow-travelers. All questions in this section were multiple-choice questions. Some questions required the informants to choose only one answer while others allowed them to select more than one.

Section C identified the motivating factors behind travelling need of the youth. Only one multiple choice question was developed and adjusted based on previous researches of [Jamrozy and Uysal \(1994\)](#), [Yoon and Uysal \(2005\)](#), [Yuan and McDonald \(1990\)](#). This question consisted of a list of eight items. Respondents could check all items that apply.

The last section aimed at investigating steps in tourist's decision-making process. The first multiple choice question in this part was "Where do you usually get information about tourism?". The second question required respondents to rate seven factors affecting their choice of destination. Factors were marked based on their importance. A Likert scale, ranging from 1 (not concerned at all) to 5 (extremely concerned), was employed. Similarly, the next question which regarded determinants in choosing a tourism package had five items and was constructed in the same format as the previous question.

Moreover, to ensure timeliness of the research, respondents were asked whether they travelled in the past two years. Only those who answered yes were qualified to participate in the survey.

Data analysis and findings

Result of sampling

A total of 100 paper questionnaires were distributed at International School and University of Languages and International Studies (Hanoi, Vietnam), and 93 were returned. However, 7 out of 93 returned questionnaires were rejected and excluded from analysis because the informants missed out some items or improperly answered (e.g. choosing more than one option for MCQs). The response rate for paper questionnaires is **86%**. This rate is 16% higher than expected (70%) and much better than the "reasonably good response rate" (60%) which is generally expected by researchers (Fincham, 2008). Besides the hard copies, 145 online answers were collected through Google Docs.

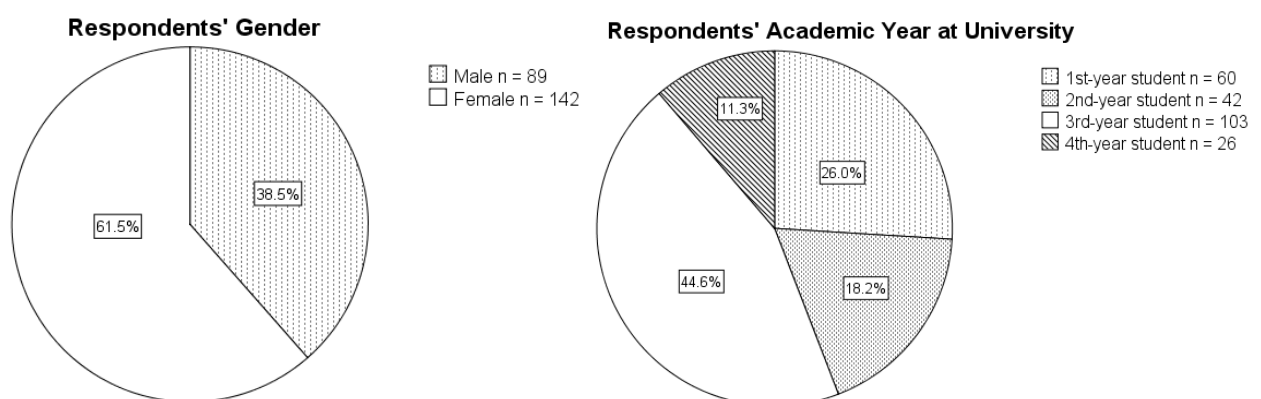
Overall, data from 231 cases were entered into SPSS version 20.0 and Microsoft Excel for analysis.

Respondents' profile

Among 231 informants, 89 are male, accounting for 38.5%, while 142 are female, making up 61.5%. Female respondents outnumber male respondents by a large margin of 22.94%.

The majority of respondents are 3rd-year students, constituting 44.59% of the entire sample. The second position is occupied by 1st-year students with 25.97%, followed by the group of 2nd-year students (18.18%). There are only 26 students (11.26%) who are in 4th year at university

Fig. 2: Demographic data of respondents



Findings to Research Questions

Research Question 1: What are the traveling patterns of the youth in Hanoi?

The research question 1 sought to determine the travelling patterns of the youth in Hanoi. A descriptive analysis was used to analyze items from no. 3 to no. 7 in the survey questionnaire. Through analysis, it can be concluded that most students travel once or twice per year and the most suitable time is summer time. They usually take one-to-two-day vacation and are willing to spend less than 3 million per trip. Regarding fellow-travelers, “Family & relatives” and “Friends & colleagues” are the two most chosen options.

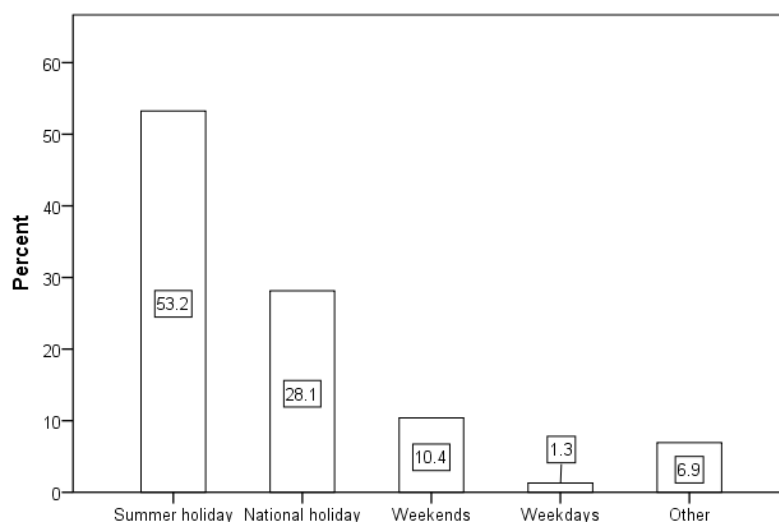
Travelling frequency. Referring to Table I, 155 out of 231 (67.1%) surveyed students go on a trip once or twice a year. There are 53 respondents (22.9%) who choose “3 – 4 times per year”. Cumulatively, the first two categories account for 90% of the entire sample. Only 11 respondents travel 5 or 6 times (4.8%) and 12 travel more than 6 times per annual (5.2%). The fact that the youth are busy with their studying can explain why they cannot travel more often

Table I: Travelling frequency of respondents

	Frequency	Percent	Valid Percent	Cumulative Percent
1 - 2 times per year	155	67.1	67.1	67.1
3 - 4 times per year	53	22.9	22.9	90.0
5 - 6 times per year	11	4.8	4.8	94.8
More than 6 times per year	12	5.2	5.2	100.0
Total	231	100.0	100.0	

Travelling occasions. As shown in Fig. 3, more than half of respondents (53.2%) travel in summer holiday.

Fig. 3: Travelling time of respondents



Next, 56 out of 231 respondents (28.1%) choose “National holiday”. “Weekends” occupies the third position with 10.4%, followed by “Other” (6.9%) and “Weekdays” (1.3%). Most of respondents who choose “Other” say that they go travelling when they have time while only a couple of respondents travel when they want.

A Chi-square test was used to test relationship between Gender and Travelling time. Assume: H_0 : Travelling time is not related to Gender

H_1 : Travelling time is related to Gender

Table II: Chi-Square Tests (Gender * Travelling time)

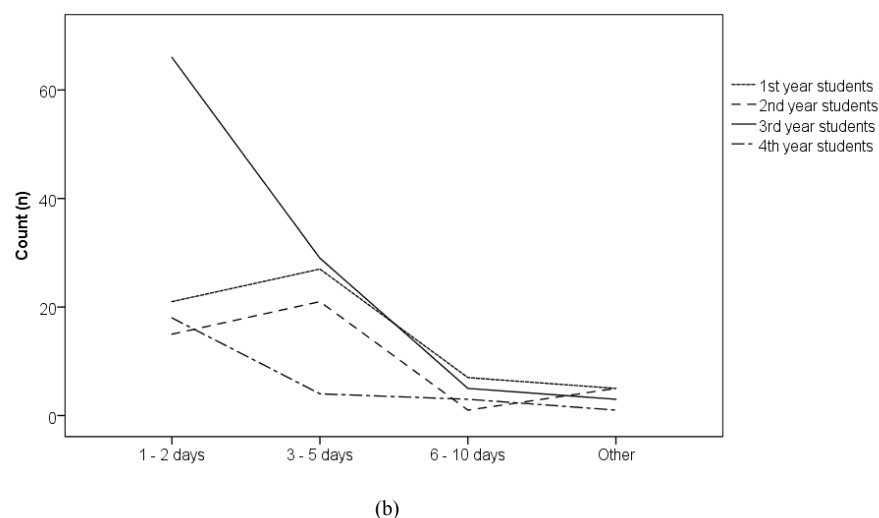
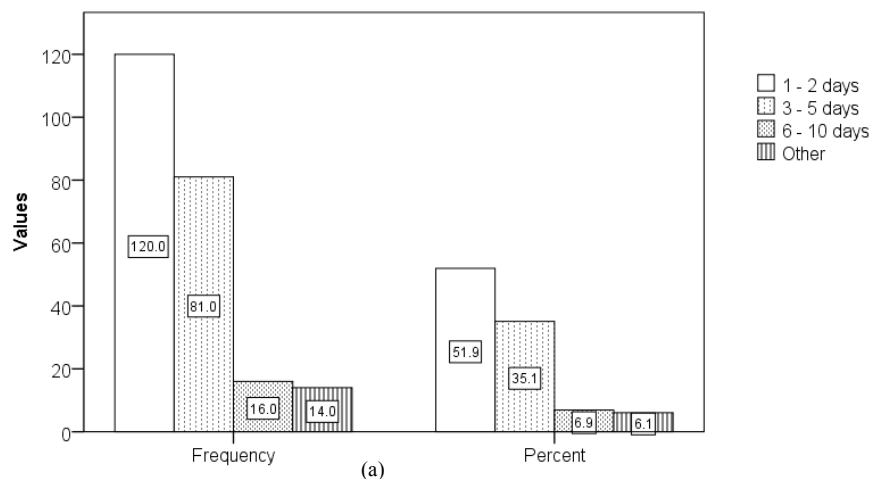
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	10.303 ^a	4	.036
Likelihood Ratio	10.469	4	.033
Linear-by-Linear Association	.006	1	.937
N of Valid Cases	231		

a. 2 cells (20.0%) have expected count less than 5. The minimum expected count is 1.16.

It is discovered that 2 cells (20.0%) has expected count less than 5 (Table II). The assumption concerning the “minimum expected cell frequency” has been violated. H_0 is not rejected. Because there is not statistical evidence to infer that H_1 is true, further researches are needed to test whether a significant association exists between these two variables.

Average duration. From Fig. 4a, it can be seen that 120 respondents, equivalent to 51.9%, usually go away for 1 – 2 days. People who stay for 3 – 5 days make up 35.1% of the entire sample. The third position is occupied by “6 – 10 days”. The collected information also points out that trips get shorter as students move to higher year at university

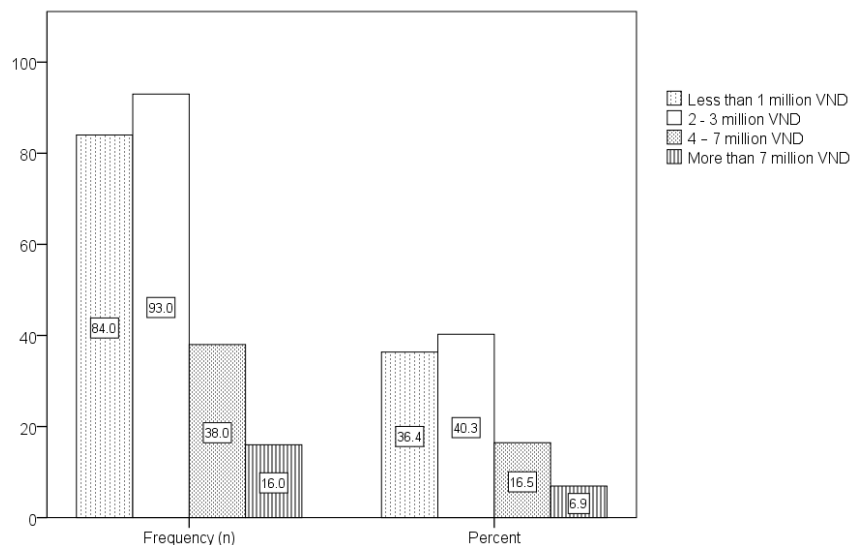
Fig. 4: Respondents’ average duration per trip



Freshmen and sophomores tend to take on 3-to-5-day trips while juniors and seniors have a tendency to travel for 1 or 2 days only (Fig. 4b). The findings suggest an inverse relationship between time spent on studying and on travelling. Average spending. In most of the cases, expenditure is less than 3 million VND. In more detail, a total of 93 respondents (40.3%) are willing to pay 2 – 3 million VND per trip, followed by 84 students (36.4%) whose travel budget is less than 1 million VND. Only 16.5% and 6.9% of the sample pay 4 – 7 million VND and more than 7 million VND per trip, respectively (Fig. 5). It is discovered that female's travel budgets are larger than male's. Possibly, the reason is because girls usually do more shopping before departure than boys. However, the findings contradict W&S's survey (2013) which states that male's spending exceeds female's by a small margin.

Fellow-travelers. The results are graphically described in Fig. 6a. "Family & relatives" and "Friends &

Fig. 5: Respondents' average spending per trip

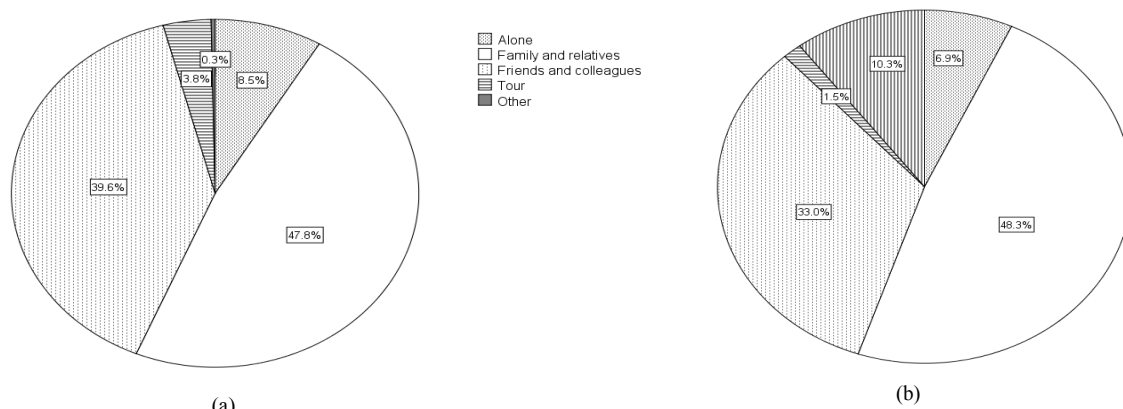


colleagues" are the two most chosen options, with 47.8% and 39.6%, respectively. 8.55% of the sample like travelling alone and only 3.8% purchase a package tour from travel operators. Only 1 respondent enjoy trips with lover. This order is very similar to one inferred from the research "Vietnamese Domestic Tourism: An Investigation of Travel Motivations" (Fig. 6b) (Bui and Jolliff, 2011). In both studies, Vietnamese tourists appear family-oriented. It can be seen that the majority of the sample prefer self-arranging their own itineraries to participating in organized tours. Mintel (1991) finds out that a high percentage of young tourists regard independent trips to be "cheaper, more adventurous, and exciting as providing more freedom". The same findings can be found in many previous studies such as two conducted by Carr (2003a,b) and one by Theuns (1992).

Research Question 2: What are the motivating factors of the youth on taking a trip?

Travelling motivators. Through descriptive analysis, a conclusion is drawn, i.e. youth's demand for travelling

Figure 6: Travelling companions



mainly originates from push factors. Refer to Table III, eight options are placed in descending order. “To entertain” ranks first with highest count of 145 while “Other” ranks last with lowest count of 1. As described in Literature review, travelling motives are divided into two groups: push factors (R1, R2, R3, R5, and R6) and pull factors (R4 and R7). From the table, it can be seen that push factors account for 86.8% of all responses while pull factors make up only 12.9%. This finding supports Dann (1981b) and Crompton (1979) who think that both push and pull factors are motives for travelling but the latter plays supporting role for the former. Meanwhile, it refutes opinions of other researchers, including Klenosky (2002), Mehmetoglu (2011), etc.

Another remarkable point is about destination attributes. A study survey 708 respondents from USA and Australia indicates that there is a significant association between the importance of destination attributes and motivation (Reisinger and Mavondo, 2002). Nevertheless, in this research, respondents appear not to be affected much by destination attributes. Therefore, there may exist differences in travelling motives between Vietnamese youth and USA and Australian youth.

Table III: Reasons for travelling – Frequencies

			Responses		Percent of Cases
			N	Percent	
Reasons for travelling ^a	To entertain.	R1	145	29.4%	62.8%
	To explore new things and have new experience.	R2	142	28.8%	61.5%
	To escape from daily life.	R3	64	13.0%	27.7%
	Because I am attracted by the destination itself.	R4	51	10.3%	22.1%
	To make friends and enhance relationships.	R5	40	8.1%	17.3%
	For educational purposes (learn about culture, people...).	R6	37	7.5%	16.0%
	Because I am attracted by advertisements on tourism.	R7	13	2.6%	5.6%
	Other.	R8	1	0.2%	0.4%
Total			493	100.0%	213.4%

a. Group

Research Question 3: What is the importance of factors in youth’s tourism decision-making?

Objective 3 investigates what the youth concern when making a decision about tourism. This research question focuses on sources of tourism information, choices of destination and tourism product. Besides descriptive analysis, independent-samples t-test and correlation are deployed to better analyze the association between variables. It is discovered that tourism information is obtained mainly from friends and relatives. Besides, safety at the destination, transportation, accommodation, and food are concerned by most tourists in choosing a destination and a package.

Sources of tourism information. Refer to Table IV, “Friends and relatives” scores the highest (70.6%), followed by “The Internet” (52.4%). However, Carr (2003c) investigated university students in New Zealand and UK (University of Hertfordshire) and reported Internet as the least used and trusted source of holiday information. Nevertheless, if any conclusion is going to be drawn based on this comparison, the author should take time horizon into account.

Table VI: Independent-sample t-test

		Levene's Test for Equality of Variances		t-test for Equality of Means						
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
									Lower	Upper
Safety	Equal variances assumed	.800	.372	-3.126	229	.002	-.498	.159	-.812	-.184
	Equal variances not assumed			-3.079	177.647	.002	-.498	.162	-.817	-.179

Choice of destination. A Likert scale was constructed and required respondents to mark each of 7 factors from 1 (Not important at all) to 5 (Extremely important). A summary of mean and standard deviation of each factor is presented in Table V. “Safety” wins the first place with highest mean of 4.1, followed by “Climate & Environment” (mean = 3.84). The next two positions are held by “Price level at the destination” (3.78) and “Culture” (3.64). “Type of destination” exceed “Infrastructure” by 0.2, ranking 5th. “Distance” comes last with mean of 3.12.

Table V: Factors affecting one’s choice of destination

	N	Minimum	Maximum	Mean	Std. Deviation
Type of destination (Mountain, sea...)	231	1	5	3.55	1.419
Infrastructure	231	1	5	3.35	1.286
Distance	231	1	5	3.12	1.330
Safety	231	1	5	4.10	1.201
Culture	231	1	5	3.64	1.182
Climate & Environment	231	1	5	3.84	1.220
Price level at the destination	231	1	5	3.78	1.225
Valid N (listwise)	231				

An independent-samples t-test was conducted to compare the average scores that males and females gave to factor “Safety”. As shown in Table VI, the value in Sig. (2-tailed) column is 0.002, less than 0.05. Therefore, it can be concluded that there exists a statistically significant difference in scores gave by males (M = 3.8, SD = 1.226) and females (M = 4.3, SD = 1.147; $t(229) = -3.126$, two-tailed). The magnitude of the difference in the means is medium (eta squared ≈ 0.041). In other words, about 4.1% of the variance in scores given to Safety is explained by sex.

$$Eta\ squared = \frac{t^2}{t^2 + (N1 + N2 - 2)} = \frac{(-3.126)^2}{(-3.126)^2 + (89 + 142 - 2)} \approx 0.041$$

Purchase of a tourism package. There is no significant difference in means of the five factors presented. The most concerned factors are transportation means, accommodation, and food during the trip (3.97), but not price of the package. Price of package (3.68) ranked 4th, after prestige of the travel operator (3.91) and schedule of activities (3.70). Promotion does not affect respondents' choice as much as it is thought. Person correlation coefficient is used to identify any relationships between variables. Table

- VIII shows various relationships. However, the strongest relationship exists between "Transportation means, accommodation, and food during the trip" and "Prestige of the travel operator" ($r = 0.724$). Because $r > 0$, that is a positive relationship, or in other words, tourists who have high requirements for transportation means, accommodation, and food during the trip will choose prestigious travel operators to deal with.

Table VIII: Correlations

		Price of the package (including extra costs)	Prestige of the travel operator	Transportation means, accommodation, and food during the trip	Schedule of activities	Promotion (gifts, discounts...)
Price of the package (including extra costs)	Pearson Correlation	1	.708**	.602**	.442**	.428**
	Sig. (2-tailed)		.000	.000	.000	.000
	N	231	231	231	231	231
Prestige of the travel operator	Pearson Correlation	.708**	1	.724**	.534**	.358**
	Sig. (2-tailed)	.000		.000	.000	.000
	N	231	231	231	231	231
Transportation means, accommodation, and food during the trip	Pearson Correlation	.602**	.724**	1	.579**	.261**
	Sig. (2-tailed)	.000	.000		.000	.000
	N	231	231	231	231	231
Schedule of activities	Pearson Correlation	.442**	.534**	.579**	1	.328**
	Sig. (2-tailed)	.000	.000	.000		.000
	N	231	231	231	231	231
Promotion (gifts, discounts...)	Pearson Correlation	.428**	.358**	.261**	.328**	1
	Sig. (2-tailed)	.000	.000	.000	.000	
	N	231	231	231	231	231

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

Table VII: Factors affecting one's choice of tourism package

	N	Minimum	Maximum	Mean	Std. Deviation
Price of the package (including extra costs)	231	1	5	3.68	1.315
Prestige of the travel operator	231	1	5	3.91	1.267
Transportation means, accommodation, and food during the trip	231	1	5	3.97	1.196
Schedule of activities	231	1	5	3.70	1.181
Promotion (gifts, discounts...)	231	1	5	3.44	1.200
Valid N (listwise)	231				

CONCLUSION

Youth travel is rapidly expanding. The majority of the youth travel less than 4 times per year. Summer and national holidays are the most suitable time for tourism. Trip duration usually lasts less than 5 days. It is discovered that trip duration gets shorter as travelers move to higher level of academic studying. In most of the cases, travel budgets are less than 3 million VND with females' budgets larger than males'. Family & relatives are the most chosen companions, followed by friends & colleagues. Besides, it can be seen that the majority of the sample prefer self-arranging their own itineraries to participating in organized tours. In regard to travelling motivations, push factors dominate pull factors. Concerning tourism information, "Friends and relatives" and "The Internet" are the most used sources. In choosing a tourist destination, "Safety" is the first concern of the majority of respondents, followed by "Climate & Environment". It is discovered that there exists a statistically significant difference in the importance of "Safety level at the destination" to males and females. In choosing a tourism package, the most concerned factors are transportation means, accommodation, and food during the trip, but not the package price. Using Person correlation, the strongest relationship is found between "Transportation means, accommodation, and food during the trip" and "Prestige of the travel operator". The main limitation of the research relates to sample size which is limited to 231 cases. Future works should make good this shortcoming by investigating a broader sample at different locations. In terms of research implications, this paper is a starting point for further studies by providing an understanding of traveling patterns of Vietnamese youth. For example, researches on Laos and Thai young tourists should be conducted. Traveling pattern of the youth in developing countries can be inferred therefrom. The research also points out a difference in travel motivations of the youth in Vietnam and in other countries. Researchers may be interested in working out the reasons for this dissimilarity. Findings from this study can benefit both travel operators and service providers at tourist destinations. For travel operators, they have an understanding of what tourists concern when purchasing a tourism package. They can base on this information to design suitable packages which better meet customers' requirements. In addition, the findings show that 70.6% of respondents get tourism information from their friends and relatives. Therefore, travel agencies should focus on satisfying customers instead of spending too much effort on marketing because once their customers are happy, their prestige will automatically be improved through word-of-mouth marketing. For service providers, they should ensure a certain level of security because safety is the most concerned factor by tourists. If they can do so, they will be able to attract more and more young travelers visiting the destination where they do business. Overall, there should be a close cooperation between travel operators and service providers at the destinations if they want to build a long-term relationship with customers.

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INVESTIGATION INTO THE STRATEGIC FIT OF PUBLIC AND PRIVATE CEMENT COMPANIES OF BANGLADESH: A COMPARATIVE STUDY

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ABSTRACT

The extant literature indicates that our knowledge base on the application of marketing insight into the business strategy of cement manufacturers in Bangladesh is inadequate. The appropriateness of current strategy in the light of available resources and raw materials, the workability of existing strategy, production process in public firms in comparison to private firms has so far not been analyzed adequately. Private companies purport to fare well in strategic orientation but public companies are allegedly lagging behind. Therefore, the main objective of this study was to evaluate and to test the feasibility of current strategy in the light of available resources of the business level strategy of Chhatak Cement Company and Shah Cement Industries Ltd. Integrating primary and secondary data, applying different statistical analyses the paper identifies that product quality, product availability, product weight, packaging, repackaging, reasonable price, transportation facilities, promotional activities, credit facilities, technical facilities, delivery in time are the significant competitive factors in the market. Here most of the factors regarding practicality of current strategy of Chhatak Cement Company need to be redesigned while Shah Cement Industries Ltd. can maintain the existing strategy.

Keywords: Investigation, Current Strategy, Available Resources

INTRODUCTION

The economic progress of a developing country is generally gauged by the total consumption of construction materials such as cement, steel, aggregate and other such materials. The annual per capita consumption of cement in Bangladesh is around 44kg, which is one of the lowest in the world; even in the adjacent developing countries, consumption is higher. India, for example, has a per capita consumption of 100-110 kgs (Meghna Cement Mills, 2002). A growth rate of around 8% per year is expected for the cement demand per year. (Murad, 2002). The biggest problem that Bangladesh faces is that the supply of the cement greatly exceeds the demand.

2. Cement Industry in Bangladesh

Cement industry a relatively fast growing industry, is developing in pace with increasing building and construction activities. Cement has long been used as a bonding agent to unite particles or to cause one surface to adhere to another. The most common form of cement, Portland cement, is a powder obtained from burning together a mixture of lime and clay, which when mixed with water and sand or gravel, turns into mortar or concrete. The amount of cement now annually consumed in the country is about 7 million metric tons. In Bangladesh cement industry is raising industry. Before liberation war only Chhatak Cement Company is the company that partially meet the cement demand of the country. After 1975 some private entrepreneur added this industry. But after 1990 the industry condition was totally changed. A huge number of cement manufacturers came to the production. Now a lot of cement company existence in Bangladesh (77 companies) the growth rate in this industry is satisfactory.

3. Problem Statement

The biggest problem probably faced by the companies is that they have the capacity to produce a lot more than what the country needs (Hiedelberg Cement, 2004). The ownership of Chhatak Cement is government where as Shah Cement is private sector. In the present situation, Shah Cement's market share is growing, where as Chhatak Cement's market share is gradually decreasing. Many local companies cannot afford adequate facilities to treat their industrial waste. Therefore, they dump all their waste materials in wrong places, which cause disruption to the ecological balance. Many new entrepreneurs dig up earth from land to construct the factories and grinding mills. The third world country like Bangladesh, there is lot of other small problems, which bothers the cement industry in Bangladesh. One of them is the inconsistent supply of electricity and another one is hartals, which face both local and multinational companies that mentioned by Chattopadhyay (Chattopadhyay, 2004).

4. Objectives

The purpose of the study is to evaluate the strategic fit of Chhatak Cement Company and Shah Cement Industries Ltd. The specific objective of the study is to test the feasibility of current strategy in the light of available resources.

LITERATURE REVIEW

Amanullah (2002), mentioned in his paper the low demand of cement due to fall out of overall economic crisis which started after mid nineties also claimed the blooming of 7 percent to a meager level of even less than 3 percent in Pakistan. Pankaj (2000) this paper is a history of ideas about business strategy and how they came to be influenced by competitive thinking. Both academics and practitioners' contributions are noted. The bulk of the paper focuses on efforts in the 1970s and the 1980s to deepen the analysis of industry attractiveness and competitive position and, since then, to add a historical or time-dimension to what used to be predominantly static modes of analysis. Nicole et al (2000), Less than four years after publication of ISO 14001, thousands of organizations worldwide have adopted the standard. In this article, researchers working with the National Database on Environmental Management Systems (NDEMS) review some preliminary data on organizations' experiences with EMS adoption and implementation. Their findings indicate that, although organizations may face hurdles in implementing EMSs, the majority believes the benefits outweigh the drawbacks. Yoram and Robertson (1983), New directions for marketing strategy are proposed, aimed at overcoming the current limitations of marketing theory. An integrated strategic marketing planning approach is offered, together with a pilot application of the process. The paper concludes with an agenda for research on marketing strategy. Chen and Yu (2008), in their paper is to focus on selection of a location which can widely influence business strategy planning and operation profit. In this paper, the relationship between location strategy and clustering is primarily shown by obtaining location decision criteria and the impact of high-tech firms with the decision-making trial and evaluation laboratory (DEMATEL) method. Then, analytic network process (ANP) method is used to explain the value and benefits from cluster location. The authors study decision-making for location selection of high-tech firms in Hsinchu Science Park. The example is based on two dimensions including network effect and transaction cost. Network effect plays a more significant role than transaction cost for this example location selection of high-tech firms in Hsinchu Science Park. The Science Park is surrounded by entrepreneurial spirit, a significant talent pool, and support infrastructure. This paper explores how high-tech managers make their decisions on location strategy in Science Park. The authors found that cost and benefit factors of network effect dominate the major decision-making in selection of location and has direct impact on strategic intent. They also have shown that the DEMATEL and ANP approaches are valuable for evaluating this situation. Issam and Wafa (2006), to develop a model for manufacturing strategy formulation and implementation to help the managerial body of a corporation improve the efficiency and effectiveness of their company. The quality function deployment (QFD) technique is used in the formulation process to provide the basis for selection between options in each of the formulation stages. The proposed model consists of six stages starting from the business strategy formulation, functional strategy formulation, manufacturing priorities formulation, the generation of action plans and the suggestions of the detailed tasks of each action plan, and ending up with the evaluation of the developed strategy. QFD capture software is used to form the matrices needed for the proposed model. It was found that the proposed QFD approach is easy to apprehend, clear to be applied and leads to dependable manufacturing strategy. Accordingly, this model is recommended to be used in other functional areas in addition to manufacturing to develop their functional strategies. After the application of this model, the quality of management in this company was improved and recommended for other companies. The paper provides a QFD approach that can be applied to any company by their managerial body in order to improve the efficiency and effectiveness of their company.

Springett (2004), the critical theorization of education for sustainability developed from the earlier political conception of 'education for the environment'. This critical perspective underpins the theory of education for sustainability that the paper introduces, and informs the goals, structure and content of the post-graduate course that it describes. It is posited that education for sustainability challenges the 'rationality' of the capitalist paradigm of production and consumption, thereby providing a challenge for the tertiary curriculum in general and for the business curriculum in particular. A 'window' is provided on the way in which theory drives the narrative of sustainability in the course, 'Business and Sustainability', and a brief overview of the course introduce the pedagogical approach based in action methods as well as insights from student self-reflection and course evaluation.

METHODOLOGY

The present study has been conducted with the help of quantitative method. The quantitative method mainly followed sample survey. Of course, this study is both of qualitative and quantitative in nature. In addition to this

procedure, the study demand focused interview and discussion with selected professional experts, end users, contractors, retailers and wholesaler.

6.1 Population

The total population 144, where professional experts 10, end users 100, contractors 10, retailers 20 and wholesaler 4.

6.2 Sampling Design

A structured questionnaire has been used for the purpose of interview to the respondents. Structured questionnaire has been chosen to broaden the scope of the information gathered to check for bias and misunderstanding in the responses and to obtain valuable quantitative judgments. Data for the variables have been collected from the respondents through 5 point Likert scale. A Likert scale measures the extent to which a person agrees or disagrees with the question. The most common scale is I to 5, as like, 1= Strongly Disagree, 2= Disagree, 3= Neither Disagree nor Agree, 4= Agree and 5= Strongly Agree. In this stage the researcher will execute the tabulation work to classify data and to make them ready for analysis. Computer will be used in tabulating and data processing. Some statistical tools like mean, median, mode, simple and multiple correlations, regression analysis and hypothesis will be used in analyzing the data. It will also include various ratio analyses.

6.3 Sources of Data

Information and data will be collected both from primary and secondary sources. Mostly primary information will be used in this research. The primary sources consist of professional experts, end users, contractors, retailers and wholesaler. The secondary sources are the published official statistics, articles, books, reports, statements, documents, periodicals, internet etc. as well as unpublished research reports such as theses and dissertations.

6.4 Hypothesis Testing

H_0 : Equality of mean between Shah Cement and Chhatak Cement.

H_1 : Mean of Shah Cement and Chhatak Cement is different.

FINDING AND ANALYSIS

7.1 Feasibility of Current Strategy of Shah Cement Industries and Chhatak Cement Company

Table-1 shows that the mean of Shah Cement Industries Ltd. is 4.40 and Chhatak Cement Company Limited is 3.44. Here Coefficient of Variation of Shah Cement Industries Ltd. (13.18) is less than the Coefficient of Variation of Chhatak Cement Company Ltd. (36.62). So we can conclude that the data of Shah Cement Ltd is more uniform than Chhatak Cement Company Ltd.

7.2 Independent Samples t-test of Chhatak Cement Company Ltd. and Shah Cement Industries Ltd.

Since p-value (0.001) is less than the 5% (0.05) level of significance, so we can conclude that Shah Cement Industries Ltd. is better than Chhatak Cement Company.

7.3 Descriptive Statistics of the Competitive Factors of Two Companies

Factor analysis has been widely used to examine the structure of tests or scales of various kinds, such as personality scales, attitude measures, and ability scales. The matrix of inter-correlations among the variables showed in Table-3. Inspection of correlation matrix shows that the correlations are substantial, indicating the presence of a substantial general factor. One key issue that users of factor analysis tend to overlook is that the quality of factor analytic research depends primarily on the quality of input data submitted to the analysis.

7.4 Descriptive Statistics of the Competitive Factors of Two Companies Separately

Table-4 shows that for all of the factors of mean of Shah Cement are greater than the mean of Chhatak Cement and SD for all the factors of Shah Cement are less than Chhatak Cement. So we can conclude that Shah Cement Industries Ltd. is better than Chhatak Cement Company.

CONCLUSION

Cement is the latest addition in the list of export commodities in Bangladesh. But in future the cement manufacturers must face the highly competition in domestic and international market. So the cement manufacturers should be made competitive advantages in product quality, product availability, product weight, packaging, repackaging, reasonable price, transportation facilities, promotional activities, credit facilities,

technical facilities, delivery in time. In Bangladesh there is huge demand of cement in that case many multinational companies are thinking Bangladesh is a potential market for investment in cement industry.

RECOMMENDATIONS

Every success of an organization depends upon effective business strategy. In the competitive and open market there are no marketers who can get success without effective and competitive business strategy. On the basis of findings the author believes that the following suggestions and recommendations may help to develop effective and strong business strategy. Feasibility of current strategy depends upon source, expertise, capacity and operational skills of personnel and machinery, sincerity, commitment, experience, and educational background of employees, training for employees, supplying sufficient information, plant layout, incentive package, participation in decision making, cooperative relations and organizational priority, performance evaluation of employees, supervision, balancing between organizational and individual interest. Here most of the factors for Chhatak Cement Company need to redesign and Shah Cement Industries Ltd. can maintain the existing policy.

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Appendix

Table-1: Feasibility of Current Strategy of Shah Cement Industries and Chhatak Cement Company

Category	Indicator	Mean	Std. Deviation	Std. Error of Mean	C.V
Shah Cement	25	4.40	0.58	0.115	13.18
Chhatak Cement	25	3.44	1.26	0.252	36.62

Table-2: Independent Samples t-test of Chhatak Cement Company Ltd. and Shah Cement Industries Ltd.

Feasibility of current business level	Levene's test for equality of variance			t-test for equality of Means					95% Confidence interval of the difference	
		F	Sig.	t	df	Sig. (2-tailed)	Mean difference	SE of difference		
	Equal variance	11.67	0.001	3.46	48	0.001	0.96	2.77	0.402	1.518
	Equal variance not assumed			3.46	33.64	0.001	0.96	2.77	0.396	1.524

Since p-value (0.001) is less than the 5% (0.05) level of significance, so we can conclude that Shah Cement Industries Ltd. is better than Chhatak Cement Company.

Table-3: Descriptive Statistics of the Competitive Factors of Two Companies

Factors	Mean	Std. Deviation	Analysis N
Overall evaluation about product quality	3.56	1.045	200
Overall evaluation about product availability	3.02	1.865	200
Overall evaluation about the weight	3.84	1.437	200
Overall evaluation about the packaging	3.54	1.594	200
Overall restriction about the repackaging	2.64	1.698	200
Overall evaluation about the reasonable price	4.30	1.103	200
Overall evaluation about the transportation facilities	2.76	1.991	200
Overall evaluation about the promotional activities	2.98	1.990	200
Overall evaluation about the credit facilities	2.46	1.692	200
Overall evaluation about the technical facilities	2.30	1.504	200

Overall evaluation about the delivery in time	3.02	1.959	200
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Table-4: Descriptive Statistics of the Competitive Factors of Two Companies Separately

Factors	Mean		Std. Deviation		Analysis N
	SC	CC	SC	CC	
Overall evaluation about product quality	4.36	2.76	0.48	0.81	100
Overall evaluation about product availability	4.84	1.20	0.36	0.40	100
Overall evaluation about the weight	4.84	2.84	0.36	1.41	100
Overall evaluation about the packaging	4.76	2.32	0.42	1.38	100
Overall restriction about the repackaging	3.96	1.32	1.34	0.68	100
Overall evaluation about the reasonable price	4.76	3.84	0.42	1.35	100
Overall evaluation about the transportation facilities	4.52	0	1.30	0	100
Overall evaluation about the promotional activities	4.96	0	0.19	0	100
Overall evaluation about the credit facilities	3.92	0	1.20	0	100
Overall evaluation about the technical facilities	3.60	0	1.06	0	100
Overall evaluation about the delivery in time	4.92	0.27	1.12	0.59	100

TEACHING BUSINESS ENTREPRENEURSHIP IN TECHNICAL EDUCATION USING BLUE OCEAN STRATEGY

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ABSTRACT

Technical education system in India has been focusing on the wage employment for its graduates. Due to the recent large scale expansion in the number of engineering and polytechnic colleges in the country, the graduates are finding it difficult to get decent jobs and in most of the cases remain unemployed or underemployed and in some cases get exploited by the private sector because of the large demand supply gap. Effective teaching of business entrepreneurship can be a good blue ocean strategy which will take away these graduates from the red competitive environment to an entrepreneurial blue ocean where all of them can be gainfully self-employed and in addition will generate employment for others also. Value innovation will be corner stone of this strategy and will be instrumental in driving down the un-employability of students while simultaneously enhancing the entrepreneurial inputs and improving the image and relevance of the system. To achieve this purpose there are four key concerns which need to be addressed: (i) which factors should be created to improve the self-employability of technical graduates? (ii) Which factors should be raised to improve the professional competence of these graduates? (iii) Which factors should be reduced to improve the efficiency of technical education system for promoting entrepreneurship? and (iv) Which factors should be eliminated to improve system's effectiveness in producing entrepreneurs? The author has addressed these concerns through a Create-Raise- Reduce- Eliminate Grid. "Create" element would include: Adoption of a multi-tiered strategy for entrepreneurship promotion (a model has been advocated), Setting up of Science and Technology Entrepreneurship Parks (STEP) or Technology Business Incubators (TBI), Awareness of new entrepreneurial opportunities and Creation of intrapreneurs. The "Raise" element would include: Raising of professional competence and Private sector participation in the technical education system. Under the "Reduce" element would be: Reduction in theory component in curriculum and Traditional project work while the fourth element "Eliminate" of the grid would focus on eliminating: Mindset towards wage employment and Obsolescence of machines/equipment. It is expected that application of this strategy, with suitable modifications at country level, would result in enhanced supply of technical entrepreneurship and intrapreneurship in a country resulting in reduced unemployability and improved national economic development.

Key Words: Blue Ocean Strategy, Value Innovation, Intrapreneurship

1. INTRODUCTION

Entrepreneurs shape economic destiny of nations by creating wealth and employment, offering products and services, and generating taxes for governments. That is why entrepreneurship has closely been linked to economic growth in the literature on the subject. Entrepreneurs convert ideas into economic opportunities through innovations which are considered to be major source of competitiveness in an increasingly globalising world economy. Therefore, most governments in the world strive to augment supply of competent and globally competitive entrepreneurs in their respective countries (Saini and Dhameja, 1998).

While developed nations have a reasonably good pace of entrepreneurial supply, most developing countries suffer from dearth of such entrepreneurs. This is one of the reasons for the poverty in developing countries, despite their rich resource endowments. Most of the countries in the Asia Pacific region are poor countries. These poor countries generally face great obstacles in coordinating four elements of progress – labor, capital, resources and innovations.

Experience shows that difficulties reinforce each other in a vicious cycle of poverty. A multi-pronged strategy is needed to give a big push forward to the economy of poverty-stricken nations. Promotion of entrepreneurship in the education system in general and technical education in particular is one of the measures for breaking the vicious cycle of poverty.

“Blue ocean strategy”, as bring used in the corporate sector, is about creating uncontested market space. Although the term “Blue Oceans” is new, their existence is not. The originators of this term are W. Chan Kim and Renée Mauborgne, authors of a book on “Blue Ocean Strategy” published by Harvard Business School Press. The strategy advocates making the rivals irrelevant rather than competing with them. *Value innovation* is the cornerstone of blue ocean strategy. It focuses on making the competition irrelevant by creating a leap in value for buyers and the company thereby opening up new and uncontested market space. The strategy uses a four action framework for achieving value innovation. The questions in the four actions framework are: Which of the factors that the industry takes for granted should be eliminated? Which factors should be reduced well below the industry's standard? Which factors should be raised well above the industry's standard? Which factors should be created that the industry has never offered?

There is another tool that is key to creation of blue oceans. It is a supplementary analytic to the four actions framework called the *eliminate-reduce-raise-create grid*. The grid pushes companies not only to ask all four questions in the four actions framework but also to *act* on all four to create a new value curve. By driving companies to fill in the grid with the actions of eliminating and reducing as well as raising and creating, the grid gives companies four immediate benefits:

The author has tried using this strategy for effective teaching business entrepreneurship in the technical education system. Based on his experience of promoting entrepreneurship and blue ocean strategy in the technical and vocational education system in India and in many countries of Asia Pacific Region, the author proposes a model for teaching business entrepreneurship in the technical education system using the basic principles of blue ocean strategy. It is felt that promotion of entrepreneurship can be an effective blue ocean strategy which will take away these graduates from the red competitive environment of wage employment to an entrepreneurial blue ocean where all of them can be gainfully employed and in addition will promote employment for others also.

2. TECHNICAL EDUCATION SYSTEM IN INDIA AND STATUS OF ENTREPRENEURSHIP PROMOTION

The technical education system in India has seen a mushrooming growth in the recent times with a large number of private institutions coming up offering engineering education. The result has been a heavy tilt towards the supply side of the technical graduates in the world of work, thus off-balancing the demand-supply situation. The resultant effect has been unemployment and underemployment of a large number of these graduates. Serious efforts need to be made to divert these students towards entrepreneurship and self-employment (Singhi, 2013).

National Institutes of Technical Teachers Training and Research (NITTTRs) in India, located at Bhopal, Chandigarh, Chennai and Kolkata in the four regions of the country, have been doing a yeoman's service for the qualitative improvement of technical education system in the country since 1964. In particular, NITTTR Chandigarh has been spearheading the movement of entrepreneurship promotion in the technical education system since 1984, the year in which it set up a separate department of Entrepreneurship Development and

Industrial Coordination. The department conducts on an average 15-20 short term training programs every year on different facets of entrepreneurship development for the teachers of technical education system of the country. These programs are supplemented by the conduct of annual conferences and workshops which provide a platform to the researchers, teachers and trainers, curriculum developers, policy makers, administrators, entrepreneurs and officials of entrepreneurial support agencies to discuss and deliberate on various strategies for entrepreneurship promotion in the country. In addition, the subjects of “Entrepreneurship” and “Management and Entrepreneurship” are also taught to the students of Masters of Engineering. These students are the sponsored teachers from the technical education system of the country. Thus, a multiplier effect is created by NITTTR Chandigarh for promotion of entrepreneurial culture amongst the students in the technical education through the training of teachers.

Of late the institute has been making good use of Information and Communication Technology (ICT) for further spreading the entrepreneurial movement. As a result of the consistent efforts of the institute, Entrepreneurship Development Cells (EDCs) and Industry Institute Interaction Cells (IIICs) have been established in many polytechnics and engineering colleges of the country (Dhameja, 2013). The subject of entrepreneurship development has been introduced in the technical education system of many states where it is being either taught as an elective subject or part of another subject like in Basics of Management, Professional Studies, and Generic Skills etc.

However, the author feels that there should be a holistic approach towards promotion of entrepreneurship amongst the students of the technical education system rather than a piecemeal approach.

3. LITERATURE REVIEW

Dahshan et.al. (2011) in their paper pertaining to providing a sustainable dynamic model for enabling entrepreneurship in Egypt recommend changing the entrepreneurial mindset both for importance and urgency, as well as for the multiple levels of intervention necessary. The authors further recommend building a knowledge infrastructure for innovation, and entrepreneurship and advocate the urgent need for a coordination system to ensure that the innovative ideas are effectively channelled, and ultimately commercialized. The authors opine that a host of soft skills are also necessary for all parties to the entrepreneurial venture and lament that the education system does not equip students with those skills, and they are, further down their career, penalized by their absence.

Rehman and Elahi (2012) in their paper refer to a survey done by the Entrepreneurship Development Institute, India which shows that young people are afraid to start their own business because they are not confident, not capable, and lack knowledge in starting a business. The authors opine that many people have the opportunity to change jobs or become an entrepreneur if they are properly trained. They further say that students in India are not confident with the traditional education they receive.

Zhang (2006) in his study states that the entrepreneurship education in the higher education system should satisfy the need for entrepreneurship by: selecting cum motivating cum training cum supporting. Unfortunately, the present entrepreneurship education in India just concentrates on related courses. The author opines that there is a demand for education programs specifically designed to expand students’ knowledge and experience in entrepreneurship. The contents and teaching methods have to be differentiated between entrepreneurship and traditional business courses.

Keeping the above in view, the author feels that the model of teaching business entrepreneurship in technical education as advocated in the paper can be an effective panacea for the piecemeal approach to entrepreneurship promotion and would go a long way in strengthening the entrepreneurship development in the technical education system.

4. VALUE INNOVATION IN TECHNICAL EDUCATION THROUGH ENTREPRENEURSHIP DEVELOPMENT

Value innovation in technical education system is about driving un-employability of the students down while simultaneously enhancing the entrepreneurial inputs. This is how a leap in value for both the system as well as the prime stakeholders is achieved.

The entrepreneurial inputs can be given through various models and strategies as may be practicable in different circumstances. It would help in diverting a significant percentage of students from wage employment to self

employment and entrepreneurial careers, therefore improving their economic and social status and bringing the unemployment down.

The un-employability of the pass-outs will be further reduced through imparting better skills, enhancing relevance through better interaction with the world of work, improving the image as well as focusing on the monetary benefits in longer run as compared to other white colored jobs. Value innovation is achieved only when the whole system of the technical education is aligned with the enhanced relevance of the pass outs. It is this whole system approach that makes the creation of blue oceans a sustainable strategy.

5. THE FOUR ACTION FRAMEWORK AND GRID

To achieve the dual purpose of enhancing the entrepreneurial inputs and bringing down the unemployment of the students, there are four key concerns which need to be addressed.

- Which factors should be created to improve the self-employability of technical graduates?
- Which factors should be raised to improve the professional competence of graduates?
- Which factors should be reduced to improve the efficiency of technical education system for promoting entrepreneurship?
- Which of the factors should be eliminated to improve system's effectiveness in producing entrepreneurs?

The author has tried to address these concerns using a *create-raise-reduce-eliminate* grid as shown below:

CREATE	REDUCE
<ul style="list-style-type: none"> • Multi-Tiered Strategy for Entrepreneurship Promotion • Science and Technology Entrepreneurs Parks • Awareness about New Entrepreneurial Opportunities • Intrapreneurs • Entrepreneurship Innovation Lab • Specialized Faculty and Centre 	<ul style="list-style-type: none"> • Traditional Project Work • Theory Focus of Teaching Learning Process
RAISE	ELIMINATE
<ul style="list-style-type: none"> • Professional competence • Networking with Industries • Budget for Entrepreneurship Promotion • Degree/Diploma Programmes in Technological Entrepreneurship • Training programmes in Entrepreneurship Development for Faculty 	<ul style="list-style-type: none"> • Mindset towards Wage Employment • Obsolescence of Machines and Equipment

Details of the Blue Ocean Strategies to address the above concerns are given below:

5.1 CREATE

5.1.1 Multi-Tiered Strategy for Entrepreneurship Promotion

Entrepreneurship cannot be promoted by simply teaching a subject in the conventional mode. A model is being proposed here for promotion of entrepreneurship in curriculum of technical education. It is based on a 4 years course; however it can be suitably modified for courses of lower duration. As per the model the necessary inputs for promotion of entrepreneurship may be provided to students of an engineering institute progressively in a systematic manner through the following five step process:

Step I: Stimulating Entrepreneurship: This phase is devoted to stimulating entrepreneurship amongst all the students. This may be accomplished by organizing Entrepreneurship Awareness Camps (EACs) at the end of the first year of the studies. It can be further strengthened by organizing a series of extension lectures on various facets of entrepreneurship round the year.

Step II: Achievement Motivation Training (AMT): Research and wide ranging experiences of those engaged in promoting entrepreneurship have brought into focus that need for achievement is a very important motive in shaping a potential entrepreneur to take up entrepreneurial activity. AMT lab is based on psycho-dynamic

theories on personality formation, development and motive acquisition. So as a second step AMT is proposed to be offered to those students who possess minimum entrepreneurial traits and are judged for undergoing further entrepreneurship training by way of clearing a selection process. This training may be imparted at the end of the third semester.

Step III: In-plant Training-I: In-plant training is normally a part of any technical education programs. The students interested in entrepreneurship and who have already been identified as potential entrepreneurs are placed in small/medium scale industry units so that they get relevant and useful experience for setting up their own small units. In-plant training is supervised by the faculty. The training will be evaluated on continuous basis and through term end examination and shall be provided at the end of second year.

Step IV: Subject on Entrepreneurship Development: The teachers should bear in mind that the basic foundation of the introduction of the subject of entrepreneurship for technical students is to give them practical orientation in starting and managing small and medium enterprises. Therefore, optimum emphasis is placed on creating and encouraging the ability among students towards application of the concepts and techniques in real-life situations. The course faculty must make use of different methods of teaching, like lectures, discussions, case studies, role playing, simulation exercises, management games, etc. In addition, they are urged to make judicious use of modern audio-visual teaching aids for making the lessons interesting and meaningful. Industrial visits, whenever needed, shall be organized to make the candidates aware of real life management practices being followed in industries. This subject may be offered in the sixth semester as an alternative to the main project work only to those students who have already been identified.

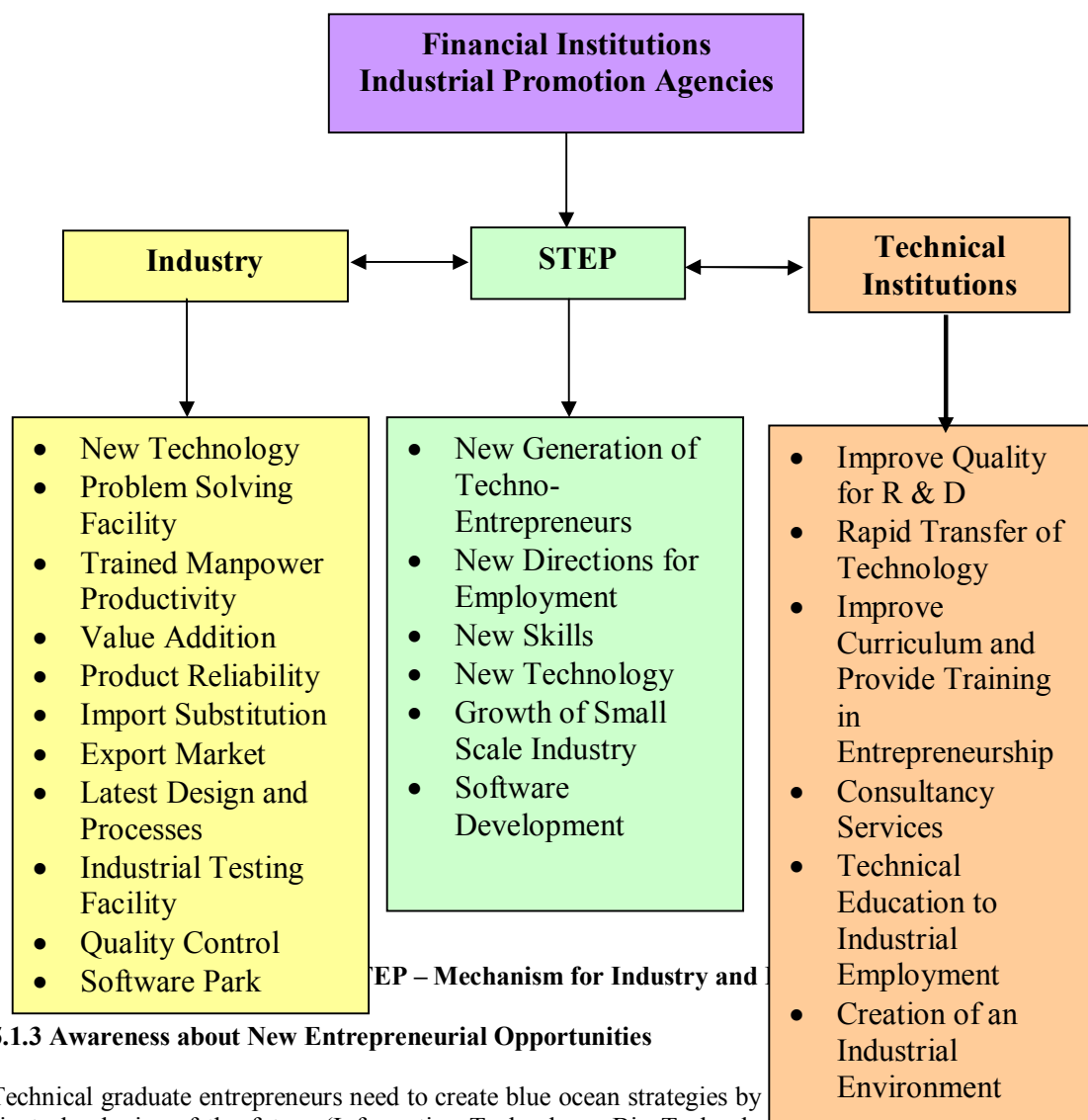
Step V: In-plant Training- II: The objective of this in plant training is to enable students to design and make prototype product or to undergo field services in case the student is interested in the servicing field and also to learn all the intricacies of industry/business. This phase of training should also be a part of the curricula. It is very essential to put the student in the same type of the industry in which he wants to set up his enterprise. Evaluation of training should be done on continuous basis and through term and examination. Full seventh semester can be used for this training and accordingly weightage be accorded.

5.1.2 Science and Technology Entrepreneurs Parks

Technical institutions can nucleate the generation of entrepreneurs and with the help of the industries around can play a vital role in shaping today's students into tomorrow's entrepreneurs. World over science parks and similar initiatives like research parks, innovation centers, etc., are the latest in the evolutionary line of effective institute-industry interface mechanism (Sharma and Dhameja, 2002). A science park is defined as an industrial complex closed to a place of higher learning, providing high quality environment and accommodation to the tenant companies on rental basis. A research park differs from the science park in the sense it prohibits all manufacture except for prototypes. A technology park is usually a development to accommodate companies engaged in commercial application of high technology with very little or no institute linkage. Innovation centers are developments intended for providing incubator space for new technology based firms and production linked services often operating on science parks principles. It has been seen that world over including some of the Asian countries' initiatives of Science Park and related mechanisms have proved to be quite successful.

In a nutshell, STEP signifies a systems approach to creativity, innovation and entrepreneurship. Conceptual framework of a STEP is depicted in **<Figure 1>**.

STEPS can therefore be established in and around technical institutions. Successful examples of science parks and related mechanisms have shown that there is no single model to be replicated; it has to be modified suited to local conditions. STEP has to work in close liaison with the technical institution to get maximum advantage of the facilities and expertise available there.



5.1.3 Awareness about New Entrepreneurial Opportunities

Technical graduate entrepreneurs need to create blue ocean strategies by focusing on the six technologies of the future (Information Technology, Bio Technology, Environmental Technology, Space Technology, Cultural Technology and Nano-technology), it is felt that technical education sector can mainly focus on two areas of Information Technology and Environmental Technology as a part of their Blue Ocean Strategy. Environment area is the most promising these days and a large number of opportunities are available in this area. The industrial enterprises need to take a proactive approach to integrate environmental concerns in their businesses. In addition, a few years ago not many entrepreneurs would have thought of making forays into the renewable energy sector. But today an increasing number of them are looking at this sector as quite promising for investment. It also offers them a competitive edge both in terms of costs saving and in terms of having a technological edge.

Another dimension of the concern for the environment is the utilization of waste. The countries in Asia Pacific region especially the developing ones cannot afford wastage. By proper utilization of solid waste the developing countries can avail of many advantages. Waste utilization directly or indirectly contributes to economic development, generates employment opportunities and also helps in conservation of natural resources. Green productivity is another paradigm of socio-economic development aimed at the pursuit of economic and productivity growth while protecting the environment. There is a need to inculcate this new paradigm in the students of the technical education sector as they are the ones who have to work in the industries.

5.1.4 Creating Intrapreneurs

Intrapreneurship is a revolutionary system of speeding up innovations within the large companies by making better use of their entrepreneurial talent. Intrapreneur is one who takes on hands-on responsibility for creating innovation of any kind within an established organization. The intrapreneur may be the creator or inventor but is

always the dreamer who does figure out how to turn an idea into a profitable reality. In this time of rapid economic and technological changes, the entrepreneurial spirit can be a unique and important advantage, but only if we learn to use it. Intrapreneurship is a method of using the entrepreneurial spirit where many of our best people and resources are in large organizations.

5.1.5 Entrepreneurship Innovation Laboratory

The technical institutions can set up an Entrepreneurship Innovation Laboratory where those students who have the desire to set up their own enterprises can experiment with their ideas about the type of product they would like to innovate. The lab will provide brilliant opportunities for innovative ideas to flourish and offers the perfect platform for innovative thinkers to establish their products. With the best of infrastructure, technology and system support, the innovators have nothing to bother. Overall, Innovation Lab provides 'state of the art' facilities to conceptualize your idea. Apart from the technical and infrastructural support, Innovation Lab can also provide consultation, product support, and product formation assistance. The Innovation Lab fund also serves as a catalyst to promote development in the field of technology for the budding entrepreneurs. So, if you have an idea, which you think is innovative then, Entrepreneurship Innovation Lab is the right place to realize it.

5.1.6 Specialized Faculty and Centre for Entrepreneurship Development

Teachers with experience of teaching in entrepreneurship need to be appointed to do justice to the entrepreneurship related activities in the institutes. These teachers can use an optimum mix of different teaching/training strategies for entrepreneurship development. In addition an exclusive centre for Entrepreneurship Development need to be set up in the technical institutes to coordinate entrepreneurship related activities.

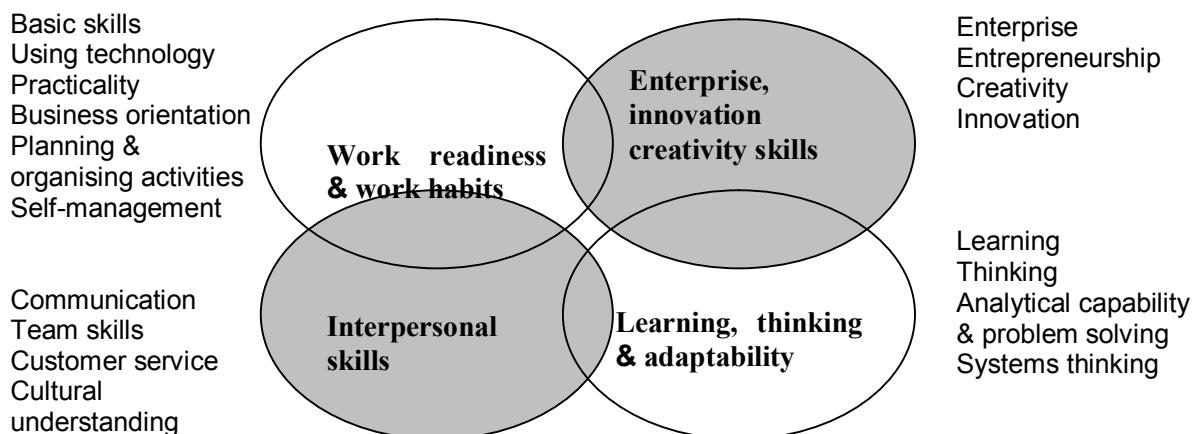
5.2 RAISE

5.2.1 Professional Competence

Many countries have begun to undertake important reforms in all aspects of technical education to produce large number of knowledge workers to meet the challenges of the 21st century (Park, 2006). New emerging generic skills embedded with sustainable life skills need to be developed to cope with the fast changing technologies. Many new industries and employment and self employment opportunities are also being developed, e.g. in eco-tourism, environmental monitoring, sustainable community development, eco design, recycling, land rehabilitation, pollution control, waste water treatment and reuse, etc. All require knowledge skilled workers who have knowledge of and commitment to sustainability, as well as requisite technical knowledge.

The flexibility and autonomous learning capacity of the entrepreneurs has become a key ingredient. They need skills not only specific to current technologies in use, but higher order generic transferable skills, such as skills of conceptualization, analysis, problem solving, creativity, communication, inter-personnel skills and learning to learn skills. Generic skills can be structured into a developmental framework.

Kearns offers a model for clustering the generic skills which include the cognitive cluster; interpersonal cluster; enterprise, innovation and creativity cluster; and work readiness and work habits cluster. <Figure 2> presents the details of the four clusters of key generic skills required by the 21st century. Acquisition of these skills by the technical graduates will raise their professional competence and they will become better entrepreneurs (Majumdar and Dhameja, 2006).



- ◆ The interpersonal (or social) cluster with underpinning personal attributes & values e.g., emotional intelligence, self-understanding
- ◆ The cognitive cluster with underpinning personal attributes e.g., willingness to learn positive attitude to change & complexity mastery of mental models

<Figure 2> Clusters of Key Generic Skills

5.2.2 Networking with Industries

Participation of the private sector in the governance of technical education systems through some institutional arrangements will be useful in raising the competence of the graduates because of enhanced relevance of courses, better interaction with the world of work, better investments and thereby better facilities and better monitoring and evaluation activities. It will also improve the capacity of the private sector to actively participate in the implementation of an overall strategy for human resources development. Graduates trained under such a set up will possess the qualities of becoming successful entrepreneurs.

5.2.3 Budget for Entrepreneurship Promotion

Normally it has been seen that the institutions allocate minimal resources for conduct of entrepreneurship activities which results in inadequate focus on entrepreneurship promotion. There is a need to increase the budget for intensifying different activities as outlined above so that a sizeable number of students can be diverted towards entrepreneurial careers.

5.2.4 Degree/Diploma Programmes in Technological Entrepreneurship

A technology based programme primarily focuses on training and development need of potential entrepreneurs in a specific technology area (for example, Leather, Plastic, Electronics & Communication, Fragrance & Flavour, Instrumentation, Sports Goods, Bio-technology, IT Computer Hardware, Food Processing, Bio-medical Equipment, Glass & Ceramics, Jute Products, Sustainable Building Materials, Herbs & Medical Plants Processing, etc.). The participants can be provided with hands-on training in indigenous technologies developed by R&D institutions that are available for commercial exploitation. These programmes will provide class room training on motivational management areas besides actual hands-on training in the specific technology areas by technology providers. The benefits of the programme are that:

- The students are exposed to technical knowledge about the products and technologies and are enabled to develop their skills at the lab of the technology provider.
- The R&D lab having commercially viable technologies, get potential entrepreneurs as its "takers"; and
- The entrepreneurship-training institute can put concerted efforts in a specific discipline of product-technology and thus can have better control over the course of the programme and its success.

5.2.5 Training programmes in Entrepreneurship Development for Faculty

A Faculty Development Programme (FDP) is designed to train and develop professionals in entrepreneurship development so that they can act as resource persons in guiding and motivating technical students to take up

entrepreneurship as a career. Through each FDP, 15-20 faculty members of technical institutions can be trained for duration of 2-3 weeks. The FDPs provide inputs on process and practice of entrepreneurship development, communication and inter-personal skills, creativity, problem solving, achievement motivation training, inputs on resource and knowledge industries. The training methodology includes case studies, group discussion, games and simulation exercise, field visits and classroom lectures. These are aimed at equipping teachers with skills and knowledge that are essential for inculcating entrepreneurial values in students and guiding and monitoring their progress towards entrepreneurial career.

5.3 REDUCE

5.3.1 Traditional Project Work

A project is an open-ended assignment, the outcome of which is not known at inception and whose progress depends mostly on the intelligence, skills, creativity and energy of the students. The project work in the technical institutions should be related to actual field problems. Teachers and students must interact with experts in the field to study and/or solve these problems. The purpose of providing project work in the curriculum is to expose the students to real life problems and introduce them to the procedures used to reach acceptable solutions so that they gain confidence in taking decisions and tackling problems on their own. The project work is needed to support, broaden and supplement the learning experience of students and through project work it is possible to integrate and reinforce the skills acquired by the students in separate courses of study.

Venture oriented project work can be given to some of the students. Students who have potential and desire may be helped in identifying suitable projects through market surveys and then preparing details project reports for these ventures. The problems in the project work should be such that it involves students in: Identification of opportunities, Market survey, Preparation of feasibility report and Fabrication & testing of prototype. Involvement of students in such simple and complex problems will inculcate entrepreneurship development skills.

5.3.2 Theory Focus of Teaching Learning Process

Skills development is an essential element in improving the employability and potential productivity of graduates and can be an important tool for enhancing competitiveness and self-employability also. A skilled workforce is often the key to a company's growth and stability, and it could be the determining factor in the success of your business. There is a need to reduce the theory component in the curriculum and increase the practical/skill component in all technical education programmes.

The technical education system must respond to the rapidly changing technological needs by continuously evaluating and updating curricula, introducing new courses, modernizing laboratories and workshops, and providing for a close interaction between technical institutions and the world of work. Graduates of technical institutions should be well informed about field practices and technological advances apart from possessing skills necessary for decision making, communication, handling of workers, leadership and so on. Liberalization and globalization of the world's economies is calling for the adoption of latest technologies and practices in various sectors. This calls for active collaboration between the technical education institutions and the Industry in program design, their implementation, and evaluation.

In some of the other technical institutions in Asia Pacific Region, it has been seen that the proportion of theory to the practical content is very less, sometimes as low as 30:70 ratio. The students of these institutions are in great demand in the industry. Other technical institutions need to think on those innovative lines and adopt some unique strategies for making a place for themselves.

5.4 ELIMINATE

5.4.1 Mindset towards Wage Employment

There is a need to divert the mindset of technical students from wage employment to entrepreneurial careers. Entrepreneurial mindset refers to a specific state of mind which orientates human conduct towards entrepreneurial activities and outcomes. Individuals with entrepreneurial mindsets are often drawn to opportunities, innovation and new value creation. Characteristics include the ability to take calculated risks and accept the realities of change and uncertainty. The key to improving entrepreneurial leadership skills and mindsets lies in the way teaching is designed and offered. Conventional learning environments provided by

schools and universities, including most business schools, are at best designed to meet the expectations of employers rather than encourage students to explore new ideas and unravel unknown opportunities.

Instead of clinging to these norms, the institutions must focus on creating challenging teaching that encourages risk taking. There needs to be a significant move from a classroom-based module to one that encourages tomorrow's entrepreneurial leaders to create their own projects through which they are exposed to risk and uncertainty. In this way they will understand what markets and societies need to prosper in the 21st century.

Teaching needs to be entrepreneurial and allow for team-driven experimentation in an ambiguous environment, such as around real-life challenges that are relevant to the specific competencies and skills being developed. In such settings, students enjoy much more responsibility for their learning in an environment that resembles the realities of life after their graduation from institute.

In addition there is also a need to change the mind set of the parents of students who want their wards to go for wage employment rather than self employment. The faculty and the staff of the institutions also need to be kept motivated for accepting new initiatives aimed at betterment of the students and enhancing the image as well as sustainability of the institutions.

5.4.2 Obsolescence of Machines and Equipments

The machines and equipments which have become obsolete need to be replaced with new ones to stay current with the latest practices in the industry and world of work. Technical institutions must make concerted efforts in modernizing the machines and equipments and the budding entrepreneurs should be allowed to make use of them.

There are many other factors which need to be removed so that the technical institutions can work better. These factors also inhibit proper industry-institute linkages which has a bearing on the confidence level in the graduates which is so important for the entrepreneurial career. Some of these factors are: faculty vacancy in technical institutes, lack of industrial experience among teachers, lack of academic and administrative autonomy, lack of transport, other infrastructural support, lack of dynamism at top management level and inadequate industrial content in curriculum.

6. CONCLUSION

Entrepreneurship being an intangible factor is the moving force and development is the consequence. It has an important role in the context of developing nations which are confronted with major socio-economic problems. Entrepreneurship can play an important role not only in the industrial sector of a country but in the farm and service sectors also. Most of the developing countries in Asia Pacific region are being attacked by baffling problems of over population, unemployment, under-employment, poverty and the like. Entrepreneurship is consistently equated with the establishment and management of small business enterprises and setting up these units is the solution to these baffling problems. Concentration of economic power, regional imbalances, exploitation by monopolists, and many other giant problems find their solutions in the development of small scale industry which is another name of entrepreneurship in the developing countries.

Entrepreneurship needs to be demystified and transformed into a skill by proper teaching and training. It is hoped that various methods for entrepreneurship promotion which have been elaborated in this paper through the application of principles of blue ocean strategy will go a long way in building up the entrepreneurial movement in the technical education sector.

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