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Contemporary Issues in Changing Business Scenarios

Edited by

Dr. Seshanwita Das

Dr. Ranjeet Kumar Mishra

Dr. Surbhi Srivastava

Dr. Shanu Singh

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Edited Book
on

Contemporary Issues in Changing Business Scenarios

Working Together for You



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Contemporary Issues in Changing Business Scenarios

Edited by

Members of Education Research and Development Association (ERDA)

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About the Book

In today's competitive environment, business scenario is very dynamic and changing very rapidly. To match the pace, it is important to remain well aware about the different dynamics of the business. The financial system of a country is crucial for the economic growth and the balance between saving and investments serves a very important structure for the financial system of a country. This book is a comprehensive guide for understanding the different aspects of business-like recent developments in finance, cost and management accounting, changing economic dimensions, banking system and overall financial sector and its influence on the development of the nation.

Some of the areas which has been covered in the book are business ethics, corporate social responsibility and financial management and analysis. Also, financial services are important for smooth functioning of the various financial areas and here in the book such aspects have also been considered to provide a wider scope for the concerned subject along with the role of technology. Therefore, this book provides knowledge about the different dimensions of management, economics and how such dimensions can affect the economy of any country. The outlook of the book provides awareness towards management of finance, marketing, economics and other aspects as it is very essential objective for practitioners, academicians and the students.

About the Editors

Dr. Seshanwita Das is an Associate Professor, School of Commerce, Finance and Accountancy with CHRIST (Deemed to be University), Delhi NCR and overall has a rich academic experience of 20 plus years. She is a post-graduate in Economic and PhD in Economics Administration & Financial Management and has extensively published research papers in various scopus-indexed academic journals. She contributed in a book entitled, “WTO and Doha Round” while working for CUTS International, Jaipur and has of late got a process patented to her credit.

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About ERDA



www.erda.org.in

*“Transforming the society through
Education, Innovation and Compassion”*

Education Research and Development Association (ERDA) is a Not-for-Profit Organization. It is registered under the Indian Trust Act 1882 at Patna, Bihar, India on 28th February 2015. Dr. Ranjeet Kumar Mishra is the Founder and Managing Trustee of this trust. Vision of this organization is to transform the society through education, innovation and compassion.

Primary objectives of this organization are as follows:

- To promote education and research in the field of Science and Technology, Commerce and Management, Social Sciences and Art and Humanities.
- To organize Seminars / Symposia / Debates / Conferences / Workshops / Training programmes and other similar kind of events by itself or in collaboration with its institutional members.
- To accept the research projects from Government and non-Government organizations / institutions.
- To establish, maintain and run Talent Search Exam / Olympiad / Fellowship / Scholarship / Award / Prizes etc. for the development of knowledge and skill of students.

- To establish, maintain and run the award for academicians, working individuals, organizations and institutions for their remarkable contribution in the field of education, research and social development.
- To collaborate, enter into partnership or joint venture with any National and International University / Institution / Organization / Individuals / NGO etc. for the development of education and research.
- To prepare and publish, either on its own or through or in collaboration with other persons and entities, papers, periodicals, magazines, books, journals, study materials, and other similar kind of things
- To initiate and organize various activities for the social development.

ERDA is a membership-based organization and presently has around 200 lifetime members and around 600 annual members across 15 countries. It offers membership to individuals, and institutions and students.

Contributors

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Preface

The market has become very dynamic and so the business environment. There is a need to understand various management aspects that can help in financial decision-making, understanding strategies of the business markets that are used in different areas of management. Walking the path of academic betterment, Education Research & Development Association (ERDA) is working on the edited book titled “**Contemporary Issues in Changing Business Scenarios**” focused on an in-depth guide to understanding the accounting, finance and overall management areas and the benefit accruing to it especially in the finance sector. It is concerned with management areas, digitalization, business ethics, corporate social responsibility (CSR), financial management, and related analysis. In this book, the topics are from the field of management and their contemporary issues where one can understand how the business and management works. Through this book, we have tried to provide a better understanding of the financial ecosystem and its related issues and also. The introduction to each chapter is given below for better understanding of the edited book and its important components.

The introductory chapter of the edited book talks about the influence of digital marketing on purchasing behavior of young adults and also evaluated the different levels of influence by the technology while engaging to digital market. People are able to find their niche in the ambit of the technology to battle against burdensome, loneliness, and anxiety. Other business owners shifted their model to cope up and survive the impact of disease in the market.

The recent emergence of the Internet as a major new distribution channel has received a lot of attention, as online channels challenge the operation of traditional retail. Today, inculcation of technology to make online shopping more interactive and interesting has become imperative. The second chapter discussed and identified the factors affecting the purchase decision of the customers with reference to online e-grocery shopping platforms and thus, the study concluded

that E-grocery platforms must increase their budget on social media campaign and escalate awareness campaigns and promotional offers.

Covid-19 has brought a phenomenal transformation in the way people make payments or transact. Third chapter analyzed the impact of Covid-19 on the behavioral intention of the users of mobile wallet payment services in Kolkata. The study demonstrated that during the epidemic period all the independent variables have a significant relationship towards behavioral intention of adopting mobile wallet payment services among smartphone users in Kolkata city of West Bengal.

Social entrepreneurship is another term which is being used very widely around the globe. Social entrepreneurship is the basis for development of any country and for the development of the society at large. The fourth chapter provides an outlook on the social entrepreneurship and Veblenian socio-psychological theory and has provided implication consumer behavior. Consumer plays a very important role in the economic building and development, so understanding the core of it becomes very crucial. Thus, it has been discussed in the fourth chapter.

Business ethics is one thing which should be available all over the world economy for providing better goods and services to the public. Business ethics and profit go hand in hand and we cannot ignore either of these. So, taking a middle path is important for businesses all around the globe. On the same line, chapter five have discussed the ethical corporate communication and business productivity in Nigeria as how the business productivity gets affected when one applies ethical corporate strategy.

The next chapter has focused on the impact of covid-19 on National Stock Exchange. Covid had hit the market very badly during 2020-21 and 2021-22, and here this paper discussed the impact in terms of profitability on NSE during that period.

The competitiveness amongst sellers is one of the important elements for the healthy business environment. Quality product or services

will only be provided when there is a healthy competition in the market and how that competition would lead to successful ventures. Chapter seven of the edited book talks about the state-level competitiveness in the business when it comes to the strategies and methods to be applied for the same.

Finally, the last chapter, that is, chapter eight has focused on the current developments in the financial, cost and management accounting which together forms the important part of any business and its related developments. One can analyze the performance of the business with the help of accounting at the end of financial year and hence, helps in judging the efficiency with which businesses need to work for the coming years.

Therefore, there are lot of scope for the edited book in the field of management and related elements. This edited book is the resource for understanding and analyzing the knowledge of fast changing management areas and its issues and also provides a perspective to the academicians and students at large. The Editorial Board has selected 8 papers amongst 25 papers received for publication in order to provide a better-quality work to the academicians and students who all would be benefitted from the same. We are also thankful to the Publisher '**Journal Press India**' for providing us the opportunity to publish our work in the form of edited book.

Editors

Dr. Seshanwita Das
Dr. Ranjeet Kumar Mishra
Dr. Surbhi Srivastava
Dr. Shanu Singh

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We would like to acknowledge the extraordinary support provided by ERDA's president Prof. (Dr.) Ram Prahlad Choudhary, vice-president Prof. (Dr.) Srinivasa C.V. and general secretary Dr. T. Manichander. Their constant motivation throughout the publication of this book is commendable. We are also thankful to all the executive and non-executive members, country and state representatives, Centre presidents and vice-presidents of ERDA, for their direct and indirect support towards the publication of this book.

At the same time, we are grateful to the colleagues from our University, for their constant support and encouragement to publish this book.

We wish to express our sincere thanks to the contributors who worked hard to prepare their respective chapters for this edited book. Further we wish to express our gratitude to reviewers who helped us to select the chapters and their revision.

We would also like to acknowledge 'Journal Press India' and appreciate diligent efforts put in by their team for the publication of this book.

Dr. Seshanwita Das
Dr. Ranjeet Kumar Mishra
Dr. Surbhi Srivastava
Dr. Shanu Singh

Foreword

It is my great pleasure to present before you the first edition of the book entitled **Contemporary Issues in Changing Business Scenarios** edited by our beloved members. This book is the outcome of the research initiative taken by **ERDA's Centre for Promoting Education & Research in Commerce and Management (CPERCM)**.

Effective management is a critical imperative for the success of any business, as it helps to ensure that the organization is agile, resilient and is operating efficiently while effectively deploying world class commercial policies and operating principles. To gain the knowledge about the management related matters; be it finance, marketing, economics, technology or other contemporary issues, it is extremely important to understand the microeconomic as well as macroeconomic factors driving and challenging the business and its different elements. Businesses provide products and services that we consume in our daily lives, and they in turn also create jobs that support individuals and their families. Overall, businesses are the backbone of our economy and a vital part of our everyday lives and they also support the communities and country's overall economic growth.

The topics on digital marketing, recent emergence of technology driven businesses would give a deeper understanding of the market and its different variables. This book will help the academicians get a broader business outlook and deeper connect with India's growth story as we all move towards becoming a ten trillion-dollar economy.

Another important topic which this book has touched upon is related to the online payment portals and their broad-based usage that triggered due to onslaught of COVID-19. The content will help and enhance the knowledge of researchers to understand the digital payments market better and they can thereby also advise businesses

on future prospects of online payment portals and their integration opportunities with various format of businesses.

Also, gaining depth on topics like social entrepreneurship, business ethics are very crucial for business organizations these days, as the corporate houses are competing with each other but at the same time they have to stay compliant and exhibit their social responsibilities across their global operations as well as in their own country.

This first volume of the edited book will be an excellent reference material for broadening the management knowledge of academicians and researchers.

My best wishes to all the four members of ERDA who have undertaken the responsibility of editing this book. I also urge to the other members to take such kind of academic and research initiatives in the best interest of the society. ERDA is committed to promote quality education and research.

Finally, my sincere gratitude to all the contributors for their efforts made to publish the first edition of this book.

I look forward to the current volume of this edited book.

Prof. (Dr.) Ram Prahlad Choudhary
President, ERDA

CHAPTER - 1

Influence of Digital Marketing on Young Adults' Purchasing Behavior: Experiential Assessment During Pandemic

*Febwin E Villaceran**

ABSTRACT

The study aimed to assess and evaluate the influence of social media marketing on young adults' purchasing behavior. Also, to assess the different levels of influence by the technology while engaging to digital market. The researcher used mix method approach to 640 respondents using survey questionnaire. In result, it was concluded that social media influence young adults purchasing behavior. Technology proves that it assisted, supported, and bridged both young consumers and market industry. Thus, the contribution of the platform in the present situation opens an avenue for both consumers and business.

Keywords: *Purchasing behavior; Social media platforms; Young adults; Digital marketing; Pandemic.*

1.0 Introduction

When pandemic reached the Philippines last 2019, the government was unprepared (Rotas & Cahapay, 2020). Majority of the sectors trembled and shocked, without knowing how to start and manage it immediately (Aristovnik *et al.*, 2020). Leaders formed a task force to oversee and control the situation by implementing protocols throughout the country (OECD, 2020). Gradual implementation of lockdowns, mobility stoppage, restrictions and quarantines were the immediate actions to mitigate the spread of the diseases throughout the regions (Talabis *et al.*, 2021).

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In order to survive, people look for avenue where they can still do business without violating and keeping them safe to infection (Bauchner *et al.*, 2020). Both the government and private sectors introduced technology adaptations and online migrations as a remedy to face to face (Tabuga *et al.*, 2020). Although many establishments stop their operations, others innovate their strategy to continue operation in spite the situation (International Labor Organization, 2020). While the services were suspended, products like consumer and industrial goods sale off and marketed to different platforms (Asian Development Bank, 2020). Online deliveries and CODs become the new trend proliferated all over the cities (Masigan, 2020) while 71% of the population being unbanked (Bangko Sentral ng Pilipinas, 2019). The application of technology and social media maximized by the business owners for the sake of survival (Donthu & Gustafsson, 2020).

Because of online technology, business owners grab the opportunity to use the platform (Susanto *et al.*, 2021) as an extension of their shops and stores. Its advantage over minimal cost of marketing compared to traditional mode of advertising (DiResta *et al.*, 2020). Also, majority of the market is in the platform, dominating 73% of the population (Statista, 2021). Globally, 19% are young adults who are using social media (AACAP, 2014). In the Philippines, 40 million are active social media users while 65% of them are young adults (Gregorio, 2013). Social media marketing empowers both the consumers and product providers while facing the pandemic. The revolution of digital market impacts majority of the young generations with 92% buys online shopping.

2.0 Statement of the Problem

This study aimed to assess and evaluate the influence of social media marketing on young adults' purchasing behavior. Also, the researcher wants to assess different levels of influence by the technology while engaging to digital market. To evaluate this cause, the following questions will be used:

- To what extent are the types of platforms used during the period of pandemic?
- To what extent is the role and function of social media platforms?
- To what extent is the level of influence of social media platforms and buying capacity to young adults?
- To what extent are the problems encounters while using the platform in engaging to digital market?

3.0 Objectives of the Study

The study aims to the influence of social media marketing on young adults' purchasing behavior. Also, the researcher wants to assess different levels of influence by the technology while engaging to digital market.

3.1 Specific objectives

- To identify the types of platforms used during the period of pandemic by the young adults.
- To identify the role and function of social media platforms.
- To evaluate the level of influence of social media platforms and buying capacity to young adults.
- To identify the problems encounters while using the platform in engaging to digital market.

4.0 Hypothesis of the Study

The following null hypothesis was tested in this study: no significant difference between overall assessments of social media marketing to the following parameters: function of social media in disseminating information; influence of social media marketing in decision of buying products; and capability of social media as a platform of choice in choosing products online.

5.0 Literature Review

According to Twin (2022), marketing refers to activities a company undertakes to promote the buying or selling of a product or service. Morgan *et al.*, (2016) stressed that it includes advertising, selling, and delivering products to consumers or other businesses. Some marketing is done by affiliates on behalf of a company. On the other hand, MBN (2022), defined marketing as a management process through which products and services move from concept to the customer. It includes identification of a product, determining demand, deciding on its price, and selecting distribution channels. Cerf *et al.*, (2017) and AMA (2017) added that marketing is the process of exploring, creating, and delivering value to meet the needs of a target market in terms of goods and services.

Digital marketing, according to Piñeiro-Otero & Martinez-Rolan (2016), is a projection of conventional marketing, its tools, and strategies, on the internet. Desai (2019) added that digital marketing is the marketing of products or services using digital technologies, mainly on the Internet, but also including mobile phones, display advertising, and any other digital medium. Rihan (2022) added that includes search engine optimization (SEO), search engine marketing, content marketing, influencer marketing, content automation, campaign marketing, and e-commerce marketing, social media marketing, social media optimization, e-mail direct marketing, display advertising, e-books, optical disks, and games, are becoming more common in the advancing technology. In fact, it extends to non-Internet channels that provides digital media, such as mobile phones, callback and on-hold mobile ring tones.

According to Caramela, (2022), digital marketing reaches to different market, in different forms. United Nations Children's Fund (2018) describes digital technologies as "revolutionizing marketing strategies to broaden their influence" and reach people in more than 200 countries. Digital marketing lured towards social media advertising due to the trend in the shopping behavior of the youth. Social media surveys reveal that a big percentage of the consumers

spend an average of 37 minutes a day while 10% spent on social media sites, according to Bowden (2014). In the results of the study of Monga *et al.*, (2020), social advertisement campaigns made popular among youth. The same study of Jourova (2016), wherein, children exposed from it, have subliminal effect due to strong online presence and growing purchasing power, according to Buchanan *et al.*, (2018). Dunlop *et al.*, (2016). added that social networks, broadband video channels, mobile services, video games, and virtual worlds, catches the attention of children and adolescents. It opted, on the study made by Buchanan *et al.*, (2017), online environment influences young adults' behavior which established the association of marketing and consumptions. Additionally, in the study of Dunlop *et al.*, (2016), youth exposure to different messages from companies selling food and beverages, alcohol, and tobacco on social media.

6.0 Methodology

6.1 Research design

The study used mix method approach which utilized descriptive and other correlation procedures. The principal purpose of the researcher was to assess and evaluate the influence of digital marketing on young adults' purchasing behavior. Also, to assess different levels of influence by the technology while engaging to digital market. The descriptive method was also used to supplement the documentary respondent assessment of the purchasing behavior as reflected in the survey document submitted to respondent to answer.

The study conducted in the three (3) areas of Luzon, namely: Cavite, Manila, and Bataan. This has been selected to represent the Mega Manila from the young adults. The study conducted from November to December 2021 with Six Hundred Forty (640) respondents.

Gathering of necessary data for the study was done using survey questionnaire. This questionnaire elicited the following pertinent

information as enumerated in the instrument including substantial details related to the study.

7.0 Data Analysis and Interpretation

This chapter presents the analysis of data gathered from the respondents wherein, a total of 640 respondents. The proponents used SPSS in analyzing the data based on the central tendencies, comparing means and analysis of variance anchored to the presented objectives of the study.

7.1 Respondents' profile

Majority of the respondents are from 18 to 30 years old with the combined percentage of 69% followed by 31 to 40 years old with the percentage of 17% and 14% from 41 to 50 years old as shown in Table 1.

Table 1: Age

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	18 to 21 years	190	29.7	29.7	29.7
	22 to 30 years	250	39.1	39.1	68.8
	31 to 40 years	110	17.2	17.2	85.9
	41 to 50 years	90	14.1	14.1	100.0
	Total	640	100.0	100.0	

Source: 640 respondents analyzed in SPSS Software (2022)

On the other hand, Table 2 shows that majority of the respondents are female followed by male with 69% and 31% respectively as shown below.

Table 2: Gender

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Female	440	68.8	68.8	68.8
	Male	200	31.3	31.3	100.0
	Total	640	100.0	100.0	

Source: 640 respondents analyzed in SPSS Software (2022)

Table 3 shows that 75% are single while the remaining combined 30% percentage was from married, widowed and others as reflected below.

Table 3: Marital Status

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Married	130	20.3	20.3	20.3
	Others	20	3.1	3.1	23.4
	Single	480	75.0	75.0	98.4
	Widowed	10	1.6	1.6	100.0
	Total	640	100.0	100.0	

Source: 640 respondents analyzed in SPSS Software (2022)

Majority of the respondents discipline aligned to business administration course with the percentage of 61% followed by others with 30% as shown in Table 4. Other discipline was from marketing and HR with the combined percentage of 9% as shown in the Table below.

Table 4: Course

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Business Administration	390	60.9	60.9	60.9
	Human Resource	10	1.6	1.6	62.5
	Marketing	50	7.8	7.8	70.3
	Others	190	29.7	29.7	100.0
	Total	640	100.0	100.0	

Source: 640 respondents analyzed in SPSS Software (2022)

Majority of the respondents are students with the following percentage of 78% followed by part-timers with 14% and combined percentage of 8% from business owners and employees as shown in Table 5.

Table 5: Employment Status

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Business Owner	40	6.3	6.3	6.3
	Employee	10	1.6	1.6	7.8
	None	500	78.1	78.1	85.9
	Part Time	90	14.1	14.1	100.0
	Total	640	100.0	100.0	

Source: 640 respondents analyzed in SPSS Software (2022)

7.2 Platforms used during pandemic

Table 6: Platforms Used During Pandemic Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Facebook	640	1	5	4.52	0.908
Twitter	640	1	5	1.75	1.098
Instagram	640	1	5	2.47	1.490
Tiktok	640	1	5	2.66	1.606
YouTube	640	1	5	4.25	1.008
LinkedIn	640	1	4	1.33	0.778
WhatsApp	640	1	5	1.52	1.054
Messenger	640	1	5	4.66	0.739
Viber	640	1	5	2.19	1.479
Skype	640	1	5	1.53	1.023
Pinterest	640	1	4	1.42	0.773
Zoom	640	1	5	2.95	1.568
MS Team	640	1	5	1.98	1.464
Valid N (listwise)	640				

Source: 640 respondents analyzed in SPSS Software (2022)

According to the 640 respondents, most of the online platforms used during pandemic are Facebook, messenger, and YouTube with the following mean of 4.52, 4.66 and 4.25 respectively with the following remarks of ‘Very Highly Use to Highly Used’. Zoom and Tiktok categorizes at ‘Slightly High’ with the following mean of 2.95 and 2.66 respectively as shown in Table 6.

7.3 Purpose of using the platform

Most of the respondents used the said platform for educational and personal purposes with the following mean of 4.39 and 4.31 respectively remarks as ‘Highly Used’. Other mean was reflected under Table 7.

Table 7: Purpose of Using the Platform Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Educational Purposes	640	2	5	4.39	0.748
Personal Purposes	640	1	5	4.31	0.906
Engagement Purposes	640	1	5	3.03	1.490
Service Purposes	640	1	5	2.95	1.527
Selling and Buying Purposes	640	1	5	3.16	1.482
Others	640	1	5	2.42	1.572
Valid N (listwise)	640				

Source: 640 respondents analyzed in SPSS Software (2022)

7.4 Platform access duration of used

Most of the respondents access the platforms was more than 1 hours with the following means of 2.72, 3.28, 2.76, and 2.93 with the following remarks of ‘Slightly High’ as shown in Table 8.

Table 8: Platform Access Duration Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Less than 1 hour	640	1	5	2.30	1.376
1 to 2 hours	600	1	5	2.72	1.474
2 to 4 hours	430	1	5	3.28	1.386
4 to 6 hours	460	1	5	2.76	1.433
More than 6 hours	460	1	5	2.93	1.526
Valid N (listwise)	390				

Source: 640 respondents analyzed in SPSS Software (2022)

7.5 Role of social media

According to respondents, the role of social media anchors to the following, namely, information, judgement, influence of creating panic buying, fake news and comfortability with the following means of 4.16, 4.02, 3.81, 3.80 and 3.53 with the remarks of 'Highly influence'. The impact of social media to the respondents were based on the experience they encounter while engaging on the technology whether in personal or study as shown in Table 9.

Table 9: Role of Social Media Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Build Awareness	550	1	5	2.73	1.407
Judgement	610	1	5	4.02	1.133
Good vibes and inspiration	550	1	5	2.96	1.453
Comfortability	580	1	5	3.53	1.203
Fake news spread	600	1	5	3.80	1.176
Entertainment	540	1	5	3.02	1.266
Influence of creating panic buying	620	1	5	3.81	1.212
Information	640	1	5	4.16	1.101
Valid N (listwise)	530				

Source: 640 respondents analyzed in SPSS Software (2022)

7.6 Function of social media

According to respondents, the functions of social media when it comes to product quality, delivery, information, and transaction is 'High' with the following means of 3.82, 3.84, 3.69, 3.57 and 3.60 respectively as shown in Table 10. It only denotes that all the parameters mentioned, social media has an impact on it.

Table 10: Function of Social Media Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Product Quality	600	1	5	3.82	1.127
Product Delivery	610	1	5	3.84	1.083
Product Information	580	1	5	3.69	1.063
Selling and Buying Transaction	600	1	5	3.57	1.110
Pricing	570	1	5	3.60	0.997
Valid N (listwise)	570				

Source: 640 respondents analyzed in SPSS Software (2022)

7.7 Influence of social media

Table 11: Influence of Social Media Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Endorser/Influencer	610	1	5	3.48	1.233
Curiosity	600	1	5	3.37	1.235
Uniqueness	590	1	5	3.46	1.304
Quality and Material (Promise of Quality)	600	1	5	3.18	1.295
Order and Delivery	570	1	5	3.28	1.146
Pricing and Costing Comparability	570	1	5	3.39	1.192
Product Information (Customer Feedback)	590	1	5	3.56	1.207
Product Features	600	1	5	3.50	1.228
Valid N (listwise)	560				

Source: 640 respondents analyzed in SPSS Software (2022)

In reference to the influence of social media, according to respondents, product features and information was top 'High influence' with the following mean of 3.56 and 3.50 respectively as shown in Table 11. Other parameters remarked as 'Slightly High' as shown in the table below.

7.8 Best buy

The best buy products that were selected by the respondents topping the food, personal care, clothing and health and fitness with the following means of 4.10, 3.89, 3.86 and 3.58 respectively as shown in Table 12 with the remark of "Highly Choose".

Table 12: Best Buy Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Food	630	1	5	4.10	1.146
Clothing	640	1	5	3.86	1.052
Personal Care	610	1	5	3.89	1.170
Health and Fitness	600	1	5	3.58	1.253
Valid N (listwise)	580				

Source: 640 respondents analyzed in SPSS Software (2022)

7.9 Problems encounter in using social media platform while engaging in the market

Table 13: Problem Encounter Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Fake brand	630	1	5	3.56	1.202
Product Quality	640	1	5	3.64	1.089
Scam	640	2	5	3.78	0.845
Privacy Invasion	640	1	5	3.23	0.850
Delayed Response	640	2	5	3.09	0.750
Valid N (listwise)	630				

Source: 640 respondents analyzed in SPSS Software (2022)

According to respondents, their concern while engaging in market using the social media as a platform were scam, product quality issue and fake brands with the following means of 3.78, 3.64 and 3.56 as shown in Table 13 with the remarks of ‘Very High concern’. Other parameters remark as ‘High’ as shown in table below.

7.10 Overall assessment in using social media while engaging to market

Using t-test, the researcher assesses the significant difference of the variables in relation to the concluded study. As shown in Table 14, all the parameters resulted to $P < 0.05$ which means that the assessment of respondents to social media influence is highly acceptable including its function, impact, and capability in relation to its role.

Table 14: One-Sample Test

	Test Value = 0					
	t	Df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
Social Media Overall Assessment	41.985	630	0.000	4.063	3.87	4.26
Social Media Function Overall Assessment	41.555	630	0.000	3.688	3.51	3.86
Social Media Influence Overall Assessment	47.353	630	0.000	3.906	3.74	4.07
Social Media Capability Overall Assessment	38.908	630	0.000	3.625	3.44	3.81

Source: 640 respondents analyzed in SPSS Software (2022)

The test of significance concludes that t is greater than the critical value of the following respondents' assessments including the 95% confidence interval with the same sign values to 'positive'. Thus, the variables have a significantly difference as shown in the table mentioned.

7.11 Significant difference

Using ANOVA, the researcher uses the overall function of social media over the following variables, namely, capability, overall assessment, and influence. It reveals that the last two variables have significant difference between the overall function with $P < 0.05$ which means that the p is less than the 5% margin of error ($0.000, 0.039 < .0500$) as shown in Table 15.

Table 15: Significant Difference ANOVA

		Sum of Squares	df	Mean Square	F	Sig.
Influence	Between Groups	8.024	3	2.675	8.267	0.000
	Within Groups	19.413	60	0.324		
	Total	27.438	63			
Capability	Between Groups	3.088	3	1.029	1.935	0.134
	Within Groups	31.912	60	0.532		
	Total	35.000	63			
Social Assessment	Between Groups	4.882	3	1.627	2.971	0.039
	Within Groups	32.868	60	0.548		
	Total	37.750	63			

Source: 640 respondents analyzed in SPSS Software (2022)

8.0 Conclusions and Recommendations

8.1 Conclusions

The impact of social media was extremely experienced during the period pandemic. People were able to find their niche in the ambit of the technology to battle against burdensome, loneliness, and anxiety. Other business owners shifted their model to cope up and survive the impact of disease in the market. In results, majority of the respondents anchor their time to platforms like Facebook, messenger, and YouTube with the following mean of 4.52, 4.66 and 4.25 respectively. They used it for educational and personal purposes (4.39 and 4.31 means) and accessing it with more than 1 hours (2.72, 3.28, 2.76, and 2.93 means).

The respondents believed that the role of social media anchors to the following, namely, information, judgement, influence of creating panic buying, fake news and comfortability (4.16, 4.02, 3.81, 3.80 and 3.53 means) and the function to general market relates to product quality, delivery, information, and transaction (3.82, 3.84, 3.69, 3.57 and 3.60 mean). Product features and information was top 'High influence' that was observed by the respondents of which they buy from the platform the following items like food, personal care, clothing and health and fitness (4.10, 3.89, 3.86 and 3.58 means). However, problems and issues were also being the concern of the buyer respondents, namely, scam, product quality issue and fake brands (3.78, 3.64 and 3.56 means).

To conclude, the influence of social media to young adults purchasing behavior concretize by the applicability of the technology to the current condition. They were able to engage in the general market using the platforms as their ticket to the emerging industry while facing the holocaust of pandemic. It only proves that technology was able to assist, support and bridge between the young consumers and the market industry. Thus, the positive contribution of the social media over the development to cope up in his environment was evidently witness by every human being.

8.2 Recommendations

Social media herded the economy to move forward even in a small step. It helps other industries to function while others forced to stop. Although there are some negative implications arising from the platform, it can be minimized by developing more secured programs that would eliminate such discrepancies. Also, strict implementation of government regulation, dissemination and public-private collaborations that would entail the proper use of such technology that would result to a productive and meaningful information.

The young adults are the next foundation of the country that will lead, govern, and manage the country. It is best that in their age, they will not be exposed on the unpleasant, terrible impact of social media, instead, they more incline on the positive use of it. As mentioned, the government together with other the stakeholders, should work to mitigate the negative impact brought by the technology. Thus, it is a tool to better the lives of the people not only the young ones but the public in general.

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CHAPTER - 2

Uncovering Consumer Psychology: A Study of Consumer Perception on E-grocery Shopping

*Preeti Mehra**

ABSTRACT

The recent emergence of the internet as a major new distribution channel has received a lot of attention, as online channels challenge the operation of traditional retail. Today, inculcation of technology to make online shopping more interactive and interesting has become imperative. The current study endeavors to identify the factors effecting the purchase decision of the customers with reference to online e-grocery shopping platforms. A pre-disguised structured questionnaire was administered to a sample of 450 respondents. Judgmental sampling was used to select respondents who have made online purchase using internet as a medium. The study concluded that E-grocery platforms must increase their budget on social media campaign and escalate awareness campaigns and promotional offers.

Keywords: *Transitions; E-grocery platforms; Digital; Grocery shopping.*

1.0 Introduction

The contemporary customer prefers an online mode of shopping. These days, the preference is clearly for the delivery of products to home directly. Online food ordering became very popular in the 1990s, in the United States, during the so-called dot-com boom. The admiration and recognition were short-lived, however, and a few

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online shopping services suffered an impediment. Over the next few years, some of them survived economic hardships in order to stay strong in the markets. However, in today's era there are many online grocery retailers. Market experts hold the opinion that online shopping is a lucrative business and has continued to grow in popularity especially due to COVID:19 pandemic which led to the popularity of touchless, contactless modes of shopping.

1.1 Major E-grocery players

As our study revolve around India the top e- groceries provider in India have been mentioned below:

Big Basket: Big Basket is India's foremost retailer of quality and fresh vegetables, fruits, beverages, personal care products, household items, meat and eggs, bread, groceries, and staples. They provide high quality products related to your food needs and if savings in shopping malls is high on your mind, basket is an online restaurant in India. In addition to quality and discounts, they also guarantee timely delivery, same day or delivery full service, and signature packaging.

Grofers: Grofers is a one of the most preferred platforms for online shopping markets. They are able to connect consumers with all local stores, selling food items. A much-needed store that provides vegetables, fruit, other food items, baked goods, electronics, cosmetics, flowers, baby care, and animal care products as needed by consumers. The customer has the freedom to shop at their favourite stores in your area, select and edit delivery spaces and get real-time updates on whatever they order.

Amazon Pantry: Amazon Prime Pantry is an Amazon.com service available only to Amazon Prime members who place daily (non-quantity) non-perishable food items in a single delivery box for a fee. When selecting items within the Prime Pantry system, each item calculates the percentage of space it will occupy within the delivery box. Email notifies customers of their delivery date. A full box can weigh up to 150 pounds [45 kg]. In India, Pantry was

acquired in three cities before being expanded to 10,000 PIN codes before the closure of the COVID-19 epidemic in India.

Flipkart Grocery: Flipkart Grocery provides flour, dairy, spices, dairy products, Flipkart Grocery can be your one stop place to meet all your daily needs.

The current situation is full of urgent demands for the modern future, which is technically becoming a necessary component of our daily lives. Online advertising is expanding tremendously in both size and scope. Businesses are investing more money than ever before in online advertising. It's important to comprehend the variables that affect how effective web advertisements are (Deshwal, 2016) in not only groceries but across all product categories available online.

Consumers are also more concerned about the quality of products among the various fear factors related to online grocery shopping. Social influence factors have least importance, albeit customer review has moderate weightage. The online store guarantees the highest quality of all available products (Kaur & Shukla, 2017)

The internet plays gradually a more crucial role to connect information and people, the pressure has continued to rise on markets which have already employed online services, and especially on markets to which selling products online is novel. The trend of the retailing store is changing as a growing number of retailers are shifting their focus from general brick and mortar retailing to new formats such as electronic retailing or e-tailing. The study depicts the expectation of a customer while buying groceries online and in physical market is totally different. The study reveals that the major reason for purchasing groceries online is saving time and effort and there are no time restrictions on shopping. (Kavitha, 2017)

2.0 Review of Literature

Hand *et al.*, (2008) in their research article, online grocery shopping: the influence of situational factors analyzed the role of

situational factors in the process of adoption of online grocery shopping. They used different measures to establish the importance of situational factors, such as having a child or inability to do physical shopping as triggers for starting buying groceries online. Many shoppers are found to discontinue online grocery shopping once the initial trigger has disappeared or they have experienced a problem with the service. content are all important aspects.

Nagra & Gopal (2013) in their research studied the factors affecting online shopping behavior amongst consumers. They emphasized that online shopping is greatly influenced by various demographic factors such as age, gender, marital status, family size and income. They stated that in the online shopping environment, companies must give priority to consumers fundamental and unequivocal requirements.

Ronan *et al.*, (2014) in their research article household pre-purchase practices and online grocery shopping have conceptualized the function of households' pre-purchase practices intermediated by information and communications whereby accumulative performance in purchase begins to influence new practices that may significantly influence industry-level strategies. This exploratory research used a series of semi-structured open-ended questions, via Skype interviews in a multi-wave strategy over a 12-month period and a sample of 31 Turkish individuals. Drawing on practice theory, the concept of "front-loading" was familiarized. The domestication of online grocery shopping and its effect on the dynamics of household decision making, information sharing, and responsibilities of tasks before the actual act of online shopping has been explored.

Ronan *et al.*, (2014) in their study examined how information and communications technologies (ICTs), notably online grocery shopping, mediate family pre-purchase practices. The notion of "front-loading" is presented, and the effects of ICTs on household food purchasing behaviour are conceived using practice theory. Emerging themes from 31 semi-structured Skype interviews with Turkish consumers who were asked to describe their experiences with online grocery shopping are presented. This paper makes two

contributions toward that objective. Before engaging in actual online shopping, it is important to have a basic awareness of how domesticating online grocery shopping has affected the dynamics of household decision-making, information sharing, and task obligations. Second, how these consumer pre-purchase behaviours serve as a catalyst for change at the consumer decision making level.

Afzal & Khan, (2015) endeavored to demonstrate how advertisements, both traditional and online, affect customer purchasing decisions for branded clothing. A market cannot continue to exist without advertising, which has acknowledged itself as an important selling medium. Structured equation modelling (SEM) is used to explore the direct and indirect relationships between independent variables in traditional and online advertising and the dependent variable, consumer purchasing behaviour. A questionnaire was utilised as a quantitative data collection instrument. Through two mediators—advertising characteristics and customer attitude—the indirect relationship between online and conventional advertising and consumer purchasing behaviour is assessed in order to identify key variables that significantly affect consumer purchasing behaviour. Results showed that brand loyalty, advertisement quality, design, content, customer purchasing history, and advertisement

Siddiqui & Tripathi (2016) in their study suggested that Online grocery shopping offers the promise of being accepted by Indian consumers as e-retailing makes a noticeable entry into the Indian retail landscape. This essay makes an effort to ascertain the market potential for online grocery retailing in India as well as consumers' attitudes regarding its various facets. The choice of mode for grocery shopping is said to be influenced by five underlying dimensions: convenience, value for money, variety, loyalty, and ambient influences. After that, Binary-Logistic Regression was used to examine how these five broad perceptual aspects affected people's decisions to accept or reject online grocery retailing. Value for money and convenience received the most attention from the responders. According to the survey, challenges include supplying products that suit client preferences and expectations.

Ferreira & Barbosa, (2017) in their study compare consumer attitudes about brand posts and adverts, a topic that has received little attention in the literature to date, in order to take a deeper look at how consumers feel about Facebook advertising. It also takes into account the connection between user ad avoidance and electronic word-of-mouth sharing. A standardised self-administered questionnaire was used to conduct an exploratory quantitative analysis. 385 people between the ages of 18 and 44 took part in the study. The findings show that respondents have a more positive opinion of brand posts than of Facebook advertisements. Additionally, people who spend more time on Facebook find ads to be more bothersome. These findings provide some hints for a more effective approach by illuminating how Facebook users react to brand posts and advertisements.

Tang & Chang (2017) analysed that from print media to online media, the interaction between advertising and audience on a product purchase through persuasion has been evolving. This research aims to examine how online advertising affects such a relationship cycle in light of the evolving media landscape and audience. Online adverts contain a lot of text, multimedia, photo, audio, and video information. The messages of this type of material format could have an effect on its audience and credibility.

Nizam *et al.*, (2018) emphasized that Customer complaint behaviour (CCB) is characterised as a behaviour linked to the assessment of the consumer's interaction with the product. Depending on the quality of the product and the needs of the user, the outcome of product consumption may be favourable or unfavourable. The purpose of the current study is to consider online consumer behaviour and how it relates to the online retail industry. It was discovered that by creating interactive platforms, customers could connect with the business directly and communicate their complaints and feedback. It will assist the business in better understanding consumer needs and desires so that it may adjust the product or service to satisfy those needs. Adopting various marketing tools, such as affiliate marketing, is also part of it.

The objectives of the study are to identify the factors effecting the purchase decision of the customers while buying through e-grocery platforms.

3.0 Research Methodology

The current study endeavors to identify the factors effecting the purchase decision of the customers through e-grocery platforms. A pre-disguised and structured questionnaire was administered to a sample of 450 respondents. Judgmental sampling was used to select respondents who have made online purchase using internet as a medium. Factor analysis was used to analyse the data.

3.1 Data for factor analysis

Table 1: List of Statements for Preferring Online Grocery Shopping

Labels	Statements
(S1)	I prefer to buy grocery online as the prices are cheaper
(S2)	I buy grocery online as comparing prices are easier
(S3)	By buying grocery online it's saves me lot of time
(S4)	I can buy grocery anytime I need
(S5)	I can get the grocery within hours
(S6)	I can avail discount if I buy in bulk
(S7)	The cashbacks attract me more towards online grocery shopping
(S8)	I prefer online grocery shopping as I get more option
(S9)	I go for online grocery shopping as I believe the products are more genuine
(S10)	By buying groceries online I don't have to worry about carrying the grocery to my own house
(S11)	I can easily navigate through the online grocery stores
(S12)	I prefer same day delivery of grocery
(S13)	They are multiple product categories options online rather than in offline stores
(S14)	I prefer paying online using cards rather than cash
(S15)	Buying groceries online saves time and I can spend time with my family

(S16)	I am more likely to buy grocery online after I use and feel the product
(S17)	I go to online Store more often when I know there are promotions in which I am interested.
(S18)	Cashbacks on the online store displaying the weekly and daily promotions affect what I buy.
(S19)	The online grocery store has new products every week
(S20)	I am more likely to purchase through online grocery if I can earn extra rewards points for my membership program
(S21)	I prefer to buy grocery online as it State the important information up front like expire date
(S22)	I prefer to buy grocery online as when the order has been placed, include an “order completed” page where all the key information is summarized, I prefer to buy grocery online as when the order has been placed, include an “order completed” page where all the key information is summarized
(S23)	I prefer to buy grocery online as a customer I will expect to receive an email, call, a link to track the shipment. It is very easy to find the bills and manage them and to maintain proper record of it.
(S24)	I prefer to buy grocery online as it Make it easy to navigate. (Like- enable customers to filter and sort items by price, brand, group, review scores, etc.)
(S25)	I prefer to buy grocery online as it Offer flexible delivery. (Like- Offer several delivery options and time slots, and be specific with your delivery times. The best practice is to offer precise delivery windows, and allow people pick the one that best fits their schedule).
(S26)	I prefer to buy grocery online as they Guarantee high quality. Offer delivery options that preserve product quality. Refrigerated lockers, one-hour delivery, and click and collect within a specific pick-up window are some of the options to ensure freshness while offering high flexibility.
(S27)	I prefer to buy grocery online as it provides multiple payments options like google pay, amazon pay, UPI
(S28)	I prefer to buy grocery online as it provides the customer support and easy return options.
(S29)	I prefer to buy grocery online as it can be approachable when in need and when we need to make complaints.

Source: Self Prepared

In order to test the appropriateness of data for factor analysis, the subsequent steps were completed: Respondents were asked to give their views, to a set of twenty-nine statements that were framed on the basis of discussion with experts. These statements reflected the

preference of online grocery shopping over traditional one. Each statement was measured on the scale of five-point Likert scale with 5 representing, “strongly agree” and 1 signifying, “strongly disagree”. After checking whether significant differences exist, Factor analysis was employed on the aggregate group of respondents. The list of statements is given in Table 1.

3.2 Data for factor analysis

In order to test the appropriateness of data for factor analysis, the subsequent steps were completed:

Correlation matrix was evaluated and it depict that there were adequate correlations to conduct factor analysis.

Overall Measures of Sampling Adequacy (MSA) such as KMO value was located to be 0.881, which suggested that the sample was suitable enough for sampling (Table 2).

Bartlett’s Test of Sphericity (Bartlett, 1950) revealed statistically significant number of correlations among the variables

After all the overhead consideration, the data was found to be fit for factor analysis.

3.3 Extraction approach and number of factors extracted

The hypothesis suggest that the data is appropriate for factor analysis. In our study however, Principal Component Analysis (PCA) was applied for extraction of factors. The number of factors has been determined on the basis of latent root criterion. Thus, only the factors having Eigen values or latent roots greater than >1 have been considered substantial; all the factors with latent roots less than <1 have been overlooked. Only Five components were having Eigen values greater than unity. The analysis gave a five-factor solution. Total variance accounted for by these factors is 65.7 per cent and remaining variance is explained by other factors.

Table 3 shows the extracted factors. The last pier in the table shows communalities. Normally accepted values of communalities are within the range 0.40 to 0.70. In the current study, all communalities were within this range. Large communalities suggest

that a large amount of variance has been accounted for the factor solution. In the current study, all the communalities were above 0.51. For the study, principal factors have been orthogonally rotated by the implication of varimax rotation. This has resulted in the emergence of five major factors for defining the transition in the consumers preference for online grocery shopping. Extracted factors, factor labelling, factor loadings and communalities are given in Table no 3.

Table 2: KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		0.881
Bartlett's Test of Sphericity	Approx. Chi-Square	2203.189
	Df	406
	Sig.	0.000

Source: Self Prepared

Table 3: Principal Component Analysis with Varimax Rotation

Factors						
Label	F1	F2	F3	F4	F5	Communalities
	Economical	Accessible	Quicker	Convenient	Promotions	
S1	0.711					0.691
S2	0.674					0.773
S3	0.569					0.764
S4		0.771				0.775
S5			0.566			0.684
S6	0.789					0.799
S7					0.712	0.760
S8		0.542				0.625
S9	0.651					0.732
S10		0.562				0.722
S11		0.733				0.803
S12			0.802			0.762
S13		0.718				0.775
S14		0.589				0.720
S15					0.680	0.721
S16					0.635	0.573

S17					0.737	0.662
S18					0.719	0.707
S19					0.594	0.698
S20					0.533	0.650
S21				0.605		0.712
S22				0.623		0.664
S23				0.745		0.750
S24				0.620		0.722
S25			0.644			0.631
S26				0.685		0.726
S27				0.741		0.770
S28				0.679		0.743
S29				0.692		0.609
Eigen Value	3.394	3.915	2.012	5.39	4.61	
Explained Variance (%)	12.125	10.939	5.689	19.132	15.670	
Cumulative Variance (%)	12.125	23.064	28.753	47.885	65.7	

Source: Self Prepared

3.4 Naming of factors

All the establish factors have been given suitable names converse to the variables that have loaded on to each factor. The five factors described in Table 3 are probe below.

3.4.1 Factor 1 (F1): Economical

This is the first factor accounting for 18% of total variance. Five variables have been loaded positively into this factor. The factor includes statement S1(I prefer to buy grocery online as the prices are cheaper), S2(I buy grocery online as comparing prices are easier), S3(By buying grocery online it's saves me lot of time), S6(I can avail discount if I buy in bulk), S9(I go for online grocery shopping as I believe the products are more genuine). These statements emphasize that buyers are shifting to online grocery because the prices are cheaper and more genuine product can be purchased with discount and comparison can be done.

3.4.2 Factor 2 (F2): Accessible

The second factor have been loaded with 6 statements including S4 (I can buy grocery anytime I need), S8(I prefer online grocery shopping as I get more option), S10(By buying groceries online I don't have to worry about carrying the grocery to my own house), S11(I can easily navigate through the online grocery stores), S13(They are multiple product categories options online rather than in offline stores). S14(I prefer paying online using cards rather than cash) These statements emphasize that buyers need the accessibility of buying grocery as per their convenience.

3.4.3 Factor 3 (F3): Quicker

The 3rd factor account for the lowest statement count only three statements were loaded i.e., S5 (I can get the grocery within hours), S12(I prefer same day delivery of grocery), S25(I prefer to buy grocery online as it Offer flexible delivery. (Like- Offer several delivery options and time slots, and be specific with your delivery times. The best practice is to offer precise delivery windows, and allow people pick the one that best fits their schedule)). Getting grocery quicker shift the preference of consumer towards online grocery shopping.

3.4.4 Factor 4 (F4): Convenient

The 4th factor is the most important factor having 8 statements S21(I prefer to buy grocery online as it states the important information up front like expiry date), S22(I prefer to buy grocery online as when the order has been placed, include an “order completed” page where all the key information is summarized, I prefer to buy grocery online as when the order has been placed, include an “order completed” page where all the key information is summarized), S23(I prefer to buy grocery online as a customer I will expect to receive an email, call, a link to track the shipment. It is very easy to find the bills and manage them and to maintain proper record of it.), S24(I prefer to buy grocery online as it Make it easy to navigate. (Like-enable customers to filter and sort items by price, brand, group, review scores, etc.)), S26(I prefer to buy grocery online

as they guarantee high quality. Offer delivery options that preserve product quality. Refrigerated lockers, one-hour delivery, and click and collect within a specific pick-up window are some of the options to ensure freshness while offering high flexibility.), S27(I prefer to buy grocery online as it provides multiple payments options like google pay, amazon pay, UPI), S28(I prefer to buy grocery online as it provides the customer support and easy return options.), S29(I prefer to buy grocery online as it can be approachable when in need and when we need to make complaints) This factor establish that the consumer shift their preference more towards online shopping because of the convenience for return and refund, payment method, getting the detail of the product and every step from purchase to receiving the grocery and this factor influence most of the consumer.

3.4.5 Factor 5 (F5): Promotions

This is the second most important factor having 7 statement S7(The cashbacks attract me more towards online grocery shopping), S15(Buying groceries online saves time and I can spend time with my family), S16(I am more likely to buy grocery online after I use and feel the product), S17(I go to online Store more often when I know there are promotions in which I am interested.), S18(Cashbacks on the online store displaying the weekly and daily promotions affect what I buy), S19(The online grocery store has new products every week), S20(I am more likely to purchase through online grocery if I can earn extra rewards points for my membership program) The factor clearly state that promotional cashback and discount attract more consumer so this can be used as a strategy by the online platform to capture more market.

4.0 Conclusion

E-grocery shopping is evolving. Shoppers like to buy grocery online. There are many factors that account for this preference. Economy was the most influential factor. Respondents believe that they are able to buy grocery at relatively lower prices. They also hold this belief that buying grocery online is convenient as they are able to

compare prices and there is a possibility of availing discount if bought in bulk. Accessibility was the next major factor. They believed that they could buy grocery anytime they need, more options were available, they did not have to worry about carrying the grocery to their own house and could also navigate through various online grocery stores in a click.

Quicker was the next major factor. Flexible delivery options and time slots, that allows people pick the one that best fits their schedule, has also shifted the preference of consumer towards online grocery shopping. Convenience was the next factor. Providing key information in a summarized form with every order links to track the shipment, assists customers in finding the bills and maintaining proper record. Finally, promotions, cashbacks on a weekly and daily basis, earning extra rewards points for their membership program also is a huge factor contributing to preference towards online shopping.

These statements emphasize that buyers are shifting to online grocery because the prices are comparable and competitive. Genuine product can be purchased with brilliant offers, cash back and discounts after making a very comfortable comparison across all platforms. E-grocery platforms must increase their budget on social media campaign and escalate awareness campaigns and promotional offers. If trust is to be built among consumers an effective system comprising of feedbacks and reviews must be encouraged. Online shopping applications must be made more user friendly and technology should be used to make these platforms more interactive and interesting.

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CHAPTER - 3

Impact of Covid-19 on Diffusion of Mobile Wallet Payment Services in Kolkata: An Empirical Study using the UTAUT2 Model

Saba Parveen and Sajal Das***

ABSTRACT

Covid-19 has brought a phenomenal transformation in the way people make payments or transact. The aim of this research paper is to analyse the impact of Covid-19 on the behavioural intention of the users of mobile wallet payment services in Kolkata. This paper also throw light as to which antecedents of behavioural intention are significant among the users. The study is based on 300 valid responses received through Google form-based survey questionnaires. SEM-AMOS were used to assist in our data analysis. The empirical result of the study demonstrated that during the epidemic period all the independent variables have a significant relationship towards behavioural intention of adopting mobile wallet payment services among smartphone users in Kolkata city of West Bengal. Some limitation and suggestions are presented in the study to provide a better idea for future researchers and service provider to enhance the adoption intention of mobile based payment methods.

Keywords: *Behavioural intention; Smartphone; Mobile wallet payment services; Covid-19.*

1.0 Introduction

After affecting almost every sphere of human life, this deadly

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novel coronavirus pandemic has increased the popularity of smartphone and contactless payment methods. The pandemic has brought a major change in the consumer's behavioural pattern to contactless and e-commerce payments.

Again, a surge in the use of mobile wallet payment services had been noticed substantially in the pandemic period because of the concern about the transmission mechanism of the epidemic as one of the reasons for the transmission of this deadly virus is through exchange of metal coins and paper money between peoples. Thus, this virus is acting as a potential source of transmission and it would increase the risk of infection as well. Hence to save people's lives from this epidemic, mobile wallet payment services had played an important role in implementing safety.

Now a days Mobile Wallet Payment System is generally viewed as being a much safer option than handling and maintaining cash as it limits the amount of contact during the process of making payments." When smartphone can function as leather wallet, it is called Digital wallet or widely known as mobile wallet" (Doan, 2014). MW is an electronic pre-paid account, where a registered user can preload a certain amount of money with any service provider which can be expended for almost everything starting from grocery to movie tickets without the need to swipe a plastic card. It is digital equivalent to a physical wallet in which we store cash and make payments from.

The Indian Mobile payment market can be segmented into three categories: Mobile Banking, Mobile point of sale and Mobile Wallet. "The MW segment includes transfer of money, service related to banking transaction, value added services such as shopping, ticketing, recharging and bill payments. The relative advantage which digital wallets offers are convenience, security and affordability over other payment methods specially while transferring money" (Wamuyu, 2014).

According to RBIMaster Circular – "Policy Guidelines on Issuance and Operation of Pre-paid Payment Instruments in India" dated July 01, 2014 four types of wallets are there: -

(i) **Closed wallet:** These are payment instruments generally issued by business establishments for use at their respective establishment only. These instruments do not permit cash withdrawal or redemption e.g., flip kart.

(ii) **Semi-closed wallet:** These are payment instruments which are redeemable at a group of clearly identified merchant location/establishments which contract especially with the issuer to accept the payment instrument. These instruments do not permit cash withdrawal and redemption by the holder e.g., Citrus, oxygen.

(iii) **Semi-open wallet:** These are payment instruments which can be used for purchase of goods and services at any card accepting merchant locations (point of sale terminals). These instruments do not permit cash withdrawal and redemption by the holder e.g., Airtel money.

(iv) **Open wallet:** These are payment instruments which can be used for purchase of goods and services and also permit cash withdrawal e.g., ICICI bank pockets, SBI Buddy, HDFC Bank Payzapp.

Paytm, Mobikwik, Freecharge, Oxigen, and Citrus are few leading MW companies in India.

2.0 Literature Review

Several theoretical models have been developed to examine behavioural intentions for various information technologies among which the important theories are the theory of reasoned action (TRA) (Fishbein & Ajzen, 1975), the technology acceptance model (TAM) (Davis, 1989), the theory of planned behaviour (TPB) (Ajzen, 1991), the diffusion of innovations (DOI) theory (Rogers, 1995) and the unified theory of acceptance and use of technology (UTAUT) (Venkatesh *et al.*, 2003). Some of these models have been extended also for example TAM2 (Venkatesh & Davis, 2000) and UTAUT2 (Venkatesh *et al.*, 2012) are two such prominent extended frameworks. Now a days these extended models have been used to understand the adoption intentions related to adopting the latest

technologies. This study also used UTAUT2 to understand the behavioural intentions and diffusion processes of adopting mobile based payment methods.

- MarvelloYang *et al.*, (2021) explored the factors that motivated the Indonesian youth to use e-wallet in light of their intention to use an e-wallet and adoption of an e-wallet. A total of 501 responses were collected and analysed using partial least square structural equation modelling (PLS-SEM). The result revealed that perceived usefulness, perceived ease of use, social influence, lifestyle compatibility, and perceived trust displayed a significant positive effect on both intentions to use an e-wallet and adoption of an e-wallet.
- Zhao & Bacao (2021) had investigated the technological and mental factors affecting user's adoption Intention of Mobile payment under the Covid-19 pandemic in China. A total of 739 sets of data were obtained from smartphone users. The result showed that users perceptions will be positively influenced when technology's specific characteristic can benefit a particular situation.
- A study done by Husin *et al.*, (2020) to examine the effects of perceived risk, government support and Perceived Usefulness on Customer's Intention to use e-wallets using covid-19 outbreak by comparing Indonesia and Malaysia using Multivariate analysis. 259 sets of data collected from Indonesia and 207 sets of data were collected from Malaysia and tested by using PLS-SEM. The result indicated that the effects of government support on the intention to use e-wallets differ between countries.
- Sudha *et al.*, (2020) had carried out a study to find out the effect of covid-19 on Digital Payments. A total of 220 responses were analysed and tested by statistical tools like t-test, chi-square test and ANOVA test. The finding of the study demonstrated that Digital are dependable and durable, and continue to command a high level of confidence from the general population. However, closure of businesses and the lockdown have resulted in lower transaction volumes overall.

- Daragmeh *et al.*, (2021) had investigate the potential for consumers' continued usage of an E-wallet service through an integrated framework based on two established models: the Health Belief Model (HBM) and Technology Continuous Theory (TCT). 1080 sets of data was collected via electronic survey from academic society in three different Hungarian universities who had used an electronic wallet during the pandemic COVID-19. By using Structural equation modelling (SEM) the result indicated that while the COVID-19 pandemic strongly influenced the current use of e-wallets; the pivotal factor affecting their continued use is based on consumer self-efficacy.

3.0 Research Objectives

- To study the impact of Covid-19 on the Behavioural Intention of Mobile Wallet Users in Kolkata.
- To assess which antecedents of Behavioural Intention are significant among users of Mobile Wallet Payment Services in Kolkata.
- To study the demographics characteristics of the respondents.

3.1 Proposed research model

Based on the aforementioned theories, numerous researchers have carried out experiments to quantify behavioural intention and pinpoint the variables that affect it.

3.2 Hypothesis framed

Performance Expectancy is defined as “the degree to which using a technology will provide benefits to consumers in performing certain activities” (Venkatesh *et al.*, 2012).

H₁: Performance Expectancy significantly affects buyer's behavioural intention to use mobile wallet.

Effort expectancy is defined as “the degree of ease associated with consumers' use of technology” (Venkatesh *et al.*, 2012).

H₂: Effort Expectancy significantly affects buyer's behavioural intention to use mobile wallet.

Social Influence is defined as "the extent to which consumers of technology perceive that people who are important to them (e.g. relatives, friends) think they should use the technology" (Venkatesh *et al.*, 2012).

H₃: Social Influence significantly affects buyer's behavioural intention to use mobile wallet.

Facilitating Conditions is defined as "consumers' perceptions of the resources and support available to perform a behaviour" (Venkatesh *et al.*, 2012).

H₄: Facilitating Conditions significantly affects buyer's behavioural intention to use mobile.

Hedonic Motivation is defined as "the fun or pleasure derived from using a technology" (Venkatesh *et al.*, 2012). wallet.

H₅: Hedonic Motivation significantly affects buyer's behavioural intention to use mobile wallet.

"It is a person's perception of the cost he/she spends to use a system towards its perceived benefits. As the technology is not provided for free by the organization unlike in the organizational use context, the cost of using the technology and pricing structure have significant impact on consumers' technology use" (Venkatesh *et al.*, 2012).

H₆: Price Value significantly affects buyer's behavioural intention to use mobile wallet.

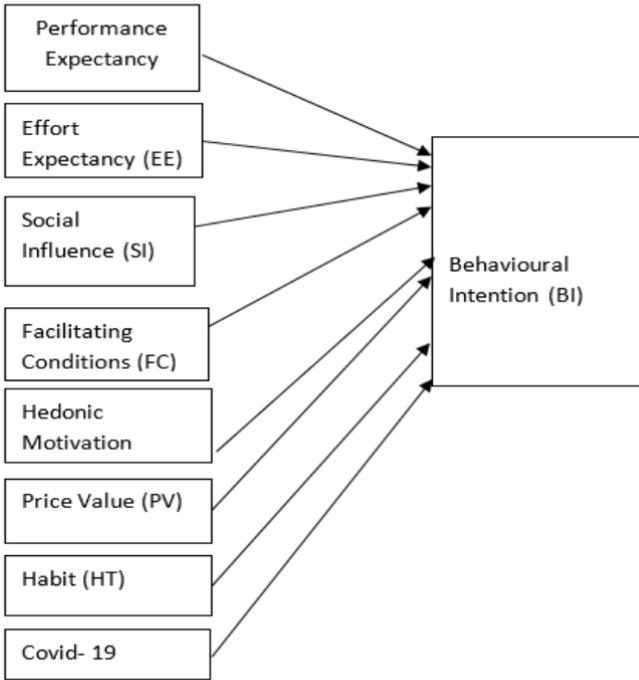
"It has been defined as the extent that individuals tend to execute behaviours automatically because of learning" (Venkatesh *et al.*, 2012).

H₇: Habit significantly affects buyer's behavioural intention to use mobile wallet.

An unprecedented emergency situation occurred in 2019 named Coronavirus or Covid-19 (Figure 1). The effects of this pandemic have brought a paradigm shift in consumers behaviour.

H₈: Covid-19 significantly affects buyer's behavioural intention to use mobile wallet.

Figure 1: Proposed Research Model



Source: Authors' proposed research model

4.0 Research Methodology

4.1 Data collection and sample design

The study was conducted on smartphone users in Kolkata who have entered into a mobile wallet transaction at least one times after the unprecedented situation i.e., covid-19. An online survey questionnaire was created using Google form as a medium and administered online during the month of April 2021 to 300 respondents.

The sampling technique used was convenience sampling due to the ease of access to email ids and higher response rate. All

constructs and items of survey questionnaire are adapted from literature (refer Appendix 1) except Covid-19 which is developed for the first time. Measurement item for Performance Expectancy, Effort Expectancy, Social Influence, facilitating conditions, Price Value, Hedonic Motivation and Habit are adapted from Venkatesh *et al.*, 2012 and items of Covid-19 are self-developed. Each item was measured on a seven-point Likert scale, ranging from 1 (totally disagree) to 7 (totally agree).

4.2 Measurement and scales

The questionnaire was structured into two parts; the first section dealing with demographic profile (see Appendix 2) of the respondents. The information on the identified items was collected in the second part. To refine the survey instrument, a pre-test was executed with 30 users of mobile wallet payment services who was having an interest in this domain along with others. Based on their feedback, few changes were made to enhance the appropriateness and comprehensiveness of the questionnaires. The final questionnaires included 34 items to measure eight independents (Performance expectancy, Effort expectancy, Social influence, Facilitating conditions, Hedonic motivation, Price value, Habit, Covid-19) and one dependent (Behavioural intention) variables.

5.0 Data Analysis

5.1 Descriptive statistics

The composition of respondents is presented in Appendix-2 wherein the majority of respondents were young belonging to age group of below 35 years and in that too majority belonging to 20–29 years of age. The majority of respondents belonged to tech-savvy urban youth in India. As with regard to gender, sample represented 177 male and 123 female respondents. Given the convenience sampling method adopted, a majority of respondents were students belonging to the income bracket of below Rs 250,000 annually. On the basis of education qualification, a majority of respondents had

been pursuing or had completed post-graduation and higher education, leading to a more mature respondent sample. Questionnaire has been appended in Appendix.

5.2 Measurement model

The Measurement Model was assessed for construct reliability, Convergent validity and Discriminant validity. Construct reliability was tested using the composite reliability (refer Table 1).

The analysis was done in two phases in which the first phase comprised of the assessment of measurement model model fit, internal reliability and validity diagnosis. The reliability of internal consistency of the constructs was verified by computing composite reliability as proposed by Chin (1998) and its value should be greater than 0.7. Average variance extracted (AVE) was used to analyse convergent validity in order to examine the unidimensionality of the constructs in which AVE should be greater than 0.5 (Fornell & Larcker, 1981).

Table 1: Validity and Reliability

Construct	Composite Reliability	Average Variance Explained
Performance Expectancy	0.800	0.503
Effort Expectancy	0.855	0.625
Social Influence	0.807	0.577
Facilitating conditions	0.859	0.637
Hedonic Motivation	0.821	0.609
Price Value	0.830	0.602
Habit	0.781	0.541
Covid-19	0.801	0.500

Source: Authors' calculation

Discriminant Validity of the construct was evaluated using two criteria: Fornell-Larcker criteria and cross-loadings criteria. Fornell-Larcker indicates that the square root of AVE should be greater than all correlations between each pair of constructs (Chin, 1998). And all diagonal values (square root of AVE) are greater than off-diagonal values (correlations between the construct). The cross-loadings criteria suggest that the loading of each indicator should be higher than all cross-loadings (Fornell & Larcker, 1981). All the loadings are greater than the corresponding cross-loadings. Thus, both criteria are satisfied providing evidence of discriminant validity of the scales.

The second phase of assessment comprised of assessing the structural model by computing R^2 of the model in which relationships between the antecedents and dependent variables were analysed to assess the variability explained by antecedents. The R^2 value ranges from 0 to 1 and the value closer to 1 indicates greater proportion of variability explained by the selected antecedents.

Here, the Measurement Model (refer Table 2) results are satisfactory. Hence, the construct can be used to test the structural model.

5.3 Structural model

After confirming reliability & validity of the measurement model and assessing the model fit measures (refer Table 2), a Structural Model was constructed in AMOS (see Figure 2.) and following output was generated:

Among the key factor that has the most significant influence on consumer behavioural intention to adopt mobile wallet payment services in Kolkata, this study proposed hypothesis based on UTAUT2 model. In order, Hedonic Motivation was the strongest factor that was significantly affected with probability level of less than 0.001 (***), followed by shows effort expectancy with probability level of less than 0.01, Performance Expectancy and Facilitating Conditions with probability level of less than 0.05.

Figure 2: Result Summary of Research Model

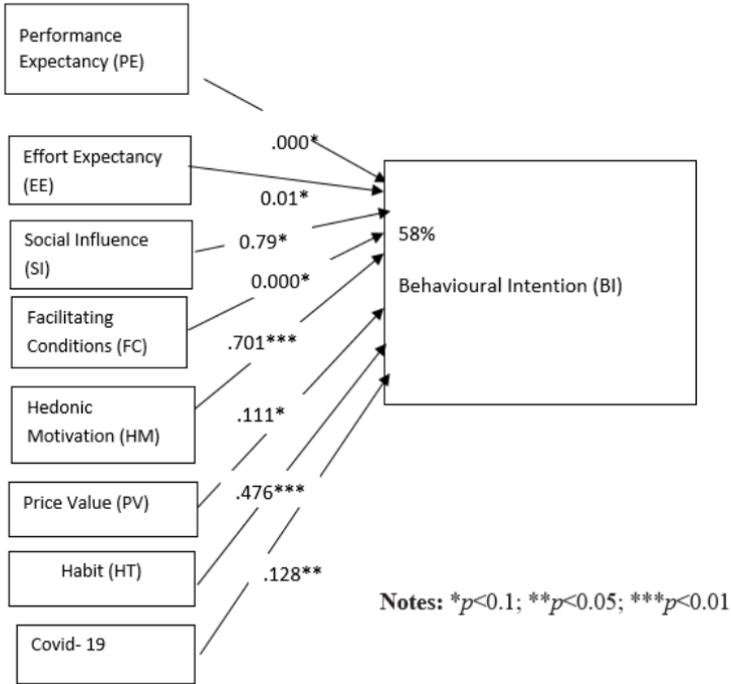


Table 2: Model-fit Indices of the Measurement Model and Structural Model

	χ^2 DF	CFI	GFI	NFI	TLI	RMSEA
Recommended Value	<3	>0.9	>0.9	>0.9	>0.9	<0.08
Measurement Model	1.648	0.949	0.833	0.880	0.940	0.057
Structural Model	1.914	0.927	0.807	0.861	0.915	0.068

Source: Authors' calculation

Here, it is observed that all factors proposed in this study significantly influence the behavioural intention of smartphone users

to adopt mobile wallet payment services, thereby supporting all hypotheses formulated.

6.0 Discussion and Conclusion

The aim of this study is to examine the impact of Covid-19 on the user's acceptance of mobile wallet payment services in Kolkata. The study successfully extended the existing technology adoption framework to include a new variable i.e., Covid-19.

The result of this research indicates a significant relationship between independent factors Performance Expectancy, Effort Expectancy, Social Influence, facilitating conditions, Price Value, Hedonic Motivation, Habit and Covid-19 with the dependent variable Behavioural Intention to adopt mobile wallet payment services. Furthermore, we can see that all hypothesis are supported.

Performance Expectancy is the expectations of consumers that using the new mobile technology will improve their performance or productivity. In other words, consumers perceive that regular usage of any latest technology provides benefits to them in performing payment tasks effectively and efficiently. Thus, consistent with the result of previous studies conducted in the field of mobile technology adoption (Shin, 2009; Kim *et al.*, 2010; Thakur & Shrivastava, 2014; Yan & Yang, 2015.) the present study also observed that Performance Expectancy has a positive and significant influence on Behavioural Intention in respect of the adoption of mobile wallet payment services.

Effort Expectancy is the effort expected by the consumer's to be required in using any new technologies. The more the effort will be needed, the less will be the usage of that new technologies and vice-versa. Here the result of this study indicating a significant relationship between Effort Expectancy and Behavioural Intention to adopt mobile wallet payment services is in line with the earlier studies (Amin 2009; Lai *et al.*, 2014).

In this study social influence was observed to be significant in influencing consumers acceptance of mobile wallet payment

services. The result is consistent with the work of previous researchers who observed social influence as significant factor in predicting Behavioural Intention for new mobile technologies (Venkatesh & Davis, 2000; Schierz *et al.*, 2010; Venkatesh *et al.*, 2012; Slade *et al.*, 2015). Here also it is found that recommendation and positive word of mouth of family, friends, peer groups etc who are influential and important may bring change in the Behavioural Intention of consumers trying out any latest technologies.

Facilitating conditions is the conditions that proved to be a facilitator for consumers in using a latest technology i.e., availability of the necessary resources and infrastructure required for performing a mobile wallet transaction such as an internet enabled smartphone, an uninterrupted internet connection, necessary knowledge, and so on also have a positive and significant influence on Behavioural Intention in adopting mobile wallet technology. This result is consistent with the result so far other studies conducted in the area of new technology adoption (Yang, 2010; Amoroso & Magnier-Watanabe, 2012; Chong, 2013; Hew *et al.*, 2015).

Price Value is the value receivable in exchange of the price paid, to avail any latest technologies in the field of mobile technology adoption. The more the consumer perceives the received value is worth in respect of its price paid, the more is the Behavioural Intention of the consumers to adopt the new technology. This observation supports the result of previous studies conducted in the area of adopting the latest technology (Pagani, 2004; Amoroso & Magnier-Watanabe, 2012).

Hedonic Motivation is defined as “the fun or pleasure derived from using a technology” (Venkatesh *et al.*, 2012). The more the consumer’s find the features and functions of mobile wallet applications entertaining and drives fun while using the same, the more they will have the intention to use the applications. This result is in alignment with Hew *et al.*, (2015), Venkatesh *et al.*, (2012), Yang, (2015).

Habit is defined as how far technology users tend to use the technology automatically based on previous learning process.

Therefore, the more a particular technology is being used frequently by the users with a positive mindset, the more the users will become reliant on it and ultimately habit emerges as a consequence of benefits that it offers. Hence, Habit plays a factor of importance, when it comes to determine the Behavioural Intention of consumers to use mobile wallet payment services. This finding is in line with the findings of previous researchers done in the context of adopting any new technology (Liao *et al.*, 2006; Limayem *et al.*, 2007).

Lastly, this research analysis observed that another significant factor to the Behavioural Intention to adopt mobile wallet payment services is the new self-developed construct i.e., Covid-19. The influence of Covid-19 in predicting Behavioural Intention of consumers to adopt mobile wallet payment services is notable in the study. Therefore, Consumer's inclination towards emergency situation arising in the country will have a strong impact on the consumer's adoption behaviour.

7.0 Limitation and Recommendation for Future Research

This study is focusing only on Mobile Wallet services, not on other modes of payments available in the context of mobile payments. Therefore, future researchers can conduct the study by adopting other modes of mobile payments. This study will suffer from selection bias, as it is relying only on primary information collected from the respondents and it is focusing only on urban/ population around Kolkata city.

Only one self-developed factors have been developed in this study with all the construct of UTAUT2 Model to measure the impact of Covid-19 on the user's acceptance of mobile wallet payment services. However, there might be other factors relating to new technology adoption, which should be included in future research to conduct a more comprehensive study.

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Appendices

Appendix 1: Questionnaires and Source

Factors/ Construct	Items	Sources
Performance Expectancy (PE)	PE1 - Mobile Wallet is useful to carry out my tasks.	Venkatesh <i>et al.</i> , (2012)
	PE2 - I think that using mobile Wallet would enable me to conduct tasks more quickly	
	PE3 - I think that using mobile Wallet would increase my productivity	
	PE4 - I think that using mobile Wallet would improve my performance	

Effort Expectancy (EE)	EE1 - My interaction with mobile payment would be clear and understandable.	Venkatesh <i>et al.</i> , (2012)
	EE2 - It would be easy for me to become skilful at using mobile payment	
	EE3-I would find mobile payment easy to use.	
	EE4 - I think that learning to operate mobile payment would be easy for me.	
Social Influence (SI)	SI1 People who are important to me think that I should use mobile wallet.	Venkatesh <i>et al.</i> , (2012)
	SI2 People who influence my behaviour think that I should use mobile wallet.	
	SI3 People whose opinions that I value prefer that use mobile wallet.	
Facilitating Conditions (FC)	FC1 I have the resources necessary to use mobile wallet.	Venkatesh <i>et al.</i> , (2012)
	FC2 I have the knowledge necessary to use mobile wallet.	
	FC3 Mobile wallet is compatible with other technologies I use.	
	FC4 I can get help from others when I have difficulties using mobile wallet	
Hedonic Motivation (HM)	HM1 Using mobile wallet is fun.	Venkatesh <i>et al.</i> , (2012)
	HM2 Using mobile wallet is enjoyable.	
	HM3 Using mobile wallet is very entertaining.	
Price Value (PV)	PV1 Mobile wallet is reasonably priced.	Venkatesh <i>et al.</i> , (2012)
	PV2 Mobile wallet is a good value for the money.	
	PV3 At the current price, mobile wallet provides a good value.	
Habit (HT)	HT1 The use of mobile wallet has become a habit for me.	Venkatesh <i>et al.</i> , (2012)
	HT2 I am addicted to using mobile wallet.	
	HT3 I must use mobile wallet.	
Behavioural Intention (BI)	BI1 I intend to continue using mobile wallet in the future.	Venkatesh <i>et al.</i> , (2012)
	BI2 I will always try to use mobile wallet in my daily life.	

	BI3 I plan to continue to use mobile wallet frequently.	
Covid-19 (CO)	CO1: I was aware of Mobile Wallet Payment System before covid-19, but was not using it.	Author's Construct
	CO2: During covid-19, I have started using Mobile Wallet Payment System.	
	CO3: Lockdown due to covid-19 has forced me to use Mobile Wallet Payment System.	
	CO4: Covid-19 has made me tech-savvy.	

Appendix 2: Demographic Characteristics

Profile	Categories	Frequency	Percentage (%)
Gender	Male	177	59
	Female	123	41
Age	Below 20	67	22.33
	20-29	119	39.67
	30-39	74	24.67
	40-49	31	10.33
	50 or above	9	3
Highest Level of Education	12th Grade	54	18
	Bachelor's degree	122	40.67
	Master degree	61	20.33
	Doctorate degree	63	21
Duration of using Smartphone	2 years or less	96	32
	3 to 5 years	148	49.33
	More than 5 years	56	18.67
Occupation	Student	112	37.33
	Employed for Wages	23	7.67
	Self-employed	103	34.33
	Professionals		
	Currently Unemployed	29	9.67
Monthly Income	Others	33	11
	Below 250000	109	36.33
	250000-500000	98	32.67
	500000-1000000	42	14
Are you using Mobile Wallet?	Above 1000000	51	17
	Yes	300	100
	No	-	-

Appendix 3: Summary of Hypothesis Results

No	Hypothesis	Result
H1	Performance Expectancy significantly affects buyer's behavioural intention to use mobile wallet.	Accepted
H2	Effort Expectancy significantly affects buyer's behavioural intention to use mobile wallet.	Accepted
H3	Social Influence significantly affects buyer's behavioural intention to use mobile wallet.	Accepted
H4	Facilitating Conditions significantly affects buyer's behavioural intention to use mobile wallet	Accepted
H5	Hedonic Motivation significantly affects buyer's behavioural intention to use mobile wallet.	Accepted
H6	Price Value significantly affects buyer's behavioural intention to use mobile wallet.	Accepted
H7	Habit significantly affects buyer's behavioural intention to use mobile wallet	Accepted
H8	Covid-19 significantly affects buyer's behavioural intention to use mobile wallet.	Accepted

CHAPTER - 4

Social Entrepreneurship and Veblenian Socio-Psychological Theory: Implication to Consumer Behavior

*Febwin E Villaceran**

ABSTRACT

The rule of social entrepreneur is very significant. They address social issues immediately by means of their resources and adaptive leadership. Some do it in purpose, a novel idea without looking it in profit but of the greater reasons and transformational benefits to society in general. This study aimed to determine the relationship between social entrepreneurship and Veblen's socio-psychological theory concerning consumer behavior. Findings reveal that out of six (6) constructs, only three (3) have a significant relation between Consumer Behavior to family, culture, and subculture. Also, in reference to social entrepreneur and Veblen's socio-psychological theory in relation to consumer behavior, the result reveals that only reference group, social class, level of income and family have significant impact. On the other hand, the researcher uses random sampling to 290 respondents.

Keywords: *Social entrepreneurship; Veblenian socio-psychological model; Buying and consumer behavior.*

1.0 Introduction

According to Mair & Lanuza (2006), social entrepreneurship provides a unique opportunity to challenge, question, and rethink concepts and assumptions from different fields of management and business research. Salib *et al.*, (2016) defined it as 'a mission-driven that uses a set of entrepreneurial behaviors to deliver a social value

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to the less privileged, all through an entrepreneurially oriented entity that is financially independent, self-sufficient, or sustainable'. In the study of Maniam *et al.*, (2018) that the dominant factor of social entrepreneurship is social pressure which forces people to do something for society. Moreover, Gigauri *et al.*, (2022) pointed out that entrepreneurship is linked to an innovative activity intended to create new societal wealth, jobs, and value. Thus, Zahra & Wright (2016) explained it as an engine of economic growth, especially in developing countries. On the other hand, in the study of Almeida (2015) citing Veblen (1914), under the Theory of Leisure Class, *defined instincts as holding social elements as well as being an internal pressure to behave*. Veblenian socio-psychological model states that consumers' social and cultural backgrounds are important determinants of their buying behavior (Mitra & Majumder, 2019). Thus, based on Veblen's approach, the evolution of predatory habits of life and exploitation generates a stratified society, in which there is a higher social class in material terms (Almeida, 2016).

This paper examined the relationship of social entrepreneurship and Veblen's socio-psychological theory concerning consumer behavior. The researcher used Smart PLS, SPSS and Jamovi software to visualize and prove its relationship. Also, the researcher uses Quality Criteria of Model and Model Fit to test their significant relationship with the data given.

2.0 Statement of the Problem

This paper aimed to determine the relationship of social entrepreneurship and Veblen's socio-psychological theory concerning consumer behavior.

To evaluate this cause, the following questions will be used:

- To what extent is the significant relationship between Social Class; Level of Income; Culture and Subculture; Family; and Reference Group and Consumer Behavior?
- To what extent is the significant difference in consumer behavior when grouped according to demographic profile?

3.0 Objectives of the Study

3.1 Primary objective

This paper aimed to determine the relationship of social entrepreneurship and Veblen's socio-psychological theory concerning consumer behavior.

3.2 Specific objectives

- To evaluate and assess the significant relationship between Social Class; Level of Income; Culture and Subculture; Family; and Reference Group and Consumer Behavior.
- To evaluate and assess the significant difference in consumer behavior when grouped according to demographic profile.

4.0 Hypothesis of the Study

The following hypothesis was tested in this study:

- No significant relationship between social mission and consumer behavior.
- No significant difference between Social Class; Level of Income; Culture and Subculture; Family, Reference Group relative to Consumer Behavior; and
- No significant difference between consumer behavior when grouped according to their demographics.

5.0 Literature Review

In the study of Mwatsika *et al.*, (2018) citing Cantillon (1680-1734) that 'entrepreneur' was came from the French 'entreprendre' meaning 'to undertake'. It is defined as the act of starting and running own business (Ahmad & Seymour, nd), an activity that involves the discovery, evaluation, and exploitation of opportunities to introduce new goods and services, ways of organizing, markets, processes (Zangpo, 2018), and raw materials through organizing efforts that previously had not existed according to Shane (2004) citing

Venkataraman (1997) and Shane & Venkataraman (2000). On the other hand, according to Abu-Saifan (2012), social entrepreneurship is the field in which entrepreneurs tailor their activities to be directly tied with the ultimate goal of creating social value. In doing so, they often act with little or no intention to gain personal profit. A social entrepreneur “combines the passion of a social mission with an image of business-like discipline, innovation, and determination commonly associated with (Dees, 1998). Wolk (2007) describes it as a sustainable venture that combine “business principles with a passion for social impact. Weerawardena & Sullivan Mort (2001) stated that it strives to create social value as a primary organizational objective by employing business concepts to sustain their operations in pursuit of the objective.

According to Barmola & Srivastava (2010), consumer behavior is a psychological part of an individual which makes the difference in purchasing any goods, services, and anything else. On the other, Kotler & Keller (2011) defined it as a study of how people buy, what they buy, when they buy and why they buy. Barmola & Srivastava (2010) explained that the behavior of any consumer depends on many factors which are very important for any marketing management in any business or any organization which deals in directly to consumers. In addition, it is the behavior that consumers display in searching for, purchasing, using, evaluating, and disposing of products and services that they expect will satisfy their needs (Schiffman *et al.*, 2012). According to Rumagit *et al.*, (2022) consumer buying behavior influence by cultural, social, personal, and psychological. These factors cause consumers to develop product and brand preferences. Although many of these factors cannot be directly controlled by marketers, understanding of their impact is essential as marketing mix strategies can be developed to appeal to the preferences of the target market. Schiffman & Kanuk (2000), pointed out that there are two different types of consumers, personal and organizational consumers. According to Kochina (2019), personal consumers purchase products and services for personal or household use or as a gift for a friend, therefore, purchase for final

consumption. On the other hand, according to Turka & Sasan (2015), organizational consumers purchase products and services to run an organization, including profitable and non-profitable organizations, government organizations and institutions.

A social mission is a cause that benefits society, economy and/or the environment in various ways (Broome *et al.*, 2014). According to Austin, Stevenson & Wei-Skillern (2006), it refers to value creation for the “public good”. Khalili (2021) added that businesses with a strong social mission have a competitive advantage. People will talk. consumers, competitors, investors, suppliers, and the press. Increased productivity and employee morale.

On the other hand, according to Mitra & Majumder (2019), Veblenian socio-psychological model states that consumers’ social and cultural backgrounds are important determinants of their buying behavior. According to Veblen, consumer purchases are driven primarily by their need to maintain a social class and prestige rather than intrinsic needs. According to this model, man is perceived to be a so-called “social animal”, where man conforms to norms of its larger culture and to more specific standards of subcultures and face-to-face groups in which humans operate (Kotler, 1979). In essence this implies that human behavior and needs are molded by present group memberships. Based on the theory, Veblen hypothesized that, for the so-called leisure class, a great portion of economic consumption is influenced and motivated by prestige seeking and not on needs or satisfaction. He placed specific emphasis on emulative factors that would influence people when purchasing conspicuous products. The model is criticized as it is perceived by more modern perspectives to be overstated. In addition to the above, more affluent people of the society would rather underspend than overspend on conspicuous items since they would rather “fit in” than “stand out”.

6.0 Data Analysis and Interpretation

This area presents the analysis of data gathered from data tables given.

6.1 Descriptive Statistics

6.1.1 Subculture

Table 1: Subculture Descriptive Statistics

		SB1	SB2	SB3	SB4	SB5
N	Valid	290	290	290	290	290
	Missing	0	0	0	0	0
Mean		3.28	3.00	2.72	2.79	2.59
Median		3.00	3.00	3.00	3.00	2.00
Variance		0.493	0.571	0.778	0.527	0.680
Skewness		-0.446	0.000	-0.076	-0.259	0.526
Std. Error of Skewness		0.434	0.434	0.434	0.434	0.434
Range		2	2	3	3	3
Minimum		2	2	1	1	1
Maximum		4	4	4	4	4

Source: Data set sports in peace building (SPSS file output), 2022

Table 1 shows the descriptive statistics of Subculture (SB). It reflects the total sampling per area of 290 respondents with no missing recorded. Also, as shown, the maximum and minimum points rated by the respondents were from 4 and 1 respectively. Almost points in the central tendency (mean, median, mode) arrive to 3 as shown in the table including the range and its variances.

6.1.2 Family

Table 2: Family Descriptive Statistics

		F1	F2	F3	F4	F5
N	Valid	290	290	290	290	290
	Missing	0	0	0	0	0
Mean		2.76	2.59	2.83	2.62	2.66
Median		3.00	3.00	3.00	3.00	3.00
Variance		0.833	0.608	0.648	0.601	0.448
Skewness		-0.389	-0.065	-0.550	0.307	-0.233
Std. Error of Skewness		0.434	0.434	0.434	0.434	0.434
Range		3	3	3	3	3
Minimum		1	1	1	1	1
Maximum		4	4	4	4	4

Source: Data set sports in peace building (SPSS file output), 2022

On the other hand, Table 2 shows the descriptive statistics of Family (F) wherein 290 respondents replied from the exercise with no missing area. Same with Table 1, the central tendency distributed from mean, median and mode almost arrive to 3 as reflected. However, the range majority resulted to 3-1.

6.1.3 Culture

Under Culture (C) Table 3 with parameter of 5, it shows the total respondents of 290 with no missing areas recorded. Measuring the central tendency to the following areas of mode, median and mean, there is a significant gap between it as reflected. On the other hand, range also shows the same trend together with the minimum and maximum point rated. Thus, standard error of skewness uniformly resulted to 0.432 as shown in the table.

Table 3: Culture Descriptive Statistics

		C1	C2	C3	C4	C5
N	Valid	290	290	290	290	290
	Missing	0	0	0	0	0
Mean		2.55	2.97	2.69	2.59	2.69
Median		3.00	3.00	3.00	3.00	3.00
Variance		0.756	0.606	0.650	0.608	0.793
Skewness		0.005	-0.426	0.206	-0.550	-0.296
Std. Error of Skewness		0.434	0.434	0.434	0.434	0.434
Range		3	3	3	3	3
Minimum		1	1	1	1	1
Maximum		4	4	4	4	4

Source: Data set sports in peace building (SPSS file output), 2022

6.1.4 Level of income

In relation to Table 4, there are no missing areas with 290 respondents recorded. As shown from it, the Level of Income (LI) central tendency almost caters to 2 to 4 with the mean, median and mode. On the other hand, the gap range majority to 3 with minimum and maximum responded to 1 and 4 respectively.

Table 4: Level of Income Descriptive Statistics

		LI1	LI2	LI3	LI4	LI5
N	Valid	290	290	290	290	290
	Missing	0	0	0	0	0
Mean		3.34	2.83	2.41	3.48	2.31
Median		3.00	3.00	2.00	4.00	2.00
Variance		0.591	1.005	1.251	0.687	0.650
Skewness		-1.208	-0.544	0.232	-1.962	0.233
Std. Error of Skewness		0.434	0.434	0.434	0.434	0.434
Range		3	3	3	3	3
Minimum		1	1	1	1	1
Maximum		4	4	4	4	4

Source: Data set sports in peace building (SPSS file output), 2022

6.1.5 Social class

On the other hand, Table 5 shows the descriptive statistics of Social Class (SC) wherein 290 respondents replied from the exercise with no missing area. Same with Table 1, the central tendency distributed from mean, median and mode almost arrive to 3 as reflected. However, the range majority resulted to 3.

Table 5: Social Class Descriptive Statistics

		SC1	SC2	SC3	SC4	SC5
N	Valid	290	290	290	290	290
	Missing	0	0	0	0	0
Mean		2.00	2.93	2.17	2.45	2.48
Median		2.00	3.00	2.00	2.00	2.00
Variance		0.643	0.852	0.862	0.970	0.759
Skewness		0.893	-0.734	0.497	0.154	0.579
Std. Error of Skewness		0.434	0.434	0.434	0.434	0.434
Range		3	3	3	3	3
Minimum		1	1	1	1	1
Maximum		4	4	4	4	4

Source: Data set sports in peace building (SPSS file output), 2022

6.1.6 Reference group

In relation to Table 6, there are no missing areas with 290 respondents recorded. As shown from it, the Reference Group (R) central tendency almost caters to 2 with the mean, median and mode. On the other hand, the gap range majority to 3 with minimum and maximum responded to 1 and 4 respectively.

Table 6: Reference Descriptive Statistics

		R1	R2	R3	R4	R5
N	Valid	290	290	290	290	290
	Missing	0	0	0	0	0
Mean		1.83	2.07	2.83	2.00	2.83
Median		2.00	2.00	3.00	2.00	3.00
Variance		0.933	0.924	0.648	1.071	0.719
Skewness		0.879	0.373	-0.108	0.623	-0.405
Std. Error of Skewness		0.434	0.434	0.434	0.434	0.434
Range		3	3	3	3	3
Minimum		1	1	1	1	1
Maximum		4	4	4	4	4

Source: Data set sports in peace building (SPSS file output), 2022

6.1.7 Consumer behavior

Table 7: Consumer Behavior Statistics

		CB1	CB2	CB3	CB4	CB5
N	Valid	290	290	290	290	290
	Missing	0	0	0	0	0
Mean		3.07	2.97	2.66	2.34	2.45
Median		3.00	3.00	3.00	2.00	2.00
Variance		0.567	0.249	0.520	0.520	0.542
Skewness		-0.116	-0.086	0.025	-0.025	0.191
Std. Error of Skewness		0.434	0.434	0.434	0.434	0.434
Range		2	2	3	3	3
Minimum		2	2	1	1	1
Maximum		4	4	4	4	4

Source: Data set sports in peace building (SPSS file output), 2022

Under Consumer Behavior (CB) Table 7 with parameter of 5, it shows the total respondents of 290 with no missing areas recorded. Measuring the central tendency to the following areas of mode, median and mean, there is a significant gap between it as reflected. On the other hand, range also shows the same trend together with the minimum and maximum point rated. Thus, standard error of skewness uniformly resulted to 0.434 as shown in the table.

6.2 Test of hypothesis

Under this category, the proponent used t-test to evaluate the significance of the given statement.

6.2.1 Significant difference to consumer behavior

Table 8: Difference to Consumer Behavior

		Sum of Squares	df	Mean Square	F	Sig.
SCTotal	Between Groups	5.284	9	0.587	3.074	0.019
	Within Groups	3.629	19	0.191		
	Total	8.913	28			
FTotal	Between Groups	7.453	9	0.828	5.551	0.001
	Within Groups	2.834	19	0.149		
	Total	10.287	28			
CTotal	Between Groups	6.105	9	0.678	2.585	0.039
	Within Groups	4.985	19	0.262		
	Total	11.090	28			
LITotal	Between Groups	2.857	9	0.317	2.306	0.060
	Within Groups	2.616	19	0.138		
	Total	5.473	28			
SCTotal	Between Groups	4.078	9	0.453	2.050	0.090
	Within Groups	4.200	19	0.221		
	Total	8.279	28			
RTotal	Between Groups	5.489	9	0.610	1.811	0.132
	Within Groups	6.398	19	0.337		
	Total	11.887	28			

Source: Data set sports in peace building (SPSS file output), 2022, In reference to P<5% margin of Error

Using the MANOVA, in reference to P (<5%), only Subculture (SC), Family (F) and Culture (C) has a significant relationship to Consumer Behavior (CB) with the following P of 0.019, 0.001 and 0.039 respectively as shown in Table 8.

6.3 Quality criteria of model

Using the SmartPLS in constructing the Quality Criteria Model, the proponent started to analyze the F^2 under Factor Analysis. It reveals, as shown in Table 9, that Reference Group (R) has the large effect size >0.453, however, culture, family, level of income, social class and subculture centered to medium effect size >0.15. Thus, distribution is normal based on Mardia’s coefficient condition.

Table 9: Mardia’s Coefficient in Reference to Quality Criteria Model

Parameters	Consumer Behavior	Culture	Family	Level of Income	Reference Group	Social Class	Sub culture
Consumer Behavior							
Culture	0.022						
Family	0.055						
Level of Income	0.077						
Reference Group	0.453						
Social Class	0.087						
Subculture	0.020						

Source: Data set sports in peace building (SmartPLS software file output), 2022

6.3.1 Reliability and validity

Based on the table below, majority are reliable as it resulted to more than 70% as shown in Table 10. It only means that the data possess reliable, thus, significant in nature. The Cronbach alpha and composite reliability has an excellent reliability with higher to 70%. However, under validity, AVE should be greater than 0.5. In this

case, consumer behavior, level of income, reference group and social class has lower validity required, which is not convergence to others.

Table 10: Reliability and Validity

Parameters	Cronbach's Alpha	rho_A	Composite Reliability	Average Variance Extracted (AVE)
Consumer Behavior	0.703	0.770	0.806	0.469
Culture	0.820	0.824	0.874	0.583
Family	0.830	0.879	0.877	0.590
Level of Income	0.277	0.442	0.616	0.354
Reference Group	0.734	0.758	0.827	0.499
Social Class	0.576	0.687	0.763	0.436
Subculture	0.771	0.799	0.847	0.530

Source: Data set sports in peace building (SmartPLS software file output), 2022

6.3.2 Discriminant validity

Table 11: Discriminant Validity

Parameters	Consumer Behavior	Culture	Family	Level of Income	Reference Group	Social Class	Sub culture
Consumer Behavior	0.685						
Culture	0.340	0.763					
Family	0.572	0.499	0.768				
Level of Income	0.440	0.417	0.500	0.595			
Reference Group	0.660	0.244	0.328	0.140	0.707		
Social Class	0.463	0.362	0.179	0.100	0.437	0.661	
Subculture	0.547	0.438	0.764	0.576	0.241	0.247	0.728

Source: Data set sports in peace building (SmartPLS software file output), 2022

Under discriminant validity, if the HMR of correlation is less than 85%, its favorable, however, in the case of Table 11, all the variable holds that condition that has HMR Coefficient < 0.85, which favorable.

6.3.3 Collinearity statistics

Table 12: Collinearity Statistics

	VIF
C1	3.529
C2	3.946
C3	3.794
C4	3.197
C5	4.488
CB1	1.606
CB2	1.774
CB3	1.835
CB4	2.540
CB5	1.478
F1	2.633
F2	1.857
F3	2.560
F4	3.064
F5	2.807
LI1	2.187
LI2	2.228
LI3	2.690
LI4	1.791
LI5	1.838
R1	3.566
R2	2.775
R3	1.737
R4	2.636
R5	1.412
SB1	1.278
SB2	2.015
SB3	1.770
SB4	1.656
SB5	1.708
SC1	2.265
SC2	2.355
SC3	2.092
SC4	1.934
SC5	1.507

Source: Data set sports in peace building (SmartPLS software file output), 2022

Under Table 12, it shows the collinearity relations of each variable. It reveals that only two variables have a higher VIF ($C2 = 3.946$ and $C5 = 4.88$) while the others are in the allowable or acceptable VIF.

6.3.4 Rsquare

Under Table 12, it shows the R^2 coefficient based in reference to the parameter used. In literature, if coefficient of determination; >0.30 , then its good, however, $0.02 =$ small; $0.13 =$ medium; and $0.26 =$ large. In the case of the table below, it shows that consumer behavior has the highest coefficient of determination with more than 30%.

Table 12: RSquare

	R Square	R Square Adjusted
Consumer Behavior	0.659	0.566

Source: Data set sports in peace building (SmartPLS software file output), 2022

6.4 Model fit

6.4.1 Standardized root mean square residual (SRMR)

SRMR is the difference between the observed correlation and the model implied correlation matrix. The acceptable range for this index is between to 0 and 0.08. In the case of Table 13, both are greater to 0.08, which means that they are above the acceptable range in relation to SRMR as shown below.

Table 13: SRMR

	Original Sample (O)
Saturated Model	0.184
Estimated Model	0.184

Source: Data set sports in peace building (Jamovi software file output), 2022

6.4.2 Unweighted least square discrepancy (dULS)

In theory, dULS should have a Euclidian distance of greater than the (>0.95) confidence interval. In the case of Table 14, the saturated and estimated model resulted to 21.329 as shown below.

Table 14: dULS

	Original Sample (O)
Saturated Model	21.329
Estimated Model	21.329

Source: Data set sports in peace building (Jamovi software file output), 2022

6.4.3 Geodesic distance (d_G)

Same with dULS, d_G should have a a Euclidian distance of greater than the (>0.95) confidence interval. Table 15 shows the following results from saturated and estimated model of 2.283 and 2.304 respectively.

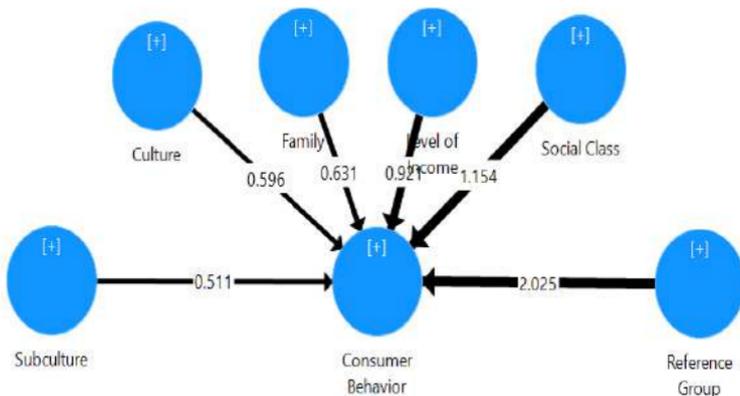
Table 15: Geodesic Distance

	Original Sample (O)
Saturated Model	2.283
Estimated Model	2.304

Source: Data set sports in peace building (Jamovi software file output), 2022

6.5 Diagram model

Figure 1: Diagram Model (SmartPLS, 2022)



Source: Data set sports in peace building (Smart PLS software file output), 2022

Above is the illustration of the diagram model extracted from SmartPLS. As shown in the Figure 1, it only denotes that Consumer Behavior has a significant relation with the reference group, social class, level of income and family (emphasized) compared to the two variables (culture and subculture).

7.0 Limitations

The study focused only to the following item: social entrepreneurship and Veblen's socio-psychological theory concerning consumer behavior. Other items such as roles, derivatives and instrumentalities are not included in the paper.

8.0 Conclusions

To summarize the results of this exercise, in relation to the responses of the 290 respondents to the given questions relating to social entrepreneurship and Veblen's socio-psychological theory concerning consumer behavior; Subculture (SC), Family (F) and Culture (C) has a significant relationship to Consumer Behavior (CB) with the following P of 0.019, 0.001 and 0.039.

On the other hand, in reference to quality criteria of model, namely, validity and reliability of the data, f^2 , discriminant validity, collinearity statistics and R^2 , results show from one another. Under F^2 , Reference Group has the large effect size >0.35 , however, culture, family, level of income, social class and subculture centered to medium effect size >0.15 . Reliability and validity show that Cronbach alpha and composite reliability has an excellent result ($>70\%$). However, under validity, AVE should be greater than 0.5. In this case, consumer behavior, level of income, reference group and social class has lower validity required, which is not convergence to others. Under discriminant validity, all the variable holds that condition that has HMR Coefficient < 0.85 , which favorable. In collinearity statistics, it reveals that only two variables have a higher VIF ($C2 = 3.946$ and $C5 = 4.88$) while the others are in the allowable

or acceptable VIF. Lastly, R^2 denotes only it shows that consumer behavior has the highest coefficient of determination with more than 30%.

In measuring the model fit, using SRMR, d_{ULS} and d_G, the results are as follows; both models (estimated and saturated) are greater than 0.08, which means that they are above the acceptable range. Moreover, in reference to (>0.95) confidence interval, saturated and estimated models resulted to 21.329. Same with d_G, the following results from saturated and estimated model of 2.283 and 2.304 respectively in reference to (>0.95) confidence interval,

The factors that concretize the relationship between social entrepreneur and Veblen's socio-psychological theory concerning consumer behavior were determined based on the given constructs. As a result, only reference group, social class, level of income and family have seen significant impact in relation to consumer behavior as defined to the narratives emphasized by the sources in connection with the subject study. The remarkable results pertaining to its relationship proves that both theory and literature have interrelationship.

9.0 Implications to Research

The research focused on the impact of social entrepreneur and Veblen's socio-psychological theory concerning consumer behavior. As a result, based on the data, only the reference group, social class, level of income and family have a significant relationship.

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CHAPTER - 5

Ethical Corporate Communication and Business Productivity in Nigeria: The Nexus

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ABSTRACT

This work focused on examining whether Ethical Corporate Communication has any relationship with business productivity and to what extent this has impacted the Nigerian business environment. The trigger was the observable decline in ethical values in business dealings and the seeming craze for immediate personal benefits and profit margins which have become the focus of business transactions in corporate entities. This is in spite of several attempts at ethical reorientation. Integrity and loyalty no longer seem to matter. The work was anchored on Classical Management and Norm theories; a survey of four public service institutions was carried out through random administration of questionnaires to more than 410 employees. Findings showed that although there is widespread awareness of the role of communication in business productivity as well as the essence of Code of Ethics in the integrity of organizational perception, ineffective ethical corporate communication and lack of adherence to ethical codes have become impediments to efficiency, with attendant negative impact on business productivity in the organizations surveyed. Given the potency of ethical codes in defining the way things should be done in any corporate situation, it was recommended that both the government and body corporates should emphasize integration of ethical values in everyday practice across board. Another recommendation is that Ethical Corporate Communication should be adopted in directing employee attitudes towards business productivity in Nigeria and sanctions must follow any breach for effectiveness and deterrence.

Keywords: *Business; Corporate communication; Ethics; Productivity.*

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1.0 Introduction

Studies have shown that effective communication in the workplace is capable of providing a clear basis for interaction and actions that could help in improving accountability; and in the process increasing productivity (Aiyammahi *et al.*, (2020). This happens because when workers receive clear instructions through appropriate channels, they are most likely to know what is expected of them and how to deliver.

Krugman (1994) defines business productivity as “a ratio between the output volume and the volume of inputs” where efficient production inputs, such as labour and capital, are being used to produce a given level of output. Business productivity can be seen in terms of output and expansion of business earnings and settings (Kenton, 2021). It is seen in the turnover and increased inventory. It is seen in the returns and growth levels. Kenton says productivity is determined by output divided by the units used to generate it.

It could be the timely meeting of targets or achieving set goals and achieving set objectives within appropriate time and space (Wholley, 2019). It is a development which does not just occur in isolation, but results from a combination of factors and intervening variables strategically designed and working in sync to produce results and meet objectives. Some studies indicate that it is a culmination of the coordination of human and material resources working together towards a set of common goals. The human resource, which is the most critical - because it directs and coordinates all other resources- operates within a system in different forms and stages; and needs some form of interaction to work in sync with the processes and procedures. That interaction required to direct a group towards achieving a common goal is known as corporate communication (Zink, nd).

It is not likely that Corporate Communication, on its own, can produce significant results. It depends on how it is packaged and delivered. Krugman (1994) stated that productivity is not everything; it is about raising the output per worker. Vdovin (2017) stressed the

essence of communication in workplace productivity and the negative effect that ineffective or lack of proper communication can have on employee retention, morale and overall productivity. The way communication is presented is likely to determine how it is received and internalized. The way it is internalized would determine the direction, action and impact. In some organizations, what guides perceptions and reactions within the systems is usually embedded in codes, which provides a framework for how people should respond and behave in given circumstances (Gilman, 2005). In his report prepared for the World Bank, Gilman indicates that codes are the framework upon which professions are built.

Communication which is the vehicle that conveys such guides can create action; but effective communication not only creates action, it produces results. The level of result attainment would most likely depend on the perceptual ingredients that motivated the action – the ethics embedded in the communication and how it resonates with the values of communication targets. The result can come in terms of enhanced productivity, where productivity may be seen as the output, goal or objective of the organization.

However, there is the likelihood that efficiency and productivity may have suffered some relapse within corporate circles in Nigeria as a result of some unethical attitudes of leaders and workers, which is why government have been moving from one re-orientation project to another, including the ‘War Against Indiscipline’ (1985), ‘National Orientation Agency’ (NOA, 1993), ‘SERVICOM’ (2004), ‘Rebranding Nigeria Project’ (2009) and ‘Change Begins with You’ (2016), among others.

The core essence of all these programmes is to positively change attitudes, values and behaviours accurately through proper communication deployments and to develop a society where citizens demonstrate core values of honesty, hard work and patriotism (Abari, nd). These apparently follow some ethical concerns that affected efficiency and better society (which includes work environment) that required reorientation through proper and effective communication.

The projects could be seen from a wider perspective as ethical corporate communication.

As earlier indicated, some research findings have established that there is some correlation between communication ethics in the workplace and improved accountability which in turn leads to enhanced business productivity (Aiyammahi *et al.*, 2020).

2.0 Objectives of the Study

The objectives were to:

- Examine if ethical corporate communication has any relationship with business productivity in Nigeria and
- Establish whether the relationship between ethical corporate communication and business productivity has any impact on decision making, accountability and productivity.

3.0 Research Questions

The study sought to answer the following research questions:

- Does ethical corporate communication have any relationship with business productivity in Nigeria?
- In what ways does ethical corporate communication impact on business productivity?

4.0 Theoretical Framework

Given the trajectory of the paper which straddles two major paradigms – communication ethics and organizational productivity, two theories that have to do with management principle/styles and ethical responsibility were adopted as frameworks – the Classical Management Theory and the Norm Theory.

5.0 Classical Management Theory

The main plank of the Classical Management Theory is that

organisations are like machines and all critical parts must work in sync for efficiency. The notion is that a well built and well managed organisation serves the employees and owners just the same way a well built and well serviced machine serves the purpose. The point here is that workers are part of a large machine, which is the organisation. If one part fails then the entire machine fails (Zink, nd). Being a critical component of the whole, the attitude of the workers, their disposition and actions are critical for the success or otherwise of an organization.

The classical perspective of management derives impetus from the theories of Fredrick Taylor, Max Weber, and Henri Fayol; propounded in the 19th Century and focused on the efficiency of employees; and on improving an organisation's productivity through measurable, data-driven methods. It drew essence from the industrial revolution era when productivity output was the focus of business owners and managers. Attention was basically on improving efficiency, productivity, employees' output and the overall economic health of the business.

However, because its focus was largely on production output, it overlooked the implications of human behaviour in driving the process. It did not consider human desires and needs, the psychographic issues, those things that can influence perception, and in the process affect performance. Although this class of theories have strong influence on modern operations and process improvement, it ran into trouble with workers, because it saw them as mere tools to improve efficiency and not as a critical resource. It was this situation that gave impetus to the Behavioural Perspective of Management which was propounded from different perspectives by Eton Mayo, Abraham Maslow and Mary Follet in the 1920s. The intervention was a product of the human relations movement of the period which birthed the human relations perspective of management.

The Norm Theory is concerned more about business ethics. Its focus is on the standard of moral conducts that should be followed by a group within an organisation and in relation to its operation and

publics – a standard and acceptable conduct – usually also embedded in employee handbooks or corporate codes of conduct Akers (2022). The codes, according to Akers (2022), provide a framework for employees’ response and behaviour in given circumstances, with deviation attracting disciplinary action. The theory is recorded to have been first used by Perkins and Berkowitz in 1986 to address students’ alcohol use patterns.

Norm Theory includes Kantian Ethical Principles which was developed by an 18th Century German philosopher, Immanuel Kant. Although the Kantian Principles lean more towards the Deontological Theory, it emphasised goodwill as a veritable framework in any endeavour; those ethical prescriptions should guide humanity as an entity. It was based on the philosophy that humans should be seen and treated as ends rather than means; that individuals, in their pursuits, should not use others to their own selfish advantage. Deontological Theory on its own emphasises human behaviour following an established set of rules or principles in all types of situations, irrespective of the outcome (Akers, 2022).

Both the Classical Management and Norm theories are relevant in this work because they allow management and employees to be more objective in their judgement and approach in line with rules and procedures for doing specific tasks and provide essential tools for understanding behaviour, for reasoning, judgement, and decision-making etc., (Gold *et al.*, 2011).

6.0 Review of Related Literature

6.1 The necessity of ethics in organizations

Ethics generally refers to a set of rules that describe acceptable conducts in society; conducts largely in sync with the norms and values of a society. They serve as a guide to moral dispositions of the people and help to judge whether such behaviours can be justified. Zink (nd) defined ethics as a society’s sense of the right way of living. This is done by establishing rules, principles, and values on which people’s conduct can be based. Rules form the yardstick with which behaviours acceptable within respective societies are

measured. Msoroka & Amundsen, (2017) describe ethics simply as being concerned about how people ought to live in the right way. They listed truth, honesty, fairness, and equity among concepts most directly associated with ethics.

Zink indicated that ethics is not just how people think and act; it is also about character, which he noted drives what people do when they are not watched or supervised. Going by some of the definitions, ethics can largely be said to be about right and wrong; but the question remains: who determines what is right and what is wrong? Although some studies point to the universality of ethics, it is also argued that morality, a critical ethical ingredient, seems to have a universal façade, an application which also seems to be more in sync with the norms and values of respective societies; which explains the notion that ethics is universal while its application is local.

Msoroka & Amundsen (2017) in their study of *Universal Ethics with Diversity* argued that conception “one size fits not all.” They were of the opinion that certain actions that may be seen as right in reference to ethical norms endorsed in one society might not necessarily be seen in the same light in reference to ethical norms in another society. Cultural disparities may create the difference in perception and (re)action. The universality is seen as a western construct, which tends to push the narrative that Western ethics contain prescriptions that apply to all – everywhere, at all times and in whichever contexts. Such positions regarded contrary dispositions as unethical (Nordenstam cited in Msoroka & Amundsen, 2017). Again, such thinking may not altogether be unfounded. It can be situated within the contemplation of multinational corporations with global corporate culture. That, again, does not eclipse the point that norms and values are largely local in orientation and perception.

Arguing against the universality of ethics, Msoroka and Amundsen were of the opinion that if there were a possibility of accepting the notion that morality is culture-driven, it would most likely lead to the consideration that the question of ethics itself can be seen differently. Not discounting the context of validity and applicability in all situations, they still contended that more research

work can unearth reasons why ethical principles should be mediated to enable the adoption of different meanings in relation to ethical practices.

Palchoudhury (2016) also saw relativity in ethical prescriptions and is of the view that circumstances can also determine and, in some cases, justify ethical indulgences. Pointing to “Situational Ethics,” he noted that there may be some not too clear areas where what is right may depend on the circumstances that pushed the action. Directing attention to the corporate sphere, he stated that organizations and professions have formal code of ethics which provides guidelines on the way to go for workers and members, respectively. These are based on some ethical values and standards which, Gilman (2005) stated, carry general obligations and admonitions. However, Gilman pointed out that codes carry far more than just obligations and admonitions; “they often capture a vision of excellence, of what individuals and societies should be striving for and what they can achieve.”

Given the foregoing, it is obvious that there are common signposts to ethical practices, but the argument is that such signposts derive perceptual meanings from the background of the interpretation of the cultural leanings of the respective societies or organizations – the norms, the values and beliefs of such entities. This is against the postulation of universality in all cases, anywhere. What may be frowned at in one society may not attract the level of negative reaction from another. Rules, obligations and admonitions may also differ from one organization to the other.

Notwithstanding, there are common denominators that evidently will show a breach of ethical integrity, particularly in the work place – integrity, dishonesty, impunity and profiteering, among others, are attributes that attract universal admonitions.

Relating ethics to the workplace, Palchoudhury (2016) says they are standards of right or wrong in an organizational scenario. He opined that in professional life, the choices individuals make affect their quality of work. In trying to establish the correlation between moral codes of conduct in an organization and its productivity, he

was emphatic on the position that code of ethics affects behaviour of an individual in the workplace.

He submitted that ethical standards are a great asset for an organization while unethical dispositions are a liability; pointing out that well-structured organizations have come to recognise that commercial success means much more than profit margin. That is so because success is largely determined by the image and goodwill it generates. Such organizations, in addition, attract the brightest and the best workforce - that means efficiency, and consequently enhanced productivity. He confirmed the existence of a direct correlation between ethical conduct and job satisfaction; adding that a happy employee often turns out to be a productive employee in an ethical environment. Happiness in a workplace, according to him, is one of the greatest motivating factors that induce a strong sense of belonging and loyalty.

6.2 Relevance of communication in the workplace

Communication is a vital aspect of the corporate governance structure in any organization, and it is the bridge between decision makers and decision targets. Zink (nd) says it is a building block of successful organizations - "it acts as organizational blood." It is the fuel that powers the system and serves a basic function of guiding and coordinating. For workers to activate the kind of buy-in and participation required in a work situation there must be both standard and targeted communication templates at appropriate times for effective guidance towards achieving organizational goals. Communication gives impetus to planning, motivation and control; and drives workers towards corporate goals. Once communication is well packaged, delivered and well received, implementation becomes very easy and positive result is assured.

Martins (2021) describes workplace communication as any type of communication done at work and about work. It could be added, in furtherance of work and achievement of desired results. It has to do with informing and discussing individual tasks, sharing work status updates, or giving feedback to managers or employees

(Martins, 2021). It can take various forms, including verbal, written and online interactions, meetings, and recorded transmissions, etc; as long as the interaction is about work, and about achieving corporate goals.

Faizal (2019) says it is the process of exchanging information and ideas, both verbally and non-verbally between individuals and, or groups within an organization. Arcenas (2021) noted that it is critical in not just getting the job done, but also in building a sense of trust and increasing productivity. She aligned with the positions of other scholars that effective communication in a workplace is a critical factor for success in business.

Effective workplace communication helps in boosting employee engagement and bolstering a sense of belonging, engendering team buy-in, building healthy organizational culture, reducing conflicts and increasing retention (Martins, 2021). All these can only lead to effective participation and increased productivity; but Arcenas (2021) pointed out that lack of, or ineffective communication can have detrimental impact on an organization and can in fact negatively affect efficiency and productivity.

6.3 Ethical communication, leadership and organizational productivity

Mandelbaum (2020) defined Ethical Communication as one that is based on certain business values such as truthfulness, conciseness and responsibility with words and actions resulting from it. One of the most fundamental principles of ethical communication is honesty.

In trying to find out the impact of communication ethics on the workplace, Aiyammahi *et al.*, (2020) noted that communication ethics is vital in any business decision-making process; and emphasised not just the need for proper understanding of the role of effective workplace communication ethics and culture by managers but the integration of such ethics in everyday practice within the organisation. Palchoudhury (2016) had earlier noted that the ethical conduct of an individual and the company as a whole, can to a very large extent, affect the productivity of both.

Aiyammahi *et al.*, (2020) noted that just as communication is the first most important tool towards workplace success, effective communication ethics increases workplace productivity in various ways. This is because both management and employees are well guided in making the right decisions concerning various issues within a workplace. Effective communication ethics govern all the decisions made within any work environment. Theirs was in tune with other studies which confirmed that ethics guides and directs all the business operations and is a very critical element in the overall success of any business.

Zink (nd) was emphatic that just as ethical behaviour was important in personal behaviour, it was more so in the workplace; he pointed out that individual actions do not only affect the individual but also those around them - if not directly in terms of influencing attitude change, it could be from the fallouts of untoward actions. Their position was that ethics matters wherever business is conducted, because a successful business depends on the trust of the various parties involved in the engagement, including executives, employees, customers and other critical stakeholders and competitors. He listed terms upon which ethical business practice is built to include: values, morals, integrity, character and laws.

Mercader *et al.*, (2021) also found some relationship between ethics in leadership, teamwork, effective communication and productivity, particularly when looking at the benefits to the society. That was predicated on their thinking that a well governed relationship of this combination could contribute to better understanding, enhanced knowledge and increased productivity. They noticed, during their study, that there was a noticeable absence of studies which relate ethics to the four elements simultaneously.

Popescu (2019), who was part of the study had in his own solo work, mentioned that these four elements should be closely analysed focusing on their relevance in the business environment. In another work, Popescu & Banta (2019) also emphasized the need to look into the opportunities that are capable of bringing in order, to ensure business performance and excellence. Their findings in a

performance evaluation study showed that: ethics and integrity are pivotal elements in any human entity; and importantly that there are strong connections between ethics, integrity, corporate social responsibility, and sustainability, in today's contemporary society.

Palchoudhury (2016) had much earlier, held a similar while analysing productivity and ethical conduct. According to him, "the entire work culture of an organization depends on the moral values of its employer as well as employee." He noted that an ethical work environment is very likely to be highly motivating and bound to increase productivity; pointing out that highly valued and ethical workforce have always been highly productive and outstanding.

7.0 Research Methodology

Survey method was adopted for this study and questionnaires were distributed among workers in four organizations namely: Bingham University in Karu (near Abuja); National Identity Management Commission (NIMC) headquarters, Abuja; Ministry of Information and Culture (MOI&C) headquarters, Abuja, and the National Judicial Council (NJC) headquarters, Abuja. These are agencies with large population of employees which deal with people on a daily basis with a disposition to service delivery that impacts greatly on members of the public and the integrity of the institutions.

Purposive sampling method was preferred in selecting respondents because the chosen organizations formed the most available primary data sources that can contribute immediately to the study given the limited time frame. More so, the diversity makes them representative of the study universe.

Four hundred and fifty (450) questionnaires were sent to staff of the four organizations according to the size of each organization. Two hundred (200) were sent to MOI&C; 100 to NIMC; 90 to NJC and 60 to BHU. A total of 417 questionnaires were returned, but a round figure of 410 (98.32%) adopted for easy computation and analysis, as the surplus was not significant enough to affect the result of the research.

A large sample size was adopted for this work because larger samples more closely approximate the population. The primary goal of inferential statistics is to generalize from a sample to a population and apart from providing more accurate mean values; larger sample sizes provide a smaller margin of error (Zamboni, 2018).

8.0 Data Analysis

Table 1: Demographic Distribution of Respondents

Item	Frequency	%
Organization		
MOI & C	193	47.1
NIMC	91	22.1
NJC	72	17.6
BHU	54	13.2
Total	410	100
Gender		
Male	208	50.7
Female	202	49.3
Total	410	100%
Age		
30-40	200	48.8
41-50	151	36.8
51-60	54	13.2
61-70	5	1.2
Total	410	100%
Educational Status		
Secondary	45	10.97
Tertiary	257	62.69
Professional	108	26.34
Total	410	100%
Job Status		
Executive	34	8.3
Manager	103	25.1
Supervisory	102	24.9
Others	171	41.7
Total	410	100

Source: Field survey, 2022

The following is an analysis of the data collected following the administration of questionnaires to employees of the four organizations that formed the study population, arranged in tables, with brief explanation of each.

Table 1 shows distribution in terms of organization, gender, age, education and job status. The segment in respect of organization indicates that 47% of the sample population were from the Ministry of Information and Culture (MOI&C) which includes the Ministry itself, Voice of Nigeria and Federal Radio Corporation of Nigeria. 22% of the respondents were from the National Identity Management Commission (NIMC); 17.6% were from the National Judicial Commission (NJC), while 13.2% were from Bingham University, a private institution located in Karu, Nasarawa State. The first three are located in Nigeria's Federal Capital Territory, Abuja. Of the respondents, 208 representing 50.7% were male while 202, representing 49.7 were female.

The second segment shows that 200 of the respondents which represent 48.8% were of the age bracket of 30 to 40 years; 151 (36.8%) were between 41 and 50 years; 54 (13.2%) were between 51 and 60 years; while five (1.2%) which represents experts in the system were between 61 and 70 years. In the civil service, the retirement age is 60 years.

The third segment on educational qualifications shows that the bulk of the respondents (257/62.69%) had acquired tertiary education; 108 (26.34%) are professionals and 45, which represents 10.97% were those with secondary education.

The last segment on job status indicates that more than one quarter of the respondents (103/25.1%) were of the managerial cadre; 103 representing 24.9% were of the supervisory cadre; those on the executive cadre were 34 (8.3%), while the rest 171 (41.7%) belonged to the lower cadres.

Table 2 indicates that an overwhelming number of respondents agree that effective communication is one of the most important tools towards workplace success. Three hundred and ninety-one (391) of

the respondents representing 95.4% affirmed; seven (1.7%) were not sure, while 12 (2.9%) dismissed it.

Table 2: Effective Communication is One of the Most Important Tools Towards Workplace Success

Response	Frequency	%
Not sure	7	1.7
Not true	12	2.9
True	391	95.4
Total	410	100

Source: Field survey, 2022

As depicted in Table 3, 360 respondents representing 87.8% affirmed that the culture of their respective organizations encourages the understanding and commitment to corporate goals. Twenty (4.9%) said it was not true; while 30 (7.3%) were not sure if it does.

Table 3: The Culture of Our Organization Encourages Employees' Understanding and Commitment to Corporate Goals

Response	Frequency	%
Not sure	30	7.3
Not true	20	4.9
True	360	87.8
Total	410	100

Source: Field survey, 2022

Table 4: The Corporate Objectives are Properly Communicated Within Our Organization

Response	Frequency	%
Strongly Disagree	25	6.1
Disagree	31	7.6
Neutral	71	17.3
Agree	185	45.1
Strongly agree	98	23.9
Total	410	100

Source: Field survey, 2022

Table 4 shows that majority of the respondents (45.1%) agreed that corporate objectives are properly communicated within their organizations; 23.9% strongly agreed; 17.3% were neutral; 7.6% disagreed, but 6.1% strongly disagreed that it is.

Table 5: The Organization’s Structure Facilitates Organizational Learning

Response	Frequency	%
Strongly Disagree	22	5.4
Disagree	33	8
Neutral	73	17.8
Agree	184	44.9
Strongly agree	98	23.9
Total	410	100

Source: Field survey, 2022

Table 5 shows that nearly half (44.9%) of the respondents were in agreement that their organizational structure facilitates organizational learning; 23.9 strongly agreed it does; 17.8% were neutral; 8% disagreed and 5.4% vehemently disagreed.

Table 6: Code of Ethics Helps in Streamlining Activities Within the Organization

Response	Frequency	%
Not true	13	3.2
Very little impact	59	14.4
True	338	82.4
Total	410	100

Source: Field survey, 2022

Table 6 shows that 82.4% of the respondents hold the view that it is true that Code of Ethics helps in streamlining activities within their organizations. More than 3% said it was not true, while 14.4% believe the impact is insignificant.

Table 7 demonstrates that more than 44% of the respondents strongly agreed that Communication Ethics is critical in any business decision making process, as it works to enhance credibility among workers. While 31.7% just agreed it does, 14.9% were non-committal, while 7.8% strongly disagreed and 1.5% merely disagreed.

Table 7: Communication Ethics is Critical in Any Business Decision Making Process, as it Works to Enhance Credibility among Workers

Response	Frequency	%
Strongly Disagree	32	7.8
Disagree	6	1.5
Neutral	61	14.9
Agree	130	31.7
Strongly Agree	181	44.1
Total	410	100

Source: Field survey, 2022

Table 8 shows that there was a clear indication that Ethical Communication helps to improve accountability and increases workplace productivity. 90.5% said it did, 6.8% were not sure, while 2.7 said it was not true.

Table 8: Ethical Communication Helps Improve Accountability and Increases Workplace Productivity

Response	Frequency	%
Not sure	28	6.8
Not true	11	2.7
True	371	90.5
Total	410	100

Source: Field survey, 2022

Table 9 shows that 78.5% of the survey respondents agreed that Ethical Cooperate Communication has connection with business

productivity in Nigeria, but 3.7% did not agree while 17.8% were not sure. Table 10 indicates that a significant percentage (68.3%) of the respondents were of the view that focusing more on the ethical correctness of an action rather than the result can seriously hamper productivity and 20.7% said the impact might not be significant, if any. However, 11% said it was a false assumption. In other words, it cannot hamper productivity.

Table 9: Does Ethical Cooperate Communication have Any Connection with Business Productivity in Nigeria

Response	Frequency	%
Not sure	73	17.8
No	15	3.7
Yes	322	78.5
Total	410	100

Source: Field survey, 2022

Table 10: Focusing More on the Ethical Correctness of an Action Rather than the Result Can Seriously Hamper Productivity

Response	Frequency	%
Neither here nor there	85	20.7
False	45	11
True	280	68.3
Total	410	100

Source: Field survey, 2022

Table 11: Is it Therefore Advisable to Insist on Certain Ethical Prescriptions Even if They Have Serious Implications on the Growth and Productivity Levels of the Organization?

Response	Frequency	%
Can't say	98	23.9
No	46	11.2
Yes	266	64.9
Total	410	100

Source: Field survey, 2022

Table 11 shows that almost 65% of the respondents supported ethical prescriptions even if they have implications on the growth and productivity levels of organizations. 11.2% were not in support and 23.9 could ascertain whether it was necessary or not.

9.0 Discussion of Findings

This work set out to achieve the following objectives: Examine whether Ethical Corporate Communication has any relationship with business productivity and to establish whether such relationship has any impact on decision making, accountability and productivity; and to find out whether Ethical Corporate Communication has any relationship with business productivity in Nigeria, and in what ways Ethical Corporate Communication impacts on business productivity in Nigeria. To answer the questions a number of posers were put out as precursors, to set parameters and give perspectives, bearing in mind the postulations of the both the Classical Management and the Norm theories which provided the framework for the work.

Although cumulative majority of the respondents agreed that organizational culture encourages employees' understanding (87%); those corporate objectives are properly communicated within their organizations (69%); and those existing structures facilitate organizational learning (68,8%), responses at various stages indicted some gradual decline in terms of physical expression of the positives.

To start with, there was an almost unanimous agreement on communication being one of the most important tools in workplace success. Only 4.6% of the universe of study either did not agree or were not sure. That figure is insignificant as to affect the postulation which had earlier been established by scholars which include Aiyammahi *et al.*, (2020) and Arcenas (2021) that communication is a very necessary tool for organizational success; Vdovin (2027) who stressed the essence of communication in achieving organizational objectives; and Zink (nd) who said it was the building block of successful organizations.

However, it was a slightly different picture with Ethical Communication's relationship with business productivity in Nigeria. A comparatively lower percentage of respondents 78.5% agreed that there is; 17.8% were not sure. Though still significant, there was an almost 17% drop between those who affirmed the role of communication in business productivity generally and those who affirmed its impact in Nigeria. It was not surprising though because service delivery in the establishments surveyed cannot be said to be optimal. Though 95.4% agreed to the relevance of communication in organizational success, only 78.5% of the same universe linked ethical communication with efficiency, accountability and productivity in the establishments.

Taken alongside the results on the relevance of Code of Ethics in streamlining activities within an organization, there was an indication that something was wrong somewhere. More than 82% agreed it does, 14.4% said the impact was insignificant and 3.3% disagreed that it does at all. The opinion of the majority is ~~goes~~ in tandem with the positions of Gilman (2005) on the guiding role of code of ethics in terms of response and behaviour in given circumstances, and Zink's postulation of ethical frameworks driving employee activities even when unsupervised. However, the percentage of negative responses went up to almost 18%.

Responses to whether ethical communication helps to improve accountability and increase workplace productivity emphasised that awareness of the essence of communication and availability of Code of Ethics do not on their own guarantee efficiency, accountability and productivity where effective communication, monitoring, and due diligence are lacking. Where these variables are lacking in a setting, individual attributes are unleashed. Such attributes spread and affect others in the workplace; thus having negative effect on productivity, as indicated in the works of Arcenas (2021) which noted that lack of effective communication can have detrimental impact and thus negatively affect efficiency and productivity; Palchoudhury (2016) and Zink (nd) which noted that ethical conduct of an individual has the tendency of affecting those around them and

by extension productivity to a very large extent; and Aiyammahi *et al.*, (2020) which emphasised the need for integration of ethics in everyday practice within an organization.

There was a noticeable aversion for ethical prescriptions, as a comparatively lesser percentage preferred insistence even if there are implications on growth and productivity levels. Approximately 65%% preferred insistence even with implications; 23.9% were not sure, while 11.2% were indifferent about ethics so long as there were immediate benefits. To the last two, image and goodwill seem secondary to profit and immediate gains. Even though a slightly higher percentage indicated otherwise, the negatives constitute a significant percentage (35.1%); which establishes a position that although Ethical Corporate Communication has relationship with business productivity in principle, the impact on decision making, accountability and productivity in the Nigerian corporate space leaves much to be desired.

Incidentally, the spreadsheet showed that the bulk of the more than 35% that did not directly believe on insistence were from the MOI&C, even by aggregate; but almost the entire respondents from the NJC preferred ethical prescriptions. The latter is understandable because of the nature of the work environment which is largely professional, with strict codes of practice and mutual respect among employees; a confirmation of Palchoudhury (2016) position on the indispensability of formal code of ethics as guidelines for those engaged in any corporate activity; emphasised also by Zink (nd) who stated that ethics matters wherever business is conducted. The disparity in focus between the respective organizations here also emphasises the point that although codes of ethics carry general obligations and admonitions as indicated by Gilman (2005), lack of adherence or enforcement can render them worthless. It shows that where there is due diligence, it counts.

Going by the responses, it could be deduced that although there are no significant disagreement over the relationship between Ethical Corporate Communication and business productivity in Nigeria, the impact in real terms is not significantly high because there are

patterns in the responses that indicate availability of the necessary structures, but lack of compliance by employees in some of the critical institutions, absence of diligent evaluation by their managers and leaders and indulgence and apathy by the society. Therefore, it could be said that Ethical Corporate Communication has impact on organizational productivity in Nigeria where there is due diligence in observance and pursuit.

10.0 Recommendations

It is obvious from the data analysis that there is significant awareness of the role of communication in organizational productivity as well as the essence of Ethical Corporate Communication on perception and productivity levels of an organization. However, an apparent lack of effective coordination and indulgence of unethical behaviours have rendered the availability of Code of Ethics unhelpful in enhancing efficiency, accountability and productivity. These deficiencies have negatively impacted on service delivery and growth in productivity levels in Nigeria. Therefore:

- There is an urgent need to re-invigorate the various re-orientation agencies to re-strategize for a massive enlightenment programme to redirect the people on the path to ethical consciousness, improved citizen satisfaction, efficient service delivery and better productivity.
- Organizations must consider Ethical Corporate Communication as a cardinal compass for directing employee attitude towards efficiency and productivity and also see ethical standards as a great asset for organizational integrity, better perception and loyalty. There must be emphasis on integration of ethics in everyday practice within an organization.
- Those entrusted with the responsibility of leading and directing ethical reorientation projects; whether in an organization or the larger society, should be sufficiently empowered to carry out such responsibilities, with adequate monitoring and evaluation

mechanisms that are capable of exposing indolence and non-conformity-backed by appropriate sanctions.

- Government, in particular must not see public enlightenment and strategic communication as a routine activity that signposts a new administration, but one that has a critical role in moulding and remoulding attitudes of the people towards a high level of contentment and integrity, effective service delivery, quality productivity and working towards general well-being of society and the people. This is necessary because those working in organizations are from the larger society, and where there are untoward indulgences in the society, it is likely to affect organizations operating within such environments.
- The people must be recommitted towards living ethically correct lifestyles that are in conformity with established and acceptable cultural and societal prescriptions.
- Since a larger chunk of unethical dispositions stem from the desire for uncontrolled benefits, there should be a monitoring mechanism to track acquisitions that cannot be ordinarily explained or accounted for. Sanctions and seizures can act as deterrents while reward for hard work, honesty and efficiency could act as incentives towards overall productivity.
- It would be necessary to conduct further studies to establish why, in spite of the numerous re-orientation projects in Nigeria, issues of unethical indulgencies keep popping up at all times in almost all spheres, including corporate organizations. Service delivery seems to be getting poorer with every passing day, in spite of these initiatives.

11.0 Conclusion

It is obvious, from the analysis of respondents that there is widespread awareness of the role of communication in organizational productivity as well as the essence of ethical corporate communication on the integrity of organizational perception. Ineffective communication and lack of due diligence to ethical codes of conduct, which has high propensity for enhancing efficiency and

productivity, has instead been detrimental to efficiency with attendant negative impact on productivity in the organizations surveyed, which incidentally are aggregate representatives of the public segment of corporate Nigeria. This is so, because MOI&C harbours the mouthpiece of government, NIMC is in charge of identity management; NJC embodies the justice system while BHU represents the educational segment of the Nigerian body corporate.

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CHAPTER - 6

An Analytical Study of Covid-19 and It's Impact on National Stock Exchange

*Khushboo Sogani**

ABSTRACT

Coronavirus disease (COVID-19) is an infectious disease caused by the SARS-CoV-2 virus, which was started from a research lab in Wuhan, China and slowly it spread all over the world. Its effect was so much dangerous as World Health Organization (WHO) had to declare it a global pandemic on 11 March, 2020. It badly affected the personal, social as well as the economic life of the people. It not only affected the economic life of people at micro level, but also it affected the economy of the country at macro level. Its affect can be seen at every aspect of economy. Stock market is one of them aspect. As it is treated as the barometer of an economy and the economy of our country is also affected by covid-19. So the researchers want to know the effect of covid-19 on the Indian stock market, and for this purpose National Stock Exchange (NSE) is taken. In this paper some sectors of NSE are taken for study purpose. The study is based on secondary data. Simple statistical tools are used for this purpose. The finding shows a negative impact of covid-19 on Indian Stock Market in first wave, while in second wave it impacted positively.

Keywords: Corona; Pandemic; NSE; NIFTY; Stock market.

1.0 Introduction

Coronavirus disease 2019 (COVID-19) is an infectious disease caused by severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2). The first case was identified in Wuhan, China in December

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2019. Since then, the disease has spread around the world, causing an ongoing pandemic. It has affected the social as well as economic life of the people as a whole. And not only at micro level but also at macro level on the economy of the country. If we see its impact on economy than we can say that it has affected the economy in both the waves. Impacts of corona can be seen on economy in different aspects. Stock market is one of them. Indian Stock Market is one of the parameters to check the performance of the Indian economy.

The stock market is affected all over the world. The share price of the several companies share had dropped very frequently. Indian stock market is also affected by the all three waves of Covid-19 and faced many ups & downs in these phases.

2.0 Literature Reviews

Yashraj & Renuka (2021), hired the unique model to have a look at the fast-time period effect of covid-19 on Indian stock marketplace and summarized as that everyone the sectors have been impacted quickly, but the economic area faced the worst.

Liu *et al.*, (2020) hired occasion look at method, analysing 21 main stock exchanges and concluding that the COVID-19 outbreak had a large bad effect on the inventory markets of all affected nations, with Asia recording an extra lower in phrases of extraordinary returns. This explanation is steady with the findings of Harjoto *et al.*, (2021), who used occasion evaluation to expose the sturdy negative impact of COVID-19 on the global markets, especially rising markets and small companies. In step with this have a look at, large firms and the United States inventory market recorded nice strange returns compared to the alternative rising market economies.

Al-Awadhi *et al.*, (2020) used a panel regression method to observe the effect of the global pandemic at the extraordinary sectors of the Chinese stock market place. In line with this observe, excessive marketplace capitalisation stocks were adversely affected,

but the performance of the facts era and pharma sectors were quite better.

Kotishwar (2020) the aim of this research turned into to research the effect of the Covid-19 virus at the stock market. From March eleven to April 2020, the studies checked out the positive boom of six international locations (the United States, Spain, France, Italy, China, and India), which were the Hardest hit. (On March eleven, 2020, the world fitness employer proclaimed COVID 19 a deadly disease.) According to the observation which hired the VECM to determine the link, the Covid-19 has an extensive poor long-run association with all of the chosen nation's stock indexes. The CAAR version turned into carried out, and it turned into discovered that in the submit-duration, all of the chosen nations' indices reacted favorably extra than inside the pre-duration. Investors are comparing an extended-time period plan and investing in any respect ranges, in line with the studies.

Kumar (2020) study five NSE indexes are selected at random. The observation in comparison the overall performance of selected variables for the duration of and earlier than the Covid-19 epidemic the usage of easy statistical strategies like percentage and common.

3.0 Objective of the Study

The present study is executed to know the performance of National Stock Exchange (NSE) during the two waves of Covid -19 pandemic. i.e., first and second wave.

4.0 Significance of the Study

The current study is important to know the impact of covid-19 on the performance of NSE. The study will be helpful for various stake holders related to NSE.

5.0 Research Methodology

The current study is carried out to know the impact of covid-19 on the performance of NSE. The study is based on the purely

secondary data. The NSE is selected for the study purposes because NSE is one of the major stock exchanges of India and it is first automated stock exchange of country. For study purpose major indices of the NSE namely Nifty 50 and five other sectorial indices namely Nifty-Bank, Nifty-FMGC, Nifty-IT, Nifty-Pharma & Nifty-Financial service are also selected to know the impact of covid-19 on NSE. For the study purpose the data is collected on three bases: a. 1st case reporting date, b. Date of lockdown imposed by Government. Date of Unlock or imposing the relief. The percentage is used to measure the changes in performance of the selected indices, and common line graph is used to present the data.

6.0 Data Analysis

This section of the study talks about the analysis and results of analysis and comments on the results the major results of the study which are shown below in the Table-1 for the impact of Covid-19 on Nifty-50 during first wave and Table-2 for the impact of Covid-19 on Nifty-50 during second wave:

Table 1: Impact of Covid-19 on Nifty-50 During First Wave

Nifty-50					
Date	30-Jan-2020	25-Mar-2020	% Change	30-Jun-2020	% Change
Closing price	12035.8	8317.85	-30.89	10302.1	-14.40
Shares Traded	538138743	738114713	37.16	556238560	3.36
Turn over (cr.)	19372.67	28482.01	47.02	27342.55	41.13

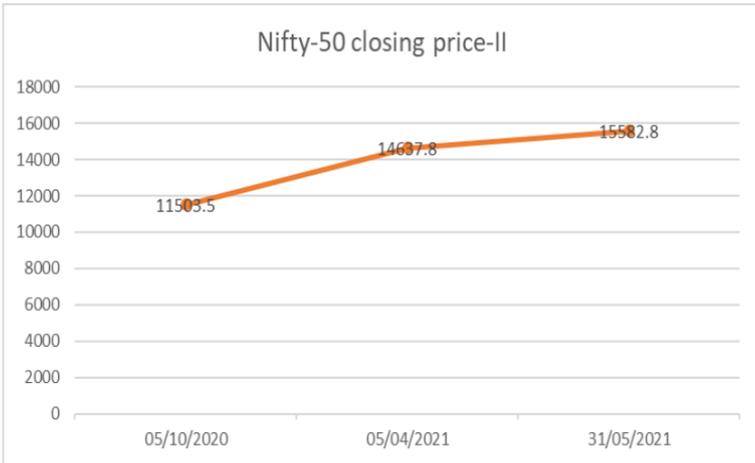
Source: Designed by author

Table 2: Impact of Covid-19 on Nifty-50 During Second Wave

Nifty-50					
Date	5 October, 2020	5 April, 2021	% Change	31 May, 2021	% Change
Closing price	11503.35	14637.8	27.248	15582.8	35.46
Shares Traded	530597393	500476690	-5.67	435999456	-17.82
Turn over (cr.)	31341.55	33885.39	8.11	32739.29	4.45

Source: Designed by author

Figure 1: Graph Showing Performance of NSE Nifty 50 Index during First & Second Waves



Source: Designed by author

Figure 1 shows the impact of Covid-19 on Nifty-50 during first and second wave. The impact of covid-19 on the Nifty-50 can be

seen easily from data analysis. The Nifty-50 indices fall by Approx.31% from the date of reporting first case of Covid-19 in India to date of imposing the lockdown by GOI and trading of shares in this index is increased by 199975970 and the turnover is also increased by Rs. 9109.34 crore around in this period. Later on the Nifty-50 index improved as comparison to 25th March, 2020 but not as much as that on 30 Jan, 2020. So, it depicts that covid-19 impacted negatively on the Nifty-50 in first wave. While in the second wave, Nifty-50 indices raised by approx. 27% from the date of reporting first case of Covid-19 in India to date of imposing the lockdown by GOI and trading of shares in this index is decreased by 30120703 and the turnover is increased by Rs. 2543.84 crore around in this period. Later on, the Nifty-50 index improved as comparison to 5th April, 2021 reached to a new zenith. So, it depicts that covid-19 impacted positively on the Nifty-50 in second wave.

The Table-3 and Table-4 below shows the impact of Covid-19 on Nifty-Bank during first and second wave:

Table 3: Impact of Covid-19 on Nifty-Bank During First Wave

Nifty-Bank					
Date	30-Jan 2020	25-Mar 2020	% Change	30-Jun 2020	% Change
Closing price	30647.4	18481.05	-39.69	21370.15	-30.27
Shares Traded	328858847	394556026	19.97	292655825	-11.00
Turn over (cr.)	54410.61	9791.54	-82.00	8208.92	-84.91

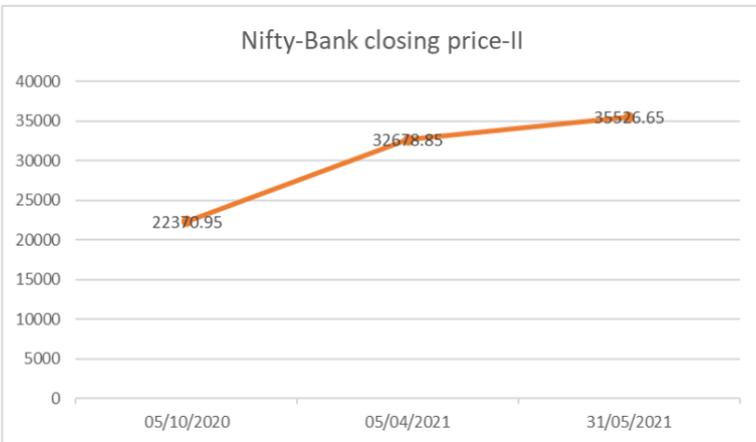
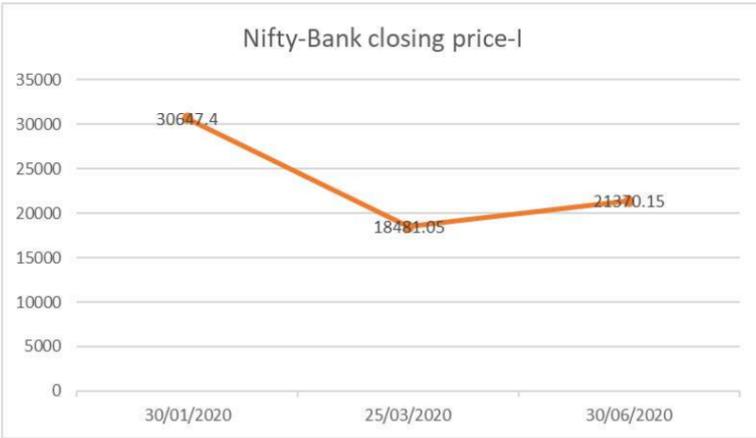
Source: Designed by author

Table 4: Impact of Covid-19 on Nifty-Bank During Second Wave

Nifty-Bank					
Date	5 October, 2020	5 April, 2021	% Change	31 May, 2021	% Change
Closing price	22370.95	32678.85	46.07	35526.65	58.80
Shares Traded	325414639	356389349	9.51	379880136	16.73
Turn over(cr.)	8208.78	8317.73	1.32	7409.4	-9.73

Source: Designed by author

Figure 2: Graph Showing Performance of NSE Nifty-Bank Index during First & Second Waves



Source: Designed by author

Figure 2 shows the impact of covid-19 on the Nifty-Bank can be seen easily from data analysis. The Nifty-Bank indices fall by Approx. 40% from the date of reporting first case of Covid-19 in India to date of imposing the lockdown by GOI and trading of shares

in this index is increased by 65697179 and the turnover is also increased by Rs. 44618.97 crore around in this period. Later on, the Nifty-bank index improved as comparison to 25th March, 2020 but not as much as that on 30 Jan, 2020. So, it depicts that covid-19 impacted negatively on the Nifty-Bank in first wave. While in the second wave, Nifty-bank indices raised by approx. 46% from the date of reporting first case of Covid-19 in India to date of imposing the lockdown by GOI and trading of shares in this index is increased by 30974710 and the turnover is increased by Rs. 108.95 crore around in this period. Later on, after the nifty-bank index improved as comparison to 5th April, 2021 reached to a new zenith. So, it depicts that covid-19 impacted positively on the nifty-Banking second wave.

The Table-5 and Table-6 below shows the impact of Covid-19 on Nifty-FMCG during first and second wave respectively:

Table 5: Impact of Covid-19 on Nifty-FMCG During First Wave

Nifty-FMCG					
Date	30-Jan 2020	25-Mar 2020	% Change	30-Jun 2020	% Change
Closing price	30936.45	24471.7	-20.89	30063.25	-2.82
Shares Traded	37175318	92962761	150.06	70668065	90.09
Turn over(cr.)	2540.91	3654.07	43.80	3456.56	36.03

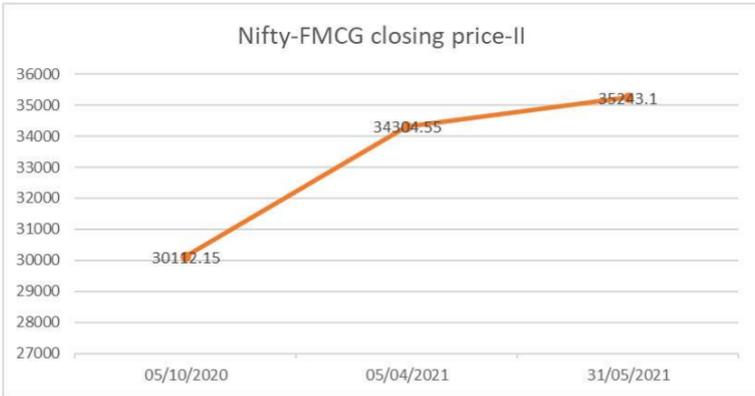
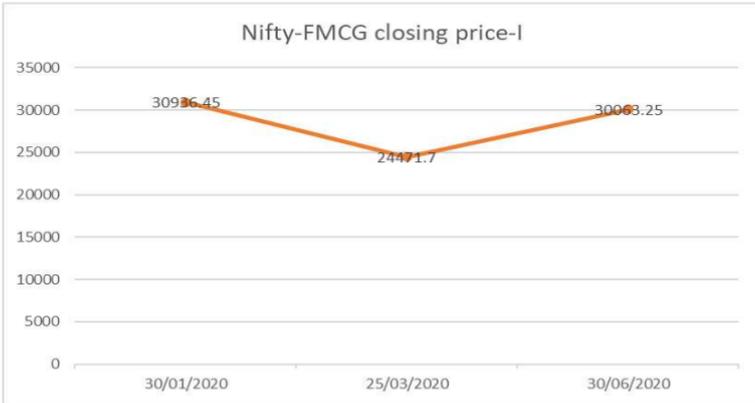
Source: Designed by author

Table 6: Impact of Covid-19 on Nifty-FMCG During Second Wave

Nifty-FMCG					
Date	5 October 2020	5 April 2021	% Change	31 May 2021	% Change
Closing	30112.15	34304.55	13.92	35243.1	17.03
Shares Traded	41338529	47978583	16.06	88839983	114.90
Turn over (cr.)	1961.64	2728.17	39.07	3186.1	62.42

Source: Designed by author

Figure 3: Graph Showing Performance of NSE Nifty-FMCG Index during First & Second Waves



Source: Designed by author

The Figure-3 shows the impact of covid-19 on the Nifty-FMCG can be seen easily from data analysis. The Nifty-FMCG indices fall by Approx. 21% from the date of reporting first case of Covid-19 in India to date of imposing the lockdown by GOI and trading of shares in this index is increased by 55787443 and the turnover is also increased by Rs. 1113.16 crore around in this period. Later on, the

Nifty-FMCG index improved as comparison to 25th March, 2020 but not as much as that on 30 Jan, 2020. So, it depicts that covid-19 impacted negatively on the Nifty-FMCG in first wave. While in the second wave, Nifty-FMCG indices raised by approx. 14% from the date of reporting first case of Covid-19 in India to date of imposing the lockdown by GOI and trading of shares in this index is increased by 6640054 and the turnover is increased by Rs. 766.53 crore around in this period. Later on, the Nifty-FMCG index improved as comparison to 5th April, 2021 reached to a new zenith. So, it depicts that covid-19 impacted positively on the Nifty-FMCG in second wave.

Table 7 and Table 8 shows the impact of Covid-19 on Nifty-IT during first and second wave respectively:

Table 7: Impact of Covid-19 on Nifty-IT During First Wave

Nifty-IT					
Date	30-Jan 2020	25-Mar 2020	% Change	30-Jun 2020	% Change
Closing price	16327.9	12233.35	-25.07	14754.3	-9.63
Shares Traded	18889354	47599771	151.99	25878721	37.00
Turn over (cr.)	1715.04	2691.8	56.95	2039.72	18.93

Source: Designed by author

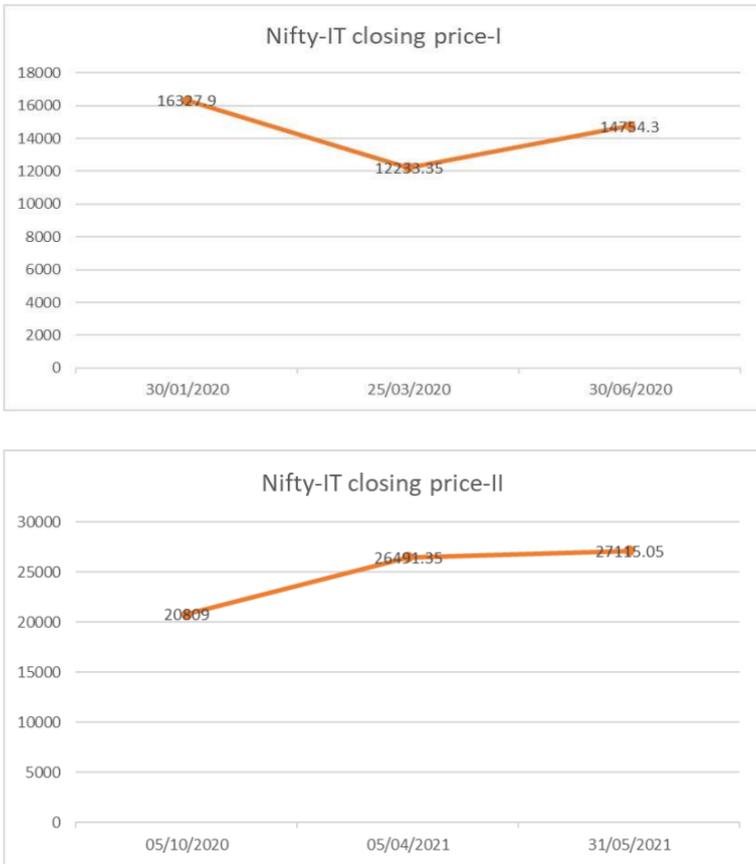
Table 8: Impact of Covid-19 on Nifty-IT During Second Wave

Nifty-IT					
Date	5 October 2020	5 April 2021	% Change	31 May 2021	% Change
Closing price	20809	26491.35	27.30	27115.05	30.30
Shares Traded	93778580	53479113	-42.97	19986845	-78.68
Turn over (cr.)	9655.6	6179.06	-36.00	2687.03	-72.17

Source: Designed by author

Figure 4 shows the impact of covid-19 on the Nifty-IT can be seen easily from data analysis. The Nifty-IT indices fall by Approx. 25% from the date of reporting first case of Covid-19 in India to date of imposing the lockdown by GOI and trading of shares in this index is increased by 28710417 and the turnover is also increased by Rs. 976.76 crore around in this period.

Figure 4: Graph Showing Performance of NSE Nifty-IT Index during First & Second Waves



Source: Designed by author

Later on, the Nifty-IT index improved as comparison to 25th March, 2020, but not as much as on that of 30 Jan,2020. So, it depicts that covid-19 impacted negatively on the Nifty-IT in first wave. While in the second wave, Nifty-IT indices raised by approx. 27% from the date of reporting first case of Covid-19 in India to date of imposing the lockdown by GOI and trading of shares in this index is decreased by 40299467 and the turnover is decreased by Rs. 3476.54 crore around in this period. Later on, the Nifty-IT index improved as comparison to 5th April, 2021 and went upward. So, it depicts that covid-19 impacted positively on the nifty-IT in second wave.

Table 9 and Table 10 shows the impact of Covid-19 on Nifty-Service during first and second wave respectively:

Table 9: Impact of Covid-19 on Nifty-Finance during First Wave

Nifty-Financial Service					
Date	30-Jan 2020	25-Mar 2020	% Change	30-Jun 2020	% Change
Closing price	14289.95	9203.3	-35.59	10561.9	-26.08
Shares Traded	112416431	294945987	162.36	208778676	85.71
Turn over(cr.)	7246.82	12487.45	72.31	12453.81	71.85

Source: Designed by author

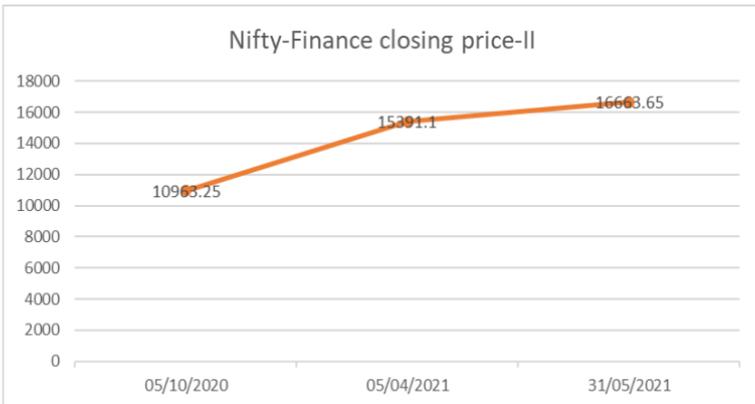
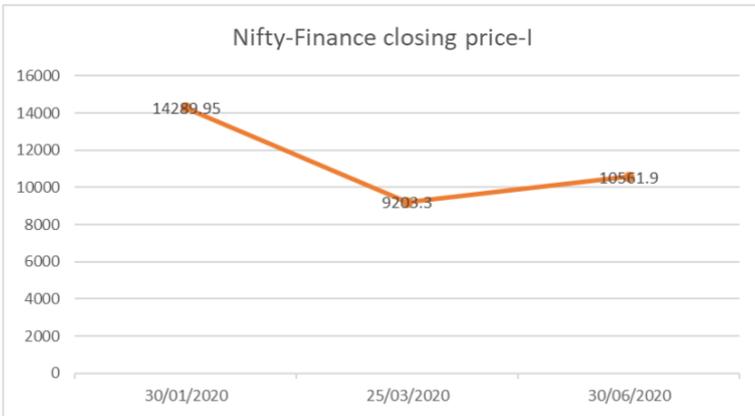
Table 10: Impact of Covid-19 on Nifty-Finance during Second Wave

Nifty-Financial Service					
Date	5 October 2020	5 April 2020	% Change	31 May 2020	% Change
Closing price	10963.25	15392.1	40.39	16663.65	51.99
Shares Traded	148107085	144862662	-2.19	128700153	-13.10
Turn over (cr.)	8063.52	10678.29	32.42	9424.13	16.87

Source: Designed by author

Figure-5 shows the impact of covid-19 on the Nifty-Financial service can be seen easily from data analysis. The Nifty- Financial service indices fall by Approx. 36% from the date of reporting first case of Covid-19 in India to date of imposing the lockdown by GOI and trading of shares in this index is increased by 18252956 and the turnover is also increased by Rs. 5240.63 crore around in this period.

Figure 5: Graph Showing Performance of NSE Nifty-Financial Service Index during First & Second Waves



Source: Designed by author

Later on, the Nifty- Financial service index improved as comparison to 25th March, 2020, but not as much as on that of 30 Jan, 2020. So, it depicts that covid-19 impacted negatively on the Nifty-Financial service in first wave. While in the second wave, Nifty-Financial service indices raised by approx. 27% from the date of reporting first case of Covid-19 in India to date of imposing the lockdown by GOI and trading of shares in this index is decreased by 3244423 and the turnover is increased by Rs. 2614.77 crore around in this period. Later on, the Nifty-Financial service index improved as comparison to 5th April, 2021 and went upward. So, it depicts that covid-19 impacted positively on the nifty- Financial service in second wave.

7.0 Conclusion

The covid-19 pandemic has huge impact on NSE and the initially it impacts negatively on the NSE. The indices related to Nifty-Pharma showed positive impact of Covid-19 and Nifty-IT & Nifty-FMCG performed in a good manner as compare to other indices in First wave. The initially reaction of the Covid-19 on indices is very bad and investors had to loss around a huge part of their investment but later on the market start to revive and the different indices perform a little batter in the First wave. While in the second wave, the Covid-19 didn't affect as much as that of the first wave. Nifty-Bank & Nifty-Financial Services were the top gainer among the selected sample in the second wave.

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CHAPTER - 7

A Case Study of the State Level Competitiveness in India: Based on CFA Model

Vandana Goswami*

ABSTRACT

The disparity of foreign direct inflows among Indian states inspires us to undertake this study to enable us to understand the competitiveness in Indian states. With rapid increment in the importance of the institutional environment, it becomes essential to understand the competitiveness of a location. The aim of this paper is to present the competitiveness by using various variables constructed using Principal Factor Analysis method. The variables taken in the study are Infrastructure, Labour Availability, Education, Taxation, IPR and Market Size. The study uses data for 17 years (2000-2016) and 36 Indian states & UT's. This case study computed using UNCTAD 2002 methodology. The index of state competitiveness is prepared to measure the competitiveness of Indian states. The aim of this paper is to understand competitiveness of Indian states in terms of macroeconomic and institutional factors. This research finds out that the factors of competitiveness can be grouped under two headings (a) Positive Factors, (b) Negative Factors. The Positive factors enable a state on the higher side of the ranking and negative indicators keeps states on the lower side. Hence, this case study presents a comparison of states accordingly.

Keywords: FDI; Competitiveness; Indian states; Macroeconomic and institutional indicators.

1.0 Introduction

Competitiveness is certainly an important factor for attracting foreign investments, which is not inherited but acquired by the nations. The competitiveness of a nation depends on the capability of the firms to innovate and upgrade (Porter, 1990). Foreign investment inflow

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(FII) and Competitiveness are related to each other in two ways: first FII develops the competitiveness of the host country and second competitiveness of the host country is essential for attracting FII. With the rapid increase in the importance of the globalisation, both developing and developed countries try to improve their competitiveness in the global market.

The global competitiveness index plays an important role for the countries, in attracting FDI inflows. A country's competitiveness index shows its place in the world. The higher-ranking countries have good chances of receiving a good amount of FDI inflows. Countries are becoming competitive by focusing on various parameters such as policy reforms etc. The MNC's choice of location depends on the attractiveness of the location so that the foreign companies can exploit the resources to the best. Hence, to increase economic growth, competitiveness plays a remarkable role.

Though vast available literature has assessed competitiveness between developed and developing countries around the globe, lots of international organizations formulate index of competitiveness, such as World Bank, World Economic Forum, IMD, Business School Switzerland, Heritage Foundation, IPS (National Competitiveness Research) etc. to rank countries on a scorecard. However, definitions and measurement of competitiveness are different in all of them. Policymakers, economists and research scholars argued about the different factors of competitiveness such as macroeconomic environment, institutional environment, policy formulation, government regulations, country risk and productivity. It has become the prime concern of the governments and researchers to evaluate the competitiveness of the countries (Ketels *et al.*, 2006).

Diamond theory, that signifies different attributes of a nation, to make it competitive, which includes factor conditions, demand conditions, firm rivalry & strategy, government policy and exogenous shock. The criticism of Porter's Diamond theory comes from the management school of thought, which argues that the diamond theory ignores the role of MNC's in making a nation competitive (Dunning & Lundan, 1993).

According to Graham & Krugman (1991) competition between countries is not at the international level, countries can become competitive by maintaining the standard of living to improve productivity and quality of productivity in order to create new jobs.

In the context of the present study, it is useful to discuss the importance of the competitiveness index for all the countries, developed and developing. Together with that, a brief discussion has also been given to understand the concept, definition as well as the importance of competitiveness index around the globe. Accordingly, the first part of the paper discusses the concept and definition of the competitiveness proposed by various available studies, economist and policymakers, who have used the competitiveness index to rank the countries around the globe. The second part of the study discusses the relevant data sources, time period taken and the methodology used. The third part deeply analyses the pattern of business reforms implemented in these states and presents a detailed assessment of the ease of doing business in Indian states. In the conclusion part of study, a broad conclusion based on the analyses of the business environment and other parameters of Indian states is presented.

This case study analyze the current stage of macroeconomic and institutional indicators in the Indian states. The case study is divided into three parts: In the first part of the study is a general description of the overall macroeconomic and institutional indicators in the Indian states. Part two presents the research methodology, data used and other analysis of the study. And the third part of the study presents conclusion and a set of policy recommendations for a variety of stakeholders that will help them to understand the business environment in different states of India.

The Challenge of the case is to understand the overall Institutional environment of the Indian states such as labour market, Corruption, Education, Taxation, IPR, Market Size, Labour unrest and Political Risk.

Indian states are different from each other in many perspectives such as infrastructure, population, geographical area, institutional quality etc. so one ranking based on the national level data, doesn't sufficiently provide a

complete picture of competitiveness. Hence, state-level competitiveness ranking is required to understand the overall competitiveness of the Indian states. This case study computed using UNCTAD 2002 methodology. The index of state competitiveness is prepared to measure the competitiveness of Indian states. Following section presents the competitiveness of Indian states for 2000-2016, according to various parameters. The competitiveness ranking methodology focuses on, what matters for the foreign investors and ranks Indian states, accordingly. The more potential states are on the higher side while states with less potential for investment are on the lower side.

2.0 Concept of Competitiveness

According to IMD World Competitiveness Centre, Competitiveness is defined as a process that evaluates at different levels, such as a firm, regional and at the national level, and it moves from general perspective to the specific perspective accordingly. During the year 2014, it adds that the earnings of the people and ultimately prosperity are the major outcome of competitiveness. Buckley *et al.*, (1988) termed competitiveness as efficiency and effectiveness at the international level.

“OECD (1992) defines competitiveness as “the degree to which a nation can, under free and fair market conditions, produce goods and services that meet the test of international markets while simultaneously maintaining or expanding the real incomes of its citizens”.

European competitiveness report (2000) defines it as: “the ability of an economy to provide its population with high and rising standards of living and high rates of employment on a sustainable basis”.

As per the definitions mentioned above, the term competitiveness is assessed with an increase in the real income and higher standards of living, of the citizens of a country. According to Stojanovska *et al.*, (2017), the competitiveness is assessed at two levels, firm level and country level. In the present study, we consider it at state-level. The state-level competitiveness is termed as the extent of state to adopt policies reforms, improvement in business environment and rise in the

standard of living of people in the state. National Competitiveness Research, defines it as a nation's relative competitive position in the international market among nations with similar size and competitiveness.

The concept of competitiveness has been measured through various factors across different countries, yet no single definition of the term competitiveness has been accepted in a generalized form. Several studies have been done to measure the competitiveness around the globe and the factors affecting the competitiveness of different countries vary in each country and prosperity is not a short race but it is a Marathon (Porter, 1990). After arguing about lots of factors, Porter (1990) defines a new concept of competitiveness as productivity, and which is determined by the set of institutions, policies and factors.

The World Competitiveness yearbook gives the same definition with a broader perspective. There are numbers of definitions which measure competitiveness among countries since 1979. According to the World Economic Forum, "the set of institutions, policies and factors determine the level of productivity" which ultimately determines the competitiveness of the country. Others are subtly different but all generally use the word "productivity". The term competitiveness is defined as "the quality of being as good as or better than others of a comparable nature." According to available international business literature, it is found that there are significant differences in terms of competition in the world and the measurement of competitiveness is very much different across the world. (Whitley, 1994; Hall & Soskice, 2003; Lewin & Kim, 2004; Ring *et al.*, 2005; Redding, 2005).

Blomstrom (1991) and Blomstrom & Kokko (1996) strongly argues that FDI promotes the competitiveness of local firms in Mexico and Indonesia. Smarzynska (2002) confirmed the benefits of spill-over enjoyed by local suppliers in Lithuania by supplying foreign customers. The opening up of India, i.e. economic reforms have initiated an open, competitive and entrepreneurial environment in India (Kedia *et al.*, 2006).

3.0 India's Place in the Competitiveness Ranking of the World

India is a country with big market size and lots of legacies such as democracy, bureaucracy and socialism, which are needed for the development of the country. On the other hand, they create hurdles in the competitiveness of the nation. The World Economic Forum (WEF) annually ranks countries according to the competitiveness ranking which segregates countries according to the 12 pillars of competitiveness. According to WEF Competitiveness report (2017-18), India stands on 40th place, out of 139 developed and developing countries, which is a fall of one notch from the previous year, while Switzerland has been ranked at first place, followed by the United States. Table 1 shows the year-wise ranking of India according to WEF.

Table 1: India's Ranking According to the WEF

Year	2012-13	2013-14	2014-15	2015-16	2016-17	2017/18
Ranking	59/144	60/148	71/144	55/140	39/138	40/137

Source: Global competitiveness various years' reports.

As mentioned above that the ranking is done on the basis of 12 economic pillars, India's score improves across most pillars of competitiveness from the previous years, such as infrastructure, higher education and technological readiness, while ranking in regard to number of procedures to start a business in India, total tax rate, time to start a business in India and business costs of terrorism are liable to keep India on the lower side of the ranking.

The state-level competitiveness is becoming important these days, and the reason behind this may be the diversity in the states in terms of infrastructure, governance, market size etc. The competitiveness index may provide a comprehensive view to the global investors and to the government as well, so that the government may take appropriate decisions to improve backward states and global investment may be attracted to all the states at the even level. The competitiveness ranking

gives a benchmark to the government and policymakers, to formulate policies which lead the ranking to the higher side. According to WEF, Competitiveness Report 2017-18, India is growing as a centre of innovation, Bengaluru at (43rd), Mumbai at (95th) and Pune at (96th) place out of 100 innovation centres. These are the three main clusters which generate number of patents. (Global Competitiveness Report, 2017-18)

This study aims at examining the competitiveness pattern of Indian states. Simultaneously, it also analyses the improved business environment in Indian states, specifically an analysis of Business Research Action Plan (BRAP) of Government of India to make Indian states competitive. The framework to formulate the competitiveness index of Indian states. This study examines the competitiveness of the India for twenty-nine states and seven UTs individually.

Regional development plays an important role in India since the opening up of the economy, which expanded the FDI inflows to multiple folds. In the context of FDI inflows, Indian states are now in direct competition with each other. So, this increasing competition has given rise to the competitiveness in Indian states. Krugman (1994) supports the idea of “regional competitiveness” rather than national competitiveness because he finds regions are more comparable and hence give a clear picture of the competitiveness. The competitiveness ranking index has been constructed for twenty-nine states and seven union territories, for the period 2000-2015, by using competitiveness ranking methodology propounded by UNCTAD (2002).

4.0 Data and Methodology

Following the work of Chen (2011), in present chapter index for Indian states has been constructed by taking 44 variables, which include, infrastructure, market size, legal system, wages enforcement and intellectual property rights, labour etc. The period taken for the study is 2000-2015. After using PCA methodology we use the factors derived with less number of variables but with more underlying conceptual data. After using PCA technique the dataset has been

reduced to 12 variables. In current chapter, we would be constructing state-wise attractiveness index for FDI inflows. For doing so we would be adopting the methodology used by UNCTAD (World Investment Report, 2002). The state-level inward FDI attractiveness index is the average of the scores of the variables for each state. The score is derived by using following formula:

$$\text{Score} = \frac{(V_i - V_{\min})}{V_{\max} - V_{\min}}$$

Where,

V_i = is the value of variable for the state i

V_{\min} = is the minimum value of the variable

V_{\max} = is the maximum value of the variable

According to this formula, the values of the index of states would divide Indian states with lowest and highest ranking. Following section presents the competitiveness of Indian states for 2000-2016, according to various parameters. The competitiveness ranking methodology focuses on what matters for the foreign investors and ranks Indian states, accordingly.

The more potential states are on the higher side while states with less potential for investment are on the lower side.

5.0 Analysis

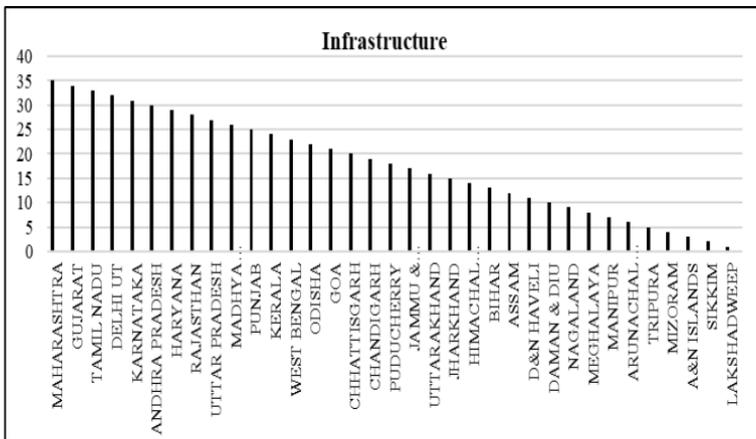
5.1 Sub-national competitiveness ranking

The states are different from each other in many perspectives such as infrastructure, population, geographical area, institutional quality etc. so one ranking based on the national level data, doesn't sufficiently provide a complete picture of competitiveness. Hence, state-level competitiveness ranking is computed using UNCTAD 2002 methodology. Following section presents the results for the competitiveness of Indian states for 2000-2015, according to various parameters. The competitiveness ranking methodology focuses on what matters for the foreign investors and ranks Indian states, accordingly. The more potential states are on the higher side while states with less potential for investment are on the lower side.

5.2 Infrastructure

On the basis of infrastructure indicators, Maharashtra, Gujarat, Tamil Nadu and Delhi are the best performers. The index of state-wise infrastructure suggests the states with highest ranking in the infrastructure index. It is to be noted here that these all are the high FDI receiving states. The index has been constructed using various infrastructure indicators such as Roads, Railways, per capita Power Availability, vehicles registered and state-wise capital expenditure, etc., hence the index proves that the states with good quality of infrastructure are those states that receive the highest FDI inflows in India. After performing PCA technique it was found that Per capita power availability and vehicles registered in the states are the two variables with highest loading and we select them to further construct the weighted index.

Figure 1: Infrastructure Index for 2000-2016 in Indian States/UT's



Source: Author's compilation

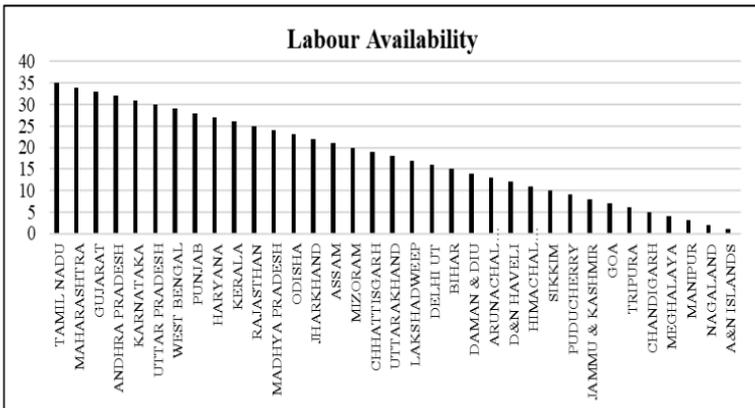
The ranking presented in Figure 1 for the infrastructure index in Indian states. It can be seen with the bar diagram that Bihar, along with other north eastern states and UTs are lacking states in the quality of

infrastructure. The ranking provides a reason for change in the policies regarding infrastructure development in these states. The competitiveness is termed as the productivity and prosperity these days (Bris *et al.*, 2014), hence, infrastructure quality defines much about the productivity, profitability and prosperity level in a state. The top performing states in infrastructure index, Maharashtra, Gujarat, Tamil Nadu and Delhi have become power surplus states during the year 2016-17, and did not face any shortage in the power supply during the year's peak demand season in 2016-17, which provides a strong support to the index.

Following section describes competitiveness among Indian states by considering institutional indicators, which include Crime, IPR, Corruption and Political Risk. Figure 2 presents index for crime cases in Indian states

5.3 Labour availability

Figure 2: Labour Availability Index for 2000-2016 in Indian States/UT



Source: Author's compilation

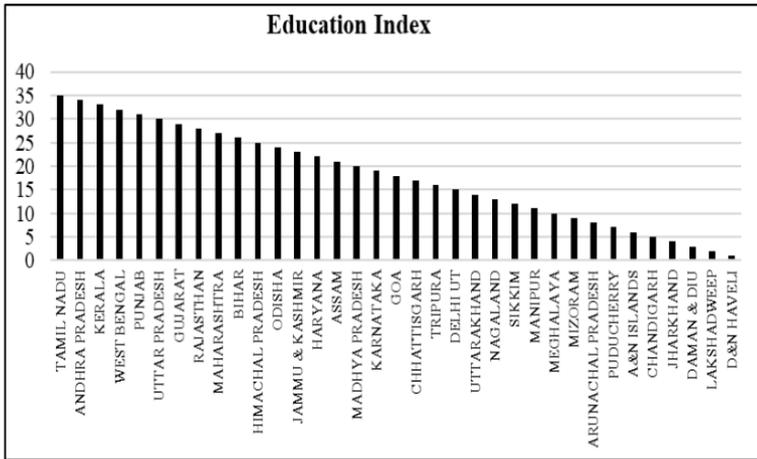
It can be seen from the Figure 2 that Tamil Nadu, Maharashtra, Gujarat, Andhra Pradesh and Karnataka are the states with high

ranking in labour availability index. Labour availability includes state-wise number of persons engaged in Indian states. Delhi the second highest FDI receiving state in India, comes on 19th place.

5.4 Education

According to Education Parameter, Tamil Nadu, Andhra Pradesh and Kerala are the top three states. The states are ranked according to education expenses to represent the education level in Indian states (Figure 3).

Figure 3: Education Index in Indian States/UT's



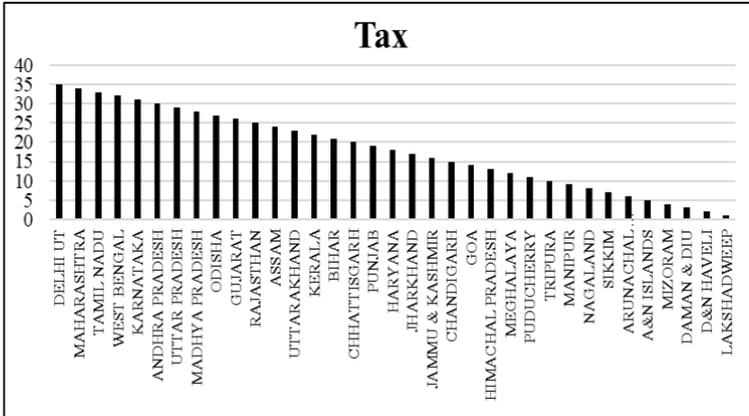
Source: Author's compilation

5.5 Taxation

The fact that taxation has a significant impact on the FDI inflows has been found by various researchers, (Hines, 1999). The tax factor is important for Indian states, because foreign compares decided about the type of business for example a branch or a subsidiary, as it affects the profitability and cost of capital of the business. Thus, ranking of Indian states is based on three different factors to represent taxation at state level. These factors are corporate tax collected, sale tax, states-wise own tax

revenue. The taxation ranking is given in following Figure 4, by taking weighted scores of the afore-mentioned components.

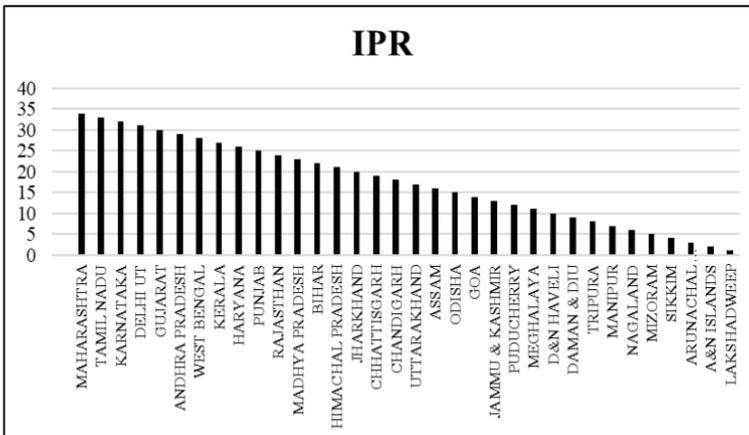
Figure 4: Taxation Index for 2000-2016 in Indian States/UT's



Source: Author's compilation

5.6 IPR

Figure 5: IPR Index in Indian States/UT's



Source: Author's compilation

It can be seen from the Figure 5 that Delhi, Maharashtra, Tamil Nadu, West Bengal and Karnataka are the top 5 states with highest ranking in the IPR index.

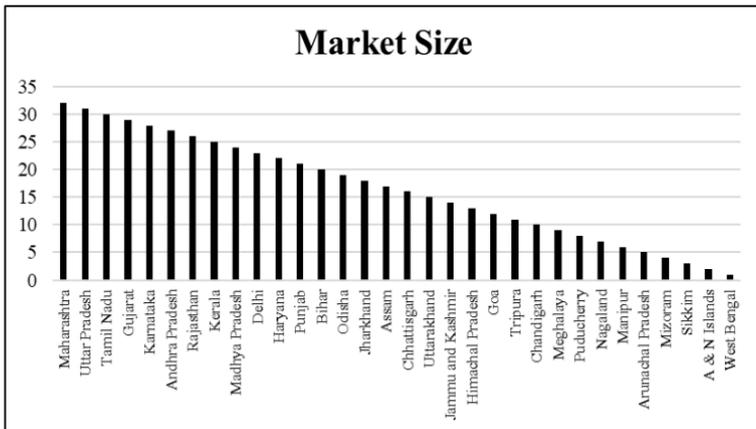
The north eastern states along with Daman & Diu, Dadra Nagar Haveli and Lakshadweep are on the lower side of the index. High ranking in the taxation index also signifies the highest profitability in the state.

5.7 Market size

Market size is one of the important determinants of the competitiveness, which is generally measured by GDP, Per Capita income etc. The larger the market size, more the FDI inflow, as it provides profitability and potential for sales (Chakrabarti, 2001; Noy & Vu, 2007).

However, Indian states are different from each other in terms of market size, which is here measured by GSDP (Gross State Domestic Product). The Figure 6 ranks Indian states accordingly, and concludes that Maharashtra, Uttar Pradesh, Tamil Nadu and Gujarat are the states with highest ranking among twenty-nine states and seven UT’s.

Figure 6: Market Size Index for Indian States/UT’s



Source: Author’s compilation

The above analysis presents ranking of Indian states according to different indicators such as education expenses, taxation, IPR protections and market size. It can be seen through the graphs that all the Indian states and UTs are different from each other and their ranking vary according to various indicators.

6.0 Conclusions

As competitiveness ranking decides the ranking of a country, in the present paper we computed the competitiveness ranking for Indian states. UNCTAD (2002) methodology has been used in order to analyse business environment of Indian states and UTs. The UNCTAD, reports inward FDI potential index for countries by including twelve economic variables, following that methodology in current study, the competitiveness of Indian states have been measured. Together with that we included some of the institutional variables in the analysis. Indian states are ranked according to different parameters based on infrastructure, labour availability, IPR protection etc. The strength and weakness of Indian states have been shown through the empirical analysis.

The competitiveness of Indian states is developed to assess the attractiveness and to consider the investment climate in twenty-nine Indian states and seven UTs for the period of 2000-2016. The results disclose that there is much difference in the competitiveness of Indian states (states and UTs). According to the Infrastructure index, the most attractive states are Maharashtra, Gujarat, Tamil Nadu and Delhi. Although other states are also gradually becoming the part of the competition with more liberal policies and reforms taken by respective state governments, yet above mentioned states enjoy the highest ranking in the Index.

The high (low) competitive state is not necessarily high (low) in terms of growth of the state, as the ranking measures the competitiveness in context of business environment for foreign investor only. However, the factors of competitiveness can be grouped under two headings (a) Positive Factors, (b) Negative Factors. The

Positive factors enable a state on the higher side of the ranking and negative indicators keeps states on the lower side. Hence, following a comparison of states accordingly given in Table 2, which suggests that according to infrastructure, IPR Protection and Market size, Maharashtra tops the ranking. In Market size, Uttar Pradesh is on the second place. Delhi according to the infrastructure, IPR, Taxation and education expenses is in top four states. According to corruption index, Rajasthan is on second place. The index value from highest to lowest states are presented in study we may see that only five highest ranking holder regions are considered to highly competitive. The index concludes the results that Maharashtra, Delhi (National Capital Region), Tamil Nadu and Gujarat are the four most competitive states in the country. These are the very same states that are also receiving the 70%–80% of total FDI inflows of India. Maharashtra and Delhi together achieve around half of India’s FDI inflows. Apart from this it may also be concluded that north eastern states and some union territories such as Daman & Diu, Dadra Nagar Haveli, Andaman and Nicobar Islands and Lakshadweep, needs government attention as they are not performing well in any of the positive indicators which include, infrastructure, education etc.

Table 2: Top Four States in Different Indices

Infra-structure	IPR	Market Size	Labour	Taxation	Education Exp.
Maharashtra	Maharashtra	Maharashtra	Tamil Nadu	Delhi	Andhra Pradesh
Gujarat	Tamil Nadu	Uttar Pradesh	Maharashtra	Maharashtra	Gujarat
Tamil Nadu	Karnataka	Tamil Nadu	Gujarat	Tamil Nadu	Maharashtra
Delhi	Delhi	Gujarat	Andhra Pradesh	West Bengal	Delhi

Source: Author’s compilation

The Indian government has made lots of policy reforms at national level in the area of FDI to ease the doing business for investors and business persons, but the major problem lies with the implementation

of these policies at state level. The governments need to take steps strategically to make Indian states competitive, to achieve and maintain the prosperity. The process should be continued beyond a single government, as said that the prosperity is not a short race, but it's a marathon, which takes decades to make a country competitive and prospered (Porter, 1990). A Lot of countries around the world are declining in the prosperity and some are improving the standard of living. A nation or a state can be competitive by the combined prosperity of businesses and the citizens, which is done, by creating an environment for the firms at local and international level in order to make them competitive. Further, by improving productive work-force participation, standard of living in a country or a state is ultimately improved.

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CHAPTER - 8

Recent Developments in Financial, Cost and Management Accounting

*Reepu**

ABSTRACT

Accounting is a dynamic phenomenon in which the practices, tools, and ideas related to both management and financial accounting are always changing. Environmental management accounting (EMA) theory and practice emerged in recent decades in response to the environmental problems' rising severity. One of the many environmental issues on the government's policy agenda has already been planned by a particular working group chaired by the China Executive Management Institution: the development of an environmental reporting system. The overall conclusion of the study is that future management accounting research on performance outcomes still has space for improvement. While research has historically added to the body of knowledge by performing cross-sectional evaluations of the behavioral effects of managers, promising recent developments and knowledge gaps may potentially offer intriguing avenues for future investigation. It is advised that an increasing number of other performance outcomes, such as accounting-based, social, and environmental outcomes, and relative-to-peer assessments in various contexts, may be analyzed concurrently.

Keywords: *Accounting; Environmental reporting; Financial accounting; Government policy; Management accounting; Recent developments.*

1.0 Introduction

Accounting is a dynamic phenomenon in which actions, technologies, and concepts associated with both management

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accounting (MA) and financial accounting (FA) are continually evolving, renewing themselves, and gradually entangling to form convergent realities (Taipaleenmäki & Ikäheimo, 2013). Forward-looking MA will evolve when FA shifts its perspective to one of the futures. They voiced dissatisfaction with the way accounting research is separated into MA and FA, which are seen as two distinct realities (Scapens, 1984).

Although accounting is a common language in business and offers a wealth of useful information, it has serious flaws as a tool to meet time demands, including invalidity, incompleteness, infrequency, inaccuracy, inconsistency for long-term effects, misunderstanding, and measurement of the wrong variables (Bhimani & Bromwich, 2009).

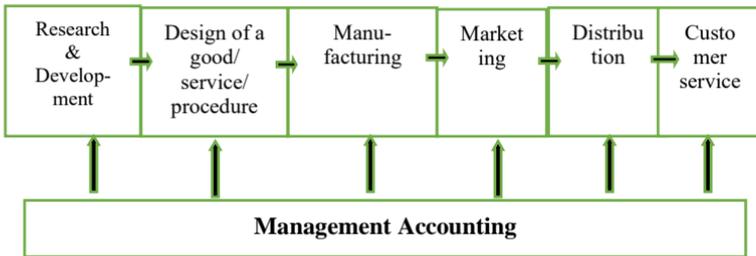
By providing “the push that propels accounting operations,” IT (information technology) has served and will continue to perform a significant function in the creation of accounting information systems (AIS). For instance, the implementation of enterprise resource planning (ERP) systems has improved accounting information accuracy, timeliness, and accessibility for management (Datta, 1993). It has also improved transaction processes and given businesses more flexibility in managing earnings and releasing earnings at the right times. Despite the fact that the importance of IT within MA and FA is acknowledged with the obvious message that accounting and control cannot be studied independently from IT, no research has yet evaluated the role of IT in the relationship between MA and FA (Hussain *et al.*, 1998).

Management accounting and financial accounting are frequently distinguished in practice. Management accounting collects, evaluates, and disseminates financial and non-financial data with the primary purpose of assisting managers in achieving the objectives of the organization (Roslender & Hart, 2003). Professional management accountants use accounting and financial management concepts to build, defend, maintain, and grow value for shareholders of for-profit and not-for-profit businesses in the public and private sectors (Roslender & Hart, 2003). They could work on the collection,

creation, presentation, interpretation, and utilization of pertinent data pertaining to (Roslender & Hart, 2003)

- develop business strategy and provide information for strategic considerations
- create a long-term, medium-term, and short-term operating strategy
- 3. choose a capital structure and fund it
- create incentive plans for executives and shareholders
- enlighten operational choices
- oversee operations and guarantee resource usage is effective
- evaluate and communicate to management and other stakeholders the financial and non-financial performance.
- implement risk management, internal controls, and corporate governance policies
- look at the possibility of creating management and organizational value

Figure 1: The Value Chain of Business Functions



Source: Horngren et al., 2009

Financial accounting places a heavy emphasis on authoritatively mandated external reporting. In making financial reporting to outside parties, organizations must adhere to certain rules. Prescribed accounting standards serve as a framework for financial accounting (Xiaomei, 2004). Principles outline the set of guidelines for calculating income and costs as well as the categories of items that balance sheets should classify as assets, liabilities, or owners' equity. Different countries have different sources of

authority for accounting regulation. For this reason, the government in Spain has chosen the Instituto de Contabilidad y Auditoria de Cuentas (ICAC). In the UK, the publication of accounting standards is permitted by the Financial Reporting Council (FRC) (Kamal, S., 2015).

While there are some significant variations between management and financial accounting, their job is often organization-specific. These are possible categories for them (Kihn, 2010):

- *Regulations:* Reports on management accounting are typically created for internal use and are not subject to any external restrictions. On the other hand, financial accounting reports must typically be created in accordance with the rules and regulations of accounting set out by the law and the field of accounting (Kihn, 2010).
- *Details and a range of information:* Financial, non-financial, and qualitative information that is highly aggregated or comprehensive may be included in management accounting reports. Financial accounting often covers a wide range of topics, lacks specifics, and is designed to give a broad picture of an organization's situation and performance through time. It frequently focuses on financial data (Kihn, 2010).
- *Reporting period:* Reports in management accounting might be generated on a consistent basis, maybe hourly, daily, or weekly over a long period of time. The time period for which management accounting information is supplied will depend on the Information consumers' requirements for decision-making and control. However, annual accounting financial reports are created. Additionally, a few of major companies offer quarterly and semi-annual reports (Kihn, 2010).
- *Time period:* Reports on management accounting frequently include information on anticipated future performance and activities in addition to historical and present data. Reports on financial accounting include details on an organization's standing and performance during a specific time period. They frequently gaze backward (Kihn, 2010).

Financial and non-financial data on the organization's resource purchase or usage are measured and reported through **cost accounting**. The information it provides can be used in both management and financial accounting [10]. For instance, determining a product's cost is a cost accounting function that satisfies the demands of both the management accountant (who decides how to price items and which products to promote) and the finance accountant (who needs to value stocks). However, the majority of accounting professionals today adopt the viewpoint that cost data is a component of the management accounting data gathered to aid in management decisions (Kaplan, 1984).

The word "**cost management**" refers to the activities managers carry out in both short- and long-term cost planning and control in order to raise customer value and reduce product and service expenses. Recognizing that earlier management actions frequently bind the organization to the incurrence of expenses in the future is a crucial part of cost management (Boyns & Edwards, 2006). Think about the price of material handling at a manufacturing facility. Generally, choices on plant structure and the quantity of physical transit of materials required for manufacture are made prior to the commencement of production. Once production begins, these decisions have a substantial influence on the cost of everyday material handling. Cost management has a broad focus as a result (Holzer & Norreklit, 1991). It generally encompasses the product's whole life cycle, from product development to deletion, and continuously reduces costs. The execution of general management methods frequently includes cost management as a crucial component (Klychova *et al.*, 2015)

Despite the fact that many management accounting ideas from the conventional industrial and service sectors are still in use, new situations are also changing how management accounting is done. For instance, some businesses make investments in projects involving digital transformation that may make use of many technologies such as cloud computing, the Internet of Things, big data, and artificial intelligence (Gray *et al.*, 1996).

The primary method for analyzing such important issues as how probable it is for managers to be successful with their management accounting and control systems (MCS) in diverse contexts has evolved throughout time. It is impossible to mention every method of empirical study that has been used or every issue that has been examined in this article. Three research traditions may be highlighted, nevertheless (Xiaoping, 2003). Research in behavioral accounting is the first. The behavioral sciences have studied, among other things, how individuals affect budgets and how budgetary control affects individual performance. These studies have investigated individual variations in motivation, personality, and risk aversion, for example, and have improved our understanding of the complexity and range of human behavior (Ambler & Kokkinaki, 1997). It is challenging to define the extent of management accounting as an area of study. Although there is no universally recognized definition of accounting, it might be considered a subfield of accounting in general.

Environmental accounting's positive societal impact is well acknowledged. Business businesses' environmental reports outline their inputs, outputs, and level of commitment to environmental protection. Stakeholders typically keep an eye on businesses to make sure they follow current environmental protection legislation (Eid & El-Gohary, 2013). Additionally, they would be interested in gaining a thorough knowledge of the business, including not just the traditional accounting data, such as the financial situation of the company, but also the broader social, economic, and environmental ramifications of its operations (Kaplan, 1984). All of this aids in guiding the movement of social capital. Establishing a comprehensive set of environmental accounting systems for identifying, measuring, logging, and reporting, however, is not that simple. An organization must have an environmental management system in place before the goals of environmental accounting may be incorporated into conventional accounting procedures (Eusebio *et al.*, 2006) A firm's annual report should include environmental outcomes in addition to financial results, thus the internal management

accounting system should be changed to external reporting of environmental information (Scott, 2015).

Since there are many facets to the existing link between MA and FA, this study's primary goal is to start a conversation about them. Therefore, the aspirations of the chapter are to (Stratopoulos *et al.*, 2000):

- hypothesize and comprehend the MA-FA connection, notably its confluence (Stratopoulos *et al.*, 2000); and
- Explain how this convergence of MA and FA is mirrored in the behavioral and organizational domains, as well as how it manifests in the technical and technological domains (Stratopoulos *et al.*, 2000).

In response to the escalating environmental issues, environmental management accounting (EMA) theory and practice arose in recent decades. A particular working group led by the China Executive Management Institution has already scheduled the creation of an environmental reporting system as one of the numerous environmental concerns on the government's policy agenda (CEMI) (Kihn, 2010). The CEMI group has already provided the government with several recommendations on how to assist businesses in establishing an environmental reporting system. China is in the process of reforming and establishing a consistent accounting system. The following are the key issues with completely and methodically providing the environmental information of companies (Kihn, 2010):

- *The appropriate method for measuring environmental accounting information is:* Accounting for environmental assets and liabilities, environmental expenses, and environmental revenue in monetary terms is challenging due to the absence of rigorous quantitative measurement and data systems for environmental accounting information. Environmental accounting data may also not be comparable between situations due to the variety of measures and disclosures (Kihn, 2010).
- *The distribution of environmental costs that is appropriate:* There are theories, techniques, and guidelines for accounting for

environmental costs, and environmental expenses are already recognize as part of an enterprise's costs, but there is still a significant issue with the accounting for social environmental costs. How much should a business pay in reparations for environmental harm and the exploitation of natural resources? How should various groups split up the expenses of social and environmental issues within the same setting? Finding an appropriate response to this problem is still challenging (Kihn, 2010).

- *Legislation issues:* Despite the fact that the Chinese government has already made sustainable development a long-term goal, it is still exceedingly difficult for private firms to comply with environmental regulations without sacrificing their own interests. Social sustainable development initiatives and an organization's short-term profit-maximizing goals are in constant opposition to one another. Unless there is a strong legislative obligation, most firms would not raise their environmental spending on their own initiative to satisfy the objectives of social sustainable development. An organization would want not to have to reveal the fact that the expense has already grown to the public (Kihn, 2010).
- *The absence of environmental accounting standards:* In recent years, the Ministry of Finance's standard-setting body has been working to develop a new set of accounting standards. However, there are still no legal requirements for environmental accounting practices. The environmental accounting objectives and the disclosure format cannot be combined as a consequence, and enterprises are unable to embrace them. The absence of standards also contributes to the complete disregard for environmental accounting information disclosure or results in subpar information disclosure (Kihn, 2010).

Though it must be acknowledged that much has already been done in China in this regard, more work needs to be done to improve the accounting reformation processes. In China, environmental accounting theory and practice are very young, having just recently

been adopted with more vigor. This demonstrates the widespread interest among academic authorities and commercial businesses (Kihn, 2010).

The Chinese government might also instruct companies to set up environmental reporting systems. To minimize the influence on the environment, this will necessitate control of business activity. The best course of action in this regard is to start with major organizations and publicly traded companies with the intention of eventually incorporating small and medium-sized enterprises after gaining expertise. The government would need to take care of at least the following duties to make sure that firms adopt a culture of environmental reporting (Kihn, 2010):

- Establish clear guidelines for the environmental report's content and the types of data that should be considered environmental management information;
- Monitor the objectivity, the level of detail, and the disclosure of environmental management information by businesses;
- Use incentive strategies to persuade businesses to adopt environmental reporting systems; and
- Gradually impose sanctions on those who fail to report environmental information or environmental management information (EMI) standards.

There are several distinctions between management and financial accounting, including the Table 1.

The government would also need to set up a system for environmental accounting and auditing. Environmental reporting calls for the coordination of several accounting and auditing methodologies. Environmental accounting uses monetary measurement to recognize, measure, and record environmental assets and liabilities (Stratopoulos *et al.*, 2000). It also analyses the effects of environmental efficiency of activities on the financial performance of business organizations. Environmental accounting establishes a link between economic development and environmental resources based on related environmental laws and regulations. Thus, it combines accounting and environmental economics to effectively

manage values while coordinating economic growth and environmental conservation (Kihn, 2010).

Table 1: Distinctions among Management & Financial Accounting

	Management Accounting	Financial Accounting
Purpose of information	Assist managers in making decisions to achieve an organization's goals.	Inform investors, banks, regulators, and other outside parties about an organization's financial status.
Primary users	Organizational managers	Investors, banks, regulators, and suppliers are examples of external users.
Focus & emphasis	Future-oriented	Past-focused
Rules of measurement & reporting	Internal evaluations and reports are not required to adhere to relevant accounting rules and are instead based on cost-benefit evaluations.	Financial reports are required to be prepared in conformity with applicable accounting standards and approved by independent external auditors.
Time span & type of reports	Contains financial and non-financial reports on goods, departments, territories, and plans ranging from hourly to 15 to 20 years.	Annual and quarterly financial reports, mostly on the entire firm
Behavioral implications	Designed to influence managers' and other workers' behavior	Reports economic events primarily, but also impacts behavior since manager remuneration is frequently dependent on reported financial performance.

Source: Horngren et al., 2009

EMA has been shown to benefit individual businesses and the general environment in a variety of ways, including (Kihn, 2010):

- reducing environmental impact, improving competition ability, and long-term profitability through improved product design, manufacturing process, and product packaging;
- assisting in making decisions about accepting, designing, or rejecting a procedure or product; and
- identifying opportunities to reduce regulatory alliance and operational costs.

Whether a business is in a period of recession or prosperity, environmental preservation is critical to its long-term success and the sustainability of the economy in which it operates. As a result, business entities should be controlled and encouraged to improve their environmental performance [10]. Environmental regulations established by advanced countries have achieved environmental protection goals through standardization or disallowance, which means that companies whose primary transaction is exporting cannot enter the international market unless their products and manufacturing procedures comply with environmental protection rules (Stratopoulos *et al.*, 2000). Other incentive-based approaches are also used to achieve environmental protection objectives. The quality of the information on which policy is based typically determines its efficacy. Thus, the adoption of the EMA system, which discloses environmental costs, can give helpful information to a variety of decision-makers (Boyns & Edwards, 2006).

Consequently, the broad stereotype was losing its relevance. Economic challenges are causing many global European and Japanese corporations to place greater emphasis on financial reasons, but numerous British and American companies may credibly claim to have embraced a wide stakeholder mindset (Holzer & Norrekliit, 1991). This is now a hot topic in the United Kingdom (RSA, 1994), with announced government policy explicitly in favor of increasing wide stakeholder responsibility by businesses as a corrective. 48 The European Accounting Review addresses what some see to be the excessively finance-driven milieu of the 1990s (Klychova *et al.*, 2015).

In actual practice, management accounting and financial accounting are frequently distinguished from one another. The primary purpose of management accounting is to support managers in achieving the objectives of the organization by the measurement, analysis, and the publication of financial and non-financial data (Xiaoping, 2003). A key element of total organizational control is a management accounting system. The biggest management accounting organization in the world, the Chartered Institute of Management Accountants (CIMA), views management accounting as a crucial component of management. According to this definition, management accounting combines accounting, finance, and management with cutting-edge strategies that power prosperous firms. Individual management usually requires that information in an accounting system be shown or reported differently (Eusebio *et al.*, 2006).

2.0 Ethical Guidelines

Management accountants are represented by professional accounting organizations in several countries. CIMA, for example, in the United Kingdom, provides a programme that leads to membership in the organization. Membership indicates that the individual has met the entrance standards and has demonstrated that they have the technical skills required by the CIMA to become a chartered management accountant (Horngren *et al.*, 2009). Students must pass exams on operational, management, and strategic elements of the industry as well as demonstrate professional competence in management accounting in order to become a member of CIMA. The promotion of a high level of ethics is crucial work done by professional accounting organizations. For its members, CIMA has published a code of ethics (Horngren *et al.*, 2009).

Management accountants may encounter ethical problems in a variety of ways. The instances below serve as illustrations (Horngren *et al.*, 2009):

Case A: A management accountant is concerned about the commercial feasibility of software for which R&D expenditures are now being capitalized since they know that declaring a loss for a software division would lead to yet another “rightsizing initiative” (a euphemism for layoffs). The divisional manager is adamant that the new product will be a “winner,” but he has no solid proof to back up this claim. The division’s most recent two goods didn’t do well on the market. The management accountant wishes to avoid a personal confrontation with the division manager since he has many friends there (Horngren *et al.*, 2009).

Case B: A packaging supplier is vying for a new contract and offers to pay the management accountant’s family’s weekend trip to Disneyland Paris. When sending out the invitation, the provider makes no mention of the new deal. The supplier does not know the accountant well on a personal level. She is worried that the supplier may request information regarding bids from other packaging businesses since she is aware that operating cost considerations are crucial in accepting the new contract (Horngren *et al.*, 2009).

The management accountant is confronted with an ethical dilemma in each situation. While case B concerns secrecy, case A involves competence, objectivity, and integrity. Sometimes there are grey areas in ethical matters. For instance, the supplier in situation B might not be planning to bring up flaws with the proposal. However, many businesses forbid their workers from taking free “gifts” from suppliers since the perception of a conflict of interest in instance B is sufficient (Horngren *et al.*, 2009).

3.0 Conclusion

The study’s overall finding is that there is still room for improvement in measuring performance outcomes in management accounting research in the future. While studies have historically added to the literature by conducting cross-sectional analyses of, in particular, the behavioural impacts of managers, promising recent advancements and knowledge gaps may potentially offer interesting

areas for future study. It is specifically recommended that a growing number of additional performance outcomes, including accounting-based, social and environmental outcomes, and relative-to-peer's assessments in diverse contexts, may be analysed concurrently. If feasible, longitudinal and panel research methods might be used to study the evolution of performance outcomes, and efforts could be made to determine the nature of causation.

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